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FIRST SESSION

VOLUME 105—PART 8

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SENATE

FRIDAY, JUNE 5, 1959

Rev. Robert H. Shaw, Ph.D., rector-elect, Trinity Episcopal Church, Fredericksburg, Va., offered the following prayer:

Almighty God, Thou high and mighty Ruler of the Universe, look with compassion upon the world which Thou hast made, and which men have disordered. Grant an end to tyranny and enslavement, to anxiety and fear. Show Thy mercy upon men; establish Thy truth among nations.

Bless, O God, this Nation, founded under Thy protection. Preserve it as a living witness to the value of each individual man, as a living influence for Thy will in Thy world.

Send Thy Holy Spirit, we beseech Thee, upon those who govern this Nation, and especially upon these, Thy servants, the Senate of the United States. Grant them love, to desire what is right; grant them wisdom, to know what is right; grant them courage, to do what is right; that in ordering the affairs of this country they may restore Thy order in the affairs of this world.

Through Jesus Christ our Lord, who liveth and reigneth with Thee and the same Holy Spirit, one God, world without end. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 4, 1959, was dispensed with.

EXECUTIVE REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT (EX. REPT. NO. 4)

Pursuant to the order of the Senate of June 4, 1959,

Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, reported favorably the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce, and submitted a report thereon, together with minority and individual views, which was printed.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1094) to amend the Bretton Woods Agreements Act.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until noon on Monday.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the Executive Calendar, as in executive session.

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

STATE DEPARTMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate now consider the nomination, on the Executive Calendar, of J. Graham Parsons, of New York, to be an Assistant Secretary of State.

The VICE PRESIDENT. Without objection, the nomination will be stated.

The Chief Clerk read the nomination of J. Graham Parsons, of New York, to be an Assistant Secretary of State.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

PROPOSED AMENDMENTS TO THE BUDGET, FISCAL YEAR 1960 (S. DOC. NO. 28)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting proposed amendments to the budget for the fiscal year 1960, involving increases in the amount of $433,365 for the legislative branch, which, with an accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

RESOLUTIONS OF MINNESOTA LEGISLATURE

Mr. HUMPHREY. Mr. President, I present two resolutions which were recently approved by the Minnesota State Legislature, in support of a bill to establish a Youth Conservation Corps and a bill to equalize the retirement pay of members of the Armed Forces. I ask unanimous consent that the resolutions be printed in the RECORD and appropriately referred to the committees considering these measures.

As the sponsor of the Youth Conservation Act of 1959, S. 812, and a cosponsor of S. 269, which would equalize retirement benefits, I am most pleased to invite the Senate's attention to these two resolutions in support of these bills.

There being no objection, the resolutions were received, appropriately referred, and, under the rule, ordered to be printed in the RECORD, as follows:

To the Committee on Armed Services:

"RESOLUTION 7

"Resolution memorializing the Congress of the United States to amend the Military Pay Act of 1958 to equalize the retirement pay of members of the Armed Forces of the United States

"Whereas there is now pending before the 86th Congress of the United States legislation, including S. 269, S. 541, and H.R. 703,

to equalize the pay of retired members of the uniformed services who receive their retired pay under the provisions of the Career Compensation Act of 1949; and

"Whereas the Military Pay Act of 1958, Public Law 85-422, failed to provide for the computation of the retired pay of such members of the uniformed services, retired prior to June 1, 1958, on the basis of the newly established pay rates provided in said law, at the same time providing that the retired pay of those retired after that date be computed at the newly established higher rates; and

"Whereas there appears to be no basis for this gross discrimination against such retired personnel who, by reason of past meritorious services, should be equally entitled to benefits granted to retired personnel retired after the effective date of the Military Pay Act of 1958, Public Law 85-422; and

"Whereas a failure to maintain the same standard for the computation of retired pay of all members of the uniformed services of the United States, regardless of the date of their retirement, will cause defections from active service of carreer officers and thus prove detrimental to the national defense and security of the United States; and

"Whereas retired members of the uniformed services of the United States reside in every portion of our country, however, the State of Minnesota is privileged to have great numbers of such retired personnel who have served their country faithfully and with distinction: Now, therefore, be it

"Resolved by the Legislature of Minnesota, That the Legislature of Minnesota respectfully memorialize the Congress of the United States to enact appropriate legislation, similar to that proposed in S. 269, S. 541, and H.R. 703 of the 86th Congress, to provide that the retired pay of those retired before June 1, 1958, be computed on the same basis as the computation of the retired pay of such members retired after June 1, 1958; and be it further

"Resolved, That the secretary of state is hereby directed to transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from the State of Minnesota in the Congress of the United States.

"KARL RALVAAG,
"President of the Senate.
"E. J. CHILGREN,
"Speaker of the House of Representatives.
"Approved April 24, 1959.
"ORVILLE L. FREEMAN,
"Governor of the State of Minnesota."

To the Committee on Labor and Public Welfare:

"RESOLUTION 8

"Concurrent resolution memorializing the Congress of the United States to enact legislation creating a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and water, and of recreational areas

"Whereas an ever-increasing number of young people 16 to 22 years of age in our society are unable to find employment; and

"Whereas unemployed youth under 20 years of age in Minnesota numbered 14,000 in February 1959, according to Federal estimates reported by the Minnesota Department of Employment Security; and

"Whereas such growing unemployment results from the increasing mechanization and automation in agriculture, industry, and clerical and service activities, and is therefore no transitory problem; and

"Whereas many of these young people who are unemployed have special need to learn habits of work, responsibility, skills, and self-confidence; and

"Whereas idleness at this period of their lives will turn many of them into embittered and frustrated citizens, crippled vocationally and emotionally; and

"Whereas the protection of our natural resources in soil, water, forest, and wildlife is essential to the continued economic and spiritual health of our society, at the same time that conservation projects offer unlimited and noncompetitive work opportunities to our young people; and

"Whereas both youth unemployment and conservation needs are nationwide and require Federal attention: Now, therefore, be it

"Resolved by the Legislature of the State of Minnesota, That the Congress of the United States be respectfully requested to enact immediately legislation now before it to establish a Youth Conservation Corps; and, be it further

"Resolved, That the secretary of state of the State of Minnesota be instructed to transmit copies of the joint resolution to the Presiding Officers of the Senate and House of Representatives of the United States and to each Member of Congress from the State of Minnesota.

"E. J. CHILGREN,
"Speaker of the House of Representatives.
"KARL ROLVAAG,
"President of the Senate.
Approved April 24, 1959.
"ORVILLE L. FREEMAN,
"Governor of the State of Minnesota."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 6319. An act to amend chapter 55 of title 38, United States Code, to establish safeguards relative to the accumulation and final disposition of certain benefits in the case of incompetent veterans (Rept. No. 344).

By Mr. HAYDEN, from the Committee on Appropriations, with amendments:

H.R. 5915. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes (Rept. No. 345).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, without amendment:

S. 6. A bill to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons (Rept. No. 346); and

S. 1941. A bill to extend section 17 of the Bankhead-Jones Farm Tenant Act for 2 years (Rept. No. 347).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with amendments:

S. 1521. A bill to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938 (Rept. No. 348).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, with amendments:

S. 1512. A bill to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes (Rept. No. 349); and

S. 1513. A bill to clarify the status of the Federal land banks, the Federal intermediate credit banks, and the banks for cooperatives and their officers and employees with respect to certain laws applicable generally to the United States and its officers and employees, and for other purposes (Rept. No. 350).

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with amendments:

S. 864. A bill to provide greater protection against the introduction and dissemination of diseases of livestock and poultry, and for other purposes (Rept. No. 351).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time and referred as follows:

By Mr. SALTONSTALL:

S. 2121. A bill to provide for systematic reduction of the public debt; to the Committee on Finance.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. SALTONSTALL (for himself and Mr. BYRD of Virginia):

S. 2122. A bill to require semiannual reports by the Secretary of the Treasury with respect to the financial commitments and contingencies of the Government; to the Committee on Government Operations.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 2123. A bill to amend sections 1461, 1462, 1463, and 1465 of title 18 of the United States Code to provide mandatory prison sentences in certain cases for mailing, importing, or transporting obscene material; to the Committee on the Judiciary.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. SYMINGTON:

S. 2124. A bill to amend the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. EASTLAND:

S. 2125. A bill to provide that the tax imposed by the Federal Unemployment Tax Act shall not apply with respect to service performed by individuals in connection with certain fishing and related activities; and

S. 2126. A bill to exclude from coverage under the insurance system established by title II of the Social Security Act service performed by individuals in connection with certain fishing and related activities; to the Committee on Finance.

By Mr. HUMPHREY:

S. 2127. A bill for the relief of Andrzej Szuba; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 2128. A bill for the relief of the West Virginia Pulp and Paper Co.; to the Committee on Interior and Insular Affairs.

By Mr. SALTONSTALL:

S.J. Res. 106. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium; to the Committee on Armed Services.

(See the remarks of Mr. SALTONSTALL when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

Mr. HUMPHREY submitted a resolution (S. Res. 129) favoring continued efforts by all nations to strengthen cooperation in health and research activi-

ties, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

THE PUBLIC DEBT REDUCTION ACT OF 1959

Mr. SALTONSTALL. Mr. President, I introduce, for appropriate reference, a bill entitled "The Public Debt Reduction Act of 1959."

This bill is similar to Senate bill 1738, which I introduced in the last Congress. The bill would amend the Second Liberty Bond Act, as amended, which provides for a permanent ceiling on the total national debt of the United States, now established at $283 billion. The purpose of the bill is to lower, gradually and systematically, the ceiling on the national debt, by providing that at the beginning of each fiscal year it be reduced by a certain percentage of the preceding year's Federal revenue.

The percentages provided in this bill range from 2 to 5 percent. These are modest amounts, and would not disrupt existing Federal programs. However, if the bill were enacted into law, it would bring about a gradual reduction in the public debt of the United States, and would provide in any given year a fixed ceiling for Federal spending.

The percentages would operate on an escalator principle, and not until 1963 would the full impact of the bill be felt. In that and succeeding years the bill would call for a reduction of the debt by 5 percent of the net Federal revenue for the previous fiscal year. The budget for the fiscal year 1963 and thereafter could not exceed 95 percent of the previous year's revenue.

The bill provides two escape clauses when its debt-reducing effect would be suspended—one to be invoked in time of war, and the other to be invoked in a time of economic crisis when it might be considered in the best interests of the Nation to incur a budget deficit. Furthermore, in the event that Congress should pass any tax relief measure, the amount of the scheduled lowering of the public debt could be reduced, under this bill, for 2 fiscal years by the amount of the loss of revenue resulting from such tax relief.

The provisions of this bill are essentially the same as those of the similar bill I introduced in the last Congress. The bill I am introducing today contains two provisions which were not in my previous bill. The first of these would authorize the Secretary of the Treasury to accept, on behalf of the United States, gifts of money or any other intangible personal property and any Government obligations, if made on the condition that such gifts be used to reduce the national debt. Under present law, the Secretary of the Treasury may not accept such conditional gifts. This provision would afford to the people of the United States an opportunity by their own direct action to reduce the national debt.

The second provision which was not in the bill which I introduced in the last Congress would require that the proceeds received by the Federal Government from the sale of any capital assets be applied to reduction of the national debt.

In order to make these two features effective, the bill requires that, in addition to the scheduled annual percentage reductions in the debt ceiling, such ceiling shall also be reduced by the amount of gifts received by the Secretary of the Treasury and by the amount of proceeds resulting from the sale of capital assets of the United States.

There are three basic goals which I hope this bill will achieve. The first is to reduce the size of the debt of the United States, which would, in turn, reduce the enormous sums of money which must be appropriated each year for payment of interest on the debt. The President's 1960 budget provides for $8.1 billion for this purpose. This is more than 10 percent of the 1960 budget. Second, I hope the bill will help to keep a control on Federal spending, by establishing a system for limiting the amount of expenditures in times of peace and prosperity. Third, the bill should serve as an effective measure to help combat inflation. President Eisenhower has made it a prime goal of national policy to curb inflation, which has plagued our economy since 1939. His efforts are beginning to show results. Enactment of this bill will help assure that the progress in controlling inflation which has been started under President Eisenhower will continue in the years to come.

It begins to appear that there is real hope for a budget surplus in the fiscal year 1960, for the U.S. economy seems to be booming toward ever-higher levels of prosperity as we draw away from last year's recission. If this session of Congress can produce a budget balanced along the lines recommended by the President, it now begins to appear that revenues will be large enough to produce a surplus. Already there has been some talk of the possibility of tax relief next year. Today I am not prepared to say whether tax relief would be a good idea next year. I know that I shall wish to balance that possibility against the opportunity to reduce the national debt.

If Congress enacts this bill, it will assure the necessity of weighing tax reduction against debt reduction, in the event of budget surpluses. Mr. President, certainly everyone favors reducing the national debt. This bill provides an opportunity for Congress to do something toward achieving that objective. I hope the Senate Finance Committee will give the bill prompt and favorable consideration, together with a number of other interesting proposals which have been made for reduction in the national debt.

Mr. President, this bill spells fiscal responsibility. It is a call for sound fiscal management on the part of both the Congress and the executive branch. It is an invitation to come firmly to grips with a bad habit which has marked most of the last quarter century of Federal Government fiscal behavior—namely, to leave until some undefined tomorrow payment of the cost of many Government services and activities which should be met today. I can think of nothing which would more effectively strengthen the confidence of the American people in the future fiscal integrity of their Government than for Congress to indicate that it means business on debt reduction. Such action would also assure all our friends in the free world that America means to keep her dollar hard, and thereby safeguard her economy, on which the economies of all other free nations so greatly depend for their strength and stability. It is not hard to remember that we must constantly maintain the military strength necessary in today's world, in order to assure the survival and growth of the United States and the rest of the free world. More effort seems required in order to recall the no less important necessity that we keep our economy strong. Enactment of this bill will guard us from the weakening influence of fiscal irresponsibility.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the close of my remarks, three articles which from different points of emphasis illuminate the importance of having Congress adopt an effective mechanism for controlling and reducing the national debt.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, May 26, 1959]

TREASURY'S ANDERSON: HIS PRODUCT UNPOPULAR

(By Joseph R. Slevin)

WASHINGTON, May 25.—Secretary of the Treasury Robert B. Anderson is a salesman with an unattractive product and fresh reminders of his market troubles come with disconcerting regularity.

Government securities are the Secretary's stock-in-trade. He wants investors to add larger quantities of governments to their portfolios but they have been taking a dim view of his entreaties.

The only growing market that Mr. Anderson can find is for short-term securities. Corporations have been buying short-term governments to invest their tax reserves and local governments have been buying them to invest their own tax collections.

Other customers are cutting back. That's true of savings bondholders, who consistently have been cashing more bonds than they have been buying. And it's true of the big institutional purchasers who have been searching out more lucrative investments than Government bonds.

It's doubly galling to Mr. Anderson and his Treasury advisers.

Government securities are being cold-shouldered at a time when the public debt—and the Treasury's needs for customers—have been rising. They are being cold-shouldered during a period when the total investments of institutions are growing by leaps and bounds.

The Treasury estimates that institutional investors chopped $1,500 million of Government securities from their portfolios during the last 6 years. The assets of the institutions climbed an incredible $100 billion over the same 6 years.

Life insurance companies and mutual savings banks cut their actual holdings of governments by $5,500 million. The proportion of their assets in governments dropped 50 percent.

Savings and loan associations and State and local government pension funds added to their holdings of governments. But their total assets rose even more quickly with the result that governments represented a

smaller proportion of their assets at the end of the period than at the beginning.

The latest bit of unhappy news concerns corporate pension-fund holdings of governments and it came to Mr. Anderson today from the Securities and Exchange Commission. It had a familiar ring, for it was the same story that a prosperous, profit-hungry economy has been telling the Secretary for a long, long time.

Corporate pension funds boosted their assets to $22,094 million at the end of 1956 from $19,319 million a year earlier. The funds simultaneously trimmed their holdings of Government securities to $1,985 million from a year ago total of $2,032 million.

Where did the funds put their increased assets? Holdings of corporate bonds rose to $11,731 million from $10,392 million. Holdings of common stock jumped to $6,042 million from $4,770 million.

The pension funds are buying corporate bonds and common stock because they want a more generous return than they can obtain from Government securities. The corporates pay better. The common stock yields as much or more and provides a hedge against inflation to boot.

Corporate pension funds began to grow rapidly just under 10 years ago after the National Labor Relations Board ruled that pension benefits were a proper subject for collective bargaining. The SEC figures go back to 1951 and the changes since have been dramatic.

The funds have more than trebled in size. The December 31, 1958 total of $22,094 million compares with a December 31, 1951, volume of only $6,876 million.

The $11,731 million corporate-bond total contrasts with 1951 holdings of $3,125 million and the $6,042 million common stock portfolio stacks up against a meager 1951 volume of $812 million.

Government securities not only haven't shared in the expansion but they actually have lost ground. The $1,985 million of "governments" in pension fund hands last December 31 was $185 million smaller than the $2,170 million of "governments" that the funds had 7 years before.

Mr. Anderson is trying to decide whether he should ask Congress to boost the 4¼ percent statutory ceiling on Government bonds. The going rate is higher and the Treasury has been priced out of the market.

Paying more than 4¼ percent may not arouse additional investor enthusiasm. Corporate bonds and mortgages still will yield more than "governments." But it will allow the Treasury to sell some Government bonds to the segment of the market that likes to put part of its funds in Federal obligations.

Mr. Anderson can sharply increase the Treasury's sales only raising the Treasury rate to yield that would actively bid money away from other investments.

The maneuver would drain money from home building, local government public works, corporate expansion and other private activities. Much as Mr. Anderson would like to sell more bonds, it's not a step that he's likely to take.

[From the New York Times, May 22, 1959]

THE OMINOUS DISTRUST OF THE DOLLAR

(As reprinted from the Whaley-Eaton American Letter by Reader's Digest)

The flight from Government bonds is more ominous than most Washington officials care to admit publicly. Several recent Treasury financing operations have failed badly. As a result, the Treasury is being forced to run faster and faster merely to keep up with its maturities. The fact is that the richest Nation in the world is now operating on a hand-to-mouth basis.

The effect of all this seems utterly lost on advocates of dynamic new spending programs to speed business expansion, eliminate unemployment.

The Treasury cannot spend more money than it gets through taxes and Government security issues. Yet professional and naive investors both now distrust the latter. This means recourse to financing through the banks, which increases the money supply and is directly inflationary.

The classic sources of savings upon which the Treasury must draw if it is to manage the public debt in orderly fashion are being diverted. Institutions and individuals alike are investing their funds elsewhere. This clearly reflects basic distrust of the Government's fiscal responsibility. As Federal Reserve Chairman William McC. Martin puts it, "Investors cannot be induced to purchase fixed-income securities if they fear a steady erosion in the purchasing power of the dollar." Yet this is precisely what they do fear.

Official Treasury figures tell the story. During the past 6 years the assets of insurance companies, mutual savings banks, savings and loan associations and pension funds rose by about $100 billion, but not a penny of this additional money went into Government issues.

During this same period, private citizens had new savings on the order of $137 billion available for investment either through savings institutions or directly in securities and mortgages. None of this flow of capital went into Government obligations, on balance.

Refusal of the investing public to put new funds into Federal issues forces the Treasury to finance by devious means. For example, it sells tax anticipation notes to corporations at whatever price the market offers. This is, in effect, a method of collecting taxes before they are due. And it sells other short-term issues to banks, which treat them as cash, since they can be turned into dollars by rediscounting—thus creating more money.

Unless hopes for balancing the budget can be revived, the Treasury will have no alternative but to continue this course. That creates still further problems: (1) It will push up its interest cost even higher; (2) it will necessitate new offerings at more frequent intervals.

Restoration of faith in the dollar requires facing up to the Treasury's dilemma. But that is something Congress still seems unprepared to do. The testimony of Treasury officials has brought out clearly the need for fiscal sanity. But such pleas for a balanced budget mean comparatively little to a Congress which is being pressured from all sides to approve vital new Federal spending programs.

These pressures are direct, and every Member of Congress is subject to them. The sad truth is that they do not come solely, or even primarily, from labor-liberal groups. Conservatives are just as active in sponsoring spending programs when their own interests are involved.

Congress lacks any real machinery, moreover, with which to keep the budget under control. Its dual system of appropriating directly for some programs and authorizing agencies to borrow from the Treasury, with no time limit on either type of spending, skirts the whole problem. There is no close tie between the voting of expenditures and the voting of revenues to provide the necessary funds. This makes hold-the-line policy difficult under any conditions.

Spot checks of congressional mail fail to reveal any strong national demand for a balanced budget. Many people are writing, but most also want local needs considered.

Federal debt management problems not only arouse concern on the part of the Treasury officials but also affect the taxpayers' pocketbook. Interest cost on the money the Government has hired now runs to $8.1 billion yearly. This is second only to defense in the fiscal 1960 budget of $77 billion, and represents almost a 30-percent increase within the past 5 years alone.

The continuing shift in Treasury debt to shorter and shorter issues is creating other worries. With buyers backing away from issues having a longer term than a year, refunding operations become larger and more frequent. Financing exclusively in the 1-year area means that within 4 years 75 percent of the total debt would have to be refunded each year.

The upward trend of interest rates has, moreover, still some way to go. Not only does the Treasury face further maturities this half year which must be refunded; it will also have to raise some $6 billion to $7 billion of new money in the second half. If business recovery continues as expected, the Treasury will be competing with heavy business loan requirements.

Eisenhower's impossible position on spending versus economy is illustrated in his effort to boost rural electrical cooperative interest rates. He wants co-ops to pay the same rate (about 4 percent) that the Treasury must bear when it borrows in the open market—just enough to cover basic costs. Yet the President is stymied by the congressional farm bloc. Democratic leaders assured the cooperatives that the 2-percent rate will go untouched.

At the heart of the Treasury's problem is a simple fact, easily grasped by anyone. This is that governments, like individuals, cannot spend more than they take in without being hurt. In the case of governments, continuing deficit spending debases the currency. This is the essence of today's distrust of the dollar.

[From U.S. News & World Report, May 11, 1959]

INFLATION, DEBT, RED INK: HERE IS THE OFFICIAL VIEW

(Interview with Robert B. Anderson, Secretary of the Treasury)

Question. Mr. Secretary, is the decline in the Government-bond market the result of a fear that inflation will further cheapen the value of the dollar?

Answer. I think you have to take into consideration a number of factors. In a period of strong business recovery, there are many opportunities for people to invest. A great many people are attracted to common stocks. Some see better business opportunities and put their money to work directly in a business operation. Businesses, seeking to expand and modernize, compete with the Treasury in borrowing savings with which to expand.

Greater difficulty in managing the Federal debt is simply one of the inevitable side effects of a rapidly expanding level of business activity.

Question. It has been said recently that the Treasury, in financing debt in a period of inflation, faces an almost impossible situation. What would you say to that?

Answer. It certainly is not an "impossible" situation. I would call it a rather difficult one. We have had similar difficulties in earlier periods of rising business activity. I think it's important to realize that we are making substantial progress in debt management in spite of the effect of a $13 billion budget deficit this year.

At the present time the amount of the public debt maturing in less than 1 year is $10 billion less than it was at the end of 1953. It's $2 billion less than in December 1957, before the present substantial budget deficit arose. The average length of the marketable debt is slightly greater than it was in December 1957.

And then we've taken several steps during the past year to restructure our short-term debt so that it creates much less market disturbance. This is being done through the staggering of maturities and through selling more of our securities at auction. In

this way, competitive market forces determine the price of the new issues which are sold.

Question. You have said that, when the Government borrows from banks, the effect is to increase the country's money supply. Why be concerned about that?

Answer. I think in answering this kind of question one has to speak in the context of the time in which one is living. Let us simply say that more money usually means more spending.

There are times in which more spending is just what the economy needs.

A year ago we were in a recession; more spending was desirable. But, when business is expanding rapidly, we tend to use more and more fully our productive resources—our manpower, materials, our machines, and equipment. And after a certain point we take up most of the slack in the economy.

Then, if spending increases when there is little or no slack in the economy, prices would rise. We might then be confronted with the immediate danger of restraining an inflationary spiral.

I believe it is important for us to say that we have not, in my judgment, reached that point; nevertheless it does not minimize our obligation to do the right things now, while reasonable price stability prevails.

We still have too much idle manpower but, as the economy grows and the level of business activity rises, this manpower will be more fully utilized. We still have some idle equipment and machinery but, here again, with rising levels of business, the slack will be taken up. Last month, for example, industrial output moved to an all-time peak; individuals' income rose sharply to a new record; unemployment declined sharply.

The hard, basic fact is that, if we are to be a responsible nation, we must constantly plan for the future. Winning a battle against inflation is much like winning a battle in a war—it requires the utmost in determination and in advance planning. And we must respond to the challenge of what may be the dangers in the future, so that we can maintain confidence.

Question. Would you say that inflation has now become so much of a danger that it is vital to balance the Government's budget and stop borrowing new money?

Answer. If, in a period when we are setting new highs in production, in earnings, in corporate profits, in the level of business activity that is measured by gross national product—if, under those circumstances, we cannot live within our means—then I think people can rightfully ask. "When can you do so?"

There are a number of things which should put us on guard. For one thing, we are rapidly taking up the slack in the economy. Moreover, even though consumer and average wholesale prices have been more or less stable for a year, the stability has reflected increasing industrial prices and the prices of various other things, offset essentially by declines in prices of food and farm products.

The important thing to remember is that, in combatting future inflation, the seeds of inflation can be sown in periods just like the present.

To sit placidly by as long as price indexes are reasonably stable, without preparing properly for the pressures which may be building up toward future inflation—without restraining those pressures that may later show up in increased prices—is in effect to close the barn door after the horse has gotten at least part of the way out.

Question. Is the alternative to a balanced budget more bank-created money?

Answer. The extent to which we do not have a balanced budget would, of course, require us to do increased borrowing. The extent to which we do increased borrowing would probably result in some expansion of bank deposits.

Question. Is growth in the money supply the real danger of deficit financing in the period ahead?

Answer. It is certainly one of the dangers.

I should like to say on this subject of balancing the budget, or living within our means, that we must never forget that we already have a debt of very great magnitude. Surely in a period of high and rising business activity we should have as a goal, as an aim of our country, not only to achieve a mere balance in the budget, but something of a surplus that can be used for debt retirement. For if this is not done, the alternative may well turn out to be greater reliance on money creation.

Question. Suppose business begins to expand more rapidly, and businesses become not buyers but sellers of Treasury securities. What will your situation be then, with money tightening?

Answer. The extent to which securities are not bought and held by individuals, corporate holders and other nonbank investors puts an additional pressure upon the Treasury to finance in the commercial banking system. To that extent, of course, there is the danger of increasing the money supply.

However, as long as corporate profits and tax liabilities continue to rise, their holdings of governments should remain high. With business activity expanding, the outlook for continuation of corporate demand for our securities is favorable.

Question. Now, Mr. Secretary, what can we do in this country to avoid resorting to excessive creation of money to finance the Government?

Answer. One of the things that we can do during periods of high levels of business activity is to not only live within our means, but actually to make some reduction of the national debt. This means that the Government should do all of those things that are required and as many of those things as prudent people would judge should be provided within the limits of our fiscal condition at any given time.

We can try to increase our productivity by carefully studying our productive capacities and by eliminating impediments to rising productivity.

We can and should give support and encouragement to sound monetary policies such as will prevent credit excesses from adding unduly to spending during a period of business expansion.

The role of Government in all of these areas is, of course, vital. In this connection, it should be noted that outstanding leaders of both parties in the Congress have an awareness of, and are working toward, sound policies. But more than sound policies in Government are required.

Sometimes it seems to be old fashioned, or a cliche, to say that business and labor—indeed, every single citizen of this country—must use restraint, judgment, and responsibility in his activities; but this is one of the burdens of democracy. And when you weigh the advantages of democracy and freedom, the ability to use man's full incentives and the genius of his productive capacity, against a totalitarian system of direct controls, it's a very small burden that we're asked to assume—simply to be responsible.

Question. Is the outflow of gold a complicating factor in your problem? Are you concerned about that outflow?

Answer. I do not believe that the outflow of gold has been a significant complicating factor in our efforts to finance the deficit.

The outflow of gold is related to our international payments position and also reflects the fact that some foreign countries which were building up their international reserves last year had increased earning in their balance of payments and chose to hold some of their reserves in gold. Gold serves its age-old functions—as a means of international settlement, and a national monetary reserve. To do this, it moves from country to country in accordance with the payments balance and the monetary policies of the major trading countries in the world.

I should point out that, during the time that gold was being added to the reserves of other countries, foreign holdings of bank deposits and short-term investment in this country—including short-term securities of the United States—increased.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2121) to provide for systematic reduction of the public debt, introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on Finance.

FEDERAL OBLIGATIONS REPORTING ACT OF 1959

Mr. SALTONSTALL. Mr. President, on behalf of myself and the Senator from Virginia [Mr. BYRD], I introduce, for appropriate reference, a bill to require the Secretary of the Treasury to make regular reports of the financial obligations of the United States, including direct and guaranteed debt, indirect and contingent debt, contractual commitments, and authorized but uncommitted appropriations.

The direct and guaranteed debt of the United States, most of which is subject to the public-debt ceiling, is already now regularly reported at various times and in various forms by the Treasury Department. It appears in the Monthly Bulletin, in the monthly statement of receipts and expenditures, and in other ways.

However, there is no comprehensive, regular reporting of the Government's indirect and contingent debt, its forward contractual commitments, or its backlog of uncommitted appropriations. These categories of Federal obligations and spending have grown substantially over recent years. We need a convenient, regular, and comprehensive means of keeping informed about them. Such information is increasingly essential to sound fiscal management in the Federal Government.

Federal agencies and corporations have been authorized to issue their own obligations. Some are guaranteed by the U.S. Government, and others are not; but purchasers see both types as backed by the Government. For example, a variety of guarantees have been made on housing and other mortgages; the Federal Deposit Insurance Corporation insures the bank deposits of our people; GI life insurance insures the lives of our soldiers and veterans. Each of these programs and many others are reported to the Congress from time to time, but are never reported all at once, so that the Congress and the people may be fully aware of the impact they may have on our debt structure.

This bill calls for the reporting by the Secretary of the Treasury of the payments which the United States may be legally or morally obligated to make under all such programs. It calls for the reporting of the unused authority to make commitments under such programs. It calls for an estimate by the

Secretary of the Treasury of the financial risks inherent in such programs. The bill does not attempt a single definition of such risks, because there is so much variety among the programs. However, I would suggest that it might be reported in the form of estimated actuarial reserves. Any existing reserves would, of course, be reported, so that comparison would show the net risk.

There is another area in which recent growth has added to the obligations of the Government. The making of long-term contracts, when the United States has agreed to pay for goods or services over a period of up to 20 or more years, has increased sharply. Examples of this are the long-term leases whereby new post office or Federal office building construction is financed. In most cases these programs are an effort to avoid increasing the direct public debt of the United States, by encouraging private bodies to underwrite what the Government does not wish to pay for all at once. They are, perhaps, excellent programs; but since they replace the public debt, I believe they should be considered in the same context as the public debt. A third area in which the Congress is inadequately informed is the field of authorized and appropriated but uncommitted Government spending programs. From time to time, there is substantial delay in the actual commitment by the Executive of appropriated funds, thereby accumulating within the executive branch a volume of potential spending which could substantially affect the economy, as well as have a significant effect on the Federal balance sheet. It is my belief that this condition should be reported to the Congress at regular intervals at the same time as the direct debt, the indirect debt, and long-term contracts are reported, so that Congress and the taxpayers may see the full picture all at once.

The bill calls upon the Secretary of the Treasury to make such reports semiannually—at the end of the fiscal and calendar years. It provides that they be broken down by department and agency, so we may see the programs individually and as parts of a whole.

Such reports would provide Congress and the taxpayers with information which is vitally needed in convenient form. A part of it is now readily available in existing reports, but most of it can be obtained only by special request. Such requests have been made from time to time in the past by the chairman of the Finance Committee, the senior Senator from Virginia [Mr. BYRD] who joins me in sponsoring this bill, and by other Members of Congress. The Treasury Department has been accommodating in fulfilling these requests. However, I do not believe it should be necessary that this information be specially requested from the Treasury Department.

Under present laws, we have easier access to information about the obligations of many private corporations than we have about the obligations of the Federal Government.

Corporations which want to raise money from the public must publicly disclose to the Securities and Exchange Commission all their contingent liabilities and future spending programs. The purpose of such disclosures is to inform investors of the risks they face, and to give them an informed and reliable basis for the decisions they must make in their private investments. Since all of us are necessarily investors in the Federal Government, we should be as readily informed about its obligations and future spending programs.

The reports called for by my bill will provide Congress with information which would be very helpful in providing for sound fiscal management of the Federal Government.

Mr. President, I ask unanimous consent to have the full text of the bill which I am introducing printed in the RECORD, and also a short study entitled "Providing the Congress with More Information on Authorizations and Commitments to Spend Beyond the Budget Year," which has been prepared at my request and direction by John C. Jackson, specialist in fiscal and financial economics in the Legislative Reference Service.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and study will be printed in the RECORD.

The bill (S. 2122) to require semiannual reports by the Secretary of the Treasury with respect to the financial commitments and contingencies of the Government, introduced by Mr. SALTONSTALL (for himself and Mr. BYRD of Virginia), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Obligations Reporting Act of 1959."

SEC. 2. Section 114 of the Budget and Accounting Procedures Act of 1950 is amended by adding at the end thereof the following:

"(d) The reports required by this section to be prepared by the Secretary of the Treasury shall include semiannual reports setting forth—

"(1) a summary statement of the outstanding public debt and guaranteed obligations of the United States showing the amount thereof which is subject to statutory limitation;

"(2) the aggregate amount of the contingent liabilities of the Government together with a statement showing the collateral pledged or other assets available (or to be realized) as security therefor, and an analysis of their significance in terms of past experience and probable risk;

"(3) the total amount of the Government's obligation under outstanding contracts for the purchase of property, goods, or services to be realized or delivered over a period of three or more years; and

"(4) the total amount of the outstanding contract authorization which has been granted to, but not committed by, the executive agencies.

"Such reports shall set forth the financial data required by clauses (2), (3), and (4) of this subsection in a concise form, with such explanatory material as the Secretary may determine to be necessary or desirable, and shall include total amounts for each category according to the executive agency involved and for all such agencies."

The study presented by Mr. SALTONSTALL is as follows:

PROVIDING THE CONGRESS WITH MORE INFORMATION ON AUTHORIZATIONS AND COMMITMENTS TO SPEND BEYOND THE BUDGET YEAR

(By John C. Jackson, specialist in fiscal and financial economics, Economics Division, Library of Congress)

Most of the Federal Government's expenditures pay for programs that continue beyond one budget year. Many of the programs and their component activities are of indefinite duration, others require varying numbers of years for completion. The manner in which the Congress has authorized expenditures often reflects the nature and duration of the program, and affects the ability of Congress to control expenditures in any fiscal year. A few examples will illustrate differences in the way expenditures are authorized. The interest on the public debt is paid under authority of a permanent appropriation. Major portions of the public roads program expenditures are from a trust fund to which gasoline and other taxes are contributed. Aircraft, missiles, and ships are paid for under authority of appropriations which contain no limitation as to the period of years over which the funds are to be available. The Export-Import Bank lends funds which it has obtained from Treasury investment in its capital stock, funds obtained by borrowing from the Treasury, and also lends the repayments and earnings from earlier loans. The Federal Housing Administration insures mortgages and meets claims by issuing debentures which are subsequently redeemed out of insurance revenue and the proceeds of the sale of the properties and mortgages. The appropriation for salaries and expenses of the Bureau of the Census is an annual appropriation, to be obligated during the fiscal year for which it is provided.

These activities or programs, like others undertaken by the Government, involve moral or statutory commitments of the Government to spend money in later fiscal years. The commitment to maintain a Bureau of the Census may be no less binding because it is financed on an annual basis than is the commitment to a missile program which will not require annual congressional action because one appropriation has authorized the full amount of money required for a program extending over several years.

The annual expenditures to meet commitments are difficult to control through present methods of authorizing obligations when a project requires more than 1 fiscal year to complete, or is financed through a revolving fund, or when insurance or guarantees are written. The Congress does not have complete control over the rate of progress on missile contracts or construction contracts, nor over the prices of farm produce subject to price support, nor over delinquency and default rates on insured mortgages.

The means of obtaining the money to make the authorized expenditures are prescribed by legislation, but the adequacy of the funds is not wholly within the control of the Congress. Income tax revenues, for example, vary with changes in economic conditions. Receipts of Government corporations from loan repayments and from sales of commodities, receipts that will be applicable to the corporation's uses and avoid budgetary expenditures, also fluctuate with economic conditions.

One of the results of imprecise control over expenditures and revenues is insecure control over the size of the public debt. If the Congress wishes to reduce the public debt in an orderly fashion, by definite amounts, it may consider methods of controlling expenditures more precisely.

A first step toward closer annual control over expenditures is to ascertain not only

the plans for expenditures during succeeding years but to ascertain how much the Government can spend on the basis of present authorizations, and how much it could be required to spend, willingly or unwillingly, because of present commitments for which appropriations have not been provided.

Information on these matters is presented in the text of the budget document, and in summary tables, for programs resulted in budgetary expenditures. (Some data also are presented for trust funds in the budget, and additional information appears in trustees' reports.) Some of the information is kept up to date through periodical publication; additional information is reported to the Treasury Department and the Bureau of the Budget, but is not published.

The total of authority to spend which can be used in the future is reported monthly in the Treasury Bulletin. The existence of this authority indicates only the current authorized upper limit on future expenditures. The upper limit can be changed, and its existence does not indicate either the amount that will be spent in a particular fiscal year, or eventually. In addition to the unspent balances, expenditures may be made from authorized programs for which no limit has been established, including some insurance and guarantee programs; or expenditures in excess of authorized limit may be required by commitments to guarantee and insure.

Unexpended balances of appropriations, of authorizations to expend from debt receipts, and of contract authorizations, are reported monthly in the Treasury Bulletin. One table shows for each of the departments, and for independent offices as a group, the development of the balances from the beginning of the fiscal year. Another table reports expenditures over a 6-year period according to a functional classification, and indicates the balances at the end of the most recent month. This table does not separate the forms of authorization which remain unexpended.

The tables referred to do not indicate how much of the authorizations have been obligated, whether spent or subsequently to be spent. Unobligated balances perhaps could be reported in these tables on the basis of information about obligations which is supplied monthly to the Bureau of the Budget on standard form 133, for its use in apportionment of authorized funds. (The Budget indicates that the unobligated balances at the end of this fiscal year will total about $27.5 billion, outside of the proposed authorization for the international financial agencies. Less than $8 billion of appropriations is expected to remain unobligated; nearly $16 billion will remain unobligated authorizations to expend from debt receipts, and $4 billion of that will be the FDIC and FSLIC authorizations which have not been touched in the past.)

In addition to information about unexpended balances, the Treasury Bulletin publishes for a number of governmental offices quarterly or semiannual statements of financial condition, income and expense, and source and application of funds and resulting budgetary expenditures. The offices include public enterprise revolving funds such as the Export-Import Bank and the Small Business Administration, and the Federal Housing Administration; intragovernmental revolving funds such as the GSA building management fund, other activities such as the Farmers Home Administration, Rural Electrification Administration, Commerce Department maritime activities. Bonneville Power Administration; and some deposit funds and trust revolving funds. The regulation (Department Circular No. 966, Treasury) reads:

"3. This regulation requires the submission of financial statements by corporate and noncorporate Government agencies of the following character:

"(a) All wholly owned and mixed ownership Government corporations specifically included in the Government Corporation Control Act and amendments thereto, or subsequently brought under the provisions of that act.

"(b) All other activities of the Government operating as revolving funds * * * for which business-type public enterprise or intragovernmental fund budgets are required by the Bureau of the Budget.

"(c) Other activities or agencies (1) which are of a business-type nature; or (2) whose operations, services, or functions are largely self-liquidating or primarily of a revenue producing nature; (3) or whose operations result in the accumulation of substantial inventories, investments or other recoverable assets. Agencies and other activities to report under this category will be designated by the Fiscal Assistant Secretary of the Treasury."

The tables which the Treasury Department prepares from these reports for publication in the Treasury Bulletin, do not include memorandum entries which would indicate the maximum spending or lending authority of the offices, nor how near the maximum has been approached. The tables include a great number of offices, but not all of the Government, and do not combine into aggregates that could be compared with the current monthly data on expenditures and unexpended balances. Perhaps a feasible addition to the tables would be a memorandum, prepared from information now reported to the Treasury and the Bureau of the Budget, of the remaining unused authority of the offices included in the present tabulations.

The regulation which requires the reports referred to above also requires a semiannual report, information from which is now summarized in a mimeographed statement of long-range commitments and contingencies of the U.S. Government. The nature of the information required is best described in the language of the regulation, and of the standard form (223, Treasury Department).

The statement includes explanatory pages in which the Treasury insists that the commitments and contingent liabilities are not public debt. When or if they become obligations that are not met in full by the applicable receipts of the corporation, revolving fund, or other agency, they will become budgetary expenditures and then affect the public debt.

The commitments and contingencies are classified in the statement as loans guaranteed or insured; insurance in force; undisbursed commitments to make future loans, to purchase mortgages, to guarantee and insure loans; unpaid subscriptions; obligations on the credit of the United States; and Federal Reserve notes.

A number of programs are reported in part under more than one of these headings. For example, the urban renewal fund for loans and planning advances includes in its obligated balance (as reported in the Budget document), federally guaranteed private loans, and other undisbursed loan commitments. The first appears in one classification of the statement of long-range commitments, under loans guaranteed or insured by Government agencies; the second appears in another classification, undisbursed committmens to make future loans.

Possibly the statement could be arranged with agencies listed vertically in an item space, and the kind of commitment under headings spread horizontally, so that both the nature of current commitments and contingencies and the commitments and contingencies facing each fund or agency could be compiled readily.

The statement compares gross amount of contingency with public debt securities held against them. One purpose of the comparison is to discourage duplicate counting of obligations. The statement does not include information requested on the standard form about other collateral or realizable assets. Nor does it include estimated losses, also specified in the form.

Understanding of the nature of the commitments or contingencies might be advanced if the relation of each to the obligations and the unobligated balance of the spending or borrowing authority of the agency were shown in the tabulation. Some of the commitments are charged as obligations against the borrowing authority of the agency, some are not; and whether or not they are obligations now is ascertainable only by examining the financial statements which appear in the budget document. Charges against borrowing authority, reducing unobligated balances, are made for the loan guarantees reported in the statement for CCC, public housing, informational media guarantees, Farmers Home Administration undisbursed loan commitments, college housing undisbursed loan obligations, public facility undisbursed loans, urban renewal undisbursed loan commitments and urban renewal federally guaranteed private loans. Not included in statements of financial condition nor in obligated balances of funds are farm tenant mortgage loans insured, FHA insured mortgages, maritime activities insured mortgages, Federal crop insurance, VA national service life insurance, and U.S. Government life insurance.

PENALTIES FOR MAILING, IMPORTING, OR TRANSPORTING OBSCENE MATERIAL

Mr. WILEY. Mr. President, I introduce a bill providing stiffer penalties for willful and continuing violations of the Federal antiobscenity laws.

Unscrupulous racketeers are now doing a half-billion-dollar-a-year business in sending obscene magazines, books, records, and films to grownups and youth alike, all over the country. Our mails are used for this direct attack on the American family and American morals. In fact, our postal rates at times inadvertently serve to subsidize these filth dealers. The Post Office Department estimates that up to 1 million children will receive unsolicited pornographic literature this year. Youngsters need not have indicated any interest in this type of material to receive it in the mail. The racketeers plainly solicit any young person whose name they can obtain from any generally available mailing lists. At times it is sufficient for a young man to answer an advertisement for such an innocent item as a baseball bat, and he finds himself flooded with uninvited and obscene so-called literature.

The penalties under present laws, providing for fines up to $5,000 are inadequate. These illicit dealers, making thousands of dollars a year, regard fines as a mere cost of doing business. The bill I am introducing requires mandatory prison sentences for second and succeeding violators who transmit obscene matter through the mails, by express or truck, or who themselves take obscene matter interstate.

I desire to stress, however, that strengthening the Federal laws must be only one part of a broader program. The major portion of the battle against

this type of material must be carried out by State and local authorities, who must stamp out the base of operations of these dealers in filth. Furthermore, the attention of parents and the public at large must be drawn to this danger. Community support must be mobilized behind law enforcement, to help apprehend mailers of and dealers in pornography. But at the same time we must make certain that one of our most important public institutions, and a major means for national communications, is not misused by those who threaten the moral and social well-being of our youth.

I ask unanimous consent that the bill be printed in the RECORD and appropriately referred.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2123) to amend sections 1461, 1462, 1463, and 1465 of title 18 of the United States Code to provide mandatory prison sentences in certain cases for mailing, importing, or transporting obscene material, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1461 of title 18 of the United States Code (relating to mailing obscene matter) is amended—

(1) by inserting "(except any obscene, lewd, lascivious, indecent, filthy, or vile article, matter, thing, device, or substance)" immediately following "anything declared by this section to be nonmailable" in the eighth paragraph thereof; and

(2) by inserting immediately following such eighth paragraph the following new paragraph:

"Who knowingly uses the mails for the mailing, carriage in the mails, or delivery of any obscene, lewd, lascivious, indecent, filthy, or vile article, matter, thing, device, or substance, or knowingly causes to be delivered by mail according to the direction thereon, or at the place at which it is directed thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, or knowingly takes any such thing from the mails for the purpose of circulating or disposing thereof, or of aiding in the circulation or the disposition thereof, shall be fined not more than $5,000 or imprisoned not more than five years, or both, for the first such offense, and shall be imprisoned not less that one year nor more than ten years for each such offense thereafter."

SEC. 2. Section 1462 of title 18 of the United States Code (relating to importation or transportation of obscene matter) is amended—

(1) by inserting "(except any matter, article, or thing covered by paragraph (a) or (b) of this section)" immediately following "any matter or thing" in the penultimate paragraph of such section; and

(2) by adding at the end of such section the following:

"Whoever knowingly takes from such express company or other common carrier any matter, article, or thing covered by paragraph (a) or (b) of this section—

"Shall be fined not more than $5,000 or imprisoned not more than five years, or both, for the first such offense, and shall be imprisoned not less than one year nor more than ten years for each such offense thereafter."

SEC. 3. The second paragraph of section 1463 of title 18 of the United States Code (relating to mailing indecent matter on wrappers and envelopes) is amended to read as follows:

"Whoever knowingly deposits for mailing or delivery, anything declared by this section to be nonmailable matter, or knowingly takes the same from the mails for the purpose of circulating or disposing of or aiding in the circulation or disposition of the same, shall be fined not more than $5,000 or imprisoned not more than five years, or both, for the first such offense, and shall be imprisoned not less than one year nor more than ten years for each such offense thereafter."

SEC. 4. The first paragraph of section 1465 of title 18 of the United States Code (relating to transportation of obscene matter for sale or distribution) is amended to read as follows:

"Whoever knowingly transports in interstate or foreign commerce for the purpose of sale or distribution any obscene, lewd, lascivious, or filthy book, pamphlet, picture, film, paper, letter, writing, print, silhouette, drawing, figure, image, cast, phonograph recording, electrical transcription or other article capable of producing sound or any other matter of indecent or immoral character, shall be fined not more than $5,000 or imprisoned not more than five years, or both, for the first such offense, and shall be imprisoned not less than one year nor more than ten years for each such offense thereafter."

INSTRUCTION AT U.S. NAVAL ACADEMY OF TWO CITIZENS OF KINGDOM OF BELGIUM

Mr. SALTONSTALL. Mr. President, I introduce, for appropriate reference, a joint resolution to authorize the Secretary of the Navy to receive for instruction at the U.S. Naval Academy two citizens and subjects of the Kingdom of Belgium. This week two fine young Belgians were graduated from the Naval Academy. These young men were admitted to the Academy under the authority of Public Law 318, of the 83d Congress. The same law authorized the admission of two Thai cadets to the U.S. Military Academy at West Point. The Thai cadets have also completed their full course of study. A new measure, Senate Joint Resolution 24, which was introduced by the Senator from Rhode Island [Mr. GREEN] earlier this session, will permit the replacement of two Thai students at West Point. The joint resolution which I am introducing makes provision for Belgium to have two more midshipmen at Annapolis. Belgium has a fine, budding, young Navy, but no naval academy.

I understand that King Baudouin of Belgium, who made such a fine impression on all of us by his address before the joint meeting of Congress last May 12, is very anxious to be able to replace at Annapolis the two outstanding young men from his country who have recently graduated.

I understand that both the State Department and the Defense Department are in favor of this proposal.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 106) authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium, introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on Armed Services.

MUTUAL SECURITY ACT OF 1959—ADDITIONAL COSPONSORS OF AMENDMENT

Mr. GRUENING. Mr. President, on May 28, 1959, I submitted an amendment to the Mutual Security Act of 1959. I did so on behalf of myself and the distinguished Senators from West Virginia [Mr. BYRD], from Nevada [Mr. CANNON], from New Mexico [Mr. CHAVEZ], from Illinois [Mr. DOUGLAS], from Tennessee [Mr. KEFAUVER], from North Dakota [Mr. LANGER], from Oregon [Mr. MORSE], from Utah [Mr. MOSS], from Oregon [Mr. NEUBERGER], from Wisconsin [Mr. PROXMIRE], from West Virginia [Mr. RANDOLPH], from Georgia [Mr. TALMADGE], and from Ohio [Mr. YOUNG].

Subsequently while the amendment was on the table, and under the authority of the order of the Senate of May 28, 1959, there were added as additional cosponsors the names of the distinguished Senators from Alaska [Mr. BARTLETT], from Virginia [Mr. BYRD], from South Carolina [Mr. JOHNSTON], and from Wyoming [Mr. MCGEE].

I now ask unanimous consent, Mr. President, that there be added as cosponsors the names of the distinguished Senators from Colorado [Mr. ALLOTT] and from Maine [Mr. MUSKIE].

I am most pleased, Mr. President, to be joined by such able and distinguished Members of this body in the cosponsorship of this amendment.

It is a simple amendment. It seeks only to bring the foreign aid programs under the same budgetary and accounting controls to which the domestic programs are subjected.

It is most difficult for me to understand the resistance on the part of the executive branch to such a proposal. The delegation by the Congress to an executive agency of its constitutional right to appropriate funds should not be permitted to continue.

It is highly significant that 20 Senators, more than 20 percent of the Members of this body, have joined in expressing their desire that appropriations for foreign aid be returned to the control of the Congress.

Is it not enough that so much of this program is presented yearly to the Congress under the cloak of secrecy? Must those who present the program also be vague and indefinite about the purposes for which the funds appropriated are to be used?

Is it not past time that the Congress recapture complete fiscal control of this program, on which over $70 billion have already been spent, and for which additional billions are being asked and will continue to be asked?

The VICE PRESIDENT. Without objection, the names of the additional cosponsors of the amendment will be added, as requested by the Senator from Alaska.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HART:

Statement by Senator HART, presented to the Committee on Agriculture and Forestry on June 4, 1959.

NOTICE OF HEARING ON NOMINATION OF JOHN F. KILKENNY TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF OREGON

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 2:30 p.m., Monday, June 15, 1959, in Room 2228, New Senate Office Building, on the nomination of John F. Kilkenny, of Oregon, to be U.S. district judge for the district of Oregon, vice Claude McColloch, retired.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

THE STRAUSS NOMINATION—MR. ERPF

Mr. SCHOEPPEL. Mr. President, on Wednesday, June 3, an editorial entitled "Now It's Mr. Erpf" was published in the Washington Evening Star. Inasmuch as other related material, from another newspaper in the city of Washington, has gone into the RECORD, I ask unanimous consent that this editorial be printed in the body of the RECORD, in connection with the Strauss nomination.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOW IT'S MR. ERPF

The extent to which some people will go in their efforts to destroy a man is truly remarkable.

For months, Adm. Lewis Strauss, named by the President to be Secretary of Commerce, has been smeared up one side and down the other by his senatorial and journalistic enemies. When the committee hearings on his nomination ended, it looked as though the sniping was over—at least until the opening of Senate debate on the nomination. But not at all. Suddenly, out of the blue, there emerges the strange and supposedly sinister case of Armand G. Erpf. And the case of Mr. Erpf, we are told, proves once again that Mr. Strauss is devious, intellectually dishonest and unfit to be Secretary of Commerce.

This is vicious nonsense. On May 28, the Department of Commerce, undoubtedly with Mr. Strauss' approval, issued a press release which denied that Mr. Erpf, a New York financier, had been appointed to head up a Commerce Department transportation study. This release said Mr. Erpf "has not been selected, appointed, or otherwise chosen for any position in the Commerce Department and no arrangement with him has been made." This was the precise, literal truth. But suddenly it becomes devious and sinister. Why? Because Mr. Strauss hoped that Mr. Erpf would take on the assignment and, several months ago, sounded him out on the project. Was the May 28 press release an attempt by Mr. Strauss to cover his tracks in the Erpf matter? Of course not. And the record is the best proof.

On May 11, Mr. Strauss was before the Senate Commerce Committee in public session. Chairman MAGNUSON asked him whether he had selected the man who would head up the transportation study. Mr. Strauss replied that he had asked two or three men to help him last February or March, but that they shied away pending Senate action on his confirmation. Senator MAGNUSON again asked: But are we to understand that as of now you have not selected a person to head it? Then came the following exchange:

"Mr. STRAUSS. Yes; I have a man in mind I would like to head it. I don't know if he would.

"The CHAIRMAN. Is that Mr. Erpf?

"Mr. STRAUSS. Yes. E-r-p-f. And I haven't spoken with him in nearly 3 months."

This, then, is the record in the Erpf case—the case which now emerges as a sinister disclosure some 3 weeks after Mr. Strauss testified publicly about it.

Mr. Erpf, although an expert in the field, has withdrawn because he rightly feels that the adverse publicity has impaired his usefulness in any transportation study. Perhaps, because he has railroad interests, he should not have served in any event, although it should be noted that representatives of all segments of the transportation industry would have been represented on the study committee. Perhaps the critics would have been happier with a study headed up by some amiable nobody endowed with blissful ignorance of our transportation problems. But this now is beside the point.

The important thing is that the Senate is scheduled to begin debate on the Strauss nomination tomorrow, and we hope that Mr. Strauss, in line with the President's strong stand, will stay in there and fight this thing out to the end.

Of course, each Member of the Senate is entirely free to vote for or against confirmation. In our opinion, there is nothing in the record which justifies an adverse vote. But this is for the Senate to decide. All that an outsider can ask is that a record vote be taken—a vote in which each Senator will have to answer to his own conscience and to those people who expect the Senate to act with a sense of responsibility in a matter of this importance.

THREE HUNDRED AND FIFTIETH ANNIVERSARY OF DISCOVERY OF LAKE CHAMPLAIN—TRIBUTE TO BRIG. GEN. JAMES M. WARNER

Mr. AIKEN. Mr. President, this year many towns in the State of Vermont are commemorating the 350th anniversary of the discovery of Lake Champlain by the French explorer, Samuel de Champlain.

Local festivities highlighting important historical events are being reenacted or otherwise memorialized all during the summer and autumn.

However, these activities are, by no means, limited merely to the Vermont of earliest colonial times.

For example, in Morristown, Vt., there was a Memorial Day exhibition in tribute to Brig. Gen. James M. Warner, the first colonel of the 11th Vermont Volunteers in which many Morristown men served during the Civil War.

General Warner was the first mounted man to break through breastworks at the Battle of Petersburg, Va., on April 2, 1865, in the assault which broke the Confederate line and turned the tide of the war.

There is also the story of his plea to the adjutant following his nearly fatal wound at Spottsylvania, to hold fast the regimental colors on May 18, 1864.

These are the same colors which are now on display at the State House in Montpelier.

Memorabilia closely associated with General Warner's wartime activities form a basic part of the exhibition which was on display in the local Peck's Pharmacy store window.

Some 12 years ago the Morristown Historical Society was formed. Since then, it has established a local historical museum in a fine old brick homestead which was built in the early 1800's by Jedediah Safford, the son of John Safford, who came to Morristown soon after its founding in 1790.

Of interest to visitors will be the original wallpaper designs reproduced by the silk screen process; original fireplaces, one with the bake-oven, crane and early fittings; a well-known collection of over 2,000 pitchers and Toby mugs; mementos of the first white settlers of the town; and relics from the revolution.

It is good to know that the example of the Morristown Historical Society is by no means exceptional. Instead, it is typical of the interest and devotion of American citizens in communities all over the land.

I ask unanimous consent to have printed in the RECORD in connection with these remarks a news report from the Burlington (Vt.) Free Press of May 26, 1959, relating to the same subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MORRISTOWN HISTORICAL GROUP HONORS LEADER OF VERMONT CIVIL WAR REGIMENT

MORRISVILLE.—The Memorial Day exhibit of the Morristown Historical Society this year, appearing in the Main Street window of Peck's Pharmacy, is in tribute to Brig. Gen. James M. Warner, first colonel of the 11th Vermont Volunteers, in which many Morristown men served during the Civil War. Morristown's GAR post, formed in 1868 as the fourth in Vermont, is named for him.

General Warner, a native of Middlebury, was 25 years old and a 1st lieutenant in the U.S. Infantry at Fort Wyse, Colo., when Gov. Holbrook asked him to lead the new Vermont Volunteer Regiment.

His 1861 lieutenant's commission in the Army, issued following his graduation from the U.S. Military Academy at West Point, and signed in a firm hand with full signature, "Abraham Lincoln," is among the items in the exhibit.

Another memento is a scabbard of a gold-mounted dress sword presented to General Warner by officers of the Vermont Regiment. These and other items are loaned by his grandson, Paris Fletcher, of Worcester, Mass., an interested friend of the local historical society.

The exhibit includes a large portrait presented by General Warner to the GAR post here in 1869 and a copy of the resolution of thanks adopted by the post and signed "A. A. Niles, D. J. Safford, E. D. Darling, and Frank Kenfield, committee."

The James M. Warner Women's Relief Corps loans its charter. A group photograph of GAR members, a steel engraving portrait of General Warner in uniform as it appears in the book, "Vermont in the Civil War," a summary of his military career and other documents make up the memorial.

"General Warner is described in "Vermont in the Civil War" as "brave, modest, soldierly in the Civil War" as "brave, modest, soldierly, and equal to every position in which he was placed."

He wounded while directing an assault at the Battle of Spottsylvania on May 18, 1864.

Settling at Albany, N.Y., after the war, with his wife, the former Matilda Allen, he established a successful commercial house and served as U.S. postmaster for 4 years. His death occurred suddenly in 1897 at the age of 61.

FIFTEENTH ANNIVERSARY OF D-DAY

Mr. DIRKSEN. Mr. President, tomorrow will be June 6, 1959—the 15th anniversary of D-day.

Fifteen years ago tomorrow, on a sulky, stormy day, just at the break of dawn, allied paratroops dropped on Contentin peninsula, Normandy, France. Ninety minutes later the first assault troops—made up of American, British, Canadian, French, and Polish soldiers—began to crack the Normandy beaches named Sword, Juno, Gold, Utah, and Omaha.

The Normandy invasion was one of the greatest military achievements of all time, Mr. President. There, on that day, the battle of Europe against Adolf Hitler and Nazi Germany essentially was won. Five thousand ships, 9,000 planes, and Allied troops numbering 150,000 men, including 24 U.S. divisions, did battle during D-day. There were more than 10,000 Allied casualties and more than 2,000 men killed.

Mr. President, I ask unanimous consent that two articles commemorating D-day, one from the June 8 issue of Time magazine and one from the May 31 issue of This Week magazine, be included in the RECORD at the close of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DIRKSEN. Mr. President, I feel that it is appropriate for us, and rewarding to us to commemorate this attack, this victory, this performance, this day, Mr. President, for two paramount reasons.

First of all, we commend to our memory the courage and the capability displayed on the 6th of June because that day rises high in our spirits as a great moment of American and free world history, and because of the dignity and generosity of the men and boys who died there serving the cause of a better, happier, more peaceful world for all of us.

Secondly, I am proud in the remembrance of D-day to honor the service of one individual who led our cause then, and who leads it now in the all-compelling issues of war and peace. Dwight D. Eisenhower, Mr. President, who had commanded the Allied forces against the Axis in North Africa, and who was to become NATO leader, Army Chief of Staff, and finally Commander in Chief, was in charge of the entire D-day operation. As Supreme Commander of the Allied Expeditionary Forces, he was the final strategist, he calculated the precarious chances, he equated the factors of danger and triumph, he made the momentous decision to "go ahead."

In a sense, D-day was the beginning of the painful reconstruction, regrouping, and rededication of the years of the postwar period. In a sense, Mr. President, the Normandy invasion marked the start of a NATO which now guards Europe. Here, on June 6, 1944, in the first success of the continental victory over fascism, were the first beginnings of the new struggle against communism. Then and now, Mr. President, Dwight D. Eisenhower leads us.

On that victorious day in France in 1944 were sown the seeds of confidence in the judgment and leadership of General Eisenhower which so emphatically bloomed in the 1952 and 1956 U.S. elections. And today, President Eisenhower continues to hold the overwhelming support and trust of the American people as he works, for the future, with the intricate factors of power and principle. We offer our prayers and support to him, Mr. President, as he leads America and the free world in our shared efforts to meet the complex and delicate challenges of waging the peace.

EXHIBIT 1

[From Time magazine, June 8, 1959]

D-DAY IN EUROPE: THE FORGE OF VICTORY

June 6, 1944 was a dour, windswept day on the English Channel—and the decisive moment of World War II was hard at hand. The combined Chiefs of Staff of the United States and Britain had issued a directive to Supreme Commander Dwight D. Eisenhower: "You will enter the continent of Europe and * * * undertake operations aimed at the heart of Germany and the destruction of her armed forces." Eisenhower looked at the lowering sky and made his fateful decision to go ahead. Now to the captive peoples of Western Europe came his voice of hope: "The hour of your liberation is approaching." This, 15 years ago this week, was D-day. The results of that day's work are known wherever man draws breath. Almost forgotten is how precariously the power and the glory hung in the balance.

To undertake history's greatest amphibious invasion, the Allied Powers had assembled 150,000 men, 1,500 tanks, 5,000 ships, and 9,000 planes. The German enemy was reeling: his cities had been bombed, he had lost North Africa and been thrown back to the seven hills of Rome. Wounded he was—but still deadly dangerous, with 60 divisions, including his crack Panzers, to defend Western Europe. Adolf Hitler correctly divined Normandy as the probable Allied Schwerpunkt, concentrated his armored reserves behind seven infantry divisions in the target area and, closer to Germany, maintained strength in the Pas de Calais area. Hitler's most mobile general, Field Marshal Erwin Rommel, well knew that Allied air superiority (5,000 fighters on the channel front to a mere 119 for the battered Luftwaffe) would rule out any battle of maneuver, Rommel strengthened the coast defenses and prepared to fight it out on that line. Said he: "The war will be won or lost on the beaches. The first 24 hours will be decisive."

The Allies therefore faced a momentous strategic equation. Once the beachhead into Europe was established, they could land 100 divisions and pound on to Germany with almost 2–1 superiority. But on D-day itself the Allies would have to land nine divisions to fight 10 German divisions in bristling, fixed positions—and the Allied spearheads would be even more heavily outnumbered. "We shall have to send the soldiers into this party seeing red," said the Allied ground forces commander, Bernard Law Montgomery. "Nothing must stop them. Nothing."

Nothing did stop them—in places. In the battle's first hours, between 0015 and 0900, the Allies won three quick successes. On the left flank the British 6th Airborne Division achieved complete tactical surprise, wiped out German positions east of the Orne River. On the right flank the U.S. 82d and 101st Airborne Divisions, although badly scattered in the airdrop, outfought 3 German divisions, suffering 2,500 casualties. Shielded by this U.S. airborne success, the U.S. 4th Infantry Division swept ashore soon after the first light on Utah Beach, swamped the defenses at a cost of only 197 casualties. It was D-day's first major breakthrough.

INCH BY INCH

But it was on the four beaches between the Orne and the Vire that the man-to-man battle was fought in most savage fury. On Sword, Juno, and Gold Beaches, British and Canadian troops hurled in an astonishing force of specialized armor—mine-clearing tanks, pillbox-blasting tanks, ditch-filling tanks, flamethrowing tanks—but the German 716th Infantry Division in fortified seaside hotels and summer villas, fought back viciously, inflicting 4,000 casualties.

Onto the U.S. forces' Omaha Beach, a concave sweep of sand 300 yards deep beneath fortified bluffs, the U.S. 1st and 29th Divisions sent in a spearhead of 1,450 men. They ran head on into most of the German 352d Division—undamaged by the inaccurate air bombardment—and were soon shelled, mortared, mined, machinegunned. But even as the German commander at Omaha announced victory and began diverting his reserves against the British, U.S. Col. George A. Taylor ordered an advance: "Now let's get the hell out of here." Inch by inch, behind accurate naval gunfire, backed up by waves of reinforcement, the U.S. infantrymen pushed back the German defenders.

MILE BY MILE

All day and night the Allies poured reinforcements onto the hard-won strips of Europe—36,250 in the Utah sector, 34,250 at Omaha, 83,115 on the British-Canadian beaches and airborne area. The German infantry began to crumble. Still desperately fighting, the Britsh punched out gains of 6 miles, the Canadians 8. The U.S. 1st and 29th Divisions battled into fortified villages behind Omaha, dug in. In the Utah sector the seaborne forces linked up with the airborne, pressed inland. The battle neared its moment of truth—the expected counterattack of Rommel's blazing Panzers. But that moment never came.

What happened was a breakdown in the German command. Rommel, believing the weather too foul for an invasion, was away in Germany on D-day. The 21st Panzer Division, instead of counterattacking, was fed into a piecemeal defense of Caen. The 12th SS Panzer and the Panzer Lehr Divisions were held in the rear from 0400 to 1600 by command from Hitler himself. Smothered by Allied air attack, they did not get into action until D-plus-one, D-plus-two, and D-plus-three.

THE BREAKTHROUGH

By that time, the battle was won. Along a 30-mile front, the forces of freedom had secured their beachhead on Hitler's Festung Europa. The price was dear: 10,724 casualties, including 2,132 dead.

There was deadly fighting yet to come and stirring history yet to be made. Montgomery drew the German armored strength onto the Second British Army and First Canadian Army at Caen, while the First U.S. Army broke out at St. Lô. Hitler and Rommel held back the German Fifteenth Army near Calais, waiting for a second invasion that never came. George Patton, with his ivory-handled pistols, led the Third U.S. Army from Avranches to Le Mans to Orléans to Verdun to Metz in the most spectacular armored advance of the war. There was the unforgettable moment when Paris was liberated. But those moments essentially had been made possible by the United States, British, and Canadian troops who, on that single day 15 years ago, stormed the beaches named Sword, Juno, Gold, Utah, and Omaha.

[From This Week magazine, May 31, 1959]

EISENHOWER'S TOUGHEST DECISION

(By Stewart Beach)

Do you remember D-day? Even if you weren't one of the thousands of soldiers who crossed the channel that unforgettable day, you may have been there in spirit, turning on a radio early the morning of June 6, 1944, hearing the terse message: "Under the command of General Eisenhower, Allied naval forces, supported by strong air forces, began landing Allied armies this morning on the coast of France."

That was all. But for the moment, it was enough. The invasion had begun. But why was it timed for June 6? Why that day rather than another? Few remember, if they ever knew, the factors which dictated the choice of D-day, or the precarious chance on which its success hung. I was in the fortunate position of knowing some of the chief actors in the drama, and I have gotten the story of what happened from them. It began this way:

Fifteen years ago this week events were moving rapidly toward the flaming climax of the greatest suspense story of modern times. The Germans knew, as everyone knew, that the Allies were about to launch a vast assault against the coast of France. But where the forces would storm ashore and the date of D-day—these were the two great secrets of that spring of 1944.

In May endless convoys of trucks loaded with men in battle dress began moving down the English roads to the channel coast. The men could guess that this was the invasion—but they didn't know. Only when they were penned into barbed-wire enclosures near the ports would they be told. They would wait there, for no one came out once he knew the secret. The entire south coast of England was an enormous military camp, off-limits to the public.

THE SECOND ENEMY

Now the ships began marshaling—more than 5,000 of them. Many anchored in the harbors; the landing ships nosed up against the macadamed "hards," surfaced strips along the water's edge, where their bows opened wide and their ramps went down to receive the troops and tanks that would rush the beaches.

But the supreme commander and the other officers who shared the secret knew there was one enemy that could wreck their plan—the weather. And the plan itself was based on three phases of the weather which relentlessly governed the timing of D-day. An invasion across the treacherous English Channel was hazardous enough in itself. But unless they had fair weather on the days when three factors coincided, the commanders agreed that the enterprise would have to be postponed. Here is what they wanted:

1. Tide low but rising. Out near the low water mark on the Normandy coast the Germans had strung mined defenses. Lanes would have to be blown, and this could be done only when the tide was out. But they wanted it rising so landing craft could get well inshore after obstacles were cleared.

2. Approach at dawn. Navy and Air Force wanted an hour of daylight to saturate the shore defenses. Therefore, the tide should be right an hour after dawn.

3. Light for airborne troops. Three divisions of airborne troops were to be dropped behind the beaches at 2 a.m. They needed darkness for the flight, but a late-rising moon to light the Normandy objectives.

By May 17, when he could be sure that all the pieces of the elaborate invasion machinery would fall into place, Eisenhower could pick a date. The three great essentials would coincide, according to the almanac, in early June—June 5, 6, and 7.

Now the state of the weather—fair or foul—was the big question mark which would face General Eisenhower when the time came for him to make his decision. Weekly practice sessions had been started in April when the meteorologists predicted the weather 24 hours ahead. Questions were asked, as they would be on the fateful morning. Then General Eisenhower would announce his practice decision.

As May wore on the weather was beautiful. The generals—Eisenhower, Montgomery, and Bradley—visited the troops in the invasion force, making pep talks, as Montgomery called them. Confidence was high throughout that magnificent spring.

Then it happened. As May turned into June, the weather began to worsen. The commanders' meetings with the meteorologists were now held twice daily at Southwick House, the Portsmouth HQ, at 9:30 in the evening and 4 in the morning. And now the 4 o'clock meeting on June 4 was the crucial one.

At the meeting the meteorologists' predictions held no hope. Heavy clouds, gales, and high seas were ruling the channel. Naval gunfire would be ineffective, the dawn aerial bombardment of the Normandy defenses almost impossible. Smaller craft might capsize in the turbulent surf. The supreme commander made his decision: D-day was postponed, until June 6.

Twenty-four hours later, in the early hours of Monday, June 5, a wind of almost hurricane proportions was blowing in General Eisenhower's camp when he left for the 4 o'clock meeting. It was a formidable and complicated decision he must make. Many of the ships based in northern ports had already been at sea 2 days. To postpone for another day would cause almost insurmountable problems of refueling. To delay for another 2 weeks, when dawn and tide would be right again, would raise the agonizing problem of what to do with the troops in the meantime. Secrecy would almost certainly be lost if they were let out of the barbed-wire enclosures.

WARMTH INSIDE, CHILL WITHOUT

At Southwick House, he went into the comfortable library where a fire glowed on the hearth and there was coffee to take off the chill, tea for the British. There were some 15 or 20 officers assembled there—the commanders with their chiefs of staff, Air Chief Marshal Tedder, the deputy supreme commander; Lt. Gen. Walter Bedell Smith, General Eisenhower's chief of staff; Maj. Gen. Harold R. Bull, SHAEF G–3. There were also those most important men, the meteorologists, headed by Group Capt. J. M. Stagg and his deputy, Col. Donald Norton Yates, today a major general commanding the Atlantic missile range at Cape Canaveral.

The weather was dreadful outside Southwick House, and the meteorologists confirmed that the storms they had predicted were lashing the Normandy coast, with high waves thrown up on the beaches.

But, they said, reports from Iceland, Greenland, and ships at sea indicated that on the morning of June 6 a relatively good period of weather would begin; it might last as long as 36 hours. Then bad weather would set in again.

IT WAS HIS CHOICE, ALONE

So there it was, a hope followed by the threat of disaster. General Eisenhower was faced with a choice and a chance. If he got a force on shore, could it be maintained in the face of bad weather ahead? Without the rigidly planned buildup of men and equipment on the beaches, the Germans might push the entire enterprise into the sea. On the other hand, the problems of postponement were agonizing.

As Supreme Commander, the decision was his alone. It was a moment when history was made. A wrong decision could wreck the greatest amphibious force ever assembled anywhere; a right one would carry it to decisive victory. His opponent was not Hitler now. It was the enemy he had always known he might have to face—the weather.

The room was still, with an almost unbearable tension. Then General Eisenhower rose to his feet.

He said, "We'll go."

That was Eisenhower's toughest decision. It was one that couldn't be put aside, and that had to be made by Eisenhower alone. That it was the right decision was brilliantly proved by the Allied sweep through France. That's something we can all still be thankful for this D-day.

Mr. JOHNSON of Texas. Mr. President, I commend the very able minority leader on the very fine and beautiful statement he has just made with regard to the coming anniversary of D-day and with regard to those who contributed so much in order that so many could continue to enjoy freedom in the world.

Very shortly I shall address myself to an anniversary involving one of the great statesmen of this Nation who was one of the real architects of the victory which was ours.

I should like to suggest the absence of a quorum, so that Members may be notified; and I suggest the absence of a quorum, Mr. President.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

UNDERSTANDING: THE ONE SURE ROAD TO PEACE

Mr. MUNDT. Mr. President, my home State of South Dakota was privileged earlier this week to hear an outstanding address by Mr. George V. Allen, Director of the U.S. Information Agency.

Mr. Allen's excellent speech is a valuable contribution in not only explaining the role of the USIA in promoting cultural exchange, but in telling how important and vital it is to world peace that we make every effort to achieve understanding of each other among the peoples of the world. Mr. George Allen was awarded an honorary degree by Huron College of Huron, S. Dak., on June 1.

As coauthor of the Smith-Mundt Act, I am deeply appreciative of the kind

comments Mr. Allen has made with respect to the accomplishments which have been made through programs resulting from this legislation.

Mr. President, I ask unanimous consent to have Mr. Allen's address made a part of the RECORD at this point.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Is there objection to the request of the Senator from South Dakota?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

UNDERSTANDING: THE ONE SURE ROAD TO PEACE

(Address by George V. Allen, Director, U.S. Information Agency)

It is not by chance that graduating exercises are commonly called commencement. The traditional sheepskin is, indeed, your introduction to a new life, to be lived in stirring times.

Personally, I am optimistic about the future, but not so blind as to deny that today the future presents many serious problems. Certainly the most serious of these is how to achieve peace with justice.

During the past 30 years I have lived in a number of countries and visited and traveled in many more. The most interesting, and often the most valuable, part of living or traveling in different countries is to talk to people, to find out what they are thinking, what they want. And I have always found that their first thought, their deepest desire, was for peace—for a real and lasting peace, not just another uneasy interlude between wars. People want a chance to develop their lives, to give their children an education, and to look to a future free from the constant anxiety and dread of international conflict.

Since this desire is so deep and wide, I have asked myself, I have asked others, why, then, do we not have permanent peace? Why is war still the nightmare that haunts the world's dreams? Why must we, even during periods between hot wars, constantly be faced with a cold war conflict?

One of the chief reasons, it seems to me, lies in the almost universal failure of different national groups to understand each other. Xenophobia, the fear and distrust of strangers, one of man's strongest emotions since the dawn of time, still control men's thinking. We not only dislike, we even hate people whose eyes are strangely made, as the song writer put it. We have a tendency, perhaps an instinctive one, to distrust people whose skin is a different shade or whose language or religion or customs are different from our own.

And yet time and again we have seen it demonstrated that once this tendency is overcome, men are able to recognize their common humanity. The first step is for people of different nationalities to learn more about each other. I do not contend that all people will automatically like each other better merely because they know each other better. A newspaper columnist, during a recent political campaign, described one of the candidates as a man you have to know well to dislike thoroughly. But knowledge is the first step toward understanding. If you understand a foreigner's motives, you are likely to be tolerant of his way of life even when you do not agree with it.

In the past, the chief barrier to international understanding has been the problem of communications. During recent years, however, tremendous strides have been made toward solving that problem, at least in the technical field. Today, one man standing before a microphone can communicate simultaneously with every nation of the entire world. Last summer the USIA broadcast the proceedings of a special session of the United Nations, live, from the floor of the U.N. Assembly room in New York to every corner of the globe, in the five official languages of the U.N. We concentrated all of our 76 transmitters in the United States and overseas for this purpose, during the crucial 3 days of the session. This was undoubtedly the largest concentration of international broadcasting attempted up to the present time.

Last Christmas, a short 6 months ago, a human voice came down to earth from outer space for the first time in man's history. President Eisenhower's message of peace and good will toward all men was broadcast from an earth satellite which orbited the globe every 90 minutes.

The transmission lasted only a few days, and the message was brief, but it was eminently appropriate, for it ushered in a great new era of communications with a plea for peace and good will. Within a few years, both television and radio networks will use orbiting satellites regularly to relay messages to all the world. Two of these such satellites, orbiting in cadence with the daily revolution of the earth, but at different places in outer space, will relay broadcasts to every spot on the surface of the earth simultaneously.

These new tools of communication make it possible for us, if we use them wisely—if we use them to build friendship rather than hatred—to make great progress toward international understanding.

The barrier of language will still exist, and will be a more difficult one to overcome than the scientific problem of transmitting sounds. A universal language is still far off. Even here, however, progress is being made. The eagerness of people throughout the world to learn English is astonishing. And we Americans are at last waking up to the need at least for our people who work overseas to speak the language of the people with whom we live.

International understanding may be no longer merely a dream. It could become a reality, at least to a sufficient degree to enable the governments of the world to form an international organization strong enough to keep the peace. I am convinced that this will come about, and that conviction is the basis of my optimism for the future.

It seems to me that the United States has a distinct and special contribution to make toward the progressive advance of such understanding. It could be our most important single contribution toward human welfare.

This young Nation has demonstrated that the people of many faiths, of many races, can learn to live in peace with each other. To be sure, we have not resolved all our internal differences completely, but we have made extraordinary progress. We can serve as a model, not of perfection, but of determination to do the job. I think we have a responsibility to do just this.

In the Smith-Mundt Act of 1948, of which my good friend and your senior Senator, KARL MUNDT, was one of the sponsors, the U.S. Government recognized this responsibility. The act itself states that its purpose is to promote "a better understanding of the United States in other countries and to increase mutual understanding between the people of the United States and the people of other countries." To the wisdom and statesmanship of those words I think the future will bear witness.

Your Senator, then Representative MUNDT, and Senator Alexander Smith, of New Jersey, were sent to Europe in the summer of 1947 on an investigation. They learned that a very incorrect image of the United States was in the minds of most people abroad, and that Americans did not always have a true picture of the aims and aspirations of foreigners. They came home resolved to take the action that resulted in the legislation just mentioned.

Then, as now, the need was to give other people as true a picture of America as we possibly could. It was not proposed that we try to picture the United States as having achieved perfection, but Congress made it clear that those of us engaged in this field should try to give people everywhere a sense of what we Americans know we are—a strong and alert democratic nation dedicated to man's best capabilities.

Fortunately for the United States, a large proportion of mankind today shares our aspirations for peace and a better world. Interest in America, too, is almost universal. People everywhere want to know what we are and what we do. They want to come and see us, and if they can't do that, they want to read, hear, and talk about our country.

All this, of course, gives your Government's oversea information program a strong foundation on which to work. With books, magazines, releases for the local press, films, radio and TV programs, our officers overseas try to supply the information these people want. Using all the tools of communication available, we try to keep the channels open for a flow of information and ideas in both directions.

Cultural exchange with foreign peoples is proving one of our most effective approaches. As a high ranking Indian Government official remarked at the opening of an American water-color exhibit in New Delhi, "Politics divide, slogans irritate, but art unites."

The heart of our operation overseas is, in fact, our U.S. cultural centers, 158 of them in 80 countries. In addition, the USIA cooperates in the operation of 93 binational centers, the majority in Latin America but an increasing number in Europe and Asia. These centers range in size from modest little units managed part time by one American with the aid of a local staff to such great establishments as Amerika Haus in West Berlin, which is visited daily by some 5,000 persons, a fourth or more from East Germany. We are told that the Soviet determination to get the Western Powers out of Berlin is chiefly directed at the USIA Amerika Haus and RIAS, our radio station in that city. The Soviets call them festering sores. We call them havens of democracy and freedom.

A newspaperman from Calcutta had a rather pertinent comment recently on the U.S. Government's oversea informational and cultural programs. C. K. Bhattacharyya told us that our materials help build "relationships which endure although political relationships may deteriorate."

I am particularly proud of this positive and constructive side of the USIA program. Unfortunately, we are forced at present to carry on concurrently certain quarrelsome activities—to correct misstatements about the United States and to combat misrepresentation by international communism. We would have enough to do merely to overcome simple ignorance about the United States, but when we must strive to offset willful falsehoods, our task is compounded. The Communist bloc is waging the greatest international propaganda campaign in history, to propagandize the non-Communist world and to degrade the United States. In addition, they spend a great deal of time and effort, through jamming operations and otherwise, to prevent their own people from learning about the outside world.

We try not to be propagandists in the bad sense of the word, but the Communist campaign of misrepresentation has to be countered, and we are doing it, with lashing attacks where needed. However, it isn't the most appealing part of our effort. To build a true structure, not destroy false images, is more in keeping with the American character.

Our cultural exchanges with foreign countries is positive, and of growing importance. The USIA, I should hasten to add, is not the only U.S. Government effort in the cultural exchange field. Fifteen Government departments and agencies were represented at a recent State Department meeting to discuss the coordination of the various official international cultural and educational programs of the United States. This may sound like duplication, but I do not believe the danger of duplication is very great. The Department of Agriculture, or Labor, or Commerce, or the Library of Congress, or the Smithsonian Institution, is each interested in developing cultural contacts with foreign officials or groups in its particular field. In my view, the more groups working at the problem, the better.

There are also very many and important private programs which are doing outstanding work. Some of these programs are entirely nongovernmental. In others, the Government either cooperates or stands by to assist when asked. We do both, cooperate and assist, in such programs as the affiliations between American colleges and similar institutions abroad. These colleges exchange books, magazines, records, films and even students. Some 38 American colleges and universities are at present affiliated with institutions overseas.

American cities and towns affiliate with cities and towns abroad. I should like to see both types of affiliations vastly expanded.

I was pleased to note in some of the literature which your President sent me that Huron College frequently has welcomed foreign students. Perhaps you may have felt that the number of such students was too small to be of significance. I think even a small number is significant. The importance of the individual is a tenet of the democratic faith, and one foreigner who returns from Huron College to his homeland to tell about America is very important. If he leaves with you a wider understanding of his country and his people, that, too, is equally important. It is mutual understanding which the world needs.

I am deeply honored that Huron College has seen fit to confer on me the honorary degree of doctor of social science. Since international relations is one of the social sciences, I accept your distinction not only on my own behalf but also on behalf of my associates at USIA. That it was bestowed by Huron College makes it even more important since, as I have told you, the program with which I am now connected is, in considerable part, the brain child of Senator KARL MUNDT.

The legislation that bears his name launched the United State on one of the noblest ventures of its history—a venture based on the concept that honest and straightforward presentation of facts is the best basis for international understanding. It is a venture with which I am proud to be connected.

DANISH AND SWEDISH CONSTITUTION DAYS

Mr. PROXMIRE. Mr. President, it is appropriate today for the Senate and for Americans to recognize the Constitution Days of two of the great democracies of the world, which are being observed this weekend.

Today marks the anniversary of the adoption of the Danish constitution on June 5, 1849. Under this document, Denmark became a constitutional monarchy, ruled by the Rigstag, or parliament. The constitution was drawn up in 1848 under King Frederick VII, and later revised in 1915.

Sunday will be the anniversary of the adoption of Sweden's liberal constitution on June 6, 1809. This constitution came as the result of a reform movement which overthrew a despotic ruler and placed King Charles XIII on the throne. Since that time, Sweden has enjoyed an era of progressive liberalization in government and industrial development.

Both Denmark and Sweden today are model democracies which enjoy advanced standards of living and high levels of education. These two constitutional monarchies offer fine examples for all the world of the fruits which progressive democratic government and liberal public welfare standards can produce for a nation. I might add, Mr. President, that our own country can benefit greatly from the experience of these two countries in developing and enacting the liberal welfare programs which have so greatly enriched the lives of their citizens.

In the free world's struggle against Communist imperialism, there is no better example to show to now uncommitted and underdeveloped nations than the economic, social, and political progress that these two nations have produced under liberal democratic government. America salutes Denmark and Sweden on their Constitution Days.

THE "VOICE OF FIRESTONE"

Mr. LAUSCHE. Mr. President, I am quite certain that the television and radio listeners of the Nation were hit with a rather heavy impact on June 1 when they learned that the "Voice of Firestone" would no longer be seen over the television or heard over the radio. I have received a number of letters on this subject from citizens of Ohio expressing their regret that the Firestone hour of music will no longer be their entertainment.

The Firestone Co. wanted very much to continue to sponsor this top-quality program, but regrettably it was refused prime evening time by the three television networks because the "Voice of Firestone" supposedly did not have a satisfactory audience rating, as measured by present Madison Avenue advertising standards.

I have written a letter to the Federal Communications Commission expressing my disappointment about the action which has been taken by the three principal television networks. I should like to state to my colleagues today that it is rather regrettable that in the programing of entertainment on the television networks their prime objective seems to be satisfactory financial results to the various companies.

I believe a grave mistake was made. My hope is that something will be done to prevent its recurrence in the future. I think there may come a time when possibly legislation will be enacted declaring that the airways belong to the public, and that the gigantic national television networks will have imposed upon them a civic responsibility greater than they are now willing voluntarily to carry.

Huge are the profits they make in the sale of their stations. Huge are the profits which are being made through the operations of their stations. Yet when the public is to be considered on the one hand, and fiscal profits on the other, the recognition is of the fiscal profits, and not the public.

I call this subject to the attention of my colleagues especially because the sponsor principally involved is the Firestone Co. of Ohio.

Mr. President, I now wish to discuss another subject.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

THE EIGHTH WINTER OLYMPICS

Mr. LAUSCHE. Mr. President, it was with great distress that I observed that the Olympics committee recently decided not to recommend that Nationalist China be invited to participate in the Olympics. I think a tragic mistake was made. The promoters of the International Olympics extended an invitation to Red China, and recognized it as the government of the Chinese people. At the same time, they requested that Taiwan enter as Taiwan and not as Nationalist China. I bring this subject to the floor today because in February 1960, at Squaw Valley, there will be held the eighth winter Olympics. The organizing committee for the eighth winter Olympics has already extended invitations to various prospective participating nations. Its invitation went to Nationalist China. It did not go to Red China.

I understand that discussions of the subject are now under way, but that the organizing committee for the eighth winter Olympics has decided to continue the extension of its invitation to Nationalist China on Formosa, and not to Red China.

It is my sincere hope that the organizing committee will stand fast. I understand that through the Congress we have provided $4 million to sponsor the Squaw Valley Winter Olympics, and it would be a tragedy if we should decide to invite Red China to the winter Olympics and to require Nationalist China to apply under the national designation of Taiwan.

I call upon the organizing committee for the eighth winter Olympics, and especially the American representatives, to stand fast and continue their invitation to Nationalist China, and not Red China.

IMPROVEMENT IN THE EMPLOYMENT PICTURE—INFLATION

Mr. CLARK. Mr. President, we have all noted with gratification the improvement in the employment picture during the spring months and we all hope for continued improvement until the recession is laid completely to rest.

However, we must never overlook the fact that severe local unemployment existed before the recession began and will exist indefinitely into the future unless action is taken. Those of us who supported the area redevelopment bill, which the Senate passed earlier this year, sought to provide such help.

In order that Members of Congress may be reminded of the continuing labor

surplus problem and of the large number of communities still suffering from substantial unemployment, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a tabulation showing major and smaller areas of substantial labor surplus, as of May 1959. This tabulation is taken from the May 1959 publication Area Labor Market Trends, of the Bureau of Employment Security.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

AREAS OF SUBSTANTIAL LABOR SURPLUS, MAY 1959

MAJOR AREAS

Alabama: Birmingham, Mobile.
Connecticut: Bridgeport, New Britain, Waterbury.
Illinois: Joliet.
Indiana: Evansville, Fort Wayne, South Bend, Terre Haute.
Kentucky: Louisville.
Maine: Portland.
Maryland: Baltimore.
Massachusetts: Brockton, Fall River, Lawrence, Lowell, New Bedford, Springfield-Holyoke, Worcester.
Michigan: Detroit, Flint, Grand Rapids, Muskegon-Muskegon Heights.
Minnesota: Duluth-Superior.
New Jersey: Atlantic City, Newark, Paterson, Perth Amboy, Trenton.
New York: Albany-Schenectady-Troy, Buffalo, New York, Utica-Rome.
North Carolina: Asheville, Durham.
Ohio: Toledo.
Pennsylvania: Allentown - Bethelehem - Easton, Altoona, Erie, Johnstown, Philadelphia, Pittsburgh, Scranton, Wilkes-Barre-Hazleton, York.
Puerto Rico: Mayaguez, Ponce, San Juan.
Rhode Island: Providence.
Tennessee: Chattanooga, Knoxville.
Texas: Beaumont-Port Arthur, Corpus Christi.
Virginia: Roanoke.
Washington: Spokane, Tacoma.
West Virginia: Charleston, Huntington-Ashland, Wheeling-Steubenville.

SMALLER AREAS [1]

Alabama: Alexander City, Anniston, Florence-Sheffield, Gadsden, Jasper, Talladega.
Alaska: Anchorage.
Arkansas: Fort Smith.
Connecticut: Ansonia, Bristol, Danbury, Danielson, Meriden, Middletown, Norwich, Thompsonville, Torrington, Willimantic.
Illinois: Canton, Centralia, Harrisburg, Herrin-Murphysboro-West Frankfort, Litchfield, Mount Carmel-Olney, Mount Vernon.
Indiana: Anderson, Columbus, Connersville, Michigan City-La Porte, Muncie, New Castle, Vincennes.
Iowa: Ottumwa.
Kansas: Coffeyville-Independence-Parsons, Pittsburg.
Kentucky: Corbin, Hazard, Hopkinsville, Madisonville, Middlesboro-Harlan, Morehead-Grayson, Owensboro, Paducah, Paintsville-Prestonsburg, Pikeville-Williamson.
Louisiana: Alexandria, Opelousas.
Maine: Biddeford-Sandford, Lewiston.
Maryland: Cumberland, Frederick, Hagerstown, Westminster.
Massachusetts: Greenfield, Haverhill, Milford, Newburyport, North Adams, Pittsfield, Southbridge-Webster, Ware.
Michigan: Adrian, Allegan, Bay City, Escanaba, Iron Mountain, Jackson, Marquette, Monroe, Owosso, Port Huron, Sturgis.
Mississippi: Biloxi-Gulfport, Greenville.
Missouri: Cape Girardeau, Flat River, Joplin, Washington.
Montana: Butte, Kalispell.
New Jersey: Bridgeton, Long Branch, Morristown-Dover.
New York: Amsterdam, Auburn, Batavia, Corning-Hornell, Elmira, Glens Falls-Hudson Falls, Gloversville, Jamestown-Dunkirk, Kingston, Newburgh-Middletown-Beacon, Olean-Salamanca, Oneida, Plattsburgh, Wellsville.
North Carolina: Fayetteville, Henderson, Kinston, Lumberton, Mount Airy, Rockingham-Hamlet, Rocky Mount, Rutherfordton-Forest City, Shelby-Kings Mountain, Waynesville, Wilson.
Ohio: Ashtabula-Conneaut, Athens-Logan-Nelsonville, Batavia-Georgetown-West Union, Cambridge, East Liverpool-Salem, Findlay-Tiffin-Fostoria, Marietta, Portsmouth-Chillicothe, Springfield, Zanesville.
Oklahoma: Ardmore, McAlester, Okmulgee-Henryetta.
Pennsylvania: Berwick-Bloomsburg, Bradford, Butler, Chambersburg-Waynesboro, Clearfield-Du Bois, Indiana, Kittanning-Ford City, Lewistown, Lock Haven, Meadville, New Castle, Oil City-Franklin-Titusville, Pottsville, St. Marys, Sayre-Athens-Towanda, Sunbury-Shamokin-Mt. Carmel, Uniontown-Connellsville, Williamsport.
Rhode Island: Newport.
Tennessee: Bristol-Johnson City-Kingsport, Columbia, La Follette-Jellico-Tazewell.
Texas: Laredo, Texarkana.
Vermont: Burlington, Springfield.
Virginia: Big Stone Gap-Appalachia, Radford-Pulaski, Richlands-Bluefield.
Washington: Aberdeen, Anacortes, Bellingham, Bremerton, Everett, Olympia, Port Angeles.
West Virginia: Beckley, Bluefield, Clarksburg, Fairmount, Logan, Martinsburg, Morgantown, Parkersburg, Point Pleasant-Gallipolis, Ronceverte-White Sulphur Springs, Welch.
Wisconsin: Beloit, Eau Claire-Chippewa Falls, La Crosse, Oshkosh.

[1] These areas are not part of the regular area labor market reporting and area classification program of the Bureau of Employment Security and its affiliated State employment security agencies.

Mr. CLARK. Not all of these communities would be eligible for assistance under the area redevelopment bill because they have not been labor surplus areas for the length of time required for eligibility. However, some of the cities on this list have been in the substantial unemployment category almost continuously since the end of World War II. It is for areas of chronic unemployment such as these that the area redevelopment bill is designed. Not only the States affected, but the whole Nation, has a stake in the restoration of a healthy economy in these communities.

I point out that my own State of Pennsylvania unhappily has the largest number of surplus areas, and I believe it now has the greatest amount of chronic, consistent unemployment of any State in the Union. This causes me to advert to a recent editorial entitled "Ingredients of Inflation," published in the New York Times, which took the Joint Economic Committee to task for its prognosis of several months ago. I ask unanimous consent that this editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INGREDIENTS OF INFLATION

An increasing number of developments on the economic front of late have combined to suggest that, while it is only about 2 months since the report of the Joint Congressional Committee on the President's Economic Report appeared, its central conclusion, if not perhaps completely refuted, has at least been brought into serious question.

This conclusion was that for 1959, since there was obviously no evidence of inflation on the horizon, we should pursue public policies such as a budget deficit and cheap money until we have achieved full recovery from the recession. In other words, we should forget about a balanced budget and give highest priorities to the attainment of maximum employment and production.

When the congressional committee was preparing its report the most recent available figure on unemployment was that of January, which placed it at 4,724,000. Reflecting the recovery to new alltime highs in industrial production and the gross national product, this figure had been slashed by April to 3,627,000. Since the average number of unemployed in the boom years 1955–57 was 2,900,000, this means the total of the recession-induced jobless had already fallen to 727,000, and this at a time when we have put behind us the worst 4 months of the year in terms of unemployment expectancy.

If we look for evidence that the danger of inflation is not to be dismissed as lightly as the committee dismissed it, our first thought, of course, would be the stock market, which has soared so high and so fast that officials and members of the exchange have expressed their apprehensions concerning its speculative temper.

But the desire to turn a quick profit is equally evident in such seemingly unrelated news stories as that of the Florida land boom and the spectacular prices recently bid for paintings by established artists in the leading art auctions. In another, but equally obvious, form, we see it in the unwillingness of investors holding maturing Government obligations to accept in exchange a new short-term security that in anything like a normal atmosphere could be regarded as exceptionally attractive.

Again, the committee observed that the country's money supply had increased by an average of only 1½ percent since the end of 1954. By the generally accepted definition of the money supply—currency, plus demand deposits adjusted—the latter has risen during the past 12 months from $135 billion to $140.4 billion, an increase of $5.4 billion, or 4 percent. This reflects an increasingly vigorous demand for business credit, which on being used is likely to put to a very practical test the committee's thesis that the possibility of a reemergence of prime inflation this year can safely be ruled out.

In short, the person who is genuinely on the alert for possible signals of inflation doesn't wait until it shows up in that laggard series, the Consumer Price Index. And not even the legislator dedicated to the concept of inflation as a way of life, perhaps, would deny that such news items as these are strangely reminiscent of some of the more infallible symptoms of inflation in the making that he vaguely recalls from the past.

Mr. CLARK. In my judgment, this editorial is entirely wrong, both in its emphasis on inflation as being our primary national problem, and also in its criticism of the Joint Economic Committee. The New York Times and the financial journals of Wall Street have become so obsessed with the problems of inflation that they are unable to view in perspective the somewhat more important problem of continued national economic growth, in order to put an end to unemployment and to realize for our children a first-class America.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks an

able article by Richard L. Strout, staff correspondent of the Christian Science Monitor, published in the May 13, 1959, edition of that newspaper. The article is entitled "Inflation's Mist Fogs Boom."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INFLATION'S MIST FOGS BOOM

(By Richard L. Strout)

WASHINGTON.—American business is good and getting better: the big concern is inflation.

The paradox of this situation is that nearly all business indices are heading up except the cost of living—this index that measures inflation has remained nearly stationary for almost a year, the longest period of price equilibrium in recent statistical history.

These is every prospect that the United States is in, or is about to enter, a boom, and that this will last a year or so.

It is hard to see what can stop it. Following a 2-year recession there is now an enormous backlog of consumer and capital goods demand. It is true that unemployment is still abnormal, but this is rapidly dropping.

NINETEEN HUNDRED SIXTY VOTE FACTOR

The boom should ease many domestic problems. It should also aid the Republicans in the 1960 Presidential campaign. They can take credit for expected prosperity.

Through all this rosy prospect there remains, however, the fear of inflation. Advertisements warn against it daily. Apparently the apprehension is not based on any current runaway prices because actually the sensitive cost of living index is standing still.

(This index is the average of conflicting forces: the cost of many things is rising, particularly of services, but for the present this is balanced off by the decline of consumer food prices. Stability is being purchased at the expense of the farmers.)

Is the current fear of inflation due to a bad American record in holding the price line as compared to other countries? The answer here has to be no.

The United States by this criterion has a record to be proud of. Every American knows that prices have gone up. But competent economists show that relatively the American price rise is less—and in most cases far less—than in most other Western nations.

RATE OF RISE LOW

Britain, for example, does not seem worried about inflation. Yet the 10-year rise of British wholesale prices, 1948–57, was 55 percent, that in the United States only 13 percent. The same thing is true of consumer prices. The 10-year American rise of 17 percent is visible to everybody, but compared to other countries it is close to the bottom of the list.

Well then, the observer asks, how does the present movement of U.S. prices compare with those in the past?

What the public rarely understands is that inflation has been operating a long time. One analysis shows that over the period (1897–1958) the compound rate of price increase in the United States has averaged 2½ percent a year. Some years it was less, some (usually war years) more.

So-called creeping inflation has existed for a long time. In the United States, at least, it has never become galloping inflation. If the average rise is 2½ percent a year then the current period of almost a year with no rise at all is amazing.

DEFICIT AT PEAK

There are several new factors in the current situation which help account for the national sensitivity over inflation—a sensitivity hardly found today in any other big country.

1. The power of labor and management to maintain wages and prices appears to be at an alltime high. In the 1957–58 recession old-fashioned economic precepts indicated a drop in wages (from unemployment) and of prices (from reduced consumption). On the contrary, both went up. This implies a power to control the economy which society must view with concern.

2. Budget deficits: The United States is operating at a deficit, the biggest in peacetime history. President Eisenhower has balanced his budget only twice in 6 years. Red ink in the budget tends to be inflationary. But why is there this enormous current deficit?—primarily because of a slowing down of national economic growth. This results in a fall off of Federal revenues. The budget goes into the red.

Many observers would be happier if the Nation showed as much concern over the alarming decline in the rate of increase in gross national product, a disaster which has really occurred, as it does over the fear of inflation, a mere possibility of the future.

SCARE TECHNIQUE?

3. Politics: The political factor cannot be ignored. Nobody can deny that fuel for inflation now lies around. But it is easy to use the scare to cry inflation against almost any bills—some of them worthy, such as defense, foreign aid, and education. There are signs that some interested parties are promoting an inflation scare for their own ends.

Where a proper concern over inflation becomes hysteria it becomes dangerous. Some observers ask if that point has been reached.

The Government is finding it hard to market its long-term bonds in large part because of nationwide inflation fears. Simultaneously the huge stock market boom threatens to get out of hand (also stoked, in part, by investors seeking a hedge against inflation).

Again, one reason for gold going abroad may be exaggerated foreign fears of inflation.

Finally, exaggerated emphasis on inflation distracts attention from the problem of retarded U.S. economic growth.

Soviet output recently has been at three or four times the rate of the United States; a situation not necessarily serious at the moment but which Allen W. Dulles, Chief of the Central Intelligence Agency, says would spell economic suicide if indefinitely continued.

Mr. CLARK. Our friends of doom and gloom on the other side of the aisle point constantly to the dangers of inflation, but hardly ever do they say anything about the necessity for continued economic growth. I point out again that twice as many babies were born in the United States in 1956 as in 1936. I point out that the national per capita income has grown hardly at all during the Eisenhower administration, in fact by less than one-half of 1 percent. I point out that the primary economic problem is economic growth, not the combating of inflation. Of course, we must combat inflation, too, but I point out that the cries of doom and gloom which arise from our friends on the other side of the aisle are doing positive harm in our efforts to stabilize our price system. One of the features of these cries is the stressing of the fact that we are losing gold in this country.

In that connection, I ask unanimous consent to have an article published in the May 31, 1959, issue of the New York Times printed at this point in my remarks. It is entitled "Exports Gloom Held Too Thick."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXPORTS GLOOM HELD TOO THICK—BALANCING FACTORS INDICATE THE U.S. PICTURE ISN'T AS DARK AS IT'S PAINTED

(By Brendan M. Jones)

Continuing business concern with the decline in U.S. exports suggests the need for a corresponding emphasis on factors tending to put the issue in more rational perspective.

The decline began about 2 years ago. After reaching an exceptionally high level of $19,455 million in 1957, commercial exports dropped last year to $16,315 million. This decrease of more than $3 billion still was not as large as, or very different from, three previous year-to-year declines that occurred in relatively recent times.

The record set in 1957 climaxed 2 successive years of exceptional export gains, above $2 billion that year and $3 billion the year before. A good part of this exceptional rise was due to boom conditions in Europe and some other areas.

DECLINE BEGAN IN 1957

The decline of export trade, which showed up most markedly in last year's total, actually began in the latter half of 1957. Although this was the year in which exports soared to a new peak, most of the increase was concentrated in the first half. It was produced primarily by the unusual demands for fuel and other commodities caused by the Suez Canal stoppage.

A particularly worrisome aspect of the export trend is the fact that the decline has persisted into 1959. While last year there had been no real expectation that volume would come anywhere near the high level of 1957, more optimistic traders had looked for an upturn by the spring of this year. So far there has been no sign of such an upturn, but figures for April reported last week show a comparatively small decline.

While it now seems likely that the looked-for upturn will be later than expected, there are these factors serving to give perspective to the overall export picture:

The decrease in exports has not been peculiar to the United States. Beginning in 1957 and continuing last year, most large trading nations experienced a downward trend.

For the United States, the 1957 boom and subsequent decline of exports has been concentrated in mineral and agricultural products. Products mainly affected in these two categories include petroleum, coal, fertilizers, cotton, grains, and various other agricultural items such as soybeans, peanuts, and citrus.

A main influence on the general world decline of export trade was a sharp drop in commodity prices, which only lately have begun to recover. The effect on primary materials-producing countries has been the drastic curtailment of their buying power. This development was similar to the commodity slump following the Korean war, which had a like effect on United States trade.

The recent commodity-price drop exerted a contracting effect on exports of most large trading nations thorugh part of 1957 and nearly all of 1958. While many other nations have already begun to experience an upturn in their exports, the full impact of the commodity slump has only just hit United States exports.

This is indicated by the fact that in the first quarter of this year the dip in United States exports came mainly from a decline of 19 percent in sales to Latin America.

In sum, the decline of exports for this country has been from a peak reached thorugh unusual circumstances, followed by severe curtailment of buying power in major markets. Added to this is the fact

that through 1957 and 1958 this country's exports of agricultural produce, much of it surplus, ran at exceptionally high rates that could not be expected to continue indefinitely.

Concern over the export situation has been heightened by the heavy outflow of gold from this country. This movement has caused much questioning concerning whether inflation has priced American products out of the market. It also has raised the general question of decreased value of the dollar in world markets.

While the effects of inflation and the heavy outward movement of gold are not to be shrugged off lightly, the fact is that foreign countries jointly now hold more dollars than a year ago. In addition, it must be recognized that a large part of the outflow of gold, especially last year, was a reversal of a heavy inward flow of the preceding year.

Because of the exceptional requirements in fuel and other materials caused by the Suez situation, West European nations particularly drew heavily on gold reserves for financing. Practically all of these expenditures added to the United States reserves and about half of the heavy outflow last year represented a rebuilding of other nations' diminished reserves.

Through this recent period West European nations showed remarkable recovery from the effects of the Suez crisis and were able last December to underwrite a freer convertibility of their currencies. That this also is a token of their stronger competitive capacity in world export markets is obvious.

While most of these nations have made exceptional progress economically in recent years, they have had to apply greater discipline in checking inflation. Their dependence on world trade is such that protecting the value of their currencies has been paramount. Success of their efforts has now brought a basis for revival of freer competition in world markets and removal of import restrictions as was demonstrated by Britain last week.

Anxiety over the decline of American exports and diminished value of the dollar seems to have been stimulated partly by the recent recession and wage-cost pressures. A furor over decreased value of the dollar has a certain propaganda effectiveness not only domestically but also in other countries where there is interest in seeing gold prices increased.

From a different perspective it is possibly helpful to recall that United States exports slumped $4 billion in the 1944–45 period; and by nearly $2 billion in 1947–48 and 1951–53. They later recovered to go on to new records.

Mr. CLARK. I hope very much that the country at large will soon recover its senses and, despite the propaganda from the White House and Wall Street come to the conclusion that we must have prices stable and constant economic growth, as well as and that we are not going to get that economic growth unless the policies of the Eisenhower administration and of the Federal Reserve Board are changed.

AMENDMENT OF BRETTON WOODS AGREEMENT ACT—CONFERENCE REPORT

Mr. FULBRIGHT. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1094) to amend the Bretton Woods Agreement Act. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The report will be read for the information of the Senate.

The Legislative Clerk read the report. (For conference report, see House proceedings of June 5, 1959, p. 10013, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. DIRKSEN. I should like to address one inquiry to the Chairman of the Committee on Foreign Relations. The conference report adopts the date of June 30, 1960, instead of the date in the bill as passed by the Senate. Is that correct?

Mr. FULBRIGHT. No; it removes the date which was inserted and adopts the House version, and also the so-called Aiken amendment which the Senate added, which specifies the amount.

Mr. DIRKSEN. That is correct. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. JOHNSON of Texas. Mr. President, we have just completed action on the conference report on S. 1094, the Bretton Woods Agreement Act. I wish to commend the Committee on Foreign Relations. This is very important legislation. I trust that it will be at the White House shortly. It involves $1,375 million. It is generally in keeping with the recommendations of the President. I am pleased that we were able to dispose of it this morning, rather than have it wait until we had acted on some of the pending business.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas has the floor.

UNANIMOUS-CONSENT AGREEMENT LIMITING DEBATE ON CONSIDERATION OF INTERIOR DEPARTMENT APPROPRIATION BILL ON MONDAY

Mr. JOHNSON of Texas. Mr. President, I am informed by the Committee on Appropriations that the Committee has completed action and filed a report on the Interior Department Appropriation bill, H.R. 5915. I hold in my hand the report by the Committee on Appropriations. There are some differences between the bill as reported by the committee and the bill as passed by the House. I am informed that the report states that the bill reported is under the budget estimates and that there is no serious controversy involved.

Therefore, Mr. President, I ask unanimous consent that, at the conclusion of the morning hour on Monday, it be in order to proceed to the consideration of H.R. 5915, under a unanimous-consent agreement limiting debate to 30 minutes on amendments and 2 hours on the bill, to be equally divided.

The PRESIDING OFFICER. The report has not actually been submitted.

Mr. JOHNSON of Texas. I hold in my hand a copy of the report. May the Chair submit my proposed unanimous-consent agreement?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. DIRKSEN. If the majority leader will yield, I should like to address one comment to him. Last week I expressed the hope that there would be continuous consideration of the nomination which will be before us. I am fully sensible of the fact that the business of Government must go on. Certainly I would never have any objection to a reasonable request. Appropriation bills must be processed before June 30th. The request of the majority leader in relation to the appropriation bill is an entirely reasonable one, and therefore I have no objection.

The PRESIDING OFFICER. The Chair hears no objection, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Monday, June 8, 1959, at the conclusion of routine morning business, the Senate proceed to the consideration of the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes, and debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

GEN. GEORGE CATLETT MARSHALL

Mr. JOHNSON of Texas. Mr. President, one of our most distinguished American statesmen once said to me that in a long life he had met only three great men. They were Mr. Justice Holmes and Mr. Justice Brandeis of the Supreme Court of the United States and Gen. George Catlett Marshall—and he said also that General Marshall was not the least of the three.

Since this appraisal was made by a public servant who has also been a lawyer of national distinction, it is not altogether surprising that two of his three great men were these two most famous Justices of the Supreme Court. It was the inclusion of Marshall under whom this civilian had once served that is intriguing.

The titles which he held and the positions he occupied were alone enough to make General Marshall a famous man, even had he been a man of mediocrity.

In themselves, his war service as the great general of the American and allied victory, and his peacetime service as Secretary of Defense and Secretary of State, give him high rank in the 20th century.

But clearly it is the quality of the service and the character of the man himself for which the American people are, in their hearts, grateful.

The phrase "Architect of Victory" is one often bestowed upon him for his performance in World War II. It is a glittering phrase, a happy generality, until we remember and examine once again the mammoth organization which General Marshall built to crush the most professional armies which ever inhabited this earth.

Even the inexperienced amateur was aware of the awesome size of the man who relentlessly, quietly, and selflessly created the armies, the navies, and the air forces in so brief a span of time—and then supplied them with the ever-mounting tools of victory.

This deed was enough to enshrine the name of Marshall forever.

Life offers too few men, if any, the opportunity to serve their nation as brilliantly in peace as they did in war. The only immediate parallels which come to my mind are those two immortals, George Washington and Winston Churchill.

Twelve years ago, General Marshall stood in the open air of Harvard Square and, in a brief speech, offered a concept which was to change the face of the world. Enough has been said here today of the successes of the Marshall plan that I need not once more detail its accomplishments.

In simple sum, one can well say and prove that the Western World is still the free world because of those words uttered in Cambridge, Mass., only these few short years ago.

And this was because the man who uttered those words was fully capable of transforming an idea of peace, just as he had transformed the theory of logistics in war, into action.

It is rare when nature combines in one human being the man of ideas and the man of action.

This is George Marshall. All Americans, everywhere, of the old generation and the new, owe this greatest living American a debt which even the best informed of us are only dimly beginning to understand.

This soldier would not cherish or appreciate such praise as this. I feel sure he would be more than content if someone said in the simplest of words, "He served his country well." To General Marshall there is not, there never has been, any other form of praise.

Even he in the simplicity of his greatness must know how well he deserves such praise, and how grateful the informed people of the free world are that George Marshall has come this way.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. BARTLETT. Mr. President, I am glad to be in the Senate Chamber when words of appraisal of George Marshall are voiced and are to be voiced by the majority leader, by the Senator from Oklahoma, and by other Senators.

Surely General Marshall is more than one of the great Americans of the 20th century. He ranks with that small and noble group of men who have preserved this Nation in its times of crises. He is truly a soldier-statesman. No man since our Nation was founded has been more dedicated to its welfare and its principles. High as is the regard and appreciation of the American people now for this great man, I venture to predict that history will fix for him even a higher place than that we now might believe possible. The grateful thanks of a people sensible of his massive contribution to the United States of America flow to General Marshall. We hope and pray that his health will be restored and that his years on this earth will yet be many.

Mr. JOHNSON of Texas. I thank the Senator from Alaska.

Mr. President, I shall yield the floor, so that the very able and thoughtful Senator from Oklahoma [Mr. MONRONEY] may occupy it. I have conferred with him about the statements to be made today, as a result of the inspiration which came from the distinguished Senator from Oklahoma, and which permitted me to make my statement when I did.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HUMPHREY. I consider it a real privilege to be in the Chamber at this time to hear the remarks of the majority leader in praise and in proper evaluation of a truly great patriot. I am certain that the name of George Marshall will be an inspiration to generations yet unborn.

Not only was this man a great leader in his own right; but he also served with great leaders. What a unique period it was in American history when a man like Franklin Roosevelt could be President and a man like George Marshall could be Chief of Staff; and later, as in time of war, George Marshall was in a position to serve his country with such great distinction, honor, and brilliance. We are really a fortunate people. The majority leader has again reminded us publicly, as he has reminded so many of us privately, of the great privilege it is to be an American and to have leadership of this quality.

I know the Senator from Oklahoma is about to pay his respects to the distinguished citizen, George Marshall, and to the Marshall plan. I shall stay to hear his remarks, because this is, indeed, a historic day for our Nation.

I thank the majority leader for yielding to me.

Mr. JOHNSON of Texas. I thank the Senator from Minnesota for his observations.

Mr. MONRONEY. Mr. President, today and tomorrow, June 5 and 6, are anniversary dates of great significance to America and to the world.

One, the June 6 date, marks the 15th anniversary of the American D-day landing on the Normandy beaches. It was the successful planning and superb execution of this mightiest of all amphibious efforts which led the free world to victory in World War II.

The other, far less dramatic, but of transcendent historic importance, June 5, marks the 12th anniversary of the birth of the Marshall plan for the economic reconstruction of a war-torn Europe.

Who can say, in the short years that have passed, which step—the step which led to the winning of the war, or the step which contributed so much toward winning of the peace—achieved the most for America and for the free world? Our view of history is of too short range today to evaluate these great contributions in their true perspective.

Yet on these two great anniversaries all America can take pride in the modest genius who was the architect of both.

Today, at Walter Reed Hospital, General of the Armies George Catlett Marshall, Jr., lies ill; but the strength and vigor and character that he has given to American leadership in world affairs stand as the great hope for freedom-loving peoples everywhere.

In war and in peace, he proved his genius in planning, and in selecting men who could be trusted loyally to carry out to the limit the strategy and the program he had designed. This was especially true in the execution of his task as Chief of Staff of the U.S. Armies and in the selection of the able generals he chose for command. Gen. Dwight D. Eisenhower, Supreme Commander in Europe, was one of those selected. It was true of his planning, training, and equipping of the mighty Army that he expanded from 200,000 men in 1939 to over 8 million men on D-day.

It was true in the strategy of global warfare. Against all kinds of pressures, General Marshall always insisted that Germany first had to be knocked out of the war. Allied pressures, especially from Russia, for premature invasion of the European mainland, found General Marshall insistent first on perfection in training, on coordination of land, sea, and air forces, and on complete readiness for this greatest of all military operations.

He had learned his lessons well. In 1901, he graduated from Virginia Military Institute. He entered the Regular Army during the period of reorganization following the chaotic operations of the Spanish-American War. That was at the beginning of the reforms instituted by Secretary of War Elihu Root, who finally had succeeded in getting the necessary legislation authorizing the creation of a general staff.

In 1907, General Marshall was graduated with high honors from the Infantry-Cavalry school, and later from the Army Staff College, at Fort Leavenworth. There, because of his brilliant record, he was retained as an instructor, although still only a first lieutenant.

In World War I, General Marshall pleaded for command, but was selected by General Pershing to be Chief of Operations for the First Army in France. He was disappointed at not having command, but his greatness in France was

recognized by Pershing and all who worked with him. He returned to the United States as aide to General Pershing.

After many assignments, including China, operation of the famous Fort Benning Infantry School, and other commands, he returned to Washington, in the late 1930's, as Chief of the War Plans Division, and later as Deputy Chief of Staff.

His appointment as Chief of Staff of the then tiny Army of less than 200,000 men occurred on September 1, 1939. That was the day when the Nazi armies invaded Poland—and the testing by fire of General Marshall had begun.

With V–E and V–J Days behind him, General Marshall retired as Chief of Staff, hoping to retire to his Leesburg, Va., home with a full career of outstanding service and devotion to his Nation completed.

Scarcely had his retirement begun before President Truman, faced with the crisis in China, recalled him to active duty—as I recall, it was almost on Christmas Eve—to serve at his special envoy to try to reconcile the warring factions and to end the civil war that was then exploding in China.

In 1947, General Marshall began his second great career of service and achievement for the United States. It was in January 1947 that President Truman appointed him Secretary of State.

The victory in Europe that had been welcomed with fanfare and shouting on V–E Day was fast disintegrating under the hammer blows of poverty, unemployment, hunger, and economic stagnation. The problems of reconstruction of their wartorn cities and towns, and of their bombed-out transportation systems and rubble-filled factories were more than the war-fatigued populations of free Europe could surmount alone.

In General Marshall's brilliant and clear speech at the Harvard University commencement exercises 12 years ago today, he launched the United States into a new and constructive role in the world. He called on the nations of Europe to join with the United States in a vast, cooperative effort to repair their shattered economies. General Marshall well knew that without a speedy rehabilitation of Western Europe there could be no lasting freedom for its people, no stability to its democratic governments, no future for employment and production.

Should this war-ravaged condition have continued, the spirit of the peoples of Western Europe, under threat of hunger and despair, could have faltered, under the constant encroachment of Russia, from infiltration and subversion from within, and from military threats from without.

As the fruits of his plan unfolded into action, thanks to such bipartisan leaders of the then Republican Congress as Senator Vandenberg and then Congressman Chris Herter, now Secretary of State, hopes melded into action, and recovery began.

Never before in history has such an economic turn-around occurred in so short a time. The 4-year plan, which was to cost $17½ billion, was completed for a total cost of $13 billion. It brought about production, both agricultural and industrial, in unbelievable abundance. It provided high employment and commercial stability, and it rescued the governments of many nations from the imminent threat of Communist domination.

It paved the way for the creation of the NATO alliance. Perhaps one of its greatest fruits was to set the pattern for European cooperation, instead of conflict. The Coal and Steel Community, Euratom, and the Common Market are byproducts of this plan launched by General Marshall, and so ably administered by Paul Hoffman, the first administrator of the program.

Recently Paul Hoffman told me some of the results of this greatest of humanitarian efforts in the history of the world. The $13 billion cost has already seen recoveries in hard currency repayments to the United States of approximately $254 million. This next fiscal year these payments will total about $62 million more.

Freely-elected governments today are strong, and free Europe is more vigorous, militarily and economically, than in the immediate prewar years. Instead of communities that are festering liabilities, teetering before the probing of communism, they offer markets for us and suppliers for us in an ever-increasing world trade. Their military divisions in growing strength bolster the free world's shield against the totalitarian threat of the East.

Each year the Marshall plan nations combine to spend more on the mutual security of the West than the entire 4-year cost of the Marshall program.

It would be impossible to calculate the additional military costs to the United States if this great European community had fallen victim to stagnation, exhaustion, and collapse. Certainly the entire Marshall plan cost of $13 billion for 4 years would have been required—along with additional billions in U.S. military expenditures—to compensate for the loss of this vital part of the world to communism. Even with this extraordinary expense, there would have been no real security for the Western World.

General Marshall resigned because of ill health in 1949. But when the Nation faced another crisis in the Korean war he was recalled to active duty to again serve his Nation. This time he filled the position of Secretary of Defense during the first year of the Korean war. It was in this period that he carried forward the creation of the NATO forces.

In 1951 General Marshall retired, this time for the third and last time. Virginia Military Academy dedicated its third arch to him as one of its most distinguished graduates. It is interesting to note that the first arch honors George Washington, the second Stonewall Jackson, and the third George C. Marshall.

Bernard Baruch, in dedicating this arch to General Marshall, paid tribute to him as a great citizen-soldier in the tradition of George Washington. But he emphasized that the new arch also looked to the future—to the concept of global defense and to George Marshall as the first global strategist.

Many other honors, too numerous to mention here, have come to General Marshall. The highest and best deserved was the Nobel Peace Prize of 1953—the first time it was ever awarded to a soldier.

Time will not permit repeating all of the great tributes paid to General Marshall by those who knew him and who worked with him. President Truman, in his memoirs, writes:

> General Marshall is one of the most astute and profound men I have ever known. Whenever any problem was brought before him, he seemed able to put his finger at once on the very basic approach that later would usually be proposed by the staff as the best solution. He talked very little but listened carefully to everything that was said. Sometimes he would sit for an hour with little or no expression on his face, but when he had heard enough, he would come up with a statement of his own that invariably cut to the very bone of the matter under discussion.

General Marshall has refrained from publishing his memoirs, although fabulous offers have been made to him for their publication rights. Since his retirement, he has remained aloof from all controversies.

The George Marshall Research Foundation at Virginia Military Institute has been established to honor him. He has deeded to it his personal papers. Presidents Truman and Eisenhower have cooperated fully in directing the Departments of Defense and State and the National Archives to make Government documents available.

Shortly before he left office, President Harry S. Truman directed the Secretaries of State and Defense and the General Services Administrator to cooperate with Virginia Military Institute and the George C. Marshall Research Foundation in procuring the documentary material relating to the activities of General George Catlett Marshall as a soldier, as Secretary of State, and as Secretary of Defense.

President Truman asked each of the officials to bring his memorandum on the subject to the attention of his successor "as a matter of urgency." "I feel confident that they will wish to support the efforts that have been commenced to provide suitable recognition to one of the greatest Americans of our age," President Truman concluded.

President Truman revealed then, in January 1953, that he had consulted with VMI officials about the Foundation for more than a year. A committee of representatives of the White House, the Departments of State and Defense, and the National Archives had given considerable study to the procedures by which the Government could assist the George C. Marshall Research Foundation. He expressed the hope that eventually a George C. Marshall Research Center would be open to the public on land provided by VMI on the perimeter of its parade ground, under authorization which had been given by the General Assembly of Virginia.

President Eisenhower, on April 1, 1955, wrote Mr. John C. Hagan, Jr., of Richmond, Va., president of the Marshall Foundation, that arrangements were

being made by the Department of State, the Department of Defense, and the National Archives to cooperate fully with VMI and the Foundation "subject to applicable provisions of law."

I am delighted to report that a great deal of progress has been made. Mr. Hagen states that more than 37,000 documents have been microfilmed of the 200,000 already processed.

Since General Marshall is one of the few major authorities on this Nation's recent activities in peace and war who has not written his memoirs, I am happy that the research foundation has made 41 hours of tape recordings in General Marshall's own voice and words to shed new light upon events of current history. Fifty records have been made with such contemporaries of the general as Bernard Baruch, Mrs. Franklin D. Roosevelt, and many of the top military and naval leaders who served with him.

Five researchers now are at work in various departments of government under the supervision of Dr. Forrest Pogue, director of research for the foundation, who once served as chief archivist of the Defense Department. One of the problems, of course, is that there are an estimated 3 million papers relating to the general's career and that many of them are classified.

I am grateful to Mr. Hagan for a chance to see the documents from President Truman, President Eisenhower, and Sir Winston Churchill. I ask unanimous consent that these letters be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONRONEY. Mr. President, the great ability of Sir Winston to express in words the true meaning of General Marshall's contribution to the freedom of the world eloquently portrays the gratitude of one of his associates throughout the crises of war and the crises of peace.

Here for the first time, I think, is presented Sir Winston's letter to Colonel Hagan:

DEAR COLONEL HAGAN: I welcome the decision to commemorate at the Virginia Military Institute the eminent services of Gen. George C. Marshall to the United States, to Europe, and to humanity. I have no doubt that this initiative will be widely acclaimed and supported.

During my long and close association with successive U.S. administrations, there are few men whose qualities of mind and character have impressed me so deeply as those of General Marshall. He is a great American, but he is far more than that. In war he was as wise and understanding in counsel as he was resolute in action. In peace he was the architect who planned the restoration of our battered European economy and, at the same time, labored tirelessly to establish a system of Western defense. He has always fought victoriously against defeatism, discouragement, and disillusion. Succeeding generations must not be allowed to forget his achievements and his example.

It is appropriate to assemble in a place so nearly connected with him documents and mementos relating to this great man. I am glad to think such a notable step is being take . in General Marshall's lifetime.

Yours sincerely,

WINSTON S. CHURCHILL.

I humbly associate myself with these words of Sir Winston. History will record General Marshall's selfless service, his dedication to the cause of world freedom—the story of a modest man ready always to answer the call to duty.

EXHIBIT 1

THE WHITE HOUSE,
Washington, January 19, 1953.

Mr. JOHN C. HAGAN, Jr.,
Richmond, Va.

DEAR MR. HAGAN: I am enclosing a copy of a White House news release which quotes the memorandum I sent last week to the Secretary of State, the Secretary of Defense, and the Administrator of General Services, asking them to cooperate with Virginia Military Institute and the proposed George C. Marshall Research Foundation in procuring documentary material relating to the activities of General Marshall as a soldier, as Secretary of State, and as Secretary of Defense.

I am glad that there is wide interest in providing such a center and that the VMI board of visitors is taking the necessary steps to make it a reality.

I have asked each Department head to bring my memorandum to the attention of his successor in office as a matter of urgency. I am sure that the research center will afford a fine opportunity for scholars, and I am glad to see proper recognition of this great American.

Sincerely yours,

HARRY S. TRUMAN.

The WHITE HOUSE,
January 17, 1953.

The President (President Truman) has sent the following memorandum to the Secretary of State, the Secretary of Defense, and the Administrator of General Services:

"Memorandum for the Secretary of State, the Secretary of Defense, the Administrator of General Services:

"The board of visitors of the Virginia Military Institute has arranged for the organization of the George C. Marshall Research Foundation, Inc., as a nonprofit Virginia corporation. The purpose of the foundation will be to collect and receive papers and records relating to the life and public service of General Marshall, together with other historical objects and documents, and to provide a suitable building to house them at VMI. To assist in effectuating this, the General Assembly of Virginia has enacted legislation authorizing VMI to deed land to the foundation as a site for the building to be known as the George C. Marshall Research Center. This building will be a library and museum and will be open to the public. The foundation project is to be financed by funds raised from private sources.

"The establishment of the foundation has been a matter of great interest to me, and I have consulted with VMI officials about it over a period of more than a year. In connection with these conferences, I agreed that the U.S. Government would insofar as practicable make available to the foundation documentary material relating to the activities of General Marshall as a soldier, as Secretary of State, and as Secretary of Defense. A committee composed of representatives of the White House, the Departments of State and Defense, and the National Archives, has given considerable study to the procedures by which the Government can assist the foundation in obtaining the documentary material that it will want.

"I am now advised that VMI officials are ready to complete the actual incorporation of the foundation, and that they are also prepared to employ the necessary staff to begin the handling and processing of documentary material relating to the career of General Marshall. The VMI library is equipped to receive and maintain such material on a temporary basis pending construction of the research center building.

"Subject to any applicable provisions of law, I therefore direct the Department of State, the Department of Defense, and the National Archives to cooperate with VMI and the foundation in procuring this documentary material, and to provide them with access to such records as they wish which can properly be made available to public inspection.

"Under the supervision of the Archivist of the United States, I am hopeful that reproductions of official records relating to the career of General Marshall can be provided the foundation.

"Many of the pertinent Government records will remain classified or will be withheld from the public for a number of years. As rapidly as they can be made public, however, I hope they will be made available to the foundation.

"I am requesting each of you to bring this memorandum to the attention of your successors in office as a matter of urgency. I feel confident that they will wish to support the efforts that have been commenced to provide suitable recognition to one of the greatest Americans of our age."

THE WHITE HOUSE,
Washington, April 1, 1955.

Mr. JOHN C. HAGAN, Jr.,
President, George C. Marshall Research Foundation, Inc., Richmond, Va.

DEAR MR. HAGAN: I was very glad to learn from you and General Milton that the George C. Marshall Research Foundation will soon begin to collect and receive papers and records relating to the life and public service of General Marshall, and that the material will be maintained in the library of the Virginia Military Institute pending construction of the research center building.

Arrangements are being made by the Department of State, the Department of Defense, and the National Archives to cooperate fully with VMI and the foundation subject to applicable provisions of law. It is the policy of this administration to remove security classification from Government documents of historical importance at the earliest possible time consistent with the national interest. I am confident that a continuing flow of documents pertinent to General Marshall's career can thus be made available to the foundation for reproduction.

Through the establishment of this center for study of the career of a distinguished soldier and statesman, the George C. Marshall Research Foundation is making a large contribution to public understanding of national affairs. I wish you every success.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. DOUGLAS. I congratulate the Senator from Oklahoma for his very truthful and stirring words in praise of Gen. George Marshall. I regard General Marshall as one of the great Americans of all time.

There are a number of features about his public career which I think need to be noted. In the first place, it was a great act of faith on the part of President Roosevelt to designate him as Chief of Staff. As I remember, there were 33 on the list of generals at that time. Furthermore, General Marshall was not a graduate of West Point. A differing faction inside the Army, the so-called MacArthur faction, was very bitterly opposed to General Marshall. Nevertheless, the President passed over 32 generals and

chose General Marshall as Chief of Staff. He did it upon the advice, it is understood, of General Pershing; but it was a great act of faith. If the President's choice had turned out badly, it would have been a serious reflection on President Roosevelt. It turned out extremely well, of course.

General Marshall proved himself to be not only a great organizer of armies, but a profound strategist. Within the space of a few years, he had 12 million men within the Army itself, and they were well equipped, well trained, and the generalship was extremely good. I think later history will show that, although General Marshall did not command the armies in the field, he did lay down the major lines of strategy.

I was particularly interested to hear the tribute of praise from Winston Churchill. I have read most of the books which have been published about the inner strategy of the war, and it is perfectly evident that Churchill was the opponent of General Marshall on the grand plan of strategy. Churchill wanted to have the armies make an attack through the back door. Churchill wanted them to go up through Salonika, on through Yugoslavia, and up through the plains of Hungary, to come in through the back door. He was very bitterly opposed to a cross-channel attack, which General Marshall advocated. A reading of Churchill's memoirs, makes it perfectly clear that Churchill put off the actual carrying out of the decision for a cross-channel attack from month to month, and indeed, from year to year. Now to have him pay tribute to General Marshall is, I am sure, very sweet music to all friends of General Marshall.

General Marshall, of course, also wanted to command the troops in the field, but I believe British opposition prevented him from doing so. Instead, General Marshall found a very good substitute in the person of General Eisenhower. In his choice of field commanders—notably, General Bradley and General Eisenhower—General Marshall showed as good sense in his selections as President Roosevelt had shown in his selection. General Eisenhower, as I remember, was jumped from the rank of lieutenant colonel to lieutenant general in the space of a few days, and was given command of the armies in Europe. This, again, was done with the consent of President Roosevelt. Had that experiment turned out badly, I suppose neither General Marshall nor President Roosevelt would ever have been able to live down the mistake, but it turned out, so far as the war was concerned, extremely well.

I am very glad that the Senator has spoken today on the floor of the Senate in praise of General Marshall. General Marshall remained quiet and preserved aloof dignity under all the attacks which were made upon him, although those attacks must have grieved him. He remained quiet when old friends he favored were silent when he was under attack. He acted like a thoroughbred throughout his whole career.

I think the entire Nation joins the Senator from Oklahoma in praise of this great man and in gratitude for his services both in war and in peace.

Mr. MONRONEY. I thank my distinguished colleague from Illinois for his perception and for the addition of many facts which are vital in regard to the career of General Marshall.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Oklahoma.

I earlier made comments with reference to the remarks of the majority leader concerning the illustrious life of this great American, General Marshall.

I should like to say to the Senator from Oklahoma that his comments today relating to General Marshall are not only excellent and inspiring, but also have a direct and current meaning in reference to American investments overseas in what we call foreign aid. The greatest program of American investment in freedom, in democracy, and in reconstruction was the Marshall plan.

The Marshall plan was a success, first of all, because there was candor and frankness on the part of the executive branch of the Government with the Congress as to what was required. The sum of money originally estimated was between $15 billion and $17 billion. I remind my colleagues that was a sum of money talked about in 1949, or 1948, and was a substantial sum of money. The timetable required from 4 to 5 years. It was said openly to the American people that this was what the cost would be.

Furthermore, this was not only an American program; it was a program worked out in cooperation with the nations of Western Europe. We insisted on the establishment of the Office of European Economic Cooperation, so that the various nations would help themselves and help each other as we helped them. This is a basic lesson in regard to foreign aid, and I am sure the Senator from Oklahoma would agree with me that in order for a foreign aid program to be really productive it must encompass more than simply the generosity of a country which makes the grants or offers the loans; it must encompass more than even the ability or the capacity of the recipient country; it must include other countries helping each other, within a region or within an area, working together in concert, along with the country or the nation which supplies capital and technical assistance.

I am delighted that the Senator has made these references to the Marshall plan at the time the Senate Committee on Foreign Relations is marking up and finally putting the finishing touches to the foreign aid or the mutual security program, because we have proved that foreign aid can be effective. We have proved that foreign aid can be a valuable investment.

The Senator from Oklahoma has cited for the RECORD the fact that the investment in foreign aid in Western Europe under the terms of the Marshall plan may have saved the American taxpayers billions of dollars in terms of our own defense costs, and surely it saved Western Europe from falling either into Communist hands or into complete anarchy.

We owe a debt of gratitude, indeed, to George Marshall for the thought and for the idea. We owe a debt of gratitude, I will say, to the leaders in Congress at the time, on both sides of the aisle, such as the late Senator Vandenberg, the present Secretary of State Mr. Christian Herter, and Members who were on this side of the aisle. We owe a debt of gratitude, I will say, for the persistence of and the decision-making capacity of the President of the United States at that time, President Harry Truman.

It has often been said that democracy is characterized by three "d's"—the right to dissent, the right to debate, and the obligation to make decision. In the instance of the Marshall plan, we had debate and dissent, but finally decision. Best of all, we had a great idea.

I thank the Senator from Oklahoma for this most timely message as a tribute to a great American, which is more than deserved. I am delighted I am alive at the time and in the Senate to join in the tribute.

I am extremely pleased that the Senator from Oklahoma has reminded us again of the basic principles of effective foreign aid, effective investment in freedom and in democracy. Every Member of this body would be well advised to read carefully the message delivered today by the Senator from Oklahoma.

Mr. MONRONEY. I thank my distinguished colleague for his very flattering remarks.

I wish to add that the Marshall plan would not have succeeded, in spite of the plans or the money, had it not been for the inspirational leadership which was given to this program by General Marshall.

Programs for foreign aid cannot be carried out with a half-hearted, embarrassed, weak-kneed attitude, for they will lack inspiration, which cannot be given by the mere expenditure of money as if it were only a routine operation. It was General Marshall's vision and the circumstances accompanying his administration—the work of Paul Hoffman and the great men associated with him in the early Marshall plan days—which made the plan truly a crusade for rehabilitation, reconstruction, and revitalization of Western Europe. It stopped the march of communism, which would have wound up on the Atlantic seaboard.

This program would not have succeeded had it not been accompanied by inspiration, as well as the dollars for aid.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield.

Mr. HUMPHREY. As the Senator said, this was an exciting and inspiring idea. It became an exhilarating experience. Qualities of leadership were manifested. This is what is lacking today. Today's program seems like tepid tea. What we do, we do because it seems to be necessary. What we do, we do because it seems the established routine.

What we do, we do because we are supposed to be, and are, a big country. There is a lack of drama and inspiration in what we do today. It is for that reason that I think we have faltered. Because of this fact we find ourselves on the defensive. The Marshall plan was an offensive measure, not a defensive measure. The Marshall plan was constructive. It went beyond the mere chance to contain and to hold. It was something which was projected for the future.

I thank the Senator from Oklahoma.

Mr. MONRONEY. I thank my colleague. I agree with him.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CLARK. I should like to add my commendation to that of Senators who have preceded me for the most timely address delivered by the Senator from Oklahoma with respect to the career of that great American, George Catlett Marshall, a dedicated man, a selfless man, a man entirely without personal ambition, a man who placed his country above everything else in life, and a man of exceedingly great ability and great capacity for leadership, and for influencing and retaining the loyalty of others.

He was always loyal to his friends. I saw General Marshall only once in my life. It was in the days shortly before Pearl Harbor. I was then a young captain in what was then the U.S. Army Air Force, serving on the newly created Air Staff. We were not then even in uniform. I remember that one day I was given the great privilege of going with my colleagues on the newly formed Air Staff to hear the Chief of Staff, George Catlett Marshall, tell us a little about the peril in which he found our country at that time, and the efforts he was making, as Chief of Staff, to mobilize America's armed might. He also emphasized the very great role which he was confident the young and budding Air Force would play in the years of decision ahead.

I came away from that meeting with the conviction that George Marshall was a truly great leader, a man with the capacity to inspire loyalty, a man who understood the problems with which we were confronted. I have never had occasion to change my mind since then. The amazing administrative task General Marshall performed in mobilizing the armed strength of the United States, in directing the major strategy of the war, and coordinating that strategy with our allies, was probably among the greatest military feats in the history of our country.

The dedication with which he determined to stick with the job, instead of taking the more glamorous position of field commander, is something for which all Americans must always be in his debt. Not only was he first in war in our time, but I suspect that when the history of this trying period through which we have all lived is written, he will go down in the annals of our country as also the first in peace.

I think I am correct in saying that this marks the 12th anniversary of the unveiling of the Marshall plan at Harvard University, on June 5, 1947. That dramatic gesture saved Europe from chaos and communism. It was a stroke of genius which dictated it. It was administrative genius which carried it out.

I hope that General Marshall will be able to read, if not hear, some of the things which are said about him on the floor of the Senate today. I, for one, am confident in my belief that when we sum up and evaluate events at the end of the era, it will be found that, in the list of great Americans in the first half as well as the second half of the 20th century, General Marshall's name will stand among the few great leaders of our country.

I thank the Senator.

Mr. MONRONEY. I thank the distinguished senior Senator from Pennsylvania for his tribute.

Let me say to him and to the Senate that I discussed General Marshall's condition with the Superintendent of Walter Reed Hospital only an hour or so ago. While General Marshall has been the victim of several strokes, and while it appears that he will have to remain in the hospital for an indefinite period, he still is able to read, understand, and, above all, to appreciate the things he knows have come about as a result of his efforts, which were so great. He, himself, always has treated his achievements with the extreme modesty which is the true mark of a distinguished and great man.

Mr. CLARK. Mr. President, I am happy to hear that cheering news, and to know that what the Senator has said is true. What a wonderful thing it would be if, while the general is alive, some tribute of a national character could be paid to him—perhaps the naming of the new national metropolitan airport, or some other recognition to signify the affection and respect in which he is held by the entire body of the American people.

Mr. MONRONEY. I thank my colleague. It is an honor well merited.

Mr. SALTONSTALL. Mr. President, on this anniversary of the Marshall plan, I wish to join in bringing to the attention of the Senate the fact that General Marshall proposed the famed program at commencement exercises at Harvard University. Later, it was called the Marshall plan; and it has had a very great deal to do with bettering the economic conditions in Europe and in the rest of the world. We believe it had much to do with keeping the peace after World War II.

As a member of the Committee on Armed Services, I came in contact with General Marshall when he was Chief of Staff, and later when he was Secretary of Defense. I grew to respect and to admire him, and, I hope, to have a mutual personal friendship with him.

Today, unfortunately, General Marshall is in a hospital; but I hope that he is thinking happily of the glorious part he played in furthering peace in the world following World War II.

Mr. MANSFIELD. Mr. President, I desire to be associated with the remarks which have been made by the distinguished majority leader [Mr. JOHNSON], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Massachusetts [Mr. SALTONSTALL], and other Senators in the compliments and commendations they have paid to the retired General of the Armies, George C. Marshall.

I have known General Marshall for approximately 20 years. To my way of thinking, he is one of our Nation's great men. His contributions have not only been many, but they have been worthwhile, as well. He was the directing genius behind the plans which brought our country and our allies victory in the Second World War. He was unassuming, but he had deep and firm convictions. One could always rest assured that what he was saying and what he was doing were always in the best interests of our country, and that at all times he placed the interests of the United States ahead of everything else.

I think our Nation has been extremely fortunate in having had at the time it did a man of the caliber of Gen. George C. Marshall. I know that the contributions he has made to our welfare will never be forgotten, and that General Marshall himself, because of his activities in the military field and because of his genius in devising the Marshall plan, will live in our memories and will be revered by our children for many decades to come.

Mr. GORE. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I am delighted to yield.

Mr. GORE. Mr. President, I concur in the statements the able junior Senator from Montana has made with respect to General Marshall.

General Marshall's service to the country is a unique one—a service which transcends, in fact, the citizenship and the boundaries of the United States and of the Western Hemisphere, and encompasses the entire free world. It is particularly pointed to the preservation of freedom in Western Europe.

The Marshall plan was bold and imaginative. It was also successful and effective.

As a military leader, General Marshall excelled. As Secretary of State, his record is indeed outstanding.

Mr. President, it is with pleasure that I join in the other tributes which have been paid to General Marshall; and it is an honor to do so.

Mr. McGEE. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I am delighted to yield.

Mr. McGEE. Mr. President, I should like to join in the testimonials to a really great man in America, Gen. George Marshall.

For a good share of my life I have been interested in the writing of history. Historians are already beginning to record that one of the most unselfish, statesmanlike contributions of a free society emanated from the program which bears the name of Gen. George Marshall. At a time in our history when freedom and democracy were on the firing line, at the conclusion of a war in

which deep bitterness had been engendered, there was real reason to fear that we might lose the war in the peace. It was at that moment, when the temptations of revenge and selfishness were about to take over, that, under the leadership of General Marshall, the United States held out an unselfish hand of opportunity to the vast areas which had been devastated by the war itself.

In Europe, in particular, there were many persons who felt that America, although she had contributed greatly to the winning of the war, might well forget what was at stake in that war and might return home because, again, they were reading in their own history books, and they could remember our great contributions in 1917 and 1918; but they also remembered that, once the shooting stopped, so did our determination to win freedom; and, as a consequence, in 1918 the war to make the world safe for democracy was followed by a peace which made the world only safe for dictatorship. Therefore, America was being tested, once again, at the end of the Second World War in a generation.

What America did was brought to a head and was well epitomized in the program headed by General Marshall; and affixed to that program, rightfully, is his name—a program by which a victorious nation, for the first time in human history, agreed to share its abundant wealth, its great opportunities, and the blessings of having escaped the immediate ravages of war with the sections of the world—regardless of which side they had been on during that war—which had suffered such grievous devastation because of the war. As well they know, the Communists intended to feed on the unrest and the devastation in Europe; and, indeed, they had every chance of doing so. It was the Communists' intent to do nothing in Europe, but to let starvation and suffering breed a demand for communism. It was at that moment that America, through General Marshall, rushed into the vacuum and met the challenge in the only humane and constructive way that could be effective. Because of America's record on this front, all Americans can hold their heads high. We shall stand before the bar of history acquitted of any selfishness or any vindictiveness or any sense of revenge, which so often follow in the wake of great war.

To that end, we in America pay tribute, on this commemorative date, to Gen. George Marshall, one of the greatest Americans of them all.

Mr. HART. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am delighted to yield to the Senator from Michigan.

Mr. HART. Mr. President, I welcome this opportunity to join in the remarks which already have been made on this anniversary date with respect to a very great American.

I think many persons believe that this Chamber is filled with those who are concerned with history's verdict regarding them. Consciously or unconsciously, I think all men and women are concerned with history's verdict with respect to them.

General Marshall, happily and deservedly, knows history's verdict, and he knows the gratitude of men and women across the world for him. Mr. President, nothing that could be said here could add to that story, but I think one should note on this anniversary date that the plan which bears his name points clearly to the road which America must follow if we are responsibly to discharge our obligation to civilization. It is not an easy road. It is definitely uphill. But free people, if they are given to understand the necessity, willingly will assume heavy burdens. It is leadership such as General Marshall has given which makes clear to free people the necessity for assuming burdens, and they find it a joy to assume such burdens.

Mr. President, I welcome this opportunity to speak on behalf of a very great American.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the New York Times of December 25, 1955, entitled "Marshall at 75: The General Revisited"; extracts appearing on pages 245 to 248 from the book entitled "Incredible Tale," written by Gerald W. Johnson; and extracts, as marked, from the book entitled "Peace Can Be Won," written by Paul G. Hoffman.

There being no objection, the article and extracts were ordered to be printed in the RECORD, as follows:

[From the New York Times, Dec. 25, 1955]

MARSHALL AT 75: THE GENERAL REVISITED

(By William S. White)

PINEHURST, N.C.—The cottage stands among the estates of the quietly and elderly rich who mainly inhabit this place. It is rather small, with a faint touch of pleasant shabbiness, and it looks rather huddled upon itself against the far grander homes across the shaded road. Here, on a winter's day, when a visitor calls upon the master of the cottage, the pines do not so much shelter as command; they are quite green, quite overpowering, and quite cold. The sheen of the sun is cold.

Here lives a great man, now venerable in retirement, an unconscious portrait of the general as an old man. (Whatever else he may be, however right or wrong his high policies in the immense years that he served, the host here is indisputably great, in the personal, human sense certainly; no sharper contrast to the small and the petty could readily be found.)

With him here is his wife, a lady of subdued, relaxed gaiety, whereas the general remains rather like a finely coiled spring. The steel has bent a bit, become a bit less supple with the passing of the years. Still, it remains. Here, too, is the general's orderly, an unobtrusive sergeant in mufti moving about deftly, much as a mobile background shadow alternately comes into focus and fades and dissolves in the eye of the camera.

Among the many, many obvious questions that the interviewer does not ask, is the name of the sergeant. The general would be perfectly polite, perfectly responsive, to such an inquiry. But he would be perfectly astonished, too. There is not the slightest doubt of his fondness, almost his paternal fondness, for this sergeant, who comes along with the other perquisites given by a more or less grateful Republic to a General of the Army.

All the same, the host here spent some 40 years in the professional Army, a good many of them with one or more stars on the shoulder, and even now he has no taste or gift for small talk or small facts. Unquestionably, he would unhesitatingly ford an icy river in winter to pull this sergeant out of a hapless fall. Unquestionably, too, however, a sergeant is a sergeant, a far more interesting being than, say, a second lieutenant, but still not a subject for general conversation.

Indeed, this small facet of character expresses one of the outstanding impressions left in a revisit, after some years, to George C. Marshall, General of the Army, former Secretary of State, former Secretary of Defense, former Chief of Staff, and holder of the Nobel Peace Prize.

That impression, stronger than ever now, is (however wretched the pun) of the profound generalness of the General's mind and point of view. An eminent soldier, credited by many with having held intellectual headship among all the military in prosecuting and winning the Second World War, he discusses, if left to himself, no particular battle and no particular crisis of that war.

This is by no means a vague or fuzzy period in his life, for, as he says with a small, bleakly appealing smile, he is "absolutely all right—from the neck up," although his 75th birthday is coming on December 31. Rather, it is a period, as he sees it in retrospect, and as no doubt he saw it even at the time, of vast, complicated shifting and interrelated designs of effort, of setback, of triumph, of transitory confusion succeeded in due course by firm and fixed consensus of purpose—a deep forest and not a series of trees.

The same is true of his later and purely political life. As Secretary of State he engaged himself primarily on putting over the Marshall plan for European recovery, but to this day nothing sharp, dramatic and alone, of that policy, stands out in his mind.

Instead, he simply remembers the general scene that lay before him: There was the devastation in Europe and the accompanying dangerous state of enfeeblement against the approach of communism. There was the political situation in the United States, specifically the task of persuading Congress to hand over the money for this enterprise. Finally, and at least as high in General Marshall's consciousness as these two other infinitely more interesting circumstances, was—what? "The shortage of a good many of the strategic materials that we were to need in this affair."

Again, as Secretary of Defense, Marshall's memories of his tour are more general and institutional than specific, personal, and intimate. His pride in that particular task lies most of all, as he casually remembers it, in what he did to halt the tremendous strife, as he puts it, that had been going on between the military services and between his predecessor as Secretary, Louis Johnson, and others in the Truman administration.

"I managed to change that," says the general, with quiet satisfaction, "and most of it, I believe, in about 2 weeks." How was it changed? The general spreads his hands, speaks noncommittally for a moment, and changes the subject.

There is no suggestion that he is avoiding the question; he has simply dealt with its important and general aspects and is now eager to pass on to something else.

It is clear that he dislikes Washington very much—his late years, in fact, have involved a series of retreats southward, first to Leesburg, Va., and now down here, so very far, indeed, from all official life. This dislike, it seems, actually proceeds, however, not so much from what others have so often denounced in Washington life—the backstabbing and climbing, and so on—as from General Marshall's intellectual revulsion to what he considers simply the damn nonsense of the place and the drabness of what he calls "Potomac social fever."

This, and any other kind of personalization of his position in Washington, was always a great, boring nuisance to him, and his juniors were given an incredibly free hand in dealing as they saw fit with this sort of thing. Mrs. Marshall recalls with a smile, for an example, that once when the general was guest at a notable affair the band leader felt it obligatory to ask for his favroite song. "The general," said one of the general's aides with a straight face, "prefers either 'Nearer, My God, to Thee' or 'Buttons and Bows'." Marshall himself did not know at the time of this extraordinarily catholic description of his musical interests. He smiles briefly now at the anecdote.

While the years have made their unavoidable mark upon him, the harsh denunciations of him that came late in his career, from the Republican right wing, have made no visible imprint at all. Five years ago, when the general's appointment to be Secretary of Defense was up for Senate confirmation, Senator WILLIAM JENNER of Indiana called him "a front man for traitors * * * a living lie."

Just after the incident this correspondent happened to speak to the general over the telephone on another matter. At the end, I said to him: "General, by the way, some very harsh things have been said about you in the Senate today."

"Oh?" said Marshall. "What were they?" He was told. There was the faintest pause and then he said: "Who? Jenner? Don't know him. Goodby."

The situation is about the same today. The general, having made, years ago, a firm decision never to write or publish a memoir or any other sort of apologia for his career, the question arose as to how and whether he would reply at all to his detractors.

"Don't intend to," he says in the sitting room here in Pinehurst. "I think the record [not "my" record, note] is sufficient. That was rather an emotional period, you know."

What was his hardest job in public life? "The hardest thing I ever did was to keep my temper. I had to work with those people, and that was that." To the question, "What are the indispensables for disinterested public service?" the general frowns a bit, drawing back from the brink of what might seem to be mere hackneyed sentiment, but at length bravely takes the plunge.

"Courage. Wisdom. Tolerance. An understanding of the democratic procedures. Tolerance. You can't operate the democratic system without tolerance." All this he bites off embarrassedly, like a man asked to read his prayerbook aloud.

Many things are part of Marshall. But this, it seems on reflection, is at the very core of it all: Here is a man of the military, a man with a good deal of what sometimes is slightingly called the military mind, an aloof, aristocratic, indrawn man who nevertheless in his life expresses the truly democratic spirit as well as any person this political writer has ever known.

He sometimes expresses it, it is true, with a kind of exasperated resignation; a man still incredulous at memory of the incoherent shouts of the crowd, pinked by the small darts of political enemies, but faithful still to the great plan that makes any public servant, however elevated, the servant at last of them all. To Marshall, for example, any defiance of Congress or President, particularly for a soldier, would be an inconceivable act.

He has wry memories of some of the things Congress did, not to him but to his beloved budgets, especially the most beloved of all, the Army's budgets. It is clear that he has many reservations today about many things in high policy, foreign and domestic. Still, he is adamantly unwilling to discuss any of these things. Proper authority has made these policies and he, moreover, is, as he says, quite out of it now, knowing a great deal of background perhaps, but not at all abreast of current intelligence.

His connection now with the Pentagon is tenuous and largely formal. As a General of the Army he is a member of a very small club that has much in the way of honor but little in the way of explicit duty. He does not often see many members of the club, though one of them, General of the Army Omar N. Bradley, was down here in Pinehurst not many months ago to play golf. (Of Bradley, of whom he is very fond, Marshall says in passing: "Bradley's a very junior member of our club, you know.")

Marshall's present relationship with the Pentagon, in fact, is largely nostalgic; he gets a great many letters from among the 10 million or more ex-servicemen with whom, as he says, he is "involved." They ask all sorts of things—one man in fact has entreated the general to do something to preserve the American bald eagle—and the general, with a great show of grumpy complaint that is not very convincing, does the best he can for them. His affection is for the American soldier; even here his concern is general and not particularized.

What he does most of all these days is to sit quietly, reading, contemplating the matters of life and watching television. He is quite pleased with that mechanism; when I called on him a newspaper clipping listing the evening's program was across the arm of his chair.

Nearby was a new and formidable book, "The Lessons of History," by William Smyth, in which was the card of an old Marshall friend, Bernard Baruch. Across the room were many more used books. Along about 5 o'clock in the afternoon the general went out to the kitchen for highballs, not sending the sergeant on this errand for the reason that any gentleman would have no difficulty in understanding: This was a man's home and this was the act of a host.

This home he shows with restrained pride, pointing out in a flat, unemphatic voice several rich oriental tapestries and paintings that hang on the walls. "Gifts to Mrs. Marshall," he says, "from Madame Chiang." He does not elaborate, or even recognize, the irony—for few will fail to recall that General Marshall's mission to China soon after the end of the war was alleged by some of his critics to involve a sellout of the Nationalist Government of Generalissimo Chiang Kai-shek. He simply repeats "Madame Chiang" and with an expressionless face he lets it go at that.

Then there is a stroll in the garden with Mrs. Marshall and the visitors, the general very straight in a thin tweed jacket and carefully oblivious of the now chill and sharpening wind whistling around the gleaming pine trees.

He has not, as he phrases it, been too well of late; the effects of a bout of virus flu are still upon him, and he finds it physically difficult to do a good deal of the writing—letters and so on—that he feels he ought to do. He could have in a secretary, of course, but this would not really do at all. "Mrs. Marshall and I so value our privacy," he explains.

Later, as his visitors rise to leave, the general goes to the door with them and beyond, leaning over the automobile door as he gives directions on how to get back to the main road. His face is thin, but still powerful in the twilight, and he stands watching in the driveway as the car pulls away toward the Durham-Raleigh Highway.

It is impossible not to look back upon the tall still figure under the now darkening pines. It is impossible to put down the melancholy thought that the truly great ones—not necessarily the right ones or the wrong ones on policy and all that, for all that is not the point—are falling back now into irretrievable time.

Thus, George Catlett Marshall, Esq., of whose like there indeed are not many.

EXCERPT FROM BOOK ENTITLED "INCREDIBLE TALE"

(By Gerald W. Johnson)

And yet—on June 7, 1947, we sounded a blast that echoed around the world. George Catlett Marshall was the trumpeter, but that is a detail, for he was sounding in behalf of the average man; all that the identity of the individual did was give a name to the call. It carried the defiance of the commoner, whose heart and hand must make it good; and the great herald was, after all, merely a herald. Every American who has assented and who has supported the Marshall plan is entitled to say, "the slughorn to my lips I set," for at Harvard University that day the Secretary of State was speaking for us all.

It is certainly true that our motives were not unmixed. The Marshall plan would never have gone through Congress so quickly, and it might not have gone through at all, had not some Members been spurred by fear of communism. Its supposed efficacy as a stopper of communism gave the plan the last group of votes necessary to a majority, and to that extent it is correct to say that terror, not boldness, was the deciding factor.

But it is equally correct to point out that there was a heavy vote in Congress, and a strong sentiment among the people in favor of the Marshall plan before terror was introduced as an additional argument. Fear gave it the final shove, but it was already close to success. Fear is nothing new. Fear has been dictating action since history began. Fear will always be a factor in the decisions that any nation makes. The presence of the oldest of human motives in this decision signifies nothing as regards the political education of the American people. The appearance of a new motive does. Realization that the restoration of Europe is a part of our task was such a motive; and it was powerful, if not controlling.

It is appropriate to the moment that the poem ends with the trumpet call. What happened after that, Browning does not say. What is to happen after our bugle blast we do not know as yet. But the fact that we had the spirit to sound it is one of the great incidents in the tale of our times.

For it was not a defiance of any specific man or of any specific society. It was a challenge offered to certain ancient ideas, stronger than any man, a defiance of traditions older than history. What will come swarming out of the Dark Tower we know no better than the knight errant did, but it will be trouble in multitudinous forms. Perhaps one of those forms will be war, but perhaps not. We got through the first 2 years and well into the third without war, but it may well be upon us before these lines are in print; or it may not come at all. But we have already precipitated plenty of trouble by our defiance and there is more to come.

Why not? No one has attacked an ancient evil yet without starting trouble, and the evil we attacked is one of the oldest in the world. It is the belief, rooted in the human mind before history began to be written, that Vae victis is the supreme law of nations and that diplomacy is simply war in another form. This belief had been challenged before, but never as flatly, never as uncompromisingly as in the Marshall plan. Here for the first time a conqueror assumed that in destroying any part of the world, even that part held by an enemy in arms, he was destroying values in which he had a share, and that the woe that ensued should in justice be shared by him also.

The Marshall plan on its face is a financial measure, by which the American people—not the President and the Secretary of State, but you and I and the man next door—undertake to contribute sums of the order of $5 billion a year for at least 4 years to a pool from which stricken nations may draw to

restore their shattered economic life. But its financial aspect is its superficial aspect. That is proved by the fact that some nations, including some of the worst devastated, refused the offer.

In view of the fact that the money does not have to be returned, except in certain restricted cases, and in view of the fact that the offer was made to all alike, it must have been a powerful motive indeed that induced any nation to refuse an offer so much to its advantage. It is evident that the Marshall plan, in the estimation of these nations, includes much that does not appear on the face of the financial transactions.

It does, indeed. It includes a tacit agreement on the part of beneficiary nations that they will make every effort to restore, not only their domestic productive power, but also that free and friendly commercial exchange necessary to support the economy of the world. This economy is not sustained but damaged by a policy of aggression on the part of any nation or group of nations; hence the Marshall plan by its very nature requires abandonment of the idea of aggression.

In theory a strong nation—Russia, for example—might have accepted the Marshall plan with no intention whatever of living up to this responsibility; but in practice it would not work. The leaders of the Communist state were well aware that if they accepted the benefits of the Marshall plan, intending all along to follow a policy of aggression, they would be left in a position so indefensible morally that they could not make even their own people regard it as justifiable. The Soviet system is powerful; but even so, it is not powerful enough to accept a man's money and then stab him in the back without incurring the condemnation of its own supporters.

But Russia, debarred from accepting the plan, must inevitably regard its success elsewhere with great apprehension, and was compelled, by her own stern logic, to employ every resource to prevent its success. Those resources have been employed, with considerable effect. The blockade of Berlin, for instance, compelled us to resort to the airlift, costing us hundreds of millions and many lives; and that was but one item in a long list. Oh, yes, when we put the slug-horn to our lips we started something that will be difficult to carry through.

The worst of it, though, is not Russian obduracy and ingenuity, but our own fatigue. The moral endurance of the American people has astonished the world, but it is not unlimited. The antagonist who rose before us after 1945 is well aware of the fact and has employed it with great shrewdness. His game has been to facilitate a psychological collapse by every means in his power, and to play for time until it comes about. It is a style of warfare to which Americans have never been subjected before, and the manner in which the average American will sustain it has yet to be determined.

EXCERPTS FROM BOOK ENTITLED "PEACE CAN BE WON"

(By Paul G. Hoffman)

The Kremlin's intent, even before the Marshall plan got under way, became abundantly clear as early as July 1947 in Paris. General Marshall had but recently delivered his great speech at Harvard, calling upon the nations of Europe, upon all of them, to join together in a vast cooperative effort to repair their shattered economies. "It is logical," he had declared, "that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine, but against hunger, poverty, desperation, and chaos." There were no ideological strings attached to that offer beyond the commonsense warning that "governments, political parties, or groups which seek to perpetuate human misery in order to profit therefrom politically or otherwise will encounter the opposition of the United States." This was an offer made in good faith and backed by good will. Its sole object was to lay the groundwork for a more prosperous world in which peace and freedom would be secure.

* * * * *

I can understand why many people feel this way. Much as I believe in peace, I am not for peace at any price. I go along completely with Senator Vandenberg, who, with his customary insight, said at Dartmouth College in 1949: "Appeasement is surrender on the installment plan." And General Marshall, in his eloquent 1950 Memorial Day address, endorsed this view when he declared that "there is nothing to be said in favor of war except that it is the lesser of two evils. For it is better than appeasement of aggression because appeasement encourages the very aggression it seeks to prevent."

* * * * *

On both scores there is hopeful news. Nothing finer could have occurred to persuade Europeans that we are in earnest about building up our defenses, and using them to avert war, than the appointment of George Marshall as Secretary of Defense. They vividly remember his leadership in World War II. They look upon him, and rightly, as a military genius who can construct and conduct a great common defense. At the same time they have an immense regard for him as the author of the Marshall plan as a program for peace. In the same way that he conceived of economic strength as a means of thwarting internal Communist aggression he will conceive of military strength as a means of thwarting external Communist aggression.

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If this sounds like fiscal fantasy, let's look at the process in action. The French had made a valiant comeback in their cotton industry, restoring some 80 percent of prewar capacity. Raw materials ran out. Prior to the Marshall plan, French millowners faced the threat of having to shut up shop for lack of raw cotton. Unfortunately, France is not a cotton-growing nation and no cotton was available there. The millowners had plenty of francs, but the American cotton grower couldn't use them. Then the Marshall plan came along. The millowners took their francs to the French exchange control, traded them for dollars (after their requests were approved by French officials and ECA), bought the needed cotton with the dollars and kept their mills going. What about the millowners' francs? They went into the recovery fund and became counterpart—to be used for some such worthwhile project as building a highway or creating new farmland by draining a swamp.

What has happened? The dollars kept the French mills active and thousands of French workers at their jobs. They have provided the French Government with a sackful of francs for recovery projects. They have robbed the French Communists of an excellent opportunity to exploit the discontent of idle workers. More importantly, because the French millowners paid for their cotton—and thus ordered only what they needed—the program avoided the waste that is normal in most "giveway" plans.

We must use guided dollars. As most Americans know, we have been extending to Europe a vast amount of aid ever since World War I.

In 1947, Congress was facing the task of further aid to Europe. But it wanted to put it on a sounder, more solid basis than ever before. Hence Congress made this the central aim of Marshall plan legislation. In my opinion, its efforts were notably successful, with good reason; the problem in Europe had been thoroughly studied by congressional investigators (such as the traveling committee headed by the brilliant Christian A. Herter, of Massachusetts). The ECA legislation itself was based upon some of the most protracted hearings in congressional history—the testimony filled five volumes and contained 6,584 pages. When the law finally emerged from these hundreds of necessary but wearisome hearings and conferences, it included among its provisions a directive that the European nations: (1) Submit a detailed program of their needs, (2) discuss with the ECA administration the trade and fiscal policies they would follow, and (3) allow ECA to make end-use checks to determine that American aid was spent as agreed.

Mr. MANSFIELD. Mr. President, I wish to thank all Senators who have associated themselves with the majority leader and the Senator from Oklahoma [Mr. MONRONEY] in expressing their thoughts on General Marshall today. He is a great man—great in the annals of war, great in the annals of peace, and great in the affection of his countrymen.

Mr. NEUBERGER subsequently said: Mr. President, I was on the floor earlier today when the able Senator from Oklahoma [Mr. MONRONEY] paid tribute to the illustrious career of Gen. George C. Marshall. I realize there is nothing I can say which would add to the encomiums paid so deservedly to General Marshall by the Senator from Oklahoma, by the Senator from Illinois [Mr. DOUGLAS], by the Senator from Montana [Mr. MANSFIELD], and by many other distinguished Members of the Senate. I should, however, like to add one very brief comment.

We in the State of Oregon, which is my native State, have always taken great pride in the fact that Oregon has been General Marshall's favorite scene of recreation. On many, many occasions General Marshall has gone fishing on the Umpqua River, which is one of our lovely coastal and tidewater streams, and in which steelhead trout, salmon, and other game fish abound.

Again and again General Marshall returned to Oregon, and always he has had praise for Oregon's magnificent outdoor beauty and grandeur.

I think it was in connection with his original military service in the Pacific Northwest that General Marshall first came to national attention. At the time the Russian fliers made their epic flight over the polar region in their antiquated airplane—at least antiquated by present-day standards—Gen. George Marshall was a brigadier general in command of the Vancouver Barracks. That is one of our oldest military posts, and is located on the banks of the Columbia River, near Vancouver, Wash., just across the Columbia from Portland, Oreg.

General Marshall at that time distinguished himself by his very adroit handling of the negotiations which took place with the Russian fliers, and in their presentation to our country and to the world after their remarkable feat of aviation. I recall editorials which were published in newspapers in the States of Washington and Oregon, citing the fact that the commandant at Vancouver Barracks was indeed an outstanding military

leader and also a man who knew how to handle his fellow men and to behave very capably in what might have been a delicate international situation.

I note the distinguished senior Senator from Washington [Mr. MAGNUSON] is present on the floor. I am sure he will recall the time when General Marshall was commandant of one of the oldest and most traditional military posts in the State of Washington, and indeed in the Pacific Northwest.

I am happy indeed to have had this opportunity to bring to the attention of the Senate the heritage and legacy we of the Pacific Northwest feel we enjoy whenever the outstanding career, both in war and peace, of Gen. George C. Marshall is mentioned.

INTERNATIONAL PUBLIC HEALTH AND MEDICAL RESEARCH YEAR

Mr. HUMPHREY. Mr. President, I submit, for appropriate reference, a resolution expressing the sense of the Senate on behalf of specific steps looking toward the observance of an International Public Health and Medical Research Year.

I ask unanimous consent that this resolution, lie over on the desk for 10 days so that all of my colleagues who may wish to join as cosponsors may have the opportunity to do so.

The PRESIDING OFFICER. The resolution will be received and appropriately referred; and, without objection, the resolution will lie on the desk, as requested by the Senator from Minnesota.

The resolution (S. Res. 129) favoring continued efforts by all nations to strengthen cooperation in health and research activities, was referred to the Committee on Foreign Relations.

Mr. HUMPHREY. I hope that as many of my colleagues as possible will join with me, because I would like for the world to know explicitly that the Senate of the United States, and I hope the House, thereafter concurring, remain united in favor of this great ideal of an International Health and Medical Research Year.

PAST U.S. AND SENATE SUPPORT OF YEAR

It will be recalled that on August 11, 1958, the Senate unanimously approved my bills, Senate resolution 361 and Senate concurrent resolution 399, inviting the President of the United States to explore the possibility of such a year.

On December 5, 1958, the United Nations General Assembly, with full U.S. support, unanimously approved the concept of such a year and referred it to WHO.

However, the World Health Assembly, which has just concluded its 12th session in Geneva, decided to postpone the year. It asked, however, that the Director General and the Secretariat prepare specific plans for reconsideration of the year at the next meeting of the Assembly, in Geneva, in May 1960.

PURPOSES OF NEW FORM OF RESOLUTION

The purpose of my resolution today is as follows:

First. To utilize constructively the time period of 11 months before the World Health Assembly reconvenes.

We would do so by inviting the President of the United States, acting through the Department of Health, Education, and Welfare; the National Science Foundation; the National Academy of Sciences and National Research Council, and other public and private groups to ask the medical profession, and other professions and organizations in the life sciences, in cooperation with the scientific community of the world, to develop concrete plans and programs for the year.

REBUTTAL OF SOVIET CLAIMS

Second. A second purpose of my resolution is to rebut the erroneous Soviet claim to the effect that it was the Soviet Union which originated the concept of such a year.

I should like to say that it is a source of regret to me that the subject of health should be made a pawn in the East-West chess game, or power struggle.

So far as we Americans are concerned, we are interested in the health of mankind because of humanitarian reasons.

Unfortunately, however, the Soviet Union at the World Health Assembly in Geneva attempted to draw a false issue in speech after speech and to assert that it was the Soviet Union which is responsible for this concept.

The fact is that it was an American, former Gov. Adlai Stevenson, who first presented the idea publicly—3 months before the Ukrainian Socialist Soviet Republic took up the idea. It was an American resolution in the U.S. Senate which I had been privileged to draft, which first presentd the idea in formal form. It was an American message to the executive board of the World Health Organization which first drew it to the attention of WHO in the form of my message to Surg. Gen. Leroy Burney.

The Soviet Union at the Geneva Assembly chose to disregard all of these facts, simply relying upon the fact that in September 1958, the Ukraine had introduced a resolution for the year in the United Nations.

I call the attention of the Senate to the fact that it was about 6 weeks before that when the Senate of the United States adopted a resolution asking for an international health and medical research year.

Let me say, in all candor, that I regret that it was not the American delegation in the United Nations which introduced such a resolution. The fact that it did not does not alter the fact that it was at American initiative, that this whole concept developed.

I believe that the U.S. Senate, as such, is to be complimented for having taken the initiative. Now, I want the Senate to maintain the initiative, but I want the executive branch to carry through fully—as I believe it very definitely will.

But authorship of the idea is not nearly as important as fulfillment of it.

SUMMIT CONFERENCE COULD ADVANCE THE YEAR

I believe that it is time that, at the highest possible level, this issue, now derailed, be put back on the track.

If a summit conference between East and West is held, and if a broad-range of nonpolitical issues is taken up, such as was wisely done at Geneva at the summit, in 1955, then I believe that President Eisenhower, Premier Khrushchev, Prime Minister Macmillan, and President De Gaulle would do well first, to approve the concept of such a year; and, second, to signify their intention to have their governments financially support such a year. I am hopeful that our Government, in the person of our President, will take the initiative in these endeavors.

The fact is that a health year is precisely the sort of relatively noncontroversial issue on which East and West can and should unite. Last year, one quarter of a million Americans and a quarter of a million Russians died of cancer, for example. So, enlightened self-interest requires cooperation.

When I discussed the issue of the year with Premier Khrushchev in Moscow on December 1, 1958, he enthusiastically approved it.

Unfortunately, Soviet actions at WHO did not accord with his comments. This is not, however, an uncommon contrast.

Unfortunately, too, until heads of state flash encouraging word to their own health ministers, to the effect that governments are ready, willing, and eager to back the year with dollars, rubles, francs, and pounds sterling, the health ministers will be unable to pledge more money to international health efforts.

This brings us to consideration of the action at the World Health Assembly, which I believe will be of interest to the Senate.

REASONS FOR ASSEMBLY'S DECISION OF POSTPONEMENT

It is only being frank to say that WHO's decision of postponement was a source of disappointment not only to myself, but to a great many individuals here and abroad who see in the year a magnificient opportunity to strengthen the health of the human race.

The reasons for the postponement are several. I shall not, at present, attempt a complete statement with regard to the Assembly's decision, because I have not as yet had the opportunity to take this up at first hand with American delegates, following their return from Geneva.

I have, however, through correspondence and through information obtained by the staff of the Government Operations Committee conducting the International Health Study, ascertained that the following were among the reasons for postponement:

First. It is universally recognized that the year will require extensive preparation. Yet, it is less than a year since the concept of such a year was first advanced. And many of the nations felt that it would have been preferable to have more definite plans before authorizing a full go-ahead.

By contrast, it should be noted that the eminently successful International Geophysical Year was first discussed as far back as April 1950 before its start 7 years later in July 1957.

Second. A second and equally or more compelling reason for postponement was stated in the World Health Assembly

resolution itself. It pointed to the fact that the nations are heavily committed at present to both national and international efforts to improve health. That means, I might add, principally the underdeveloped nations are so committed.

It is no fault of the delegates to the Assembly that they were apparently under instructions of their home governments not to attempt to undertake additional financial commitments, either nationally or through pro-rata international effort. The Assembly recognized that it still faces enormous financial burdens in programs such as malaria eradication.

Third. Apparently, a third reason for postponement was that the Soviet effort to make propaganda out of the Health Year apparently backfired. As a result of Soviet and satellite propaganda speeches, there was resentment by many delegates against Soviet efforts to take over the year. Let me say, Mr. President, that I do not view the Health Year as a propaganda stunt for or against any nation. I view it as a solid humanitarian effort.

When the Health Year is formally observed, it cannot possibly succeed unless all nations view it in this manner.

Its success will depend in very large measure on full Soviet participation—but Soviet effort should be conducted as a part of the community of nations and not in a manner which will estrange many nations.

If and when a summit conference takes place, I am hopeful that the President of the United States will say in no uncertain terms, with clarity and purpose, that we expect the Soviet Union in these international cooperative efforts to act responsibly, and cease their efforts at propaganda, and cease their efforts at harassment of important international purposes.

Notwithstanding East-West differences, I want it known that I continue to hope that the Soviet Union will leave no stone unturned to contribute to mankind's health. I believe that the impressive talent of Russian science, the manyfold abilities of Russian research should be just as dedicated to mankind's health as the ability and talent which we ourselves can mobilize.

THE IRONY OF INADEQUATE FINANCES FOR HEALTH

Now, let me state this fact concerning the financial problem:

Reports from Geneva indicated that the delegates and many of their governments were concerned about the $600,000 price tag on administration of the Health Year.

I say in all candor, Mr. President, that it is a sad and tragic commentary on the world of the 20th century when the nations can spend $100 billion on arms, but shrink from spending $600,000 for human health.

It is a tragic commentary on man's system of values when the world spends billions to fire rockets into outer space, but hesitates to spend relatively pennies for experiments which will fire magic bullets against diseases which are the enemies of man.

I know that the United States at the appropriate time will make a substantial voluntary contribution for the success of the Year, just as it did in the case of the International Geophysical Year.

If it was appropriate for us to spend tens of millions of dollars not counting logistic support, for IGY, then it certainly is appropriate that we be prepared to make reasonable expenditures available for the International Health Year.

WHO'S ACTIONS PROVES NEED OF YEAR

I point out that the very decision of postponement of the Year underlined a reason why there should be such a Year.

The fact of the matter is that in many countries, the Ministers of Health, through no fault of their own, seem to be, in effect, considered "low men on the totem pole" by some of their governments. I am not speaking of our own country or of any one country in particular.

I am simply stating that when many national budgets are prepared by powerful Finance Ministers and are approved by parliaments, somehow money is always found for top priority Ministries and for armaments and for all sorts of governmental projects, like roads and harbors, etc. But often, at the bottom of budgetary priorities, money is doled out with an eyedropper when it comes to human health.

I have seen country after country where the biomedical community is virtually starved for finances.

I have seen country after country with potential scientific genius being wasted because there are no career opportunities and adequate salaries for medical researchers and for public health physicians.

An International Health Year could go a long way toward ending this unfortunate downgrading of human health.

Fortunately, we of the United States have considerably awakened to health needs. This awakening is due in large part to the superb efforts of the senior Senator from Alabama [Mr. HILL] and his colleague on the House side, Congressman JOHN FOGARTY.

NUMEROUS ACHIEVEMENTS AT HEALTH ASSEMBLY

But let me pay a well-deserved tribute to those thinking leaders in the executive branch who are likewise to be complimented.

Let me point out that we sent a very able delegation to the World Health Assembly and that fortunately, this year, at long last, it was under instructions to support, not oppose, an increase in WHO's budget.

Let me say further that the Surgeon General of the U.S. Public Health Service, Dr. Leroy Burney and his colleagues in the American delegation to the assembly are to be complimented for their devoted efforts not only on behalf of the International Public Health and Medical Research Year, but on behalf of the other important and constructive achievements of the assembly.

I refer in particular to the fact that it was agreed by a vote of 51 to 14 to add $500,000 to the Director-General's proposal as a second stage in developing the intensified WHO research program.

As Dr. Burney wrote to me from Geneva, this is an exceedingly important step in the history of WHO. It establishes the principle that research activity is part and parcel of the regular WHO program, supported by all members. A special research fund was also established to permit the United States, and others who may wish to do so, to make special contributions or grants for research projects, as I certainly hope will prove to be the case.

FOUR ITEMS TO BE PRINTED IN RECORD

Mr. President, in conclusion, I ask unanimous consent that several items be printed in the RECORD following my comments:

First. The text of my resolution.

Second. A series of quotations from letters, telegrams, and postal cards which have come to me from all parts of the United States approving the concept of such a year. I have only selected a handful of the many messages which have come to me.

Third. A National Science Foundation memorandum, summarizing America's vital role in the various stages of the history of IGY. I believe this will be very helpful background, both as to similarity and dissimilarity as between IGY and IHY.

Fourth. The text of an article which appeared in the May 29 issue of Science, the official publication of the American Association for the Advancement of Science. This article outlines the history of the development of this IHY concept, and it reports upon an extensive discussion of it at the meeting of the National Citizen's Committee for WHO, which I had the privilege of addressing last month.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 129

Whereas Senate Resolution 361, 85th Congress, agreed to August 11, 1958, expressed the unanimous sense of the Senate that the President of the United States be invited to explore through the World Health Organization and related organizations, the possibility of an International Health and Medical Research Year; and

Whereas on December 5, 1958, the United Nations General Assembly with full U.S. support, unanimously approved the concept of such a year; and

Whereas the 12th World Health Assembly in May 1959, expressed "deep appreciation and satisfaction at learning of the interest displayed by the General Assembly of the United Nations in international health matters, including medical research"; and

Whereas the World Health Assembly affirmed that it "appreciates the value and importance of an International Health and Medical Research Year"; and

Whereas the Assembly indicated that because of "the existing heavy commitment on national and international effort," it found it necessary to postpone the year for the present, but that it would reconsider the subject at the 13th World Health Assembly, convening in May 1960; and

Whereas the Assembly requested the Director General to transmit the views expressed in its resolution to the Economic and Social Council at its 28th session and to the General Assembly of the United Nations at its 14th session; and

Whereas the need is greater than ever before for all the nations to proceed without

delay to strengthen cooperation in health and research efforts on behalf of present and future generations; and

Whereas it is the hope and anticipation of the people of the United States that the 13th World Health Assembly will declare an International Public Health and Medical Research Year to be observed at an early and feasible date: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President of the United States, acting through the Department of Health, Education, and Welfare; the National Science Foundation; the National Academy of Sciences-National Research Council, and such other official and private bodies, as he deems appropriate, should (1) continue U.S. initiative in seeking to strengthen international cooperation in health and research efforts and, in connection therewith, (2) invite the medical profession of the United States, and other professions and organizations concerned with the healing arts and the life sciences to develop plans and programs in cooperation with the scientific community of other nations toward declaration and observance of an International Public Health and Medical Research Year.

EXCERPTS OF MESSAGES TO SENATOR HUMPHREY ENDORSING HIS EFFORTS FOR THE INTERNATIONAL PUBLIC HEALTH AND MEDICAL RESEARCH YEAR

BIRMINGHAM, ALA., *May 15, 1959.*
The Honorable HUBERT HUMPHREY,
U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: Your plan for an IHY year, as portrayed in the This Week magazine section, is just about the most heartening thing that has come up in a long, long time. With the almost overwhelming advance of cancer—scarcely a day goes by that you don't hear of it—and with the frighteningly unknown radiation hazard, it has been amazing to me that no more has been done.

With the vital need for a program such as this, I can see only two things wrong—first, why hasn't it come forth long ago, and second, why wait until 1961 to start it?

At any rate, I am most grateful to you for what you have done in starting it and hope you will never give up until it has become a realization.

Yours very truly
(Miss) FARRAR ARMSTRONG.

CLEVELAND, OHIO, *January 9, 1959.*
Senator HUBERT HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: * * *.

Another matter that impressed me greatly was the idea of an International Medical Year. This is the kind of competition we should have with our rivals on this earth. Not only would it be very stimulating but only a great deal of good could come from this rivalry. * * *

Sincerely yours.
RALPH I. FRIED, M.D.

JANUARY 9, 1959.
Senator HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: I have just finished reading your interview with Mr. Khrushchev in Life.

As chairman of the health and sanitation committee, the Chicago American Chapel, Chicago Typographical Union No. 16, I am attracted to any reference to the subject of health.

Your proposal for an International Year for Public Health and Medical Research under U.N. auspices, it seems to me, has unusual implications for American initiative in strengthening international good will and understanding. Beyond that it opens up new vistas for solving some of the major health problems confronting mankind. Candidly, I feel it is one of the most brilliant proposals of this period. May your endeavor to make it a reality be successful.

Has your proposal been formalized as a statement, petition, or act? If it has I would appreciate receiving a copy. And is there anything a layman citizen could do to assist you in your endeavor?

Sincerely,
EDWARD STARR.

CHICAGO, ILL., *May 19, 1959.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: I have read your article in This Week magazine for May 10, 1959, entitled "IHY, Our Best Hope To Stop Atomic Fallout." It is an excellent idea and I want to commend you for sponsoring it. I wish you success.

Sincerely yours,
HERBERT K. ABRAMS, M.D.

BURBANK, CALIF., *May 10, 1959.*

DEAR SENATOR HUMPHREY: Hooray for IHY. You are showing the kind of simple difficult, superlative imagination which may yet save this old world.

Keep thinking big. No matter what people say, Americans will prove big enough for your largest thoughts, and I believe all men will join them.

WM. LOUCHARD.

P.S.—I will help publicize IHY in this district.

ALHAMBRA, CALIF., *May 11, 1959.*

DEAR MR. HUMPHREY: At long last I feel all is not lost, and am quite excited and encouraged over two developments that have arisen from the other unpeaceful and immoral situations of today.

The first is the World Peace Through Law, from the American Bar Association, and the other is the International Health Year. May I congratulate you on the latter, and offer my most heartiest support and encouragement; may I also assure you that the peoples of this country and of all countries want peaceful and respectful coexistence.

* * * * *

I implore you to beseech your coworkers to recognize and exhort the dignity of all men.

Again, accept my wholehearted support and good wishes in this wonderful project.

Most sincerely,
MRS. J. R. MCCAFFERTY.

MIAMI, FLA., *May 23, 1959.*
The Honorable Senator HUBERT H. HUMPHREY,
Chairman of International Health Study,
U.S. Senate, Washington, D.C.

DEAR MR. HUMPHREY: I read with interest your article, in This Week magazine (May 10 issue) concerning International Health Year.

I am very much interested in keeping up with the plans as they progress and will appreciate you advising me how best to do this, or send me any brochures or information being issued at this particular time, especially if nurses or other personnel will have an opportunity to train under this special organization in how to cope with nuclear radiation and its relation to health as soon as this information has been decided.

Thanking you, I am
Respectfully yours,
PATRICIA POWELL, R.N.

DALLAS, TEX., *May 19, 1959.*
Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: Certainly your plan for an International Health Year would be as fruitful as it seems now that the International Geophysical Year has been.

* * * * *

Yours very sincerely,
ELIZABETH S. BRADLEY, R.N.

CHICAGO, ILL., *May 9, 1959.*

DEAR MR. HUMPHREY: Thank you for introducing the International Health Year project to the U.S. Senate.

Naturally, the article in This Week magazine is only an introduction for us readers. We hope to see and hear much more of this wonderful proposal. * * *

With appreciation for the problems involved, and with all best wishes for your personal efforts in this task, I am

Very sincerely,
MRS. NORBERT KACEU.

WATERTOWN, WIS., *April 9, 1959.*
Hon. HUBERT HUMPHREY.

DEAR MR. HUMPHREY: Have been reading a great deal about your international health program. Assure you many people throughout this area are looking very kindly toward your effort.

With kindest regards,
L. D. HEFTY.

PITTSBURGH, PA., *May 11, 1959.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

SIR: In This Week magazine I read your article about IHY. To me this seems to be one of the most outstanding suggestions the world has faced in a good many years.

* * * * *

Yours respectfully,
HARRY LOEWY.

LOS ANGELES, CALIF., *May 29, 1959.*

SENATOR HUMPHREY: Your article on IHY in May 10 This Week was the best thing I've read for a long time. So much good solid sense to it—and what wonderful promise. If the whole world would participate in your international health proposal, it not only would do great work toward solving some of the mysteries of bad health and disease, but would go farther than anything we've tried yet to bring about lasting world peace as a possibility.

Great success to you and yours.

Thanking you,
BILLY JENKINS.

LOS ANGELES, CALIF., *May 15, 1959.*
Senator HUBERT H. HUMPHREY,
Chairman of International Health Study,
U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: I have read the article in This Week magazine outlining your plans for an International Health Year. One should be commended for a program that will give healthier, happier, and fuller lives to all of the individuals of the world.

* * * * *

Yours truly,
W. D. PALLOCIC.

BACKGROUND TO THE INTERNATIONAL HEALTH YEAR: A BRIEF SUMMARY OF IGY HISTORY

I. HISTORICAL BACKGROUND AND INTERNATIONAL ORGANIZATION OF THE INTERNATIONAL GEOPHYSICAL YEAR

The period July 1, 1957, through December 31, 1958, was designated as the International Geophysical Year (IGY). It was a period of worldwide observations and studies of the sun, and of the earth and its physical environment, including its atmosphere and the space through which it travels. Sixty-six nations took an active part in the program (attachment A).

The IGY was actually the third such scientific undertaking. In earlier periods geophysicists recognized the inherent advantages of studying geophysical phenomena over the entire earth within a relatively short interval of time. During 1882–83, the First Polar Year, 10 nations, including the United States, conducted simultaneous, cooperative scientific observations in the Arctic. Fifty years later the Second Polar Year, 1932–33,

was undertaken, in which 30 nations cooperated in observations primarily in the Arctic. Both of these periods contributed greatly to the store of basic knowledge in the geophysical sciences.

In April 1950 at an informal meeting of geophysicists in Silver Spring, Md., the suggestion was offered by Dr. L. V. Berkner that, because of the tremendous advances in instrumentation that had taken place in the 1940's consideration be given to holding a Third Polar Year 25 years after the second, which would place it in 1957–58, a period of maximum sunspot activity. The suggestion was received with enthusiasm, and in subsequent discussions scientists throughout the world recognized the benefits of extending the planned program to encompass the entire earth and renamed it the International Geophysical Year to reflect the increased scope in coverage.

During the next 18 months the initial proposal was considered and supported by a number of international scientific groups, most of them members of the International Council of Scientific Unions (ICSU). The Mixed Commission on the Ionosphere endorsed it, as did also, in rapid succession, the International Scientific Radio Union, the International Astronomical Union, the International Union of Geodesy and Geophysics, and finally the International Council of Scientific Unions itself.

In 1951 the executive board of ICSU appointed the Comité Spécial de l'Année Géophysique Internationale (CSAGI), composed of representatives of the various scientific unions involved and of the World Meteorological Organization and the International Consultative Committee for Radio Communications. A Bureau of CSAGI was appointed consisting of Prof. Sydney Chapman (Great Britain), president; Dr. Lloyd V. Berkner (United States), vice president; and Profs. M. Nicolet (Belgium), general secretary. Later (in June 1957) Prof. V. V. Beloussov (U.S.S.R.) and Prof. J. Coulomb (France) were added as members of the Bureau.

In late 1951 and early 1952 CSAGI invited member nations of ICSU or its unions to establish special national committees to take part in the planning and guidance of the IGY. As the concept of the program expanded, invitations to all countries of the world were issued to join in the enterprise.

Individual countries were responsible for organizing and supporting their own portions of the IGY program. In general, this meant that each country provided the fund, equipment, and personnel for IGY activities that they undertook within their continental limits, possessions, or in areas where they had traditionally had an interest. In the case of the U.S. program, additional support was given to U.S. organizations to conduct oceanographic observations on the high seas; equipment and services were provided at a network of stations overseas for satellite tracking purposes; and equipment was supplied for certain scientific stations scattered throughout the world, particularly in South America along the 75–80° West longitude line.

The initial support of the international secretariat of the CSAGI was received from ICSU and UNESCO. Grants from the latter of $1,000 to $2,000 and $20,000 were made during this initial period (1952–54), and were supplemented by additional amounts, $15,000–$25,000 a year (1955–58). It soon became evident that the cost of supporting the secretariat, including travel to international planning meetings, distribution of various planning documents, etc., would require considerably more support. The secretariat, therefore, appealed for voluntary contributions to the various national committees of the countries involved with the IGY. The response was quite successful. For example, over a 3-year period the U.S. National Academy of Sciences made available $70,000 to the international secretariat, the funds coming originally from the National Science Foundation.

A coordinated, worldwide scientific program for the IGY was synthesized from various proposals submitted by individual nations and modified through periodic meetings of CSAGI (Brussels, 1953; Rome, 1954; Brussels, 1955; and Barcelona, 1956). At a fifth reunion of CSAGI held in August–September 1958 in Moscow, consideration was given to a review of the accomplishments of the first two-thirds of the IGY, the question of the future of international cooperation in geophysics after the end of the IGY, the problem of the collection, storage, and cataloging of data at the world data centers, and the question of publication of IGY data and results.

II. U.S. PARTICIPATION IN THE INTERNATIONAL GEOPHYSICAL YEAR

U.S. National Committee for the IGY

The National Academy of Sciences-National Research Council, a nongovernmental organization, as the adhering body on behalf of American scientists to the International Council of Scientific Unions and most of its unions, was the group in the United States that received the CSAGI invitation for this country to participate in the IGY. In response to this invitation, the president of the Academy-Council established in February 1953 the U.S. National Committee for the International Geophysical Year 1957–58, under the chairmanship of Dr. Joseph Kaplan, professor of physics at the University of California at Los Angeles. Dr. Alan H. Shapley of the National Bureau of Standards was named vice chairman, and Dr. Hugh Odishaw, formerly of the National Bureau of Standards, the executive director.

The Committee membership was composed of appropriate representation from the various scientific disciplines involved, selected with a view toward securing as wide a geographical coverage as possible and to include both governmental and nongovernmental groups. An executive committee of the U.S. National Committee for the IGY was named, as were also subcommittees to cover the regional programs planned (Arctic, Antarctic, equatorial regions). In addition, 13 technical panels were established to direct the program in the scientific disciplines of meteorology, geomagnetism, aurora and airglow, ionosphere, solar activity, cosmic rays, longitude and latitude, glaciology, oceanography, seismology, gravity, and in the programs of rocketry and communications and world days. The latter were special intervals, some preselected, others based on observed solar activity during which enhanced observation schedules were activated.

Role of the National Science Foundation in the IGY

The Academy-Council, recognizing the importance of Government cooperation and support to the success of the U.S. portion of the IGY program, on November 25, 1953, asked the National Science Foundation to take responsibility for obtaining and administering Government funds required to carry out the program and to coordinate the interests of Government agencies involved.

After consideration of the recommendation and a study of the proposed program and budget, the National Science Board at its meeting of January 29, 1954, endorsed the general objectievs of the program and the Foundation's participation in it.

After the proposed program and budget for the IGY had been submitted to the Bureau of the Budget, and after letters in support of the program had been submitted to the Bureau of the Budget from the Departments of State, Defense and Commerce, the Atomic Energy Commission, and the Office of Defense Mobilization, the President approved the program in a brief reference at one of his press conferences and included the requested amount for the National Science Foundation in support of the International Geophysical Year in a supplemental appropriation request for fiscal year 1955. Action by the Congress was approval of an initial appropriation of $2 million for the IGY program (Supplemental Appropriations Act of 1955, 83d Cong., 2d sess.). Subsequent appropriations to the National Science Foundation for the program have been $10 million (Independent Offices Appropriations Act of 1956, 84th Cong., 1st sess); $27 million (Second Supplemental Appropriations Act of 1956, 84th Cong., 2d. sess.); $2 million (Second Supplemental Appropriations Act of 1958, 85th Cong., 2d sess.); $2,500,000 (Supplemental Appropriations Act of 1959, 85th Cong., 2d. sess.). The total amount, therefore, appropriated to the National Science Foundation for the U.S. IGY program was $43,500,000.

Funding of the various projects in the U.S. IGY program has been administered through grants, contracts, and transfers of funds made by the National Science Foundation, upon recommendations received from the U.S. National Committee for the IGY. These totaled approximately $43 million as of April 30, 1959.

The National Science Foundation has, in order to assure coordination, worked closely with other Federal agencies having an active interest and role in the IGY. These included the Department of Defense, Weather Bureau, National Bureau of Standards, Coast and Geodetic Survey, and Geological Survey. Additionally, the Department of Defense provided major logistic support to the Antarctic, Arctic, rocket and satellite programs.

III. EVOLUTION OF THE INTERNATIONAL GEOPHYSICAL YEAR PROGRAM AT NATIONAL AND INTERNATIONAL LEVELS

Taking the United States as an example of a country phase of the total IGY world effort, it can be seen how individual national programs were developed and synthesized into the international program.

First, the proposals for IGY projects were based on ideas conceived in individual laboratories or in the minds of individual scientists, thus originating at the grassroots levels in the scientific community. The original idea or proposal was first subjected to a screen process within the framework of the national committee. In the United States this initial screening took place in one of the technical advisory panels that had been established under the U.S. National Committee for the IGY.

The various individual projects that were accepted by the panel were then consolidated into a proposed disciplinary program in meteorology, or geomagnetism, for example. The disciplinary programs were next brought together into a proposed national program at committee level. After a process of trimming to adjust the complete national program to come within the country's budget, it was sent as a proposal to the general secretary of GSAGI, who received many such national program proposals.

A meeting of GSAGI and representatives from participating countries was called to review these programs and out of them to prepare the first draft of an international program. Working groups in the various disciplines were selected from among country delegates, generally capable scientists in the various fields of interest. These working groups were chaired by the appropriate GSAGI reporters, who had been designated to act as convenors for the development and coordination of worldwide programs suitable to the IGY in their respective fields of interest. The synthesis of the international program resulted in modifications to the individual country programs, which then went back to the national committees for reconsideration and implementation.

During the planning period for the IGY, additional suggestions for projects were received after the first cycle of approvals, necessitating a certain amount of reexamination, adjustment, enlistment of additional country support and the reconsideration of international aspects of the program. The United States IGY earth satellite project was a case in point. It was not until after the Rome meeting of CSAGI in 1954 that the U.S. National Committee determined that it was feasible technically to accept the CSAGI invitation to attempt to place a scientific earth satellite in orbit during the IGY period. Similarly, other new programs were introduced after the initial review, and significant additions were made to many other programs.

By the fall of 1956, when the fourth general meeting of CSAGI was held in Barcelona, the world program had been agreed to with but few minor exceptions. Operating details were subsequently resolved and complete accord was reached by the time of the beginning date set for the IGY, July 1, 1957.

Through the National Academy of Sciences' representation at the various international planning meetings held in connection with the IGY, American scientists dealt with their collegues from other nations in the planning of the overall scientific program.

IV. IGY OBSERVATIONAL PERIOD

As far as the actual period of observations was concerned, a general statement can be made that the program was carried through essentially as planned. With minor exceptions, the spirit of cooperation that prevailed during the planning stage of the IGY extended throughout the period of observations. Inevitably, a few of the special stations and programs that had been planned for the IGY did not materialize, in some cases due to lack of financial support, personnel, or due to the fact that the plans were made too late to assemble, set up, and operate the necessary field equipment. Most of these omissions were in national programs other than the United States.

Both before the observing period and during the 18-month interval of field observations, representatives of the various national committees met on occasion to discuss in detail the kinds of data that would be placed in the various World Data Centers. These centers were established to insure the availability of IGY data to all interested scientists. One is located in the United States, one in the U.S.S.R., and one divided between Western Europe and Japan.

To a large extent, a high degree of acceptance was realized on the content and format of IGY data. The flow of data into the IGY World Data Centers is still continuing, since in many cases raw observations must be transmitted from rather remote field sites to central activities where processing is required prior to their transmittal to the international centers. Certainly, within the next year or two, most of this flow should have been completed. Furthermore, there is every reason to believe that fairly complete sets of data will be assembled at each of the three centers. This free interchange of IGY data is, of course, a crucial aspect as far as the ultimate gains produced by the IGY.

V. POST-IGY PERIOD

The major distribution of IGY data for research studies will occur in the post-IGY period. In addition, there is evidence of continued international cooperation to a degree that had not existed prior to the IGY in certain special areas of geophysics. The continued international scientific program in Antarctica is an example.

It is anticipated that scientific investigators will make continuing uses of IGY data over many years to come. These will form the "inputs" to many research projects out of which, it can be confidently expected, will come substantial gains not only in increasing our knowledge of man's physical environment but perhaps, even more importantly, in indicating ways in which we can more effectively adapt ourselves to these conditions.

COUNTRIES PARTICIPATING IN THE INTERNATIONAL GEOPHYSICAL YEAR, APRIL 15, 1958 (66 COUNTRIES)

Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Burma, Canada, Ceylon, Chile, China (Taipei), Colombia, Cuba, Czechoslovakia, Denmark, Dominican Republic, East Africa, Ecuador, Egypt, Ethiopia, Finland, France, German Democratic Republic, German Federal Republic, Ghana, Greece, Guatemala, Hungary, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy.

Japan, Democratic Republic of Korea, Malaya, Mexico, Mongolian People's Republic, Morocco, Netherlands, New Zealand, Norway, Pakistan, Panama, Peru, Philippines, Poland, Portugal, Southern Rhodesia, Rumania, Spain, Sweden, Switzerland, Tunisia, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom, United States, Uruguay, Venezuela, Vietnam Democratic Republic, Vietnam (Republic), Yugoslavia.

[From Science magazine, May 29, 1959]

NEWS OF SCIENCE

WORLD HEALTH YEAR PLANS ADVANCED

Secretary of Health, Education, and Welfare Arthur S. Flemming recently urged that a great world crusade of health for peace be launched through the International Health Year, a health study period that has been proposed to parallel the International Geophysical Year of 1957–58. His appeal was made at the opening dinner session of the second National Conference on World Health, which was held in Washington, May 7–9, under the auspices of the National Citizens Committee for the World Health Organization.

Milton S. Eisenhower, president of Johns Hopkins University, was chairman of the conference, which brought together leaders of Congress and of the executive branch of the Federal Government and representatives of organizations and industrial companies interested in health and international relations. The principal objectives of the conference were to discuss the international health legislation now before the Congress, to appraise the value of international health programs in developing habits of cooperation among nations, and to outline a future International Health Year.

STEVENSON FIRST TO PROPOSE

The original suggestion for such a year came from the former Governor of Illinois, Adlai Stevenson, in an address delivered June 8, 1958, at Michigan State University. On June 9, Senate Majority Leader LYNDON B. JOHNSON, Democrat of Texas., had Stevenson's remarks printed in the CONGRESSIONAL RECORD. That same day Senator HUBERT H. HUMPHREY, Democrat of Minnesota, commended the address on the Senate floor. HUMPHREY has been the dedicated champion of the proposal ever since. In mid-August 1958 Senate Concurrent Resolution 99, which he had introduced was passed. It said: "The President of the United States is hereby invited to extend to the other nations of the world, through the World Health Organization, and related organizations, an invitation for the designation of representatives to meet and discuss the feasibility of designating an International Health and Medical Research Year, at such early date as adequate preparations can be made, or of other methods of developing such intensive international cooperation in the field of health as will lead toward the discovery and exchange of the answers on coping with major killing and crippling diseases which afflict mankind."

Some 2 weeks later, on September 6, the Ukrainian Soviet Socialist Republic presented to the United Nations General Assembly a resolution for the organization of an International Public Health and Medical Research Year. Under the auspices of 22 nations, including the United States, the resolution was approved in December 1958.

Next, in January 1959, the Health Year was considered by the World Health Organization's executive board, which asked the WHO director general to prepare plans for the proposed Year for presentation at the 12th WHO assembly. That assembly is now in session in Geneva.

FORUM DEFINES HEALTH YEAR

Participants in the recent National Conference on World Health in Washington included most of the U.S. delegation to the current Geneva meeting. Some of this group played an active part in a forum on the International Health Year that was held under the chairmanship of James E. Perkins, managing director of the National Tuberculosis Association. The panelists were Albert W. Dent, president of Dillard University; James E. Hundley, special assistant for international health at the National Institutes of Health; and Julius N. Cahn, project director of the International Health Study of the Senate Committee on Government Operations.

Cahn, who has been working closely with Senator HUMPHREY on the Health Year, was the first speaker. His statement, which represented the views of many of the discussants heard later, presented seven points formulated to help assure the success of the Year.

1. The program should be based on the individual nations' own felt needs.

2. There should be strong cooperation by national governments, but basically—as in the International Geophysical Year—success will be dependent on private initiative, the initiative of the complex of private scientific and other organizations.

3. The Year will require the enthusiastic support of the medical profession everywhere, but it should be broad enough in concept to allow the fullest possible contribution by laymen as well.

4. All the life sciences must be involved.

5. In addition to WHO, the other health-oriented international organizations that are allied with the U.N. should participate, such as the United Nations Educational, Scientific, and Cultural Organization, the International Labor Organization, the Food and Agriculture Organization, and the United Nations Children's Fund.

6. Participants should be willing to undertake bold experiments in the health field. There must be an effort to establish new models of experimental collaboration, new approaches, new techniques.

7. Provision should be made for continuation of the projects started during the International Health Year so that the momentum gained during the period will be sustained in years to come.

Cahn then mentioned specific areas that ought to be involved in the project. He emphasized that the most important single IHY program should be the expansion of epidemiological services throughout the world and the strengthening of data concerning the distribution of various diseases. Another great need that could be met by IHY would be that for increased training of professional and nonprofessional medical personnel; this would include increased exchange of scientists in the health field and the organization of international seminars. Further, particular attention must be paid to the problems of providing the world's supply of water and food. The various nations should attempt to single out one or two diseases for a specific campaign of eradication. Examples given, in

addition to malaria and smallpox, currently the subject of control programs, were tuberculosis, cholera, and schistosomiasis. In like manner, certain important problems should be singled out for intensified research. Cahn suggested as possibilities radiation and air pollution. There should be health education of the masses. And finally, certain broad projects should be selected for emphasis during the IHY that would allow citizens to do things for themselves so that they would feel a sense of participation. For example, in the United States this might be achieved through a special campaign to increase the number of women who take annual diagnostic tests for uterine cancer.

The next panelist to present his views was James Hundley, who proposed that each country hold a meeting to reach agreement regarding the final plan for the year for that particular country. He pointed out that the year has two elements: an international cooperative element and the individual programs of the various nations.

With regard to a possible national plan for this country, Hundley made several specific suggestions that fell into three classes: research projects of special importance to the United States, research on problems as important to other countries as to the United States, and research that would be of benefit almost entirely to other countries.

Albert W. Dent was the final panelist to speak. He stressed the importance of citizen participation in the programs selected and the need to evolve better techniques in educating and motivating people to participate in health programs, such as in the program of vaccination against poliomyelitis and that of tuberculosis control. He pointed out that public apathy has developed with regard to both of these diseases.

PLAN BEING CONSIDERED BY WHO

In the general discussion that followed the panelists' presentations, H. van Zile Hyde of the U.S. Public Health Service, and U.S. member of the WHO executive board, outlined briefly what the director of the World Health Organization is proposing with respect to the International Health Year at the current World Health Assembly in Geneva. The object of the Health Year, as presented by the director general's report, is "to stimulate, primarily on a national basis, the intensification of international cooperation in carefully selected aspects of health and of medical research." This will involve the intensification of field activities in the control or eradication of specific diseases and the intensification of research related to WHO's growing program. Examples of field activity mentioned by the director general include renewed emphasis on malaria and smallpox eradication and installation of piped water supplies. As examples of fields for increased research, he cited cancer, cardio-vascular diseases, and virus diseases. The director general further suggested that national committees be formed throughout the world to stimulate interest in and to plan for the IHY.

The Washington forum carried this idea further by proposing that as a framework for the International Health Year a series of national assemblies be held, dealing with health problems in the respective countries, and that the year might close with a climactic congress held in connection with the World Health Assembly in the spring of 1963. The forum session ended with unanimous passage of a resolution that read: "Forum No. 2 recommends urging the U.S. delegation to the 12th World Health Assembly to support the assembly the designation of an International Health Year, to start in 1961, and further recommends that the National Citizens Committee for the World Health Organization, the Department of Health, Education, and Welfare, the Congress, and other groups give all possible support to the project."

Under last September's U.N. resolution, WHO has been invited to report on the International Health Year to the U.N.'s Economic and Social Council at its 28th session this July, and to the General Assembly at its 14th session, which will begin in September.

In the United States, congressional sources confidently predict that adequate funds will be provided for the IHY once the appropriate scientific authorities, governmental and nongovernmental, have developed specific programs for the year. As in the case of the International Geophysical Year, bodies such as the National Academy of Sciences, the National Science Foundation, and the Department of Health, Education, and Welfare are being asked to draft the framework for the International Health Year program that will eventually be submitted to Congress for consideration.

SCIENTIFIC AND CULTURAL AID TO POLAND

Mr. HUMPHREY. Mr. President, I received a letter the other day from Roman Michalowski, a member of the board of the Polish Institute of Arts and Sciences in America. He referred to my statement before this body on April 28, 1959, in which I spoke of the expansion of American aid to Poland and provided me with information showing the amount of assistance extended to Poland from 1957 to 1959 by the Polish Institute of Arts and Sciences in America.

I was particularly glad to receive this information since the assistance mentioned testifies to the continued effort by the Polish people in America to keep alive the spirit of freedom which exists in Poland, even in these difficult times.

The hunger of the Polish people for information and knowledge has been shown by the thousands of requests for scientific and cultural publications and books which the institute has received from individuals and institutions in Poland. The work which the Polish Institute has done in filling these requests and in preserving the Polish culture and tradition is worthy of sincere commendation by the American people.

Although there is evidence of renewed tightening of Communist control, the work of the institute and other Polish groups outside of Poland keeps alive the hope that someday the captive countries of Eastern Europe will again be free to determine their own future.

Because of the need to continue and extend the present program of medical aid and educational supplies, I repeat my proposal to establish a Polish-American foundation dedicated to the health of the Polish people and to the improvement of their educational opportunities through the use of counterpart currencies in Poland.

Mr. President, I ask unanimous consent that the text of the letter from Mr. Roman Michalowski, dated May 20, 1959, be printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

POLISH INSTITUTE OF ARTS AND SCIENCES IN AMERICA,
New York, N.Y., May 20, 1959.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: On April 28, 1959, you spoke on the floor of the Senate regarding programs of Polish aid, undertaken by the U.S. Government and by private sources during the period 1957 to 1959.

In this speech you referred to the letter of Secretary Macomber dated April 22, 1959. In his letter, Assistant Secretary Macomber gives a comprehensive picture of assistance to Poland in the period between 1944 and 1956. However, as we are not sure that you have information about the assistance extended by the Polish Institute of Arts and Sciences in America, during the period from 1956 to the present date, we would like to offer you this most recent information.

The Polish Institute of Arts and Sciences in America has forwarded according to a plan based on formal requests received from Polish academic schools, medical schools, and engineering schools, the following items:

Books and periodicals to the value of	$46,057
Medical instruments to the value of	25,420
Varitypers, multilith printers, office equipment to the value of	13,249
Stipends enabling Polish scholars and students to study abroad	7,310
Total of assistance provided	92,036

In addition, we have at present ready for shipment to Poland items in the book and medical categories to the value of $7,000.

We are enclosing: The charter of the Polish Institute of Arts and Sciences in America, its bylaws, a certificate from the U.S. Treasury Department testifying to its tax exempt status, and some background material, a report of our activities for 1958, and the information leaflet issued in November 1958.

Respectfully yours,
ROMAN MICHALOWSKI,
Member of the Board.

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senator from Illinois will state it.

Mr. DIRKSEN. Are we still in the morning hour?

The PRESIDING OFFICER. The Senate is still in the morning hour.

Mr. DIRKSEN. Are we operating under the 3-minute rule?

The PRESIDING OFFICER. We are supposed to be.

Mr. DIRKSEN. I most respectfully suggest that the rule be enforced.

The PRESIDING OFFICER. Further morning business is in order under the 3-minute limitation.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE—TOPICAL INDEX FOR HEARINGS BEFORE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. McGEE. Mr. President, I observe on the desks of all Senators the hearings held by the Committee on Interstate and Foreign Commerce on the nomination of Lewis L. Strauss to be Secretary of Commerce. The hearings are in excess of 1,100 pages. It is doubtful that Senators will be able to read the hearings with facility without a topical index; so as a guide to myself, and perhaps as a help to other Senators, I have prepared an index by topic of the more controversial discussions during the hearings.

I ask unanimous consent that the topical index may be printed at this point in

the RECORD, so as to afford at least some assistance to Senators who may wish to read the record of the hearings for themselves.

Mr. President, I yield back the remainder of my 3 minutes.

The PRESIDING OFFICER. The Senator from Wyoming yields back his remaining 2 minutes.

Without objection, the topical index will be printed in the RECORD.

The index is as follows:

TOPICAL INDEX FOR HEARINGS BEFORE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE ON THE NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE, MARCH 17–MAY 14, 1959

DIXON-YATES CONTROVERSY

Pages 129–190: Senator KEFAUVER testifies on Wenzell conflict of interest.

Pages 523–528: Senator ANDERSON testifies on Wenzell conflict of interest.

SEPARATION OF POWERS/EXECUTIVE PRIVILEGE

Pages 157–172: Senator KEFAUVER charges Strauss claimed privilege, cites testimony.

Pages 338–344: Strauss views on separation of powers and executive privilege.

Pages 781–788: Senator MCCARTHY statement on separation of powers.

Page 856: Strauss rebuttal to Senator MCCARTHY.

QUESTION OF ADEQUACY OF PREVIOUS STRAUSS EXAMINATIONS

Pages 506–509: Senator ANDERSON claims no real hearing ever held.

Page 587: Strauss claims adequate hearing held.

Pages 592–593: Strauss refuses to withdraw hearing claim.

DR. DAVID INGLIS, TESTIMONY, CONTROVERSY

Pages 363–373: Inglis charges.

Pages 375–418: Examination of Inglis by committee.

Page 827: Strauss: "Never asked for anything on Inglis."

Pages 836–837: Pearson testifies Strauss called AEC about Inglis.

Pages 842–843: Strauss says he called AEC after Pearson's article.

Pages 845–846: Strauss: difference in date of call "heinous difference."

"DUPLICITOUS LETTER" EPISODE

Pages 870–893: Committee print; letter of AEC "duplicitous, false, fraudulent."

Pages 915–936: Committee report; letter of AEC "duplicitous."

Pages 941–947: Minority report.

Pages 970–983: Duplicitous letter controversy.

Page 976: Strauss says House records "molded."

Page 979: Strauss quoted as standing by letter.

DR. DAVID HILL

Pages 429–445: Hill statement and charges.

Pages 730–732: Hill says Strauss persecuted Mr. Wilson, Henderson, Arneson.

Pages 768–773: Letter from Hill to committee.

Pages 824–826: Strauss denies persecution of Wilson, Henderson, Arneson.

Pages 856–864: Strauss' rebuttal to Hill's charges.

SHIPMENT OF ISOTOPES

Page 432: Hill charges Strauss opposed isotopes shipment.

Pages 420–423: Strauss says "unqualified falsehood" he opposed 1949 shipment.

Pages 495–502: Senator Anderson says 1949 "phony date."

Page 498: Senator Anderson says section 5a, 10a, McMahon Act, allow shipment.

Pages 610–629: Controversy over sections 5a, 10a of McMahon Act.

Pages 651–662: Discussion of Strauss' 1949 isotope statement.

Pages 654–662: Strauss' 1949 isotope statement.

Page 666: Strauss: "Stand on record."

Page 697: Strauss says his defense based on section 10a of McMahon Act.

Pages 818–821: Strauss says isotope position unchanged.

ADDITION OF WORD "ALL" TO M'MAHON ACT

Page 606: Strauss doesn't recall addition of word "all."

Page 607: Strauss doesn't believe "all" changed act.

Pages 644–645: Senator BRICKER statement on addition of "all."

Page 685: Strauss says "all" is redundant.

Page 686: Senator MONRONEY says "all" intended as rebuke.

Page 687: Strauss says "all" is "small matter."

ERPF

Page 807: Strauss says Armand Erpf being considered for study.

RELATIONS OF AEC WITH JOINT COMMITTEE

Pages 511–512: Senator ANDERSON says Strauss ignored Attorney General's letter.

Page 598: Strauss rebuttal to charge of not informing Joint Committee.

Page 601: Strauss cannot answer if letter reached his office.

Page 605: Strauss says he probably would have received a copy.

Pages 688–689: Strauss says he was in Havana when letter arrived AEC.

Page 695: Strauss says he should have seen letter, but didn't.

Pages 704–708: Submarine exchange chronology.

FISCAL IRRESPONSIBILITY

Mr. MCCARTHY. Mr. President, am I proceeding under the usual 3-minute limitation during the morning hour, or under the rule imposed by the Vice President upon the Senator from New York [Mr. JAVITS] the other day?

The PRESIDING OFFICER (Mr. YOUNG in the chair). The Senator from Minnesota will please proceed under the 3-minute rule.

Mr. MCCARTHY. The junior Senator from Minnesota will proceed under the rule of the Senate and will complete his remarks in 3 minutes.

The PRESIDING OFFICER. The Senator from Minnesota may proceed.

Mr. MCCARTHY. Mr. President, almost every day the newspapers carry reports of statements by Republicans, ranging from the President of the United States, Mr. Eisenhower, down to ward chairmen of the Republican Party, charging the Democrats with fiscal irresponsibility.

Mr. President, let us look a the financial condition of the Federal Government as of June 1959—six and one-half years after Mr. Eisenhower was sworn in a President of the United States and the management of the fiscal affairs of the Government was turned over to his appointees. At the end of the fiscal year 1953, the Federal debt was $266 billion; today, after six and one-half years of Republican administration, as we near the end of fiscal year 1959, the Federal debt is $285 billion. When Mr. George Humphrey, the architect of this administration's fiscal policy, left the Government approximately 3 years ago, the national debt had increased to $274 billion. Government interest payments for the fiscal year 1953 were $6,583 billion. Government interest payments for fiscal 1959 will come to approximately $7,600 billion. Whereas the Government debt has increased by about 8 percent in this period, the interest paid on the Government debt has increased by approximately 15 percent. Interest payments on the public debt are expected to be $500 million more in 1960 than they were in 1959. In 1953, the Secretary of the Treasury and the Republicans talked about stretching out the public debt. However, the Federal budget for fiscal 1960 indicates that interest payments on marketable obligations, mainly held by financial institutions, are almost two-thirds of all interest payments and the estimated increase of $500 million in total expenditures for interest on the public debt will occur in the payment of interest on these obligations. The interest rate paid on taxable Government bonds has increased from 2.94 percent for fiscal 1953 to over 4 percent in 1959—an increase of more than 33 percent above the 1953 rate. In much the same manner, the interest rates on 3-month Treasury bills have increased from 1.9 percent to a high at the end of April of this year of over 3 percent.

Throughout 6½ years, the administration has received essentially what it wanted from the Congress in the way of taxation and revenue laws, and the appropriations by the Congress have been less than that which was asked for by the administration. The only major tax reduction was that of 1954 and was accomplished with administration approval. Today the administration is coming to what it has called the "irresponsible Democratically controlled Congress" with three major requests.

One, that we raise the debt ceiling.

Two, that we raise the interest rate on Government bonds.

Three, that we increase taxes on insurance companies and that we extend the corporate profits and the wartime excise taxes.

Mr. President, if it were not for the fact that this is a responsible Democratically controlled Congress, the administration and the Government of this country would well find itself in a financial crisis which would be in large part of the administration's own making. The deficits of recent years would not have been as great if the 1954 tax reduction program of the Republicans had not gone to extremes and if economic recession had not been indeed prolonged, consequently the need to increase the debt ceiling would not be as pressing. The need to increase the interest rates on Government securities is certainly in part the result of the hard money policy initiated in the spring of 1953 by Mr. George Humphrey who then issued long-term Government bonds with an interest rate set at 3¼ percent—a rate which was 30 percent higher than the prevailing rate of 2½ percent. The issue, as you may recall, was extremely popular but what followed was not so popular. The value of all outstanding Government bonds dropped abruptly. In 8 weeks that spring, more than $2 billion was lost in market value of these

bonds. Increased cost in interest on this bond issue alone has been estimated at $200 million. The general increase in interest rates that followed not only increased the interest on the national debt, but also increased the cost of money to all borrowers.

This action was hailed by Republicans as marking the turning of the tide. It was said that George Humphrey meant business; he had replaced the office picture of his predecessor, John Snyder, with the picture of Andrew Mellon. This, it is now evident, was not an empty gesture. It is not surprising that investors hesitated to invest in Government bonds when they have no assurance that the Treasury will not arbitrarily increase the interest rates. A further factor contributing to the crisis in the sale and issuance of Government securities is the Tax Revision Act of 1954, which has undoubtedly encouraged speculation in the stock market and attracted investments to that field rather than to the field of Government bonds—a movement which has undoubtedly been encouraged also by the administration's continuous harping on inflation despite the fact that the price level has been relatively stable since 1957, the big rise in the cost of living occurring between 1953 and 1957, when it rose from 113.5 in 1952 to 120.2 in 1957.

Mr. President, in a number of the States in this United States, Democratic Governors are having financial problems, principally because Republican-controlled legislative bodies which supported appropriations have refused to provide the revenue or to meet the cost of programs which they have approved. This is true particularly in the State of Michigan, and it is true also in the State of Minnesota. It is significant that in the State of New York tax increases have been approved for a Republican Governor by a Republican legislature. And in the State of California tax increases and changes approved by a Democratic legislature for a Democratic Governor. However, in those State governments in which the administration is held by Democrats and the legislative bodies controlled by Republicans the disposition has been to create financial crisis.

If this Democratic Congress of the Federal Government were irresponsible—as the President has charged us with being—if it were irresponsible in the manner of Republican-controlled bodies in the State legislatures have been; we might anticipate a financial crisis at the Federal level. Everyone knows, of course, that this will not be the course taken by the Democrats here in the Congress of the United States. Despite the fact that the financial difficulties in which the Federal Government finds itself are largely the result of policies which we oppose—policies which the administration insisted upon—our response will be realistic and directed to doing what we can to correct the mistakes of this administration and meet the needs of the Federal Government.

I suggest, however, that it might be well for the President to be more aware of the facts and at least for the time being refrain from his baseless charges of irresponsibility against the Democratic Congress. If he is concerned about the general welfare of the people of the United States, it might be well for him to send a message of advice and recommendation to Republican State Legislatures simply urging them to be as responsive in dealing with local and State fiscal problems as he expects and knows the Democratic Congress will be responsive to the needs of the Federal Government.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is there further morning business?

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

INTEREST RATES ON GOVERNMENT BONDS

Mr. SPARKMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama desire to speak during the morning hour?

Mr. SPARKMAN. Yes.

Mr. DIRKSEN. I withdraw my suggestion of the absence of a quorum.

Mr. SPARKMAN. I assure the Senator that my remarks will be confined to the 3 minutes under the rule during the morning hour.

The PRESIDING OFFICER. The Senator from Alabama may proceed.

Mr. SPARKMAN. Mr. President, the junior Senator from Minnesota has just spoken about fiscal irresponsibility. I wish to comment on a hearing which was held before the Committee on Banking and Currency this morning concerning a matter which was discussed briefly on the floor of the Senate several days ago. It relates to the proposed exchange of as much as $335 million worth of 4 percent mortgages held by the Federal National Mortgage Association, and possibly as much as $1 billion worth, for 2¾ percent Government bonds which are not marketable and are not due until 1975.

The 4 percent mortgages, according to the testimony before the committee this morning, will realize a return after servicing and administrative expenses, of 3⅜ percent. They would be exchanged with banks, insurance companies, mutual savings institutions, and other groups, for bonds which will not become due until 1975, and which pay only 2¾ percent interest.

It was admitted in the testimony before the committee this morning that there would be a loss of $40,000 for every $1 million in mortgages exchanged. In other words, if the $1 billion in mortgages is exchanged for bonds, the Federal Government will suffer a loss of $40 million.

In addition, according to the Under Secretary of the Treasury, there will be a potential tax loss of $8,400,000 at the outset.

The Treasury seeks to justify this action on the ground that it will aid in debt management and in balancing the budget, and that it will result in an orderly liquidation of mortgages in the FNMA portfolio. However, if the arithmetic of this proposal is analyzed fully, I think it will be most interesting to observe the rather curious outcome—one which we might keep in mind in trying to ascertain the correct meaning of the term "fiscal irresponsibility."

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. SPARKMAN. My time has expired.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business? If not, morning business is closed.

RETIREMENT OF BARON ROBERT SILVERCRUYS, AMBASSADOR FROM BELGIUM

Mr. MANSFIELD. Mr. President, the nation of Belgium has been represented in the United States for nearly 16 years by Baron Robert Silvercruys. These years have marked the climax of an outstanding diplomatic career that has spanned 41 years.

As Ambassador in Washington, Baron Silvercruys has served his country superbly. His work here has been in the finest traditions of diplomacy. It reflected at all times the tact, the geniality, and the wisdom and understanding which are so much a part of the man himself. He guarded and advanced Belgium's interests in the United States very well indeed. But he did not do so as though these interests were a thing apart. Rather, he advanced them as an element of the common interests of both nations. It is a tribute to his exceptional efforts that relations between the United States and Belgium have never been better.

In recent years, Baron Silvercruys has had the companionship and the help of the lovely and gifted Baroness Silvercruys. Mrs. Mansfield and I have had the privilege of knowing both the Silvercruys as warm friends. We are delighted to learn that although the baron has retired from his country's service, he and his wife plan to continue to make their home in Washington for at least part of each year.

Mr. President, I ask unanimous consent to include at this point in the RECORD an editorial on the retirement of Ambassador Silvercruys which appeared in the New York Times.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 4, 1959]

A HAPPY AMBASSADOR

Baron Robert Silvercruys, who has just retired after 16 years as Belgian Ambassador and 41 years in his country's diplomatic service, has had a right to be happy. Best of all, he intends to remain that way in retirement and to spend half his time in Washington and half in Brussels.

The mark that Ambassador Silvercruys has made on Washington is unusual because it

was traditional. This may seem paradoxical, but the type of diplomat that the baron exemplified is, unhappily, a disappearing one—genial, cultivated, a superb host, an unostentatious representative of his nation. At the same time he was alert, intelligent, well-informed and skillful in furthering the interests of Belgium. There are centuries of training behind a diplomat like Baron Silvercruys, but not many men nowadays carry on such traditions or have the personality and ability to do so.

Ambassador Silvercruys had the good fortune to represent a country with which we have had no problems of magnitude. Relations between Belgium and the United States are and have been as friendly as possible and certainly Baron Silvercruys deserves some credit for keeping them that way. It goes without saying that he will be missed in the diplomatic corps but fortunately not in person, since Washington will continue to enjoy his presence.

Mr. MONRONEY. Mr. President, I wish to join my distinguished colleague, the assistant majority leader, in his tribute to Baron Silvercruys, who has retired as Ambassador from Belgium. I have known this distinguished envoy during my 20 years in Washington, and I can safely say that during the 20 years I have never met a man who more ably or more sincerely represented his government in Washington or who more thoroughly understood the character, the ideals, and the inspirations of the American people.

He has truly been a great friend of America, and in representing his country he has done much to perpetuate the great historic association that resulted from World War I, and the interwar years, and continued during Belgium's travail in the World War II period.

It is most gratifying to know that Baron Silvercruys will remain in Washington, where his sound understanding of world affairs and the ever brilliant advice of one of the most charming diplomatic ladies ever to serve as the wife of an Ambassador will also be available. Baroness Silvercruys not only is a distinguished wife of a distinguished envoy, but, in her own right as an American citizen, and as the widow of the late great Senator Brien McMahon, she thoroughly understands the things which go to make American foreign and domestic policy and the kind of nation we seek to have.

Mr. President, I ask unanimous consent that there may be printed in the RECORD two editorials, one from the Washington Evening Star of June 4, entitled "Model For Diplomats," and one from the Washington Post and Times Herald of today, June 5, entitled "A Genial Ambassador," both expressing very clearly the great service Ambassador Silvercruys has contributed to his country, and, indirectly, to this country.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Star, June 4, 1959]

MODEL FOR DIPLOMATS

If a composite picture were to be drawn of a model diplomat, it might well be a portrait of Baron Silvercruys, who retired this week after 41 years in the Belgian diplomatic service. For nearly 16 of these years, he has been his country's Ambassador to the United States. As it happens, Baron Silvercruys began his diplomatic career here in 1918 with the initial assignment of planning a visit to the United States by King Albert and Queen Elizabeth of Belgium. His final major assignment was to make similar arrangements for the visit last month by King Baudouin.

It is in appearance and personality, as well as competence, that the Belgian envoy may be considered the model of what a diplomat should be. Possessed of these qualifications, he has been a popular and respected figure in official circles in Washington. It is good to know that he and the equally popular Baroness Silvercruys are planning to continue as residential Washingtonians in the future.

[From the Washington Post and Times Herald, June 5, 1959]

A GENIAL AMBASSADOR

It is good news for the many friends of Baron Robert Silvercruys that his retirement as Ambassador of Belgium does not mean his departure from Washington. For 14 years before his official termination on Tuesday, Baron Silvercruys was his country's envoy here, and on numerous previous visits he had become familiar with the United States during a 41-year diplomatic career. As Ambassador he combined dignity and courtly bearing with wit and good counsel. He has been a good friend of this country and a devoted servant of free world and NATO affairs with particular interest in economic development matters. Not the least of his attractions has been the fact that he is married to the beauteous widow of the late Senator Brien McMahon. Except for the recent visit of King Baudouin, Belgium has been relatively little in the American news; this is in part a testimonial to the effectiveness with which this genial Ambassador worked to keep relationships between the two countries in good repair. As he is succeeded by Ambassador Louis Scheyven, Baron Silvercruys will have the community's good wishes and the hope that it will continue to see much of him and Baroness Silvercruys.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

DEPARTMENT OF COMMERCE

Mr. MANSFIELD. Mr. President, I ask that the Senate proceed to consider the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce.

The PRESIDING OFFICER. The clerk will state the nomination.

The Chief Clerk read the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Lewis L. Strauss to be Secretary of Commerce?

Mr. SCHOEPPEL. Mr. President, I suspect it is already too late to invite the Senate to consider the nomination of Lewis L. Strauss in our traditional mood of calm and objectivity.

This afternoon I shall speak briefly on this matter of great importance which has been placed before the Senate, the confirmation of the nomination of Admiral Strauss. I am well aware that there are those who share positive views on Admiral Strauss. Some are violently opposed; and many who know and favor this man wonder in amazement at the extent and character of the attacks upon him and his nomination for this responsible position in the Cabinet of the President of the United States.

Mr. Strauss has served under four Presidents of this Republic; he has given four decades of his life to public service, creditably, honorably, and forthrightly. I invite the attention of Senators to this phase of his brilliant record. It is attached to the report on Senators' desks.

A number of our colleagues publicly announced their intention of opposing Admiral Strauss even before his nomination had been voted on in committee.

The mere existence of this haste to get opposition on record indicates that this nomination is being accorded unique attention. Nominee Strauss is not being looked upon merely as a man whom the President would like to have in his Cabinet as Secretary of Commerce. He is being regarded as personifying a philosophy of government which some feel impelled to combat and destroy. Mr. Strauss, quite simply, is a conservative.

As a conservative, Admiral Strauss is drawing the fire of many militant advocates of change. Notably arrayed against him are some who have sought in the past to assert the strength of this body against Mr. Strauss, usually in an effort to push him into doing something he did not think it proper to do. He has never budged under pressure, and he has always stubbornly resisted anything which seemed to him to be an undue encroachment by the legislative branch.

The curious thing about this resistance is that it is not discussed on either side in terms which are properly descriptive. It is touched on, if at all, in some rather sweet-sounding euphemisms.

We are told, for example, that Admiral Strauss refused to give information to the Joint Committee on Atomic Energy.

The admiral, in turn has said: I did not refuse. At most, I delayed. I gave everything the law allows.

Mr. President, none of us was born yesterday. We all know the technique, very common on Capitol Hill, of stridently demanding information when what we really want is to influence a course of action. A part of the game is to disclaim the true intent and to wax indignant when challenged.

It is also a part of the game for the people on whom the demand is made to pretend that they do not understand the true import of the demand. All of this is a stylized performance in the

never ending tug-of-war between the legislative and executive branches.

Knowing this, we have to understand that most of the criticisms of Admiral Strauss for refusal to supply information must be taken for what they are—criticisms of his unwillingness to let this or that committee chairman dictate to him on matters of policy not spelled out in the law.

Most of the hullaballoo surrounding this nomination, therefore, boils down to the simple fact that Admiral Strauss is a conservative who errs, if at all, on the side of caution in interpreting the legal rights of the legislative branch and his own legal duties toward it. Added to this is the fact that in resisting pressures from the legislative branch to be less conservative and more liberal, Admiral Strauss has preferred to cite narrow legalisms rather than to assert bodly, "Gentlemen, you are trespassing." This is not a crime. This is not dishonorable. To tolerant people, it is at most merely irritating.

Growing out of the nominee's habit of being legalistic in resisting pressures, there have developed instances which have been magnified out of all proportion. At least, that is the way the Senator from Kansas looks at it. A careful reading of the record will quickly illustrate this.

Efforts have been made to leave an impression that the nominee was evasive, uncooperative, and unrelenting.

Even when the cocoon is unraveled, it contains something that is dead, dried up, and worthless. Nevertheless, such instances are described over and over in grave and resonant tones as "serious, very serious."

Mr. President, saying so does not make it so, and the events will not seem serious to anyone who is reasonably observing and willing to search the total context of an event before judging its meaning.

No Senator will lose his way in searching for the truth about Admiral Strauss if he will bring to his quest his accumulated experience in appraising people, and his accumulated wisdom about what is likely to have happened in a given set of circumstances.

Thus prepared, he can avoid being snared into accepting the thesis that Admiral Strauss, without any advantage flowing from the act, lied to Congress just for the heck of it. On the the other hand, any Senator who insists on wearing blinders can chop off enough at each side of each scene to mislead himself completely.

On the desk before each Senator is a copy of our hearings. It is forbiddingly thick. I can assure Senators that it contains all upon which our wisdom about people and events need focus to arrive at a sound judgment on this nomination.

Of the 1,128 pages in the volume, I should say that about 120 pages have to do with Admiral Strauss. The rest, nearly 1,000 pages, seem to me to tell far more about Admiral Strauss' accusers than about the Admiral himself. Those pages, inexorably, will have their own lengthy counterparts in the CONGRESSIONAL RECORD.

Less likely to receive attention here are the pages telling of the admiral's qualifications for the post to which he has been named. To those pages, I shall now refer.

The hearings on the Strauss nomination opened on March 17, which was not only St. Patrick's Day, but also the birthday of our colleagues, the junior Senator from Rhode Island [Mr. PASTORE] and the junior Senator from Wyoming [Mr. MCGEE].

The first witnesses were the senior Senator from New York [Mr. JAVITS] and his junior colleague [Mr. KEATING]. Both testified that Mr. Strauss is outstandingly qualified to serve as Secretary of Commerce. Senator JAVITS, in particular, spoke from long personal acquaintance with the nominee, reaching back many years.

The hearing record next shows letters from our two Virginia colleagues, Senator HARRY F. BYRD and Senator WILLIS ROBERTSON, men of outstanding judgment and discernment. Both stated they had known Admiral Strauss for a long time, and both urged that his nomination be confirmed.

The nominee himself then began to testify. The details of his biography will be found summarized in the committee's report, as I indicated a moment ago. I have heretofore referred to parts of it, and the text of his testimony is, of course, printed in the hearings.

The biography is impressive, showing, as it does, important public service starting during the administration of President Wilson when the nominee was Secretary to Herbert Hoover, then U.S. Food Administrator and Chairman of the Commission for the Relief of Belgium.

The period between the two World Wars found Mr. Strauss associated with the investment firm of Kuhn, Loeb & Co., in New York. He was at the same time a member of the Naval Reserve, and was called to active duty 10 months before Pearl Harbor. Since that time, he has been almost continuously in public service, either as a naval officer, as a member or Chairman of the Atomic Energy Commission, or on special assignment by the executive branch of the Congress.

From all the recital of biographical detail, two things stand out in my mind.

The first is, that the nominee received the Medal of Freedom, personally awarded by President Eisenhower, in July of last year. This medal is not given lightly. Only 15 have been awarded by act of the President since the medal was authorized, the last recipient being the late revered John Foster Dulles.

The second point of interest in the biographical detail is that the nominee returned from retirement to accept appoint as Secretary of Commerce. Our colleague, Senator PASTORE, asked him why he did so, and this was Mr. Strauss' answer:

> In the first place, I deeply respect and admire the President, and the duty to which he called me was a responsibility in which I felt I could be effective.
>
> In the second place, I held it to be a very great honor to occupy a post in which my former chief, Mr. Hoover, had set so high a standard of public service.
>
> Third, and finally, I believe that the economic warfare which the Soviet Government has declared upon the United States can be most effectively countered in the work and decisions of the Department of Commerce. I have certain strongly held views as to the gravity of the Communist offensive at the present time.

Mr. President, the nomination before us, is that of a man who retired from public service with glory enough for a full lifetime, but who returned when summoned to duty. We can only guess whether he would have responded to the summons if he had known of the obstacles to be strewn in his path.

It is fitting to note here—that his fitness, his competency, and his integrity have never heretofore been questioned.

The hearings which started on March 17 continued through the next day, then jumped to April 21, and then again to April 23.

During those 4 days, Admiral Strauss, in answer to questions put to him by the Committee, testified about many matters connected with his post. He touched upon foreign trade in general and upon trade with Iron Curtain countries in particular.

He talked about atomic-powered merchant ships, about the need for expanded studies in oceanography, about mandatory controls upon imports of petroleum products, about plans for handling the 1960 census, about delay in building superliners, about problems of the textile industry, and about the financing of ship construction.

He answered questions on functions of the Federal Maritime Board and the Maritime Administration, on so-called runaway flags, and on the transportation study requested by the President.

He gave his views on the Federal Highway Act of 1956, toll roads, the highway trust fund, taxes on aviation fuel, advisory committees to the Department of Commerce, trade missions, and commercial attachés. In answer to questions, he explained how he would deal with the press and volunteered to furnish any personal financial data in which the committee might be interested.

All of the foregoing was covered in hearings taking place on 4 days embracing 7 hours and 10 minutes of hearing time. The inquiry was important, and certainly it was relevant to confirmation of the nomination of a Secretary of Commerce.

However, when the hearings reconvened on April 28, they began to take on a different character. The opening witness was one of our Senate colleagues. He testified at considerable length on the Dixon-Yates matter, his testimony bearing on two points, the first of which can be summarized. I am summarizing the testimony very briefly;

Adolphe Wenzell was involved in a conflict of interest in the Dixon-Yates matter. Admiral Strauss denies knowing of the conflict although other people knew. Somebody could be lying. Perhaps it is Admiral Strauss. I further summarize the Senator's second point in this way: In the chronology prepared by the AEC and the Bureau of the Budget to show who took part in the Dixon-

Yates negotiation, Adolphe Wenzell's name was left out. All competent testimony agrees that Admiral Strauss had no part in preparing the chronology, but maybe he did anyway.

In all fairness to our colleague, who then testified, I must admit that he did not claim that his allegations added up to reasons for refusing to confirm the nomination of Admiral Strauss.

He did insist, however, that they presented questions which the Attorney General ought to investigate, and that until such an investigation is completed, the nomination of the admiral should not be confirmed. Maybe that is only a distinction without a difference, after all.

On April 30, Admiral Strauss was given an opportunity to testify in answer to his first adverse witness on the Dixon-Yates matter. The rebuttal testimony pointed out that there was nothing in the adverse testimony that had not been fully developed by exhaustive questioning before the Antitrust and Monopoly Subcommittee in December 1955.

Further, the rebuttal testimony renewed, most adequately, specific answers and explanations to each of the specific charges.

Mr. President, as I listened to the rebuttal, it seemed to me that any fair-minded and objective person would not have the slightest hesitancy in accepting the explanations. They would be troublesome only to someone embarrassed by the hope that others might find guilt where there is no guilt.

As I have already said, the Strauss hearings at their inception were confined to matters properly relevant to an examination of a nominee for Secretary of Commerce. Their nature changed with the calling of the first adverse witness. From then on, a number of witnesses testified. Their words and demeanor made plain that they share a common aim, namely, humiliating defeat of the nominee.

Concurrently, a reading of this record will show, in my judgment, that some on the committee departed from the role of inquiry on qualifications of a man for this important position to the role of grand inquisitors.

It is only fair to say that they were the members who take greatest pride in the label "liberal" and who look hopefully for the day when the last conservative will be stuffed and in a glass case at the Smithsonian. Let it be clear that I do not share their hope.

I was distressed at the turn taken by the Strauss hearings before our committee. I sensed, as did my colleagues on the committee, that what had started as a detour into genteel mudslinging had too soon degenerated into a far rougher game. It is our opportunity here to redress the balance of the committee hearings and assess the merits of the charges leveled at this nominee in the light of his conduct, his answers, and his responsibility to the security needs of our Nation.

In closing, let me say that I have not attempted to point out in detail much that transpired. In the more than 1,000 pages contained in the printed record of hearings, all those matters, and many others which I consider irrelevant, have been covered. As this debate progresses these matters will be brought before the Senate.

Finally, I am of the firm conviction that Admiral Strauss merits having his nomination confirmed. I am confident that the great majority of the Senate will agree with me if and when they check into the record with open minds, as many of us have tried to approach this problem in the hearings.

Mr. President, I yield the floor.

Mr. MAGNUSON. Mr. President, I wish to say at the outset that, like my distinguished friend from Kansas, I shall be brief today. As the debate proceeds—and I hope it will not be a prolonged debate, but only sufficient reasonably to cover some of the questions raised by the nomination—I shall probably have something to add to what I shall say today.

I wish to place in the RECORD certain excerpts from the minority views and individual views of other members of the Committee on Interstate and Foreign Commerce with reference to the nomination which is now before the Senate. As the Senator from Kansas has pointed out, the hearings were long. The printed transcript of the hearings runs to 1,128 pages. A great number of subjects were covered, and it was a fairly difficult task to separate the important matters from others which were not quite so important, and yet make a report expressing the views of eight Senators on the committee who had opposite views from nine other members of the committee, and do it in the usual form of a committee report.

We had worked on the report a long time, and after many drafts we eliminated a great deal of it; yet it is still a fairly long report. I recommend the reading of the report and the individual views and the minority views to every member of the Senate. In it they will find constant references to the hearings themselves, and constant references also to digests of them. I note on my desk a mimeographed sheet of another index, which relates to the page numbers of different portions of the testimony and of the various subjects which were involved in the hearings.

I wish also to say for the RECORD that earlier in the session, sometime around the latter part of March or the first part of April, there appeared a great number of news articles and radio and television commentaries suggesting that a long time had elapsed since the name of Mr. Strauss had been sent to the Senate and that there may have been some dilatory tactics or delaying tactics in the Committee on Interstate and Foreign Commerce with respect to the nomination. There appeared to be also a great number of people who wanted the committee to go ahead and report the nomination, and do it quickly. Between those two schools of thought, the committee decided that this was a matter which was not uncontroversial. I am sure when the President of the United States sent the name of Mr. Strauss to the Senate, nominating him to be Secretary of Commerce, the administration did not expect, nor could it be anticipated, that this would be a nomination which would run along in the usual or normal course of the consideration of nominations, and would be reported to the Senate within 30 days, or the usual time.

I do not wish to reply to the articles and commentaries to which I have referred. The amazing thing about it all is that no one called on us and asked us about it. I believe that the Record should show, on behalf of the committee, that there was a reasonable explanation for the seemingly long time which elapsed from January 17, when the nomination was sent to the Senate, until the close of the hearings in committee.

First, the Committee on Interstate and Foreign Commerce could not organize until after about the 20th of January, because the Republican caucus was having some difficulty in making assignments to committees. So there practically a week went by. Then we have a rule in committee, as the Senator from Kansas well knows, that all nominations must lie over 2 weeks, in case anyone wishes to be heard on a nominee. That put us into the middle of February, or about the 10th of February. Of course that is the week which is known as Lincoln Day Week in the Senate. Nearly half of the members of the Committee on Interstate and Foreign Commerce had felt impelled to go to various places throughout the country and talk about the Republican Party and Abraham Lincoln. I could not have obtained a corporal's guard during that week. That situation extended until the following Thursday, or so.

Then in order to expedite consideration of the nomination, there was some necessity, or at least it so appeared to me, knowing that there would be a great volume of testimony, of having a small subcommittee work on the matter, because such a subcommittee could sit regularly. My experience here has been that we save a great deal of time by operating that way.

That procedure was objected to, I suppose for very good reasons; apparently some members wanted the full committee to hear the matter. So I said, "Very well; I guess we will have to do that, if that is what a reasonable number of the members of the committee want. But I will insist on a quorum."

Mr. President, it was not possible to get the usual quorum in committee for about 10 days, because the Senate was not active, there were no votes in the Senate, the major committees had not started to their work, and there were not enough Senators here.

Along came the Easter vacation. In the meantime—because I had to hold hearings myself—I was responsible for about 3 weeks' delay, because of conditions beyond my control. I spent most of the time at a place north of town, called Bethesda. So there were at least 40 or 50, and perhaps even 60 days, in which business could not move along normally.

As chairman of the committee, I do not believe I expected at any time that we

would take 1,128 pages of testimony, although as a matter of fact, this was about as condensed a hearing on a confirmation as I have ever seen in the Senate, considering the number of people involved. Actually, about 1,100 of the pages of the testimony, other than documents, are taken up by 11 witnesses 6 of them U.S. Senators, 3 for Mr. Strauss and 3 against him; 4 scientists, 2 for Mr. Strauss and 2 against him; and the nominee himself.

I have thought at times that perhaps the witnesses should have come from wider segments, but that was the type of witness schedule we had in the hearings. Because of the nature of the controversy, and because we would be going back to matters which had happened 3 or 4 years ago in other committees of Congress, which had taken much testimoney, all of us agreed, or at least I did, that in order to keep things in perspective—since the nominee was going to give an answer to everything—when one witness would testify to a certain matter, the nominee, would be given the unusual privilege of answering at that time when it was fresh in his mind. That was what was done.

I say that is unusual, because I have attended many hearings on nominations, and the usual, fair procedure is that the witnesses who favor the nomination testify first, followed by the witnesses who are opposed, and then the committee concludes the hearings. Sometimes a rebuttal will be allowed at the end of the hearings, if a nominee desires that privilege.

In the case of the pending nomination, additional time was afforded, because every time a matter was brought up during the rebuttal by the nominee, many other questions were opened up. That took much time. After we got started, and the chairman and the distinguished ranking Republican member of the committee insisted on a quorum, the members of the committee were in attendance almost all the time.

I do not know the number of pages of testimony which were required for the so-called rebuttal, but sometimes there were rebuttals within rebuttals, because we touched on many other subjects. But everything which was discussed is in the record.

I have heard some suggestion that the committee might have been conducting a sort of inquisition of Admiral Strauss. I do not think any question asked by any member of the committee, regardless of whether he was for or against Admiral Strauss, was not a fair question. Some of the criticism which was presented by some of the witnesses might have been in the nature of immaterial remarks or in the nature of picking on the nominee unfairly. But the committee itself certainly did not know what the witnesses would say. So, whatever was said by them had to be gaged as fairly and justly as possible. I think some of the witnesses got away off the subject.

I observe the distinguished senior Senator from Arizona [Mr. HAYDEN] in the Chamber. He has attended many more hearings, probably, than all the rest of us in the Chamber combined. I am certain he will agree with me that there never has been a hearing when some witness did not go off on a tangent and speak on something which was irrelevant to the subject under consideration.

Mr. HAYDEN. That frequently happens.

Mr. MAGNUSON. Mr. President, the printed hearings are extensive. I took great pains to make certain that a copy of the hearings was on the desk of every Senator as soon as it came from the Printing Office. Perhaps Senators will not read the hearings in their entirety, but they will find in the hearings all the reports which were made and page references to many different subjects.

I have heard something lately about a kind of concerted effort on the part of the Democrats on the committee to hold up the President's nomination, or to look at it a little too carefully, with the implication that that was a terrible thing to do. I shall submit for the RECORD on Monday a compilation of the nominations which have passed through the Committee on Interstate and Foreign Commerce since I have been the chairman. The number runs into the hundreds, and there has never been any trouble about them. Each one of the nominations was scrutinized. To some of them there was no opposition. Some of the nominations were of persons whom we knew well, and the nominations were acted on quickly.

I do not know of any nomination which we did not examine carefully. There were two or three of them I wish we had looked at longer, because of what happened after the nominees began to serve in their respective posts. But I do not know why it is so unusual that once in a while some Members of the Senate should have doubt about a particular nomination. I do not think anyone is anointed simply because he is appointed. This happened to be one of those cases.

I do not think anyone likes to indulge in acrimony deliberately. Nevertheless, every Senator has the right to uphold the Constitution according to the oath he took. I know of no amendment to the Constitution which has repealed the words "advice and consent."

No member of the committee had had very much contact with Mr. Strauss. Most of his contact with the Senate had been in two other committees. Some of us who have been Members of the Senate for a while knew Mr. Strauss in a social way or in a political way or in an official way. But certainly the committee did not begin the hearings with any preconceived ideas concerning Mr. Strauss; at least, I did not sense any such feeling. But we knew that his nomination would be controversial with respect to many matters, because we in the Senate knew of his activities in connection with the Dixon-Yates contract, for instance. We knew some of the problems which confronted the Joint Committee on Atomic Energy with respect to Mr. Strauss. I knew, for instance, about the controversy he had with the chairman of the House Committee on Appropriations.

So the committee did not expect that in the hearings on the nomination of Mr. Strauss we would all merely listen to his autobiography, consider the service he had rendered, and then simply report his nomination.

For the reasons I have stated, then, the hearings on the nomination took a long time. I think the members of the committee cooperated to the fullest extent. I attended every hearing except one, as I recall, on one afternoon. At that time the distinguished Senator from Rhode Island [Mr. PASTORE] assumed the chairmanship and presided at the hearing.

The testimony regarding the nominee was presented by only 11 witnesses.

The seven Senators who cast their votes against the confirmation of the nomination of Mr. Strauss have signed their views, both in the nature of so-called minority views and individual views. Much care was given to this document, which is in the report of the committee. I know similar care was given by those who voted in the committee for the confirmation of the nomination, because the committee had a very difficult task to perform.

I shall read excerpts from the report, but I ask unanimous consent that a portion of the report and the individual views be printed at this point in the RECORD.

There being no objection, the portion of the report—Executive Report No. 4—was ordered to be printed in the RECORD, as follows:

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE—REPORT

The Committee on Interstate and Foreign Commerce, to whom was referred the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce, having considered the same, report favorably thereon and recommend that the nomination be confirmed.

VIEWS FAVORING CONFIRMATION OF LEWIS L. STRAUSS

We recommend that the Senate confirm the nomination of Lewis L. Strauss as Secretary of Commerce.

The hearings on the nominee's confirmation were of a scope to reflect to a large extent the nominee's long distinguished public service. The impressive record of Admiral Strauss is summarized in the biographical sketch appended hereto.

The three major points into which the Senate should inquire when considering confirmation of a cabinet appointment are: (1) the nominee's honesty and integrity; (2) his competence; and (3) his record for cooperation. On all of these points, the record of the hearings satisfies us beyond doubt that the nominee meets fully the requirements for confirmation.

Examining each of the criteria in more detail, we turn first to the honesty and integrity of the nominee.

Several witnesses at the hearings made charges against the honesty of Mr. Strauss. The charges were refuted, and much of the refutation was actually contained in adverse testimony. Some of the witnesses who came before the committee knew the nominee well; some had never known him nor had personal contact with him. Some witnesses voiced their belief that the nominee maintained a facade of innocence while operating in a devious manner. Others, and these with one exception, were people who have had the most contact with the nominee, have found him always honest, forthright, and courageous.

The wide divergence in views can be explained partly on the ground that adverse judgments rested largely on double or triple hearsay. It is not surprising that opinions resting on hearsay were the most vehement against the nominee, for unfriendly gossip,

gathers strength as it travels. In the main, however, the adverse testimony is found to stem from disagreements with the nominee on questions of judgment and philosophy, or from inferred affronts to personal or official dignity.

We were particularly impressed by the nominee's efforts to be exact in answering the most searching cross-examination on minute details of his activities throughout his long and useful public career.

After carefully reviewing all of the evidence before us, and after considering as well the nominee's reputation as a man of unblemished character through more than four decades in the public eye, we find Lewis L. Strauss to be a man of honesty and integrity.

On the question of competence, there is no adverse testimony. Even witnesses who testified against him acknowledged the breadth of his experience, his firm grasp of problems in the Commerce Department area and his long record of achievements as a top administrator. Few men in public life can match his long tenure in sensitive and responsible posts and his unique record of distinguished service under four Presidents. It is clear that the nominee is highly competent.

The next test is that of cooperation with Congress. Here, we can count noses. For example, during the time that the nominee served on the Atomic Energy Commission, the Joint Committee on Atomic Energy had five chairmen. The first of them, Senator Brien McMahon is dead, but a letter which he wrote to the nominee in 1950 in behalf of the Joint Committee praised Mr. Strauss' service during his first term on the AEC and invited him to become a consultant to the Joint Committee. The second chairman, Senator BOURKE B. HICKENLOOPER, submitted a statement supporting the nominee and testifying to his fine cooperation. The third chairman, former Congressman W. STERLING COLE, by a May 5, 1959, cablegram to the nominee introduced into the record, confirmed "existence cordial relationship with you as Chairman AEC and I chairman Joint Committee * * *." The fourth chairman, Congressman CARL T. DURHAM, who immediately preceded Senator CLINTON P. ANDERSON as chairman of the Joint Committee, was reported in the hearing on May 6, 1959, as willing to appear and testify if our committee wished to hear him. We are authorized by Congressman DURHAM to say that had he appeared, he would have testified to a cordial and cooperative relationship with the nominee reaching back more than 20 years. In addition former Senator John W. Bricker, who was a member of the Joint Committee on Atomic Energy from 1948 through 1958, praised the nominee for his cooperation with Congress.

We would also direct attention to the fact that Senator PASTORE, a member of the Joint Committee on Atomic Energy since 1953, and chairman of the Subcommittee on Agreements for Cooperation during the review of the proposed transfer to Great Britain of information on the *Nautilus* reactor, on which the question of cooperation was specifically raised, is supporting the confirmation of the nominee. For a more detailed expression of Senator PASTORE on the nominee's cooperation, reference is made to the individual views of Senator PASTORE.

Our committee spent much time in detailed examination of specific instances in which it was charged that the nominee withheld or was grudging in giving information to congressional committees. The few instances charged represent a minute percentage of the nominee's dealings with the Congress. In fact, the nominee showed great diligence in keeping the Congress informed.

Conclusion

The testimony and documentation presented before our committee, in our judgment, does not justify an adverse recommendation on this nomination. On the contrary, there is an abundance of affirmative evidence to establish beyond doubt the nominee's honesty and integrity, competence, and his long record of cordial and willing cooperation with the Congress.

We recommend his confirmation as Secretary of Commerce.

ANDREW F. SCHOEPPEL.
JOHN MARSHALL BUTLER.
NORRIS COTTON
CLIFFORD P. CASE.
STROM THURMOND.
FRANK J. LAUSCHE.
THRUSTON B. MORTON.
HUGH SCOTT.

ABBREVIATED BIOGRAPHY, LEWIS LICHTENSTEIN STRAUSS

Government service

1917–19: Secretary to Herbert C. Hoover (then U.S. Food Administrator and Chairman of the Commission for the Relief of Belgium) in relief operations overseas, and in the U.S. Food Administration. U.S. delegate at final Armistice Convention.

1941–46: In Naval Reserve 1926; active duty from February 1941 to May 1946; successively promoted through officer grades to the rank of rear admiral.

1946: Appointed member of the first Atomic Energy Commission; resigned in April 1950.

1946–52: Member of the Naval Research Advisory Committee.

1950: Appointed consultant to Joint Congressional Committee on Atomic Energy.

1950–58: Adviser on occasions to congressional and executive agencies studying and reporting on production and procurement problems for the Department of Defense.

1953: Completed report on "Hazardous Duty and Other Special Pays," requested by the Armed Services Committee of the Senate.

1953: Appointed special assistant to President Eisenhower on March 9.

1953–58: Nominated to the U.S. Atomic Energy Commission on June 24, confirmed by the Senate on June 27, and took oath of office on July 2. Designated Chairman. Retired at end of 5-year term, June 30, 1958.

1955 and 1958: Chairman of U.S. delegation to the United Nations Conferences on the Peaceful Uses of Atomic Energy, held at Geneva, Switzerland, August 8–20, 1955, and September 1–13, 1958.

1958: Appointed special assistant to the President on matters concerning atoms for peace.

1958: Appointed on October 24, as Secretary of Commerce; took oath of office, November 13.

Business service

1919–46: Associated with the investment firm of Kuhn, Loeb & Co., New York, N.Y. Became partner in 1929, resigning in 1946 to take office as AEC Commissioner.

At various times was director of business enterprises, including Radio Corp. of America, National Broadcasting Co., General American Transportation Corp., U.S. Rubber Co., Industrial Rayon Corp., Hudson & Manhattan Railroad, Rockefeller Bros., Inc., Rockefeller Center, Inc., Merchants Fire Assurance Co., etc.

1950: Consultant and financial adviser to Messrs. Rockefeller.

Decorations, honors, and degrees

Awarded the Distinguished Service Medal; and the Legion of Merit with Gold Star (Navy) in lieu of a second award and an Oak Leaf Cluster (Army) in lieu of a third award.

Officer of the Legion of Honor (France); Grand Officer, Order of Leopold (Belgium); and other decorations from foreign governments.

1958: Awarded the Medal of Freedom by President Eisenhower in person in July. Recipient of 23 honorary degrees from colleges and universities in the United States and abroad.

Trusteeships and other offices

President of the Board of Trustees of the Institute for Advanced Study at Princeton University, Princeton, N.J.

Trustee of the Hampton Institute, the Sloan-Kettering Institute Memorial Center for Cancer and Allied Diseases, the New York Institute for the Crippled and the Disabled, the Jewish Theological Seminary of America, Belgian-American Educational Foundation, Metropolitan Opera Association, Inc., Virginia Museum of Fine Arts at Richmond, and Congregation Emanuel of the City of New York (also its past president).

ADDITIONAL VIEWS OF SENATORS SCHOEPPEL, THURMOND, AND LAUSCHE

We believe it also worthy of mention that the nomination under consideration is for a Cabinet post, and as such, is an appointment to a position within the official family of the President.

As former Governors of our respective States, we are particularly sensitive to the fact that a Chief Executive is accountable to the people themselves for the conduct of members of the Executive's official family, or administration. Since the Chief Executive must, in the final analysis, answer for the actions of his official family or Cabinet, we feel that the President should be given the widest latitude in deciding whether the nominee's philosophy of government is acceptable; and that the Senate, in considering confirmation, should minimize consideration of his philosophy of government unless a question of loyalty is involved.

This viewpoint applies particularly to the objections to the nominee's confirmation raised by witnesses, whose own philosophy is basically opposed to that of the nominee and who, until challenged during the hearings, assumed the role of spokesmen for science.

The purported reason for these witnesses' objections, in essence, was that the nominee had in the past demonstrated that he was vindictive. As the principal example of the vindictiveness they charged, they cited the nominee's action with respect to the withdrawal of the security clearance of Dr. J. Robert Oppenheimer. The vindictiveness which allegedly motivated the nominee, according to the testimony of these witnesses, arose from the fact that Dr. Oppenheimer had opposed testing of the hydrogen bomb and had favored certain shipments of isotopes to friendly nations, on both of which questions the nominee admittedly felt quite strongly to the contrary.

In every facet of this issue, there was involved solely a question of judgment. On the Oppenheimer case, the nominee was one of nine in an official position who was required to pass on the revocation of the security clearance. The decision of the three-man Gray Board was reviewed by the Manager of the Atomic Energy Commission, and thereafter by the five-man Atomic Energy Commission itself. The Gray Board decision was 2 to 1 to revoke the security clearance, in which the manager of the AEC concurred and the Gray Board's decision was upheld on review by the Commission by a vote of 4 to 1. The very number of persons who participated officially in the Oppenheimer case indicated conclusively that the decision was a matter of judgment, not of personal prejudice.

There has certainly been no question of loyalty raised with respect to the nominee. On the contrary, the adverse scientists testified that the nominee's allegedly poor judgment, on which they based their objection

to his confirmation, stemmed from what they suggested was an over-security-consciousness which permeated the nominee's thinking. If the nominee erred in his judgment, it was on the side of our Nation's security for which, in our opinion, he should be commended, rather than condemned.

ANDREW F. SCHOEPPEL.
STROM THURMOND.
FRANK J. LAUSCHE.

INDIVIDUAL VIEWS OF SENATOR JOHN O. PASTORE

Through the years I have had the opportunity sufficient in my own reasoning to appraise the nominee, Lewis L. Strauss, and to form my judgment of his qualifications for appointment to the Cabinet of the President of the United States. It is not within my province to pass upon him for any other office or any other purpose—political or economic.

The chasm that separates us in these two categories is wide and, in some instances, unbridgeable. Furthermore, it is not my purpose to persuade the thinking of any other person. It is possible that I do not share the reasoning of any other individual on this committee. I vote my own conscience alone.

In these open hearings I have already voiced the qualifications to which I felt all testimony should be addressed. While these were expressed in running comment during the proceedings I see no reason to add or subtract from them. These qualifications are:

1. The character and integrity of the nominee as it affects his membership in the President's Cabinet.

2. No conflict of interest.

3. Sufficient stability, emotionally and temperamentally, for the position to which he is nominated.

4. The competence, morally and intellectually, to assume the responsibility.

The committee has made an exhaustive record, but nothing materially new has been adduced with which I was not already familiar and, I dare say, not known to the President who nominated him to this responsibility.

I did not know the nominee until I was appointed as a member of the Joint Committee of the Congress on Atomic Energy. But since then, because of our official responsibilities, we came in frequent and close contact, especially so in my capacity as chairman of the Subcommittee on International Agreements for Cooperation. It was my responsibility to work out with the nominee, his colleagues on the Commission, and staff members of the Atomic Energy Commission 43 bilateral agreements for cooperation with 41 nations.

Moreover, as a member of the U.S. delegation to the 10th General Assembly of the United Nations in 1955 where the resolution for the establishment of the International Agency for the Peaceful Uses of Atomic Energy was discussed and enacted, again at the Atoms for Peace Conference at Geneva in the same year, and again as a congressional adviser to the Conference on the Statute of the International Atomic Energy Agency at the United Nations in 1956, and also at the first general conference of the Atomic Energy Agency in Vienna in 1957, I was brought in close association with the nominee to work out our assigned tasks.

In all of these dealings I found Mr. Strauss to be patriotic, honorable, and competent.

We did not always agree and I did not expect perfection. I would not trespass on the divine to say, "There is no fault in this man."

From a similar set of experiences there are those who make a different deduction. They too are honorable men whose record of patriotic service is unimpeachable. I do not quarrel with their right to reason as they may. I merely vote my own conscience in this matter as I feel it concerns our country.

I vote to recommend the confirmation of Lewis L. Strauss as a man who has given to our country an effective patriotism over a period of 40 years and as one who, in my opinion, will make a good Secretary of Commerce.

JOHN O. PASTORE,
By C. J. MAISANO,
Administrative Assistant.

MINORITY AND INDIVIDUAL VIEWS

I

Lewis L. Strauss was given a recess appointment as Secretary of Commerce on October 24, 1958, and began serving in that capacity on November 13, 1958. His nomination was referred to the Committee on Interstate and Foreign Commerce on January 17, 1959. The committee was compelled to cancel hearings originally scheduled for February, and on March 2 announced hearings for later that month.

Hearings were held on March 17 and 18, and were then suspended because of advice to the committee that Secretary Strauss had previous commitments and because of the official Easter recess. The chairman had suggested the appointment of a subcommittee to expedite proceedings, but upon objection by the minority members the matter was kept in the full commitee. This technically required a quorum, which put the hearings in conflict with other committee business and senatorial duties. Hearings were resumed on April 21, and 14 hearings were held in the next 18 weekdays. During the entire series of 16 hearings Mr. Strauss testified at length in his own behalf and as to questions of policy raised by the committee with respect to matters within its jurisdiction over the Department of Commerce. In addition, he requested and was given the unusual opportunity to speak in rebuttal at the conclusion of the testimony of each of the witnesses who appeared in opposition to his confirmation. Senators JAVITS and KEATING, of New York, testified in the nominee's behalf and a statement in his support was read for Senator HICKENLOOPER, of Iowa. In addition, former Senator Bricker, of Ohio; Dr. Edward Teller, and Dr. Detlev W. Bronk appeared in support of the nomination. Letters urging confirmation were received from Senators BYRD and ROBERTSON, of Virginia; Senator CAPEHART, of Indiana; and Senator CHAVEZ, of New Mexico, and were incorporated in the record.

The witnesses testifying in opposition to confirmation were Senator Kefauver, of Tennessee, Senator Anderson, of New Mexico; Senator McCarthy, of Minnesota; Dr. David R. Inglis, Dr. David L. Hill, Jarrell Garonzik, James B. Carey, and Benjamin C. Sigal. There was placed in the record a letter from Senator LANGER, of North Dakota, opposing confirmation. In addition, Drew Pearson, Jack Anderson, Robert J. Dodds, Jr., and Arthur Arundel testified briefly with respect to questions which arose during the hearings. This testimony, together with materials inserted into the record, occupies 1,128 pages of printed record.

On May 19, 1959, the committee met in executive session to consider the nomination. At that time Senators PASTORE, THURMOND, SCHOEPPEL, BUTLER, COTTON, CASE, MORTON, and SCOTT voted to report the nomination favorably, while Senators MAGNUSON, MONRONEY, SMATHERS, YARBOROUGH, ENGLE, BARTLETT, HARTKE, and MCGEE voted to the contrary.

II. The Senate's role in connection with nominations

The undersigned strongly believe that the Senate should not confirm the nomination of Lewis L. Strauss to be Secretary of Commerce. This is a conclusion which we do not reach lightly and without the deepest consideration, because we believe, as do those supporting this nomination, that great latitude should be given to a President in the selection of individuals to fill high posts in Government. However, we cannot in good conscience agree with the contention frequently advanced since this nomination was submitted to the Senate that we who serve in that body should automatically and unquestioningly give our consent to every nomination.

The Constitution provides that the President "shall nominate, and by and with the advice and consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the Supreme Court, and all other Officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by Law."

We do not understand that this requirement of the advice and consent of the Senate on major appointments was improvidently included in our Constitution. We believe, rather, that it is one of the most important of the checks and balances which have contributed so greatly to the vitality and stability of our system of government. We believe the Senate should no more abuse its power to withhold its consent than the President should abuse his power to veto laws enacted by the Congress. It is clear that there have been and will continue to be instances in which both of these restraints are entirely proper. This was so intended by the Constitution. We are not prepared to abdicate the role assigned to the Senate by the Constitution. When serious questions are raised as to the fitness of a nominee, as is true in this case, we feel that the Senate must discharge its function carefully and resolutely. The performance of its duty may be both distasteful and time consuming but it cannot be shirked on either ground.

It appears to us that those who contend that the President should be completely unhampered in the choice of his Cabinet should, if they are sincere, seek to amend the Constitution accordingly. We believe that in most cases the restraint inherent in the Senate's power to withhold its consent is effectuated by the incentive provided for the exercise of great care before a nomination is proposed. If this check upon the power of the Executive were removed or denied all effectiveness by abandonment of the prerogative, the way would be opened for abuses. We took an oath to uphold the Constitution as it is now written.

A. Differences in Philosophy Cannot Be Controlling

We agree that a President may appoint associates who support his political views, if no violence is done to the Constitution or to our democratic processes. This remains true when, as now, the President is of one party and the majority of the Senate of another. We do not, therefore, base our opposition to the confirmation of Mr. Strauss upon the differences in opinion which no doubt exist between us and the nominee on a number of important political, social, and economic issues.

Some or all of us have perhaps differed with Mr. Strauss on the Dixon-Yates contract; on the development of atomic power and the related controversy over the Gore-Holifield bill; on the threat of radioactive fallout to the health and genetic future of our people; on the possibility of detection of atomic tests as a basis for enforceable limitations on such tests in the future; on the proper role of our systems of personnel security and classification of information in providing the maximum of freedom and public information consonant with sound national security; or on the policies to be pursued in the fields of international relations and foreign trade. We have not reached our conclusions as to Mr. Strauss' qualifications

solely upon any disagreements we may have as to these matters.

During the first 4 days of hearings, the committee interrogated Mr. Strauss with regard to various matters within the jurisdiction of the Department of Commerce. Beyond these preliminary inquiries traditionally addressed to nominees for important positions, we are confident that even a cursory reading of the record will demonstrate that we were not only concerned with Mr. Strauss' position on questions of substantive policy. Rather, we were more concerned as time went on with questions of the nominee's attitude toward Congress, his past relations with Congress, and the methods he followed in the course of our own hearings.

B. The Basic Criteria

Confirmation should be denied a nominee for a Cabinet post only for very compelling reasons. Two criteria were cited by Senator Cotton during the course of our hearings—though there may well be other factors which would have to be considered. In essence, the criteria were that a nomination should be rejected for lack of integrity or lack of competence.

As to the latter point, we freely concede that Mr. Strauss has demonstrated competence in the investment banking field and rendered wartime service in the Navy. He no doubt possesses the capacity to direct significant business enterprises or to administer certain types of governmental programs. However, this does not necessarily establish competence for the post to which he has been nominated.

When related to a major administrative and policymaking post in the executive branch of our Government, competence involves something more than mere capability in other ventures. It also involves balance, stability, and appreciation for differing views, a willingness to abandon or modify earlier views when their error is demonstrated, and an ability to work with others in the difficult but essential adjustment of the conflicting interests of different segments and sections of our Nation. If competence in Government entails these and similar traits and abilities—and we believe it does—then Mr. Strauss' record leaves us unconvinced of his competence for the high office to which he seeks confirmation.

It is true that his activities have been impressive in some aspects. We believe, however, that a careful scrutiny of his performance as Chairman of the Atomic Energy Commission from July 3, 1953, to June 30, 1958—and that constitutes his principal record in the field of civil administration—leaves one with grave doubts that he could serve effectively as Secretary of Commerce. We believe that the public record as well as the hearings before our committee indicate rather clearly that he overturned a successful pattern of Commission operation, that he involved the Commission for the first time in partisan political controversy, that he estranged a substantial segment of the country's scientists, and that he substantially impaired what had become, prior to his chairmanship, a very effective working relationship with the Congress.

We do not believe that a man can be adjudged competent for a Cabinet post unless there exists a sound basis for mutual confidence between him and the Congress, despite a showing of the capabilities for competence. As we have already indicated, this does not depend upon political agreement. Now and in recent years Congress has enjoyed satisfactory relations with many executive officials who frequently held sharply opposed views on fundamental policy. This has been true because there existed mutual respect and esteem between them and because the Congress felt assurance that these officials were dealing openly and fairly with it and that the information imparted to the committees of Congress was reliable and sufficiently complete to serve as the basis for congressional action. The country gained by this relationship. We are forced reluctantly to conclude that there is no likelihood that this vital mutual respect and its resulting relationship can exist between Mr. Strauss and the Congress. This would be a loss to what we consider democratic processes at a time when democracy is on trial.

Based in part upon the past record of his relations with different committees of the Congress, and even more strongly upon his conduct before our committee, we have come to the conviction that Mr. Strauss does not understand the proper relationship between the legislative and executive branches. The record indicates he claims for himself the right to withhold certain information from Congress. The record also indicates such withholding is without basis in law, and that the nominee had no concern for the law in this respect. From the record it is clear that the nominee time after time has resisted furnishing the appropriate committees of the Congress with information needed in order for Congress to properly perform its legislative functions. This has led to seriously adverse consequences in the atomic energy field, and so we believe it would in the important post of Secretary of Commerce.

In our opinion, he sought to mislead our committee either by means of what we considered direct misrepresentations of fact or by resort to half truths intended to divert the committee from full discovery of the relevant facts. This course of conduct was repeated so often that it must be judged to have been deliberate. He has so impaired our confidence that we cannot recommend his confirmation.

III. Surprising course taken by hearings

We recognize that Mr. Strauss has sought to serve the best interests of the country, as he sees them, and has made real contributions to its welfare. Most of the committee expected at the outset to vote for his confirmation. We embarked upon our hearings with the expectation that those who were critical of Mr. Strauss would air their past differences, that he would explain his position on these matters, and that conflicts would be resolved.

At the outset the committee discussed with Mr. Strauss certain matters with which he would deal as Secretary of Commerce. But even in this phase of our hearings we began to encounter half facts and misstatements which later seemed to us to become habitual. For instance, on the first day of our hearings in his prepared statement the committee received a very distorted view in respect to his role in the development of a long-range detection system and the development of the H-bomb, particularly in light of subsequent testimony. Mr. Strauss continued this pattern the second day, making two material misstatements of fact with regard to a very important matter, namely, his rejection of an application for a license to export. This was the central feature of a fairly extensive discussion of foreign trade policy and is dealt with at some length below and in the appendix to the hearings. This matter deals with his responsibilities as Secretary of Commerce.

* * * * *

We became mainly concerned over allegations bearing upon Mr. Strauss' allegedly devious and delusive methods which he had employed in certain cited cases. The record of his past performance was convincing in a number of instances. Together with other facts the weight of evidence which primarily has impelled us to our conclusion that Mr. Strauss is lacking in the sincerity and the tolerance required for confirmation came in the manner in which he attempted to meet the criticism leveled against him. (In addition to this, other facts bearing on our conclusion will be given in the views of other Senators included below.)

* * * * *

(1) The nominee was guilty of an outright misrepresentation in regard to his recent rejection, as Secretary of Commerce, of an export license for the shipment of steel pipe. Mr. Strauss informed the committee that his action was taken with the "complete concurrence" of the Department of State—that "there was absolutely no difference between the State Department and the Department of Commerce on this." In actual fact, State's position was completely opposed to that of Commerce—the State Department had objected in unequivocal terms to the denial of the license. Its objection was a matter of record and Mr. Strauss knew of it when he spoke. As the final authority for making a decision in this matter lay with the Secretary of Commerce, Mr. Strauss was perfectly within his legal right in overriding State's views. In this light, his outright misrepresentation of the position of another agency is all the more shocking. (See hearings, pp. 43–44 and p. 1067.)

(2) The nominee challenged the integrity of an official transcript of a hearing before a committee of the House, thus impugning the integrity of those responsible for this preparation. He charged that a reported statement by him before a subcommittee of the House Appropriations Committee in 1956, in which he had accepted full responsibility for having asked for the preparation of a highly embarrassing letter to the Joint Committee, had in fact never been made. Such an assertion, by itself, reflects a virtually contemptuous attitude toward congressional procedures. Whatever defense the nominee might have had for making this charge evaporated completely when a check of the hearing reporter's stenotype notes showed conclusively that the portion of the record in question had not been altered in any way whatsoever. (See hearings, pp. 978 and 981.)

* * * * *

(4) The nominee consistently offered only partial or oblique defenses in his effort to reply to Senator ANDERSON'S charges of failure to keep the Joint Committee on Atomic Energy "fully and currently informed" of AEC's activities as required by law.

As an example of this, the nominee completely ignored the Senator's assertion that Mr. Strauss had suppressed an important letter from the Attorney General concerning the legality of the 1956 amendments to the agreement for cooperation with England. Instead, he based his defense on the wisdom of the proposed amendments to the agreement and on his notification to the Joint Committee that negotiations had taken place. Even as to the latter, he sought to distort the record in order to establish that the Joint Committee had been informed in a timely manner. Actually, contrary to the mandate of the law and contrary to the advice of the Attorney General, the Joint Committee was not informed of these important negotiations until after the completed agreement had been submitted to the President for his signature (hearings, pp. 598–607, 687–695, 1024–1030).

(5) The nominee claimed credit for unsupportable public benefits from a prospective transaction while disclaiming knowledge of or responsibility for underlying issues that question the validity of his plans. When the Dixon-Yates power contract became jeopardized by the conflict of interest of a key participant, Mr. Strauss who was principal architect of the contract denied: (1) Knowledge of Senator HILL'S speech regarding the dual role of Adolphe Wenzell and thereby denied responsibility for proceeding on such a questionable plan (hearings, pp. 333–334); (2) knowledge of the false chronology on Dixon-Yates issued by the AEC on August 21, 1954 (hearings, p.

285) even though Mr. Strauss, as AEC Chairman, discussed with Mr. Hughes the contents of that record (hearings, p. 493); and (3) knowledge of the Government capacity of Wenzell even though Wenzell testified that he told Mr. Strauss that he represented the Bureau of the Budget (hearings, p. 319).

(6) The nominee was prone to accept only official responsibility for ill-advised official actions by the Atomic Energy Commission while trying to create the impression that he in fact really had no connection with them.

An example of this was his explanation of the circumstances surrounding the classification of an adverse safety report on the Detroit reactor project made in June of 1956 by an advisory committee to the AEC. Mr. Strauss admitted that the report's classification, and its consequent suppression from the public, had been a mistake—a mistake which he now seeks to attribute to members of his staff. Yet, a review of the record shows conclusively that he knew this report had been classified and in fact had vigorously defended its classification in correspondence with the Joint Committee. (See hearings, p. 607, and Joint Committee on Atomic Energy print, "A Study of AEC Procedures and Organization in the Licensing of Reactor Facilities," April 1957, pp. 117–122.)

(7) The nominee often resorted to unnecessary untruths in what appeared to be an attempt to put himself in the best possible light before the committee. He categorically denied, for example, that he had ever asked for any information on adverse witness, Dr. David Inglis, and sought to create the impression that the only data which he had received was furnished to him gratuitously by a member of his staff at the time Dr. Inglis testified. Yet, when the question of the nominee's attempts to gain possibly unfavorable security information on Dr. Inglis was put seriously in issue, he admitted that he had personally called the AEC prior to the Dr. Inglis appearance for background material. His exact words were, "I have never asked for anything on Mr. Inglis in my life" (hearings, p. 827). This statement was made May 11, 1959. On May 13 1959 (hearings, p. 844), a letter was read into the hearings from the Atomic Energy Commission dated May 11, 1959, that flatly stated Mr. Strauss had inquired about Dr. Inglis about April 20, and had been given some information on April 21.

When questioned on this point, Mr. Strauss, after first saying, "I see absolutely no significance in whether the date was the 22d of April or May the 5th or what," finally stated, "I have nothing more to say, Mr. Chairman, on this point" (hearings, pp. 845–846).

Some of the foregoing it appeared to us was not dictated by necessity, because other and better answers or explanations seemed possible. But this would have involved admission by Mr. Strauss that he had been in error, or had forgotten something he had once known, or had misunderstood the charge against him. Such things are understandable, because they involve familiar human failings—but Mr. Strauss seems unable to confess to error in any way. He still insists that the Atomic Energy Act of 1946 forbade the export of isotopes for metallurgical research though the other four Atomic Energy Commissioners, the General Counsel of the Atomic Energy Commission, and the majority of the Joint Committee on Atomic Energy (including Senator McMahon, the principal author of the act) all disagreed. He still insists that Senator ANDERSON made his case on isotopes on section 5 of the act whereas he (Strauss) had made his on section 10 (hearings, p. 610), although anyone who reads the record can see that Senator ANDERSON properly considered the sections jointly (hearings, pp. 498–499).

Mr. Strauss has shown a willingness to seek to fit the facts to his preconceived notions as regards the fallout danger (hearing, pp. 433 and 728) and the ability to detect bomb tests (hearings, pp. 441 and 558). He has demonstrated a tendency to carry over from a high security area (atomic energy) to the area of foreign commerce his highly restrictive concepts as to the permissible degree of contact with any nation. The act of February 14, 1903 (5 U.S.C. 596) in setting out the duties of the Department of Commerce, provided, among other things, that "It shall be the province and duty of said Department to foster, promote, and develop the foreign and domestic commerce, * * * of the United States;". His rigidity of position and insistence upon policy decisions which ignore or make over the facts hardly seem to promise the kind of flexibility and adaptability required of a Secretary of Commerce in the discharge of his duties both at home and abroad (hearings, p. 1074). These limitations raise serious questions as to the qualifications of the nominee for the position of Secretary of Commerce.

The nominee questioned the integrity of Members of the Congress, charging in one instance that the records and reports of a committee had been changed to his detriment (hearings, p. 976). He insisted on this position to the point of telling a member of our committee that a report was not a report, and that he should be suspicious of the man who supplied it (hearings, p. 973). This statement was made almost immediately after Mr. Strauss had been told the chairman of the committee involved had stated, in writing, that this committee could "use any portion of it without reservation as this is the official copy of the report of the subcommittee" (hearings, p. 971).

Two chairmen of important committees of Congress, one in the House and one in the Senate, have openly and publicly charged Mr. Strauss, when head of the Atomic Energy Commission, with giving false and misleading information to the Congress and to the public.

We believe the printed hearings on this nomination demonstrate how hard it is to get a direct and complete answer from the nominee. The questioning went on for days, yet we had no choice but to continue if we wanted answers. Standing alone, it might be said that some of the things asked were not too important, but tied into the whole proceeding, an impartial and unbiased reader will clearly see the necessity for the manner in which we proceeded.

We think the key role played by Mr. Strauss in the notorious Dixon-Yates case was a deliberate use of public office for improper aid to private business. When the details of this abortive attempt to cripple TVA was finally brought to the attention of the public through the efforts of Members of Congress and some of our great newspapers, the President was forced to repudiate the contract. But Mr. Strauss still defends that contract, as a good one (hearing, p. 329). The hearings disclose that there are many unresolved questions that indicate, we believe, a great deal more knowledge on the part of Mr. Strauss, than he has yet revealed.

The record and background of the Dixon-Yates case is not such as to inspire confidence in this nominee's future relations with Congress and the public, if he is confirmed.

There have been many editorials, discussions, and even arguments as to the constitutional privilege of the President to be unhampered in his selection of his official family. This has been much on our minds.

On this point, one of the distinguished constitutional lawyers of our time, the Honorable JOSEPH C. O'MAHONEY, senior Senator from Wyoming, wrote to the editor of the Washington Post under date of May 8, 1959. His letter, which we believe ably answers these arguments, follows:

U.S. SENATE,
Washington, D.C., May 8, 1959.

EDITOR, THE WASHINGTON POST,
Washington, D.C.

DEAR SIR: May I not take the liberty of suggesting that your editorial of Saturday, May 2, 1959, entitled "Grasping at Strauss," seems to be based upon a mistaken constitutional premise, namely, that "The President, we believe, ought to be entitled to have in his Cabinet the persons in whom he has confidence."

This is not what the framers of the Constitution believed. They were of the opinion that the President should be required to have the advice and consent of the Senate not only to the appointment of Ambassadors, other public ministers and consuls and Judges of the Supreme Court, but also "all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law."

After placing that limitation upon the power of the President to make appointments, the framers of the Constitution added another proviso in these words: "But the Congress may by law vest the appointment of such inferior offices, as they think proper, in the President alone, in the courts of law, or in the heads of departments." It is not necessary to point out that Congress has never by law authorized the President to appoint without limitation persons "in whom he has confidence" to his Cabinet.

To sustain your argument that the Senate should waive its constitutional power to give advice and consent to the appointment of Cabinet members, you must be able to show that the drafters of the Constitution were wrong in the belief that the public interest requires the Senate to have a check upon the selection of Cabinet members.

Is there any present reason to support this view of the members of the Constitutional Convention? Yes. It is to be found not only in the traditional American principle that this is a government by law, not a government by men, but also in the words of your editorial. You said:

"This newspaper has not been by any means an admirer of Admiral Strauss. It has differed with him strongly in the Oppenheimer case, on his defense of the Dixon-Yates contract, on excessive secrecy in nuclear matters and on a number of other important policy questions."

Let me add, it is more important now that we have a President who delegates to others so much of his power that the Senate should not waive its constitutional right to deny confirmation in the case of a nominee whose record amply establishes the charge that he aspires to have his own way in matters of public importance, the Congress and even the President to the contrary notwithstanding. In the Dixon-Yates case Mr. Strauss denied the Judiciary Committee of the U.S. Senate information with respect to the negotiations after the President had indicated his desire to have a full disclosure made, but also in the present hearings, despite the fact that the President had ordered the cancellation of the Dixon-Yates contract, Mr. Strauss proclaimed his view that it was a good contract. It was not a good contract from the public point of view, because it was a contract designed to defeat the purpose of a law of the United States by transferring to a private utility combination a function that Congress had given to the TVA.

The battle that is being waged now in the United States is a battle to transfer to private management the powers granted by the Constitution to the Congress to regulate interstate and foreign commerce. It is not

necessary in a case like this to find "evidence of serious misconduct or some similar compelling disqualification," as your editorial asserts. It is only necessary to insist that a man nominated to be a Cabinet officer shall have a record which justifies the belief that he will support a government by law instead of a government by men.

This constitutional view was never better exemplified than in the case of Charles Beecher Warren of Michigan, nominated on March 5, 1925, to be Attorney General of the United States. He was rejected on March 10, 1925, by the Senate by a vote of 41 to 39. President Coolidge renominated him 2 days later and the Senate again rejected him, this time by a vote of 46 to 39. He was opposed by both Senators from the State of Michigan—James Couzens, a Republican, and Woodbridge N. Ferris, a Democrat. The burden of the argument against him was made by Senator Thomas J. Walsh of Montana, whose qualifications as a constitutional lawyer no one will deny.

Senator Walsh, in opposing the nomination of Warren, made no personal attack upon him and did not oppose him for any inferior office. He said he was not qualified to be the Attorney General because of his association in the activities of the American Sugar Co. which was then generally known as the Sugar Trust. These activities, Senator Walsh contended, were such that he could not be entrusted with the enforcement of the antitrust laws. Thus the President's nominee, under clear constitutional authority, was rejected because, in the belief of a majority of the Senate, public policy required his rejection.

This is the situation that exists now in the case of Mr. Strauss. Public policy requires his rejection as Secretary of Commerce. Surely the President can find another nominee in whom he has equal confidence who will be qualified both from the President's personal point of view and from the public policy point of view.

Sincerely yours,

JOSEPH C. O'MAHONEY,
Senator from Wyoming.

It appears to us from careful attention to the testimony, that Mr. Strauss has withheld or manipulated information to serve policy or personal ends. On the basis of the record, we have grave doubts as to whether or not information furnished by Mr. Strauss, as Secretary of Commerce would be accurate or complete.

We believe that Congress is entitled to all the facts—whether we agree with the conclusions of the Secretary, or his policies, and we say again that we would not vote against Secretary Strauss solely because of disagreement with his policy positions, but the hearings developed cold hard facts on even this aspect, that go deep into any hope of his ever being, or being able to be, a competent Secretary of Commerce.

As was so well stated in an editorial of the St. Louis Post-Dispatch of May 7, 1959, "If a Cabinet officer must have the confidence of the President, he must have the confidence of a majority of Senators as well. Though the majority cannot fairly demand that a nominee agree with its views, it can and should demand that he possess qualifications of character and a record which warrant consent to his nomination."

Conclusion

We have concluded for all the reasons set forth above—partly on evidence as to his past record, but mostly on the basis of his conduct and demeanor before us—that Lewis L. Strauss is lacking in the degree of integrity and competence essential to proper performance of the duties of the office to which he has been nominated. We regret that this is so, but we cannot otherwise read the record he has made before our committee.

We therefore recommend that the Senate reject the nomination of Lewis L. Strauss to be Secretary of Commerce.

Respectfully submitted.

WARREN G. MAGNUSON.
GEORGE A. SMATHERS.
RALPH W. YARBOROUGH.
CLAIR ENGLE.
E. L. BARTLETT.
VANCE HARTKE.
GALE W. MCGEE.

ADDITIONAL VIEWS OF SENATOR MAGNUSON

There was a direct conflict of testimony regarding the role of the nominee and his contacts with Mr. Wenzell in the Dixon-Yates negotiations. Even if I could accept the nominee's version of his participation, I am forced by the weight of evidence and the long testimony before the Subcommittee on Antitrust and Monopoly of the Judiciary Committee to conclude that he knew much more about the negotiations than he revealed before three Senate committees, and that he was one of the chief architects of this bad contract.

It was so directly contrary to the interests of the people of the United States that I cannot but expect from him in the Department of Commerce, a continuation of policies not in the public interest.

The people I represent would find me sadly lacking if I did not voice vigorous protest of such policies in Government, and surely would find me wholly lacking if I should give my advice and consent.

WARREN G. MAGNUSON.

SEPARATE MINORITY VIEW OF SENATOR MONRONEY

I must reluctantly recommend that the Senate decline to consent to the appointment of Mr. Strauss to be Secretary of Commerce.

It has been suggested that there is something improper in the Senate's withholding its consent to an appointment to a Cabinet post. Because of the intimate relationship of trust and confidence which must exist between the President and the members of his Cabinet, it is argued that the selection of his Cabinet is the sole prerogative of the President, in which the Senate must automatically concur after the formality of a hearing. This view, widely urged in connection with the confirmation of Mr. Strauss, implies that no conduct of the nominee short of criminality is sufficient to justify his rejection.

While a plausible argument might be made for such a procedure, in my view it is not the one provided in our Constitution. I do not regard the Senate's consent as a formality or the withholding of its consent as tantamount to conviction on impeachment. Hamilton wrote of the power of the Senate to obstruct the course of honors, and emphasized that "If an ill appointment should be made, the Executive for nominating, and the Senate for approving, would participate, though in different degrees, in the opprobrium * * *." Nor is the Senate limited, in the exercise of its constitutional obligation, as to the grounds on which its consent may be withheld, the authors of the Constitution wisely leaving it to the Senate to determine the circumstances which would justify its disapproval of a nomination.

It is true that the Senate's consent to an appointment has seldom been refused, largely because of the wise resort to its advice, even in advance of a nomination. In the rather rare periods when different parties control the executive and legislative branches, the Senate has much less opportunity to exercise the advisory function and can only discharge its constitutional obligation by granting or withholding consent.

Mr. Strauss comes before the Senate for promotion to a Cabinet post, after a long period of service in an important, but lesser, position in the Government. The Chairman of the Joint Committee on Atomic Energy appeared before this committee and testified concerning the conduct of Mr. Strauss during the years in which he was Chairman of the Atomic Energy Commission. The incidents discussed in his testimony reflect a continuing pattern of refusal to deal frankly and openly with the Congress; of withholding information which there was a statutory obligation to divulge; of evasion and obfuscation. My association with this witness is sufficient to convince me that his charges are not made lightly, but from deep conviction born of personal experience. I do not propose to reargue the sufficiency of the examples offered to illustrate this pattern, for Mr. Strauss has adhered to it in his conduct and testimony during the hearings on his confirmation.

He labeled it "an unqualified falsehood" that he had opposed the export of isotopes for medical research in 1949, but later acknowledged that he had done so in 1947.

He denied having ever asked for information on a hostile witness, and when confronted with evidence that he had done so, denied that he had denied it.

He devoted several days of testimony to a discussion of his views on the functions and responsibilities of the Department of Commerce, but avoided any reference to proposals for its drastic reorganization.

He denied that he had made a statement attributed to him in a transcript of hearings before the House Appropriations Committee, which statement was inconsistent with his testimony before this committee, charging that the transcript had been altered—a charge which later was disproved.

He stated that limitations on exports of pipe to the Soviet Union had been imposed with the complete concurrence of the State Department, when in fact they had been imposed over its written objection.

He alternately exaggerated or minimized his role in decisions in direct relation to whether they now appear to have been wise or unwise, proper or improper, acknowledging no error of judgment during all his years of public service.

His initial assertions on almost every topic were misleading, and only after persistent questioning was the full story available to the committee.

Information on the conduct of their government is not only the people's right, but an absolute necessity for their effective supervision of that government. They must know, and know in time to be heard before action is taken. Likewise their representatives must be fully informed if they are to legislate wisely. Both the people and the press are entitled to expect from the legislative branch of Government the vigilant protection of the people's right to know. For the Senate to seek to give that protection in the exercise of its power of confirmation is not only proper, it is obligatory.

I conceive it to be basic to democratic government that the people, and their elected representatives in the Congress, are entitled to receive from the officials of the executive branch, not merely literal truth, but full information, freely given without design to soothe, to confuse, or to divert. Because I am convinced that this cannot be expected of Mr. Strauss, I do not believe that it is in the public interest that he be confirmed as Secretary of Commerce.

MIKE MONRONEY.

Mr. MAGNUSON. Mr. President, the Dixon-Yates controversy was one of the matters in which the nominee was involved. Much of the time of the committee was also taken up with a consideration of the nominee's viewpoint regarding the so-called separation of powers and executive privilege. Much

time was taken up with previous examinations of the nominee before other committees; and a great deal of the evidence dealt with questions involving the Atomic Energy Commission, the Joint Committee on Atomic Energy, and the entire field of atomic energy, all the way from the H-bomb down to isotope shipments to Norway. The committee has covered most of those items.

Following the chronology, the minority views state the position of the minority as fairly as we knew how to state it, in view of what we felt. From our minority views, I now read the following:

II. THE SENATE'S ROLE IN CONNECTION WITH NOMINATIONS

The undersigned strongly believe that the Senate should not confirm the nomination of Lewis L. Strauss to be Secretary of Commerce.

After due consideration, we seven Senators say that; and we add the following:

This is a conclusion which we do not reach lightly and without the deepest consideration, because we believe, as do those supporting this nomination, that great latitude should be given to a President in the selection of individuals to fill high posts in Government. However, we cannot in good conscience agree with the contention frequently advanced since this nomination was submitted to the Senate that we who serve in that body should automatically and unquestioningly give our consent to every nomination.

The Constitution provides that the President shall nominate, and by and with the advice and consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the Supreme Court, and all other Officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law.

We do not understand that this requirement of the advice and consent of the Senate on major appointments was improvidently included in our Constitution.

I am sure the Founding Fathers had good reason for it, and discussed it at some length.

Then we say:

We believe, rather, that it is one of the most important of the checks and balances which have contributed so greatly to the vitality and stability of our system of Government. We believe the Senate should no more abuse its power to withhold its consent than the President should abuse his power to veto laws enacted by the Congress. It is clear that there have been and will continue to be instances in which both of these restraints are entirely proper.

And here is one.

Then we say:

This was so intended by the Constitution. We are not prepared to abdicate the role assigned to the Senate by the Constitution. When serious questions are raised as to the fitness of a nominee, as is true in this case, we feel that the Senate must discharge its function carefully and resolutely. The performance of its duty may be both distasteful and time consuming but it cannot be shirked on either ground.

It appears to us that those who contend that the President should be completely unhampered in the choice of his Cabinet should, if they are sincere, seek to amend the Constitution accordingly. We believe that in most cases the restraint inherent in the Senate's power to withhold its consent is effectuated by the incentive provided for the exercise of great care before a nomination is proposed.

Mr. President, at this point let me suggest that during the course of the hearings, and also several days before, and lately, I have heard some expressions of amazement by persons who say they cannot understand why the nomination of Mr. Strauss is controversial; they say they did not realize it was controversial. Well, Mr. President, perhaps they have not been paying close attention to the proceedings of Congress, or perhaps they did not have such knowledge of what has taken place. They state that he is a fine man, and they say they cannot understand the controversy.

I believe there was rather common knowledge of many of these controversies; and surely nothing received wider publicity all over the Nation, including in this body, than the so-called Dixon-Yates controversy in which his name was prominently mentioned.

Then in our minority views we state:

If this check upon the power of the Executive were removed or denied all effectiveness by abandonment of the prerogative, the way would be opened for abuses. We took an oath to uphold the Constitution as it is now written.

We further state:

A. Differences in philosophy cannot be controlling

We agree that a President may appoint associates who support his political views, if no violence is done to the Constitution or to our democratic processes. This remains true when, as now, the President is of one party and the majority of the Senate of another. We do not, therefore, base our opposition to the confirmation of Mr. Strauss upon the differences in opinion which no doubt exist between us and the nominee on a number of important political, social, and economic issues.

Some or all of us have perhaps differed with Mr. Strauss on the Dixon-Yates contract; on the development of atomic power and the related controversy over the Gore-Holifield bill; on the threat of radioactive fallout to the health and genetic future of our people;

And, Mr. President, the last mentioned is an important matter upon which a great deal of testimony was taken, and I am sure it is a matter on which the American people, even as of today, need real enlightenment:

On the possibility of detection of atomic tests as a basis for enforcible limitations on such tests in the future; on the proper role of our systems of personnel security and classification of information in providing the maximum of freedom and public information consonant with sound national security; or on the policies to be pursued in the fields of international relations and foreign trade. We have not reached our conclusions as to Mr. Strauss' qualifications solely upon any disagreements we may have as to these matters.

During the first 4 days of hearings, the committee interrogated Mr. Strauss with regard to various matters within the jurisdiction of the Department of Commerce.

The Senator from Kansas [Mr. SCHOEPPEL] mentioned some of those instances.

I read further from our minority views:

Beyond these preliminary inquiries traditionally addressed to nominees for important positions, we are confident—

And I am—

that even a cursory reading of the record will demonstrate that we were not only concerned with Mr. Strauss' position on questions of substantive policy. Rather, we were more concerned as time went on with questions of the nominee's attitude toward Congress, his past relations with Congress, and the methods he followed in the course of our own hearings.

Mr. President, from that point on, I think the minority views have gone into every detail, step by step, case by case, indexed and documented by testimony, from which we finally arrived at our conclusion.

Mr. President, I recommend the minority views and the individual views for reading.

There are many other matters which we could have discussed in a longer report. As a matter of fact, Mr. President, I am not so sure that we should not have gone a great deal further into many matters which were brought up in the hearing. In other words, perhaps we should have taken the time to proceed deeper and further into some of those matters. But we felt that we could not take the time to do so, and that we did not have sufficient staff to do so, in view of the great number of matters which come before the Committee on Interstate and Foreign Commerce and those which come before the Senate as a whole.

Mr. President, in concluding what I have to say this afternoon on this question, I repeat that I hope the debate will not be protracted or unduly long. However, I think there should be sufficient debate on the floor of the Senate, so that every Member of the Senate who did not have an opportunity to sit through the hearings will have sufficient information to be able to exercise his own judgment.

Before I yield to my friend, the Senator from Wyoming [Mr. MCGEE], I also wish to state that I do not believe that any Member, including myself, who signed the minority views has ever sought, either since the hearings were held and since the report has been filed, or before then, to suggest or to use any suggestion or influence or to take advantage of any relationship with any other Senator, to ask him to vote either one way or the other on this nomination. I think we have been almost deliberate in our attempt not to be drawn into any such sort of an arrangement or any such campaign to induce any Senator to vote for or against this nominee. We have been deliberate, however, in documenting what we think is the case against him, in the hope that those who read the record and use their own judgment will probably see the issue as we see it.

Despite reports to the contrary, to the knowledge of the chairman there has been at no time any sort of a gathering, caucus, meeting, or anything else, in an attempt to line up any Senators on this side of the aisle so that it would be a partisan matter.

I have heard that Members on the other side of the aisle will vote solidly the other way. I do not know. But, surely, there are many fine Democrats on this side of the aisle who do not agree with us, and we have made no attempt to do anything but to suggest by our actions that if they have an honest disagreement with us, or we with them, that should determine their action.

I do not know of anyone in the committee, or outside the committee, or on the floor of the Senate, or in the leadership, or anywhere else, who has even made such a suggestion. The only time members of the committee, including the chairman, have ever discussed this matter, other than to submit statements as to the facts, has been when a Senator may have asked something about what happened in the hearing, because this matter has been so much in the public eye, or when he has asked us a question, and we have given him a courteous answer. That is going to be the attitude of the Senator from Washington during all the debate on the nomination.

All the facts are set forth in the hearings. Surely, there are enough instances, there has been enough said, enough evidence has been documented, so that each Senator can make up his mind, dictated by his own conscience.

I should like to mention one other matter. I know many Members of the Senate are lawyers. There has been some discussion among the lawyers in the Senate as to their interpretation of the Constitution on this question and matters pertaining to constitutional law. On many occasions since this nomination came to the Senate, the suggestion has been made that the President of the United States has the right to have as members of his Cabinet those whom he appoints, and that the Senate should allow him to exercise that right without any suggestion to him under the advice-and-consent clause of the Constitution.

I think that involves a very important legal question. The actual role of the Senate in the exercise of the advice and consent constitutional provision is sometimes misunderstood. As a result, a couple of pages in the report were used to discuss this question. I must confess we did not write it ourselves, because I thought the thesis of the senior Senator from Wyoming [Mr. O'MAHONEY] on this question was so complete and so precise and so understandable by either a lawyer or a layman that his views on the question should be included in the report. I am sure every Senator, or anyone who knows him will agree with the statement in the report that he is one of the outstanding constitutional lawyers, not only in this body, but in the country.

Mr. President, the chairman of the committee submitted some individual views. Those views are very brief. They touch on a fundamental question. I read from my views:

> There was a direct conflict of testimony regarding the role of the nominee and his contacts with Mr. Wenzell in the Dixon-Yates negotiations. Even if I could accept the nominee's version of his participation, I am forced by the weight of evidence and the long testimony before the Subcommittee on Antitrust and Monopoly of the Judiciary Committee to conclude that he knew much more about the negotiations than he revealed before three Senate committees.

I am not only convinced that he knew more about those negotiations but I am almost firmly convinced that he was the chief architect of the Dixon-Yates contract. I can come to no other conclusion. But, of course, no one wants to have it suggested that he had been associated with that contract in any way. I am convinced that he was a part and parcel of it. Coming from where I do, Mr. President, I believe such negotiations and such a contract are directly contrary to the interests of the people of the United States. I am forced to conclude that the same kind of thinking would be transferred to the Department of Commerce. I would be sadly lacking in the representation of the people of my State if I did not make a vigorous protest against that kind of policy and thinking. And, I surely would be wholly lacking in my duty if I gave my advice and consent to the confirmation of the nomination. That is what I would be doing if I voted for the confirmation of the nomination. Many matters, of course, are controlling on this question, but, to me, this is the controlling one.

Mr. President, I have been hearing the testimony of witnesses before congressional committees for a long time. Before I came to Congress 23 years ago, I had a little experience both as a U.S. attorney and as a district attorney in my hometown of Seattle and King County. I have had much to do with witnesses. After a time, one can tell pretty well what the thoughts of witnesses are from what they say, just as some persons can tell a lot about my thinking if I were testifying.

I think there is something much bigger involved in this case than appears on the surface. I have been worried for a long time. I had not been worried much about my country before this. I remember, when World War II broke out, I thought it would be only a brief matter of time before it would end. All of us thought so. We thought we were so superior we could handle the situation and could work out way out of it. But conditions are becoming worse and worse.

I may be wrong, and I do not say this as a reflection on anyone's integrity or as a lack of confidence, but surely I have a right to have some thoughts regarding the nominee's thinking. I think he has—maybe honestly so—a sort of adamant attitude, almost a stubborness, which, it seems to me, is getting us nowhere in our relations with the world at large. Perhaps it is the proper course; only history will disclose. It bothers me, because I see the breach growing wider and wider and wider.

I say that such an adamant way of thinking—not moving, not trying to work things out—may be the best course in the long run; I do not know; but it seems to me it will lead us down a long road. It is not a road of no return, but I can only see one return if we continue, and that is a return to the whine of some bombs and falling walls and death.

I am hopeful that those who formulate our policy, those who conduct our policy, will look at the world in a little more flexible way, because we are going to have to live in it a long time under different conditions, and we are going to have to do something other than simply be inflexible in our opinions and in our views toward the hundreds of millions or billions of other people who live in the world.

I have many reasons for my position, but the real reason is documented in the report. We reached our conclusion reluctantly, but we have a duty which we must face. At times it has not been easy to make a decision. I hope that in this matter we are correct in our conclusions. I hope time will prove us to be correct, and that we shall make a contribution to the best interests of the United States.

Mr. ENGLE and Mr. McGEE addressed the Chair.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Washington yield; and if so, to whom?

Mr. MAGNUSON. I yield first to the Senator from California.

Mr. ENGLE. Mr. President, I should like to compliment the distinguished chairman of the Senate Committee on Interstate and Foreign Commerce for his excellent, moderate, and fair presentation. I wish to say, as a new Member of the U.S. Senate, that this is the first nomination which has been vigorously contested as to which I have had an opportunity to sit through the hearings. I cannot imagine a more fair hearing being given to any man than was given to Mr. Strauss by the chairman of the Senate Committee on Interstate and Foreign Commerce.

Mr. Strauss was accorded every opportunity to answer every criticism against him. He was given the opportunity to sit at the witness table during the time those who testified against the confirmation of his nomination were testifying. He was permitted to interject during the testimony of witnesses who were testifying against him in answer to, and often disputing, statements which were made by the witnesses.

If I had been a witness against Mr. Strauss—and I was not—I would have taken rather serious exception, I think, to having the nominee sit there and interrupt every time he saw fit with reference to remarks made in a prepared statement.

Furthermore, the nominee was given the opportunity to rebut immediately and on the spot, following statements made by each of the witnesses, anything with which he disagreed.

As the chairman has stated, this was an unusual procedure. As I say, I had not previously participated in a hearing on a contested nomination. I assume it would be considered an unusual procedure.

Extreme fairness, moderation, and patience were exhibited by the chairman of the Senate Committee on Interstate and Foreign Commerce, which certainly have

not warranted some of the criticism he has received in the public press.

Moreover, our distinguished chairman did his best to accelerate the hearings, in the light of the calendar of business before his committee and before the Senate. There were continuous hearings in the afternoon, sometimes much to my inconvenience. If I had been an older and more senior Member of this body I might have protested the procedure, because in some instances the hearings were subject to a point of order. No such point of order was made by any Democrat or by any opponent of Mr. Strauss. The hearings continued, afternoon following afternoon, without objection from some of us, and many times without a quorum being present.

Mr. President, I want to compliment our distinguished chairman not only for the fair, moderate, temperate, and sensible statement he has made today, but also for the kind of management and chairmanship he gave to the hearings on this highly controversial and difficult question.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. McGEE. I only wish to associate myself with the remarks just made by the Senator from California in regard to the excellent presentation this afternoon by the chairman of the committee.

I should like to add, likewise, my appreciation for the forthrightness of the ranking minority member of the committee. As one who sat through the hearings, I think we have had the varying positions very honestly and fairly represented here.

I think there needs to be a particular focus on the aspect of the matter which the Senator from California was just discussing, which was the fairness of the chairman himself in conducting the hearings under sometimes very trying circumstances. At times it was necessary to suspend the ground rules and to meet even when a quorum could not be scraped up in an attempt to keep the hearings moving along, because we were running behind. We met at times when the session of the Senate would have interfered, and when we had agreed in advance we would not meet, in an attempt to speed up the hearings.

I think this is a further tribute to the chairman of the committee, who was interested that there be no more delay than was absolutely necessary.

Finally, I think the fairness of the chairman to the nominee himself was one of the exemplary evidences of how to conduct a committee hearing. The chairman of our committee, the Senator from Washington [Mr. MAGNUSON] leaned away over backward to accommodate Mr. Strauss. There were times when we even interrupted our committee hearings so that Mr. Strauss might make a speech he had long since committed himself to make elsewhere. I think this was a proper accommodation.

It was my observation that there was no attempt to abuse in any way Mr. Strauss' convenience, his requests, or his wishes.

I noted in the RECORD, Mr. President, after a comment by the distinguished Senator from Texas [Mr. YARBOROUGH] as to the importance of a very careful examination of a presidential nomination for a Cabinet position, which was well reasoned and carried forward in the discussion today by the Senator from Washington [Mr. MAGNUSON], that Mr. Strauss himself replied:

> I most certainly agree with you that there must be a detailed and careful examination of an appointment of this stature.

This, I think, was lived up to. I suppose in a way, the ultimate tribute to the chairman is paid not by his committee colleagues on both sides, but by the ladies and gentlemen of the press. Several of them mentioned in my presence—and I see two of them in the press gallery at the present time—that in all their experience in covering hearings on the Hill, they could not recall when a committee chairman had conducted himself with such responsibility and had leaned over so far backward to try to be fair to all concerned.

Mr. President, I think the chairman rightly deserves the plaudits of his colleagues, as well as of the American public, for his conduct in conducting a hearing on a question which was painful, difficult, and tortuous.

I should like to add a little footnote to the observations with regard to the sincere efforts, and I think successful efforts, to prevent any political insinuations with regard to the Senator's part in these deliberations. At no time do I know of an instance when any attempt was made to line up the antisentiment with regard to Mr. Strauss. At no time to my knowledge was there a call of any group of the committee to try to have a meeting of minds with regard to the candidate.

I do note, however, in a Washington newspaper printed the day before yesterday, June 3, that there is a quotation attributed to the distinguished minority leader [Mr. DIRKSEN], which suggests that there had been a discussion of this question by the minority policy committee of this body. That may be proper, and I have no quarrel with it. I merely wish the RECORD to show that fact.

The distinguished minority leader is further quoted as saying:

> I have no great alarm about defections on our side. I am sure of my troops.

I think that, too, is commendable. But I think the Record should show where this is being done.

To my knowledge, there has been no official majority effort to hold a policy meeting on this question. I think the chairman was absolutely correct in saying that this is a serious question. As he has said, the issues are deep, and the possible consequences are of such great moment that the question can be resolved only in the conscience of each Senator. It must be an individual resolution, rather than a party or group operation.

I commend the distinguished chairman of the committee for the high plane on which he placed the issue before this body today.

Mr. MAGNUSON. I thank the Senator.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. YARBOROUGH. I wish to commend the distinguished senior Senator from Washington for the service he has rendered as chairman of the Committee on Interstate and Foreign Commerce, and for the fine manner in which the Strauss hearings were conducted during the period of time when he was present and presiding.

I do not believe Senators know all the difficulties under which the chairman labored. The chairman of the committee had sustained a broken foot. He had come to the committee hearings on that foot, in pain, for several days, unwilling to give up and go to a hospital, not knowing that the bones were broken. The foot became so badly swollen and the pain so intense that he was unable to bear any weight on it.

An examination revealed that the bones in the chairman's foot were broken. The foot was placed in a cast, and the chairman came to the committee hearings despite the pain, in an effort to expedite the hearings and to give the nominee an opportunity to have the hearings move forward. He came to the hearings day after day with his foot in a cast, walking with a cane, in intense pain, in order to keep the hearings moving. I think the fairness and calmness with which he presided are a great tribute to him. Often, he was the calmest person in the hearing room.

Such qualities are the result of his background as a State district attorney, as U.S. district attorney, as a Member of the House of Representatives, and as a U.S. Senator. I believe it required many years of service to give him the self-control and self-discipline necessary to enable him to conduct the hearing in the very fair manner in which it was conducted, while unjust attacks were being made upon him at the same time by the ranking minority member of the committee, who assailed him in the hearing with a statement to the effect that the hearing was some kind of persecution. Nothing was further from the fact. I believe that the manner in which the hearing was conducted was a great tribute to the chairman of the committee. I am proud that I sat with that committee, and had the opportunity to see the kind of governmental service that the distinguished chairman rendered.

The chairman of the committee did not even respond to the attack by the ranking minority member. It requires great personal self-control and public dedication for a man to be able to perform that kind of service.

In his statement today the chairman of the committee has stated that perhaps we did not go far enough into certain questions. As one member of the committee, I believe that the committee should have gone further in inquiring into certain subjects, particularly the questions raised by the attorney Jarrell Garonzik, of Dallas, and dealt with on page 448 of the record, regarding certain uranium stocks.

There is a sketchy memorandum on page 1100 of the record, on the

question of interlocking directorships and the relationships of Kuhn-Loeb and Rockefeller interests in the uranium field. I sought to have the committee go into the question of what happened to the prices of uranium stocks following the statement by Jesse C. Johnson, Director, Division of Raw Materials, Atomic Energy Commission, in a memorandum dated June 14, 1956. I sought information as to who owned uranium stocks before the statement, and who acquired stocks after the market was broken by the statement.

I do not criticize the committee for its decision. It was the thought of the majority of the committee that this was not a subject properly within our jurisdiction, but rather one that came under the jurisdiction of the Joint Committee on Atomic Energy. I believe that it was a proper subject for consideration in connection with the nomination of Mr. Strauss.

I am merely trying to illustrate how fair the chairman was to the nominee. I am not criticizing the majority on its decision on the question raised as to whether or not that particular subject came within the province of the Committee on Interstate and Foreign Commerce or some other committee. Jurisdiction was not assumed by the Committee on Interstate and Foreign Commerce.

In the light of what actually happened at the hearing, I believe that nothing could be a worse misrepresentation of the facts than the criticism to the effect that the hearing was a witch hunt, or a trial by innuendo. Other derogatory terms about the hearing were used here on the floor this week by the junior Senator from Pennsylvania.

This hearing was conducted by the distinguished senior Senator from Washington in a manner to reflect credit not only upon the committee, but upon the U.S. Senate itself. It would have done credit to any tribunal. I sat for 5 years as a trial judge in my State in a court of general jurisdiction. For 3½ years I was presiding judge over 33 counties. I have served as the law member of a military commission. I have served as the law officer at courts-martial. I have appeared before many administrative tribunals. I have served some. I have never seen a hearing before a tribunal of any kind, whether it be a court or a board, military or civil, that was more fair and just than the hearing presided over by the distinguished chairman of the committee in his conduct of the hearings on the days when he was present. I think he was present every day except one afternoon, when the pain and swelling in his foot forced him into a hospital.

This is a most important issue to the United States. I hope that each Member of the Senate will study the entire 1,128 pages of the record. That is a difficult task. Most Members have two or three committees meeting simultaneously, and they are under obligation to be present at those committee meetings. Sometimes they are testifying before another committee. Often the Senate is in session at the same time. A Senator is required by the rules to be present at three or four places at the same time, while having a multitude of other duties to perform for his constituents.

I ask Senators to take the time to read the 1,128 pages of the record. I know that that represents quite an undertaking for them, and that this is a broad request to make. However, in view of the attacks that have been made on the integrity of the committee, I ask my colleagues to read the record before they believe any of the attacks. We have seen an effort to confirm an appointee by propaganda.

One Member of the Senate who is not a member of the committee said to me today, "I am reading the record, and I am more impressed every day by the fairness of the hearing."

Again I add my word of appreciation to the distinguished chairman of the Committee on Interstate and Foreign Commerce for the objective manner in which the hearing was conducted.

Mr. THURMOND. Mr. President, I rise in support of the confirmation of the nomination of Lewis L. Strauss to be Secretary of Commerce.

Let me acknowledge at the outset that this is a controversial question. The fact that it is controversial is in some respects reassuring to me. Mr. Strauss has a record of long public service in high office. Were there to be no objection to his confirmation, I might be influenced to believe that during this long period of service the nominee was, in essence, a do-nothing. I am proud that such is not the case.

Although the nominee's record of service is long in period of time, his record of accomplishments in behalf of our country is much longer. He has served in the administrations of the last three Presidents—Roosevelt, Truman, and Eisenhower. As a member, and subsequently as Chairman, of the Atomic Energy Commission, Mr. Strauss participated at the highest level in dealing with the most volatile and controversial issue of modern times. The scientific advance in the field of atomic energy, with its original application in the field of weaponry, was so rapid that the fact of its existence preceded a full public awareness and consciousness of its potentialities and far-reaching effects on every phase of our lives. The controversy in this field has not been lessened by the suspicion in the public's mind stemming from the secretiveness necessarily accompanying the scientific advances because of its military applications.

It was in this novel field that Mr. Strauss applied his long and valuable experience as an administrator and his clear and logical judgment in the public interest. In response to his official duties, and consistent with his honest judgment, Mr. Strauss took a firm and resolute stand on such widely controversial issues as testing of the hydrogen bomb, shipping of radioactive isotopes to foreign nations, the dangers posed by radioactive fallout, the adequacy of our nuclear detection system, the extent to which private industry should participate in peaceful uses of atomic energy, and—certainly not the least controversial—the questions on security clearances for employees in the atomic energy field. The judgments which he made on these questions stand as a magnificent tribute to the competency and ability, as well as the unflinching patriotism of the nominee.

It was, indeed, inevitable that there would be a serious conflict in judgment between any public servant in this field who took a firm stand and others in the same and allied fields. The differences in judgment arose and, indeed, were foredoomed, not only from divergent prognoses as to contemplated courses of action in the atomic energy field, but from basic differences in philosophy. Place any man of deep convictions—and I doubt that anyone will question that Mr. Strauss is a man of deep convictions—in the same circumstances, and controversy will result.

Contrary to what appears to be the impression in some quarters—the Washington Post, for example—the fact that a man is controversial does not disqualify him from public service. If such were the case, few, if any, men with the requisite experience would be eligible to serve, and the Cabinet of every President would necessarily be staffed with mediocrity, rather than quality and ability. Let us dispel once and for all any illusion that may exist that the Senate shall establish a new criterion for confirmation based on whether a man is controversial.

As stated in the supplemental views of the committee report on this nomination, I believe that differences in philosophy should be minimized in the Senate's consideration of a confirmation of an appointment to a Cabinet post. The President is presumably aware of the philosophy of any man he appoints to a Cabinet post, and it is inconceivable that the President would appoint a man to a Cabinet post if the nominee adhered to a philosophy substantially contrary to that of the President, or his administration, in the area in which the nominee is to function. The President and his party are accountable to the people at the polls for their philosophy as it is embodied in policy and actions. At the same time, let us hope that the Senate will always have members who are not in accord with the philosophy of the President, for unanimity to this extent would be quite indicative of an abysmal lack of freedom of thought among the people themselves.

The transcript of the hearings on this nomination is voluminous. It contains a variety of objections to the nominee's confirmation. Others have also raised reasons for objections both on the Senate floor and in statements in the press, but they are not substantially different from the reasons given in the hearings.

I attended as many of these hearings as my schedule would permit, and I have studied the transcript extensively. It is my firm conclusion that every objection to the confirmation of this nomination is founded, basically, on a difference in judgment or philosophy, whether the objectors are, or are not, conscious that such is the case.

It is unquestionable that our objectivity is weakened by our emotions. It is an equally human characteristic that our emotions are aroused by the advocacy of philosophies to which we feel deeply opposed.

The hearings on this nomination were prone to arouse emotions, as is obvious to anyone who observed them and even to one who reads the transcript. Although I approached the hearings without any strong feelings about the nominee—in fact, I had never met the man before his appointment—I found myself having to resist emotions of antagonism, inspired by the advocacy of views and philosophies to which I am violently opposed. For instance, when two of the witnesses from the ranks of scientists continued to defend Dr. Oppenheimer, to talk of our "national guilt" for having developed the hydrogen bomb—although they themselves worked vigorously for development of the atom bomb—and raised their wail of woe that our security laws were too rigidly enforced, it was only by the most determined exercise in willpower that I viewed the testimony of these witnesses as merely the expression of impractical idealists, rather than parrots of the Daily Worker.

Similarly, I can understand that those who disagree basically with the nominee's philosophy can unintentionally approach his testimony and record with a desire to find conflicts of statements, conflicts of interests, and unseemly conduct. With the presence of this desire, it is not too difficult to understand how their interpretation of the record and testimony is reached.

An objective consideration of the evidence will not bear out the charges that have been hurled at the nominee. Take, for example, the charge of noncooperation with Congress. There can be no doubt that the Senator from New Mexico [Mr. ANDERSON] conscientiously believes that Mr. Strauss, as Chairman of the AEC, failed to keep Congress informed and failed to cooperate with it. In considering this question, however, we cannot overlook the fact that all the others who had the same official relationship as chairmen of the Joint Committee on Atomic Energy, with the nominee, take a contrary view to the Senator from New Mexico. The other chairmen were Senator McMahon, Senator Hickenlooper, Representative Cole, and Representative Durham, whose attitudes are summarized in the committee report on this nomination. Lest there be any doubt that the divergent opinion of Senator ANDERSON be attributable to philosophical differences, rather than the nominee's action during the particular period when Senator ANDERSON, as chairman of the Joint Committee, worked with the nominee, one need only to refer to the individual views of the junior Senator from Rhode Island on this nomination. Senator PASTORE was chairman of the Subcommittee on Agreements for Cooperation and a member of the Joint Committee during Senator ANDERSON's chairmanship. It is also indicative that the attitude of these others on the nominee's cooperation does not stem from an agreement in philosophy. Senator PASTORE has pointed out that the chasm that separates him and the nominee in the political and economic categories is "wide, and in some instances, unbridgeable."

Another charge, which has been continuously reiterated by opponents of confirmation, centers around the unequivocal dispute in testimony between the nominee and Adolph Wenzell. Mr. Wenzell stated that he informed Admiral Strauss that he was an employee of the Bureau of the Budget, and the nominee stated that he knew Mr. Wenzell only as a representative of First Boston Corportation. This conflict of testimony is not a late occurrence, but, in fact was given in 1954. It was related and rerelated during the hearings on the nomination in question. Time and again it has been reiterated that one of the two was lying. With this assertion I am satisfied that few will argue; but it is extremely significant that no witness would assert, as distinguished from insinuate, that the nominee was the liar in this instance.

The reason for the innuendo, rather than a clear-cut charge of falsehood, is evident from the facts surrounding the transaction. Mr. Wenzell was involved in a personal conflict of interest matter. Criminal prosecution was in the offing. It was, from his standpoint, a self-service to establish that he had been dealing in the Dixon-Yates transaction above board and out in the open, with no intention to represent conflicting interests at the same time. His statement, in point of law, is known as a self-serving declaration, and, as a practical matter, raises a suspicion, even when not contradicted. It was contradicted by a public servant with a long and devoted record of unselfish service to our country, who had no axe to grind.

The transaction in which Mr. Wenzell was involved concerned an issue of the deepest political and economic philosophy — public power versus private power. There are those who feel most strongly—yes, even emotionally—about this issue. And that emotion is ever present in any discussion of action with relation to the much discussed Dixon-Yates transaction.

The relevant fact with respect to the nominee in the Dixon-Yates transaction is that there was no conflict of interest on his part, and all the rationalization in the world cannot attribute the actions of Mr. Wenzell to the nominee. Even such a springboard of emotions as Dixon-Yates cannot bridge this gap and attribute misconduct to Mr. Strauss.

The whole play of emotions in viewing this confirmation, or any other question, was most ably and succinctly stated by the junior Senator from Rhode Island [Mr. PASTORE] during the hearings, and I quote:

> If you don't like a man, I suppose you can construe anything he has done as being ill advised, as being deceitful, as being cunning. It is like anything else.
>
> I have seen a lot of men brag about their children for having done something that they might have spanked someone else's child for having done. But just because it happens to be their child and they see him only with eyes of love, they interpret that action with a certain sense of benevolence. Yet when somebody else does it, that they don't like too much, it seems to be an evil act.

The Senator from Rhode Island has summed up this matter in a nutshell.

The nominee has taken an active part in public affairs for a period of 40 years. He has, in an official capacity, testified before numerous congressional hearings. He has been widely reported in the press, and many columnists have commented on his actions. His services, as I have pointed out, have been connected with highly controversial issues.

With such a public record for a playground, anyone who is so minded can except apparent inconsistencies and apparent illustrations of deceitfulness of the nominee, just as could be done from the record of any other public servant or person in the public eye to the extent that the nominee has been. Viewed in its entire context, however, the record and the verbal expressions of the nominee disclose no disqualification.

In assuming this approach I am not unaware that at least one witness before the committee based his objections solely on the political philosophy of the nominee. The question of political philosophy has not historically been a criterion for the confirmation of nominations, except to the extent that it might affect loyalty to our form of government. I do not believe that the Senate is ready to adopt a new criterion, and I know that I am not.

Only recently it was argued persuasively to this body that the historic criteria used by the Senate on questions of confirmation of appointments were four in number, and consisted of good character and mental soundness, freedom from conflict of interest, loyalty to our system of government, and competency to perform the job for which the appointment was made.

Viewed objectively from these criteria, the nominee should be confirmed by the Senate.

On the question of character, there is an abundance of evidence. An overwhelming majority of the reputable press has supported him editorially. People who have known the nominee for a lifetime of public service have come forward with unsolicited testimonials to his unimpeachable character. These testimonials include statements by Members of our own body from both sides of the aisle. As examples, I shall read, first, a letter from our esteemed former colleague, Senator H. Alexander Smith, of New Jersey:

> DEAR STROM: I am writing this personal note to those present Members of the Senate who were colleagues of mine during these past years.
>
> I am distressed over the charges that have been made in the current debate on the confirmation of Adm. Lewis Strauss to be Secretary of Commerce which appear to reflect on his character and on his integrity. We must bear in mind that he has been nominated by President Eisenhower to be a member of the President's Cabinet.
>
> I have known Lewis Strauss since World War I when we served toegther in the U.S. Food Administration under former President Hoover. I have been privileged to be asso-

ciated with him in all President Hoover's postwar relief and educational activities. We are both members of the Belgian-American Educational Foundation.

I have followed with great interest and admiration his brilliant business career and his outstanding military service in World War II. I know of no one who has maintained during his entire life higher standards of integrity and dedicated selfless public service than Adm. Lewis Strauss.

Let me add that Lewis has had no part in my sending this letter nor does he know I have done so.

With warm personal regards, I remain

Always cordially yours,

H. ALEXANDER SMITH.

From our side of the aisle, we draw on the recommendation of the able senior Senator from Virginia [Mr. BYRD], who wrote the following letter to the chairman of the Commerce Committee:

Hon. WARREN G. MAGNUSON,
Chairman, Senate Committee on Interstate and Foreign Commerce, Washington, D.C.

MY DEAR WARREN: Thank you for your letter with respect to the hearing on the nomination of Lewis L. Strauss to be Secretary of Commerce.

I have known Admiral Strauss for a long time. I think he is a man of very great ability and is eminently qualified for this position. He has a great breadth of experience and is splendidly equipped in every way.

I trust your committee will report his nomination as promptly as possible.

With best wishes, I am

Faithfully yours,

HARRY F. BYRD.

These are only examples of the testimony to the good character of the nominee.

Opponents to the confirmation of this nominee point repeatedly to the legalistic answers of Mr. Strauss. I mention the inclination of the nominee to give legalistic answers to congressional committees, not as it affects his character, for it has no bearing on that matter, and reflects to no extent on his forthrightness, in my opinion. On the contrary, it does reflect on the question of mental soundness, for it shows that the abundance of experience that the nominee has had in testifying before congressional committees has not gone unheeded. Legalistic answers are often a necessity if one is to survive congressional grilling.

There is no question, actually, as to the mental soundness of the nominee. Even the witnesses who most vigorously opposed his confirmation admitted that the nominee was a man of acute mental perception. There was even a hint that his mental ability was somewhat too good for the likes of his antagonists.

There is no conflict of interest disqualification. Charges in this regard have been substantiated by innuendo only. There has been an effort to find conflict of interest in the Dixon-Yates matter, which I have previously mentioned; and on Wenzell's part, there may well have been; but there is no evidence of conflict of interest insofar as the nominee is concerned.

There is printed in the transcript of the hearings, at page 1100, a staff study of interlocking relationships of Kuhn-Loeb and Rockefeller interests in the uranium field. I can only suppose that this study was prepared in connection with the testimony of Mr. Garonzik, who testified in executive session, but whose testimony is included in the hearings. No relationship by the nominee with either Kuhn-Loeb or the Rockefellers was shown during the periods of the nominee's Government service, nor was any current connection shown. The witness, Garonzik, in substance, testified that, in his opinion, the nominee and Kuhn-Loeb think alike. This sort of testimony is involved and is voluminous, and best typified as "full of sound and fury, signifying nothing."

Although there has not been forthcoming any evidence that the nominee would have a conflict of interest, were he to be appointed to any job in the Government, it is still important to remember that the nomination is for Secretary of Commerce, not to some post in the atomic energy field, to which the meaningless testimony on this point was apparently directed.

The nominee is loyal to our form of government. He is intensely patriotic. Every iota of testimony and evidence points unequivocally to this conclusion. As a matter of fact, some of the witnesses objected to his preoccupation with security. If, indeed, he be one of the few preoccupied with security, he should be commended, rather than condemned. It is interesting to note that these witnesses attempted to sustain this particular point by directing attention to remarks in a speech delivered by the nominee at Columbus, Ohio, in November 1953. The remarks of Mr. Strauss which the witness suggested showed his oversecurity consciousness are as follows:

> There are some who think that in the past we have erred on the side of excessive security. There are others who think we have revealed too much information. Many years of association with the problem have shown me that when the error is on the side of too much security, that can be rectified; but if the error has been in the other direction, there is nothing appropriate but handwringing and vain regrets.

I can only summarize the evidence on the question of loyalty by quoting another patriotic Virginian's apt remark, "If this be treason, make the most of it."

As to the fourth of the criteria to which I have referred, it is my opinion that the country is indeed fortunate that a man of the nominee's ability will still consent to undertake this public service. His experience as an administrator extends back for several decades. He has rendered outstanding service in each of the positions of government in which he has served. It would be difficult, if, indeed, not impossible, to find in another man the combination of knowledge of commerce, administrative ability and experience, and familiarity with governmental practices and procedures, to the degree that this combination is present in the nominee.

If, then, we put aside differences in political and economic philosophies, which exist most broadly among the Members of this body on almost any given question, and concern ourselves with pertinent qualifications of the nominee, the evidence is overwhelmingly in favor of confirmation.

I feel that I would be remiss if I concluded without at least mentioning what I consider to be a factor for consideration in voting on this nomination, although it is not within the usual criteria of the Senate's tests on confirmations. It arises from unusual circumstances of this nomination, and, indeed, from the unusual times in which we live.

As I have pointed out earlier, and as all of us are aware, the nominee has been in positions of prominence in the administration of our security programs. He has been unflinchingly diligent in enforcing security laws. In the process, the nominee has unquestionably been a thorn in the flesh of subversive elements; for some time, he has even been a target for such brickbats as were at their disposal.

I do not mean to imply that the Communists are in any way directly responsible for the opposition to this nomination in the Senate. Unquestionably, the opposition in the Senate and the opposition of the Communists to the confirmation of Mr. Strauss are for completely dissimilar reasons.

Nevertheless—and this is my point—if the nomination of Admiral Strauss as Secretary of Commerce is not confirmed, the Communists will undoubtedly, albeit falsely, claim credit for having purged from the Government another strong advocate of security. Although such a claim may be without any substance or truth, there is a distinct possibility that the claim will have a deterring, although unconscious, effect on persons who might be called upon to administer our security program in the future.

Fanciful though it may seem at first glance, it is a possibility which deserves the mature and objective consideration of every Member of this body. I do not suggest for a moment that it is a controlling factor; but it is certainly more vital, by far, than some of the considerations which have been suggested.

In conclusion, I admonish each Member of this body to read the entire transcript of the hearings on this nomination. They are voluminous; but only in the full context can the issues be clearly put into proper perspective. In the transcript is everything except the demeanor of the witnesses; and in some instances even that is apparent in the transcript.

Mr. President, I am convinced beyond any shadow of a doubt, from the evidence before the Senate, that the nomination of Lewis L. Strauss to be Secretary of Commerce should be confirmed.

Mr. COTTON. Mr. President, will the Senator from South Carolina yield?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from South Carolina yield to the Senator from New Hampshire?

Mr. THURMOND. I yield.

Mr. COTTON. Mr. President, in view of the fact that I was one of those who for many days sat with the Senator from South Carolina through the hearings before the Committee on Interstate and Foreign Commerce, and after having listened today to his direct, unimpassioned analysis of the evidence relating to the factors bearing on the question of confirmation of the nomination of Mr.

Strauss to be Secretary of Commerce, I cannot refrain from saying to the Senator from South Carolina that, although perhaps it means little for one to be commended by someone who happens to agree with him, I only hope that it will be my privilege to be a Member of this body in future years when a nomination to a Cabinet post or other high post in the Government is before the Senate and when the nominee is not of my party or of my philosophy. In such case, the example the distinguished Senator from South Carolina has set here, today, will remain in my mind; and I hope I may follow it, and that I may be as broad in my statesmanship, as unimpassioned and as fair in my approach and as unswerving to my convictions as a Senator as the distinguished Senator from South Carolina has been this day.

Mr. THURMOND. Mr. President, I wish to thank the distinguished Senator from New Hampshire for his kind remarks.

Mr. HICKENLOOPER. Mr. President, will the Senator from South Carolina yield to me?

Mr. THURMOND. I yield.

Mr. HICKENLOOPER. Mr. President, I wish to join the Senator from New Hampshire in his commendation of the Senator from South Carolina for the outstanding address we have just heard on a most important subject.

I have known the Senator from South Carolina for a considerable length of time. I have the highest admiration for his perception, his courage, and his devotion to duty. I can say to him that this is another outstanding example of the dedication of the Senator from South Carolina to what he believes to be right. I shall speak about this matter later, on my own time, but I should like to say to the Senator at this moment that I have had rather intimate public association with Lewis Strauss since 1946 and that the association included the formative days of the atomic energy program, and other activities.

The Senator from South Carolina, in my judgment, is completely right and sound not only in his analysis, but in his conclusions. I know of no man in public life who has devoted more conscientious time to his country and to the duties of numerous high offices which he has held than has Lewis Strauss.

I think the Senator's brilliant, but unimpassioned, approach to a most serious matter—and the confirmation of the nomination of a proposed Cabinet member is a serious matter—is in keeping with the Senator's own serious dedication to duty in an unimpassioned and highly intelligent, determined, and courageous way.

As a long-time acquaintance, associate, and friend of Lewis Strauss, I want to thank the Senator for his objective approach.

While this is perhaps a comparison which I should not even refer to at this time, I feel I must. I think the difference between the Senator's objective approach to this whole problem and his clear analysis of the facts, are in contrast with some of the impassioned, emotional approaches which have been made to this subject by other Senators whose discussions have been based upon chimera rather than upon the facts as adduced on the record and from the nominee's history.

I want personally again to express my appreciation to the Senator from South Carolina for courageously, intelligently, and forthrightly discharging his duties as a United States Senator in an unassailable manner.

Mr. THURMOND. I wish to thank the distinguished Seantor from Iowa for his kind remarks.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the distinguished Senator from Kansas.

Mr. SCHOEPPEL. I wish to commend the distinguished Senator from South Carolina for his very able and brilliant presentation on the fundamental issues involved. I know the Senator has given careful consideration to the question and has been faithful in his attendance on the hearings. With his experience and background, I can say very frankly the Senator has made a fine presentation, because it has touched upon some of the cardinal issues the Senate will have to decide when it finally votes on the confirmation of the nomination.

Mr. THURMOND. I wish to thank the distinguished Senator from Kansas.

Mr. SALTONSTALL. Mr. President, I rise to support the nomination of Lewis L. Strauss to be Secretary of Commerce.

Through my service on the Appropriations Committee, I have had the opportunity to work closely with Admiral Strauss for almost 10 years. Since early 1947, shortly after he was appointed a member of the first Atomic Energy Commission by President Truman, until his resignation in 1950, and again from 1953 when his nomination to that body was confirmed by the Senate until he resigned as chairman in 1958, we have worked together on fiscal matters. During those periods of time, therefore, I have observed Lewis Strauss and participated with him in a most important area of the work of the Atomic Energy Commission, and have formed strong convictions about his competency, dedication and integrity as a high-level public servant.

I have always found Admiral Strauss to be clear and forthright, cooperative and honest, in his dealings with me and the Appropriations Committee. His competency was demonstrated to me, for instance, by his fine understanding of fiscal matters, particularly important during the early years of the AEC. I certainly believe Lewis Strauss to be aggressive in going after what he believes in, and I commend him for this necessary characteristic of leadership which is so critically needed in these challenging times.

The fact that the nominee has worked at high levels with such dedication for so long—under three Presidents, and with decorations from both the Army and the Navy for service in wartime—is also naturally influential on my decision. In addition, let me say that I have been able to find no substantial criticism of Admiral Strauss' capability to handle the job of Secretary of Commerce, the job he has performed competently, it appears, since he took the oath of office on November 13, 1958.

For these reasons, Mr. President, I believe that the nomination of Lewis L. Strauss to succeed Sinclair Weeks as Secretary of Commerce should be confirmed.

Concerning the current debate on this matter, Mr. President, and the ultimate vote on confirmation, I wish to commend our distinguished majority leader for the criteria which he set down recently. I think the Senate as a whole can benefit very deeply from his standards. On May 21, the able senior Senator from Texas mentioned that the duty of the Senate to pass upon the President's nominations, whereas not a perfunctory function, ought not to be a political one either. All Senators, he advised, should vote according to the conscientious judgment of each, applying the standards of conscience and conviction "without regard to partisanship." He pointed out that the Senate generally has not attempted to harass the President, and that he would be no party to such a movement. He also said:

> We have to consent and we have to confirm the nominations of the President if we think the nominees will carry out the laws in the manner that they ought to be carried out.

All of us in this body should be grateful to the esteemed majority leader for his words, and I personally hope very deeply that the Senate, in regard to this or any other nomination, will uphold the standards he has set forth. It would be tragic, and against the best tradition of this body, to put Admiral Strauss on trial on the basis of narrower Democratic-Republican loyalties, or, for that matter, according to the so-called liberal-conservative ideological split.

We will do a grave disservice to our country, its governmental system, and to the prestige of this body itself if we consider this question in a partisan or petty way. Emotional reaction and personal rancor have no place here, either.

Much emphasis has been placed on individual decisions and actions of Mr. Strauss. Because he is a man of action, there will of course be those who oppose him. History may prove some of his actions to have been wrong. Every one of us faces the same risk when historians weigh what we have done. However, in the aggregate Mr. Strauss has proven himself to be a devoted public servant of rare ability. His career in recent days has been marked more strongly by the critical cries of those who disagree with some of his decisions than by the words of praise for the able, forthright actions which he has brought to pass.

The heart of the matter, Mr. President, is the nominee's integrity and competence.

The "advice and consent" duty given to the Senate by the Constitution provides a function under America's vital balance of power arrangements. The Senate must discharge this duty thoroughly, yet with

a faithfulness to its purpose. The spirit and tradition of the Constitution give broad leeway to the President in the choice of his Cabinet members.

One of the opportunities which has been afforded me in public life was to serve as Governor of the Commonwealth of Massachusetts. Many other Members of the Senate have held similar office where the responsibility for planning and carrying out a program of government action has weighed as the heaviest of the many duties of the office. Anyone who has this task becomes immediately aware of his need for top-flight men to serve in the key positions of his official family.

To a much higher degree, the President of the United States is entitled to have in his Cabinet those persons in whom he has confidence, and it is my deep belief that the Senate should confirm his nominees unless there is serious disqualification in the areas which we have discussed—competency and integrity. I do not think it is within the spirit of the Constitution, as written by the Founding Fathers and as valid throughout the years, for the Senate to attempt to revise policies in which the President of the United States believes, by controlling the appointment of his top advisers rather than by the legistive process. Our President, with the demands and almost inhuman burdens of his position, must have the people he wants close by to help him. It is with this belief, incidentally, that I cast my vote for Henry Wallace as Secretary of Commerce in 1945, even though I disagreed emphatically with most of the views which he expressed at that time and afterward.

I hope, then, Mr. President, that the Senate will demonstrate its traditionally high degree of statesmanship in this matter, and confirm the nomination of Secretary Strauss.

NIKE-HERCULES AND BOMARC MISSILES

Mr. MARTIN. Mr. President, I shall direct my comments particularly to House bill 5674, which was reported to the Senate by the Committee on Armed Services on May 19, and I shall direct my comments particulary to that part of the report of the Senate Armed Services Committee contained on pages 14, 42, 43, and 60.

Mr. President, two of the defense weapons in our growing arsenal of ballistic missiles are the Nike-Hercules, developed by the Army, and the Bomarc, developed by the Air Force.

President Eisenhower has requested $22,413,000 for the extension and improvement of the Nike-Hercules defense system for the next fiscal year beginning July 1, and $26,900,000 for facilities for Bomarc sites. The House of Representatives has approved legislation authorizing appropriations in these recommended amounts to be made by Congress for the next fiscal year.

The Senate Armed Services Committee now has approved this legislation, the military construction authorization bill, but with an amendment which would sharply cut back the requested extension and improvement of the Nike-Hercules system. It recommends that appropriation of only $5,081,000 be authorized for the coming fiscal year for expansion of the Nike-Hercules system. This would be a cut of $17,332,000 below what President Eisenhower recommended. The committee would authorize the full $26,900,000 appropriation for the Bomarc program.

Mr. President, the proposed cutback in the requested extension of the Nike-Hercules ballistic missile system could be seriously detrimental to our national defense, even to our continued national existence. This comes at a time when the Nike-Hercules is the only close-defense missile in our military arsenal that is ready for use, with proven ability to destroy enemy aircraft flying at supersonic speed.

I am one of the economy-minded Members of this body, and I believe that Government expenditures in all fields should be held to the lowest possible figures consistent with the national welfare. In this particular case, however, the proposed reduction in expenditures would not be consistent with the national welfare. The proposed cutback in the Army's Nike program could seriously impair our ability to intercept an invader and prevent him from wreaking destruction on our homeland. This proposal comes at a time when we cannot afford to create such a gap in our air-defense capability.

The cutback is proposed on the theory that the entire Nike-Hercules defense missile system now in use is obsolete and needlessly duplicates the Air Force's Bomarc weapon.

I vigorously support the Bomarc because, when fully developed, it will become a most effective weapon for our air-defense system.

But the Bomarc still is in the development stage. It will be at least 2, and more likely 3, or perhaps 4, years before the advanced Bomarc B will be ready for full-scale use. Meanwhile, we have the Nike-Hercules in being and fully operational. Army plans for the coming fiscal year are based on a program which would see installations constructed for 50 Nike-Hercules batteries at 25 different locations in the continental United States, and an additional 8 batteries installed in Hawaii. Under the amendment to the military construction authorization bill proposed by the Senate Armed Services Committee, the authorization for the construction and equipping of these installations would be eliminated at a time when they are seriously needed to give us our only existing proven defense capability against invading supersonic planes and ballistic missiles.

I hope the amendment proposed by the Committee on Armed Services will be defeated because I firmly believe the Nike-Hercules and its installations are necessary to our defense system now and for several years ahead. They are essential to help protect us during the interim before Bomarc B missiles are ready to be deployed for use. Together with the newer and more effective Nike-Zeus missile now being developed, they will be highly valuable complements to the Bomarc when the Bomarc B is fully operational.

The Bomarc B is expected ultimately to have an effective range of about 400 miles. The effective range of the Nike-Hercules is about 80 miles, and that of the Nike-Zeus will be substantially greater. No matter how good the Bomarc ultimately is, some enemy supersonic planes and missiles may get past the Bomarc curtain in any attack made on us. As a last defense against such elusive aircraft and missiles, we would still have the Nike system for a final attempt to destroy them before they reach their targets. Such a role for the Hercules and Zeus is vitally important.

Many remarks have been bandied about in recent days to the effect that the Nike missiles system already is obsolete, that it is not a system which can be of value in missile warfare. Let us see what the proven facts are.

It was on November 27, 1951, that a Nike-Ajax made the first successful guided missile intercept of an aircraft. In December 1953, the first Nike-Ajax battalion was deployed in a defensive position to protect a strategic target area. That same year, 1953, intensive work was begun on the second generation, more effective Nike-Hercules.

In November 1958, a Nike-Hercules missile achieved the first free-world intercept of a supersonic target missile by destroying a missile which was traveling over 1,500 miles per hour at an altitude of more than 60,000 feet. Also, in November of 1958, a Nike-Hercules successfully intercepted a balloon-launched target at an altitude of more than 100,000 feet. In December 1958, a Nike-Hercules intercepted a supersonic missile target traveling at more than 2,000 miles an hour at an altitude of 14 miles. This record effectively refutes any contention that the Nike system should be arbitrarily abandoned by congressional action.

An additional factor in favor of continuing the Nike program as scheduled lies in the large number of personnel who have already been trained in handling this weapon. There are now more than 2,000 trained technicians stationed at existing Nike sites. Present programs will about double this number. But a major point in this connection is the extensive training program which the Army has been conducting for National Guardsmen in handling Nike weapons. The National Guard now is itself manning three battalion equivalents of Nike-Ajax units within continental United States, and about 10 additional elements of National Guardsmen are being used in the training of other National Guardsmen in Nike operations. Furthermore, two additional Nike-Hercules battalion equivalents scheduled for deployment in Hawaii will likewise be used to train guardsmen. Guardsmen already trained in handling Nike-Ajax weapons can be

made expert in the handling of Nike-Hercules weapons with only a few additional weeks training. These trained guardsmen represent a reservoir of proficiency in the handling of weapons which it would take a substantial time to duplicate for a completely different weapon. This entire schedule would necessarily be abandoned if the amendment under discussion is adopted.

The President, who is charged with primary responsibility for developing and directing our national defenses, is not advocating that the Nike missiles be discarded. Rather, he has recommended their further development and expansion. The vocal arguments for curtailment and abandonment, on the other hand, are coming from right here on Capitol Hill.

The Congress should leave such military decisions where they rightfully belong—in the hands of the President. He is reported to feel that at least for the time being, development and production should be continued on both the Nike and Bomarc weapons systems. I have confidence in the President's judgment, and this is what he regards as necessary. In the absence of any compelling evidence to the contrary, I believe we should authorize and appropriate the necessary funds. All the evidence I have found confirms the President's finding that we need both weapons systems.

I respect and congratulate those members of the Armed Services Committee of the Senate who are toiling so diligently and assiduously to prevent any waste or undue duplication or overlapping in the expenditure of the billions upon billions of dollars which we necessarily must spend to maintain our defenses. I wish them the greatest of success in these efforts. But on the point of cutting down funds for development and deployment of Nike weapons, I must differ. The extra defense capability provided by these weapons will be more than worth their cost.

If a major new war should break out, we will need to use every weapon we can lay our hands on, for both our immediate defense and for our own strategic retaliation. We have developed the Nike-Hercules and have made it an operational, ready-to-use weapon. We are making real progress in developing the Nike-Zeus. To abandon them now would be perilous folly.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. MARTIN. I yield.

Mr. KEATING. Mr. President, I hope every Member of the Senate will read the views expresed by the distinguished Senator from Iowa. My friend from Iowa does not rise in this Chamber to talk on a subject until he has studied it carefully and has thoroughly digested both sides. I served with the Senator when he was a Member of the House of Representatives. I know of his record for economy in government. I know he is a stanch advocate of balancing the budget.

I daresay the Senator feels, as I do, that when it comes to our national defense, if the President tells us a certain development is necessary, we will be greatly influenced by the views of this great military leader. The President has expressed his views on this subject. I have not given this matter the study which the Senator from Iowa has or the study which it deserves. I intend to do so before passing on the proposed amendment.

I am greatly influenced by the views so ably expressed by my friend from Iowa, and I commend and compliment him on the fine presentation he has given us today.

Mr. MARTIN. I thank the junior Senator from New York for his very kind remarks, which are appreciated.

Mr. President, I yield the floor.

NEW YORK AND THE FEDERAL SYSTEM

Mr. KEATING. Mr. President, when our Founding Fathers drafted that greatest of all human documents, the Constitution of the United States, they anticipated many of the challenges which would later confront the Nation. The almost uncanny foresight of that document, combined with its inherent qualities of precision which delineate the bounds for private and public conduct in this land, have permitted the Constitution to grow with time and progress. Indeed, that document—unmatched in the annals of history—has continued to grow in stature and meaning as our Nation has grown great and strong and independent.

Today, our Constitution constitutes the bedrock of our civil liberties and serves as the rallying point for men everywhere who yearn for freedom and for the preservation and protection of human rights, and for the equality which should be the birthright of every human being.

I rise today to speak on one aspect of that great document. And I rise to speak in a manner which that immortal document has made possible. For I speak as both a citizen of New York State and as a citizen of the United States of America. I speak as a free man, proud of my Nation's heritage and traditions, and as one determined to see to it that our Nation progresses and remains free.

Mr. President, I speak today as one who believes devoutly in our Federal system. I subscribe with all the strength at my command to reasonable application of the great principle of States rights. But I also adhere with determination to the concept that in certain areas, the power and prestige and resources of the Federal Government must be applied to solving social, economic, and human problems of the American people.

The difficult balancing between where States rights begin and end and where the responsibility of the Federal Government must come to the fore is not a new problem. It has confronted the people and the lawmakers of our Nation for years. Indeed, Federal-State relations have been the subject of lively discussion and spirited controversy since the early days of the Republic.

Never has the discussion been more heated, nor the stakes higher than today. Nor does it seem likely that there will be any substantial abatement in the argument in the foreseeable future.

Unfortunately, many people tend to paint this problem in black-and-white terms. Too many people tend to look only to the Federal Government for the answers to all our problems, thus ignoring the great place to be occupied by our State governments in meeting challenges. On the other hand, many feel that the States should do almost every job, should be given the responsibility to answer almost every question confronting our people, thus overlooking the important responsibility of the Federal Government in our Federal system.

I have always believed that a middle course held the best hope for serving the best interests of the American people. Succinctly stated, I believe that where fundamental human rights, human liberties, and human equality are concerned, we should not hesitate to bring the full power of the Federal Government to bear in order to insure full compliance with our Constitution's guarantees of equal protection of the laws and full opportunity for every man, regardless of his race, creed, color, or national origin. But where economic issues are concerned—and I refer most specifically to the spending of taxpayers' money—I believe we should look initially to the States for answers, and only where their powers or resources are inadequate should we bring the Federal Government into the picture. Of course, as interstate problems arise, as situations where nationwide uniformity is found essential, and as challenges which uniquely demand Federal intervention arise, we can and should utilize the tremendous power of the Federal Government.

But more fully than we now do, I feel we should seek means in these situations for more equitable partnership arrangements between the Federal Government and the States. We should try to stimulate a more nearly equal sharing of responsibilities, of costs, and of administration. We should never, in consonance with the Federal concept of our Constitution, allow federally run programs to discriminate against any one State or region of the country. We should never permit Federal projects to favor unfairly any one State or even type of State to the detriment of other States. Yet that is the situation which confronts us today. It is a situation which cries out for exposure, study, and correction.

To me, as a citizen of New York State, the present overall picture of Federal-State relations is particularly disturbing. As a citizen of the United States, who believes sincerely in the Federal system, it is a picture which causes me acute dismay. It is about time we did something about the inequitable manner in which Federal programs of aid to the States are being drafted and administered.

In a sense, of course, the great debate about Federal-State relations is inevitable. Under our Constitution, the powers of the Government are divided

between the Federal Government and the States. The Constitution sets forth the powers delegated to the Federal Government and declares, by the 10th amendment, that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people." Nevertheless, for 170 years, the judiciary, lawmakers, and learned scholars have been wrestling with the proper sphere of the jurisdictions, the State and the Federal.

The problem of the peculiar function of the Federal Government in its relationships to the individual States is one of particular importance to the U.S. Senate. In one sphere or another, the most distinguished Members of this body have struggled with this question. We need only think of Webster, Clay, and Calhoun, to mention only three of the most illustrious of our predecessors. But we need not go back as far as the 19th century.

My distinguished predecessors as Senators from the State of New York, of both political parties, were vitally concerned with this eternal enigma of American government. All grappled with the question of the proper role of Federal and State governments in various areas.

Senator Irving M. Ives, both as a U.S. Senator and earlier for many years as a member of the New York Assembly, demonstrated a keen grasp and full understanding of this problem. In his outstanding work in the field of labor relations, particularly, he recognized the ramifications, and came to grips with the relationship between Federal and State jurisdictions.

As a State legislator, Irving Ives was closely associated with the drafting of New York's laws on unemployment insurance, workmen's compensation, and elimination of discriminatory employment practices. All of these subjects were also matters of Federal legislation, in which, as a Member of this body, Senator Ives proved himself equally distinguished. In the legislative halls in Albany, as well as in Washington, he consistently worked for legislation which would contribute to the sound growth of America's great labor movement.

Senator Herbert H. Lehman, for 10 years Governor of New York before coming to the Senate, in his own manner proved himself the untiring and eternal guardian and defender of human rights. He was an effective and eloquent opponent of social and religious discrimination, an advocate of a more liberal immigration policy, and an unrelenting champion of civil rights legislation.

Senator Robert F. Wagner, a Justice of the New York Supreme Court before his election in 1926 to the Senate, was a chief sponsor of much of the legislation introduced during President Roosevelt's early years in office, which sought to bolster and strengthen the American economy. He worked long and hard for the Social Security Act, the first National Housing Act, and, of course, the National Labor Relations Act, with which his name will always be associated.

Each of these measures, in its own way, had an impact on Federal-State relations. Each provided for greater Federal responsibility in particular economic areas, with new problems and opportunities for the governments of each of our separate States.

I should also pay tribute to numerous other men who have preceded me in representing New York State in the U.S. Senate. Each, in his own way, has provided a special and unique inspiration to guide my actions in this body. Suffice to say that I intend to adhere to the high principles of dedication and patriotism they exhibited, never forgetting that I am at once a citizen of New York State and a citizen of the United States.

I cannot refrain from also saying a word of appreciation about some of the recent Governors of my State who have been acutely concerned with the problems of Federal-State relations, and who have added luster, not merely to the history of the State of New York, but to the Nation as well.

Gov. Thomas E. Dewey, who served as my State's chief executive for a longer term than any other Governor, compiled a record seldom equaled for brilliance and accomplishment. He set a standard for progressive, efficient, economical government which would bear emulation by all on both the Federal and State level.

Tom Dewey's talent for administration won him well-merited nationwide acclaim. His political party called upon him twice to be its national standard bearer. He bears the distinction of being one of the youngest men ever nominated for the Presidency.

As Governor of New York, he was intensely concerned with the relationships between the Federal Government and his State. His concern for the effect of Federal activities on his State led, for example, to his recommendation for the appointment of the Temporary Commission on the Fiscal Affairs of State Government. This group made a comprehensive study and appraisal of New York's financial affairs, including its relationship with the Federal Government and units of local government. The report it submitted deserves the highest praise.

I am delighted to note that the present incumbent in the Governor's mansion in Albany, Nelson A. Rockefeller, has begun his administration in the finest traditions of action and accomplishment which characterized Tom Dewey's stewardship in office. I am confident Nelson Rockefeller will blaze new and progressive trails as Governor, and I know that from his long and rich experience at all levels of governmental activities he is acutely aware of the problems involved in Federal-State relations.

Mr. President, four Governors of my State have gone on to the presidency of the United States: Martin Van Buren, Grover Cleveland, Theodore Roosevelt, and Franklin Delano Roosevelt. In this century, three more Governors, Charles Evans Hughes, Alfred E. Smith, and Thomas E. Dewey, were nominated for the Presidency.

To each of these men, the respective roles of the State and the Federal Government were matters of intense and active concern. To each of them, the Nation is forever indebted. And I personally, as representative of nearly 17 million people of New York State, look to each of these men for guidance and inspiration as I seek to serve my State and my Nation.

I want today to renew consideration of the respective roles of the Federal and State governments in our Republic. We have been much concerned with this problem in recent years in connection with civil rights legislation. In my opinion this should be one of the most noncontroversial aspects of Federal action since no one can deny the duty of the Federal Government under the Constitution to protect the equal rights of our citizens and to prevent this infringement by arbitrary or other unlawful State action.

It is ironical, under these circumstances, that so much debate has centered on the question of States rights in connection with civil rights and so little on the impact of Federal policies on the economic welfare of the States. It is to this latter problem that I will give attention today.

I particularly want to discuss the impact of several Federal spending programs in my own State of New York since it is becoming increasingly apparent that New York pays a heavy if not exorbitant charge for the services and financial aid it receives from the Federal Government.

It is, of course, unnecessary for me to dwell on the economic importance of the State of New York to our Nation. Today it has a population of about 16⅓ million, still well ahead of California's 14½ million. It has ranked first among the States in manufacturing since the 1830's. It leads all other States in number of wage earners and value of products. New York City is the commercial center of the Nation, if not of the world. Buffalo, at the other end of the State is the leading flour milling center of the world. New York's transportation network, beset with problems though it may be, is still superior to that of almost any other area on earth. It ranks first among the Eastern States in the amount of water power it can develop. New York State leads the Nation in the manufacture of such varied products as clothing, rugs and carpets, sugar, jewelry, paper, printing and publishing, photographic equipment. New York City is the financial, commercial, art, and cultural center of the country. The State ranks first in both foreign and domestic commerce.

As a result of this tremendous wealth, New York has always paid a substantial share of all the revenues of the Federal Government. In 1958, the latest period for which complete State data is available, New York individuals and business firms paid out to the Federal Government a total of $15,348,079,000. This represents 19.19 percent of all Federal internal revenue collections in the United

States for the fiscal year, which aggregated $79,978,476,000. New York paid more than twice as much as was paid by any other State, and more than 50 times as much as was paid by such States as Arkansas, Mississippi, and West Virginia.

Since New York is the leading State of the Nation in manufacturing, it comes as a surprise and a shock to learn that New York is no longer the leading State in the Union in the receipt of military prime contracts. During the Korean period, the 3 years from July 1950 through June 1953, New York received military prime contracts valued at $14.5 billion or 15.3 percent of the Nation's total for that period. At the same time, the second ranking State, California, received military prime contracts of under $13 billion, or 13.6 percent of the Nation's total. Now, during the recent three and a half year period, from January 1955 through June 1958, New York received a total of only $7.6 billion in military prime contracts, or 12 percent of the Nation's total, compared to California's receiving, in this period, $12.9 billion, or 20.3 percent of all military prime contracts let during the period.

For the fiscal year 1958, California received 21.4 percent of all military prime contracts, compared to New York's 11.6 percent, little more than half as much.

And for the first 3 months of the present fiscal year, California received nearly three times the volume of military prime contracts which New York did.

The growing importance of the aircraft and missiles industry in the military budget accounts in good measure for this shift to California, where a major share of the Nation's aircraft production facilities is located.

Mr. ENGLE. Mr. President, will the Senator from New York yield?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator from New York yield to the Senator from California?

Mr. KEATING. I am happy to yield to my friend from California.

Mr. ENGLE. I have observed that the distinguished Senator from New York has referred to the State of California and to the number of defense contracts firms in California have received. He has compared those contracts with the total number received by the State of New York. Do I correctly understand the Senator from New York to be arguing that the defense business of the country should be allocated on a geographical basis, or a political basis, or a basis on which we would equate the defense business throughout the country in terms of the largest taxpaying States? Is that the import of the Senator's argument?

Mr. KEATING. No; and I believe that has been made very clear in the last sentence, in which I pointed out that there has been a major share of the Nation's aircraft production in the State of California and that——

Mr. ENGLE. Does the Senator protest that? Does he believe it to be unmerited?

Mr. KEATING. If the Senator will permit me to finish, I would say that much of the reason for the change has been due to the great importance of the aircraft and missile industry in our defense structure.

Mr. ENGLE. Does the Senator say it was entirely justified to place that business in California where there is the plant capacity and the competence of personnel and the kind of climate in which people wish to live, as well as the capability of producing for America the defense items needed at the lowest possible cost?

Mr. KEATING. I appreciate the stanch support of the State of California by the Senator from California. I believe the selection of the place to locate a plant is something which should be left to those who are investing their funds in the plant. If a group of people desire to start a plant in California, the Government, in my philosophy, should not interfere with the desire to locate the plant wherever they wish to do so.

The point which I am bringing out is the very large increase in California in the amount of defense contracts which have been let, and the very large decrease in the percentage of defense contracts which have been let in New York, because New York does not yield in any respect to California in the abilities and capabilities of its industry or in the number of skilled workmen available to handle a very much larger share of the missile business and other defense business than New York is now getting.

Mr. ENGLE. Does the distinguished Senator from New York protest the allocation of this very large amount of defense business to California on the ground that it should have been placed, geographically, in New York, because geographically New York is a big State, because it pays large amounts in income taxes, regardless of whether New York has the plant capability and the competence of personnel to handle such contracts?

Mr. KEATING. New York has the plant capability and the capability of personnel to handle contracts. Therefore, it should have had a larger share of the total business.

Let me make one thing very clear. Perhaps this will set the mind of the Senator from California at rest. I have nothing but the highest commendation for California and its representation in Congress, especially its present representation in this body, and for the very magnificent way in which they have built up the business in California and the way that the California congressional delegation have met, time after time, for this purpose, and are meeting, I understand, as late as today, for the purpose of endeavoring to meet the New York threat.

What I say to the Senator from California is that it is high time that the Members of Congress from New York and from Pennsylvania—I observe the distinguished junior Senator from Pennsylvania on the floor—States which have not properly shared in this business, become equally alert to what the great Senator from California is saying.

Mr. ENGLE. May I make one comment before the Senator from New York yields to the Senator from Pennsylvania?

Mr. KEATING. Yes.

Mr. ENGLE. I am trying to ascertain whether the Senator from New York thinks that California has gotten these contracts by political skulduggery or whether he is willing to admit that we got them because, on a competitive basis, either by contract bidding or on negotiated competition, California has demonstrated competency and the plant capability of producing these items at the lowest possible cost to the taxpayers. Which is it? The Senator certainly is not implying, is he, that political skulduggery is at the crossroads? Therefore, it must be the competence of the personnel and facilities in California which caused the awarding of the contracts to California.

Mr. KEATING. There has been no mention of skulduggery by the junior Senator from New York. In fact, any mention of skulduggery has always emanated from the California side. This really puzzles me. I cannot understand it because there has never been any such allegation on the part of anyone I know of representing the State of New York. It would be quite unthinkable that skulduggery would be engaged in in order to get defense contracts.

Mr. ENGLE. California fears the political power of New York .

Mr. KEATING. I cannot see why. I commend the State of California and its chamber of commerce and other organizations for the magnificent work they have been doing in this field. All I am saying is that the State of New York, its organizations, and its representatives in Congress, had better "get on the ball" and perhaps take a leaf from the book of the representatives of California in this respect.

Mr. ENGLE. Perhaps the distinguished Senator should make his speech in New York rather than on the floor of the Senate. It troubles me when the distinguished Senator from New York makes a speech on the floor of the Senate which implies that there is something improper in the fact that California has gotten these contracts. We assert we got them on the basis of our merits—plant capability and the fact that people like to live in California.

If New York wants to compete with California, California will be glad to compete with New York. We will be glad to compete through bidding or on any other basis. We will be glad to compete for the construction of earth satellites on a negotiated bid basis, because it is necessary to negotiate such contracts since the cost of building satellites and experimenting with them is not known.

I am trying to determine whether the Senator from New York is claiming that someone other than the industries of New York themselves is at fault in failing to stand up and slug it out with California in competing for these contracts, which we are perfectly willing to do.

I call attention to the fact that the distinguished senior Senator from New York introduced a bill in the Senate which, it was stated, was directly aimed at California contracts. Further, we

read in the press that an indignation meeting was held in New York, and that for the first time in 40 years or more the entire New York delegation got together and agreed upon one piece of proposed legislation, aimed in one direction, namely, to take some of the business away from California.

California is not afraid of losing business on the basis of competition; we fear the political power of New York. Therefore, we are concerned about the Senator's statement. I am trying to determine whether the Senator is saying that what has occurred has been due to our competence or our political power.

Mr. KEATING. I must answer the Senator when he speaks to the effect that there is any direction of our efforts against California. I feel it is constructive to have had this first consensus, as the Senator from California puts it, in 40 years from the representatives of the State of New York on a piece of proposed legislation, and I am very proud to have had a hand in bringing about such a meeting.

What we are seeking in the proposed legislation is just as much applicable to Pennsylvania, New Jersey, or, indeed, California, as it is to any other State. It is to make certain that the taxpayers get a dollar's worth for every dollar they spend.

I have nothing but the highest praise for California and its aims. I cannot understand the injection of the reference to skulduggery. It begins to make New York wonder what has been taking place. Although I entirely negate any charge of that kind, it simply is bound to raise a question in anybody's mind, when, the minute one tries to get a fair share of businesses for his State, someone comes up and says, "You are trying to practice political skulduggery in the matter."

I now yield to the distinguished Senator from Pennsylvania.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senator from Pennsylvania is recognized to speak for Pennsylvania and, perhaps, for its neighboring State of Ohio.

Mr. SCOTT. I thank the Chair.

I commend the distinguished Senator from New York. His encomiums upon his great State have almost persuaded me that he has an interest, perhaps, as a Senator from New York. Certainly, seriously speaking, he is a good Senator, and a good ambassador from his State; for, in fact, all of us are sometimes called ambassadors from our States.

With reference to the suggestion of the distinguished Senator from California that perhaps these commentaries might be reserved for our home States, one of the reasons we are here present is not only as ambassadors from our States, but as missionaries, also, to carry to the Central Government in Washington pleas for fairness and equal treatment; the plea, too, that our tax moneys shall not be sent to Washington and then be diverted so far away, in so many cases, that the money actually gets tired and may, in fact, lose some of its purchasing power if we are not careful.

I am very much aware of the virtues of the State of California. It is one of the most wonderful States which comprise our Union. In fact, I am decidedly aware of it, for in 17 years in these legislative halls I have heard many debates and I have observed the passage of many acts to provide, in California, for irrigation, conservation, highways, public improvements, harbors, and port developments of an enormous character, due in part, I am sure, to the extraordinarily able activities and representation of the virtues of California by its representatives in both bodies of Congress.

But I wonder whether it is valid to argue to New York and to Pennsylvania that a greater share than the national average perhaps should go to some States because they, alone, have the necessary facilities, when one considers that those facilities have been made possible in such enormous amounts by the taxpayers of all the States. As I have at many times said to the distinguished Senator from California, I would go along with him in regard to many of his proposals, so long as he does not ask us to build a bridge from San Francisco to the nearly adjoining State of Hawaii. [Laughter.] I think there has to be some limit to the westward trek of the Pennsylvania and the New York dollars.

I am so proud of the Senator from New York [Mr. KEATING] in his comments on New York, that I am very happy that so much of Pennsylvania adjoins the State of New York. I would point out that perhaps in some ways Pennsylvania has a peculiar reason for wishing to be recognized more often in connection with the award of Government contracts and facilities, in that in our State there is a distressingly bad, chronic unemployment situation. Our shipyards stand ready to build ships; our factories stand ready to produce munitions; our other production and manufacturing facilities stand ready and waiting, and in some cases yawning wide, for opportunities to produce the materials which the Government needs in its civilian and its military programs.

So I am very glad the Senator from New York has brought up this matter. Of course, I do not speak in derogation of any other State. Instead, I speak in admiration of the facility with which certain of the States have been able to secure substantial parts of the Federal tax dollar. But, Mr. President, I ask them not to penalize us by using the fact that we have sent our moneys to help build their great States, as an argument that contracts should not also be awarded in our great States.

I am sure the Senator from California will recognize our concern in this regard. He has a great State, a growing State, a wonderful State. But in our State there is chronic unemployment; and we hope he will leave us a few people to continue to pay the taxes.

Mr. ENGLE. Mr. President, will the Senator from New York yield to me?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator from New York yield to the Senator from California?

Mr. KEATING. I yield.

Mr. ENGLE. Mr. President, I appreciate the courtesy of the distinguished Senator from New York in yielding, so that I may comment on the remarks which have been made by the distinguished Senator from Pennsylvania.

Our three States are the first taxpayers of the Nation. At present time New York is the first of all, although it will not be first very much longer——

Mr. KEATING. Mr. President, I did not yield for that purpose. [Laughter.]

Mr. ENGLE. Because California is rapidly overtaking New York, both in population and in the payment of taxes.

According to the last figures, I think Pennsylvania was even with California, or perhaps a little ahead of California, in regard to the payment of taxes. But Pennsylvania is now behind California in population.

So here we are, all three of us.

What the Senator from New York and the Senator from Pennsylvania are complaining of is that California gets more of the defense business than their States do. The Senator from Pennsylvania says there are depressed areas in his State, and that there is unemployment there, and that, therefore, defense contracts should be awarded there. But I say, "No." If Pennsylvania has unemployment, certainly I want to help in that situation. I supported the depressed-areas bill which recently was passed by this body——

Mr. SCOTT. I know; and I am grateful that the Senator from California did.

Mr. ENGLE. And I joined with the junior Senator from New York [Mr. KEATING], I believe, and certainly with the senior Senator from New York [Mr. JAVITS], in supporting that proposed legislation.

Mr. KEATING. The Senator from California did not join with me in supporting that measure, because I do not think such legislation is sound. However, we do not wish to debate that point now.

Mr. ENGLE. No. But I have supported legislation to help depressed areas.

Mr. SCOTT. So have I, although the bills may have been somewhat different.

Mr. ENGLE. But the defense program should be handled separately, as a defense program, on its merits and on a competitive basis, either by competitive bidding or by negotiated competition, which is necessary in some instances.

What I say to my good friends is that if they want to compete with us, we shall be glad to meet them. But we do not believe the defense program of the Nation should be used as a WPA program; and we do not believe the defense program and the defense procurement of the Nation should be allocated on a political or a geographical basis, in order to take care of States which happen to pay large portions of the Federal revenues.

Mr. SCOTT. Mr. President, on that point, will the Senator from New York yield again to me?

Mr. KEATING. I yield.

Mr. SCOTT. I do not wish it to be understood that Pennsylvania is asking for a WPA program. Perish the thought. Heaven forbid. We have gone through that experience; and all of us have suffered its consequences.

We only ask that the unemployed in our State be given a chance to work and be given a fair distribution of Government contracts, so they may be enabled to work, and thereby may avoid the temptation of moving in the direction of the setting sun, in order to find employment. We think that is an undesirable situation for our State. Hence, my expression of concern.

I thank the distinguished Senator from New York for yielding to me; I appreciate it very much.

Mr. ENGLE. Mr. President, I, too, thank the Senator from New York for yielding to me.

Mr. KEATING. Mr. President, I appreciate the comments my colleagues have made in connection with my presentation; such interjections are all to the good.

I realize that the distinguished Senator from Pennsylvania has a problem which is very similar to New York's problem; and I know how much he has been concerned about it. He has talked with me about it. It is a very serious problem.

The situation is not, as the Senator from California has suggested, that this matter is so much one about which complaint is made. The Senator from California has said that I am complaining about it. It is true that I am complaining; but, principally, I am trying to place in the RECORD the facts in connection with this matter; and the same is true of Connecticut, Ohio, Massachusetts, and a number of other States. These are facts which I hope the Department of Defense and others who are concerned with this problem will read in this RECORD. I am making these remarks, today, in order to get the facts before the public.

I wish to say, here and now—and this will be a little balm to my friend, the Senator from California; certainly I desire to be fair about this matter—that the figures I have been submitting, although official figures of the Department of Defense, must be interpreted with some caution. As the Department itself points out, these data on prime contracts do not provide any direct indication as to the State in which the actual production work is done. For the majority of contracts with manufacturers, the data reflect the location of the plant where the product is finally processed and assembled. They do not in any way reflect the distribution of the very substantial amount of material, component fabrication, and other subcontract work which may be done outside the State where final assembly or delivery takes place. It is clear from the overall figures, however, that New York is not getting its fair share of defense work.

At the same time, New York is being heavily discriminated against under various Federal grant-in-aid programs. In the same year that New York individuals and business firms paid to the Federal Government a total of $15,348,079,000, or 19.19 percent of all Federal internal revenue collections in the United States, New York State received in Federal aid payments only $482,102,000, which was only 6.5 percent of total Federal aid payments. California received more—$611,951,000; and Texas, which contributed less than 3.4 percent of total tax collections—compared to New York's 19.19 percent—received almost as much as New York, namely $452,710,000, or 6.1 percent of total Federal aid payments.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. KEATING. Having mentioned the great State of Texas, I am happy to yield to the distinguished Senator from Texas.

Mr. YARBOROUGH. I thank the distinguished Senator from the Empire State of this country for yielding to me. Since he has mentioned the placing of defense contracts in my State, I should like to ask him to what year the statistics he is reading refer.

Mr. KEATING. I think perhaps the Senator misunderstood me. I had passed from the percentage of defense contracts. I was giving the figures on the percentage of taxes paid by the residents of the States as compared to the amount which they received on all Federal grant-in-aid programs. I had completed that portion of my remarks which related to defense contracts.

Mr. YARBOROUGH. I should like to call the attention of the distinguished Senator from New York to the fact that my State is in the identical situation to that which faces the State of New York.

With reference to the plight of defense contracts being awarded to industries in States other than Texas, I call attention to the fact that a few years ago 9 percent of the people who were engaged in the aircraft manufacturing industry worked in my State. That is down to 6 percent now, despite the fact that the total number of people engaged in the aircraft industry has increased. The assembly lines which have been in my State are moving out of the State. The people formerly employed in them have taken less remunerative ways of making a living or have moved out of the State to places where the contracts are being placed.

In January or February of last year, the Department of the Navy closed down overhauling and repairing facilities at the Corpus Christi Naval Base. It had been costing the U.S. Government $20 million a year to maintain those facilities. It was claimed that the closing down of those facilities would save the Government money. The hearings before the Preparedness Subcommittee proved that people were being hired in other parts of the country for that purpose, to the extent of $9 million. A private contract had been let for work in Long Island, amounting to $14 million, for the purpose of overhauling aircraft engines replacing the work which had previously been done at Corpus Christi.

During the first year the Federal Government was compelled to spend $23 million to replace the work which had been done at Corpus Christi at a cost of $20 million, and that did not include the cost of flying or shipping equipment and personnel. Planes which had been repaired in installations on the Pacific coast and the gulf coast will have to be moved farther east for that work, at great additional cost. A helicopter installation at San Marcos, about 30 miles from the State capital, was closed down. The mere fact that installations are being closed down in Texas does not mean that money is being saved. The way people are moving out of the State because of the closing of these installations recalls the movement of settlers across the Sabine River to escape the invading Gen. Santa Ana until Sam Houston stopped him.

Mr. KEATING. So far as I know, none of those facilities has been moved to New York State.

Mr. YARBOROUGH. The Navy witnesses testified that a $14 million overhaul and repair installation was being moved from Corpus Christi to Long Island.

Mr. KEATING. That is the best news I have heard in this debate.

Mr. YARBOROUGH. I am glad the Senator brought that matter up. Modesty forbade me mentioning my State, because this is a body where all States are supposed to be treated equally. The evidence shows that there has been a discrimination against the State of Texas in the case of defense contracts and military installations.

Recently, an attempt was about to be made to close down Nike-Hercules installations. On that particular point, the distinguished Senator from Iowa [Mr. MARTIN] spoke of the necessity of keeping the Nike-Hercules as our defense weapon.

I desire to say that if the State of New York is being treated inequitably in the letting of defense contracts, certainly my State has not been the recipient of those contracts, because we are on the losing end.

Mr. KEATING. I am sorry the Senator from Texas was temporarily detained and was unable to be present when I had my colloquy with the Senator from California. I would have been glad to have had him as an ally. But I will say to the distinguished Senator from Texas that this is the first time I have heard in Congress that Texas had not gotten at least its fair share of everything. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair informs the visitors in the galleries that they are guests of the Senate and that they will have to remain silent. No laughter or other manifestation will be tolerated.

Mr. YARBOROUGH. I thank the distinguished Senator from New York for having yielded to me.

Mr. KEATING. I am very happy that I yielded to my friend from Texas.

Mr. President, I was dealing with the comparison of the percentage which New York and some of the other States pay in Federal taxes, and the percentage of the total internal revenue collections, with the amount which they receive from Federal programs.

Continuing on that point, if New York had received 19.19 percent of the total Federal aid payments of $7,420,770,000—that is, the percentage of total internal revenue collections from New York—it would have received a total of $1,424,-

065,000 in Federal aid payments, or $941,963,000 more than was actually received; more than enough to have balanced its current budget without any increase in State taxes.

Under present programs, for every dollar New York received in Federal aid payments, it paid in over $2.95, or for all practical purposes, $3 paid in for every $1 received. How does this compare with payments to other States?

Texas, for each dollar received in Federal aid, paid only 55 cents, Alabama 25 cents, Arkansas 15 cents, Tennessee 41 cents, Wyoming 14 cents, and North Dakota 11 cents. Only little Delaware paid more than New York for each dollar received.

It is distressing that the States with the most progressive records in dealing with their own needs have become the economic victims of Federal grant-in-aid programs. New York, for example, for decades has been in the vanguard of the States with regard to highway engineering and construction. It has been one of the most active States participating in the National System of Interstate and Defense Highways, the 41,000 mile National Highway System designed to meet the highway needs of local and interstate commerce, as well as national and civil defense.

It has already completed or has under way 719.7 miles of new highways, which represents 58.6 percent of its total share of the Interstate System, compared to 28.2 percent of the entire Nation's Interstate System being completed or under construction.

The disconcerting side to this picture is that of the 719.7 miles completed or under way in New York, only 143.8 have been financed out of Interstate funds, which is less mileage than has been financed by Federal funds in 19 other States.

In effect, New York—which contributes more than any other State to the funds for this program—is being taken advantage of for having taken steps on its own in connection with the New York Thruway. Certainly it is unfair for any State to be penalized for its initiative in this manner; and it is imperative, therefore, to a proper administration of the program that States like New York receive a form of equitable reimbursement for their early positive action. The most constructive measure would be to allow Federal payments up to 90 percent—the percentage under the act—for substitute mileage to be added to the system in place of completed highway mileage already approved for the Interstate Highway System. The present law, which does not contain such provisions, is a striking illustration of the manner in which local initiative can be discouraged by the operation of a Federal grant-in-aid program.

These statistics tell quite a story. In the baldest terms they plainly show that the people of New York are being shortchanged by the Federal Government under these national programs. Because of my deep interest in the facts, I asked the Library of Congress to prepare a comparative summary, on a State-by-State basis, of all Federal internal revenue collections and all Federal aid payments. I ask unanimous consent that this table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal internal revenue collections and Federal-aid payments, by States, fiscal year 1958 [1]

State	Federal internal revenue collections		Federal aid payments		Estimated amount of Federal internal revenue collections in each State allocated for Federal-aid payments (thousands)	Estimated amount of Federal internal revenue collections each State contributes for each $1 received in Federal-aid payments
	Amount (thousands)	Percent	Amount (thousands)	Percent		
Alabama	$496,155	0.62	$185,196	2.50	$46,036	$0.25
Arizona	235,036	.29	71,395	.96	21,808	.31
Arkansas	186,009	.23	112,521	1.52	17,259	.15
California	6,753,950	8.44	611,951	8.25	626,662	1.02
Colorado	905,357	1.13	129,025	1.74	84,003	.65
Connecticut	1,398,277	1.75	71,446	.96	129,739	1.82
Delaware	784,815	.98	15,876	.21	72,819	4.59
Florida	1,094,513	1.37	149,794	2.02	101,554	.68
Georgia	846,084	1.06	191,042	2.57	78,504	.41
Idaho	134,826	.17	47,588	.64	12,510	.26
Illinois	6,478,405	8.10	284,860	3.84	601,096	2.11
Indiana	1,798,028	2.25	120,492	1.62	166,829	1.38
Iowa	625,272	.78	155,198	2.09	58,016	.37
Kansas	546,418	.68	106,339	1.43	50,699	.48
Kentucky	1,539,390	1.92	123,864	1.67	142,850	1.15
Louisiana	691,591	.86	177,006	2.39	64,169	.36
Maine	191,286	.24	39,391	.53	17,748	.45
Maryland and District of Columbia	1,871,897	2.34	158,196	2.13	173,683	1.10
Massachusetts	2,194,763	2.74	188,641	2.54	203,640	1.08
Michigan	6,198,156	7.75	248,527	3.35	575,093	2.31
Minnesota	1,245,617	1.56	142,967	1.93	115,574	.72
Mississippi	176,473	.22	136,593	1.84	16,374	.12
Missouri	1,892,308	2.37	244,439	3.29	175,577	.72
Montana	138,940	.17	53,071	.72	12,891	.24
Nebraska	444,234	.56	102,827	1.39	41,218	.40
Nevada	109,986	.14	25,538	.34	10,205	.40
New Hampshire	148,751	.19	27,504	.37	13,802	.50
New Jersey	2,420,308	3.03	119,565	1.61	224,567	1.88
New Mexico	157,411	.20	89,810	1.21	14,605	.16
New York	15,348,079	19.19	482,102	6.50	1,424,065	2.95
North Carolina	1,857,559	2.32	170,161	2.29	172,353	1.01
North Dakota	88,472	.11	73,201	.99	8,209	.11
Ohio	5,355,654	6.70	287,981	3.88	496,922	1.73
Oklahoma	817,388	1.02	183,193	2.47	75,841	.41
Oregon	472,025	.59	102,716	1.38	43,797	.43
Pennsylvania	5,804,794	7.26	294,679	3.97	538,595	1.83
Rhode Island	312,963	.39	44,428	.60	29,038	.65
South Carolina	287,511	.36	90,955	1.23	26,677	.29
South Dakota	87,999	.11	66,651	.90	8,165	.12
Tennessee	622,225	.78	141,049	1.90	57,733	.41
Texas	2,697,309	3.37	452,710	6.10	250,269	.55
Utah	200,022	.25	51,170	.69	18,559	.36
Vermont	76,641	.10	20,364	.27	7,111	.35
Virginia	1,239,931	1.55	100,161	1.35	115,046	1.15
Washington	931,643	1.16	138,503	1.87	86,442	.62
West Virginia	334,804	.42	65,301	.88	31,065	.48
Wisconsin	1,462,224	1.83	123,095	1.66	135,672	1.10
Wyoming	71,724	.09	48,137	.65	6,655	.14
Others [2]	205,052	.26	353,551	4.76	19,026	.05
Total	79,978,476	100.00	7,420,770	100.00	7,420,770	

[1] Alaska and Hawaii are included in the table in the category "Others."
[2] "Others" includes Alaska, Hawaii, Puerto Rico, and other U.S. Territories, and amounts not detailed by States.

NOTE.—This table has been prepared specifically to respond to inquiries for a comparison of Federal tax collections in each of the States and the amount of collections returned to each of these States in the form of Federal-aid payments. The internal revenue collections, as reported by the Internal Revenue Service for the collection districts, are used. There has been no effort to measure the extent to which the taxes collected in one State are borne by residents of another State.

Sources: (1) Federal internal revenue collections, U.S. Treasury Department, combined statement of receipts, for the fiscal year ended June 30, 1958. (2) Federal-aid payments, Annual Report of the Secretary of the Treasury, for the Fiscal Year Ended June 30, 1958. The data presented here include (*a*) aid payments made to States and local units within the States, and (*b*) aid payments to individuals, etc. within the States. (3) Estimated amounts of Federal internal revenue collections in each State allocated for Federal-aid payments. These estimates were made by multiplying collections by the percentage constant 9.278458 percent. This constant is the percentage of total internal revenue collections ($79,978,476,000) represented by Federal-aid payments ($7,420,770,000). (4) Estimated amounts of Federal internal revenue collections each State contributes for each $1 received in Federal aid payments. These estimates were computed by dividing for each State, the estimates in the preceding column by the Federal-aid payments to the respective States.

Mr. KEATING. Mr. President, the situation may be viewed from a slightly different angle by analyzing the source of revenues of the individual States—how much came from their own citizens through taxes and State and local charges and how much from Federal payments to the State. In 1957, total revenues of New York State and local governments amounted to $4,553,969,000. Of this total 38.5 percent was derived from property taxes, 42.8 percent from other taxes, 13.1 percent from State and local charges, and only 5.6 percent from the Federal Government. Only two States derived a smaller share of their general revenues from the Federal Government in 1957; New Jersey, with 4.7 percent and Connecticut with 5.4 percent. At the other end of the scale Wyoming received 24.8 percent of its general revenues from the Federal Government, New Mexico 22.6 and Alabama 29.9 percent. On a per capita basis, New York in 1957 ranked 2d among all the States in total State and local taxes collected from its residents, but 44th in the per capita revenues from the Federal Government.

Mr. President, I know that Senators will be interested in the figures for their

States and I, therefore, ask unanimous consent that a summary prepared by the U.S. Bureau of the Census showing the source of general revenues of all State and local governments be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

STATE AND LOCAL GOVERNMENT FINANCES

General revenue of State and local governments, by source, by States: 1957

State	Amounts (in thousands of dollars)							Percent					
	Total	From Federal Government	General revenue from own sources					Total	From Federal Government	General revenue from own sources			
			Total	Taxes			Charges and miscellaneous			Taxes			Charges and miscellaneous
				All taxes	Property	Other				All taxes	Property	Other	
Continental United States	38,162,123	3,843,164	34,318,959	28,803,257	12,850,640	15,952,608	5,515,697	100.0	10.1	75.5	33.7	41.8	14.5
Alabama	510,936	101,679	409,257	319,166	64,085	255,081	90,091	100.0	19.9	62.4	12.5	49.9	17.6
Arizona	262,934	33,691	229,243	183,103	84,911	98,192	46,141	100.0	12.8	69.6	32.3	37.3	17.5
Arkansas	268,694	50,519	218,175	178,716	47,272	131,444	39,460	100.0	18.8	66.5	17.6	48.9	14.7
California	4,358,853	465,061	3,893,772	3,301,496	1,554,633	1,746,863	592,276	100.0	10.7	75.8	35.7	40.1	13.6
Colorado	451,087	66,559	384,528	313,832	159,251	154,581	70,696	100.0	14.8	69.6	35.3	34.3	15.7
Connecticut	559,612	30,359	529,253	464,624	233,706	230,918	64,628	100.0	5.4	83.1	41.8	41.3	11.3
Delaware	89,721	8,149	81,572	58,752	14,102	44,650	22,818	100.0	9.1	65.5	15.7	49.8	25.4
District of Columbia	194,750	35,133	159,617	143,258	52,766	90,492	16,359	100.0	18.0	73.6	27.1	46.5	8.4
Florida	924,209	89,432	834,777	671,124	239,795	431,329	163,653	100.0	9.7	72.6	25.9	46.7	17.7
Georgia	677,870	97,105	580,765	467,328	133,422	333,906	113,437	100.0	14.3	69.0	19.7	49.3	16.7
Idaho	146,476	23,394	123,082	99,973	50,059	49,914	23,109	100.0	16.0	68.3	34.2	34.1	15.8
Illinois	2,116,375	146,108	1,970,267	1,740,745	906,038	834,707	229,523	100.0	6.9	82.2	42.8	39.4	10.8
Indiana	828,327	56,537	771,790	638,553	351,004	287,549	133,239	100.0	6.8	77.1	42.4	34.7	16.1
Iowa	638,149	61,984	576,165	490,727	240,517	250,210	85,438	100.0	9.7	76.9	37.7	39.2	13.4
Kansas	495,399	58,019	437,380	370,115	215,237	154,878	67,265	100.0	11.7	74.7	43.4	31.3	13.6
Kentucky	459,914	66,536	393,378	326,704	119,605	207,099	66,675	100.0	14.5	71.0	26.0	45.0	14.5
Louisiana	795,937	117,369	678,568	499,704	109,568	390,136	178,864	100.0	14.7	62.8	13.8	49.0	22.5
Maine	188,022	22,057	165,965	145,126	74,694	70,432	20,838	100.0	11.7	77.2	39.7	37.5	11.1
Maryland	600,031	51,823	548,208	457,477	192,085	265,392	90,731	100.0	8.6	76.2	32.0	44.2	15.1
Massachusetts	1,218,069	87,886	1,130,183	1,014,657	587,303	427,354	115,525	100.0	7.2	83.3	48.2	35.1	9.5
Michigan	1,809,482	142,921	1,666,561	1,395,625	643,597	752,028	270,936	100.0	7.9	77.2	35.6	41.6	15.0
Minnesota	804,901	79,242	725,659	596,287	307,021	289,266	129,371	100.0	9.8	74.0	38.1	35.9	16.1
Mississippi	346,976	59,094	287,882	235,184	65,543	169,641	52,698	100.0	17.0	67.8	18.9	48.9	15.2
Missouri	769,472	128,159	641,313	553,028	244,064	308,964	88,284	100.0	16.7	71.9	31.7	40.2	11.5
Montana	185,071	32,774	152,297	125,996	73,559	52,437	26,302	100.0	17.7	68.0	39.7	28.3	14.2
Nebraska	281,020	33,764	247,256	202,211	141,844	60,367	45,045	100.0	12.0	72.0	50.5	21.5	16.0
Nevada	93,789	16,339	77,450	60,062	21,780	38,282	17,386	100.0	17.4	64.0	23.2	40.8	18.5
New Hampshire	112,459	10,451	102,008	87,206	54,852	32,354	14,802	100.0	9.3	77.6	48.8	28.8	13.2
New Jersey	1,201,051	56,017	1,145,034	978,422	623,417	355,005	166,612	100.0	4.7	81.5	51.9	29.6	13.9
New Mexico	240,486	54,214	186,272	128,086	29,575	98,511	58,185	100.0	22.6	53.3	12.3	41.0	24.2
New York	4,553,969	254,179	4,299,790	3,720,839	1,754,784	1,948,055	596,950	100.0	5.6	81.3	38.5	42.8	13.1
North Carolina	727,062	117,376	609,686	503,323	135,250	368,073	106,363	100.0	16.1	69.2	18.6	50.6	14.6
North Dakota	167,073	20,614	146,459	107,490	56,665	50,825	38,968	100.0	12.3	64.3	33.9	30.4	23.3
Ohio	1,844,931	147,232	1,697,699	1,408,327	678,169	730,158	289,372	100.0	8.0	76.4	36.8	39.6	15.7
Oklahoma	526,316	91,972	434,344	346,929	105,657	241,272	87,415	100.0	17.5	65.9	20.1	45.8	16.6
Oregon	483,784	67,150	416,634	349,785	148,607	201,178	66,850	100.0	13.9	72.3	30.7	41.6	13.8
Pennsylvania	2,170,568	139,851	2,030,717	1,772,478	588,824	1,183,654	258,239	100.0	6.4	81.6	27.1	54.5	11.9
Rhode Island	164,699	20,155	144,544	130,116	63,572	64,544	14,428	100.0	12.2	79.0	39.8	39.2	8.8
South Carolina	353,872	46,799	307,073	245,981	56,668	189,313	61,092	100.0	13.2	69.5	16.0	53.5	17.3
South Dakota	167,683	27,536	140,147	114,228	67,413	46,815	25,920	100.0	16.4	68.1	40.2	27.9	15.5
Tennessee	569,876	80,894	488,982	406,672	119,193	287,479	82,311	100.0	14.2	71.3	20.9	50.4	14.4
Texas	1,826,485	233,680	1,592,805	1,257,016	579,106	677,910	335,788	100.0	12.8	68.8	31.7	37.1	18.4
Utah	192,103	27,933	164,170	136,680	59,739	76,941	27,490	100.0	14.5	71.2	31.1	40.1	14.3
Vermont	84,591	10,998	73,593	65,628	29,928	35,700	7,964	100.0	13.0	77.6	35.4	42.2	9.4
Virginia	686,274	66,196	620,078	503,819	161,575	342,244	116,259	100.0	9.6	73.4	23.5	49.9	16.9
Washington	722,378	81,025	641,353	512,639	151,778	360,861	128,715	100.0	11.2	71.0	21.0	50.0	17.8
West Virginia	295,539	37,560	257,979	220,014	55,680	164,334	37,965	100.0	12.7	74.4	18.8	55.6	12.8
Wisconsin	886,460	62,711	823,760	711,210	369,462	341,748	112,558	100.0	7.1	80.3	41.7	38.6	12.7
Wyoming	108,368	26,908	81,460	60,796	31,274	29,522	20,663	100.0	24.8	56.1	28.9	27.2	19.1

Source: U.S. Bureau of the Census. "State and Local Government Finances in 1957" (CGA-No. 8). February 1959.
NOTE.—Local government amounts are preliminary, in part representing estimates subject to sampling variation; see text. Because of rounding, detail may not add to total

Mr. KEATING. Mr. President, I also ask unanimous consent that a similar chart showing the per capita amounts of general revenue of State and local governments, by States, be printed at this point in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Per capita amounts of general revenue of State and local governments, by States: 1957

State	Per capita amounts[1]						State rank according to per capita amount of—					
	All general revenue	Revenue from Federal Government	All State and local taxes	Property tax	Other (non-property) taxes	Charges and miscellaneous general revenue	All general revenue	Revenue from Federal Government	All State and local taxes	Property tax	Other (non-property) taxes	Charges and miscellaneous general revenue
Continental United States	$224.10	$22.57	$169.14	$75.46	$93.68	$32.39	(2)	(2)	(2)	(2)	(2)	(2)
Median State	227.09	25.47	160.98	77.61	88.51	31.34	(2)	(2)	(2)	(2)	(2)	(2)
Alabama	161.59	32.16	100.94	20.27	80.67	28.49	44	14	48	49	31	32
Arizona	243.91	31.25	169.86	78.77	91.09	42.80	14	16	20	23	20	8
Arkansas	150.95	28.38	100.40	26.56	73.84	22.17	47	20	49	47	41	43
California	314.06	33.51	237.87	112.01	125.86	42.67	3	12	1	2	4	9
Colorado	271.25	40.02	188.71	95.76	92.95	42.51	8	7	8	11	17	10
Connecticut	246.63	13.38	204.77	103.00	101.77	28.48	13	46	5	6	13	33
Delaware	206.73	18.78	135.37	32.49	102.88	52.58	30	36	38	43	11	6
District of Columbia	237.50	42.85	174.71	64.35	110.36	19.95	17	5	18	30	8	47
Florida	219.58	21.25	159.45	56.97	102.48	38.88	26	33	26	33	12	13
Georgia	179.76	25.75	123.93	35.38	88.55	30.08	40	24	41	41	23	28
Idaho	227.09	36.27	155.00	77.61	77.39	35.83	25	11	29	25	37	19
Illinois	218.21	15.06	179.48	93.42	86.00	23.66	27	45	14	14	27	40

[1] Computation based on estimated population as of July 1, 1957; see table 14.

[2] Not applicable.

Per capita amounts of general revenue of State and local governments, by States: 1957—Continued

State	Per capita amounts[1]						State rank according to per capita amount of—					
	All general revenue	Revenue from Federal Government	All State and local taxes	Property tax	Other (non-property) taxes	Charges and miscellaneous general revenue	All general revenue	Revenue from Federal Government	All State and local taxes	Property tax	Other (non-property) taxes	Charges and miscellaneous general revenue
Indiana	$183.79	$12.54	$141.68	$77.88	$63.80	$29.56	38	48	35	24	46	30
Iowa	229.30	22.27	176.33	85.42	89.91	30.70	22	31	16	17	21	26
Kansas	235.90	27.63	176.24	102.49	73.75	32.03	18	21	17	7	42	22
Kentucky	151.14	21.87	107.36	39.30	68.06	21.91	46	32	46	38	44	44
Louisiana	259.60	38.28	162.99	35.74	127.25	58.34	10	10	23	40	3	5
Maine	200.24	23.49	154.56	79.55	75.01	22.19	32	30	30	22	39	42
Maryland	207.26	17.90	158.02	66.35	91.67	31.34	29	40	27	29	18	25
Massachusetts	252.34	18.21	210.20	121.67	88.53	23.94	12	39	4	1	24	37
Michigan	234.85	18.55	181.13	83.53	97.60	35.16	19	37	12	19	14	20
Minnesota	242.59	23.88	179.71	92.53	87.18	38.99	15	26	13	15	26	12
Mississippi	160.19	27.28	108.88	30.26	78.32	24.33	45	22	45	44	35	36
Missouri	181.56	30.24	130.49	57.59	72.90	20.83	30	17	40	32	43	46
Montana	275.81	48.84	187.78	109.63	78.15	39.20	7	4	10	4	36	11
Nebraska	195.56	23.50	140.72	98.71	42.01	31.35	36	28	36	8	49	24
Nevada	357.97	62.36	229.24	83.13	146.11	66.36	1	3	3	20	1	2
New Hampshire	196.26	18.24	152.19	95.73	56.46	25.83	35	38	33	12	48	34
New Jersey	213.82	9.97	174.19	110.99	63.20	29.66	28	49	19	3	47	29
New Mexico	295.80	66.68	157.55	36.38	121.17	71.57	4	2	28	39	5	1
New York	282.01	15.74	229.31	108.67	120.64	36.97	5	44	2	5	6	17
North Carolina	162.58	26.25	112.55	30.24	82.31	23.78	43	23	43	45	30	39
North Dakota	259.03	31.96	166.65	87.85	78.80	60.42	11	15	21	16	34	4
Ohio	200.41	15.99	152.98	73.67	79.31	31.43	31	43	32	27	33	23
Oklahoma	233.19	40.75	153.71	46.81	106.90	38.73	20	6	31	36	10	14
Oregon	277.56	38.53	200.68	85.26	115.42	38.35	6	9	6	18	7	15
Pennsylvania	197.13	12.70	160.98	53.48	107.50	23.45	34	47	25	35	9	41
Rhode Island	192.18	23.52	151.82	76.51	75.31	16.84	37	27	34	26	38	49
South Carolina	149.44	19.76	103.88	23.93	79.95	25.80	49	34	47	48	32	35
South Dakota	241.97	39.73	164.83	97.28	67.55	37.40	16	8	22	10	45	16
Tennessee	165.52	23.50	118.12	34.62	83.50	23.91	42	29	42	42	29	38
Texas	199.07	25.47	137.01	63.12	73.89	36.60	33	25	37	31	40	18
Utah	228.69	33.25	162.72	71.12	91.60	32.73	23	13	24	28	19	21
Vermont	228.62	29.72	177.38	80.89	96.49	21.52	24	19	15	21	15	45
Virginia	179.28	17.29	131.62	42.21	89.41	30.37	41	41	39	37	22	27
Washington	265.09	29.73	188.15	55.70	132.43	47.23	9	18	9	34	2	7
West Virginia	150.55	19.13	112.08	28.36	83.72	19.34	48	35	44	46	28	48
Wisconsin	229.60	16.24	184.47	95.69	88.51	29.15	21	42	11	13	25	31
Wyoming	341.85	84.88	191.79	98.66	93.13	65.18	2	1	7	9	16	3

NOTE.—Local government amounts are preliminary, in part representing estimates subject to sampling variation; see text. Because of rounding, detail may not add to total.

Source: U.S. Bureau of the Census. "State and Local Government Finances in 1957." (G-CGA-No. 8). February 1959.

Mr. KEATING. Mr. President, this is in no sense just a New York problem. The present situation should be cause for concern among all those who still believe that the ends of democracy are best served by a government closest to the people.

In the early years of the 20th century, less than one-third of all governmental expenditures were made by the Federal Government, and two-thirds by the States and local governments. Now these proportions are almost reversed. While this trend may be attributed in considerable measure to the increasing needs of national defense, a substantial contributing factor is the constant extension of Federal domestic programs.

Federal aid to State and local governments now averages almost 20 percent of general expenditures at the State level. In four States—Arkansas, Missouri, Nevada, and Wyoming—Federal grants and shared revenue is equal to more than one-third of the State's total general expenditures. In Alabama, Federal grants and shared revenues constitute more than 26 percent of all State expenditures; in Kentucky, over 27 percent; in Mississippi, over 27 percent; in Texas, over 22 percent, and in West Virginia, over 24 percent. And, in New York, 14 percent. These figures show dramatically the extent to which the Federal Government has taken over financial responsibilities of the States.

The heavy dependence of the States of the Union on Federal funds is a matter of national concern, and dangerous to our Federal system. The dispersion of power set forth in our fundamental law is seriously undermined when the Federal Government becomes involved in such a large financial investment in individual States. The trend is bound to encourage domination and control by the National Government and the weakening of State and local initiative. Moreover, the process is a mushrooming one, since the greater the drain on local tax sources by the Federal Government to pay for these grants, the less individual States will be able to meet their problems out of their own resources.

The drain on the resources of New York caused by Federal grant-in-aid programs would be a serious enough problem by itself, but it is compounded by other demands on the States made by the Federal Government. One of these is the result of the large property holdings of the United States. Particularly since World War II, the Federal Government has gone so far into the real estate business that a good many local communities have found their tax revenues seriously impaired by the exemption traditionally accorded Federal property. At the crux of this problem is the fact that much of this real property consists of valuable urban and suburban locations which would normally contribute generously in local taxes and which impose a proportionately high burden in local services and facilities.

This condition could be rectified by having the Federal Government make a payment in lieu of taxes to the local community with respect to such property. It has long been my opinion that when any Federal property, excluding only property devoted exclusively to strictly governmental purposes, enjoys the benefit of local services, it should contribute its fair share of local taxes. Legislation to this end has been pending in Congress for more than a decade. Approval of such a principle would at least partially restore to the States ability to support local programs in accordance with their own needs and desires and out of their own revenues.

Serious consideration actually has been given during this session of Congress to legislation which would have just the reverse effect on New York by limiting its taxing powers even further. I refer to Senate Joint Resolutions 29 and 67 which would prohibit New York from collecting any tax on income earned in the State by nonresidents. The importance of this proposal is underscored by the fact that more than $30 million annually is produced by such taxes on the approximately 190,000 persons affected.

The validity of such taxes was established in *Travis* v. *Yale & Towne Mfg. Co.*, 252 U.S. 60; and *Shaffer* v. *Carte*, 252 U.S. 37, both decided in 1920. The Court pointed out in those cases that the States assume and perform the duty of preserving all persons, property and business within their borders and, in consequence, must enjoy the power to resort to reasonable forms of taxation to require all such persons and interests to contribute to the expenses of government. In the recent case of *Goodwin* v. *State Tax Commission*, 1

N.Y. 2d 680, App. dismissed 352 U.S. 805, the Court specifically sustained the provisions of the New York law which grant to nonresidents less favorable deductions than those extended to residents on the ground that a classification of deductions based on residence was reasonable.

I do not contend that the existence of such a broad power necessarily requires or justifies its full exercise. It is my judgment, however, that the deprivation of this power by the Federal Government through a constitutional amendment would be an unconscionable interference with the taxing power of the respective States. Moreover, when it is considered that a substantial majority of the States have income tax laws, and that under all these laws the income within the State of nonresidents is taxed, it is evident that such action would benefit only a small minority of the country at the expense of the rest of the country.

Such examples of actual or threatened action by the Federal Government tending to undermine the fiscal independence and integrity of the States can be easily multiplied. Perhaps the most egregious of all in recent years is the so-called area redevelopment bill referred to here today, which I believe can more accurately be described as the area dislocation bill.

Every person is concerned over conditions which exist in the economically depressed areas of our Nation. One of the major causes of such distress in the Northeast has been the migration of industry to the South. It is incredible, under these circumstances, to propose legislation as a solution to such problems which would actually accelerate the further movement of industry from this part of the Nation. As if this were not enough, as is typical in such legislation, New York and other Northeastern States, the very States which stand to lose the most from this legislation, would be forced to pay their usual high share of the expense of the program. A better example of the conflict between New York's and the Federal Government's apparent economic interests could not be conceived.

Mr. President, I believe that a complete reevaluation by Congress of the economic relationship between the Federal and State Governments can no longer be delayed. Much spade-work has already been done. The National Study Commission on Intergovernmental Relations under the leadership of Meyer Kestenbaum submitted its report on the subject almost 4 years ago. The President, in an effort to carry forward this work, appointed former Gov. Howard Pyle, of Arizona, a Special Deputy for Intergovernmental Relations. President Eisenhower was instrumental also in creating a Joint Federal-State Action Committee composed of high ranking State and Federal officials. This Committee is now functioning, and has already made some recommendations for action in this field.

The time has come for positive steps by Congress. We must do our part in implementing the work of these special commissions and executive agencies. There have been enough background studies and statistical reports. We should be ready now to come to grips with the specific legislative measures necessary to remove the discriminatory features of these programs and to curb their ever increasing scope.

It would be helpful to consider some of the basic considerations which must guide us in this job. We cannot hope successfully to cope with the far reaching problems in this area unless we first determine our objectives and standards.

I believe that any such undertaking must be premised first of all on the assumption that our Republic derives its strength from the bond of responsible State governments. This means that the Federal Government must avoid encroachment on the activities and resources of local governments. It means also that the States must be ready to fulfill pressing public needs demanded by our citizens. As was said in the First Progress Report of the Joint Federal-State Action Committee:

> The degree to which the States satisfy the governmental needs of modern society determines in large measure the strength of the whole system.

We must also avoid any suggestion that reevaluation of Federal-State programs in this area is designed to encourage retrenchment. Much of the work on this problem can be accomplished without disturbing in any way the scope of the programs involved. Our primary goal should be a redistribution of responsibility, not a diminution of services. I do not say that all the programs involved are sacred. I do say, let us not confuse the merits of these programs with the fundamental problems involved in their proper administration.

A third assumption on which I believe we must proceed is that it is undesirable for any Federal program to be fashioned in a manner which takes undue advantage of the people of any one of the States. In my opinion, present policies require New York to contribute more than its fair share to support certain areas of the Nation favored under the present programs. It is doubtful whether the country as a whole will benefit in the long run from a continuation of this disparity. Any policies which curb or shackle the development of New York and impede its independent growth will harm not only the Empire State, but ultimately the entire Nation, which it serves as a commercial and industrial hub.

The operation of a Federal program in a way which penalizes any State because of the initiative it has taken to provide for the needs of its people should give us pause. I cannot believe that this is a necessary consequence of appropriate Federal action. It may be an inevitable consequence, however, of too much Federal control and participation in welfare programs which should be primarily State responsibilities. All the States of the Union, of course, must be prepared to contribute to the maintenance of certain national standards and goals. The danger point is reached, however, when such contributions are forced at a rate or in a manner which undermines the fiscal soundness of some for the benefit of others. Any such trend has moral as well as economic consequences which deserve our most earnest consideration.

I believe it would be desirable to write into Federal laws in this field a definite statement of the purpose and duration of the particular program. This is necessary to avoid indefinite extension of such Federal activities as a result of legislative inertia and bureaucratic pressures. We all know from personal experience the tremendous difficulties which are faced whenever an effort is made to terminate any Federal activity once it is set in motion, no matter how limited and temporary the impetus for the program may have been originally.

It is therefore vitally important, as the Joint Federal-State Action Committee has recommended, that built-in mechanisms be included in all Federal grant-in-aid programs to prevent continuing operating responsibilities by the Federal Government in spheres properly State and local in scope. The Federal Government can and should stimulate State action necessary to meet national objectives and provide the people with needed services. But safeguards should be included whenever appropriate, to make certain that such grants retain their character as stimulants and do not become permanent operating responsibilities of a centralized bureaucracy.

It must be the objective of action in this area to restore to the States not only the desire but the ability to assume their burdens. Present Federal tax policies make it virtually impossible for the States to raise the necessary revenue to support these programs without subjecting their residents to onerous taxes. A definite adjustment in this situation, therefore, is a necessary condition to any effective measures.

Immediate attention should be given to determining tax sources which might be relinquished by the National Government and absorbed by State and local governments. Several possibilities already have been suggested. The most widely discussed involves the local telephone service tax now levied by the Federal Government. This tax is regarded as particularly appropriate for at least partial transfer to the States because of the wide and uniform distribution of tax source over the country and because of the unlikelihood of State differentials developing.

It is interesting to consider the effects of this proposal on the revenue of the State. Under the most conservative of the suggested alternatives, under which 3 percentage points of the present 10 percent tax would be uniformly distributed and an additional percentage distributed under the control of the Secretary of the Treasury, over $147,500,000 would be yielded to the States. It has been suggested that this plan be combined with assumption by the States of the present Federal share for vocational education and waste treatment construc-

tion programs. If this were done it would mean that New York taxpayers would save more than $11 million which they now contribute to the support of these programs, without any change in their scope. The incredible fact is that this is almost twice the amount which New York now receives in total from the Federal Government as its share of these programs.

Mr. President, it is time Congress did something to implement these considerations. While I have discussed a lot of figures in my remarks, much more than a matter of dollars and cents is involved here. The problems in this field go to the very core of our democratic system. They concern the fundamental concept of our country as a union of sovereign States joined together for their common welfare but forever retaining their separate identities and responsibilities. The strength of our body politic is derived from this diffusion of power and sovereignty. It will be preserved to the extent that we curb the tendency to follow the easy example of other nations toward more and more centralized control over the fate and fortune of our citizens.

The task before us is too great to be superimposed upon any congressional committee already weighted down with the consideration of problems within its jurisdiction. Moreover, this task must be approached from an overall point of view and not from a position already oriented in favor of or against any particular interest or program. Accordingly, I propose the creation of a new Joint Committee of Congress on Federal-State Relations with jurisdiction to conduct a comprehensive study of the problems in this area and with a mandate to recommend to the Congress within a prescribed period of time a definite program for action. I will introduce a specific resolution for this purpose in the very near future. I hope that before too long we can start on the vital work which needs to be done to restore a proper balance to Federal-State economic relations.

Mr. SALTONSTALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO MONDAY

Mr. SALTONSTALL. Mr. President, in executive session, I move that the Senate adjourn in accordance with the order previously entered.

The motion was agreed to; and (at 5 o'clock and 55 minutes p.m.) the Senate, in executive session, adjourned, under the order previously entered, until Monday, June 8, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 5, 1959:

DEPARTMENT OF THE NAVY

James Henry Wakelin, Jr., of New Jersey, to be Assistant Secretary of the Navy, vice Fred A. Bantz, elevated.

IN THE REGULAR ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299. All officers are subject to physical examination required by law.

TO BE LIEUTENANT COLONEL, MEDICAL CORPS

Pope, John J., O31214.

TO BE LIEUTENANT COLONELS, DENTAL CORPS

Bascom, Perry W., O25171.
Bunnell, James B., Jr., O31074.
Burke, Allyn D., O78039.
Burnett, George W., O39499.
Campbell, John L., O38863.
Enmeier, James M., O43168.
Fisher, William T., O43171.
Frank, Ogden M., O31101.
Jordan, John E., O38859.
Kirchoff, Arnold W., O31146.
Lang, Norbert S., O31062.
Mosgrove, Richard L., O38880.
Mosley, George W., O43175.
Olsen, Edmund S., Jr., O31071.
Rudisill, John W., Jr., O31128.
Sauser, Clare W., O26444.
Shaver, Robert C., Jr., O78614.
Weeks, Rubert A., O52011.

TO BE LIEUTENANT COLONELS, VETERINARY CORPS

Allison, Aaron F., O31016.
Anslow, Ralph O., O31093.
Coburn, George C., O31025.
Fechner, Walter W., O31033.
Gould, Clinton L., O40116.
Horn, Wiley H., O31078.
Manges, Joseph D., O31055.
Robertson, Harry J., O23683.
Rubin, Harvey L., O52006.
Sunderville, Edwin J., O23335.

TO BE LIEUTENANT COLONELS, MEDICAL SERVICE CORPS

Austin, William L., O37403.
Behrens, Donald H., O37400.
Bouton, Arthur G., O31306.
Brown, Eugene T., O37398.
Chapelle, Francis O., O37399.
Dean, James W., O31300.
Evans, Murray P., O31296.
Frick, Lyman P., O43239.
Gott, William E., O37405.
Hastings, Frederick W., O31313.
Helsel, Wilford P., O37391.
Jones, Herman A., Jr., O31312.
Leivovitz, Albert, O37407.
Marsh, Edwin S., O31307.
Mastrolia, Anthony C., O43244.
Meagher, Harvey E., Jr., O31305.
Nelson, Francis C., O31314.
Noe, Herbert A., O31299.
Olson, Clarence T., O39323.
Pacey, William A., O31323.
Quackenbush, Robert O., O31317.
Richek, Herbert G., O40139.
Wagnon, Glen B., O56201.
Zachar, Martin, Jr., O37385.

TO BE MAJORS, MEDICAL CORPS

Arzola, Asdrubal, O67785.
Barila, Timothy G., O64939.
Borski, Anthony A., O65443.
Bridgeford, Otis E., O65450.
Brown, Paul W., O64946.
Daniels, John R., O65460.
Delia, Claude W., O64952.
Dimond, Francis C., Jr., O65682.
Eaves, Charles C., O65577.
Eberlin, Eugene W., O67813.
Esses, Henry A., O69916.
Ewart, James A., O65449.
Grant, Arthur E., O64960.
Hamilton, Richard D., O65681.
Hopeman, Alan R., O65455.
Hudson, Heber S., O65446.
Kellenberger, Robert E., O64962.
Kleinmann, Mortimer V., Jr., O64975.
Kovaric, John J., O69965.
Langsjoen, Per H., O64949.
McLeod, Donald G., Jr., O65445.
Metzger, Joseph F., O64940.
Mueller, Harold W., O65451.
Nitz, Robert E., O70003.
Parrish, Matthew D., O65447.
Pope, James K., O64941.
Reeve, Arnold M., O65453.
Schanzer, Stephan N., O65465.
Schwamb, Halbert H., O67954.
Shafer, James A., O65464.
Sheffler, Paul W., O65459.
Silberman, Henry K., O66099.
Silverman, Leo H., O65435.
Simmons, John R., O64972.
Stalker, Daniel E., O64959.
Stelter, Grant D., O68052.
Sulak, Michael H., O64951.
Switzer, Walter E., O65442.
Syner, James C., O65462.
Tunberg, Clarence L., O65680.
Vineyard, William R., O64954.
Wright, Lloyd T., O65457.

TO BE MAJORS, VETERINARY CORPS

Bridenstine, William A., O63225.
Carter, Leland B., O69878.
Lampru, Paul D., O84818.
Meckstroth, Leslie E., O65538.
Mehnert, Erich C., O68385.
Miller, Walter W., O65541.
Morgan, Richard B., O65540.
Nossov, Gabriel, O63223.
Ott, Bruce S., O66064.
Rothe, William E., O70031.
Vaninetti, Gus A., O65535.
Young, James B., O70071.

TO BE MAJORS, MEDICAL SERVICE CORPS

Adams, Raymond E., O79646.
Beakes, Francis C., O80283.
Cevey, Paul E., O80290.
Doran, Gerald J., O84315.
Fanning, William E., O80293.
Fellerman, Erwin K., O80294.
Gray, Irving, O58738.
Hinrichs, Herbert H., O79665.
Holtwick, Philip B., O80303.
Hooker, LaRay D., O80304.
Johnson, Andrew J., O81870.
Kammerer, William M., O79667.
Luban, Albert J., O79669.
Newman, Forest P., Jr., O80313.
O'Hern, Robert S., O79659.
Ostrom, Thomas R., O50576.
Poucher, Clyde R., O79673.
Rogers, O. B., O80322.
Rojo, Fernando S., O84833.
Ross, William E., O80324.
Shepard, Leonard G., O79660.
Tate, Robert W., O81872.
Thompson, Richard C., O84330.
Tsakonas, Charles T., O84809.
Weatherall, Richard T., O76804.
Winkler, Harry T., O80331.

TO BE MAJORS, ARMY NURSE CORPS

Connors, Amy L., N809.
Duc, Stella G., N1848.
Freese, Thelma U., N2838.
Hehn, Mary K., N2822.
Lachette, Mary C., N1707.
McCoy, Goldie M., N2520.
Piergallini, Anne R., N1937.
Witt, Rosemary, N1520.

TO BE MAJORS, ARMY MEDICAL SPECIALIST CORPS

Cook, Marion E., R10134.
Cotter, Anastatia, R10171.
Frazee, Mary E., M10107.
Hamlyn, Alvera E., M10099.
Hughes, Rosamond E., R10029.
Johnson, Frances J., M10031.
Kemske, Dorothy L., M10052.

Mahoney, Margaret E., M10017.
Rader, Marjorie A., M10068.
Strobel, Phyllis R., M10069.
Torp, Mary J., M10113.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3304. All officers are subject to physical examination required by law.

TO BE LIEUTENANT COLONELS, ARMY NURSE CORPS

Archer, Rubye W., N1634.
Ball, Katherine, N358.
Bowen, Geneva N., N1966.
Cindric, Rose H., N1983.
Clarke, Gertrude R., N2387.
Clarke, Margaret G., N745.
Colyer, Betty L., N1206.
Cully, Irene E., N614.
Dennis, Anna K., N1965.
Diekroeger, Luella E., N1861.
Duley, Clara M., N1637.
Edenfield, Ruth, N2061.
Egan, Margaret M., N2058.
Eidsaa, Alma O., N167.
Elliott, Dorothy V., N2245.
Ernst, Estelle T., N314.
Feagans, Nellie I., N1547.
Flavelle, Elizabeth L., N1696.
Fuller, Anne L., N587.
Garrard, Delzena E., N1890.
Green, Josephine M., N2400.
Greenfield, Ruth L., N873.
Hayes, Katherine E., N688.
Hollinger, Margaret A., N1962.
Houston, Emma F., N1960.
Jones, Peggy G., N363.
Jordan, Mary C., N987.
Jump, Katherine R., N341.
Laggan, Mary M., N1028.
Lewis, Luella R., N340.
Lozinak, Mary M., N2291.
Maita, Winifred Z., N2370.
Micklick, Irene E., N388.
Parker, Edna M., N271.
Patterson, Evelyn M., N339.
Perreault, Marsciene A. B., N2396.
Pfeffer, Henrietta H., N2413.
Plemon, Evonne L., N1860.
Reutenauer, Marguerite C., N206.
Rime, Mabel L., N1533.
Sandberg, Wilma K., N248.
Satterfield, Ruth P., N2168.
Saulnier, Dorothy N., N249.
Smith, Mary I., N1005.
Taylor, Ruth P., N302.
Thornton, Joyce A., N267.
Tollefson, Margaret E., N329.
Walker, Isabelle M., N148.
Werley, Harriet H., N1241.
Younger, Mary M., N288.

TO BE LIEUTENANT COLONELS, ARMY MEDICAL SPECIALIST CORPS

Davies, Elizabeth J., M10102.
Forsythe, Lois M., R10039.
Jones, Elizabeth C., M10114.
Moseman, Martha E., R10031.
Strain, Ruth G., R10070.
Winslow, Ruby Z., R10006.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, section 3284 and 3298. All officers are subject to physical examination required by law.

TO BE FIRST LIEUTENANTS

Adams, George B., O74038.
Aicken, Larry B., O74042.
Alexander, Joseph E., Jr., O79545.
Allison, Robert H., O81573.
Amerson, Hinton S., O74623.
Amos, Julian E., O74047.
Anderson, Duane F., O74624.
Andrews, Robert H., O75052.
Aschettino, Richard F., O79208.
Avera, Graham J., O79547.
Bailey, Clarence A., O78212.
Baird, Richard J., O78215.
Balint, Barry T. J., O74631.
Barrett, Jonathan R., 3d, O83636.
Barry, John W., O74633.
Bassett, Gordon C., O85290.
Bird, Max R., O74077.
Birdsong, Edward M., Jr., O74078.
Blank, James N., O81587.
Bonner, Benjamin J., 3d, O74088.
Booth, John P., 3d, O74642.
Bowden, John J., O84953.
Bower, George L., O78234.
Brister, Delano R., O74646.
Bronson, Richard M., O85129.
Brown, Charles H., O74103.
Brown, Roy A., O74104.
Bruner, Robert J., O81595.
Bruskiewicz, Glenn L., O78248.
Brylla, Charles W., O74107.
Bue, Paul A. J., O78251.
Burke, Francis J., Jr., O85132.
Burton, Donald L., O85133.
Bush, Emory W., O79560.
Cahalane, Robert E., O79561.
Campbell, Donald A., O74118.
Campbell, Joseph R., O74657.
Carucci, Raymond A., O74969.
Castle, Edward R., Jr., O74971.
Cento, Dahl J., O85307.
Chesley, Arthur P., O74128.
Clites, James E., Jr., O79566.
Cockrell, William F., Jr., O81602.
Coffee, Edwin P., Jr., O74130.
Coffman, Richard L., O74664.
Conroy, Robert E., O78265.
Cook, James H., O80221.
Cooper, Willis McL., O85143.
Correll, Ralph T., O74667.
Cox, Randall S., O74138.
Craig, Joe H., O74668.
Curran, Jan D., O74670.
Dedrick, Warren F., O81617.
Deel, Arlin, O79571.
Deetjen, Roy F., O81618.
Delandro, Donald J., O74942.
Dilyard, Rex E., O83648.
DiValentino, Leo E., O74164.
Ditman, William D., O74163.
Dowling, Donald J., O74170.
Dreeben, Lionel, O74677.
Druit, Clifford A., O74678.
Dunn, James E., O74177.
Dvorak, Philip J., O74178.
Earlix, Richard L., O84523.
Eastwood, Clifford A., Jr., O74180.
Edward, Charles A., O85158.
Ely, Sumner R., O78293.
Epperson, Thomas A., O78295.
Evans, Walter C., O81632.
Fennell, George R., Jr., O74192.
Flanagan, Carl P., Jr., O81636.
Foard, John B., 3d, O74201.
Ford, Wilbur E., Jr., O74202.
Freitas, Louis H., O83651.
Frobel, Martin C., O78310.
Gately, Michael P., O74691.
Gentry, Roy C., O74989.
Gereau, Richard N., O75059.
Gessner, Stephen C., O83654.
Giles, George E., O74213.
Gilmore, Joseph R., O74215.
Givhan, Walter H., O74217.
Glover, Richard R., O74219.
Goetz, George W., O74699.
Good, Robert E., O85172.
Greenway, John R., O84994.
Hallinan, James M., Jr., O74709.
Hatch, Vernon L., O74242.
Hatcher, Robert T., O85180.
Hawkins, Richard S., O79582.
Heckman, Richard T., O74245.
Hemminger, Girard L., O74247.
Herbert, Anthony B., O78348.
Hickerson, Arville L., O74249.
Hilmo, Orin R., O83655.
Hilton, Jimmie L., O74251.
Hinkleman, Robert S., O74252.
Hinspeter, William LeR., O74253.
Hobin, Raymond M., O85001.
Hodges, Charles E., O74254.
Hollister, Myron P., O74261.
Hosmer, William, O75066.
Houlis, Harry S., O74269.
Houston, Joseph B., Jr., O74270.
Huddle, Charles E., Jr., O74999.
Humphrey, Paul W., O79586.
Hunt, Byron W., O74275.
Irwin, James T., O74732.
Israel, Glenn A., O74283.
James, William N., O74285.
Jarrell, William J., O78466.
Jenks, George V., O81668.
Jeter, Munford S., O81670.
Johanknecht, George P., O74734.
Johnson, Gerald K., O74735.
Johnson, James M., O84923.
Johnson, Joseph M., O79588.
Kantor, George W., O78376.
Keith, Donald M., O78379.
Kelly, Edward V., O78382.
Kirk, John G., O85470.
Kitay, Peter N., O78389.
Kite, John C., O74310.
Knapper, Aubrey L., O74312.
Knipp, James D., O78391.
Kramer, Bryce R., O74314.
Krome, Alan, O74317.
Lackey, Lyman A., Jr., O74321.
Ladd, John P., O74322.
Lake, Howard K., Jr., O74323.
Larimer, Charles L., O74755.
Laughbon, Richard W., O74328.
Lehner, Scott J., O82282.
Lenderman, William R., O79596.
Lesko, Charles J., O84712.
Lockwood, Willard E., O74342.
Lofton, Marvin, O75013.
Logan, Rodney W., O74343.
Long, John E., O78405.
Losik, Robert C., O74344.
Lyons, Calvin G., O74349.
Maass, Charles G., O74350.
MacDonald, Donald L., O81691.
MacHatton, Joseph G., O78411.
Mapes, John B., O77556.
Marguccio, Robert G., O74357.
Marmor, John W., O83657.
Massey, Oran A., O74365.
May, Francis B., O83113.
May, Richard L., O84092.
McAden, Henry J., Jr., O74767.
McCreery, John L., O74373.
McCullough, James A., O74374.
McKinney, Horatio W., O74384.
Meaney, Edward J., Jr., O82287.
Merritt, Hubert D., O78432.
Milan, Richard L., O75022.
Miller, Donald L., O84225.
Miller, Spencer R., O74782.
Milliron, Joseph F., O74395.
Molinelli, Robert F., O79604.
Montgomery, Ross D., O85217.
Morrison, Kenneth L., O76444.
Mudgett, John S., O84714.
Mungovan, Robert W., O81706.
Murphy, Clifton M., O74407.
Murray, Jackson S., O74787.
Nobriga, Gordon H., O74415.
Norris, James B., O81711.
Osa, Nelson, O74426.
Owen, Thomas D., Jr., O74797.
Padgett, David H., Jr., O74430.
Parker, Murry E., O76493.
Parr, Ivan W., 3d, O83660.
Patte, Chris, O75121.
Pearlman, James T., O81715.
Perry, James R., O74804.
Pertain, George H., Jr., O74806.
Peterson, Walter R., Jr., O74808.
Pharr, Joe B., O74810.
Pickens, Homer C., Jr., O85361.
Pierce, Isaiah B., Jr., O74812.
Pinkston, William R., Jr., O74813.
Pipkin, John R., O79610.
Powers, Max L., O74448.
Price, Roger J., O74815.

Proctor, Marvin P., O79613.
Quinlan, Richard J., O74931.
Raines, Fred B., O74451.
Randolph, William M., O73517.
Reedy, Henry J., O74459.
Reese, Ronald R., O84531.
Reeves, George E., O74823.
Reichel, James E., O74824.
Rembecki, Edward X., O83662.
Reynolds, George P., O85076.
Robinson, Thonius, Jr., O74468.
Roddy, Robert E., O74470.
Russell, George G., Jr., O78486.
Sanches, Manuel L., O74483.
Scherer, George H., O79617.
Schessler, Donald R., O74488.
Schober, Frank J., Jr., O74492.
Schuler, James D., O74495.
Scott, John R., O83663.
Shuman, John N., O74843.
Smith, John D., O79620.
Snyder, Harold B., Jr., O74522.
Snyder, Ronald E., O78511.
Solley, Charles W., O74850.
Spears, Joseph MacK., Jr., O75034.
Stein, Edward J., Jr., O85265.
Stipe, John W. M., Jr., O78518.
Stockhammer, Gordon, F., O79621.
Stoddard, Timothy D., O75039.
Stone, Frank R., Jr., O74536.
Stone, Gordon L., O79622.
Storms, Robert N. Jr., O80230.
Stotser, George R., O74540.
Stringer, Paul G., O74542.
Stuart, James R., O74545.
Sullivan, Noel E., O77716.
Swift, John B., O74551.
Tengler, John A., O74867.
Thomson, Robert W., O85272.
Tieken, Richard V., O74564.
Tindall, Asa W., Jr., O81752.
Treat, Robert B., Jr., O78527.
Tucker, Andrew L., O79623.
Tyner, Robert O., O79625.
Undercoffer, John T., O78530.
Vandergrift, Kennard S., Jr., O82301.
Ventzek, Robert E., O74877.
Vetterling, John M., O74580.
Wagner, Stanley G., O83668.
Waite, Richard D., O78624.
Wakefield, Donald Y., O74583.
Ward, Jerry E., O74883.
Watke, Frederic W., O74588.
Watts, Ronald L., O74589.
Welch, Larry L., O74936.
West, Louis, O78544.
Wetherington, Bernard J., O74885.
White, Billy T., O85281.
Whitt, Lawrence H., O74888.
Wiersema, Kenneth E., O74594.
Wilder, Allen S., Jr., O83670.
Wiser, Bobbie M., O74895.
Witt, Everett L., O85286.
Wolff, John P., Jr., O84721.
Woods, Robert D., O74608.
Young, Charles De V., O74610.
Zickel, Raymond E., O74614.
Zychowski, Edward F., O79629.

TO BE FIRST LIEUTENANTS, WOMEN'S ARMY CORPS

Dee, Jean P., L521.
Halbert, Mary J., L523.
Hess, Anne M., L524.
Shelton, Ellen J., L505.
Sylvester, Suzanne E., L506.

TO BE FIRST LIEUTENANTS, MEDICAL SERVICE CORPS

Bethel, Howard D., O78161.
Brown, George L., O79558.
Bunce, George E., O78163.
Cedola, Vincent J., O78678.
Dacus, Lester H., O74149.
Darnauer, Paul F., O80341.
Gulevich, Wladimir, O79677.
Heldmyer, Harry F., O78682.
Jordan, France F., O81875.
Kinchen, Robert P., O78683.
Lupien, Earle E., O85205.
Maeder, Donald F., O81876.
Murrell, Dan S., O80348.
Neitzel, Richard F., O80349.
Peterson, Charles W., O78686.
Seeley, Sam T., O78169.

TO BE FIRST LIEUTENANTS, ARMY NURSE CORPS

Doucet, Eileen D., N2860.
La Rock, Ethel B., N2884.

The following-named person for reappointment to the active list of the Regular Army of the United States, in the grade of second lieutenant, from temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

Tonda, Ricardo D., O75841.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, sections 3294, 3291, 3311, 3285, 3286, 3287, and 3288:

TO BE MAJORS

Glenn, James C., MC, AO380482.
Kaisch, Kenneth R., MC.

TO BE CAPTAINS

Arnold, Vivian M., ANC, N792070.
Bridges, Berly E., Jr., MC, AO2091772.
Chunn, Van D., Jr., MC, O1873794.
Farrelly, Robert L., MC, O2283260.
Hale, Meredith S., MC, O1917779.
Hall, Betty J., ANC, N792332.
Harrison, Richard E., MC, O5407610.
Hooks, Doris, ANC, N777728.
Levine, Theodore, MC, O5003014.
Louis, Winifred M., AMSC, J100124.
Neale, Julia A., AMSC, R20201.
Rock, Marjorie J., ANC, N723708.
Stappenbeck, Edna F., ANC, N790864.
Tisdale, Patrick D., MC, O2273957.
Vinall, William H., DC, O4045863.
Wigdahl, Luther O., MC, O4073865.
Wilary, Lillian B., ANC, N901299.

TO BE FIRST LIEUTENANTS

Allison, Dorothy S., ANC, N901523.
Bartelloni, Peter J., MC, O2273093.
Berry, Sidney R., MC, O2295010.
Bloom, Gerald E., MC, O2295014.
Brascho, Donn J., MC, O2291442.
Chamberlain, Eugene C., Jr., MC, O2291924.
Decker, John T., MC, O2291355.
Dell, Thomas A., MC, O2291440.
DeMarco, Arnold R., MC.
Fagan, Charles J., MC, O2289928.
Fischgrund, Milton L., MC, O4038340.
Fugelso, Peter D., MC, O2289699.
Graham, John L., MC, O2295067.
Gray, John H., MC, O2289701.
Grisham, Richard S. C., MC, O1942230.
Hall, Thomas M., MC, O2289684.
Hamilton, Elizabeth J., AMSC, M3017.
Hanson, James D., MC, O2289961.
Haynes, Christine, WAC, L1010868.
Hedges, James K., MC, O2289677.
Hill, John E., Jr., MC, O2289922.
Kabat, George J., Jr., MC, O4032571.
Karshner, Paul H., MC, O2289816.
Kerr, Barbara J., ANC, N901506.
Paulsen, Carl A., MC, O4068156.
Pippin, Alton J., ANC, N901888.
Reed, William A., Jr., MC.
Reyna, Consuelo T., ANC, N792369.
Ritter, Richard R., MC, O4004943.
Schleif, Mary E., ANC, N901621.
Snyder, Lowell E., MC, O2295009.
Stewart, James L., Jr., MC, O4044295.
Stewart, Roland R., VC, O4069802.
Thomassen, Robert W., VC, O5500707.
Treasure, Robert L., MC, O2289714.
Tucker, Walter E., Jr., VC, O4043905.
Warnock, Gerald L., MC, O2295030.
Wratten, Gary P., MC, O2295025.
Wygmans, John E., MC, O2291739.

TO BE SECOND LIEUTENANTS

Clegg, George J., MSC, O4021890.
Clifford, Margaret P., WAC, L2289165.
Gierhart, Jane E., AMSC, M3077.
Matsumoto, Eleanor M., ANC, N2290031.
O'Claire, Joyce W., WAC, L2291670.
Raines, Ruth D., WAC, L1010875.
Smith, Gary T., MSC, O4051350.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

TO BE MAJORS

Boardman, Charles H., III, O393863.
Chance, Donald W., O2236534.
Cushing, John M., O1020294.
Dey, Edward H., O1169484.
Fisher, Charles M., O1546978.
Gould, Howard J., O404889.
Harris, William T., O1045570.
Holland, Earl H., O1633281.
Johnson, Glen R., O1103238.
Johnson, Ivan H., O1036211.
Keevan, Edward F., Jr., O1080383.
Kirk, Raymond L., O1555708.
Konopka, Wenceslaus F., O1109427.
Ledbetter, William R., O389559.
Pierson, Leslie E., O391152.
Radcliff, Joseph A., O1309606.
Roemmer, Joseph, Jr., O1329750.
Samborski, Henry J., O1332743.
Shepard, George, O1062289.
Trumps, Shirly R., O1293152.
Zandy, Deno J., O576797.

TO BE CAPTAINS

Adams, Arlye D., O2204130.
Angelini, Joseph, O1597980.
Barker, Irving O., O1317138.
Dalusky, George A., O964568.
Ferguson, James W., O2203315.
Fordyce, John W., O1061395.
Godwin, Harold A., Jr., O2200105.
Gray, John M., O2209645.
Hayes, Donald R., Sr., O2016407.
Henson, Virgil A., Jr., O2014633.
Hodge, Harold B., Jr., O2201540.
Jones, James W., O2204417.
Kesler, Mac P., O2026784.
Matteson, James S., O2210165.
Moore, Gilbert F., O446357.
Murphy, Henry B., Jr., O1879597.
O'Neil, John J., O1889863.
Peterson, Ralph J., O980126.
Price, James R., O550225.
Roy, Joseph E., O2020678.
Russell, Dempsey R., O2033534.
Schwartz, Jack J., O2203290.
Speights, Duris, Jr., O1341914.
Starr, Merle D., O2030534.
Stenger, John E., O1535831.
Utzman, Charles D., O1882641.
Wayman, Elden E., O1885834.
Wenneson, Richard M., O1884033.
West, William I., O50732.
Wilson, Thomas J., O1644233.
Wolfe, Gerald P., O962942.

TO BE FIRST LIEUTENANTS

Adams, Basil R., Jr., O1875706.
Bishop, John G., O4013869.
Blandeburgo, Gasper, O1878126.
Branscum, Billy R., O1940931.
Brock, Eldridge W., O4012541.
Brown, Gene L., O4083757.
Brown, James E., O4028978.
Burch, Eugene L., Jr., O2277113.
Carver, Charley A., O4025948.
Clark, Alastair S., O4032045.
Cochran, Jerry L., O1939794.
Cook, Larry L., O4009844.
Dextraze, William P., O4036666.
Dolfi, Eugene, O4006234.
Evans, Herbert C., O4000164.
Farmer, Garry H., O4018893.
Fleming, Lynne B., O4041843.
Freeze, Richard S., O4030656.
Green, Gilbert R., O4018194.
Gunn, Ernest R., O1925918.
Hance, Carl W., O4023670.
Hawk, Robert T., O2033313.

Hogan, Charles E., O4059010.
Jackson, William B., O1936122.
Jackson, William S., O1872393.
Jones, Beauford Z., O1876443.
Keipp, Martin W., O4034924.
Kelman, Manfred, O4005691.
Klora, David J., O4009486.
Lawley, Fred W., O4031325.
Lytle, James H., O1891745.
McDowell, Rowland F., O4020587.
Miller, Royce D., O4057743.
Payne, Lloyd A., O4042906.
Ralls, Randall D., O4050046.
Rungee, James L., O4042650.
Short, William L., O4050416.
Simmons, Frank J., O2205195.
Sisson, Paul S., Jr., O4005735.
Soyster, Frank L., O2265640.
Speicher, Vernon L., O4018430.
Stewart, Roger A., O4063763.
Stommel, Raymond R., O2295197.
Tokarz, Walter P., O4062724.
Tremper, Edwin O., O4037536.
Watson, Ronald J., O4002594.
Williams, Edwin H., O1881997.
Willey, Burr M., O4004349.

TO BE SECOND LIEUTENANTS

Amend, William B., O5402487.
Antaya, Michel R., O5301984.
Ashley, Charles H., O4085008.
Barkley, William A., O5201643.
Beran, Joseph J., O5400679.
Berman, Leo, O5405332.
Billey, John J., O4045444.
Biskup, Robert L., O5401618.
Bledsoe, Edward P., O5300027.
Blomstrom, Harold W., O5702341.
Bowen, Richard M., O5400465.
Bowman, Samuel S., III, O5503061.
Bradley, John W., O4065760.
Broome, James R., O4047692.
Brown, Charles S., Jr., O5401580.
Brown, Jerry R., O5401381.
Canfield, James D., O5301844.
Coates, George O., O5000047.
Coulter, Richard V., O5300917.
Crane, Kenneth C., O5300954.
Cummings, George P., Jr., O4075880.
Davenport, William H., O5502434.
Davis, Hal W., O5400565.
Decker, Gilbert F., O5204382.
Delius, Robert D., III, O5303562.
Dillon, Gregory P., O4083470.
Dimeck, Philip A., O4065934.
Fisher, Edward S., O2272669.
Frattini, Joseph J., O4065295.
Fulton, Lawrence P., Jr., O4071674.
Gaebel, John L., O5502717.
Geiger, Peter H., O5700556.
Ginex, Thomas D., O5405242.
Gleeson, William J., O4064815.
Glynn, William T., O4085850.
Greer, Robert B., O4025806.
Groves, John E., Jr., O4047751.
Guinn, Ollie R., O5702495.
Gumbs, Selvin F., Jr., O4036539.
Hardy, John D., O5206641.
Harwell, James S., A4033681.
Hehemann, George J., O4075231.
Heidecker, Duane E., O4060095.
Hering, Carroll H., O4048743.
Hess, Carl E., O4052586.
Hicks, David L., O5402471.
Hilton, Thomas G., O5303638.
Holcomb, Samuel A., O5400088.
Holmes, Kenneth E., O4063776.
Hood, George E., O4075815.
Hoyle, Robert W., O4085423.
Jenrette, Nathan P., III, O5300541.
Johnston, Robert P., O4030596.
Jones, Eddie H., O5401177.
Jones, Robert P., O5304601.
Keim, Carl D., O5200974.
Kester, William R., O4062140.
Kilpatrick, William A., O4071245.
King, James H., Jr., O5201885.
Klein, Alvin A., O5501031.
Koehnke, Joseph A., O4074833.
Komer, James E., O5204564.
Kramer, Walter B., Jr., O5405223.
Kraus, John H., O4049150.
Kuehn, Karl P., O5401125.
LaGrassa, Joseph E., O5203421.
Lax, Robert E., O5300546.
Lester, Donald P., O5403350.
Litwiller, Gavin D., O5504625.
Lockwood, Edward D., O5002049.
Love, Richard M., O5205669.
Lynn, Ira I., O5304359.
Manning, Norman G., O4063155.
Matsuo, Herbert T., O4078081.
Mays, Luama W., O4063781.
Meadows, James S., O5405081.
Moffitt, Robert B., O5303351.
Morris, Alva J., O5300750.
Muirhead, Thomas H., O5206621.
Mullen, David A., O4052732.
Mulvey, Richard F., O5002380.
Munn, Jack E., O5300565.
Musil, Louis F., O5303687.
Myers, Read E., O4010172.
Oneillion, Willard M., Jr., O4071669.
Parker, Jerry S., O4071412.
Parker, Raymond L., O5401638.
Parker, Travis W., O4042931.
Pearson, John L., O5507066.
Pease, James W., O5300418.
Peeps, Richard D. J., O5205163.
Piasta, Richard L., O5504931.
Pollenz, Richard S., O5502092.
Poole, Keith L., O5507067.
Prentice, Charles C., O5001108.
Proulx, Clovis B., O4064441.
Puttkammer, Paul D., O4057310.
Raynes, Troyce L., O4071190.
Rehusch, Kenneth S., O5502362.
Reinen, Robert H., O5205176.
Renshaw, David A., O5204590.
Sanders, Walter M., O4069479.
Selby, Robert W., O5507548.
Sharp, Percy A., III, O5411175.
Shellabarger, Harold L., O4061980.
Sprague, James D., O4072020.
Starr, Luther J., Jr., O5400847.
Steakley, David L., O5303914.
Steel, Richard E., O4048827.
Tait, Thomas H., O4036083.
Tamer, Robert S., O2293137.
Thompson, Robert A., O5303537.
Thompson, Ross E. G., Jr., O4083671.
Thovson, Paul W., O5503518.
Tomaka, Karl S., O4064625.
Torretto, Richard J., O5405273.
Trombley, Joseph E., O4085546.
Vaughn, Valentine W., O5401503.
Victorson, William S., O5202182.
Welch, Charles W., O1893374.
Williams, Durward R., O5304745.
Williams, Glen W., O5200162.
Williams, Ross S., O1940640.
Wolfe, Rodney D., O5506213.
Wynd, William R., O4049651.
Yancey, Thomas E., O5400122.

The following-named distinguished military students for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

Cohen, Meyer W.
Paul, C. Peter
Sides, John P., Jr.
Yeatts, Frederick L.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

Acuff, Joseph D.
Alton, Howard W., Jr.
Arch, Walter J.
Arcuri, Francis W.
Baker, Larry A.
Barr, Grady W.
Beal, William R., Jr.
Behannon, Hollis P.
Berg, Dwayne P.
Bergeron, Gary P.
Blickenstaff, Lynn A.
Brown, George N., Jr.
Buff, Max L.
Castell, William T.
Chamberlin, Paul D.
Christy, William C., Jr.
Cowden, Ronald R.
Cox, David C.
Cox, Joe B.
Crawford, Vernon L.
Cromwell, George E., Jr.
Cunningham, Patrick J.
Daly, William F., Jr.
Doubrava, Roy G.
Duckworth, Charles H.
Emery, James S.
Estes, Glen A.
Fortney, Kenneth R., Jr.
Gilbertson, Clarence L.
Glidden, Richard C.
Godwin, Roger D.
Gorham, Frederick A., IV
Gunn, Lloyd R., Jr.
Hammons, James O.
Hanzel, Richard D.
Herrington, James R.
Hurteau, Joseph C.
Jones, Manley W., Jr.
Krause, Donald W.
Kuncl, Pat Y.
Leitz, Franklin W.
Lindberg, Robert J.
Markham, John F.
Mayhew, Jerald A.
McKisson, Raymond C.
McLeod, Norman F.
Merrill, William B., III
Messer, Charles R.
Miller, Joseph, Jr.
Morgan, Harold D.
Moulton, William E., Jr.
Nickelson, Richard L.
Page, Wayne J.
Parks, James D., Jr.
Pastella, Donald R.
Plain, Ray S.
Pool, Robert C.
Pope, John L.
Rask, Richard H.
Reid, Roger R.
Rousseau, Alfred W., Jr.
Samilton, Lawrence B., Jr.
Schrader, Melvin A.
Sears, Perry M.
Shilling, Jack C.
Sommers, Robert A.
Spanjers, Leonard J.
Speck, Gerald E.
Speer, Richard L.
Spratt, David M.
Springer, Anthony T.
St. Amant, Joseph F.
Steele, James H., Jr.
Stritter, Frank T.
Tatge, Edward S.
Taylor, James R.
Taylor, Robert P.
Thompson, Neil H.
Traver, Donald J.
Turner, George J.
Walker, James M.
Weaver, Charles R.
Williamson, John D.
Wilson, James R.
Wilson, John J.
Wood, Merrill F.
Worthington, Wayne L.

IN THE REGULAR AIR FORCE

The following-named officers for promotion in the Regular Air Force under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

MAJOR TO LIEUTENANT COLONEL

Line of the Air Force

Adams, Charley J., 10281A.
Adams, Lawrence A., Jr., 8935A.
Agostinho, Robert J., 10204A.
Anderson, Clarence E., Jr., 9725A.
Anderson, John M., Jr., 6514A.
Anderson, Joseph W., Jr., 9734A.
Anderson, Louis J., 9742A.
Anderson, Millard O., 10185A.
Anderson, Richard C., 32878A.
Andrews, George H., 10014A.
Arcularius, Harry R., 32863A.
Armstrong, John F., 9925A.
Ashby, William K., 32871A.
Ashton, Alfred J., Jr., 14661A.
Askounis, Gust, 32890A.
Aszman, Burton H., 7342A.
Atkinson, Paul G., Jr., 10115A.
Avery, James B., 10050A.
Babb, Harold T., 6242A.
Bachman, Lawrence F., 6896A.
Bachtell, Robert C., 9391A.
Baer, John W., 9820A.
Bainer, John W., 6313A.
Ball, Frank P., 10164A.
Balliet, William E., 9683A.
Barger, David H., 9851A.
Barnes, Richard W., 9905A.
Barrow, David C., 9751A.
Barry, Billie J., 10001A.
Barton, John R., 7450A.
Barton, Richard E., 9910A.
Bashant, Norman W., 10256A.
Bass, Thomas E., 10060A.
Bates, Elbridge C., 9741A.
Bauer, Maurice H., 7534A.

Beck, Charles J., 10219A.
Beckett, Thomas A., 10175A.
Beckett, Walter R., Jr., 10161A.
Beerli, Stanley W., 9875A.
Beeson, Thomas H., 9767A.
Behn, Milton A., 9766A.
Behnke, William C., 10216A.
Bell, Homer C., Jr., 9652A.
Benbow, John W., 13369A.
Benner, Stephen O., 9775A.
Bennett, John M., 9926A.
Benson, Morrie, 11318A.
Bentley, Delwin D., 8528A.
Beresford, Harry E., Jr., 7041A.
Berg, William W., 9961A.
Berger, Raymond J., 8392A.
Berry, Kearie L., Jr., 9833A.
Berry, Lon B., 6960A.
Bestervelt, Harold J., 9785A.
Bevan, Wendell L., Jr., 9780A.
Beveridge, McFate E., 32857A.
Bickerstaff, Burt M., 9867A.
Birbeck, Richard W., 6655A.
Bishop, Cleo M., 9777A.
Bishop, Edward L., 10047A.
Black, Lee C., 9866A.
Blakeslee, Donald J. M., 9362A.
Blank, Jonas L., 10119A.
Blehm, Harold E., 7566A.
Boedeker, Charles W., 7418A.
Bogan, John W., 10027A.
Bondhus, John O., Jr., 6411A.
Boone, Lewis P., Jr., 6524A.
Booth, Joseph L., 10231A.
Booth, Lionel R., 10235A.
Borellis, William F., 9871A.
Boreske, Andrew, Jr., 10121A.
Bossardet, Charles W., 9612A.
Bowden, Theodore W., 7467A.
Bowers, William H., 9874A.
Bowley, Albert J., 10101A.
Bowlin, Roy L., Jr., 9806A.
Bowman, George A., Jr., 9923A.
Bozarth, Theodore W., 9994A.
Bracy, Carroll H., 6741A.
Bradford, James W., 10082A.
Brady, William D., 9822A.
Brannon, Cullen A., Jr., 10146A.
Brazier, Harold W., 9932A.
Brendle, George R., 9946A.
Brennan, Gerald W., 10206A.
Brennan, John J., Jr., 32869A.
Brewer, Lonnie C., 9940A.
Brewster, John H., 9113A.
Brierty, William P., 10135A.
Broach, Richard H., 9797A.
Brooks, Charles L., 9886A.
Brooks, Leo C., 10155A.
Brooks, William K., 10240A.
Brothers, James T., 10045A.
Brown, John H., Jr., 7433A.
Brown, Marshall C., Jr., 32911A.
Brown, Ned H., 10293A.
Brown, Robert D., 10061A.
Brown, Thomas H., 10178A.
Brownell, Gerald S., 6808A.
Brubaker, Thomas F., 10024A.
Bryan, William E., Jr., 9888A.
Bucher, Oliver B., Jr., 10139A.
Buckley, William A., 7998A.
Buckner, John H., 9753A.
Burcky, Claude N., 32895A.
Burdett, Edward B., 10188A.
Burget, Carl E., 13393A.
Burnor, Richard H., 9541A.
Burson, Thomas L., 8773A.
Bush, William K., 6588A.
Bussey, Donald G., 9010A.
Butcher, Chester J., 9846A.
Butcher, William A., Jr., 7035A.
Butler, Clifton L., Jr., 9799A.
Butler, Henry F., 7008A.
Byrd, Bacchus B., Jr., 6949A.
Cabell, John K., 6555A.
Cabral, William M., 6692A.
Cadger, Edward J., 9492A.
Caldcleugh, Clarence M., 10319A.
Cammack, Vernon K., 10070A.
Camp, Clyde H., Jr., 9982A
Cantor, Al, 10257A.
Carey, Max R., 32893A.
Carruth, Francis S., 7341A.
Carson, Charles W., Jr., 10113A.
Carter, Charles R., 9748A.
Carter, Clifford G., 8159A.
Carter, John D., 8580A.
Carwell, Ivan L., 6368A.
Caselli, James L., 32891A.
Cassady, Robert E., 9145A.
Cassiday, Benjamin B., Jr., 10133A.
Catledge, Richard C., 9951A.
Champion, Patrick D., 10296A.
Chandler, John S., Jr., 10102A.
Chapman, Benjamin F., 7402A.
Cherbak, Victor A., Jr., 9857A.
Chessington, James B., Jr., 7002A.
Childs, Marvin E., 10191A.
Christensen, William R., 6545A.
Clark, Robert H., 10154A.
Cobb, James B., 9769A.
Cobb, Melvin B., 7966A.
Coburn, Blaine K., 6447A.
Coffield, Peter L., 9150A.
Coke, John D., 9711A.
Cole, Heston C., 10197A.
Colgan, William B., 9973A.
Collett, Charles E., 9902A.
Collins, Thomas E., Jr., 9904A.
Comstock, Harold E., 9104A.
Conard, Dean D., 32882A.
Conley, Bruce R., 10292A.
Conn, John F., 10226A.
Connell, James S., 9922A.
Connor, Edward H., 3d, 10157A.
Coogan, Francis R., 48713A.
Cook, Harry D., 10010A.
Cook, William J., 9842A.
Cooke, Sherman C., 6990A.
Coonan, Daniel J., Jr., 8247A.
Cooper, James H., 7004A.
Coriell, Eugene F., 33988A.
Cormany, William F., 9714A.
Costello, Edward M., 9764A.
Cotton, Joseph F., 10232A.
Couch, Paul F., 10227A.
Coursey, Richard R., Jr., 10118A.
Courtney, John J., Jr., 9790A.
Couts, Richard L., 8305A.
Cox, Eugene W., 7803A.
Craddock, Reynold C., 9328A.
Cragg, Ernest T., 10152A.
Crahen, Eugene J., 9954A.
Crandall, Thomas O., 7460A.
Crawford, Ben, 10028A.
Crawford, William A., 10005A.
Crick, James M., Jr., 9730A.
Criss, George W., Jr., 9814A.
Crocker, Gage H., 10091A.
Crutchfield, Wilfred B., 9941A.
Cummings, Earl W., 9299A.
Cummings, Louis H., 9749A.
Cutler, Edward W., 10189A.
Cutler, John M., 9848A.
Dale, Hugh W., 9966A.
Damico, Robert H., 9733A.
Daughtrey, Buddy R., 9984A.
Davenport, Ellie E., 10238A.
Davis, Green R., Jr., 7525A.
Davis, Harvey M., 7642A.
Davis, Jack T., 10142A.
Davis, Jesse C., 6492A.
Davis, John J., 9712A.
Daye, John F., Jr., 9824A.
Decker, Lynne E., 9720A.
Delanoy, Charles W., 10277A.
Della, Andrew, 6321A.
Demelik, Andrew A., 6964A.
Dennis, Charles G., 6515A.
Denton, John H., 6433A.
Denton, Velpeau C., 32872A.
Dettre, Rexford H., Jr., 9768A.
Detwiler, Donald A., 10130A.
Devereaux, John M., 32876A.
Doersch, George A., 9972A.
Dolby, William F., 9856A.
Dolk, Carl E., 9882A.
Donohue, Timothy W., 7995A.
Dorff, Richard W., 9863A.
Dougherty, Russell E., 9985A.
Douma, Cyril R., 6910A.
Douthwaite, William T., Jr., 10058A.
Doyle, James L., 9813A.
Dudley, William B., 10176A.
Duin, Robert, 10035A.
Duke, William F., 6521A.
Duncan, Edward K., 7236A.
Dunphy, Earl F., 9878A.
Durner, Dwight E., 9881A.
Dyser, Francis E., 9967A.
Eades, William B., Jr., 12195A.
Eads, Edwin M., 51696A.
Easters, Robert D., 10043A.
Ebert, Rembert A., 9917A.
Edwards, Edmund B., 9787A.
Eichner, Leonard, 19776A.
Eickemeyer, Karl F., 9872A.
Elam, Rhodes M., 10207A.
Elliott, Gober O., 32874A.
Ellis, Frank T., 9823A.
Engels, Anthony M., 7033A.
Erspamer, Curtis R., 10285A.
Evans, John A., 10214A.
Evdokimoff, Dmitri, 9896A.
Eyres, William G., 6390A.
Farrell, Frank J., 9988A.
Farrell, John E., 2d, 10288A.
Fava, James A., 7981A.
Feallock, William J., 2d, 6358A.
Ferrell, James P., 32896A.
Fetters, Rolland F., 9916A.
Filley, Oliver D., Jr., 9933A.
Finan, George K., 7146A.
Fishburn, James B., 7201A.
Fishel, Robert R., 9757A.
Fisher, Jack C., Jr., 9129A.
Fisher, Lowell B., 9762A.
Fitzgerald, Raymond L., 10236A.
Fletcher, John F., 32862A.
Floyd, Percy M., Jr., 10326A.
Flynn, Charles J., Jr., 9945A.
Folts, John L., 7387A.
Foote, Edward P., 9798A.
Ford, Ross C., 9969A.
Ford, Wilson, 6878A.
Forster, Bernard F., 9737A.
Forster, Joseph M., 10213A.
Fortner, John W., 10301A.
Foulk, Tom B., Jr., 10183A.
Founds, Joseph W., 7873A.
Frakes, James F., 9821A.
Frankosky, James O., 9758A.
Freed, Lyle C., 10322A.
Frink, Horace E., Jr., 9713A.
Fry, Howard J., 9908A.
Fry, Robert M., 10241A.
Fulcher, Kenneth M., 9937A.
Gaffney, George P., 6301A.
Gallienne, Winfred H., 32873A.
Gamage, Leonard A., 6888A.
Gant, Eugene M., Jr., 48711A.
Garland, William J., 6872A.
Garner, Merritt G., 9928A.
Garrett, Leslie F., 6725A.
Garvin, Earl J., 9181A.
Garvin, Loyd C., 10210A.
Gaylord, Donald A., 10003A.
Gaylord, Maurice B., 6299A.
Gazzaniga, Louis A., 10064A.
Gelwix, Joe M., 10051A.
Gerhart, Quinter P., 7189A.
Ghourdjian, Kevork, 32909A.
Gibbons, John P., 10084A.
Gibbons, William L., 10085A.
Giffin, Charles W., Jr., 8854A.
Gilbert, John H., Jr., 6463A.
Gilchrist, William T., 9890A.
Gilkerson, Harold R., 10265A.
Gillmore, Lawrence J., 9859A.
Glover, Donald S., 8547A.
Gold, Morton J., 20034A.
Goodrich, Earle A., 7837A.
Gordon, Anyan A., 10290A.
Gordon, Benjamin, 10320A.
Gorman, John J., 9801A.

Goss, Quentin J., 9776A.
Gourley, Theodore J., 10208A.
Gradwell, Burgess, 10203A.
Graham, Charles S., 6642A.
Gray, Lewis H., 10018A.
Gray, Richard L., 32877A.
Gray, William L., 32865A.
Greensides, Lawrence A., 8606A.
Gresham, Walter V., Jr., 9738A.
Griffin, Donald E., 9838A.
Gulino, Vasco E., 9930A.
Guthrie, Donald B., 51697A.
Guzak, Francis W., 9870A.
Hackler, James F., Jr., 9839A.
Hagen, Alfred D., 10159A.
Haist, Glade F., 6333A.
Hale, Frederick N., Jr., 9727A.
Hallenbeck, Ralph J., 10170A.
Halsey, Fryer P., 6772A.
Hambleton, Bertram L., Jr., 9865A.
Hamel, Albert G., 9877A.
Hamilton, George G., 10328A.
Hamilton, Joseph C., Jr., 8273A.
Hamilton, Joseph L., 9770A.
Hamilton, William M., 9924A.
Hamlyn, Raymond E., 9956A.
Hansinger, Michael J., 9561A.
Hargrove, Clifford W., 10038A.
Harlow, Harold F., 9989A.
Harrington, Robert E., 9818A.
Harris, Bert S., 9938A.
Harris, Teague G., Jr., 10150A.
Harris, William F., 10049A.
Harrold, Frank J., Jr., 10107A.
Harvey, Luther R., 10325A.
Hayden, James H., 9235A.
Haynie, Frank M., 10221A.
Hearn, James A., 9979A.
Hehn, Earl L., Jr., 9778A.
Heller, Edwin L., 9900A.
Hellriegel, William C., 8643A.
Hemsley, Richard T., 3d, 10094A.
Henry, John G., 9903A.
Herbert, John J., Jr., 10000A.
Herman, Boyd, F., 8422A.
Herrington, Russel M., Jr., 9791A.
Hertel, Edward J., 10173A.
Hickey, John J., 10220A.
Higgins, Donald H., Jr., 9868A.
Hoewing, Ralph C., 7198A.
Hoffman, Robert W., 10126A.
Hogan, Henry L., 3d, 10151A.
Holbury, Robert J., 9893A.
Holderness, Arthur W., Jr., 10095A.
Holub, Richard C. A., 10022A.
Horlick, Walter I., 23180A.
Hoss, Robert J., 32860A.
Hough, Luther W., Jr., 10193A.
Hovatter, Elbert T., 9876A.
Hovde, William J., 9836A.
Howell, Sylvanus T., Jr., 9911A.
Hoyt, Robert F., 10006A.
Huau, Joseph H., Jr., 10140A.
Hudson, Jere H., 9983A.
Hudson, John B., 10174A.
Hudson, Ulin L., 10120A.
Hughes, John D., 10168A.
Huguley, Edward A., 10313A.
Huil, Robert R., 8003A.
Hunner, Paul C., 8350A.
Hunt, Marvin L., 7951A.
Huntley, James C., 9854A.
Hurley, Paul J., 10186A.
Hurr, Arthur P., 9850A.
Husztek, William S., 6561A.
Hutchens, David D., 9895A.
Hutcheson, George W., Jr., 10212A.
Hynes, Richard J., 9795A.
Ireland, Clare T., Jr., 10123A.
Irons, Stanley W., 9717A.
Irwin, Robert B., 7474A.
Isbell, Thomas W., Jr., 11956A.
Jack, William A., 10074A.
Jackson, Arthur V., 9817A.
Jacobsen, William L., 9889A.
Jamison, Eldon M., 9885A.
Jarvie, William J., 7688A.
Jens, Henry P., 10205A.
John, Ernest F., 10075A.
Johnson, Joseph G., Jr., 9744A.
Johnson, Merle, 9962A.
Johnson, Ralph A., 9862A.
Johnston, James E., 6827A.
Jolly, Hoyt A., Jr., 7180A.
Jones, David C., 9887A.
Jones, Grafton K., 6931A.
Jones, Oliver K., 32914A.
Jones, Oval W., 9379A.
Jordan, Hugh F., 9840A.
Kahley, William F., 32897A.
Kane, Francis X., 9774A.
Kane, Raymond J., Jr., 8845A.
Keating, Philip J., 9897A.
Keck, James M., 10122A.
Keefer, Norman J., 10198A.
Keith, Benjamin M., Jr., 10276A.
Kelley, Charles A., 13989A.
Kelley, Edward G., 9716A.
Kelly, Benjamin F., 32903A.
Kelly, Thomas C., 7411A.
Kendig, Robert L., 10291A.
Kennedy, Elmore M., Jr., 6634A.
Kenney, Paul H., 9728A.
Kenney, William R., 14428A.
Kerig, John A., Jr., 9786A.
Kilness, Kenneth F., 10255A.
Kilpatrick, William J., Jr., 10108A.
King, Charles W., 32898A.
King, William G., Jr., 8356A.
Kinney, George R., 9844A.
Kirby, Burton M., 9964A.
Kirby, Frank E., 10330A.
Klose, Benjamin B., 32887A.
Knapp, Robert H., 9465A.
Knauber, Leo V. M., 10312A.
Knisely, James W., 10267A.
Knox, Glen E., 9365A.
Koger, Harlis R., 6393A.
Kolody, Walter J., 9596A.
Kommers, William W., 6414A.
Krafka, Edward, 6783A.
Kraft, Eugene J., 6490A.
Kraus, James C., 9927A.
Kreps, Conrad, 10269A.
Kullman, John R., 10171A.
Kunde, Clinton M., 10311A.
Kyle, William D., Jr., 9845A.
Ladner, Pat H., 10329A.
Lamb, Hal W., 9344A.
Laroche, John J., 32866A.
Larson, James R., 10026A.
Latson, Harvey H., Jr., 10110A.
Lawley, William R., Jr., 10029A.
Lawrence, Preston H., 9987A.
Lawson, Harold B., 32875A.
Leclair, Charles A., 32868A.
Lee, John W., 32883A.
Lenfest, Charles W., 9760A.
Lewis, Leo C., 9914A.
Lilley, Earl A., 10228A.
Lilliedoll, Jarrold D., 9948A.
Lindell, Keith G., 9754A.
Little, Edwin L., 9977A.
Longacre, Earl, Jr., 32894A.
Love, Thomas M., 10129A.
Lovell, Carl E., 10237A.
Lovett, John R., 9849A.
Lowe, Jessup D., 9807A.
Lozito, Vincent J., 10012A.
Lucas, Lee R., 10071A.
Lucas, Noel A., 6370A.
Lundin, Robert L., 10217A.
Lundquist, Gilmore J. P., 32858A.
Lusby, Perry M., 9901A.
Lynch, David M., 32870A.
MacDonald, William R., 10019A.
Machemer, Carl C., 10251A.
MacNeill, Edward H., 9997A.
Madison, Gayle E., 10153A.
Madsen, Frank M., Jr., 9991A.
Magee, William F., 10239A.
Magrill, Arthur E., 6416A.
Mahone, John R., 9943A.
Malmgren, Victor P., 10263A.
Maloney, Robert S., Jr., 9771A.
Maloney, William R., 9708A.
Manship, Joseph, 10309A.
Markham, Peter J., 32864A.
Markham, Theon E., 9180A.
Markley, William C., Jr., 9993A.
Marks, Robert J., 6927A.
Marshall, Winton W., 9999A.
Martin, Cecil S., 10223A.
Martin, Maurice L., 10158A.
Martin, Sherman F., 9963A.
Martin, Stanley E., 6413A.
Martin, Thomas E., 7142A.
Mason, William H., 10030A.
Masters, Elmer L., 9880A.
Matelski, Erwin F., 32915A.
Mathison, Charles G., 10218A.
May, Britt S., 9843A.
Mazur, Henry J., 9825A.
McBride, William V., 10077A.
McCabe, Thomas E., 10195A.
McCall, David D., 32886A.
McCarthy, Frank J., 32861A.
McCarthy, Michael C., 9721A.
McClain, Howard P., 9892A.
McCloskey, Richard C., 9419A.
McCormack, Lemuel H., Jr., 9978A.
McCraw, Ruth, 21268W.
McCulloch, Robert C., 9860A.
McDonald, Joseph B., 32902A.
McDonald, Paul R., 10280A.
McElhone, James T., 7712A.
McEvoy, Edwin W., 6506A.
McFall, Dana F., Jr., 9959A.
McGarity, William V., 10017A.
McGee, Donald C., 8108A.
McGonnell, Owen J., 10088A.
McGough, Edward A., 3d, 9819A.
McIlhaney, Sam F., 10264A.
McKenny, Donald C., 10268A.
McLean, Edward R., 9884A.
McLean, Lawrence S., 10304A.
McNamara, James F., 7167A.
McNelly, Fred W., 6241A.
Meadville, Harry W., 9710A.
Mendelsohn, Irving P., 6224A.
Mennell, Robert C., 10066A.
Meppen, Robert C., 32879A.
Mestemaker, Joseph E., 10081A.
Metz, Robert C., 6769A.
Middlebrook, Paul L., 6552A.
Miles, Charles C., 6450A.
Miller, Burdsall D., 9745A.
Miller, George L., 7494A.
Miller, Jesse M., 9739A.
Miller, Robert, 10073A.
Miller, Roger H., 14421A.
Miller, Thomas B., 10036A.
Miller, Vaughan, Jr., 9899A.
Millin, John A., Jr., 8722A.
Millson, Edwin H., 10211A.
Milowski, Walter J., 9111A.
Mlotkowski, Henry P., 10973A.
Moler, John E., 10011A.
Monroe, Thomas G., Jr., 10229A.
Monsell, Charles F., 6706A.
Moore, Clifford J., Jr., 9794A.
Moore, George B., 9968A.
Moore, William C., 10125A.
Morrison, Bruce L., 8672A.
Morse, Raymond J., 32859A.
Mortensen, Fred N., 10233A.
Moxon, George W., 32913A.
Mulcahy, Donald M., 9934A.
Muldrow, Robert, 9788A.
Muller, James L., 7774A.
Mullis, Roy W., 7687A.
Munch, Christopher H., 10117A.
Murphy, Benjamin S., 9421A.
Murrah, Idas T., 6979A.
Murray, David H., 7700A.
Murray, Francis P., 21437A.
Murray, Norman L., 6513A.
Mustain, Ivan F., 9942A.
Myers, Joseph R., 9992A.
Nacy, William P., 9436A.
Nesselbush, Louis K., 10131A.
Neuer, John J., 10100A.
Newbury, Edward S. E., 8144A.
Newsum, Fitzroy, 32867A.

Nicholson, William S., 10279A.
Noble, Daniel J., 10332A.
Noel Frederick J., Jr., 32906A.
Noonan, Stephen F., 6380A.
Noriega, Virgil, 7507A.
Norley, Louis H., 9974A.
Norton, William J., 10008A.
Nunn, John W., 8245A.
Nuthall, Alfred J., 6939A.
O'Brien, Gilbert M., 10331A.
O'Connell, John F., 9747A.
O'Connor, Edmund F., 10200A.
O'Day, Helen E., 21261A.
Odren, Harry M., 8492A.
Ogletree, Robert C., Jr., 9981A.
Oholendt, Gene F., 10057A.
Olds, Robin, 10128A.
Olmstead, Earl O., Jr., 10141A.
O'Reagan, John P., 9912A.
Osborne, Earle L., 9715A.
Oswald, Norbert J., 10149A.
Overbey, George D., 10230A.
Park, Lionel O., 10286A.
Parker, Dan M., 9779A.
Parks, Merton L., 32880A.
Parris, Harry N., 9487A.
Paulsen, Daniel H., 8823A.
Paulson, Myhre E., 8319A.
Paxton, Heyward A., Jr., 9980A.
Pearson, Harvey A., 6969A.
Pengue, Marcy L., 6713A.
Perron, Gregory H., 9970A.
Perry, Joseph H., 10004A.
Peters, Charles K., 10068A.
Pezda, Edwin F., 8888A.
Piatnitza, Michael J., 32912A.
Pitts, William F., 9796A.
Pitts, Younger A., Jr., 9805A.
Pletcher, Gaylord L., 9378A.
Poore, Green B., 9508A.
Porter, George W., 9793A.
Portrum, Peter, 19778A.
Potter, Waldo F., 10165A.
Poulson, Ernest L., 9952A.
Powell, Charles E., 32904A.
Powell, Ellsworth A., 32907A.
Prather, Philip B., 10037A.
Pratt, Jean G., 7151A.
Pratt, Odgen N., 6359A.
Pratt, William C., 9722A.
Proudlove, Lloyd E., 9735A.
Pryor, Roger C., 32892A.
Puskar, Steven, Jr., 10015A.
Ramsey, J. W., 10092A.
Randall, Robert D. M., 10181A.
Rankin, Robert J., 9996A.
Rawlings, John W., Jr., 10172A.
Raymond, William H., Jr., 6476A.
Reed, Lawrence B., 32910A.
Renaud, Louis C., 9213A.
Rhodarmer, Roger K., 9921A.
Richard, Anthony H., Jr., 10202A.
Ridgell, James M., Jr., 6319A.
Riepe, Quenten A., 9883A.
Riley, Lewis R., 7537A.
Robbs, Charles E., 8928A.
Roberts, Joe E., 6499A.
Robertson, Lawrence R., 9367A.
Robinson, John W., 8415A.
Rogers, Felix M., 10067A.
Rogers, Robert C., 10284A.
Romaine, Owen W., 6614A.
Root, George R., 6326A.
Rose, Howard C., 10016A.
Rosenthal, Herbert, 7484A.
Rosness, Joseph H., 10192A.
Ross, Amos H., Jr., 10023A.
Rowland, Dwight R., 20023A.
Rule, Richard I., 10087A.
Rundell, Francis E., 2d, 10114A.
Russell, Leroy G., 10127A.
Ryan, William G., 9555A.
Sagert, Stanley A., 10065A.
Salter, Richard D., 7536A.
Sanctuary, Robert H., 10031A.
Sansone, Philip, 9936A.
Sargent, Hubert E., Jr., 9746A.
Sarte, Victor J., 6214A.
Savage, Cary L., 9913A.
Schaefer, Chris J. H., Jr., 10056A.
Schaffer, Louis, 10078A.
Schamber, Stanley Q., 32899A.
Schenk, Norbert R., 6950A.
Schilke, James F., 9986A.
Schlosberg, Richard T., Jr., 9816A.
Schlukbier, Alvin G., 6909A.
Schmidt, Herman J., 8962A.
Schmoldt, Harold D. L., 7697A.
Schutten, Bernard J., Jr., 9995A.
Schwartz, David G., 10194A.
Schwengels, Forrest V., 6485A.
Scott, George E., 8820A.
Scott, Travis M., 6352A.
Scott, William F., 10179A.
Searles, Dewitt R., 9907A.
Seiler, James R., 8429A.
Seith, Louis T., 9756A.
Sewell, Virgil R., 10083A.
Shadell, Kenneth L., 7959A.
Shaefer, Richard F., 10096A.
Shambeck, Clarence H., 9949A.
Shea, Daniel F., 10143A.
Sheley, Edward L., Jr., 9752A.
Sherrill, Stephen H., Jr., 10196A.
Shiely, Albert R., Jr., 10106A.
Shirk, Harley O., 6556A.
Shockley, Thomas L., 10002A.
Shomo, William A., 8509A.
Shook, Carmel M., 10063A.
Shotwell, William B., 6915A.
Showalter, Roy R., Jr., 9976A.
Silvester, Lindsey M., 10156A.
Simmons, William B., 8966A.
Skeldon, Joseph L., 32881A.
Slusher, John T., 9614A.
Smith, Charles C., 9354A.
Smith, Earl O., Jr., 8607A.
Smith, Francis H., 32908A.
Smith, Harold V., 10295A.
Smith, Kenneth B., 10112A.
Smith, Lowell B., 10103A.
Smith, Ralph L., 10089A.
Smith, Richard E., 6998A.
Smith, Russell J., 9811A.
Smith, William K., 6895A.
Smith, William K., 8002A.
Snavely, William W., 10177A.
Snodgrass, James P., 10318A.
Snyder, Wayne K., 9898A.
Sorrell, Larue S., 6958A.
Souleyret, Kenneth, 10009A.
Sours, Robert J., 9179A.
Spieth, Charles, Jr., 10199A.
Spitler, Lee W., 10052A.
Stafford, Gordon H., 6454A.
Stein, Frederick P., 9500A.
Steinle, Paul L., 10169A.
Stevens, Charles J., 32884A.
Stevenson, John T., 9448A.
Stevenson, Robert J., 7209A.
Stewart, James P., 32885A.
Stewart, Raymond R., 10314A.
Stewart, Tom B., 7854A.
Stewart, William R., Jr., 9835A.
Stoddard, Richard W., 10138A.
Stokely, Joe E., 6396A.
Strang, Charles F., 9935A.
Stuart, Joseph A., Jr., 9828A.
Sturdevant, Donald E., 10093A.
Suehr, Richard C., 7886A.
Suggs, John J., 6570A.
Sullivan, Roy M., Jr., 13942A.
Sullivan, William C., 10079A.
Summers, Clifford L., 48709A.
Swan, Clinton D., 10224A.
Swan, Frederic F., 10271A.
Swanson, Darwin E., 7496A.
Sweat, Dale S., 10190A.
Sykes, George K., 9763A.
Talbott, Carlos M., 9853A.
Taliaferro, Walter R., 9792A.
Tapscott, Wilbur A., 10076A.
Tarbutton, Paul R., 48712A.
Taylor, Charles M., 6551A.
Taylor, Emery D., 10033A.
Taylor, Lester G., Jr., 9802A.
Teller, J. Craig, 10184A.
Thomas, William K., 10307A.
Thomasson, Samuel M., Jr., 20025A.
Thompson, Donn G., 10062A.
Thompson, William M., 9841A.
Tillman, Herman G., Jr., 9990A.
Trimble, Harry W., 7127A.
Truesdell, Carlyle L., 32905A.
Tucker, Albert S. J., Jr., 10182A.
Tucker, Janna, 21234W.
Turk, Wilbert, 9740A.
Turner, Hiram G., Jr., 9784A.
Turner, Vernon R., 10145A.
Tyminski, Edward F., 32889A.
Tyrrell, Robert L. F., 10020A.
Umoff, Alexis P., 9919A.
Vague, Harold R., 22991A.
Vanden Dries, William P., 9873A.
Vanduyn, John E., 9827A.
Vaughn, William E., Jr., 6261A.
Verbeck, Peter, 6300A.
Verdel, Thomas H., 48710A.
Vetter, Fred W., Jr., 9719A.
Vignetti, John L., 6410A.
Vicek, Donald H., 9783A.
Wade, William G., 10215A.
Walker, James H., 10116A.
Walker, William A., 6586A.
Wallace, Duane G., 10222A.
Wallace, Robert D., 7757A.
Wallach, John A., 9931A.
Wallen, Francis L., 7528A.
Waller, Walter R., Jr., 9549A.
Walling, Robert J., 9829A.
Wambold, William H., 10025A.
Watkins, James H., 10104A.
Watson, Lawrence M., 10109A.
Watson, Richard C., 6455A.
Watson, Warren K., 32901A.
Watson. William B., 7011A.
Watts, Ralph K., 7844A.
Wayne, Byron M., 10234A.
Weart, George S., 9789A.
Weber, John L., Jr., 9772A.
Weil, August E., 9736A.
Weir, Robert A., 10225A.
Weller, Russell K., 8865A.
Wenk, Walter R., 8000A.
West, Howard F., 6529A.
Westbrook, Marston T., 10148A.
Whitaker, Keith A., 10163A.
White, Andrew M., 6991A.
Whitescarver, John T., 10327A.
Whitlow, Robert V., 9887A.
Whitson, Jack H., 10105A.
Whittington, Riley N., 6193A.
Wickham, Wallace, 9718A.
Wigbels, Lawrence G., 8586A.
Wight, Carroll H., 7555A.
Wilfong, John J., 8983A.
Williams, Coleman O., Jr., 9709A.
Williams, Owen J., 10261A.
Williams, Philip Y., 49131A.
Williams, Richard A., 6498A.
Williams, Todd G., 10059A.
Willis, Lloy C., 6828A.
Wilson, Campbell P. M., 6229A.
Wilson, Louis L., Jr., 9803A.
Wilson, William M., 9920A.
Winget, Francis E., 6296A.
Winkler, John M., 8283A.
Winn, Otis E., 10013A.
Wiseman, Joseph L., 10041A.
Wolda, Joseph A., 7215A.
Wojdyla, Henry E., 10289A.
Wolfe, Gerald, 9939A.
Wood, Willis H., 10297A.
Woodruff, Laymont V., 9971A.
Woodward, Valin R., 32900A.
Wooles, Marcellus R., 6271A.
Workman, Bryant A., 8201A.
Worrell, Rowland H., Jr., 32888A.
Wright, Edmund A., Jr., 10180A.
Wright, Robert J., 9953A.
Wright, Robert L., 10048A.
Wright, Wallace A., 7015A.
Wydner, Clarence S., 9975A.

Yopchick, Michael P., 9732A.
Yount, Barton K., Jr., 9834A.
Zubon, Michael, 10134A.

Medical Corps

Bell, Horace S., 24650A.
Borah, William N., 19274A.
Campbell, Daniel C., Jr., 19290A.
Condit, Norman I., 19956A.
Connor, Joseph A., Jr., 19279A.
Cook, Charles E., Jr., 26629A.
Everett, William F., 27583A.
Kurland, Anthony M., 19277A.
Leiter, Eugene R. K., 26691A.
Lifton, Solomon E., 19318A.
Parish, Herman S., Jr., 24109A.
Peters, Don P., Jr., 19248A.
Prior, Bradley W., 19249A.
Rudolph, Stephen J., Jr., 26350A.
Thomas, Herrick M., 19566A.
Tirman, Robert M., 19255A.
Troxell, John R., 21682A.
Willmarth, Charles L., 29612A.

Dental Corps

Brandt, Alfred E., 18933A.
Doran, Arthur S., 19960A.
Jameson, John R., 18955A.
McMahon, Charles A., 25731A.
Merrill, Bob K., 23120A.
Rudd, Kenneth D., 27487A.
Weber, Carl E., 21426A.
Wolfe, Rowland D., Jr., 18924A.

Veterinary Corps

Beadner, Harold F., 18997A.
Hempy, Jack H., 19003A.
Lasher, Norbert A., 18998A.
Maceachern, Neil G., 19004A.
Nichols, Wilbert C., 19920A.
Taylor, Albert A., 22461A.

Medical Service Corps

Bassoff, William, 48897A.
Edwards, Gerald, 48898A.
Eledge, William W., Jr., 19465A.
Fulton, John D., 19452A.
Gfeller, Walter F., 48896A.
Jarboe, Wallace E., 19470A.
Johnson, William M., 19469A.
King, Paul W., 19457A.
Liles, Ben C., 19456A.
Meyer, Alvin F. Jr., 19463A.
Moore, David L., 19458A.
Rogers, John M., 19455A.
Sangster, Maynard A., 19471A.
Shanahan, Eugene L., 19466A.
Thompson, Ralph E., 19464A.
Turnipseed, Lawrence L., Jr., 19468A.
Wagner, Owen B., 19454A.
Westra, Donald F., 19467A.
Wood, Ross A., 19451A.

Nurse Corps

Bedard, Evelyn M., 21107W.
Brimmer, Aileen E., 20947W.
Coffman, Catherine A., 21927W.
Echols, Hilda R., 21037W.
Fill, Wanda I., 21096W.
Fintak, Florence F., 21983W.
Kelly, Evelyn A., 20950W.
Krieble, Alice R., 21956W.
Price, Margaret M., 20948W.
Skinner, Alice L., 20994W.
Thorp, Frances P., 20902W.
Tregea, Ruth E., 20949W.

Medical Specialist Corps

Larue, Jack, 22057W.
Laughlin, Mary M., 22058W.

Chaplain

Blatz, Roman T., 18793A.
Brennan, George J., 18795A.
Clasby, William J., 48563A.
Daniels, John F., 48559A.
Gardner, Marvin O., 48562A.
Guiler, Horace A., 48561A.
Hepner, Thomas G., 18794A.
Johnston, Alfred T., 55096A.
Murphy, Francis X., 48560A.
Northrop, Albert H., 55097A.
Tomasovic, Paul, 48564A.
Whitlock, Harold T., 18797A.

(NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.)

APPOINTMENTS IN THE AIR FORCE

The following persons for appointment as permanent professors of the U.S. Air Force Academy, under the provisions of section 9333(b), title 10, United States Code:

Col. Christopher H. Munch, 10117A.
Col. James V. G. Wilson, 1112A.

The following persons for appointment in the Regular Air Force, in the grades indicated, under section 8284 of title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

TO BE MAJORS, USAF (MEDICAL)

Harvey W. Hertz, AO2241170.
Myron J. Woltjen, AO3076978.

TO BE MAJOR, USAF (DENTAL)

Harcourt M. Stebbins, AO3043741.

TO BE CAPTAINS, USAF (MEDICAL)

Joseph H. Coleman, AO3041899.
Harold A. Holtman, AO3045953.
Chester W. Peeples, Jr., AO2261989.
Donald R. Seidel, AO3074788.
John T. Whitley, AO3076701.

TO BE CAPTAINS, USAF (DENTAL)

Arnold A. Angelici.
Donald E. Barnhill, AO840055.
Robert L. Jensen, O4050791.

TO BE CAPTAINS, USAF (JUDGE ADVOCATE)

Paul V. Dixon, AO842789.
James C. Hancock, AO2216004.
Robert A. Zellers, AO1554501.

TO BE CAPT IN, USAF (NURSE)

Mary J. Schuelke, AN792464.

TO BE FIRST LIEUTENANTS, USAF (MEDICAL)

John A. DeBruin, Jr., AO3074952.
William F. Deverell, AO3075577.
Dennis C. Drake, AO3045273.
George E. Hanson.
David L. Hegg, AO3075024.
Alan G. Herrington, AO3075084.
William E. Painter.
Carlton J. Peterson, AO3075008.
Samuel C. Petrie, AO2217404.
Herbert B. Spencer, AO3075141.
Ed L. Stevens, AO3078055.
Stewart A. Vernooy, Jr., AO3075900.
Bruce H. Warren, AO3088650.
James F. Wittmer, AO3079264.

TO BE FIRST LIEUTENANTS, USAF (JUDGE ADVOCATE)

Arthur E. Arnow, AO3050087.
Richard M. Bayus, AO3060614.
Kenneth B. Knowles, AO3051761.
John J. Stirk, AO3060822.

TO BE FIRST LIEUTENANTS, USAF (NURSE)

Mary L. McLaughlin, AN3078247.
Twila M. Wills, AN2243489.

TO BE SECOND LIEUTENANT, USAF (NURSE)

Sally A. Souder, AN3078713.

The following persons for appointment in the Regular Air Force, in the grades indicated, under section 8284 of title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

TO BE MAJORS

Paul M. Callahan, AO581479.
Henry L. Dailey, AO649175.
Clyde D. Douglass, AO663875.
Charles B. Findley, AO746523.
Glenferd E. Funk, AO735563.
Marvin W. Glasgow, AO746091.
Clarence H. Hagins, Jr., AO522304.
Burnie P. Hayes, Jr., AO729625.
Earl L. Holcomb, AO2061382.
Robert L. Hunt, AO568737.
George W. MacSparran, AO659829.
Peter S. Marioles, AO801185.
Leon W. Moline, AO833177.
Matthew E. Perry, Jr., AO569738.
Jesse G. Pickering III, AO564040.
Alfred J. Rumburg, AO726484.
Thomas G. Sams, AO710185.
Meredith H. Shade, AO407127.
John C. Shumate, AO1534145.
Herschell E. Simmons, AO556895.
Emanuel N. Stevens, AO2040711.
Harry S. Waller, AO772922.
Perry P. Wells, AO726864.

TO BE CAPTAINS

Raymond D. Anderson, AO1860938.
Narsh D. Benson, AO2223819.
Edward P. Burrus, Jr., AO2216512.
Luther M. Hawkins, AO1910979.
Donald R. Hayes, AO2223627.
Bernard R. Hazelbaker, AO784154.
Robert S. Johnson, AO2223854.
Hilton P. Jones, Jr., AO2236371.
Edwin H. Kohlhepp, Jr., AO830621.
William F. Loyd, Jr., AO2223760.
Milton W. McRae, AO2236308.
Donald L. Olson, AO2223885.
Joseph J. Student, AO1854790.

TO BE FIRST LIEUTENANTS

Willard C. Bachli, AO3064453.
William F. Baird, Jr., AO3052505.
Billy W. Batson, AO3046455.
Hugh G. Blocker, AO3052584.
Thomas G. Bonser, AO3052535.
John J. Christensen, AO3053793.
Robert B. Clayton, AO3053789.
William B. Crockett, A3026753.
Jay B. Day, AO3064632.
James H. Frogge, AO3052771.
Clarence C. Gay, Jr., AO3052392.
John R. Gilchrist, AO3053177.
William J. Gorman, AO3064504.
Leonard E. Haskovec, AO3053795.
Norman E. Hermes, AO3064508.
George M. Jarvis, AO3064679.
James D. Jefferson, AO3052266.
Claude J. Johns, Jr., AO3051691.
Frederic A. Kay, AO3052267.
Warren F. Klima, AO3053322.
Clifford L. Lee, AO3052809.
Robert F. Loken, AO3064494.
Leland M. Martin, AO3064654.
William C. Maxwell, AO3064656.
Roger E. McClure, AO3053043.
John N. McCormack, AO3064686.
Danilo B. Medigovich, AO3028274.
Rolland W. Moore, Jr., AO3048097.
Stephen E. Pettko, AO3052544.
Philip M. Pillar, AO3064694.
Victor G. Ramage, AO3053676.
Dean D. Roelle, AO3064569.
James L. Russell, AO3053203.
Thomas V. Soltys, AO3064524.
Jeremy C. Thomas, AO3058531.
William E. Thomas, AO3064700.
Donald R. Vallance, AO3053550.
Robert W. Weaver, AO3051508.
Charles L. Wilmot, Jr., AO3051056.

TO BE SECOND LIEUTENANTS—DISTINGUISHED OFFICER CANDIDATE GRADUATES

Donald B. Button, AO3101426.
Wayne L. Christison, AO3101386.
Brian D. Cornett, AO3101487.
Robert W. Farland, AO3101257.
Mylan A. Haugen, AO3087904.
Sheila M. Henry, AL3101602.
Gary J. Holliman, AO3101214.
Robert K. Kelly, AO3101265.
Darrell D. Lynch, AO3101307.

Reynolds W. McCabe, AO3101326.
Gene E. Perkins, AO3101538.
Joseph A. Schmitt, AO3101557.
Harry Sexton, AO3101563.
William J. Soltis, AO3101572.
Cedric D. M. Viggers, AO3101587.
James W. Wassall, AO3101588.
Bryan T. Woods, AO3101597.

Subject to medical qualification and subject to designation as distinguished military graduates, the following distinguished military students of the Air Force Reserve Officers' Training Corps for appointment in the Regular Air Force, in the grade of second lieutenant, under section 8284 of title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

William S. Kinkead
Robert C. Lorenzetti

CONFIRMATION

Executive nomination confirmed by the Senate June 5, 1959:

DEPARTMENT OF STATE

J. Graham Parsons, of New York, to be an Assistant Secretary of State.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 5, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 145: 18: *The Lord is nigh unto all them that call upon Him, to all that call upon Him in truth.*

Eternal and ever-blessed God, we are again assembling in this Chamber, grateful for the manifold manifestation of Thy might and Thy mercy.

May the kind and gentle Spirit of our blessed Lord possess and permeate our souls more completely, making them fragrant with Thy grace and fruitful in service for needy humanity.

We beseech Thee to illumine our minds with a clearer vision and a deeper experience of Thyself, for Thou alone art the source of the true, the good, and the beautiful and the only hope for peace and good will in a discordant and distracted world.

Grant that all the barriers of rancor among the nations and the prejudice and bigotry, which blind the heart of mankind to brotherhood, may be taken away.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7007. An act to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research, and development, construction and equipment, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSON of Texas, Mr. STENNIS, Mr. YOUNG of Ohio, Mr. DODD, Mr. CANNON, Mr. BRIDGES, Mrs. SMITH, and Mr. MARTIN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7120. An act to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes.

BRETTON WOODS AGREEMENTS ACT

The SPEAKER. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 1094) to amend the Bretton Woods Agreements Act, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

BRETTON WOODS AGREEMENTS ACT

(H. REPT. NO. 435)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1094) to amend the Bretton Woods Agreements Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That the Bretton Woods Agreements Act is amended by adding at the end thereof the following new section:

"'SEC. 16. (a) The United States Governor of the Fund is authorized to request and consent to an increase of $1,375,000,000 in the quota of the United States under article III, section 2, of the articles of agreement of the Fund, as proposed in the resolution of the Board of Governors of the Fund dated February 2, 1959.

"'(b) The United States Governor of the Bank is authorized (1) to vote for increases in the capital stock of the Bank under article II, section 2, of the articles of agreement of the Bank, as recommended in the resolution of the Board of Governors of the Bank dated February 2, 1959, and (2) if such increases become effective, to subscribe on behalf of the United States to thirty-one thousand seven hundred and fifty additional shares of stock under article II, section 3, of the articles of agreement of the Bank.'

"SEC. 2. Section 7(b) of the Bretton Woods Agreements Act is amended by striking out 'of $950,000,000', and by striking out 'not to exceed $4,125,000,000' and inserting in lieu thereof '$8,675,000,000'."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
CLARENCE E. KILBURN,
WILLIAM B. WIDNALL,
EDGAR W. HIESTAND,
Managers on the Part of the House.

J. W. FULBRIGHT,
JOHN SPARKMAN,
HUBERT H. HUMPHREY,
MIKE MANSFIELD,
ALEXANDER WILEY,
BOURKE B. HICKENLOOPER,
WILLIAM LANGER,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1094) to amend the Bretton Woods Agreements Act submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate bill amended the Bretton Woods Agreements Act to increase by $4,550 million (from $4,125 million to $8,675 million) the amount authorized to be made available through public debt transactions for the payment by the United States of its subscriptions to the International Monetary Fund and the International Bank for Reconstruction and Development. The corresponding provision of the House amendment eliminated the figure of $8,675 million, substituting an authorization of "such amounts as may be necessary" to implement the existing agreements. The House recedes. The managers on the part of the House agreed with the Senate conferees that the phraseology in the House amendment without any clearly apparent monetary limitation might be misunderstood.

The Senate bill contained a provision under which the amendments made by the bill would not become effective until July 1, 1959. This provision was deleted by the House amendment. The committee of conference agreed to the House amendment in this respect, so that the bill as agreed to in conference will take effect on enactment. This will permit the United States to take a position of leadership in putting the authorized increases into effect.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
CLARENCE E. KILBURN,
WILLIAM B. WIDNALL,
EDGAR W. HIESTAND,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to and a motion to reconsider was laid on the table.

SOVIET SUBMARINES AND BASES

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, a headline in the Washington Post this morning reads: "Red Missile Submarine Seen by Navy in Atlantic."

It seems a case of whisky was offered as a prize to the crew sighting this phenomenon in time for the consideration by Congress of the military appropriation bill.

I will offer a case of whisky to any naval personnel who can cite a single ice-free open sea base the Soviet possesses from which to operate these submarines; and I will double it if it comes in time to save the taxpayers the extra quarter of a billion dollars the Navy is getting to fight the baseless Soviet submarine fleet.

PERSONAL ANNOUNCEMENT

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, may I call to the attention of the House that on June 2, 1959, report No. 422 to accompany H.R. 3 from the Committee on the Judiciary, was filed in the House, and on page 36 of that report as signers to the minority views of section 2 of H.R. 3, my name appears. This is incorrect. On page 19 of the same report, my name does appear as one of the members of the House Committee on the Judiciary that signed the minority views on section 1 of H.R. 3. This is correct.

May I state, Mr. Speaker, that I am in favor of section 2 of H.R. 3, the bill to establish rules of interpretation for Federal courts involving the doctrine of Federal preemption.

SUBCOMMITTEE ON INDIAN AFFAIRS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs may be permitted to sit during general debate this afternoon on the Public Works appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

ANNOUNCEMENT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, on yesterday my very dear friend, the majority leader, had some harsh things to say about our side of the aisle in connection with threats of vetoes on pending legislation. Just to keep the record straight and to carry out a promise I made yesterday to check the RECORD in order to find out what the facts were and are, I think I should make a statement.

First of all, the majority leader said:

I remember when it was confidently predicted on the floor of the House, when we had the railroad retirement bill up, that the President would veto it.

I said that I had made no such statement and recalled no such statement having been made by any Member.

Then the majority leader said:

I do not say that the gentleman from Indiana made the statement, but certainly other Members made the statement.

Mr. Speaker, first of all I would like to say that before the debate started on that bill I called the White House and was told no information could be given to us as to the attitude of the President on the bill. The whole debate proceeded on that basis as far as our side of the aisle was concerned.

In the course of the colloquy yesterday I stated to the membership, and that is the principal reason I speak today, that I wanted to check the RECORD myself to find out whether any Member made any such statement as referred to by the majority leader. That has been done and the RECORD is completely devoid of any such threat or statement.

To what I said yesterday, I want only to add that I said to the President that if the bill were vetoed the veto would be sustained, not only by votes on the Republican side but by votes of many on the Democratic side.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 66]

Adair	Chamberlain	Friedel
Addonizio	Coad	Garmatz
Alexander	Collier	Giaimo
Anfuso	Daddario	Granahan
Ayres	Daniels	Gray
Baring	Davis, Tenn.	Green, Oreg.
Barrett	Dawson	Green, Pa.
Barry	Denton	Griffiths
Bass, Tenn.	Derounian	Hall
Bates	Derwinski	Halpern
Baumhart	Devine	Hays
Becker	Diggs	Hemphill
Betts	Dingell	Holtzman
Blitch	Dixon	Hosmer
Bolling	Dollinger	Irwin
Bosch	Donohue	Jackson
Bowles	Dooley	Johnson, Calif.
Boykin	Dorn, N.Y.	Karth
Brewster	Durham	Kasem
Buckley	Evins	Kearns
Burke, Mass.	Fallon	Keith
Byrnes, Wis.	Farbstein	Kelly
Cahill	Fascell	Keogh
Canfield	Feighan	Kirwan
Carnahan	Fino	Kluczynski
Celler	Forrester	Knox
Laird	Pillion	Taylor
Latta	Powell	Teague, Tex.
Lindsay	Quie	Teller
McCulloch	Quigley	Toll
Macdonald	Reece, Tenn.	Tuck
Machrowicz	Riehlman	Utt
Mack, Ill.	Rodino	Van Pelt
Martin	Rostenkowski	Wainwright
May	Saylor	Wallhauser
Meader	Scherer	Walter
Merrow	Schwengel	Westland
Moeller	Sheppard	Whitener
Multer	Shipley	Withrow
Norblad	Smith, Miss.	Wolf
O'Brien, N.Y.	Staggers	Zelenko
O'Konski	Steed	
Patman	Stratton	

The SPEAKER. On this rollcall 306 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

PUBLIC WORKS APPROPRIATIONS, 1960

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7509) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

Pending that motion I ask the gentleman from Iowa if it will be agreeable to him that general debate extend not to exceed 2 hours.

Mr. JENSEN. That is agreeable to me.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that general debate on the bill be limited not to exceed 2 hours, the time to be equally divided between the gentleman from Iowa and myself.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7509) with Mr. BOGGS in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the consent agreement the gentleman from Missouri [Mr. CANNON] will be recognized for 1 hour and the gentleman from Iowa [Mr. JENSEN] for 1 hour.

The gentleman from Missouri is recognized.

Mr. CANNON. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. The gentleman from Missouri will proceed.

Mr. CANNON. Mr. Chairman, paraphrasing the last words of a great patriot: "We regret that we have but one Treasury to give to our country."

We could have used many treasuries merely in supplying the amounts requested by Members of the House and Senate.

As an indication of the extent of the amounts requested I include a tabulation.

REQUESTED PROJECTS

State and project	Benefit-cost ratio	Total cost	Budget			Requested			Agency capability	Requested by—
			G.I.	Advance planning	Construction	G.I.	Advance planning	Construction		
ALASKA										
Chena River at Fairbanks	1.7	$10,790,000		0			$300,000		$300,000	Hon. Ralph Rivers.
Dillingham Harbor	1.3	412,000			0			$406,000	406,000	Do.
Douglas Harbor	1.2	370,000		0			12,000		12,000	Do.
Harbor and Rivers of Alaska (Navigation)	Not applicable	400,000	$30,000			$79,000			79,000	Do.
Harbors and Rivers of Alaska (flood control)	do	850,000	25,000			51,000			51,000	Do.
Homer small boat basin	1.5	553,000			0			545,000	545,000	Do.
Juneau Harbor	1.05	1,970,000		0			36,000		36,000	Do.
Kodiak	Not applicable	25,000	0			20,000			20,000	Do.
Matanuska River	do	1,000	0			1,000			1,000	Do.
Naknek River	1.7	23,000			0			21,000	21,000	Do.
Ninilchik Harbor	1.3	202,000			0			197,000	197,000	Do.
Petersburg Harbor	Not applicable	18,000	0			18,000			18,000	Do.
Rampart Canyon	do	[1] 130,000	0			100,000			100,000	Do.
Seldovia Harbor	1.5	840,000			0			816,000	816,000	Do.
Seinard	Not applicable	25,000	0			15,000			15,000	Do.
Skagway	0.9	960,000			0			937,000	937,000	Do.
Wrangell Narrows	1.1	735,000			0			733,000	733,000	Do.
ALABAMA										
Holt lock and dam	1.1	33,000,000		0			150,000 (By transfer from Jackson lock and dam)		200,000	Hons. Armistead I. Selden, Jr., George W. Andrews, and Albert Rains; Senator John Sparkman; Hons. Frank Boykin, Carl Elliott, Kenneth A. Roberts, and George Huddleston, Jr.; Senator Lister Hill; Hons. George M. Grant, Robert E. Jones, and Frank W. Boykin.
Millers Ferry lock and dam	1.1	52,300,000		0			200,000		200,000	Hons. George W. Andrews, Albert Rains, and Frank W. Boykin, and entire Alabama delegation.
ARKANSAS										
Arkansas River bank stabilization [2]	1.1 [3]	[3] 102,800,000			[4] $4,000,000			9,500,000	[3] 9,500,000	Hon. W. F. Norrell and Senator Mike Monroney.
Beaver Dam	1.1	50,500,000			0			1,500,000	[4] 1,500,000	Hon. James W. Trimble.
Benton Dam survey		5,000	0			5,000			5,000	Hon. W. F. Norrell.
Clarksville seawall	1.6	273,000			0			259,000	259,000	Hon. James W. Trimble.
DeGray Dam	1.2	32,000,000		0			$150,000		150,000	Hon. Oren Harris.
Gillham Reservoir	1.4	10,100,000					150,000		80,000	Hons. Otto Passman, Carl Albert, and Oren Harris.
Ouachita River, 9-foot channel	1.3 (July 1957)	[5] 21,700,000		0			150,000		[5] 150,000	Hons. Oren Harris and Otto Passman.
Red River	1.3	9,880,000			700,000			1,000,000	700,000	Hons. Oren Harris, Overton Brooks, Harold B. McSween, and Carl Albert.
CALIFORNIA										
Bodega Bay (O. & M.)								481,000	481,000	Hon. Clement W. Miller.
Bolinas Channel		25,000				15,000			15,000	Do.
Black Butte Reservoir	1.4	18,300,000						5,500,000	5,500,000	Hons. John E. Moss and Harold T. Johnson.
(R) Central Valley project, water study of San Felipe division.			50,000			50,000			50,000	Hon. Charles S. Gubser.

See footnotes at end of table.

REQUESTED PROJECTS—Continued

State and project	Benefit-cost ratio	Total cost	Budget			Requested			Agency capability	Requested by—
			G.I.	Advance planning	Construction	G.I.	Advance planning	Construction		
CALIFORNIA—continued										
(R) Chowchilla irrigation loans					0			$2,633,000	$2,633,000	Hon. B. F. Sisk.
Dry Creek resurvey (Russian River)		$150,000				$50,000			50,000	Hon. Clement W. Miller.
(R) Georgetown Divide Public Utilities District	Not available				0			3,878,000	3,867,000	Hon. Harold T. Johnson.
Humboldt Harbor resurvey		25,000				25,000			25,000	Hon. Clement W. Miller.
(R) Jackson Valley irrigation	Not available				0			1,091,000	1,320,000	Hon. Harold T. Johnson.
Los Banos Creek Study		30,000				10,000			10,000	Hon. B. F. Sisk.
Merced Stream group study		80,000				20,000			20,000	Do.
Mill Creek levees	2.1	1,740,000						500,000	500,000	Hon. Harry R. Sheppard.
Mormon Slough survey		40,000				20,000			25,000	Hon. John J. McFall.
New Hogan Dam	1.7	19,300,000						1,500,000	1,500,000	Hons. John J. McFall, Harold T. Johnson and Senator Clair Engle.
New Melones Dam	1.2	80,600,000					$600,000		600,000	Hon. Harold T. Johnson.
Noyo breakwater	1.2	2,250,000					50,000		300,000	Hon. Clement W. Miller.
Red Bank and Fancher Creeks		25,000				10,000			10,000	Hon. B. F. Sisk.
Redwood City Harbor	1.6	1,380,000						1,378,000	1,378,000	Hon. J. Arthur Younger.
Sacramento River deep water channel	1.2	45,600,000			$7,500,000			11,500,000	11,500,000	Hons. Harold T. Johnson and John E. Moss.
Sacramento River, Chico Landing to Red Bluff	1.2	1,760,000					50,000		50,000	Hon. Harold T. Johnson.
Sacramento River and major and minor tributaries	1.2	23,000,000			1,100,000			2,000,000	1,200,000	Do.
San Francisco Bay study		3,760,000	$400,000			750,000			900,000	Hons. John F. Shelley, William S. Mailliard, and Charles S. Gubser.
San Francisco Bay to Stockton		150,000	25,000					46,000	46,000	Hon. John F. Baldwin.
San Lorenzo Creek	1.2	6,240,000			1,200,000		1,700,000		1,700,000	Hon. George P. Miller.
San Luis (Obispo) Harbor		60,000	15,000			30,000				Hon. Charles Teague.
Santa Clara River	3.0	2,930,000			1,300,000			1,500,000	1,500,000	Do.
Santa Cruz Harbor	1.6	1,740,000						500,000	500,000	Hon. Charles S. Gubser.
Santa Maria River	2.2	11,400,000			2,200,000			2,500,000	2,500,000	Hon. Charles Teague.
Saucelito Irrigation District (loan)	Not available				0			4,384,000	4,384,000	Hons. Harlan Hagen and B. F. Sisk.
Soquel Creek		52,000				3,000			10,000	Hon. Charles S. Gubser.
Stewart Can on debris basin	1.4	1,670,000		$62,000			Increase budget somewhat.		62,000	Hon. Charles Teague.
Success Dam	1.3	14,200,000			4,000,000			4,500,000	4,500,000	Hon. Harlan Hagen.
Sweetwater River		75,000				75,000			40,000	Hon. Bob Wilson.
(R) Trinity River Division	2.38	262,000,000			37,128,723			42,128,723	37,128,723	Hon. Wayne N. Aspinall.
(R) Trinity River power facilities	Not available	59,607,000			0			2,500,000	2,415,000	Hon. Clair Engle, Senator Thomas Kuchel, Hon. Harold T. Johnson.
(R) Trinity River power facilities (opposition)										Hon. James B. Utt, Hon. Charles S. Gubser.
Whitewater River		320,000	20,000			40,000			40,000	Hon. D. S. Saund.
Public Law 665, new projects								4,000,000		Hon. John F. Baldwin.
COLORADO										
Purgatoire Dam, Colo. (Trinidad)	1.2	19,200,000		75,000			75,000		75,000	Hon. J. Edgar Chenoweth.
(R) Smith Fork, Colo	1.2	4,420,000			0			740,000	730,000	Hon. Wayne N. Aspinall.
Do								750,000		Hon. Henry Dixon.
Do								750,000		Hon. David S. King.
(R) Curecanti Storage Unit	1.23	72,450,000						2,000,000	1,400,000	Hons. David S. King and Henry Dixon.
CONNECTICUT										
Baltic (project not yet authorized; to be considered in survey report on Thames River).									0	Hon. Chester Bowles.
East Branch dam at Torrington	1.3	2,010,000		0			150,000		250,000	Senator Thomas J. Dodd.

See footnotes at end of table.

REQUESTED PROJECTS—Continued

State and project	Benefit-cost ratio	Total cost	Budget			Requested			Agency capability	Requested by—
			G.I.	Advance planning	Construction	G.I.	Advance planning	Construction		
CONNECTICUT—continued										
Hall Meadow Brook Reservoir	2.4	$2,210,000		$75,000			$150,000		$250,000	Senator Thomas J. Dodd, Hon. Chester Bowles, and Hon. John S. Monagan.
Mad River Reservoir	1.2	5,970,000		75,000			252,000		275,000	Do.
West Thompson Reservoir (project not yet authorized; recommended in survey report).								$409,000	(2)	Hon. Chester Bowles.
Surveys:										
Connecticut River navigation study, vicinity of Essex		7,500	0			$7,500			7,500	Do.
Poquonnock River navigation study		10,000	0			10,000			10,000	Do.
Thames River navigation study		9,500	0			9,500			9,500	Do.
FLORIDA										
Apalachicola Bay, East Point Channel (reimbursement)	Not applicable	39,100			0			39,100	39,100	Hon. Robert L. F. Sikes.
Apalachicola Bay, St. George Island (reimbursement)	do	43,000			0			41,900	43,000	Do.
Cedar Keys harbor and channel survey		15,200	0			15,000			0	Hon. Billy Matthews.
Cross-Florida Barge Canal	1.1	165,100,000		0			160,000		160,000	Hons. Charles E. Bennett, Billy Matthews, and A. S. Herlong, Jr.
Intracoastal Waterway, Caloosahatchee River to Anclote River.	1.3	6,860,000			0			1,400,000	1,400,000	Hons. Paul G. Rogers, William C. Cramer, Carl Elliott, and James A. Haley.
Intracoastal Waterway, Jacksonville to Miami	Not evaluated	19,200,000			$1,130,000			1,230,000 ($100,000 for planning below Fort Pierce.)	1,530,000	Hons. Charles E. Bennett, William C. Cramer, Dante B. Fascell, A. S. Herlong, Jr., Billy Matthews, Paul G. Rogers, Robert L. F. Sikes, and James A. Haley.
Central and southern Florida flood control	3.8	237,500,000			9,000,000			20,371,800	13,000,000	Do.
Ybor Channel and Port Sutton study						27,000			27,000	Hon. William C. Cramer.
Port Everglades	2.2	6,740,000			0			1,250,000	1,250,000	Hon. Paul G. Rogers.
Suwannee River project survey		100,000	0			57,000			40,000	Hon. Billy Matthews.
Port Tampa Channel and turning basin								2,014,000	2,014,000	Hon. William C. Cramer.
Intracoastal Waterway, St. Marks River to Tampa Bay		100,000	0			60,000			60,000	Hon. Robert L. F. Sikes.
GEORGIA										
Altmaha River investigation		76,000	$26,000			100,000			26,000	Hon. Iris Blitch.
Brunswick Harbor	1.5	2,030,000			1,150,000			1,350,000	1,350,000	Do.
Savannah turning basin		4,000	0			4,000			4,000	Hon. Prince H. Preston.
HAWAII										
Kahului Harbor	2.9	963,000						945,000	[10] 945,000	Hon. John A. Burns.
IDAHO										
Bruces Eddy (opposition to)										Hon. William H. Meyer, of Vermont.
(R) Palisades project, preserve appropriation for reregulating reservoir (carryover).					(500,000)			(500,000)		Hon. Hamer H. Budge.
ILLINOIS										
Big Muddy River		260,500	30,000			124,000			124,000	Hon. Kenneth J. Gray.
Calumet Union Drainage District	1.8	716,000			0			716,000	250,000	Hon. Edward J. Derwinski.
Degognia-Fountain Bluff Drainage and Levee District		39,000	0			39,000			39,000	Hon. Kenneth J. Gray.
Drury Drainage and Levee District	3.7	1,520,000			0			540,000	540,000	Hon. Robert B. Chiperfield.
England Pond levee	0.5	660,000		0			10,000		10,000	Hons. Edna Simpson and George E. Shipley.
Fort Chartres-Ivy Landing Drainage and Levee District		30,000	0			30,000			30,000	Hon. Kenneth J. Gray.
Grand Tower Drainage and Levee District		28,000	0			38,000			28,000	Do.

See footnotes at end of table.

REQUESTED PROJECTS—Continued

State and project	Benefit-cost ratio	Total cost	Budget			Requested			Agency capability	Requested by—
			G.I.	Advance planning	Construction	G.I.	Advance planning	Construction		
ILLINOIS—continued										
Henderson River diversion	2.8	$1,750,000			0			$550,000	$550,000	Hon. Robert B. Chiperfield.
Hunt and Lima Lake Drainage Districts	1.8	5,420,000			0			1,000,000	1,000,000	Hon. Edna Simpson.
Indian Grave Drainage District	1.5	5,420,000		0			$100,000		100,000	Do.
Little Calumet River Basin study		48,000	0			$98,000			20,000	Hon. Edward J. Derwinski.
Miller City		63,100	0			35,000			35,000	Hon. Kenneth J. Gray.
Prairie du Rocher Drainage and Levee District		40,000	0			40,000			40,000	Do.
Shelbyville Reservoir	1.6	17,600,000		$50,000			125,000		125,000	Hon. Peter F. Mack.
Stringtown Drainage District		20,000	0			20,000			20,000	Hon. Kenneth J. Gray.
Subdistrict No. 1 of Drainage Union No. 1 and Bay Island Drainage and Levee District No. 1.	2.5	4,180,000		0			100,000		100,000	Hon. Edna Simpson.
Wabash River at and above White River		292,000		25,000			40,000		40,000	Hon. George E. Shipley.
INDIANA										
Brookville Reservoir	1.3	19,300,000		0			25,000		25,000	Hon. Earl Hogan.
Cannelton Lock	4.2	65,900,000		0			150,000		150,000	Hon. Winfield K. Denton.
Clinton levee	Pending restudy	93,000		0			5,000		5,000 (restudy)	Hon. Fred Wampler.
Crooked Creek		35,000	0			25,000			25,000	Hon. Earl Hogan.
Monroe Reservoir	2.3	4,960,000		75,000			100,000		100,000	Do.
Patoka River study		76,200	0						Combined with Wabash River study.	Hon. William G. Bray.
Sugar Creek levee	1.5	370,000		0			15,000		15,000	Hon. Fred Wampler.
Terre Haute L.P.P. (Conover levee)	Pending restudy	240,000		0			2,000		2,000 (restudy)	Do.
Uniontown lock	3.2	52,500,000		0			250,000		250,000	Hon. Winfield K. Denton.
Wabash River Basin above White River		292,000	$25,000			40,000			40,000	Hon. Fred Wampler.
West Terre Haute L.P.P.	1.2	473,000		0			30,000		30,000	Do.
Whitewater Basin study		70,000	0				25,000		25,000	Hon. Earl Hogan.
Huntington Reservoir	1.3	14,200,000		25,000			25,000		25,000	Hons. William T. Murphy (Ill.), Roman C. Pucinski (Ill.), Melvin Price (Ill.), Peter F. Mack (Ill.), and William L. Springer (Ill.).
Mississinewa Reservoir	1.2	22,000,000		150,000			150,000		150,000	Hons. William T. Murphy (Ill.), Roman C. Pucinski (Ill.), Melvin Price (Ill.), Peter F. Mack (Ill.), and William L. Springer (Ill.).
Salamonie Reservoir	1.6	15,500,000		150,000			150,000		150,000	Hons. William T. Murphy (Ill.), Roman C. Pucinski (Ill.), Melvin Price (Ill.), Peter F. Mack (Ill.), and William L. Springer (Ill.).
IOWA										
Floyd River	1.7	9,100,000		100,000					150,000	Hon. Charles B. Hoeven.
Green Bay Levee and Drainage District No. 2	1.7	1,570,000		0			75,000		75,000	Hons. Edna Simpson and Fred Schwengel.
Iowa River-Flint Creek Levee District No. 16	1.4	7,920,000		100,000			100,000		750,000	Hon. Edna Simpson.
Mississippi River at Clinton:										
Repair of damages	Not available	155,000			0			147,000	154,000	Hon. Leonard G. Wolf.
Improvement of Beaver Slough	4.0	267,000			0			241,000	262,000	Do.
(*R*) Missouri River power and transmission lines for Iowa.	Not available	8,888,000			0			1,000,000	800,000	Hons. Steven V. Carter, Merwin Coad, Neal Smith, Charles B. Hoeven, H. R. Gross, Fred Schwengel, and Leonard G. Wolf.
Rathbun Dam	1.1	21,000,000					130,000		130,000	Hon. Steven V. Carter.
Red Rock Reservoir	1.5	71,400,000		113,000				2,000,000	2,000,000	Hons. Fred Schwengel, Neal Smith, Steven V. Carter, and Merwin Coad.
Saylorville Reservoir	1.2	47,000,000		0			200,000		200,000	Hons. Fred Schwengel, Steven V. Carter, and Merwin Coad.

See footnotes at end of table.

REQUESTED PROJECTS—Continued

State and project	Benefit-cost ratio	Total cost	Budget			Requested			Agency capability	Requested by—
			G.I.	Advance planning	Construction	G.I.	Advance planning	Construction		
KANSAS										
(R) Cedar Bluff	2.02	$18,313,600			0			$700,000	$700,000	Hons. Wint Smith and J. Floyd Breeding.
Cedar Point Reservoir	1.8	6,450,000					$25,000		25,000	Hon. Newell A. George.
Council Grove Reservoir	1.8	12,700,000						300,000	300,000	Do:
Cow Creek, tributary of Arkansas River		35,000				$35,000			25,000	Hon. J. Floyd Breeding.
Elk City Dam	1.3	25,000,000						500,000	400,000	Hon. Denver D. Hargis.
Fort Scott Dam	1.1	16,800,000					25,000		25,000	Hon. Newell A. George.
(R) Glen Elder	1.32	57,222,000		$73,000			225,000		73,000	Hons. Wint Smith and J. Floyd Breeding.
Hays		28,000				25,000			25,000	Hon. Wint Smith.
Hillsdale Dam	1.1	9,400,000					25,000		25,000	Hon. Newell A. George.
Marion Reservoir	1.8	7,540,000					25,000		25,000	Do.
Melvern Dam	1.1	21,000,000					25,000		25,000	Do.
Milford Reservoir	1.5	45,700,000		170,000				1,200,000	1,200,000	Hons. Newell A. George, Edward H. Rees, and Richard Bolling.
Neosho-Cottonwood (Mud Creek at Marion) (not authorized).		40,000				27,000			[11] 27,000	Hon. Denver D. Hargis.
(R) Norton-Almena	1.03	15,420,000			0			1,000,000	1,000,000	Hons. Wint Smith and J. Floyd Breeding.
								1,120,000		Hon. Wayne N. Aspinall.
Perry	1.6	18,500,000		125,000					225,000	Hons. Newell A. George and Richard Bolling.
Tuttle Creek Reservoir—land purchase amendment	1.7	85,900,000						23,600	Language required	Hon. William H. Avery.
Wilson Dam	1.2	18,100,000		161,000				1,000,000	1,000,000	Hons. Newell A. George, Wint Smith, and Richard Bolling.
KENTUCKY										
Barren River Reservoir	2.3	23,500,000			0			500,000	1,000,000	Hon. William H. Natcher.
Big Sandy River		217,600	$10,000			35,000		1,000,000	10,000	Hon. Carl D. Perkins, OVIA, and Hon. W. Pat. Jennings.
Bunches Creek (study not authorized)						35,000			0	Hons. Eugene Siler and William H. Natcher.
Cannelton lock and dam	4.2	65,900,000		0			150,000		150,000	Hons. William H. Natcher and Frank W. Burke.
Fishtrap Reservoir	1.6	39,400,000		200,000			300,000		300,000	Hon. William H. Natcher, OVIA, Hons. Carl D. Perkins and W. Pat Jennings.
Green River No. 2 Reservoir	2.0	8,470,000		0			50,000		50,000	Hon. William H. Natcher.
Hayni Reservoir	Restudy underway	18,400,000		0			250,000		0	Hons. Carl D. Perkins and W. Pat Jennings.
Kinniconick River		33,000	0			10,000			10,000	Hon. William H. Natcher.
Licking River Basin		85,000	0			20,000			20,000	Hon. William H. Natcher, OVIA, and Hons. Carl D. Perkins and W. Pat Jennings.
Locks and dams Nos. 3 and 4 (Green River)	O. & M.							100,000 (O. & M.)	100,000	Hon. William H. Natcher.
Lock and dam No. 3 (Big Sandy)	O. & M.							100,000 (O. & M.)	100,000	Do.
Middlesboro flood control project extension	Restudy underway	1,080,000			0			1,200,000	[12] 0	Hon. Eugene Siler.
No. 2 Green River Reservoir	2.0	8,470,000		0			50,000		50,000	OVIA, Hons. Carl D. Perkins, W. Pat Jennings, and William H. Natcher.
Nolin River Reservoir	1.3	14,400,000			$1,800,000			3,400,000	3,400,000	Do.
Ohio River Basin review		1,710,000	400,000			800,000			800,000	Do.
Panther Creek, Daviess County		47,500	20,000			32,500			32,500	Do.
Pound Reservoir (see also Virginia)	1.2	17,700,000		194,000				2,500,000	2,500,000	Do.
Rockcastle River		50,000	0			40,000			25,000	Do.
Sturgis local protection	1.1	708,000		0			10,000		10,000	Do.

See footnotes at end of table.

REQUESTED PROJECTS—Continued

State and project	Benefit-cost ratio	Total cost	Budget			Requested			Agency capability	Requested by—
			G.I.	Advance planning	Construction	G.I.	Advance planning	Construction		
LOUISIANA										
Intracoastal Waterway from Barataria, La., to gulf	3.5	$2,400,000			0				$1,000,000	Hon. Hale Boggs.
Jefferson Drainage District [13] (Reimbursement)		1,420,000						$1,420,000 (O&M)	1,420,000 (O&M)	Do.
McGee Bend Dam, Tex	1.6	55,400,000			$5,800,000			5,800,000 plus	7,000,000	Hon. Overton Brooks.
Parish Line Canal		15,000	0			$15,000			15,000	Hon. Hale Boggs.
Port Allen Indian Village cutoff (Plaquemine-Morgan City route).	1.7	27,300,000			5,951,000				7,925,000	Hon. James H. Morrison.
Red River levees and bank-stabilization below Denison Dam.	1.3	9,880,000			700,000			1,000,000	700,000	Hons. Overton Brooks and Harold B. McSween.
MAINE										
Monhegan Harbor		11,000	0			2,500			2,500	Hon. Frank Coffin.
MASSACHUSETTS										
Boston Harbor, reserved channel	2.3	829,000			0			720,000 to 800,000	825,000	Hons. John McCormack and J. A. Burke.
East boat basin	1.2	465,000			0			460,000	460,000	Hons. Thomas P. O'Neill and Hastings Keith.
East Brimfield Dam	1.4	6,570,000			1,102,000			1,712,000	1,102,000	Hon. John McCormack.
Hodges Village Dam	2.0	4,810,000			0			50,000	[14] 50,000	Do.
Provincetown breakwater	1.1	2,260,000			0				600,000	Hon. Hastings Keith.
Town River channel dredging, Quincy	5.0	690,000			0				([14])	Hon. James A. Burke.
Town River survey		16,500	0			10,000			9,000	Hon. John McCormack.
Westville Dam	1.1	7,450,000			0			1,800,000	1,800,000	Hons. John McCormack, Philip J. Philbin, and Chester Bowles.
MARYLAND										
Baltimore Harbor, deepen and widen channel	3.1	30,000,000			0			7,000,000	5,000,000	Hons. George H. Fallon and Edward Garmatz.
Chesapeake & Delaware Canal (pt. II)	1.3	94,150,000		$180,000				2,000,000	500,000	Hon. George H. Fallon.
MICHIGAN										
Cedar River Harbor study						10,000			(Not authorized).	Michigan Waterways Commission.
Cross Village-Good Hart	([15])								(Not authorized).	Do.
Frankfort Harbor (O. and M.)					20,000(O&M)			350,000	254,000	
Grand Marais Harbor	([15])	965,000			0			965,000	360,000	Hon. Victor A. Knox and Michigan Waterways Commission ($320,000).
Great Lakes connecting channels	1.8	146,500,000			27,000,000			32,000,000	29,000,000	Michigan Waterways Commission.
Hammond Bay Harbor of Refuge	([15])	1,100,000						400,000	20,000(PL)	Do.
Holland Harbor: Lake Michigan-Lake Macatawa channel		13,500	0			13,500			13,500	Hon. Gerald Ford.
Les Cheneaux Channel		13,000	0			13,000			13,000	Hon. Victor A. Knox.
Little Lake Harbor of Refuge	([15])	815,000						400,000	500,000	Michigan Waterways Commission.
Ludington Harbor (O. and M.)					30,000(O&M)			280,000	308,000	
Manistee Harbor (O. and M.)					25,000(O&M)			700,000	325,000	
New Poe lock	1.6	40,100,000		367,000				750,000	750,000	Do.
Port Sanilac Harbor (O. and M.)								60,000	6,000	
Red Run-Clinton River		60,000				10,000			10,000	Hon. James G. O'Hara.
Traverse City Harbor of Refuge		36,000				14,500			10,000	Michigan Waterways Commission.

See footnotes at end of table.

REQUESTED PROJECTS—Continued

State and project	Benefit-cost ratio	Total cost	Budget			Requested			Agency capability	Requested by—
			G.I.	Advance planning	Construction	G.I.	Advance planning	Construction		
MISSISSIPPI										
Pascagoula Harbor	1.8	$1,248,000			0			$1,189,000	$422,000	Hon. Wm. M. Colmer.
FLOOD CONTROL—MISSISSIPPI RIVER AND TRIBUTARIES										
Mississippi River levees	6.8 [16]	221,000,000			[17] $2,500,000			3,740,000	4,096,000	Hon. Paul C. Jones, Mississippi; Valley Flood Control Association and State delegations.
Bank stabilization	6.8 [16]	468,000,000			22,500,000			25,000,000	29,850,000	
Vicksburg Harbor	3.0	4,520,000			1,500,000			2,000,000	1,600,000	
Greenville Harbor	4.1	2,490,000		[6]				100,000	60,000	Hon. Frank Smith.
St. Francis Basin	2.4	84,400,000			3,500,000			4,000,000	4,070,000	Hon. E. C. Gathings.
Tensas River Basin	3.5	[18] 21,700,000			[18] 920,000			1,000,000	[18] 1,000,000	
Yazoo Basin:										
Lower auxiliary channel	2.7 [19]	12,100,000			1,075,000			1,275,000	1,225,000	
Tributaries	2.7 [19]	27,600,000			125,000			225,000	225,000	
Yazoo backwater	2.2	30,900,000			0			500,000	500,000	Hon. Frank Smith.
Atchafalaya Basin	6.8 [16]	119,000,000			5,290,000			6,900,000	6,910,000	
Lake Pontchartrain	1.8	6,190,000			500,000			700,000	700,000	
West Tennessee tributaries	2.9	8,400,000			0			300,000	200,000	
Wolf River	1.2	2,025,000			0			300,000	300,000	
General investigation			$110,000					117,500	125,000	
Advance engineering and design, lower White River [20]	3.5	10,810,000			0			110,000 (110,000)	107,000	Hon. E. C. Gathings.
Maintenance					17,000,000			18,500,000	18,300,000	
Baton Rouge improvement program	2.1	2,800,000			0				[21] 0	Hon. James H. Morrison.
MISSOURI										
Chariton River		25,000	0			$50,000			25,000	Hon. Morgan M. Moulder.
Des Moines and Mississippi Levee District No. 1	2.7	1,050,000			0			500,000	500,000	Hon. Edna Simpson.
Kaisinger Bluff Reservoir	[22] 1.1	102,000,000		$150,000				300,000	250,000	Hon. Morgan M. Moulder.
Marion County Drainage District	1.04	960,000		0			$73,000		73,000	Hon. Edna Simpson.
Meramec River Reservoirs (Cedar Hill, Meramec Park, and Union) (deferred for restudy)	1.4	62,700,000		0			150,000		150,000	Hons. A. S. J. Carnahan and Thomas B. Curtis.
Pomme de Terre Reservoir	1.6	16,700,000			4,000,000			5,000,000	4,200,000	Hon. Morgan M. Moulder.
Archeological investigations			172,800			249,500			249,500	Hon. Morgan M. Moulder ($10,000 for Missouri).
MONTANA										
(R) East Bench unit	2.07	20,597,000			0			1,000,000 650,000	1,000,000	Hon. Lee Metcalf. Hon. Wayne Aspinall.
Libby Dam	2.0	308,000,000		0			500,000		387,000	Hon. Lee Metcalf.
(R) Yellowtail Dam	1.71	109,300,000			0			6,000,000 5,000,000	6,000,000	Hon. LeRoy Anderson. Hon. Lee Metcalf. Hon. James E. Murray. Hon. Wayne Aspinall.
NEBRASKA										
Gering and Mitchell Valleys	1.8	1,463,000		50,000				350,000	350,000	Hons. Phil Weaver and Donald McGinley.
(R) Red Willow Dam	[23] 1.87	6,597,000		150,000	0			525,000	675,000	Hon. Phil Weaver.
Salt-Wahoo (Salt Creek and tributaries)	1.4	16,890,000		90,000				400,000	400,000	Hons. Phil Weaver and Lawrence Brock.
NEW JERSEY										
New Jersey Meadowlands		500,000	0			25,000			25,000	Hons. Frank Osmers, Dominick V. Daniels, and Cornelius E. Gallagher.
Newark Bay-Passaic River Channel		50,000	0			30,000			15,000	Hons. Cornelius E. Gallagher, Hugh J. Addonizio, Peter W. Rodino, Jr., Albert H. Bosch, Frank Osmers, and Seymour Halpern.
Sandy Hook Inlet (Shrewsbury River, N.J.)		50,000	0			50,000			25,000	Hon. James C. Auchincloss.

See footnotes at end of table.

REQUESTED PROJECTS—Continued

State and project	Benefit-cost ratio	Total cost	Budget			Requested			Agency capability	Requested by—
			G.I.	Advance planning	Construction	G.I.	Advance planning	Construction		
NEW MEXICO										
Abiquiu Dam (wants uncontrolled outlet)	1.2	$18,000,000			$3,300,000		$1,800,000			Hons. Thomas G. Morris and J. T. Rutherford.
(R) Hammond	2.1	3,280,000			0			$500,000	$500,000	Hons. Henry Dixon, David S. King, Joseph M. Montoya, and Thomas G. Morris.
Rio Grande floodway between Cochiti and Rio Puerco	1.2	4,400,000						2,000,000	2,000,000	Hon. Wayne N. Aspinall ($400,000), Hon. Joseph M. Montoya.
								2,000,000		Hon. Thomas G. Morris.
Two Rivers	1.2	6,900,000						250,000	75,000	Hons. Joseph M. Montoya and Thomas G. Morris.
Middle Rio Grande	2.9	31,500,000			1,400,000			3,000,000	1,400,000	Hon. Joseph M. Montoya.
NEW YORK										
Buffalo Harbor (Ohio Street Bridge)								1,000,000	2,000,000	
Buttermilk Channel survey		19,000	0			$10,000			10,000	Hons. Albert H. Bosch and Seymour Halpern.
Buttermilk Channel	Safety	2,910,000			0			1,550,000	1,551,000	Hon. Seymour Halpern.
Great Lakes-Hudson River Waterway:										
Lowering lock sills	3.2	38,950,000			730,000			403,000	730,000	Hons. K. B. Keating, C. A. Buckley, Jacob K. Javits, and Albert H. Bosch.
Replacement of Waterford guard gates	5.5							1,000,000		
Great Lakes-Hudson River Waterway Survey		25,000	0			10,000			10,000	Hon. Albert H. Bosch.
Hudson River, 32-foot channel to Albany	1.9	36,300,000			0			1,550,000	640,000	Hon. Leo W. O'Brien.
Hudson River siltation		550,000	0			114,000			114,000	Hons. K. B. Keating, C. A. Buckley, Jacob K. Javits, Seymour Halpern, and Frank Osmers.
Little Neck Bay		13,000	0			13,000			13,000	Hons. Albert H. Bosch and Seymour Halpern.
New Jersey pierhead channel and anchorage	1.4	5,740,000			0			500,000	1,311,000	Hon. Seymour Halpern.
New York Harbor deep-water anchorage		31,000	0			20,000			10,000	Hons. Albert H. Bosch and Seymour Halpern.
Tonawanda Creek		32,000				25,000			25,000	Hon. Harold C. Ostertag.
NORTH CAROLINA										
Morehead City Harbor	1.9	1,382,000						1,197,000	1,370,000	Hon. Graham A. Barden.
Pantego and Cucklers Creek	1.5	536,000		$40,000				413,000	51,000	Hon. Herbert C. Bonner.
Wilkesboro Reservoir	1.2	8,350,000						1,000,000	1,000,000	Hons. A. Paul Kitchin, Sam J. Ervin, Jr., and B. Everett Jordan.
OHIO										
Belleville L. & D., Ohio and West Virginia	2.7	54,400,000		0			125,000		125,000	Hon. John E. Henderson.
Erie RR. bridge No. 19 (Cleveland Harbor)	4.5	16,900,000		0			200,000		250,000	Hons. Charles A. Vanik, Michael A. Feighan, Frances P. Bolton, and William E. Minshall.
Mad River drainage basin		22,000	0			22,000			22,000	Hon. C. J. Brown.
Muskingum River Reservoirs (Black Fork, Mohican River channel).	Not applicable	523,000			0				523,000	Hon. Robert W. Levering.
Sandusky River Basin		131,000	0			60,000			60,000	Hons. A. D. Baumhart, Jr., and Jackson E. Betts.
Scioto River Basin		110,000	$30,000			55,000			55,000	Hon. Jackson E. Betts.
West Branch Reservoir, Mahoning River	1.3	6,940,000		229,000	0		0	525,000	525,000	Hon. Michael J. Kirwan.

See footnote at end of table.

REQUESTED PROJECTS—Continued

State and project	Benefit-cost ratio	Total cost	Budget			Requested			Agency capability	Requested by—
			G.I.	Advance planning	Construction	G.I.	Advance planning	Construction		
OKLAHOMA										
(R) Mangum	Not available	Not available	$19,300			$34,300			$19,300	Hon. Toby Morris.
Pine Creek Reservoir		$15,400,000					$200,000		80,000	Senator Mike Monroney.
										Senator Robert S. Kerr.
							150,000		80,000	Hon. Carl Albert.
										Hon. Oren Harris.
Recreation facilities (Denison Dam)	Not available	Not available			$75,000			$250,000		Senators Robert S. Kerr and Mike Monroney.
OREGON										
Blue River	1.9	15,800,000		$105,000			200,000		200,000	Hon. Charles O. Porter.
Green Peter	1.4	60,800,000						2,500,000	2,500,000	Hon. Charles O. Porter and Senator Richard Neuberger.
Hayden Island	1.5	598,000					25,000		25,000	Hon. Edith Green, Senator Wayne Morse, and Hon. Al Ullman.
Hills Creek	1.7	40,000,000			8,300,000			9,800,000	9,800,000	Senator Richard Neuberger and Hon. Charles O. Porter.
Hood River small boat basin	2.3	380,000					18,000		18,000	Hon. Edith Green, Senator Wayne Morse, and Hon. Al Ullman.
John Day lock and dam	1.8	387,000,000			20,000,000			25,000,000	25,000,000	Senator Wayne Morse, Senator Richard Neuberger, and Hon. Edith Green.
Lower Columbia bank protection	1.4	7,690,000						600,000	600,000	Senator Wayne Morse, Hon. Al Ullman, and Hon. Edith Green.
Malheur	2.3	423,000						353,000	353,000	Do.
Rogue River	1.2	1,500,000			1,500,000			2,000,000	2,000,000	Hon. Charles O. Porter.
Sauvies Island	1.7	439,000						150,000	150,000	Senator Wayne Morse, Hon. Al Ullman, and Hon. Edith Green.
Siuslaw Harbor	1.3	1,900,000						21,000	21,000	Hon. Charles Porter.
Upper Snake		400,000			46,500	76,500			76,500	Senator Wayne Morse, Hon. Al Ullman, and Hon. Edith Green.
Willamette River bank protection	1.4	12,100,000			500,000			800,000	800,000	Senator Richard Neuberger.
Willow Creek		28,300				18,400			18,400	Senator Wayne Morse, Hon. Al Ullman, and Hon. Edith Green.
Yaguina Bay and harbor	1.3	22,300,000					100,000		100,000	Hon. Walter Norblad.
PENNSYLVANIA										
Connoquenessing Creek (Project not authorized—Recommended in Survey Report).							500,000		35,000	Hon. Frank Clark.
French Creek		120,000	25,000			25,000			49,900	Hon. Carroll D. Kearns.
Shenango River Reservoir	1.7	28,000,000		150,000				500,000	500,000	Do.
Walnut Bottom Run		33,000	0			33,000			15,000	Hon. Frank Clark.
Allegheny River Reservoir (Kinzua dam)	1.3	113,000,000						5,000,000	2,000,000	Hons. Robert J. Corbett, James G. Fulton, William S. Moorhead, James M. Quigley, Thaddeus J. Dulski, Leon Gavin, and Senator Joseph Clark.
Sandy Lick Creek at Dubois						40,300			20,000	Hon. James E. Van Zandt.
Tyrone	1.2	9,949,000		85,000			90,000		125,000	Do.
PUERTO RICO										
San Juan Harbor	2.3	7,000,000		0			400,000		70,000	Dr. A. Fernós-Isern.
SOUTH DAKOTA										
Missouri River, N. Dak., S. Dak., and Nebr.		15,000	0			15,000			15,000	Hon. George S. McGovern.

See footnotes at end of table.

REQUESTED PROJECTS—Continued

State and project	Benefit-cost ratio	Total cost	Budget			Requested			Agency capability	Requested by—
			G.I.	Advance planning	Construction	G.I.	Advance planning	Construction		
TEXAS										
Arkansas-Red River pollution survey						$75,000			$75,000	Hon. Sam Rayburn.
Big and Little Vince Bayou		$21,000	0			21,000			21,000	Hons. Albert Thomas and Robert Casey.
Buffalo Bayou	1.4	51,531,000			$1,650,000			$2,150,000	2,150,000	Hon. Robert Casey.
Colorado River survey		500,000	$75,000			75,000+			150,000	Hon. O. C. Fisher.
Gulf Intracoastal Waterway: Colorado River Channel	1.5	1,310,000			0			500,000	500,000	Hon. Clark Thompson.
Houston ship channel	2.1	8,420,000			1,150,000			[24] 5,000,000 6,000,000	1,400,000	Hons. Albert Thomas and Robert Casey.
Lavon Reservoir, survey (East Fork—Trinity River)		100,000	37,500			50,000			50,000	Hon. Sam Rayburn.
Matagorda ship channel	1.4	11,300,000		0			$150,000		150,000	Hon. Clark Thompson.
Navasota River survey		150,000	60,000			100,000			100,000	Hon. Olin E. Teague.
Neches River survey		285,000				25,000			25,000	Hon. Lindley Beckworth.
Port Aransas-Corpus Christi: Waterway channel to La Quinto. (Reimbursement)	5.4	959,000			0			[25] 954,000	[25] 954,000	Hon. John Young.
Proctor Reservoir	1.4	17,100,000			0			300,000	300,000	Hons. Omar Burleson and Frank Ikard.
Sabine River survey		320,000				25,000			25,000	Hon. Lindley Beckworth.
San Jacinto River survey		15,000	0			15,000			15,000	Hons. Albert Thomas and Robert Casey.
Trinity River survey		675,000	200,000			450,000			414,000	Hons. John Dowdy and Bruce Alger.
Waco Reservoir	1.4	39,750,000			4,000,000			4,600,000	4,600,000	Hon. W. R. Poage.
West Fork-Double Bayou		2,000				2,000			2,000	Hon. Clark Thompson.
VIRGINIA										
Pound Reservoir	1.2	17,700,000		$194,000				2,500,000	2,500,000	Hon. W. Pat Jennings.
Potomac River Study (and D.C.)		1,501,500	500,000						712,000	Opposed by Hon. Howard W. Smith and Senator Robertson. Supported by Hons. Lankford, Foley, Broyhill.
Dismal Swamp (opposes discontinuance of lock O. and M. on Dismal Swamp Canal).										Hon. Watkins M. Abbitt.
WASHINGTON										
Bellingham Harbor	1.8	117,000			0			83,700	109,000	Hon. Jack Westland.
Chief Joseph Dam project, Greater Wenatchee Division	7.0	10,280,000			0			700,000	724,000	Hon. Walt Horan.
Chehalis River Basin	Not available	Not available	66,500			5,000,000			66,500	Do.
Edmonds Harbor	do	35,000	0			35,000			25,000	Hon. Jack Westland.
Hoquiam and Chehalis Rivers		20,000	0			20,000			10,000	Hon. Russell V. Mack.
Oak Harbor		36,000	0			36,000			36,000	Hon. Jack Westland.
Sammamish River Channel	2.0	1,050,000		0			88,000		88,000	Hons. Thomas M. Pelly and Jack Westland.
Swinomish Slough		12,000	0			14,000			14,000	Hon. Jack Westland.
Wynoochee River		99,500	25,000			46,000			46,000	Hon. Russell V. Mack.
WEST VIRGINIA										
Belleville lock and dam	2.7	54,400,000		0			125,000		125,000	Hon. Ken Hechler.
Cheat River		210,000	20,000			80,000			80,000	Hon. Harley O. Staggers.
Deckers Creek		41,000	0			15,000			15,000	Hon. Cleveland M. Bailey and OVIA.
Do		41,000	0			40,000			15,000	Hon. Harley O. Staggers.
East Lynn Reservoir	Pending restudy	10,900,000		0		10,000			0	Hon. Ken Hechler.
East Rainelle	2.0	840,000			0			500,000	500,000	Hon. Cleveland M. Bailey and OVIA.
Opekiska lock and dam	1.8	21,900,000			0			2,000,000	1,000,000	Hon. Harley O. Staggers.
Princeton	1.8	1,085,000			0			500,000	500,000	Hon. Cleveland M. Bailey and OVIA.
Summersville Reservoir	2.6	46,800,000			0			2,000,000	2,000,000	Do.
Twelvepole Creek, W. Va		20,000	0			10,000			10,000	Do.

See footnotes at end of table.

REQUESTED PROJECTS—Continued

State and project	Benefit-cost ratio	Total cost	Budget			Requested			Agency capability	Requested by—
			G.I.	Advance planning	Construction	G.I.	Advance planning	Construction		
WISCONSIN										
Eau Galle River	1.1	$7,250,000					$150,000		$150,000	Hons. Alexander Wiley and Lester Johnson.
Colorado River storage (advance planning)	Not available	Not available		$818,000			1,800,000		818,000	Hons. Joseph M. Montoya and Henry Dixon.
Colorado River storage going work	1.3	615,687,107		[16] 1,538,000 (Total, 77,035,000)	$75,497,000			[17] $87,035,000	77,035,000	Hon. Wayne N. Aspinall.
WYOMING										
(R) Seedskadee	1.5	37,885,000			0			1,500,000	1,554,000	Senators Joseph C. O'Mahoney, Gale W. McGee, Hons. Keith Thomson, Joseph M. Montoya, Henry Dixon, and David S. King.

[1] To initiate study.
[2] Multiple purpose plan.
[3] For emergency bank stabilization and regular stabilization program.
[4] For emergency bank stabilization.
[5] Use of these funds are dependent upon completion of additional studies by the Department of Interior to determine whether power revenues can repay the cost allocated to power.
[6] For authorized plan, based on July 1957 prices. The modified plan, being developed in the review report is expected to cost more.
[7] Could be used on modified plan only, if authorized by Congress.
[8] Study complete.
[9] $100,000 of authorized.
[10] Pending authorization, no work can be accomplished. After authorization, planning and construction of the project could be accomplished in 1 year with an amount of $945,000. Project recommended for authorization by Chief of Engineers in H. Doc. 109, 86th Cong.
[11] Study not authorized.
[12] No capability pending completion of restudy and furnishing of local assurances of cooperation.
[13] Payment to local interest for Plaquemine Parish pumping station. Payment will be from "Operation and maintenance appropriation." No funds included in budget.
[14] Funds for completion are already available.
[15] Not evaluated. Benefits for safety to navigation.
[16] Composite for main stem.
[17] Includes New Madrid, Mo.
[18] Boeuf, Tensas River, etc. only.
[19] For Yazoo Basin.
[20] For White River backwater levee only.
[21] First increment has been completed. Second increment dependent on need for same.
[22] System benefit-cost ratio.
[23] For Frenchman-Cambridge Division including Red Willow Dam.
[24] 40-foot channel.
[25] Repayment to local interest for work accomplished by them.
[26] Includes $720,000 preconstruction work on transmission division.
[27] For general acceleration of going work.

This is a minimum list and does not include applications received by letter. Nor does it include Members appearing with colleagues in behalf of the same project.

Mr. Chairman, I am agreeably surprised to be able to report the bill is within the budget.

When we opened hearings there was such an avalanche of applications for money for projects that it hardly seemed probable we could stay within millions of the estimates.

But the total budget estimate is $1,176,677,000 and the bill before you carries exactly $1,176,677,000.

We are within the budget.

Now, Mr. Chairman, we should not take unto ourselves any great credit on that account, because in the good old days when statesmanship prevailed on the floor of the House, it was always understood that the budget estimates were the ceiling. We judged the efficiency of a chairman by the amount he was able to cut his bill below the estimates. Unfortunately, those halcyon days are long past and now we frequently bring in bills which are millions above the estimate. But for the time being at least we are at par.

Mr. Chairman, this is one of the important bills of the session. It is the bill which unbalances the budget.

When the average Congressman goes home and the taxpayers at home stop him on the street and complain about the way Congress is spending their money in Washington and protest because we have not reduced taxes, the Member explains unctiously, "We had no choice. It was a matter of defending the Nation. We had to provide money for the national defense so I reluctantly voted above the budget estimates to keep the Russians out of the United States."

But, Mr. Chairman, you know—and if you do not know—this bill demonstrates conclusively that it is not the national defense expenditures that unbalance the budget. It is the nondefense items that unbalance the budget.

Yesterday we were deeply gratified when the distinguished gentleman from Texas [Mr. MAHON] brought in the armed services bill, $400 million under the budget. So when you go back home this time and your constituents ask how it is that you voted so much money that you unbalanced the budget, remember that the war bill was $400 million under the budget estimate, while the so-called pork barrel bill reported today is barely within the budget, and there are Members all around waiting with blunderbus amendments to run it over the budget. In short it is these other nondefense items that unbalance the budget and keep taxes up.

But, Mr. Chairman, I still maintain that this committee is entitled to great credit. With all these applications for money we had to refuse a large number of applications, and the number of projects and the amount of the appropriations recommended in the pending bill is the minimum. If we had acceded to all requests submitted, the money carried by this bill would have been in excess of $2½ billion. This bill which we offer to you today is only a small part of what we were asked to allow.

In order that you might have some idea of the extent of these requests, you have but to consult the list above and read the voluminous hearings embodying the testimony of more than a thousand witnesses who appeared before the subcommittee.

The crowds of applicants for appropriations which came in such numbers that it was sometimes impossible to get them all in the committee room, was preceded by the Corps of Engineers, who were invariably in favor of the largest expenditures the committee could be prevailed upon to make. Much of their testimony was wholly unreliable. When they were consulted on the cost of a proposed project they invariably underestimated the cost. In no single instance in the last several years have they given us a true figure on estimated costs. In many instances when the committee had under consideration the advisability of undertaking a project we discovered after it was too late that the cost of completion was a number of times the figures given us by the Corps of Engineers. I hope Members of the House will find time to read through the hearings and note the discrepancy between the costs estimated by the engineers when the project was initiated and the cost when completed.

Of course costs of construction and material and labor have all risen sharply as inflation proceeded but not enough to account for anything like the wide differences you will find in the hearings. It is impossible to escape the conclusion that they were either incompetent or deliberately misleading—and it is still more unlikely that they did not know the multiplication tables and could not add, multiply, and subtract.

And then the Member from that area comes in with these figures and says, "Why, I just want this small amount for planning. I am sure you would not deny me that small amount." Although he knows and we ought to know that when he once gets planning money, his foot is in the door.

It is also interesting to note the applications of chambers of commerce for Government money. Important businessmen from all over the country, usually accompanied by mayors and frequently by Governors of the State appear before the committee urging large expenditures.

And let me diverge briefly here. The prime argument offered for many of these projects is not that they are urgently needed. The feature they emphasize is that times are bad and there is a lot of unemployment, and business is slow.

But we are not authorized to provide in this bill money for public works to improve business. We can only appropriate money for public works to provide irrigation, flood control, or to improve navigation. Recreation or employment may be incidental, but only incidental.

And when I go back to the office, I find the payoff. There is a letter from the same chamber of commerce asking why Congress is spending so much money, and wanting to know when we will reduce taxes. So we are puzzled sometimes to know which is entitled to priority, the chamber of commerce at the hearing wearing its expenditure garb, or back home writing letters on its economy stationery.

Now, we do not want to mislead you, my friends. We want to be perfectly honest with you. This bill proposes to spend a lot of money. These projects in this bill will cost a lot of money before they are completed. And to be perfectly frank with you, we do not have the money in the Treasury.

We have only two sources. We can borrow the money or we can raise taxes.

When we spend more money than we have, we raise taxes or we must sell bonds.

Well, there is nothing to be concerned about. Everybody is against raising taxes but it has always been a simple matter to put a few more U.S. bonds on the market. The newspapers obligingly supply free advertisement as a public service. These free advertisements tell the public that Government bonds are the best investment you can make; absolutely safe; nothing better than a Government bond.

And they do not cost the Government much in interest. We have been selling bonds that paid as little as 2 percent—less than 2 percent by the time the public put them away in the banks and safe deposit boxes.

But something has happened to the interest rate on U.S. bonds. In order to sell bonds the Government is now paying as high as 4¼ percent. And now suddenly they cannot sell them even at 4¼ percent. Why? What is the trouble? What is going on here?

We have continued to spend money we did not have until our credit is bad. No one wants Uncle Sam's paper. Since the public debt started on this last spree.

It used to be that foreign nations wanted our dollars. They were eager for hard currency. But now they are getting a little uneasy. They are beginning to say they will take the gold instead of the paper dollars or the bonds. So the gold at Fort Knox is dropping every day.

Who is responsible for this distressing development? No one but ourselves. I am talking right now to the gentlemen who have brought this situation about. Why are we behind Russia in war armament today? Why are we a second-rate power? Because Congress voted the bills that provided the second-rate armament. We cannot shirk the responsibility. We cannot say, "the administration" or "the Bureau of the Budget" or "the War Department" or "the Pentagon" or "they."

Congress has the last word. Congress can reject any advice or recommendation or proposal and control any expenditure. Congress can approve any policy and provide the money to implement it.

We cannot escape the responsibility for the situation as we find it today. Congress spent the money and increased the national debt and brought on the inflation. The responsibility is right

here on this floor. We cannot offer an alibi. We cannot pass the buck. And the reason we can no longer sell bonds at 2 percent is because we have steadily and stubbornly and continuously refused to retrench expenditure and begin systematically and methodically to reduce the national debt and stop inflation. Congress did it and let no one try to make the people back home believe any different.

The President issued a statement to the press yesterday. In effect he told the Nation he could no longer borrow money. He could no longer sell Government bonds at 4¼ percent. He might have added that Congress has spent so much money and lived so far beyond our income—an income far above that enjoyed in any other administration—and brought on such inflation and so depreciated the currency—that he will have to pay more and higher interest on Government bonds.

He will also have to ask Congress to raise the debt ceiling. We are already above the debt limit. Do you realize we have already broken through the debt ceiling and on the 30th day of June, the 30th day of this month, the public debt will be $3 billion above the statutory debt limit. I have voted against every increase in the debt limit since I have been a Member of the Congress, but in every recent session of the Congress you have voted to raise the debt limit. Congress voted twice one session to raise it. One heist a session was not fast enough to keep up with congressional spending. And a large part of it was for things we could have done without.

Many of us have announced belligerently that no Budget Bureau could tell us what to do. And we kicked the budget into the ashcan. No President could tell us there should be no new starts. Congress was the authority on such matters. So now Congress can take the responsibility.

The Government must pay its obligations. We do not have the money. If we do not get it in taxes, then we have to borrow it and you cannot borrow it any longer at 4¼ percent. Government bonds are a drag on the market because we have spent too much for what we could get along without. How about you Congressmen who have a lot of Government bonds? If you have a lot of them, I will have to concede that you are not good businessmen because good businessmen today cannot afford to keep their money in Government bonds. And good businessmen are not in the market for Government bonds today. But, I hope that out of pure patriotic motives you have continued to buy U.S. bonds. And if so then you will be glad to know the President is going to raise the interest rates on your investments. He will pay you above 4¼ percent. He is doing it because you insisted on it—because Congress insisted on voting money out of the Treasury.

Now, if anybody wants to move to strike out the enacting clause of this bill, of course, I am bound under the rules of the House to oppose him, but I am not saying it would not be good statesmanship.

But I am saying that the committee has done the best it could and it is a remarkably fine job, driven through with all the wolves hanging on our flanks, as we tried to hold it down to the budget estimate.

I noticed in this morning's paper an item in which you may be interested. It said that some of the financiers were opposed to raising the rate of interest on Government bonds.

They said that when we raise the interest rate on Government bonds it means less money for investment in private business and industry throughout the country. Investors will put their money in bonds instead of investing in business projects.

This means we will have fewer homes, less housing, less employment. Instead of investing in home mortgages, in homes the people need, they will put their money in Government bonds because of the increased interest. That means a lot of people have got to go without homes; a lot of builders, workmen, and laborers will be out of jobs just because we raise the interest on Government bonds.

I cannot refrain from touching on a subject I have inadvertently mentioned on this floor once or twice before. Every time we spend money we do not have, every time we compel the President to dip here and ask us to raise the debt limit, every time we vote to increase the interest rate on Government bonds, we increase the cost of living on every family in the United States. Do not think that when these things are voted only a part of the country is concerned about it.

Every family in the United States is hard hit—that means every family in your constituency—do not make any mistake about it, and do not try to dodge it—the cost of living, the cost of groceries, the cost of sending the children to school, the cost of shoes, the cost of everything goes up.

There are children in America who are hungry today, and I quote the distinguished gentlewoman from Missouri [Mrs. SULLIVAN], who is an authority on that subject. She is close to the hearts of the people and knows what families need. We men do not pay much attention to the family, we do not give much thought to the children, the clothes they wear, the food they eat, but the women of the house do, and the whole country owes a debt of gratitude to the gentlewoman from Missouri [Mrs. SULLIVAN] and her colleagues in the House who realize that the next generation is the greatest asset and greatest responsibility this country has.

We must see that they have proper food. We must clothe them. We must educate them. That is truly the greatest issue before the American people today. Mrs. SULLIVAN says so, and the rest of us heartily concur.

But this Congress has doubled the cost of breakfast, doubled the cost of school clothing. Ah, it comes home to you. Congress has increased the cost of living of every family in the district of every Member of this House.

Mr. Chairman, I submit to the Congress a great bill. It is within the budget. Every dollar of it, every dollar in it will be well spent; every dollar in it is a good investment. But I want to be frank with the House, I want the House to understand just what it is doing and what the effect will be.

The CHAIRMAN. The gentleman from Missouri has consumed 31 minutes.

The gentleman from Iowa [Mr. JENSEN] is recognized.

Mr. JENSEN. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman is recognized.

Mr. JENSEN. Mr. Chairman, I always enjoy listening to our chairman, the distinguished gentleman from Missouri [Mr. CANNON]. I know he is greatly concerned about the fiscal situation which faces our beloved country today. I also am sure that he is grieved over the fact that Members on his side of the aisle, a majority of them, seem to pay so little attention to his admonitions. I am quite sure that grieves the gentleman and I know it grieves all of us on this side of the aisle. It grieves a lot of us on this side of the aisle when we try as best we can to save taxpayers dollars here and there so that we may prevent this great country of ours from being destroyed through the bankruptcy route.

I offered an amendment in committee which would have saved over $30 million, but it was defeated by an almost strict party vote. I shall offer that amendment again today, and I hope the distinguished chairman of the Committee on Appropriations will favor it, for he has said to me many times: "Whenever we can save money, I am for it." Of course, I must add that I am not in a position to commit the chairman of the Committee on Appropriations, nor would I attempt to do that. I do hope my amendment will be adopted. I shall explain it briefly at this time, but in more detail when I offer it during the time the bill is being read for amendment.

The amendment will provide that all construction items in this bill of $5 million or more shall be reduced by 5 percent. Five percent may seem small, and it is small. But it will effect a saving of over $30 million which is certainly worthwhile. It will hurt no project, and I doubt that it will even slow up any job, because the Army engineers and the Bureau of Reclamation are today receiving bids, generally speaking, below the estimates, some of them considerably below the estimates of the Army Engineers and the Bureau of Reclamation. Of course, the budget is made up for the agencies almost a year ahead of the time the budget is sent to the Congress. During that time, as I have said, these bids have been coming in considerably below the estimates.

The chairman of the Committee on Appropriations has just told you that the budget request was $1,176,677,000. The committee allowed exactly that amount, to the penny. That is, I can assure you, quite an unusual situation—in my book it is a herculean accomplishment. I hardly know just how it was done, but it has been done.

As is so often said, we Americans do the possible in a few minutes. The impossible takes us a little bit longer. So this looks like an impossible task, but we did it. The facts are, however, that I did not know about it until the night before the full committee met because I had not seen the report until the night before, and I marvel at the fact someone did hit the bull's-eye right on the budget's nose.

Now, as far as the good report is concerned, I must give credit to our able clerks. They always do a wonderful job. The report explains the bill very well. It tells you how much money is contained in this bill for every project for construction and planning. Most of the funds for investigation, of course, are shown in lump sums. There is such a huge list that about the only way you can ascertain whether you have money in this bill for investigation for your project is to ask the clerks or call the Army Engineers, and they will give you the facts.

We listened to about 1,150 witnesses who came before the committee from every section of these United States asking that we at least appropriate or recommend the amount in the budget. But, generally, they asked us to recommend more money than the budget contained. And, it is quite interesting to note, the report says:

> Over a 2-month period the committee took testimony totaling 4,222 pages in the printed hearings from representatives of the agencies involved and approximately 1,150 other witnesses, including 243 Members of the House of Representatives and the Senate. Members of the House and Senate requested funds for approximately 230 unbudgeted projects at a total estimated cost of $2,458 million.

We did allow some unbudgeted items. I have no objection to them for the very simple reason, my colleagues, that every dime in this bill is spent for America, for the protection of our natural resources, for the conservation of our precious topsoil in all these great areas of the public domain, and because of the fact that so much flood work is needed in most every area of America.

Now, it is true that funds for flood control are not reimbursable, but I am happy to say that during the past 2 years the committee put language in the report saying that the committee would not look with favor on any project that was mostly for local benefit, unless there was proof of a substantial local contribution. And I am pleased to say that most every group that now comes before us shows proof of the amounts of local participation that they would contribute to their projects.

Mr. CANNON. Mr. Chairman, I yield 8 minutes to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, we are a long way from Christmas. We are told this by the hot and humid weather, by the blooming flowers and the magnificence of the fully leafed, deep greened trees and the verdancy of bush and grass. But, today, everyone in the Congress looks under the gift tree for the expensively wrapped packages that bring cheer to their districts and constituents. Mr. Santa Claus, in the person of that marvelously unique statesman, scholar, oft-times genius, the distinguished gentleman from Missouri [Mr. CANNON] personally handles the reins as he guides his fully loaded sleigh, drawn by hard-working, exhausted, sometimes frustrated, committee associates, to this floor today.

No one expects, least of all the members of this Committee on Public Works, that all of our colleagues will bounce with delight at the parcels that we bring. The appetite for the goodies that we offer is insatiable and limitless. Anyone in this tough profession of politics knows full well that you cannot satisfy everyone all the time. So, one does the best one can with the money that it has, with the priorities and with the problems.

So, Mr. Chairman, here it is; $1,176,677,000 allocated for 363 nationwide projects that represent a fully funded cost of $13,300 million. Vernacularly speaking, "That ain't hay." But, neither is it all pork or blunder.

The money carried by this bill represents an investment in America and adds to its wealth. It enables the Nation to harness the wild, the unruly, and likewise, the meandering and gentle stream and river. By this, the vast potential of power and energy is utilized; water is spread upon arid wastelands to make it bloom and productive; waterways are developed to bring food and fiber and the treasures of the bowels of the earth to home and industry; recreational possibilities are enhanced that make the Nation stronger, healthier, more pleasant. And more importantly than all, the greatest portion of expenditures goes to the saving of life and property by a sensible program of controlling the ravages of floods.

Mr. Chairman, the total amount in this bill squares with the amount recommended by the Bureau of the Budget for fiscal 1960. Of course, we did not accept in toto the desires of the President or the Bureau of the Budget with respect to particular projects or programs. In many instances the committee substituted its judgment and increased, reduced, or canceled. It rejected the concept of no new starts. This was done on the basis that the water resources program ought to be expanded and developed if we are to attain our long-range objectives.

This committee believes that it has done a good job. It sat for many weeks through tedious hearings and listened, as the gentleman from Iowa [Mr. JENSEN] indicated, to 1,150 witnesses and took testimony that runs to 4,222 pages. The final recommendation for expenditures is $40 million above the current fiscal year; that is, for fiscal 1960, $40 million above fiscal 1959. For my part, though this is the second money bill of some 10 that has come to the floor that does not show any reduction from Budget recommendations, it is a good bill and one that ought to be adopted by this committee.

I think we ought to keep in mind that the 263 Members of Congress who appeared before our committee requested funds that would have meant a total of some $2.8 billion. We also must keep in mind that the total number of authorized projects, all of the projects that have been authorized by the Committee on Public Works, would run to a total of some $60 billion. This committee has tried to put some common sense into the public works program. We think we have done it here, and we hope that the Committee of the Whole will accept the recommendations of the Subcommittee on Public Works.

Mr. JENSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

Mr. GAVIN. Mr. Chairman, the Allegheny River Reservoir project was authorized and approved by the Flood Control Act of June 28, 1938. Actually, it was authorized by three acts—the acts of 1936, 1938, and 1941.

The project was authorized after the devastating floods in 1936 in the Allegheny Valley with $736 million property damage and the loss of some 33 lives.

Including fiscal year 1956, I might say, $241,000 were spent on plans for this project. And in 1956, for fiscal year 1957, Congress appropriated $384,000 to complete the project report. Thus, $625,000 have been spent on plans, specifications, design, and so forth.

The project has been under study for many years. No objections were voiced, until the first appropriation of $1 million was made for fiscal year 1958 for actual construction of the dam.

Then an additional $1 million was appropriated for fiscal year 1959; the expenditure of which was restricted by language in the conference report of August 18, 1958, which stated:

> None of the funds provided for the Allegheny River Reservoir project are to be obligated pending decisions by the Circuit Court of Appeals and the Supreme Court in the event that the Seneca Nation of Indians appeals its case to prevent construction of the project to the latter.

Of these two appropriations, there remains $1,400,000 unexpended.

The opponents of this project lost their plea for an injunction both in the U.S. District Court and in the U.S. Circuit Court of Appeals. It is now before the Supreme Court and it is expected the Supreme Court will rule as to whether or not it will hear the case by the 15th of this month. Now if the Supreme Court should refuse to hear the case which would end the litigation, if this $1,400,000 is deleted as recommended in the report, no money would be available to continue construction on this project.

I might point out to the House that the Allegheny watershed is one of the most prolific watersheds in the eastern part of the United States. It contributes four-fifths of the flow, while the Monongahela and Youghiogheny Rivers contribute one-fifth of the flow at Pittsburgh to form the Ohio River. This watershed contributes greately to the

destructive floods which periodically occur in the Ohio Valley.

The opponents of this project offered an alternate proposal—the Conewango—to the U.S. Army engineers.

After this proposal the U.S. Army engineers secured the services of Tippets-Abbett-McCarthy-Stratton of New York, consulting engineers, to study this and four other alternate plans.

I hold here this report on the various proposals. It is estimated this report to have cost in the neighborhood of $75,000. This means, I might say to the House, that $700,000 or more have already been spent in studying all phases of this flood-control project.

Time will not permit me to discuss this alternative plan; however, on page 2 of a news release, the division engineer stated:

> In view of the fact that this report indicates that the authorized project can be built at a lower total cost than any of the various diversion schemes, will flood less land, and will cause dislocation of fewer people, Colonel Smyser stated that he is forwarding a copy of this report to the Chief of Engineers with the recommendation that work continue on the authorized project.

You will note on the map that this project is not in the planning stage. It is already under construction and approximately $1,400,000 is available from the $2 million already appropriated to initiate construction.

In the House Appropriations Committee report on page 17, it is stated:

> In view of this fact and the further fact that litigation on the matter of the Kinzua Dam is still pending in the Supreme Court, the committee directs that the $1,400,000 balance of previously appropriated funds available for the project be reprogramed to other projects.

This, even though it is expected the Supreme Court will act by the 15th of this month.

Now, my good friends, let us consider the humanitarian aspects of this project. I want to call to your attention that it cost $728 million and the loss of 33 lives in the flood of 1936.

I want to call to the attention of the House that in 1956 the Allegheny Valley was severely hit with floods. And in the recent floods in the forepart of this year, 1959, thousands of people were made homeless and it is estimated the loss in the Allegheny, Monongahela, and Mahoning Valleys was approximately $32 million and the loss would have been $79 million if the other dams such as the Tygart River, Youghiogheny, Loyalhanna, Conemaugh, Crooked Creek, Mahoning, and Tionesta Reservoirs had not been completed.

In the Ohio Valley as a whole, the loss was estimated at $75 million and had there not been dams already built the loss would have been estimated at $121 million.

I understand the chairman of the Public Works Subcommittee has been considerably concerned about the various alternative plans and that a request was made by the U.S. Engineers for an analysis of the Allegheny River Reservoir project and the alternate proposal. Recently this analysis was submitted to the chairman by Maj. Gen. E. E. Itschner, Chief of Engineers. I want to call the attention of the House to the last paragraph of that analysis, and I quote:

> I have personally studied the report of Dr. Morgan, but find that his recommended plan 6 does not provide a solution to the water resource development problems of the Allegheny River Basin that compares favorably with the authorized plan. I find that his recommended plan gives insufficient treatment to some important engineering aspects and that the estimates he presents are not reconcilable with the scope of work involved, or the conditions under which it must be performed, to construct a completely operative facility. I consider that the Allegheny Reservoir, as presently planned, is the most economic solution to the problems involved and that construction of the project should proceed as soon as court actions have been completed.

I would like to point out to the House that the Allegheny River originates in Pennsylvania, flows into New York State and then into Pennsylvania and on down the Allegheny Valley to Pittsburgh serving an estimated 5 million people.

Water is the lifeblood of our people. Our economic, our industrial, and our domestic life depends on water and we hope to harness this water for useful purposes of several million people rather than permit the devastating, destructive floods which now occur in the Allegheny and Ohio Valleys.

This project is the key to the overall flood protection program of the Allegheny, upper Ohio, Beaver, and Monongahela Rivers Basins.

I sincerely trust that favorable action will be taken on Representative FENTON'S amendment by the House to restore the $1,400,000 so when the Supreme Court acts, this project can proceed.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. KIRWAN], a member of the committee.

Mr. KIRWAN. Mr. Chairman, I have been a member of this committee for some time. I sat through these hearings for 2 long months and listened to the testimony of 271 Congressmen, Senators, and other witnesses telling about conditions throughout America. May I say this morning that you have got to be up around my age to know you have not seen anything yet. This is going to be one of the smallest bills that ever came before the House involving public works.

Why do I say that?

Fifty years ago in driving along American highways, and we used the horse and buggy in those days, the water after a rain went up to the horse's belly and then found its way to its own level, either underground or in the thousands of little creeks, from which it went on into a river that was not blocked up with a lot of debris.

In the modern America as we see it today they have left what they used to call a city downtown and they have gone out into the suburban areas. Every time you put in a drive or a finished street, you have interfered with the water drainage. It has to go along into the sewers, then into the ocean. That is what we have today in connection with every stream unless it is kept in shape by the dredges of the Army Engineers. They are all blocked and after a rainstorm there is no river channel to take it away and it spreads all over. Therefore, a few days' rain will cause a flood anywhere in America.

As I stated, this is one of the smallest bills to come here for consideration. We are spending billions of dollars for housing. You are going out into the country. Every time you build a drive you put that water into a sewer and it is on its way. You have to have flood control projects. You have to have the debris taken out of the river. You have to store it some place for mankind.

When you go along the modern highway of today you see the automobile, which is the biggest part of our economy. You will see the county or State with its equipment keeping the drainage clear. In a heavy rain, in a couple of minutes in any county today there are floods. That is before it finds its way into the river. But the river cannot take it all because it is full of debris. So it spreads all over the land.

Mr. Chairman, this is one of the smallest bills to come to the Congress and will be from here on in. You are living in a new America. The airplane tells you that as you fly from Maine to California. There are new villages or towns. The old town is still there, but the rain falling on that cement goes to the river. You have new towns all the way from Maine to California. I can tell you that every highway that is built, every drive in any home you build, or whatever you may be building, results in the creation of floods.

That is why I am asking you here today to vote for this bill. It is a good bill. There is not too much money in it. It is a very, very good bill. I have been trying now for years to get a dam up there in the district I represent. It would cost $12 million to build this dam. The city or the district will pay one-half. They are going to pay $6 million of it. However, there was damage to the extent of $16 million in January and February of this year alone and this project, this flood-control project, would cost only $12 million. You can see it up there with your own eyes, if you had rainfall for 2 days you would have an additional $16 million of damage.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I presume the gentleman understands that we are not asking for any new money; that I only presented my case for retaining the money that has already been appropriated.

Mr. KIRWAN. I am not referring to the gentleman. I have been for that project since the day I came on the committee, and I am for it now.

So, I only want to tell the committee here today that for 2 months I have listened to testimony. And, from one who has bummed all over this country half a dozen times before he ever thought of settling down, and since I have been a Member of the Congress, there is not a year that I have not seen practically every river in this country. I spend at

least 2 months a year traveling over America. And, when you fly over this great land of ours, you will see the necessity of spending this money on flood control and navigation and everything else, which is so necessary for the preservation of our soil.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JENSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, as a member of this subcommittee, I sat for many long days and hours listening to the testimony given to our committee in the plea for projects that might help the various communities. I certainly agree with the former speakers here today in what they have said. This is a very fine bill and a difficult bill to please each and every Member of the Congress.

I always enjoy the remarks of our good friend and colleague the gentleman from Ohio [Mr. KIRWAN], who, as he said, goes through the length and breadth of this land looking for and seeking information that can be of some help to the Members of this House—and this country, I might say. I believe my record for attendance at the hearings on this bill is pretty well known to the Members of this House, and certainly to the membership of our committee. I tried to be in attendance at every hearing whenever possible. On very rare occasions I was not there. The main reason for not being there was when another subcommittee of which I happened to be the ranking Republican member had a hearing on at the same time, and that was not very often.

So, Mr. Chairman, H.R. 7509, the public-works appropriation bill for fiscal 1960, has been pretty well explained, as I say, by previous speakers. As our report shows, we heard 1,150 witnesses, in addition to various representatives of the agencies, which required 4 volumes of testimony containing 4,222 pages. Two hundred and forty-three Members of the Congress of the United States testified before our committee.

As you know, this bill is comprised of three titles. The first title contains appropriations for the civil functions, Department of the Army. Title II refers to appropriations for the Department of the Interior, Bureau of Reclamation, Bonneville Power Administration, Southeast Power Administration, Southwestern Power Administration, and the Office of Secretary. Title III, of course, refers to appropriations for the Tennessee Valley Authority.

Mr. Chairman, I do not want to take up too much time of the Committee, but I feel that I must say something about the project that has already been referred to by the gentleman from Pennsylvania [Mr. GAVIN], the Allegheny River Dam.

It is to be regretted that there is a holdup in the construction of adequate facilities to protect the people and property downstream on the Allegheny River from the New York State line in Pennsylvania, from recurrent floods.

Since the Indian tribe in that area has sought to prevent the dam being constructed at the site selected by the Corps of Engineers and the case is now pending in the Supreme Court, the Committee on Appropriations has frozen the already appropriated funds for the past 2 years.

There is now an unexpended balance of $1,400,000.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and nine Members are present, a quorum.

The gentleman from Pennsylvania [Mr. FENTON] will resume.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I would like to say in regard to the Allegheny Dam, as a member of the subcommittee—unfortunately, I was not able to attend the hearings very much this spring, but nevertheless I have gone into this subject thoroughly in previous years—that I think this is the one great error in this bill as to the action which this committee has taken. I hope to see the amendment of the gentleman from Pennsylvania [Mr. FENTON] accepted later on in the day.

Mr. FENTON. I thank the gentleman. Mr. Chairman, as I was saying:

Because of litigation and the controversy concerning the site for the dam, the committee is having a special engineering investigation as to the relative merits of the alternate plans.

The committee therefore thought it advisable to withhold the unexpended funds until the question is resolved.

However, I would like to direct the attention of the membership of the House to language on page 17 of the report on this problem.

I am in full accord with the language in the first sentence of the item, quote:

> The committee has ordered an independent investigation of the merits of the alternative proposals advocated by the Corps of Engineers and the engineering consultants for the Seneca Indians for the development of flood control storage in the upper Allegheny River area.

I do object to the second sentence of the paragraph in which it states:

> The committee directs that the $1,400,000 balance of previously appropriated funds available for the project be reprogramed to other projects.

My objection is based on the fact that this was not considered or even discussed in our subcommittee and we did not make such a demand as to direct that the $1,400,000 balance be reprogramed to other projects.

I will now ask the chairman of the subcommittee, the gentleman from Missouri [Mr. CANNON], if that is not a correct statement?

He is not here, evidently, but I am sure the other members of the subcommittee can verify that.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. JENSEN. In the absence of the chairman, and I being the ranking minority member, I want to verify the statement that the gentleman just made.

Mr. FENTON. Mr. Chairman, may I say further that the report as written, was not seen by me until the full committee met on Tuesday, although I requested a copy on Monday and my request was not granted.

These reports are only made available to the chairman of the subcommittee and the ranking minority member before we meet in full committee.

This policy may be all right, but I do think the reports should at least be factual.

As a member of the subcommittee I believe my record for attendance at our hearings is well known to the membership and leadership of that committee.

I shall offer an amendment to restore those funds when we come to reading the bill.

I shall also make a statement to the effect that the amendment is offered with the understanding that the restriction on the use of these funds as set out in the conference report on the 1959 appropriations bill will continue to apply, and further, that the funds will not be available until after the committee has completed its own independent study of the relative merits of the Kinzua project and the Conewango project.

Mr. Chairman, H.R. 7509, the public works appropriation bill for fiscal year 1960, has been pretty well explained by the previous speakers.

As usual the committee held hearings for about 2 months and in that time as stated in our report heard 1,150 witnesses in addition to the various representatives of the agencies, requiring 4 volumes of testimony for a total of 4,222 pages. Two hundred and forty-three Members of the Congress testified before our committee on this bill.

TITLE I

Title I of the bill contains appropriations for civil functions of the Army.

(a) Quartermaster Corps for cemeterial expenses, $9,194,000, an increase of $194,000 over fiscal year 1959.

(b) Corps of Engineers for a total of $863,440,500, or an increase of $260,500 over 1959.

The total amount for the civil functions of the Army is $872,634,500, which is an increase of $51,042,200 over 1959 and $454,500 over the budget estimate.

TITLE II

Title II contains appropriations for the Department of the Interior.

(a) Bureau of Reclamation, $253,409,500, a decrease of $12,405,035 under 1959 but an increase of $2,213,500 over budget estimate.

(b) Bonneville Power Administration, $32,582,000, an increase of $2,101,800 over 1959 and a decrease of $2,668,000 under the budget estimate.

(c) Southeastern Power Administration, $735,000, the same as 1959 and the budget estimate.

(d) Southwestern Power Administration, $2,030,000, which is the amount recommended by the Bureau of the Budget and $998,750 over 1959.

(e) Office of the Secretary, $2,765,000, which amount also is the budget request and $998,750 over 1959.

Total amount recommended for the Interior Department or title II is $288,756,500, a decrease of $454,500 under the budget estimate and a decrease of $9,304,485 from the 1959 appropriations.

TITLE III

Tennessee Valley Authority, $15,286,000, which is the same amount as the budget estimate but $1,564,000 under the 1959 appropriations.

Total fiscal year 1960 appropriations for H.R. 7509, $1,176,677,000, which is the same as the budget estimate and an increase of $40,173,715 over fiscal year 1959.

Mr. RABAUT. Mr. Chairman, I yield 6 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I do not take this time to criticize the committee. I think they have worked hard on this bill and have done a good job, and I expect to support the bill so far as that is concerned. But I do come to call to the attention of the House an item which was overlooked in this bill, and I simply do not understand it. May I say that I, for about 15 years, served on the committee having jurisdiction of public works which was then known as the Committee on Rivers and Harbors. I know a little something about the problems that the committee undoubtedly had to meet. But in appearing here, I am not being inconsistent with my normal attitude which is to look after the welfare of the Government and to try to save money for the Government whenever it is possible to do so because the project to which I refer is the Morehead City Port project. That is a harbor in North Carolina, 3 miles from the sea, and within about 12 to 14 miles of one of the big Marine bases, Cherry Point Marine Air Base, and within 30 miles of another, Camp Lejeune, and 3 other bases that are dependent upon Morehead City Port for fuel and other supplies. It is the port of embarkation for two of the large Marine bases which require heavy ships. It has been operating for a good while. You might say, "Why do you say it is so necessary?" In figuring the benefit ratio of this project, it is not only one of the highest but I doubt if there are many in the 42 projects that the committee has approved which has as high a benefit-cost ratio. In addition to that, the State of North Carolina has already spent $6 million on this port and the State legislature of North Carolina is appropriating a half million dollars more for this year. The commerce at that port is tremendous and it has more than doubled in recent years as I will relate more in detail later. But throw all that out of the window and disregard it, if you so choose. What I am talking about now is the benefit to the Government of the United States. Here are the words of Admiral Will, who is the commander of MSTS. He is responsible and pays the bill for these oil tankers. In a few moments I expect to include Admiral Will's full letter and go more in detail of this matter but for the moment I will only discuss brief excerpts from his communication. After giving the cost and the expenses of taking one of these T–2 tankers into port at Jacksonville, Fla., and partially pumping it out before it can go into the port where the whole load is really needed to extra port call, each trip, due entails added cost of $4,950. And in the last 9 months there have been 14 such tankers.

Simple arithmetic will show on this item alone during the last 9 months the Federal Government has suffered an out-of-pocket additional cost of $69,300.

Now they want to use heavier tankers. Every drop of this oil is United States shipments to United States military bases. Now they want to use the heavier tankers to cut down the per barrel cost and that will continue to be an out-of-pocket loss to the United States of over $100,000, and will undoubtedly within the next 3 or 4 months involve an out-of-pocket interest rate of 5 percent or better on the amount of $1,300,000 that the deepening of this channel by 5 feet over the bar will be to the Federal Government. But throwing aside all that, throwing aside commerce and everything else including damage to ships, underloading, and delays. This is money lost out of pocket to the U.S. Government. It probably comes out of defense moneys, but it is still taxpayers money.

Mr. Chairman, I cannot understand why the committee did not put it in the bill, except their intended desire to cut expenses. I want to save the Government money. By failing to deepen this channel you are throwing over $100,000 a year out the window.

The Army, the Navy, and the Marine Corps are all very anxious for this.

The U.S. Government has larger tankers than the T–2 type which they would like to put in service but they cannot be used with a channel under 35 feet across the bar and 34 feet inside.

All we want to do is put this item in.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. RABAUT. Mr. Chairman, I yield the gentleman one additional minute.

The CHAIRMAN. The gentleman from North Carolina is recognized for 1 additional minute.

Mr. JENSEN. Will the gentleman yield to me?

Mr. BARDEN. I yield to the gentleman from Iowa.

Mr. JENSEN. I must say to the gentleman that this matter was not fully discussed before our committee, especially in the markup.

Mr. BARDEN. I think the gentleman is right. I sympathize with the tremendous problem the gentleman had. There is no question about the complexity of his problem.

Mr. JENSEN. I do not think the committee would disagree with the objectives as the gentleman explains them now.

Mr. BARDEN. I do not think so myself, but I had only 5 minutes in which to present this to the committee. I did my best. I believe the gentleman is equally interested in this matter from the economical standpoint just as I am, and I believe the other members of the committee would be if they understood it.

Mr. JENSEN. I remember now, I came into the committee hearing just about the time the gentleman had finished his statement and I did not hear the import of his testimony.

Mr. BARDEN. I do not know what we can do on it, but I hope it will be put in. It is a very serious matter, and should be worked out.

And Mr. Chairman in the hopes that it will be worked out I at this time ask to go more in detail so that this information might be available.

The committee report shows that in the Army civil functions part 24 unbudgeted general investigating items were added and 44 unbudgeted construction and planning items were added. It should be pointed out that in the original Bureau of the Budget recommendations North Carolina, along with two other States, was completely left out, notwithstanding the fact that there were several desperately needed, fully approved projects. I do not know the reason for this, and I am glad to see that the committee saw fit to add one construction item and one planning item to the bill.

As stated, the cost of this project would be about $1,300,000. This Morehead City Harbor Project, was approved, after having been highly recommended by all Government agencies, in the Rivers & Harbors Act of 1956, which was vetoed by the President. Again in 1957 it was included in the Rivers and Harbors Act, which was vetoed. In neither case was the veto in any way related to this project. The adjusted cost estimate has gone up a little over $100,000, but the adjusted cost-benefit ratio is still as high or higher than it was when it was first approved. It shows clearly the economy of the project and the urgency for its construction without any further delay. It is a project which has a high cost-benefit ratio and the most substantial direct monetary benefits of the project would accrue to the Federal Government. I repeat the Marine Corps, Navy, and Air Force are tremendously interested in the matter, however, each one is depending upon the other or on the Corps of Engineers to do the job and of course if the job is not done the Federal Government will continue to lose money.

At Morehead City Harbor the Marine Corps has its main port of embarkation on the Atlantic coast, serving its bases at Camp Lejeune Marine ground troops, some 30 miles distant, and Cherry Point Marine Air Base, about 12 miles away. An enlarged turning basin is part of the project and this portion is vital to the Marine Corps in its embarkation operations.

There is also located at the harbor a large fuel storage terminal which is leased to the Federal Government. This terminal supplies aviation and jet fuel for three Air Force bases and the Cherry

Point Marine Corps Air Base, including its outlying auxiliary fields. Under the joint-service arrangement the Navy Military Sea Transportation Service supplies the fuel to the terminal by means of Navy tankers, although the Navy itself does not use the fuel provided. The fuel is hauled from there by rail tank cars and highway tank trucks to Seymour Johnson and Pope Air Force Bases in North Carolina, and Donaldson Base in South Carolina. The terminal is in the process of being further expanded and additional tanks are to be erected. Beginning this summer a portion of a Strategic Air Command B–52 wing will commence operations at Seymour Johnson Air Base and the Air Force advises me that when this takes place the fuel demands for that service will be almost doubled overnight. The Military Sea Transportation Service has informed that their fully loaded T–2 tankers carry a depth of slightly more than 30 feet, and that due to channel depth restrictions, cargo tonnage has necessarily had to be reduced by some 4,000 long tons or more than 25 percent. In approximately 9 months this service alone, just for fuel tankers, has delivered 14 part cargoes. As a result of the restrictions providing the delivery of fuel cargoes the additional space in the Navy tankers destined for Morehead City has been loaded with petroleum products for Navy facilities at Jacksonville, Fla.

Admiral Will, commander of MSTS, advises me that this additional port call at Jacksonville increases the length of the round voyage by approximately 1½ days. He also stated that the minimum cost of a T–2 tanker is $3,300 per day. His full letter shows clearly the picture. It follows:

DEPARTMENT OF THE NAVY,
MILITARY SEA TRANSPORTATION SERVICE,
Washington, D.C., April 28, 1959.

Hon. GRAHAM A. BARDEN,
House of Representatives,
Washington, D.C.

MY DEAR MR. BARDEN: Reference is made to your letter of 22 April 1959, requesting information in connection with deepening the channel at Morehead City, N.C., and also the degree to which tankers use this port.

A T–2 type tanker fully loaded has a draft of 30 feet 1½ inches. The present restricted channel depth for Morehead City and Beaufort, N.C., is 25 feet. This restriction reduces the cargo tonnage a T–2 can carry by 4,000 long tons, or more than 25 percent. During the past 9 months, July 1958 to March 1959, 14 Military Sea Transportation Service (MSTS) tankers have delivered part cargoes into Beaufort and Morehead City. All the cargoes were delivered for the U.S. Navy. As a result of the depth of water prohibiting the delivery of full cargoes, the additional space in tankers destined for this port is loaded with petroleum products for the U.S. Navy at Jacksonville, Fla. For a T–2 type tanker loading in a port in the U.S. gulf or the Netherlands, West Indies, the additional port call at Jacksonville increases the length of the round voyage by approximately 1½ days. The cost of operation of a T–2 tanker is $3,300 per day.

MSTS is greatly interested in the improvement of port facilities and increasing channel depths. The present commercial trend to large tankers makes these improvements necessary. A number of commercial tankers presently under charter to MSTS, 26,000 deadweight tons to 32,500 deadweight tons, have a loaded draft of 35 feet.

I hope the foregoing will serve your needs. If I can be of any further assistance, please do not hesitate to call upon me.

Sincerely yours,

J. M. WILL,
Vice Admiral, U.S. Navy, Commander, Military Sea Transportation Service.

At the time the project was originally approved by the Congress in 1956 the cost-benefit ratio was approximately 1.9. The above cited fuel situation could not at that time have been given full consideration, for the situation did not exist.

I still cannot understand why the committee failed to make an investment such an investment, which is purely a sound business proposition, benefiting not only general seagoing commerce, but our various armed services.

I have been trying to get the cost-benefit ratio of the additional construction projects added to the bill, for I believe justified though they may be, few have as great a justification as does this project.

Some of the important facts to be considered in connection with this project include:

First. The State of North Carolina has spent in excess of $5,400,000 on the development of this port terminal. This expenditure represents a compact and complete deep sea ocean port with all necessary allied facilities. The legislature is now in session and has been asked to appropriate an additional amount in excess of one-half million dollars to construct additional warehouse facilities. In addition to regular facilities, specialized facilities consist of a modern fumigating plant, a grain-loading facility and a large petroleum tank farm.

Second. Freight traffic has greatly increased since the establishment of the State port some 7 years ago. As an example, in 1957 there were 158 vessels handled at the port terminal. In 1958, there were 204 vessels handled. In 1957 there were 25,000 hogsheads of tobacco. In 1958 there were 50,000 hogsheads of tobacco. In 1957 dry cargo handled totaled 29,728 tons. In 1958 it totaled 47,000 tons.

Third. During 1957 the Interstate Commerce Commission approved a petition by Southern Railway Co. to acquire the railroad running from Goldsboro to Morehead City, and now Southern is operating directly to the port. The results of this important development are now being felt in the development of considerable industries along the Southern Railway road. This will play an increasingly important role in the development of this port. One of the greatest needs in North Carolina for a century has been rail service by a trunk line carrier across the State east and west. This is now a reality.

Fourth. The importance of the port as a port of embarkation for the 2d Marines has steadily grown and Morehead City is now considered the prime port of embarkation for the Marine Corps on the Atlantic seaboard. More space is needed for anchoring and maneuvering military vessels. Considerable delay is experienced in awaiting favorable tides before entering the basin and waiting for the departure of other ships.

Fifth. The desired improvement is relatively inexpensive when compared to other ports along the Atlantic coast. Morehead City is only 3½ miles from deep water in the ocean. This factor makes this port the most accessible one on the Atlantic coast. A much shorter time from ocean steaming to dockside is required at Morehead City than any other port. This results in tremendous savings, for in many ports upward to one-half day, and in some cases even longer, is required from the time a pilot is taken aboard to docking.

Sixth. A close examination of this project in the light of developments since the submission of the report to Congress 5 years ago, should show beyond question that the cost-benefit ratio is materially improved. The savings to the Marine Corps in the handling of troop movements as well as the immediate saving to the Military Sea Transportation Service could well prove to be in an amount sufficient to cover the cost of the project over a period of a very few years. And of course, all of these military and Government considerations are beyond and apart from this important justification and that is the commercial development of the port itself. The people of this area, the North Carolina State Ports Authority, an official State agency, and myself feel that the delays in constructing this project resulting from two vetoes of omnibus rivers and harbors bills, make it all the more urgent that work proceed without further delay. It is unwise from my way of thinking to delay this improvement longer, when it will undoubtedly continue to cost the American taxpayer more and more each year. The fact that this money may come from defense appropriations makes no difference so far as the U.S. Government is concerned. It is still taxpayers' money.

Seventh. In the last several years, I have found myself called upon numerous times to intercede with the Corps of Engineers on an emergency basis to obtain maintenance dredging due to the shoaling in certain parts of the channel. When the matter reaches an emergency stage, the Corps of Engineers of necessity has to do the dredging on a crash basis, many times resulting in a higher maintenance cost than would normally be required. It is felt that the additional depth in the channel would materially improve the maintenance situation and would practically eliminate the emergency situations which have arisen.

To sum up, it seems clear to me that this project is purely and simply a sound business proposition for the Federal Government and will result in direct and indirect monetary benefits immediately.

Mr. JENSEN. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Mrs. WEIS].

Mrs. WEIS. Mr. Chairman, as a newcomer to the House, I have not made a practice of doing a great deal of talking on the floor. I have tried to sit quietly and simply listen and learn from the senior Members. I can assure you

that I have no intention of departing from that general practice. But today I am compelled to rise in objection to that action which the Appropriations Committee has taken in eliminating funds for a public works project in my 38th District of New York.

The project is known as the Irondequoit Bay project, and the total cost has been estimated at $4,412,000. It is not the Federal share of this total amount which was involved in the committee action. However, the entire request for this year amounted to only $129,000, the bulk of which was to be used for completion of the planning phase of the project, so that actual construction could begin in the spring of next year. Now, however, unless the committee action is reversed in the Senate—as it should be, and as I hope fervently it will be—serious delays will result, and the whole timetable for the project will have to be adjusted.

Is there any justification for the committee's action? No one in the Congress is a more staunch advocate of economy and thrift in Government than I am, but even so I cannot condone the committee's decision to eliminate this particular project. To do so is, in fact, to condone the wasting of $132,000 in taxpayers' funds, for this is the amount of Federal money which has already been authorized, appropriated, and spent on the project, and which will be totally wasted if this decision to abandon the project is not reversed.

Briefly, the facts concerning the project are these: It was authorized with the full approval of the Bureau of the Budget and the Army Corps of Engineers during the 84th Congress, following the completion and submission of preliminary examinations and surveys which were authorized by the River and Harbor Act of 1946.

Following this authorization in the 84th Congress, funds in the amount of $113,000 were appropriated last year in the 2d session of the 85th Congress to carry forward the final planning phase of the project. Coupled with the funds which were made available for the preliminary examinations and surveys—which amounted to $19,000—the total appropriation for the project to date has been $132,000. I am informed by the Corps of Engineers that virtually all of this money has now been spent, which means that we have already put $132,000 of Federal money into the project.

Furthermore, the State and local community have taken extensive steps preparatory to making substantial financial commitments of their own. Less than 90 days ago the New York State Legislature enacted legislation enabling the local community to go ahead with their plans for participation, and a five-man commission to supervise the construction and equipment of a wharf, mooring facilities, access roads, and parking facilities is already functioning actively. In addition, the State department of public works and the New York Central Railroad have also made rather extensive plans to participate in the project. All of this planning—which has been both extensive and expensive—will be for naught if the Federal Government now reverses its plans to participate.

The $129,000 requested for this year is contained in the President's budget, so that question is not involved; and in addition, the benefit-cost ratio is now 2.4 to 1, and there could be substantial improvement even of this favorable ratio if negotiations with the New York Central Railroad concerning the discontinuing of a small line of theirs are successful.

All things considered, Mr. Chairman—including the expenditures which have already been made, the complete willingness of the local community to bear their share of the cost, the very favorable benefit-cost ratio of the project, and the fact that the funds requested are relatively small and wholly within the Federal budget—I am hopeful that the Congress will carefully reconsider its decision to delete this project from this year's appropriation. To do otherwise is certainly a complete breach of faith with the people of my community.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, I rise to express an interest and concern in the Irondequoit Bay, N. Y., project referred to on page 16 of the committee report.

Although an item of $129,000 was included in the budget request and recommended by the Army Corps of Engineers, the committee deleted this amount because of the apparent need of such funds for other projects involving flood control and navigation.

I hope that a reconsideration will be given to restoring these funds in order that this project may move forward.

Mr. Chairman, Irondequoit Bay is located in Monroe County, N.Y., on the south shore of Lake Ontario, 4 miles east of the city of Rochester at the mouth of the Genesee River. This project was authorized in the 1958 Rivers and Harbors Act, and the benefit-cost ratio is 2.4 to 1.

In the public works appropriation bill for fiscal 1959, $113,000 was made available for planning purposes. According to the Army engineers, construction would start this next year and commitments have been made with regard to the relocation of an existing railroad bridge. Revised figures in connection with this project indicate a total estimated cost of approximately $4,400,000, with local and State governments sharing, in the amount of approximately $2,230,000.

This is an increase of $98,000 over the latest estimates submitted to Congress. As I understand it, this increase is due primarily to higher price levels and the estimate includes preauthorization study costs. In connection with the status of local cooperation, the New York State Legislature, during their 1959 session, enacted the necessary enabling legislation authorizing the Monroe County Board of Supervisors to act in this matter.

Mr. Chairman, you can readily see that this project not only has the necessary authorization but all primary steps have been taken, including that of local and State commitments. The project itself, while it does mean improvement of recreational facilities, will likewise reduce vessel damage and provide a refuge to vessels cruising between ports on Lake Ontario. I might point out that the bay is virtually landlocked, and ingress and egress are restricted except for very small boats. This improvement would tend to bring about an increase in the circulation of water in the bay, thereby reducing the unsanitary and stagnant conditions thereof, and commercial fishing would be revived in the area. These improvements at Irondequoit Bay, in accordance with the plans as approved and recommended by the Engineers in their report, are indicated to be economically justified.

Mr. Chairman, in view of the fact that this project was included in the budget and recommended by the Engineers for initial construction and, in further view of the fact that it has been justified in every way, I hope that the requested $129,000, which was included in the budget will be restored at this time.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I ask unanimous consent that my colleague from Washington [Mrs. MAY] may extend her remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mrs. MAY. Mr. Chairman, the fiscal year 1960 construction and rehabilitation budget submittal of the Bureau of Reclamation contained $600,000 for the East High Canal irrigation area. This amount was for the purpose of continuing studies to determine the best means of serving from between 215,000 to 395,000 acres in the eastern portion of the Columbia Basin project. The House Committee on Appropriations in its recent report directed that the $600,000 be reduced to $100,000.

Such a reduction would greatly retard an important study for the continued development of the Columbia Basin project. The continuation and completion of the East High Canal area study is required so that the impact of the addition of such extensive area upon the rest of the project will be known.

As originally contemplated and authorized the Columbia Basin project consists of approximately 1,029,000 acres. However, certain areas within the scope of the original project have been eliminated for various reasons, such as the withdrawal of lands by the Atomic Energy Commission. Nevertheless, major work such as the main pumping plant, the feeder canal, and the equalizing reservoir—Banks Lake—were designed and constructed to furnish water to over 1 million acres. It is important, therefore, that substitute lands to restore the originally contemplated acreage be defined. The East High Canal study is essential in this respect.

Irrigable areas of this vast undertaking have been developed on a gradual basis

until today facilities are available to supply water to approximately 400,000 irrigable acres.

Decision as to means of serving the remainder of the irrigable acreage of the Columbia Basin project is now at a crossroads in planning. The works to serve the various portions of the overall service area are, in many aspects, highly interrelated and completion of the East High Canal irrigation area investigation is necessary to insure that the continuing construction on the Columbia Basin project will proceed in conformity with the best overall plan for completion of the project.

The decision as to the area to be served from the East High Canal is essential to the proper sizing of the main canal from the equalizing reservoir up to the point from which the East High Canal will branch. The sizing and scheduling of the important Bacon siphon and tunnel are also dependent upon the East High Canal study. Construction of these works must be initiated in the near future to serve lands which can be brought under irrigation under existing contract. These works are costly and it is extremely important that from the standpoint of economy and efficiency that they be built to the proper size. Drainage structures for areas already under development will be affected by the extent of development in the East High area along with the designs of major multiple-purpose waterways and wasteways. The ultimate plan for the East Low Canal also will depend upon plans to serve the East High area.

Following an orderly procedure for development of the Columbia Basin project a detailed study of the East High Canal area was initiated in fiscal year 1958; $350,000 was assigned to the study in fiscal year 1959 and $600,000 scheduled for fiscal year 1960. Severe curtailment of this study will preclude the Bureau of Reclamation from obtaining timely answers to several important decisions involving millions of dollars of future construction work. It will also, by disrupting a going investigation program be costly in terms of investigation funds. Existing contracts such as for aerial photography and mapping, although subject to cancellation, can be canceled and later resumed only at significant expense to the Federal Government. It is also always inefficient and expensive to break up an existing planning group and reassemble it later.

Over $500 million have been spent on the Columbia Basin project to date. The $600,000 requested for continuing the East High study is a small amount to obtain decisions necessary to assure that works already constructed, including Grand Coulee Dam, are utilized to their maximum effectiveness and to make certain that works yet to be built will be properly planned and designed. Because of the serious effect that the $500,000 reduction would have not only as to the East High area study itself but in relation to future actions on a major part of the entire Columbia Basin project it is strongly urged that this matter be reconsidered and the full amount of the $600,000 be restored.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AVERY. Mr. Chairman, I join with my other colleagues in congratulating the Public Works Subcommittee of the House Appropriations Committee on the commendable job they have done in bringing this appropriation bill to the floor today. As has been mentioned by several members of the committee, the committee patiently listened to 243 Members of Congress testify in favor of certain public works projects as well as 1,150 witnesses from different places throughout the Nation in support of a project that was of special interest to them.

A recent development in Frankfort, Kans., prompts me to take the floor this afternoon to advise the committee of a local circumstance that I feel merits attention of the House as well as the other body. The city of Frankfort, in Marshall County, Kans., located near the mouth of the Black Vermillion River, experienced the highest flood in the 100 years' history of their town on Saturday, May 30. Not only was this a flood that inflicted heavy damage on the town, it came only 11 months after a similar flood in 1958 and a comparable disaster occurred to the same city in 1948 and 1951.

In this flood on last Saturday, 167 homes were damaged as well as extensive damage to over 60 places of business in the city. This, in itself although extremely serious, is not the only reason that I am presenting this matter to the House today. You will note in the committee report that $18 million has been provided for further construction of Tuttle Creek Reservoir. At the present time it is anticipated by the Corps of Army Engineers that Tuttle Creek Reservoir may be completed and closed either late in 1959 or in the first part of 1960. The real estate taking line for Tuttle Creek Reservoir is 1140 feet elevation. This 1140 feet elevation for the reservoir will back water into a portion of the city of Frankfort, to which I have just referred. The inundation of a portion of the city of Frankfort would naturally impose an obligation on the Corps to acquire such houses and other improvements as are located in this portion of the town which would be inundated. Although it is not reasonable to assume that the reservoir would fill to a full pool level immediately after closure, the Corps has the long-established policy of not allowing residences to remain below the full pool elevation level for an extensive period after the closure and completion of a reservoir project.

In the public works bill of 1958 local flood protection project for Frankfort was authorized. The Corps of Engineers advised me that if they know this local flood control project is to be built, it will not be necessary for them to acquire the residences as I have described located under the full pool elevation of Tuttle Creek Reservoir. They further advised me that this project was not included among those recommended to the Bureau of the Budget because those recommendations had largely been selected before the Frankfort project was authorized in the closing weeks of the 85th Congress. They are in full agreement that it would be in the public interest to proceed with planning money for the Frankfort project in the next fiscal year and they have a capability of using $50,000 of planning money to that end.

It is the understandable position of the Appropriations Committee to resist all amendments offered to this bill when it is under consideration by the House. Therefore, I am not offering an amendment to the bill this afternoon, but did want to establish a record supporting the Frankfort levy and will look to the Appropriation Committee in the other body for further consideration.

Mr. JENSEN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Chairman, this bill includes an item of $50,000 to commence a feasibility study on the San Felipe division of the Central Valley project. The study will be financed 50 percent by the Federal Government and 50 percent by local interests and was directed by this Congress by the act of August 27, 1958.

The area to be given water service if the study is favorable contains the 15th ranking county in the Nation in agricultural production. It is cut off by the coastal range of mountains from the principal sources of water in California. It is an area of self help which has, at its own expense, conserved every drop of local water. It has taxed itself in one district at a rate of $3.80 per hundred dollars of assessed valuation for water conservation. Despite this local effort millions of dollars invested in orchards and improved farmland is endangered from a receding water table. This study is urgent and is needed at the earliest possible moment.

Following the passage of the act of August 27, 1958, the Bureau of Reclamation requested permission to reprogram $50,000 of appropriated funds for fiscal year 1959 in order to make possible an earlier start on the study of the San Felipe division of the Central Valley project. This was in recognition of the extreme urgency and need for the study. Unfortunately the tremendous workload imposed upon the Appropriations Committee made it impossible to consider the request for reprograming until this bill was marked up in committee. At such a late date it is conceded that there would be no opportunity to utilize fiscal year 1959 funds and no useful purpose could be served in authorizing the reprograming.

In view of the urgency of this matter to my district and in view of the possibility that more than $50,000 could be utilized in fiscal year 1960 by the Bureau of Reclamation, I should like to ask the gentleman from Michigan [Mr. RABAUT] in the absence of the distinguished

chairman of the Committee on Appropriations if the following fact is not true:

That the Bureau can reprogram for use in this study in fiscal year 1960 an amount not to exceed 15 percent of any other study which will not be expended during that fiscal year?

I should also like to ask if a greater amount than the above-mentioned 15 percent might be reprogramed provided the Appropriation Committees of the House and Senate grant permission?

Mr. RABAUT. The answer to both questions is yes.

Mr. GUBSER. I thank the gentleman.

Should such a request be made by the Bureau of Reclamation, the Committee on Appropriations will give it consideration?

Mr. RABAUT. We would consider it, yes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RABAUT. I yield 5 minutes to the gentleman from Pennsylvania [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, I take the floor at this time to ask some clarifying questions about the Allegheny River Reservoir from the chairman of the subcommittee, the gentleman from Michigan [Mr. RABAUT].

I would like to refer the gentleman to page 17 of the committee report which accompanies the bill. I notice that the first sentence on that page reads, in part, as follows:

> The committee has ordered an independent investigation of the merits of the alternative proposals advocated by the Corps of Engineers and the engineering consultants for the Seneca Indians.

Is it not true that the Corps of Engineers has not advocated any alternative proposal but, on the contrary, since 1936 and consistently thereafter, has advocated the Allegheny River Reservoir?

Mr. RABAUT. That is right.

Mr. MOORHEAD. Is it not true that the Allegheny River Reservoir supported by the Corps of Engineers is the same or substantially the same project as was authorized by the Congress first in 1936 and later in 1938?

Mr. RABAUT. That is correct.

Mr. MOORHEAD. Is not the Allegheny River Reservoir the same project for which Congress has appropriated some $2,733,000 in past years?

Mr. RABAUT. That is correct.

Mr. MOORHEAD. Since this project has been under exhaustive study since 1936 by the Corps of Engineers, and since it has had repeated approval by that corps, does the gentleman believe a further study of this project is necessary?

Mr. RABAUT. The gentleman asked a question. The report answers the question.

Mr. MOORHEAD. Did the committee make any determination as to the length of time that would be required for this independent study?

Mr. CANNON. The report explains the bill. It speaks for itself.

Mr. MOORHEAD. It does not appear on page 17.

Mr. RABAUT. It might be in the hearings.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I call your attention to the fact that this year a report was made at a cost of $75,000.

Mr. MOORHEAD. I am speaking to the subcommittee now. I would like to ask the gentleman if the Public Works Subcommittee intended this $1,400,000 to remain intact for use of the Allegheny River project?

Mr. CANNON. I will say to the gentleman in answer to his inquiry that it was the intention of the committee that this money should not be available until the litigation was cleared up and until we had an opportunity to make our own engineering studies.

Mr. MOORHEAD. I understand, Mr. Chairman, that that was the contention of the whole committee. I wondered if there was a different approach by the subcommittee.

Mr. CANNON. I am speaking for the subcommitttee.

Mr. MOORHEAD. I see. Again I would like to direct my question to the gentleman from Michigan [Mr. RABAUT] and ask if there was any understanding with respect to the language to be used in the report dealing with the Allegheny River Reservoir project.

Mr. RABAUT. Well, there was a misunderstanding about the language. The committee never did rule on that.

Mr. CANNON. Our report was made to the whole committee, and the whole committee approved the recommendation of the subcommittee.

Mr. MOORHEAD. I thank the chairman.

Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DENT] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Chairman, inasmuch as the House Appropriation Committee has demonstrated and announced that no amendments will be made to H.R. 7509, the public works appropriation bill, I feel compelled to add my protest to those of my colleagues from Pennsylvania to the omission of two very worthwhile projects.

First, the failure of the committee to include the flood control project for the Turtle Creek Valley, which lies partly in the district of Congressman HOLLAND and partly in my district.

Second, the elimination from the appropriation bill of $1.4 million for the Kinzua Dam project.

In the first instance, we are faced with the dangerous industrial unemployment crises. This valley gives employment to approximately 35,000 persons primarily through Westinghouse plants. This valley is faced with flood conditions which have meant the loss of millions of dollars in wages, production, and cash outlay for rehabilitation purposes. The large corporations find themselves stymied in the money markets when seeking loans for the modernization and expansion of their plants due to the ever-present threat of costly flood damages, since there are to be no amendments here, and this also holds true for the Kinzua Dam project.

Congressmen HOLLAND, MOORHEAD, FLOOD, GAVIN, and others are appealing to the upper body through our Senators, CLARK and SCOTT, for the reintroduction into the bill the necessary and vital flood control projects.

Considering how great the contributions of the State of Pennsylvania are and have been to the national Treasury, the comparatively small amount required to alleviate these disastrous and recurring conditions is little enough to ask and expect from Members who come from States who have been direct beneficiaries of moneys from the public Treasury entirely out of proportion to their contributions.

Those of us from heavily populated States have contributed our support over the years to what were termed necessary and essential projects for every State in the Union. We now appeal to you to give us your support in this instance of direct and compelling need.

Mr. LANE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Chairman, I rise to express appreciation to you, and the members of the Committee on Appropriations, for allocation of funds for the Hopkinton-Everett Reservoir in New Hampshire.

Your committee has seen fit to approve $5,568,000 for fiscal year 1960 to continue this flood-control project on the Hopkinton Dam on the Contoccook River above the junction of the Merrimack River. The site of the Everett Dam is on the Piscataquog River, which is 16 miles above the junction of the Merrimack River.

This project is an important unit in the overall plan of improvement for flood control in the Merrimack River Basin. You will recall that in 1936 and in 1938, due to the floods on the Merrimack River, there was millions of dollars of damage to 200-odd industries and other properties in the Merrimack River Valley.

This project was authorized under the 1938 Flood Control Act and the total project cost estimate is $30,800,000. Your committee allotted funds up to June 30, 1958, in the amount of $705,100 and in the current fiscal year 1959, $1,461,900. With this allocation in this bill of $5,568,000, the balance to complete this flood-control project after fiscal year 1960 will be $23,065,000. It is planned to advertise the dam contract in September of this year and then to award the same in October.

The committee has made no mistake, and we in the Merrimack Valley in the State of New Hampshire and the Commonwealth of Massachusetts are indeed indebted to the Committee on Appropriations for their most thoughtful consideration.

Mr. MADDEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MADDEN. Mr. Chairman, the Little Calumet River which runs through the 1st Congressional District of Indiana and across the State line into Illinois in an east-west direction, during periods of heavy rainfall or spring thaws, floods vast areas of residential and truck garden property for a number of miles both in the Calumet region of Indiana and in the Illinois area.

My colleague, Congressman EDWARD J. DERWINSKI of the adjoining Illinois congressional district, and I, some time ago filed with the Appropriations Committee, a request for the sum of $48,000 to be included in the pending Public Works Project legislation for a completion of a study by the Army Engineers of this necessary flood project. In the last 10 or 15 years, thousands of homes have been built in this area. This great influx of population came about by reason of the mammoth defense production caused principally by World War II, and the Korean War. Three major steel mills, the Carnegie-Illinois, Youngstown, and Inland Steel are located in adjacent Gary and East Chicago, Ind. All the major oil companies have their refineries and branch offices in the adjacent East Chicago and Whiting, Ind. The only available area for residential development is in the Little Calumet basin.

Over 10 years ago the Army Engineers made a survey of this area, but did not complete an exhaustive study as to the finding of methods of relieving this area of the devastating damage caused by periodical floods. Only recent, heavy rains in the area caused considerable damage and necessitated hundreds of persons living in the vicinity to dike the Little Calumet River with sandbags and other embankments in order to defer the flood damage to their homes and property. Every few years devastating floods hit the Little Calumet River causing millions of dollars in property damage.

Congressman DERWINSKI and I are asking the Congress to provide not the full amount which the Army Engineers estimated would complete this necessary study and survey, but merely for a $20,000 appropriation this year so that work can commence on this important project. The Army Engineers reported over 10 years ago that it was necessary for a joint survey to be made both in Illinois and Indiana as flood remedies in one State would merely cause water to inundate the areas in the adjacent State.

I do hope the committee will give every consideration to this necessary and relatively small amount to start an Army Engineer study and survey on this important project.

Mr. DERWINSKI. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Chairman, I desire to call to your attention this afternoon the urgent need for funds to resurvey the Little Calumet River basin which runs through my district, Fourth-Illinois, and adjacent Indiana. In the last few years this river has inflicted floods in this area during the periods of heavy rains and spring thaws which cause increasing damage each year.

A flood control project for this area was authorized by the Corps of Engineers by the Flood Control Act of 1954. Colonel Corey of the U.S. Army Engineer District in Chicago has advised that approximately $48,000 is needed to complete the study. This review study is vitally necessary to all the growing communities along the banks of the Little Calumet River.

For the record, I wish to state that Congressman RAY J. MADDEN, First District-Indiana, joined me in requesting from the Public Works Subcommittee the appropriation of $48,000 and Congressman MADDEN joins me here on the floor in making the same request of the Committee of the Whole.

Since the Corps of Engineers realizes the urgent need for this work, I ask that the funds be made available as soon as possible so that the increasing residential growth of this area be free from these periodic damages. I have records at my disposal to indicate the complete awareness of the Corps of Engineers as to the absolute need for quick action on this survey. I have assurance that as soon as the survey is completed all local participation and cooperation necessary will be provided by the municipalities affected in this area.

At a recent meeting I held with mayors and village presidents of south Cook County suburban communities I was assured of their 100 percent interest and have received pledges of complete cooperation. Your interest and support of this vital survey will be appreciated, and I can assure you it will be of tremendous benefit to the residents now adversely affected by flood conditions.

Mr. Chairman, I further wish to call to the attention of the Committee of the Whole the action of the Appropriations Committee in this Public Works Appropriations Act of 1960 deleting $930,000 in connection with the Western Avenue Highway Bridge in the Calumet-Sag navigation project.

The Truman-Hobbs Act originally applied only to railway bridges. It was later amended and became Public Law 564 of the 82d Congress to provide for Federal participation in the cost of relocating publicly owned highway bridges in connection with navigation and flood control projects.

However, prior to the amendment the Cal-Sag project had already been authorized with local interests to bear full cost. The Appropriations Committee takes the position that to include Federal participation at this time in the relocation of the bridge in question is retroactive and should not apply to this bridge. It further takes the position that this will be setting up a precedent if this is allowed to go through. For that reason, they deleted the money. Under the Truman-Hobbs Act the Federal Government pays basically the extra cost of removal or alteration over and above the depreciated value of the bridge based on its original cost. I cannot agree with their thinking.

It must be pointed out that in the omnibus river and harbor bill of 1958 the House Public Works Committee, after a separate survey report had been ordered and had gone through the usual channels, authorized the inclusion of this bridge under the Truman-Hobbs Act believing the project to be fully justified and specifically broke the cost down into three parts so as to bear the payments by the Government over a number of years. For further details I refer you to House Report 1894, 85th Congress and ask that you give it serious study. Your attention is called to section 109 on page 69 of the report which gives a detailed explanation of the reason for the inclusion of this project in the 1958 act.

Mr. Chairman, in my opinion the Cal-Sag navigation project is the most important public works project being undertaken at this time by the Federal Government. It is a vital part of the navigation system of continental significance. Its completion will link, far more effectively than heretofore, the Nation's two main arteries of waterborne commerce: The Great Lakes-St. Lawrence system to the north and the Mississippi-Gulf intracoastal system to the south.

It is obvious to all who have studied this project that it has more reaching effects on the economy of the Middle West—in fact on the entire Nation—than any other comparable project.

The interpretation that has led the Appropriations Subcommittee to reverse the actions of the previous Congress is to be deeply regretted by all who have an awareness of the importance of this project. I urge you, my colleagues, to give this matter your serious study so that we may next year bring about a more realistic understanding of the effects of this action and approve the application of the Truman-Hobbs Act, as amended, to specific application of this Cal-Sag navigation project. Industrial and commercial expansion of the entire Middle West and Great Lakes area is at stake in this project.

Mr. HOLLAND. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Chairman, I note that the Appropriations Committee has recommended funds to commence planning or construction of a number of flood control projects not yet started and which were not in the President's budget. I commend the committee for putting the urgent needs of flood-plagued communities ahead of the rigid and parsimonious financial policies of the administration. It is unfortunate that the criteria used by the Appropriations Committee in selecting new projects to be appropriated for could not be extended to

the urgent flood-control problem in the Turtle Creek Valley of Pennsylvania. The total estimated cost of relieving this critical flood situation is only $13,417,000. A relatively small sum of even $50,000 to commence the advanced planning of this project in order that construction could begin next year would be of vital importance to the 30,000 people employed at the various industrial plants located in the Turtle Creek Valley.

I consider it shortsighted that the Budget recommended no funds for this important project, and I very much regret that the Appropriations Committee made no provision for it.

The flood protection work needed in the Turtle Creek basin of Pennsylvania is small in volume and in cost compared to many of the large dams and other works which the Federal Government has built and is building in other areas of the country. The Turtle Creek Valley is a highly industrialized, densely populated area which suffers greatly from recurrent floods. The area subject to flooding contains extensive heavy industries, railroads, and commercial and residential developments. It is an important part of the Pittsburgh industrial area and is a significant factor in the defence and industrial well-being of the United States. This is a project where a relatively small expenditure would do a large amount of good.

It is well known that Pennsylvania contributes many more tax dollars to the Federal Treasury than do many of the States in which large sums in the pending bill will be spent, and I think the Turtle Creek, Pa., project should be promptly financed with Federal funds.

The Turtle Creek Valley has been plagued by many destructive and costly floods for more than 50 years. In times of flood the entire economy of the area becomes paralyzed. Direct costs running into millions of dollars have been incurred repeatedly by local residents and industries, and the indirect costs to the entire economy of the valley are many times greater. The U.S. Army Corps of Engineers has estimated that a recurrence of the last major flood, which came in October 1954, would result in direct damages to property and in excess of the $13½ million total construction cost of this project.

Mr. Chairman, a remedy for this flood control problem was authorized over 15 years ago but no appropriation was ever made under the original authorization which provided for a dam and reservoir. In the meanwhile urbanization of the valley has made a storage reservoir unfeasible, and last year a new authorization was included in Public Law 85-500, providing for "widening, deepening, stream bed and side slope protection and paving, and streamlining the channels of lower Turtle Creek." The new plan also includes modification of some existing structures, as well as construction of debris basins.

I would like to point out that a local flood control agency has already undertaken part of the work needed in the Turtle Creek area. This work was paid for with local funds, substantial portions of which were supplied by industrial concerns in the Turtle Creek area. If the Federal share of the work is not undertaken soon the value of the locally financed work will be lost. This is another important reason for getting Federal funds now for this project.

I had intended to offer an amendment here in the House in the hope of getting an appropriation for Turtle Creek, but history shows that such amendments have little chance of success. Therefore, I have decided it would be wiser not to force the issue at this time.

Mr. Chairman, I have urged that the other body provide planning funds for the Turtle Creek flood control project, and I know that both of the Senators from Pennsylvania are making a strong plea for funds for Turtle Creek. I sincerely hope this effort will be successful. If the Senate does make provision for this project, I urge that the House conferees accept such an amendment in order that this urgently needed work can get started.

Mr. ANDERSON of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. ANDERSON of Montana. Mr. Chairman, I would like to express my strong approval of the action of the Committee on Appropriations in repudiating the "no new starts" reclamation policy of the administration. As stated by the committee in its report:

> This unrealistic policy which the administration has attempted to adhere to in the past few years would ultimately dry up the water resources program of the Nation.

We need to develop our land resources for new farm homes and our water resources for production of power, the full cost of which is reimbursable. The Nation can well afford to invest one-third of 1 percent of our annual income for the development of our natural resources in the fields of reclamation, power, navigation, and flood control.

I am extremely disappointed that the committee did not include an item for resuming construction on the Yellowtail Unit of the Missouri River Basin project of the Bureau of Reclamation. This project has been approved by Congress and an appropriation of $4 million for construction was made in 1956, but because reservoir and damsite title had not been clarified, most of this appropriation was subsequently swept up by the Committee on Appropriations in 1957. Late in 1958, by legislation, title to the reservoir and damsite was obtained from the Crow Indian Tribe, and the project, now fully engineered and ready to go, awaits only the reappropriation of construction funds. It is a self-amortizing project whose cost will be repaid the Government along with interest. It has a benefit cost ratio of 1.53 to 1. An investment of more than $5 million in this project already has been made by the United States.

I express the hope that when the conference committee takes final action, the bill may contain an item for the Yellowtail unit.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentlemen from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, this problem comes up on continuing the appropriations for construction of a proposed flood control dam in Pennsylvania at one of the best damsites in the country. It is called the Kinzua Dam near Warren, Pa. The site is on the Allegheny River that flows down south from New York State to Western Pennsylvania through the city of Pittsburgh, and joining with the Monongahela River, forms the Ohio River, which goes on down to the Mississippi River.

Pennsylvania, according to our Governor, David Lawrence, is the State most hit by river floods of any State in the Nation, because we have hills, mountains, narrow valleys, and many industrial cities and towns built along these rivers and tributaries. In 1956, southwestern Pennsylvania was declared a national disaster area because of floods. In the summer of 1958 a flood struck the city of Sharon, on the Shenango River, and it has had two floods since. In January 1959, there was another big flood in this area which caused many millions of dollars worth of damage. The city of Meadville had the worst flood in its history. Beaver Falls, Warren, Farrell, New Castle and Wheatland have suffered repeated flood damage. In recent floods in 1959, the loss in the Allegheny, Monogahela, and Mahoning River Valleys was approximately $32 million. In the Ohio Valley as a whole, the loss was estimated at $75 million. I strongly feel it is necessary to keep this dam moving. There is $1.4 million not spent of the past $2 million appropriation; $1 million was appropriated in 1958 and $1 million was appropriated in 1959 fiscal years. Unless we have the protection of this dam, which is the keystone of our flood control program in Pennsylvania, we may have another tragic flood loss as we had in Pittsburgh in 1936 when there were lost 21 lives and $100 million worth of property damage to homes, industries and public facilities. All we in Pennsylvania are asking for at this time is to restore the $1.4 million previous appropriation which Dr. FENTON, the head of our Pennsylvania Republican delegation, will offer as an amendment. I wish you would consider it as a very small down payment on an insurance premium against flood losses for western Pennsylvania, eastern Ohio, and the Mississippi tributaries.

My feeling, too, is this, that if we in our industrial areas of western Pennsylvania, through some great emergency caused by a flood should be out of action for 6 months or so, it would be a great risk to this country on our national effort for security and defense, because Pennsylvania is the workshop for the United States and the world.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, I want to call to the attention of the committee an important Rural Electrification Administration transmission line in that it

has been stricken from the budget request of the Department of the Interior and consequently does not appear in the bill now before us.

The transmission facility of which I speak is a proposed line which would run from Redmond to Burns, Oreg., to provide adequate electric service to the Harney Electric Cooperative which now serves farms and ranches in Harney and Malheur Counties. This needed transmission line would also supply power to the Harney cooperative which would be utilized to provide central station electric service to northern Humbolt County in Nevada. The Harney County Electric Cooperative has for many years worked diligently to bring adequate electric service to its rural customers. The cooperative now provides service to its customers from the Idaho Power Co. over lines of very limited capacity which are owned by the California-Pacific Utility Co. The contract between the cooperative and the Idaho Power Co. expires in December 1961, and is presently limited to a maximum of 2,000 kilowatts.

The Harney cooperative has made the necessary engineering studies and developed plans of service to cover its entire service area, thereby providing an adequate power supply for its southeastern Oregon customers and its neighbors in northern Humbolt County. Most of these people do not now have access to central station power supply and are dependent on very high-cost small diesel plants.

The Harney Electric Cooperative has been working very closely with the Rural Electrification Administration and the Bonneville Power Administration in order to obtain the power they need. A comprehensive load study which was made by the cooperative in cooperation with REA and BPA clearly demonstrates that the line from Redmond to Burns is necessary. I am informed that this line fully meets the feasibility standard which was established by the Department of Interior in 1946 and which is the standard for the area. The line was recommended for construction by the Bonneville Power Administration. It was approved by the Department of Interior, accepted and approved by the Bureau of the Budget, and recommended to the Congress for construction in the President's budget.

I recognize that at the time this item was before the House Appropriations Committee, there had not been sufficient time for the Harney cooperative to have its plan of service approved by the Rural Electrification Administration and to process the REA loan necessary to build its distribution system. Meanwhile, I am informed that on Tuesday next, June 9, the final field review of the application will have taken place and it will be sent to the REA Administrator for his approval. Discussion of this matter with REA officials here in Washington leads me to believe that this is a routine application which will be duly accepted and approved within the next 2 weeks.

I have every confidence that in light of this additional information that the other body of Congress will have adequate reason to favorably reconsider this budget request and that it will be restored.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from North Dakota [Mr. SHORT].

Mr. SHORT. Mr. Chairman, I want to first congratulate the members of the Committee on Appropriations, and especially those serving on the Public Works Subcommittee, for their dilligent work on this appropriations bill now before us. The committee has held seemingly endless hearings on the various public works projects and all-in-all it appears to me that they have come out with a fairly equitable program.

I was, however, distressed to learn that the committee has seen fit to cut the Missouri River Basin project investigations funds for the Garrison diversion unit by $250,000. The budget estimate was $550,000 on this particular project.

I just want to mention briefly that this project was proposed to help compensate North Dakota for the loss of some of our very best lands which had to be given up due to the flooding caused by construction of the Garrison dam in North Dakota, which has been practically completed. When these lands were taken, Garrison Diversion was the glowing promise we received as a compensation. Our North Dakota people took this promise seriously. For instance: Farmers have already organized over 300,000 acres into irrigation districts. They have elected board members. They are now anxiously waiting for the day when water for irrigation will be made available, as was promised.

These farmers, who have acted in good faith, hope that the Garrison diversion unit can be cleared of all hurdles at the earliest possible time—before the next drought strikes, if they are lucky.

At this point in the RECORD I include a news story on diversion from the Minot (N. Dak.) Daily News of June 1, 1959:

DIVERSION ANSWER TO WATER SUPPLY FOR MANY TOWNS—103 NOW FACING PROBLEMS

While Garrison Diversion is regarded primarily as an irrigation project, studies conducted by the Bureau of Reclamation and the North Dakota Water Conservation Commission indicates it will also go a long way in solving municipal water problems for many North Dakota cities and towns.

Latest appraisal by the water conservation commission shows 103 North Dakota cities and towns with a present water supply problem and 18 others facing water supply problems in the relatively near future.

Of the 103 with an immediate problem, all but 40 are either scheduled to receive municipal water as part of the diversion project or could be aided by provision of supply works and relatively short transport of water, statistics furnished the News by the Bureau of Reclamation show.

Of the 18 with water supply problems to be faced in the near future, 9 could get supplemental sources of supply from Garrison Diversion.

In all, the project is set up to serve 55 cities and towns with 34 others that could be served with relatively minor outlays.

The official 1950 population of the 55 cities and towns in the project area due to receive water totaled 73,261.

A 1956 population estimate of the 34 towns and cities that could also be served came to 98,356.

Between the two, they represent nearly a fourth of the population of the State.

Mr. JENSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I am going to support the Fenton amendment when it is offered at the proper time and for a most extraordinary reason I think we ought to have full attention to what we are going to attempt to do. Generally, when amendments are offered to this particular type of appropriation bill they are requests for new money or for new projects to get underway. But here we have the most amazing thing that I have ever seen or heard of in some 17 years in this House. Here is what is proposed by this bill. A project that has been authorized three times and for which money has been appropriated is going to be terminated and the money distributed to other projects without any proper committee action. Somebody, somewhere simply wiped the money out and said it shall be programed for other projects. I just do not know how that can happen. To the best of my information, the subcommittee did not act on this matter or even discuss it. When there was a technical acceptance of the report, a protest was raised by the gentleman from Pennsylvania [Mr. FENTON], and he was given some assurance that there would be a correction. But there was no correction.

Here is what we are asking. We ask in this amendment that money already appropriated for the project not be taken away from it because of litigation before the Supreme Court, which we are told will be ended by June 15 of this year. Here we have a situation where one of the most important flood control reservoirs in the entire United States is going to be held up for a year or 2 years or 3 years—we do not know how long because somebody directed that language be included in this report reallocating the funds to other projects. Obviously you cannot amend the report. You have to change the total amount in the bill to even have the project back in operation. It is a most extraordinary thing.

Mr. Chairman, justice, doing the right thing requires that the Fenton amendment be adopted when it is offered and the Allegheny Reservoir at Kinzua be built with the most economical promptness that is possible. I hope you will, in support or orderly procedure and in support of the decision of the Congress in other years, not permit this matter to be reallocated because somebody so directed. One or two Members should not be allowed to veto the expressed will of another Congress by utilizing technicalities.

Mr. CANNON. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, I wish to offer my words of commendation and appreciation to the House Committee on Appropriations for the constructive approach which they have taken in presenting the public works appropriation bill for fiscal year 1960 to the House for consideration, which bill

in my opinion is a most modest approach to the problems involved. As chairman of the Committee on Interior and Insular Affairs I desire that the members of the Committee on Appropriations, particularly those who have worked so diligently and constructively on the Subcommittee on Public Works, know that I believe that in the field of water resource development they have presented one of the most realistic programs that has been presented to Congress since I have been a Member of this body. As an individual Member of Congress I want to thank the committee for its sympathetic approach to the continuing and orderly building of the Upper Colorado River storage and development project.

I am most appreciative of the language that the committee has seen fit to write in its report on the subject of "no new starts." Although to some the language used may seem a bit harsh, nevertheless, those of us who must work very closely with the conservation and wise use of the Nation's water resources think the language appears to be wholly justified. The conservation programs related to our natural resources should not and must not be made matters of partisanship thinking or maneuvering. While I am not in sympathy with such policy, nevertheless, I think I can understand the administration's "no new starts" policy—but to me it has been and is a most shortsighted policy. A nation, though beset with terrific pressures from outside its own borders, cannot, in my opinion, neglect, refuse, or fail to continue to build within its own borders. Also, a nation which cannot use wisely at least 1.5 percent of its income to protect and develop its most valuable of all resources is laying up trouble for the future.

I think that the great Committee on Appropriations, realizing the importance and necessity of protecting and developing such resources, has done a most commendable piece of work.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. SMITH of Mississippi. I want to join the gentleman in his commendation of the Subcommittee on Public Works Appropriations for their action and especially for their very accurate and strongly worded report about the administration's policy with reference to these starts. The committee very effectively demonstrated the fallacy of that policy.

Mr. ASPINALL. I thank the gentleman for his contribution.

Mr. JENSEN. Mr. Chairman, I yield such time as he may require to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, I take this time to ask a question of the gentleman from Michigan [Mr. RABAUT]. I understand that the appropriation for $1,900,000 for the Whitlow Ranch Reservoir in Arizona was taken from the bill at the request of the Corps of Engineers. The reason the Corps of Engineers requested it be taken from the bill was due to a favorable bid on construction. Enough money has already been appropriated to complete the project so no further funds are required. Is that correct?

Mr. RABAUT. That is right. No further funds are required. There is already a sufficient amount.

Mr. RHODES of Arizona. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, I yield the balance of the time remaining on this side to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, every year this bill has grown by leaps and bounds. This year it jumped only $41 million. I expect that is an accomplishment. At the same time, however, we are developing so many projects, either started or plans authorized, that we would be unable to meet the bills if we provided for all of them.

This new start proposition may sound nice, and it is something that has to be done where there is real need; on the other hand, when you get to putting in projects which have a cost-benefit ratio of only 1 to 1, it is pretty hard for anyone to understand why it is necessary to put such items in the bill. The bill itself calls for the start of at least 35 new projects which will have an overall construction cost of $555 million; and all 35 of these are new starts.

Frankly, I do not believe we can afford to start that many, and I do not believe we can afford to start projects that would gross such an enormous sum to complete. There are already in process, as I understand, at least $8 million worth of projects, started in previous years.

Now I want to say a word or two so that it may be understood, about this Kinzua Dam proposition. Here is what actually has happened: There has been a lawsuit pending in the courts which has held up the start. Dr. Arthur Morgan, who was the head of the Tennessee Valley Authority for quite a while and who is one of the greatest engineers in the United States, at the request of some of those people in that area has prepared an alternate route which would save the Government at least $30 million. It is possible that we should not try to save $30 million. Dr. Morgan's report looks very much to an ordinary citizen as though it were sound.

The Committee on Appropriations voted to have an independent study. I will be perfectly frank, I have had so many experiences with the Corps of Engineers in which they were wrong that I have not as much confidence in what they would do or say as some of the rest of you have. I have run into many instances where they did not have the right answers, and so everlastingly many where the project cost way beyond what they estimated it would cost, that I have lost a great deal of the faith that I had in their pronouncements years ago. For that reason I was glad to see that the committee was going to have an independent study of this proposition and was going to try to find out just what it should do on it before it jumps.

When the money was put in the bill by the committee, frankly, a question was raised about it, but no one made any motion to strike out the language which was in the bill, and for that reason it was impossible for anybody to say that the language did not represent the opinion of the committee.

Mr. FENTON. Mr. Chairman, will the gentleman yield.

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. FENTON. I did raise the question in committee.

Mr. TABER. There was no vote.

Mr. FENTON. I was under the impression that the chairman of the committees asked the clerk to make a proper adjustment in the language, and I say that sincerely.

Mr. TABER. If the gentleman did, I did not hear it.

Mr. FENTON. Or I would not be up here today doing what I am doing. I may say to the gentleman that the amendment I am proposing will do exactly what he wants to do. In addition to freezing $1,400,000, the committee will not take action until it gets a report from the engineering investigation.

Mr. TABER. Mr. Chairman, we go now to the amount of the appropriation. Projects had been put in, so far as new starts are concerned, at least 35 of them, maybe more—I am sure of that many—costing overall $565 million to be started either by survey or by construction, as the result of the committee submitting new starts without budget estimates of any kind. Frankly, the bill is in such shape it is going to be easy for me to say that I am opposed to the bill and will not vote for it. It is so big that it is just impossible for anyone to see how we can continue in this way and go on and on with unbudgeted items and with items that are new starts when we should not have them and when we are running behind what the revenues of the Government will produce.

This is not, to my mind, the time to branch out with a great lot of new starts. I will admit that there has been a very considerable sentiment on the part of a lot of people to have new starts; at the same time, if we had coupled with it the proposal that we shall raise additional taxes to meet the amount of the deficit that the Treasury has to report this year, I do not believe the support would be as big as it is.

Mr. WEAVER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. WEAVER. Mr. Chairman, this public works appropriations bill is in large extent the artery carrying the economic lifeblood of the State of Nebraska. Like many States in the Great Plains region, we are both a have-not and have-too-much-water State. In our western prairies we have too little water for much of the year. In the east we are cursed by constant flooding and the threat of flooding. And along our eastern border rolls the mighty Missouri which, when in a friendly mood, serves as a traffic arterial carrying commerce to and from our river ports in an ever-increasing flow. When rampant, the

Missouri thunders down on us carrying death and destruction with its flood crests.

In considering the problem of Public Works construction, Mr. Chairman, I think the House Committee on Appropriations and most specifically the Subcommittee on Public Works under the direction of that most distinguished gentleman from Missouri [Mr. CANNON] has done a remarkable job. The committee has put together a bill which considers the problems from all aspects, and takes care of our most pressing needs, not only in Nebraska but in the Nation as a whole, very admirably. The most remarkable feature is that the committee has accomplished this within the restraints of a balanced budget and within the bounds of available funds. This is by no means any easy task and it was accomplished only because the subcommittee members have spent long and tedious hours listening to the testimony of the interested parties, and then, with the assistance of their competent and hard-working staff, sifted through that voluminous record to arrive at the facts and to make their judgments.

The subcommittee, its chairman and the distinguished ranking minority Member from Iowa [Mr. JENSEN] are to be commended for their diligence and effort, and are to be thanked for their accomplishments. They have done a really worthwhile job.

I would like to take time here to discuss the projects in which I am so keenly interested one by one. First, there is the tremendously important job of Missouri River channel and bank stabilization which the Army Corps of Engineers is undertaking. There is an increasing need for a stable, deepwater channel from Sioux City, Iowa, to the mouth of the river. Although railroads in our great region have been and are doing a remarkably good job of hauling freight, there are seasons when this form of traffic must be augmented by barge hauling. The great corn and wheat crops must be moved quickly to marketing and milling points and in the spring the great loads of chemical fertilizers must also be moved into the region. Additionally, the farmers and growing industries of the area are dependent to a greater and greater extent on the barges for hauling petroleum products and heavy steel pipes, plates, and forms.

To make of the Missouri a more useful and less dangerous stream, the Corps has undertaken a long-range program of bank and channel stabilization. To carry forward this program the fiscal 1960 appropriations bill provides a three-stage development program totaling $8,400,000. Of this, $5,600,000 is for the stretch of river from Sioux City to Omaha. Another $2,800,000 will go for work on the stretch from Omaha to Kansas City, and an additional $3,475,000 for the stretch from Kansas City to the mouth.

Although we are directly concerned with only a small portion of this development in our district, the entire project will have a bearing on the economic life not only of our State but the entire Plains States region.

There are two very important flood control projects in our State provided in this bill. One, the Gering Valley control project, is long overdue and has been long-authorized. This project will probably mean the difference between continued growth or stagnation in the Gering Valley. For this purpose, the Committee has provided $350,000. This project in northwestern Nebraska is not in my district but I was most eager and happy to take a hand in presenting the case for Gering before this subcommittee. It has long been my firm belief, a belief engendered through family tradition, that what is good for one section of our State is of benefit to the entire State and all its residents.

I would like to go into detail at this point on one very important project which is close to my heart, the Salt Creek and Tributaries project, which is more commonly known locally as the Salt-Wahoo project.

This is a flood control project which is not altogether an engineer's undertaking but is also partly the responsibility of the Department of Agriculture which has undertaken a watershed conservation program.

This watershed encompasses some 1,600 square miles of land, and includes one of the major cities of our State, Lincoln, the State Capital. There are other towns in the watershed and the lower valley of the Salt-Wahoo watershed comprises some of the best, and most flood-ravaged farmland in the Midwest.

In fact, only a few weeks ago a vast area was once again inundated, the result not of a steady day-after-day torrent, but of only a moderately heavy rainfall.

The watershed is drained by two principal creeks, Salt and Wahoo, both of which have a wide variety of tributaries ranging from tiny streams to good-sized creeks.

The rainfall in this 1,600 square mile area is drained into these two creeks which, time after time over the years, have erupted from their banks, destroying both farmland and urban property, washing out bridges and railroad lines, to the tune of millions of dollars. Over the years, many times the $13 million this project will ultimately cost have been destroyed by these floods. Lives have been endangered, and communications have been disrupted.

Some 200,000 persons reside in this area which has been, and still is one of the most economically sound areas of the State or the entire region. However, this economic stability is constantly threatened by the flooding of Salt and Wahoo Creeks.

There is one additional and growing concern on my part and that involves the military aspects of the situation. As you undoubtedly are aware, Lincoln Air Force Base lies in the valley near Lincoln, Nebr. This is one of the principal bases of the Strategic Air Command and is, indeed, one of our front lines of defense and one of the principal mainstays of our policy of deterrence.

This base's importance to our overall defense capability was increased threefold early this year with the announcement that it would become the center of an Atlas missile complex. Now, Mr. Chairman, I do not know personally where these missile launching sites will be located, nor can I say with a certainty that they will be located in a spot endangered by future flooding of Salt and Wahoo Creeks or any of their tributaries. This, however, is not the only essential fact involved. The road complex feeding these missile bases would definitely be involved, or could be washed out by future flooding. Thus, should the sudden need arise for quick access to these bases, the danger of flooding does exist. Even though this may seem a remote possibility in the minds of some, it nevertheless is a possibility, and should be considered by this Committee.

All of these facts I submit to the House for its consideration.

Bearing in mind the need for a balanced budget, and firmly believing that can be accomplished without in any way stinting on the needs for protection of our people from the dangers of continued flooding, we are asking for $90,000 to be appropriated for construction of the Salt Creek and Tributaries project. This is not an excessive amount, and it will start the job.

Turning now to the problems of reclamation in the more arid sections of Nebraska.

There are three separate and important reclamation projects under construction in Nebraska, Bostwick, Farwell, and Frenchman-Cambridge. A fourth, Ainsworth, has been authorized and initial funds were appropriated. However, because of some local opposition and some uncertainty due to litigation on the part of local people, the subcommittee decided this year to defer action on Ainsworth until the problems are settled. It is my hope that this is temporary and that the project can be resumed when these matters are ironed out.

For the continuation of Bostwick, we are being asked to approve $2,338,000 in additional construction money. This will go a long way toward completing this very essential project.

For Farwell, an added $3 million has been recommended by the committee and I strongly urge its approval.

For Frenchman-Cambridge, $4,076,000 is being requested. This project is nearing completion and the money must be spent to continue the work already so well begun.

There is one more very important construction program funded in this bill and one on which I would like to devote some time. That project is Red Willow Dam and Reservoir.

I would like to outline briefly for the House Red Willow project, which is part of the Frenchman-Cambridge project. It can be considered a "new start" only by those looking to the excuse of semantics. Actually this is a long-planned and very important phase of the overall Frenchman-Cambridge project. Mr. Chairman, this project has been authorized for the past 15 years, as part of Frenchman-Cambridge. It is necessary, indeed, vital, to the orderly and logical

development of our resources that this project be funded and begun at once. Without it, Frenchman-Cambridge is an incomplete thing; with Red Willow included, Frenchman-Cambridge takes on the aspects of a fully operative, complete project.

Although originally authorized in the Flood Control Act of 1944, Red Willow's supporters felt strongly that all technicalities of law should be met and it was reauthorized by concurrent resolution last year. There were some who felt this was over-authorizing the project, but most of us felt it wise to make sure no loopholes existed in the law. The Congress agreed with us. And by that agreement is implied the overwhelming sense of Congress that the project should be undertaken forthwith and without the delays imposed by the Bureau of the Budget.

This brings up the question of what constitutes a "new start." Logically, the term should be applied to projects which break new ground, so to speak, and are a fresh creation of the people directly involved and from this inspiration a freshly created project authorized by the Congress.

I can think of a number of such projects. I myself have testified concerning two such projects, Ainsworth and Farwell in Nebraska. Incidentally, in both instances your committee saw fit to launch these projects and in a succeeding year the Budget Bureau, despite earlier objections, approach you for additional funds.

This, then, would be a new start. At one time, Frenchman-Cambridge was a new start. But the day the first truckload of dirt was hauled, Frenchman-Cambridge itself was started. That means the whole project was launched, not just one dam or one reservoir or one canal. Frenchman-Cambridge was conceived as an entity; it was designed as one and was authorized as a complete project. To consider one part of that project, Red Willow, as something apart, something new and different, would be like trying to separate the kitchen from the bedroom of a home. The house is not complete without both. This applies to Red Willow. It is part of the orderly and logical development of Frenchman-Cambridge which is already well under construction and with Red Willow will near completion. Without Red Willow, Frenchman-Cambridge is incomplete; with it, the project becomes an entity.

Perhaps the Bureau of the Budget measures its "new start" philosophy with the yardstick of time. If this is the case, then Red Willow cannot be considered a new project. It was authorized as a part of Frenchman-Cambridge in 1944. When we found little cooperation from the Budget Bureau we determined to close any possible loopholes last year; this accounts for the lag between 1944 and 1958. That the President himself recognized the status of Red Willow is signified by the fact he signed last year's report and that report includes Red Willow as part of Frenchman-Cambridge.

Perhaps the Bureau of the Budget has determined Red Willow a new start because the parent project can function without it; I have heard that excuse used. This would be like starting to build a home using a master architect's plans only to set up a camp stove on the front porch instead of building the kitchen. True, a family could be fed that way, but I doubt if many Americans would line up to buy the House.

I also doubt if the American people are willing to buy a multi-million dollar project like Frenchman-Cambridge only partially completed. The American people have supported reclamation projects, but they want them to be completed projects, not houses with camp stoves on the front porch instead of kitchens.

The Bureau of Reclamation has been placed in the position of accepting the "new start" terms laid down by the Bureau of the Budget. But it has been obvious from the start that the Bureau of Reclamation considers Red Willow to be an important part of Frenchman-Cambridge and not a project which could or should stand by itself. This is not to imply any less degree of merit in Red Willow than in other projects; it merely is a reiteration of the fact that it is a part of Frenchman-Cambridge and as such cannot be considered in reality a new start.

Under original planning, the Bureau has asked for $150,000 for design and plan work and land acquisition for the dam, and another $60,000 for the same purpose for the irrigation canals and other adjuncts of Red Willow as part of Frenchman-Cambridge funds. Under their plans, first contracts will be let late next year, provided, and here I quote a Bureau source, "there is an end to the 'no new start' prohibition next year."

There is no assurance that there will be an end to this prohibition by the Bureau next year, or the year after that, or for years to come. Are we to stand by idly and watch this project recede into the dimness of the future?

I hope this is not to be the case. For that reason, we are at the present time asking for $525,000 to begin construction on this project. With that money appropriated and funded, construction work could begin as early as next spring, and the project would be well underway.

I would like to discuss briefly one final point. That involves survey money, not specifically identified in the report, for the Little Blue project. Frankly, I do not know whether Little Blue will prove to be a feasible project or not. I am no engineer nor do I qualify as an expert on the economics of this type of project. For such information we must depend for guidance on the experts.

There are those who maintain flatly that Angus Dam on the Little Blue is one of the finest prospects left untouched in the State of Nebraska. There are others who bitterly oppose the project and maintain that it not only will not do a flood control or irrigation job in the area but would actually be highly detrimental.

Because of these conflicting views, I submit that we must get at all the facts. It is my hope that the survey funds, $68,500, requested in this bill, will be useful to that end. It is also my hope that the Bureau will use this money to make an objective survey and not simply to amass statistics to back up an already-assumed position.

In conclusion, I might say that this bill is a good one; it does not violate the principal of a balanced budget and does provide for almost every section of the country those projects which are needed and essential to continued orderly growth. I ask support for this measure from both sides of the aisle.

Mr. BURDICK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Chairman, the decision of the Appropriations Committee to cut the budget estimate for the Garrison diversion unit from $550,000 to $300,000 was met with great disappointment by the people of North Dakota. This will mean an additional slow-down in the project.

It should be remembered that the Garrison diversion unit was a part of the Missouri River Basin Project, which was authorized in the 1944 Flood Control Act. North Dakota has given up over a half million acres of land for dam and reservoir, which have been taken from the local tax rolls, in furtherance of the project; yet, after 15 years, not only has the Congress failed to provide construction money, but has now reduced the necessary planning funds.

At page 445 of part 2 of the hearings we find the following testimony:

Mr. RABAUT. Why should we not drop this investigation? How much are you getting for that a year, $500,000?

Mr. BENNETT. The Garrison unit is running at the rate of about $500,000 per year.

Mr. RABAUT. Why could we not drop that until we find out about some of the recapture of this water? That is a lot of money.

Mr. BENNETT. Yes, sir.

Mr. RABAUT. It has been going on since 1947.

Mr. BENNETT. It takes quite a lot of investigation to get a million acres of land ready.

We think we will have most of the work, including the work on the various service areas ready in about another 2 or 3 years.

The $500,000 a year is now being used to firm up the plans, to get the final locations on the canals and the distribution systems for the service areas. The overall work is done so that we know the amounts of water to be diverted; we know where the return flow is and how much it is.

The work we are doing now is firming up the plans for the service areas.

Mr. RABAUT. Firming up the plans.

Mr. DOMINY. This criticism you have brought up here about the downstream concern about diverting water, the amount that would be taken from the Missouri River for diversion for Garrison is no more than was contemplated from the very start.

Now the dams have been built for flood control and for power and for navigation and they were also built with the definite plan of diverting water for irrigation; so, in a sense, it is the kind of criticism that happens; when one group gets what they wanted, they are willing to have the project stopped. But actually the full plan has not been carried forth as was originally contemplated and authorized until the irrigation benefits have been authorized.

North Dakota is contributing the storage reservoir, a lot of ranches and farms were

retired to put water in storage for the downstream use and they were, of course, agreeable to doing that on the basis that they, too, would share in the overall benefits of the Missouri Basin by the availability of power and by the irrigation of large blocks of land within their State.

Mr. BENNETT. I think we should point out, Mr. Chairman, that this entire area has been organized into a conservancy district covering 25 counties in the State.

They are also now in the process of organizing irrigation districts within the confines of that conservancy district.

We are in the process now of reaching agreement on a final draft of repayment contract for these irrigation districts.

Mr. Chairman, the North Dakota delegation will continue to exert its efforts in the Senate for a full appropriation.

Mr. GRAY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GRAY. Mr. Chairman, I take this time to inform the Members of the House of a very serious injustice done to the people of southern Illinois and the Nation in deleting funds with which to continue a study of the Big Muddy River and Beaucoup Creek Canalization project. A $30,000 item was requested in the budget for this study and was deleted by the committee. I am not here to blame any one person because I am certain that someone has received erroneous information. I do not intend to take up the valuable time of the House with an amendment today; however, I want to clear up the record as far as this project is concerned because I feel confident the other body will restore this item.

The committee report gives the following reasons for deleting the funds:

> This project was one previously found unfeasible, the water supply of the stream is inadequate to support navigation, and the committee is of the opinion that navigation will never be so badly needed that it has to be provided with supplemental water by pumping or other means.

Mr. Chairman, the language contained in this report is completely erroneous. First, the present survey underway on the Big Muddy River and Beaucoup Creek is in no way similar to the 1933 survey made that was found unfeasible and referred to in the report. The 1933 survey was on 35 miles of the lower reaches of the river and did not take into account the billions of tons of coal deposits that are presently landlocked and for which we are now surveying 66 miles of the Big Muddy River. Furthermore, I am amazed at the action of the committee in trying to pass judgment on the merits or demerits of a project before the Army Corps of Engineers are halfway through with a full scale study. This certainly is not the long established procedure of Congress.

The Committee on Public Works of which I am a member approved a survey of this project. The Committee on Appropriations last year allowed my request for $120,000 to begin a full scale survey of this project and the engineers and the Bureau of the Budget asked for $30,000 with which to continue work for fiscal 1960 and now we have this committee taking this unusual action of stopping a meritorious project in the middle of a survey. Mr. Chairman, this action reminds me of the fellow who was going to swim across a lake a mile wide and when he reached within 10 yards of the opposite shore he decided he could not make it and turned around and swam back. That is exactly what has happened here. We have spent over $120,000 of the taxpayers' money to seek valuable information and now the committee wants to lose that amount of time and money by not providing the remainder of the funds needed. As to whether or not this is a feasible project let us turn to the record. I quote from the official report of the Army Corps of Engineers dated April 29, 1958, not in 1933. This report was made under the old procedure of making a preliminary examination report before proceeding with a full-scale study. The preliminary report was ruled upon by not only the Chief of the Army Corps of Engineers but also the Board of Engineers for Rivers and Harbors composed of division engineers. The report is as follows:

> The Board recommends that a survey of Big Muddy River and Beaucoup Creek be accomplished to determine the best plan for improvement in the interest of navigation, the advisability of its accomplishment, and the local cooperation which should be required.

Mr. Chairman, this action came after a preliminary examination and close scrutiny of this project by the top engineering minds of the country, therefore, with all due respect to the distinguished members of this committee I cannot understand for the life of me, why they would want to pass judgment on a project before a report has been half way completed. I again remind you that this is a 1958 report on a completely different project than the one referred to by the gentleman from New York [Mr. TABER] in the hearings. He referred to a 1933 report on a completely different type project, and has no bearing on the intended purpose of providing navigation for our billions of tons of high quality coal that is presently land locked. This is a very meritorious case and by all means is certainly worthy a report to determine once and for all whether or not there is a favorable cost benefit ratio. I do not believe it is fair for the committee to call the baby unfair names before it is even born. I hope the other body will restore these funds and that this committee will agree in conference. All we are asking is to be allowed to finish the study to determine the feasibility of the project and if it is not sound I will be the last person to ask that the project be approved by Congress. In closing I want to again take this opportunity to thank the members of the committee and my colleagues for the many kind and courteous things they have done for me in the past and I have every confidence that justice will prevail in this matter.

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, and when authorized by law, preliminary examinations, surveys and studies (including cooperative beach erosion studies as authorized in Public Law Numbered 520, Seventy-first Congress, approved July 3, 1930, as amended and supplemented), of projects prior to authorization for construction, to remain available until expended, $9,518,400.

Mr. FLOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time not for the purpose of using the full 5 minutes but to clear up any doubts that might be in the minds of my friends on this side of the aisle in connection with the amendment to be proposed by my distinguished colleague, the gentleman from Pennsylvania [Dr. FENTON]. My distinguished friend from Pennsylvania and my other distinguished colleague from the great city of Pittsburgh [Mr. MOORHEAD] spoke in support of the proposed amendment some time ago. I want to assure my friends on the Democratic side that there are no politics involved in this amendment. We are united as Pennsylvanians; we are united as Americans. We are united as firm believers in the principle of what this amendment proposes, and I would be more than grateful to my friends here if you would extend that support to the gentleman from Pennsylvania [Mr. MOORHEAD] and to the amendment to be offered by my friend, the gentleman from Pennsylvania [Dr. FENTON].

Mr. BOLAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have now come to the point where amendments are going to be offered to this bill. I think this ought to be said for the committee, specifically with relation to general investigations. You will note that the amount carried in this bill is $9,518,000. I hope the committee of the whole stays with the full committee on this matter. Just as indicated by the gentleman from Colorado [Mr. ASPINALL] and by the gentleman from Mississippi [Mr. SMITH] than whom there is no better man in this Congress with respect to public works, they indicated that they were completely satisfied with what the committee has done with the bill this year. We departed completely from the recommendations of the Bureau of the Budget, and we inserted into this bill a number of projects both for construction and general investigation. Now, you cannot give everything to everybody. That is an impossibility.

Let me say this, that these particular projects that were put in under general investigation, I believe, on a priority basis. They were put in on the basis of what is the best project for the Nation, what is the most feasible, what is the most desirable, and what is the most important. Now, some Members get up here and say, "This is a most important project to my area." So it might be. But, the fact of the matter is that we gave consideration to this argument, and we have decided that we would put in

some 29 additional projects on general investigation. This has seldom been done before. This committee has gone all out to satisfy the membership of this Congress with respect to this bill, and I think the Committee of the Whole ought to stick with the Appropriations Committee on these items. We added 29 projects on general investigation. I would have been delighted to have seen other projects added, but I think I have an obligation to sustain the action of my committee. I think the subcommittee has done a good job here with the 29 projects that we have put in only under general investigation, which will cost $800,000. Just a moment ago I added up all of the projects that were requested by all of the Members under general investigation, and they totaled over 100. If we put all of the 100 general investigations in requested by all of the Members of this Congress, we would add a total figure to this budget for general investigations alone running into the millions of dollars. I think we have done a good job here, and I ask the members of this full House committee to sustain the Appropriations Committee on this bill.

Mr. MEYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEYER: On page 3, line 19, strike out "$9,518,400" and insert "$9,528,400."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. That paragraph has been passed by and we are on the next paragraph.

The CHAIRMAN. We are on this paragraph. We are on general investigations. The point of order is overruled.

Mr. MEYER. Mr. Chairman, I propose this amendment to clarify a mistake that was made in the report of the committee on the Lake Champlain Waterway. This is the budget item of $10,000, which has been deleted pending expression of Canadian views and decisions on the project which will be obtained from the State Department.

Public Law 85-500 authorized and directed the Secretary of the Army to cause a survey to be made of the water route from Albany, N.Y., into Lake Champlain, lying between New York and Vermont. This law provided further that due consideration was to be given to the possibility of ultimate connection of such a waterway with the St. Lawrence River in Canada. This project we refer to in Vermont as the Champlain Cutoff.

For purposes of making preliminary evaluation studies of such a water route, the Corps of Engineers in 1958 estimated that $25,000 would be needed for a 2-year period. This would be the first stage in the studies for a big project like this, and would provide the information upon which to base further decisions as to undertaking detailed studies and plans, as well as whether to undertake the project itself.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MEYER. I yield.

Mr. DINGELL. Was not this item in the President's budget estimate?

Mr. MEYER. Yes, it was.

Mr. DINGELL. I hope the gentleman will repeat that for the benefit of the committee.

Mr. MEYER. This item was in the budget.

Congress appropriated $15,000 for this purpose in 1958, and now, in order to complete the preliminary studies, the remaining $10,000 is needed, and was requested in the fiscal 1960 budget. It is needed for route studies, for land surveys, for public hearings, and for traffic studies, in other words for completion of preliminary evaluation of the project.

However, the committee report indicates that this $10,000 item was deleted, and the only basis given is that it was deleted pending an expression of Canadian views and decisions, to be obtained by the Department of State. Yet, Canadian views and decisions have no direct, immediate, or even necessary bearing at all on this part of the planning program. And the point raised in the report is not germane to the inclusion of this $10,000 item for completion of that part of the studies which has already been begun.

A careful reading of the Corps of Engineers' report to the committee at page 1036, part I of the hearings, shows just this which I have been saying, namely, that: "Work has been initiated on the study and general information is being collected." This is the preliminary evaluation study, and $25,000 was the corps estimate for this purpose. Congress already has appropriated $15,000 for this purpose, and it seems only wise to continue the preliminary work that has been undertaken. Otherwise, the studies will be interrupted, delayed, and the first appropriation will actually be wasted. Only $10,000 is sought for completion of this portion of the study, and it is needed now.

The corps report to the committee goes on to conclude that since consideration of ultimate connection with the St. Lawrence River will require cooperation with appropriate Canadian agencies, the Department of State has been requested to ascertain their views and desires in the matter. This is certainly fitting and proper. Such coordination will undoubtedly take time, and it is well to initiate discussions at this early stage of planning in order to know Canadian feelings and to assure mutual understanding.

But this does not require, or even suggest, that the preliminary study should be abandoned while waiting for such a Canadian report. On the contrary, the U.S. portion of the project will be the larger part. It will require longer and greater preparation, and good planning makes it imperative to continue this year with the preliminary studies which have already been started.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HOFFMAN of Michigan. Mr Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman.

Mr. HOFFMAN of Michigan. Can I get 5 minutes, or do I have to trot out another motion to strike the enacting clause?

Mr. BOLAND. I would be glad to yield the gentleman 3 minutes of my time, if he wishes.

Mr. Chairman, I rise in opposition to the amendment. May I say to the gentleman from Michigan [Mr. DINGELL] that this was budgeted. This is not the only one that was budgeted. We knocked out some others, too. Also, the Bureau of the Budget did not support other projects and we put some of those in. That is in direct reply to the gentleman from Michigan [Mr. DINGELL]. I happened to be chairman of the subcommittee when this project was being considered by the Subcommittee on Public Works, and I think the action of the subcommittee was reasonable and logical. All we are doing here is saying that we should delay the appropriation of this $10,000 for this particular survey and general investigation until we have had the cooperation of the Canadian Government. The cooperation of the Canadian Government is an essential if this particular project is going to work. If the survey is going to get anywhere, we have to sit in with the Canadian officials. All the committee did was to hold up the $10,000 until that cooperation was forthcoming. I see no reason for appropriating this $10,000 now until we have the cooperation of the Canadian Government.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont [Mr. MEYER].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 54, noes 68.

So the amendment was rejected.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Massachusetts [Mr. BOLAND] a short while ago stated that the committee could not give everybody everything they wanted. Of course, that is obvious, but we continue to go along here and there ever increasing and appropriating money that we do not have and which evidently it is necessary to have an increase in the interest rate when we have to borrow the money before we can spend it.

My purpose is to call attention to the fact that we have to now share our income from taxes with labor unions which have incomes of millions but do not pay taxes. To emphasize that point, I would like to read a little from the testimony taken this morning before the

House Committee on Education and Labor, and which shows how the unions extort millions from the employer—millions which are added to the cost of living. It was Mr. Gene Bragg, a Mercury dealer from Galesburg, Ill., who was testifying.

Back in 1956, the unions started to organize his employees. None of them at the time wanted to join the union. One month after May 16, 1956, these two unions launched a campaign, an organizational campaign. They put out organizational pickets. He testified that red paint was poured on six cars. Acid was thrown on 10 used cars. Plate glass showroom windows were broken by gunfire and thrown bottles. Paint remover was poured on seven other new cars. Now that kind of procedure was an effort to make the workers share part of their earnings with the unions—it was extortion—instead of giving it to the U.S. Government by way of taxes. Do you see how it cuts down our ability to do these things for our constituents which so many of us want to do?

The witness further testified:

After these activities, the Teamsters' representative told us to sign a union contract, or "we will stay with you till we break you."

In early August 1956, the dealers of Galesburg staged a parade to promote the sale of used cars. The unions tried to break it up by force.

Because of the violence and intensity of union activities, the Council of Churches of the city investigated the situation and reported that at no time did the unions represent a majority of our employees.

In September 1956, the city council passed a resolution asking the unions to cease picketing and halt the strike. The union leader told the city council that he had $30 million to spend to force the automobile dealers to sign up, and that is what he would spend, if need be.

On October 2, 1956, the dealers asked for an election, and the union said they would consent to an election if the 126 employees still working were denied the right to vote, and if the 41 on strike were the only ones permitted to vote. We offered to allow the union 60 to 120 days in which to sign up members and then to hold an election. They would not agree to this. We were told this was an organizational strike, and that the unions could be brutal if they chose to be.

In early 1957, and twice thereafter, our dealers' association petitioned the NLRB for an election, but it was denied one on all three occasions.

We again offered the unions an election in early 1958, but the unions refused stating they knew they couldn't win.

In April 1958, the retail merchants of Galesburg, including the automobile dealers, promoted a "you auto buy now" campaign similar to campaigns held in about 200 other cities. These campaigns were designed to stimulate business and help end the recession and curtail unemployment in line with President Eisenhower's appeal for people to buy.

The unions tried to influence the merchants and businesses not to participate. They did this by sending a letter to retail businesses in Galesburg stating that to participate would be considered, by the unions, as an unfriendly act to labor. The unions also sent a letter to all union members telling them not to buy from merchants participating in the "you auto buy now" promotion.

Union leaders held a 4-hour session with our mayor on April 8, 1958, because of the union's opposition to his signing a "you auto buy now" proclamation.

On April 11, 1958, the city of Galesburg was picketed at the city limits, and the chamber of commerce was also picketed.

Six of we dealers petitioned the NLRB as individuals October 1958, under the reduction of qualifications. We were granted an election set for April 10, 1959, however, the unions sent a letter of disclaimer stating they represented none of our employees and had no interest in us. On April 9, 1959, the NLRB called off the elections.

Until late February or early March 1959, the unions invoked secondary boycotts and no new cars were allowed to be unloaded in Galesburg. Parts, accessories, and other merchandise could not be delivered to the dealers' places of business because of the picket lines. Building repairs and maintenance couldn't be done because carpenters, painters, electricians, and other tradesmen stated they were fearful of union reprisals.

The unions have fined their members for patronizing the dealers in Galesburg and have also made them do picket duty for crossing a picket line.

Unions have threatened their members with loss of their jobs.

As a small businessman, it seems apparent to me that any condition of the law which will permit these practices to prevail needs changing. We think the answer is self-evident, and trust that you will take immediate action to amend the law so as to outlaw organizational picketing and secondary boycott practices.

Someone asked, "What would you do?" Well, what would any Member of the House do if goons came around and threw acid or paint on his car and began shooting through the windows of a car one was in. What would the average man do if he was armed, shoot back? Ultimately, I know what will happen. Somebody is going to shoot back. Now do not make any mistake, and I hope people or the reporters or anyone else will not say that I am advocating violence, but that is just what will happen eventually.

The reason I am acting as I am is that this thing is getting serious. Ever since 1936 on the last day of December, when this thing started in Michigan, it has been going on without interruption; and the point I am trying to make is the one suggested not long ago by Senator McCLELLAN who said if there was not effective legislation in force, you would have lynch law. And that is just exactly what you would get ultimately; that is, these people and the country will get—not you.

I will put this entire statement in the RECORD.

Then this gentleman says there were three of these witnesses who went through the same situation and the same course of conduct.

The reason I speak about it now is because next Wednesday the subcommittee will end hearings and the full committee will begin writing a bill. It will come before this House I hope under an open rule. It is, therefore time that every Member of the House began to consider the facts, the undisputed facts, and determine whether we intend to let these organizations levy taxes, or tribute by extortion or whatever one wants to call it—it is extortion—whether we intend to let them do that, or to make union activities which are unlawful when practiced by others subject to the law.

Maybe some think this is an exaggerated statement, but how long do you think men like this man who testified today will let these organizers come along and ruin their businesses?

When the labor bill comes before us, two things must be written into it if the average citizen is to have equal protection under law: One is the provision against blackmail picketing; the other is the provision against secondary boycotts.

Permit me to read a statement from the Chicago Tribune of June 2 by William Moore. I read:

A blackjack-packing-bride of 2 weeks was the star witness Tuesday among those who told the Senate Rackets Committee of alleged collusion between law enforcement officials and gangsters to control the multimillion dollar gambling racket in Lake County, Ind.

She was slender Margaret (Maggie) Hagler, 29, who said she lost one suitor who was driven off by threats of murder by men from the sheriff's office and then found another who married her.

An extortionist is an extortionist even though he travels under a union label.

Mr. HALPERN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALPERN: On page 3, line 19, after the sum shown, add "and in addition, $13,000 for a study of Little Neck Bay."

Mr. HALPERN. Mr. Chairman, this only involves $13,000—not $13 million—not hundreds of thousands, but $13,000 to help alleviate a drastic, chronic situation.

Little Neck Bay is on Long Island Sound, N.Y., at the northeast corner of Queens County. It forms part of the dividing line between Queens and Nassau Counties. It is 2.5 miles long and 1 mile wide.

It is rapidly silting up as a result of erosion from the adjacent land caused by construction and building. This soil has deposited on the bottom of the bay creating vast quantities of muck and slime which is not carried outward by the tide and which continues to trap other eroded soil.

This resulting slime traps and holds contaminating bodies in the bay and is the cause for abominable fumes which rise from the flatlands except for brief periods of abnormally high tides. These noxious fumes are a menace to the health of the inhabitants of the area and the concentration of fumes is getting worse.

More than a million people live in the area contiguous to the bay. It was once used as a bathing and recreational facility and as a fine harbor for boats. It has little use now for bathing and it has become so shallow that boats are being forced to anchor out beyond the bluffs on its northeast side thus losing the protection of the anchorage. If the muck were dredged from the bottom, New York City would be able to build a marina and provide facilities for bathing and recreation for the people who surround its shores.

Furthermore, the bay has an extraordinary value for civil defense. In the event of an emergency it would provide

a natural means of access to the mainland by boat for the people of Long Island and Queens provided its waters were navigable. Observation of the areas affected by a simulated bomb explosion over Governor's Island—operation alert, 1957—indicated that all bridges and tunnels leading from Long Island were decommissioned with the exception of the Whitestone Bridge. The official report notes that "an endeavor must be made to move all those persons who should be evacuated to the mainland" over this slender bridge. Such would be exceedingly difficult and it would be patently impossible to provide, by one bridge, for the needs of the remaining 5 million Long Islanders, nor could reconstruction be effectively carried on.

Served as it is by a parkway and a network of streets, Little Neck Bay would, if made navigable, be vital to the people of Long Island in such an emergency. This in itself, to me, would amply justify the study.

The Council for Little Neck Bay Reclamation and Preservation has been exceedingly active in attempting to have a review study made of the bay by the engineers. It is endorsed by the Port of New York Authority.

The study has been authorized by the House and Senate Committees on Public Works respectively on July 16, 1958, and November 14, 1957. All that remains is the appropriation of the very small sum of $13,000, the cost of the study as estimated by the Army Engineers.

For reasons of public health, civil defense, and recreation for a population of over 1 million people, I urge that this amendment for a study of Little Neck Bay be accepted.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. HALPERN].

Mr. Chairman, what the distinguished gentleman from New York says is true. This is only $13,000. But it is just another matter of $13,000, a very small one. I think it is a good project, I think it is a fine project, provided the State of New York builds it. In this bill we have put in above the budget for the State of New York, and have done this in all sections of the United States, but specifically for the State of New York, we have put in $146,000 over and above the budget for investigations and surveys of the waterways of the State of New York.

The gentleman from New York [Mr. HALPERN] appeared before the committee. I think he has another one of these projects.

With respect to this particular project, I take the testimony of the gentleman from New York in a letter which he left with the chairman of the committee indicating that this particular project is a haven for pleasure craft and for recreational activities. There are a number of projects in which recreation is included, but that ordinarily goes along with other aspects of the project. But this is purely a recreational project. It is a haven for pleasure craft. If the Federal Government wants to get into the business of protecting pleasure craft and recreational facilities, it can put in this $13,000, but if you do it, it is the first time this Congress will have done so.

Mr. HALPERN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. HALPERN. The gentleman mentioned that this is a project to provide a haven, as he puts it, for pleasure craft. That might be so, but I stressed in that same talk, if the gentleman will read further—in fact he has taken out of context that language—that the need goes far beyond that. It is a matter of public health and civil defense, as well as a marina for the people of that community.

Mr. BOLAND. I know of no project that is not connected with the public health. It does go to a project that is a haven for pleasure craft and for other recreational activities.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HALPERN].

The amendment was rejected.

Mr. WAMPLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAMPLER: On page 3, line 19, after the word "expended" strike out the amount "$9,518,400" and insert in lieu thereof "$9,533,400."

Mr. WAMPLER. Mr. Chairman, this amendment is one of two which I will offer today to combat the disastrous flood situation that has proven so hazardous to the people of the Wabash Valley.

The purpose of this amendment is to provide an additional $15,000 for the Wabash River Basin study, above the White River, in Indiana, bringing the total amount of money appropriated for the study to $40,000. President Eisenhower's budget for the fiscal year 1960 requests only $25,000 for this vitally important flood control investigation. General Person, the Assistant Chief of the Army's Corps of Engineers, has informed me that the Corps has the capability to utilize $40,000 during the coming fiscal year, beginning July 1. The additional $15,000 which I am requesting for the Army Corps of Engineers will enable them to continue their investigations and studies along three major flood contributing tributaries, namely, Sugar Creek, Wild Cat Creek and Big Pine Creek, all in Indiana.

The continuation of the Army's investigational efforts in this tri-creek area is of prime and pivotal importance if the Army's flood control and prevention projects elsewhere in the area and in the State are to be geared effectively.

I feel quite certain that most of the Members of this body, particularly those representing districts surrounding the Wabash Valley, are aware of the recent flood devastation experienced in the Wabash Valley during February of this year. The February flood, Mr. Chairman, thus far, is the most tragically damaging flood my people have experienced this year; but, nevertheless, it is only one of four floods that we in the lower reaches of the Wabash River have experienced this year.

I certainly hope that my colleagues will see fit to allow the Army Corps of Engineers to continue its flood control studies in this area by voting to adopt this amendment and thereby grant the Corps of Engineers an additional $15,000 for the Wabash River Basin study, above the White River.

Mr. RABAUT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on general investigation we have $25,000 for this project, Wabash River above the White River, Illinois and Indiana. Is that the project that the gentleman has been addressing himself to?

Mr. WAMPLER. Yes.

Mr. RABAUT. Well, there is a transferability of 15 percent on the part of the Army Engineers if they wish to use it for that purpose, and if they wish to use additional money, they would have to come to the committee. It will take $133,000 to complete this project. Now, if some small amount added to this would complete the project, that would be a different matter, but we are giving $25,000 toward this project with a transferability right of 15 percent this year.

Mr. WAMPLER. May I state to the gentleman that I have conferred with the Corps of Engineers on this project, and I have a letter in my possession that the amount of money and the capability——

Mr. RABAUT. Oh, capability; that is a different thing.

Mr. WAMPLER. And we felt we should not ask for anything other than that.

Mr. RABAUT. It amounted to $40,000.

Mr. WAMPLER. The total amount was $40,000, which the gracious subcommittee agreed to cut to $25,000.

Mr. RABAUT. That is true of many projects that are in here today. Not all of them are getting the full capability, but you have a little leeway over this $25,000 on this project.

Mr. WAMPLER. In accordance with the conversation with the Corps of Engineers, they have 15 percent, but there is no way to receive any other money than through appropriation channels.

Mr. RABAUT. I think the gentleman is somewhat confused between capability and the completion of the project. The only time we raise the amount of money is where some small amount of money over and above the amount allocated or appropriated in the bill is needed for completion. You understand?

Mr. WAMPLER. Yes.

Mr. RABAUT. But it takes over $130,000 to complete this project, so it is not a project that falls within the rule. Here you have $25,000 plus 15 percent available that they can use this year, unless the committee overrules.

Mr. WAMPLER. I appreciate the gentleman's remarks.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. WAMPLER].

The amendment was rejected.

Mr. MATTHEWS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATTHEWS: On page 3, before the period at the end of line 19, strike out "$9,518,400" and insert "$9,565,400."

Mr. MATTHEWS. Mr. Chairman, I want to congratulate the distinguished members of this committee and I certainly hope, if they cannot agree with me in this presentation, that they will hurt me as little as they can.

Mr. Chairman, I have gone before this distinguished committee for several years, and I still have not found Santa Claus. In fact the effect of my efforts has been, "No runs, no hits, and no errors." But I want to say that I admire every one of them tremendously.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman.

Mr. BOLAND. Mr. Chairman, I do not think the members of the committee admire any other individual Member more than we admire the gentleman from Florida. But, did we not give him a little something a year ago or a couple of years ago? It was not too much, but was there not a little harbor project in the area somewhere?

Mr. MATTHEWS. The gentleman's knowledge astounds me. I would like to make the record a little clearer by saying that I had a little help from the other body. But let me say again how appreciative I am of the fact that when the other body inserted that amount, the distinguished gentlemen of this committee helped me to maintain that amount.

Mr. Chairman, this particular amendment concerns a beautiful river in Florida called the Suwannee River. I called the attention of the House to some of the problems of the Suwannee last year. You know, that river has been made famous by Stephen Foster. But so many times the words of Stephen Foster are maligned. You know, the Florida State song is "Way Down on the Suwannee River," and so often in this great metropolitan center, when we go down to the Statler for our little banquets, the band puts on the same little show, they play all the State songs and we stand up and wave our handkerchiefs, and then when they come to Florida they play "Moon Over Miami." And despite my love for the honorable DANTE FASCELL, the gentleman from Miami, it makes me unhappy. And they change the words to that song. You know, the real words are, "Oh, Darkies, how my heart grows weary." But in some of the books they carry it, "Oh, old folks, how my heart grows weary." And in other books you read, "Oh, brothers, how my heart grows weary."

Mr. Chairman, I want to get the Suwannee River in a position where it serves the people of Florida to the extent that it should. It courses through 9 counties of the 15 counties in my Congressional District. It rises up in the Okefenokee in the great State of Georgia and it meanders in a very peaceful fashion until flood times, down into the Gulf of Mexico. But this great river would lend itself, I think, to a variety of development purposes. It would mean more prosperity to many of the wonderful people in my district.

Mr. Chairman, you know, 14 of the 15 counties in my district are rural. When you think of Florida now please think of the north central part of Florida. That is the part I represent. Fourteen of these 15 counties are rural. When we had our recession last year, to be perfectly frank with you, we did not feel it very much because so much of my area always has a little recession.

This particular amendment, if it be carried, would add $47,000 to this item in the bill, to provide a survey of the Suwannee River that has been approved for years and years. $1,000 has already been spent. Then the Korean war came along. I have gone to the Corps of Engineers and they say, "Your project is not quite important enough." I come before this great committee and they give me a wonderful hearing and they look so friendly, but I have not yet been able to get the money that we need to make this survey.

Mr. Chairman, you know, many people talk to me about pork barrel projects. I want to say that any project that gets through this great group is not a pork barrel project. First of all, you go to the great Public Works Committee to authorize a survey; then you get the Corps of Engineers to carry out the survey; then you get this great Appropriations Committee to appropriate a little bit of money; then you worry about the budget, the economic justification by the Corps of Engineers, the fact of whether or not we will have new starts, and all of the other actions of the other body—I want to tell you I do not know of any pork barrel project when it goes through these processes.

This is not a pork barrel project. I think it is a worthwhile one.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman.

Mr. GAVIN. I listened with a great deal of interest to the gentleman. After doing all of the things he said had to be done and you ultimately secure the project, how would the gentleman like to have someone in the committee take it out, after you got the appropriation?

Mr. MATTHEWS. Mr. Chairman, it would make me so unhappy that I would stand right up here and cry.

Mr. GAVIN. Believe me, I am; it is with great difficulty that I restrain myself.

Mr. MATTHEWS. Mr. Chairman, I want to say to the gentleman that I sympathize with him.

Mr. BOLAND. Mr. Chairman, I hesitate to rise in opposition to the amendment, but I do rise to strike out the last few words.

Mr. Chairman, I would like the gentleman from Florida to cite the authority for the Suwannee, and I do not mean Stephen Foster, but I would like to know what is the authority for this particular project.

Mr. MATTHEWS. I want to say to the distinguished gentleman that I do not have that available, but it has been approved. The survey has been approved by the Committee on Public Works. The Engineers tell me the only reason in the world that I have not had the survey is because of what you might call the line item and there is not enough in the appropriation.

Mr. BOLAND. I will accept the gentleman's word for the authorization. Can the gentleman tell me whether or not there has ever been a survey before?

Mr. MATTHEWS. The river has not been surveyed in the last 50 years. It was one of the first authorized projects in the State of Florida. Along toward the close of the 19th century, they had a channel in a part of this river. But, ever since that time, we have been trying to get more work done on the river. My predecessors have worked hard and I am trying to really get some work done.

Mr. BOLAND. The gentleman's predecessors did not work any harder than the gentleman from Florida is working now.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield.

Mr. JENSEN. Of course, there is a very good reason, may I state to my very good colleague from Florida, why we have not done very much work on the Suwannee River and that is because we want to keep that great stream just as it is. There is not even good trout fishing in that stream, I am told, because they don't want folks to mess around down there. You folks are so sort of living within yourselves and enjoying life that we just do not want to interfere.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield.

Mr. MATTHEWS. I would like to say to the distinguished gentleman that if you will help us do a little digging, we will keep the trout. What we want to do is to live graciously—but not be quite so poor. And I think you can do both.

Mr. JENSEN. The gentleman knows, of course, there is no Member of the Congress who is more beloved than he is and if he does not know that, I will tell him so right now.

Mr. MATTHEWS. Thank you, sir.

Mr. JENSEN. We would love to do something that the gentleman would like to have the committee do, but after all it is not in the bill and it is not authorized, and we just cannot do it for the gentleman. I am very sorry.

Mr. BOLAND. There have been two surveys. We have some information on that. There have been two surveys and both of them were not favorable. But, I make this promise to the gentleman from Florida. You come before the committee and if I am on the committee, I will certainly favor something that is feasible and has a good benefit-to-cost ratio. And you can hold me to that promise—but not on this one.

NEW ENGLAND APPROPRIATION SMALL BUT SIGNIFICANT FOR FLOOD CONTROL

Mr. Chairman, this bill contains a little more than $28 million for 16 New England flood control projects, which, my colleagues I am sure will agree, is a rather insignificant proportion of the $1,176,677,000 appropriations bill before us. However, this sum is quite adequate for flood control planning and construction

needs in New England during the next fiscal year, and we in New England are grateful to the members of the Appropriations Committee and the full House for patiently listening to our pleas and sympathizing with our cause to provide adequate flood control in a region that was so badly damaged by floods in August of 1955.

POPULATION OF NEW ENGLAND COMPACT AND SETTLED ALONG RIVERS

When the Public Works Appropriations Subcommittee, on which I sit, was conducting its hearings, I pointed out that we have a number of projects in New England, but they are occasioned by the fact that we are a rather closely knit area. The New England population is rather compact and when this six-State area was first settled in the colonial period, the people established communities along the river banks. Consequently, it was necessary for the Corps of Engineers to develop a plan whereby we could give adequate protection for those people. This resulted in a number of projects, but all of them are relatively small in cost, but major in the protection that they offer to the people of New England.

RIVER COMMUNITIES HAVE SUFFERED FROM DEVASTATING FLOODS

Mr. Chairman, New Englanders have experienced considerable flood damages for decades. The more recent incidents were 1927, 1936, 1938, 1944, 1954, and 1955. The latter was one of the most devastating and costly in terms of human life and property damage. The Connecticut River is one of the wildest of rivers when it is on a rampage, but I think the program that the Corps of Engineers has presented for the Connecticut Valley will give the people of this area the protection that is needed to keep our industry there, to keep our people dry and happy, and maintain this beautiful section as a vital economic entity of the Nation.

This bill will make the following appropriations for projects in the Connecticut River Valley basin program: Ball Mountain Reservoir, $2,560,000; North Hartland Reservoir, $2,571,000; North Springfield Reservoir, $2,040,000; and Townshend Reservoir, $2,500,000, all in Vermont; Littleville Dam and Reservoir, to be constructed on the West Branch of the Westfield River, in western Massachusetts, $100,000 for planning. The Littleville project was authorized last year. It will operate in conjunction with the Knightville Dam and Reservoir, already constructed, and it will provide measurable benefits to the communities of Westfield, West Springfield, and Agawam, on the Westfield River, and, together with other reservoirs in the Connecticut basin, will substantially lower flood crests in the lower Connecticut basin. Had the Littleville project been in operation during the August 1955 flood it would have reduced flood stages by 2.4 feet at Westfield and would have prevented losses of over $3,300,000.

ALL NEW ENGLAND PROJECTS COST LESS THAN ONE LARGE WESTERN PROJECT

The present estimated cost of all of the 60 authorized flood control projects for New England, including those which have been completed, those under construction, and those yet to be started, is estimated at only $330 million. This is less than the cost for one single large project in the West, say the John Day Dam and Reservoir on the Columbia River in Oregon and Washington.

Mr. MATTHEWS. I appreciate the distinguished gentleman's candor and I am still hoping, and hoping for the best.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. MATTHEWS].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by law; detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction); and not to exceed $1,200,000 for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; to remain available until expended, $658,300,100: *Provided*, That no part of this appropriation shall be used for projects not authorized by law or which are authorized by a law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated: *Provided further*, That none of the funds appropriated for "Construction, General," in this Act shall be used on the project "Missouri River, Kansas City to mouth," for any purpose other than bank stabilization work.

Mr. PASSMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PASSMAN: On page 4, line 7, strike out "$658,300,100" and insert "$658,800,100."

Mr. PASSMAN. I certainly have a definite obligation, as a member of the Appropriations Committee from Louisiana, to offer this amendment.

We are here requesting funds for a project that was recommended in the budget. I had considered the project of such evident merit as to assume that the Public Works Subcommittee on Appropriations would so recognize it, and recommend funds accordingly, and I feel that this was not done simply because of oversight.

With respect to many of our streams in Louisiana, and also in about seven or eight other Southern States, we are plagued by the menace of the rampant water lily. The Federal Government has emphatically recognized that measures must be taken to eradicate the lily from these streams.

The annual loss from this plague to Louisiana's economy alone, I should point out to you, is approximately $30 million.

Ordinarily, when I come to the well of the House, it is to ask you to help reduce appropriations bills, and not to help increase an appropriation. But in this particular instance, I am certain of the merits of the request and ask your support for it.

Section 104 of the authorizing legislation states:

There is hereby authorized a comprehensive project to provide for control and progressive eradication of the water lily, alligator weed * * * and so forth.

The budget request to implement the authorization was in the relatively small amount of $500,000 for fiscal 1960. Money was appropriated for the project last year. The appropriation is on a matching basis with State funds. The program is under way.

As I have stated, my usual practice is to fully support the position of the Appropriations Committee. However, I surely do not feel as if I am a Judas when I occasionally disagree with the committee's position. Specifically, I certainly do not want to be placed in any such light as that today.

I trust, therefore, you will support this amendment upon the basis of merit.

Mr. THOMPSON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. THOMPSON of Louisiana. Unless these funds are made available and expended, we will have to suspend the program for another year and will have lost entirely the benefits of what has heretofore been spent because of the tremendously rapid growth of these water hyacinths.

Mr. PASSMAN. The gentleman is correct; the expenditures heretofore made will have been very largely wasted unless we appropriate this relatively small amount to continue this very important project.

Mr. WILLIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do hope that the committee will support the amendment offered by the gentleman from Louisiana, who is a member of the Committee on Appropriations. As he pointed out, these funds are requested to carry out a public law that this Congress passed, known as Public Law 500 of the 85th Congress. It was authorized and voted upon. Then last year this House appropriated $282,000 to carry out that public law, and the Budget Bureau this year made a request for $500,000.

The Engineers have testified that they could use more.

Now, I want to point out to you what this water lily pest is. These water lily pads grow and expand literally like wildfire. These pads can support a human being walking on them. With their long roots they clog up and block up all navigation channels in our area. In the last few years these pests have extended to Texas; they are in Florida, Mississippi, in Georgia, and the Carolinas, and part of Virginia and elsewhere. It is shortsighted not to have a nationwide program of eradication, because if you treat it on a county-by-county or State-by-State basis the channels that cross State lines carry the pest, and the water becomes infested again. It must be attacked on an areawide basis involving these Southern States. It does no good to attack it in any other way. In the State of Louisiana alone the damage to fish and wildlife, the damage to agriculture and the damage to navigation amounts to over $30 million a year.

This is a matching program, Mr. Chariman. In the past the Engineers have been maintaining important channels of navigation by chopping up these weeds and killing them by chemical and mechanical means. So we have spent money on it. They do spend money every year, but in a haphazard way.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield gladly.

Mr. TABER. The impression that was made upon the committee when this matter was before the committee was this: The testimony in support of the request was vague and indicated lack of clear thinking and planning on the subject. That is the impression the people who came before the committee made on the committee members. That is a correct statement from the report as far as the impression created goes.

Is there any way we could budget anything that would tie this in to the work of the Corps of Engineers? The things that have been brought out here are very largely things you would expect to find in the Fish and Wildlife Department.

Mr. WILLIS. I am glad the gentleman posed that question.

Mr. TABER. How much money will it cost?

Mr. WILLIS. Let me answer the last question first. This is a 5-year program. It is contemplated that we will have to appropriate for 5 fiscal years. We have already appropriated the money for 1 year, that was last year.

Now, with reference to the shape of the record, I am very glad the gentleman brought that up. As the gentleman from Louisiana [Mr. PASSMAN] stated, perhaps we should take the blame. Here you have an authorized project, here you have a public law, here you have funds appropriated last year, here you have it in the budget message. We heard no opposition to it. But somehow or other apparently the single witness representing the Government, or whoever presented it, might not have detailed the work contemplated by the law authorizing the program.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent (at the request of Mr. WILLIS) he was allowed to proceed for 3 additional minutes.)

Mr. WILLIS. Mr. Chairman, in answer to the other question, if you will read the public law, section 104, Public Law 500 of the 85th Congress, you will see that by its very terms this is a joint program, to be participated in by the Department of Agriculture, by the Public Health Service, and by the Wildlife and Fisheries Commission. They are to utilize all of the scientific forces at the command of all of these agencies, not only the Corps of Engineers.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that if we do not get this small amount of money the project will have to be stopped?

Mr. WILLIS. Why, of course. I talked with the engineers at New Orleans a little while ago, and they are up in the air. They have made contracts based upon our commitments, the work is going on. So we will have wasted the $282,000 we appropriated last year for this project.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Minnesota.

Mr. BLATNIK. I recall very clearly when that matter was before our Subcommittee on Rivers and Harbors, we spent a considerable amount of time. It presented new aspects with which we were not formerly familiar. The story presented to our committee was presented most effectively. We had photographs of the area, we had detailed specifics, we had specialists who presented the problem to us. It was clear to us it was a very serious problem, and the only area in which there was some difference was the share of local participation. After considerable discussion and consideration, we did come to an agreement.

Mr. WILLIS. The matching proportion is 70–30, the Federal Government 70, local government 30.

Mr. BLATNIK. It is a serious problem, and if delay is experienced you will have a bigger problem. This is a 5-year program to eradicate weeds that grow like wildfire. I recall the project very well.

Mr. WILLIS. I am grateful to the gentleman for his statement.

Mr. THOMPSON of Louisiana. We consider in connection with projects like this the ratio of benefit to cost. This would be on the basis of 60 to 1 benefit to cost in the short period.

Mr. WILLIS. That is right.

Mr. THOMPSON of Louisiana. The problem is so serious as to indicate that were it not that salt water would kill the water hyacinth you would be able to walk to Europe today because of their rapid expansion. We have now been informed that a special breed through transition is developing that will live in brackish water. So the problem is serious.

Mr. WILLIS. I hope the amendment will be agreed to.

Mr. PILLION. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the hearings the testimony was to the effect that the benefit-cost ratio here had not been determined and presumably it was not one to one and was below that. While I can sympathize with the problem that was recited here by the gentleman from Louisiana, the $500,000 is merely for a start. The total cost of the study will amount to something like $6 million.

Mr. THOMPSON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. PILLION. I yield to the gentleman from Louisiana.

Mr. THOMPSON of Louisiana. I would like to advise the gentleman that the $500,000 is not for a study. Contracts are already in effect. Louisiana, for instance, has been spending millions of dollars each year on this same problem, and studies over the past 15 years have proven that the water hyacinth can be eradicated. The amount here will go mostly toward contracts already in effect for the destruction of the hyacinth. We already have made the study on how to do it.

Mr. PILLION. As I recall the testimony, there is no definite method or sure method of eradicating this nuisance, and that this is merely a biological survey of the few streams that are involved in this particular $500,000 item. In the meanwhile there are dozens and dozens of other streams that are also having this difficulty throughout the South, and studies are being made by the local conservation and wildlife bureaus as well as the States in an endeavor to control this nuisance. This problem is not properly within this bill and should not be here. It is a biological matter.

Mr. THOMPSON of Louisiana. Mr. Chairman, will the gentleman yield further?

Mr. PILLION. Surely.

Mr. THOMPSON of Louisiana. I hope the gentleman will be open to be told what is being done. This is not primarily for a study or studies. We have developed methods that have been most successful in the destruction of these hyacinths. We even eradicate some of them mechanically, but now we have learned how to destroy them in their breeding places, and this amount of money will be sufficient to complete the program.

Mr. PILLION. May I read two sentences of the testimony with reference to this particular subject?

Mr. RABAUT. Do you have any plans for a different sort of approach, something different than what has been taking place?

General CARTER. Not yet. Everything is brand new, sir.

Mr. THOMPSON of Louisiana. The program started last year as far as the Government is concerned. However, these States have been in the process of fighting these hyacinths ever since the plants have been known.

Mr. PILLION. Actually, the testimony was so vague and so indefinite that the committee just did not think it ought to be in here.

Mr. THOMPSON of Louisiana. Yes, and the members of the Louisiana delegation apologize for not making a strong case.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. PILLION. I yield to the gentleman from Louisiana.

Mr. PASSMAN. You understand that the State is making a contribution to the program on a matching basis. This is not entirely a Federal project, by any means. As far as bringing this matter before the Public Works Subcommittee on Appropriations is concerned, it was left up to me, as a member of the Committee on Appropriations, to testify and explain the facts involved; but being busy on another appropriations subcommittee, I must admit that I neglected doing so. I repeat, the State is contributing its share of funds to destroy this very costly menace to our streams.

Mr. PILLION. I appreciate the gentleman's situation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. PASSMAN].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 59, noes 58.

Mr. TABER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PASSMAN and Mr. TABER.

The Committee again divided, and the tellers reported that there were—ayes 59, noes 55.

So the amendment was agreed to.

Mr. FENTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FENTON: On page 4, line 16, after "work" strike out the period and insert: *"Provided further,* That $1,400,000 of the amount herein appropriated shall be available for the Allegheny River Reservoir."

Mr. FENTON. Mr. Chairman, first of all I want to say that this amendment does not add any money to this bill. It merely seeks to do what the committee intended it to do. It merely seeks to freeze the $1,400,000 until there is a decision of the Supreme Court as to whether or not the dam shall be constructed at the site suggested by the Army Engineers. It also suggests that these funds will not be available until after the committee has completed its own independent study of the relative merits of the Kinzua project and the Tonowanda project.

Mr. Chairman, I think it is only fair to say that this project has had $2 million appropriated to it in 2 previous years. The litigation by the tribe of Indians has gone from court to court and is finally in the Supreme Court. If I were trying to do something that the committee did not want done, it would be one thing, but I am trying to live up to the rules and regulations of our committee. I do not think the phraseology in our report gives the true facts. As I said in my remarks during debate, I am in full accord with the language on page 17 in the first sentence of the paragraph, "that the committee has ordered an independent investigation of the merits of the alternative proposals advocated by the Corps of Engineers and by the Seneca Indians * * *" and so forth.

But I do object to the second sentence of that paragraph, in which it is stated:

The committee directs that the $1,400,000 balance of previously appropriated funds available for the project be reprogramed to other projects.

I do not think that is quite fair. As I said before, my objections are based on the fact that this was not considered in the subcommittee and we did not make such a demand as to direct that the $1,400,000 be reprogramed to other projects. It was during your absence, Mr. Chairman, may I say to the gentleman from Missouri [Mr. CANNON] and while I had the floor I wanted to ask you a direct question and I will now ask you, sir, as chairman of the subcommittee, if that is not a correct statement.

Mr. CANNON. Of course, the gentleman understands that the proposition before us included the question of whether or not we were to have our own survey, and the decision was that we would.

Mr. FENTON. We did discuss that, Mr. Chairman, but we did not discuss the second sentence.

Mr. CANNON. No motion was made that could possibly have affected this situation.

Mr. FENTON. Mr. Chairman, you are not answering my question. We did not discuss that in the subcommittee, that we should take the money and distribute it on other projects.

Mr. CANNON. That was in the proposition before us.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. TABER. A gentleman advised me this morning on the telephone that when he was on the floor he made the statement that his idea was to have this dependent upon the decision of the court and upon the investigation that the Committee on Appropriations has ordered.

Mr. FENTON. That is correct.

Mr. TABER. The language that is in the bill, as part of the bill, is wide open and it could be used without restriction in any way. I would not oppose the gentleman's amendment if there were tied to the amendment the words "to be available after the disposition of the Seneca Indian case."

Mr. FENTON. May I say to the gentleman that that is the understanding here, and that is what I am trying to say.

Mr. TABER. It ought to be right in the law.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TABER. It ought to be right in the bill. It ought to be right in the language of the amendment that it should not be available until after the investigation. I cannot support it or sit by and allow it to go through without that being done.

Mr. FENTON. Mr. Chairman, I think when you try to explain something on the floor of the House as to what the intention of the amendment is, which is just what I am trying to tell you, that that ought to be sufficient for everybody.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. JENSEN. I agree with the gentleman completely on the statement that he has made. I would suggest to the gentleman that he accept the language which the gentleman from New York [Mr. TABER] has suggested. If he will do that, I am quite sure that the House will approve of the gentleman's amendment.

Mr. FENTON. If it will not be subject to a point of order as legislation on an appropriation bill.

Mr. JENSEN. I cannot see how it could by any stretch of the imagination be subject to a point of order. It is simply giving the Congress the authority under a limitation which is in the language of your amendment to permit this money to be spent after the investigation is made.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. FENTON was allowed to proceed for 2 additional minutes.)

Mr. FENTON. Mr. Chairman, this is of vital concern to the citizens of Pennsylvania, particularly to the people along the Allegheny River.

I have a telegram from the Governor of Pennsylvania. I should like to read it:

HARRISBURG, PA., *June 5, 1959.*

Hon. IVOR D. FENTON,
House Office Building,
Washington, D.C.:

Kinzua Dam project vital to citizens western part Pennsylvania, but in addition will be a big boost to the economy of the Empire Commonwealth. Urgently request your support of project which comes up for debate.

DAVID L. LAWRENCE.

The Governor of Pennsylvania appeared before our committee during the hearings and made a valiant plea for this project.

As I said during the hearings, I am not wedded to any particular dam. What I am concerned about principally is the saving of life and property. If the alternate plan will do the same job as the Kinzua Dam is supposed to do and at a saving of $30 million, why should we not have it?

So I am in favor of our own private investigation by the committee, and I am in favor of holding the funds until such time as the committee decides when we get the report and the decision of the Court, to release funds appropriated to a project.

Mr. JENSEN. Mr. Chairman, will the gentleman yield right there?

Mr. FENTON. I yield.

Mr. JENSEN. That is exactly what the committee agreed to, nothing else.

Mr. FENTON. That is right.

Mr. FULTON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON to the Fenton amendment: At the end of the amendment add the following: "to be available after the disposition of the pending legal action of the Seneca Indians and the completion of the engineering studies ordered by the Appropriations Committee and the approval of the Appropriations Committee."

Mr. CANNON. Mr. Chairman, I reserve a point of order on the amendment.

Mr. FULTON. Mr. Chairman, I want to say to the Committee that it is agreeable to us to limit it in the way the gentleman from Pennsylvania [Mr. FENTON] has mentioned and in accordance with the request of the gentleman from New York [Mr. TABER]; that is to say, that first there shall be the study ordered by the House Appropriations Committee.

The purpose of my amendment to the amendment is so that the engineering

study to be made by the House Appropriations Committee will first be completed and there shall then be an approval by the House Appropriations Committee; and, secondly, that the case that has been instituted by the Seneca Indians and is now pending in an action before the U.S. Supreme Court shall be first decided and gotten out of the way. That spells out the two objections by the gentleman from New York [Mr. TABER]. I ask the gentleman from New York if I am correct.

Mr. TABER. Yes

Mr. FULTON. It makes it satisfactory to me.

I ask the chairman of the committee, the gentleman from Missouri [Mr. CANNON], if this is not tailored to insure the carrying out of the study by the Appropriations Committee.

Mr. CANNON. Mr. Chairman, the amendment is subject to a point of order but I am willing to withdraw my reservation.

The CHAIRMAN. The gentleman from Missouri withdraws his reservation?

Mr. CANNON. Yes.

The CHAIRMAN. The gentleman from Pennsylvania may proceed.

Mr. FULTON. Let me explain to the House that this is a flood-control project in western Pennsylvania. One of the chief things we have to defend our industrial areas against in that part of the State is floods. They have recurred many, many times; in fact, in only 1 year out of the last 5 has western Pennsylvania not been flooded. We have had floods in 4 out of 5 years.

The next point is that this money has already been appropriated. This is not new money, as the gentleman from Pennsylvania [Mr. FENTON] said; $1,058,000 was in the bill for 1958 and $1 million for 1959. There is $1,400,000 in existence.

The committee has said it wanted first to have this case of the Seneca Indians tried and disposed of. They are a tribe of Indians in northwestern Pennsylvania and neighboring New York State. It is a suit to determine whether they have the right to block this dam. It is now before the Supreme Court on request for a writ of certiorari. The lower court has ruled that these Seneca Indians do not have the right to block the dam.

The other point is that the House Appropriations Committee has asked for an independent engineering survey to make sure that this is the right place for the dam or the right route to afford proper flood control.

I hope the House will adopt the amendment which I have submitted, an amendment to the Fenton amendment. It has been agreed to by the gentleman from New York [Mr. TABER]; and, as you saw, the gentleman from Missouri [Mr. CANNON], chairman of the House Appropriations Committee, withdrew his point of order.

Mr. FLOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I again wish to bring to the attention of the committee that the amendment offered by the gentleman from Pennsylvania [Mr. FULTON] as it is now presented in the form of an amendment to the amendment by the gentleman from Pennsylvania [Mr. FENTON] is entirely acceptable to us, to me and to our friends. I would be very grateful that this amendment be embellished by the hyacinths with which we were so recently concerned.

Mr. GAVIN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have been interested in this project for many, many years, and I, too, heartily concur in and support the Fenton amendment. I trust it passes overwhelmingly.

Mr. MOORHEAD. Mr. Chairman, I rise in support of the amendment to the amendment. We in Pennsylvania have been waiting since 1936 for this dam. The amendment as amended will require another 6 months of delay; however, we will accept that delay because we do desperately need this dam, and I hope the amendments will be supported by this Committee.

Mr. Chairman, the amendment just offered would return to the Allegheny River Reservoir at Kinzua near Warren, Pa., $1,400,000.

The money was appropriated by two past sessions of Congress.

It has now been taken away and diverted elsewhere by an obscure sentence in the report accompanying the Public Works Appropriations Act of 1960 which we are considering today.

Both the dam and reservoir are vitally needed to protect human lives and property from heavy flood damage throughout an important industrial area in the Allegheny and Upper Ohio River Valleys, but there is more to this amendment than an effort to save a flood-control project important to one's district.

The amendment, more importantly, embodies a fight against creation of a dangerous precedent of dishonoring commitments of past Congresses by casually tossing aside projects upon which the competent Army Engineers have spent years of planning—planning, incidentally, of which Congress has been kept abreast and which Congress has approved repeatedly.

Five times Congress has endorsed the dam to be built at Kinzua; in 1936, 1938, and 1941 by planning authorizations and by including nearly $2 million in construction money for it in budgets for fiscal 1958 and 1959.

Alternate plans were proposed by well-intentioned amateurs and engineering consultants employed by parties of special interest. Career experts in the Corps of Engineers rejected these proposals because of cost and engineering flaws.

Efforts to impede the project through a court suit were turned aside by both the District Federal Court and the U.S. Court of Appeals.

Meanwhile, because of this suit, about $1.4 million of previously appropriated funds have been held in escrow so to speak until the court matter is finally terminated. This termination may come any week now from the U.S. Supreme Court and is most likely to come before the current fiscal year ends.

Yet a single sentence in the committee's report would allocate this money to other projects. It would, in effect, waste $1.3 million already spent on planning and at a time when Army engineers are waiting to begin initial construction which could have the dirt flying at the dam site by next spring.

Ironically, the action comes on the heels of testimony by Maj. Gen. Emerson Itschner, Chief of the U.S. Corps of Engineers, that, had the reservoir and dam been operational last year, they would have reduced flood damage in the Allegheny and Upper Ohio River Valleys by $3,300,000.

This unusual overriding of the repeatedly expressed intent of Congress occurs on page 17 of the report. The sentence reads in part: " * * * the committee directs that the $1,400,000 balance of previously appropriated funds available for the project be reprogramed to other projects."

Nothing appears in the bill itself informing members of the reallocation or enabling them to pass upon the dubious merits of this unorthodox taking away of previously appropriated funds.

If this were the usual fight for more money for a project in a Congressman's district we might say let the project take its chances in the competition for Federal funds.

But it is not. Here we have a few careless words killing the hopes and plans of a generation. Past appropriations are upset. Years of planning work are wasted.

It is against such an outrage that the amendment is offered to retain the $1.4 million previously appropriated for the Allegheny River Reservoir.

The principle involved here could be of extreme importance someday to every other Member of this House. This is why I urge adoption of the proposed amendment.

Mr. BOLAND. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, in considering this project the committee was confronted with two principal problems.

The first problem is the pending litigation in the Supreme Court.

The second problem concerns the alternate proposals for storing water for protection of the city of Pittsburgh and other downstream locations.

Dr. A. E. Morgan, an engineer of international reputation, has proposed a storage system which would eliminate the objections of the Indian tribes involved. His cost estimates for this plan are approximately $35 million less than the estimates of the Corps of Engineers for the Kinzua Dam which they are advocating. In this particular instance, the committee has had before it two alternate plans advocated by extremely reputable engineers and is without the technical competence to fully evaluate the two proposals. Before proceeding with the more expensive proposal of the Corps of Engineers, the committee feels that a thoroughly competent and impartial engineering and economic analysis of this plan and the less expensive alternate is necessary.

It is the committees' purpose to preclude any construction activities until it can obtain such an evaluation and until

the litigation is cleared up. Should the litigation be resolved in favor of the Federal Government and the independent evaluation being undertaken show that the Kinzua project is the preferable project in every respect, the committee would be happy to approve the allocation of existing available funds to begin construction at Kinzua or consider a supplemental request if such funds are not at that time available.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON] to the amendment offered by the gentleman from Pennsylvania [Mr. FENTON].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment as amended.

The amendment as amended was agreed to.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Wisconsin: On page 4, before the colon at the end of line 7, insert: ", and in addition $75,000 for planning for the Eau Galle River project, Wisconsin."

Mr. JOHNSON of Wisconsin. Mr. Chairman, I am deeply concerned because the Eau Galle River flood control project for the Ninth District of Wisconsin has not been included in the 1960 public works appropriation bill. I have an amendment to that bill to provide $75,000, part of what is needed for planning a retarding reservoir above Spring Valley, levees, channel, and control works on the two creeks which feed the Eau Galle River. This work would not only provide nearly complete flood protection at the damage center, Spring Valley, but would also greatly reduce flood damages farther downstream to the farmers and the city of Elmwood.

Mr. Chairman, I have a letter from the Chief of Engineers which reads as follows:

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., February 2, 1599.

Hon. LESTER R. JOHNSON,
House of Representatives.

DEAR MR. JOHNSON: This is in reply to your letter of January 27, 1959, concerning the Eau Galle River, Wis., flood control project.

The Committee on Commerce of the United States Senate adopted a resolution, on October 28, 1941, requesting a review of the report on the Chippewa River, Wis., and tributaries. An interim report on the Eau Galle River was submitted to the chairman, Committee on Public Works, U.S. Senate on May 16, 1955. The project was authorized in accordance with this report by the Flood Control Act of 1958.

The current estimated Federal cost of the project is $7,250,000. This estimate includes $700,000 for planning required prior to initiation of construction, of which $80,000 has been spent for preauthorization (survey) studies. No funds have been appropriated for this project since authorization. When funds for this project become available, we will make every effort to expedite its planning.

In response to your telephone request of Colonel Nauman of my staff on January 29, 1959, as to the amount of funds we could use on this project in fiscal year 1960, I wish to furnish you the following information concerning our capability. From the strictly engineering standpoint, considering this project by itself without reference to our overall program, our overall capability, or fiscal considerations, an amount of $150,000 could be utilized for the Eau Galle River project in fiscal year 1960. As you know, no funds for this project are included in the President's budget, so that no funds can be utilized for this project in view of overall budgetary consideration.

I trust the above information will serve your present needs.

Sincerely yours,

J. L. PERSON,
Brigadier General, USA, Assistant Chief of Engineers for Civil Works.

Mr. Chairman, the Corps of Engineers has estimated that a sum of $150,000 would be sufficient for planning the Eau Galle project.

Mr. Chairman, I want to emphasize that the Federal Government has already invested and spent $80,000 on this project. It is pennywise and pound-foolish not to continue. I am wondering what dollar estimate anyone can put on human lives. I also wonder if the cost of human life and suffering has not risen as other costs have climbed since the 1930's. In a letter dated June 24, 1954, the Assistant Secretary of the Army wrote:

The Chief of Engineers believes that a high degree of protection should be provided because of the potential hazard to life in this community due to floods. The estimated costs and benefits for the recommended project appear to be conservative. When intangible benefits are also considered it is believed that the project is more meritorious than the current tangible benefit-cost ratio of 1.17 would indicate.

We cannot jeopardize the lives of people of Spring Valley because action on this project was not taken when the benefit-cost ratio was more favorable.

This project has been pending since 1941, over 17½ years ago. The Corps of Engineers started working on it in an overall river project in 1942, but World War II stopped all work on civil works projects. Later the Corps of Engineers approved the Eau Galle River as a separate project. Since I came to Congress in 1953, the project, fully approved by the Budget Bureau, the Corps of Engineers, and all other interested agencies, has been held up by Presidential veto. It was finally approved in last year's omnibus rivers and harbors bill.

The people in Spring Valley, Elmwood, and vicinity have lived in fear of rising water and flash floods too long. Since 1901 Spring Valley has been devastated by seven major floods. Two of these floods resulted in three deaths. Many smaller floods have caused untold damage and heartache.

The worst flood occurred in 1942. The residents of the Eau Galle Valley had hardly recovered from the May crippling flood when on the night of September 17, 1942, the river deluged them again. The elevation of the river, which at flood stage is 915, rose to a record high of 926 feet. Few buildings in Spring Valley escaped as the flood wave moved through the community at a height of about 9 feet above the elevation of the main business street. Nearly everything was damaged in about an hour's time.

Sixteen residences and nineteen business buildings were destroyed completely. The average damaged homes and public buildings could not be reoccupied for about 30 days and many business establishments could not be operated for a much longer period. The Red Cross was called in to help, and their relief expenditures totaled about $25,000. Federal aid amounted to about $7,000.

Spring Valley did recover. With real community spirit, they cleaned up, rebuilding streets, homes, business shops, and beautifying the town. They worked so well that 6 years later the town was cited as one of the Nation's cleanest towns. The citizens won a national award for their accomplishments.

In June of 1956 another flood hit Spring Valley, causing damages totaling about $100,000, including losses due to flooding of basements, erosion of bridge abutments and streets. But most of the damage was done to the retaining walls of the two creeks, which overflowed and spilled their waters through the streets of the town.

The people of Spring Valley do not want to give up their town and move to a safer location The Army Engineers in their survey went thoroughly into the matter of relocating the village, but costs of relocation are more expensive than flood-protection measures. Furthermore, moving one town would not prevent flood dangers to Elmwood and the rest of the valley, both residential and agricultural.

The flood-control project is desperately wanted. At the time hearings were held before the Subcommittee on Flood Control of the Public Works Committee, over 1,000 signatures on petitions were sent to me urging the project. Spring Valley has complied with all the stipulations set up by the U.S. Corps of Engineers as conditions for the participation of the Federal Government in the project. They have even agreed to purchase the land for the reservoir. I am told by the Corps of Engineers that this is not the customary procedure. Usually the Federal Government bears this cost. However, the people of Spring Valley are so anxious to do everything possible to carry out this project that they readily agreed to do this. The mayor of Spring Valley wrote me on April 4 as follows:

Let me state that all the recommendations and specifications of the Corps of Engineers have been fulfilled. Also, the agreed items and obligations of the village are in the process of being fulfilled.

Mr. Chairman, Spring Valley is a town small in numbers, but big in spirit. They have shown in the past that they can rise above hardship, but it is not right that they should live in continuous fear of disastrous floods.

I sincerely hope there will be no more floods and loss of life in the Spring Valley area before the proposed corrective measures can be taken. I hope you will join me in supporting this amendment for $75,000 to get the project under way.

Mr. ZABLOCKI. Mr. Chairman, I rise in support of the amendment offered by

my distinguished colleague and good friend from Wisconsin [Mr. JOHNSON].

This amendment is very important to the people of Eau Galle Valley. Their peace of mind, and their very lives, are dependent upon it. The people of that valley have been plagued by floods for many years. Their homes were repeatedly wiped out, their farms and other property heavily damaged.

I personally remember the great flood of 1942, which brought staggering destruction to the people of Spring Valley, a town located in the Eau Galle Valley. A 16-foot wall of water swept down upon the community one September night, leaving death, tragedy, and destruction in its wake. Many people thought that Spring Valley would never recover from that blow. But the people of that town would not give up. They went ahead, rebuilt their homes, and their city stands today as a monument to their courage and determination.

I do not believe that we should allow these flood hazards to continue. The Eau Galle Valley project has been considered by the Congress for almost 2 decades. It has been authorized on two separate occasions. It is high time that the relatively small amount proposed in the amendment offered by the gentleman from Wisconsin [Mr. JOHNSON] be provided to commence work on this project.

I commend my colleague and sincerely hope that his amendment will be approved.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment starts a project that would cost, according to the figures of the Army Engineers, $7,270,000. The thing that bothers me about the project is this: It has no benefit-cost ratio that amounts to anything. It says here that it has a benefit-cost ratio of 1.1 to 1. Now, I cannot see our authorizing and starting on a project which does not do enough good to justify it. We all know that there will be a 20-percent increase in cost above what the original estimates are. That is the way they run. That means that whatever benefit there is will be wiped out by the increased cost.

Now, Mr. Chairman, I cannot see why we should embark upon this kind of a project.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. JOHNSON of Wisconsin. I think you will find that the information you are giving us is incorrect. I was trying to find a telegram that I received from the Corps of Engineers yesterday from St. Paul, but I do not have it with me. But, if I am correctly informed the information that the gentleman gave to the Public Works Subcommittee is not the same as I received from the Corps of Engineers by telegram yesterday afternoon. The benefit ratio is higher than the cost.

Mr. TABER. I think that I have yielded long enough. If I had received that telegram, I would have brought it with me, if I were the gentleman.

Mr. Chairman, the actual situation is that these Engineers, who are watering at the mouth for every project that they can get, could not make out a better case than they had to present, and I think we ought to reject the amendment.

Mr. BLATNIK. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we are very familiar with this project. It had been before the Committee on Public Works for some time and when it came up in the last flood control omnibus bill we gave it very careful consideration.

The point raised by the gentleman from New York [Mr. TABER] that the cost-benefit ratio is rather close, is a good point. It varied from 1.3 to 1, down to 1.1 to 1. But how close is close? Or how close do you have to be to be close enough? Anything over 1, anything over parity is accepted as an economically justified project.

But the gentleman does raise a good point and I acknowledge it. The chances are perhaps there will be some increase in the cost of construction of the project which may lessen slightly the benefit-cost ratio. But I say the chances are just as good that once these people have some assurance that they will receive protection, that those who have left will return, and the benefits will rise.

In the flood of September 1942, there was a $6 million loss, which resulted in the departure of many energetic citizens. In spite of that devastating flood, the worst in history, those people that stayed on, worked and cleaned up their town; and in March 1950, the Lion's International in an article entitled "The Town That Would Not Be Licked" told about the determination with which these citizens and this community cleaned up their town, and decided to stay, after a $6 million loss.

So I do hope the project will be approved. I know the area. These people have really exerted themselves all out. The cost-benefit ratio is still above parity. We have every reason to believe that once the project is undertaken people will come back. Those who, under dire economic pressure, had to go, will come back and the benefits will be increased, which would offset any increase in the cost of construction.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. JOHNSON of Wisconsin. I think, also, the people of the community have agreed to pay over $500,000 toward the project. Most of that money has already been spent on improvements as suggested by the Corps of Engineers; is not that correct?

Mr. BLATNIK. That is correct.

PROGRAM FOR THE BALANCE OF THIS WEEK AND THE WEEK OF JUNE 8

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time in order to inquire of the majority leader concerning the program for the balance of the week and for next week. I make this inquiry at this time because quite a few Members are here and I am sure they would like to be informed as to what is the prospect.

Mr. McCORMACK. Mr. Chairman, I assume we will dispose of this bill today. If so, we shall go over until Monday. If not, there will be further conferences.

As to next week: Monday is District Day. There are seven bills.

H.R. 3735, death benefits, police, firemen, and U.S. Secret Service.

H.R. 3030, assignment of Police Band.

H.R. 4283, exemption of certain officials, District of Columbia income tax.

H.R. 6662, D.C. Hospital Center, extending the time for appropriation.

H.R. 6378, use of property, American Society of International Law.

S. 643, a bill relating to notice of service.

S. 949, a bill relating to the Ladies of the Grand Army of the Republic.

H.R. 7523, 1-year extension of the corporate and excise tax rates.

It has been agreed that any rollcalls on Monday will go over until Tuesday with the exception, of course, of any rollcall on a rule.

Mr. HALLECK. I take it there is a rule on the bill out of the Committee on Ways and Means?

Mr. McCORMACK. Yes; there is a rule on that.

For Tuesday and the balance of the week, the program is as follows:

First there is the unfinished business, the motion to recommit on the water pollution bill.

S. 1901, the tobacco price support bill.

H.R. 7246, wheat program for 1960 and 1961.

H.R. 6596, Coal Research and Development Commission.

H.R. 4957, admission of evidence in courts. As I remember, that is concerning the Mallory decision.

S. 1120, a bill relating to the Federal Reserve Act, reserves.

H.R. 3, rules of interpretation, State laws.

Mr. HALLECK. It looks like we will have rather a busy week next week.

Mr. McCORMACK. Yes; and from now on, of course. We have had a very good week this week and I think the House is to be congratulated.

There is the usual reservation, that any further program will be announced later and that conference reports may be brought up at any time.

Mr. REUSS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I shall be very brief. I rise not to ask something for myself or for my district, but 300 miles to the north of my district in an area of wooded hills and green meadows, represented by my colleague, the gentleman from Wisconsin [Mr. JOHNSON], is the little town of Spring Valley on the Eau Galle River. I know $75,000 is a lot of money, but if you could come with me to Spring Valley and see the signs of the devastating floods that they have had and if you could see the sound and constructive proposals they have for flood control, and if you could see the self-reliant manner in which they have wanted to participate themselves, I think you would agree that the expenditure of $75,000 should back up the authorization which Congress has voted for this flood control project would be

money well spent. I ask the Members to consider favorably the Johnson amendment.

Mr. BROOKS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I simply rise to make a few short references to the Red River Valley. I think generally the committee is doing a good job in reference to the development of the Red River Valley and we appreciate it. We have had, however, three major floods in the last 3 years, and I think I would be making a mistake if I did not at least say something on this occasion. The Bureau of the Budget recommended for bank stabilization in that area the sum of $700,000. That amount has been reduced to the sum of $400,000. So in an area which has been devastated by major floods, three of them in the last 3 years, we are in a retrenchment program dropping from $700,000 down to $400,000. I do not know what the future holds as to whether we are going to have a flood next year or not, but I do not want the RECORD to be silent on this point in reference to the fact that there has been a cutback in the amount allowed by this committee for the bank stabilization program, which program covers Arkansas, Texas, Oklahoma, and the northwestern part of the State of Louisiana.

Mr. Chairman, the action of the committee in failing to provide full budget request for funds for bank stabilization work on Red River below Denison Dam will greatly slow up the needed work along this river. The Bureau of the Budget requested a total of $700,000 for this work and I am informed by the Corps of Engineers that the amount needed is at least $700,000. Actually, Mr. Chairman, the figure of $1 million is more realistic when you consider the amount of work to be performed to help stabilize the banks of the Red River and for channel improvement work.

The Corps of Engineers over the years have been making great strides in harnessing this meandering stream, thereby giving it some stability and saving the landowners along its banks millions and millions of dollars in damages which would have otherwise been unused due to the caving banks. These banks along the river have been caving at an increasing rate due to the swift water which pours through northwest Louisiana from Arkansas, Oklahoma and Texas.

I might point out, Mr. Chairman, that most of the land lost each year is rich, alluvial farmland in the valley which is one of the most productive valleys in all the world. Many of our large cities are also placed in danger and we need continued protection in the form of bank stabilization work to keep many people from being washed away downriver by this caving action.

Also, the Corps of Engineers have worked hard to replace many of the works which have been destroyed or damaged in the three great floods which were visited upon our area over the past 2½ years. The Corps of Engineers have not as yet been able to complete this much needed work due to recurring high water which severely hampers this work.

Heretofore, the Engineers have requested only those funds which they feel they could justly and economically use within the fiscal year they were appropriated. We feel that the Engineers are the best qualified agency of this Government to determine the minimum funds required for this work. The Bureau of the Budget must have agreed also with the Engineers inasmuch as the President's budget asked for $700,000 for this stabilization work.

This is important work which should be done during this next year; fortunately this year a major flood did not occur in our area. This fact will permit the Corps of Engineers to accomplish overdue repair work and new construction to stabilize the channel and banks of this major stream. This is resulting in a low water level permitting work to be started.

To cut this appropriation back to $400,000 as requested by the committee to "continue this program at the 1959 level of financing" as is stated in the committee report, is to endanger the lives and property of the people of the Red River Valley. I say that this surely is not the intent of the committee and that it would not want this done. In failing to provide the engineers with sufficient funds with which to accomplish this much-needed work the committee is doing just that.

This next fall and spring, should a major flood occur in the valley similar to the three we have recently experienced, heavy damage to property in the valley together with the attendent possibility of loss of life, would be the probable outcome. Unless we are able to protect our banks and control these waters, the responsibility must lie with this body for not having provided our people with proper protection.

It is extremely difficult to understand the reason for cutting these funds, yet, Mr. Chairman, within a few days we will be called upon to vote on a foreign aid bill which will give away billions, not millions, not thousands as is in discussion here, but billions of dollars to foreign countries to be used in building flood-control projects in many foreign countries. And if the past is any indication of the future, the bill will pass this House, yet we would deny our own people flood control and bank stabilization work which cost only a few thousand dollars. The sum of money represented in this request could not, by any stretch of the imagination, throw the budget out of balance when viewed in light of the foreign aid bill, but it can provide thousands of our own people with flood protection which could save them many millions of dollars in property damage, and if this resulted in saving only one life it would be money well spent.

Mr. Chairman, I urge the increase of funds in this bill to the figure requested by the President and the Bureau of the Budget to $700,000.

Mr. BUDGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it was my pleasure to serve on the House Committee on Appropriations for several years under the distinguished leadership of the gentleman from Missouri [Mr. CANNON] and I am appreciative of the difficulties the committee faces. Last year the House of Representatives with the other body concurring passed the public works appropriation bill. That bill was approved by the President of the United States and became statutory law. Included in that bill was an appropriation of $500,000 for the construction of a new project or for the continuation of an existing project, whichever interpretation is placed upon it. The project to be built, known as the Burns Creek project, is to control the flows of an existing Federal dam so that when the releases from the dam are so great that they would wash out the downstream irrigation works that this proposed secondary construction would complete the project by controlling that water and releasing it in a manner which would not cause the downstream damage. If it is not built, the existing Federal project can never achieve the benefits otherwise possible. We are in this item in a most peculiar position and I think it is unique and should be called to the attention of the House because it is most unusual. That money was approved by the Congress. It is a part of an existing statute. The bill we are considering contains no money for the project and makes no reference to it. There is nothing before the House in this bill for the project. However, in the committee report, and I assume inadvertently, there is a sentence which says that it is intended to eliminate the already appropriated funds which are part of an existing Federal statute. I doubt very seriously that the appropriations committee or any other committee of this House would claim that by a committee report it can repeal an existing statute or that it can repeal a portion of an existing statute. Certainly, when I had the privilege of serving upon the Committee on Appropriations, I never heard any such claim made for that great and powerful committee nor have I heard it made for any other committee of the House of Representatives.

The pertinent paragraph of the existing statute (Public Law 85–863, 72 Stat. 1575), is as follows:

CONSTRUCTION AND REHABILITATION

For construction and rehabilitation of authorized reclamation projects or parts thereof (including power transmission facilities) and for other related activities, as authorized by law, to remain available until expended, $146,015,000, of which $85 million shall be derived from the reclamation fund: *Provided*, That no part of this appropriation shall be available for other than the completion of field engineering, survey work, and preliminary designs of the Southwest Contra Costa County Water District System and no repayment contract shall be executed or construction begun until plans have been submitted to and approved by the Congress through its legislative and appropriation procedures, after submission of a report to the Congress by the Secretary of the Interior (1) on the cost and feasibility of said project, including the necessary distribution system and (2) on the rates required to be charged to the ultimate consumers: *Provided further*,

That any portion of this or prior appropriations available for the construction of extensions to the distribution system of the Southern San Joaquin Municipal Utility District may be expended without regard to the land certification requirement under this heading in the Interior Department Appropriation Act, 1953 (60 Stat. 445), after the execution and approval of a contract which obligates the entire district to repay the cost of such facilities: *Provided further*, That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power wheeling service contracts which include provision for service to Federal establishments and preferred customers, except those transmission facilities for which construction funds have been heretofore appropriated those facilities which are necessary to carry out the terms of such contracts or those facilities for which the Secretary of the Interior finds the wheeling agency is unable or unwilling to provide for the integration of Federal projects or for service to a Federal establishment or preferred customers: *Provided futher*, That no part of the funds herein appropriated shall be used for the Palisades Reregulating Dam and Powerplant (Burns Creek, Idaho) project until it is authorized: *Provided further*, That no part of the funds herein appropriated shall be used for the construction of the Prosser Creek Dam and Reservoir (Washoe project, California-Nevada) until the enactment into law of S. 4009, or similar legislation: *Provided further*, That no part of the funds herein appropriated shall be used for the construction of the Gray Reef Dam and Reservoir (Glendo unit, Missouri River Basin project) until said dam and reservoir are specifically authorized.

The present status of the funds appropriated is as set forth in the following letter addressed to me by the Secretary of the Interior:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 5, 1959.

Hon. HAMER H. BUDGE,
House of Representatives,
Washington, D.C.

DEAR MR. BUDGE: This is in response to your inquiry regarding the status of the $500,000 appropriated in fiscal year 1959 for the Burns Creek project, Idaho. As you know, the appropriations was made contingent upon the Congress authorizing the project. Accordingly, when this appropriation was made, $100,000 of this amount was scheduled for obligation in the latter part of this fiscal year on the premise that the project would be authorized early in this session of the Congress.

Since the appropriation is available until expended, the balance of $400,000 has been placed in reserve for use in fiscal year 1960 as the anticipated late start in fiscal year 1959 would preclude the use of that amount until next fiscal year.

The Department considers the specific language contained in the appropriation for fiscal year 1959 with regard to this project pertinent to the use of the funds carried over into fiscal year 1960. Accordingly, the language provision was proposed for deletion as having served its purpose and is no longer required.

Sincerely yours,
D. OTIS BEASLEY,
Administrative Assistant,
Secretary of the Interior.

It is my position that the language in the committee report is a nullity. If that position is not valid and concurred in by the committee, I assume someone will correct me. However, in order that there may be no question I shall at the proper time offer an amendment to this bill which will not increase the money to be spent.

I repeat, there is no reference to Burns Creek in this bill. There is no way I can reach the report to eliminate the offending language because the report is not before the House. But I submit to the House that we should clarify this most unique situation which arose, I believe, through inadvertence in the preparation of the committee report. As it reads the committee report attempts to repeal a statute enacted by the House of Representatives, by the other body, and signed by the President. I submit to you that if we permit any such proceeding as this, next week the House Judiciary Committee in a report could repeal the laws on sedition. Endless questions would arise and such a procedure in addition to being illegal, does not begin to conform to the rules of the House itself.

I would have no quarrel as to the inclusion of a statement in the report of the Committee on Appropriations, or any other committee as to matter which is currently before the House and on which the House can work its will. In this instance, however, there is no parliamentary way in which I can attempt to repeal the language of this report, because an amendment to the report is not in order.

I hope the Appropriations Committee will accept the amendment when it is offered at the proper section of the bill.

Mr. WIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to add my words in support of the amendment offered by the gentleman from Wisconsin. This unfortunate situation over in Wisconsin is not far removed from my district and I am well versed with and well aware of the damage the people have had to contend with in that river valley over the years from floods.

I was in hopes that I could stay with the committee in holding to the line on this appropriation bill, but apparently Pennsylvania had a good story to tell here, and Louisiana likewise had a good story to tell. I hope and trust that Louisiana and Pennsylvania will join with us this afternoon in helping the people in the Wisconsin River Valley in their effort to eliminate the ever-increasing flood damage in that area. The situation is just as serious there as in Pennsylvania and Louisiana, yet the funds involved are very much less.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I would like to express my appreciation to the gentleman from Minnesota and the gentleman from Wisconsin for their support.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am becoming concerned the way things are going that there is not going to be enough money left for the foreign giveaway program when it comes up next week; and I am especially concerned that there be some money left for the United Nations and Paul Hoffman and the Mekong River project in Asia.

Yes, I just want to express my concern over the fact that the bill has been dented by the Pennsylvania and Louisiana delegations, and hope there will be enough left for the foreigners next week.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. JOHNSON].

The question was taken and on a division (demanded by Mr. TABER) there were—ayes 64, noes 49.

Mr. TABER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. TABER and Mr. JOHNSON of Wisconsin.

The Committee again divided, and the tellers reported that there were—ayes 69, noes 51.

So the amendment was agreed to.

Mr. SIKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIKES: On page 4, line 16, strike out the period, add a semicolon and the words "*Provided further*, That the improvement of the Escambra River, Fla., according to authorized specification may be undertaken with any available unallocated funds contained in this act."

Mr. TABER. Mr. Chairman, I reserve a point of order against the amendment.

Mr. SIKES. Mr. Chairman, I would like to call to the attention of the committee the fact that this is a project which was authorized in Public Law 500 of the 85th Congress. The project as authorized calls for an expenditure of $95,000. However, Mr. Chairman, I do not ask for any money now. I do not ask for any money in this amendment. I simply ask that any available unallocated funds may be used for this project.

I ask that, Mr. Chairman, because of the fact that this is a needed and justifiable project. It has a benefit ratio of 5.71 to 1. This obviously is one of the highest benefit ratios you will find in any project submitted to the Congress.

A wider and a deeper channel has been authorized and is needed as the result of heavy barge traffic to industrial plants which have in the past few years been located on the river in that particular area. There are 3 of these, 1 of which employs more than 5,000 people. It is the largest single employer of personnel in one plant in the State of Florida. Each of the three is a major industrial plant.

I would like to point out that these industrial concerns from their own funds spent the money which originally made this channel usable. They are not asking for this money to be returned. There is no effort here to reimburse them. But, the project needs additional work, and if there is any available unallocated money in this bill, I am asking that you make it possible for us to use it for this important project which has a benefit ratio, please remember, of 5.71 to 1, and which would cost only $95,000.

Mr. Chairman, I hope the House will vote for this project.

Mr. TABER. Mr. Chairman, I make the point of order against the amend-

ment that it changes existing law. It attempts to control funds that have been appropriated in previous acts in a way that is different from the way those acts now stand and as those old appropriations stood.

The CHAIRMAN. The Chair would like to be informed as to whether or not the particular project referred to in the amendment offered by the gentleman from Florida is authorized by law.

Mr. TABER. That I do not know.

Mr. SIKES. May I respectfully state, Mr. Chairman, that the project is authorized by law. It was carried in the last rivers and harbors omnibus bill, which was signed by the President, and I am informed the number of that law is 500 of the 85th Congress. I further point out that this is permissive and as such would not constitute legislation upon an appropriation bill.

Mr. TABER. The previous act carried a provision "to remain available until expended." This particular amendment would mean that they would be using it for something that was not in the original bill, and that would result in a change in existing law. That is the idea that I had in making the point of order.

The CHAIRMAN (Mr. BOGGS). The Chair is prepared to rule.

Apparently the gentleman from New York is not making the point of order on whether or not the project is authorized. The Chair has been informed by the gentleman from Florida that the project is authorized by law.

Insofar as the point of order made by the gentleman from New York is concerned, the Chair overrules the point of order because this language is quite specific in that it makes available unallocated funds contained in this act, the act now being debated before the committee, and does not affect heretofore made appropriations.

The question is on the amendment offered by the gentleman from Florida [Mr. SIKES].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 33, noes 41.

Mr. SIKES. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. TABER and Mr. SIKES.

The Committee again divided, and the tellers reported that there were—ayes 37, noes 49.

So the amendment was rejected.

Mr. WAMPLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAMPLER: On page 4, line 7, after the word "expended" strike out "$658,300,100" and insert in lieu thereof "$658,352,100."

(Mr. WAMPLER asked and was given permission to revise and extend his remarks.)

Mr. JENSEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. Has not this figure which the gentleman seeks to amend already been amended?

The CHAIRMAN. The gentleman is correct. It was amended by the Passman amendment.

Mr. JENSEN. Mr. Chairman, I make the point of order, then, that the amendment is out of order.

The CHAIRMAN (Mr. BOGGS). The point of order is sustained.

Mr. MOSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to address myself to the language of the committee report, on page 15, dealing with the Sacramento deepwater channel. I note that the committee states in the report:

The committee feels that it would be wholly appropriate for the local interests to increase their contribution to the project if they wish to achieve the advantages of a speedup in the construction schedule.

Mr. Chairman, I submit that the tenor of that language is that the people of my district have not delivered on the assurances executed with the Army Corps of Engineers.

In December of 1947 the Sacramento Port Authority entered into an agreement with the Corps of Engineers. The agreement provided for three principal requirements.

I would ask the chairman of the Appropriations Subcommittee if he can cite any instance wherein the people of the Sacramento Port Authority have failed to deliver on any one point of the requirements of the agreement of assurance entered into with the Corps of Engineers.

Mr. RABAUT. The answer is no; you have met your requirements. The committee thinks, in view of the tremendous sums of money going into California, that the action we took was reasonable.

Mr. MOSS. I would point out to the chairman that the State of California on the Pacific coast extends down that coast for a distance of over 1,100 miles. Applying that same mileage on the east coast it would encompass a considerable number of States.

Centainly I recognize that the committee has been most generous in treating with the problems in California and I am not taking exception to that. But the tenor of this report is that my people failed to deliver on the assurances they gave and that is not the case.

There is a further implication that only the Federal cost of this project has increased. Certainly the Federal cost has increased substantially, and I submit that a great part of that increase comes about because of the prolonged period of construction since the project was originally authorized. But I also point out that the people of my district have had to pay substantial increases as a result of the drag-out on construction.

My people today have expended—and I shall put the details in the RECORD—$3,804,000 on this project. Originally it was figured that $3,750,000 would fill the requirements for every dollar of district contribution. We find now that in order to keep our assurances to the Engineers we will be faced with an additional $8 million to construct the terminal facilities required under the agreement of assurance. The State of California has been put to the expense of $4,030,000. With that $8 million additional required by my district and with the $4,030,000 there is over $12 million of additional local contribution. Local interests already have expended almost $4 million for a total of close to $16 million. Now that is not reflected in the language of the committee report. I think in justice to the people I represent that this record should be very clear.

Now I will be very pleased to yield to the chairman of the subcommittee.

Mr. RABAUT. I just want to read one sentence:

The total cost is now estimated at $49,030,000 of which the direct contribution by the local beneficiaries is only $3,090,000.

That tells the whole story.

Mr. MOSS. That language, Mr. Chairman, the direct contribution is that required by the agreement of assurance, as I understand it.

Mr. RABAUT. And we think it is too low.

Mr. MOSS. The direct contribution is that required by the agreement of assurance. The gentleman is referring only to the payments so far for the rights-of-way or easements and relocations of utilities. Now I believe I am correct in my statement and that the total local contribution will reflect the construction of wharfs and terminals which will add at least another $8 million.

Mr. RABAUT. The gentleman is in error. This is the direct contribution and it includes everything they gave which is $3,090,000, as related to the Federal cost.

Mr. MOSS. The agreement of assurance entered into, and I have a copy of it here which I will be happy to put into the RECORD:

DEEPWATER CHANNEL, SACRAMENTO RIVER, SACRAMENTO, CALIF., AGREEMENT OF ASSURANCE TO THE SECRETARY OF THE ARMY

Whereas the Congress of the United States, by Public Law 525, 79th Congress, 2d session, approved on July 24, 1946, did authorize the construction of that certain Deepwater Channel on the Sacramento River, near Sacramento, in the State of California, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in Senate Document No. 142, 79th Congress, 2d session, and did also require that local interests furnish assurances satisfactory to the Secretary of the Army that they will (a) furnish without cost to the United States all necessary lands, easements, rights-of-way, and spoil disposal areas for the initial work and subsequent maintenance when and as required and to make all necessary utility changes; (b) construct, operate, and maintain at the Washington Lake Basin an adequate public terminal as approved by the Chief of Engineers with necessary utilities and rail and highway connections open to all on equal terms; and (c) hold and save the United States free from any damages which may arise from construction, operation, and maintenance of the improvements; and

Whereas the qualified electors of the counties of Sacramento and Yolo, State of California, at a special election, duly authorized and called according to law, and held on the 15th day of April 1947, did create and establish the Sacramento-Yolo Port District in the State of California; and

Whereas the Legislative Assembly of the State of California of 1947 did, by senate bill 730, now known as chapter 1152, 1957 Statutes of the State of California, which was approved July 7, 1947, authorize and empower the Sacramento-Yolo Port District, Sacramento, Calif., to give such assurance to the Secretary of the Army:

Now, therefore, the Sacramento-Yolo Port District, Sacramento, Calif., duly created and authorized by law does hereby give assurance to the Secretary of the Army that it will (a) furnish without cost to the United States all necessary lands, easements, rights-of-way, and spoil disposal areas for the initial work and subsequent maintenance when and as required and to make all necessary utility changes; (b) construct, operate, and maintain at the Washington Lake Basin an adequate public terminal, as approved by the Chief of Engineers, with necessary utilities and rail and highway connections open to all on equal terms; and (c) hold and save the United States free from any damages which may arise from construction, operation, and maintenance of the improvement.

In witness whereof, the Sacramento-Yolo Port District, Sacramento, Calif., in meeting assembled, has caused this instrument to be executed this 24th day of December 1947, at Sacramento, Calif.

SACRAMENTO-YOLO PORT DISTRICT,
STATE OF CALIFORNIA,
W. G. STONE, *Port Director*,
IVORY J. RODDA, *Secretary*.

Mr. RABAUT. What does it entail?

Mr. MOSS. It entails that the district will furnish without cost to the United States all necessary lands, easements, rights-of-way, and spoil disposal areas for the initial work and subsequent maintenance when, and as required, to make all the necessary utility changes. That is the portion which is reflected here.

Mr. RABAUT. I agree with all of that but that is to benefit the locality. We do not include wharfs and other things that you mention there. We are talking about rights-of-way and certain facilities under the basic law which amounts to $3,090,000.

Mr. MOSS. I want to point out to the gentleman this agreement then continues——

Mr. RABAUT. I understand the agreement. The gentleman showed it to me the other day.

Mr. MOSS. The local contribution is the totality of that required by the agreement.

Mr. RABAUT. Would it be in the totality of it, if you include the flagpole?

Mr. MOSS. Certainly, if it is part of the project itself. The agreement governs, Mr. Chairman. We cannot say that only part of that which is contained in the agreement is required. The entire amount is required.

Mr. RABAUT. There have been funds supplied to this project by transfer. It is odd to hear a complaint like this on this project. This project has been treated so well. It is nice enough to say, "I like to rub your back" and all this and that, but we have been so nice to this project and so overwhelmingly nice to the State of California that it really shocks me to hear a complaint.

Mr. MOSS. You have my every respect, sir, and I did not in any way indicate to the contrary. I said I wanted to deal specifically with the language of this report which left the implication that my people have not fulfilled the requirements imposed upon us.

Mr. RABAUT. The relationship is too small.

Mr. MOSS. There are no precedents for any other treatment of the matter.

Mr. RABAUT. As I say, the relationship is too small. It is $3,090,000 as compared to the Federal Government's share of $49,030,000.

Mr. MOSS. Mr. Chairman, have my people violated their agreement in any way?

Mr. RABAUT. We are not claiming that your people have violated any agreement, but we still think it is out of line and that they should be paying more into the proposition.

Mr. MOSS. There is no way either of us can do anything about that.

Mr. RABAUT. The gentleman from California is the one who is talking about this and all I have been doing is speaking about the Federal Government's part of the transaction.

Mr. MOSS. All I am talking about, Mr. Chairman, is that part of the report and I am pointing out that we are dealing here with a matter that is not governed by whim but governed by an agreemen. and on the face of that agreement in spirit and to the letter, my people have in every respect lived up to it.

Mr. OSMERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OSMERS: On page 4, line 7, immediately before the colon insert the following: ", plus an additional $50,000 for the survey of streams, river basins, and areas in New York and New Jersey authorized by section 206 of the Flood Control Act of 1958."

Mr. RABAUT. Mr. Chairman, I reserve a point of order against the amendment.

Mr. OSMERS. Mr. Chairman, the amendment I have offered provides for an additional $50,000 to begin the survey authorized by Congress last year of the streams, river basins, and areas in New York and New Jersey for flood control, major drainage, navigation, channel improvement, and land reclamation, as follows: Hackensack River, Passaic River, Raritan River, Arthur Kill, and Kill Van Kull, including the portions of these river basins in Bergen, Hudson, Essex, Middlesex, Passaic, Union and Monmouth Counties, N.J.

Simply stated, Mr. Chairman, the purpose of my amendment is to provide for a start on the survey by the Army engineers of that immensely valuable area of 30,000 acres in North Jersey, known as the Jersey Meadows. For over 300 years, this area has challenged the imagination of all who have viewed it. Even Alexander Hamilton predicted that the Jersey Meadows would become the site of a great shipping and industrial center. I would like to quote here, Mr. Chairman, extracts from my testimony before the Subcommittee on Public Works Appropriations, which I gave on April 28, 1959:

Except for some minor filling and industrial development around the fringes, and slender ribbons of highways and railroads, this area remains as it did when the Dutch settled north Jersey 300 years ago.

It has accurately been described as the most potentially valuable piece of real estate in the world.

It is fair to ask why this area has never been developed by local county or State initiative. The answer is simple. Even though the Jersey Meadows reach into seven counties, and probably as many as 50 municipalities, and yet it cannot be called a statewide problem.

The varying objectives of the counties and municipalities involved, complicated by substantial private holdings within the area, have brought about an impasse difficult, if not impossible, to overcome by strictly local means.

What is needed here is a complete survey by the Corps of Engineers to determine the most expeditious and economical way of reclaiming all of the meadowlands.

Much has been done in recent years at the local and regional level. Five communities, namely Rutherford, East Rutherford, Carlstadt, Lyndhurst, and North Arlington have joined together, under the outstanding leadership of Fairleigh S. Dickinson, Jr., to plan the future of 8,000 of the 30,000 acres involved.

At private expense, several engineers from the Netherlands have examined the area and most emphatically have stated that reclamation is possible and practical.

Col. S. E. Smith, Assistant Chief of Engineers for Civil Works for the Eastern Divisions, has informed me that the total cost of this survey would be in the neighborhood of $500,000. To me, this figure may be high in view of studies that have been made which may not yet be available to the Corps of Engineers.

Colonel Smith has suggested that a figure of $25,000 would be the amount that should be included in the coming budget, bearing in mind other commitments by the Corps of Engineers and budget restrictions.

It seems to me that double this amount would be much more fitting considering the overall size of the survey.

Mr. Chairman, there is no project in or out of the bill that has the same future economic significance as reclamation of this area. It is all too true that the New York-New Jersey metropolitan area has a well-earned reputation for working out solutions to its problems without Federal aid or subsidy. It is also true that no area in the United States makes as high a contribution in Federal taxes in proportion to the amount of Federal money spent within its boundaries. It seems to me, Mr. Chairman, that the very small amount of $50,000 which is asked for to begin this survey should be approved unanimously. The Federal revenue that will be realized from the orderly development of this significant area for business and industry, and, for homes and apartments will make this particular appropriation one of the best investments ever made by the Federal Government.

Mr. GALLAGHER. Mr. Chairman, I wish to be heard in support of the amendment for a couple of minutes.

The CHAIRMAN. The gentleman from New Jersey is recognized for 2 minutes.

Mr. GALLAGHER. Mr. Chairman, I rise in support of the amendment offered by my colleague the gentleman from New Jersey [Mr. OSMERS]. We have offered testimony before the committee as to the potential of this great land development in the heart of New Jersey. You all are familiar with the old George M. Cohan refrain "Forty-five Minutes From

Broadway"; this area is only 5 minutes from Broadway, and comprises 35,000 acres of swampland in the heart of the most invaluable industrial property in the metropolitan area.

I state, as did my colleague the gentleman from New Jersey [Mr. OSMERS], that the amount of Federal taxes that would flow to the Government is in inverse proportion to the cost of surveying and reclaiming this area.

I earnestly ask the support of the committee and the House in the passage of this very important amendment for what has been a chronically depressed area. This legislation could easily be the most beneficial this area has had in many, many years.

I have proposed and appeared before the House Appropriations Committee on May 1, to urge support of this project.

I am including my statement before this committee in my remarks:

STATEMENT BY REPRESENTATIVE CORNELIUS E. GALLAGHER OF NEW JERSEY BEFORE HOUSE APPROPRIATIONS COMMITTEE, MAY 1, 1959

The refrain from George M. Cohan's old song made a great point in being only 45 minutes from Broadway. Broadway points up the fact that New York City is perhaps the world's most expensive piece of real estate. The heart of the New Jersey meadowlands is not 45 minutes from Broadway; it is but 5 minutes away.

This close to the world's largest city lie upwards of 35,000 acres of barren swamps that challenge the imagination of city and industrial planners and engineers who see in these wasted acres land upon which could be built great industrial and transportation facilities which are needed for the future development of metropolitan New York as the world's greatest manufacturing and shipping city.

Indeed, the challenge has captured the imagination of some of our youthful student engineers, several of whom have developed plans in which they envision beautiful and extensive residential housing standing on reclaimed meadowlands. One such student has fully developed comprehensive plans for construction of vast apartments which would house some 600,000 people. Imagine what relief such a project would bring to the desperately overcrowded residents of New York City.

The Port of New York Authority is aware of the great potential of the meadowlands and they have appropriated large sums for piecemeal reclamation of certain areas. But their entire planning considers eventual development of only a very small portion of this total of wasted acres.

This tremendous area of swamp, surrounded by some of the world's most valuable real estate is a huge cancer in the world's greatest shipping and industrial area. It is a vast tract sodden with raw sewage, this garbage and refuse of the cities, which produces nothing for man, but a few bales of salt grass.

The reclamation of this tract, which extends for some 20 miles or more and is from 2 to 8 miles wide, would provide a badly needed backup area for the operation of the great port of New York, including the hundreds of piers on both sides of the Hudson River and, the waterfront shipping and industrial plants as far south as Elizabeth, N.J.

The full reclamation of this wasted meadowlands, or reclamation of even a substantial portion is too staggering a project for any group of interested municipalities, counties or the State of New Jersey. All of the communities bordering on the meadowlands and Bergen and Hudson Counties, however, have made joint studies reaching back many years.

Reclamation and development of any sizable portion of the New Jersey meadow is too great an undertaking for even the big Port of New York Authority. The leadership is so vast and challenging, an undertaking must come from the Federal Government, and this is just, considering that the benefits that would be derived would accrue not alone to the communities in the area and business and industry of New York, but would benefit the commercial and industrial development of the entire eastern seaboard.

The metropolitan area of New York and New Jersey has long suffered while great attention has been given to other areas of our Nation. Down through the years the amount of Federal assistance for this area has been one of inverse proportion to the amount of Federal taxes paid. The higher the Federal contributions from the metropolitan area has been, so inversely has the amount of Federal assistance decreased in this area.

The area that I represent has long been considered a distressed labor district.

Reclaiming the New Jersey meadowlands would completely revitalize New Jersey. It would create thousands of jobs, reduce local taxes by creating new ratables. It would greatly increase Federal income by stimulating our entire economy in this area.

I sincerely feel that no investment by the Federal Government could reap greater returns for the Federal Government and the people of the metropolitan area.

Once the reclamation is a reality there would be a thousandfold return to the Federal Government for every dollar that went into making it possible.

I am sure the committee is aware that although substantial public funds are required to get a full scale reclamation and development project underway, there would follow tremendous private investments in the building of the great industrial plants, storage facilities and shipping terminals—and even the vast residential apartments which our young and inspired student engineers envision.

The whole idea of reclaiming this vast tract of swamp and making of it a useful and productive area, is too vast a project to be discussed before this learned committee in any detail. The possibilities are almost beyond the imagination of man.

I urge the distinguished members of this committee to favorably consider the proposal that there be included in the fiscal year 1960 appropritaions bill funds to get started an engineering study that will lead to the realization of a full reclamation and development of the New Jersey meadowlands.

I wish to express my thanks to you, Mr. Chairman, and to the other members of this committee for the privilege of presenting my views.

Mr. RABAUT. Mr. Chairman, I make the point of order against the amendment on the ground that it is offered to the wrong section of the bill. It should have been offered under the section dealing with investigations instead of under the section dealing with construction.

The CHAIRMAN. The Chair is prepared to rule.

The amendment should have been offered under the section of the bill dealing with general investigations and not the section dealing with construction. The amendment is not germane to this part of the bill.

The point of order is sustained.

Mr. WAMPLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAMPLER: On page 21, line 7, after the amount shown add the following: "And in addition $52,000 for the following projects: Sugar Creek, West Terre Haute, Clinton, and Conover Levee."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order that the language has been once amended.

The CHAIRMAN. The gentleman from New York must have misunderstood the reading of the amendment, because it follows the amount and does not alter the amount.

The gentleman from Indiana is recognized for 5 minutes in support of his amendment.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin [Mr. ZABLOCKI] may insert his statement in the RECORD immediately following mine.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. WAMPLER. Mr. Chairman, this amendment seeks to provide the sum of $52,000 in preconstruction planning funds for the following flood control projects in amounts which the Army Corps of Engineers has stated it has the engineering capabilities to utilize during the fiscal year 1960:

First. West Terre Haute, Ind., local protection project, $30,000 to complete preconstruction planning.

Second. Sugar Creek, Ind., levee, $15,000 to initiate preconstruction planning and bring the planning to 50 percent of completion.

Third. Clinton, Ind., levee, $5,000 to enable the Army Corps of Engineers to restudy the project.

Fourth. Conover, Ind., levee, a Terre Haute, Ind., local protection project, $2,000 to enable the Army Corps of Engineers to restudy the project.

Mr. Chairman, this amendment actually is no more than a request for the completion of a three-reservoir flood control pattern which is already provided for in the bill presently before us. At this point, I wish to extend my appreciation to and express my admiration for the very distinguished House Appropriations Subcommittee on Public Works, its chairman and its members, for the quite timely and realistic consideration given the State of Indiana and the constantly flooded Wabash Valley area by the inclusion in this fiscal year 1960 public works appropriations measure advance planning funds for the Huntington, Mississinewa and Salamonie Reservoirs which will ultimately be constructed in the upper reaches of the Wabash River. These three reservoirs form the basic element in the master plan proposed by the Army Corps of Engineers for controlling the flood waters of the Wabash River and its tributaries. However, one master-plan component of signal importance has been overlooked under the terms of this public works appropriations bill. That

overlooked and acutely necessary component is the construction of a system of reservoir-supporting levees along the lower Wabash in the southwestern region of Indiana. This amendment which would provide the sum of $52,000 in design and planning funds would bring the West Terre Haute, Sugar Creek, Clinton and Conover levee projects to a point of engineering completion sufficiently advanced to contemplate actual construction. This levee pattern could then become the necessary but presently missing integral flood-control component, thereby contributing materially to reducing the vast flood devastation in the area that during the February 1959, flood alone caused damage of almost $10 million. As a matter of fact, Mr. Chairman, the eventual total construction costs of all four of these levees is estimated by the Army Corps of Engineers at approximately $3.5 million, which obviously is only a mere fraction of the dollar damage, waste and devastation experienced in the single February flood of this year.

I might point out, Mr. Chairman, for the information of my colleagues, that the February 1959 flood, to which I have referred, was preceded by 22 major Wabash River floodings, 9 of which occurred within the last 12 years. In addition, during the last 5 years, Wabash Valley floodings have caused at least 11 deaths and that during the last 15 years, from 1943 to 1958, area damage as a result of flooding has amounted to the absolutely staggering total of $62 million.

I should like to make it clear that I am not asking for the start of any new projects. I am merely asking for the completion of planning on projects which already have been authorized and as a matter of fact have been in that authorized status in excess of 20 years.

Mr. Chairman, I believe that we must provide this additional $52,000 for the 4 levee projects in the lower reaches of the Wabash River in order to effectively complement the $325,000 already provided for in the bill for the three northern Indiana reservoirs if the Army Corps of Engineers master flood control plan for the Wabash Valley is to be successful. Were not the four local protection levees pushed to completion, I believe the northern Indiana reservoirs when constructed would be virtually ineffective in my area of the lower Wabash River. The completion of construction of only the three reservoirs would have the total effect along the lower Wabash, so I am informed by the Army Corps of Engineers, of lowering flood levels by a mere 1 foot. That 1-foot reduction would be sufficient only to prevent the possibility of local water contamination in some communities in my area of Indiana, Mr. Chairman. These local levees for which I am asking $52,000 in planning and design money must be constructed to act in tandem with the Huntington, Mississinewa and Salamonie Reservoirs if any appreciable relief from constant flooding is to be effected in the area. I urge every Member of this body who can in the least appreciate the extent of the tragedy and suffering and devastation which the people in my district and surrounding districts have experienced year after year after year to vote for the adoption of this amendment.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Michigan.

Mr. RABAUT. Would the gentleman settle for Sugar Creek?

Mr. WAMPLER. Would I settle for Sugar Creek?

Mr. RABAUT. Yes or no.

Mr. WAMPLER. I will settle for Sugar Creek.

Mr. RABAUT. As far as I am concerned, I will accept Sugar Creek.

Mr. JENSEN. How much is Sugar Creek going to cost?

The CHAIRMAN. The Chair desires some information. Has a settlement been reached?

Mr. RABAUT. I will ask the gentleman from Iowa.

Mr. JENSEN. I asked the gentleman from Indiana a question.

Mr. RABAUT. The total is $70,000.

Mr. JENSEN. What is the project?

Mr. RABAUT. He has three projects.

Mr. JENSEN. What is the project?

Mr RABAUT. The Sugar Creek levee.

Mr. JENSEN. What is Sugar Creek levee going to do?

Mr. RABAUT. He just got through telling the gentleman.

Mr. JENSEN. There are three projects.

Mr. WAMPLER. This Sugar Creek levee will augment, it will support, the channeling of the water which lowers the Wabash River one foot at Terre Haute. It will tend to move it into banks and protect the city of Terre Haute.

Mr. JENSEN. I am in no position to accept the amendment.

Mr. RABAUT. I cannot accept it for anyone except myself.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. WAMPLER].

The question was taken; and on a division (demanded by Mr. TABER), there were—ayes 42, noes 39.

Mr. GROSS. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] 100 Members are present, a quorum.

Mr. TABER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. TABER and Mr. WAMPLER.

The Committee again divided and the tellers reported that there were—ayes 43, noes 53.

So the amendment was rejected.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and ten Members are present, a quorum.

Mr. BONNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time, not to offer an amendment to the present bill, for I know the hard work the committee has put in and the trying conditions under which the members of the Committee on Appropriations bring out a bill of this type. Yet there is a matter that I think should be called to the attention of the House. That is the Dismal Swamp Canal, which is a part of the inland waterway from Maine to Florida. This canal was promoted by General Washington and built by Patrick Henry. It is of great economic and historical value. It is the safest route north and south on the inland waterway for yachts. No one will dispute that. There are 1,400 or 1,500 yachts a year that use this route.

The Corps of Engineers or the budget proposed closing this segment of the inland waterway and sending the traffic around through Currituck Sound, N.C. Only a bar of sand divides Currituck Sound from the Atlantic Ocean. It is an exposed route. It is an unsafe route and is not preferred by one of the greatest industries in America, the yachting public of today. And bear in mind, the building of yachts and the operation of private boats is one of the biggest and one of the fastest growing businesses in America today.

Mr. Chairman, I do not intend to offer an amendment. I merely want to ask a question of the members of the Committee on Appropriations in light of a letter that has been written to the chairman [Mr. CANNON], which contradicts the testimony that was given to the committee under date of May 25, this letter being dated June 5.

Mr. Chairman, I went with the Chief of Engineers when we had a meeting in the Senate and with several members of my delegation pointed out to General Itschner that this report was unfair, that it was loaded against the operation of this part of the inland waterway.

Today this letter comes back and admits that we are right; that there is no weight whatever in the original report given to the 1,400 yachts that use this part of the inland waterway.

I merely want to ask this question. The Engineers tell me that with the amount of money in this bill they will operate this for the fiscal year 1960. Under ordinary conditions they would close in December of this year. But they will reduce a set of lock masters and with the present funds operate the canal throughout 1960 and give further study to the matter and report back to Congress for the next year.

Were they to close this canal they would have to keep the lock operators there because if they did not, they would drain Lake Drummond which lies in Virginia and the Dismal Swamp Canal, which is the general area, and cause the greatest fire hazard to eastern North Carolina, eastern Virginia, the city of Norfolk, and other adjacent towns that could be created under any possible conditions.

With the testimony and the facts which can be substantiated by these two letters, I am merely asking the committee if it would permit the operation of this canal through the fiscal year 1960 with the funds now in the appropriation bill to operate it up to December of this year.

I ask the distinguished gentleman from New York [Mr. TABER], the ranking

minority member of this committee, if that would meet his approval?

Mr. TABER. Frankly, I do not know much about it. But the Engineers made a bad report on this project.

Mr. BONNER. Yes; the report was loaded against the project.

Mr. TABER. And the committee could do nothing except leave it out. As to what would develop, I have not gone over the points made in the letter.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. BONNER] has expired.

Mr. BONNER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. TABER. Mr. Chairman, I do not see any great objection to having it run 1 year, and postpone final consideration in that way.

Mr. BONNER. With the moneys now in the bill. We are asking for no additional money.

Mr. TABER. I do not see any great objection to that, to postpone it for 1 year. If the chairman felt that way about it, I would not feel too bad about it.

Mr. BONNER. I will read the statement from General Itschner's letter dated today to the chairman of the committee:

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington D.C., June 5, 1959.

Hon. CLARENCE CANNON,
Chairman, Committee on Appropriations,
House of Representatives.

DEAR MR. CANNON: Events of the past few days indicate the possibility that my memorandum to you dated May 25, 1959, should be supplemented to remove any misunderstanding. The purpose of that memorandum was to present to your committee all the available facts pertaining to the matter of continuing the Dismal Swamp Canal in operation, as well as to point out that continuing maintenance of the canal cannot be justified solely on the economics of commercial traffic. There are other important and significant considerations that Congress may desire to take into account in making its decision in the light of the appeals of local interests that this canal be maintained.

As discussed with you in your office some time ago, the Dismal Swamp Canal route is much safer in foul weather than the Chesapeake and Albemarle Canal route, because of the open water in Carrituck Sound and North River. The greater safety inherent in the Dismal Swamp Canal route is due to the fact that it is a sheltered channel. A narrow and well-defined route is especially important to the many small recreational craft that traverse the waterway. Often these vessels are piloted by inexperienced operators with their families on board. There exists the possibility of more accidents and the loss of life in navigating the more hazardous alternate route.

Another advantage of the Dismal Swamp route is its great natural beauty and the romance associated with its name. The history of the canal goes back to the early days of our Nation. I am certain that an appreciable proportion of the more than 1,400 recreational craft that use this waterway each year do so because they enjoy the beauty of the primitive area adjacent to the canal. The remainder probably use it for safety reasons, as indicated in the previous paragraph. During this period when much consideration is being given to the establishment of a national park along the old Chesapeake & Ohio Canal, Congress may desire to consider retaining for the same reasons another canal, equally historic and beautiful, already owned by the Federal Government.

Elizabeth City is so located that traffic using the Chesapeake and Albemarle Canal route would not likely put into Elizabeth City for repairs and servicing unless the Dismal Swamp Canal route were open. It would involve about a 50-mile roundtrip to Elizabeth City from the Chesapeake and Albemarle Canal route. There can be no question that closing the Dismal Swamp Canal would cause a serious economic loss to Elizabeth City and other smaller communities along the route. This is especially true of a rather large boatbuilding and repair yard in Elizabeth City, which would be deprived of a substantial amount of business. This boatyard had important contracts to construct small vessels in World War II. The closing of two Federal installations in the immediate vicinity of Elizabeth City has had a serious adverse effect upon the economy of this area, and the closing of the canal would be a third blow.

There also may be some misunderstanding as to the import of the table of costs given in paragraph 12, "Rehabilitation," attached to my memorandum. I was impressed during my inspection that the bulkheads which line long reaches of the canal are in different stages of deterioration. The estimate of $500,000 for bulkhead repairs and replacements appears reasonable, but this work can, and probably should, be spread over perhaps 10 years. Some of it, especially where U.S. Highway 17 runs immediately alongside of the canal, should be started as soon as funds can be obtained, in order to protect the highway, which is already threatened in some places. This highway protection work would be required if the canal were closed and the banks continue to erode.

I trust that the above information clarifies my earlier memorandum on this subject. I am, of course, available at any time you desire to discuss the matter.

Sincerely yours,

E. C. ITSCHNER,
Major General, USA Chief of Engineers.

That is something to think about. Would the gentleman from Missouri agree that this project be continued through 1960 with the funds now in the bill? We are asking for no additional appropriations. In other words, the lock masters and the lock attendants are going to be there. They have to keep them. This only says that you can tend the locks and let the boats through. That is all it does.

Mr. CANNON. In response to the gentleman, I might say there is $130,000 already available without any action by the Congress which will carry it through December.

Mr. BONNER. That is correct.

Mr. CANNON. And that is without any action on the part of the Congress and without any commitment from the committee.

Mr. BONNER. Would you be agreeable to carrying it on through the fiscal year 1960 with the funds now available?

Mr. CANNON. I have no choice. They have the money there.

Mr. BONNER. You would have no objection?

Mr. CANNON. I can only express my personal opinion. I cannot speak for the committee.

Mr. BONNER. I am not asking for additional money. That the Engineers be permitted to operate this fiscal 1960 with the funds provided in this bill, I am asking and the Engineers point out this can be done with certain changes in the lock shift. That is a discontinuance of one shift and rearrangement of the other two.

Mr. CANNON. The gentleman already has the money available, the $130,000.

Mr. BONNER. And it is all right then to operate the canal through 1960 with this money?

Mr. CANNON. Certainly. I have no objection whatever.

Mr. BONNER. It would be agreeable to my friend, the gentleman from Iowa [Mr. JENSEN], I am sure.

Mr. JENSEN. I have no objection.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. TABER. I learned the old and wise saying when I was brought up that when you are trying a lawsuit, when you had won your case, you should stop.

Mr. BONNER. I appreciate that sound advice and yield to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. I am glad the gentleman from North Carolina has brought this matter up. We have worked together closely and I fully subscribe to the statements he has made. I am delighted too that members of the committee have expressed themselves. We can now look forward to uninterrupted operation of this canal.

Mr. CARTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to commend this committee. They have always been very courteous to me and to the other people who have appeared before them. Their job is a very tedious and difficult one. I do not envy them their task. Iowa has been very fortunate through the years to have a Member on this subcommittee. He has done a wonderful job representing us and the rest of the people of the Nation. In the little time I have been here, I have become very fond of Chairman CANNON. His district joins mine and I am going to be talking about it. Of course, his every wish is my command. But I take this time in an effort to correct a grossly inaccurate picture that has been painted to the subcommittee over a period of time concerning the Rathbun Reservoir in Appanoose County 7 miles north of Centerville, Iowa. First, I would like to read from a letter I received in January from Gen. Keith R. Barney, Division Engineer, Missouri River Division, concerning this project. He states:

The Rathbun project was authorized in the Flood Control Act approved September 3, 1954, in accordance with the recommendations of the Chief of Engineers in House Document No. 561, 81st Congress. The project provides for construction of an earthfill dam and appurtenant structures located about 7 miles north of Centerville, Iowa. The project, together with existing downstream channel works and presently authorized improvements, would provide a high degree of protection to agricultural areas along the Chariton River and would

assist in reducing flood flows along the Missouri River, and would also provide conservation storage capacity.

From the strictly engineering standpoint, considering this project by itself without reference to our overall program, our overall capability or fiscal considerations, an amount of $130,000 could be utilized in fiscal year 1960 for the Rathbun project for continuation of planning.

There has already been spent on this project about $85,000. It is not an expensive project as these projects go. The cost-benefit is 1.52 to 1.

According to the most recent survey made by the Corps of Army Engineers the total cost of the project is $20 million. The damage to this area by the floods of 1947 that initiated the work which later led to the authorization of the dam, the total damage in this area alone was $7,522,000. After that, and for a period of about 3 years, there was a drought. My purpose this afternoon is to bring especially to the attention of the committee the facts as to what has happened concerning this particular project.

It has come to my attention that one of the reasons for not continuing the authorization was that there was considerable opposition to the dam. During this period of drought it was possible for two men who were largely the backbone of the opposition to stir up considerable opposition to it. One of them is an engineer who had been fired by the city of Centerville and on his own has spent a lot of money to take revenge on this town and this area and has come back here time after time and testified to things that were exactly contrary to the testimony of the Army engineers. The question is, who are we to believe, this former city engineer of Centerville, who has an ax to grind, or the Army Corps of Engineers, who has no ax to grind?

The other gentleman who is in opposition is a farmer who harvests the slew grass up and down the river, about the only thing that will grow on the overflow land. He can get this grass from the farmers very reasonably by offering a small amount of money per acre to each farmer. This gentleman can harvest the slew grass and sell it at a very nice profit to stockyards who prize it very highly as a type of bedding that is superior for stock, because it is not so slick. As the dam is constructed, this very private business will be lost by the gentleman, and no one can blame him for opposing the construction of this dam.

Those, in addition to these stated, who have real reason to oppose the dam are the people who own homes or are farmers in the area that will be inundated by the water from the dam. These people deserve our every sympathy. In all projects of this kind these are the folks who oppose the project, and we cannot blame them. However, if they are reassured that the United States of America will not take their land from them without paying them its fair value and will help them in the problem of relocation in every way possible, then I am certain that it will alleviate a great deal of the suffering that comes from giving up homes, which they and their families have occupied for generations.

As I have stated, there was a period of drought from 1953 to 1955. During this period a part of this area was declared a disaster area by the Department of Agriculture, and, human nature being what it is, it was only natural that they should forget the disastrous years when they were flooded.

This year the floods have started again, and I should like to place in the RECORD at this point an article from the Centerville Iowegian, dated May 22, 1959, which is headlined "Old Man Chariton Goes on Rampage."

OLD MAN CHARITON GOES ON RAMPAGE

The Chariton River in southern Iowa and northern Missouri was either out of banks, or it was on the way to flood stage shortly before noon Friday.

The river was rising at the east river gage Friday at the rate of 1 foot per hour at 12 noon. Ray Kerschner, who makes the gage readings, said that at 11:30 a.m. the reading was 1½ feet above flood level or at the 21.5-foot level on the gage.

RECORD IN 1946

Kerschner said that the record flood level was recorded on the gage east of Centerville in June 1946, when it read 24.37 feet. The river started its rapid rise east of town at 5:30 a.m. Friday, and was showing no sign of leveling, having maintained a steady 1-foot-per-hour rise throughout the morning hours.

Further north, the river was out over wide sections of the bottom land. This flood originated in the upper reaches of the Chariton drainage system and is a result of the heavy rainfall received Wednesday night during the tornado weather that prevailed to the north and west of Centerville. Some areas reported 5-inch local rainfalls.

OUT DEAN-SEDAN

The river was out in the Dean-Sedan area inundating thousands of crop acres. One thing contributing to the flood is the fact that the ground is well saturated with moisture, and a good share of the rainfall now results in runoff.

There have been several floods on the Chariton this spring, mostly affecting the low-lying areas. This includes the hard-hit Dean-Sedan vicinity. However, this time the flood has all the aspects of being general in nature and if the rise continues Friday afternoon all areas up and down the river will be flooded.

May of 1950 was the last time that the Chariton had a general flooding, but it was a minor flood compared to many. In 1950 the river gage east of town reached the 21.95 feet stage.

A trip up and down the river reveals that thousands of acres of land have already been flooded, and that more will go under water as the rise continues.

RATHBUN DAM

It is speculated that a flood of this nature would have been largely avoided downstream if the Rathbun Dam were in service. This flood originated upstream in the upper reaches of the Chariton.

The Rathbun Dam fight is an old and familiar local battle. Those who oppose the project point out that no local flood of major consequences has occurred on the Chariton since 1947, 12 years ago. That period was a dry cycle. This year may mark the beginning of a wet cycle which might result in frequent Chariton flooding. No one knows the answer to that for sure.

The fields north of town on Highway No. 60 were under water early Friday morning. But on Highway No. 2, east of Centerville, the river was in banks until at least 11 o'clock except for low-lying areas.

PICNIC AREA

The roadside picnic area east of town near the Chariton was still dry at 10:30 a.m., though water was starting to surround it. This is one area that goes under during any severe Chariton flooding.

The Chariton Valley Development Association stated Friday morning that they would like to see the Rathbun Dam so that floods like this could be avoided. The Upper Chariton River Landowners Association vigorously opposes the dam on the basis that its cost-to-benefit ratio is not justifiable, that conservation practices could achieve flood control, and that the dam represents what they term a waste of public funds.

Pictures were taken and published in that same newspaper and these pictures graphically portray the tremendous flood damage that is being caused at this time. The floods this year have already destroyed the productivity of over 7,000 acres of cropland in the Fourth Congressional District of Iowa alone.

The testimony before this committee by the Corps of Engineers has indicated that 70 percent of the damage caused by this present flood and the 1947 flood would have been prevented if the Rathbun Dam had been constructed. Clearly the cost-benefit ratio of 1.52:1 is justified, and very likely, in the next few years they will increase this ratio.

The need for such projects as the Rathbun Reservoir in Southern Iowa and Northern Missouri has, in recent years, become almost compelling. It is only through works such as these that a hitherto solely agricultural area and one of declining population can achieve the diversification necessary for continued economic stability in both industry and agriculture, not to mention the prevention of property loss in our river valleys due to flooding.

Rainfall is the major source of usable water in Iowa. There is water deep down in Iowa, but this supply, though abundant, is nearly always mineralized and is expensive to develop and refine. So, for the foreseeable future, Iowa must depend upon rainfall for the water supply. Fortunately, if we can make more of the rainfall stay in Iowa, we shall have enough for some time to come. The average rainfall in Iowa for the last 50 years is 31 inches. Presently, 6 inches of this 31 inches runs off, sometimes in the form of disastrous floods, and accounts for the streamflow which is carried from my State, sometimes to inflict damage upon Missouri to the south. Twenty to twenty-two inches of the annual rainfall is used in the growing of crops, and seven-tenths of an inch is used for all other purposes. But this "other purposes" use is increasing very fast and probably will double within the next 10 years.

It takes 6,000 gallons of water to produce one kilowatt hour of electricity. It takes 600,000 gallons of water to produce a ton of synthetic rubber at the Firestone Plant in Des Moines. It takes 10,000 gallons of water to produce a bushel of corn and 200,000 gallons to produce a ton of alfalfa hay. All of this often adds up to more water than we have got and shows up in a water shortage somewhere in Iowa nearly every year.

There are lots of other figures that could be quoted, none of which, however, are a source of comfort to people like myself concerned with this problem of water conservation.

The danger is plain to be seen, and if our States are going to exploit their resources to the fullest, conservation of our water resources must receive more and more attention. Clearly, any gain to be made must be made in the control of runoff, and runoff begins where the rain falls, which is from the land.

The possibilities of irrigated farmlands, wildlife conservation reserves, recreational facilities, and water supplies to support new industries, represents the highest hope for the future of the people of our area. Federal appropriations, even partial ones, at this time, will give renewed meaning to the efforts of those in my district who have worked unselfishly in behalf of these projects for as long as a decade.

There is not anyone who is more greatly in favor of a balanced budget than I am. I have been brought up to a way of thrift in my personal life, and, of course, this dictates my approach to the use of public funds. Still the budget in the first place must be sensible before it can be said to be good sense that we balance such a budget.

The Presidential budget left the project out completely even though it is not a new start. I want to commend the committee for having adopted a rule against the administration's false arguments that there should be no new starts.

This project is one of the projects that fit into the category of building America. I want to be on record in support of spending money that will build America, but at the same time, I oppose the expenditure of taxpayers' money that goes down a rathole and is wasted. It is the duty of this Congress to discern between the two and to assume the expenditure for the one and prevent the expenditure of the other.

I have not offered an amendment this afternoon because I am very certain that the appropriations for this project will be included and legislation passed by the other body; and it was my purpose to here correct the evidence in order that the members of the Committee on Appropriations from the House of Representatives, who are to represent the House of Representatives in the conference committee, will allow the appropriations to stand in the final bill to be passed by both Houses.

I hope and pray that you will see the wisdom of my request. Thank you very much.

The CHAIRMAN. The Clerk will read.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read subject to points of order and open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. Does the chairman of the committee or the ranking minority member have any point of order to the remainder of the bill? If not, the Chair will recognize Members to offer amendments.

Mr. BUDGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUDGE: On page 8, line 5, strike out "$128,473,239" and insert "$128,973,239."

Mr. CANNON. Mr. Chairman, I reserve a point of order.

Mr. BUDGE. Mr. Chairman, I submit the point of order comes too late. The Chair inquired if there were any points of order against the remainder of the bill, and then opened the bill for amendment.

Mr. CANNON. The amendment has just been read and I am reserving a point of order to the amendment.

The CHAIRMAN. Will the gentleman from Missouri state his point of order?

Mr. CANNON. The point of order is that the project is unauthorized.

Mr. BUDGE. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN (Mr. BOGGS). The Chair is constrained to overrule the point of order without further discussion, because the amendment simply changes the amount of the bill without specific reference to any project.

The point of order is overruled.

The gentleman from Idaho is recognized.

Mr. BUDGE. Mr. Chairman, this amendment is offered in this form, because it is the only way by which the House can affirmatively do anything to correct the situation to which I have previously referred and to which no one has taken exception. I am not seeking to increase the money in this bill. I am simply seeking to further clarify the legislative situation arising as a result of the inadvertent language of the report. This bill does not contain any language which affects the project or the funds previously appropriated or has reference to them in anyway.

The report of the Appropriations Committee contains a sentence which states that the funds are eliminated because of the very condition imposed in the existing law passed last year. I submit, as I have previously said, that you cannot repeal statutory law in this fashion, and I do not feel that any member of the Appropriations Committee would contend that by a committee report they could repeal an existing statute. It is basic and seems to be conceded that the only way to repeal existing law is to have legislative action by both Houses of Congress and approval by the President which, when the process is complete, results in statutory law.

I certainly hope the chairman of the Appropriations Committee and the other members of the committee will simply leave this appropriated item in status quo and not attempt by language in a committee report to change existing law. If we get into that practice I can see that it would hapen all over the Capitol with every committee on both sides of the building.

If there were money in this bill for this project, if the Bureau of the Budget had requested money or if I had requested money and the subcommittee on which I used to serve—and I know it is an arduous, difficult task to serve on this committee—if I had been denied I would not be here making this appeal at this hour of the day. But I am attempting to further correct the record to show that existing law cannot be changed by language in a committee report.

Mr. Chairman, for that reason I hope that the Committee will accept the amendment.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Iowa, a distinguished member of the Appropriations Committee.

Mr. JENSEN. Mr. Chairman, I must agree completely with the gentleman from Idaho [Mr. BUDGE]. He explained the situation to me shortly after the report came out. Certainly his contention must be approved by the Committee because of the very fact which he has brought out.

The gentleman from Idaho [Mr. BUDGE] is not in the habit of spending money recklessly. He has served on the Committee on Appropriations with great distinction, and he would be the last Member of the House to ask that something be done which was not completely right and justified.

Mr. BUDGE. I am indebted to the gentleman from Iowa for his remarks. I may say that if this were a personal plea for me or for my area, I would not be here in the well of the House at this late hour of the evening when most Members are not on the floor. I do feel it is a very fundamental thing, and the Congress of the United States and the people of the United States must insist that statutes and portions of statutes be repealed or amended by complete congressional action, including action by both Houses, and approval by the President of the United States. I sincerely hope that any question which there may be will be resolved by the adoption of this amendment. I know of no other way I can submit the question so that it can be corrected affirmatively. There is, as you know, no opportunity to move against the language in the report, and I certainly hope that the gentleman from Missouri and the Members present will feel affirmative action should be taken.

Should the amendment be defeated, however, I would most certainly not construe such action as negating the fundamental concept that an existing law can be amended or repealed only by legislation passed by both Houses and approved by the President. So far as I am aware, no one, in or out of the Congress, disagrees.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE].

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 45, noes 50.

Mr. BUDGE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and thirty-two Members are present, a quorum.

Mr. BUDGE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BUDGE and Mr. RABAUT.

The Committee again divided, and the tellers reported that there were—ayes 45, noes 72.

So the amendment was rejected.

The CHAIRMAN. Are there any further amendments?

Mr. JENSEN. Mr. Chairman, I did want to announce that I had intended to offer an amendment to the bill, the amendment which I spoke earlier about in the day, but I have now decided to not offer that amendment at this time but to offer it in a motion to recommit on next Tuesday.

Mr. DERWINSKI. Mr. Chairman, there is a most urgent project which has been authorized by previous Congresses for the opening and widening of the Calumet Union Drainage Ditch, which serves communities in south Cook County, Ill.

My distinguished predecessor, the Honorable William E. McVey, worked diligently to obtain the authorization and had worked unsuccessfully to obtain the funds.

I am well aware of the need for establishing priority as well as the time which customarily passes before a project is funded; however, in view of the recent growth of communities in the area of the Calumet Union Drainage Ditch, specifically the city of Harvey, I feel that this project should assume a high priority rating. It is with a good deal of disappointment that the policy of "no new starts" made as a result of budget restrictions prohibited your subcommittee from approving my request for $716,000 for this project.

For the record, and for your further and, I hope, speedy consideration, I urge you to study the obvious needs and the value of this project which has the utmost local cooperation awaiting its commencement. Your consideration to my request would mean that you would be allocating funds in a most practical manner.

Mr. HENDERSON. Mr. Chairman, I am pleased that H.R. 5709 contains provision for funds for the Dillon Dam and the Roseville flood-control projects in the 15th Congressional District of Ohio. The committee's action approving construction funds for both of these projects is most gratifying to the people of southeastern Ohio, who have for many years so sorely needed the flood protection they will provide.

A large and heavily populated area anxiously awaits the completion of the Dillon Dam on the Licking River above the city of Zanesville. This is the last major link in the comprehensive flood-control plan for the Muskingum River Valley. Without it, metropolitan Zanesville and the valley area south to the Ohio River at Marietta is exposed to the danger of periodic flood disaster which has been demonstrated with tragic consequences in the past.

Last January, as heavy rainfall swept across Ohio, the Licking River rose out of its banks and swept to its confluence with the Muskingum in the heart of Zanesville. Hundreds of families were evacuated from their homes, leaving their possessions behind to be destroyed by the muddy waters. I have been advised by the Corps of Engineers that had the Dillon Dam been completed and operating during this flood, essentially all of the $800,000 damage experienced in the Muskingum Valley below the mouth of the Licking would have been prevented.

Since I have been in Congress, I have fought to resume construction of the Dillon Dam, which had been virtually abandoned for a number of years. Since the first funds were provided a few years ago, work on the project has been rapid and each year the Congress has restated its faith in the value of the project by approving the full amount of the budget request. With the $5.16 million approved by the committee this year, the project will be brought to within 89 percent of completion during the 1960 fiscal year. This will be a long stride forward in banishing the specter of floods in the Muskingum Valley.

The Roseville project is for the purpose of local flood control of Moxahala Creek in the area of Roseville, Ohio. This work, authorized in 1938, has been justified fully by the floods visited upon this community, the consequences of which have been emblazoned in newspaper headlines throughout the country in years past. This year, the committee has approved $284,000 which would augment funds already appropriated to permit the completion of the project in the next 12 months.

Southeastern Ohio is grateful to the President and Congress for the interest and attention given to these two projects.

Mr. Chairman, I regret that H.R. 5709 does not provide any advance planning funds for the Belleville lock and dam on the Ohio River in fiscal 1960. This project is part of the Corps of Engineers' long-term plan to modernize existing locks and dams on the Ohio to facilitate navigation on the river.

The Belleville Dam has now reached a stage of development where advance planning funds could be effectively utilized. It is probably the next project to receive attention in the series of 15 replacement dams which the program contemplates. Six of these dams are already in the process of construction with completion dates scheduled for 1960, 1961, 1962, 1963, and 1964. It seems logical that if the program is to be properly phased, preconstruction planning must be forthcoming at Belleville. Since there is no provision for such work in this bill, it must be delayed.

It is my earnest hope that the Department of Defense and the committee will see fit to recommend funds at an early date to assure that the Ohio River navigation can obtain the physical means of playing its full part in the economic development of the Nation.

Mr. WOLF. Mr. Chairman, I wish to add my voice to the support of a Bureau of Reclamation transmission line in western Iowa which is provided for in the public works appropriations bill as reported out by the Appropriations Committee. This line will not serve my district. However, it will render such an essential service to western Iowa and is so sorely needed by that area that I urge its support.

There are five REA cooperatives in my district. Each one has gone on record urging the appropriations of funds for the construction of the line.

The making available of the low-cost power from the Missouri River to the cooperatives and municipalities of western Iowa cannot help but have a beneficial effect upon the rates which the cooperatives in my area will have to pay for the power they purchase at wholesale. I am informed by my cooperatives that the cooperatives and municipalities served by the proposed Bureau line will save in excess of $2¼ million in their cost of electric energy as a result of having Missouri River power made available to them by this line.

The great boon which will result to the economy of western Iowa from the availability of low cost power cannot help but strengthen the overall economy of the rest of the State.

Fortunately this line will be especially beneficial to the farmers affected. Our farm economy is in such sorry shape at the present time that I jump at the opportunity to cooperate in any action which might tend to improve it. Here is a chance to take action which will directly benefit the pocketbooks of a vast number of farm families without burdening the taxpayers at all. I have seen a Bureau of Reclamation study which shows that the preference customers who will buy power off this line will fully reimburse the Government for the cost of the line plus interest. In addition, the study shows that the line will make a profit for the Government of more than $12,000 per year.

Speaking for myself and the cooperatives in my district, I strongly urge the passage of the public works appropriations bill containing funds for this line.

I include my statement before the House Public Works Subcomimttee of the House Appropriations Committee in behalf of appropriations for the Bureau of Reclamation transmission line into the Iowa marketing area, April 30, 1959:

Mr. Chairman: The 12 counties in eastern Iowa which I represent lie too far to the east to benefit directly from the U.S. Bureau of Reclamation transmission lines that are proposed for extension into western and northern Iowa. In spite of this, I would like to express my unqualified support of the proposal to bring Missouri River power into Iowa over Bureau of Reclamation transmission lines.

Between 1934 and 1959 the percent of Iowa farms receiving central station electric power has jumped from 14.4 to more than 93. This is a phenomenal accomplishment, but the job of REA and other suppliers of rural electric power, is not finished. Power use on our farms and in our cities is increasing rapidly and this calls for an ever greater supply of firm power.

At this time when the allocation of Missouri River Basin power is still in a formative stage, it would be a great injustice to the people and institutions of Iowa, which is bounded on the West by the Missouri River, if the power from that river basin cannot be made available to them.

It is my understanding that more than 350,000 Iowans would benefit directly if this low-cost power becomes available to about 30 municipal electric power systems and many rural electric cooperative systems in the area which would be served. Many more people would benefit from power that would be fed into the lines of the private facilities in the served area.

I am told that if the allocation of Missouri River power to Iowa were delivered to private utilities for transmission and distribution the benefits to the people would be greatly reduced. The costs of power to preference users (municipals, and rural electric systems) would be considerably higher than if brought in by the Bureau of Reclamation. The power companies would be unable to serve large areas which are envisaged by the Bureau of Reclamation proposal. Bureau lines would provide more capacity and greater flexibility for proper long-range planning. Committee studies of costs and service have shown that the Bureau of Reclamation lines are economically feasible.

As I stated in the beginning, my district will not benefit directly from the proposed transmission of power. I firmly believe, however, that if the Bureau of Reclamation lines are constructed, greater flexibility will result which will make it possible to firm up and provide peaking power when needed in the entire electric grid system in the State. Our cities, farms and industries need the guarantee of reliable power that the Bureau of Reclamation can provide.

Thank you for the opportunity of meeting with the subcommittee to present this statement.

Mr. PHILBIN. Mr. Chairman, this is a vital bill for the public safety and welfare of the Nation.

It embraces a wide range of projects designed to prevent disastrous floods, improve conditions in our river basins and harbors, and provide for the conservation and betterment of many of our national resources.

The committee has labored over a long period of time, has expended painstaking effort and has demonstrated a fine brand of statesmanship in reconciling many urgent national needs with the necessary demands of budgetary economy.

While the bill goes beyond the estimates of the executive budget, it does so in areas where the national interest and the interests of many States and communities require speedy action to insure the protection of human life and property from the ravages of periodic destructive, natural disasters.

On previous occasions in the House I have been prompted to express my deep and warm appreciation to the committee for the sincere concern it has displayed in providing in these annual bills for flood control and protection in my district, State, and area.

As chairman of the Massachusetts congressional delegation subcommittee on flood control it has been my duty and privilege to appear before the committee on numerous occasions in support of various parts of the great, comprehensive program of flood control which we found it imperative to formulate following the extremely costly floods affecting our region in 1955.

Our tasks in this emergency touched upon rehabilitation of afflicted areas and people as well as flood control.

In this urgent and extensive work many agencies, officials and individuals were enlisted all of which are entitled to our very sincere gratitude, in fact I have endeavored all too inadequately, I fear, at other times, to convey to all those who helped us in any way our sense of profound appreciation.

To the Army engineers, that great, efficient, well-conducted arm of our national defense working so effectively in this field we owe a very real debt.

To this committee which has not only so completely evaluated our desperate plight, but has moved with so fine a spirit of sympathetic understanding and effective support and cooperation to extend us relief and protection, I desire this time once more to emphasize our gratitude.

I sincerely believe that, in providing for new starts this year and thus eliminating the unfortunate Bureau of the Budget policy against them, the committee has shown wisdom and courage. It has also shown foresight and a truer apprehension of the real meaning of economy because few things could initiate against intelligent economy or be more calculated to promote and expand much heavier costs and expenditures in the future than the neglect now and deferral to a later date of projects that by every sound appraisal should be started now and in the interest of human life and property should be completed with maximum expedition.

I hope the bill will be promptly enacted by the House, and commend and thank the committee for the splendid job it has done on the bill.

Mr. HAGEN. Mr. Chairman, I rise to commend the Appropriations Committee and its able chairman, the gentleman from Missouri [Mr. CANNON], on the bill which they have brought before us and to urge its enactment.

It is exceedingly difficult to evaluate the flood control and reclamation needs of our great Nation, but I believe the committee has done an excellent and impartial job of meeting those needs without increasing the appropriations requested by the executive branch.

The people of the 14th California District, which I have the honor of representing, have an interest in a number of projects contained in the bill which we are considering. Two of the most important items are appropriations of $5,500,000 to finance the continuation of construction of Terminus Dam and $4 million for Success Dam, which also is in process of being built. These two flood control projects, both located in Tulare County, will provide protection for thousands of our citizens who in the past have been threatened with the loss of life and property every few years when the Kaweah and Tule Rivers overflow their banks.

The Terminus Reservoir, to be located on the Kaweah, will protect the city of Visalia from further flood damage, as well as countless other persons farther downstream. Success Reservoir will curb the Tule, which in the past has flooded the city of Porterville and an extremely large adjacent area.

I am also keenly interested in an item of $4,384,000 for the Saucelito Irrigation District under the loan program of the Bureau of Reclamation. These funds would be used for a loan to the Saucelito District to permit the construction of a distribution system which will dispense Central Valley project water to the district's irrigators. It should be emphasized that this loan will be completely repaid to the Government under the terms of a contract already agreed to between the Interior Department and the district.

The Saucelito District, located in Tulare County, has endeavored for a number of years to establish this distribution system. Our Appropriations Committee is to be commended for recognizing the compelling necessity for this appropriation and for including it in the bill.

Under Bureau of Reclamation Construction and Rehabilitation there is contained a line item of $42,150,000 for Central Valley project, California. I urge the approval of this item. Among other things, certain of these funds are earmarked for use in constructing distribution systems for the Teapot Dome Water District and the Stone Corral Irrigation District, both in Tulare County. The amount of $1,008,100 would be allocated to Teapot Dome and $300,000 to Stone Corral. In both cases the ditch systems would be built by the Bureau of Reclamation project costs of $1,800,000.

Also under the Bureau of Reclamation there is an item of $4,349,261 for general investigations. Of this amount, some $550,000 is scheduled to be used for continuation of feasibility studies on the proposed new East Side division of the Central Valley project. These studies seek to determine the most feasible means of transporting additional northern California water down the east side of the San Joaquin Valley to meet the pressing needs of water-deficient areas of Kern, Kings, and Tulare Counties. The water needs of the southern Central Valley become more critical daily and early relief is an absolute necessity.

I would also urge the retention of $1,500 which is made available in the bill for operation and maintenance of Pine Flat Dam on the Kings River.

H.R. 7509 is of great importance to the 14th California District as well as the entire United States and I urge its approval.

Mr. MONAGAN. Mr. Chairman, I am happy to support the public works appropriations bill for 1960 and I congratulate the chairman and the members of the committee for the manner in which they have completed a difficult job. I want particularly to commend the gentleman from Massachusetts [Mr. BOLAND], and the gentleman from Rhode Island [Mr. FOGARTY], for their interest in the New England projects in general, and the projects in my district in particular.

I am happy that the Appropriations Committee has seen fit to include in this

bill substantial planning funds for the construction of two badly needed flood control dams in my district.

One of these is on the Mad River at Winsted and the other is on Hall Meadow Brook in Torrington.

In the disastrous floods of 1955, the tragic picture of the ravaged Main Street of Winsted was sent all over the country and is undoubtedly imprinted on the minds of many of the Members of this House.

From an industrial standpoint of view, the damage in Torrington was equally as great as the commercial and private damage in Winsted.

The two projects in question will be a guarantee that flood damage such as was visited upon my district in 1955 will never be possible again. Since this district from Derby to Winsted is an integral part of the American industrial arsenal both in war and in peace, the preservation of its economic health is a matter of national concern.

I must emphasize that the two projects scheduled to begin in 1960 are only part of a general plan which must be completed for the proper protection of the entire district. Other projects already approved by the Board of Engineers for Rivers and Harbors will have to be promptly completed to give the area the complete protection which it needs. I am working industriously to see that these new projects are promptly brought to completion.

In the meantime, however, the projects included in this bill constitute a substantial forward step in the completion of the overall plan. I am happy that they have been included and I know that the people of my district will appreciate to the fullest the interest in the economic and social stability of western Connecticut, which this House will demonstrate by the passage of the 1960 appropriations bill.

Mr. EVINS. Mr. Chairman, may I say at the outset that I consider myself privileged to have taken a part, as a member of the Subcommittee on Public Works Appropriations, in writing this bill under the able and patient leadership of the distinguished gentleman from Missouri [Mr. CANNON]. The work of this subcommittee is always voluminous and this year it was especially so as is evident from the 4 volumes and 4,222 pages of printed hearings. Your subcommittee sat many days hearing the requests of these various agencies as well as of the approximately 1,150 outside witnesses which included 243 Members of Congress. It was through the able and experienced leadership of the gentleman from Missouri [Mr. CANNON] that the subcommittee was able to complete this enormous task so expeditiously. It has been a pleasure to be associated with all the members of the subcommittee, including the gentleman from Michigan [Mr. RABAUT], the gentleman from Rhode Island [Mr. FOGARTY], the gentleman from South Carolina [Mr. RILEY], the gentleman from Massachusetts [Mr. BOLAND], and the gentleman from Washington [Mr. MAGNUSON] on the majority side; and the gentleman from New York [Mr. TABER], the gentleman from Iowa [Mr. JENSEN], the gentleman from Pennsylvania [Mr. FENTON], the gentleman from Minnesota [Mr. ANDERSEN], and the gentleman from New York [Mr. PILLION] on the minority side.

Mr. Chairman, the bill we are considering today is a good bill, a realistic bill and a measure that faces up not only to the present needs of our Nation for the development of our water resources, but also looks to, and prepares for, the future.

It is a bill that insures that this great program of water resources development which we have had underway for the past 25 years will continue in an orderly and uninterrupted program.

It is a bill with a truly national point of view which recognizes the needs of every area of our country and the different types of programs needed in the different regions, but establishes a program that is truly in the interest of the entire Nation.

It is a well-balanced bill which gives proper consideration to the needs for flood control, navigation, irrigation, harbor improvements, power production, and distribution, and all the other aspects of water resources utilization and development.

I realize that this bill does not have all the projects that all of us would like to have included. We cannot get this entire job done in 1 year or even in a decade. However, the bill as it is reported has distributed the available funds as widely as they can be utilized efficiently and within the overall budget limitations.

I want to associate myself very clearly with the decision of the subcommittee to appropriate funds for the 24 unbudgeted general investigations and for the 49 unbudgeted construction and planning starts in this bill. I do not go along with those who apparently believe that the principal function of the public works program is to provide employment in poor times, and that we should delay vital projects until economic necessity makes them necessary. We must look at our water resources program in a much larger perspective—as a positive program to develop the resources of our country and to lay a foundation for the continued growth of every region of our country. It is true that in times of recession, such as we experienced a year ago, we can and should accelerate civil works to provide a needed stimulus for economic conditions; and on the other hand, that during a period of economic upturn we can remove these accelerating factors. But, we cannot run a water resource development program on a "stop and go" basis. We must have an orderly and well planned continuing program of surveys, of planning and construction. On this basis our country can go forward on a more economical and sound basis.

The "no new starts" policy with which your Appropriations Committee was faced when the budget was submitted to the Congress by the President is both unwise and unrealistic. As the committee report points out, if it were continued it would lead to a drying up of the water resources program of the Nation. It bespeaks a lack of conviction about our water resources policy which we have previously seen evidenced in many other ways—the so-called partnership policy, the cutting off of appropriations for the TVA and Bonneville, the vetoing of authorization bills, and the lack of enthusiasm for the REA program and water resource development in general.

Even more unrealistic was the policy restricting surveys and planning of new projects. It takes many years to make and complete intelligent and prudent surveys, and additional years for making plans for efficient projects. Stopping surveys and planning might very well lead us into a position where in a sudden emergency we would be forced into hurried surveys and planning where the possibilities for costly mistakes and errors would be greatly multiplied.

Last year when we were called upon to increase our public works programs we had a lesson in the value of having well-planned projects on the shelf that could be placed under construction on an accelerated basis, but without wastefully hurried planning. The amounts budgeted for new surveys and planning in this bill this year are modest indeed, and insure a continuation of construction on an orderly basis.

Mr. Chairman, under this bill, I am pleased to say that our four great Federal power agencies, the Tennessee Valley Authority, the Southeast Power Administration and the Bonneville Power Administration, will be enabled to go forward with their excellent programs and continue to make their fine contributions in the public interest of the entire Nation.

In connection with the TVA, Mr. Chairman, may I point out that recently we debated on this floor the matter of congressional review of the TVA's corporate budget in connection with the passage of the TVA self-financing bill. I would like to call attention to the fact that the committee this year, as every year, has carefully considered not only the TVA's request for appropriations but also its entire obligation program, including the corporate budget—the expenditures it is making with the receipts from its power revenues. As a result of this consideration, the committee has expressed the opinion, as stated in the report on page 27, that the obligation program submitted in the justifications of both directly appropriated funds and corporate funds represents a well-balanced and reasonable program for the Authority in the coming fiscal year. Those who have read the hearings on the TVA will note that this opinion is based on a very thorough interrogation of the officials of the TVA on both the appropriation and the corporate budget.

In conclusion, Mr. Chairman, I repeat that this is a truly national bill which gives full consideration to the problems of every State and every region and successfully relates them to the public interest of the entire Nation. I urge my colleagues to accept the recommendations of the Appropriations Committee and vote this bill as reported.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sun-

dry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7509) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. CANNON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. CANNON. Mr. Speaker, I demand a separate vote on the Passman amendment.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. TABER. Mr. Speaker, I demand a separate vote on the Johnson amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 4, line 7, strike out "$658,300,100" and insert "$658,800,100."

The SPEAKER. The question is on the amendment.

Mr. CANNON. Mr. Speaker, on that I demand the yeas and nays.

Mr. JENSEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JENSEN. Must I submit my motion to recommit, which I just spoke of, today, in order that it will be in order when we come to a vote next Tuesday?

The SPEAKER. The gentleman cannot offer it until after the bill has been ordered to be engrossed and that would be after these amendments had been voted on.

Mr. JENSEN. Mr. Speaker, I understand that, but I wanted the information now.

The SPEAKER. The gentleman has it.

Mr. JENSEN. I thank the Speaker.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the bill be postponed until next Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask the distinguished majority leader if Tuesday of each week has now become the voting day each week?

Mr. McCORMACK. The gentleman got an explanation from the distinguished majority leader yesterday as to the reason for yesterday and today. I think that is perfectly satisfactory.

Mr. GROSS. Then I would not be right in assuming that from here on we are going to vote on Tuesday of each week?

Mr. McCORMACK. Of course, I would not admit that there is any justification for any assumption, but I can assure the gentleman that his personal assumption would be correct, that it will not be.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H.R. 7509.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOW ABOUT ADOPTING A SENSIBLE DEBT MANAGEMENT POLICY RATHER THAN CONTINUALLY RAISING INTEREST RATES?

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, the administration is about to ask Congress to raise the 4¼ percent interest ceiling on new issues of marketable Treasury bonds which has been on the statute books since 1918. This is entirely consistent with the administration's one-track economic policy of constantly hiking interest rates on the national debt, and on everything else.

I yesterday introduced House Concurrent Resolution 196. This morning's Wall Street Journal carries a story which both describes House Concurrent Resolution 196, and sets forth President Eisenhower's views on debt management policy:

The President's latest effort on behalf of the still officially secret legislative proposals came yesterday before a conference of business magazine editors. He coupled his plug for greater Treasury freedom with a sharp attack on a Democratic counterproposal attempts to force the Federal Reserve System to keep interest rates low by buying Government securities. Such a scheme was introduced in the House yesterday by a leading liberal Democrat, Representative REUSS, Democrat, of Wisconsin.

Mr. Eisenhower declared, "If the U.S. Government is not to be in a position to compete with every business and every worthwhile economic activity in managing our $285 billion debt, we are going to be in trouble, particularly if we are denied the right to bid on a business basis—that is at realistic interest rates. We cannot resort to artificial forced methods and still keep our own confidence and the confidence of the world in the American dollar."

"There is one method which is too often advocated for keeping the bonds at a nominal par (face) value. That is to force them upon a central bank—make the central bank purchase them. Well, that's a very fine system if you can make it work. But since the effect of the buying of our bonds by the central bank (the Federal Reserve) increases the amount of credit, the result is inflationary. No country ever has made such a plan work over a long period."

The President began his campaign for legislation revising the interest rate ceiling at a secret White House session last Monday night. He called in, along with Treasury Secretary Anderson, financial and political leaders of both the House and Senate to lay the problem before them. Since then, it's understood, Mr. Anderson has been working quietly behind the scenes with key lawmakers in an effort to smooth the way before making specific proposals public. Mr. Eisenhower opened his public drive at his press conference on Wednesday.

The first concrete sign of the Democratic counterattack came yesterday with the Reuss resolution. His proposal states that whenever the Federal Reserve felt an expansion in the money supply is needed, it should, to the maximum extent possible, achieve this through the purchase of Government securities, rather than a lowering of member bank reserve requirements. Reserve requirements are the percentage of their deposits that FRB member banks are required to keep on hand and govern the amount of credit they can extend.

The President's central defense of his monetary policy is contained in his key sentence:

Since the effect of the buying of our bonds by the central bank (the Federal Reserve) increases the amount of credit, the result is inflationary.

The President is apparently unaware that the Federal Reserve has just been solemnly assuring the Congress that this country needs an expansion of credit, to take care of an expanding economy at a rate of around 3 percent a year—some of us think it should be at a rate of 4 or 5 percent, but that is beside the point here—and that this needed expansion of credit should be obtained by lowering member bank reserve requirements, thus giving them a greater credit-creating capacity. The Fed rejects the method advocated by House Concurrent Resolution 196 of expanding credit, where it needs to be expanded, by Federal Reserve purchases of U.S. securities.

Both methods are identical in their monetary effect. One is not one whit more inflationary than the other. On the Fed's assumption—which happens to be correct—that we need to expand our money supply, neither is inflationary at all.

The big difference is that the administration's method of expanding credit—by lowering bank reserve requirements—has as its sole justification increasing the earnings and dividends of member banks. The Federal Reserve not only admits that this is its position, but it glories in it.

The method of creating needed increases in bank credit advocated by House Concurrent Resolution 196 is through Federal Reserve purchases, consistent with a sound monetary policy, of Government securities. This method

prevents undue downward fluctuations in the prices of Government securities, and thus adds to their attractiveness to investors. It can save uncounted millions of dollars to the taxpayer in the carrying charges of the national debt. And it minimizes the strain on the Treasury suffered by attrition—where a U.S. security holder refuses to take a refunding security, and demands cash.

This business of interest rates and bank credit and monetary management and reserve requirements is so complicated for Members of Congress, including myself, that the temptation is to sweep it under the rug and ignore it. If you are a Democrat, the easiest way out is to holler about tight money. If you are a Republican, the easiest way out is to talk like Ike and claim that it is inflationary for the Federal Reserve to do anything constructive about how we manage the national debt.

It is about time, Mr. Speaker, that we all buckled down to the hard task of seeing whether there is not a way to practice sound monetary policy and at the same time do what we can to make our national debt manageable. House Concurrent Resolution 196 seeks to do this. I hope that it will be considered on its merits, not only by the House Committee on Banking and Currency, to which it has been referred, but as an amendment to the administration's escapist proposals to solve everything by paying higher and higher interest rates.

STARVATION OF PUBLIC SCHOOL EDUCATION

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the starvation of public school education is a national crime. A shocking statement? Yes, because millions of Americans have not yet faced up to the fact that education is the orphan of American society, shunted aside and neglected because of our preference for materal comforts and luxuries.

There are many clear thinking and conscientious local school boards—but not as many as there should be—that know this to be true. "But where are we going to get the money to save our schools?" they ask. On this point, they are right. The limited sources of local revenue are not equal to the task. As a result, both the facilities and the standards of elementary and secondary education are steadily deteriorating.

The communities and the States ask the Federal Government to cooperate in meeting this problem, by providing the extra money that is needed. They have reached the end of their rope.

Basically, the people of the United States are to blame for the serious predicament of our public school system. We want good schools, but we will not dig down to support them. Other things come first. We think nothing of going into debt to the tune of tens of millions of dollars, stretching and straining our credit to buy adult toys and to satisfy every passing whim, to be paid for through future earnings.

But when it comes to education, we become immediate converts to the doctrine of austerity. "Where is the money now?" we ask. "Perhaps there is some room where we could economize." Soon after, with gay abandon, we manage to find money for such necessities as stock-market speculation, among others.

The haste and confusion and distractions of American life may help to explain why the warnings have gone unheeded in the past. They do not excuse further indifference now that the National Education Association, the AFL–CIO, and many Senators and Representatives are demanding action.

This problem is far ahead of many communities and their limited financial resources. It is now up to the Federal Government.

The malnutrition of our educational system is starkly revealed in the following facts:

First. There is a classroom shortage of 140,000 units in the United States today. On the basis of 30 pupils to a classroom, this means that 4,200,000 youngsters are being denied the proper facilities for their education.

Second. There is a teacher shortage of 135,000 because trained and qualified young men and women see no hope in this honorable profession that has been impoverished by substandard salaries.

We, in the Congress, have the opportunity, and the duty, to save our public schools, which are the foundation of our freedoms and our progress.

H.R. 22 provides the authorization and the formula that, over a period of 4 years will close the educational gap and thereafter enable our schools to keep up with the expanding school population.

This bill guarantees that there shall be no Federal intervention in schools, the curriculum, and the instructional program. Federal funds will supplement, rather than replace, current expenditudes by States and local school districts.

At the present time, the Federal Government contributes only 4 cents out of every dollar of revenue for the support of public schools below college level.

The starvation of public school education is not a condition that can be remedied by looking the other way. Unless and until it is corrected, it is a national crime.

FIFTEENTH ANNIVERSARY OF D-DAY

Mr. SMITH of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SMITH of Kansas. Mr. Speaker, 15 years ago today and tomorrow occurred an event that changed the history of the world. Fifteen years ago today many senior Members of the House were well aware of this impending event. Fifteen years ago tomorrow, as the House assembled, the tickers and radio were telling the world, "A landing was made on Normandy Beach this morning." Some Members now in the House no doubt clustered about in the cloakroom, asking about the latest reports on the landing. To what event do I refer? The D-Day landings on Normandy Beach, the mightiest invasion armada in the history of the world. This invading force under General Eisenhower was making the long hoped for invasion across the English Channel to destroy Hitler's domination of Europe. Normandy Beach landing had been talked of for months, even by the soldiers in the ranks. The question discussed was this, "Can an invasion be made of Hitler's Europe across the English Channel?"

The crossing of the stormy Channel and the opening of the front on European shores had been in the planning stage by English and American top staffs for over 2 years. Immense stocks of shipping, aircraft, and tanks had been assembled and placed at various ports of England. These top planners finally selected 50 miles of coastline on the northwestern Normandy coast of France from the Vire River to the Orne. By June 1944 a million and one-half American men in the Armed Forces were stationed in England. There were over 2,500,000 tons of Army supplies ready for the grand invasion across the Channel. This whole operation's code name was Neptune.

Today, most military experts now say such an invasion could not possibly happen again because one well-placed H-bomb could wipe out any such attempt.

For months preparations had been going on in England by the assembling of forces and materiels. The country roadsides throughout rural England were stockpiled with ammunition and aerial bombs of all shapes and sizes. American troops were in every village and hamlet. Everyone in the Army knew this Channel crossing was coming but when and where was the question. From the warm days of April on every little extra movement of troops or materiel was the cause of much speculation, with the open remark "Maybe this is it." Then came the orders and schooling on how to prepare your vehicles for "wading water." Long additional exhaust pipes were issued for the wading. With the coming of May 1944, troop stations seemed to be gradually shifting southward and southeastward toward the eastern and southern coast of England.

Then officers from higher headquarters began to make their visits more often to the troop areas. These visiting officers would come up and ask of officers who commanded battalions, groups or regiments, "Are you bigoted?" If you answered "Yes" they stayed and talked, if you said "No" they left. "Bigot" was the code word for those officers who were to be told of the preliminary plans of the invasion.

Later, some 10 days in advance of D-day, officers holding "bigot" cards were assembled quietly in a beat-up theater in Plymouth, England. As we went in through the door, an American colonel said, "There will be no coughing, this is General Montgomery's order."

There was no coughing. Monty, the beret-wearing field commander of all allied forces making the landing, had spoken. He told us what we were expected to do, but no hint was given as to where we would land.

A week before D-day all invasion troops were sealed in their camps. No one was allowed in or out, mail was stopped, we just waited; then began the movement to the embarkation point quietly, silently; soldiers, waterproofed guns, trucks and rolling equipment were put on LST's and other landing craft; then the troops just waited on board their landing-type vessels for the final movement across the English Channel.

On the 4th of June, the anchor chains began to groan, ships began to move away from the docks and place of anchorage. Ships were soon outside the Plymouth Harbor and began to move into the formation of one long line. About noon there was a sudden slowness in the movement of the ships; they stopped, finally turned around; the air of expectancy on board the ships of this channel armada vanished; men said with a disgusted air, "Just another dry run."

But early next day, June 5, the ships again put out to sea; the weather was clear and toward evening the low scudding clouds filled the sky and more and more iron gray naval ships made their appearance in countless slow-moving lines of ships that stretched across the horizon.

As night settled down the men knew they were closer to the shores of France than England. The common word now was, "This is it." Not many men slept in these packed jammed ships of men, vehicles, and supplies of war.

Men and officers had been briefed on their part of the impending invasion, after they were on board ship. Code names were used to indicate the various units' positions on their approach to the beach. The names used were not the storybook kind of names we used to read in our histories. The Normandy Beach where these men were to land was called Omaha and it was divided up into sections called Dog Green, Dog Red, Fox Red, and Fox Green. Men never before died on battlefields with such common and lurid names.

With the coming of the dawn and June 6 light, every man aboard the ships knew this was no dry run because guns from hundreds of Navy ships started pounding the shoreline. Planes overhead started dropping wave after wave of bombs. As the landing craft approached the shoreline to unload men and cargo no other word or phrase is adequate to describe what happened except to say "All Hell Broke Loose." All up and down this beachline geysers of water spouted up. Black smoke filled the air, noise that only thousands of guns of all calibers that are all being fired at once filled the air, along with smoke, shrapnel, and a light mist picked up by a breeze as the receding tidal water was churned by landing craft, bombs, and shrapnel.

Into this indescribable area of confusion, first on the water, then on sandy beaches filled with land mines and every conceivable kind of a device to keep soldiers from coming ashore, waded American soldiers.

Mr. Speaker, this is not spoken as a detailed history of the Normandy invasion, neither is it written to describe the Omaha Beach landings on Red Dog, or Dog Green sections. It is spoken by one who was there. I just want to pay tribute to the men who made this landing on Omaha Beach; and particularly to pay homage, tribute, and honor those men who still remain in a cemetery of St.-Laurent-sur-Mer, just above this Omaha Beach line in long rows marked by the white headstones of fallen American soldiers.

The boys who wore the Big Red 1—1st U.S. Division—of the 16th Infantry were the first to rush into this churning sea and onto the beach line. This division fabled in World War I as the Big Red 1 Division was again carrying the American flag proudly into battle on the Normandy Beach line. The Big Red 1 Division proudly attested and as soldiers are prone to do, boasted, "When they want a job done they call on the Big Red 1 Division to do the job so that others can follow." The division commander, Maj. Gen. Clarence R. Huebner, was a notable and distinguished soldier, not of West Point but from the ranks. Probably no other division commander in American military annals has ever served in all the ranks from private to major general within the division, yet General Huebner was in command of this division as it made the initial assault on this so-called impregnable battleline—Omaha Beach.

The units along with the 16th Infantry making this assault were the 18th Infantry, 26th Infantry, 116th Regimental Combat Team, and the 115th Infantry from the 29th Division. This strength in men was 34,142 and 3,306 vehicles. This gently sloping beach offered no protection to anyone or anything until the high bluffs some 400 yards away were reached. Over this perfect field of fire to the defenders, men and officers of the 16th Infantry made their notable effort. At four points along Omaha Beach small wooded valleys slope back inland and provided an exit from the beach. These indenting valleys were the key to getting off the beach and getting into the heart of the enemy defense.

Into these little valleys leading back to the small villages of Vierville, St. Laurent, and Colleville, the 1st Division—Big Red 1—finally reached their objectives. But in all this action the assaulting troops pressed forward. The 16th Infantry suffered 25 percent casualties in this action. But the Big Red 1 Division had again led the way for the American Army to help conquer Hitler's Europe. This division had led the way in World War I in a dozen breakthrough battles. From the Normandy Beach the division went through France, Belgium, and on into Germany—always leading the way. The Big Red 1 had been in the first American division to land in France in World War I and it has led the invasion in Africa in World War II.

The speaker was close by when the first American deaths in action occurred in World War I. They were Gresham and Hay of the 16th Infantry.

Tomorrow a monument will be erected up above Omaha Beach to the men who gave their all to this country. This is being erected in memory of the 29th Infantry Division, 116th Infantry.

Mr. Speaker, again may I say I have no other purpose but to stand here in this House of Representatives and pay tribute to the men of the Big Red 1 Division—1st Infantry Division—now stationed at Fort Riley, Kans.; and to the men of the 635th T.D. Battalion and to all those American soldiers who clambered up the deadly Normandy Beach just 15 years ago tomorrow, June 6, and who for the next 2 weeks knew only the smell of stinking gas-preventive clothing, K-rations, wet soggy blankets, and a steel helmet for a pillow, but through it all could smile and say, "On to Berlin."

Long live the spirit of the Big Red 1 Division. As warfare changes and new weapons are added, may the spirit and determination that always inspired the Big Red 1 Division be always present in our new Army; and may those who change our Army's weapons always remember that the spirit and esprit de corps of the man who pulls the trigger is still most important in winning any war.

ADJOURNMENT OVER TO MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Calendar Wednesday of next week be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CIVIL WORKS ACTIVITIES OF CORPS OF ENGINEERS

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. COOK] is recognized for 15 minutes.

Mr. COOK. Mr. Speaker, this entire legislative day has been spent considering H.R. 7509, the 1960 appropriations bill for public works. To me it is one of the most important bills that will be considered by the House during the current session. It is an important bill because, in reality, the projects for which funds are appropriated therein are investments in the future of this great country.

One of the most important provisions of the bill is that provision concerning the civil works activities of the Corps of Engineers. The projects contained in this provision of the bill, as well as other provisions of the bill, demonstrate

clearly that the United States of America refuses to be penny-wise and pound-foolish. Instead, the cost of each of these projects will be repaid to the Treasury of this Government many times over by the prevention of the loss of hundreds of lives, severe property damage, and an expanding economy made possible by such projects as harbor improvements.

As an example of why we should act now to lessen the loss of the future, I point to one small item contained in the public works appropriations bill. I refer to the item which appropriates $10,000 for a survey of the Chagrin River which empties into Lake Erie near Eastlake, Ohio, and which river is located mostly within the boundaries of the 11th Congressional District of Ohio, which I have the honor to serve in this body.

Each year the Chagrin River overflows its banks and causes great damage to the inhabitants of the Chagrin River Valley. This river runs through an area which is perhaps one of the most rapidly growing areas in this Nation. Within a short distance of the Chagrin, thousands of people are locating their homes and industries are locating so as to be near the transportation facilities of the area. This section of Ohio is no longer farmland but is a booming industrial and residential district. If the Chagrin River is not controlled the damage in its valley will grow each year because of this increase in use.

The damaging effects of flooding by the Chagrin River were demonstrated even more vividly this past January when a sudden thaw prompted an unusually severe flood which resulted in the loss of five lives and property damage in the amount of $911,000.

This continuing annual flooding condition will only be eliminated when the Federal Government initiates a program of flood control in the Chagrin River Basin.

The amount of $10,000 is not large; however, the problem of this area cannot be solved without the original survey by the Corps of Engineers, so it becomes an absolute necessity to have the funds appropriated for the survey as soon as possible. This survey was authorized in 1952, but earlier efforts to secure the needed funds have not succeeded. The thousands of people affected by the Chagrin River join with me in thanking the House Appropriations Committee and the Public Works Appropriations Subcommittee for including in this year's bill the sum of $10,000, which will finally bring about the beginning of the elimination of the dangers of floods caused by the Chagrin River.

If the legislation is favorably acted upon by both Houses of Congress, and signed by the President, I am sure that this survey will show an excellent cost-benefit ratio and that the corps will approve the project. If the survey is approved, I intend to do all I can as a member of the Public Works Committee and as a Member of this House to bring about the eventual construction of the necessary flood control project in the Chagrin River Basin.

I wish to extend my sincere thanks for the help of all those public officials and private citizens of the 11th Congressional District who have worked hard and will continue working hard to solve the problem of a flooding Chagrin River. I especially thank the mayors of Eastlake, Willoughby Hills and Willoughby for the hard work they have done in connection with this project.

I realize this is but one of the many worthwhile projects included in this year's bill and is only an example of one of the many fields covered by H.R. 7509, but it clearly demonstrates that the funds contained in this appropriations bill are investments in the future of the United States.

PHONY INFLATION SCARE USED TO DIVERT PUBLIC ATTENTION FROM BIGGEST CONSPIRACY OF BIG BANKERS AND BIG BUSINESS IN HISTORY

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. FLYNN] is recognized for 45 minutes.

Mr. FLYNN. Mr. Speaker, yesterday while the Democrats were seeking, through debate, to appropriate money to prevent water pollution and to aid small communities in building sanitary districts and disposal plants throughout the country, the Republican whip bitterly denounced the Democrats as spenders and as a group of fiscally unsound people whose actions were causing inflation with all its dire consequences, to ruin our country and our economy.

Identical charges, varied as to wording and presentation, are being oft repeated by Republicans, the Republican press, the Manufacturers Association, the chambers of commerce, and other groups whose membership stands to benefit financially from Republican manipulation of our Nation's finances, public debt, interest rate, and foreign trade concessions. They also stand to gain from the actions of a congressionally uncontrolled Open Market Committee of the Federal Reserve banks and the fact that they are secure in the knowledge that the occupant of the White House will not interfere with or crack down upon the private bank dominated group which controls the policies of the Federal Reserve Board and which is establishing the rate of interest on money and the value of money and bonds.

These charges about the Democrats are not true, but these false charges have been made so widely and so often that they have caused many thousands of our citizens to believe that the Democrats are dedicated to a spending program which will devalue the dollar through an inflationary spiral, and bring ruin to our economy.

While the public mind is in a state of alarm, worry and distress, and fear over these utterly false charges, and while it is thus diverted from the machinations of the Republican high command in conjunction with big finance and big business—this trio has callously pursued policies which are fallacious, ruinous, and so economically unsound and unfeasible that they make one wonder whether they have any knowledge at all of what they are doing to our beloved country.

PRESIDENTIAL FAILURE TO CONTROL OPEN MARKET COMMITTEE OF FEDERAL RESERVE BANK

The Honorable WRIGHT PATMAN has explained in recent weeks to the Members of this House that former President Truman called the Open Market Committee of the Federal Reserve bank to the White House and negotiated an arrangement whereby the Federal Reserve bank, which is owned by the people of this country, would support the public debt of this country as bonds were periodically offered for sale by the Treasury of the United States. These bonds sold at from 1 to 2½ percent interest. This policy was continued until the waning days of the Truman administration when his influence was not as great as earlier. While this policy continued, the interest rate on the debt of this Nation did not exceed 2½ percent; public bonds retained their full value of 100 cents on the dollar. Private money was available in our banks at from 4 to 5 percent and mortgage money could be secured without payment of points to the lending institutions at 4 and 4½ percent. There was no such thing as financial institutions demanding and collecting on FHA or VA loans, guaranteed by the U.S. Government from 5 to 12 points—5 to 12 percent of the loan—for the making of the loan.

When President Eisenhower entered the White House and even before he got there, when it became apparent that there would be a new man in the White House in 1952, the Open Market Committee of the Federal Reserve bank went on strike against the people of this country and refused to support the bond market of this Nation. When bonds were offered for sale at the going rate of interest, the Federal Reserve bank, through its various manipulations, forced up the rate of interest on the public debt by approximately 2 percent. This has been the most costly strike in the history of the United States. Yet not one word is said about the financial strike of the Federal Reserve bank against the people of the country. The Federal Reserve bank is owned by the Government. It was created in 1913 and is in effect an arm of the Government to whom it appears Congress has delegated its constitutional duty of regulating and controlling the value of money. If Government bonds are sound and secure, as I believe they are, and in a stable and expanding economy, as we had before the Federal Reserve bank strike, I know of no justifiable excuse or reason for the Federal Reserve bank and its members to refuse to support the Government bond market at the rate of interest formerly carried by said bonds. I charge that their action was designed to force the Government to increase the interest rate in order to increase the profits of the bankers. The effect on this country has been that we are this year paying an additional interest over what we formerly paid of approximately $5 billion. This is in addition to the normal interest of approximately $4½ billion. Thus, the payment of this huge additional sum of money by the tax-

payers, for which they get nothing in return, has an inflationary effect upon our economy. This was not brought on by Democratic policies but by the refusal of a Republican President to act in the interest of the people.

The further effect of the Federal Reserve bank strike was that it forced the value of Government bonds down. They now are as low as $82 on the $100, and the longer before maturity the less the value. The top rate that the Government is permitted to pay for interest on Government bonds is 4¼ percent. Government bonds are either selling at or reaching that limit today and the Republican administration, as expressed by the Republican whip on the floor of the House of Representatives yesterday, and as reported generally in the press, is demanding that the interest rates be increased. I am certain that the Democrats will never agree to such an increase in interest.

This rather tricky plan of the bankers in controlling the Federal Reserve bank, has resulted in huge profits to the bankers, and has made it possible for the 13,000 banks of our country, in most cases and if they so desire, to completely and entirely avoid the payment of Federal income taxes. It works this way: The bank at the end of the year determines the amount of Federal taxes it will owe, and sells enough Government bonds at the going rate of—say $82 on $100—to create a capital loss equal to the taxes due. The loss offsets the tax and the bank ends up by getting rid of its low yielding bonds and entirely avoiding taxes. The bank then reinvests the money received from the sale of the bonds in 4¼ percent bonds and over the next 10-year period reaps a profit in addition to the taxes saved of over 100 percent in excess of what the taxes were, so that if the bank owed $20,000 in taxes it would end up the 10-year period without paying any taxes for the year involved, and with a net amount of close to $50,000 in profit. Let me give you the following example as to bank A and bank B: One of the banks paid his taxes and the other took advantage, as most banks are doing, of the Republican-sponsored bankers "steal":

BANK A

1. Bank A owns $1,500,000,000 in Government bonds at 2¼ percent.

2. Bank A owes Federal income taxes for the year 1959 from commerical operations on the sum of $180,000.

3. Bank A has 2¼ percent Government bonds with 10 years to run before maturity which have dropped to market value of $82 to $100.

4. Bank A sells $1 million worth of its bonds at $82 receiving $820,000; thus taking a capital loss of $180,000.[1]

5. The above sale made it possible for bank A to set the capital loss off in full against its profit and thus avoid completely the payment of any income taxes on 1959 earnings.

6. Bank A reinvested the $820,000 in 4¼ percent Government bonds due in 10 years. Bank A also invested the money saved on taxes which was about $90,000—thereby owning $910,000 worth of 4¼ percent bonds due in 10 years.

7. Bank A received $38,670 interest on these bonds—in 10 years, received $386,700 in interest and at maturity received the principal of $910,000 plus the interest of $386,700 for a total of $1,296,700—and paid no taxes in 1959.

BANK B

1. Bank B owns $1,500,000,000 in Government bonds at 2¼ percent.

2. Bank B owes Federal income taxes for the year 1959 from commercial operations on the sum of $180,000.

3. Bank B has 2¼ percent Government bonds with 10 years to run before maturity which have dropped to market value of $82 on $100.

4. Bank B sells no bonds.

5. Bank B paid on $180,000 in taxes to the U.S. Government.

6. Bank B continued to hold its bonds and continued to receive 2¼ percent interest thereon for the next 10 years.

7. Bank B collected $22,500 per year in interest on its $1 million worth of bonds—in 10 years, $225,000. It also received back its principal so that during the 10-year period, it received $1,225. Bank B, however, had had to subtract the taxes paid in 1959 on the sum of $180,000 and thus ended up with a net balance of $1,135,000.

8. If you subtract the difference between interest received by bank A and bank B:

Bank A	$1,296,700
Bank B	1,135,000
Profit to bank A	161,700

You can see that by bank A taking advantage of the Republican sponsored bank steal, it has avoided taxes in 1959 and over a 10-year period has, as a result of this manipulation, earned $161,700 more than the bank which paid its just taxes to the Government.

9. This sum of $161,700 can be multiplied by the big banks, by every $180,000 worth of taxable income that they owe.

10. All of the savings made by the thousands of banks in the country taking advantage of Republican boondoggling are doing so at the expense of the taxpayer and the policy has a definite inflationary effect upon the economy.

[1] Banks are one exception to the 50-percent rule on deductions of capital losses.

The above boondoggling, tax avoidance scheme, was made possible by policies inaugurated by the Open Market Committee of the Federal Reserve Bank, by the strike of that bank against the Government, by the ratification, approval, and support of the policies by the President of the United States and his top Republican advisers. All of these people with a straight face said we must keep the dollar sound. We must protect the public from the spendthrift policies of the Democrats. While doing this, they inflicted on the American people the obligation of paying the extra $7 billion in interest on the public debt, to make the bankers wealthy. They caused the American people to suffer loss in value on all Government bonds which the private citizens were holding, and to suffer from the inflationary effects that were caused by this Government being forced to pay, not only one year, but years to come, this additional $5 to $7 billion in added interest.

The bankers and the Republican administration, while perpetrating this heinous action on the American people, have continuously attempted to divert the public mind from what was happening and to do so have used every known device at their command. They have engaged in a propaganda campaign accusing the Democrats of big spending and inflationary tactics. They apparently hope by so doing to be able to blame the Democrats for their action and to secure the vote of a deceived John Q. Taxpayer in 1960.

Just what spending do the Republicans say the Democrats are guilty of. So far in this session, the Republicans have accused the Democrats in the House of spending $300 million more on the housing bill, which includes urban renewal, slum clearance, college dormitories, homes for the aged, nursing homes, and so forth, than the Republicans proposed and $200 million on an airport development bill more than the Republicans proposed. They fear that there may be a few more such bills before the session is over—let us concede that there may and that the total of these bills may exceed the Republican proposals by $1 billion. Let us remember that these bills are all bills going for the benefit of the great majority of the American people. Does anyone believe that $1 billion in the budget could possibly be ruinous to the American economy? Of course it could not. This $1 billion would be as of nothing if it were not for the wastrel, unsound giveaway programs of the Republican administration which is costing this country billions upon billions of dollars. If we can afford to spend $4 billion in foreign aid, can we not afford to invest $1 billion in the welfare of the people of America and in the development and improvement of our country?

Let me also remind you that in this session of Congress, the Democrats have already reduced the President's budget proposals by over $1 billion and that in the last 6 Republican years, the Democrats have reduced the budget recommendations of the Republican administration over $12 billion. Let me also remind you that in 6 years under Harry

Truman, this country met its obligations and paid its own way, and in addition thereto reduced the public debt by $3½ billion. While, under the first 6 years of the Eisenhower administration, we have failed to live within our income, even though the people, during said period, have paid in taxes to their Government $150 billion more than they paid during the comparable 6 years that Harry Truman was in office. In addition to this, the Republicans have spent all of this money and have run us into debt $19 billion and will charge up at the end of this month for the current fiscal year an additional sum of approximately $13 billion, and will, if our estimates are correct, on the basis of the current budget presented by the Republican administration, mark up another deficit at the end of the next fiscal year of approximately $12 billion. This means that under 8 years of Republican rule, 8 years of high income, and 8 years of peace, this Nation will have gone into debt approximately $44 billion. Let me remind you also that in the 10 years of the Roosevelt administration—from 1932 to 1942; years when the Democrats were charged with trying to spend themselves out of a depression, and years when the national income was only in the neighborhood of $4 billion as compared with the present national income of $77 billion—that this Nation only went into debt during these entire 10 depression years in the sum of $29 billion. I ask you, Mr. Speaker, does it sound to you as if the Democrats have been fiscally unsound, spenders, and wastrels or unmindful of their obligation to the public? Does it sound to you as if the Democrats have or are betraying the public trust or the public confidence? Does it sound as if the Republicans are sincere in their constant plaintive cries of "Wolf" "Wolf" or does it sound as if the Republicans are diverting the public's attention while they tamper with the economics of the Nation and either foster or permit situations to develop that just happen to be of great financial benefit and profit to the banking fraternity of this Nation, who are predominantly Republican, and who aid greatly in the financing of the Republican campaigns?

If you will add the $5 billion of wasted Republican interest that this Nation is paying this year, to the billions that the Republicans are absolutely squandering through the maladministration of the Agriculture Department by a Secretary of Agriculture, who in his term is spending far more money than has been spent by the Department of Agriculture from the beginning of this country to the date that Secretary Benson assumed office as Secretary of Agriculture, you will have a huge sum of tax money, each dollar of which can be termed a Republican inflationary dollar. If you will add to this sum such money out of the foreign aid funds as may have been squandered or wasted in the administration thereof, and if you will add the approximately $4 million that the President is spending to run the White House, more than was spent by any other occupant thereof, you will see how Republican boondoggling, spending, and poor administration is responsible for the inflation which they say is upsetting and ruining the country and the economy.

If you will, in addition to this, consider the particular effect that the hard-money policy has had upon the business interests of this country, both large and small, and if you will consider how the small merchant has been forced by the thousands into bankruptcy in recent months because of this policy and how profits have been taken out of business, for the small businessman, and if you consider how the recession of 1957–58 brought on by the hard-money policies threw millions of men and women out of work for a long period of time; if you will consider how the small homeowner was denied the opportunity to secure a 30-year mortgage at 4-percent interest; or a VA mortgage, either with or without points paid to the banker, or even to be eligible for an FHA-insured mortgage, can you see how costly has been the Republican experiment into hard money and what a devious effect the banker-proposed and administration-approved current money policy of this Nation has had?

CURRENT REPUBLICAN PROPOSAL TO GIVE BANKERS $15 BILLION THROUGH ATTEMPT TO PASS THE VAULT CASH BILL IN THE HOUSE

Mr. Speaker, if the above record of financial infidelity by the Republican administration were not enough to cause the red blood of every American man and woman to boil, then let me mention the issue which the gentleman from Texas, the Honorable WRIGHT PATMAN, is trying so hard to bring to the attention of the House of Representatives and the Nation—I refer, Mr. Speaker, to the so-called vault cash bill which has already passed the U.S. Senate and which has been voted out of committee in the House, according to information which I have received, with only one dissenting vote. This bill, Mr. Speaker, will have the effect, according to many Members of this body, of giving $15 billion of the public's money, currently being held by the Federal Reserve bank, to the less than 7,000 member banks of the Federal Reserve System. This is nearly enough to give every man, woman, and child in the country the sum of $90 apiece. The only reason for doing this is to permit the banks to make more money. Is that a sound reason for giving away this huge amount of public assets? This money is invested in Government bonds and in lieu of the fact that the money is not needed by the Federal Reserve bank to stabilize the monetary system, these bonds should be turned back to the U.S. Treasury for cancellation, and we will then have retired $15 billion of the public debt, and we will save the interest thereon.

INFLATIONARY EFFECT OF VAULT CASH BILL

Mr. Speaker, let me also remind you that the net effect of reducing the reserves of member banks in the Federal Reserve System by $15 billion through the vault cash bill is to free billions of dollars for the banks, which will have the effect of permitting the banks to issue new bank credit of many billions of dollars. This is exactly what the administration states they have been trying to avoid. They state they can only curb inflation through increasing the interest rate of the Federal Reserve bank, and through increasing the reserve of member banks so as to cut down the supply of money. By passing the bill and permitting the increase of money supplied to the extent of many billions, they will be engaging in the most inflationary tactics that have been suggested by any individual or agency. This, Mr. Speaker, should prove to the country that the Republican administration is not concerned about inflation, and it should show that they do not believe the country is suffering from inflation, but rather that they are well aware of the fact that the Consumer Price Index has remained fairly stationary for the past 2 years and that the only trouble with the economy is manipulation and tinkering for the benefit of special private interests, both banks and other interests.

Mr. Speaker, I state at this time that I feel there is little that this Congress can do to force the executive branch of the Government to pursue a set of policies that are economically sound. It appears that the only hope is an informed and aroused electorate who will not be fooled by the pious statements of chambers of commerce and manufacturers associations officers, by the Republican Party or the bankers association—to the effect that we are engaged in an inflationary spiral brought on by wasteful spending on the part of Democrats—or that the small difference between what the administration proposes to spend in the interests of the people and what the Democrats propose to spend in the interests of the people could have any real effect on the economy—or that it could produce inflation.

Mr. Speaker, I state that if we can secure a Democratic President in 1960, backed by a large enough majority in Congress to support his program, we will be able to force back the interest rate to a reasonable figure; we will be able to quit giving away the public assets to private interest; and we will return to a program of sanity where we both tax and spend reasonably and moderately, and where the administration in power will stand or fall on the basis of the affirmative record it makes in the interests of the people, as it did during the days of Roosevelt and Truman—and not on the basis of a negative program, by spreading fear and propaganda against the opposition party.

Mr. Speaker, before closing let me say further that this administration is sponsoring a "Buy European" program and is encouraging American business to set up branches in foreign countries. I warn that this program and these policies can be and are now being carried far beyond a reasonable limit. In the department stores of this Nation today, a large part of all the merchandise on the shelves carries a ticket, "Made in Germany," "Made in Japan," or in some other country. The administration proposes that 12,000 fishing vessels be purchased from foreign shipyards. The Fairbanks-Morse Co. in my district makes the majority of the powerplants

which go into these fishing vessels. This "Buy European" program would be abhorrent to the people and to the industry of most congressional districts in the Nation. I do not say that we must not have free trade, or that we must not buy in Europe if we expect to sell in Europe—neither do I ask for a high protective tariff—but I do ask that quotas be established in order that Finnish and Danish cheese may not flood the American market at the expense of farmers in my district without any limit thereon; and that similar European products should flood the market in competition with the industries located in this or any other congressional district, without some reasonable limitation being placed on the size of these imports, is beyond a reasonable limit. Can we not have independently negotiated trade pacts which will guarantee a fair balance of trade with the United States permitting European nations to ship reasonable amounts of produce to this country and creating a friendly trade atmosphere between us and the rest of the world without ruining numerous American industries and without ruining the entire American economy?

Mr. Speaker, I state that if we are going to "tax American," then this country, which is presently a large consumer in almost every field, is going to have to "buy American." Let us remember also that our Government is a partner with every individual and corporation to the extent of some 20 to 50 percent or more, and when we send our business to Europe the Government, as a partner, is losing its share. So what will happen to our national income?

Mr. Speaker, may I take this opportunity to plead with the Members of this House, Members of the greatest lawmaking body on the face of the earth, to open both their minds and their hearts to the common, the ordinary, American citizen and taxpayer. Let us remember the little man—let us remember the farmer—the small businessman—and the laborer. Let us remember the teacher—the white collar worker—the widows and the orphans. Remember the trust funds and the guardianship funds of the Nation that were set up as security devices to protect the weak, the sick, and the aged. Let us think about permitting big business to make a reasonable profit, for no one, Mr. Speaker, is opposed to big business, but they are all opposed to a government dedicated, controlled, and operated by, for, and on behalf of big business or of big banking. Let us in closing think about America and the maxim of the Golden Rule here in this body by "doing for others what we would have them do for us." Let us strive to do all we can to reduce the interest rate, to prevent the passage of the vault cash bill, to get the Open Market Committee of the Federal Reserve Bank to realize the responsibilities of its position—and if this Committee will not think and act for all Americans let this Congress, which is charged under the American Constitution with the duty of establishing the value of money, admit that the Federal Reserve System is not fulfilling the purpose for which it was originally designed—and let the Congress then take back unto itself the power of negotiating the value of money within these United States. Let us, Mr. Speaker, before it is too late, and regardless of which party we may belong to, act and act now in the best interests of all Americans.

RELIGION IN RUSSIA

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask permission to revise and extend my remarks and have printed in the RECORD a highly significant story taken from the Catholic Standard of May 29, 1959. This story is based on an interview given by Matthew J. Kane, national councilman of the Veterans of Foreign Wars.

Matthew Kane, a veteran of rugged submarine warfare, came out of the service like so many of our men with a sense of solemn dedication to the ideals for which our country fought: Freedom in all lands for all men of good will—freedom with due respect for the rights and dignity of every man; freedom, under God, with a deep sense of responsibility implanted in every man's heart to consider his brother's welfare; freedom with peace everlasting.

His military task completed, Matthew Kane, like millions of others returned to his home and his responsibilities as a civilian citizen. He married a charming, lovely girl. They have three beautiful, bright children. As a prominent businessman of Washington, Mr. Kane is noted for his services in the Washington area, working actively in veterans' organizations for the welfare of veterans and their dependents and the entire community. However, he was ever conscious of a menacing shadow, the threat of another world war. He hoped and prayed for peace—but daily he read in the newspapers of the Communist threat to world peace. No matter how ardently we desired peace, we could not preserve peace if the Communists made war.

He felt—as we all do—that America's defenses must be maintained—strong military defenses; strong economic defenses; strong spiritual defenses. We are aware of the spiritual significance of world peace. Why, he reasoned, should not folks on the other side also appreciate it?

With a deeply sincere faith in God's works, he believed that, if we could only talk face to face to those men in Russia—the men with whom we had fought shoulder to shoulder against Hitler—we might find a spiritual light to guide us together for our common good.

The great opportunity to test his theory came, so he thought, last year when a group of Russian veterans toured the country. Matt Kane was one of the American veterans invited to return the call. Hopefully he reembarked on his trip, trusting that a basis might be found on which to build an understanding—a program of peaceful cooperation. Surely he would be able to reach the hearts and the minds of others who, like himself, had experienced the horror and futility of modern warfare.

He has returned a saddened man. He had found a people spiritually frustrated. He found men who had lost their God. He found a nation that placed every possible barrier in the way of those who sought to find God. He found a materialistic, mechanized nation, "soul quenched" as Edwin Markham would have said, a people with no inner self remaining. His only hope today is his conviction that in God's kingdom men and nations cannot forever be denied a touch of heaven.

Matthew Kane tells us, simply but graphically, of the barren land—materially wealthy, but very poor indeed.

The article follows:

SEES SOVIETS STARVING OUT ALL RELIGION

Religion will be dead in Russia within 50 years, according to a Washingtonian who recently returned from a 2-week visit to the Soviet Union. His visit included a 1-hour-and-15-minute interview with Premier Khrushchev.

Matthew J. Kane of St. Matthew's parish said his opinion is based on the fact that church attendance in Russia is limited to elderly persons. "I went to mass at two of the four Catholic churches in Russia," he said, "and no one in the congregation was under 65 years old. The young people aren't allowed to go to church. They're weaned away from religion very early in life.

"So when these old people die, where will the new congregations come from? The answer is, there won't be any new ones."

Mr. Kane accompanied six American veterans of the 1945 Elbe linkup with Soviet troops. He himself was not involved in the linkup—he was in the submarine service in World War II—but he met the Russian veterans who came to the United States last year to commemorate the event, and was extended a formal invitation to accompany the American delegation this year.

He arrived in the Soviet Union on April 28, on the same plane with British Field Marshal Montgomery. One of the first sights he looked for was Moscow's only Catholic Church, St. Louis of the French.

HARD TO FIND

"It wasn't easy to find," he stated. "Imagine walking out of one of the best hotels in Moscow, where there were about 15 cabs lined up in front, and not one of the drivers knew where the Catholic church was. But we finally found it."

The church is small and in a rundown condition, Mr. Kane reported, adding that the repairs in evidence were obviously makeshift. He said that when he first visited the church, on a weekday afternoon, a service was in progress attended by about 25 people.

But the church was filled for Sunday mass, he said. "And nobody came late." Following the mass, he added, there was benediction, a litany, and a sermon by the pastor, a Polish priest in his forties. "The entire service lasted nearly 2 hours, and nobody left until at least 15 minutes after it was over."

The congregation was made up almost entirely of elderly women, he said. "About the only men I saw were the two altar men who served mass. They were not 'altar boys.' They were men in their seventies."

The attitude of the congregation was exceptionally devout, he declared. Most of those present received communion, and those who had prayerbooks obviously had used them for a great many years. The books were dog-eared and some were almost falling apart, he said. "It's impossible, of

course, to have books of this sort printed in Russia."

"There are two Sunday masses," Mr. Kane said. "And I understand the other one was as crowded as the one I attended. It's not easy to be a Catholic in Russia, and the people appreciate whatever small chance they're given to practice their religion."

Mr. Kane also visited Stalingrad, which has no Catholic church, and Leningrad, where the Catholic church is bigger and in better condition than the one in Moscow. The Leningrad church has two priests, compared to only one at the Moscow church.

The congregations were about the same at both churches.

Mr. Kane also visited the Jewish synagogue with a friend, and here again the congregation was made up almost entirely of old people. His schedule did not permit him to visit the other two Catholic churches in Russia—in Odessa in the south and in Tiflis in the Caucasus. But he did attend mass at the apartment of Father Louis F. Dion, A.A., who serves as chaplain to Catholic embassy personnel in the Soviet capital.

"The Soviet rulers know that these old people who go to church will die off soon," he said. "So why should they lay themselves open to criticism by shutting down all the churches? They're not in any hurry. They can wait."

He emphasized that religion is barely tolerated in Russia, and is permitted only on a sharply limited scale. "They talk about freedom of religion, but there's none there," he said. "For example, the priest has to have permission from the Minister of Cults to say mass or offer any service."

Mr. Kane said that the interview he and the other visitors had with Khrushchev was mostly chit-chat. He talked mostly about the census figures that were due to be released in a few days, and about the horrors of war, and how he was looking forward to Vice President NIXON's visit. There was no mention of religion.

Mr. Kane came back to the United States with one overwhelming impression: That the Soviet leaders are waging an unremitting, skillful, and at least partly successful propaganda campaign to lull America into a false sense of security.

"They're trying awfully hard to get across the idea that they're a peace-loving nation," he said. "By hammering on this point all the time, they hope to get us to lower our guard, to be indifferent to a very serious threat. But keep in mind that they never make a move that isn't calculated to help their own plans—and that includes cultural exchanges.

"The motto, 'Speak softly and carry a big stick' is a good one for us to remember today."

Mr. Kane discounted any hope of an internal revolt. "The people there are contented because they're better off than they were 40 years ago. But they don't get news of the outside world. I used several radios in Moscow and couldn't get anything except Moscow stations and jamming noises."

Mr. Kane, owner of Kane's Guest House, 1123 13th Street NW., has no wish to return to Russia. "Why go back"? he said. "It's not a friendly nation. And there's nothing there that we don't have here, and better."

Mr. Kane is department commander of the Irish War Veterans and a national councilman of the Veterans of Foreign Wars.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TOLLEFSON, for 1 week beginning June 8, 1959, on account of committee hearings necessitating his presence in California.

Mr BARING, from Friday, June 5 to June 15, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PUCINSKI, for 30 minutes, on Monday, June 8, vacating his special order for today.

Mrs. ROGERS of Massachusetts, for 15 minutes, on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BROWN of Ohio and include a statement on the DAV services in Ohio.

Mr. BENTLEY and to include a eulogy of the late John Foster Dulles by Vice President NIXON.

Mr. CURTIS of Missouri and to include addenda.

Mr. REES of Kansas and to include extraneous matter.

Mr. FLYNN.

Mr. WOLF (at the request of Mr. JONES of Missouri), to include extraneous matter in his extension of remarks today during debate under the 5-minute rule.

(At the request of Mr. ROBISON and to include extraneous matter, the following:)

Mrs. DWYER.

(At the request of Mr. JONES of Missouri, the following Members to revise and extend their remarks in the CONGRESSIONAL RECORD and include extraneous matter:)

Mr. MONAGAN.

Mr. MULTER in two instances.

Mr. RIVERS of South Carolina.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H.R. 5805. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1960; and

H.J. Res. 254. Joint resolution to authorize participation by the United States in parliamentary conferences with Canada.

ADJOURNMENT

Mr. JONES of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 56 minutes p.m.), under its previous order, the House adjourned until Monday, June 8, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1073. A communication from the President of the United States, transmitting a proposed appropriation for the fiscal year 1960 in the amount of $10,500,000 for transitional grants to Alaska (H. Doc. No. 170); to the Committee on Appropriations and ordered to be printed.

1074. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated July 2, 1958, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Tahchevah Creek, Whitewater River Basin, Calif., authorized by the Flood Control Act, approved August 28, 1937 (H. Doc. No. 171); to the Committee on Public Works and ordered to be printed with one illustration.

1075. A letter from the Acting Secretary of the Treasury, transmitting a copy of a report of the Bureau of Accounts covering restoration of balances withdrawn from appropriation and fund accounts under the control of the Treasury Department, pursuant to the act of July 25, 1956 (70 Stat. 648), 84th Congress; to the Committee on Government Operations.

1076. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill for the relief of the estate of Sakihara Koki"; to the Committee on the Judiciary.

1077. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MADDEN: Committee on Rules. House Resolution 284. Resolution for consideration of H.R. 6596, a bill to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes; without amendment (Rept. No. 437). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 285. Resolution for consideration of H.R. 7246, a bill to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended; without amendment (Rept. No. 438). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 286. Resolution for consideration of S. 1901, an act to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco; without amendment (Rept. No. 439). Referred to the House Calendar.

Mr. MORGAN: Committee on Foreign Affairs. H.R. 7500. A bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes; without amendment (Rept. No. 440). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 287. Resolution for consideration of H.R. 7523, a bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; without amendment (Rept. No. 441). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 288. Resolution for consideration of H.R. 3, a bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; without amendment (Rept. No. 442). Referred to the House Calendar.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 443. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H.R. 7583. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

H.R. 7584. A bill to provide that surplus personal property of the United States may be donated to the States for the promotion of fish and wildlife management activities, and for other purposes; to the Committee on Government Operations.

By Mr. CURTIS of Missouri:

H.R. 7585. A bill to authorize an increased program of research in forestry and forest products and for other purposes; to the Committee on Agriculture.

By Mr. FOLEY:

H.R. 7586. A bill authorizing the Secretary of the Interior to erect a monument at Fort Cumberland, Allegany County, Md., in honor of George Washington; to the Committee on House Administration.

By Mrs. KEE:

H.R. 7587. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State; to the Committee on Banking and Currency.

By Mr. KEOGH:

H.R. 7588. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of copyright royalties for purposes of the personal holding company tax; to the Committee on Ways and Means.

By Mr. SIKES:

H.R. 7589. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

H.R. 7590. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. WILLIAMS:

H.R. 7591. A bill to amend section 701(e) of the Federal Aviation Act of 1958 so as to limit the use of Civil Aeronautics Board reports and testimony of Board personnel regarding aircraft accidents; to the Committee on Interstate and Foreign Commerce.

H.R. 7592. A bill to amend section 902 of the Federal Aviation Act of 1958 so as to prohibit certain practices regarding passenger ticket sales and reservations; to the Committee on Interstate and Foreign Commerce.

H.R. 7593. A bill to amend sections 101 and 401(e) of the Federal Aviation Act of 1958 so as to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of service authorized, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7594. A bill to provide for the filing with the head of each department, agency, or instrumentality of the United States, the State of legal residence or domicile of all civilian and military officers and employees of the United States serving with such department, agency, or instrumentality; to the Committee on Post Office and Civil Service.

H.R. 7595. A bill to amend section 407 of the Federal Aviation Act of 1958 so as to authorize the Civil Aeronautics Board to regulate the depreciation accounting of air carriers; to the Committee on Interstate and Foreign Commerce.

H.R. 7596. A bill to amend section 1002 of the Federal Aviation Act of 1958 so as to provide for the regulation of rates and practices of air carriers and foreign air carriers in foreign air transportation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7597. A bill to amend section 406 of the Federal Aviation Act of 1958 so as to provide for the separation of subsidy and airmail rates, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SPRINGER:

H.R. 7598. A bill to amend section 406 of the Federal Aviation Act of 1958 so as to provide for the separation of subsidy and airmail rates, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIAMS:

H.R. 7599. A bill to amend sections 901(a) and 902(a) of the Federal Aviation Act of 1958, so as to authorize the imposition of civil penalties in certain additional cases; and to increase the monetary amount of fines for violation of the criminal provisions; to the Committee on Interstate and Foreign Commerce.

By Mr. SPRINGER:

H.R. 7600. A bill to amend sections 901(a) and 902(a) of the Federal Aviation Act of 1958, so as to authorize the imposition of civil penalties in certain additional cases; and to increase the monetary amount of fines for violation of the criminal provisions; to the Committee on Interstate and Foreign Commerce.

By Mr. BONNER:

H.R. 7601. A bill to amend the Merchant Marine Act, 1936, to provide further requirements for applicants for and contractors under operating-differential subsidy contracts; to the Committee on Merchant Marine and Fisheries.

By Mr. CHENOWETH:

H.R. 7602. A bill to revise, extend, and otherwise improve the Communications Act of 1934 (47 U.S.C. 315) to bring into focus and more proper perspective that section of the law governing political broadcasts; to the Committee on Interstate and Foreign Commerce.

By Mr. HECHLER:

H.R. 7603. A bill to authorize the establishment of Washington's Western Lands National Monument in the State of West Virginia; to the Committee on Interior and Insular Affairs.

H.R. 7604. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State; to the Committee on Banking and Currency.

By Mr. EDMONDSON:

H.R. 7605. A bill for the relief of the State of Oklahoma; to the Committee on the Judiciary.

By Mr. OSMERS:

H.R. 7606. A bill to limit the acquisition and use by civilian agencies of the Federal Government of equipment for reproducing documents, drawings, papers, and so forth, on sensitized materials; to the Committee on House Administration.

By Mr. PERKINS:

H.R. 7607. A bill to provide disability retirement benefits for civilian employees of the Government in certain additional cases; to the Committee on Post Office and Civil Service.

By Mr. BARING:

H. Con. Res. 197. Concurrent resolution expressing the sense of the Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

By Mr. DOYLE:

H. Con. Res. 198. Concurrent resolution designating President's Day; to the Committee on the Judiciary.

By Mr. SIKES:

H. Con. Res. 199. Concurrent resolution expressing the sense of the Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

By Mr. BERRY:

H.J. Res. 417. Joint resolution proposing an amendment to the Constitution of the United States to require every appropriation measure to be accompanied either by a revenue-producing measure, or a certification that revenues will be produced to cover the cost of the appropriation measure; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HALEY: Memorial of the Legislature of the State of Florida, memorializing the President and the Congress to provide sufficient funds for commencement of construction of the West Coast Intracoastal Waterway from the Caloosahatchee River to the Anclote River, Fla., at the earliest possible time; to the Committee on Appropriations.

By the SPEAKER: Memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to amend the Military Pay Act of 1958 to equalize the retirement pay of members of the Armed Forces of the United States; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to grant Federal loans to needy students for graduate studies and provide for repayment over 20 years; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. RIVERS of Alaska (by request):

H.R. 7608. A bill for the relief of Dr. Carmela Torre; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 7609. A bill for the relief of Raul J. Hermitte and Ginette N. Hermitte; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

207. By the SPEAKER: Petition of Mrs. J. J. McLaughlin, chairman, Defenders of American Education, Tucson, Ariz., petitioning consideration of their resolution with reference to the recognition of Soviet Russia; to the Committee on Foreign Affairs.

208. Also, petition of Chester Phillips, secretary, Highland County Farmers Union, Greenfield, Ohio, petitioning consideration of their resolution with reference to the late Honorable James G. Polk; to the Committee on House Administration.

EXTENSIONS OF REMARKS

Sweden: Freedom and the Good Life

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, June 5, 1959

Mr. MULTER. Mr. Speaker, tomorrow, June 6, is celebrated in Sweden as Constitution and Flag Day.

Sweden throughout her history has stood for the ideals most cherished by Americans. Hers is a tradition of freedom, of courage, of respect for religion with tolerance, of education, progress, of high regard for the individual, and, in modern history, of peaceful cooperation.

The Swedish tradition of freedom dates from earliest history. Mention is made by Tacitus of the separate, Suiones people, from whom Sweden derived its name. The Viking ships are believed to date from the Roman era. The tales of the Viking era—from about 700 to 1000 A.D.—stir our imagination and command our respect. Courage and a capacity for organization was their legacy wherever these sea kings made a permanent landing. Characteristic, above all, was, and has ever been, a love of freedom and respect for individual liberty.

As early as the Middle Ages, Christianity triumphed in the center of the old heathen realm, the land of the Valkyrie. It has flourished significantly in Sweden ever since. Soon after Luther, the Lutheran church became the church of Sweden. More than 90 percent of the Swedes are baptized and married by the clergy of that church to this day. Because of the tolerance acquired during the centuries since its foundation, however, this figure actually covers many nonconformists and those indifferent to all but certain customs of the church.

The people of Sweden have long been taught to think for themselves. The Swedish press boasts of having the oldest legally protected guarantees of press freedom in the world. A newspaper established in 1645 still appears regularly. Greater knowledge, more extensive schooling are the basis of the vigorous and alert democracy that exists in Sweden.

Sweden has been a leader in social reform. Her progress in social security has served as a model for many features of the American system. Observers from England have compared Sweden's measures favorably with those of their own country, New Zealand, and Australia. For nearly two centuries, Sweden's communities have cared for their aged, infirm, and otherwise needy people. Workmen's compensation, unemployment insurance, and compulsory health insurance are part of the national scheme of social welfare, which has been for over 70 years in the process of revision and improvement. The general aim is to protect the life and health of each citizen.

The Swedes are good neighbors abroad as well as at home. Renowned neutrality, maintaining peace for nearly 150 years, has not prevented Sweden from joining in the Council of Europe, the Organization for European Economic Cooperation, the United Nations, as well as many other international organizations—with all that participation implies. In joining the U.N. Sweden did specifically declare her intention to maintain her traditional freedom from military alliances, while protecting with a strong defense her independence and democratic institutions. The world's respect for her stand is clearly evident in the choice of Dag Hammerskjöld as its leader in the United Nations.

Sweden's high standard of living is reflected in a comparatively high level of stability in national politics. Communists have played a very small role there. The two-party system, which prevailed in the era of formulation of the Swedish parliamentary democracy, inspired a stanza which strikes a responsive note in our own day. In the 18th century, the Swedish poet Jacob Wallenstein wrote of party politics by popular name:

Let Hats and Caps fight on, let discord's thunder rumble;
An oak which now and then is shaken by a blast,
Below the ground holds firm and fast.
When Rome its squabbles ceased she had begun to tumble,
And England gains her peak amid disputes and strife.
Free states from party feuds draw life.

The free states of the world and we in America, join in a salute to Sweden's freedom and good life.

Retirement of Vice Adm. John M. Will, United States Navy

EXTENSION OF REMARKS
OF
HON. L. MENDEL RIVERS
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 5, 1959

Mr. RIVERS of South Carolina. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I should like to call to the attention of my colleagues in the Congress the retirement on June 30 with rank of full admiral of Vice Adm. John M. Will, United States Navy, most recently commander, Military Sea Transportation Service.

Admiral Will's relief has already been announced to be Vice Adm. Roy A. Gano, an able and gracious gentleman well-known in naval and commercial shipping circles, and a most wise choice to take over the worldwide complexities of Military Sea Transportation Service. He has already served a tour as deputy commander of Military Sea Transportation Service before moving on to command amphibious group 2 in the Mediterranean.

"Dutch" Will, as he is admiringly known to his friends in the Navy and in maritime circles, is an admiral's admiral. His career was colorful in the combat days of World War II, and most recently vastly productive in an operational way during the years which followed—brush-fire outbreaks of hostilities and the troubled crises which mark our times.

Above all things, "Dutch" Will is a man who believes in getting around and seeing things for himself. His pace is relentless and the scope of his journeys throughout the world have left younger and lesser men bobbing in his wake. He expects and demands the highest degree of performance in his staff, and of himself he demands even more—and produces it.

An axiom at his headquarters in Washington, borne out by distraught commanders in the field on the occasion of unannounced field trips, is "If the old man asks you a question, you'd better blankety blank well have the answer or know where you can get the information he wants."

Yet the retiring commander of Military Sea Transportation Service is no martinet. He runs a mighty taut ship and he gets the results he wants, but when a member of his staff—top civilian or stenographer; officer or enlisted man—gets a promotion or is recognized for his accomplishments, personal congratulations come from Admiral Will—if he is not in Tokyo, Thule, or Timbuctoo—almost as soon as he gets it from his boss.

"Dutch" Will is synonymous with Military Sea Transportation Service. Think of one and you automatically think of the other.

Keenly appreciative of the importance of smooth public relations, his judgment and decisions concerning MSTS have done astonishing things to bring about good will and admiration for the service which for years was thought of by maritime labor and management alike as a Federal agency competing against private industry.

MSTS still has its critics, and many are mighty outspoken, but few have anything but respect for the man at the helm, "Dutch" Will.

A year ago he was awarded the Robert L. Hague Trophy of the American Legion on behalf of the entire maritime industry, recognizing him as the single individual who had done more for the American merchant marine in that year than anyone else.

This year's fiscal report of MSTS shows a significant statistic, and one which even its harshest critics find difficult to refute. Out of MSTS' entire operating funds—$425 million—78 percent went to private industry: ship repair facilities, shipyards, steamship companies, new construction, and what have you.

The thinking of top people at MSTS is constructive and progressive. "Dutch" Will insists upon it. MSTS, he feels, is an agency whose functions should include tests and experiments which will benefit private industry as well as MSTS' own ship operations.

MSTS has led the way in ship design; cargo handling methods; safety and training practices ashore and afloat; exploration and development of remote operating areas which include the discovery of a deepwater northwest passage in the Canadian Arctic; the further development of ice freeing devices which kept extreme northerly harbors open for shipping long after the termination of the normal navigation season and a full-ahead participation in this country's oceanographic research program.

MSTS, under "Dutch" Will, conceived the ice-strengthened cargo ships and tankers which have proved themselves year after year in polar operations. In the field of rollon, rolloff transportation, MSTS' prototype vehicle carrier U.S.N.S. *Comet* and her recently acquired running mate U.S.N.S. *Taurus* are under the scrutiny of industry and their effect is already being felt in new ship designs.

When the Maritime Administration converted two Liberty ships to gas-turbine and free-piston propulsion, MSTS put them to use.

The accomplishments of MSTS are varied and impressive. Statistics of passenger lifts, evacuation of refugees from troubled lands, the transportation of military cargoes, and the supply of petroleum products throughout the world by this vastly complex, yet highly efficient, organization are available for all to see.

It has been geared with emergencies in mind—Korea and Lebanon, to name but two. In such a successful manner is MSTS run that its ships were loaded and operating with units of the fleet within hours of the announcement of the existence of the emergency.

Its record for saving lives at sea is unequaled by any organization, with the obvious exception of the U.S. Coast Guard, which is in the lifesaving business and performs its task with great distinction, devotion, and magnificent seamanship.

The high standards and the very high degree of excellence of MSTS throughout its worldwide activities are, of course, not the result of any one man's inspiration, but of many thousands of dedicated people whom he encouraged.

Admiral Will has served two separate tours—as commander, Atlantic area, and most recently as overall commander. MSTS was there when he reported aboard each time. But each time he was assigned to MSTS the wheels turned even faster than before.

The Navy is losing a talented and courageous officer. Whatever segment of private industry has the foresight to grab him will be fortunate indeed.

The four-star flag "Dutch" Will will receive at the retirement ceremonies at the Naval Gun Factory on June 30 is the Navy's own way of showing the boy from Perth Amboy, N.J., that it, too, recognized his inherent ability and leadership. Forty years ago this month, Midshipman "Dutch" Will bent on his ensign's shoulderboards for the first time, and steadied on the course which has brought him, after a long and eventful voyage, to the destination he knew lay over the horizon of his youth.

Yet the voyage is only half over. A second career is at hand. The experience of many commands, the mellowness and judgment that comes with this experience and the insatiable drive to tackle baffling problems are qualifications which most surely will be sought out by the very industry which at first held "Dutch" Will in suspicion, and within a few short years regarded him with great respect.

The four-star flag they will give him at his retirement may never fly at the truck, but the man who earned it will be at the conn in a controversy involving the "men who go down to the sea in ships and have business in the great waters."

As a member of the House Committees on Merchant Marine and Fisheries and Armed Services, I am certain that I speak for my colleagues on these committees when I say that in our dealings with the top officers of the Navy few men stand out as does "Dutch" Will for dedication and devotion to duty—qualities he seeks in others and demands from himself.

As a private citizen, may I speak for myself when I say that my admiration and respect for the man I am proud to call my friend is very great indeed.

Vice President Nixon Writes About Dulles

EXTENSION OF REMARKS

OF

HON. ALVIN M. BENTLEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1959

Mr. BENTLEY. Mr. Speaker, the most recent issue of Life magazine contains several pages of photographs covering the recent funeral ceremonies of our late great Secretary of State, John Foster Dulles, as well as pictures setting forth the highlights of his illustrious career. Accompanying this pictorial study is a brief but moving article by Vice President NIXON about the character and quality of this great man whose passing was indeed a loss to the entire free world.

It is a pleasure to call the attention of my colleagues to this article and, under leave to extend and revise my remarks, to include it with them, not only for the information of my colleagues in Congress but with the expressed hope that it will be given wide circulation throughout the entire country.

It is a fitting tribute to a very great man from another great man who was closely associated with Mr. Dulles in both his work and his thinking regarding foreign policy and the dangers of international communism:

VICE PRESIDENT NIXON WRITES ABOUT DULLES

(By RICHARD M. NIXON)

I have had the privilege of knowing and working with John Foster Dulles since the time I first met him in 1948. And it was my great fortune that since the fall of 1955 the association between us was particularly close.

In a city where a political leader learns that the number of his friends goes up and down with his standing in the public opinion polls, I found Mr. Dulles' loyalty to his friends was no more affected by the latest poll than was his adherence to his own policies.

He was not unaware of his unique abilities. But he was one of those rare individuals who could accept—and even demand—from his friends constant critical examination of both his policies and his leadership. He was never guilty of that most deadly sin—unreasoned pride and conceit.

I recall at least four occasions when he was under attack when he asked for my advice. His question was not as to his policies, which he believed to be right (a view I shared), but whether he, himself, might have become too controversial to be the best spokesman for those policies.

"I never want to be a burden on the President," he often used to say to me. "As a friend, I want you to tell me whenever you believe that I have become a burden, either politically or otherwise."

He recognized the fundamental truth that a public man must never forget—that he loses his usefulness when he as an individual, rather than his policy, becomes the issue.

This trait was most in evidence on his last arduous journey to Europe when he had to call into play all his superb diplomatic talents in order to help unify the Western position on Berlin. There was seldom a moment on this trip when he was without pain. He was unable to keep down a single meal.

I asked him how he was able to carry on.

He answered, "I told my associates that they were to watch me carefully and that they were to inform me immediately whenever it appeared that my physical condition in any way impaired my ability to carry on the negotiations in which we were participating." But he was never better at the negotiating table than at this most difficult period of his life.

He afterward told me, "I never felt any pain while the negotiating was taking place. Then at the end of the day it would come down on me like a crushing weight."

So much for the quality of the man. His policies will be judged not by his dedication or his skill at the conference table but by what happens in the years ahead, when men like Christian Herter build on the foundations Mr. Dulles erected.

But whatever happens there are certain great principles which he advocated which will forever stand as a monument to his memory.

He believed that those who are called to positions of leadership in a democracy have the responsibility to lead, not just to follow public opinion. During the crisis over Quemoy and Matsu, the mail, the polls, and the opinionmakers seemed to be overwhelmingly against the position he advocated. He told me that we had to try to change public opinion by informing the people of facts of which they might not be aware. If, after they learned the facts, the people held the same opinion, theirs of course should be the final judgment. But in this instance, his leadership helped to convince the people and thereby averted a Communist victory that could have destroyed the free world position in Asia.

History will also record that the inflexibility and brinkmanship for which he was criticized in truth represented basic principles of the highest order.

At a time when the political and intellectual climate in the West appeared to be moving slowly but steadily toward advocacy of shortsighted, opportunistic arrangements

with the Soviets, Mr. Dulles' stubborn constancy sometimes appeared like an anachronism. Yet he made an unchallengeable argument for firmness where fundamentals were involved. Speaking before the National Council of Churches of Christ last November, Mr. Dulles said: "Communism is stubborn for the wrong; let us be steadfast for the right. A capacity to change is indispensable. Equally indispensable is the capacity to hold fast to that which is good. So it is that while we seek to adapt our policies to the inevitability of change, we resist aspects of change which counter the enduring principles of moral law."

When he was attacked for brinkmanship Mr. Dulles stood on an ancient and honorable principle—that by looking a great danger in the face we may avert it and lesser perils. He was simply taking the same position which Winston Churchill saw so well in 1939: "If you will not fight for the right when you can easily win without bloodshed; if you will not fight when your victory will be sure and not too costly; you may come to the moment when you will have to fight with all odds against you and only a precarious chance of survival."

But it is in a third area in which Mr. Dulles leaves to the free world perhaps his most lasting and valuable legacy. Some of his critics have scoffed at his advocacy of peaceful liberation of the Communist-dominated peoples and at his often reiterated faith in the eventual collapse of communism.

Yet, what other tenable position can self-respecting free peoples take? The Communists have no hesitancy in proclaiming their faith in the eventual domination of the world by dictators. Can we be less determined in our dedication to the cause of freedom from tyranny for all people?

If we want a foreign policy and a national attitude that bends before every Communist breeze, if we have come to the point where liberty is not worth our lives, if we are becoming convinced that the future is in the hands of dictators rather than in those of free men, then we no longer need the Dulleses or their legacy. But while American greatness and American hope endure, John Foster Dulles will be remembered as one of their most effective and eloquent champions.

DAV Services in Ohio

EXTENSION OF REMARKS
OF
HON. CLARENCE J. BROWN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, June 5, 1959

Mr. BROWN of Ohio. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of Ohio citizens has recently come to my attention. These splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly, and indirectly.

Among the several congressionally chartered veterans' organizations, which have State departments and local chapters in Ohio, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it during time of war.

DAV SETUP

Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have very substantially benefited every compensated disabled veteran. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. The national legislative director is Elmer M. Freudenberger; the national director of claims, Cicero F. Hogan; and the national director of employment relations, John W. Burris, located at the DAV national service headquarters, 1701 18th Street NW., Washington, D.C. I am especially proud of the fact that Ohio, my home State, has led all States in membership in the DAV for the past 22 years, having about 25,000 members in its 126 chapters.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veterans' organizations. Nevertheless, since shortly after its formation in 1920, the DAV national headquarters located in Cincinnati, Ohio, has maintained the largest staff of any veterans' organization of full-time trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and its central office in Washington, D.C.

They there have ready access to the official claim records of those claimants who have given the DAV their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

SERVICE FACILITIES IN OHIO

The DAV national service officers in Cincinnati are Mr. Bernard Southard, Mr. Charles A. Burger, Mr. John Kirch, Mr. Thomas G. Ryan, and Mr. Ralph F. Schwamberger, located at the VA regional office, 209 East Sixth Street. Mr. Garrett J. Bowman, Mr. Pasquale B. Gervace, Mr. Albert Nigoff, and Mr. Verne Nygaard are located at the VA regional office, 234–235 Williamson Building, Cleveland.

The national headquarters of the DAV is at 5555 Ridge Avenue, Cincinnati, where the national service officer, John Delaney, is on duty. National officers for this year from Ohio are Mr. Joe Smith, 225 West Harrison, Alliance, and Mr. Joe Stefan, 864 Berghoff Street, Akron, who are the national executive committeeman and alternate, respectively, from the seventh district.

The DAV department commander of Ohio is Mr. Sam Rothenberg, 4511 Shirley Drive, South Euclid, and the department adjutant-treasurer is my long-time personal friend, Mr. A. L. Daniels, 105–07 Wyandotte Building, Columbus.

The VA hospitals coming under the jurisdiction of these offices are: A 2,116-bed NP hospital at Chillicothe, a 463-bed GM hospital at Cincinnati, a 1,013-bed GM hospital at Dayton, a 2,138-bed DOM hospital at Dayton, a 324-bed TB hospital at Brecksville, and a 852-bed GM hospital at Cleveland.

The DAV representatives with the VA Voluntary Services are Mr. George Sriner, of 1040 South Roosevelt Avenue, Columbus, at the Chillicothe NP Hospital; Mr. Joseph M. Zapatony, Post Office Box 55, North Dayton Station, Dayton, at the DOM Hospital at Dayton; Mr. George Meyers, 5868 Layor Drive, Parma Heights, at the GM Hospital at Cleveland; Mr. Robert Silva, 559 Virgil, Cincinnati, at the GM Hospital at Cincinnati; and Mr. Robert R. Boyle, 3729 West 33d Street, Cleveland, at the TB Hospital at Brecksville.

During the last fiscal year, the VA paid out $82,890,666 for its veterans' program in Ohio, including disability compensation to its 116,642 service-disabled veterans. These Federal expenditures in Ohio furnish substantial purchasing power in all communities.

The DAV of Ohio renders a most outstanding service to the wars' disabled and their dependents—as proven by the following facts and figures—for the last 10 fiscal years:

Claimants contacted (estimated)	411,054
Claims folders reviewed	352,545
Appearances before rating boards	176,533
Compensation increases obtained	13,959
Service connections obtained	6,022
Nonservice pensions	9,012
Death benefits obtained	2,002
Total monetary benefits obtained	$8,758,921.74

The above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Ohio veterans, their dependents, and their survivors.

SERVICES BEYOND STATISTICS

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV national service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans, their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guaranty loans for homes, farms and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible. A Claims and Rating Board can obviously not grant favorable action merely based on the opinions, impressions or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed—because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

LOSSES BY REVIEWS

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others, at an aggregate loss to them of more than $28 million per year. About 5 percent of such discontinuances and reductions have probably occurred as to disabled veterans in Ohio with a consequent loss of about $1,568,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veterans' organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Ohio to give his power of attorney to the national service officer of the DAV, or of some other veterans' organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

COSTS OF DAV SERVICES

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

METHODS OF PROVIDING SERVICES

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project, thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in donations, more than 1 million owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 40,712 of whom, during the last 8 years, were Ohio residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to a fellow citizen, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

MEMORIAL HONOR ROLL

During the last 10 years, the DAV has also relied on appropriations aggregating $3,300,000, exclusively for salaries to its national service officers, from the DAV Service Foundation, its separately incorporated trustee, incorporated in Ohio in 1931, incidentally, when I was Ohio's secretary of state. Its reserves having thus been nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all serviced claimants, DAV members and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first Perpetual Rehabilitation Fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $5 per DAV member. Benefactors from 29 States have, up to this time, become enrolled on the memorial honor roll.

Inasmuch as only the interest earnings from special donations will be available for appropriation to the DAV for its use in maintaining its national service officer program in the State of residence of each such benefactor, this is an excellent objective also for Ohio. Each such special benefactor is enrolled on a permanent memorial honor roll which, updated, is then included in the annual report of the DAV and of its incorporated trustee, the DAV Service Foundation, to the U.S. Congress.

Each claimant who has received any such free rehabilitation service can help to make it possible for the DAV to continue this excellent rehabilitation service for other distressed disabled veterans and their dependents in Ohio by sending donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C. Every "serviced" claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902, or World War I veterans—payable in installments within 2 full fiscal-year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations, and various religious, fraternal and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations—the United Spanish War Veterans, the American Legion, the Veterans of Foreign Wars, the Amvets, the Military Order of the Purple Heart, and the Disabled American Veterans—all of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV. If eligible, I would certainly be proud to be a life member of the service-giving Disabled American Veterans.

Mail by Guided Missile

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1959

Mr. REES of Kansas. Mr. Speaker, under unanimous consent granted me, I

am including a statement made by Postmaster General Arthur E. Summerfield concerning an experimental exploration of a new technique in communication. The statement of General Summerfield is most interesting:

MAIL BY GUIDED MISSILE

The United States today began experimental exploration of a major new technique of communication that is of historic significance to the peoples of the entire world.

A guided missile, on a routine training flight at approximately the speed of sound from an American guided missile submarine at sea, landed successfully on our east coast with a shipment of U.S. missile mail.

This peacetime employment of a guided missile for the important and practical purpose of carrying mail is the first known official use of missiles by any post office department of any nation. An unofficial test flight of a singular Regulus I on the Pacific coast was made several months ago.

These developments are a reaffirmation by the United States of its humanitarian aims, as eloquently emphasized by President Dwight D. Eisenhower, that the scientific achievements of our people shall be used as a rich legacy of progress for mankind.

Today's shipment of mail by missile has given us extremely valuable information of far-reaching importance to the future of the U.S. mail service, namely:

1. The use of compartments built into missiles to carry considerable shipments of mail appears highly practical.

2. Significant quantities of mail can be loaded quickly and efficiently into missiles.

3. Missiles can be developed to carry mail safely and swiftly.

4. The relative lightness of letters and the small space they occupy makes them ideal users of missile technology.

5. Guided missiles may ultimately provide a solution to problems of swifter mail delivery for international mails, for isolated areas where other transportation is infrequent, as well as a supplementary high-priority service to big population centers.

The first U.S. Post Office Department official missile mail experiment, delivering approximately 3,000 letters, was loaded aboard the guided missile submarine U.S.S. *Barbero* (SSG–317) at Norfolk, Va., shortly before departure on a regular training mission. A branch post office was established on the *Barbero* by my official orders at that time.

This morning the crew of the *Barbero*, while in the international waters of the Atlantic Ocean, dispatched this historic shipment of U.S. mail on a Regulus I training guided missile, flying the missile successfully to its destination at the Naval Auxiliary Air Station at Mayport, Fla., near Jacksonville, where it landed safely a few minutes ago.

The first missile mail was carried in two metal compartments, painted in the Post Office Department's official mail-box colors of red, white, and blue.

As our studies proceed on the effective utilization of guided missile techniques for mail delivery, we can expect further experiments to develop the feasibility of our plans and add to our store of knowledge of what we informally call our "Pony Express II Missile Mail Project."

The successful missile mail experiment today was possible only because of the close cooperation of Secretary of Defense Neil H. McElroy, the fine personnel of the Department of Defense, and the Navy, and our own dedicated Post Office Department people, all working closely together. The Post Office Department is also deeply indebted to Lt. Commander Carlos Dew, USN, commanding officer of the *Barbero*, and the other officers and members of its capable crew.

The letters which arrived via the Regulus I flight at Mayport, are being processed now in the Jacksonville, Fla., Post Office for regular dispatch to officials and leading citizens who have contributed to, or shown special interest in the postal progress of recent years, including: The President, the Vice President, Members of the Cabinet, other top Federal officials, Members of Congress, Justices of the Supreme Court, Governors of the States, including Alaska and Hawaii, the Smithsonian Institution, the postmasters general of the 99 other member nations of the Universal Postal Union, members of groups associated with the postal service, such as the Post Office Department Advisory Board, and the officers and crew of the *Barbero*.

The envelope used was my official one with a pictorial cachet of the Regulus I bearing the wording "First Official Missile Mail—U.S. Post Office Department" placed to the left. A cancellation reading "USS *Barbero*" with the date and approximate time of launching of the Regulus I from the submarine was used on the cover. The letters were appropriately franked with the red, white, and blue 4-cent American Flag Commemorative Stamp issue of 1957. On the reverse side of the envelope a backstamp was applied showing the approximate time of the receipt of the mail at the Jacksonville, Fla., Post Office prior to its dispatch throughout the world.

Each missile mail envelope carries a letter from me, as Postmaster General. I would like to emphasize now what I said in the letter: that the great progress being made in guided missilry will be utilized in every practical way by the Post Office Department.

I believe we will see missile mail developed to a significant degree before man has reached the moon.

Today's experiment with missile mail is in line with the finest traditions of the Post Office Department in pioneering with new means of transportation to speed the delivery of the mails.

In colonial days Benjamin Franklin took the mails from horseback and put it on coaches; in 1831 the Post Office Department was the first to use the new fangled trains; in 1858 the Post Office linked the Nation with the famous Overland Mail stage service to be followed in 1860 with the even faster Pony Express. In 1918, when most people still thought the airplane was an unworkable contraption, the Post Office Department demonstrated its practical peacetime uses with the first regular air mails.

Today's missile mail will go down in history as another saga of progress and achievement in our national heritage.

The Mary D. Bradford High School Band of Kenosha, Wis., Plays Concert on the Capitol Steps

EXTENSION OF REMARKS
OF
HON. GERALD T. FLYNN
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Friday, June 5, 1959

Mr. FLYNN. Mr. Speaker, we were honored today by a visit here at the Nation's Capitol from the band of the Mary D. Bradford High School in Kenosha, Wis. This band is one of the outstanding bands in southern Wisconsin and has for several years been under the able leadership of Ralph J. Houghton. Mr. Houghton, who is recognized throughout the State of Wisconsin as one of the most able organizers of musical composition, has personally guided the band since its inception. The band now consists of 85 boys and girls, all of high school age, and most of whom are accomplished musicians in their own right. The band members were resplendent in red and white West Point uniforms with tails. The group has won many awards especially for its herald trumpet effect, and so forth.

The band from the Mary D. Bradford High School is presently on its way to New York to participate in the activities of the Lions International convention which is being held there. They will parade in a 7-hour parade down 42d Street and compete with bands from several nations. The annual parade at the Lions' convention is one of the most colorful of all the conventions in the country and this year will take from 7 to 8 hours to pass the reviewing stand. The Mary D. Bradford High School band in making the trip to New York is paying special honor to a Wisconsin citizen who has been selected as the international head of the Lions organization for the coming year. I know that the Members of Congress who had the privilege and opportunity of hearing the concert played by the Mary D. Bradford Band on the House steps of the Capitol this morning will testify to the excellence of their performance.

The members of the band of the Mary D. Bradford High School of Kenosha, Wis., are: Lee Aiello, Don Anderson, Joy Anderson, Kay Anderson, Kent Anderson, Irene Andrade, Roger Andreoli, Tom Asboth, Charles Ashley, George Bagdon, Larry Benefiel, Sherrill Block, James Buss, Pat Calvert, Connie Cassidy, Barbara Christian, Pat Christian, Marilyn Copen, Don Deeder, Larry Eils, Jerry Fenske, James Firchow, Pete Gallo, Gary Garcia, Pete Gentile, Judy Gentz, Sheryl Glinski, Gail Hansen, Jim Hendrickson, Robert Hockney, Alice Jackson, Ron Jensen, Eric Johnson, Edith Jornt, Ken Kastman, Nancy Kemp, Mike Kempainen, Elaine Kirk, Carol Klitzke, Gary Laba, Lynn Langenbach, Bruce Larsen, Jim Lemke, Marjorie Leppanen, Shelby Leschinsky, David Linn, Marsha Mathews, Gene Mentink, Joan Metten, Marilynn Milaux, David Mink, Terry McNeil, Kathy Neil, Don Neau, Carol Norman, Pat Navoichik, Sue Odelberg, Lynn Paulsen, Kay Paulsen, Jerry Perona, Kent Peterson, John Petzke, Sandra Ponzio, Robert Richards, Marilynn Rosemann, Dennis Roseth, Joe Ruffalo, Virginia Schenk, Sue Schmelling, Carol Schnell, Lowell Schroeder, John Steddick, Judy Stewart, Jim Szantor, Veronica Szeliga, Lucille Turco, Doug Vacarello, Bill Van Caster, Ken Wermeling, and William Yankus.

These fine boys and girls, in their trip to Washington and New York, were under the supervision of their bandmaster, Ralph J. Houghton, and a number of parents and friends of the band, as follows: Mrs. Ralph Houghton, Mr. and Mrs. D. Hale, Mr. and Mrs. G. Hendrickson, Mr. and Mrs. T. Eils, Mr. and Mrs. G. Schmelling, Mr. and Mrs. G. Metten, Mr. and Mrs. Walter Anderson, Mrs. Benefiel, Mrs. E. Wermeling, Mrs. F. Schnell, Mrs. A. Anderson, Mike Szelgia, Mrs. F. Perona, Mr. and Mrs. W. Van

Caster, John Houghton, David Houghton and Roger Wermeling.

I join with the other Members of Congress in expressing our thanks to this fine band for the concert they played for us on the Capitol steps.

Labor Reform Legislation

EXTENSION OF REMARKS
OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, June 5, 1959

Mr. CURTIS of Missouri. Mr. Speaker, I appeared before the Joint Subcommittee on Labor Reform Legislation of the Committee on Education and Labor on yesterday and because many of my colleagues have expressed an interest in my testimony I am having it included in the RECORD:

REMARKS OF HON. THOMAS B. CURTIS, OF MISSOURI, BEFORE THE JOINT SUBCOMMITTEE ON LABOR REFORM LEGISLATION OF THE COMMITTEE ON EDUCATION AND LABOR, JUNE 4, 1959

Mr. Chairman, I appreciate the opportunity given to me to testify before this Joint Subcommittee on Labor Reform Legislation.

First, let me read into the record an editorial appearing in the St. Louis Post-Dispatch on May 19, 1959, entitled "A Stronger Labor Bill." This editorial expresses my views on this subject in a more forceful way than I can. Furthermore, I believe it expresses pretty generally the viewpoint of the citizens of the St. Louis community, including the views of the rank-and-file union members, their families, and, I might add, many local labor leaders.

I do not believe that I need to call the attention of this subcommittee to the general philosophy of the St. Louis Post-Dispatch. It is regarded as one of the leading liberal newspapers of the country. I say this with full knowledge of the lack of definiteness today of the adjective "liberal," but also with the knowledge that in congressional circles the term is descriptive of a particular political philosophy. I suggest to the liberal members of this subcommittee, who are by numbers in such strong control of it, when a newspaper like the Post-Dispatch writes editorials like the one I am about to read, it is time for them to take heed. The people of this country expect real labor-reform legislation, and if they don't get it they are going to hold this Congress and the leaders who control it in both Houses by almost a 2-to-1 majority responsible.

"A STRONGER LABOR BILL

"A House labor subcommittee has begun hearings on the Senate labor bill, and already is under intense pressure from the unions to water it down. Far from being watered down, the Senate version of this much-needed legislation ought to be strengthened.

"The public interest does not demand a union-busting bill, but it does demand a measure which effectively guarantees union democracy, makes union leaders more directly answerable to the rank and file, and corrects the abuses so impressively brought out by the McClellan investigation.

"Secretary Mitchell's proposed curb on certain secondary boycotts certainly should be written into the bill. The Senate left it out in favor of a limited hot cargo clause.

"Present law forbids a secondary boycott—that is, the application of union pressure against a firm which is not the primary party to a dispute—in certain circumstances. First, an objective of the union must be to compel one person to cease doing business with another and second, the means employed to achieve this objective must be a strike or some other concerted action of employees.

"As the Teamsters have found, however, it is easy to slap a secondary boycott on hot cargo or anything else simply by avoiding concerted action of employees. The pressure can be applied directly to an employer, or it can be applied through an individual employee. Secretary Mitchell's proposal would close these loopholes without going so far as to outlaw all secondary boycotts, some of which might be considered legitimate—for example, those against an employer who is performing farmed-out struck work.

"Similarly Secretary Mitchell's complete proposal for dealing with blackmail picketing ought to go into the bill, instead of the weaker version which the Senate adopted. Mr. Mitchell does not urge that all picketing for the purpose of union organization be barred. But he would bar such picketing where the employees clearly did not want to be represented by that union. Top-down organizing, in which the union aims its power at the employer instead of persuading his employees, is a demonstrated evil which the Mitchell proposal would effectively deal with.

"The Senate bill is defective on this point in several respects. Its language is loose, and subject to interpretations that would weaken its effectiveness. While the bill bars blackmail picketing where a plant representation election has been held during the preceding 9 months, it does not bar such picketing during the remaining 3 months before a new election, under present law, can be held. If the purpose is to bar blackmail picketing at plants where another union has won an election, why not bar it during the whole year between elections?

"The House committee also needs to take a close look at the enforcement powers behind the bill of rights which the Senate prescribed for union members. The Senate relied chiefly on authorizing a member to file civil suit in the courts. But how many union members could afford to hire a lawyer and pay for protracted litigation against a well-financed union? The enforcement power could be strengthened, either by making unions and their leaders liable for costs of successful suits against them, or by authorizing a union member to seek redress from the NLRB. When an employer violates a union member's rights, the case goes to the NLRB before it goes to the courts. Perhaps the same procedure could be followed if the member's rights were violated by a union.

"There are no doubt other respects in which the Senate bill could be improved without converting it into a union-busting measure. The secondary boycott, picketing, and bill-of-rights enforcement clauses seem to us the most important.

"We hope the House will tackle them courageously despite political pressure from the unions."

Now my purpose in asking to testify was primarily to discuss one aspect of labor reform legislation, a narrow aspect perhaps but a vital aspect. I want to discuss the enforcement power behind the bill of rights as the St. Louis Post-Dispatch terms it.

A RIGHT WITHOUT A REMEDY IS NO RIGHT

Under the Taft-Hartley Act and under many State statutes a union member has the right to an accounting from his union leaders of his union dues. Experience has shown this to be no right at all because the remedy is insufficient. As the Post-Dispatch editorial states: "how many union members could afford to hire a lawyer and pay for protracted litigation against a well-financed union?" What is more important, granted the premise that a union is racketeer ridden, how many union members dare go even to a prosecuting official, let alone a private lawyer to enforce their rights to an accounting of dues? This is no hypothetical case. This is the actual situation in Missouri where the right to an accounting of union dues has criminal sanctions set up by some State statute to enforce this right. No union member dare go to court to enforce his rights though these rights have been violated for years by many unions.

The sanction in the Taft-Hartley Act depriving a union that fails to grant an accounting of a member's dues of the right to use the facilities of the National Labor Relations Board has likewise proved to be inadequate. The racketeer ridden union officials couldn't care less about losing the use of the facilities of the National Labor Relations Board. Indeed, democracy in labor unions today is a bundle of rights without a remedy.

The same problem exists in trying to enforce any other provision of the union members' proposed bill of rights including the most essential and basic right of them all that of a secret ballot in periodic elections of union officials and of other important union actions.

I question very much if the criminal penalties imposed in some of the proposed labor reform bills, rigid as some of them are, will be of any greater practical use in enforcing democracy in union affairs than are the present remedies. They all hinge on an individual union member complaining to local authorities or to a far away tribunal in Washington, D.C. In both instances the complaining union member never knows for certain whether his name will be passed on to the racketeer against whom he is complaining. It is a brave man who complains in such climate.

However, there is an adequate remedy available and this remedy conforms to the theory of present law. Four of the bills before this subcommittee, H.R. 3540, introduced by Mr. KEARNS, pages 44–45, which contains to a large degree the administration recommendations; H.R. 4473, introduced by Mr. BARDEN, pages 41–42; S. 1137, introduced by Senator MCCLELLAN, pages 41 and 42; and S. 748, introduced by 15 Senators, page 45, include this enforcement provision. The provisions I refer to provide that a union which violates the bill of rights of its members loses the tax exempt status it presently enjoys under section 501(2) and (c)(5) of the Internal Revenue Code of 1954 as amended.

This is the subject which I wish to develop before this subcommittee. This subject matter, of course, is within the jurisdiction of the Ways and Means Committee, of which I am privileged to be a member. With my background I though it appropriate for me to come before this great subcommittee to testify and answer whatever questions this subcommittee might have on this provision.

First, let me state quite clearly that I do not believe in using the Internal Revenue laws as a method of enforcing other laws. On the other hand, when the proper enforcement of the Internal Revenue laws happens to coincide with the enforcement of other Federal laws, I think it is highly appropriate to call this matter to the attention of the Congress and the committees of the Congress who are concerned with the enforcement aspects of other Federal laws.

This is the case before us now. The proper enforcement of the section of our Internal Revenue Code which provides for "exemption from tax on corporations, certain trusts, etc." does so on the theory that these exempt organizations are within the public interest. I quote:

"Section 501(c) List of the exempt organizations." Sixteen categories are listed. Let

me read the title heads rapidly to give the committee an idea of the type of organizations Congress has felt should be tax exempt:

1. Government corporations.
2. Corporations which are purely holding companies for other organizations which are tax exempt.
3. Corporations, and any community chest, fund or foundation organized exclusively for religious, charitable, education, etc.
4. Civic leagues or organizations not organized for profit.
5. I quote in its entirety: "Labor, agricultural, or horticultural organizations."
6. Again I quote in full for contrast: "Business leagues, chambers of commerce, real estate boards, or boards of trade, not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual."
7. Clubs not for profit or private benefit.
8. Fraternal beneficiary societies.
9. Voluntary employees' beneficiary associations.
10. Other type of voluntary beneficiary associations.
11. Teachers retirement fund associations.
12. Benevolent life insurance associations.
13. Cemetery associations (not for profit).
14. Credit unions (of certain types).
15. Mutual life insurance companies with assets under $75,000.
16. Certain kinds of agricultural co-ops.

It is apparent that the reason these organizations have been made tax exempt is because in the opinion of the Congress they are nonprofit and generally serve a desirable public purpose. Strangely enough this section written into the law in 1916 has remained largely unchanged. Yet there are only limited criteria which guide the Bureau of Internal Revenue in deciding what organizations will qualify under the various headings. And mark this. Limited as is the criteria set out in the statute to guide the Bureau in administering this statute there are absoutely no criteria whatsoever in respect to category (5) "Labor, agriculture, or horticultural organizations." Business leagues have some criteria set out, "not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual." Other categories have rather lengthy, although in my judgment inadequate, criteria set out.

From a standpoint of proper public policy the Congress certainly should set forth some standards which these tax exempt organizations should meet. I certainly believe one criteria which all of these organizations should meet is one which provides for the democratic control of the affairs of the organizations by its members and should include a requirement for an accounting to the members of the moneys coming into the organization hands.

Certainly if this subcommittee in its wisdom felt that it was desirous to establish additional standards which it felt any labor organization should meet if it were to qualify as being in the public interest I feel that the tax laws should reflect that judgment.

Now I want to point out the practical effect of establishing by law, certain standards which tax exempt organizations should meet, as it would relate to labor organizations, or indeed any other organization where management, as it were, might run away with the organization against the will of the membership. The enforcement of our tax laws does not require the individual complaint to do other than to call the question of a tax evasion to the attention of the Bureau of Internal Revenue. This can be done, as it is frequently done in other tax violations by an anonymous post card or telephone call to the local office of the Bureau of Internal Revenue. The Bureau takes the matter from there to find out whether or not the allegation is well founded or not.

Consider the case of a racketeer ridden labor union. Any individual member of such a union could contact the local Bureau of Internal Revenue, anonymously if he wished, saying local, or national, Union X has not given its members an accounting of dues or has not given its members the right to a secret ballot in elections, or has not held periodic elections, or whatever. The Bureau of Internal Revenue of its own initiative will carry on, check with the union officials to verify or to disprove the allegation. If the allegation is verified in its opinion the union forthwith loses its tax exempt status, subject of course to an appeal to the tax courts by the union if it feels the charges are untrue.

Now I want to state that I do not agree with the manner in which the violation of internal revenue standards is set up in the four bills I referred to which utilize it as an enforcement provision. I believe the enforcement should be in the nature of a contempt citation rather than in the nature of penalty. In other words, instead of depriving a union of tax exempt status which would result in the collection of revenues for past violations, it should deprive the union of tax exempt status until such time as it purged itself of its violation, with a reasonable time allowed in which to purge itself. This conforms to the basic public purpose in granting tax exempt status in the first place and does not penalize the union members who have been the victims of the violations.

I think the power of the deprivation of tax exemption is sufficiently strong so that no union leader, however bull-necked he might be, about imposing his control over a union against the will of the union members, would long stand against it. This is particularly true when we consider that once the tax is to be imposed the Bureau of Internal Revenue will have to go over the union books to determine what the amount of the tax should be. What union racketeer even though he be willing to pay a penalty can afford to have his books looked into?

Though this amendment to the Internal Revenue Code may be made appropriately in a labor reform bill, and I hope this subcommittee will include it, nonetheless, I believe comprehensive legislation setting up proper and uniform standards for all tax exempt organizations, business, farm and labor, is needed. It would be helpful to the Ways and Means Committee in writing this comprehensive language if, in respect to labor unions, this subcommittee would set forth in this bill what criteria it would wish to see applied.

Finally, I would urge this subcommittee not to use the sanction of loss of tax exempt status to enforce any measures in the labor reform bill other than those which we might call a bill of rights ensuring control of union affairs in the hands of its members. I do not believe this public policy feature of tax exemption should go beyond this point. There may be those who would argue that any union found to violate other laws such as laws against blackmail, organizational picketing, or improper secondary boycotting, should not be tax exempt. However, I think that would be using our revenue laws to enforce matters which are outside the revenue field and therefore undesirable.

I might say in conclusion, however, that I believe once we insure democracy in the unions much of the abuse of power that we have seen by certain labor leaders will disappear. I have noted that those unions which are responsive to their membership seldom are those which have been the subject of the recent unfavorable publicity. Furthermore, I believe that those union leaders who are responsive to their membership are those who have done the most for their membership; not the czars who ride roughshod over their own membership, other union men, other workers, and the public.

The 110th Anniversary of the Danish Constitution of 1849

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, June 5, 1959

Mr. MULTER. Mr. Speaker, June 5 is the anniversary of the Danish Constitution of 1849. One hundred and ten years ago the evolution of democracy in Denmark began with the adoption of this great and forward-looking instrument of government.

Representative government first emerged in Denmark during an era of economic distress at home and republican protest throughout much of Europe. The Napoleonic Wars had left Denmark in a period of poverty and economic stagnation, during which the banking system failed, foreign trade precipitately declined, grain prices fell, and the Government's program of land reform came to a standstill. At the same time, strong opposition to the old European order of monarchical despotism emanated from the bourgeoisie and the growing working class.

Naturally, these conditions called forth criticism of Frederick VI's government. Furthermore, the principle of absolutism, itself, was attacked. Under the influence of the July revolution in France, King Frederick in 1834 established four provincial assemblies. While the function of these bodies was consultative rather than lawmaking, their origin marked the beginning of parliamentary practice and encouraged public discussion of political questions. A Liberal Party was formed with a program of substituting for the absolute authority of the monarch a new constitutional government which would be more representative of the people.

In 1848 the February revolution in France gave impetus to the liberal movement in Denmark and in many other centers of political protest in Europe. The ephemeral victory of liberalism in France encouraged the Danes to petition the new King, Frederick VII, for reforms. The King agreed to renounce absolute power and permitted the formation of a government responsible to representatives of the people. A national assembly convened and drafted the Constitution of June 5, 1849, which granted specific powers to a bicameral legislature.

Although the Constitution of 1849 was abrogated by a reactionary constitution in 1866, the principle of popular government embodied by the document of 1849 continued to inspire the advocates of true democracy. The Constitution of 1866 gave an overwhelming influence to the aristocracy in the upper chamber of Parliament, although the lower house continued to be popularly elected. In

1872 the group favoring an extension of land reform secured a majority in the lower house and insisted on a true parliamentary system by which the King would be obligated to select a cabinet from members of the majority party in the lower house. For about 30 years the struggle between the interests of property and reform in the upper and lower chambers, respectively, was bitter. The forces of reform steadily increased in strength until in 1901 King Christian IX requested that a government be constituted from members of the majority party in the lower house.

Then in 1915 a new constitution came into effect which abolished the privileged system enjoyed by the wealthy class in electing the upper chamber. By this new constitution, the conservatives accepted responsible cabinet government and political democracy. Important social legislation, including land reform and benefits to labor, soon followed.

The peaceful revolution by constitutional reform, which began with the adoption of the Constitution of June 5, 1849, was now accomplished. The principles of popular representation in the legislature and cabinet government by ministers responsible to the majority party were now so firmly established that the upper chamber of Parliament, once a powerful citadel of privileged and vested interests, was formally abolished by a constitutional amendment in 1953. The ability of the Danish people to resolve deep class conflicts by peaceful procedures has been unmistakably demonstrated by the past century of their political history.

For its exemplary accomplishments in the development of democratic institutions, the United States salutes the great nation of Denmark on the 110th anniversary of the adoption of the Danish Constitution of 1849.

Commuters Need Protection

EXTENSION OF REMARKS
OF
HON. FLORENCE P. DWYER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Friday, June 5, 1959

Mrs. DWYER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the text of a statement which I made before the Surface Transportation Subcommittee of the Senate Committee on Interstate and Foreign Commerce in support of the bill, S. 1331, providing greater protection of the public interest in railroad passenger train discontinuance cases before the Interstate Commerce Commission:

Mr. Chairman, I am grateful to the subcommittee for this opportunity to appear in support of legislation to make more effective the Interstate Commerce Commission's new authority over the discontinuance of railroad passenger and ferry service.

I especially appreciate the chairman's generosity and sense of fair play in scheduling hearings on the two bills, S. 1331 and S. 1450, which are so critically important to the largest metropolitan region in the world, as well as to other areas of the country dependent on adequate railroad commuter service.

It is typical, I understand, of the chairman's willingness to see both sides of the question, and of his record on this subcommittee of recognizing not only the needs but also the responsibilities of the Nation's railroads.

If the committee is willing—in the interest of expediting testimony—I shall not read my entire statement, but simply highlight what I consider are the most important points, since the committee has the full statement available before it for the record.

Before discussing the need for and merits of S. 1331—which was introduced by my good friend and distinguished predecessor in the House, Senator CASE, and which I have the honor of sponsoring in the House—I should like to emphasize certain relevant characteristics about the New York metropolitan region that bear heavily on this bill.

This metropolitan region is the largest in the world. It embraces parts of three States and contains within its compact boundaries nearly 10 percent of the population of the United States and more than 40 percent of the Nation's railroad commuters. In this area, more than twice as many commuters—an estimated 208,000—depend on rail transportation than rely on automobiles, or did so, that is, until the current rash of discontinuances.

An adequate railroad passenger system is absolutely essential to the area, since our network of highways is already taxed to capacity and no practicable substitute for rails is available. For example, one reliable friend of mine has reported that he used to drive from Union County, N.J., to New York City in 20 minutes, whereas it now requires more than an hour, along the same route and at the same time of day.

It is virtually certain that these crowded conditions will increase in the next few years. The Harvard University study of the New York metropolitan region, which was just reported this week, predicts a likely population growth for the region of 4.5 million above the present 16 million by 1975, with an additional 3 million by 1985. The study also concludes that the population boom and the growth of the suburbs will put strenuous demands on suburban commuting facilities.

In the light of these facts, therefore, I would suggest that now is the time to strengthen and expand commuter transportation facilities, rather than encourage their further shrinkage.

I do recognize, nevertheless, that commuter railroads, especially in the East, have been harassed by the long-term failure of much commutation service to pay its own way. Costs have rather consistently outrun revenues, and thereby have tended to place a burden on entire railroad systems. This, of course, was the basis of the action recommended last year by this committee and approved by the Congress which authorized railroads to come to the Interstate Commerce Commission in order to discontinue unprofitable train and ferry service, both interstate and intrastate. In many other ways, too, the Transportation Act of 1958 aided the country's railroads at a time when they reflected the depths of our economic recession. That most of the railroads have displayed great powers of recovery during the first quarter of 1959—with average earnings about 428.8 percent higher than the same period last year—is due not only to the general improvement in the economy but also to the far-sighted wisdom of the authors of the Transportation Act of 1958.

As the distinguished chairman of the subcommittee remarked earlier this year, the commuter problem is not a new one, and was not caused by the Transportation Act of 1958. As he observed at that time, the problem is a truly complex one. It is not solely a Federal responsibility, but requires that States and local communities also join in solving it. Fortunately, some at least of the many units of government involved are now accepting their responsibility. New York State, for example, has enacted a comprehensive program to help maintain needed railroad passenger service—a program including tax relief, help in obtaining rolling stock, and other advantages. Both New York and New Jersey have entered into a bistate transportation compact, which is now awaiting approval by the Congress. Other proposals are also under active consideration, including the possibility of local tax relief in New Jersey (a particularly burdensome problem for commuter railroads) and the practicability of enlisting Port of New York Authority participation in some form of regional commuter transit system.

As a practical matter, however, the Transportation Act of 1958 did complicate the commuter crisis—though at the same time it served to alert people that effective action could no longer be postponed. By adding a provision for Federal jurisdiction over discontinuance of trains and ferries, section 13a of the Interstate Commerce Act, the Transportation Act in effect invited frustrated railroad managements to seek quicker, easier, and simpler discontinuance at the ICC than was often possible at State agencies. The response has been impressive.

As of June 3, the ICC has informed me, 39 notices have been filed under the 2 subsections of section 13a of the act, providing for the discontinuance of about 110 trains. Railroads have filed additional discontinuance petitions with various State agencies and have announced plans to discontinue still more trains. All of them may well end up as cases before the Commission under section 13a.

The results of this action in the New York-New Jersey region have already been drastic. Among others, the Putnam division and the West Shore division of the New York Central have discontinued passenger service. Much of the Lehigh Valley passenger service and all the Lackawanna electrified service either has gone or soon will disappear. In addition, the important suburban service of the Central of New Jersey and the Erie Railroads are gravely threatened.

Whether or not any or all of these discontinuance notices are justified, experience under the new section 13a makes it clear that the ICC cannot now give adequate consideration to the public need for the threatened commuter service under the limitations and restrictions of the act.

In its report to the House Commerce Committee on H.R. 5596—a bill I introduced which is identical to S. 1331—the Commission stated that "the time now provided is extremely short." It explained that the period within which it is required to rule on discontinuance cases makes it impracticable in some cases to complete the required Commission procedure.

In writing section 13a into the Interstate Commerce Act last year, Congress provided an entirely new method for handling train discontinuance cases. Formerly, all such cases were considered local in character and subject to the jurisdiction of State law or State agencies.

The objections underlying the proposed S. 1331 concern chiefly the procedure governing discontinuance of interstate trains; in its essentials, the procedure now governing discontinuance of intrastate trains is similar to the procedure in the proposed bill—a procedure which seems to me protects the public interest to a greater degree than the procedure in interstate cases.

Briefly, section 13a(2) now provides that:

(1) Discontinuance authorization may be granted only after a full hearing.

(2) No time limit is set within which the ICC must rule on petitions.

(3) The Commission must make positive findings that (a) public convenience and necessity permit of such discontinuance, and (b) without discontinuance, the continued service will constitute an unjust and undue burden on the interstate operations of the railroads or on interstate commerce.

Thus, the burden of proof is left where it belongs—on the petitioning carrier; the public interest is specifically protected; and the Commission is required to exercise its authority only after full consideration.

None of these vitally important conditions, however, are present in the procedure now governing discontinuance of interstate trains. On the contrary, section 13a(1) provides, among other things, that:

(1) No public hearings or any other consideration is required of the ICC in advance of train discontinuances.

(2) Railroads may discontinue service on their own volition 30 days after notice to the ICC if the Commission does not institute an investigation within 20 days after notice has been filed; the Commission, therefore, is required to make a preliminary finding in less than 3 weeks after it receives notice if discontinuance is to be halted even temporarily.

(3) After the initial 30-day period, the Commission may order service continued for a period of only 4 months, whether or not it has completed its investigation and consideration.

(4) The ICC may order service continued only after a hearing and investigation; thus the protection of the hearing and investigation procedure is accorded only to the carriers and not to the public's need for the service.

(5) Likewise, before it can require carriers to continue service, the Commission must make a finding that (a) the service is required by the public convenience and necessity, and (b) that continuation of the service will not unduly burden interstate or foreign commerce; this is the reverse of the findings required by subsection (2), and places the burden of proof on the Commission, not on the petitioners.

(6) In any event, the Commission cannot order continuation of the service for more than a year.

Under these circumstances, as recent experience indicates, the Commission is seriously handicapped in its obligation to protect the public interest in transportation. It cannot adequately consider the complex issues involved within the available time; and rulings which affect thousands of passengers dependent on railroad service may be necessarily based on an incomplete consideration of the facts.

The Case bill, S. 1331, is designed, as I understand it, to overcome these procedural limitations and encourage the ICC to give equal consideration to the needs of the public while it does justice to the needs of the railroads. The bill does not do violence to the constructive work of this committee in writing the Transportation Act of 1958; it does not restore jurisdiction over train discontinuances to the States; it does not hobble the ICC in granting necessary relief to the railroads. It simply reflects the experience of the past few months in the operation of section 13a(1) of the act and seeks to adjust the law to the realities of this experience.

It is highly significant, I believe, that the experienced Interstate Commerce Commission—an agency by no means hostile to the railroads—has at least tacitly agreed with most of the chief provisions of this bill. In fact, it seems to me the report of the Commission, which I understand is presently before the subcommittee, offers a very promising basis for a compromise solution.

Briefly, this is how the Case bill would amend the present provisions governing the discontinuance of interstate passenger train or ferry service:

(1) The relevant language would be inserted as a new paragraph 19 of section 1 of the act; instead of amending section 13a, that section would be deleted, with the technical change suggested by the Commission. The new language would thus follow present provisions governing the abandonment of railroad lines, to which it is closely related.

(2) The Case bill would require an affirmative authorization from the ICC or the appropriate State agency before passenger trains or ferries could be discontinued—rather than, as at present, permitting discontinuances without such specific authorizations. The Commission favors this change.

(3) The bill would thus close a loophole in the present law which permits a carrier to discontinue service at will if no State laws are applicable; the Commission has no objection to this result.

(4) While present law regarding discontinuance procedures applies to any train or ferry, the Case bill would apply only to passenger trains and ferries; the Commission has no objection to this provision.

(5) The proposed bill would require a public hearing in every discontinuance proceeding in which protests were received by the Commission, while under present law the Commission need not even institute an investigation. The Commission, however, proposes that it be left with a certain amount of discretion in determining whether a hearing should be held in particular cases. Since procedure respecting applications for abandonment in the present section 1(19) would apply under the proposed bill to discontinue applications, the Commission believes that this procedure would adequately protect the public interest.

It is my own view, however, that the requirement for public hearings in the bill is one of its principal purposes. With all due respect to the Commission's experience and good judgment, I would suggest it is important to make this concession to public opinion, especially since train discontinuance cases have always been a local matter in the past. I feel sure that hearing procedures could be devised in such a way that this requirement would not unduly delay the Commission's work. If the committee accepts this view, however, then appropriate changes in the present section 1(19) should be made in order to eliminate inconsistencies, as the Commission suggests.

(6) The provision in the Case bill requiring the Commission to consider in discontinuance proceedings the carrier's revenues from all freight and passenger traffic in the States in which the particular train is operated was intended to counterbalance an excessive reliance on the possible losses of the passenger train in question. Since a railroad operates under a public franchise, it has an obligation to serve the reasonable needs of that public. The fact that a particular train loses money should not, I believe, be the sole determinant in a discontinuance proceeding.

However, since the fact of a train's losses is not and would not be the only factor in considering whether the train should be discontinued, the Commission's fear that the proposed paragraph (c) of section 1(19) would be ambiguous and would invite litigation should be explored further, I believe.

(7) The Case bill would empower the Commission to attach whatever conditions it deemed in the public interest to certificates of passenger train discontinuance; this power is already provided the Commission in abandonment and unification cases. As the Commission points out, it does not possess this authority presently in regard to discontinuance proceedings under section 13a. It would seem logical that the Commission should have the power to impose necessary conditions in such an important matter, especially since it now has this authority in similar situations. The Commission has not objected to this provision.

(8) Among its most important provisions, the proposed bill would eliminate the present 30-day notice procedure and the 4-month time limit during which the Commission could require operations to be continued. The Commission strongly suggests it favors such a change.

(9) Similarly, under the proposed bill, the Commission would be enabled to require the continued operation of a train or ferry for whatever period it deemed necessary.

(10) Finally—and of major significance—the bill would clearly place the burden of proof upon a railroad to show that a proposed discontinuance is permitted by the public convenience and necessity; the Commission could issue a certificate of discontinuance only if such a finding of public convenience and necessity could be made on the basis of the record before it.

The Commission has stated that it favors this change.

The Commission has also proposed several technical changes in the Case bill and has suggested appropriate places in which to clear up possible inconsistencies or ambiguities.

I have tried to indicate in this statement, Mr. Chairman, that I am more concerned for the substance of S. 1331 than I am for all of its particulars. The committee, with its wealth of experience, can undoubtedly improve on the bill. I personally hope it does so.

I believe strongly, however, that its essentials should remain unimpaired. I believe it is of the greatest importance that the Commission be empowered to protect more effectively the public interest in railroad passenger transportation. This is vital to the health and welfare of the entire metropolitan New Jersey-New York-Connecticut region, as it is to other sections of the country.

This bill will not solve the commuter problem. But it is a key element to the overall effort by various levels of government and by private citizens and organizations to establish an effective and adequate commuter system, on a basis that is fair and just to the railroads and to the public which needs their services.

Thank you very much, Mr. Chairman and members of the subcommittee.

Expansion of Food-for-the-Needy Programs

EXTENSION OF REMARKS

OF

HON. PHILIP A. HART

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Friday, June 5, 1959

Mr. HART. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I presented to the Committee on Agriculture and Forestry, on June 4, dealing with the problem of expanding our domestic food-for-the-needy programs, together with a memorandum, prepared by the Michigan State Supervisor of the Commodities Distribution Section indicating the operations of this program in Michigan during the last several years.

There being no objection, the statement and memorandum were ordered to be printed in the RECORD, as follows:

EXPANSION OF FOOD-FOR-THE-NEEDY PROGRAM

Mr. Chairman, it is encouraging to be having hearings on the various bills on expanding the use of our Nation's agricultural abundance for the well-being of the many Americans who are unable to have adequate

and sufficient food. I am hopeful that following the close of these hearings every effort can be made by those of us who are members of the Agriculture Committee to report to the Senate a sound and greatly expanded program for taking our surplus farm production and putting it on the tables of Americans who just are not able to buy the minimum food that they and their families need and must have. Congress must not adjourn this session until a new surplus food distribution program is law.

There is a growing realization that the difficulties accruing from our mounting farm surpluses are not going to be resolved simply by assuring all Americans an adequate diet. Even if we achieved a reasonably adequate diet for all our citizens, I do not believe this would be more than a partial step toward meeting the challenge of our surplus production.

So it is not with the hope that the bills before the subcommittee would miraculously eliminate our huge stockpiles that I support an expanded food distribution program for the needy. Rather, I believe that we in the Congress cannot morally justify a continuance of governmental programs which stimulate agricultural production and build surpluses while there are hungry children, older people, unemployed workers, and many others who have wholly inadequate diets week after week and year after year.

We must put farm surpluses to use because it is wrong for people to be hungry in the midst of abundance. We must expand food distribution programs to bring more adequate diets to the needy and the distressed if we are to obtain the necessary public support for the future recasting of a strong and sound agricultural economy in the United States.

The State of Michigan has been a beneficiary of the present limited food distribution program. During March 1959, 514,850 persons received federally donated surplus food in Michigan. Unlike many States, Michigan has been able to have almost all sections of the State participate in this Federal program. Seventy-four of our 83 counties are now participating. The city of Detroit has pioneered in administering a very sizable program.

There is need for the Congress to recognize this program for what it is—basically a welfare program designed to help people. This is one of the reasons I was pleased to join with Senator KENNEDY and many others of my colleagues in sponsoring S. 1884. I thought that the basic administration of the welfare aspects of the program were not compatible with the duties and responsibilities vested in the Department of Agriculture, but could be much more effectively administered in the Department of HEW. I would hope that such a transfer would alleviate some of the public confusion that results when nonfarm programs are being budgeted and charged to the Department of Agriculture.

Perhaps the $150 million authorized in the Kennedy bill will not be adequate to do all that is needed, so I would hope that your subcommittee would attempt to obtain the very best assessment of the true needs of our people and, if more funds are necessary, an increased authorization made in the bill.

There have been many letters coming to my office inquiring as to why more foods, such as edible oils, shortening, peanut butter, and other commodities presently held by the CCC, could not be processed and used to supplement the rather drab and limited food items now being distributed. I have been unable to find satisfactory answers as to what is preventing the Department of Agriculture, under present law, from expanding the range and variety of foods available. So I hope that your subcommittee will find where the roadblocks to these expanded programs may lie.

Last year, I understand, it was necessary for the Congress to enact special legislation to move edible oils in an oversea program for distribution by relief agencies. But today no edible oils are available for the domestic food-distribution programs, and this is a time when butter may be removed from the domestic program.

A transfer to the Department of HEW, as provided under the Kennedy bill, of the responsibilities for screening and supervising the standards of eligibility of persons coming under the program would result in alleviating some of the hardships and unfairnesses that now occur when arbitrary liquid-assets standards are applied. I would hope your subcommittee would develop testimony on this limiting part of the present program.

The Kennedy bill and the similar bills are not, of course, the only approaches to this basic problem of providing adequate diets to our families of very low income. I would only mention that there is pending before the Committee on Labor and Public Welfare a bill which I am cosponsoring with Senator SYMINGTON to establish a food stamp program. A food stamp program is not incompatible with these present proposals before the Agriculture Committee, and in fact I hope that, in the near future, hearings may be held on the various food stamp proposals so that this session of the Congress will have full data on every approach.

Mr. Chairman, later you will be hearing from experts from the State of Michigan—men who have been intimately associated with the workings of the existing program. They will represent retail food interests, the public agencies responsible for the program, and groups whose memberships have benefited. Much better than I, they will furnish firsthand data on the need for improving and expanding the existing food distribution programs of our Government. But, more important, you will hear of the really wonderful experiences there are in seeing families feeding their children milk and foods that they could not eat if we had not opened our storage warehouses. My plea today is that we open these warehouses wider, and that we of this Congress do it with a full understanding of how very fortunate our Nation is that we have these storehouses of abundance to which we can turn to feed our hungry and needy.

STATE OF MICHIGAN,
DEPARTMENT OF ADMINISTRATION,
Lansing, Mich., June 1, 1959.

From: Ralph J. Budd, State Supervisor, Commodities Distribution Section.

Subject: Comparison of statistical information concerning the certification and participation of various categories regarding the use of USDA surplus commodities. Also, the receipts and value of USDA commodities allocated to the State of Michigan during the fiscal year of 1957–58, as compared to the first 10 months of this current fiscal year, July 1, 1958 through April 30, 1959.

Certification

Category	Number of units		Number of eligibles	
	1958–59	1957–58	1958–59	1957–58
Schools	1,981	1,879	382,392	362,889
State institutions	29	26	33,460	32,235
Other institutions	273	259	29,912	28,263
Child care centers	16	20	236	355
Welfare (counties)	75	63	831,895	571,388
Total	2,374	2,247	1,277,895	995,130

Participation

	April 1959	April 1958
City of Detroit	164,419	114,375
Statewide, including Detroit	478,749	351,315

Receipts

	July 1, 1958, through Apr. 30, 1959	Fiscal year 1957–58
Number of cars received:		
Secs. 32 and 416	1,231	1,070½
Sec. 6	121	57
Total	1,352	1,127½
Value of cars received	$14,802,248.05	$11,383,034.11
Pounds received	69,395,304	48,444,350
Receipts: City of Detroit, Department of Public Welfare, value	$3,343,645.24	$1,376,269.97
Pounds received: City of Detroit, Department of Public Welfare	13,024,706	4,837,456

Distribution

Category	July 1, 1958, through Apr. 30, 1959		Fiscal year 1957–58	
	Value	Pounds	Value	Pounds
Public schools	$2,592,219.34	8,893,861	$2,420,802.40	7,646,433
Parochial schools	408,772.83	1,318,319	404,706.10	1,203,197
State institutions	720,965.72	3,964,718	768,301.24	4,447,648
Other institutions	525,641.16	2,178,041	583,482.15	2,603,955
Camps	78,451.90	265,073	131,753.97	476,299
Public welfare	10,465,856.95	49,164,170	5,070,399.37	26,244,542
Private welfare	20,401.23	98,157	19,393.02	110,471
Total	14,812,309.13	65,882,343	9,398,838.25	42,732,545

STATE OF MICHIGAN DEPARTMENT OF ADMINISTRATION, PURCHASING DIVISION—COMMODITIES DISTRIBUTION SECTION, LANSING, MICH.

Commodities issued to public and private welfare, July 1, 1958, through Jan. 31, 1959 (7 months)

Commodity	Number of pounds	Value
Beans, dry	25,837	$2,583.70
Butter, print	4,157,413	2,577,596.06
Cheese, process	4,864,745¼	2,140,488.35
Cornmeal	6,228,130	373,087.80
Flour:		
All-purpose	297,530	29,753.00
Bread	6,950,000	695,000.00
Whole wheat	4,362,180	261,730.80
Milk, dry	4,895,820	1,370,829.60

Commodities issued to public and private welfare, July 1, 1958, through Jan. 31, 1959 (7 months)—Continued

Commodity	Number of pounds	Value
Rice	3,809,834	$419,081.74
Total	35,592,180¾	7,870,820.05
Total number of pounds of commodities issued to al. categories		47,182,701
Total number of pounds of commodities issued to welfare		[1] 35,592,180¾
Total value of commodities issued to all categories		$10,776,395.75
Total value of commodities issued to welfare		[2] $7,870,820.05

[1] Equals 75 percent. [2] Equals 73 percent.

State of Michigan, Department of Administration, Purchasing Division—Commodities Distribution Section, Lansing, Mich.

City or county	Unemployment compensation		Unemployed		Part-time employment		Low income	
	1957–58	July 1, 1958–Jan. 31, 1959	1957–58	July 1, 1958–Jan. 31, 1959	1957–58	July 1, 1958–Jan. 31, 1959	1957–58	July 1, 1958–Jan. 31, 1959
Detroit, city of	165,960	399,381	291	24,870	162	788	151,176	433,476
Genesee	57,540	107,327					9,006	23,106
Macomb	143,605	51,196		126,682				
Oakland	52,053	126,531					57,402	74,837
Wayne	66,653	152,562	7,915	31,252	2,348		41,214	6,171

NOTE.—Comparison of participation in the 4 categories, as shown above, in the use of U.S. Department of Agriculture surplus commodities in our welfare feeding program.

Commencement Address by Senator Thomas J. Dodd at St. Joseph's College, West Hartford, Conn.

EXTENSION OF REMARKS
OF
HON. JOHN S. MONAGAN
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Friday, June 5, 1959

Mr. MONAGAN. Mr. Speaker, Senator THOMAS J. DODD has made many great speeches in his brilliant and distinguished career. His final summation to the jury at the Molzahn spy case was a classic of its kind, and foreshadowed his magnificent address at the conclusion of the Nuremberg war crimes trials.

During his two terms in this body, his speeches on civil liberties, on the moral basis for foreign aid, and on negotiations with the Communists won national acclaim.

Those of us from Connecticut have watched TOM DODD's career in the Senate with a great and growing pride. His maiden speech in the Senate on the Berlin crisis stirred the admiration and won the commendation of people throughout this country and the free world.

Earlier this week Senator DODD made what I consider to be one of his greatest speeches at a commencement address at St. Joseph College in West Hartford, Conn. I found in this speech some of the underlying sources of the idealism and passion of justice that have so marked the career of this great man. Under leave to extend my remarks, I include in the CONGRESSIONAL RECORD the commencement address delivered on June 3, 1959, at St. Joseph College, West Hartford, Conn.:

COMMENCEMENT ADDRESS BY SENATOR THOMAS J. DODD, DEMOCRAT, OF CONNECTICUT, AT ST. JOSEPH COLLEGE, WEST HARTFORD, CONN.

When I accepted your generous invitation to deliver the commencement address it was my intention to try to distill from the experiences of a lifetime a few thoughts which I hoped would be appropriate and useful for the members of this graduating class.

I have not found it easy to do this. It is not easy to sift from the many changing currents of an active life a few simple words of advice to a new generation facing a new world. And when I was through, the advice seemed somewhat oldfashioned and out of touch with these sophisticated times. But it is, nonetheless, sound and true, and if it is out of step there is all the more reason why these things should be said.

This is your commencement day. If this class is anything like my own graduating class at Providence College, 29 years ago, you are probably thinking of this day as one that marks the end of a period of your life and your thoughts are dwelling nostalgically on the happy memories associated with St. Joseph College.

But commencement does not mean the end. It means what the word implies, the beginning. You are all just at the beginning of the search for knowledge.

And you are at the commencement of a tremendous set of responsibilities.

You have been the beneficiaries of years of devoted attention and selfless dedication by this wonderful group of sisters and by the other members of the faculty.

As the father of one of the graduating class, I am sure I speak for all the parents here today when I thank the sisters of St. Joseph and the lay faculty members from the depths of my heart for all that they have done.

This is a sentimental occasion for me. For it symbolizes that my daughter, Carolyn, who has been such a joy and comfort to Grace and me through the years, is about to step into a world of her own.

I am deeply grateful that she is better prepared for that world because of the sisters and teachers of St. Joseph's.

In you and in your future are wrapped up the hopes and dreams of your parents, of your teachers, of all who have sacrificed to see this day. And, in a larger sense, in your hands and in the hands of a thousand graduating classes across this great land, lies the future of our country and of the causes we uphold in the world.

If you have been faithful to your trust thus far, if you have taken full advantage of the opportunities you have had here, you now have the basic tools to make some imprint, some influence for good on your community, on your chosen profession and perhaps on the world itself.

But you will soon find, if you do not already know, that they are only the minimum tools.

You have an education. You have learned enough to know something of the extent of knowledge, and the extent of ignorance, something of the legacy of the past and the challenge of the future.

But this gift of knowledge, this opportunity for personal fulfillment carries with it tremendous obligations. I shall try to discuss today just a few of these obligations.

The first that comes to my mind is the obligation of continued self-improvement.

Each of us is unique. Each has different capacities and different aptitudes. Each has certain talents, and each has the obligation to develop those talents as much as the circumstances of life permit, and to use them for good purposes.

We live in a country that, from its founding has been built upon the proposition that man should have the greatest possible opportunity for personal development and personal fulfillment. The state exists for man, not man for the state. This is our creed. This was at the bottom of our struggle with nazism and fascism and it is at the root of our struggle with communism.

The opportunity freely given to you has been purchased and is kept alive at great cost. You can refuse to exercise this freedom by ceasing to develop your mind and your skills from this day forward. Or you can justify your privileges and the human sacrifices they represent by embarking today on a lifetime pursuit of intellectual excellence.

I urge you to continue your studies, whether formal or informal.

Continue on with what you have so well begun. If you plan to go on to graduate studies, so much the better. If you do not, develop the habit of private study.

There are many examples of wasted resources in this country but none is more appalling than the waste of those who abandon all intellectual inquiry as soon as they leave school.

We hear a lot these days about do-it-yourself programs. I hope you will all work out a do-it-yourself home educational program. Don't store your books away on some forgotten shelf to become dusty reminders of what might have been a fruitful and productive intellectual life.

This day will not have much real meaning in the long scheme of life unless it marks a beginning, and not an end, of broadening the horizons of the mind.

There is a second obligation which will weigh even more heavily upon you as you participate more and more in life.

You all know the difference between right and wrong. You all have learned the basic principles of morality in your homes and in your church. And here at St. Joseph's you have learned the higher refinements of these principles. You have a religious and ethical training that places a far heavier responsibility for right action upon you than that borne by others.

Alfred E. Smith, the self-educated boy from the sidewalks of New York who rose to become New York's greatest Governor, said this in the first speech he ever made to a women's group:

"I know what is right. If I ever do anything that is wrong, it will not be because I do not know it to be so, and you can mark it down as being willful and deliberate and hold me to account for it."

These words, spoken during an era of shameful social injustice and political corruption foreshadowed a career of remarkable achievement in advancing the public good.

And these words can be applied to everyone in this fine graduating class. You all know the difference between right and wrong, and you will surely be held to account for your actions.

We live at a time when crucial moral issues are at the heart of grave national and international problems. But there is always an attempt to deny the existence of the moral element in these questions, and these attempts often succeed in obscuring from many the path that we should follow as a Nation.

Powerful and influential leaders either cannot see the moral element in these questions or they deny its existence. For example:

The chairman of the Senate Foreign Relations Committee, Senator FULBRIGHT, during debate with me on the Senate floor over the Berlin crisis, deplored my statement that the struggle between communism and freedom is essentially a fight between good

and evil. He insisted that these concepts are relative and cannot be made the basis for diplomatic action.

Former Ambassador George Kennan denies that we have any moral obligation to assist underdeveloped peoples. He says it is just a practical matter and that our foreign aid should be based solely upon self-interest.

Professor Galbraith of Harvard, the eminent economist and author, says that there is no moral element involved in our responsibility to conserve our dwindling natural resources for the use of future generations, and he adds gratuitously that the injection of moral issues into practical problems is generally a source of endless trouble and confusion.

One of our leading jurists recently repeated the oft-heard, foot-dragging statement that we must proceed toward desegregation because the Supreme Court has made this the law of the land. But only rarely does one hear the truer statement that the Supreme Court has just made legally binding what was always morally binding and that we should take up this cause not reluctantly or legalistically, but rather with zeal and dedication.

Each of the men I have mentioned has great ability and has made important contributions to his field. How tragic, therefore, that they should overlook the central factor of our existence, and should thus mislead the people they seek to help.

The materialistic, secular attitude I speak of is sapping the moral strength of our country, and you have a very great obligation to carry into our community and national life the religious and ethical convictions that you cary away from St. Joseph College.

Every crucial question afflicting the Nation and the world is, at bottom, a question of right and wrong.

It is wrong to permit any Communist expansion that it is in our power to prevent. It is wrong to acquiesce even tacitly in permanent Communist control of its satellite empire.

It is wrong to refuse to the underprivileged peoples of the world the assistance they need and which we can well afford to offer.

It is wrong to wink an eye at corruption in organized labor, at immoral business practices, or at wrong-doing in Government.

It is wrong to practice racial discrimination whether it be in schools, in housing, in employment, or in any other activity. And we need not look to the South to find discrimination. It exists right here in Connecticut.

But a highly developed mind and a highly refined conscience will avail little unless there is also the great and redeeming quality of courage.

A multiplicity of fears seem to afflict this country and a fear complex threatens to become a national characteristic, in place of the buoyant optimism and indomitable confidence that characterized the national attitude of a century ago.

These fears and uncertainties are stunting the national growth and damaging our national posture.

We frequently hear of surveys of the aspirations of college graduates, young men and women who we would expect to be anxious for new challenges and new conquests. All too often the results reveal that they are interested primarily in security, in conformity, in a safe berth and an easy journey. Fear is at the bottom of this.

The advertising industry, expert as it is in judging our motivations, devotes much of its energy to exploiting the petty fears of everyday life.

In the home there is the fear that to moderately but adequately discipline the child would result in some terrible psychosis or personality problem.

The fear of national bankruptcy hinders the building of an adequate national defense.

Fear of radioactive fallout has convinced many that we should abandon our efforts at further nuclear development regardless of what the Russians do.

Fear is at the root of a hundred subtle influences which tempt us to surrender and appeasement in foreign affairs.

Of all the admirable qualities that are in short supply, courage is the one most needed by this generation.

Fear is the inevitable end result for those who try to face the uncertainties and incomprehensibilities of life without faith in God and belief in eternal life.

This Nation was founded, developed and preserved by men and women who faced the unknown with a courage born of a great faith. If our people ever lose those qualities the foundations of our national strength will crumble.

Surely there is no cause for the devout young women of this graduating class to approach life fearfully. For those who know the transitory nature of man's earthly existence, for those who truly believe in our eternal destiny, there should be no room for fear of the misfortunes of this life.

The qualities which I have mentioned thus far lead inescapably to another.

You will carry throughout your life an obligation to show a very special kind of loyalty to your country. In this sophisticated age it seems somewhat "corny" to speak of patriotism at an occasion of this sort.

In some quarters patriotism is scorned today. It has gone out of fashion. And there is even a fuzzy notion current that patriotism stands in the way of the development of an international order of peace and justice.

Those who talk of patriotism today run the risk of being thought naive or boorish by people who do not understand what patriotism really means.

When I speak of it I do not mean chauvinistic breast beating or flag waving, or the hollow veneration of mere symbols.

If this were all there was to it, then patriotism would indeed be an empty thing. Our loyalty is not to the symobls, but to the ideals and traditions of our country and to the great causes it represents.

Love of country is one of the deepest and most abiding of human instincts. Strange indeed is the man or woman who does not feel a special love for his homeland. As often as not, it is the most humble, the most abused, and the most misgoverned who will, in an hour of crisis, display the fiercest and most selfless loyalty to their country.

So it can be said that the instinct of patriotism is almost universal. John Foster Dulles called it, "One of the great and indispensable virtues" and the heroic example of his life and death provides perhaps the best answer to the scoffers of our time.

Americans have a special reason for a special kind of loyalty that goes far beyond the love of things that are familiar. I do not say this merely because our country has been able to give us more advantages and privileges than other lands.

I say it because our country, its institutions, its traditions, its strength today compose the sustaining force which preserves government based on human dignity and human decency.

Whatever may be the faults and weaknesses of our people as individuals, and they are many; whatever may be the mistakes and weaknesses of our Government, and they have been many, the United States of America as a nation has historically acted with honor, with courage, with charity, with justice, and with idealism.

Perhaps we are too close to the scene to appreciate the significance of the role of our country and of our generation. The new apostolic delegate from the Vatican to the United States, Archbishop Vagnozzi, had this to say 2 weeks ago in Washington:

"Washington has become the fountainhead of freedom. We may well say that the road of freedom, of democracy, of self-determination of peoples, and the respect for human personality leads today to and from Washington and it is to a large degree in the United States that the hopes for the survival of human freedoms rest."

No nation has ever carried such an awesome burden as this. I sometimes think that our entire history has prepared us for and guided us toward this crucial role that we now play.

Surely a sense of national mission and destiny has moved our country from its earliest days. The opening paragraph of the "Federalist" papers, pleading for the adoption of our Constitution, said:

"It seems to have been reserved to the people of this country, by their conduct and example, to decide whether societies of men are capable of establishing good government. Failure on their part would be the general misfortune of mankind."

What Longfellow said 100 years ago applies more to our generation than his:

"Sail on O ship of State,
Sail on O union strong and great,
Humanity with all its fears
With all the hopes of future years
Is hanging, breathless, on thy fate."

All of the forces that have shaped our history, all of the good fortune, all of the noble aspirations, all the blessings of material strength, have combined to give us the means and the obligation to preserve the temple of Christian civilization from the barbarism of first nazism and now communism.

Why do I say all this? I say it because our country and its ancient ideals are more in need of the loyalty, the devotion, the understanding, and the unselfish help of its young men and women than ever before. Never has a nation been so in need of a generation that recognizes its destiny, represents its ideals, and embraces its traditions.

Two thousands years ago Simon of Cyrene stood at a crossroads in Jerusalem and watched our Divine Saviour pass, carrying His cross to Calvary.

Simon had no real knowledge or special interest in what was going on. He was there by what seemed to him an accident. But because he was there, and because of his apparent strength, he was pulled from the crowd and given our Lord's cross to carry.

He shouldered his burden unwillingly and with a resentment that we can all understand. But as he trod in the footsteps of our Lord, as he began to recognize the significance of his action, the burden became lighter and the labor sweeter. He was fulfilling his destiny.

In this century the United States has stood at a great crossroads of history, at a time when morality and decency were being persecuted and crucified all over the world. We had just arrived on the world scene as an important power at the turn of this century. We were curious onlookers at the terrible tragedy that was beginning to unfold in Europe. Our people had no desire to become deeply involved in the problems of other nations.

But events drew us irresistibly to the vortex of the world crisis. Because of our strength, because of the logic of events, we took up the cross of preserving decency in

the world, without realizing the full significance of our act, without realizing that it was the fulfillment of our national mission.

If the destiny of a nation is to be fulfilled, each generation must renew its understanding of it.

Many of our countrymen today resent our role in the world because they do not understand it. There are mounting signs that our people are growing weary of the burden and wish to lay it down.

But our task is far from completed. Our country needs new strength, new zeal, new idealism. I believe that when the full realization dawns upon our people of the nobility of our role, of the meaning of our labors, then our burden—like that of Simon—will seem to grow light, the labor sweet.

Those who understand now the true nature of things, the duty and the privilege that has fallen to us, have a sacred obligation to lend their strength to the just cause and to help keep America ever young in its ideals, its courage, and its fervor for the right.

That is the full meaning of patriotism in our time.

My visit with the young women of St. Joseph College has strengthened my confidence in the future. I envy you the journey ahead. Good luck and Godspeed to each of you.

SENATE

MONDAY, JUNE 8, 1959

The Senate met, in executive session, at 12 o'clock meridian, pursuant to adjournment.

Msgr. William J. Awalt, assistant pastor, St. Matthew's Cathedral, Washington, D.C., offered the following prayer:

O God, in times past we have acknowledged our faith in You by inscribing Your name on our coins, on our monuments; we have written Your name in our Declaration of Independence; we sing Your name in our national anthem. We thank You for inspiring our forebears and Founding Fathers to make this public display of their faith in You.

We are now desirous of pleasing You the more by inscribing Your name in our hearts and by professing our belief in You by our actions. For this we beg Your help. Give this august body the light and the grace to imitate You, the Great Lawgiver, that the laws they enact may reflect Your justice in their equity, Your understanding in their fairness, Your wisdom in their safeguarding of our freedom and liberty. Help us, we implore You, to preserve and continue the great tradition of our country, as we invoke Your protection and providence. Amen.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to; and the Senate proceeded to the consideration of legislative business.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 5, 1959, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. DIRKSEN, and by unanimous consent, the Subcommittee on Public Health, Education, Welfare, and Safety, of the Committee on the District of Columbia, was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Ponce chapter of the Council of Federal Employees, at Ponce, P.R., protesting against the enactment of House bill 5926, and Senate bill 2023, relating to the union of the United States and Puerto Rico; to the Committee on Interior and Insular Affairs.

YOUTH CONSERVATION CORPS—JOINT RESOLUTION OF ILLINOIS LEGISLATURE

Mr. DOUGLAS. Mr. President, I ask unanimous consent that a joint resolution adopted by both Houses of the Illinois State Legislature, supporting the creation of a Youth Conservation Corps, be printed in the body of the RECORD at this point, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Labor and Public Welfare and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION 26

Whereas the Senate and House of Representatives of the United States are now considering leigslation to establish a Youth Conservation Corps; and

Whereas among the most pressing and depressing problems of today are the rise in unemployment, rising relief costs, and increase of juvenile delinquency; and

Whereas it has been established that a Youth Conservation Corps would be a most important resource of combating all of these three undesirable phases of our national life; and

Whereas such a Youth Conservation Corps could achieve essential public improvements, worth more than the cost entailed; and

Whereas the work most needed to be done generally lies in national forests, in national parks, or in such projects as flood prevention and prevention of soil erosion, far removed from the cities or States where most of the youths enrolled for such program now reside; and

Whereas State and local governmental units, including Illinois, have camp programs for youths already under sentence by the courts, while the Federal Youth Conservation Corps should provide only for voluntary enrollment: Therefore be it

Resolved by the House of Representatives of the 71st General Assembly of the State of Illinois (the Senate concurring herein), That we respectfully request and recommend that the Senate and House of Representatives of the United States give favorable consideration to the passage of bills creating a Youth Conservation Corps which would provide aid and assistance to youths who are in need of such opportunities through the development of natural resources; and be it further

Resolved, That suitable copies of this preamble and resolution be forwarded by the secretary of state to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States and to the Senators and Congressmen representing the State of Illinois in the Congress of the United States, and to every member of the Labor and Public Welfare Committee of the U.S. Senate, and of the Education and Labor Committee of the U.S. House of Representatives.

Adopted by the house, April 21, 1959.

PAUL POWELL,
Speaker, House of Representatives.

CLARENCE BOYLE,
Clerk, House of Representatives.

Concurred in by the senate, May 7, 1959.

JOHN WM. CHAPMAN,
President of the Senate.

EDWARD E. FERNANDEZ,
Secretary of the Senate.

Mr. DOUGLAS. Mr. President, I think this is a most significant joint resolution. The Illinois House is controlled by the Democratic Party, and the State senate is controlled by the Republican Party. Both houses join in support of the Youth Conservation Corps bill which has been introduced in the Senate by our distinguished colleague, the Senator from Minnesota [Mr. HUMPHREY]. I believe it has been favorably reported by the subcommittee.

Public opinion is building up in support of this measure, which I think will greatly reduce juvenile delinquency and be a constructive step in providing better opportunities for our youth.

While I believe in economy, and believe very strongly in a balanced budget, I hope that this measure, which would not cost a great deal of money, comparatively speaking will not be opposed by the administration or by the coalition which unfortunately seems to control both Houses of Congress.

There is nothing more important than the youth of our Nation. We know that juvenile delinquency has been increasing. Life in the outdoors is the best corrective of juvenile delinquency. The bill of the Senator from Minnesota is deserving of popular support. I am happy that the Legislature of the State of Illinois, and apparently both political parties in the State, support it.

RESOLUTION OF MISSOURI HOUSE OR REPRESENTATIVES

Mr. HENNINGS. Mr. President, on behalf of my colleague, the junior Sena-

tor from Missouri [Mr. SYMINGTON], and myself, I present Resolution 161 of the Missouri House of Representatives and ask that it be referred to the appropriate committee.

This resolution deals with the need for changes in our Immigration and Nationality Act.

There being no objection, the resolution was referred to the Committee on the Judiciary, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 161

Whereas there are many Americans who have filed petitions with the immigration authorities of the United States for the entry of their sons, daughters, brothers, and sisters, which petitions are classified in the fourth preference quota of the Immigration and Nationality Act; and

Whereas of the four preference quotas established by the Federal Immigration and Nationality Act, the first, second, and third quotas are allotted 100 percent of the total annual entry quota; and

Whereas as a result, those persons who fall within the fourth preference section must depend for entry into this country upon deficiencies in the first three quotas; and

Whereas there is frustration and despair resulting from the law that gives hope to Americans by permitting them to file petitions, getting them approved, and then compelling them to wait for their kin who may never come; and

Whereas thousands of discontented people abroad, whose hopes are first raised and then dashed, certainly cannot believe in the good will we try to engender through our foreign policy, and thus become easy prey to the propaganda of unfriendly nations; and

Whereas Congress has recognized and alleviated a similar problem through Public Law 85-316, which includes provisions for reuniting spouses and minor children of aliens legally residing in this country whose petitions were approved prior to July 1, 1957: Now, therefore, be it

Resolved by the House of Representatives of the 70th General Assembly of the State of Missouri, That this house respectfully request the Senate and House of Representatives of the United States to amend the provisions of Public Law 85-316 to include cases which fall within the fourth preference quota, in order to provide for entry of the many thousands, petitions for whom have piled up in a blacklog in prior years, that in order not to create another problem of separated families, those applicants who are married and have families be permitted to bring them; and that a suitable copy of this resolution be sent by the chief clerk of the house to each Congressman and U.S. Senator from the State of Missouri.

RESOLUTION OF KANSAS BAR ASSOCIATION

Mr. CARLSON. Mr. President, the Kansas Bar Association at its recent annual meeting unanimously adopted a resolution urging the enactment of legislation which would provide an additional judgeship for the U.S. District Court, District of Kansas.

The resolution says that the present judges of the two Federal district courts we have in Kansas cannot thoroughly and expeditiously handle the volume of pending cases without working an undue hardship on themselves. Those of us who are familiar with this situation fully agree with the resolution and sincerely hope this session of Congress will authorize the creation of this new Federal district court.

I ask unanimous consent that the resolution be made a part of the RECORD, and referred to the Committee on the Judiciary.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Whereas the judiciary is one of the most important branches of government, and the foundation of human rights; and

Whereas fundamentally the judiciary is intended to be, and should be, wholly divorced from partisan politics; and

Whereas it is highly desirable that litigation be thoroughly and expeditiously disposed of in the Federal courts, and the citizens of Kansas, and those resorting to the Federal courts in Kansas, are entitled to have their cases thoroughly and expeditiously disposed of; and

Whereas the caseload of the judges of the U.S. District Court for the District of Kansas is such that said judges cannot thoroughly and expeditiously handle the volume of pending cases in a thorough and expeditious manner without continuing to work an undue hardship on the present two Federal judges in Kansas; and

Whereas the caseload of the U.S. District Court for the District of Kansas continues to increase; and

Whereas an additional Federal judge is badly needed in Kansas to afford litigants the legal rights to which they are justly entitled: Now, therefore, be it

Resolved by the Bar Association of the State of Kansas at its annual meeting held in Hutchinson, Kans., May 7 to May 9, 1959, inclusive, That we urge each of our U.S. Senators from Kansas to use their best efforts to promote legislation to provide a third U.S. district judge for the State of Kansas; be it further

Resolved, That a copy of this resolution be signed by the president and attested by the secretary and mailed to each other Member of the Kansas delegation in Congress, and also to each member of the Judiciary Committee of the House and the Senate.

Adopted this 9th day of May 1959.

BAR ASSOCIATION OF THE STATE OF KANSAS,
WILLIAM M. BEALL,
President.

Attest:

JOHN W. SHUART,
Executive Secretary.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 854. A bill for the relief of Luther M. Crockett (Rept. No. 352);

S. 917. A bill for the relief of Mr. and Mrs. Fred A. Fletcher (Rept. No. 353);

S. 1330. A bill to amend the act entitled "An act for the relief of the city of Fort Myers, Fla., and Lee County, Fla.," approved July 22, 1958 (Rept. No. 354);

S. 1466. A bill for the relief of Sofia N. Sarris (Rept. No. 355);

S. 1611. A bill for the relief of Adeodato Francesco Piazza Nicolai (Rept. No. 356);

S. 1645. A bill to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners (Rept. No. 357);

H.R. 1471. An act for the relief of Jim B. Hill (Rept. No. 359);

H.R. 1711. An act for the relief of the Galveston, Houston & Henderson Railroad Co. (Rept. No. 360);

H.R. 2011. An act for the relief of Leonora Holmes Mola (Rept. No. 361);

H.R. 2100. An act for the relief of John F. Carmody (Rept. No. 362);

H.R. 2286. An act for the relief of Joseph E. Gallant (Rept. No. 363);

H.R. 3522. An act for the relief of Aaron Green, Jr. (Rept. No. 367);

H.R. 3825. An act for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell (Rept. No. 364);

H.R. 3960. An act for the relief of Patrick W. Gowan, David Dooling, Harlie L. Mize, James H. Blaes, and William L. Perkins (Rept. No. 365); and

H.J. Res. 324. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens (Rept. No. 366).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 1320. A bill for the relief of Taufic Deoud Gebran (also known as Taufic G. Dawd) and his wife, Hanne Elias Wehby Deoud (Rept. No. 358).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GOLDWATER:

S. 2129. A bill for the relief of Mileva Lovric; to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 2130. A bill to authorize a payment to the Government of Japan; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 2131. A bill to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia approved May 25, 1954, as amended; and

S. 2132. A bill to amend the law providing for exemptions from jury service in the District of Columbia; to the Committee on the District of Columbia.

By Mr. ELLENDER (by request):

S. 2133. A bill to amend the act of July 3, 1956 (70 Stat. 492), entitled "An act to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. GOLDWATER:

S. 2134. A bill to provide for the payment of expenses of administration of the workmen's compensation provisions of the Longshoremen's and Harbor Workers' Compensation Act by insurance carriers and self-insurers authorized to insure under section 32 of the act, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. GOLDWATER when he introduced the above bill, which appear under a separate heading.)

CONCURRENT RESOLUTIONS

Mr. DOUGLAS submitted the following concurrent resolutions, which were referred to the Committee on Rules and Administration:

S. Con. Res. 46. Concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Federal Tax Policy for Economic Growth and Stability"; and

S. Con. Res. 47. Concurrent resolution authorizing the printing of additional copies of the hearings on automation and technological change.

(See the above concurrent resolutions printed in full when submitted by Mr. DOUGLAS, which appear under a separate heading.)

RESOLUTION

Mr. CLARK (for himself and Senators DOUGLAS, PROXMIRE, BYRD of West Virginia, WILLIAMS of New Jersey, MUSKIE, MONRONEY, MCNAMARA, YARBOROUGH, MCCARTHY, GRUENING, CARROLL, and HUMPHREY) submitted a resolution (S. Res. 130) to express the sense of the Senate on exchange of mortgages held by the Federal National Mortgage Association for Government bonds; which was referred to the Committee on Banking and Currency.

(See the above resolution printed in full when submitted by Mr. CLARK, which appears under a separate heading.)

PAYMENT TO THE GOVERNMENT OF JAPAN

Mr. FULBRIGHT. Mr. President, by request I introduce, for appropriate reference, a bill to authorize a payment to the Government of Japan.

The proposed legislation has been requested by the Acting Secretary of State in a letter to the Vice President of May 29, 1959, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the Acting Secretary of State to the Vice President in regard to it.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 2130) to authorize a payment to the Government of Japan, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized to pay to the Government of Japan a sum of $6 million. The payment of such sum shall constitute full satisfaction and settlement of all claims of Japanese nationals, formerly resident in the Bonin Islands, arising from the use, benefit, or exercise of property rights or interests in the Bonin Islands by the United States for security purposes, for the period beginning April 28, 1952, and continuing until such time as said use, benefit, or exercise is relinquished by the United States.

SEC. 2. There is hereby authorized to be appropriated the sum of $6 million to carry out the purpose of this Act.

The letter presented by Mr. FULBRIGHT is as follows:

DEPARTMENT OF STATE,
Washington, May 29, 1959.

The VICE PRESIDENT,
U.S. Senate.

DEAR MR. VICE PRESIDENT: There is enclosed for the consideration of the 86th Congress the draft of a proposed bill entitled "A bill to authorize a payment to the Government of Japan." The proposed measure is the culmination of long study by appropriate agencies of the excutive branch of the Government of an important problem: settlement of the claims against the United States of the former residents of the Bonin Islands arising from the utilization of these islands by the United States for security purposes.

The draft bill provides that the Secretary of the Treasury be authorized to pay to the Government of Japan the sum of $6 million. This payment is to constitute full satisfaction and settlement of all claims of Japanese nationals, formerly resident in the Bonin Islands, arising from the use, benefit, or exercise of property rights or interests in those islands by the United States for security purposes, during the period subsequent to the effective date of the Treaty of Peace with Japan until such rights are relinquished by the United States.

The Bonins are a group of small islands located about 700 miles due south of Tokyo that were originally settled by persons of American and European origin during the second quarter of the 19th century. Japanese in increasing numbers migrated to the islands after 1850, and Japan assumed sovereignty over them in the 1870's. The United States occupied the islands at the end of World War II. Prior to the end of the war the civilian population of the islands—about 7,000 people of Japanese nationality—were removed by the Japanese Government to the Japanese home islands. In October 1946 some 135 former residents of partially occidental ancestry were permitted to return to the Bonin Islands. The State-War-Navy Coordinating Committee in 1945 enunciated the policy that the Bonin Islands should be closed to all other settlement for security reasons. This policy was reaffirmed by the Inter-U.S. Agency Pacific Security Conference held at Pearl Harbor in May 1953. This policy has been reflected in appropriate regulations issued by the Navy Department.

Under article 3 of the Japanese Peace Treaty, signed at San Francisco and effective April 28, 1952, the United States acquired "the right to exercise all and any powers of administration, legislation, and jurisdiction over the territory and inhabitants of these islands, including their territorial waters" pending a proposal by the United States that they be placed under the United Nations trusteeship system. During the peace treaty negotiations the residual sovereignty of Japan over the islands was recognized officially by the United States, Great Britain, and Japan.

The former Bonin islanders have not been successfully integrated into the Japanese economy. They live in distressed economic conditions and the Japanese Government has had to provide them with economic assistance. When he visited Washington in June 1957, Prime Minister Kishi presented a strong plea that the Bonin Island problem should be resolved, as it constituted a definite irritant in United States-Japanese relations. He favored repatriation of at least a portion of the islanders but believed that if repatriation was impossible, a solution to the problem should be approached through the avenue of indemnification. The United States agreed to consider limited repatriation and some sort of indemnification. Limited repatriation was subsequently found to be impossible for security reasons. When he visited Washington in September 1957 and again in September 1958, the Japanese Foreign Minister was informed that the problem of indemnification would be actively considered, and it was decided that discussions of this matter would proceed simultaneously in Tokyo and in Washington. These discussions have resulted in the reduction of the original Japanese request for $12.5 million to $6 million on the basis that a settlement can be achieved in the near future.

The Departments of State and Defense are in agreement that the claims of the former Bonin islanders arising from the utilization of their property interests by the United States for security purposes have sufficient merit to warrant payment. The date from which to calculate the claims is considered to be April 28, 1952, the effective date of the Japanese Peace Treaty, since under the terms of the treaty the United States is not liable for Japanese claims arising during the period of the occupation.

Since these former Bonin islanders have not been permitted to return to the Bonin Islands, and since land there is, therefore, not presently in use, the valuation of property there presented serious problems. Therefore, it was decided to accept the average value of land in the Ryukyu Islands (another group of Japanese islands under U.S. administration) as applicable also to land in the Bonin Islands. It is believed that this valuation, amounting to $1,060 per acre, as applied to the Bonins, would be adequate. Most of the property in the Bonins was agricultural. The total valuation of privately held land in the Bonins on this basis is approximately $4 million. In accordance with accepted practice in the Ryukyus and Japan, 6 percent interest per annum has been added to this sum, bringing the total figure up to approximately $6 million.

The Departments of State and Defense believe that it would be undesirable for the United States to attempt to adjudicate individual claims. Therefore, it is recommended that the total amount should be turned over to the Japanese Government in full satisfaction and settlement of all claims of the former residents against the United States. The Japanese Government could then compensate the individual claimants.

The draft legislation was prepared by the Department of State and the Department of Defense. It is based on a full and careful consideration of the problems involved. It is based on the fact that since our continued indefinite reservation of the Bonin Islands is necessary for security purposes, repatriation of the former islanders cannot be permitted in the foreseeable future. It is also based on the fact that since the Bonin Island claims have sufficient merit and since the Bonin islanders are living in difficult economic circumstances in Japan, this problem constitutes an irritant in United States-Japanese relations. Prompt and favorable action resulting in the payment of compensation would strengthen the ties of friendship between the United States and Japan.

The Bureau of the Budget advises that it has no objection to the enactment of the proposed legislation.

I respectfully request that early consideration be given to the proposed legislation which is transmitted herewith. A similar communication is being sent to the Speaker of the House of Representatives.

Sincerely yours,

———— ————,
Acting Secretary.

PAYMENT OF CERTAIN EXPENSES OF ADMINISTRATION OF WORKMEN'S COMPENSATION PROVISIONS OF LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

Mr. GOLDWATER. Mr. President, I introduce, for appropriate reference, a bill to provide for the payment of expenses of administration of the workmen's compensation provisions of the Longshoremen's and Harbor Workers' Compensation Act by insurance carriers

and self-insurers authorized to insure under section 32 of the act, and for other purposes. I ask unanimous consent that the bill, together with an explanation of it, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and explanation will be printed in the RECORD.

The bill (S. 2134) to provide for the payment of expenses of administration of the workmen's compensation provisions of the Longshoremen's and Harbor Workers' Compensation Act by insurance carriers and self-insurers authorized to insure under section 32 of the act, and for other purposes, introduced by Mr. GOLDWATER, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 45 of the Longshoremen's and Harbor Workers' Compensation Act is amended to read as follows:

"45. (a) At the end of each fiscal year the Secretary shall determine the cost in such fiscal year of administering all provisions of this Act with the exception of section 41. In determining the cost of administration, any expenses incurred during such fiscal year and properly chargeable to equipment may be apportioned over such period, not to exceed 5 years, as the Secretary deems advisable.

"(b) The amount so determined shall be prorated among the carriers and self-insurers authorized to insure under section 32 of this Act. The assessment basis shall be the total money benefits paid by such carriers and self-insurers during such fiscal year.

"(c) The Secretary shall assess each carrier or self-insurer for its pro rata share of the total amount of the administrative costs of this Act in the fiscal year as determined under this section, and shall give written notice, sent by certified mail, to insurance carriers and self-insurers of the assessments against them. The assessment shall become due and payable and not subject to administrative or judicial review on the twentieth day following receipt of such notice, except that any carrier or self-insurer objecting to the assessment shall have the right within such twenty-day period to apply for a hearing with respect to any matter pertinent to the assessment to which the notice relates. If an application for a hearing is received within such time, the Secretary shall hold a hearing and shall make findings of fact, where necessary, on the basis of the record of such hearing, and shall state his conclusions in the form of an order. Such order shall become final and conclusive on the thirtieth day after it is filed in his office and the assessment thereupon shall be due and payable if approved by such order and if no proceedings for judicial review, as herein authorized, are filed. An order which has not become final shall be subject to judicial review in the same manner and to the same extent as review is provided for compensation orders in section 21 of the Act (except for its provision for the granting of a stay of payment), and suits instituted against the Secretary or his designee to secure review of orders shall be brought only in the U.S. District Court for the District of Columbia. The assessment, if sustained on appeal, shall become due and payable upon the conclusion of such proceedings.

"Collection of an assessment in default shall be made by the Secretary through default and judgment proceedings in the manner provided in section 18 with respect to the collection of defaulted payments of compensation. To an assessment found in default by a supplementary order filed under section 18 the Secretary (or the court, on application to modify the judgment if necessary) shall add a penalty of 10 per centum of the amount in default for each thirty-day period or any part thereof, but such penalty shall not exceed $1,000. Interest at 6 per centum per annum shall accrue on any unpaid order or judgment after the penalty for nonpayment has reached $1,000.

"(e) All amounts collected under the provisions of this section shall be paid into the Treasury as miscellaneous receipts except that amounts collected under the provisions of the District of Columbia workmen's compensation law shall be credited as revenues of the Government of the District of Columbia.

"(f) The Secretary shall have authority to make such regulations as he may deem necessary to carry out the purposes of this section, including, but not limited to, provisions for the making and keeping of records by carriers and self-insurers, inspection of such records, and submission by carriers and self-insurers of reports prescribed by the Secretary.

"(g) If a carrier or self-insurer fails to make or keep records in the form and manner required by regulations issued pursuant to this section, or misrepresents any material fact in a report, or denies the inspection of records, the Secretary, in accordance with the procedure specified in section 32(b) of this Act, may suspend or revoke the authorization of a carrier to insure compensation or a self-insurer to act as a self-insurer under this Act. If any carrier or self-insurer fails to furnish any information required under regulations issued pursuant to this section in order to compute an assessment, the Secretary shall determine the pro rata assessment of such carrier or self-insurer from the available evidence, after such investigation as he deems necessary. In the event of such failure, the Secretary shall add to the assessment a penalty of 50 per centum thereof for noncompliance with this section and such regulations, which amount shall be treated as a part of the assessment.

"(h) In the administration of this section, the Secretary shall have the authority of a deputy commissioner, in making an investigation or inquiry, as contained in sections 23, 24, 25, and 27 of this Act.

"(i) The provisions of this section shall apply to extensions and applications of this Act and the Secretary may, in his discretion, treat the administration of each extension or application as a part of the administration of this Act in computing assessments due."

SEC. 2. Section 47 of the Longshoremen's and Harbor Workers' Compensation Act is amended to read as follows:

"47. The expenses incurred by the Department of Labor in the administration of this Act, and any extensions or applications thereof, may be paid from the appropriations for salaries and expenses for the administration of the Federal Employees' Compensation Act, in such proportion as the Secretary determines to be fairly attributable to the cost of administration of the respective Acts."

SEC. 3. The provisions of this Act shall become effective upon approval by the President except that liability for assessments shall accrue only from and after the first day of the next fiscal year commencing after the date of approval.

The explanation presented by Mr. GOLDWATER is as follows:

EXPLANATION OF SENATE BILL 2134

The American system of workmen's compensation is not financed out of general taxation but places its costs only on those members of the public who are also employers. In accordance with this concept, employers are charged with the costs of payments to injured employees either as self-insurers or through insurance carriers. In many States employers are also charged with the administrative costs of the workmen's compensation program. Under the Longshoremen's and Harbor Workers' Compensation Act, however, a Federal statute which applies to certain private employments in much the same manner as a State workmen's compensation law, the costs of administration are borne by the Federal Government. This places on the Federal Government a burden inconsistent with a basic concept of workmen's compensation.

The draft bill would charge administrative costs of the workmen's compensation features of the Longshoremen's Act to the industry covered by that act. Under the proposed bill the funds necessary for administrative expenses (direct expenses and the applicable share of indirect and overhead expenses) would continue to be fixed and appropriated annually by Congress. However, at the end of each fiscal year, the cost of administering the workmen's compensation provisions of the act during that year would be determined by the Secretary of Labor and prorated among insurance carriers writing insurance under the act, and among self-insurers. The assessment would be based on the total money benefits paid by such carriers and self-insurers during such year. They would not be charged with cost of administering the recently enacted amendment to the act which authorizes the issuance and enforcement of safety standards.

It is estimated that this proposal, if enacted, would result in a reimbursement to the Federal Government of over $700,000 a year. The cost for administering the law was $701,657 during the past fiscal year and because of the recent Federal pay increase it is estimated that the administrative costs will be somewhat higher during the 1959 fiscal year.

The rights of a self-insurer or carrier would be protected by an administrative hearing on assessments, if requested, and by a right to judicial review.

If it failed to pay the amount assessed when due, a carrier or self-insurer would be liable to fines and interest on unpaid balances. Similar penalties and possible suspension or revocation of its authorization to insure are provided where a carrier or self-insurer misrepresents material facts or fails to furnish information called for by the bill or by regulations of the Secretary.

This proposal would also apply to all extensions and applications of the Longshoremen's and Harbor Workers' Compensation Act with the exception of the War Hazards Act (42 U.S.C. 1701 et seq.). The existing extensions and applications to which this proposal would apply are the District of Columbia workmen's compensation law, the Defense Base Act, the Outer Continental Shelf Lands Act, and the act of July 18, 1958, amending section 2 of the act of June 19, 1952 (5 U.S.C. 150k–1), applying the Longshoremen's Act to certain civilian employees of non-appropriated fund instrumentalities of the Armed Forces. The reimbursement to the Federal Government, estimated above at over $700,000, includes reimbursement for the administrative costs involved in all extensions and applications of the act except for the administration of the District of Columbia workmen's compensation law.

An additional sum of approximately $200,000, now included in the budget of the municipal government of the District of Columbia, is transferred annually to the Department of Labor for the administration of the District's workmen's compensation law. The draft bill would credit to the District government its share of the reimbursement received from the carriers and self-insurers.

The Secretary would also have authority, in his discretion, to establish a single, consolidated administration fund for the act and its extensions and applications, or to have separate administration funds for the act and the respective extensions and applications.

PRINTING OF ADDITIONAL COPIES OF REPORT AND HEARINGS OF JOINT ECONOMIC COMMITTEE

Mr. DOUGLAS. Mr. President, on behalf of the Joint Economic Committee I submit, for appropriate reference, two concurrent resolutions, authorizing the printing of additional copies of papers on "Federal Tax Policy for Economic Growth and Stability," and the hearings on "Automation and Technological Change." I ask unanimous consent that a statement which I have prepared in connection with these concurrent resolutions be printed in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. The concurrent resolutions will be received and appropriately referred; and, without objection, the statement presented by the Senator from Illinois will be printed in the RECORD.

The concurrent resolutions were referred to the Committee on Rules and Administration, as follows:

S. Con. Res. 46. Concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Federal Tax Policy for Economic Growth and Stability".

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Joint Economic Committee one thousand additional copies of the joint committee print entitled "Federal Tax Policy for Economic Growth and Stability."

S. Con. Res. 47. Concurrent resolution authorizing the printing of additional copies of the hearings on automation and technological change.

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Joint Economic Committee one thousand additional copies of the hearings on automation and technological change held by that committee during the Eighty-fourth Congress.

The statement presented by Mr. DOUGLAS is as follows:

STATEMENT BY SENATOR DOUGLAS

The attached resolutions are to provide for the reprinting of the papers on "Federal Tax Policy for Economic Growth and Stability" and the hearings on "Automation and Technological Change." The supplies of both the committee and the Government Printing Office are exhausted and there is great demand from individuals, libraries, and universities for these publications.

The Joint Economic Committee distributed 2,350 copies of "Federal Tax Policy" and the GPO sold 3,000 copies at $2.50 each. The committee distributed 1,700 copies of the automation hearings and GPO sold 2,500 copies at $2. The total receipts by GPO were $12,500—$7,500 for tax policy and $5,000 for automation.

We would like to have reprints in order to provide single copies to libraries and university teachers. The GPO would "ride the jacket" for a supply to sell to organizations and individuals—with the particular objective of having a supply available for purchase by students as college textbooks. Both publications have been widely used in colleges not only as general references but also as daily classroom materials. I believe the entire costs of printing could be recovered by the GPO sales. The costs of going back to print are as follows:

Federal tax compendium:	
1st 1,000 copies	2,617.13
Each additional 1,000 copies	839.65
Automation and technological change hearings:	
1st 1,000 copies	2,617.13
Each additional 1,000 copies	618.00

Copies of these publications, with the official estimates, are already in the hands of the Joint Committee on Printing.

PARTICIPATION IN PARLIAMENTARY CONFERENCE WITH MEXICO—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Under authority of the order of the Senate of June 2, 1959, the name of Mr. GRUENING was added as an additional cosponsor of the joint resolution (S.J. Res. 102) to authorize participation by the United States in parliamentary conference with Mexico, introduced by Mr. CHAVEZ (for himself, Mr. KUCHEL, Mr. ENGLE, Mr. YARBOROUGH, and Mr. MORSE) on June 2, 1959.

THE PUBLIC DEBT—MESSAGE FROM THE PRESIDENT

Mr. JOHNSON of Texas. Mr. President, I am informed that the President has sent to the Congress a message relating to the public debt. It has already been read in the House of Representatives. Therefore, I ask unanimous consent that the message be laid before the Senate and referred to the appropriate committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The message from the President was referred to the Committee on Finance.

(For President's message, see House proceedings for today.)

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD following the President's message on debt management an article entitled "Economic View: Steel Firms Could Seize Initiative With Price Cuts," written by Harold B. Dorsey, and published in the Washington Post of today, June 8, 1959. I think Mr. Dorsey has made a clear statement of the need for a thorough discussion and consideration of the entire problem of debt management, as the President has indicated in his message today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ECONOMIC VIEW: STEEL FIRMS COULD SEIZE INITIATIVE WITH PRICE CUTS

(By Harold B. Dorsey)

Rumors are now very strong that the administration will shortly ask Congress for permission to issue long-term Government bonds (beyond 5 years maturity) with an interest rate in excess of 4¼ percent. This request, coming on top of the recent increase in the Federal Reserve discount rate to the highest level in a quarter of a century, seems bound to create extensive discussion of monetary policy on the floors of Congress and elsewhere.

The request to lift the ceiling on the interest rate of Government bonds is likely to meet with the opposition of the proponents of perpetually cheap and expanding credit and those who espouse the idea that creeping inflation is necessary to sustain an active economy.

Even a casual examination of the experience of the past few years makes it clear that the excessive use of credit during the 1955–57 period represented extensive spending in anticipation of future needs and in excess of current earnings. These excessive demands helped the labor monopoly-administered price combination to give the wage-price spiral another whirl. As a result goods and services began to price themselves out of markets. The ensuing recession, with its rising unemployment, was a very natural consequence.

This sequence of cause and effect should not be difficult to understand. It does not require a highly skilled knowledge of economic techniques. It is merely commonsense.

Nevertheless, there is still agitation to promote the very policies that caused the 1955–1957 excesses which had to find correction in the 1957–58 recession. Peculiarly incongruous as it seems, the proponents of the creeping inflation forces are the very ones that professed the greatest concern about the relatively high unemployment which was caused by their own ideas. For some reason or other it does not seem to be recognized that the high price for a commodity is of no help to business if the goods and services won't move into consumption at a rate which provides reasonably full employment. And a high hourly wage rate is of absolutely no use to a worker who cannot find a job because the high wage rate has priced that worker and the products of his toil out of the market.

The point is that the inflationary potentials and the fears that have been created by the proponents of creeping inflation constitute primary reasons why it has become necessary for the Government to pay 4¼ percent or higher for its long-term borrowings. The price of credit (the interest rate) tends to inflate just like the price of everything else.

Every individual in the country should be able to understand why a saver should hesitate to lend his money to the Government, or to anybody else, on a long-term basis, when there is so much agitation for policies that would cause higher prices and thereby reduce the real value of his investment. That is why savers have been putting a larger than normal proportion of their funds into common stock and real estate, and a less than normal proportion into bonds. The reduced demand for bonds naturally causes a lower price and a higher interest rate.

The practical reason why the administration is likely to request Congress for permission to issue long-term Government bonds at an interest rate beyond 4¼ percent is very simple. All of the currently outstanding Treasury bonds with maturities between 1961 and 1967 were selling last week at prices which yield between 4.23 percent and 4.50 percent. A new Government bond issue at this juncture would have to compete with those yields or else the Government would not get its money.

There have been frequent times in our economic history when demand for credit was tighter than it is now, but when interest rates were lower than current levels. There is no shortage of money supply in the investment sector of the economy. Higher current interest rates represent the demand of savers for a higher compensation to offset the threats of commodity price inflation.

The prospect that the Government might borrow money in the long-term credit market, if it were free to pay the prevailing interest rates, would have counterinflationary

implications—but not deflationary implications. If we could add to this dampening of inflationary psychology a noninflationary settlement of the pattern-making steel industry labor negotiations, it might be possible then that the Treasury Department would never have to issue long-term bonds in excess of 4¼ percent—in spite of the prospect that an expanding economy will create a greater demand for credit.

There are many business analysts who believe that it is unfortunate that the leadership of the steel industry does not adopt the initiative and reduce the price of steel immediately to demonstrate their belief that the time has come when the consumer must obtain some of the benefits of improved productivity. Perhaps the leadership of labor might then better understand that job security is going to depend very heavily on the termination of the wage-price spiral. Such a contribution by labor and management at this juncture, coupled with a balanced Federal budget, would do more to assure an expanding economy, rising employment, and a restoration of the Government's credit position than any other developments I can envisage.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Address delivered by Senator JOHNSON of Texas at commencement exercises, June 7, 1959, at Bethany College, West Virginia.

By Mr. NEUBERGER:

Article entitled "Oregon at 100," written by him, and published in Sports Afield magazine for June 1959.

By Mr. YARBOROUGH:

Statement paying tribute to Gen. George C. Marshall.

THE LEADERSHIP OF HENRY CABOT LODGE IN THE UNITED NATIONS

Mr. WILEY. Mr. President, I always like to place in the RECORD tributes to former Members of this body. In that connection, Mr. President, I wish to read a portion of a recent "Editor's Report," by William Randolph Hearst, Jr., editor in chief of the Hearst newspapers. In referring to Henry Cabot Lodge, Mr. Hearst wrote:

While there is probably some truth in Cabot's generous statement, the whole truth is that Cabot himself is the person most responsible for changing the opinion of the American public toward the United Nations.

His tough tactics, his skillful diplomacy, his swift rebuttal whenever the Communists launched a propaganda balloon have earned the support of many people who previously held serious reservations about the U.N. Little by little Americans began to understand that Uncle Sam could more than hold his own on the world stage when represented by an alert, forceful personality of Cabot Lodge's caliber.

STOP OBSCENE MAIL

Mr. WILEY. Mr. President, the fast-growing racket of distributing obscene and pornographic material through the mails is of ever-increasing concern to our citizens. Congress, too, I believe, should take a new look at our laws, and should stiffen the penalties, so as to stamp out this moral plague.

My colleagues will recall that recently I introduced a bill, S. 2123, that would stiffen the penalties for violations of the Federal antiobscenity laws. Specifically, the proposal, if enacted—as I believe it should be—would require mandatory prison terms for second and succeeding violations by racketeers who transmit obscene matter through the mails, by express or truck, or who themselves carry such trash across a State line.

Under present law, dealers in pornography or obscene materials may be fined up to $5,000. However, these dealers—who make thousands of dollars a year—merely regard fines as a "cost of doing business."

Tougher penalties, I believe, are necessary if this unsavory racket is to be curtailed.

I am respectfully urging, therefore, that expeditious action be taken on my bill, S. 2123, to crack down on illicit traffic in obscene materials.

Recently the Ripon Commonwealth Press, of Ripon, Wis., carried an editorial entitled "Stop Obscene Mail." The editorial reflects the indignation which folks across the Nation are feeling at such violations of decency through invasion of the privacy of the American home, in the insidious way by which these dealers in trash attempt to distribute their wares, particularly to youth.

I request unanimous consent that the editorial be printed at this point in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Ripon Commonwealth-Press]

STOP OBSCENE MAIL

Postmaster General Arthur E. Summerfield has appealed for public support in his intensified war on ruthless mail order merchants in filth who are violating the homes of the Nation in defiance of the national Government.

Obscene mail dealers today are taking advantage of one of the Nation's most cherished privileges to carry on their smutty trade—the first-class letter that is guaranteed private.

At the Ripon office, Postmaster Val Habel reports that while the volume of obscene mail is small, the staff exercises a constant watch to detect this type of material. He urges cooperation of all residents in stopping the flow of this type of mail.

This sanctity of the letter must never be disturbed, but at the same time it is almost impossible for the Post Office Department to detect the materials sent by smut merchants in plain envelopes—unless we, the public, do something about it.

Materials contaminating the mails, Mr. Summerfield says, include filthy films and books, and dirty pictures, slides, and related filth, advertised in highly objectionable circulars sent indiscriminately to homes here and all over the Nation, he said.

Mail-order dealers in pornography and obscenity are realizing half a billion dollars a year from their filth business, he has reported to Congress.

No wonder, as Mr. Summerfield has emphasized, obscene mail business is increasing.

During a recent 12-month period, the local postmaster was advised, postal inspectors conducted 4,000 investigations on obscene and pornographic mail and caused the arrest of 293 persons dealing in this filth. This was an increase of 45 percent over the previous year, and an alltime high.

Within the past few weeks, an eastern raid resulted in seizure of 15 tons of dirty films, slides, photographs, and other smut, and a mailing list with 100,000 names.

The citizens of this community can assist by reporting receipt of obscene mail, or advertisements soliciting sale of such filth.

Let the local postmaster know promptly if you receive such mail, and let's help stamp out this dirty business.

THE AMERICAN SYSTEM

Mr. TALMADGE. Mr. President, on last April 8, the Honorable George W. Malone, former U.S. Senator from Nevada, spoke before the annual meeting of the National Association of Pro America, held at Fort Worth, Tex. The topic of his address was "The American System." I ask unanimous consent that the text of his address be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE AMERICAN SYSTEM

(Address by Hon. George W. Malone before the National Association of Pro America annual meeting, Fort Worth, Tex., April 8 1959)

It is a privilege to address your association on the importance of the American system.

The women of America can spearhead the return to the Constitution in the discharge of governmental functions, and safeguard the American system. However, to be effective, it will be necessary to alert your organizations throughout the country.

The framers of our Constitution, including George Washington, Thomas Jefferson, and Benjamin Franklin had been pushed around by kings, queens, and dictators all of their lives, and when in sheer desperation they signed the Declaration of Independence and won the Revolutionary War against England, they wrote a Constitution to prevent any reoccurrence of such highhanded bigotry.

In this document they set up a three-branch government, each branch having specific duties to perform as checks and balances, including a definite method of amending it, if the people decided that the division of powers be in any particular wrong.

During the last quarter of a century it has become routine to amend the Constitution through usurpation and evasion, including the transfer of the constitutionally delegated power of one branch to another, without amending the Constitution in the way set down in that document.

Among the more dangerous evasions of the Constitution has been the gradual division of the American markets and the taxpayers money with the foreign nations of the world on the pretext of keeping us out of war.

The division of the American markets has been accomplished by the transfer of the constitutional responsibility of Congress to the President through a simple act of Congress.

The pretext of keeping us out of war has also led to the deployment of foot soldiers and surface ships throughout Europe and Asia.

You can thank a Texan, Bob Anderson, for the nuclear-powered submarines that have emphasized the futility of relying upon foot soldiers and surface ships in any future conflict. Bob, now Secretary of the Treasury, was then Secretary of the Navy.

Super airpower missiles and nuclear submarines have not only ruled out foot soldiers and surface ships as defensive or offensive weapons, but have made completely ridiculous any thought of fighting localized wars

or putting out the so-called brush fires throughout the world.

Bob used to come to my office and visit. He is a fine businessman, and is liberally endowed with horsesense, one of the scarcest commodities in Washington.

When I told him that the Navy was cashiering the only nuclear powered submarine brains they had out of that select organization by the simple expedient of failing to promote Captain Rickover to the rank of admiral, he said that it was the responsibility of the Admiralty Board.

I knew Captain Rickover through our engineering connections, visited him on many occasions in his laboratory where he had set up a model nuclear powered boat, and I was convinced that he could do the job.

Bob said that he could not interfere with the Admiralty Board in its choice of promotions, but after I convinced him that they should keep the captain for the nuclear powered job, he finally said that he could write a set of specifications for an admiral that only Rickover could fill.

He did just that, and Rickover built the nuclear-powered submarine and is now building a fleet of them and, of course, has made obsolete every other kind of undersea boat.

The boats "play house" under the Arctic ice at the North Pole, and will furnish the roving bases from which the nuclear missile warhead can be fired, destroying any nation bold enough to cause us any trouble—thus discouraging an attack on this Nation at any time.

LIVING ON A WAR ECONOMY

You may remember that when the free imports of cheap labor goods were first suggested in 1934, it was said that we could import the raw materials cheaper than we could produce them, and that our manufacturers were best fitted to sell manufactured goods to the world.

Now with the mines and raw material producers largely closed down and many manufactures severly curtailed through imports, it has been decided to encourage our American manufacturers to invest in manufacturing and processing plants in the cheap labor countries and ship manufactured goods here. We are now going to give them tax concessions and guarantee them against certain losses if they will invest abroad. We have made the cycle and are now living on a $45 billion war economy.

I congratulate you on the thoroughness with which you study legislation on all governmental levels and the firm adherence to constitutional principles which has been evident in your policy and your statements through these last 26 years.

THE FIRST PLEDGE

Your first pledge, it seems to me, is the heart and soul of your organization:

"Pro America is pledged to preserve both the letter and the spirit of the American form of government as set forth in the Constitution of the United States."

You go on further to say:

"To safeguard our freedom we must work to create an informed public opinion. To safeguard States rights and to decrease Federal power."

WASHINGTON'S FAREWELL ADDRESS

You might take one more official step, in view of the questionable acts of all three branches of our Government during the last 25 years and say, we agree with our first great President that:

"If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designated. But let there be no change by usurpation; for though this in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

I say to you without fear of contradiction, that if a constitutional amendment were submitted to the people to provide for Congress to transfer its constitutional responsibility to the Executive—the exercise of that power by the Executive—and for the shading of certain legislation through Supreme Court decisions, that the people would move on Washington without waiting for an election.

Unfortunately, they are not yet convinced that their own Congress would do that to them.

RESPONSIBILITY FOR AMERICAN SYSTEM

Your organization is most powerful and influential in furthering your own legislative program, but as that influence grows, you have an equal responsibility to the public, to the people of this Nation, to help restore and then maintain the American system, to uphold the Constitution during these years when according to many, it has become "outmoded."

I say to the American people the freedom of the American individual under our Constitution, must never become outmoded—and there must be no change by usurpation—but any desired change must be corrected by an amendment to the Constitution in the way which that document designates.

I expect your influential organization of patriotic women to follow the trend of legislation and of executive actions which may actually amend the Constitution without submitting it to the sovereign people under due process; and, when you are convinced that such action has been taken, to do something about it. That is the responsibility of all of us as citizens of the Republic. I was, I believe, one of your spokesmen on the Senate floor for 12 years. I intend to continue to advocate and to work for the same program now, as a citizen, with no less concern.

FORM OF GOVERNMENT

We hear much about the democratic form of our government. The pledge of allegiance to the flag of the United States of America specifies the true form of this Government: "I pledge allegiance"—it reads—"to the flag of the United States of America, and to the Republic for which it stands." We have a Republican representative form of government in a democracy, which is a theory of government.

Article 4 of the Constitution itself is explicit: "The United States shall guarantee to every State in this Union a republican form of Government."

When the Constitution was completed in Philadelphia in 1787, Benjamin Franklin, emerging from Independence Hall, was asked this question: "What have you given us?" He replied, "We have given you a republic, a representative form of government, if you can keep it."

What, actually, is a republican form of government? As set down in our Constitution it is a government under which the President, the Senators, and Members of Congress are elected to serve their electorates for stated periods of time, 2, 4, or 6 years; to proceed to the seat of the Government and there, in the case of the Members of Congress, to debate, to listen to the debate, do research, and vote their convictions; then tell the voters how they voted, and why.

In a democratic form of government, every qualified voter would himself vote directly on every question. So, we do not have a democratic form of government; we have a democracy, which is a theory of government. Ours, in its organic form, is a republican representative form of government.

You have said in your resolution defining a republic, in 1941:

"Whereas there is such constant misuse of the term 'democracy': Be it

"*Resolved*, That Pro America accepts the following distinction made by political science between the meaning of the words 'democracy' and 'republic' in relation to the American form of government; a democracy is a form of government in which the supreme power is retained by the people and governing powers are directly exercised by the people in assembly. A republic is a government in which the sovereign power resides in the people and is exercised by representatives elected by and responsible to the people, and in which the government determines to whom the right of franchise or vote is extended."

TWO POLICIES DIAMETRICALLY OPPOSED

Let me proceed now from the political reference to that of the economic. There are two diametrically opposed economic policies openly clashing in this country today:

The American system, which means adherence to the Constitution in the regulation of our economic structure, and in the conduct of its economic affairs.

The international system, which means permitting competitive foreign nations to have a commanding voice in American economic affairs with little or no effective relationship to the clear mandates of our Constitution.

The result is that America's unique economic system is threatened.

AMERICA'S ECONOMIC SYSTEM THREATENED

Tonight I intend to show:

1. That the Constitution of the United States has been sabotaged through congressional legislation which enables the executive branch—spearheaded, of course, by the State Department—to make treaties which barter a part of, even all of, any selected American industry in order to induce a foreign nation or nations to sign a treaty or agreement. The ability of the State Department and in addition the General Agreement on Tariffs and Trade (GATT) at Geneva, to destroy any American industry at any time without reference to Congress, retards private investment in American development and industrial projects.

2. That the 1934 Trade Agreements Act (so-called reciprocal trade) laid the foundation for cutting the jugular vein of the American economic system, thus destroying our first line of defense. Since 1934, American jobs and investments have steadily moved abroad with a consequent and inevitable ever-rising demand for Federal aid for depressed areas at home.

3. That, as a result of congressional legislation and Executive action, we are today a greater economic colony of the nations of old Europe than ever we were before our first Declaration of Independence.

4. The next great war will be fought in the air and under the sea. Foot soldiers and surface ships in any all-out war are as obsolete as the musket used in the first years of the War between the States. Atom powered submarines, providing roving bases under the Arctic ice, and long-range planes and guided missiles that are able to destroy any threatening nation—these are our military security.

We cannot fight small wars or brush fires throughout the world. We cannot police 2½ billion people. And it is unthinkable to agree not to use the only weapons without which we cannot win a general war.

5. That our military security and our economic future does not lie in distant lands; it lies right here in the Western Hemisphere. This Western Hemisphere of North and South America can be made self-sufficient in the production of everything needed for

peace and war. And it can be defended from North America.

6. That the threat of Soviet domination is being utilized by European nations to blackmail this country into the adoption of legislation, trade treaties, and policies contrary to our Constitution and to our own best interests, including billions of taxpayers' money in support of these countries.

7. That the U.S.S.R. is not the chief threat to the security and economic welfare of this Nation. It is the European nations which dominate the American market, the garden market of the world, through legislation passed by our own Congress, and through policies and procedures pursued by the executive branch, which are destroying our economic structure. That domination is the real threat to our national economy—our first bulwark against communism or any other foreign "ism."

8. What we need is a second Declaration of Independence—a return to the Constitution of these United States.

THE AMERICAN SYSTEM

The Constitution is clear. It says that "the Congress shall have the power to regulate commerce (trade) with foreign nations." Under the "division of powers" the Constitution pointedly separates the regulation of foreign trade and the national economy through the adjustment of duties, imports, and excises that we call tariffs from the fixing of foreign policy. The first is allotted to the legislative branch (art. I, sec. 8); the second to the Executive (art. II, sec. 2).

Under the Constitution only Congress, representing every precinct in America, has the power to deliberately sacrifice an American industry.

SEPARATION OF POWERS

The 1934 Trade Agreements Act put these two powers together under the executive branch. Now the Executive can negotiate a bilateral or multilateral treaty or treaties and trade a part or all of any American industry to a foreign competitive nation or nations with no effective check upon the faits accompli.

In 1947 under the same 1934 act, the President set up GATT (General Agreement on Tariffs and Trade) in Geneva. Under that act, the constitutional responsibility of the Congress to regulate foreign commerce was, in effect, abdicated; transferred to the Executive, who in 1947 divided the responsibility with the foreign nations in Geneva. The Constitution was thus amended, without resort whatever to due process. Due process was eliminated.

USURPATION

The Constitution was amended by usurpation, ignoring completely the advice and warning of George Washington that, "though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

More than 70 years after the adoption of the Constitution, another great President said that "if this Nation is ever destroyed, it will not be from without, it will be from within."

Abraham Lincoln had great foresight where the Republic was concerned, and while he could not have foretold communism, he did understand that with our great resources our only real danger lies within ourselves.

THE DRIVE IS ON

The big drive is on; it started in 1933. Since that time the American economy has been supported by constantly recurring emergencies, by two wars, including the so-called police action in Korea, and by the continued preparation for further, and global, war.

The European nations, led by England, recognized Communist China at the end of World War II, and have traded with every Communist area in the world since that time, while giving lipservice to us. Even the Federal Republic of West Germany has just agreed to sell Russia 12,000 miles of pipeline. A New York firm is now shipping steel to the Soviets. Any material shipped to Communist China or the Balkans is, of course, immediately available to Russia, and the European countries are fully aware of the implications.

Protection of their jobs and investments by virtually every foreign nation, and the continual lowering of our own duties and tariffs inevitably moves American jobs and investments abroad. In fact the trend of legislation today, encouraged by an internationally minded State Department, is to make greater tax concessions and guarantees against loss to American investors in foreign lands—to utilize cheap foreign labor to compete with our own Americans, both workingman and investor.

AMERICAN JOBS AND INVESTMENTS TO FOREIGN SOIL

This is causing widespread depressed areas and unemployment in our country, and this, in turn, is causing more and more Federal aid being demanded by the people and industries so affected.

They are called depressed areas, depressed through increasing imports of cheap labor goods. American jobs and investments are deliberately transferred to foreign soil.

When his bank quits him, an individual is through with his unbusinesslike practices—a government is not through until the money it prints has little purchasing power. Then it devalues its currency and starts all over again, often with an entirely new currency. The course of inflation, reckless spending and loss of gold supply, is inevitable as shown by the history of every major nation on this earth. And if we are to avoid its consequences, it is up to us to revert to the Constitution and the American system.

Today the records of the Department of Labor show 206 so-called depressed areas, depressed through our own established policy under the 1934 Trade Agreements Act (so-called reciprocal trade).

Senate bill 722 to relieve such depressed areas passed the U.S. Senate on March 23, 55 such bills have been proposed in the House, and 1 will certainly be passed.

TRADE WARS

Every major war since 500 B.C. has been basically a trade war. It was President Woodrow Wilson himself, then sadly disillusioned, who after the Paris Conference in 1919, admitted publicly that World War I "had not been a political war, but a trade war."

President Roosevelt had every opportunity to learn this lesson at Tehran and Yalta—President Truman at Potsdam—yet our internationalist Government is still signing treaties and trade agreements wholesale. No major nation in history ever kept such treaties or agreements when their terms became obnoxious to them.

We were the first colony to break away from the interminable trade wars of old Europe, through the Declaration of Independence. We have now returned to those interminable trade wars through trade treaties consummated by the State Department or by GATT (the General Agreement on Tariffs and Trade), which latter is dominated by our foreign competitors by the sheer weight of their numbers, in Geneva, 36 to 1.

We are the only nation that automatically keeps its agreements under these treaties because, under the provisions of GATT, no nation need keep its agreement as long as it can show it is short of dollar balance payments. Nothing is more simple. A dollar shortage, like bank-credit money, is a mere bookkeeping transaction and they can show such shortage until our markets and wealth are equally divided among them.

All this is done under the authority assumed by the Executive when the Congress transferred the economic power to it under the 1934 Trade Agreements Act. The 73d Congress which passed that act was shown a glittering rainbow supposedly lightening the skies of the great depression. The 73d Congress was not shown the world socialist government and the modification of our Constitution which lay at the end of that rainbow. Nor has any succeeding Congress been shown with sufficient force to cause it to retake its proper, and constitutionally mandated, powers in regard to the regulation of foreign trade and the national economy.

In 1958, the Congress, under powerful Executive pressure, extended the 1934 Trade Agreements Act (so-called reciprocal trade) to June 1962. The act must be repealed or not extended before the American workingmen and investors can again be assured of equal access to their own American markets. Time is running out.

FUTURE SECURITY AND TRADE

The security and trade future of these United States lies right under our noses, in the Western Hemisphere. Here is one-third of the land area of the world and nearly 400 million people. There is room for 1 billion people without crowding anybody.

The security of all of the nations of this great area is inextricably linked with our own. And 25 percent of our legitimate profitable foreign trade is already—in 1959—with our great adjacent neighbor to the north.

Two official reports on this Western Hemisphere—Senate Report 1627, 83d Congress; and Senate Document 83, 84th Congress—were made under my direction through the Senate Interior and Insular Affairs Committee, and show the economic and political pincers movement to bring the United States under foreign control. And the book "Mainline," which I myself wrote, has made the knowledge available to every businessman and school in the country. The Senate reports are available from the Government Printing Office; the book is available from your bookstore, or from the publishers direct.

These are documented reports. All of them bear vitally on our immediate security and permanent economic well-being.

In this world there are two great hemispheres, separated by major oceans. In the western there are 42 nations and entities; in the eastern, 73.

The report on the Eastern Hemisphere, the committee print, which I also directed, completes the proof that each of these two hemispheres can produce everything it needs for peace or war. Neither can ever retard the other by withholding any kind of material, either raw or manufactured. By the clear demands of geopolitics, America's trade and security lie in the Western Hemisphere. Even the all powerful State Department has never been able to move nations about geographically.

FAILURE OF CONTAINMENT POLICY

The so-called containment policy has been a ghastly mistake. The U.S.S.R. can make the area under her control self-sufficient in every single thing it needs for peace or war.

Germany and much of Western Europe are not much farther from the Soviet-controlled areas than is Cuba from our own mainland. Such nations must trade, they are trading, and they will continue to trade with the Communist areas for economic survival.

Within a comparatively short time we can expect to have our military bases ordered out of such European and Asian areas on

the premise that the national security of such countries is threatened by our presence.

SOVIET BY NO MEANS THE CHIEF THREAT

I repeat: Russia is by no means the chief threat to the security and economic well-being of the people of the United States of America. We can whip Russia. They know it, and we know it.

In 1955 I spent 2½ months behind the "Iron Curtain"—the excellent catch phrase invented by Churchill in his Missouri speech. I inspected production plants, mines and agricultural areas in each of the Balkan countries and in each of the 16 Socialist Republics of the U.S.S.R. I inspected them, let me interject, with the eyes and training of a professional engineer.

Upon my return here from Russia in October of 1955, I said four things, and it may be well to recall them now:

1. That the Soviet could make the area under its control self-sufficient in the production of everything it needed for peace or war; that containment idea was a foolish thing.

2. That there would be no successful revolt in the foreseeable future;

3. That all of the power in the Eastern Hemisphere had moved to Russia. There is no effective world power left in Europe.

4. That Russia had their own academy of sciences and were well advanced in science and in engineering methods, including manufacturing assembly lines.

For these utterances I was roundly scored—but then just 2 years later came sputnik. Since that eventful date the screaming headlines have kept the American people off balance with: what is Khrushchev going to do?

I further said that if these things were true—and I believed them to be true—then it was up to us to make our own system work and that this could not be done, through the division of our markets and wealth with the low-wage living standard nations of Asia and Europe.

I visited with Mr. Khrushchev and Mr. Bulganin first in their own offices, and later many times at cocktail parties, to which they seem addicted. They are smart and tough. They not only know their own country thoroughly and completely, but they know the United States as well.

When they offered me the first drink of that "vulcanizer" special they call vodka, I told them that I had quit drinking that "character building" whiskey at home and that the vodka looked to have about the same voltage, and did they have a little wine. So from the beginning I was on the wine and they were on the vodka.

In answer to my direct question, Mr. Bulganin said that "socialism is the first step to communism; under socialism you work according to your ability and get paid according to your work; but under communism you work according to your ability and get paid according to your needs." That is the image of communism always dangling before the Russian people.

I then gave them my opinion that "there is no basic difference in the final objectives of a Socialist, Fascist or a Communist government, that they have one sure thing in common: the governments own everything and the individual nothing."

There is one exception. To attain power, the Communist will shoot you while the Socialist will spend you into it.

OUR CURRENT DANGER

Our current danger in the so-called summit conference just ahead is that Khrushchev knows our weakness in our Berlin position. Khrushchev knows that in 1917, we entered into a 40-year trade war between England and Germany, on England's side, and utterly and completely destroyed the only nation that could hold Russia in check. He knows that at the insistence of England and France, we divided West Germany three ways, between the United States, England, and France. He also knows that both England and France live in mortal fear of a United Germany and that they have traded with Communist areas since World War II; therefore, their interests are the same as those of Russia; in keeping a dangerous competitor permanently divided. All we can give Germany at any conference is lip service.

Few realize that Germany borders on the Balkan area controlled by Russia. The United States occupying Berlin is comparable to Russia occupying Cuba.

In our first conference in the Kremlin, Bulganin and Khrushchev asked me, in discussing our European bases, "What would you do if we established a base in Cuba?" I said, "We would bomb h— out of them."

One thing the State Department has never been able to do is to change the geographic location of the European and Asiatic nations.

RETURN TO THE CONSTITUTION

Return to the Constitution of the United States, the American system. Let the legislative branch—the Congress of the United States—regain its constitutional responsibility to regulate foreign trade through adjustment of duties, imposts, and excises under article I, section 8 of that immortal document. If markets are to be divided with foreign competitive nations, let the Congress divide then—if it can—in the way set forth in the Constitution.

Let the executive branch—the President and his advisers—fix foreign policy in accordance with the specific provision of article II, section 2.

Let the judicial branch—the Supreme Court and the lower Federal courts—rule on the legality, and the constitutionality of what is done by the other two branches; when and if the problem is submitted to them in the manner provided by that document.

STATES RIGHTS

The Constitution is crystal clear in article 10 that: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, and to the people."

These matters are potentially not left to the Supreme Court, the Executive, or the Congress who may currently feel that the people need guidance in their thinking. That was not the objective of the framers of the Constitution.

The people then expect that their elected officials will protect that constitutional right from usurpation by an ambitious Federal Government.

Under our republican representative form of government these same officials are charged with a grave responsibility to regulate that which the States as sovereign entities created.

Where such rights have been abdicated through their own action or inaction; as where the Congress has similarly abdicated its rightful powers by guile or lethargy; and where their rights have been usurped by others, they must reclaim and reinstate those lost rights.

It is in this field, perhaps, that your organization can perform its most useful service.

CONGRESS REGAINS CONSTITUTIONAL RESPONSIBILITY

I would like to see the next order of business of your great organization include a resolution for the Congress of the United States to regain its constitutional responsibility to regulate foreign trade, and again assure the stability of of the national economy and provide the workingman and investor equal access to their own American market.

GOVERNMENT BY LAW, NOT BY EXECUTIVE DECREE

In accordance with the Constitution, the Congress regulates the national economy through the regulation of foreign trade; the Executive fixes foreign policy; and the State Department negotiates treaties with foreign nations with the advice and consent of the Senate of the United States.

In 1934, Congress gave the Executive the power to regulate the national economy and to trade American markets in return for treaties and agreements with foreign competitive nations. In 1948, Congress started giving away the taxpayers' cash through the Marshall plan which is now being called the Mutual Security Administration. Present testimony in Washington calls for this to go on and on, perhaps a permanent method of international division of American markets.

I said in my debate on the Marshall plan, in 1948, that if we set the precedent it would become permanent.

It is international socialism in its worst form. It is a futile and useless thing to blame the President of this great Nation for an international system projected by the Congress through its own legislative action.

It is well to recall that Adolph Hitler never violated a law or rule of the Reichstag, but the elected representatives of the people of that great nation paved the way for his dictatorship with the necessary legislation.

And when the great dictator suggested that they abolish themselves, they obliged without demur.

A NEW DECLARATION OF INDEPENDENCE

I believe that the great need of this Nation today is a second Declaration of Independence, from the interminable trade wars of "Old Europe" and Asia.

Let us return to the Constitution of the United States of America—to the American system. Again let American investors and workingmen compete for their own American markets, on the basis of fair and reasonable competition.

Take this message home with you. Great days are with us. May we—in all seeming modesty—be great with them.

Let us together recapture, and then guard, our vast American heritage.

So much—so very, very much—depends on America's womanhood.

Thank you.

ANALYSIS OF KENNEDY-ERVIN BILL—STATEMENT BY SENATOR GOLDWATER BEFORE HOUSE COMMITTEE ON EDUCATION AND LABOR

Mr. GOLDWATER. Mr. President, on June 3, it was my pleasure to appear before the Committee on Education and Labor, of the House of Representatives, and to testify in regard to the Kennedy-Ervin bill (S. 1555), which passed the Senate. I presented the reasons for my vote against that measure, and some suggestions in regard to how I feel the bill might be improved.

I ask unanimous consent that the presentation I made before the House of Representatives committee be printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR BARRY GOLDWATER BEFORE THE COMMITTEE ON EDUCATION AND LABOR OF THE HOUSE OF REPRESENTATIVES, JUNE 3, 1959

ANALYSIS OF THE KENNEDY-ERVIN BILL (S. 1555) AS IT PASSED THE SENATE

Title I. Bill of rights of members of labor organizations

Section 101(a):

(1) Equal rights: Confers on union members equal rights and privileges to nominate candidates, vote in union elections or ref-

erendums, attend membership meetings, and participate in the deliberations and voting on the business of such meetings subject to reasonable rules and regulations in the union's constitution and bylaws.

This is not a general grant of rights protecting a union member in every aspect of the union's activities. It is an enumeration of specific rights and all those not mentioned are obviously not protected. For example, there is no protection of a member's right to be a candidate for or to hold union office, to see the membership lists of the union, or to have access to the basic books, records, and accounts of the union. Moreover, the few enumerated rights which are granted are limited by the rules, regulations, or restrictions imposed by the union upon their exercise.

(2) Freedom of speech and assembly: Confers on union members the right to meet and assemble freely with other members and to express any of their views; and to express at union meetings their views on candidates for union office and on the business of the meeting, subject to the union's right to impose reasonable rules as to the member's responsibility to the union, as well as to the conduct of such meetings.

Again, this is a grant of enumerated specific rights each of which the union may limit or restrict under its own rules. Moreover, the language of the provision seems to indicate that the union member's right to express his views is limited to (1) expressing them at a union meeting and then only with respect to candidates for union office and the business properly before the meeting, with the determination of what is proper obviously in the hands of the union officialdom, or (2) expressing them to other union members with whom he has assembled or met other than at a union meeting. There is no clear-cut protection for a union member who expresses his views about the union or its affairs outside the union or to others than its members, for example, a letter to a newspaper criticizing the union, its officials, or it members. Moreover, the union is given the authority to conduct its meetings in accordance with its own rules and procedures which could be such as to favor the incumbent officials and their supporters, rather than according to certain prescribed objective standards such as "Roberts' Rules of Order."

(3) Protection of the right to sue: This guarantees union members the right to bring a legal action or proceeding against the union or its officers in any court or administrative agency provided they have first exhausted internal hearings procedures not lasting more than 6 months set up by the union, and no interested employer or employer association finances or encourages such action or proceeding.

The tribunal to which union members are most likely to resort when they take legal action against a union is the National Labor Relations Board. But it is precisely in proceedings before the NLRB where the protection allegedly extended by this provision becomes ineffective. The reason is simple. A charge of an unfair labor practice will not be entertained by the NLRB if it is filed more than 6 months after the alleged unfair labor practice occurred. If, in order to be eligible for the protection of his right to sue under this provision of the bill of rights, a union member must wait 6 months while exhausting his internal union hearing procedures, he finds that the NLRB will refuse to process his unfair labor practice charge because the Taft-Hartley Act's 6-month time limitation on the filing of charges has run out. On the other hand, if having failed to exhaust his union hearing procedures, he fails to wait the required 6 months and files his charge with the NLRB in order to escape the Taft-Hartley time limitation, he loses the protection of the right to sue provision of the bill of rights, and the union, if it wishes, may discipline him for having filed the charge. The draftsmanship of this provision is an open invitation to unions to discipline and penalize their members for using the processes of the NLRB against unions which have committed unfair labor practices against any of their members.

(4) Safeguards against improper disciplinary action: Prohibits disciplining of a member by his union unless he is served with specific written charges, given a reasonable time to prepare his defense, and afforded a full and fair hearing.

The major defect in this provision is the lack of a requirement that the final decision in any union disciplinary proceeding be made by an impartial tribunal unconnected with the labor union bringing the charges or for that matter, unconnected in any way with any part of the labor movement itself. In view of the fact that the present provision is a substitute for the previously approved and subsequently stricken McClellan amendment which did require such an impartial tribunal, the legislative history is clearly established that the present provision in the bill for a "full and fair hearing" in disciplinary proceedings cannot be judicially construed to require such an impartial tribunal.

Another serious defect is the failure to protect union members against disciplining by their unions for "ex post facto" activities or conduct. Thus, the bill of rights in the Senate bill require that the union member be served with written specific charges prior to any disciplinary proceedings but it does not require that these charges, to be valid, must be based on activity that the union had proscribed prior to the union member having engaged in such activity. In contrast, the McClellan bill of rights which was stricken after having been adopted, prohibited any disciplinary action against a union member unless it is based on a breach of a published written rule of such [labor] organization. Thus, ex post facto punishment which has always been regarded as a violation of the most elemental and basic rights of the individual may still be freely engaged in by labor unions under the Senate bill.

Section 102: This gives a union member whose rights under the preceding section have been infringed the right to bring an action in the Federal district court for appropriate relief.

Although the proponents of this version of the bill of rights which was substituted for the original McClellan amendment, assert that there are adequate remedies and sanctions in the bill for enforcing those rights, that assertion is highly inaccurate for the following reasons:

1. Giving a rank-and-file worker the right to bring suit himself in a Federal court ignores the well-established fact that individuals at the lower end of the economic scale are reluctant to involve themselves in any type of lawsuit. They are generally suspicious of governmental officialdom and because of their lack of knowledge in these intricate matters extremely hesitant to get mixed up in them. (As a matter of fact this is generally true of individuals in all walks of life and at most economic levels of our society). Litigation is not only a nuisance but a fearsome thing to the uninitiated.

2. Where the union is strong and powerful, ruthless in disciplining its membership, and where getting and keeping a job is virtually dependent on the union, or where the union operates in a community in which practically every worker belongs to it and the social pressure to conform to the union's standards is almost irresistible, it would be only the unusually courageous union member who would dare the wrath of the union and of his neighbors and coworkers by bringing suit against the union.

2. Although the bill permits the union member himself to sue for infringement of his rights, the nature of the suit is such as to promise, even if successful, little in the way of monetary damages except in the rare case where the plaintiff's job rights or job tenure have been adversely affected. Moreover, the bill does not grant him, even where successful in his suit, reasonable counsel fees or other costs. It thus forces him to assume the entire financial burden of the litigation. For an ordinary rank-and-file union member who is generally a wage worker, such a litigation thus becomes an impossible financial burden. In recognition of these difficulties, the Fair Labor Standards Act, for example, requiring the payment of minimum wages and premium overtime pay for certain categories of workers, permits not only the worker himself to bring a suit for nonpayment (which he may do in the State as well as the Federal courts) and to recover attorney's fees and court costs if successful, but if the worker prefers, he may have the Secretary of Labor bring such suit in his behalf.

As if to make completely certain that the way of the litigating union member under these provisions is made as difficult as possible, the bill also denies him protection if he is financed or encouraged in his suit against the union by an interested employer or employer association. Just what constitutes an interested employer is difficult to tell. Does it merely refer to the employer of the union member who is suing, or any employer who deals with the union being sued? Would an employer who does not deal with the union in a collective bargaining sense but in a purely business way (for example, selling to such union), constitute an interested employer?

At this point it should be emphasized that the bill of rights is replete with such terms as "interested, reasonable, full, fair"—none of which are defined. The burden of showing that the union's rules were unreasonable, or their hearing procedure unfair, would be on the complaining union member. In the light of the foregoing considerations, the right to sue without disciplinary retaliation which is given to union members by the so-called bill of rights is an empty one which will rarely, if ever, be utilized. It is not unlikely that many of the States, under common law principles, provide him with more effective remedies. Fortunately, these other rights and remedies are preserved by section 103.

The assertion by the proponents of the bill of rights that section 607 of the bill gives additional guarantees by means of criminal penalties that these rights will be extended to union members is substantially without foundation. Section 607 makes it a crime for a union or its agents or officials to discipline any of its members for exercising any right given them under the bill and for any person through force, violence, economic reprisal, or threats or attempts to utilize such measures, to interfere with or prevent the exercise of such rights. But this provision does nothing to protect union members who are denied the rights granted them under the bill of rights by some other means.

For example, if a union member exercises his right to nominate a candidate for union office, and the union or its officials simply leave such nominee's name off the ballot, there is no violation of section 607. Again, if a union member exercises his right to vote in a union election, and his vote is not counted, section 607 is inapplicable. Or, if exercising his right to participate in union meetings, he is never given recognition when he asks for the floor, section 607 offers him no protection. If, for example, he is expelled without the required notice or hearing, for having failed to join his fellow members in a strike, then section 607 does not apply because that protects only those rights granted by the bill, and

the right to refuse to engage in a strike is not such a guaranteed right.

It is therefore very plain, that the so-called bill of rights guaranteed by title I of the bill is enforced only by the feeble and inadequate sanction of a civil suit brought by the union member himself, and that in bringing such a suit, the union member is compelled to rely almost entirely on his own inadequate resources.

Title II. Reporting by labor organizations

Section 201(a) requires labor unions to file with the Secretary of Labor copies of their constitutions, bylaws and other governing documents and a report setting forth information concerning the structure, organization, procedures, rules, etc., of the union. Although unions are required to report initiation fees and dues, they are not required to report the fees charged for work permits, nor whether they are requiring periodic payments of employees who are not members, in lieu of union dues, a device being used to evade right-to-work laws.

Section 201(b) requires labor unions to file annually with the Secretary a detailed report of the union's financial affairs. This subsection contains two serious loopholes which render these reports insufficient to inform the Secretary and the public, as well as the union's members, of what they should know in order to deter financial misconduct.

First, no report is required with respect to officers and employees of the union whose receipts from the union do not exceed $10,000. There is no justifiable reason for this exemption. It provides a loophole for nepotism, favoritism, etc., as long as the favored recipient keeps below the $10,000 figure. Secondly, no report is required of loans by the union to any of its officers, employees, and members that do not exceed $250. As a result, the incumbent union hierarchy, by a judicious use of loans to its supporters within the union and a denial of loans to its critics and opponents, has a readymade device for rewarding its friends, punishing its enemies, and thus perpetuating itself in office, without anyone, either the Secretary, the public, or its membership, being aware of what is going on.

The only argument advanced in support of these two exemptions is that it would be too burdensome, particularly for small unions, to require such detailed and extensive reporting. This contention is spurious, and is flatly contradicted by other provisions of the bill. Thus unions with a membership of fewer than 200 and annual gross receipts of less than $20,000 may, under section 201(d), be exempted by the Secretary from the financial reporting requirement. Also the Secretary may, under section 205(b), prescribe simplified reports for small unions. And finally, in direct contrast, unions are required to report all loans to business enterprises regardless of the amount of the loan. Thus, although the entire bill has been described by its supporters as primarily designed to protect union members against misconduct by their unions and union officials, these provisions are clearly designed to protect unions and union officials against their members who theoretically own the unions.

Section 201(c) requires unions to make available to their members, copies of the reports required to be filed with the Secretary under title II, and for proper cause, as prescribed under regulations of the Secretary, to permit their members to examine the books, records, and accounts on which such reports are based.

Obviously, if the reports filed by the union are false or inaccurate, the only way this can be determined is by checking them against the basic books and records from which they were prepared. The most effective safeguard, therefore, against false reporting, is to give union members access to these basic records, to check for discrepancies with the filed reports, and if any are discovered, the union member can inform the Secretary who would then initiate an investigation. But if union members must first show proper cause as a condition of examining the basic records, this safeguard against false reporting is virtually nullified. Proper cause clearly requires more than mere suspicion, and where is the union member to secure evidence of false reporting sufficient to constitute proper cause except from the basic records to which he is denied access?

Again the argument is made that to permit union members access to basic union records, even under conditions, circumstances, and at times prescribed by the Secretary, can result in harassment of the union by disgruntled members and a resulting diminution in the ability of the union to perform its necessary functions. This is the type of argument always used to justify the efficiency of dictatorship against the inefficiency of democracy. It denies a fundamental right to control their union to those who own and finance it, the membership. It reveals, once more, despite all protestations to the contrary by the bill's supporters, that the bill is more concerned to protect the union and its bureaucracy against its members, than it is in protecting the members against the union and its officials.

Section 201(d): This permits the exemption from the financial reporting requirements under section 201(b) of precisely those small unions which the McClellan Committee has revealed as most susceptible to corruption. Among those, the most notorious, of course, are the Johnny Dio paper locals which are primarily gangster and racketeering devices for criminally preying on small employers and their employees. These possible exemptions were sought to be justified on the ground of possible burdensomeness to small unions. This contention is completely contradicted by the provisions of section 206(b) which permits the Secretary to prescribe simplified reports for small unions which find the regular reporting requirements too burdensome.

Moreover, whenever the Secretary grants this exemption from 201(b) to any union, he automatically exempts the union from keeping up to date the organizational data it is required to file under section 201(a). Thus, 201(a) requires the reporting union to report any changes in its organizational data to the Secretary at the same time as it files its financial report with the Secretary. But, if it is exempted from filing a financial report, then there is no requirement for filing any change in its organizational data. Thus, an exempted union, during the period of its exemption, may have on file with the Secretary a report of organizational data filed under 201(a) which is partially or even wholly inaccurate due to changes since the original data was filed, and there is nothing in the bill to require them to correct these inaccuracies despite the fact that the bill does not profess to exempt them from 201(a) but only from 201(b).

Sections 201 (e) and (f) repeals sections 9 (f) and (g) of title I of the Taft-Hartley Act which require unions, as a condition of access to the NLRB, to file annually with the Secretary and to keep up to date the union's organizational and financial data. Thus, although the bill imposes criminal penalties on unions for willful failure to file the reports required under section 201, failure to file does not preclude access by a non-complying union to the processes of the NLRB or deny it the benefits and privileges provided by the Taft-Hartley Act.

The supporters of the bill seek to justify this repeal by two arguments which are in complete contradiction to each other. On the one hand they assert that the present filing and reporting requirements under 9 (f) and (g) of Taft-Hartley have proved completely ineffective to halt financial misconduct and corruption in unions, and on the other hand, they argue that denial of access to the NLRB is to punish unfairly the union and its members for the sins of its officers. Obviously, if 9 (f) and (g) have hitherto proved ineffective, then the innocent union and its members have not been hurt. It can only be concluded that what they really fear is an effective equivalent of 9 (f) and (g) which would impel unions and their members either to get rid of their misbehaving officials or compel them to comply with the requirements of the bill.

And so, they have limited the bill's sanctions, in most cases, to criminal penalties against unions and their officers and rejected the proposals contained in the McClellan bill, S. 1137, the administration bill, S. 748, and the Barden bill, H.R. 4473, all of which agree on imposing on non-complying unions the administrative sanctions of denial of tax immunity and of access to the machinery of the NLRB, National Mediation Board and similar Government agencies, as well as the criminal penalties of S. 1555.

These sanctions should be imposed only after an administrative proceeding before the Secretary of Labor or his designated hearing officer, conducted in accordance with all of the requirements of the Administrative Procedure Act, and subject to judicial review. The employer or union charged with a violation should have all the safeguards of due process such as are presently enjoyed by litigants before most of our quasi-judicial administrative agencies such as the National Labor Relations Board, the Federal Trade Commission, the Interstate Commerce Commission, and many others too numerous to mention.

Such sanctions are designed to correct one of the most serious shortcomings of the Senate bill. This glaring deficiency renders almost completely valueless even those few anemic rights and safeguards which the bill bestows, however inadequately, on rank-and-file union members. The Senate bill fails to furnish a quick and effective remedy against those who violate its provisions, and very little relief for the rank-and-file victims for whom the proponents of the Senate bill manifest such a touching concern and whom, they assert, are fully protected by its provisions.

As I have indicated, the only sanction for violation of most of the bill's prohibitions or requirements, is a criminal prosecution against the noncomplying union, union official, employer, or his agent, as the case may be, with a maximum fine of $10,000 and a maximum term of 1 year—not even a felony—merely a misdemeanor. Now, as we all know, neither labor unions nor corporations can be sent to prison—so, for them, the most stringent penalty is actually no more than a $10,000 fine. To believe that such a fine would deter the Teamsters or the Carpenters unions with millions of dollars at their disposal from violating a provision of this bill is to believe in miracles. The record of the McClellan committee constitutes an overwhelming refutation of the naive belief that criminal law and penalties are effective in halting, or even diminishing, the racketeering, gangsterism, hoodlumism, violence, extortion, embezzlement, misuse of funds and property, which has shocked the American public into a determined insistence upon getting an effective labor reform law.

Every State in the Union has a detailed criminal code containing provisions applicable to the type of misconduct which the McClellan hearings have revealed. Here and there a malefactor has been successfully prosecuted. But the parade of ex-convicts, thugs, and notorious racketeers who invoked

the fifth amendment before the McClellan committee, who are still at large and continue to play a prominent role among labor unions, waxing fat on their ill-gotten gains, is too vivid in our memory to permit the delusion that the creation of a few additional misdemeanors will be more than a flea bite to an elephant.

Criminal procedures are surrounded with safeguards for the accused, and are inevitably, slow, cumbersome, uncertain. We do not wish to destroy these safeguards; they are a necessary part of our traditional system of civil liberties and protection against judicial and governmental tyranny. But we cannot escape the fact that the requirement of an indictment by a grand jury, the availability of the fifth amendment, the need for proof beyond a reasonable doubt, the right to a jury trial, the rigid rules of evidence, all of which prevail in a criminal prosecution, render this type of sanction an awkward and often ineffectual weapon against misconduct in the labor-management field.

There are now on the Federal statute books three laws in the field of labor which utilize the methods of the criminal prosecution. There is first the Lea Act, passed in 1946, which makes it a crime to force upon broadcasters unwanted or unnecessary employees. It was designed primarily to eliminate featherbedding or make-work practices by the unions of musicians and technicians in the broadcasting industry. Only two cases have been prosecuted under the act (*U.S. v. Petrillo*, 332 U.S. 1, and *General Teleradio v. Manuti*, 284 Appellate Division (N.Y.) 400), and the Petrillo case resulted in an acquittal by the jury. This in a period of 13 years, despite the fact that featherbedding and makework are still the universal practice by the musicians and technicians in the broadcasting industry.

The second statute is the Byrnes Act, adopted in 1948, which outlaws the interstate transportation of strikebreakers. There has not been a single conviction under this law, not one in the 11 years of its existence. Now, I am inclined to believe that this type of misconduct has virtually vanished. But as everyone knows, its disappearance is not the result of the Byrnes Act. Rather it is that employers generally ceased resorting to this practice long before 1948 both as a result of its condemnation by the public and their own sense of propriety, as well as the threat of the administrative sanctions of the Wagner and Taft-Hartley Acts, under which many manifestations of strikebreaking constituted unfair labor practices in violation of both of those statutes.

The third instance is the Hobbs Act, which was enacted in its present form in 1948, and was designed to eliminate racketeering in interstate commerce. According to the figures of the Department of Justice (released in March 1959), in the 6 years since 1953, which was when serious enforcement of this law first began, out of thousands of complaints there have been only 98 convictions, 3 acquittals, 6 dismissals, and 3 reversals of convictions by appellate courts. The Hobbs Act is designed to reach many of the practices engaged in by the Teamsters as disclosed by the McClellan hearings, yet, as those hearings conclusively demonstrate, these vicious practices go merrily on despite the Hobbs Act.

Thus, it is evident beyond any reasonable doubt that criminal proceedings are not the proper machinery for cleaning up the abuses in the labor-management field. And incidentally, we should recognize the wisdom of the Congress in deliberately avoiding the criminal law approach in favor of administrative sanctions when it enacted the Wagner and Taft-Hartley Acts to cope with the evils at which those statutes were aimed. However, we do not wish to eliminate these criminal sanctions but rather to supplement them, thus providing a well-rounded and effective enforcement machinery which would give genuine vitality to those few rights which the committee bill confers.

Employers and unions both enjoy certain protections and safeguards under the Taft-Hartley Act and other labor laws which Congress was under no compulsion to grant. Similarly, unions are free from Federal income tax, a privilege not shared by most of us, and the enjoyment of which Congress certainly has a right to condition upon the recipients' good conduct. Denial of these privileges and immunities, although actually entailing the loss of a substantial benefit or advantage, and hence important enough to deter misconduct, does not in fact constitute deprivation of any right to which the beneficiary is inherently entitled.

The only plausible argument advanced against using the denial of these special privileges as a sanction is that to do so is to punish the members of the union rather than those individual union officials who are personally responsible for the union's having violated the law. Even a superficial examination reveals both the speciousness and the inconsistency of the argument. After all the Senate bill does provide for fines to be imposed on the offending union itself as well as on its misbehaving officials. And when this fine is paid it comes out of the union's treasury and thus constitutes an indirect financial penalty on the union members whose dues and fees went to make up the union's treasury. Denying the offending union tax immunity while it continues in violation of the bill similarly imposes a financial loss on the union treasury and this involves exactly the same kind of indirect financial penalty on the union member as does the payment of a fine out of the union's funds. There is not a particle of difference either in principle or kind, between the effect of the two types of sanctions as far as the rank-and-file union membership is concerned.

But there is this important difference. The loss of tax immunity during the entire period in which a union is found to be in violation provides a strong incentive for the union members to take the necessary measures to bring their union into compliance. Each day they fail to do so increases the loss to the union treasury. It is difficult to conceive of a device more effectively designed to impel union members to take the initiative in cleaning house, even to getting rid of their misbehaving officials. And this incidentally is one of the Senate bill's professed objectives as indicated by the provisions making it a crime for the union to retain officials who have been criminally convicted of violating the bill's provisions. But how cumbersome and clumsy is this latter provision as compared to the sharp incentive provided by the loss of tax immunity.

Similarly, the argument that denying access to the processes of the NLRB or similar agencies is an unfair penalty on the union members rather than on their misbehaving officials is equally spurious. In the first place, the Taft-Hartley Act, like its predecessor the Wagner Act, confers no rights on unions as such. The only rights guaranteed by these statutes are those of employees. And with a single exception these rights remain entirely unimpaired when their union is denied access to the procedures of the NLRB. The members of such a union are still protected in their right to join and remain union members, to be free from job discrimination because of their union membership, to be free from interference, coercion and restraint by their employer with respect to their union activities, to testify against their employer in NLRB proceedings, and to have these rights enforced by the NLRB when they are violated. The union's disqualification doesn't impair these rights or their enforcement by one iota.

The only loss to them is the right to have their union certified by the NLRB as the exclusive bargaining agent of all the employees in the bargaining unit. But even here, they are perfectly free, if their union actually represents a majority of the employees, to seek recognition as exclusive bargaining representative and if their employer consents, he may lawfully bargain collectively and even sign an agreement with their disqualified union. What is more, under existing law, they can lawfully both picket and strike to compel their employer to recognize their union, to bargain with it, and to sign a collective bargaining contract. As a matter of fact, a majority of the unions in the Nation which bargain collectively and enter into agreements do not have NLRB certification. Thus, to speak of loss of access to the NLRB by a noncomplying union as in reality a penalty imposed on the members of that union, is, as the late Senator Taft was accustomed to say, "Utter nonsense."

In the rare case where a certification by the NLRB is, for one reason or another, important to the union, the administrative sanction of denial of access to the NLRB again constitutes an incentive to the membership to clean house themselves even to getting rid of those officials responsible for the union's ineligibility. The quicker this is done, the more quickly does the union again become eligible to use the services of the NLRB.

In conclusion I wish to emphasize one aspect of this approach by means of administrative sanctions which I regard as perhaps even more important than the considerations I have already discussed. Those of us who like myself have participated directly in the proceedings of the McClellan committee, as well as many who have followed that committee's activities with close attention, have been struck by what seems to be a widely prevalent apathy among union members with respect to much of the skulduggery which takes place in their own organizations. I realize that many of them have a feeling of helplessness resulting from fear of reprisals; that like all unorganized majorities, they are at a tremendous disadvantage as against a well-organized minority of officials controlling the treasury, the union publications, and utilizing the union's government rules to keep a firm grip on the controls.

But it should be the prime objective of the legislation we are considering here today to provide union members with the means to enable them to help themselves. I do not think the Senate bill even remotely approaches this objective. Its failure to do so is itself an insult to the American union member. It implies a contempt for both his ability and his resolution to take the necessary steps to rid his organizations of the parasitic and criminal scum which, as the McClellan committee has revealed, is gnawing like a cancer at the fibers of the American labor movement. True, he must have help. The failure of the AFL–CIO and its ethical practices codes to solve the problem without legislation demonstrates that so conclusively as to be self-evident. And we in Congress must provide that help. But we must do so by giving him a do-it-yourself kit in complete contrast to the Kennedy-Ervin "we'll do it for you" approach of the Senate bill. (The irony of it is that actually the Senate bill will not do anything effective at all, in any direction.)

I agree with my esteemed colleague, the senior Senator from Oregon, Mr. Morse, when, several months ago, during the hearings on these labor bills, he said, and I quote:

"And I just want to say to the union leaders of America this morning that if their point of view is that no legislation should be passed that holds the membership responsible in any way for the misconduct of

the union officials, they have lost me on that issue."

Union members do have a responsibility when their officials misbehave. Because of the present lack of adequate legislation, it is difficult for them to exercise their responsibility. But it is our responsibility to give them, through legislation, machinery which will enable them to exercise theirs. My proposal for administrative sanctions is a giant step in that direction.

Section 202 requires every labor union officer, and every union employee receiving more than a gross of $5,000 annually from his union to report each year to the Secretary any or all of six classes of "conflict of interest" transactions or holdings of which he, his wife, or his minor child, may have been the beneficiary, directly or indirectly.

As it passed the Senate, this provision is full of serious defects. These are:

1. Exempting employees who receive not more than $5,000 per annum from the requirement of reporting their conflict of interests is an open invitation to the unscrupulous union official to evade the reporting requirements. In most local unions, the most influential functionaries are first, the business agent, and where the local can afford to pay one, the organizer. Usually these two officials are not officers but are employees of the union, receiving a salary or wage. If a business agent or organizer is involved in a conflict-of-interest situation which he would be required to report under this section, and his gains from such a situation were substantial, or at least greater than the gross income he received for his services from the union, it would obviously be to his advantage to have his compensation from the union reduced to $5,000 or less and thereby escape reporting his conflict-of-interest holdings or transactions.

2. As this section is now drafted, an officer or employee of an international union need not report any interest he has in or monetary benefit he receives from an employer who deals or bargains collectively with any of the locals affiliated with such international union rather than with the international itself.

3. If an employer is a corporation, this section does not require an officer or employee of the union which bargains collectively with that corporation or is seeking to organize it, to report a monetary benefit received from an officer or director of the corporation rather than from the corporation itself.

4. Five of the six types of conflict-of-interest situations listed in this section (sec. 201(a) (1), (2), (3), (4), and (5)) are made inapplicable to securities traded on national securities exchanges or to shares in a company registered under the Investment Company Act of 1940 or to securities of a company registered under the Public Utility Holding Company Act. The effect of this exemption, even if unintended, is to relieve from the reporting requirements of this section any payment or transfer made in such shares or securities by an employer to an officer or employee of a union which represents or is seeking to represent such employer's employees. Thus, if employer X makes a $10,000 payment in cash to president A of the union which represents the employees of X, A must report the transaction under this section. Similarly, if instead of cash, the payment took the form of an expensive automobile. But if the payment is $10,000 worth of stock in a corporation whose shares are traded on the New York Stock Exchange, the section as drafted, clearly does not require this transaction to be reported.

Section 203: What this section does is to require reporting by an employer and by any labor relations consultant whom he may employ, of any activity which may be engaged in by the employer or his agents during a union organizational campaign. The requirement is that both the activity and its cost in detail be reported. My principal quarrel with this section is that it radically infringes upon perfectly legitimate employer activities which are protected by the free-speech provisions of section 8(c) of the existing Taft-Hartley law. It does this by requiring reporting of expenditures for, and I quote from section 203(a)(1):

"Activities where an object thereof, directly or indirectly, is to persuade employees to exercise or not to exercise, or persuade employees as to the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing, or is to obtain information concerning the activities of employees or a labor organization in connection with a labor dispute."

The same requirement is found in section 203(b)(1) and also in the provisions on consultants found in section 203(c) (A) and (B).

I fail to see how any legitimate legislative purpose can be served by the reporting of activity which is protected by the Taft-Hartley Act—and in all probability by the Constitution—and is activity designed to permit employees to make intelligent decisions with respect to union organization.

The Barden bill, the McClellan bill, the administration bill, and the recently enacted New York statute are all designed to require similar reporting by employers and the labor consultants, but only of activities which constitute unfair labor practices under the Taft-Hartley law. They do this in almost identical language by requiring reports of activities "where an object thereof, directly or indirectly, is to interfere with, restrain, or coerce any employee in the exercise of any right guaranteed by section 7 of the National Labor Relations Act."

Pages 80–83, which are part of the minority views contained in the report on S. 1555 include background material on the free speech provisions of the Taft-Hartley Act, which the Senate bill would emasculate, and a discussion of the effect of the Senate bill on these provisions. I hope that every member of this committee will read these four pages before coming to a final conclusion of this section of the Senate bill.

It is most interesting that the New York State Legislature just a few weeks ago had before it the same problem with respect to employer and consultant reporting in a new law entitled "Labor and Management Improper Practices Act" (43 LRRM 552, March 30, 1959). The New York Legislature, as I have indicated, limited employer and consultant reporting to activities which "interfere with or restrain employees in forming or joining labor organizations." I quote the New York statute, because perhaps more than any other State, New York has shown great concern for the legitimate aspirations of employees and labor organizations by enacting protective legislation for them. I am merely testifying in favor of the same type of employer reporting as is required by the New York statute as well as by the Barden, the McClellan, and the administration bills.

When the Taft-Hartley Act was under consideration in 1947, one of the major concerns of Congress was to correct the dangerous tendency of the National Labor Relations Board to place restrictions upon employer free speech. Thus, turning to pages 80–81 of the report on S. 1555 and quoting from the Senate report which accompanied the Taft-Hartley law, we find the Senate saying:

"Another amendment to this section would insure both to employers and labor organizations full freedom to express their views to employees on labor matters, refrain from threats of violence, intimation of economic reprisal, or offers of benefit. The Supreme Court in *Thomas* v. *Collins* (323 U.S. 516) held, contrary to some earlier decisions of the Labor Board, that the Constitution guarantees freedom of speech on either side in labor controversies and approved the doctrine of the *American Tube Bending* case (134 F. (2d) 993). The Board has placed a limited construction upon these decisions by holding such speeches by employers to be coercive if the employer was found guilty of some other unfair labor practice, even though severable or unrelated (*Monumental Life Insurance*, 69 NLRB 247) or if the speech was made in the plant on working time (*Clark Brothers*, 70 NLRB 60). The committee believes these decisions to be too restrictive."

Before Taft-Hartley was enacted, the NLRB permitted free speech by an employer but imposed restrictions upon its exercise; for example, by requiring the employer to provide equal time on his property for the union to reply to the employer's speech. In a similar fashion the Senate bill would also permit employer free speech but would place great handicaps upon its exercise by means of the reporting requirements. I have always believed that the U.S. Constitution guarantees free speech. I further believe that up to 1947 the Board was limiting free speech and that Congress stopped such Board action. Now the Senate bill would recreate the unhappy pre-1947 situation and place great impediments in the way of the exercise of free speech. It seems almost unbelievable that we should once again have to defend so fundamental an American principle as the right of free speech.

It has been argued that the reporting requirements of section 203 do not prohibit employer free speech. They merely require the employer and his consultant to file reports concerning such speech. It may be true that the large corporation with its own legal staff to advise it as to the law's provisions would not find the reporting requirements unduly burdensome. But this provision is not really directed at large employers. They are already almost completely organized. This provision is directed at the small employer, who, knowing that the law requires full reporting both of his activities and their cost, no matter how legitimate, would be inclined to remain entirely silent, while a union organizing campaign was going on. Otherwise he would be subjected to more Government red tape and to additional expense. And if he is silent, his employees may be deprived of information concerning the reputation and character of the union, the union's leaders and organizers; information with respect to what the union has accomplished elsewhere; information about its strike record; information as to the benefits which the employees enjoy without being unionized; and information derived from hearings and investigations of various congressional committees concerning the union.

Another deterrent in the Senate bill to the employer's use of free speech now guaranteed by section 8(c) of the Taft-Hartley Act and the Constitution is the probable use to which his report will be put in the future. Section 204(c) of the Senate bill provides for the sale of copies of such reports "upon payment of a charge based upon the cost of the service." Thus, the union, failing in its first efforts to organize an employer, can purchase a valuable propaganda weapon to use against the employer on the second attempt. Since nothing in the bill requires the union to report what it did and how much money it spent in an individual organizing campaign, the employer is placed at a substantial disadvantage in the second organizational attempt.

The Senate bill is the only measure I have seen which requires employers to report in this fashion. The attitude which is reflected in the other bills to which I have referred and which I strongly favor, demonstrates the existence of a widespread legislative agreement on a common approach to the problem and is a strong additional assurance of its correctness.

I would like to point out as an example of the harm this section of the Senate bill

can do, that an expenditure by an employer for a large number of copies of the McClellan committee's interim report for distribution to his employees whom Jimmy Hoffa and the Teamsters Union are seeking to organize, or of the report of a congressional committee containing information about Communist domination of some other union which is seeking to represent his employees, would have to be reported in detail, such report carrying with it the connotation that the expenditure was, if not illegal, at least reprehensible. This could well have the effect of discouraging the employer from making expenditures for such purposes thereby depriving his employees of information they should have in order to act and choose intelligently and patriotically information they are unlikely to get from any other source.

Section 208(d): The reports required to be filed by employers and unions under sections 201 and 203 must be signed by certain designated officers of unions and employers. This subsection makes such designated officers personally responsible "for the filing of such reports and for any statement contained therein." Literally construed this would appear to mean that such officers are personally responsible if there is a failure to file a required report or if any of the statements in a filed report is false. But it does not appear to hold such officers responsible if a report is filed but there is a failure to include therein some of the information required by the bill.

Section 209(a) makes it a Federal crime for an officer or employee of a union to embezzle, steal, or willfully misappropriate any of the funds, assets, or property of such union. All that need be said here is that this is like gilding the lily; every State in the Nation already has adequate laws on its books making this type of misconduct a crime. Paradoxically, there seems to be no hesitation on the part of the supporters of the Senate bill about creating concurrent jurisdiction of both the State and Federal Governments in this instance, but unyielding opposition is shown by these same supporters to doing so in other areas of the law affecting labor unions.

Section 209(b) permits a member of a labor union to bring suit against any officer or employee of such union for the recovery for the benefit of the union, of funds or property alleged to have been embezzled, stolen, or willfully misappropriated from the union, by such officer or employee, subject to the following conditions:

1. The labor union, its governing board, or its officers refuse or fail to sue for such recovery within 4 months after a demand by a member of the union that they do so;

2. No such suit may be brought by a union member except upon leave of the court obtained upon verified application, and for good cause shown.

This right to sue is more apparent than real, and presents greater obstacles to the union member who wishes to sue than he would meet in most State courts under State law. First, he would have to show the equivalent of a criminal intent on the part of the accused union officer or employee. Second, his right to sue under this provision is not really a right but merely a privilege dependent upon the permission of the court. The three conditions I have referred to—leave of the court, a sworn application, and good cause shown—would not be required in a suit under most State laws, nor would proof of criminal intent. As a matter of fact, these conditions are imposed in very few types of legal proceedings, mainly in highly specialized and narrow fields of the law, and never in suits by union members against their unions or union officers. Thus the provision grants the union member so little in the way of an effective remedy that he would be better off, in most cases, in bringing his suit under State law, as this provision permits him to do by virtue of its antipreemption clause.

Section 211 amends numerous provisions of section 302 of the Taft-Hartley Act which was originally designed to outlaw certain types of payments made by employers to labor unions or their agents, payments which are generally suspect as attempts to corrupt or wrongfully influence union leaders.

Section 302, as it presently reads, prohibits any such payment or delivery of money or other thing of value. This section adds a prohibition on any loan as well. One perhaps unintended result of this amendment is to make it a crime for an employer to permit any of his employees who happen to be officers of the union which represents or seeks to represent such employer's employees, to participate in any loan program set up by the employer for the benefit of his employees, and for any such union officer to participate in the program as a borrower. Many large companies maintain such lending programs.

Another undesirable effect of this provision flows from the Supreme Court's decision in the Ryan case. Under that decision, the term "representative" of employees to whom payments or loans are forbidden is not limited to a "collective bargaining representative." Hence, under the Senate bill, an employer risks committing a crime if he gives a bonus to a representative of his employees' social club for having conducted a successful social program. And such representative might be committing a crime by accepting the bonus.

Again, this provision would make it a crime for an employer to make any payment or loan to any of his employees for the purpose of having the recipients influence other employees in the exercise of their right to organize and bargain collectively through representatives of their own choosing.

As previously pointed out, in connection with the requirement that employers report expenditures in connection with persuading employees to exercise or not to exercise their statutory rights, this type of conduct or payment by an employer is not presently unlawful. This provision, however, goes beyond these employer reporting provisions in that it creates a new crime based on a concept which is as broad as it is vague.

It is impossible to tell just what constitutes "influence." Does an employer influence his employees under this section and thereby commit a crime when he invites them to a dinner paid for by the company at which he makes a speech outlining the disadvantages of unionism or the demerits of the particular union which is seeking to organize them? It would seem so under the literal language of this provision. And if that is so, do not the employees who accept his bounty by attending the dinner also commit a crime? It can seriously be maintained that the term "influence" is so vague that its use in a criminal statute might well be unconstitutional as being insufficient to apprise potential defendants of just what the law forbids them to do. It is certain that employees who attend such a banquet as has been described above, knowing that the employer was going to make an anti-union speech would not have the slightest reason to suspect that they might be committing a crime in so attending.

The provision also makes it a crime for an employer to make any payment or loan to any union officer or employee with intent to influence him in his decisions, duties, or activities as a union official. Again the word "influence" constitutes the broadest possible proscription and it is difficult, if not impossible, to imagine such a payment or loan which couldn't be construed to influence the official in the manner proscribed by the bill. Ironically, however, such payments or loans are forbidden only when made by an employer. If a Teamster Union official, for example, were to make such a payment or loan to an officer or employee of a rival union, frankly for the purpose of inducing the rival union to drop its organizing campaign among certain employees in order to permit the Teamsters to move in instead, no crime would be committed under the Senate bill. But if an employer in the steel industry makes a loan to a friend of his who is an officer in a textile workers union, seeking through the latter's gratitude to get him to change his political affiliation and thereby perhaps influence his textile union in the same direction, both the lender and the borrower may well be guilty of a crime under this amendment.

This amendment also makes it unlawful for a union or its officials to demand or exact a fee from the operator of a motor vehicle or his employer for unloading the truck's cargo. But it does nothing to outlaw the far more prevalent form which this type of extortion takes, to wit, to require, as a condition for unloading the truck that the operator join the extorting union or secure from it a work permit, a substantial fee being required in either case.

The Taft-Hartley Act presently permits a voluntary checkoff of union dues. The Senate bill would extend this permission to the check-off of "periodic fees" paid to the union in lieu of dues. This tacitly recognizes the lawfulness of what has come to be known as the "agency shop." The "agency shop" is a device being increasingly used in an attempt to circumvent State right-to-work laws. It requires a periodic payment to the union from each employee covered by the collective bargaining agreement, as a condition of employment, for the union's services as collective bargaining agent, but does not require the employee to join the union. In practical effect, it permits the union to have the equivalent of the union security type of agreement which is permitted under the Taft-Hartley Act, but which it was the intention of the Congress, in that statute, to authorize the States to prohibit if they so wished.

Section 213 makes it a crime to carry on picketing of an employer for the purpose of extorting something of value from the picketed employer for the personal profit or enrichment of an individual, i.e., where the payment demanded is for terminating the picketing. The type of conduct here proscribed is similar to that of the holdup man who points a gun at his victim saying "your money or your life", the picket line in this case serving as the gun.

The first thing to be said about this provision is that it is already a crime under both State and Federal law (the Hobbs Act), and hence, it adds nothing to the prevention of this type of misconduct. Rather, it appears to have been designed to give the impression that the Senate bill does something about some of the abuses that have characterized some types of picketing and which the public emphatically, if vaguely, would like to see remedied. Specifically, the public is concerned about organizational and recognition picketing which this provision does not touch at all. There is a provision in the Senate bill on these types of picketing which will be discussed later in this analysis.

But examining this provision within its own limited area, i.e., does it deal effectively with extortion picketing? The answer must be no. First, it prohibits actual picketing only and is not applicable to threats to engage in such picketing. And second, the provision is inapplicable if the purpose of the picketing is the enrichment or profit of the labor union itself rather than of an individual.

Title III. Trusteeships

Section 301(a) requires every national or international union to file with the Secretary within 30 days after the imposition of

a trusteeship over a local union a report signed by its president, treasurer, and the trustees setting forth (A) the name and address of the trusteed local, (B) the date the trusteeship was established, (C) a statement of the reasons for the trusteeship, (D) extent of participation by the local's membership in the selection of convention delegates and the election of national or international officers, and (E) a detailed statement of the financial affairs of the local and of any funds transferred from such local to the international or to any other labor union.

Like the provisions pertaining to the reports filed under title II, previously discussed, there is no adequate procedure for giving the members of the trusteed local access to the basic documents and records upon which the reports of trusteeships under this section are based, and hence, these union members have no means of determining whether the filed reports are accurate or false. This denial of access to basic books, records, documents, and accounts both under this section and under title II is in striking contrast to the rights which corporate stockholders are given under most State laws to look at the books of their corporations. It is a matter of some irony, that practically every union which bargains collectively with a corporate employer has at least one share of stock in such corporation owned by one of its officers for the specific purpose of having access to such employer's books and records as a necessary aid in the collective bargaining process.

This section purports to require the making, keeping and preserving of the records and accounts on which the trusteeship reports are based. It attempts to do this by making the provisions of section 205 applicable to the trusteeship reports. But section 205 requires the making, keeping and preserving of such records and accounts of financial transactions only as are necessary to prepare the financial reports which must be filed under title II. But of the five classes of information required to be filed under this section, only one deals with financial data, and hence there is no requirement for preserving the books and records on which the other four classes of reported information are based.

This assertion is supported by the contrast in the language between section 208(c) under title II and subsection (d) of this section. Section 208(c) makes it a crime willfully to conceal, destroy, and so forth, any basic book, record, report, or statement which title II requires to be kept, whereas subsection (d) of this section (301) makes it a crime to do these things to any documents, books, records, and so forth, upon which a trusteeship report is based. It should be noted, therefore, that section 301 does not require these basic records to be kept as does title II—it merely prohibits their destruction, concealment or withholding where they actually exist, i.e., where they have in fact been voluntarily kept.

Section 302: This limits the purposes for which trusteeships may be established to (1) correcting corruption or financial malpractice, (2) assuring performance of collective bargaining agreements or other duties of a bargaining representative, (3) restoring democratic procedures, or (4) otherwise carrying out the legitimate objects of the international union imposing the trusteeship.

This last purpose, No. (4), for all practical purposes, completely nullifies any restriction on the power to impose trusteeships. There is nothing in the bill to define or limit the meaning of such a phrase as "the legitimate objects" of an international labor union. The most obvious construction is that an international may impose a trusteeship over a local for any reason which is not actually illegal and which is not forbidden by its constitution, bylaws, or other governing rules. It is doubtful if any court would find the purpose of a trusteeship prohibited under this section if it satisfied these two criteria.

Section 304 directs the Secretary upon written complaint of a member of the international or of the trusteed local to bring suit in a Federal court for violation of the trusteeship provisions. The Secretary is required to investigate every such complaint, and bring suit only if he has probable cause for believing that such violation has occurred and has not been remedied.

This provision, being mandatory in form, imposes a tremendous burden on the Secretary and would require the services of an enormous staff of investigators. And even after having secured some evidence of violation, the phrase "probable cause" would require him to convince the court, as a condition precedent to its entertaining the suit, that he had sufficient evidence to constitute probable cause.

Had the bill given union members full access to both the reports and the books and records on which they are based, union members themselves could be relied on to produce sufficient evidence justifying legal action by the Secretary, who should be permitted discretion not only in determining whether to bring suit but in deciding whether to initiate an investigation for possible violations. In any event, he should not be required to show probable cause as a condition of bringing suit; neither he nor any other administrative or executive official is required to do so under other Federal regulatory statutes which they administer.

Under this section a trusteeship is presumed valid for the first 12 months following its establishment and is subject to attack only upon proof that it was not established in good faith for one of the allowable purposes previously described. As has been pointed out, almost any purpose, not illegal or in violation of the international's governing rules, would seem to be allowable. This puts an impossible burden on a complainant seeking to attack the validity of the trusteeship and, in practical effect, renders the trusteeship almost unchallengeable, and this provision virtually useless.

The proposal offered by Senator Dodd, of Connecticut, as an amendment on the floor of the Senate and rejected by it, is a much more effective method for eliminating the abuses which surround trusteeships over local unions and yet preserving them for use where they are really justified and truly legtitimate. Briefly, this approach would require a national union to show beforehand that there is a legitimate reason for placing a local union under trusteeship and to do so through a procedure that insures a fair hearing for the local union. This approach is similar to that for requesting the appointment of a receiver in connection with a corporation which has been the subject of mismanagement by its officers or directors, and it insures that the burden of proof for so serious a matter as destroying local union autonomy should rest upon the international union seeking to impose the trusteeship.

Specifically, the proposed procedure would be as follows:

1. Before imposing a trusteeship an international union must apply to the Secretary for a temporary 30-day order granting the same. The Secretary shall issue such temporary order if proof establishing probable cause (based on any or all of the four permissible purposes in imposing a trusteeship) is submitted by the international union at an ex parte hearing.

2. Within 30 days, the Secretary shall conduct a hearing where the claims of both the international and the local union will be heard. If the international can establish clear and convincing proof that the trusteeship is justified, the Secretary may issue an order continuing it for a period of 1 year.

3. Upon the expiration of 1 year, the trusteeship shall be presumed invalid unless the Secretary sees fit to extend it for an additional period not longer than 1 year.

The many abuses revealed in recent years of the power to impose trusteeships requires these effective safeguards of the rights of local unions. This approach would cause no undue delay in the imposition of a justified trusteeship but would effectively prevent what the McClellan committee has termed the "baseless imposition of trusteeships."

Section 308 requires the bonding of union officers and employees. But the provisions are inadequate. They do not require the personal bonding of the specified official by name, and hence it is possible to comply by securing a bond for the office rather than for the individual holding it. Nor does this section preclude the use of a bonding company in which the union, or the bonded official himself, has a financial or other influential interest. These loopholes make it possible to avoid the thorough and stringent investigation of the applicant for a bond which a neutral or unrelated bonding company would make prior to granting a bond. The important protection sought by a bonding requirement is not the financial reimbursement a bond provides, but rather, the weeding out through an effective investigation of individuals whose past records mark them as untrustworthy.

Title IV. Elections

Section 401(b) purports to provide certain safeguards to assure fair and equal treatment and campaign facilities for all candidates for local union office. Actually, it falls far short of achieving those objectives. Membership lists are not required to be made available to the rival candidates, but the incumbent officers have access to those lists by virtue of their office. The arguments in favor of denying access to these lists to rival candidates are entirely without merit. It is asserted that to permit such access is to make possible that the names of the union members will fall into the wrong hands, that one of the candidates, for example, may be a spy for the employer who is anxious to discover which of his employees are union members. Just why the incumbent officers who have unrestricted access to the membership lists should be presumed to be more reliable or more honest than the rival candidates has never been demonstrated. As a matter of fact, it is quite possible that the incumbent officer is precisely the one who has been selling out the union or the employees, and that many of the members are desirous of voting him out of office for that reason.

The spuriousness of this argument is further shown by the fact that most unions desire nothing more than they do a clause in a collective bargaining agreement requiring the employer to checkoff union dues from the pay envelopes of the union members among his employees. It is obvious that in order to do so, the employer must be told who the union members are, and thus put in possession of the very information which it is said he should not have by those who argue against permitting rival candidates to have access to the union's membership list.

Although this provision requires that equal opportunity be given rival candidates for mailing or distributing their campaign literature in connection with a union election, the incumbent officer, having possession of the lists, can always quietly resort to a campaign of personal solicitation among the employees he knows to be union members, a procedure which cannot be utilized with equal thoroughness by a rival candidate who is denied access to these lists.

Moreover, even where the incumbent officers accept the campaign literature of their

rivals for mailing or distribution as this section requires them to do, it is fantastically naive to expect that such literature will be mailed or distributed to the members as adequately as they mail or distribute their own. Given the hoodlum control of some unions, it is not unlikely that the campaign literature of the rival candidate, or at least part of it, will find its way into the sewer or the incinerator.

A final consideration is significant enough not to be ignored. The alleged safeguards provided by this subsection, feeble as they may be, are limited exclusively to local union elections and are entirely inapplicable to the election of national or international union officers. Rival candidates for national or international union office are compelled to conduct their campaigns not only through their own resources, but with no requirement that the incumbents furnish them with equal campaign facilities of any kind. It is precisely this advantage presently enjoyed by national or international officers, and which the Senate bill does nothing to equalize, that is responsible, at least in substantial part for the repeated reelection and long tenure which is so characteristic of holding office in a national or international union. And where similar conditions prevail in local unions, this subsection does little to remedy such conditions.

Section 401(d) provides that reasonable opportunity shall be given for the nomination of candidates and every member in good standing shall be eligible to be a candidate and to hold office subject to reasonable qualifications uniformly imposed. In this section, as throughout the Senate bill, there is a veritable deluge of such words as "reasonable," "fair," "interested," etc. used to qualify the rights and remedies the bill professes to confer. These adjectives are undefined and their use throws an impossible burden of definition on the administrative officials and the courts which must apply them. Nothing in the legislative history of the bill—either in the committee report or the floor debates—sheds any light on what these terms mean, their scope, or their limitations. The inevitable result will be that the courts will necessarily tend to give them the most restricted possible application, that is, one which will deviate least from current practices.

Existing union constitutions, bylaws, and other union governing rules and regulations, already contain many of these or equally vague terms to which the leadership is able to give almost any meaning that serves their own purposes. It is precisely for that reason, among others of course, that a labor reform law has become imperative. These vague safeguards have proved to be no protection at all against the types of abuse and the denial of basic rights and democratic procedures which have been revealed by the McClellan committee. The Senate bill not only does little to correct the situation, but may actually compound it, by giving the stamp of legal approval to what is now legitimatized only by custom.

And finally, the right to be a candidate for and to hold union office, which this subsection seems to confer, unlike the right to nominate candidates, is not one of those included in the so-called bill of rights set forth in title I. Unfortunately, there is considerable doubt whether there is any provision in title IV, of which this subsection is a part (or, for that matter, anywhere else in the Senate bill) which contains any sanctions or even provides any machinery for the enforcement of this right to be a candidate or to hold union office, except the general prohibition against reprisals contained in section 607 and applicable to all the rights allegedly conferred by the bill.

But, as was shown in the discussion of the sanctions applicable to the bill of rights in title I, denial of the right to be a candidate or to hold union office, by means other than force, violence, economic coercion, or union disciplinary procedures, may occur with impunity. This subsection does not even extend the right to a union member to bring a civil suit in Federal court which is provided for violation of the rights set forth in title I.

Subsections 401 (d) and (e) both require specified union officials (but not the union itself) to preserve for 1 year the ballots and all other records pertaining to an election of officers by direct vote of the membership as well as the credentials of delegates and all other records pertaining to an election of officers by the delegate-convention method. However, not only is there no provision giving access to these records to the union members, there is none giving such access even to the defeated candidates. Thus, perhaps the most effective method for conveying information to the Secretary concerning possible violations of the election provisions of the Senate bill has been omitted therefrom. What is even more shocking, however, is the total failure to include any provision to enforce this requirement for preserving the election records.

Section 401(g) provides that if after a full dress administrative hearing conducted in accordance with the Administrative Procedure Act the Secretary finds that a union's constitution and bylaws do not provide an adequate procedure for the removal of an elected officer guilty of serious misconduct, such officer may be removed, for cause shown and after notice and hearing, by the members in good standing voting in a secret ballot conducted by the officers of the union.

The enforcement procedure for violation of the foregoing mechanism for removal of officers is to be found in the next section, 402. A careful examination of section 402 leaves considerable doubt as to whether this enforcement procedure for removal of officers is adequate.

It provides that a union member may file a complaint with the Secretary alleging violation of the removal provisions of section 401 or of the removal provisions of the union's constitution and bylaws. If after investigation the Secretary finds probable cause to believe such a violation has occurred he may bring a civil action against the union in a Federal district court, asking the court to direct a hearing and vote upon the removal of officers.

So far so good. Section 402(c), however, provides that if the court finds, upon a preponderance of the evidence (1) that an election has not been held within the time prescribed by section 401, which is obviously inapplicable to removal procedures inasmuch as there is no time requirement attached to them, or (2) that the violation of section 401 may have affected the outcome of the election, the court shall declare the election, if any, to be void and direct the conduct of a new election under the supervision of the Secretary. If the proceeding is for the removal of officers, the Secretary shall certify the results of the vote and the court shall enter a decree declaring whether such persons have been removed as officers.

A careful reading of these provisions raises some serious questions. Suppose the union's constitution does contain an adequate procedure for the removal of officers but the incumbent officers refuse to invoke it despite proper application by union members. They either give no reason for doing so, or insist that the officer has been guilty of no misconduct, or that if there has been misconduct, it was not serious. The bill, it must be remembered, requires removal procedures to be available for serious misconduct only.

The frustrated union members thereupon complain to the Secretary who brings an action in the Federal court asking it to direct a hearing within the union on the alleged misconduct and a vote upon the question of removing the officer alleged to have misbehaved.

But under the Senate bill the court is authorized to make only one of two findings: (1) That an election has not been held within the time prescribed by section 401, which, as was pointed out above has no application to the removal provisions, and (2) that the violation of 401 may have affected the outcome of an election which is obviously inapplicable as no election of any kind had been held. Then the court is merely authorized to declare such an election, if it has been held to be void and direct a new election, but there is nothing in the bill authorizing the court to direct a removal election, or the necessary hearing preceding it.

It is possible, of course, that the court may infer that having given the Secretary the power to sue for violation of the removal provisions of the bill, Congress did not intend to deprive the court of the power to grant the appropriate relief, at least by necessary implication, even if there is no language in the bill actually giving the court such power. But at any rate, this serious question about the enforceability of the removal provisions through judicial action is merely another demonstration of the exceedingly poor draftsmanship of the Senate bill.

Apart from the ambiguities in the bill's provisions for judicial enforcement of the removal procedures, there are other serious defects in these procedures which tend to diminish, perhaps even to nullify, their effectiveness. First, there is the requirement that removal procedures are statutorily required only with respect to union officers guilty of serious misconduct. The question immediately arises as to why union members should not be given the right by law to remove officers guilty of any kind of misconduct. Moreover, there is no definition in the bill either of the term "serious" or the term "misconduct." Is the misconduct referred to confined only to violations of the union's governing rules or regulations? Suppose these rules are completely silent with respect to the conduct of officers in matters outside the affairs of the union, and an officer conducts himself so disgracefully that he is involved in a public scandal. Is this misconduct within the meaning of the bill? Is it serious misconduct?

Or, on the other hand, let us assume that charges of serious misconduct are made against an officer, a hearing is held, and a majority of the members vote to remove. But the officer insists that his behavior did not constitute misconduct, or at any rate was not serious misconduct. Is this issue judicially reviewable? It would seem so inasmuch as the criterion of serious misconduct is prescribed by the bill, and any statute which provides judicial enforcement would necessarily seem to require a judicial determination as to whether the statutory criterion has been complied with or violated.

Again, let us assume the converse situation, and one which is far more likely to arise. Union members allege that some of their officers have been guilty of serious misconduct and invoke the removal procedures. A hearing is held, and those presiding at the hearing, being the friends and colleagues of the accused, find no or insufficient evidence of serious misconduct, and refuse to submit the question of removal to a vote of the membership. Is this finding of innocence and refusal to conduct a removal election judicially reviewable? The Senate bill is silent.

It is silent on other matters involved in the removal procedure, and this silence adds to the ambiguity, confusion, and uncertainty surrounding the entire provision. It requires a hearing before a removal vote can take place, but it fails to indicate who shall conduct or preside at the hearing. Are the officers who are charged with the misconduct prohibited from participating in the hearing? The bill is silent.

The bill provides that if the union's constitution and bylaws fail to provide an adequate procedure for removal of officers guilty of serious misconduct, such officers may be removed, after hearing for cause shown, by the members in good standing voting in a secret ballot election. Removal may take place only for cause shown. Is cause as used in this phrase identical with serious misconduct? Is this the only cause for removal or may there be others? If this is the only cause for removal then why use the word "cause" at all? Wouldn't it be sufficient merely to make serious misconduct the basis for a removal hearing?

Again, the section 402 dealing with remedies for violation of the election and removal requirements permits a member to complain to the Secretary of a violation only (1) after exhaustion of the remedies available under the union's own governing laws, or (2) after having invoked such internal remedies without obtaining a final decision within 3 months. But if the constitution and bylaws do not contain a removal procedure, then there is no internal remedy for the union member to invoke. Must he still wait 3 months in order to file a complaint which the Secretary will regard as valid? Or can he validly complain to the Secretary at once, that is, without any notice to the union of his intention to do so? The bill is silent with respect to all of these questions.

The entire portion of title IV, dealing with procedures for the election and removal of officers, and the remedies for violation thereof, needs to be completely rewritten simply to accomplish what the proponents of the Senate bill were apparently trying to accomplish. And this is needed quite independently and apart from any question of serious defects in the title resulting from its inadequacy to establish a minimum of democratic procedure inside labor unions even if these provisions were rewritten so as to achieve the ends they purport to seek.

Section 403 provides that there shall be no preemption of State remedies with respect to violations of the provisions of a union's constitution or bylaws pertaining to the election of officers prior to the conduct of the election, but all applicable State remedies are entirely preempted with respect to challenging union elections that have already been actually conducted. Why uniformity, which is the argument in favor of preemption, is regarded as desirable or essential in the latter case but not in the former has never been explained. There is some reason to believe that there is little or no State law dealing with abuses of the union election process prior to the actual holding of the election, but that there is a considerable body of State law, much of it quite adequate, for remedying abuses that arise in connection with the actual conduct of the election or from refusals to abide by the election results.

We thus have a repetition of the weakness that makes a consistent pattern throughout the Senate bill. Federal remedies are provided when they are least required, i.e., where State law furnishes substantial relief, but no adequate Federal remedies are made available where the need is greatest because of the lack in existing State law.

And, finally, although section 403 is precise in allocating jurisdiction as between the Federal Government and the States in connection with union election procedures, we can only guess as to whether this allocation also applies to the procedures for removal of officers. The section uses only the term "elections" and does not mention "removals." In other portions of the title when it is meant to deal with both, both terms are used. Does this mean that the preemption and antipreemption provisions discussed above are inapplicable to removal procedures? If so, then under section 602, which preserves State remedies not specifically preempted by the Senate bill, we have concurrent jurisdiction of both the State and Federal law in all phases of procedures for removal of union officers in contrast with the exclusive jurisdiction of Federal law in connection with challenging union elections already conducted.

Section 405(a) makes it unlawful for any person to hold certain specified posts in a union if he has been convicted or served a prison term for the commission of certain enumerated crimes. The ineligibility to hold such office terminates 5 years after such conviction or imprisonment, whichever occurs later.

Section 405(b) makes it unlawful for any person to hold these same union posts, if the Secretary, after a hearing, finds that he has failed to file information required to be filed under titles II and III of the Senate bill, or has been convicted of any violation of titles II and III. But, unlike subsection 405(a) above, this subsection also makes it a crime for a union or any of its officers to permit any person to hold union office who is forbidden to hold office by this subsection. Thus, we have the strange paradox that a union or its officers commit a crime if they permit a person to hold office who has failed to comply with the reporting requirements of the bill or has been convicted of violating any of the bill's provisions, but imposes no penalty of any kind on a union or its officers permitting a convicted felon, even one guilty of murder, arson, or rape, to hold union office.

There should also be pointed out the inconsistency between prohibiting, on pain of criminal penalty, exconvicts from holding any union office or job (except those purely clerical or custodial), and regardless of the amount of compensation received from the union, and the provisions of section 202(a) exempting from the conflict-of-interest reporting requirements all employees who do not receive in excess of $5,000 per year from the union. There is no explanation and no discernible reason for making the prohibition all inclusive with respect to the holding of union office by exconvicts, but to permit an exemption in the reporting requirements of conflict-of-interest situation. This exemption creates a loophole through which dishonest union employees are able to escape the publicity which the proponents of the bill assert is both necessary and adequate to diminish substantially the incidence of dishonesty and double dealing among union officials and employees.

Title V. Codes of ethical practices

It is scarcely necessary to waste many words on this title of the Senate bill. It merely expresses a series of pious hopes and high-sounding phrases completely without any effect in law. Recent events have demonstrated that the enthusiastic tribute paid to the self-policing efforts of the labor unions themselves and the great expectations that these efforts would be effective in cleaning up the corrupt segments of the labor movement, were not only utterly premature but have not been realized in any substantial degree.

Despite their expulsion from the main body of organized labor, the Teamsters Union continues to grow and wax mighty. The Longshoremen's Union, expelled from the AFL–CIO, not only survives, but flourishes, and may soon be readmitted into the AFL–CIO despite the previous creation by the latter of a rival longshoremen's union, established specifically for the purpose of combating the expelled union.

Cooperation between the Teamsters and many AFL–CIO unions goes merrily on at the local level with the full cognizance and more than tacit consent of the parent federation, as does cooperation between the expelled Longshoremen and the major AFL–CIO maritime unions whose chiefs sit on the AFL–CIO executive council.

No disciplinary action has been taken against the Carpenters Union or its leading officers despite considerable evidence of skulduggery in the handling of union affairs, and resort to the fifth amendment before the McClellan committee. Most informed observers are convinced that no such disciplinary action will ever be taken against the Carpenters Union because of its size, and the substantial decline in strength of the AFL–CIO which would result from the Carpenters' expulsion, to say nothing of the possibility of the establishment of a new and rival labor union federation.

To sum the matter up briefly, most of the steam has gone out of the self-policing drive of the labor movement, and their codes of ethical practice which this title of the Senate bill recommends as a model for groups or organizations of every kind in the labor-management field prove to be no more than an idle gesture. As able and sympathetic an observer of the labor movement as Abe Raskin, of the New York Times, in an article in that newspaper on April 12, 1959, concluded that there was little or no enthusiasm left within labor union circles for cleanup by the method of expulsion.

Title VI. Definitions and miscellaneous

Section 601(1) defines a "labor organization engaged in an industry affecting commerce." Many of the Senate bill's provisions, restrictions, limitations, proscriptions, penalties, and sanctions are directed at a "labor organization engaged in an industry affecting commerce" and not merely at a "labor organization" as defined in section 601(h).

For example, the protections of the so-called bill of rights in title I are extended to members of a "labor organization engaged in an industry affecting commerce" and not merely to members of a "labor organization." The financial reports under section 201(b) are required to be filed by every "labor organization engaged in an industry affecting commerce" and not by a "labor organization" merely. Section 202(a) requires officers and employees of a "labor organization engaged in an industry affecting commerce" to file conflict-of-interest reports.

Section 207(a) forbids loans aggregating more than $1,500 to the officers or employees of a "labor organization engaged in an industry affecting commerce." There are other examples, but these will suffice.

And that there is a difference between a "labor organization engaged in an industry affecting commerce" and a mere "labor organization" is apparent not only from the difference in their definitions, but that other provisions of the bill are directed merely at a "labor organization" or its officers or employees, rather than at a "labor organization engaged in an industry affecting commerce" or its officers or employees. An example of this is to be found in section 209(a), which makes it a Federal crime for an officer or employee to embezzle or steal the fund or property of his "labor organization" rather than "labor organization engaged in an industry affecting commerce." There is no explanation available nor any discernible reason why some of the bill's provisions should apply to a "labor organization" and others to a "labor organization engaged in an industry affecting commerce."

Section 601(1) defines "labor organization engaged in an industry affecting commerce" to include a labor organization which falls into any of five enumerated categories, none of which, however, include an independent, unaffiliated union which is actively seeking to represent the employees of an employer whose operations affect commerce or which admits to membership employees of such employers. Thus, it includes a "labor organization" which is (1) a bargaining repre-

sentative certified under the Taft-Hartley Act or the Railway Labor Act; (2) a bargaining representative not certified but recognized as bargaining representative by an employer engaged in operations affecting commerce; (3) a national or international union having locals which come under (1) or (2) above; (4) a local union affiliated with a national or international union which represents or is actively seeking to represent employees within the meaning of (1) or (2) above; or (5) associations of labor unions subordinate to a national or international union. It is obvious that an independent, unaffiliated union, having no locals and itself subject to no other union, which is neither certified nor as yet recognized by an interstate employer, is not necessarily included in the definition of a "labor organization engaged in an industry affecting commerce" and, hence, may not be covered by those provisions of the bill which specifically refer to "labor organizations engaged in an industry affecting commerce," several examples of which are set forth above. That it may be a "labor organization" as defined in section 601(h) of the Senate bill may not be sufficient to bring it within the definition of section 601(i) and, hence, within many of the bill's provisions.

Section 601(m) defines "officer" of a labor union. The Supreme Court, in construing section 9(h) of title I of the Taft-Hartley Act which requires union officers to file non-Communist affidavits, has held that the term "officer" as used in that section refers to the union's constitutional officers. It was the intention of the Senate in adopting the definition of "officer" in this subsection to broaden it beyond the scope of the Supreme Court's construction with respect to all the provisions of the bill but to leave the Court's decision unaffected with respect to officers who must file non-Communist affidavits under section 212.

Unfortunately, the definition fails to do this, and actually eliminates even constitutional officers from the requirements of the non-Communist oath. Thus, the definition now reads in relevant part as follows:

"(m) Except in section 212 the term 'officer' means any constitutional officer, and any person authorized to perform the functions of president, etc., etc."

To correct the situation and achieve the intent of the Senate, this language should be revised to read:

"(m) The term 'officer' means any constitutional officer, and except in section 212, any person authorized to perform, etc., etc."

This change would result in still requiring the constitutional officers of a union to sign and file the non-Communist affidavits as currently required by the Supreme Court under the Taft-Hartley Act.

Section 607 makes it a felony for a labor union, its officers, agents, employees to discipline members for exercising any right conferred by the bill and for any person by force, violence, economic reprisal, or threats of the same to attempt to restrain, coerce or intimidate any union member in order to interfere with or prevent the exercise of any such right.

The weaknesses of this sanction were indicated earlier in this statement in the discussion of the bill of rights in title I where it was shown, for example, that if a union member's vote is deliberately not counted, or the candidate he has nominated is not placed on the ballot or he is refused recognition by the chair during a union meeting, there is no violation of section 607. In order to be effective, this section should be drafted to make it a crime for any person (which is the broadest possible term as defined in 601(c) of the bill) to willfully withhold or deny, by any means whatsoever, any right conferred by the bill, or in any way willfully to hinder or interfere or prevent the exercise of such right.

Section 608 provides that there shall be no pre-emption of the authority of the States to enact and enforce general criminal laws with respect to the following enumerated crimes—robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotic laws, murder, rape, assault with intent to kill or to inflict grievous bodily injury, or conspiracy to commit any of such crimes. This provision was substituted on the Senate floor for the provision in the bill which saved all State criminal laws without exception from Federal preemption. Thus, the substitution establishes a legislative history that only State laws pertaining to the crimes enumerated therein are not preempted by the criminal provisions of the Senate bill. Thus, the criminal penalties attached to violations of the financial reporting requirements contained in the recently enacted labor reform statute of New York State may be rendered null and void because of this inadequate preemption provision in the Senate bill.

Section 609 requires unions subject to the bill's provisions to inform all of their members concerning the bill's provisions and the rights guaranteed them under such provisions in a manner prescribed by the Secretary. But even this largely innocuous requirement carries with it neither penalty nor sanction for failure to comply nor is any machinery or procedure provided for securing or compelling compliance. If section 607 were redrafted as suggested above, failure to comply would be a crime.

Section 610 imposes a relationship of trust on a union official with respect to money or property in his possession by virtue of his official position and makes him responsible in a fiduciary capacity for such money or property.

The vague and generalized language of this section raises considerable doubt as to whether union officials are made responsible in a trust or fiduciary capacity with respect to gains or benefits derived from conflict-of-interest transactions or holdings, which, in the customary fiduciary situation, would give rise to liability on the part of the official regardless of whether his organization were actually damaged thereby, or even regardless of whether the members of the organization had ratified the official's conduct.

The essence of a fiduciary status is that liability may arise even where the official's activity creates the possibility of loss for his beneficiary, and hence before any loss occurs. This type of responsibility attaches in most States even to the officers and directors of nonprofit and eleemosynary institutions and organizations. Labor union officials seem to be among the sole exceptions, and it is doubtful if this provision of the Senate bill comes even close to imposing such an obligation on them.

Moreover, the only provision in the bill which suggests even the faintest semblance of a remedy for breach of the inadequate fiduciary status which this section imposes on union officials is to be found in section 209(b), previously discussed in some detail. All 209(b) does, however, is to permit a union member to sue, for the benefit of the union, any union officer or employee who, it is alleged, has embezzled, stolen, or unlawfully and willfully abstracted or converted any of the union's property or funds. In other words, the suit is permitted only if it is alleged, and recovery allowed only if it is proved, that the official has engaged in conduct which constitutes a crime.

The whole vast area of fiduciary law which not only requires fiduciaries to refrain from criminal conduct in the handling of other peoples' funds or property (which is even true of a mere bailee), but affirmatively requires them to act with the highest possible degree of care, and holds them liable for any acts of omission as well as of commission, and requires them to surrender gains made through conflict-of-interest transactions, that is, merely by virtue of their holding of their office, is provided with no enforcement machinery, remedy, sanction, or penalty under the Senate bill.

Moreover, as previously indicated, even the remedy provided in the narrow field of a criminal misappropriation of union property or funds is hedged in with procedural restrictions designed to discourage suits for recovery brought by union members. These restrictions have already been described. It need only be added that no legal action or proceeding provided for the benefit or protection of employees and workers under any State or Federal law is hedged with similar restrictions and limitations. These, it seems, in the opinion of the proponents of the Senate bill, are properly imposed only when the action or proceeding is to be brought against a labor union.

Title VII. Taft-Hartley amendments

Section 701 amends section 14 of the National Labor Relations Act to permit any State or Territorial agency other than a court to exercise jurisdiction over all cases over which the NLRB has jurisdiction, but by rule or otherwise, has declined to assert it. In asserting jurisdiction the State or Territorial agency must apply sections 8 (a), (b), and 9 of the National Labor Relations Act as construed by the Board and the Federal courts, and injunctions under sections 10(j) and 10(l) shall be available to such agency. Enforcement and review proceedings in connection with final orders of these agencies shall be conducted by the Federal district courts.

This provision raises many serious questions because of its ambiguities, and as a practical matter does nothing to solve the no-man's-land problems which have arisen, particularly since the Supreme Court's decision on the Guss case.

First, it is clear that at present only 10 States have labor agencies which would qualify under this amendment to entertain cases over which the NLRB has refused to assert jurisdiction. But even in those States, new legislation would be required to authorize these agencies to apply and administer provisions of the Taft-Hartley Act instead of the existing State law which they were set up to administer. Thus, before this amendment could become effective in permitting the States to handle any of these no-man's-land cases, all 50 of the States would be required to enact new legislation. Just how willing any substantial number of them would be to do so is a complete mystery, and even if some were willing, it might take many years before enough of them adopted the necessary legislation substantially to cut down the number of no-man's-land cases.

Apart from this basic objection to the amendment, it contains several other deficiencies and ambiguities.

The language used does not make it clear whether a case must actually first be brought before the NLRB and dismissed by it before the State agency can take it, or whether the NLRB may declare in advance the classes of cases it will not handle, and following such declaration, these cases may then be brought directly to the State agencies without first going to the NLRB. The phrase in line 4 of page 63 of the Senate bill, "but by rule or otherwise," would seem to indicate the latter, but if that is the intention, more precise language should have been used.

The amendment requires State agencies to apply sections 8 (a), (b) and 9 of the act, but makes no reference to section 10 which contains all of the procedural provisions for the bringing and handling of both unfair labor practice and representation cases before the Board, as well as all the procedures for judicial review.

Does the amendment require the same procedures as are laid down in section 10

to be used by the State agencies where appropriate? Nothing in the language of the amendment so indicates, and it could justifiably be inferred that these agencies may establish their own procedures for handling these cases.

Review or enforcement proceedings of NLRB final orders under the Taft-Hartley Act are handled directly by the several Federal courts of appeal, bypassing the U.S. district courts. The amendment confers this appellate function on the district courts with their already heavily overcrowded calendars and their complete lack of experience in this field of the law. Thus another delaying stage is added to the long-drawn-out procedure in labor relations cases which extends from the original filing of the unfair labor practice charge to the final enforcement decree of the agency's orders by the courts, all during which the party against whom the order runs is not required to comply with it. One of the most oft-repeated criticisms of the way our Federal labor laws are administered, is the interminable delay before securing final relief. This amendment not only does nothing to alleviate this serious defect, but by bringing the U.S. district courts into the picture, actually compounds it.

Another significant consideration is this. The scope and content of the law under Taft-Hartley is developed not only through the affirmative application of the law by the decisions of the Board and the courts, but by the refusal of the NLRB General Counsel to initiate proceedings, i.e., to issue a complaint in any given case. Such refusal is unreviewable and final. The only factor making for a consistent set of precedents in these refusals is that the General Counsel, normally, will try to avoid taking contrary or inconsistent positions in similar cases. But under this amendment, State agencies can refuse to issue complaints, and there is nothing in the amendment to require these refusals to be consistent with each other within the particular State, or consistent with refusals in the other States, or most important of all, consistent with the policy of the NLRB General Counsel in refusing to issue complaints. Thus, the essential attribute of good law—the predictability which enables potential litigants to know their rights as well as the restrictions or limitations under which they must operate, and the assurance that rules of law will not be arbitrary, is all but destroyed in this area of the law by the amendment.

A final question remains. There seems to be some doubt as to whether Congress may constitutionally provide, even where the States so permit, for appellate review of State administrative decisions by the Federal courts. Presently, the only decisions of State tribunals reviewed by Federal courts are decisions of the highest State courts reviewed by the Supreme Court. No examples have been found, either in the past or present, of the type of appellate procedure provided in this section.

The minimum necessary and proper solution for the no-man's-land problem is to permit the NLRB to decline jurisdiction of cases where the impact on interstate commerce is small or remote but to require the NLRB to set up precise standards for doing so. The States should be authorized to entertain all cases which do not meet these NLRB standards, and either through their courts or appropriate labor agencies, apply their own State law to these cases. The resulting diversity will occur only with respect to cases that are essentially local in character and hence are the type of cases where uniformity is not only unnecessary but undesirable. Technically being in interstate commerce is not sufficient justification for uniformity.

Section 702: This is the prehire, 7-day union shop amendment applicable to the building construction industry. It permits employers and unions in that industry to sign collective bargaining agreements even though the union does not represent a majority of the employees in the unit (such agreement being presently unlawful), and permits such contract to require membership in the union as a condition of continued employment within 7 days instead of the 30 days that Taft-Hartley presently requires. The agreement may also require the employer to notify the union of job vacancies, or to give the union an opportunity to refer qualified applicants for such vacancies.

The fundamental criticism of this amendment is that it destroys the basic right which the Taft-Hartley Act, and the Wagner Act before it, grants to employees—the right to be represented by a collective-bargaining agent of their own choosing. In doing so it is completely inconsistent with the professed objectives of all those who support labor reform legislation including the proponents of the Senate bill. A common objective of all these is to assure greater democracy in unions and stronger protections for rank-and-file union members. This amendment moves in the opposite direction.

It is true that there are special conditions in the labor management relations of the building construction industry which require some special treatment. It is concededly inequitable that building trades unions should be subject to all the restrictions and sanctions of the Taft-Hartley Act, but be unable to enjoy all the advantages bestowed by that statute on unions of other types. What is required, therefore, is legislation to deal with these peculiar problems which remedy these inequities without diminishing the rights of employees in the industry.

This amendment, however, makes not even the slightest attempt to safeguard these employee rights. It requires no proof of a previous history of collective bargaining between the employer and the union which enter into such a contract. Previous collective bargaining between the parties would assure, at least to some degree, that many of the employees who will be covered by the contract want the union to represent them as bargaining agent.

As drafted, the amendment would permit the union to bring economic pressure on the employer, through strike, picket line, primary or consumer boycott, to compel him to execute a prehire contract. At the very least, if such contracts are to be made lawful, they should be required to be purely voluntary on both sides.

And finally, the amendment as it presently reads, permits the union to act as hiring halls without imposing the safeguards which the NLRB now requires where a union has the contractual right to be notified of job vacancies and to refer applicants for such vacancies. The opportunities for discrimination in making job referrals in favor not only of union members, but only of those members who support the incumbent bureacracy within the union are too obvious to need extended discussion.

Modifications of this provision along the lines suggested in these criticisms would provide at least a modicum of protection for the rights of employees which the proponents of the Senate bill profess to be so deeply concerned about.

Section 703: The Taft-Hartley Act denies the right to vote in an NLRB election to an economic striker who has been permanently replaced by the employer. Under the Wagner Act there was no such prohibition, the statute being merely silent. Under that act, the NLRB exercised its discretion in determining who should be permitted to vote, and generally, it permitted both the replaced striker and his replacement to do so. Most lawyers are agreed that, had it so decided, the NLRB could have denied replaced economic strikers the right to vote or limited that right.

This amendment goes beyond the Wagner Act. It requires that replaced economic strikers be permitted to vote, but authorizes the NLRB, by regulation, to determine the conditions under which they may vote. Just what the scope of these conditions are or what limitations or restrictions the NLRB may impose on the right to vote, is not revealed.

Both equity and clarity require that this amendment be made precise and that certain specified limitations be placed on the voting rights of replaced economic strikers. One reasonable approach is to permit such strikers to vote only during some definite period or interval from the beginning of the strike—60 or perhaps 90 days. Another approach is to continue the prohibition on their voting but to forbid the holding of an NLRB election requested by the employer, for a stated period following the beginning of the strike—6 months or a year.

Either of these methods would effectively inhibit the employer from precipitating a strike for the purpose of replacing the strikers, calling for an NLRB election in which the replacements vote against the union, and thus getting rid of the union. On the other hand, to permit the replaced strikers to vote without any limitation is to permit individuals who are no longer employees to impose a collective-bargaining agent on the individuals who are and will be actually employed, and thus deny these employees the right guaranteed them by the act to choose their own bargaining agent.

The amendment also presents another danger. It states "employees on strike shall vote, etc., etc." What if it is a wildcat strike or a strike in violation of the no-strike clause in the contract? Or how about strikers who have committed acts of violence on the picket line or in connection with the strike, and who under current Board and court decisions are disqualified for further employment? The amendment seems to require that all of these categories of unlawful strikers must be permitted to vote even if they have been permanently replaced.

Section 704 amends the Taft-Hartley definition of supervisor to exclude therefrom service assistants in the communications industry. It is undesirable, generally, by legislation to make an exception for a single specified occupation in a single designated industry. Such legislation is an invitation to all other special groups or classes to demand similar treatment, and it is often difficult to justify the denial of some of these demands once similar demands have been previously complied with.

Apart from this general consideration, however, the amendment is defective because the title of the occupational category here exempted apparently exists only in this industry, under a title imposed by the industry itself, is to be found in no other industry, and can be changed at any time by the industry itself. Moreover, there are some segments of the communications industry where the title is not used for individuals performing the identical functions. The question arises—what happens to the applicability of this amendment if the employers in the industry decide to call those individuals who now are designated as "service assistants" by some other title even though they continue to have the same duties and to perform the same functions? It would seem the amendment would no longer apply.

Section 707 establishes a new unfair labor practice subject to the mandatory injunction provisions of section 10(1) of title I of the Taft-Hartley Act. This amendment makes unenforceable and unlawful any "hot cargo" agreement between a union and a common carrier which is subject to the Interstate Commerce Commission, and prohibits any proposing or insisting upon such a clause during collective bargaining negotiations.

There is nothing inherently undesirable about this amendment except the narrowness of its scope and the danger that it may establish legislative history inhibiting any present tendency by the NLRB or the courts to restrict this type of contract in industries other than truck transport as presently regulated by the ICC.

Thus, the Interstate Commerce Commission has already held that a common carrier subject to its jurisdiction cannot plead a "hot cargo" contract as a valid defense to a charge that it has refused to accept or carry the goods or cargo of an employer with whom the union, the other party to the "hot cargo" contract, has a dispute. In other words, the ICC by its own decision has already imposed a prohibition against a substantial aspect of the kind of activity which this amendment is designed to eliminate. This, incidentally, once again illustrates the tendency of the Senate bill to legislate against evils for which a complete or partial remedy already exists under State or other Federal laws. In this case, the whole area of unjustifiable secondary boycotts of which "hot cargo" contracts are only one aspect is left completely untouched by the bill, as is the "hot cargo" problem in all industries outside ICC regulated motortruck shipments.

The NLRB has already held, and been sustained in that holding by the Supreme Court, that a union may not enforce, through economic pressure such as the strike or picket line, a "hot cargo" clause in a contract originally agreed to by the employer on a voluntary basis, and which he subsequently refuses to observe. There is a danger that if this amendment becomes law, the courts may overrule such previous "hot cargo" holdings on the grounds that Congress having legislated on "hot cargo," manifested a legislative intent to regulate "hot cargo" contracts only with respect to common carriers under the ICC and not in any other area or industry such as the NLRB had previously done.

Section 708: This section purports to deal with the problems of organizational and recognition picketing. The basic evils of this type of picketing are limited in the most superficial fashion only, and no adequate procedure for quick, effective relief even in the narrow area dealt with by the amendment is provided.

The amendment makes it an unfair labor practice (1) for a union to picket an employer who has lawfully signed a valid collective bargaining agreement with another legitimate union and such contract is a bar to the conduct of an election by the NLRB, or (2) where within the preceding 9 months a valid NLRB election was conducted unless the picketing union won that election or a majority of the employees have selected it as their bargaining agent through means other than an election. The NLRB may (not must, as in secondary boycott cases under existing law) seek a Federal district court injunction which shall not be granted if the picketing union can show that the employer has committed any unfair labor practice. If the Board fails to seek such an injunction it must promptly publish the reason for its failure to do so.

The basic evils of recognition or organizational picketing by unions which do not represent a majority of the employees of the picketed employer are as follows:

1. If a union does not represent a majority of the employees in the unit, it is unlawful for the employer to recognize or bargain with it as the exclusive bargaining agent of his employees. For him to do so, is to interfere with, restrain and coerce his employees in their statutory right to select, by majority decision, a bargaining agent of their own or to refrain from having any bargaining agent. For a minority union to picket for recognition is to attempt to compel the employer to violate the law, to deny his employees their statutory rights and should be forbidden which it is not under the present law.

2. Picketing by a minority union for the purpose of inducing nonunion employees to join the union or select it as exclusive bargaining agent is equally reprehensible. Essentially an organizational picket line represents a dispute between the nonunion employees and the picketing union in which the employer is an innocent neutral caught between the disputing parties. The employer is helpless. He may not lawfully recognize or bargain exclusively with the picketing union as long as it doesn't represent a majority of his employees. Nor may he lawfully, through economic pressure or other coercion, compel them to join or select the picketing union. Nevertheless his business is injured and he is helpless, under the law, to do anything about it. The same considerations which led Congress in 1947, in enacting Taft-Hartley, to outlaw secondary boycotts—to wit, the protection of the neutral employer, are fully applicable to minority union organizational picketing and anyone who believes the ban on secondary boycotts is justified cannot with consistency oppose a ban on organizational picketing by a minority union.

Moreover, the Taft-Hartley Act prohibits restraint and coercion of employees by unions and the NLRB and the courts have held that inflicting economic loss on employees is coercion and restraint within the meaning of such prohibition. Organizational picketing constitutes such economic coercion and restraint on employees for it is designed to inflict economic loss of earnings, or even loss of their jobs, by damaging their employer's business, for the purpose of inducing such employees to select the union as a means of escaping such economic losses. There are many who feel that even existing law could reasonably be construed as outlawing both these types of minority picketing.

In the light of these considerations, the Senate amendment on picketing, is incredibly inadequate. It limits minority picketing for recognition or organizational purposes only in two narrow areas, one of which the Board has already outlawed in the Curtis case, thus adhering to the familiar pattern of legislating in the area where the need is least, and ignoring those where the urgency is greatest.

By permitting picketing by a majority union within 9 months after an NLRB election which resulted in the rejection of any union, it violates the basic principles of equal treatment. Thus, under present law, if a union wins an NLRB election, even if it actually loses its majority the following day, the employees may not get another election and the employer must continue to bargain with the minority union for a full year as the exclusive representative of his employees. In other words, having selected the union, the employees are precluded from repudiating it for a year.

But under the Senate amendment, if the union having lost an NLRB election, the next day persuades the majority of employees to change their minds and select the union as their representative, they are not precluded from doing so. And in any event, at the end of 9 months, rather than 12 months as under Taft-Hartley in favor of a certified union, even if the losing union is still a minority, it may picket organizationally or for recognition. (Why 12 months in one case and only 9 in the other is still an unanswered question).

In any event, the purpose of the 12-month interval between NLRB elections, which is to assure that employees having made a decision will abide by it for 12 months, thus assuring a certain stability and a period of freedom from labor dispute or controversy for the employer, is not realized under the Senate amendment.

And finally, once it is conceded that at least some forms of minority organizational and recognition picketing are reprehensible, and should be banned, as the Senate amendment does, the conclusion, which the Senate did not draw is irresistible that for relief to be effective it must come immediately.

The overwhelming majority of victims of this type of picketing are small employers with meager resources and their few employees. They have been the particular targets of organizational picketing by unscrupulous unions such as the Teamsters who seem to specialize in organization from the top. The records of the McClellan committee are replete with examples. To wait the year or more required to secure a cease and desist order from the NLRB, in practice means serious economic loss or bankruptcy for the small employer and decline in earings or loss of jobs for some or all of his employees. The obvious remedy is the immediate mandatory injunction now provided for secondary boycott cases under Taft-Hartley. But the Senate amendment provides only the rarely used discretionary injunction, rarely used because Government bureaucrats are reluctant to exercise discretion in seeking injunctions.

In view of the safeguards in the Senate amendment against the unjustified granting of an injunction against picketing where the employer has engaged in any kind of unfair labor practice, it is difficult to know why the Senate feared to provide instead for the mandatory injunction containing the same safeguards. In its present form, despite the empty requirement that failure to seek an injunction must be publicly explained by the NLRB, the entire picketing amendment is rendered futile by the absence of an effective immediate and mandatory remedy.

B. UNION POLITICAL CONTRIBUTIONS

Despite the tremendous increase in union political activities, the Senate bill ignores this problem entirely. Fortunately both the McClellan bill and the Barden bill recognize its importance and seek to cope with it. The Looper case, recently decided by the Georgia Supreme Court, illustrates the seriousness of the problem. The court held that compulsory membership in a union which used some of the funds collected from all of the members for political activities to which some of the members were opposed constituted an unconstitutional denial to these members of rights guaranteed to them by the Bill of Rights in the U.S. Constitution. This decision will undoubtedly receive Supreme Court review. But the following discussion of the problem, in the light of the admissions made by the labor union defendants in the Looper case is particularly illuminating.

Thus, as pointed out in the minority report of the Senate Labor Committee, the strength of today's mature trade unions is incomparably greater than that of their infancy. The power and influence which the labor leaders wield over their membership in the economic as well as in the political field is becoming ominously irresistible. Many recognize that in areas where the labor movement is well entrenched the membership is becoming increasingly captive, subject to the whims of their leaders.

Armed with dues money amounting to over $700 million annually, with practically no accounting required, and an unlimited source of captive manpower they accomplish their political aims effectively. In spite of the Corrupt Practices Act's prohibition on political activities in Federal elections and numerous complaints from members, unions continue to pour greater manpower and dues moneys into each new election. Today this is so widespread a practice that disgruntled

members throughout the country have begun more volubly to object to this misuse of their hard-earned dues dollars. They object particularly if they belong to a political party other than the one the union leaders spend the members' money to support. The practice was objected to so strongly in fact that a group of employees represented by Nancy M. Looper finally brought suit to regain their misspent dues money and enjoin further political spending. After the case had been pending for 5 years, the records and list of witnesses which would be required to be brought in became so voluminous that the unions involved agreed to a stipulation agreement which admits certain facts. This stipulation of facts is of the same force and effect as if they had been found by a jury after a full-dress trial and brought in as a verdict.

The facts as set forth in this document are that plaintiffs had been compelled against their will, because of a union-shop agreement, to become union members in order to keep their jobs. The lawsuit was brought because the plaintiffs objected to the use of their funds for purposes other than those related to collective bargaining. This, it was agreed, was a widespread practice in the unions represented, to wit, the International Association of Machinists; International Brotherhood of Boilermakers, Iron Ship Builders, and Helpers of America; International Brotherhood of Blacksmiths, Drop Forgers, and Helpers; Sheet Metal Workers International Association; International Brotherhood of Electrical Workers; Brotherhood of Railway Carmen of America; International Brotherhood of Firemen, Oilers, Helpers, Roundhouse, and Railway Shop Laborers; Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express, and Station Employees; Brotherhood of Maintenance of Way Employees; Order of Railroad Telegraphers; Brotherhood of Railroad Signalmen of America; National Organization Masters, Mates, and Pilots; National Marine Engineers Beneficial Association; American Train Dispatchers Association; Railroad Yardmasters of America.

These unions admitted (1) that the plaintiffs were required to join the union in order to keep their jobs by reason of a union-shop agreement; (2) that this agreement was negotiated by the unions, without any authority from the employees covered other than such authority as might be implied from each union's being the collective bargaining representative; (3) the usual procedure was being followed which did not involve any notice to the employees that such agreement was being entered into on their behalf or give them an opportunity to ratify or reject it; (4) that the members were required to pay dues and assessments against their will; (5) that these dues moneys were being used for political purposes and for other purposes not related to the negotiation, maintenance, and administration of agreements concerning rates of pay, rules, and working conditions or wages, hours, terms or other conditions of employment or the handling of disputes relating to the above.

The stipulation spells out by admission of the unions themselves that dues moneys in all but five States were being used "to extend substantial financial support to candidates for public office in the executive, legislative and judicial branches of the State and local governments in the locality of the local union. This means that the political activities extend to every level of union operation. Some of the legislative and political activities are carried out by some of the individual local lodges of the labor unions and in some situations these activities are carried out on a cooperative basis with other local lodges throughout the country and through State, district, and local AFL–CIO central bodies and their committees on political education as well as by ad hoc committees. In some instances financial support for such local legislative political activity is derived not only from the local lodge organization "but also from direct grants from the general dues funds of the national or grand lodge organization of a particular labor union." In addition to local politics the stipulation has this to say about national campaigns: "The money which has been, is being and will be paid by plaintiffs * * * as dues, fees, and assessments has been, is being and will be used in substantial part to support candidates for the office of President, Vice President, U.S. Senators, and Congressmen in their campaigns and for direct contributions to candidates for various State and local offices."

The political education organizations such as the Machinists Nonpartisan Political League and Railway Labor's Political League, while advertising their aims as nonpartisan, expend funds for direct participation in political elections without regard to the political beliefs of the members themselves. The unions have voluntarily admitted this to be true. Here is what these admissions say:

The plaintiffs include members of both major political parties. Irrespective of this fact:

1. In 1954, Railway Labor's Political League and the Machinists Nonpartisan Political League contributed substantial financial support to the national committee of one major national political party, and not to the other.

2. In 1956, Railway Labor's Political League and the Machinists Nonpartisan Political League contributed substantial financial support to the national committee of one major national political party, and not to the other.

3. In 1956, Railway Labor's Political League and the Machinists Nonpartisan Political League contributed no financial support to U.S. senatorial candidates of one major political party and substantial support to eight senatorial candidates of the other. The machinists gave financial support to 15 U.S. senatorial candidates.

4. In 1954, Railway Labor's Political League and the Machinists Nonpartisan Political League contributed no financial support to U.S. senatorial candidates of one major political party. The Machinists Nonpartisan Political League contributed substantial financial support to 17 U.S. senatorial candidates of one major political party and the Railway Labor's Political League contributed to 13. The Railway Labor's Political League gave to 56 Congressmen of one party and to 6 of the other. The Machinists Nonpartisan Political League contributions were to 41 of one party and none of the other.

5. In 1956, Railway Labor's Political League contributed substantial financial support to 64 congressional candidates of one major political party and to 4 congressional candidates of the other major political party. The machinists contributed to 78 of one party, none of the other.

6. In 1956, Railway Labor's Political League contributed substantial financial support to three gubernatorial candidates of one major political party and to no gubernatorial condidates of the other major political party. The machinists gave to three gubernatorial candidates of one major political party and to no gubernatorial candidates of the other major political party.

The Machinists Nonpartisan Political League contributed to two gubernatorial candidates of one major political party and to no gubernatorial candidates of the other major political party. The stipulation goes on to say:

"The major political party receiving the preponderance of financial aid and support as well as the preponderance of favorable publicity and treatment was the same in every situation mentioned in the stipulation of facts and in the depositions of officers and employees of the AFL–CIO referred to in the stipulation.

"In each instance where support of candidates, ideologies, or legislation is referred to in the stipulation of facts, such reference is intended to cover not only the affirmative support of particular candidates, ideologies or legislative issues, but also opposition to other candidates, ideologies or legislative issues."

At the end of these admitted mischannelings of funds the plaintiffs again reiterated that they "have been and are opposed to the use of their money by the labor union defendants, Railway Labor Executives Association, Railway Labor's Political League, Machinists Nonpartisan Political League, the American Federation of Labor and Congress of Industrial Organizations, and the committee on political education of the AFL–CIO, they have been, are, and will be required to pay in dues, fees, and assessments for the endorsement and support of the legislation, ideologies and political doctrines and candidates for public office which have been, are, and will be supported and endorsed by the unions."

But this is not the only type of political activity that these unions engage in. In order to ventilate more thoroughly their policies and promulgate their ideologies, with the exception of one union, each of them became part owner in an organization known as Railway Labor's Cooperative and Educational Publishing Society which publishes a weekly newspaper, called Labor. This newspaper derives its principal financial support from subscriptions. The general funds of the labor unions except for the one referred to have been used to purchase subscriptions to Labor for officers and members of the unions. These subscriptions constitute a substantial portion of Labor's revenue. In the columns run in this newspaper "the reporting is of a nonobjective type and is designed to influence the readers thereof toward the particular political philosophy espoused by that publication but to which plaintiffs * * * are opposed."

Further it is admitted that—

"The legislative members of one political party are mentioned favorably in the colums of the newspaper Labor far more often than are the legislative members of the other major political party and that legislative members of one major political party and its legislative and administrative policy program are generally extolled while the other major political party's legislative and administrative policy program are generally condemned in that publication.

"Without cost to a particular candidate the newspaper Labor published and distributed without charge numerous copies of special editions designed to extoll the virtues of that particular candidate and the great majority of such special editions have been prepared and used for the benefit of the members of one political party.

"During the 1956 general election campaigns, Labor published and distributed 16 such special editions featuring that number of candidates. The aggregate number of copies of such special editions published and distributed by Labor during those campaigns was 727,000. Of those, a little less than one-half went to Labor's regular subscribers in the States in which such candidates were running (in lieu of the regular edition of that date), a little over one-half were distributed to members of the labor union defendants who did not subscribe to Labor as well as to members of the general public. Labor customarily has prepared and so distributed such special editions in election years at least since 1940." Such special editions were prepared for and used in the 1958 general election campaigns. The admissions of fact conclude that "the political activities mentioned in the stipulation of facts

do not involve and are unnecessary to the negotiation, maintenance, and administration of agreements concerning rates of pay, rules and working conditions, or wages, hours, terms, and other conditions of employment, or the handling of disputes relating to the above."

But contributions are not the sole support given. Literature is widely circulated. In 1956 the AFL–CIO committee on political education literally saturated the country with over 30 million pieces of literature. Ten million copies of educational congressional voting records were printed and distributed marked "right" or "wrong" on labor. In 1958 circulation of such documents was even greater.

Remember, these are not just irresponsible charges. They were admitted by the 15 unions involved and the Georgia Supreme Court affirmed the case in favor of the union member plaintiffs, May 8, 1959.

What of the civil rights of union members who may disagree with the political choice of their union officials? Are their civil rights not seriously impaired? Is their franchise not diminished or nullified when they may be required to supply money to parties or to candidates which they themselves as citizens would oppose at the polls?

The findings of the Georgia Supreme Court in the Looper case put the spotlight on the radical inconsistency of compulsory unionism and union political activity, based on involuntary dues or assessments.

Compulsory unionism itself is looked upon in our country by many moderate and yes, liberal, observers, as a profoundly dangerous threat to the freedom, even to the integrity of union members. For several years now I have sat as a member of the McClellan committee and listened to example after example of corrupt union leadership whose power and control of the union membership is derived from the institution of the closed or union shop. These corrupt leaders hold a clear-cut power of economic life or death over their members.

Now let us take this compulsory unionism and go one step further—and it is a step which has already been taken. Let the union official take the overwhelming economic power he holds and transform it into compulsory political support of any party, faction of a party, candidate or issue as chosen by the union official. At a single stroke the union official can transform the union dues originally collected for economic purposes into a war chest for political purposes limited only by the size of the union treasury.

Every union member under such a compulsory system must continue to support such political activities with his union dues. Failure to pay dues is grounds for expulsion from the union. A union member can be deprived of employment opportunities by his union official for refusing to pay, what in effect are political assessments, or dues which would be used for political purposes.

Or a union member may be penalized for refusing to conform in his actions to the political objectives of the union officials. I am thinking now of a very recent case in California, where three union members have been expelled from their union—and this expulsion has been confirmed by the top leadership of the union—for no other reason than their disagreement with the political objectives of the union leadership. I have not noticed any liberal objections to this outrageous assumption of political authority by union leaders.

During the course of the debate on S. 1555 in the Senate, I pointed out that it was perfectly permissible under the bill for a union to deny a member his right of freedom of speech by means of reasonable rules and regulations. Just 4 days after the bill passed the Senate, this hypothetical example became a reality. Citing a section of their constitution which permits expulsion for conduct unbecoming a member, the International Association of Machinists denied the appeal of three members who had exercised their constitutional right of free speech to support right-to-work laws.

Let me read from that decision the astounding reason the union gives in support of its position:

"While it is agreed that the right to freely express one's views is a privilege guaranteed by the U.S. Constitution, this does not mean that a member of our association is entitled to openly denounce the considered position of the labor movement and particularly his own organization, without the possibility of losing his rights to retain his standing as an I.A. of M. union member."

I am drawing your attention especially to this phenomenon because it is exactly here that I believe the bridge is being constructed between economic tyranny and political tyranny in this country. We are observing the transformation of economic compulsion into political compulsion.

We are probably strong enough to survive even the widespread corruption in union affairs which the McClellan committee hearings have disclosed. It is an evil thing and weaves threads through our social fabric of which none of us can be proud and which we ought to remove. But it is not, by itself, necessarily fatal to the country, damaging as it may be. We can probably survive entrenched hoodlums, but can free political institutions survive the clever men who we hear talk piously of their high ideals and lofty purposes at the same time that they go steadily and stealthily about the job of transforming compulsory unionism into compulsory political activity. I suggest these latter may be the truly evil, the truly dangerous men.

On this point there has been a strange and inexplicable silence on the part of the usually loquacious men who call themselves liberals. There has been a curious unwillingness on the part of some to concern themselves with civil rights of union members with the same relentless energy and determination they are accustomed to expend upon threats to the civil rights of other segments of the population. Why is the union member the forgotten man? Why is this second-class citizenship for the union member held by liberals to be a negligible matter when applied to any other segment of the population it is held to be intolerable?

Where are the liberals who speak with such deep feeling and who are willing to undertake unlimited and immediate action to cure any diminution of the franchise in one part of the country but who are so strangely blind and deaf to this outrageous impairment of the franchise of union members which is especially conspicuous in another part of the country?

This I have called the civil rights problem of the North, and I invite the earnest attention of the committee to this problem.

The bill has been criticized by the AFL–CIO, the U.S. Chamber of Commerce, and the NAM for varying reasons. Despite the criticism however, I do not share the view of some that this bill is hopelessly beyond improvement.

I suggest that we stop considering this bill exclusively from the standpoint of the NAM, union officialdom or even union members and start considering what is best for the public.

If the deficiencies of the Senate bill were to be corrected along the lines which I have discussed today—eliminating the glaring deficiencies and the Taft-Hartley amendments we would have made great progress. We would have what the American public is demanding; the beginning of an adequate labor reform bill.

It is my opinion that it would be wrong at this time to disturb the Taft-Hartley Act. The whole field of Taft-Hartley revision is controversial in nature, certain to arouse opposition from labor and management alike. Opening this subject up would be certain to raise a cloud of protest likely to divert attention from the real issue—and our duty—passage of a labor reform bill.

We still, however, would have a long way to go to correct all the wrongs existing in the labor movement.

The basic evil is compulsory unionism. I am profoundly convinced that the coercive power of compulsory unionism, transformed as it has been into a massive and irresponsible political power, constitutes the most pressing and dangerous internal problem which we face in America today.

What we have witnessed only recently in the Congress during the development of the presently proposed legislation ought to demonstrate to everyone how far this ruthless and irresponsible power now does reach.

How humiliating it is for the Congress of the United States to have to conduct a sort of treaty-negotiation with a great internal political power almost as with a foreign power to find out what these union grandees, seated in their ducal suites, would be willing to tolerate in the way of mild corrections. What level has this Congress reached when even a mild and inoffensive reform bill must be loaded with sweeteners to make it sufficiently attractive to the labor politicians so that they may be persuaded to permit its passage. This overwhelming power, as I have said, is based upon the transformation of compulsory unionism into compulsory political activity.

It is an appalling, a damnable situation, when Democratic union members can be required, as a condition of employment, to finance Republican candidates; when Republican union members can be required to finance Democratic candidates; or when any union member can be required to finance issues which he finds deeply repugnant; when, for example, a profoundly religious Roman Catholic workman can be required by a Communist-dominated union leadership, to finance the political designs of the Communist Party, on pain of losing his job. I say this is the kind of issue that ought not to separate liberals and conservatives. On this issue, we must all be Americans, or there may soon be no America as we have known it.

Gentlemen of the committee, I have touched in some detail on the more striking inadequacies of the bill which has come over to you from the Senate. There are earnest and capable men for whom I have high respect, who voted for the passage of the bill. Some of them believe this pitiful thing, ineffective as it is, is the best we can get as we stand here under the great overshadowing political power of American unionism today. I respect their intentions and their desire to do whatever they can in a most difficult and politically dangerous situation.

I do not believe the Senate bill, as passed, is good for America. I say this in no criticism whatever of my colleagues. But I could not in good conscience myself vote for its passage. Nor can I in good conscience recommend your favorable consideration of the Senate bill as it stands.

Here is one final thought on labor reform. The astounding fact of the myriad hearings, testimony, debate, reports, and bills is that in not one instance has the source of the trouble been touched. The Congress and its Members, as well as the Secretary of Labor, have failed to strike at the disease itself and have applied themselves only to the symptoms. The result is that if the present legislation which passed the Senate becomes the law of the land the abuses diligently spotlighted by the rackets committee will merrily continue and Congress will be charged with having legislated a bill which is a sham at best.

The disease I speak of is power, and nothing else. Power of the nature that allows Hoffa to threaten the entire Nation and to issue this threat with impunity and the ability to carry it through without the law being able to touch him, and, in fact, protecting him. Power that allows Al Hayes to uphold the expulsion of three of his members because they dared to speak out against a position of the union, exercising a right which the constitution recognizes as inherent but which the union denies. Power that allows Walter Reuther to carry on the brutal strike at Kohler, defying the clergy, the bar, and the public and even exerting that power in another State to prevent for 3 years the extradition of a goon who beat up a nonstriker. Power that encourages George Meany to openly tell the Congress of the United States just exactly what he will permit to be written into a labor reform law. Power that allows COPE to cross State lines to engage in politics in part with compulsory dues money taken from Republicans and Democrats alike in violation of the spirit of both the Taft-Hartley and the Corrupt Practices Acts. Power that flaunts the laws of the land and scorns the rights and prerogatives of the people. Power that is denied, and properly so, to other segments of our society, but which is used by labor leaders with the knowledge they are protected by law and that their political strength insures the continuance of those laws.

I appreciate the opportunity you have given me to express my views.

THE HARD-MONEY, HIGH-INTEREST-RATE POLICY

Mr. PROXMIRE. Mr. President, the hard-money, high-interest-rate policy of this Government is pushing up the cost of living in every State in the country. A family that buys an automobile on a typical $1,800 loan is about to be charged $85.50 a month, instead of the $76.50 it is paying now in New York City for instance. A housewife who pays $200 for a TV set is going to have to set aside $9.50 out of the budget, instead of the $8.50 presently allowed to pay for such a set.

These increases in cost have been announced by the First National City Bank, the largest bank lender in New York City, the Nation's financial capital. I am sure these instances are typical of what is happening all over America.

With the greatest sincerity, the Nation's money managers in the Federal Reserve Board are deliberately tightening credit and pushing up interest rates, on the ancient Ricardian theory that that will stem inflation.

Mr. President, high interest rates do not—as the developments I cite today show—reduce the cost of living. The cost of living goes up. With high interest rates, inflation is selective. High interest rates increase the cost of everything the family buys and pays for on time; and the longer the time, the more the high interest rates increase the cost. This is why home-financing costs are especially increased. High interest rates increase the cost of everything the local community buys on time—for instance, hospitals, schools, streets. Mr. President, today the Senate must be especially aware that high interest rates also increase Federal taxes and unbalance the budget. The administration has just announced that it miscalculated by $600 million the additional cost of national debt servicing caused by the recent increase in interest rates. That miscalculation alone is expected to force a Federal deficit, unless the Congress increases tax revenues.

I trust, Mr. President, in the light of all this, the President will expect a searching and critical consideration of his request for this body to boost the statutory interest rate on long-term Government bonds above 4¼ percent. The Congress usually cannot move smoothly and with exact efficiency in establishing monetary policy. In fact, our opportunities are rare. But the President's request marks a clear opportunity for the Congress to say "No" to higher interest rates, and make that "no" mean something.

Mr. President, today as I came into the Chamber, I noticed on our desks the President's message in which he makes the request for higher statutory interest rates on Government bonds, and I observed, in reading the President's message, that he emphasizes that high interest rates, in his judgment, are caused by natural forces.

Mr. President, I conclude by simply pointing out that we have a Federal Reserve Board whose function it is to determine and establish interest rates. In 1953, the Board deliberately pushed interest rates up and justified its action in doing so. In early 1958 the Board adjusted them again, this time downward. There have been four or five different periods in which the Board has deliberately established interest rates at one level or another. The Board has planned the level of the interest rates, in a calculated way. It has succeeded in carrying out its plan.

I think the Nation should be aware of the fact and should recognize that there are alternatives in the servicing of the national debt. We should take a long, hard look at those alternatives.

Mr. President, I ask unanimous consent that an excellent article from the New York Times, written by Albert L. Kraus, showing what high interest rates mean to the consumer, be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 6, 1959]

CONSUMER FACING HIGHER LOAN COST—BANKS WEIGH RATE INCREASE ON CREDIT TO BUYERS

(By Albert L. Kraus)

The higher cost of money is reaching down to the family that buys an automobile, a television set or an air conditioner on time. Leading New York City banks are studying an imminent increase in the rates consumers pay on installment loans.

The First National City Bank of New York, the largest bank lender in the local field, is expected to take the lead by announcing an increase of 50 cents a year in the amount discounted in advance from each $100 of installment and personal loans. This would increase the rate of discount for automobile loans to $4.25 for each $100 and for personal loans to $4.75.

INSURANCE LIFTS TOTAL

Including life insurance that would pay off the debt if a borrower should die, the rate on automobile loans would rise to $4.75 for each $100. All personal loans include this insurance.

Alan H. Temple, vice chairman of First National City, had absolutely no comment yesterday on information the bank planned to put the new rates into effect on June 15.

The increase would be the first in 3½ years and the second since New York City banks entered the consumer loan field 30 years ago.

Other New York City banks conceded yesterday that they were watching the situation closely but had made no decision to follow First National City. Five other banks are major leaders to consumers: The Manufacturers Trust Co., the Chase Manhattan Bank, Chemical Corn Exchange Bank, Bankers Trust Co., and the Industrial Bank of Commerce. With First National City, these account for perhaps 85 percent of the outstanding consumer loans of banks in the city, estimated at $2,500 million to $2,750 million.

FINANCE CONCERNS MAY ACT

Three major sales finance companies were reported to be preparing to announce rate increases to consumers. Unlike the New York City banks, these concerns operate nationally and their moves would affect a much wider group of borrowers.

Here are some examples of the old and new bank installment credit charges on typical purchases, if paid in 1 year:

Type of loan	Amount of loan	Present charge	New charge
New car	$1,800	$76.50	$85.50
Used car	1,000	42.50	47.50
TV set	200	8.50	9.50
Personal loan	400	17.00	19.00

Rates charged by banks outside New York City and by other lenders generally are higher. The New York City banks are permitted by law to charge a discount of as much as $6 for each $100 of personal loans—roughtly 12 percent a year—but have not since the mid-nineteen thirties.

In 1936, the automobile rate was dropped from $6 to $3. In 1937, it was increased to $3.33. In November 1935, it was increased to $3.75. Between 1937 and 1955 the banks were permitted to include insurance in their personal loan rates, which produced the split rates that have prevailed since.

CHARGE DEDUCTED

Bank borrowers pay their installment loan charges as a discount. This means that the bank deducts the charge for credit in advance from the total of the loan. Thus, the amount of the loan has to be increased to cover the credit charge.

In contrast, sales finance companies are permitted to "add on" the charge for credit. Small loan companies, which charge higher rates, are permitted to charge interest on the unpaid monthly balance. Retailers do the same thing in figuring the charges on revolving credit accounts.

Bankers emphasized that increases in operating costs, as much as the higher costs of money, were responsible for rising consumer loan rates. Unlike lending rates to business borrowers, operational costs figure much more prominently in consumer lending.

Others noted, however, that bankers thought of rates as a "mix," that is, an overall return on all of their earning assets. With returns on other loans and investments rising, they said it was only a matter of time, in any event, before consumer loan rates would be forced to rise.

Mr. WILEY. Mr. President, I was interested in what my colleague had to say, and I have done considerable thinking about this matter of interest. I have read the President's message.

It seems to me the message calls a spade a spade. Let me say I have in front of me a Whaley-Eaton Service

letter dated June 6, 1959. I desire to read from it, because it does not "pass the buck." It calls attention to Congress' responsibility in no uncertain terms. I read from the letter:

The facts of the present situation are fairly simple, though Members of Congress dislike facing up to them for political reasons. This permits the advocates of cheap money to distract attention by clamoring against the Federal Reserve, Wall Street, and the selfish big bankers.

I continue quoting:

Money rates are tightening because the Nation's commercial banks are loaned up almost to the hilt. About 90 percent of our banking resources is currently out on loan, compared to 50 percent a decade ago. Costs of business and personal credit are therefore advancing. This tends itself to discourage excessive speculation and to put brakes on inflation.

I continue quoting:

The Treasury is in trouble, however, and this is strictly the fault of Congress. It expects Secretary Anderson to pay the Government's bills, but has authorized greater spending than tax revenues can meet. At the same time it has imposed arbitrary limits both on total Treasury debt and on the interest rate that can be paid. This is an impossible situation.

I continue quoting:

The Treasury actually is in a double squeeze. It already has borrowed virtually all that Congress has authorized, and its hands are tied by the 40-year-old law which sets the maximum interest rate it can pay on its longer-term debt issue at a below-the-market level of only 4¼ percent.

I continue to quote:

Because of the Treasury's borrowing difficulties in the past year, investors increasingly shy away from Government bonds. Not only has this worsened the Treasury's problem, it also has enhanced inflation fears.

Mr. President, when I came to Washington 20 or more years ago, I remember that Government bonds were being bought at 80, and interest rates on some of the bonds were as high as 6½ percent. That was after the First World War.

Since that time, the national income has increased from about $60 billion to $375 billion for individuals, plus the income of corporations, and similar income, making a total national income of nearly $400 billion.

At that time, there was a national gross product of from about $60 billion to $70 billion. Now our national gross product has increased to $500 billion.

Since that time, there has been speculation in the stock market, which has increased the value of stocks on the market by billions of dollars.

In other words, Mr. President, demand for money has increased tremendously. The Government is in no better position to borrow money than is anyone else, because the Government has not imposed arbitrary rates, and it is questionable whether arbitrary rates could be imposed by the Government.

I for one feel it is time Congress faced up to this issue. I trust the President's message will be considered, and considered adequately and quickly, so that we can meet, head on, what may be an inflationary spiral. I think the issue can be met. As I have said, I feel the message itself covers specifically the needs which must be met.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. WILEY. Yes.

Mr. PROXMIRE. Is it the Senator's position that the Federal Reserve Board is unable, if it wishes to do so, to increase or decrease interest rates; that it does not have various weapons, such as the open market operations weapon, the discount weapon, the reserve requirement weapon, so that it can establish interest rates at almost any level it wishes to?

Mr. WILEY. Does the Senator mean if I have money to lend, the Reserve Board can say what the charge for lending the money shall be?

Mr. PROXMIRE. My question is this: Is it not true——

Mr. WILEY. No; I am asking the Senator a question. Does the Senator mean that if I have money to lend, the Federal Reserve Board can fix the rate of interest I shall receive for lending the money? I think the answer to that question is "No."

I think the Federal Reserve Board can fix the interest rate in relation to Government securities; but if it did so, then the Government might not get the money it needs. In other words, the person who has the money to lend is not going to lend it unless he receives the going rate.

Mr. PROXMIRE. My point is that in 1953 it was the firm policy of the Federal Reserve Board to increase interest rates by engaging in open market operations, and by putting pressure on the Government bond market. It adjusted the rediscount rate, and it may have adjusted the reserve requirements to accomplish that purpose; and the Federal Reserve Board succeeded.

Mr. WILEY. What year was that?

Mr. PROXMIRE. It was in 1953.

Mr. WILEY. Were the situations then the same as they are now?

Mr. PROXMIRE. Whether the situation was the same or not, it seems to me, is not pertinent. The fact is the Federal Reserve Board wanted interest rates to go up. They acted accordingly and rates climbed, not for any so-called natural causes but because the Federal Reserve Board wanted higher interest rates. The President shows in his message he does not seem to know of something which is an obvious fact of life, namely, that the Federal Reserve Board has the power to push interest rates up, or let them drop. If the Federal Reserve Board does not have that power, Congress has absolute authority under the Constitution, article 1, section 8, paragraphs 2 and 5 which gives the Congress the power to establish the value of money—and since interest or the price of money is the value of money—and this is the power to fix interest rates through its creature, the Federal Reserve Board. It seems to me if Congress feels its creature does not have this power, the power of the Federal Reserve Board should be enhanced or increased so it can do it.

Mr. WILEY. I can in part agree, but not entirely. In other words, the facts always determine the basis on which, even in a lawsuit, a case is decided.

I have given the facts. I doubt whether there is any power in the Federal Reserve Board to say how much I shall charge or how much a bank shall charge for interest in loaning money even to the Government.

Be that as it may, if there is a remedy the thing to do is to provide it in the form of legislation so that it will do the job.

In view of the feeling of the people about their money, I doubt very much whether the people would permit this system to operate so that they would receive only what the Federal Reserve might determine was the proper amount.

Mr. PROXMIRE. Until 1951 the Federal Reserve Board had a policy of accord with the Treasury in which the interest rates were pegged at a low level and maintained at a low level. That ended, as the Senator knows, in 1951.

It is perfectly possible for the Federal Reserve Board to modify its present policy in accordance with the Reuss-Clark resolution, which would call upon the Federal Reserve to at least moderately support the prices of Federal bonds at low interest rates, to make it possible for the Federal Government to borrow long term money without breaking the 4¼ percent level.

I pointed out previously on the floor of the Senate that if the Government does exceed the 4¼ percent statutory limit the result will be that we will have more Federal Government obligations—long-term obligations—in competition with the borrowing of local communities and in competition with corporate borrowing. This will drive up the cost of building hospitals, schools, homes, and a number of projects of great importance to the country. In doing so, I think it will have an adverse and unfortunate effect on the cost of living, since the people will have to pay higher interest or financing costs for homes, automobiles, television sets and so on; and it will have an adverse effect on communities that have to pay for the facilities which are needed.

Mr. WILEY. Does the Senator suggest that to the appropriate committee as a remedy?

Mr. PROXMIRE. I think it would be an excellent remedy, and one which should be given most careful consideration by the Congress.

I think the message by the President which we received this morning offers a timely opportunity for Congress to consider the Clark-Reuss proposal, which is one of several which may be considered by the Members of the Senate.

Mr. WILEY. I am happy to have the suggestion. If what the Senator says is basically economically sound I shall be very happy to give consideration thereto when it comes to casting my vote.

TRIBUTE TO JOHN FOSTER DULLES BY VICE PRESIDENT NIXON

Mr. KEATING. Mr. President, in a recent article appearing in Life magazine, the distinguished Vice President eloquently penned the sentiments of many of us concerning the late great

John Foster Dulles. In warm, personal tones, the Vice President noted the physical courage of the late Secretary of State, and emphasized his spiritual and moral courage, which was exemplified by his adherence to policies which he felt were right, but which were strongly attacked at times in many quarters.

Mr. President, I am convinced history will show that John Foster Dulles was right in his stubborn adherence to policies of firmness and strength in the face of the Communist threat. I am confident history will demonstrate the correctness of Mr. Dulles' view that policies which are right morally will in the end win out.

I am sure that America is a stronger, safer, better place because John Foster Dulles walked among us and gave of himself unsparingly and unstintingly. He called America to greatness, and in so doing he paved the way which eventually can lead to permanent peace in the world.

I ask unanimous consent that the article by the Vice President be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VICE PRESIDENT NIXON WRITES ABOUT DULLES

(By Hon. RICHARD M. NIXON)

I have had the privilege of knowing and working with John Foster Dulles since the time I first met him in 1948. And it was my great fortune that since the fall of 1955 the association between us was particularly close.

In a city where a political leader learns that the number of his friends goes up and down with his standing in the public opinion polls, I found Mr. Dulles' loyalty to his friends was no more affected by the latest poll than was his adherence to his own policies.

He was not unaware of his unique abilities. But he was one of those rare individuals who could accept—and even demand—from his friends constant critical examination of both his policies and his leadership. He was never guilty of that most deadly sin—unreasoned pride and conceit.

I recall at least four occasions when he was under attack when he asked for my advice. His question was not as to his policies, which he believed to be right (a view I shared), but whether he, himself, might have become too controversial to be the best spokesman for those policies.

"I never want to be a burden on the President," he often used to say to me. "As a friend, I want you to tell me whenever you believe that I have become a burden, either politically or otherwise."

He recognized the fundamental truth that a public man must never forget—that he loses his usefulness when he as an individual, rather than his policy, becomes the issue.

This trait was most in evidence on his last arduous journey to Europe when he had to call into play all his superb diplomatic talents in order to help unify the Western position on Berlin. There was seldom a moment on this trip when he was without pain. He was unable to keep down a single meal.

I asked him how he was able to carry on.

He answered, "I told my associates that they were to watch me carefully and that they were to inform me immediately whenever it appeared that my physical condition in any way impaired my ability to carry on the negotiations in which we were participating." But he was never better at the negotiating table than at this most difficult period of his life.

He afterward told me, "I never felt any pain while the negotiating was taking place. Then at the end of the day it would come down on me like a crushing weight."

So much for the quality of the man. His policies will be judged not by his dedication or his skill at the conference table but by what happens in the years ahead, when men like Christian Herter build on the foundations Mr. Dulles erected.

But whatever happens there are certain great principles which he advocated which will forever stand as a monument to his memory.

He believed that those who are called to positions of leadership in a democracy have the responsibility to lead, not just to follow public opinion. During the crisis over Quemoy and Matsu the mail, the polls, and the opinion makers seemed to be overwhelmingly against the position he advocated. He told me that we had to try to change public opinion by informing the people of facts of which they might not be aware. If, after they learned the facts, the people held the same opinion, theirs of course should be the final judgment. But in this instance, his leadership helped to convince the people and thereby averted a Communist victory that could have destroyed the free world position in Asia.

History will also record that the inflexibility and brinkmanship for which he was criticized in truth represented basic principles of the highest order.

At a time when the political and intellectual climate in the West appeared to be moving slowly but steadily toward advocacy of shortsighted, opportunistic arrangements with the Soviets, Mr. Dulles' stubborn constancy sometimes appeared like an anachronism. Yet he made an unchallengeable argument for firmness where fundamentals were involved. Speaking before the National Council of Churches of Christ last November, Mr. Dulles said: "Communism is stubborn for the wrong; let us be steadfast for the right. A capacity to change is indispensable. Equally indispensable is the capacity to hold fast to that which is good. So it is that while we seek to adapt our policies to the inevitability of change, we resist aspects of change which counter the enduring principles of moral law."

When he was attacked for brinkmanship Mr. Dulles stood on an ancient and honorable principle—that by looking a great danger in the face we may avert it and lesser perils. He was simply taking the same position which Winston Churchill saw so well in 1939: "If you will not fight for the right when you can easily win without bloodshed; if you will not fight when your victory will be sure and not too costly; you may come to the moment when you will have to fight with all odds against you and only a precarious chance of survival."

But it is in a third area in which Mr. Dulles leaves to the free world perhaps his most lasting and valuable legacy. Some of his critics have scoffed at his advocacy of peaceful liberation of the Communist-dominated peoples and at his often reiterated faith in the eventual collapse of communism.

Yet, what other tenable position can self-respecting free peoples take? The Communists have no hesitancy in proclaiming their faith in the eventual domination of the world by dictators. Can we be less determined in our dedication to the cause of freedom from tyranny for all people?

If we want a foreign policy and a national attitude that bends before every Communist breeze, if we have come to the point where liberty is not worth our lives, if we are becoming convinced that the future is in the hands of dictators rather than in those of freemen, then we no longer need the Dulleses or their legacy. But while American greatness and American hope endure, John Foster Dulles will be remembered as one of their most effective and eloquent champions.

The VICE PRESIDENT. Is there further morning business?

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WILLIAMS of Delaware in the chair). Without objection, it is so ordered.

SUMMIT CONFERENCE

Mr. KEATING. Mr. President, as the Conference of Foreign Ministers at Geneva enters its fifth week, the big question here at home is how we should act if it fails.

Mr. Khrushchev seems determined to make the conference fail, at least insofar as any aspirations of the West are concerned.

From the Communist viewpoint, it has been no failure, for East German propagandists have been making much of the East German delegation at Geneva as an implied form of recognition.

If the Communists can now get us to the summit with the Geneva Conference a failure and their Berlin ultimatum still a gun held at our heads, they will have won another propaganda victory.

Certainly we want to negotiate, whether at the foreign ministers' level or among heads of states. Certainly there is nothing wrong with flexibility in foreign policy, when flexibility is to our advantage. But flexibility for flexibility's sake, flexibility that is not backed by absolute firmness and strength in support of principle, can be exceedingly dangerous.

The principle here involved is that the President of the United States cannot and must not go to an international conference in response to Communist blackmail.

The theory that failure of the Geneva Conference makes a summit meeting all the more desirable runs counter to this principle, in my opinion.

Khrushchev, it is to be noted, is making statements to the effect that if nothing happens at Geneva, maybe something will happen at a summit conference.

Let us not forget that the Communists created the Berlin crisis all by themselves. Now they are negotiating over their self-created crisis, and negotiating in bad faith. They did not want a conference of foreign ministers, and they are busy proving it. They do want a summit conference. President Eisenhower is absolutely right in insisting upon the principle that a summit conference can be held only if the Geneva Conference gives indication of some progress, some prospect of negotiation in good faith.

As an absolute minimum before going to the summit, we should insist that the Russians remove their threat to act unilaterally on Berlin. We must not go to the summit in response to threat. We must not reward intransigence. We

must not let the Communists get away with another bluster. We must stand together, in support of our principles and our President.

CIVIL DEFENSE

Mr. YOUNG of Ohio. Mr. President, regarding civil defense and the increased amount in the budget submitted by the administration to this Congress for civil defense, may I again express the hope that Senators who are members of the Committee on Appropriations scrutinize the demands for money of the office of civil and defense mobilization and then use a meat ax in cutting to the bone. Let us save our taxpayers' money. Let us in committee and on the floor of the Senate take a sharp look at this growing bureaucracy. It is ineffective and obsolete, yet from 1955 to this good hour its well paid officials and employees have increased from 737 to approximately 1,800.

For the past 3½ years a subcommittee of the Committee on Government Operations of the House of Representatives has endeavored to salvage a substantial part of the huge expenditures for civil defense by pointing out the archaic and wholly inadequate methods of civil defense procedures.

The subcommittee reported:

> The immediate need of civil defense is not vast monetary outlays, but intelligent and systematic planning based upon a careful appraisal of our national resources and the means of mobilizing them for defense against nuclear attack.

The House of Representatives this year denied the request of civil defense for nearly a 100 percent increase in its appropriation for 1960. It cut $31 million, and the Senate would do well to make further cuts.

The instances of waste, inefficiency, and faulty planning of this agency are too numerous to mention in detail. For example, tremendous sums of money have been spent in stockpiling medical supplies and other equipment. Much of this material was well-nigh obsolete and worthless at the time, and in many instances civil defense officials have been negligent in safeguarding these supplies.

It seems fantastic, but the office of civil defense has been engaged in stockpiling more than $4 million worth of strategic and critical raw materials—far in excess of any foreseeable need.

In my own State of Ohio, 100,000 bottles of penicillin with oil base were purchased and stockpiled by civil defense officials in Columbus. The Pure Food and Drug Administration has ordered a part of this destroyed as useless, and reported that after 1 year the rest of it should be destroyed. Physicians years ago found that penicillin with an oil base caused some patients to become deathly sick. For years now penicillin with water has been used. The penicillin stockpiled in Columbus, and now practically worthless, cost our taxpayers more than $62,000.

Mr. President, the waste, the extravagance, the inefficiency, in short, the mess of the past, cannot be changed. What is done is done. However, we should take steps to see to it that these tragic errors are not perpetuated.

In this jet age, when the only possible enemy nation, the Soviet Union, has intercontinental ballistic missiles capable of being fired at a speed of from 18,000 to 20,000 miles an hour against missile installations and other targets within this county, what possible good could civilians in arm bands do in a moment of great disaster? In fact, if and when this Nation were to suffer an atomic attack and missiles with nuclear warheads were to strike close to our own missile installations, airports or cities, the military would immediately take charge.

In this age of challenge, at a time when enemy submarines off either our eastern or western seacoast could fire missiles with nuclear warheads more than 1,000 miles inland in event of World War III suddenly coming upon us, can one possibly conceive that the Chief Executive of this Nation, who is Commander in Chief of our Armed Forces, would not immediately declare a state of emergency, and, as Commander in Chief of our Armed Forces, immediately take charge?

In our civil war, which surely could not be comparable in its devastation, great as it was, to what would happen immediately in event of all-out war between this Nation and our allies and the Soviet Union and its satellites, President Lincoln immediately suspended the writ of habeas corpus, and, in fact, became a virtual dictator throughout the ensuing 4 years of conflict.

My view is that such a disaster is unlikely. Our Nation has a superiority of 3 to 1 of manned jet warplanes over the strength of the Soviet Union. In event of sudden war breaking out, were some of the enemy planes and missiles to create devastation here in America, our Armed Forces would forthwith take over.

Mr. President, many of us served in the Armed Forces of our country in World War II. Can any of us conceive from our own experience and observation that a hard-boiled army sergeant would for one minute permit a civilian, whether wearing a civil defense arm band or not, to interfere with the Armed Forces in any particular whatever?

With the threat of a holocaust too terrible to contemplate but minutes away at any given moment, the American people should know the truth regarding civil defense.

The present civil defense program has become as outmoded and as obsolete as Civil War horsedrawn artillery caissons.

It is not only the millions of dollars of the taxpayers' money that concerns me, but, far more important, the lives of all Americans. The truth is that under our present awkward and mismanaged civil defense system, or lack of system, we are not only throwing away money, but also endangering the lives of millions of Americans.

During the past 5 months, I have received thousands of letters from Americans supporting my stand on civil defense. They come from people who realize that, after 10 years and $800 million of expenditure, we have less civil defense than when we started. They come from people who see the foolish programs and inexcusable waste of civil defense officials in their own communities. More important, hundreds have come from people who themselves were and are volunteer civil defense workers disgusted with what they have seen.

I again pay tribute to the hundreds of thousands of unpaid patriotic Americans who have volunteered their time and their services to civil defense. These devoted volunteer workers have made sacrifices and given unselfishly of their time and efforts. Civil defense officials and employees enjoying high salaries have made no sacrifices whatever.

We can also be ashamed for having allowed these selfless citizens to be duped by high-salaried civil defense officials into thinking that they could be useful in the event of an attack. For the most part their time and their efforts have been wasted.

The truth is that in the event of a nuclear attack, civilians with armbands will not only be of little use, but would be a hindrance. The truth is that it is almost a certainty that martial law will be declared and that the military will take control of civil defense functions.

Why, then, should we continue to support and maintain this overgrown, bloated bureaucratic Civil Defense Agency staffed with high-salaried personnel?

I assert, Mr. President, that we should call a halt to the civil defense program which is presently entirely ineffective and outdated. Let us face the facts that the Armed Forces, and by that I mean the Secretary of Defense, should have complete authority over all civil defense matters, as a part of the military defense of this Nation.

Civilians from Leo Hoegh, Director of the Office of Civil and Defense Mobilization, with his $22,500 per annum salary, and other high-paid officials and employees right down the line should be forcibly removed from the public trough where they have been feeding, and civil defense as it now exists, plus the money matching and salaried officials in States and municipalities done away with.

Either that, Mr. President, or the American people should be told the truth that shelters costing billions of dollars and a revamped, modernized and altogether effective civil defense organization, if such is possible, should be provided. The Joint Chiefs of Staff of our Armed Forces and our Commander in Chief know that were the Soviet Union to decide upon all-out war instead of peace we would be fortunate to have 1 hour's advance warning of attack by nuclear weapons of tremendous power and to set our forces in readiness for immediate retaliation. Civil defense, as presently constituted, is utterly impotent in this jet, missile, and space age.

Furthermore, should this Nation be compelled to wage a limited war, civil defense as presently constituted has no place whatever in our scheme of defense or offense.

Our military structure can provide the trained personnel for action in the case of emergency at no added cost to the taxpayers. If can train draftees who

will return to civilian life trained in the problems of civil defense. It has the storage facilities, the hospitals, and the other necessary equipment and buildings needed for civil defense. With the military in charge we can have a national civil defense plan and not 49 separate programs. With primary civil defense functions in the hands of the Armed Forces, we can have an integrated civil and military defense posture.

Each community may, if it wishes, provide its own civil defense program with its existing facilities and within the framework of the national program as outlined by the Department of Defense. There is no need for salaried civil defense officials in local communities. There is no need for situations such as exist in Cleveland, Ohio, and other cities where police officers are assigned to the civil defense agency while burglaries, assaults, and purse snatchings fill column after column in the daily newspapers. Mr. President what they do other than sit in fancy offices and talk about evacuation plans is beyond me.

American taxpayers have been taken for a ride. Our Armed Forces should handle all functions now handled by civil defense. In limited emergencies, such as floods, fires, and other disasters, surely our local and State law enforcement agencies can do the job as they have on thousands of occasions in the past; and our Federal Government can continue to provide disaster relief.

Finally, Mr. President, I close by adverting to an exceedingly silly procedure recently followed by the civil defense officials of Franklin County, Ohio. The civil defense director, with nothing much to do other than to sit in his plush office, evidently became the victim of some smooth-talking salesman. As a result, 40,000 order blank packets have already been distributed to the suburban schools and the directors of the parochial schools have been requested to fall for this and participate in the program.

Each order packet calls for the expenditure of 75 cents for a bracelet containing the name, address, date of birth, next of kin, religious preference, and social security number of the wearer. The idea is to have all schoolchildren constantly, day and night, wear this wrist chain of noncorrosive stainless steel.

The first 40,000 will, of course, compel expenditure of $30,000. Teenagers, of course, have no social security numbers, but the plan of the salesman and of the civil defense officials is to follow the first distribution by sending out civil defense crew to urge teenagers not to swap bracelets; then later on to sell these bracelets to adults. Why not an ankle bracelet for the ladies? Already several thousands of bracelets have been purchased by teenagers. Very likely some hundreds have already been exchanged by boys and girls of 14 and 15 years of age who are going steady.

Mr. President, all this seems so silly as to be unbelievable. Yet, Russell E. Pennell, Civil Defense Deputy Director, rejoices that the returns from teenagers and their parents are very favorable.

Mr. President, civil defense officials in other areas of Ohio and in other States have been exploited by bracelet salesmen and are seeking to have identification bracelets sold to the youth and adults in their areas.

Mr. President, this all seems so useless and, in fact, stupid.

CONFERRING BY BROWN UNIVERSITY OF DEGREE OF DOCTOR OF LAWS ON SENATOR LYNDON BAINES JOHNSON

Mr. GREEN. Mr. President, I wanted to have the privilege of personally stating for the RECORD that last Monday Brown University bestowed the honorary degree of doctor of laws on the majority leader. I should like to read, in that connection, the words which were used in bestowing that dignity on him:

LYNDON BAINES JOHNSON, doctor of laws: When the executive and the legislature are divided, anything or nothing can happen. As majority leader of the Senate you have used your political strength in the national interest to make it possible for moderates of both parties to join with you to do the possible and to seek the best. Your skill as a politician has been notable, but you have subordinated politics to national interest, the service for which you will best be remembered.

Mr. President, I wanted to read those words, but I ask unanimous consent to have the diploma printed in the RECORD.

There being no objection, the diploma was ordered to be printed in the RECORD, as follows:

UNIVERSITAS BRUNENSIS,
Providentiae,
In Rhodiensi Insulae Republica.

Omnibus has litteras perlecturis Salutem in domino sempiternam:

Vobis notum sit quod universitatis praeses sociorum publicis in comitiis assidentium assensu honoris causa virum doctissimum.

LYNDON BAINES JOHNSON, gradu legum doctoris: pro meritus eius decoravit eique dedit omnia privilegia iura honores quae ad hunc gradum pertinent cuius rei testimonium nos hisce litteris universitatis sigillo munitis nomina nostra subscripsimus.

Datum in sollemnibus academicis in urbe providentiae habitis die primo iunii annoque domini MCMLIX.

BARNABY C. KEENEY,
Praeses.
ROY B. PERKINS,
Secretarius.

[Translation of Latin diploma]

BROWN UNIVERSITY,
PROVIDENCE,
In the State of Rhode Island.

To All Who Shall Read These Presents, Everlasting Welfare in the Lord:

Be it known unto you that the president of the university, by consent of the fellows sitting in public assembly, has awarded to the most learned man, LYNDON BAINES JOHNSON, for his merits, the honorary degree of doctor of laws, and has given to him all privileges, rights, and honors that pertain to this degree. In testimony of which we subscribe our names to this writing, authenticated by the seal of the university.

Given in the academic rites held in the city of Providence on the 1st day of June and in the year of the Lord 1959.

BARNABY C. KEENEY, *President.*
ROY B. PERKINS, *Secretary.*

STATEMENT OF THE PRESIDENT OF BROWN UNIVERSITY

LYNDON BAINES JOHNSON, doctor of laws: When the executive and the legislature are divided, anything or nothing can happen. As majority leader of the Senate you have used your political strength in the national interest to make it possible for moderates of both parties to join with you to do the possible and to seek the best. Your skill as a politician has been notable, but you have subordinated politics to national interest, the service for which you will best be remembered.

Ergo, auitoritate mihi commissa te ad gradum in legibus doctoris admitto, omniaque jura ac privelegia ad hunc gradum pertinentia, tibi concedo. In testimonium hoc diploma tibi gravitate summa do.

BARNABY C. KEENEY.

JUNE 1, 1959.

[Translation of Latin passage]

Therefore, by the authority to me entrusted, I admit you to the degree of Doctor in Laws, and all rights and privileges pertaining to this degree, I confer upon you. In testimony, with the highest solemnity I bestow upon you this diploma.

The PRESIDING OFFICER. Is there further morning business?

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Without objection, it is so ordered.

DECLARATION OF LIBERTY—EXCERPTS FROM DECISION BY JUSTICE SALMON

Mr. HUMPHREY. Mr. President, last year the world's attention was called to the racial violence that occurred in London's Notting Hill district in August and September, during which roving bands of white persons attacked West Indian immigrants who live in that particular slum area of London, England.

During the course of that racial violence, almost 200 white and colored people were arrested. Typical of the white persons arrested were nine youths between the ages of 17 and 20, who, under cross-examination, acknowledged that they had toured the Negro areas in a car in the early hours of the morning, in order to beat them up. As a result of the activities of this group, five colored men were attacked, and three were gravely injured.

One of the youths told the police that he and his companions had been "nigger hunting."

These nine youths were promptly brought before the bar of justice, and made to answer for their brutal conduct.

In rendering judgment against these violators of the law, Mr. Justice Salmon of the Old Bailey Court stated:

Everyone, irrespective of the color of his skin, is entitled to walk our streets in peace, with his head erect and free from fear.

As far as the law is concerned, you are entitled to think what you like, however vile your thoughts; to feel what you like, however brutal and debased your emotions; to say what you like; provided you do not infringe upon the right of others.

But once you translate your dark thoughts and brutal feelings into savage acts such as these, the law will be swift to punish you.

Mr. Justice Salmon's words should be read by every freedom-loving American. He has, in a few short paragraphs, beautifully stated the role of the Government in protecting the liberty of its citizens. He took prompt and forceful action to stamp out the ugly action of a handful of thoughtless young men.

I ask unanimous consent, Mr. President, that excerpts from the statement of Mr. Justice Salmon in rendering a decision in the case of the Crown against Nine Youths accused of starting a race riot in London, be inserted at this point in the RECORD.

There being no obection, the condensation of the article was ordered to be printed in the RECORD, as follows:

A DECLARATION OF LIBERTY

(Condensed from Daily Express (London))

Mr. Justice Salmon at the Old Baily Court rendered the following judgment in the case of the Crown against Nine Youths accused of starting a race riot in London:

"These were grave and brutal crimes. You formed yourselves into a gang and set out on a cruel and vicious manhunt. You armed yourselves with iron bars and other weapons.

"Your quarry was any man, provided that there were not more than two of them together, whose skin happened to be a different color from your own. Your object was to instill terror and inflict as much pain and grievous injury as you could.

"During that night you savagely attacked five perfectly law-abiding citizens without any shadow of excuse. None of them had done you any harm. None of them had offered you the slightest provocation. Indeed, you knew nothing about any of them except that their skin happened to be a color of which you did not approve.

"Two of them were lucky enough to escape from you before you were able to inflict other than apparently minor injuries. The other three you left bleeding and senseless on the pavement.

"It was you men who started the whole of the violence in Notting Hill. You are a minute and insignificant section of the population, but you have brought shame upon the district in which you live and filled the whole nation with horror, indignation, and disgust.

"Everyone, irrespective of the color of his skin, is entitled to walk our streets in peace, with his head erect and free from fear.

"As far as the law is concerned, you are entitled to think what you like, however vile your thoughts; to feel what you like, however brutal and debased your emotions; to say what you like, provided you do not infringe upon the rights of others.

"But once you translate your dark thoughts and brutal feelings into savage acts such as these, the law will be swift to punish you.

"I bear in mind what has been said on your behalf. You are young and have no previous convictions. Your victims—the grievously injured ones—have sufficiently recovered after 2 or 3 weeks in the hospital to return home, and it is unlikely that they will suffer permanent physical ill effects from your savage attacks.

"But for these facts, I would have imposed much longer sentences. As it is, I am determined that you and anyone, anywhere, who may be tempted to follow your evil example shall clearly understand that crimes such as these will not be tolerated, but will inevitably meet with the punishment that they so justly deserve."

DENMARK'S CONSTITUTION DAY

Mr. HUMPHREY. Mr. President, Constitution Day in Denmark is an anniversary which Americans appropriately observe as a reminder of the historic bonds of friendship and trade between our two countries.

The establishment of a liberal constitutional monarchy under the Constitution of 1849 set the people of Denmark firmly on the path of peaceful progress and stable parliamentary government. Denmark continues to be a leader among Western democracies in its concern for working people who benefit from advanced social legislation, including health insurance, disability and old-age pensions, workmen's compensation, relief, and child welfare.

Americans, no matter what their national origin, join our Danish friends in celebrating Denmark's Constitution Day.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

SWEDEN'S CONSTITUTION DAY

Mr. HUMPHREY. Mr. President, in 1809 the adoption of a liberal constitution in Sweden started rapid social and industrial progress. I think we in the United States, who regard our own Constitution so highly, should join our Swedish friends in observing Sweden's Constitution Day.

I know America has benefited greatly from the presence of many citizens of Swedish descent. I am proud that so many chose to make their homes in my own State of Minnesota.

Let us salute the historic bonds of friendship between our two countries and let us make sure these bonds become ever closer.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

THE TEA COUNCIL OF THE U.S.A., INC.—COOPERATION BETWEEN INDIA, CEYLON, INDONESIA, AND THE UNITED STATES

Mr. HUMPHREY. Mr. President, increased trade between the United States and the friendly nations of the free world, particularly the underdeveloped areas, looms large as one of the most important links in the chain banding the world democracies together.

Three Asian nations friendly to the United States are India, Ceylon, and Indonesia. Dollars which they earn in the United States via foreign trade enable their peoples to move forward toward their legitimate aspirations for more of the material good things of life—aspirations with which the Government and the people of the United States are warmly in sympathy.

One of the major dollar-earning commodities of India, Ceylon, and Indonesia is tea. It is of particular interest to the Congress and to the people of America to learn that, in the few brief years since 1953, sales of tea in the United States have increased significantly.

Taking recent history as a specific example, for the years 1947 to 1952 the total dollars earned by India, Ceylon, and Indonesia from tea sales in the United States amounted to $222,500,000. From 1953 to 1958, the total dollars earned reached $287,600,000, an increase of $65,100,000.

What has brought about this startling, and welcome, change for the better? Why has tea, a leading dollar-earning commodity of India, Ceylon, and Indonesia, considerably improved its position in the American market in such a short time?

Undoubtedly, the most important factor bearing on the answers to these questions is a unique, international partnership formed by the Governments of India, Ceylon, and Indonesia and the Tea Association of the U.S.A., Inc., which represents the American tea trade. This partnership, the Tea Council of the U.S.A., Inc., was formed in 1953.

When the Tea Council was conceived, its problems seemed grave indeed. Per capita tea consumption in America, upon which the foreign trade of the three friendly nations cited was considerably dependent, had been declining almost uninterruptedly for about 50 years.

However, joint effort by the Governments of India, Ceylon, and Indonesia, cooperating with the American tea industry through the Tea Association, changed this picture. Using vigorous advertising, public relations and promotional methods, the Tea Council was largely responsible for checking and then reversing the downward trend in tea consumption in the United States. Today, America is the second largest tea-drinking nation in the world.

The Tea Council is guided by a 12-man Board of Directors consisting of six members from the U.S. tea trade, three representatives from India, two from Ceylon, and one from Indonesia. Robert Smallwood, a founder of the Council, has served as board chairman since its inception. Funds for the Council promotion are raised on a set formula. The producing nations contribute $8 for every $5 raised by the United States.

The result of this industrywide promotion has manifested itself in a chain reaction aiding millions of persons throughout the world; tea estate owners, pickers, and businessmen in southeast Asia; shipping companies and sailors; American importing companies; American tea packers; related American food industries; American retailers, and a host of others.

We look upon the venture as an effective weapon against anti-American propaganda; propaganda that regularly paints American businessmen as monsters, exploiting the peoples of other lands for selfish, imperialistic reasons. Here then, is an example of international cooperation, carried on for the mutual benefit of the peoples concerned.

Applying 20th century business methods to the tea trade, a romantic industry whose origins trace back thousands of years, the Tea Council has many solid accomplishments to its credit. It has first, increased the number of dollars earned by the tea producing nations of India, Ceylon and Indonesia; second, increased the prosperity of the tea trade and all connected with it; third, proved an important person-to-person link for

the building of good will and mutual understanding between businessmen of Southeast Asia and businessmen of the United States, and, fourth, helped repel anti-American propaganda.

Recently, the Tea Council announced plans for a new venture which represents the largest step forward by the industry and the producing countries since the formation of the Tea Council itself.

This fall, the council will open a U.S. Tea Center in New York City which will serve a twofold purpose. First, it will be the focal point for all future promotional activities of the tea industry, and, second, it will help establish a better basis for mutual understanding between the peoples of Southeast Asia and Americans through planned trade and cultural activity.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

GOVERNMENT FISCAL POLICY

Mr. HUMPHREY. Mr. President, today the President of the United States made available, at 12 o'clock noon, a message to the Congress in which he recommended (a) removal of the present 4¼-percent interest rate ceiling on Government bonds and, (b) an increase in the debt limit from $283 billion to $295 billion.

Mr. President, I have one or two brief observations to make at this time. The President's message will be a matter of considerable discussion in the weeks to come. Interest rates, both public and private, are steadily rising. They are now approaching the 1957 peak rates of the 1955–57 tight-money period. In fact, these rates are certain to go even higher if the limitations are removed. They appear headed for heights of the late 1920's.

Government bond yields in 1952 averaged 2.6 percent. Now they are over 4 percent.

The national debt in the last year of the Truman administration, fiscal 1953, was $266 billion. The interest payment on that national debt was $6.6 billion.

The administration estimates that such payments in fiscal 1960 will total $8.6 billion. This compares with $7.6 billion in fiscal 1959. In January the administration estimated interest payments for fiscal 1960 of $8.1 billion; it only last week raised this estimate by $500 million.

It is quite obvious why the figure of the estimated total interest on the public debt is being raised. It is simply because the administration contemplates a sizable increase in interest payments on long-term securities.

If the administration is so anxious to hold down spending, then why its silence on rising interest rates, which mean billions of dollars extra in Federal, State and local expenditures and, I might add, billions of dollars of extra cost to private financing?

Mr. President, I do not claim to be an expert in this field, but, as one who is keenly concerned with financing of both public and private investments, I may say that for the Congress to permit this kind of action to take place would be tantamount to being willing to increase public expenditures in the name of interest, but being unwilling to increase public expenditures in the name of need and very essential public services.

Actually, a rise in the rate would have a tendency to deter or limit public services. I, for one, strongly object to this kind of fiscal policy.

I hope the Congress will give this matter its careful attention, as I understand it will, from statements of the majority leader and others.

I think the time is at hand for the Congress to take a most careful, analytical, and scrutinizing look at the manner in which the administration is handling financing of public expenditures and serving the public debt. I think that is one of its major weaknesses. The Congress of the United States has the obligation, along with the executive branch, to see that public financing is handled on an equitable and reasonable basis, rather than have inflation face us in connection with public financing of projects involving public need.

Mr. President I ask unanimous consent that an article from Business Week of May 30, 1959, entitled "The Hidden Cost of Borrowing," be incorporated in the RECORD.

This article notes that not only are bank lending rates rising, but banks are also increasing reserve requirements.

Bank loan officers are increasingly demanding that customers keep part of their borrowed funds on deposit.

This is a part of the concern which the Senator from Minnesota has relating to the interest rate policy of the Federal Government. It seems to me we are going to see more and more of this as the days go on, if we have no way of placing a check or a restraint upon the policy of the Government in terms of raising its own cost of doing business and its own cost of financing the public debt.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Business Week, May 30, 1959]

THE HIDDEN COST OF BORROWING

For corporate debtors, the interest rate may be only part of the cost. They may have to keep part of a loan on deposit as a compensating balance. As money is getting tighter, banks more and more are increasing their balance requirements—up to 20 percent in many cases. The result: loan demand is increased and the flow of money is slowed down.

When the Nation's commercial banks last week boosted their prime lending rate from 4 percent to 4½ percent (Business Week, May 23, 1959, p. 90) it meant higher interest costs on all bank borrowing. This was the first rise in the prime rate since last fall; yet bank borrowing costs have in fact been climbing slowly for months, thanks to a little-understood banking device—compensating balances.

As any corporate treasurer will tell you, there's more involved in most bank borrowing than merely having a good credit rating and paying back the loan when it comes due. Increasingly, bank loan officers demand that their customers keep part of the borrowed funds on deposit—20 percent is mentioned most frequently, though company treasurers can sometimes beat this figure down. And if you're a heavy user of credit, you will probably be asked to keep a balance at the bank even when you're not borrowing.

If you don't conform to these requirements, of course, you run the risk of not getting your present loans renewed or of not getting additional credit when you need it. So these compensating balances must usually be counted as a clear addition to the cost of credit. If you borrow $100 at 4 percent, but the bank only lets you use $80, the effective rate of interest becomes 5 percent.

Negotiating point

It's no wonder then that compensating balances have become a key bargaining point in loan negotiations. From the banks' viewpoint, too, requirements tend to vary according to the state of the money market. When money is tight, as it is today, banks demand higher balances than when money is slack, as it was a year ago.

Thus, the shift in the banks' requirements seems, in effect, to exaggerate the swings of the credit system. Currently, with business picking up and credit needs growing, banks are insisting that an increasing amount of each loan be left on deposit. Knowing that it can't use the face amount of its loan, a corporation that needs a certain amount of money must ask for a still larger amount to cover its obligations. In short, compensating balances appear to make tight money tighter.

Federal Reserve officials are aware of the effect of compensating balance requirements by the banks, but they say it doesn't make much difference as far as overall credit policy is concerned. If credit demands should become too intense because of stiff requirements by banks, the money managers say they will be able to sense it in the New York money market and to act accordingly. So far, they say, compensating balances haven't had this effect.

Nothing new

Compensating balances are nothing new to banking. Prior to the 1929 crash, it was well accepted that banks insisted on substantial compensating balances. But these balances weren't so onerous, since banks granted 1 percent or 2 percent interest on demand deposits of big corporations that were regarded as good customers—sometimes paying this interest even when the companies were borrowing.

This practice ended during the depression, when loan demand shrank to zero and banks had idle balances and huge excess reserves. This was the period when the prime rate was established as a floor under interest rates.

Postwar relapse

Since World War II, compensating balances have come back into favor. A survey of the 100 largest banks by Robert Morris Associates, the national association of bank credit men, in 1954 showed that 65 percent of banks required a compensating balance as a condition for obtaining a line of credit. In the spring of 1958, when credit was easy, a similar survey showed the figure up to 71 percent. Today, it's a safe bet that most banks demand compensating balances.

While the practice is growing, few bankers can cite specific reasons for it, and fewer still realize its impact on monetary policy. A Business Week survey of bankers and company treasurers brings out these four reasons why banks make the demand:

It is a major source of money for banks to lend, says Wentworth P. Johnson, senior vice president of Fidelity-Philadelphia Trust Co., adding: "Today it's more important than ever to get borrowers to leave compensating balances on deposit." If a bank didn't require such deposits, its lending power—and, consequently, its earning power—would be seriously impaired.

Such balances are part of the interest rate structure, says a Detroit banker. "Changes in the prime rate are a crude and

cumbersome tool," he explains. "We use compensating balances to adjust our lending rates between prime rate changes."

They help draw distinctions among "the large number of prime rate borrowers on our books," says a west coast banker, "and, when money gets tight, to ration credit. That's why the sales finance companies, which really use bank credit as part of their permanent capital, face such stiff requirements—we'd rather accommodate our regular seasonal borrowers."

The practice helps to force borrowers into a continuing deposit relationship with a bank. This is a major consideration, according to a New York bank analyst, for the big money market banks, which do much of their lending to out-of-town corporations.

Does it work?

The desire to conserve lending power is probably the most important reason for requiring compensating balances. However, many banking authorities say it doesn't work, either for the banking system as a whole or for most banks by themselves. Some even say stiff requirements create more problems than they solve.

I. SOURCE OF LOAN FUNDS

According to law, banks must keep a portion of their assets on deposit with the Federal Reserve as a reserve against their own deposit liabilities. For the sake of easy arithmetic, assume this reserve requirement is 20 percent—actually it's less than that today.

A 20 percent reserve requirement means that for every $100 the banking system has in its reserve base, it can carry $500 of deposits—another way of saying that $100 of unused reserves represents $500 of lending power.

Here's how this multiplier works: When reserves are added to the banking system—either by a foreigner's sending money here or by Federal Reserve action—they show up in the form of a deposit at a commercial bank. When the bank gets such a deposit of, say, $100, it must hold $20 as a reserve, but it's in a position to lend $80 that it couldn't lend before. In the absence of compensating balance requirements, the borrower will spend all of this $80; his checks come back to the banks in the form of deposits that, in turn, form the basis for further lending.

This process continues with successively smaller loans until the 1.5 expansion is complete. At that point, the $100 of additional reserves is supporting $500 of additional deposits.

Balance requirements

Obviously, this theoretical model of bank lending doesn't apply to the individual bank as it does to the system as a whole. And the effect of balance requirements is another complication.

What happens when borrowers are blocked by these requirements from drawing the full amount of their loans and thus distributing reserves in the banking system?

The first bank to receive the $100 addition to bank reserves will be able to extend more credit than it would without compensating balances. That's because a portion of the bank's deposit liabilities is blocked by the requirement that part of the loan remain on deposit. The banker winds up with more reserves, hence can boost his loans and earnings proportionately. But if you work the arithmetic all the way through, you find exactly the same ultimate credit expansion, with fewer banks sharing in it.

This suggests that it's probably impossible for any bank to increase its share of the banking system's loans and deposits by requiring compensating balances. Just as bank A is blocking part of its deposits from flowing into the banking system; so other banks are blocking deposits that might otherwise have flowed to bank A.

Lower velocity

Moreover, when a banker tells his customer to maintain a specified balance or run the risk of losing his access to credit, the bank is cutting back the rate of deposit turnover—"velocity," the technicians call it.

In so doing, bankers are running directly opposite from the means used by many corporate treasurers to get around the Fed's recurrent tight money policies: more efficient use of cash, lower bank balances, higher velocity.

II. CORPORATE CUSTOMERS

Banks have been getting more sophisticated about handling their big corporate customers. For one thing, they have installed cost accounting systems to determine their out-of-pocket expenses on big and busy company accounts. An Atlanta banker comments that some accounts that looked good on the surface have proved to be carried at a loss.

Knowing their breakeven figure, banks have been going after deposits that will keep them in the black on big accounts. This has been a factor in the requirement of stiffer compensating balances. Despite theoretical arguments that compensating balances don't really help the banking system and may even hurt it, this practical consideration is one reason why banks are likely to continue pressing for even higher balances.

Sharp pencils

This trend, of course, runs counter to the responsibility of corporate treasurers to avoid holding cash in unproductive demand deposits. It gives treasurers a ticklish problem in another responsibility: to keep on good terms with bankers so they can borrow when necessary.

Most treasurers like to put their excess cash to work by investing in U.S. Treasury bills or other short-term investments, even if the cash is surplus for only a few days. At present tight money rates, a company with $1 million to invest can earn close to $100 a day on that money.

Bankers, however, are nettled by these "sharp-pencil" tactics. They say corporate treasurers who continually pare their deposits to the bone are ignoring the basic function of the commercial bank in the economy: to pool the economy's liquid assets and put them to use where they are needed.

Retaliation

Banks have their ways of getting back at companies that keep them continually starved for deposits. One of the Nation's largest companies, which had built itself a reputation among bankers for being hard to live with, woke up one morning during the money squeeze of 1957 to find that none of the major New York banks would buy commercial paper of its sales finance subsidiary. Today this company keeps sizable balances with its New York bankers.

Sales finance companies, such as General Motors Acceptance Corp., Universal CIT, Commercial Credit, and the like, probably keep more balances among the Nation's banks than they would if it were not for the compensating balance requirement.

Concessions

The banks do make a concession to GMAC and other sales finance companies—they often accept related balances, belonging to the parent company or its dealers, as part of the compensating balance.

Libby, McNeill & Libby, large Chicago canner, is a big seasonal borrower. It has won from its bankers the right to cut its compensating balances to 12 percent for its inactive accounts, 17 percent for accounts on which many corporate checks are drawn. In some cases, too, Libby has borrowed from Canadian banks, which have no compensating balance requirements, at an apparent saving of about 1 percent in interest cost.

Mr. LAUSCHE. Mr. President, several days ago I received a letter from an Ohioan, whose identity I will not disclose, but I should like to read what he had to say, since it has some relation to the presentation which has just been made. This citizen of Ohio writes:

I notice that Congress is going to consider raising the interest rate ceiling on future Government bonds. I don't know how much some of these Congressmen know about finance, but raising the ceiling is not going to accomplish the purpose they have in mind.

I think, and I'm sure you agree with me, that the only answer to this problem is reestablishing the respectability of the present Government bonds outstanding, which can only be accomplished by more than just balancing the budget, but also by the achievement of a surplus, if it is possible.

If Congress doesn't wake up soon and cut back on a lot of this useless spending, they are going to face a very serious situation in the not-too-distant future.

Being in the investment business, the reaction one gets if he recommends the purchase of Government bonds is positively appalling. The clients look at you as though you might have rocks in your head.

Mr. President, this is a bit of wisdom to which we ought to give heed. Let us not deny the fact that the reluctance of the ordinary individual to buy Government savings bonds is reflected by his lack of confidence in what we are doing in the U.S. Congress. We cannot keep pumping up the debt and diluting Government securities, and expect the public to buy bonds.

A man who goes to a bank to borrow money has had the value of his security diluted by wasteful management, and as a result has difficulty in borrowing money. He finally goes to the usurer and begins paying a rate of interest far in excess of what he would have had to pay if he had had a good and sound security to offer, pledged by the promise that in the conduct of the Government's business, prudence and stability would be exercised.

It is rather shocking that this country has an interest load of about $3 billion or $9 billion at this time. It is the product of various causes, one of which undoubtedly is the product of our unwillingness to impose upon ourselves restraints which will create a sound financial condition upon the borrowings made. Condemnation should not be placed upon any specific unit. The condemnation falls upon all of us alike, and I would say substantially upon those of us who are Members of this deliberative body, who, in the final analysis, take a course which either establishes stability of Government financing or lessens it.

FROM KETCHIKAN TO BARROW, U.S.A.

Mr. BARTLETT. Mr. President, a fine exhibition of Alaska paintings will go on display in Washington this week. This exhibition, entitled "From Ketchikan to Barrow, U.S.A.," includes 41 works by living Alaska artists. It has been arranged under the auspices of the Farthest North Art Guild, Inc., of Fairbanks.

The Department of Commerce has been kind enough to make its lobby available for the show, which will open

Wednesday, June 10, at 10 a.m., and continue through June 21, daily from 8:30 a.m. to 5 p.m.

Several of the artists, including one talented 17-year-old, were born in the 49th State. Many others are longtime residents, and a few are members of the Armed Forces or service wives who arrived recently. Together they have recorded a fascinating mosaic of Alaska, well worth seeing.

The exhibition was made possible largely through the efforts of Mr. and Mrs. Darrell Kniffen, of Fairbanks. Mrs. Kniffen is now in Washington in charge of presenting the exhibition.

Mr. President, I hope that the Members of the Senate will be able to set aside a few minutes from their busy schedules to see this exhibition during the days ahead. My colleagues will find it worth while.

INFLATIONARY SPENDING

Mr. ALLOTT. Mr. President, the fear of inflationary spending is something which deeply concerns many people in my State as well as other thinking people all over the Nation. Recently, the Rocky Mountain News published an editorial and form letter on the subject, asking its readers to inform the Colorado and Wyoming delegations of their feelings.

For my own part, I am at once deeply grateful to the News for this public service and to the nearly 1,000 people who have so far taken their time to write to me. Many of the replies strike at the core of the problem. All of them vividly portray what these folks are thinking.

Mr. President, I want to provide my colleagues with the opportunity to benefit from these letters, as I have. These people have a firsthand understanding of the problem of inflation and its causes. Their letters display a knowledge based upon the best economics education possible: the balancing of one's own budget each and every month.

Mr. President, I ask that portions of a sampling of these fine letters be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULESBURG, COLO.

Hon. GORDON ALLOTT,
Senate Office Building,
Washington, D.C.

DEAR MR. ALLOTT: Inflation has been and is eroding away everything that I have worked years to accumulate and lay up for the day when I can no longer work. It appears to me that our Government should try to live within its means the same that an individual or private business has to. If it doesn't, then the same consequences are bound to result. Either bankruptcy, or as the Government seems to think, just keep going deeper and deeper into debt thereby encouraging inflation.

I think that it behooves you as a Senator to either raise taxes and governmental income or else lower spending to the point where it leaves us with a balanced budget or a surplus to begin paying off our tremendous debt. Sorry, what I mean is that you should support these things. I know that you can't do it by yourself as a Senator, but your support will be a step in the right direction.

Most sincerely yours,

JAMES W. CLAUSEN.

BOULDER, COLO.

Senator GORDON ALLOTT,
Senate Office Building,
Washington, D.C.

DEAR SIR: Please don't toss this aside as a mere form. A lot of us parents trying to support a family are becoming frantic as already sky-high prices continue to increase.

DOROTHY M. PEPER.

LONGMONT, COLO.

Senator GORDON ALLOTT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Excessive Government spending is getting us deeper and deeper into trouble and no one should be more aware of this fact than you who are in Congress and have the power to do something about it.

Being retired and living on a fixed income like an increasing number of citizens I am gravely concerned with the matter of inflation with all of its evils. Should this continue, you Members of Congress will soon see a demand for increased pensions; higher social security payments; greater benefits for veterans, and no end of similar measures.

Others such as I are now in the minority and our voices do not carry the weight of the pressure groups but if the value of the dollar keeps declining, and there is no doubt but that excessive Government spending is at the root of this evil, then our economy is sure going to be wrecked and millions of citizens hurt thereby.

Yours sincerely,

R. R. GOWDY.

DENVER, COLO.

Senator GORDON ALLOTT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Enclosed you will find a form statement clipped from the newspaper which in itself should be enough to express how I feel about inflation but I know that a letter always carries more weight than something that is handed to a person to stick in an envelope. However I pray that you will receive many of the forms even if people don't have time to write. The checked form is self-explanatory and so I will not repeat my opinions; however, I would like to pose some questions that we back home are asking ourselves. They are:

1. How are we ever to balance the national budget and eventually reduce the debt if we cannot do so in a period when production is reaching alltime highs?

2. Will the price spiral eventually take us down the road to economic collapse that Germany underwent after World War I?

3. What right does a Government have for overspending itself any more than a single family?

4. Why the excessive farm price supports? No one pays the factory worker for staying home and not overproducing automobiles or the like. Let's get back to the law of supply and demand.

5. And last but far from the least. Why are not the public entitled to know who is on the Government payrolls? Nepotism is as much a crime as common theft.

Sincerely,

JOHN A. HOPE.

DENVER, COLO.

Hon. GORDON ALLOTT,
Senate Office Building,
Washington, D.C.

DEAR MR. ALLOTT: And I am also very much concerned about the arrogance and demanding pressure some of the unions and their leaders are continually showing. All of your people should be able to work under good conditions; but this constant spiral of wages and the cost of living is tied closely to the inflation problem and doesn't help us.

And I am worried too about what is happening to us in the world markets. We are pricing ourselves out of the competition race and throwing our people at home out of work. There must be a way to keep all these things in balance.

Sincerely,

Mrs. STELLA S. WILSON.

DENVER, COLO.

Senator GORDON ALLOTT,
Senate Office Building,
Washington, D.C.

DEAR SIR: I am a housewife with three children ages 17, 13, and 5. My husband is an engineer with the Bureau of Reclamation. It is with great concern that I am writing to you. Our educational programs for our children seem to mean less and less due to inflation. What seemed adequate to set aside from the birth of our first child is not the amount needed to educate them now. The 17-year-old goes to college next year and due to the reduction in the value of the dollar, our fund does not have the value we planned.

If there is something you can do to reduce Government spending and rising labor costs, please do so.

Very sincerely,

Mrs. CHARLES R. MAIERHOFER.

BOULDER. COLO.

Hon. GORDON ALLOTT.
Senate Office Building,
Washington, D.C.

DEAR SIR: I am a blind widow of a First World War veteran. Will be forced from my home on account of taxes.

Respectfully,

GLADYS MILLER.

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1960

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 5915, the appropriation bill for the Department of the Interior and related agencies for the fiscal year 1960.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes which had been reported from the Committee on Appropriations, with amendments.

Mr. HAYDEN. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 10 minutes.

Mr. HAYDEN. Mr. President, this bill includes funds for the programs and activities of the agencies and bureaus of the Department of the Interior, exclusive of the Bureau of Reclamation and Power Marketing Agencies, funds for which are included in the Public Works Appropriation bill; the Forest Service of the Department of Agriculture, and a number of small related agencies.

It will be noted on page 1 of the committee report that the committee considered budget estimates totaling $487,675,400. The committee recommends appropriations totaling $478,785,025, and the inclusion of a provision appropriating a sum equal to 25 percent of the receipts from the sale of timber for the revested Oregon and California Railroad grants lands, less other charges, for the construction of timber-access roads on these lands. While the committee recommendations show a decrease of $8,890,375 reduction below the budget estimates, it will be noted in footnote 2 on page 1 of the report that the actual reduction in budget programs is only $3,890,375.

For the programs and activities of the agencies included in the bill, the House allowed $468,106,800, and the committee recommends an increase of $10,678,225 in appropriations, which is an increase of $15,678,225 in budget programs.

The major increases recommended by the committee over the House bill are:

Programs of the Bureau of Indian Affairs, including education programs, construction of buildings and utilities, and funds for the liquidation of contracts for the construction of Indian roads and trails, $6,452,000.

Programs of the National Parks Service, $6,468,000.

Programs of the Fish and Wildlife Service, $3,105,125.

The major reduction recommended by the committee is $2 million in funds for the liquidation of contracts for the construction of forest roads and trails. The budget recommended $24 million for this purpose and the House allowed $2,600,000. Inasmuch as the committee is going to consider funds to implement the recently submitted program for the national forests, which includes substantial sums for the construction of forest roads and trails, it was felt that the amount of the budget estimate should be included in this bill.

With one exception the recommendations of the committee are unanimous. That exception is funds for the acquisition of lands for the construction of the George Washington Memorial Parkway from the District of Columbia line to Fort Washington. This matter was referred by the subcommittee to the full committee for its consideration, and a substantial majority of the committee voted against recommending funds at this time.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as amended be considered as original text for the purpose of further amendment, with the understanding that no points of order shall be considered as waived by entering into this agreement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, line 21, after the word "gas", to strike out "$360,000" and insert "$390,000".

On page 3, at the beginning of line 4, to strike out "$3,080,000" and insert "$3,091,000".

On page 4, line 6, after the word "lands", to strike out "$24,323,000" and insert "$24,877,000".

On page 4, after line 15, to strike out:

"For construction of access roads on or adjacent to the revested Oregon and California Railroad grant lands and Coos Bay Wagon Road grant lands and on lands in the vicinity of Powderhorn Creek, Strawberry Creek, and Waugh Mountain, Colorado; Lemhi River, Idaho; Gallagher Creek, Your Name Creek, and Cottonwood Creek, Montana; Malpois Management Unit, New Mexico; John Day River, Rudio Mountain, Bonanza Unit, and Pine Creek, Oregon; and Shirley Mountain, Wyoming; acquisition of rights-of-way and of existing connecting roads on or adjacent to the revested Oregon and California Railroad grant lands and Coos Bay Wagon Road grant lands; acquisition of rights-of-way on lands in the vicinity of McEwain Creek, Gallagher Creek, Your Name Creek, Garnet Range, Cottonwood Creek, and Union Creek, Montana; Malpois Management Unit, New Mexico; Elk Creek, Signal Tree, Kilches River, and Holmes Creek, Oregon; and acquisition and construction of buildings and appurtenant facilities; $5,200,000, to remain available until expended: *Provided,* That the amount appropriated herein for road construction on the revested Oregon and California Railroad grant lands and Coos Bay Wagon Road grant lands shall be transferred to the Bureau of Public Roads, Department of Commerce: *Provided further,* That the amount appropriated herein for construction of access roads on the revested Oregon and California Railroad grant lands is hereby made a reimbursable charge against the Oregon and California land grant fund and shall be reimbursed to the general fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876)".

And in lieu thereof, to insert:

"For construction of access roads on or adjacent to the Coos Bay Wagon Road grant lands and on lands in the vicinity of Powderhorn Creek, Strawberry Creek, and Waugh Mountain, Colorado; Lemhi River, Idaho; Gallagher Creek, Your Name Creek, and Cottonwood Creek, Montana; Malpois management unit, New Mexico; John Day River, Rudio Mountain, Bonanza unit, and Pine Creek, Oregon; and Shirley Mountain, Wyomining; acquisition of rights-of-way and of existing connecting roads on or adjacent to the Coos Bay Wagon Road grant lands; acquisition of rights-of-way on lands in the vicinity of McElwain Creek, Gallagher Creek, Your Name Creek, Garnet Range, Cottonwood Creek, and Union Creek, Montana; Malpois management unit, New Mexico; Elk Creek, Signal Tree, Kilches River, and Holmes Creek, Oregon; and acquisition and construction of buildings and appurtenant facilities, $200,000 to remain available until expended, and in addition, for construction of access roads and acquisition of rights-of-way and of existing connecting roads on or adjacent to the revested Oregon and California Railroad grant lands, a sum equivalent to 25 percent of receipts from the sale of timber and other products during the current fiscal year from said lands, less $500,000 for the reforestation of said lands and $250,000 for the maintenance of timber access roads on said lands appropriated in this Act, to remain available until expended: *Provided,* That the amount appropriated herein for road construction on the revested Oregon and California Railroad grant lands and Coos Bay Wagon Road grant lands shall be transferred to the Bureau of Public Roads, Department of Commerce: *Provided further,* That the amount appropriated herein for construction of access roads on the revested Oregon and California Railroad grant lands is hereby made a reimbursable charge against the Oregon and California land grant fund and shall be reimbursed to the general fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876)."

On page 9, line 12, after the word "museums", to strike out "$57,700,000" and insert "$59,433,000".

On page 9, line 22, after the word "law", to strike out "$21,873,000" and insert "$22,402,000".

On page 10, line 14, after the word "contract", to strike out "$13,000,000" and insert "$14,575,000".

On page 11, line 7, after "(72 Stat. 834)", to strike out "$12,000,000" and insert "$14,600,000".

On page 11, line 12, after the word "offices", to strike out "$3,700,000" and insert "$3,715,000".

On page 14, line 2, after the word "taxation", to insert "except as provided for by the Act of July 24, 1956 (Public Law 772, 84th Congress)."

On page 14, line 18, after the word "activities", to strike out "$42,000,000" and insert "$42,500,000", and in the same line, after the word "which", to strike out "$6,950,000" and insert "$7,450,000".

On page 15, line 23, after the word "substitutes", to strike out "$21,177,000" and insert "$21,277,000".

On page 16, line 8, after the word "offices", to strike out "$1,187,000" and insert "$1,197,000".

On page 17, line 22, after the word "Basin", to strike out "$16,297,000" and insert "$16,647,000".

On page 18, line 8, after the word "service", to strike out "$13,093,000" and insert "$14,000,000".

On page 18, line 17, after the word "purposes", to strike out "the acquisition of water rights; and not to exceed $500,000 for the acquisition of lands, interests therein, and improvements" and insert "and the acquisition of lands, interests therein, improvements, and water rights"; in line 21, after the amendment just above stated, to strike out "$12,400,000" and insert "$15,250,000", and in line 22, after the word "expended", to strike out the colon and the following proviso:

"*Provided,* That the second proviso under the heading 'National Park Service, Construction', in the Department of the Interior and Related Agencies Appropriation Act, 1956 (69 Stat. 147), is amended to add at the end thereof the following: "and shall not be subject to any Federal tax liability on the part of the contractor."

On page 19, line 9, after "(72 Stat. 93)", to strike out "$30,000,000" and insert "$32,350,000", and in line 11, after the word "expended", to strike out the colon and the following proviso:

"*Provided,* That none of the funds herein provided shall be expended for construction on the following: Fort Washington and Greenbelt Park Maryland, except minor roads and trails; Daingerfield Island Marina, Virginia; Palisades Parkway and Water Sports Center, District of Columbia; extension of the George Washington Memorial Parkway from Carderock, Maryland, to Great Falls, Maryland; and a parking area for the District of Columbia Stadium."

On page 19, line 23, after the word "offices", to strike out "$1,464,000" and insert "$1,475,000".

On page 20, line 3, after the word "exceed", to strike out "eighty-four passenger motor vehicles for replacement only" and insert "ninety-six passenger motor vehicles (for which eighty-four are for replacement only)".

On page 21, line 4, after the word "deer", to strike out "$13,308,000" and insert "$14,693,625", and after the amendment just above stated, to strike out "and, in addition, there are appropriated not to exceed $268,000 of the proceeds covered into the Treasury from the sale of sealskins and other products, for management and investigations of the sport fishery and wildlife resources of Alaska, including construction."

On page 21, line 15, after the word "therein", to strike out "$2,775,000" and insert "$3,410,000".

On page 21, line 20, after the word "offices," to strike out "$625,000" and insert "$631,200".

On page 22, line 6, after the word "law", to strike out "$5,928,000" and insert "$6,906,300", and after the amendment just above stated, to strike out the semicolon and "and, in addition, there are appropriated not to exceed $398,000 of the proceeds covered into the Treasury from the sale of sealskins and other products, for management and investigations, of the commercial fishery resources of Alaska, including construction."

On page 22, at the beginning of line 17, to strike out "$245,000" and insert "$345,000."

On page 23, at the beginning of line 13, to strike out "one hundred and two passenger motor vehicles" and insert "one hundred and fourteen passenger motor vehicles of which one hundred and two shall be", and in line 15, after the ward "only;" to insert "purchase of not to exceed four aircraft for replacement only;".

On page 26, at the beginning of line 3, to strike out "$5,209,000" and insert "$5,225,000".

On page 27, after line 6, to insert:

ALASKA PUBLIC WORKS

Not to exceed $700,000 of appropriations heretofore granted under this head shall remain available until June 30, 1961, for administrative expenses necessary for liquidation of the public works program carried out under the act of August 24, 1949, as amended (48 U.S.C. 486–486j).

On page 28, line 11, after the word "service", to strike out "$2,686,000" and insert $2,706,000".

On page 31, at the beginning of line 14, to strike out "$77,543,000" and insert "$77,815,800".

On page 32, line 2, after the word "law", to strike out "$13,923,000" and insert "$14,026,400".

On page 32, line 10, to strike out "$12,297,000" and insert "$12,327,800".

On page 32, line 21, after the word "trails", to strike out "$26,000,000" and insert "$24,000,000".

On page 37, at the beginning of line 6, to strike out "$50,000" and insert "$140,000".

On page 39, after line 19, to insert:

UNITED STATES TERRITORIAL EXPANSION MEMORIAL COMMISSION

For expenses necessary to carry out the provisions of the Act of June 15, 1934 (48 Stat. 967), $4,500.

On page 40, line 15, after the word "exceed", to strike out "$160,000" and insert "$172,000".

On page 40, after line 18, to strike out title IV, as follows:

"TITLE IV—GENERAL PROVISIONS

"SEC. 401. Not to exceed 5 per centum of the cost of any project constructed under the appropriations contained in this Act may be expended for engineering and design of the project.

"SEC. 402. The total cost of single family employee housing units constructed under the appropriations contained in this Act shall not exceed $18,000 each, exclusive of provision utilities to the lot line."

Mr. HAYDEN. Mr. President, I shall be glad to answer any questions Senators may have pertaining to the recommendations of the committee.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MANSFIELD. I wish to commend the distinguished Senator from Arizona, the chairman of the Committee on Appropriations, for the fine work he has done, and especially with regard to the allowance of $100,000 for the Creston, Mont., fish hatchery rehabilitation. We are grateful for this consideration, which was not included in the budget estimates.

We hope that next year further consideration will be given to funds for the Miles City fish hatchery, so that we can complete that particular project; and also to funds for the rehabilitation of the Ennis fish hatchery, in Madison County in southwestern Montana.

Mr. HAYDEN. Both of those are meritorious projects. We thought we would try to proceed one step at a time. This is the first step, as the Senator has indicated.

Mr. MANSFIELD. I note, according to the testimony, that the committee provided $32,350,000 for park roads. This is $2,250,000 more than the House allowed, but $1,680,000 under the budget estimate. We in the northwestern part of Montana have long sought completion of the international loop road in northern Glacier Park and southern Waterton National Park, in Canada. We have had many promises, but no action. That is no fault of the distinguished chairman or of the Senate Committee on Appropriations.

Mr. HAYDEN. It is a very meritorious project. I am hopeful that at some time the National Park Service will advise us that an agreement has been reached with the Canadian Government so that work can be done at both ends of the line.

Mr. MANSFIELD. If that is done, I understand the committee will give favorable consideration to this proect.

Mr. HAYDEN. Yes. We have no report that an agreement has been entered into as yet.

Mr. MANSFIELD. The Budget Bureau did not seek the funds, and the committee has endeavored successfully to stay below the budget estimates. Therefore, on the basis of what the chairman has said, I am hopeful that this project will go forward next year. It is my sincere hope that in programing the funds available, the initial $225,000 contract for the international loop road can be activated next spring. Does the chairman agree that this might be done if the Department would program the money allocated to Glacier Park so as to permit it?

Mr. HAYDEN. It can program the money in any reasonable way it sees fit. I would be happy to see it done in the way the Senator has suggested.

Mr. MANSFIELD. It could do it under the Glacier Park allocation of funds.

Mr. HAYDEN. Yes.

Mr. MANSFIELD. I especially wish to commend the committee for its action in calling for early submission of urgent requests for the program for the national forests. I hope we can get this greatly needed work under way in the fiscal year 1960.

We must admit that, after all, the national forests are now becoming more and more revenue producing. This is one way whereby this particular program could be enhanced.

I thank the distinguished chairman for the consideration he and his committee have given Montana in this appropriation bill. I wish it had been more, but I am hopeful that next year we shall be able to achieve what we were not able to achieve this year.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. JACKSON. I, too, would like to commend the distinguished chairman of the Appropriations Committee for the fine work he has done in connection with the appropriation bill. This, indeed, is not unusual. It is the usual way in which he handles these matters.

I have four questions I should like to ask. First, am I correct in my understanding that the action of the committee on the Forest Service budget in no way reflects a belief that the vital programs of the Forest Service should not be expanded?

Mr. HAYDEN. Of course they should be expanded.

Mr. JACKSON. The second question is this: Is it the position of the chairman of the Appropriations Committee that consideration should be given in the very near future to adding the necessary funds for Forest Service studies, timber sales, recreation, and other programs?

Mr. HAYDEN. We have so stated in the report.

Mr. JACKSON. I am very pleased to have that statement in the RECORD. I know the chairman is aware that $19 million in potential annual revenue is being lost because 2 billion board feet of national forest timber is not accessible. Is that the approximate situation?

Mr. HAYDEN. That is correct. That is the reason why the committee is so interested in the program for the national forests. We are told that timber is maturing and deteriorating faster than it is being cut. That is a waste of a national resource that is owned by the public.

Mr. JACKSON. In other words, it should be harvested on a prudent basis, which is not being done.

Mr. HAYDEN. It should be harvested on a sustained yield basis.

Mr. JACKSON. The chairman is also aware that this timber has an economic value of $380 million when it reaches the consumer. Do I have the assurance of the chairman that this opportunity to add revenue and thereby, in a small way, help to balance the budget, will not be overlooked when the supplemental appropriation bill comes before us?

Mr. HAYDEN. We shall use every effort to obtain a budget estimate for it.

In any event, the committee will give the subject very careful and serious consideration.

Mr. JACKSON. I thank the distinguished chairman.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ELLENDER. With regard to the Forest Service, the committee placed in its report a paragraph or two to the effect that the Budget Bureau should submit a budget estimate for the national forest program before Congress adjourns, but, in any event, we shall proceed to place additional funds in a supplemental appropriation bill whether we receive a budget estimate or not.

Mr. HAYDEN. Perhaps I had better read those two paragraphs into the RECORD.

Mr. ELLENDER. I suggest that they be placed in the RECORD at this point.

Mr. HAYDEN. The paragraphs referred to are as follows:

In deferring action on this proposal the committee has also deferred acting on numerous requests for increases in the appropriations for the various programs of the Forest Service. This action of the committee should not be considered as the disallowance of any of these requests. The committee feels that funds in addition to the budget estimate for increased timber sales, recreation and revegetation, recreational development, building of facilities for the management of the forests, fire protection—especially in the southern California forests—forest research, forest roads and trails and other programs of the Forest Service should be provided.

If funds to implement the program are not submitted by the Bureau of the Budget during this session of the Congress the committee will consider providing adequate funds to implement this program in the Supplemental Appropriation Act for 1960, which will be considered by the committee during this session of the Congress.

The PRESIDING OFFICER. The time of the Senator from Arizona has expired.

Mr. HAYDEN. Mr. President, I yield myself another 10 minutes.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. HAYDEN. I yield.

Mr. ELLENDER. Very strong evidence was introduced during the hearings to the effect that there is a crying need for additional forest research, particularly, through our Southern States.

The Appropriations Committee heard lengthy testimony from many persons including a number of persons from Louisiana, who outlined a four-phase enlargement of our forest research program. Louisianians testifying included Mr. W. E. Dietrich, of the Pardee Co., Minden, La., Mr. W. M. Palmer, Jr., vice president of Nebo Oil Co., Inc. of Good Pine, La., Mr. Charles F. Carlton, of the W. E. Parks Lumber Co., Newellton, La., as well as Mr. Wm. A. McGraw, of the Northern Hemlock & Hardwood Manufacturers Association, Green Bay, Wis.

They suggested that four steps should be taken now:

First, an increase in basic research on hardwoods.

Second, increased study of the use and effects of prescribed fire for intensive management.

Third, expanded fire research.

Fourth, expanded research on forest insects and diseases.

The valleys and rich uplands of the South contain some 45 million acres of hardwood forests. The full value of these trees has been recognized only in recent years.

In 1952, a total of 48,840 million board feet of sawtimber was cut for all purposes in the United States. Of this, 12,214 million board feet was of hardwood species, and almost 8 billion of this amount came from the South.

As a result of this demand for hardwood timbers, there has been an increasing demand for more knowledge about hardwoods.

Treatment of natural stands of the various hardwood types to increase the production of quality timber is fundamentally important. Intensive studies are required to determine the best methods, and the results of application of various management systems and methods, and results of cull tree removal.

Work in this field is already being conducted at the Delta Research Center at Stoneville, Miss. However, the facilities available at that center are far from adequate. Responsible leaders in the lumber industry from all over the South have requested the appropriation of $350,000 for an office-laboratory building at Stoneville.

In addition, it has been requested that $25,000 be appropriated for use at the Alexandria, La., Research Center to study the effects of prescribed fire in keeping timberlands in their best shape. It has been mentioned that fire may be a valuable tool for seedbed preparation, scrub vegetation control and the reduction of seed-eating mammals.

Other requests to carry out this four-phase enlargement of our forest research program include $75,000 for forest fire research at the Southern Forest Experiment Station in New Orleans to seek causes and prevention of wildfires and studies of fire behavior and control, and $200,000 for expanded research in forest insects and diseases also at the Southern Forest Experiment Station.

While I am disappointed to see that the committee did not see fit to go ahead and provide funds to begin this very worthwhile work at this time, it is my hope that the Bureau of the Budget will provide the Congress with a suggested program as soon as possible.

In any event, if the Budget Bureau fails to abide by the committee's request, it is my intention to do all I can to see that the necessary funds are supplied.

Mr. HAYDEN. We have placed the Bureau of the Budget on notice.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MANSFIELD. I ask for the yeas and nays on final passage of the bill.

The yeas and nays were ordered.

Mr. BUSH. Mr. President, will the Senator yield me 5 minutes?

Mr. HAYDEN. Certainly.

Mr. BUSH. As the distinguished Senator, the able chairman of the Committee on Appropriations, knows, I have been disturbed by a serious threat to the oyster industry in Long Island Sound and adjacent waters which has resulted from an invasion of starfish.

On May 8 I addressed a letter to the Senator in which I referred to the Department of the Interior's estimate that $300,000 is required to initiate an urgently needed 5-year research program to devise improved methods for eradication and control of starfish in Long Island Sound and adjacent waters in order to save the oyster industry in the area.

Mr. President, I ask unanimous consent that the letter and the enclosure to which it refers, which appear on pages 482, 483, and 484 of the hearings, may be printed in the RECORD at this point.

There being no objection, the letter and enclosures were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
May 8, 1959.

Hon. CARL HAYDEN,
Chairman, Subcommittee on Interior Department Appropriations, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR SENATOR HAYDEN: The Department of the Interior has estimated that an additional appropriation of approximately $300,000 is required to initiate an urgently needed 5-year research program to devise improved methods for eradication and control of starfish in Long Island Sound and adjacent waters in order to save the oyster industry in the area.

The Department's views were expressed in a report to the Committee on Interstate and Foreign Commerce on S. 941, which I introduced on behalf of Senator JAVITS and myself. A copy of the report is enclosed for your information.

I bring this matter to the attention of you and your Subcommittee on Interior Department Appropriations at this time because it appears from the Department's report that existing legislation contains sufficient authorization to undertake the proposed program and that enactment of additional legislation, while desirable, is not essential.

It will be noted from the Department's report that the industry itself has spent very substantial sums in attempting to eradicate this pest. Additionally, both the New York and Connecticut State Legislatures have provided $25,000 in each State for starfish control measures to be conducted in cooperation with the Federal Government.

I hope, therefore, that in the subcommittee's current consideration of the Interior Department's budget it will act to provide the modest sum needed to get this program started.

With kindest personal regards, I am

Sincerely yours,

PRESCOTT BUSH,
U.S. Senator.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 4, 1959.

Hon. WARREN G. MAGNUSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: Your committee has requested a report on S. 941 to provide that the Secretary of the Interior shall develop and carry out an emergency program for the eradication of starfish in Long Island Sound and adjacent waters. This proposed legislation would authorize the appropriation of not to exceed $1 million for use during a 1-year period by the Secretary of the Interior to develop and carry out a vigorous emergency program for the eradication of starfish in Long Island Sound and adjacent waters. This program would be carried out in cooperation with conservation agencies of

the States of New York, Connecticut, Rhode Island, and Massachusetts, as well as with the commercial fishing industry and other governmental or private agencies.

We recommend the enactment of this proposed legislation if it is amended as hereafter suggested in this report.

A serious expansion in the number of starfish in Long Island Sound has developed in recent years. These predators have had a highly destructive effect upon the growth of oysters in this area. An urgent need exists to devise improved methods for starfish eradication and control. A survey in 1957 showed that starfish in Long Island Sound increased more than 10 times since the preceding spring. An excellent setting of oysters in this area during 1958 was virtually exterminated by starfish which were present in huge numbers on the seedbeds along the Connecticut coast. This is most unfortunate since this crop of oysters could have provided the seed needed for rehabilitation of the Long Island Sound oyster industry.

It is significant to note that 8 years ago this industry produced over 13 million pounds of oyster meats valued at over $7 million; however, in 1957 only $1,200,000 worth of oysters were produced. Several old companies have gone out of business and others are near bankruptcy. In addition, two hurricanes and several storms destroyed thousands of bushels of seed and market oysters, creating a severe shortage. The few oysters remaining in this region are now threatened by the starfish invasion. Over 90 percent of the oysters on some beds already have been eaten by these predators.

In our opinion, a 5-year research program will be required for the purpose of evaluating present control methods and to carry out investigations and research concerning new physical, chemical, biological, and other methods of control. This research program would be consistent with, and could be coordinated with, other research activities that we conduct relating to oysters and other fisheries. Although this proposed legislation would authorize the appropriation of $1 million we estimate that in addition to our normal fishery research funds, an additional appropriation of approximately $300,000 will be sufficient for the first year of this program. For the next 4 years the additional sum of $50,000 annually should be sufficient to carry this program forward.

Invasions of starfish occur at rare intervals when their reproduction and survival are unusually successful. The oyster industry has weathered past invasions partly because the various companies had more funds available for starfish control than at present. Also, since more beds were formerly under private cultivation, starfish control was practiced over a wider area than it is now.

The Congress has assumed an interest heretofore in assisting the Long Island Sound industry, as indicated by the fact that it has provided funds to conduct research on oysters at our Milford, Conn., laboratory for 25 years. In fact, the methods used in the past by the industry to control starfish were developed, tested, and recommended by scientists at this laboratory. The starfish crisis in the autumn of 1957 increased the research effort at the Milford Laboratory. Much greater efforts will be required to correct the situation that has developed in the Long Island Sound area. As a part of our program of investigation that has been inaugurated, our biologists, using SCUBA diving equipment, have observed starfish control equipment in operation and have suggested several improvements. These observations have shown that starfish were extremely abundant and moved faster than had been previously supposed. Therefore, they reinvaded a cleaned bed within a short time. This observation makes it important to conduct a large scale field test, not only to evaluate present methods of starfish control, but also to find methods to prevent reinfestation of oyster beds.

We have been informed that the industry in Long Island Sound is now spending over $10,000 per week on the control of starfish; however, this effort is not great enough to prevent the starfish from invading the oyster beds. The total expenditure by the industry to date in fighting the 1957 crop of starfish is estimated by the Oyster Institute to exceed one-half million dollars. We are informed that the financial position of the oyster industry of Long Island Sound makes it impossible to continue expenditures at this rate for much longer. We understand also that bills have been introduced in the New York and Connecticut Legislatures to provide $25,000 in each State for starfish control measures to be conducted in cooperation with this Department.

Although, as we have indicated, certain methods are available for destroying starfish in limited areas, their complete eradication in Long Island Sound and in adjacent waters is, in our opinion, virtually impossible with any reasonable expenditure of funds. The tremendous size of Long Island Sound and the fact that starfish are generally distributed throughout this area would make it necessary to conduct eradication measures over several hundred square miles. The fact that many beds formerly used for oyster culture are not used at present or have reverted to public ownership greatly increases the area on which these measures would be needed. Furthermore, observations have shown that the control methods now in use are not fully effective when starfish are extremely abundant. We, therefore, propose that field testing be undertaken in specific areas of the best known methods of starfish control to evaluate their effectiveness and to develop improvements. These tests are expected to determine if the removal or destruction of starfish on public or unused oyster lands that border the beds which are now in use would provide effective control.

While we believe that our present fishery research authority probably is adequate to carry out a research program of the type here recommended, we believe that an enactment by the Congress may be helpful in giving impetus to such a program.

We suggest for the purpose of carrying out our recommendations that this proposed legislation be enacted with the following amendments:

(1) On page 1, revise line 6 to read as follows: "vigorous emergency program to evaluate present methods and to develop improved methods, through physical, chemical, biological, and other means for the eradication or control of starfish."

(2) On page 1, line 7, following the word "waters." insert the following sentence: "Following the aforesaid one-year period, the program undertaken pursuant to this Act shall continue for an additional four years."

(3) On page 2, line 6, strike out "$1,000,000" and insert in lieu thereof "$500,000".

(4) Amend the second line of the title to read "and carry out an emergency program to develop improved methods for the eradication or control of".

The Bureau of the Budget has advised that while there would be no objection to the submission of this report to your committee, in view of the existing broad authorizations to conduct fishery research, specific legislation of this nature would appear to be unnecessary, and that Bureau would, therefore, recommend against enactment of this legislation.

Sincerely yours,

ROSS LEFFLER,
Assistant Secretary of the Interior.

Mr. BUSH. The question I wish to address to the Senator is this: Are funds available under the so-called Saltonstall-Kennedy Act to carry out the research program to save the oyster industry which the Department has recommended?

Mr. HAYDEN. A total of $595,000 will be available for shellfish research, an increase of approximately $50,000 over the sum available for the current year. Of this sum, $323,000 is in the form of direct appropriations, and the balance of $272,000 will be derived from the Kennedy-Saltonstall funds. In addition, there are unallocated Kennedy-Saltonstall funds which could be used for the research project in which the Senator is interested.

Mr. BUSH. I thank the Senator.

I invite the Senator's attention to pages 479, 480, and 481 of the hearings, from which it appears that more than $4,546,000 are now available in Saltonstall-Kennedy funds.

It is my understanding that Saltonstall-Kennedy funds are intended to be used for short-term and emergency projects.

Would not the Senator agree that the starfish situation in Long Island Sound is an emergency, and that immediate action is needed to save the oyster industry?

Mr. HAYDEN. From the information available to me, it is an emergency.

Mr. BUSH. Would the Senator from Arizona, as chairman of the Committee on Appropriations, be willing to write a letter to the Department of the Interior, requesting that adequate amounts from the Saltonstall-Kennedy funds be used to carry out the starfish research program in Long Island Sound, which has been recommended?

Mr. HAYDEN. I shall be glad to address such a letter to the Department.

Mr. BUSH. I am very grateful to the Senator for his consideration, and I thank him very much indeed.

Mr. BEALL. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 36, line 25, it is proposed to strike out "$62,000" and insert in lieu thereof "$562,000"; on page 37, line 4, it is proposed to strike out "$1,924,000" and insert in lieu thereof "$1,424,000."

Mr. BEALL. Mr. President, the purpose of the amendment is to take $500,000 from the funds already appropriated for land acquisition in the District of Columbia and apply those funds to land acquisition for the George Washington Memorial Parkway between the District of Columbia line and Fort Washington. I have been advised by the Director of the National Capital Planning Commission that the deletion of $500,000 from the funds appropriated for land acquisition in the District of Columbia would not impede the desired programs in the District.

On the other hand, a failure to provide funds for land acquisition along the George Washington Memorial Parkway in Prince Georges County would, in effect, increase the eventual cost of completion.

It is interesting to note that even the opponents of this parkway recognize the

worthiness of the project. Their main argument is based upon a lack of high priority and lack of funds.

My amendment, Mr. President, answers both these objections and would allow the Planning Commission to start acquiring land in Prince Georges County and would further cross out any criticism that the Federal Government is breaching its long standing commitment.

I ask for the consideration and approval of the amendment.

Mr. HAYDEN. Mr. President, I sincerely regret that I must say to the Senator from Maryland I cannot agree to his amendment. We had almost an identical proposal before the committee. The Senator from Nevada [Mr. BIBLE], who is chairman of the Committee on the District of Columbia, proposed to make an appropriation of $1 million to commence work on the parkway in Maryland. If that amendment had prevailed, it was my intention to take $1 million from the District of Columbia funds to which the Senator has referred, in order to stay within the total recommended by the subcommittee.

Unfortunately, the Senator and I were unsuccessful in what we sought to do, because a majority of the committee would not agree. Under those circumstances I am in the painful position of having to say to the Senator from Maryland that I cannot agree to accept the amendment.

Mr. BEALL. I certainly thank the chairman of the committee for his cooperation on this project, not only at this time, but over the years. He understands the real value of the project. I believe he appreciates the fact that a very definite agreement was entered into between the Federal Government and Prince Georges County Commissioners that this construction would be done on a matching basis. The other end of the road, from the District line to Great Falls in Montgomery County, Md., has had money appropriated for its construction, and that construction is proceeding according to schedule.

If we do not do now what it was agreed should be done, the longer we wait the more the project will cost. The Department asks only to be given permission to take money from one fund and put it into another fund, in order that it may acquire the land necessary at this time, because the longer we wait, the more it will cost. This project was agreed to, but had to be postponed because Prince Georges County could not match the funds. With respect to the western end of the road, in Montgomery County, the county did come up with the money, and the work has been progressing.

Mr. HAYDEN. I feel, of course, sympathetic toward the matter; nevertheless and notwithstanding that fact, I am in the painful position of having to say to the Senator that I cannot accept his proposal at this time.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DWORSHAK. I believe that the record should clearly show that there is far more money involved than a half million dollars or a million dollars to be used as Federal matching funds for the acquisition of the right-of-way. I ask the Senator if it is not true that approval of the amendment before the Senate, or the one which was originally considered by the subcommittee and by the full committee, would obligate Congress subsequently to appropriate as much as $15 million for the actual construction of this highway. Is that not correct?

Mr. HAYDEN. I am not aware of the exact amount of money. Perhaps the Senator from Maryland can enlighten us.

Mr. BEALL. The actual construction would cost $7,790,400.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DWORSHAK. If that be the case, we had better discontinue holding hearings, because the record of the hearings shows testimony from very reliable sources to the effect that the construction of about 8 miles in that area, as is contemplated by the proposal, would involve from $12 million to $15 million, and possibly more. The hearings showed that conclusively.

I do not know where the Senator from Maryland obtained his figure. While I am very sympathetic with him, because of his customary diligence and persistence with respect to this particular item, the record also should show that he persists in referring to an authorization which was made in 1930, and that, therefore, 29 years later, the present session of Congress is committed to initiate this questionable construction program. Does not the record show that to be the fact?

Mr. BEALL. We know that one session of Congress cannot obligate another session of Congress so far as any authorization is concerned. However, referring to the cost of from $12 to $15 million which the Senator from Idaho has mentioned, that sum covers the whole parkway construction. We are talking about a different thing entirely. The Senator is referring to the entire construction cost and the acquiring of land for the entire George Washington Memorial Parkway, which runs from Great Falls in Montgomery County, 16 of 18 miles west of Washington, to the George Washington Memorial Parkway east of Washington. We are talking about two different things.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DWORSHAK. I do not like actively to oppose the amendment, but I feel obligated, in view of the discussions before our subcommittee, and the testimony of many residents in the area who would be affected by the proposed highway, to say that there seems to be a great deal of opposition because of alleged impairment of land values in those residential areas, and because many of the residential areas would be eliminated almost entirely by the construction of the highway.

Furthermore, the testimony shows that presently the area is serviced by the Indian Head Highway, which runs north and south in close proximity to the proposed location of the new highway, which would have a dead end at Fort Washington. I believe the record shows that also. This is a matter of factual information.

I should like to reiterate now the Senator from Maryland has been extremely diligent in getting the segment of the highway completed in Montgomery County. He served for many years as the Representative in Congress of the district which includes that county, and that accomplishment reflects the fine services which he rendered to that congressional district.

However, we are dealing with an entirely different segment of the highway. In the light of recent developments, and the residential areas involved, and referring to the testimony of witnesses representing people living in that area, it would seem that this project, involving the ultimate expenditure of from $12 million to $15 million, is somewhat questionable.

Undoubtedly, if the Senator from Maryland had been attempting to assist Prince Georges County several years ago, the highway probably would have been completed. Now we are living in an era 29 years after the original authorization was made. Naturally, there have been many residential, industrial, and recreational developments in that section of Maryland. So all of these happenings place an entirely different interpretation on the proposed construction.

Mr. BEALL. There is no question that some persons are opposed to the project; but progress would never be made if we did not continue our efforts to advance the project. Seldom do we have unanimous agreement on everything.

I hope the Senator from Idaho, however, does not think I am so naive as to believe that this project is something which the people do not want. The people do want it. I think it is only fair to say that we know this is a very popular project. It is considered necessary. It will be built eventually. I wish the committee would entertain the amendment. We are not asking for new money; we are simply asking for a transfer of funds to acquire the land while it can still be obtained before the options expire.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared on this matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF U.S. SENATOR J. GLENN BEALL BEFORE THE SENATE APPROPRIATIONS COMMITTEE ON SUBJECT OF GEORGE WASHINGTON MEMORIAL PARKWAY

Mr. Chairman, I appreciate being afforded the opportunity to appeal before your committee today on a matter of great importance.

On June 6, 1924 (35 years ago), Public Law 202 was approved, establishing the National Capital Park Commission. One of the purposes of this Commission was "to provide for the comprehensive, systematic, and continuous development of the park, parkway, and playground system of the National Capital."

Under the provisions of this law, the 71st Congress, in 1930, enacted the Capper-Cramton Act, setting forth as its first enumerated project the George Washington Memorial Parkway.

Some 35 years have passed, and we are still appealing to Congress for funds to initiate the development of a segment of this parkway.

I am here to appeal for a restoration of the $1 million deleted by the House from the 1960 budget of the National Capital Park and Planning Commission. Unfortunately, it was deleted after only minor opposition.

This is not a matter of merely local concern; it is of national importance.

The history of legislation pertaining to the parkway system for the Nation's Capital clearly indicates that it has always been the intent of Congress that the Federal Government should take an active and responsible part in the development of these projects.

Last year, I appeared before this committee to request $2 million to acquire land for the parkway in Prince Georges County. At that time, the county was not able to match the Federal share as required by the act. Times have changed. Prince Georges County now stands ready to match the Federal share of $1 million with an equal amount of their own funds.

The State of Maryland has kept faith with the Federal Government in the matter of its legislation authorizing the parkway development back in 1930. Abrogation of that agreement at this late date would be inconsistent with almost 30 years of planned development on other units of the parkway, and other development affected by the parkway authorization. The Federal Government is committed. To go back on that commitment is unthinkable. You and I know that sooner or later Congress will make good on this commitment.

And that brings me to my next point. In its report on H.R. 5915, the House committee includes the following statement regarding the George Washington Memorial Parkway:

"Although the desirability of these expenditures is not questioned, the committee feels strongly that there is no justification for making Federal appropriations for nonessential projects of this nature at a time when the Nation is faced with a critical budgetary situation."

If it is the budget that worries us, I suggest that we act now before the increasing costs of land acquisition become prohibitive. It is pennywise and pound foolish to take a program which for years has been recognized as a necessity and, through delay, change it into a costly luxury.

Mr. Chairman, let us be practical. At present, there are only six homes which will be affected on the lands proposed for the parkway between Woodrow Wilson Bridge and Fort Washington. If we allow another year to go by, it is estimated that 47 additional homes will be constructed on the lands included in the parkway right-of-way. The result is obvious. Acquisition costs will soar to a point where the county as well as the Federal Government will have to increase their contribution, possibly several times over.

Now, you and I know that some day this long-planned parkway will be finished; some Congress will make good on the tacit implication of that first authorization of long ago. What has to be decided by this committee and this Congress is: Will it be now, or later, when the cost will be much greater? Will the taxpayers damn this Congress for passing up the opportunity to complete this necessary project when the cost is low?

I ask this committee to restore the $1 million item in the budget of the National Capital Park and Planning Commission.

The PRESIDING OFFICER. Does the Senator from Maryland yield back the remainder of his time?

Mr. BEALL. I yield back the remainder of my time.

Mr. HAYDEN. Does the Senator from Maryland desire a vote on his amendment?

Mr. BEALL. I do.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland [Mr. BEALL].

The amendment was rejected.

FIRE CONTROL WORK IN ALASKA

Mr. BARTLETT. Mr. President, the distinguished junior Senator from Alaska [Mr. GRUENING] and I are very much concerned because the Bureau of the Budget did not request an additional $250,000 to be used for fire control work in Alaska.

The PRESIDING OFFICER. Does the Senator from Arizona yield time to the Senator from Alaska?

Mr. HAYDEN. I yield 5 minutes to the Senator from Alaska.

Mr. BARTLETT. This concern is shared by many national conservation groups. Now they have learned that the bill was reported without the quarter-of-a-million-dollar item.

There is a very urgent need for an additional quarter of a million dollars to be added to the recommended amount of $387,900 for the management of land resources under the Bureau of Land Management, so that this activity can be maintained at such a point that realistic work may be accomplished.

The chairman of the committee may recall that 2 years ago, during the time when more than 5 million acres of timberland in the interior of Alaska were burned over, Congress, through action initiated in this body, added $250,000 to the Department of the Interior Appropriation Act for the fiscal year 1959.

Mr. HAYDEN. I remember that.

Mr. BARTLETT. With that added appropriation, some very effective work was done. With that added sum, the 1958 fire loss was decreased to less than 1 million acres.

It should be remembered, in this connection, that the interior of Alaska contains about 230 million acres of good stands of commercial tree species, such as birch, poplar, aspen, and spruce. If the $250,000 is not obtained for the fiscal year 1960, it will be necessary to eliminate the smoke-jumping program, and other cutbacks will have to be made.

The Department of the Interior had planned to move forward aggressively this summer in controlling the devastating fires which have raged, especially in the past several years, through the interior of Alaska. The radio communications program will have to be postponed, and other segments of the fire prevention program will have to be stopped. The goal of the Department in Alaska is to restrict fire damage to 100,000 acres a year, instead of the present average of a million and a half acres. The increase requested would bring the cost of the program to $637,900. This, I believe, as does my distinguished colleague, is the very minimum amount which is needed to permit this excellent program to be continued as it ought to be. I express the hope that the committee will favorably consider this item, in the next supplementary appropriation bill.

Mr. HAYDEN. On its face, this appears to be an emergency program which ought to be cared for. Unfortunately, we did not have a budget estimate for it. Ordinarily, the Bureau of the Budget has been very responsive to requests which relate to the protection of forests against fires. In the first place, the law allows an appropriation to be used, before it is used for any other purpose, to fight fires, then reimbursement is made afterward. But in this instance such a good case has been made that I hope when a supplemental bill comes before us, there will be recommendations from the Bureau of the Budget on this matter.

As I have explained to the Senator from Alaska, it is the purpose to keep the appropriation provided in this bill within the amount recommended by the Budget Bureau. That is one of the reasons why this item is not included.

Mr. BARTLETT. I am very happy to have that statement from the distinguished chairman of the committee. Not only are tremendous stands of timber being destroyed by fire, but much wildlife also is being destroyed at the same time.

Mr. GRUENING. Mr. President, I heartily second what my senior colleague has said. Alaska is a natural resource country. If we do not preserve its resources now for future generations, we will commit a great crime against the conservation program.

Alaska is fortunate in that its coastal forests do not need the type of fire protection which many other forests need, because of the heavy rainfall along the coast. But the interior forests, which are under the direction of the Bureau of Land Management, have suffered terrific losses. In recent years, great progress has been made toward preventing them. The smoke jumpers are a great help in the prevention of the spread of fire.

If we can get the additional appropriation, it will be possible to conserve not only the timber resources, but also the wildlife resources.

I greatly appreciate the sympathetic comment made by the chairman of the committee. I hope that in the supplemental appropriation bill it will be possible to secure a remedy for this condition.

RESTORATION OF FORD'S THEATER

Mr. YOUNG of North Dakota. Mr. President, I would not want the opportunity to pass without expressing my deep appreciation to the chairman and all the members of the Committee on Appropriations for the inclusion of $200,000 for the restoration of Ford's Theater.

When I first came to the Senate more than 14 years ago, I thought what a pity it was that one of the most historic sights in the city of Washington, and one of the most interesting ones, was allowed to deteriorate and was not restored.

Some may think it might be best to wait a few years to restore Ford's Theater, but I understand the upper

floor and other parts of the building is in such bad condition that it can no longer be used. If we waited only a few years more, it would be impossible to restore this historic, interesting sight. The $200,000 will permit the architectural work to be done and the necessary historical research that will provide for the letting of contracts for the construction work. I appreciate the inclusion of this item.

Mr. President, one person who has been greatly interested in the project—in fact, he first aroused my interest in it—is Mr. Melvin D. Hildreth, Democratic national committeeman for the District of Columbia, a former North Dakotan, and one who is as enthusiastic about this project as I am myself.

Mr. HAYDEN. This is a very meritorious project.

Mr. NEUBERGER. Mr. President, will the Senator from Arizona yield a little time to me, so that I may ask him one or two questions?

Mr. HAYDEN. I yield 5 minutes on the bill to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes on the bill.

Mr. NEUBERGER. Mr. President, I thank the Senator from Arizona. I am always grateful to him for the courtesies he extends, because I find that he knows more about the details of the Pacific Northwest region in which I was born and raised than I, myself, do.

I particularly wish to ask about an issue in the great Pacific Northwest that has caused us some concern. As the able chairman of the committee knows, a rather drastic termination program was put into effect on the vast Klamath Indian Reservation, in southeastern Oregon. This reservation has supplied approximately 4 billion board feet of timber over the past years, and another 4 billion board feet of timber presently is growing there. As a result, many sawmill and lumber operations in southeastern Oregon have become dependent on the log supply in the Klamath Reservation.

Today, however, the entire program is in hiatus, and has been placed in abeyance, pending the sale of the timber either to the Federal Government or to private buyers who might operate it under sustained yield. Therefore, the situation is that in the next year, these timber sales in the Indian reservation, on which the southeastern Oregon area has been relying, may not take place.

The sole alternative, in order to keep the sawmills in operation and in order to keep on the payrolls those who are employed by the mills, is to have additional stumpage put up for sale in the contiguous national forests, namely, the Fremont, Rogue River, and the Umpqua forests.

Does not the chairman of the Appropriations Committee agree that the Department of Agriculture and the Forest Service should give their sympathetic consideration to using such timber funds as they have, in order to put up for sale additional stumpage in these national forests, so as to take care of the gap when the Klamath Indian Reservation may not put up stumpage for competitive bidding?

Mr. HAYDEN. The testimony received before our committee from residents of that area indicates that such action is clearly necessary.

Mr. NEUBERGER. Let me say that it is my hope to appear before the committee and present to it testimony which will clearly show that funds should be allowed for additional timber stumpage in that area.

Mr. HAYDEN. As I have stated, the committee will consider funds to implement the program for the national forest, which includes a substantial sum for additional timber sales.

Mr. NEUBERGER. Mr. President, I appreciate the statement of the Senator from Arizona, because the matter is of urgency in the southeastern area of Oregon and in the Klamath Basin.

I also wish to express to the chairman of the committee my appreciation for the addition of an item of $591,000 for weed control. I hope this item will cause the Department of the Interior to move forward with a more adequate program in this area.

The Senator from Arizona mentioned the necessity for more adequate development of our forests, as regards both range improvements and timber management. I know the Nation is fortunate in having at the head of the important Appropriations Committee of the Senate one who understands so well our national forest needs. He understands very well, indeed, the whole general problem; and it is heartening to me to know that funds to get this great program underway will be definitely provided.

Mr. MONRONEY. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. MONRONEY. I have had the privilege of speaking several times with the distinguished chairman of the committee in regard to the building which is badly needed for the Bureau of Mines, at Bartlesville, Okla. The chairman of the committee has informed me and my constituents that an item for this project is not contained in the President's budget. I should like to ask a question in this connection. I understand that the failure of the committee to include in the bill an item for this project is not based on lack of need, but is merely for the reason that the committee did not wish to include in the bill items which were not budgeted this year.

Mr. HAYDEN. That is correct. The project itself is meritorious; and I hope we can obtain a budget estimate for it.

Mr. MONRONEY. I thank the Senator. The plans are not yet completed, but we anticipate that a budget estimate will soon be forthcoming.

Mr. HAYDEN. There is need for the plant, and it should be provided for in due time.

Mr. MONRONEY. We have some of the greatest experts on the recovery of oil that I think can be found anywhere in the world. The lack of facilities for the carrying on of this work and to make it available to oil producers throughout the Nation is costing us more money than it is saving. So I appreciate the assurance by the chairman of the committee that when an item for this project is budgeted, it will be carefully and favorably considered by the Appropriations Committee.

Mr. HAYDEN. Certainly.

Mr. MORSE. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield to the Senator from Oregon such time as he may desire.

The PRESIDING OFFICER. The Senator from from Oregon is recognized.

Mr. MORSE. Mr. President, in the supplemental appropriation bill for 1959, $100,000 was requested by the administration, and was granted to accelerate timber sales on Oregon and California lands. A new inventory raised the allowable cut from 750 million board feet to 1 billion board feet. There is pending in the Budget Bureau a departmental request for $600,000 for 1960, so that the full 1 billion board feet can be marketed. By its action in granting $100,000 for the fiscal year 1959, the Congress permitted the Bureau of Land Management to step up its operation. Until the additional $600,000 is provided for 1960, the Bureau of Land Management will have to curtail timber sales, and may have to lay off people just hired.

With that as a background, I wish to ask a question of the chairman of the committee; and again I wish, in behalf of our Oregon congressional delegation and in behalf of the people of our State, to thank the Senator from Arizona for the exceedingly fine job he has done again, this year, on this appropriation. My question is as follows: Will the chairman inform me, so that I may inform my people, why the committee did not add an item of $600,000 for timber sales, since this appropriation would bring five or more million dollars into the Treasury from the sale of timber?

Mr. HAYDEN. We decided that, rather than approach the matter piecemeal, we would try to do our very best before this session is over to have a forest program adopted. Of course, the Senator from Oregon is familiar with that matter. Of course, the item the Senator from Oregon has mentioned would not be in the forest service program. However, I have high hopes that a supplemental request for funds for the Bureau of Land Management forestry program will be submitted.

Mr. MORSE. I should like to ask one more question, in order to make sure that I understand the Senator from Arizona. I understand that the reason why the $600,000 item for the timber sales was not included in this appropriation bill was that the committee believes we should handle all these forestry problems in separate proposed legislation on the floor of the Senate.

Mr. HAYDEN. Yes.

Mr. MORSE. Then, I understand that it is the anticipation and expectation of the chairman of the committee that before this session of Congress adjourns, we shall have before us such an overall forestry program, and that program will include this item. Is that correct?

Mr. HAYDEN. I sincerely hope that will happen, because evidently in this situation the Bureau of Land Management is in the same fix as is the Forest Service.

Mr. MORSE. Mr. President, I wish to commend the chairman of the committee for including in the bill the item of $591,000 for weed control, which was added to the program, in order to bring it up to date or, at least, up to last year's level. That is very important, I believe, for the Bureau of Land Management program.

I also wish to commend the chairman of the committee and the other members of the committee for their action in making a full 25 percent of the counties' share of receipts from Oregon and California lands available for access roads.

Mr. HAYDEN. We thought we had better handle the matter in that way, rather than specify it in terms of dollars.

Mr. MORSE. As the Senator from Arizona knows, the Senators from Oregon and the Members of the House of Representatives from Oregon have for years worked long and hard on the problem of access roads. In fact, I look upon this issue as one of those for which I have fought hard for 15 years in the Senate. I know that the counties in my State will be very much gratified by the action of the committee. They will continue to work with the Bureau of Land Management. I think this is another excellent example of how Federal and local governments can cooperate, particularly under the leadership of such a statesman as the Senator from Arizona.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the junior Senator from Oregon.

Mr. NEUBERGER. I thank the Senator. I have spoken several times to the chairman of the Appropriations Committee and to certain members of it with respect to funds for starting development for the new Fort Clatsop National Memorial at the mouth of the Columbia River, the site of the winter camp of Lewis and Clark, who were the first Americans to go west with our flag. This is the first national historic shrine anywhere on the epic trail of Lewis and Clark. We regard it as very important to our entire region.

I should like to ask the chairman of the committee if it granted the full amount requested by the Bureau of the Budget and by the administration for the start of the Fort Clatsop work. It was my understanding the amount was $157,200.

Mr. HAYDEN. The full amount requested was allowed.

Mr. NEUBERGER. I thank the chairman. I am very pleased with the action of the committee. I know my whole State shares this gratitude and appreciation for so well providing for Fort Clatsop.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. MUNDT. Mr. President, one of the enduring problems before the Interior Subcommittee of the Committee on Appropriations is that growing out of the fact that this country has never fully redeemed its responsibility to the American Indian. We have appropriated the money requested by the Indian Bureau for the Indian Bureau facilities on the various reservations, in Washington, and in the regional offices, and we have done what we could to be helpful; but we have never really provided the red man with the white man's opportunity, to which he is entitled.

One of the things this bill does, and I call it to the attention of the Senate and the country, is to accentuate a program to which the committee has been devoting increasing emphasis every year. There is a realization that providing economic and educational opportunities to the Indians, young and old, year after year, is the final answer to giving them a chance to take their place and earn his livelihood in non-Indian communities.

When I first came to the Senate from the House and started my duties with the committee, I recall that in examining into the justifications for the various items, it was with a real sense of shock I discovered only $25,000 a year was being made available by the U.S. Government for the education of Indian high school graduates who might need assistance in trying to acquire higher eduaction.

Mr. President, I have devoted much study to this problem. I have worked with Hildegard Thompson, Chief of the Indian Bureau, Education Branch, the chairman of the committee, and members of the committee, in trying to correct what seemed to me to be a very glaring injustice caused by the failure on the part of the United States to make higher education available to young Indians who had the aptitude to meet the necessary requirements.

We have made some progress in the course of the last 8 or 9 years, because, instead of spending only $25,000 for higher education for Indians, in the current year the program has been increased to $145,000 for grants to Indian students to attend institutions of higher learning.

There has been slow progress in expanding the funds, and in the appropriation bill now before the Senate, which is about to be approved, there is proposed a total of $250,000 for the program 10 times as much as what the item was when we started trying to move in the direction of granting Indian boys and girls an opportunity to obtain college education.

Mr. President, the results of the program have been excellent. Indians who have been educated beyond the high school level not only become self-supporting, but they help other Indians to find opportunities off the reservations and to become assimilated more fully in non-Indian communities and in non-Indian occupations.

One of the gratifying concomitants of this expanded attention Congress is paying to the education of Indians is the fact that private groups, eleemosynary institutions, and a number of State governments themselves are now adding to Indian scholarship funds. I am proud to report that the State of South Dakota is high on the list of the States which have recognized their portion of the responsibility and have provided public funds to make available educational opportunities beyond the high school level for talented Indian boys and girls.

A close collateral of this program has been the stepping up of on-reservation education made available to adult Indians, some of it vocational education in nature, some for providing Indians an opportunity to learn the alphabet, to learn some basic English, the rudimentary features of simple arithmetic, so they can do more toward earning their own living, and provide better conditions in which young Indians can grow up. There has been an increase from $200,000 to $400,000 to provide this on-reservation adult education program.

Mr. President, these are small items compared to the total cost of operating the Indian Bureau and the whole Indian program, but they are the types of programs which look to the final conclusion of the whole problem and its termination. The discontinuance of living solely on Indian reservations, as it has been perpetuated for so long, can best be brought about by providing better educational and economic opportunities for all Indians.

Mr. President, this stepped-up program moves in the right direction. It moves slowly, but it does move in the direction of shrinking the problem every year.

If we will step up this fund year by year, as we have been doing for some time, it will not be too long before we can start decreasing by millions of dollars sums appropriated for the other operating features of the Indian programs and the operation of the Indian Bureau.

Along with this program, as a third facet of the approach to solving the Indian problem, is an item that provides for the relocation of energetic and competent Indians from the Indian reservation and helping them establish homes in communities where there are occupational opportunities for them. This relocation program has amply justified itself by virtue of the fact that, increasingly, young Indians seek the opportunity to move, with the assistance of Uncle Sam, from the reservation into non-Indian communities. They have proved themselves to be good workers, energetic workers, loyal workers, and skilled workers, as a result of the Indian Bureau giving them a little initial assistance to become assimilated in non-Indian communities, and they are now making their livelihood in great employment centers such as California, Detroit, Chicago, and some of the smaller communities of the country.

I simply wanted to call this matter to the attention of the Congress and the country, so, as we do this, we may know what we are doing and why we are doing it.

I hope we may have some influence with our colleagues in the other body, so that at conference we can hold these

modest gains which have been made, because providing this kind of economic and educational opportunity for Indians is the only way we are going to eliminate and eradicate the problem which has already been with us at least a century too long.

It is unfortunate that at least a century ago those who held the positions which we now hold did not find a better means of providing justice and equity for the Indians than the programs which have been so formalized, crystallized, and traditionalized that we simply have tended to accept them year after year doing little to improve them or to decrease their size or diminish their cost.

We should look ahead. We should set up forward-looking programs. We should provide educational and economic opportunities—the magic carpet on which the Indian families can be lifted out of their environment and placed in an area of opportunity. By doing this we shall move in the direction of a permanent solution to the Indian problem, and recognize the debt we owe the Indian, without treating him as an orphan or somebody not qualified to participate in our American society.

The higher educational program—and I hope increasingly, Mr. President, the whole Indian educational program—is not, should not be, and must not be the type of educational program designed to teach the Indian to be an Indian and to relive the life of his ancestors, simply to be content with the culture of the past.

This whole family of programs is designed, Mr. President, to provide the Indian with a look ahead, to permit him to achieve opportunities for the future.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. Mr. President, I yield myself 5 additional minutes.

Opportunity for Indians should be afforded in non-Indian communities.

I can think of no greater evidence of an unpaid debt America has than the fact that we have not dealt justly, equitably, or adequately with those early Americans from whom we, as aggressors, took this country in the past.

We will do better, I think, in our international councils if we come into the court of public opinion with clean hands. Instead of simply criticizing current aggressors who do wrong we should correct the injustices of our own aggressions of the past.

I hope that my colleagues in the Senate who have friends in the other body will encourage the fine Members of that body to go along with the Senate in support of the increases we have provided, which will help for the future. We should not spend all our money in perpetuating problems of the past.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. LANGER. I compliment my distinguished colleague for what he has just said relative to the Indian youth. As a member of the committee which deals with juvenile delinquency, I went to North Dakota to examine into the situation.

The State of South Dakota, which is the State of my distinguished colleague, has done a great job in helping the Indians acquire better education.

In North Dakota, as the Senator from South Dakota knows, we have a scholarship fund for use by any Indian who graduates from high school and wishes to go to college. This makes it possible for an Indian to receive $400 or $500, to be paid by the State of North Dakota.

There have been great advances in Indian education in my State. Only a short time ago I appointed to West Point one of the Indians from the Standing Rock Reservation. That is a reservation in North Dakota adjoining the State of South Dakota. I appointed to West Point a young boy who lived at Fort Yates, N. Dak. He passed the examination away ahead of any of the others who took the examination. I believe he was the first Indian to be appointed to West Point.

I wish again to compliment the distinguished Senator from South Dakota. Under his leadership I think the Indians of the Standing Rock Reservation—and, for that matter, other Indian tribes—are progressing very well.

Mr. MUNDT. I thank my distinguished colleague. Any student of Indian affairs knows that the American Indian has never had a better friend, one with a warmer heart, than the distinguished Senator from North Dakota. I appreciate deeply what he has had to say on this subject, which is a subject too frequently neglected, because it has become localized in the thinking of only a few States of the Union.

This remains a national problem, to be solved by the good science and wise judgment of people operating at the national level and in the national administrative branches of Government.

Mr. President, speaking for the minority, I am prepared to yield back the time remaining to me, if that is the desire of the chairman of the committee.

Mr. HAYDEN. Mr. President, I believe there are a few Senators who desire to speak or ask questions.

Mr. MUNDT. Mr. President, in that event I withhold yielding back the time remaining to me.

Mr. CLARK. Mr. President, will the Senator from Arizona yield to me so that I may ask some questions about the bill?

Mr. HAYDEN. I yield to the Senator from Pennsylvania.

Mr. CLARK. I thank the distinguished chairman of the Committee on Appropriations very much. I should like to invite the Senator's attention to the item for the Independence National Historical Park in Philadelphia. It is my understanding that the House cut the appropriation to $850,000, but that the Senate committee restored the appropriation to the full amount requested in the budget estimate.

Mr. HAYDEN. The budget estimate was $1,564,317, and the committee recommended that sum.

Mr. CLARK. The entire amount requested by the Budget Bureau has been granted by the Senate committee?

Mr. HAYDEN. That is correct.

Mr. CLARK. I observe that my colleague from Pennsylvania has just joined us on the floor.

I should like to invite the attention of the distinguished chairman of the Committee on Appropriations to the testimony, which is printed at page 915 and following of the transcript of the hearings, given by the Hon. Richardson Dilworth, the mayor of Philadelphia.

In his testimony Mayor Dilworth pointed out the really shocking condition of the buildings in the Independence National Historical Park, particularly Independence Hall itself and the old Congress Hall, but in general a number of additional buildings in the area.

As the Senator will recall, there is a long-range project to complete the Independence National Historical Park, in conjunction with the State development in the State mall and the work the city of Philadelphia is doing in the area.

Mr. HAYDEN. It is to be a cooperative undertaking.

Mr. CLARK. The Senator is correct. When Mayor Dilworth testified he stated he had made a personal inspection of the area and that it really was in deplorable condition, largely because funds had not been appropriated by the Federal Government to move the project ahead as fast as was desirable. Mayor Dilworth stated that the city of Philadelphia and the Commonwealth of Pennsylvania had moved ahead with their parts of the project.

I raise the question on the floor of the Senate because 2 weeks ago I went to the historical park myself to check on what the mayor had said. It is true that visitors are not presently allowed to go on the second floor of Independence Hall, because it is considered to be unsafe, since the floors may crack and fall in. There is a large part of the rest of the building which is roped off, and visitors are not permitted in that portion.

There are a few structures in the area in which windows have been broken, and those in charge are awaiting some money to restore them and to clear the rubble away.

As Mayor Dilworth said in his testimony, this part of our Nation's primary shrine, where the Declaration of Independence was signed and the Constitution of the United States was adopted, looks like London after the buzz bombs fell.

I appreciate the difficulties the Senate committee has in increasing an appropriation over what the Bureau of the Budget has requested. I wish to thank the chairman of the committee and his colleagues for restoring the cut which was made by the House of Representatives.

I hope, when we are faced next year with another appropriation bill, the administration will take into account how pennywise and pound-foolish it is to leave this area of a national shrine in the pock-marked condition it is now and to be so niggardly as not even to ask for enough money to shore up the walls and floors of these historic buildings.

As Mayor Dilworth said, there are hundreds of thousands of tourists and schoolchildren who look at this great historic building throughout the year,

and they find it in the shocking condition of disrepair I personally found it to be in when I went there 2 weeks ago.

I hope the Senator will concur with my view, and that the committee next year will be far more generous in providing appropriations. I hope the committee will look with favor upon this matter.

Mr. SCOTT. Mr. President, will the distinguished Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. SCOTT. I agree with my colleague, the senior Senator from Pennsylvania that this first and greatest of all national shrines, Independence Hall, should be completed at the earliest possible date. We have been saying this for many years. I was a coauthor of the bill making Independence Hall a historical park when I was a Member of the other body, together with my next door congressional neighbor, Representative Hardie Scott. The bill passed in that Congress in 1947 or 1948, and in subsequent years appropriations have been made. As my colleague said, not only have appropriations in this administration been too small, but they have always been inadequate. Had we had adequate appropriations earlier, in the very first days of this project, and consistently throughout up to the present time, the total cost of the project would have been less, and a great deal of money would have been saved the taxpayers. If we do not have adequate appropriations now and in the immediate future, the ultimate cost will, of course, be much greater, as I am sure the Senator from Arizona will agree.

I hope the Senator and his colleagues on the conference committee will do everything within their power to retain the restored funds for Independence Hall. The senior Senator from Pennsylvania and I will be there on the 4th of July, along with the junior Senator from Alaska [Mr. GRUENING]. On that date I shall have the honor of presenting, on behalf of the President of the United States, the 49-star flag, which will be flown from Independence Hall. It will then be taken by the junior Senator from Alaska to Juneau and flown from the State Capitol of Alaska, and then placed in the Alaska State Museum.

On that date, I regret to say, we shall be unable to show a completed shrine.

I do not agree with the senior Senator from Pennsylvania when he says that the site looks like a bombed-out area. That has been a favorite expression of the mayor of our city. The press have pointed out that the area looks very well. There are some cleared and vacant sites, but the area no longer looks like rubble or devastation. However, it does need further landscaping and final construction.

I wish to pay tribute to the Department of the Interior in previous administrations and in this administration, particularly to Conrad Wirth, the head of the bureau involved, and to Secretary Seaton, for their cooperation at all times. I also pay tribute to the State administration for its cooperation.

This is America's shrine, and it is our obligation and that of the executive department to see that it is made a beautiful and completed shrine as soon as possible.

Mr. ANDERSON. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. ANDERSON. I should like to ask the able Senator from Arizona a couple of questions. First I should like to make a preliminary statement leading up to the questions.

There is contained in the Interior Department appropriation bill an item of $413,149 for the National Park Service to use in archeological investigations and salvage. The budget estimate was $358,149. I refer to page 13 of the Senate report and note that $50,000 was added by your committee for expediting work in the reservoir areas of the upper Colorado River storage project. I am sure everyone in that area is deeply indebted to the Senator from Arizona and his colleagues on the committee for providing that money.

There is no breakdown as to how much of this money would go to Glen Canyon, Navajo Dam, or to Flaming Gorge. It is my understanding that originally it was thought that most of the archaeological investigations and salvage work would be in the Glen Canyon Reservoir. I am now advised that the survey work in connection with sites behind Glen Canyon Reservoir has been completed and that a good many fewer sites were found than was anticipated. The salvage work at Glen Canyon is now underway.

The survey work at Navajo Dam is also in progress, and the archaeologists have now discovered that there are many more sites to be checked than was first anticipated. In fact, it has been represented to me that there are approximately 200 known sites at Glen Canyon Reservoir and that they now expect between 700 and 1,000 sites to go under water in the Navajo Reservoir.

Mr. Wayne Mauzy, director of the Museum of New Mexico, and Mr. Fred Wendorf, associate director for research, have advised me that they have word that the work on Navajo Dam is progressing exceptionally well and that the contractor's closing date is about April 1961.

In the past the bulk of the appropriated funds for salvage in the Upper Colorado River program has been allocated to Glen Canyon primarily because it was to be finished first and it was anticipated that the bulk of the work would be there. The present prospect is that the Navajo Dam will be finished at about the same time as Glen Canyon.

On May 12, 1959, I transmitted to the Committee on Appropriations copies of letters and telegrams from officials of the New Mexico Museum setting forth these facts and requesting additional funds for the New Mexico work. I am very happy to see that the Senator's fine committee recognized the need for stepping up the work.

I desire to ask the Senator from Arizona two questions. The first is, Has the Committee directed the Department of the Interior to allocate a specific amount of this increase to each of the projects in the upper Colorado River project?

Mr. HAYDEN. We increased the amount, as the Senator has indicated, but it is to be utilized wherever needed, in the judgment of those who are engaged in the work.

Mr. ANDERSON. In view of the changed conditions as compared to what they were thought to be in the beginning, does not the Senator feel that the bulk of the funds should go where the bulk of the work is to be done?

Mr. HAYDEN. Certainly. As I understand, the work has progressed ahead of any water stored at Glen Canyon, and substantially ahead of any water which may be stored at the Navajo Dam. The same thing is true with respect to the Flaming Gorge Dam in northern Utah. The objective of the committee is to provide sufficient money each year to keep ahead of the water. I think we have provided it this year, and I am confident the committee will continue to do so.

Mr ANDERSON I thank the Senator from Arizona. I know that my colleague, the senior Senator from New Mexico [Mr. CHAVEZ] is well acquainted with this project, and that he can give the Senator from Arizona more information about it. I am very happy that the two of them are carefully watching the situation.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CHAVEZ. I am glad the Committee on Appropriations recommended an appropriation of $160,000. Now an amendment has been accepted increasing the appropriation by $50,000, making a total of $210,000.

Mr. HAYDEN. That is correct.

Mr. CHAVEZ. The question I should like to ask the Senator from Arizona is whether he has enough information from the Interior Department at the moment at least to make my colleague and myself, as well as the people of New Mexico, feel confident that there is sufficient money available to keep the survey ahead of inundation.

Mr. HAYDEN. That is exactly what the committee intended to do, and I believe it has done it. Sufficient money is provided in the bill to continue the program at the three dams at a pace that will allow the Park Service to make these investigations before water is stored.

An additional $50,000 was placed in the bill to make sure that that would be done in connection with these three dams.

Mr. CHAVEZ. The additional money is based upon information received from the archeological survey, is it not?

Mr. HAYDEN. Yes.

Mr. CHAVEZ. The thinking of the committee is based upon information from the Interior Department.

Mr. HAYDEN. We have been assured that the amount recommended will be sufficient to keep ahead of the gradual rise of water when impounding takes place.

JEFFERSON NATIONAL EXPANSION MEMORIAL PROJECT, MISSOURI

Mr. HENNINGS. Mr. President, for more than 20 years the people of Missouri have been looking forward to the completion of the Jefferson National Expansion Memorial project.

The Jefferson National Expansion Memorial Association was organized by the citizens of St. Louis in April 1934 to promote the construction of a permanent memorial on the site of old St. Louis. The target date for the completion of the memorial is 1964—the 200th anniversary of the founding of St. Louis, the "Gateway of the West." The Riverfront Memorial will also commemorate the fortuitous Louisiana Purchase of 1804 by President Thomas Jefferson. St. Louis envisions the completion of the Jefferson National Expansion Memorial with its beautiful park, buildings, and arch, as one of the foremost attractions in the city. It will bring millions of visitors to St. Louis.

I feel very close to this project. I, myself, pushed through the first authorization of the Jefferson National Expansion Memorial project in St. Louis. I introduced the authorization bill into the Senate on February 18, 1953. I organized the hearing at which prominent officials from St. Louis and East St. Louis appeared.

Federal funds are expended by the United States for construction of this Memorial in the ratio of $3 of Federal funds for each $1 of money contributed by the city of St. Louis.

In order to achieve an orderly schedule of work and to expedite the completion of the memorial by 1964, a Federal appropriation of $2,490,500 for fiscal year 1960 was required. This amount, plus the city of St. Louis' matching funds of $633,500, would have made up the needed total. The program of work which should have been undertaken in fiscal year 1960, if funds were available, include a visitor's center, circulation stairs, corridors, washrooms, utilities, site work, walks, and the substructure of the arch.

I, strongly urged the Committee on Appropriations to give serious consideration to the appropriation of the sum which could be effciently utilized for the development of the Jefferson National Expansion Memorial in the coming year. The committee did not do so.

With all due respect to the committee's judgment, I am sure the people of Missouri are disappointed. I am sure they wonder if another 20 years will pass before the Jefferson National Memorial Expansion project is a reality.

Mr. SYMINGTON. Mr. President, the 1960 Interior appropriation bill now being considered by the Senate contains an item of $133,486 for the Jefferson National Expansion Memorial on the riverfront in St. Louis, Mo.

The senior Senator from Missouri [Mr. HENNINGS] and I, along with the Representatives from the St. Louis area, recently addressed a joint letter to the distinguished chairman of the Appropriations Committee pointing out that $2,491,100 additional was needed on this project in the fiscal year 1960 appropriations bill.

Based on assurances by the National Park Service that enough funds were presently available to continue work on schedule until after January 1, 1960, the committee did not recommend the additional appropriation request.

We do not take exception to this action, but we do ask the Bureau of the Budget and the committee to review this matter during the fall in order that such additional funds as can be used may be included in the first supplemental appropriation request after January 1, 1960.

Mr. President, I ask unanimous consent that the letter to the chairman of the Senate Appropriations Committee dated May 14, 1959, with reference to the Jefferson National Expansion Memorial project, be inserted at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 14, 1959.

The Honorable CARL HAYDEN,
Chairman, Appropriations Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Jefferson National Expansion Memorial, on the west bank of the Mississippi River at St. Louis, Mo., is now in the process of construction. When completed, this beautiful memorial will mark the gateway to the West and stand as a symbol of the migration which began at St. Louis early in the 19th century.

During the last session, the Congress authorized the expenditure of $17,250,000 as the Federal contribution toward completion of this project. The city of St. Louis stands ready to provide $1 for each $3 the Federal Government contributes for developing the memorial. The municipal bond issue to provide these funds was voted in 1935.

In 1936 the National Park Service acquired the 82-acre plot on the riverfront as the site of the Jefferson National Expansion Memorial. After much delay, the architectural plans were completed in 1948. Since that time many attempts have been made to begin construction.

During the past few months construction work has been in progress. The National Park Service has advertised for bids for the necessary railroad relocation project, the contract will be awarded on June 15, and ground breaking will take place on June 23.

The money currently available for the memorial project is $4,020,000, made up of $2,640,000 of Federal appropriations, $880,000 of matching funds from the city of St. Louis, and $500,000 from the Terminal Railroad Association.

Reports from the National Park Service and Mayor Raymond R. Tucker, of St. Louis, who has been working closely with the Park Service on this matter, indicate that the bulk of presently available funds will be obligated by the end of the present fiscal year.

A total of $4,144,600 of work could be undertaken during fiscal year 1960 if funds were made available. The schedule of such work is as follows:

Visitors' center and foundations, display rooms, assembly rooms and lobby	$2,195,000
Circulation stairs, corridors, washrooms	862,500
Arch substructure:	
Rock and earth excavation	240,350
Concrete work	299,000
Structural anchorages for arch	63,250
Elevator machine room and pits	69,000
Total	671,600
Utilities: Sewers, drains, water, power and light	230,000
Site work and walks	195,500
Total	4,144,600

Scheduling this work would require a Federal appropriation of $2,491,100 for fiscal year 1960. The city's matching funds of $633,500 plus $1,020,000 left from currently available funds would make up the total.

It is important that the Jefferson National Expansion Memorial project be maintained on schedule. The city of St. Louis remains an area of substantial unemployment. The April figures indicate that 5 percent of the labor force is without work. This is only 1 percent below the unemployment required for a substantial labor surplus classification.

The present construction schedule calls for completion of the memorial by the spring of 1964. We are very hopeful that this can be maintained or, if possible, accelerated. The year 1964 is the 200th anniversary of the founding of the city of St. Louis. Completion of the memorial on schedule would assure coordination with the local celebrations planned to mark this important anniversary.

Any delay in orderly construction of the memorial will, of course, seriously lessen the chances of meeting the schedule.

We respectfully request that your committee add to the fiscal year 1960 appropriations of the National Park Service the $2,490,500 needed to maintain the construction work for the Jefferson National Expansion Memorial on schedule.

Sincerely,
THOMAS C. HENNINGS, Jr.,
STUART SYMINGTON,
FRANK M. KARSTEN,
THOMAS B. CURTIS,
LEONOR K. (MRS. JOHN B.) SULLIVAN.

BOUNDARY WATERS CANOE AREA, SUPERIOR NATIONAL FOREST, MINN.

Mr. HUMPHREY. Mr. President, I was disappointed that the Committee on Appropriations did not include in the Department of the Interior appropriation bill any funds for the continuation of land acquisition within the Boundary Waters Canoe Area of the Superior National Forest, in Minnesota.

Congress has authorized $2,500,000 for land acquisition in this area. To date, $1,500,000 has been appropriated. This money has all been committed. About one-third of the private land still remains to be acquired.

In my testimony before the Interior Subcommittee of the Committee on Appropriations, I urged that $650,000 be appropriated so that the land acquisition program within Superior National Forest may continue without interruption.

Although this appropriation request was turned down, I am hopeful that the Committee on Appropriations will provide such necessary funds in a supplemental appropriation bill for fiscal 1960.

Mr. President, I ask unanimous consent that the statement which was presented to the subcommittee on this subject on behalf of myself and the junior Senator from Minnesota [Mr. MCCARTHY] be printed in the RECORD prior to the vote on the Department of the Interior appropriation bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY IN SUPPORT OF APPROPRIATIONS FOR LAND ACQUISITION WITHIN SUPERIOR NATIONAL FOREST

Mr. Chairman, I appreciate this opportunity to speak in support of an appropriation of at least $650,000 for the coming fiscal year for the program of land acquisition within

the boundary waters canoe area of the Superior National Forest in northern Minnesota. The denial of this appropriation will negatively affect the State of Minnesota, the United States, Canada, and thousands of natural forest lovers.

This program, as you know, is being carried out under the provisions of Public Law 733, approved June 22, 1948, and Public Law 607, approved June 22, 1956. The purpose of the program is to facilitate the acquisition of lands, the development or potential development of which will either impair or threaten to impair the unique qualities of the remaining wilderness area in the boundary waters canoe area.

This area comprises the northerly portion of the national forest adjoining the international boundary and consists of about 860,000 acres. The United States owns about 715,000 of these acres, the State of Minnesota owns about 110,000, and the balance is either privately owned or tax forfeited to the counties.

This beautiful expanse of forested lands has numerous large and small lakes interconnected by streams and waterways and is ideally suited for canoe trips of either short or extended duration under primitive conditions. The total effect of this area is that of an inspiring wild land environment. In this respect it is unique in this country.

The intent of Congress in enacting Public Laws 733 and 607 was to preserve the unique wilderness characteristics of the Superior National Forest. These acts authorize the appropriation of $2.5 million for land acquisition in the roadless area. Since 1948, Congress has appropriated $1.5 million for the acquisition of 37,289 acres either through purchase or land exchange. Included in this acreage were 21 commercial resorts, 29 other improved tracts, and a large number of unimproved properties.

Remaining are 32,000 acres which include some 15 commercial resorts, 65 other improved tracts, and about 15,000 acres of tax forfeited land held by the counties. The directives of the 1948 act call for the acquisition of this remaining land.

Mr. Chairman, I cannot overemphasize the importance of immediately acquiring this undeveloped and tax forfeited land. Any lag in the acquisition program will increase the possibility of the development of this now undeveloped land. Development or potential development will not only result in impairment or threatened impairment of this wilderness area but will result in an increase in the value of the land. It would be far cheaper to acquire these undeveloped lands now at their actual land value, rather than wait for them to be developed and then pay much more than their actual value.

In this connection, Mr. Chairman, I will point out to the committee that there has been a continual uptrend of prices of lands in this area due in part to the fact that properties, especially commercial properties, become fewer in the area as the purchase program progresses. Also, some owners continue to build on their holdings, thus increasing the prospective negotiation price. These trends are expected to continue unfortunately.

Here is another important factor favoring immediate acquistion: tax forfeited lands today are held by the counties. The Forest Service must consider this acreage as privately owned because the counties can at any time call it back to private ownership. Here again the cost of land is increased.

Mr. Chairman, these irrefutable facts are in themselves reasons for and ample justification for an adequate appropriation for land acquisition in fiscal 1960 within the boundary waters canoe area.

No funds were appropriated last year for this land acquisition program. However, I hasten to point out that this committee recognized the importance of completing this program and the necessity for funds and therefore approved an appropriation of $300,000. This was the same amount which the House Appropriations Committee had earlier deleted from the budget request for fiscal 1959. The Senate-approved request was ultimately killed in the conference committee, and the 10-year-old land acquisition program was left dangling in midair.

The House committee's action was reportedly taken on the grounds that sufficient funds could be carried over from the previous fiscal year and that deletion of the $300,000 for land acquisition would not seriously curtail progress under the program.

The fiscal year 1959 is quickly coming to a close, and the program—thanks to its supporters and administrators—has eked past impending disaster. But, Mr. Chairman, I can see no reason why this program should be placed in jeopardy in fiscal 1960 as a result of no appropriations.

There is no fiscal 1960 budget request for this program, Mr. Chairman, neither is there any explanation given for not appropriating funds to acquire the remaining land in the wilderness area. The House committee has refused once again to approve funds for the program.

I am not surprised that no explanations have been given because there are no sound explanations or justifications for this action either on the part of the administration or the House. As of July 1, 1959, there will be no funds available to cover the taking of any additional options on land in the wilderness area of Superior National Forest, and the argument presented last year—that sufficient funds could be carried over—cannot possibly be made this year. The Forest Service is out of money.

If sufficient money is not appropriated for fiscal 1960 and this program lapses, we will have to face several grave consequences. One, the Federal Government, by deferring acquisition of the remaining lands until a later date, will be making itself vulnerable to the expenditure of more money as a result of constantly rising prices; two, the people of Minnesota and the thousands of other visitors to this national forest will be sorely disappointed; and, three, the Canadian Government which is also undertaking a wilderness preservation program at the behest of our Government, may become disillusioned at our actions.

The Superior is adjoined on the north by the Quetico Provincial Park of the Province of Ontario which is managed so as to preserve its wilderness characteristics and fine recreation resources. To halt our program for as little as a year would, in my considered judgment, be a show of bad faith to our northern neighbors who are convinced that the United States is serious about carrying out its announced intention of preserving the wilderness characteristics on our side of the border and who have been encouraged by us to preserve their wilderness.

Mr. Chairman, a minimum of $650,000 is needed for land acquisition in the wilderness area in order to preserve the last remaining vestiges of true wilderness in the continental United States. I strongly urge this committee to insert into the Department of Interior bill an appropriation of this amount. I realize that in previous years this committee has looked upon this great program in Minnesota with favor, and I certainly hope the program is viewed with favor again this year.

Mr. HAYDEN. Mr. President, if there are no further questions, I yield back the remainder of my time.

Mr. MUNDT. Mr. President, we yield back the remainder of our time.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Michigan [Mr. HART], the Senator from Alabama [Mr. HILL], the Senator from Michigan [Mr. McNAMARA], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Indiana [Mr. HARTKE] and the Senator from Tennessee [Mr. KEFAUVER] are absent on official busines as members of the U.S. Committee of the Atlantic Congress.

The Senator from Mississippi [Mr. STENNIS] is necessarily absent.

I further announce that if present and voting, the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Michigan [Mr. McNAMARA], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Mississippi [Mr. STENNIS] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business.

The Senator from New York [Mr. JAVITS] is absent on official business as a member of the U.S. Committee of the Atlantic Congress.

The Senator from Nebraska [Mr. CURTIS] and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from South Dakota [Mr. CASE], the Senator from Arizona [Mr. GOLDWATER], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. JAVITS], and the Senator from Vermont [Mr. PROUTY] would each vote "yea."

The result was announced—yeas 82, nays 0, as follows:

YEAS—82

Aiken	Engle	Mansfield
Allott	Ervin	Martin
Anderson	Frear	Monroney
Bartlett	Fulbright	Morse
Beall	Gore	Morton
Bennett	Green	Mundt
Bible	Gruening	Muskie
Bridges	Hayden	Neuberger
Bush	Hennings	O'Mahoney
Butler	Hickenlooper	Proxmire
Byrd, Va.	Holland	Randolph
Byrd, W. Va.	Hruska	Robertson
Cannon	Humphrey	Saltonstall
Capehart	Jackson	Schoeppel
Carlson	Johnson, Tex.	Scott
Carroll	Johnston, S.C.	Smathers
Case, N.J.	Jordan	Smith
Chavez	Keating	Symington
Church	Kennedy	Talmadge
Clark	Kerr	Thurmond
Cooper	Kuchel	Wiley
Cotton	Langer	Williams, N.J.
Dirksen	Lausche	Williams, Del.
Dodd	Long	Yarborough
Douglas	McCarthy	Young, N. Dak.
Dworshak	McClellan	Young, Ohio
Eastland	McGee	
Ellender	Magnuson	

NAYS—0

NOT VOTING—16

Case, S. Dak.	Javits	Prouty
Curtis	Kefauver	Russell
Goldwater	McNamara	Sparkman
Hart	Moss	Stennis
Hartke	Murray	
Hill	Pastore	

So the bill (H.R. 5915) was passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. CANNON in the chair) appointed Mr. HAYDEN, Mr. CHAVEZ, Mr. BIBLE, Mr. MUNDT, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

Mr. JOHNSON of Texas. Mr. President, a number of appropriation bills are now in conference. I understand that the Presiding Officer has now appointed the conferees on the Department of the Interior appropriation bill.

Mr. HAYDEN. That is correct.

Mr. JOHNSON of Texas. Is the amount provided in the Department of the Interior appropriation bill greater or less than the amount requested by the Bureau of the Budget, or is it about the same as the Budget recommendation?

Mr. HAYDEN. On the face of the bill, it appears to be $8,890,375 below the Budget estimate. Five million dollars represents a change in the method of financing the construction of timber access roads on the revested Oregon and California railroad grant lands. The Budget Bureau proposed a direct appropriation of $5 million, and the committee recommended an indefinite appropriation equal to 25 percent of the receipts from the sale of timber from the lands referred to; less other charges against such receipts. So far as budget programs are concerned, the committee reduction is $3,890,375.

Mr. JOHNSON of Texas. As I understand, it is the view of the Senator from Arizona that the bill as passed by the Senate provides $3,890,375 less than the amount asked for by the President?

Mr. HAYDEN. That is correct.

Mr. JOHNSON of Texas. I thank the Senator from Arizona.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 643. An act to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938; and

S. 949. An act for the incorporation of the Ladies of the Grand Army of the Republic.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 7007) to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1094) to amend the Bretton Woods Agreements Act, and it was signed by the President pro tempore.

COMMENCEMENT ADDRESS BY SENATOR RUSSELL AT GEORGIA STATE COLLEGE OF BUSINESS ADMINISTRATION

Mr. TALMADGE. Mr. President, on Sunday, my colleague, the distinguished senior Senator from Georgia [Mr. RUSSELL] delivered the principal address at the commencement exercises of Georgia State College of Business Administration in Atlanta. His remarks constitute an eloquent and penetrating analysis of the problems and challenges of the future and clearly delineate the role which the younger generation must play in meeting them, if our Nation with its great heritage of opportunity and freedom for the individual is to survive in a world in ideological conflict. I ask unanimous consent, Mr. President, that the text of the address be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR RICHARD B. RUSSELL, OF GEORGIA, DELIVERED AT COMMENCEMENT EXERCISES OF GEORGIA STATE COLLEGE OF BUSINESS ADMINISTRATION, ATLANTA, GA., JUNE 7, 1959

It is a great privilege and a high honor for me to be here this afternoon to share briefly with you one of the memorable moments of your lives.

There is nothing that can quite compare with the excitement and exhilaration of a college graduation day.

It is a time of deep meaning and heady emotion. For some, graduation day is an occasion for great joy prompted by the hopeful anticipation of things to come. For others, it is a time of sadness filled with nostalgic memories of things past. For still others, it is a combination of all these things.

But for all, graduation day is a major milepost and crucial turning point in life.

For many of you who are going forth from this institution, graduation day has an even greater meaning. It is a victory—a great personal triumph—for you young people who have been willing to work, struggle and sacrifice in order to obtain a college education.

I know that many of you are older and more mature than the average college graduate. Some of you have borne the responsibility of families while you have followed your course of instruction. Others of you have already gone about your life's work, and the training you have received here is but a part of a pattern you have already established.

I know also that most of you have obtained your college education the hard but superbly noble way—by making a living for yourself and often for a family at the same time that you have successfully completed a demanding course of study.

These circumstances give you a preeminent place among college graduates. And they give graduation day a deeper and fuller meaning for you than perhaps for some who have reached this point in life by an easier road.

I congratulate you for the academic honors that are being bestowed upon you today.

But, more than that, I commend and salute you for the courage, determination and perseverance that have made these honors possible.

Your dedicated labors to improve and advance yourself through learning are in the best American tradition.

Seeing this fine graduating class of 1959 makes me realize more strongly than ever the rich contribution that Georgia State College is making to all our lives and to the development of the resources of our State. This school—and the men and women who have attended it—have had a marked influence on the business and commercial life of our State.

But the worth of Georgia State College cannot be measured solely in economic terms. It is adding richly to the cultural, intellectual, and moral qualities of our State and Nation through its educational program that blends the practical with the academic.

Most of you have followed a course of study here that will equip you for careers in business and commerce. But you are fortunate to have attended a school that teaches you that there are other things in life besides making money.

We live in a complex and fast-moving age—an age of technicians, of regimentation, of automation. In such an age, it is sometimes easy to forget that the most important values of life are the spiritual and moral qualities of man. We dare not neglect the fullest development of those qualities. If we do, we will risk making of man a mere machine rather than exalting him as an individual being worthy of his inherent dignity and his immortal soul.

There are powerful and insidious influences at work in our modern society that downgrade the individual man and elevate the mass man. It is a process of pulling all men down to one common denominator.

The apologists for this upside-down philosophy insist that all men must make their lives conform to certain arbitrary standards of conduct and sameness. It is a leveling philosophy which makes for some strange and strained relationships between man and man. We are even told by certain modern psychological authorities that unless all individuals are made to conform to the same rigid standards of sameness that some will suffer from inferiority complexes.

The vicious cult of conformity that proscribes individualism can lead but to one inescapable end—the development of a race of people who live assembly line existences, who possess the personal tastes of robots, and who worship mediocrity.

Our institutions of higher learning can be a major bulwark against this cult of conformity. I am happy that Georgia State College is enlisted in the cause of advancing man to his highest calling.

Georgia State College has a great future. Its importance to the future growth and development of our State cannot be stated too boldly.

I have every confidence that it will survive the cynical and conscienceless attacks poised at it by those more interested in racial agitation and social reform than in higher education.

It is impossible to talk about this great institution without mentioning the name of its beloved late president and guiding genius, Dr. George Sparks. This school was his life's work and his life's dream. Georgians will always be in his debt for that indefatigable drive and boundless vision that made his dream a living reality.

I would also be remiss if I did not commend my good friend, President Langdale, for the splendid direction and inspired leadership that he has brought to Georgia State. Like the school he heads, Dr. Langdale is a happy combination of the practical man and the intellectual. He is a worthy successor to a great predecessor.

Today's college graduates are going forth into an exciting world of vast and dynamic changes, of spectacular growth, and of breathtaking scientific advances which startle and stagger the imagination.

You are entering a world of paradox. It is a world which holds the promise of progress and opportunity unlimited. But it is also a world which holds the threat of peril and pain unprecedented.

Our scientists have unlocked forces which can result in greater positive good for mankind than anything since the advent of Christianity. Those forces can also result in the greatest harm of this or any other age.

We are developing rockets that will send man into space and open up a new frontier of dazzling dimensions. Those same rockets can be used to dump a payload of death and destruction on a city a continent away at the press of a button.

We have tapped a source of energy heretofore believed locked in the sun itself and which may soon make today's conventional sources of power obsolete. It is also a source of energy that could stamp out all life on this planet as we now know it.

And we've only just begun. Tomorrow's feats of science and technology will make today's look like high school physics experiments.

These things will have a tremendous impact upon your world and upon your lives. Your generation must adjust itself to the ever present possibility of instant and catastrophic destruction. At the same time, your generation can experience the highest development of life that the world has known if the miracles of science are put to work for man rather than against him.

A less dramatic development that will have a great and far-reaching influence upon your generation is our rapidly expanding population.

Our own country is growing at a rate of almost 3 million persons a year. By 1970, our population will move past the 200 million mark, and by the year 2000, it may climb to 350 million.

This is part of a worldwide trend. The total population of the world now stands at around 2.8 billion. By the turn of the century, it is expected to more than double that.

These figures, of course, assume that we will be able to prevent international problems from exploding into a ghastly nuclear war of extermination.

Our expanding population will present vast and perplexing problems for your generation. But if the past is a sound guide to the future, the growing population of this country will be absorbed by our expanding economy and will, in turn, create new and greater wealth for all.

The predicted economic growth of the country, which takes into account the estimated population increase, holds great promise for your generation. Our gross national product—the overall gage of the economy—is fast approaching the astounding rate of $500 billion a year. By the year 2000, Government experts predict it will reach the almost incredible rate of $1,800 billion, almost four times that of the present.

There is great opportunity ahead for your generation.

There is also great danger.

A prominent national business magazine recently published a glowing prediction of such prosperity ahead in this country that poverty will virtually disappear within 10 years.

I am inclined to doubt that society and mankind will ever reach such a stage of perfection as to prove our Lord wrong when He said the poor we would always have with us. But the article did contain a provocative warning of the moral implications that go hand-in-hand with our advancing wealth that we would do well to ponder.

"It is at least conceivable," the magazine said, "that the opulent masses might develop a kind of moral flabbiness over the years, and that endless preoccupation with problems of consumption might turn us into a race of people poorly equipped to cope with the realities of the thermonuclear age."

The possible adverse moral effect of overabundance is not the only danger that will confront you of the coming generation. There are others more obvious and ominous.

The most constant and pressing danger you face is the continuing threat from world communism. This is a threat to all of us. But as the rising generation of leaders, the responsibility is going to shift to you in the years to come to protect and preserve our country and our system.

At this moment, thousands of professional men, scientists, and technicians are preparing to leave their colleges and universities throughout the vast communist domain. They are your competitors.

They are the men and women that you must better if we are all to survive.

I see nothing to indicate that in the years ahead the masters of the Kremlin will call off their grand design to achieve world domination.

The face of communism wears many masks. But the revolutionary intent of communism is the same whether it wears the grin of a Khrushchev or the scowl of a Stalin. That intent has not changed in the 100 years since Marx wrote:

"In short, the Communists everywhere support every revolutionary movement against the existing social and political order of things."

During your generation, the Soviet leaders may shift their tactics from military bluster and threat to an all-out drive to achieve economic supremacy over the free world.

Indeed, Mr. Khrushchev has declared as much. He has stated that the aim of the Soviet Union is to "outstrip the United States economically * * * to surpass the level of production in the United States, to exceed the highest indexes of capitalism."

"Development of the Soviet economic might," Khrushchev has declared, "will give communism the decisive edge in the international balance of power."

There is no blinking the Soviet challenge. It is formidable. The Chief of our Central Intelligence Agency has reported that the Russian industrial capacity has expanded at an annual rate of 9½ percent during the past 7 years. Our own industrial growth during the period—he reports—has been at an annual rate of 3.6 percent.

In their crash program to outstrip us economically, the Russians characteristically are gearing their industrial machine to suit national policy and not to please the Russian people. The Soviets last year turned out only 1 automobile for every 50 that we mass-produced. But they turned out four machine tools to our one.

Despite the great Russian drive, our economic lead is substantial. Our great advantage over the degrading slavish Communist system lies in the vast superiority of our system of free enterprise and individual initiative.

It will be up to you and the others of your generation to see that our lead is maintained and our system preserved.

Our system has sustained and protected us in the past and it will do so in the future. It has made it possible for our people to enjoy the highest standard of living and the greatest degree of personal liberty that the world has ever known.

I know that you can be counted upon to keep faith with the system that is a part of your great heritage as Americans.

I know that with your vigor and your spirit, our great country and our American system will be safe and secure from the Communist tyrants who would enslave our people and destroy our free institutions.

Just as our country is threatened from without by the forces of international communism, our system is threatened from within by those who would replace it with an all-powerful centralized government.

The genius of our American system of government lies in its dual, Federal-State nature and its division of the powers to govern. It is a system of checks and balances that the Founding Fathers devised and perfected to protect forever the rights of the people.

Today this system is being assaulted by a combination of forces that seek to upset the delicately balanced division of powers. These forces seek to concentrate all power into the hands of an all-knowing, all-seeing, all-serving Federal Government in Washington. In the process, they are attempting to flaunt the Constitution and trample the basic rights of free Americans.

I urge you to take a good, hard look at the big-government concept.

I urge you to reject the theory so popular in some quarters today, that only the Federal Government in Washington can provide the answers to every social, economic, and political problem that arises in the land.

The big-government concept is only a short step away from the big-brother concept that George Orwell wrote about in his starkly realistic novel, "1984."

I would remind those who seek to refashion our Government into a Federal oligarchy that a government which is empowered to grant benefits and rights at will can withhold them at will.

A case in point is the current clamor in Washington by self-seeking agitators and pressure groups for legislation that is mistakenly labeled as "civil rights." Most of the proposals under consideration purport to protect certain ill-defined rights of a minority group in our country.

What they actually would do, however, is take away the rights of one group of citizens in the name of protecting those of another.

Legislation of this nature should be examined with the utmost care by conscientious citizens of all races, creeds, and color. We must make sure that in seeking to do justice to a minority, we don't actually do an injustice to both the majority and minority.

All of the genius of mankind has yet to devise a truly disinterested system of government—a government that can apportion awards and benefits as if by divine law. The only true equality that any government can achieve among a diversity of individuals is equality before the law.

And that was precisely the type of equality that Thomas Jefferson meant when he penned those immortal and ringing words in the Declaration of Independence "* * * that all men are created equal, that they are endowed by the Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness—that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

Jefferson was not talking about securing the rights of one favored group of Americans at the expense of another. The rights he sought to secure were those fundamental and basic to all Americans. Those rights were secured for us in the Constitution of the United States.

It is sad and tragic that today those rights—indeed, the very Constitution itself—are being assailed even by some who are sworn to uphold it.

These are days when catchwords and slogans are being employed to promote the doctrine that the ends justify the means. These are days when some have the mistaken notion that the hearts and minds of men can be changed—and century-old social orders uprooted—by legislative flat and judicial decree.

These are days, too, when certain honorable and legitimate causes are being subverted and despoiled by some of those who have been entrusted to lead them.

The labor movement is a current example. Millions of decent, honest union men and women are today being betrayed by a few corrupt labor bosses who are more interested in building empires and amassing personal fortunes than in protecting the interests of those they represent.

The brazen boast of the mobster-backed czar of the Teamsters Union that he could bring the country to its knees with a general strike is a slur and insult to every loyal and law-abiding union member in America. Though he later tried to retract his boast, there is little doubt but that he meant it.

Once again, I believe Mr. Hoffa has gone too far. Again, I believe he has overestimated his own importance and power.

Mr. Hoffa has also underestimated the American people and the rank-and-file union members in this country—including those of his own union.

I believe that Mr. Hoffa will discover that the American people have just as much contempt for would-be strongarm men and dictators at home as they do for those abroad.

In discussing some of the common problems and dangers that face our country and you of the rising generation, I do not want to leave the false impression that I despair for the future of the Nation. Indeed, I do not. My faith in its future is immovable and immutable.

The basis of my faith is simple. It rests upon my confidence in our system and in our young people—such as you—who are to guide and lead our country.

The future is in your hands in a very real and direct sense. Your brains and determination, your imagination and sense of adventure, and your courage and faith will provide the force and the inspiration to preserve the precious freedoms which were won with the blood of patriots and made secure for us by the faith and vision of the Founding Fathers.

I know our young people are equal to the task.

You have proven it time and time again.

I see that proof in the brains and determination of this graduating class.

I see the imagination and sense of adventure in the seven young men—our astronauts—who are competing for the chance to be the first man into space.

I see the faith and courage in the wives of these astronauts who share and encourage the pioneering spirit of their husbands.

I know that my faith, and the faith of millions of Americans, in our young people has not been misplaced.

As I look to the future of our country, I am reminded of Benjamin Franklin's words at the close of the Constitutional Convention in 1787. Dr. Franklin was old and tired. The Convention had taken its toll of his advancing years. Many times his wit and wisdom had prevented the Convention from breaking up.

While the delegates to that historic Convention were affixing their signatures to the Constitution, Franklin glanced at a painting of a rising sun that hung on the wall behind the desk where George Washington presided, and remarked that painters found it difficult to distinguish in their art between a rising and a setting sun.

"I have," the old man observed, "often and often in the course of the session, and the vicissitudes of my hopes and fears as to its issue, looked behind the president without being able to tell whether it was rising or setting; but now at length I have the happiness to know that it is a rising and not a setting sun."

When I see the coming generation of young leaders, I know something of what Benjamin Franklin felt. I know that our sun is still rising.

To all of you, my heartiest congratulations for your achievement. I leave you this injunction from the prophet Micah: "What does the Lord require of thee but to do justly, love mercy, and walk humbly before thy God."

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

DEPARTMENT OF COMMERCE

The Senate resumed the consideration of the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Lewis L. Strauss to be Secretary of Commerce?

NOMINATION OF C. DOUGLAS DILLON TO BE UNDER SECRETARY OF STATE

Mr. JOHNSON of Texas. Mr. President, it is my hope that it will be possible tomorrow to have the Senate proceed to the consideration of the nomination of Mr. C. Douglas Dillon, of New Jersey, to be Under Secretary of State. I do not know whether or not there will be a yea-and-nay vote on that nomination. The nomination has been delayed for some time in order to permit Senators to examine into some matters which they cared to study. But the nomination has been on the Executive Calendar since May 13. I should like to have it considered tomorrow, if that will suit the convenience of Senators. I am inclined to believe that it will be possible to have the nomination taken up tomorrow by agreement.

I ask all Senators to be on notice, in making their plans for tomorrow, that it is expected to have the Senate consider the nomination of Mr. Dillon, if it is at all possible. It may be that there will be a yea-and-nay vote on the nomination, although I would not recommend or insist upon one, so far as I am concerned.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Lewis L. Strauss to be Secretary of Commerce?

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SHOULD THE UNITED STATES CHANGE ITS CHINA POLICY?

Mr. BYRD of West Virginia. Mr. President, there are some who say that the United States should change its present policy of refusing to recognize the Communist Government of China and of opposing the seating of representatives from that Government in the United Nations. I submit that the United States should not change this policy under the present set of facts. I firmly believe that the policy has stood the decisive test of time and experience under the most difficult circumstances. It most certainly is in accord with the moral conscience of the Nation. It best serves the interests of the United States and its allies in our quest to preserve liberty and justice against the diabolical attempts of our unrelenting Communist enemies to enslave the world.

NONRECOGNITION AS A POLICY OF BOTH POLITICAL PARTIES

It is the policy which has been followed both by the Truman and Eisenhower administrations and which still has the endorsement both of the Democratic and Republican Parties. In 1951 Dean Acheson, the Secretary of State at that time, defined the position of the United States with respect to Communist China. He said:

> The United States has consistently opposed and continues to oppose (1) recognition of the Chinese Communist regime, (2) seating representatives of that regime in the United Nations and other international bodies, and (3) turning Formosa over to Communist China. These policies have had and continue to have the full concurrence and support of all branches of the Government.

This is still our China policy. It was conceived under the Democratic administration, and has been continued by President Eisenhower and Secretary of State Dulles.

It has been argued by critics at home and abroad that our policy toward Communist China is based on emotional considerations. That contention is erroneous.

Mr. President, our China policy is based on a carefully considered judgment of our national interests in containing communism and maintaining peace, as well as on compelling moral considerations. The position of this country is entirely rational. Continued support of the Nationalist Republic of China serves to best advance the interests of the United States and the free countries in Asia. Recognition of Communist China and its entrance into the United Nations would open the dikes to further Communist expansion.

Congress is solidly behind our China policy. The United States is bound by a treaty—which the Senate approved—to defend Formosa against armed attack. By a resolution of both Houses, Congress has authorized the President to employ the Armed Forces to secure and protect other positions related to the defense of Formosa. Furthermore—and this is extremely important—the same resolution includes a determination that "the possession by friendly governments of the western Pacific island chain, of which Formosa is a part, is essential to the vital interests of the United States and all friendly nations in the area bordering on the Pacific Ocean." Note that the American Congress considers that Formosa is vital to the interests of the United States and to its friends in the Pacific area.

This is not an emotional argument. It is a realistic principle of national survival.

RECOGNITION: A PRIVILEGE, NOT A RIGHT

To begin with, diplomatic recognition is a voluntary act. One government does not have the right to be recognized by other governments. To be sure, it is generally useful for governments of different countries to have diplomatic and consular relations. This principle has usually guided the policy of the United States. However, when this principle does not serve the interests of the United States, we are free to vary from it, as we have done in the past. In recent years we have been compelled to take into account the fact that the Chinese Communist regime has been consistently and viciously hostile to the United States. Therefore, we must ask ourselves this question: Will it help our country if, by recognition, we give increased prestige and influence to a regime which actively attacks our vital interests?

The answer is provided by Red China in its words and deeds. The Chinese Communist regime does not even fulfill the traditional requirements for recognition. It is not a sovereign or independent government; it is subservient to Moscow and to international communism. It is not a government based on the consent of the governed; it is the tyranny of a ruthless minority, wielded by brute force, terror, and callous intimidation. It has not given evidence of willingness to fulfill its international obligations or to accept the established minimum standards of decency in its treatment of foreign nationals and outside interests within its borders.

Our policy of refusing to recognize the government of Red China, a government which came to power by overthrowing the Nationalist Republic, finds precedents in the history of our country's foreign relations. During the term of William Seward as Secretary of State, there was established the principle that in order for a revolutionary government in a republican state to be recognized by the United States, it must be evident that the people of the state had adopted the change, and that it had not been forced upon them against their will. In 1866, Secretary Seward wrote:

> The policy of the United States is settled upon the principle that revolutions in republican states ought not to be accepted until the people have adopted them by organic law, with the solemnities which would seem sufficient to guarantee their stability and permanency. This is the result of reflection upon national trials of our own.

During the Wilson administration, the United States adopted the policy of refusing to recognize new governments that had not come to power by constitutional means. Thus, it is apparent from our history that the United States has not always recognized new governments solely because they happen to be in power.

The historic policy of the United States on recognition has paid close attention to the political and ideological character of new governments. In the 18th and 19th centuries, the United States was quick to recognize new republican governments which were established by virtue of the overthrow of despotic monarchies by republican movements. Our policy at that time was inspired by the sympathy which Americans naturally felt toward the quest for democracy and national independence in Europe and Latin America. Of course, the United States recognized new governments which showed promise of emulating its own advances in political institutions. But this practice should not be confused with a policy of automatically according recognition to any de facto government, regardless of its internal character or its conduct among the nations of the world.

During the latter part of the 19th century, a very important consideration became a prominent factor in connection with the question of recognizing new governments. As commercial, economic, and other vital relationships between states expanded, the willingness and ability of a new government to carry out its international obligations became factors of serious concern. By 1900, as international relations were progressively moving toward closer interdependence, the willingness and ability of new governments to carry out their international obligations had come to be dominant considerations in connection with the recognition policy of the United States. In this connection, a prominent case was our refusal for 15 years to recognize the Soviet Union, because of its failure to demonstrate that it was willing to carry out its international obligations. Today, in its recognition policies, the United States still has every right to insist that new governments be willing and able to fulfill their treaty commitments and other international responsibilities.

One of the many flagrant breaches of its international obligations by the Chinese Communist regime has been its deliberate mistreatment of American citizens and American consular and military personnel. In 1949, our Vice Consul in Shanghai was arrested and was subjected to humiliating treatment. An even more notorious violation was perpetrated by the treatment of Angus Ward, the American Consul General at Mukden. For an entire year, Mr. Ward and his staff were kept under house arrest. During 7 months of this outrage, those officials of the United States were held incommunicado, in what was a scandalous flouting of civilized standards with respect to their rights as individuals and their entitlement as consular representatives of the American Government. Added to this, the property of the U.S. Government and the holdings of churches, missions, and business interests were ruthlessly seized, without compensation.

RECOGNITION NOT A REQUISITE FOR NEGOTIATIONS

Critics of our stand have been heard to argue that this policy of nonrecognition causes us to ignore a government which, although we dislike it, we are forced to deal with by necessity. But this contention overlooks the realities of the situation. It is not necessary to recognize or establish diplomatic relations with a government in order to negotiate with it. While withholding diplomatic recognition, the United States has already conducted negotiations with agents of the Chinese Communist Government on specific matters, such as the armistice discussions in Korea and the ambassadorial talks in Geneva. However, I am glad that during those negotiations the United States took precautions against any contact that could be interpreted as conferring recognition. Similarly, in no sense does our policy ignore the existence and aspirations of the Chinese people. Americans still retain their historic attitude of brotherhood and sympathetic understanding for the Chinese people. Nevertheless, our friendship for them must not be permitted to blind us to the threat to our security represented by the Chinese Communist regime. I am convinced that since the Communist government does not represent the true will or aspirations of the Chinese people, our policy of withholding recognition from it will ultimately prove to be in the best interests of the Chinese.

Whether it is intended or not, recognition must involve approval, or at the very least, a suspension of disapproval. For once recognition is granted, the recognized government acquires a formal right to consider as unfriendly criticism of its nature and conduct, since it presumably has demonstrated a willingness to carry out its international obligations. Moreover, in the constitutions of certain international organizations—particularly the United Nations—certain standards of conduct are stipulated as a condition of membership. When states falling short of these minimum standards are recognized, they gain an undeserved reputation for good behavior, weaken the moral stature of the world community, and thereby tend to jeopardize international peace and security.

The Government of Communist China is an aggressive arm of world communism. The alliance of Peiping and Moscow is a major weapon of the international Communist conspiracy. It is cemented by the mutual desire of Communist China and the Soviet Union to expel Western influence from Asia and, thereby, to pass an important milestone in their program for world conquest.

The union of the Chinese and Soviet Communist Parties can be traced as far back as 1921, shortly after the Bolsheviks consolidated power in Russia. It is based on a common ideology and on the mutual objective of enslaving the world.

EFFECT UPON SINO-SOVIET RELATIONS

It has been advocated that the United States recognize the Government of Red China and support its claim to representation in the United Nations as a means of driving a wedge between Peiping and Moscow. Proponents of this view ignore the conclusive evidence which points to the solid and unshakable union between the U.S.S.R. and Red China. Peiping faithfully follows the Moscow line. The Chinese Communists were stridently outspoken in championing the vicious repression of the Hungarian revolution. They gave unqualified endorsement to the malicious execution of Nagy and the other leaders of

the Freedom Fighters in Hungary. They were also among the leaders of the recent Communist bloc attack on Yugoslavia for its attempt to steer a course independent from the manipulation of the Kremlin. They charged that the United States was committing aggression by its efforts to promote peace and stability in the inflammable area of the Middle East. In Asia, the efforts of this country and its allies to strengthen the military and economic structure of free countries have been denounced as imperialism in the usual Communist manner by the propaganda organs in Peiping.

The Chinese Communists have consistently demonstrated that they are dedicated international Communists. They have given undeviating support to Moscow throughout a series of crises. The statements of their leaders clearly indicate that the Moscow-Peiping alliance is the irrevocable basis for Communist China's foreign policy.

Mao Tse-tung made the following affirmation of the devotion of his government to the Soviet bloc before the Supreme Soviet of the U.S.S.R. I quote him as follows:

> Soon after it was founded, the People's Republic of China concluded a treaty of friendship, alliance, and mutual assistance with the Soviet Union. This is a great alliance of the two great Socialist countries. We share the same destiny and the same lifespring with the Soviet Union and the entire socialist camp. We regard it as the sacred international obligation of all socialist countries to strengthen the solidarity of the Socialist countries headed by the Soviet Union.

In turn, Nikita Khrushchev sent a letter to President Eisenhower last September, during the crisis over the offshore islands, warning us that "an attack on the People's Republic of China is an attack on the Soviet Union."

The alliance with the Soviet Union has this special importance for the aggressive-minded Chinese Communists. It provides them with a dependable source of arms and military supplies. The Chinese Communist Government is keenly conscious of the importance of military force, both for controlling domestic opposition and for spreading communism by armed conquest, belligerent blackmail, and the provision of weapons to subversive elements within free countries. For this reason alone, it would be unreal to expect that recognition of Red China or that its entrance into the United Nations would tempt the Peiping government to play a Titoist role.

In fact, the opposite would result. For the Chinese Communists would regard this as a retreat by the free world in the face of greater strength and determination of the Communist bloc. The prestige of the Peiping government would be richly enhanced. And its leaders would feel confirmed as to their policy of blackmail and aggression. The advantages of close cooperation with Moscow would seem even more lucrative. The Communists would thus be encouraged to embark on an even bolder program of aggression and subversion, with grave dangers to international peace and the security of the free world.

EFFECT UPON FREE COUNTRIES OF THE WORLD

The free countries of eastern Asia are peculiarly vulnerable to the Communist offensive for several reasons. These countries are located close to Communist China. They are inexperienced in self-government. They have inherited suspicions of the West from their colonial past. In their drive toward modernization, they are undergoing social, political, and economic changes that have a disrupting effect which the Communists are skillful in exploiting.

The United States is the only country capable of blocking further victories of communism in Asia. The Chinese Communists know this, and they constantly persevere to focus hatred and frustration upon this country's Far Eastern policy. They seek to convince Asians that the United States is a vacillating, wavering, and unreliable ally. Only by a policy of firm resistance to Communist expansion and undeviating fulfillment of our commitments to our allies can the United States build the confidence and the morale so vital to preserving the position of the free world in Asia. We must continue to recognize that our security is inextricably bound up with the independence of the smaller states threatened by Communist expansion in Asia. And we must not forget that their security in turn depends as much on our steadfastness as an ally as it does on our great material resources. How can smaller countries be expected to stand firm in the path of the Communist drive for world conquest unless their leader, the United States, maintains an unyielding position of strength and refuses to bow to what Communist doctrine asserts is inevitable?

The immediate objective of Communist China in Asia is to isolate the United States from the free countries and at the same time to foster neutralism until our influence is expelled from that continent. Should this be accomplished, the non-Communist countries in the Far East would find it extremely difficult, probably impossible, to resist either diplomatic blackmail or military attack from Peiping. The People's Daily, the Pravda of Red China, recently expressed this goal when it wrote that—

> Our experience has shown that our revolutionary efforts should be directed toward isolation of major enemies and neutralization of minor ones. If circumstances permit, further efforts should be made to cause the middle-of-the-road nations to emerge from their neutralist stand into forming an alliance with us.

To counter the threat of Communist aggression and subversion in Asia, the United States has taken the lead in developing a security system, based on treaty commitments, military and economic assistance, and joint defense planning. We have concluded bilateral defense treaties with the Philippines, Japan, South Korea, and Nationalist China. We have a tripartite security pact with Australia and New Zealand. The United States is a member of the Southeast Asia Treaty Organization, which also includes the Philippines, Thailand, Pakistan, Australia, New Zealand, Great Britain, and France.

The Chinese Communists have violently denounced this defense system for free Asia. Its important role is attested by the vigorous attempts of the Communists to undermine its success. This security system is directed primarily against aggression and subversion from Red China. The United States has taken the lead in organizing it and in building up its strength. Without effective leadership from this country it will crumble. Its foundation—the confidence of free Asia in the United States as a reliable ally—would be seriously shaken by any change in our policy indicating an abandonment of our heretofore unalterable opposition to Communist China.

PSYCHOLOGICAL EFFECTS OF RECOGNITION

Another important goal of Communist policy is to sell the doctrine of the inevitable triumph of communism over the free world. This doctrine is contained in every important statement of Communist theory. When Khrushchev made his boast to the free world—"we will bury you"—he echoed the faith of the Communists in the eventual victory of their camp in the East-West struggle.

This doctrine of the inevitable triumph of communism is more than a mere abstract article of faith. It is also a powerful weapon of psychological warfare. The Communists use it to sow defeatism and uncertainty, especially among the less decisive and stable countries in the non-Communist world. This doctrine makes it possible for the Communists to depict gains and compromises extracted from the free world as stages in the inexorably rising tide of Communist expansion towards the predestined submergence of the entire world.

The Chinese Communists see the victory of communism in Asia as inevitable. Now that they control the vast population and territory of the mainland, they are exploiting these advantages in their efforts to ensnare all of Asia within the Soviet orbit.

Liu Shao-chi, the second ranking member of the Chinese Communist Party and its major theoretician, has affirmed this objective of Communist China's foreign policy in these words:

> The most fundamental and common duty of Communist Party members is to establish communism and transform the present world into a Communist world.

These are not empty words. By their aggression in Korea, by the provision of arms and other subversive assistance to the Communist rebels in Indochina, and by the crises which they have provoked over the offshore islands, the Chinese Communists have clearly demonstrated that this is the creed which inspires their foreign policy of imperialistic aggrandizement. In pursuing these aggressive aims, the Communists respect only strength. They regard the willingness of the free world to compromise as a sign of weakness. Concessions to the Communists can lead only to further attempts to blackmail the free world. If Red China were to be recognized by the United States and admitted to the United Nations, the Chinese Communists

would regard this as a smashing victory and would be encouraged to accelerate their campaign of aggression against the United States and its allies.

It is the policy of the United States in Asia, as elsewhere in the world, to halt the further advance of communism and to strengthen the free nations against aggression and subversion. We have sought to accomplish this by military assistance to those countries directly in the path of Chinese Communist expansion; namely, Korea, Nationalist China, and Vietnam. We have also constructed a system of mutual defense agreements with other nations in the area. While refusing to recognize Red China, we have been successful in this effort. Since the termination of the war in Indochina in 1954, the Communists in Asia have not been able to make further gains by the open use of military force.

The measures which the United States and its allies in Asia have taken for collective defense are of vital importance to this country and to the other nations of the free world. We must not allow these efforts to be negated by a weak and vacillating stand vis-a-vis the center of Communist aggression in the Far East. We cannot afford to shatter the confidence and the morale of the free nations in Asia by disavowing our policy of nonrecognition as part of our program of firm resistance to Communist expansion.

The loss of Southeast Asia to communism would have a grave if not catastrophic effect on the ability of the free world to resist the dynamic aggression of communism elsewhere. The Philippines, Australia, New Zealand, and Indonesia would be placed in a strategically exposed and extremely dangerous position. In the Middle East and Africa, the prestige of the Soviet bloc would mount, just as it did as a result of sputnik. And in Europe, the morale and the will to collective defense among our NATO allies would be dealt a heavy blow. Our position in attempting to negotiate important settlements with the Iron Curtain countries, such as disarmament and German unification, would be seriously weakened. The fall of Asia to communism would be an almost unmitigated disaster to the cause of freedom.

Recognition of Communist China would have a very adverse effect on the free nations of Asia. Those nations which are closely allied to the United States and striving to maintain their independence on the perimeter of Chinese Communist power would be deeply confused and demoralized. They would interpret such action as the abandonment of their cause by the United States. They might be moved to resort to desperate measures to protect their security. Recognition of Red China would be interpreted as an act of weakness and as the initial step in the withdrawal of the United States from the Far East. If this country were to forsake its firm policy toward Communist China, the free nations of Asia would be unable to continue to resist the blackmailing pressure from Peiping. They might conclude that their only choice would be to become satellites within the Soviet bloc. Should they choose to stand alone, the Chinese Communist government could then demand that they put in office the local Communist Parties subservient to Peiping and Moscow or else face the foredoom of an armed attack. In either case, the free world would suffer a staggering defeat or be confronted with a world crisis that could erupt in a major war. Needless to say, any of these developments would place the entire position of the free world in the gravest peril.

Recognition of Communist China would have a particularly demoralizing effect on our allies, especially South Korea and Vietnam—countries which, like China, are divided. Their resistance to communism would be undermined if the United States should compromise the stand it has taken.

If the United States were to recognize the Peiping government, many other countries within the free world would follow our lead. Recognition would naturally lead to the establishment of diplomatic relations between Peiping and many more capitals of non-Communist countries. Should this occur, centers of indirect aggression and subversion would be installed within these countries in the form of Red Chinese embassies and consulates. Peiping's underground is especially arrogant in those countries which have recently gained their independence and are finding it difficult to steer a steady course in the rough seas of the cold war. The more closely a newly independent nation approaches prospects for a viable future, the more it becomes the target of hostility from Communist China. The establishment of diplomatic relations between Red China and these countries would offer additional opportunities for Peiping to exploit the channels of international diplomacy in subverting their governments, in impeding their progress toward social and economic advancement, and in bringing about their downfall. Recognition would materially assist the Chinese Communists in their attempts to enslave the world.

The United States must continue to support the free Republic of China. Its government under Chiang Kai-shek deserves our continued recognition, and its position in the United Nations could not be weakened without serious damage to that organization and the defense of the free world. The Nationalist Government continues to function on Formosa, where millions of free Chinese are gathered under its jurisdiction. Nationalist China, under the inspiring leadership of Chiang, was our loyal friend and ally during World War II and today it is a powerful symbol of resistance to Communist imperialism in Asia. If the United States is to win and hold allies, we must be faithful to those who are and have been loyal to us.

Nationalist China controls the strategic island of Formosa. Its army, one-half million strong, poses an important deterrent in the face of renewed aggression from the Communist mainland. Nationalist China's courage and its resolute will to resist further aggression has been made clear to the world by its unyielding stance in defense of its rights in the offshore islands against the hostile bombardment from Communist China.

The Chinese Communists are making every effort to divide the Nationalist Chinese from the United States. They have tried to paint a black picture of our country as an unreliable ally. Communist China's Minister of Defense, Peng Teh-huai, told the Nationalists that "the day will certainly come when the Americans will abandon you."

EFFECTS UPON 12 MILLION OVERSEAS CHINESE

A special consideration in the case of China is that large and influential oversea Chinese communities exist in most of the countries of Southeast Asia. Many of these Chinese people hold important positions of influence, especially in economic and commercial matters. They carefully observe developments relating to China. If united and given direction by Peiping, the overseas Chinese could become a major political and subversive force.

Recognition of Communist China by the United States and its admission into the United Nations would strikingly enhance the prestige of the Peiping government. At the same time, it would undermine the attraction which the free Government of Nationalist China has for the sympathies and aspirations of those overseas Chinese whose hopes for a liberated China, able to take its place among the free and peace-loving nations of the world, would be disillusioned. Such a rise in the stature of the Communist government of China would have a profound psychological effect on the overseas Chinese. It would inevitably result in the transfer of loyalties of large numbers of these people in free countries of Southeast Asia to the Communist side. This in turn would weaken the ability of the host countries to resist the pressures which generate the expansion of Chinese Communist influence and power.

This large number of overseas Chinese poses a serious problem in Southeast Asia. In Malaya more than 40 percent of the population is Chinese. The present guerrilla warfare in that country is being waged almost exclusively by Chinese Malayans with the support of Peiping. Chinese compose almost one-fifth of the population of Thailand, and in other countries their numbers are large. Furthermore, these overseas Chinese in free Asia occupy positions of financial power and political influence out of proportion to their numerical strength. The loss of Nationalist China's attraction to these people would afford Communist China with a consolidated and effective fifth column. Peiping's intention to exploit this situation has been made clear by its present policies and by its call to the overseas Chinese to act as the outer circle of the vanguard of international communism.

The continued existence of Nationalist China and American support for the Chiang government prevents the Chinese Communists from gaining complete control of and uniting the 12 million overseas Chinese. Mao and his colleagues are sharply aware that the overthrow of the Manchu dynasty in China

was planned and financed by the overseas Chinese. They know of the great financial power of the overseas Chinese in practically every country in Southeast Asia. They realize that a tremendous advantage would accrue to them in their plans for conquest in free Asia if Peiping could command the undivided allegiance of these compatriots. Reports coming from Hong Kong have noted that the Communists' attempt to construct a regimented totalitarian system, mechanically responsive to the party elite, has cast a dark shadow over the attraction Peiping has had for the overseas Chinese.

The Nationalist Republic of China on Formosa has a major symbolic and psychological attraction to the overseas Chinese. Free China is a repository of Chinese culture and traditional humanistic values. This is a key factor in providing resilience to China's historic civilization and in leading Chinese throughout the world to maintain close ties with their true homeland. With the growing awareness of the vicious totalitarian character of the mainland regime, Nationalist China will be able to enhance its appeal and prestige as the center of traditional Chinese culture. For example, over 75 percent of the Chinese prisoners of war in Korea indicated that they would prefer to go to Formosa rather than return to their homes and families under communism. The appeal of free China is a valuable asset in the cold war which the United States cannot afford to abandon. Strong support for Nationalist China, together with a continuation of our diplomatic quarantine of the Chinese Communist government, is essential if we are to profit from this advantage.

A factor which is closely related to recognition of Chinese Communist government is the representation of China in the United Nations. As Senators know, the state of China is now represented in the United Nations by the Nationalist Government on Formosa. However, we may be reasonably certain that recognition of the Chinese Communist government would inevitably lead to the seating of Peiping in the United Nations as the representative of China. For the United States has led the fight to keep the lawless and aggressive-minded Peiping government out of the United Nations. Should the United States reverse its stand, the remainder of the opposition to Communist China in the United Nations would surely crumble. The Communist government would then become the representative for China and gain membership as one of the Big Five with a veto power in the Security Council. This would be a calamitous day for the cause of world peace and international justice.

Does the Chinese Communist regime have the right to speak in the name of the Chinese people? Has Communist China demonstrated by word and deed that it legally and morally possesses this right and that it qualifies under international law for this high representation in the councils of the world?

The Charter of the United Nations requires that new members, before they can be admitted must be peace-loving states, must accept the obligations of the charter, and must be willing to carry out these obligations. Here are some of the obligations which the charter places on the members of the United Nations: to contribute to the maintenance of international peace and security; to peacefully settle international disputes in such a way that peace and security are not endangered; to work to solve international problems by cooperative effort; to promote and encourage respect for human rights; to refrain from the use of force in any manner inconsistent with the purposes of the United Nations.

This we know: Communist China is a government which has been at war with the United Nations. And this war has not been terminated. Communist China is openly violating its agreements regarding the augmentation of its military forces in Korea and Vietnam. Communist China is interfering in the internal affairs of Southeast Asia by supporting violent insurrection and subversion. This form of indirect aggression is a major threat to peaceful relations and internal stability in this area. Communist China has refused to renounce the use of force in the Formosa area. This is a summary record of Communist China's foreign policy. From this, it is obvious why both Houses of the U.S. Congress have unanimously passed resolutions stating that the Communist Government of China should not be allowed to enter the United Nations.

Communist China is not a law-abiding government. It is a gangster regime which seeks to overthrow the existing order for international peace and justice as a part of the strategy of international communism for ensl. ving the world. Chou En-lai, Communist China's Foreign Minister, has said that international law has already become outmoded.

As evidence of its lawless character, the Chinese Communist Government has confiscated foreign property without compensation. It has violated the Korean Armistice. It has violated the Geneva Agreement on Vietnam and Laos. It has dishonorably broken its pledge to permit all Americans in China to return home expeditiously. The government of Communist China has consistently shown that it will adhere to its international obligations only when it is in its interest to do so. There is no indication of its willingness to abide by the Charter of the United Nations.

Communist China has consistently engaged in aggression against its neighbors. Again I remind the Senate of Tibet. This aggression has taken the form of open warfare, as in the cases of Korea and the Formosa Straits. It has also taken the form of a subtle, but equally ruthless, indirect, and clandestine war of subversion and infiltration, which is no different in principle from direct aggression.

Communist China has conducted its foreign policy in such a way as to obscure the difference between direct and indirect aggression. This practice presents the free world with an unmistakable threat to its security even though at times the challenge may seem ambiguous. Indochina is a shocking instance. Red China's offensive in Indochina was executed by supplying the local Communist armies and guerrilla troops with personnel and material aid on such a scale as to amount to direct aggression. Much of the artillery and ammunition used by the Communist forces in the Indochina war had been routed through Communist China to the scene of aggression. Approximately 2,000 Chinese Communists served the forces of Ho Chi-Minh in high level staff jobs, in the army divisions, and in such specialized units as signal corps and engineering. The territory of Red China provided a sanctuary for the leaders of the aggressive Communist movement in Indochina whenever they were tightly pressed or needed to confer with agents of Moscow and Peiping on matters important to the international Communist conspiracy. Peiping was even more guilty than the Kremlin and the Vietnam for the Communist conspiracy to overrun Indochina.

In addition, an army of Red Chinese Thailanders and a puppet Thai Government-in-exile have been organized on the territory of Communist China. There they are—waiting for a situation to develop in Thailand which will permit the conquest of this free country and its enslavement as a satellite within the Communist orbit. The police of Thailand have frequently caught agents of Communist China smuggling machineguns and hand grenades into the country for use by subversive forces. Red China has run supplies and undercover men into the Philippines in a campaign to inflame the dead embers of the Huk civil war. In Malaya, Peiping continues to make trouble for this newly independent country by supporting an insurrectionist army composed almost entirely of Chinese Malayans and by promoting a Communist conspiracy in Singapore. Here are only a few outstanding examples of Communist China's intent to commit aggression and promote subversion against the free world.

Aside from propaganda and arms for Communist rebels, the Peiping Government exports opium and heroin throughout southeast Asia and Japan. Police files in these countries bulge with evidence of this depraved villainry. Profits from the peddling of this soul-rotting dope are expended for subversive activity in anticipation of a revolt and seizure of power by the Communists.

The government of Communist China consistently uses crime and terror to further its aggressive aims. Every law of decency and humanity is violated without scruple. The Chinese murder indiscriminately, commit every imaginable physical and mental atrocity, lie and cheat in all possible ways, plunder and burn, use extortion and blackmail, engage in counterfeiting and dope traffic, and shamelessly employ religion and political beliefs as fronts for aggression. Criminals have always been among us. But never before has crime been made a system of ethics and employed on so vast a scale as a fundamental policy of a government.

Under the charter of the United Nations, the Security Council has the primary responsibility for the maintenance

of international peace and security. I can think of no more grotesque absurdity against reason, of no greater travesty against the great principles of world peace embodied by the United Nations, of no more foolish an act of foreign policy, than that of facilitating the entrance of Communist China into the United Nations and its ascension to membership on the Security Council. Such a course of action would be tantamount to putting thugs and racketeers on a civic council and the police force.

For the United Nations, the Korean war was a crucial test of its ability to mobilize effective force against international gangsterism. Communist China arrogantly challenged the role of the United Nations in maintaining peace and security. As a result of the military action by the United States and certain of its fellow members of the United Nations against Chinese Communist aggression, much flesh and bone of the free world's finest youth fell torn and broken on the desolate, blood-soaked battlefields of Korea.

For this willful and carefully calculated attack, Communist China was branded as an aggressor by the General Assembly of the United Nations. Here is the verdict of world opinion as expressed by a 6-to-1 majority of the members of the United Nations:

[The General Assembly] find that the [Communist] Government of China, by giving direct aid and assistance to those who were already committing aggression in Korea and by engaging in hostilities against the United Nations there, has itself engaged in aggression in Korea.

Since then, Communist China has demonstrated its readiness to follow the pattern of Korea and plunge into more military adventures. It has openly proclaimed offers to send so-called volunteer armies to Indonesia, Eypt, Lebanon, and Iraq. There can be no doubt as to the aggressive character of the Chinese Communist government. There can be no doubt of its obvious unfitness to sit in the United Nations.

This would be the result of seating Communist China in the United Nations: The United Nations and the consensus of law and order which it represents would confess to inability to cope with and punish the aggressive acts of gangster governments. The prospects for successful united action against aggression in the future would be greatly reduced. Moreover, the Republic of China is a member of the United Nations in good standing, and its important contributions to the constructive work of the organization would be lost. If the representatives of the Chinese Communist regime were to be seated in their place and given China's veto power, the capacity of the Security Council to discharge its responsibility for the maintenance of peace and security would be seriously weakened.

During the past few decades, the world community, led by the United States, has condemned the use of force and proclaimed that international disputes ought to be settled only by peaceful procedures. In the interests of peace, law, and stability, recognition and admission into major international organizations should not be accorded to regimes opposed to peace and dedicated to the overthrow of the international order. Otherwise, a peaceful climate of international relations can never be achieved.

RECOGNITION AND TRADE

It is often alleged that recognition of Communist China is a necessary step in expanding trade relations with that country. Mr. President, trade with mainland China is not dependent on recognition. West Germany does not recognize Peiping, but it trades with the regime. Trade opportunities with Communist China are severely limited by a shortage of foreign exchange which is likely to persist for many years. Moreover, such trade would always be at the mercy of Communist policies. Peiping uses trade as a means of asserting pressure on the trading partner whenever it is expedient to do so. A good example is the case of Japan where the Chinese Communists recently retaliated against Japan's refusal to make certain political concessions by cutting off all trade and even canceling contracts which had already been entered into. I think that those who advocate trading with Red China are laboring under an illusion as to any advantages which might possibly accrue to our country therefrom. I know of nothing that the Red Chinese government can produce which we cannot get elsewhere. I do know of something which is exported by the Peiping Government throughout southeast Asia and Japan, the profits from which are expended for subversive activities. This is opium and heroin. Recognition and trade would merely facilitate the entry of this soul-rotting dope. Goods from the United States would help build up a war machine in Red China which eventually might be used against us. We should have learned our lesson from experiences of the past. Additionally, even if trade were today permitted between Communist China and the United States it would be of insignificant proportions. Some of our allies trade with Communist China, and recently at their behest we accepted some liberalization of our international list of strategic goods not to be sold to Soviet Russia or Communist China. The result has not been an increase in China trade. Actually, China trade is meager because Chinese Communist foreign buying power is limited and is used largely for war purposes. Tempting Communist trade offers are largely political bait. Even if the Red Chinese could produce the dollars with which to buy our goods, the sale of items which would find their way into their military effort and which would relieve the pressure on their manufacturing capacity of such goods, I think, would not be in the interest of the free world.

Let us take a look at the volume of our trade with Russia and other Communist-bloc countries. For this purpose, I ask unanimous consent to have printed at this point in the RECORD, a table which reveals that the whole commerce between ourselves and the Russians is trivial.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. trade with Soviet bloc countries

[Thousands of dollars]

Country	1956	1957	January to September 1958
Albania	193	105	79
Bulgaria	460	459	626
Czechoslovakia	6,725	9,915	6,853
East Germany	5,896	5,146	4,838
Hungary	3,168	6,049	1,952
Poland, including Danzig	31,124	103,211	110,655
Rumania	841	1,440	1,156
U.S.S.R.	28,291	20,016	14,975
Total	76,698	146,341	141,134

U.S. exports to Soviet bloc countries

[Thousands of dollars]

Country	1956	1957	January to September 1958
Albania			
Bulgaria	24		100
Czechoslovakia	765	2,004	1,054
East Germany	441	265	248
Hungary	2,006	5,320	1,127
Poland, including Danzig	3,722	73,218	87,893
Rumania	464	966	871
U.S.S.R.	3,823	3,504	1,067
Total	11,245	85,277	92,360

U.S. imports from Soviet bloc countries

[Thousands of dollars]

Country	1956	1957	January to September 1958
Albania	193	105	79
Bulgaria	436	459	526
Czechoslovakia	5,960	7,911	5,799
East Germany	5,455	4,881	4,590
Hungary	1,162	729	825
Poland, including Danzig	27,402	29,993	22,762
Rumania	377	474	285
U.S.S.R.	24,468	16,512	13,908
Total	65,453	61,064	48,774

U.S. DEPARTMENT OF COMMERCE

In 1957, we exported about $3½ million worth of goods to the U.S.S.R. We imported $16½ million worth of goods in that year from the U.S.S.R. And this in spite of the fact that the Russians can buy from us, if they so desire, some 900 items for cash. Of course, if we were willing to extend credit to the Russians we could dispose of a tremendous volume of strategic goods and never get paid for our products, and the same can be said concerning trade with Red China. We should not overlook the fact that our industry would be subjected to an insurmountable disadvantage in any attempt to compete with the goods produced by slave labor in a country of 600 million population. Once the floodgates were opened, the markets of the free world would be deluged by these cheaply produced goods, and all normal trade would be disrupted. We must not forget that our trade has no propaganda

purpose. We are in business, in the export business, for the incentive of profit. People are trying to make money.

This is a totally foreign, unnecessary, incomprehensible motive to the Russian government and to the Red Chinese government. These Communist governments have no such incentive at all, and trade with them, as I observe it, is simply a servant of their foreign and military policy. They have no conception of the capital investments involved, no conception of the interest charges, no conception of the labor costs which are embodied in the free enterprise system. While millions of Chinese may be starving, the Peiping regime will export rice for political purposes. I think we must keep our eyes open and our attention on realities when we discuss such a thing as trade with Red China.

OUR POLICY IS VALID

Our policy of refusing to recognize the Peiping government and of opposing the seating of its representatives in the United Nations has been and continues to be valid. In a time of cold war, it has sustained the security of the United States and its allies in the Far East. It has provided many people with faith in our leadership. It is an important reason why open aggression by the Communists in Asia has been halted. Our foreign policy must take into account the fact that we are engaged in a conflict that is global and total. Every aspect of the cold war—moral, political, economic, psychological, and military—can be crucial.

Any other policy than that of nonrecognition, under the present set of circumstances, would undermine the security interests of the United States and offend the moral conscience of the Nation. The American people will not soon forget that the United States suffered 142,000 casualties as a result of the Korean and Chinese Communist aggression in Korea. Are we, a few years later, to forget that Communist China committed a willful and carefully calculated attack? Are we to forget that she murdered American servicemen? Are we to forget that she refuses to account for hundreds of Americans who are still missing? Red China was branded as an aggressor against the United Nations, and she stands today unpurged of its arrogant challenge to the rule of that world organization in maintaining peace and security.

Any realistic balancing of the gains and losses brings an emphatic answer to the question, "Should the United States change its China policy?" The answer is "No."

LEGISLATIVE PROGRAM AND ORDER FOR ADJOURNMENT TO 12 O'CLOCK TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I am informed that several of my colleagues have speeches to deliver. The Senate will stay in session until their convenience has been met. We do not anticipate, however, any yea-and-nay votes this evening.

I want Senators to be on notice that the Senate will stay in session until all the speeches which Senators desire to make have been made.

RADIOACTIVE FALLOUT AND THE GENEVA TEST BAN NEGOTIATIONS

Mr. HUMPHREY. Mr. President, my purpose in taking the floor this afternoon is to comment on a number of items which were published in the press over the weekend, and in part on two editorials, one in the Washington Star and one in the Washington Post and Times Herald.

During the course of my remarks, I shall make appropriate comment relating to those editorials. But I should also like to note for the record the tremendous number of articles which were published in all the Nation's press on Saturday and Sunday with respect to the increased amount of radioactive fallout, and the detection by Government sources, National, State, and local, of this fallout, as well as the detection of the fallout by private citizens.

I shall not take the time of the Senate today to discuss in detail the matter of radioactive fallout. I do not claim to be sufficiently expert in this matter to have the judgments which are scientifically valid. However, I will say that the subject needs more discussion.

I do not believe the Government of the United States is doing all it should do in the examination of the potential dangers of radioactive fallout. If the Government spent as much time and money investigating radioactive fallout as it does investigating thugs and racketeers, the life of the Nation would be much improved. I want the record to be quite clear that I am against thugs, racketeers, and radioactive fallout. I do not want any misinterpretation to be made. But committees of Congress are engaged, at considerable expense and with capable staffs, and with blaring headlines, in exposing the dangers of hoodlumism and gangsterism in labor-management relations.

They have rendered a public service in many areas. But of all the problems which affect the well-being of this generation and that of generations yet to come, none is more serious or more filled with unknowns than the problem of radioactive fallout from nuclear weapons testing.

Mr. President, I speak not only of radioactive fallout from atmospheric tests, which all of us now recognize as a serious problem; I also speak of the possibility of radioactive fallout from high altitude tests, the dangers of radioactivity from underground tests, and the dangers of radioactivity from underwater tests. Senators know full well that when bombs are tested underground, the tests are likely to be conducted in an area near a water table. I am not an expert on this subject, but it seems to me it merits consideration, namely, what is the possible effect of underground nuclear explosions upon the water tables or the water supplies of our Nation and other nations? Is there any assurance that our potential water supply is not being endangered by radioactivity? I do not know. All I know is that there is all too much hush-hush, too much secrecy about these matters.

Mr. President, I hold in my hand—and I shall not violate the responsibilities of secrecy—secret reports which I have brought to the Senate Chamber, and which I shall return, under proper custody, to a vault. They are secret reports which come to me as chairman of a subcommittee. I can only mention or identify these reports by date and title. However, certain editors and columnists write about these reports as if they had read them. If they have read them, I think we should know that. If they have not read them, I think they should be more careful about what they write.

Let me identify these reports. The first is dated March 16. I hold it in my hand. It is the report of the panel on seismic improvement. It is labeled "Secret."

The next is a report on underground explosions. It is dated March 24, and it is labeled, "Secret."

The third is also labeled "Secret," and it is entitled "Need for Fundamental Research in Seismology."

Another one of the reports is on high-altitude testing detection. It also is labeled "Secret."

Three of these reports are known as the Berkner reports. The one on high-altitude testing is a separate report.

Mr. President, the data contained in these reports or, at least, the conclusions reached in them, are vital to public understanding of the questions we are discussing.

Let me say most respectfully to my colleagues that we cannot discuss the problems relating to atomic tests; radioactive fallout; and the capacity or the ability of our country, in cooperation with other countries, to perfect a system of inspection and detection, without knowing what is in these reports. I beg our Government to make these reports public. There is no reason why they should be withheld. The only reason for withholding them is to enable their distortion by some persons who do not wish all of the truth to be before the public, and to enable such persons to misinterpret certain developments, in order to have a certain amount of license in connection with such misinterpretation.

The one way to put an end to some of the argument over whether it is possible to develop a system of inspection and detection worthy of our trust is to have the material in these reports made public, rather than have them kept private or be kept matters of executive privilege.

Mr. President, when I see headlines such as "Serious Fallout Cases Uncovered in the Midwest," as published yesterday in the Washington Post, under the byline of Edward Gamarekian; and "Radioactive Rise Predicted," as published in a

St. Louis newspaper; and "Serious Fallout Cases Found in the Midwest," and other reports which appeared in the New York Times; and when I see in the Washington Star an item entitled "'A' Test Contaminating High Flying Jet Planes; Washing Renders Aircraft Safe, But Water Disposal Poses Problem"—in other words, it is possible to wash off radioactivity, but when that is done, the disposal of the water used to wash the plane becomes a problem—when material of that sort becomes commonplace and when such items become matters of public information, I say it is all the more important that we know what is going on, in terms of the discussions at Geneva in regard to nuclear test prohibition and in terms of the reports which our Government is issuing as a result of competent scientific work and scientific analysis.

So I repeat my appeal that the substance of the Berkner reports, if not every word of them, be made public. I also ask that the substance of the high-altitude detection reports, to which I have alluded, be made public.

Mr. President, in yesterday's Washington Star there was published an editorial under the heading "'Conspiracy' for Survival."

The editorial relates to a speech which I made here in the Senate last Thursday. The editorial uses the word "conspiracy" rather freely, but without directly attributing the use of that word to me. From reading the editorial it would seem quite obvious that somewhere, somehow, in my remarks I accused someone of engaging in a conspiracy.

Mr. President, I am not a lawyer, but I do know something about the word "conspiracy." It is rather serious to charge someone with engaging in a conspiracy. I did not make such a charge. I said:

> I do not wish to be an alarmist, but it seems to me that greater effort must be made to attempt to determine how to control this situation, rather than, as I believe has been happening in the last month, namely, a concerted effort somewhere in Washington—I imagine in the Defense Establishment itself—to get the American people to believe that it is not possible to reach an agreement to control these weapons; that it is not possible to control these weapons. I must say if that is the case, then we are at a sad impasse in the history of the world.

Mr. President, that is a quotation from page 9832 of the CONGRESSIONAL RECORD for June 4, 1959.

I have gone over that RECORD two times, to see whether I actually charged—anywhere in that speech—the existence of a conspiracy. No such charge was made by me, Mr. President. I said that there was a concerted effort on the part of some to promote a belief that it is not possible to have an adequate system of inspection of these weapons.

I am not accusing anyone of engaging in some form of villainy. I am saying that some persons do not believe it is possible to have such an inspection system; and I said that, as such, they are out to try to convince the American people, as such.

Mr. ANDERSON. Mr. President, will the Senator from Minnesota yield?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Does the Senator from Minnesota yield to the Senator from New Mexico?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. The Senator from Minnesota knows that we are hearing stories to the effect that there is under way a concerted effort to balance the budget. But he would not assume from such statments that there was under way a "conspiracy" to balance the budget, would he?

Mr. HUMPHREY. I certainly would not. But such headlines as I have read indicate that, somehow or other, some Senator—in this instance, myself—apparently is engaged in some kind of name calling.

Mr. President, I did not call anyone any names at all. As a matter of fact, those who disagree with me in regard to the matter of an inspection and detection system are persons for whom I have the highest regard, men whom I have praised both publicly and privately. Some of my colleagues disagree with me on this subject. That is their right. What I encouraged the other day was debate. I said we need to have this question out in the open. It ought not to be a hush-hush subject. It should not be something that is behind the door. It needs to be in the open.

So I charge that the Washington Star editorial is wrong, and that it misrepresents what the senior Senator from Minnesota said. More than that, it is based upon certain assumptions which cannot be documented by fact. I shall point out what they are, but first I yield to the Senator from New Mexico.

Mr. ANDERSON. I listened to the address of the Senator from Minnesota with a great deal of interest. As the Senator knows, I have discussed this matter with him publicly and privately. I do not agree with all of his views, but I agree with him on one thing, that this is a matter which is in the public domain and needs to be discussed. I was glad to have it discussed by him. He made a very informative speech. There should be more speeches like it. I wish an address like it were made on the floor once a week.

Mr. HUMPHREY. I am grateful to the chairman of the Joint Committee on Atomic Energy for his statement.

Mr. President, all during my responsibility as chairman of the Subcommittee on Disarmament, I have never engaged, nor shall I, in any kind of narrow, partisan bickering over the all-important subject of disarmament or arms control, or matters relating to the cessation of nuclear testing. These are not subjects to be treated in a partisan manner. There is no room for partisanship in them at all. I worked alongside the former special assistant to the President on disarmament, Mr. Harold Stassen, in full cooperation. I am happy to report that the State Department was willing to cooperate with the subcommittee by making us privy to secret communications and documents.

It is my desire to lend my efforts, whatever they may be, and however limited they may be, to a helpful and constructive solution of these problems, and not to engage in debate merely for the sake of debate, or in argument merely for the sake of argument. But I submit these are very important public matters, and they necessitate public discussion.

Let me refer a little bit more to the editorial which appeared Sunday in the Washington Star.

First of all, Mr. President, I ask unanimous consent that at the end of my remarks this editorial may be made a part of the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. HUMPHREY. Mr. President, in one paragraph in the editorial it is stated:

> In other words, an all-out testing ban at this stage would be a dangerous gamble for our country.

That is a surprising statement by the editor. I am sure he must have more information on the subject than does the Senator from Minnesota, in order to be able to make that sort of statement, in line with what the next sentence states:

> Definitive proof of that point, according to Mr. Murray, can be found in our Government's still secret Berkner report on policing systems—

Listen to this—

> a report making clear that clandestine underground detonations could easily be set off (and not only in Red China) without being detected.

If it is secret, how does the editor know what the report says? Please note, Mr. President, the editorial writer says:

> Definitive proof of that point, according to Mr. Murray, can be found in our Government's still secret Berkner report on policing systems—

There is a dash in the editorial. Now, then, the editor says:

> a report making clear that clandestine underground detonations could easily be set off (and not only in Red China) without being detected.

What a secret report. The secret is already out, according to this editor.

I want to say to the editor, without revealing what the Berkner report says, that he has not been accurate. If it is a secret report, it ought to be secret to the Washington Star as well as to the U.S. Senate.

The editorial goes on a little further:

> The same holds true, apparently—

Now they get to the word "apparently," which is better. That word qualifies the statement somewhat:

> The same holds true, apparently, for experimental nuclear shots at very high altitudes.

May I point out that the Berkner report does not deal so much with high altitude blasts. There is a special report on high altitude explosions. That

is not part of the Berkner committee report.

The only exceptions are the familiar above-ground atmospheric explosions, which cause health-endangering radioactive fallout and which are readily detectable. These latter can be prohibited without any peril to our national security.

I do not disagree with that statement at all. I think the editor is correct in that statement.

Now, a little further. Look at how words can be used to distort meaning. I quote from the editorial:

As for the other tests, however, the tests that cause little or no fallout, the story is quite different.

Let me digress for a moment. Which tests cause little or no fallout? To which tests is the editor referring? Possibly only underground tests, because they are the only ones as to which we have any genuine knowledge that cause little, if not fallout, then spew-out. But no one knows how much danger there is in underground tests.

The editorial goes on:

There is no sure way, at present, of detecting them, and if our Government entered upon a solemn agreement to stage no more of them, the United States, without having any real guarantees against Soviet violations or evasions—

Listen to this:

would debar itself from the development of small, clean, discriminating, and potentially revolutionary nuclear weapons.

Mr. President, what assurance does the editorial writer have that there are any clean weapons? Not only that; what assurance does he have that if we get into a conflict we shall be able to get the Soviet Union to use clean weapons? Or are we going to make clean weapons for everybody and then, when a war starts, use half of those weapons and give the other half to the enemy?

All this talk about clean weapons proceeds on the assumption that the enemy will use only clean weapons. Why should enemies be concerned with using clean weapons? They have not been so concerned heretofore. What makes some people think they will be so concerned in the future? What assurance does the editor have that clean weapons will be used?

So far, it has just been talk. There has not been any progress made in the making of clean weapons in the smaller weapons field, because the trouble is that the smaller weapons have been fission weapons, and it is from the fission weapons that the "dirt" comes.

Just a little further, Mr. President. The editor says further:

Further, it might debar itself—

Speaking of the United States—

Further, it might debar itself from experiments vital to the production of an anti-missile missile that could spell the difference between life and death for our country.

Mr. President, may I suggest that if a weapons detection system is to be really effective, it will have to debar the other country, too. If it does not, there is no agreement.

May I also suggest that, according to the record, we are supposed to be so far ahead of the Soviets in this field that, repeating what I said on Thursday last, on that basis, if that were the only basis, we should indeed be interested in some kind of a detection and control system.

My main point, Mr. President, relates to the final paragraph. The editor says:

Certainly, in such circumstances, there is reason to welcome the kind of "conspiracy" that Mr. HUMPHREY has deplored.

Mr. President, the Senator from Minnesota did not talk about a "conspiracy" at all. The conspiracy is in the mind of the editor, not in the mind of the Senator from Minnesota. I referred to a concerted effort, and I did not say those who were engaged in the concerted effort were villians or conspirators or even mean in any way. I said they had a point of view, and that point of view was being pressed and was being urged in a concerted effort.

If some people feel as some people seem to feel, indeed they have an obligation to press their point of view. We are dealing with very serious matters.

I would be the last man in the world to contest the integrity of Mr. TOM MURRAY, who is one of the truly great citizens of this country. He has an expert background with regard to all this matter. I am prone to be very much moved by what he says myself. However, I feel it is entirely appropriate and proper for us to discuss these things and to discuss this important subject out in the open.

Mr. President, as I said, yesterday the Washington Sunday Star published an editorial criticizing my position on an agreement for the suspension of nuclear weapons tests under an effective control system. The Washington Sunday Star has misinterpreted my position in the editorial. I do not, and I did not then, term as a "conspiracy" the work of those who are working hard to prevent a total ban on tests, but the fact remains that there are many people who do not wish to see the total ban on tests and who are working to try to change the position of the United States in the negotiations. I repeat, this is their privilege. In fact, if they feel strongly about it, it is their moral duty and obligation to speak.

One of the purposes of my remarks in the Senate on June 4 was to bring these matters out into the open, to call for open debate, rather than to let backstage maneuvering have an undue influence. I believe that this does a disservice to our country if it is done in such a way that other nations and other peoples can interpret this effort as a sign that the United States is not wholeheartedly trying to reach an effective overall test ban agreement. I wish again to try to make my own position clear and to reiterate some of the problems and possibilities in these test ban negotiations.

First. The objective of the United States in these negotiations should be a ban on all tests. Without such a ban the likelihood that we can restrict the proliferation of these weapons throughout many countries will be drastically decreased.

Second. If we are to have a total test ban it must be based on an effective and workable control system. I believe it should be made abundantly clear to the people of the world that if we are to be denied a total test ban it will be because the Soviet Union refuses to discuss and accept the necessary control measures.

Third. A total test ban agreement must necessarily be worked out in stages. There is no absolute formula that must be sought by which these stages are covered and the specific provisions that ought to be included in them. We do know, however, that it will be quite an impossibility to install and have operating at once all of the control posts recommended by the scientists at the Geneva Conference of Experts. Control posts ought to be first installed within the territories and test areas of the three nuclear powers. Then the control commission should proceed to negotiate with other countries so that the control posts may be established on a worldwide basis and this includes Red China. If Red China refuses to participate in the agreement then the United States must have the option of calling for an end or at least a renegotiation of the agreement.

I believe this was the nature of the discussion on Thursday last.

Fourth. There has been a great deal of discussion as to whether an effective control system to monitor underground tests is feasible. I respectfully suggest that the way to determine this is not to argue on the basis of theory but to install the control posts to see what kind of a job they can do, particularly in distinguishing earthquakes from explosions. A theory advanced in the Berkner report on decoupling or muffling underground explosions is being used to argue that there can be no effective control system. There are other theories in the Berkner report, as well as demonstrated evidence, to show that improvements in the detection and identification of underground explosions can be made. Let us not use the Berkner report to try to prove a case, but instead appreciate that it contains suggestions which are both reassuring and discouraging in terms of the problem of control.

Fifth. I suggest to the Secretary of State that before we make any final decision regarding the capabilities, the limitations, and the nature of the control system as well as the number of on-site inspections, the control posts be set up and operating a year so that we may have some actual experience as to what the control posts are able to detect and identify. We need to test these theories to determine both their validity and also their practicality.

Mr. President, as I said in a letter to the Secretary which I wrote on April 30—I shall read only a part of the letter, because the whole letter is in the CONGRESSIONAL RECORD—

Our Government is not proposing that there be an unlimited number of on-site inspections. * * * To have a ceiling on the number of inspections, however, it is necessary to agree on what the ceiling should be. Obviously, too low a ceiling could cause

the control organization to exhaust its inspection rights too early or to forego important inspections in an effort to save on-site inspection rights for further and later use.

The basis for determining the ceiling must be scientific and technical.

Mr. President, I shall skip two or three paragraphs in the letter, and I read as follows:

The above leads me to believe that if we are not to base the establishment of a ceiling for the number of inspections on theoretical considerations, then we must use actual observation as a basis. In order to use observation as a basis, the control posts must be etablished and functioning so they can begin to record the signals from earth movements, be they natural, or artificial. Then after a certain period or time, perhaps a year, the control organization could determine approximately what the ceiling on inspections should be. * * * But at least a period of observation would give us a much better basis for determining a safe and technically meaningful ceiling than what we now have. Our present lack or data could lead to prolonged argument over conclusions based more on theoretical calculations than on empirical evidence.

My suggestion, therefore, is to have the ceiling on the number of inspections determined as a result of a period—such as a year—of observation of the recordings from the control posts after they have been installed, properly equipped, and staffed. In suggesting this proposal I would add that during the year in which the observation of signals would take place some inspections should probably also take place in order to deter a potential violator.

Mr. President, the final paragraph of the letter reads:

I am sure that all parties to a test ban agreement would agree that on-site inspections should only take place when they are absolutely necessary. Therefore, the control system should contain the improvements which appear called for as a result of the findings of the Hardtack Series.

Mr. President, what we have proposed is a period of experimentation and scientfic testing of any kind of a system of inspection and detection before it becomes a firm part of an agreement. In other words, an agreement must include within it a provision for the scientific testing of the theory which has been brought out in terms of the scientific reports since the Geneva conference of last summer.

Sixth. There has been much criticism of the suggestion of Prime Minister Macmillan to have a specified number of on-site inspections which would not be subject to a Soviet veto. I believe this criticism is unjustified in the sense that we do not know precisely what Mr. Macmillan had in mind. Furthermore, the British Prime Minister appears to have insisted along with our own negotiators that any limitation on the number of onsite inspections must be related to the scientific capabilities of the control system. I agree that this relationship must exist, and the Soviet Union is not encouraging a test ban agreement when it refuses to consider ways in which the control system might be improved. I wrote to the President regarding the possibility of a limitation on the number of onsite inspections.

The letter was dated March 5, 1959, and in it I asked the President a number of questions, most respectfully and in a spirit of helpfulness. I said:

I wonder whether we have explored all the possibilities which preserve the principle of effective control on the one hand and on the other which show clearly to the suspicious Soviets that espionage and indiscriminate inspection are definitely not the purposes of adequate control.

Skipping a few lines—

I would like to inquire whether the United States has adequately explored the idea of placing a ceiling on the number of inspections that could take place in a given country or area within a specified period of time.

When one tries to visualize just how the inspection and control system would work in practice the conclusion seems obvious that only a limited number of on-site inspections could take place. An event which the control posts are unable to identify could lead to an inspection and this fundamental right would in itself act as a deterrent to a potential violator. If all tests were banned, obviously not every unidentified event could be inspected. All such events occurring in areas in which earthquakes do not usually occur would probably be inspected and this, I believe, the Soviet chairman of the conference of experts, Mr. Federov, admitted would have to take place. But inspections of unidentified events in earthquake areas would need to be on a spot-check basis. If a limit were placed on the number of inspections per year, for example, it would be necessary that the control organ never exhaust all of its inspections before the end of the period.

Would not a limit on the number of inspections on the territory of each of the nuclear powers and in the areas in which tests might take place preserve the interests of the United States and at the same time clearly indicate to the Soviet Union that we would not, as Mr. Khrushchev maintains, be inspecting all "mines, quarries, woods, ravines, and all the rest."

On March 5 this suggestion was made, prior to Macmillan's alleged suggestion. We know that we cannot test atomic devices and thermonuclear weapons without preparation. It requires time. It requires special apparatus. It requires planning. It is quite well acknowledged that a series of tests would require several months of planning. Therefore, some limitation on on-site inspections lends itself to at least an effective agreement, provided we have the proper instrumentation, and provided we have tested out theories by scientific observation.

All I am saying is that we should not try to discourage the possibility of an agreement by merely attacking the Macmillan proposal, when the proposal itself is in the most general terms. I would have this record show that the President has not rejected, nor have our negotiators, acting in the President's name, rejected, consideration of the possibility of some limitation or ceiling on on-site inspections.

As I have just said, the British Prime Minister appears to have insisted, along with our own investigators, that any limitation must be related to the scientific capabilities of the control system.

Seventh. An atmospheric test ban with the appropriate controls surely would be better than no test ban at all. And if the Soviet Union refuses to consider the necessary controls and refuses to consider the problems to be solved in improving the scientific capabilities of the control system, then for a time, that is perhaps all that the negotiations can achieve. But I repeat, let the responsibility for this rest with the Soviet Union by its refusal to accept the necessary controls rather than to have the blame fall on the United States because it does not wish to give up certain kinds of tests.

I have the feeling that we have entered a very crucial stage of these negotiations. I have said before, and I repeat today, I have the feeling that no agreement on nuclear tests will be reached at Geneva. This is a subject which will go to the summit conference. But the preliminary work on nuclear test suspension will be done at Geneva by the negotiators. Indeed, it might well be that the foreign ministers would want to look over the results of the work of the negotiating teams on the prohibition of nuclear tests as a further preliminary for the summit conference.

My point is that we in the United States should make sure that we have been true to our original position of attempting to arrive at an agreement to ban further nuclear tests, with adequate inspection. I want to make sure that, no matter what may happen from here on, the Soviet Union cannot place the blame on the United States for the failure of any conference, if such a conference should fail. I hope and pray that the conference will not fail.

While, of course, there are some risks involved in any kind of an inspection agreement, as a large number of American physicists and nuclear scientists said this morning, there are even greater risks—the risks involved in the greater proliferation of these weapons, and the risks involved in the expansion and extension among a large number of countries of nuclear technology for weapons purposes. I believe it was the Federation of American Scientists which, in a statement over the weekend, urged an effective agreement at Geneva, and reminded us quite clearly and definitely of the risks involved in not being able to obtain such an agreement.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield.

Mr. GORE. I have enjoyed listening to the able and erudite statement of the distinguished senior Senator from Minnesota.

I was particularly impressed by his statement that, in the absence of an overall agreement, he would consider an agreement to stop nuclear detonations in the atmosphere of the world an important achievement. I should like to inquire of the Senator if such an achievement would not be important in at least two respects—first, the stoppage of further contamination of the world's atmosphere with radioactive fallout; and second, a major first step toward an international agreement, if such stoppage

should come about by international agreement.

Mr. HUMPHREY. Yes; I think so. It has been and is my conviction that we should attempt to pursue a course of negotiations which would result in a test ban on all tests of nuclear explosions, provided we could obtain an adequate system of inspection and detection. I have made it quite clear that I have never thought we could get a system of inspection and detection that is 100 percent foolproof. There is no doubt that there is always the possibility of some slip, some evasion.

I pointed out that this subject involved a choice of risks, as between the risk we take in a suspension of tests and the risk we take in the continuation of tests, which could make possible a greater spread of nuclear weapons. However, I feel that if we cannot attain that objective we must proceed to get what we can, if it is something more than merely an agreement. I do not want an agreement merely for the sake of an agreement; and I am sure the Senator from Tennessee feels as I do.

What we want is an agreement which has some meaning, which has some productivity to it, and which goes beyond mere psychological ramifications. One of the dangers of holding conferences with the Soviets is that our people feel compelled to get an agreement, sometimes even at the expense of good policy. I believe there is danger in that. We in democracies wish to get along with the rest of the world and want to learn how to live together. Furthermore we want to get an agreement. Therefore, sometimes we are not sufficiently analytic in evaluating all of the agreements, and therefore sometimes get ourselves into trouble.

However, in the instance of an atmospheric test agreement, that is, a prohibition of atmospheric tests, there is good to be obtained. The main good to be obtained, as the Senator has indicated, is, first, that it would lead to an international agreement, which is a beginning, slight as it may seem; more importantly, however, it would reduce some of the dangers, or at least the alleged danger of radioactive fallout. That is something that needs to be further explored on a humanitarian level, which is within itself significant, and which would also be worthy of pursuing and obtaining. I am hopeful that if we do settle on a test agreement we will also include within that agreement exploration and investigation of the scientific methods which are now known and those yet to be found for inspection and detection.

I would hope that if we were to get an agreement on banning tests in the atmosphere that the second item of that agreement would include a joint enterprise on the part of the three nuclear powers in pursuing some of the scientific theories of detection and inspection by actual observation and analysis. This would be very helpful, because it would mean that we would seek an even further extension of the nuclear test ban.

Mr. President, I referred a moment ago to the statement I heard over the radio this morning and read in the press, dealing with the scientists. This is the statement, as I read it:

SCIENTISTS CALL ON UNITED STATES TO STRIVE FOR TEST BAN

(By Herbert Cheshire)

A group of American scientists said yesterday a system can be set up to detect "any serious violation" of a ban on nuclear bomb tests.

The executive committee of the 2,200-member Federation of American Scientists urged the United States to make an agreement to stop atomic bomb tests, "a primary objective of our foreign policy."

The group said "no system of inspection can be 100 percent effective in detecting very small test explosions, but a system can be developed which carries out adequate sampling to prevent any serious violation."

"The small risk that a nation might attempt evasion with an unimportant small bomb or two must be weighed against the much greater risk of going on with the arms race with no agreement in sight to limit it," the scientists said.

They issued their call on the eve of resumption of negotiations on a test ban at Geneva.

And so on. Mr. President, I do not wish to minimize the dangers involved in evasion. It would be wrong to do so. One of the reasons for the discussions and one of the reasons, apparently, for some disagreement in the debate, on occasion, in the Senate, is that we need to discuss this matter. We need to understand the limitations and the pitfalls and the possibilities of danger to our national security, and the opportunities, as well. We must not permit this kind of discussion and negotiation to go on in Geneva for months and months and at the same time have a kind of silence in Congress. We know that any agreement reached will ultimately have to come to the Senate for ratification. It will be in the form of a treaty. We need to know what is going to be involved. What we say here has a way of conditioning what ultimately may be agreed upon at Geneva, if any agreement at all can be found.

I agree with many of my colleagues that a test ban within the atmosphere would go a long way to eliminate radioactive fallout. It is apparently not true, however, that atmospheric tests are the only kind of tests that cause fallout. Unfortunately, the administration allowed the impression to be created that tests above 31 miles do not result in fallout. These are the so-called Argus tests and the Johnston Island tests, as I recall. Now we are getting evidence, including the admission of Mr. McCone, Chairman of the Atomic Energy Commission, that tests in the higher atmosphere would not eliminate the fallout problem.

I ask Members of the Senate to recall that about a month ago headlines in the press of this country stated that the Argus series of tests and the Johnston Island series of tests left the impression, when the interpretations came from high officers of the Atomic Energy Commission and the Defense Department, that we had found a kind of test which did not leave any radioactive fallout. That was the impression. Those were the tests which were held at considerable altitudes. That impression is false, as now the Chairman of the Atomic Energy Commission himself admits, namely, that there is still some radioactive fallout.

There is a tendency to minimize these things. How well I recall the testimony before the Senate Subcommittee on Disarmament, when witnesses were brought before the committee. They were very prominent witnesses from the Atomic Energy Commission. They reminded us that the danger of radioactive fallout was no greater than the danger from a luminous dial of a wristwatch. When the chairman of the subcommittee asked a question, he was reassured as if he were being told, "Now, son, why worry? We have all this under control. We understand these things very well."

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Would it be classified information for the Senator from Minnesota to give the name of the author of that statement?

Mr. HUMPHREY. One of the witnesses was an eminent scientist. I wish to be very careful about the exact quotation. At that time Dr. Teller felt that the dangers were much less than were expressed by some people who were more concerned with the problem at that time. That also applies to the then Chairman of the Atomic Energy Commission. I did not intend to bring that subject matter into this particular discussion. But the then Chairman of the Commission, Admiral Strauss, did not feel that the problem was particularly significant. I do not intend to inject that note into this discussion of the negotiations, because I believe that is a separate item. However, the question was asked. I believe there was an attempt to minimize the importance of these things. Perhaps that was due to lack of information. Be that as it may, the record speaks for itself.

Now we are getting evidence, as I said, including the admission or statement of the Chairman of the Atomic Energy Commission, that tests in the higher atmosphere would not eliminate the fallout problem. Presumably tests in space, depending on the angle at which they are fired, would have very little fallout. But let us remember that this distance is evidently thousands, not hundreds of miles.

Even the Argus shots, some 300 miles up, were still in the upper atmosphere. We may be able to eliminate fallout if we test some 5,000 to 10,000 miles above the earth, but that is quite different than suggesting—as many have done—that tests beyond 31 miles do not cause fallout. I might add that conducting tests thousands of miles in space has its problems, too.

In conclusion let me repeat that a total test ban with adequate controls should be our goal. To achieve our goal we will necessarily pass through several stages and this depends in great part on the willingness of the Soviet Union first

to discuss the technical problems involved in the detecting and inspecting for underground nuclear explosions, and secondly to accept the necessary measures of control and inspection.

We must realize that at this point there are many difficulties in establishing effective controls. It is wrong to minimize the difficulties just as it is wrong to exaggerate the difficulties.

Regarding the technical problems of detection and inspection for underground tests, I believe the Chairman of the Atomic Energy Commission, Mr. McCone, has made a reasonable statement. He has said:

> We believe * * * that by research and study answers to this problem can be found. We have proposed that the Soviets join with us in the research necessary to devise an effective control system. * * * It is our fervent hope that through patience and careful negotiations the questions can be satisfactorily disposed of.

I agree with that statement. I commend Mr. McCone for it. It is that sort of attitude and philosophy which will guide us well. May we always embrace it.

Finally, as the negotiators at Geneva reconvene with what may be the final round, let us recall some wise words from our late Secretary of State, Mr. Dulles. When he first appeared before the Subcommittee on Disarmament in February 1956, Mr. Dulles said:

> It is not going to be possible to arrive at a system of mutual inspection and control which is going to be absolutely 100 percent mathematically complete. It is going to involve possible evasions.
>
> The question is, are those evasions going to be so serious that you just can't have any limitation of armament at all. I believe that you can reduce the margin of error, so to speak, to such small proportions that you are justified in balancing that risk against the other risk, which is, if you do not have any limitation of armaments at all, if you keep this Sword of Damocles hanging over the human race, which somebody can accidentally cut the thread of, that involves a huge risk, too. You have got to balance risks.
>
> It is not perhaps the function primarily of the Defense people to balance what you might call the political risk. Their job is to balance the purely military aspects of it, and from that standpoint I agree it is not possible to arrive at a formula which is absolutely 100-percent foolproof. The question is, how much can you reduce the risks inherent in any inspection control system.
>
> It is my belief that they can be reduced to dimensions so that the taking of that risk involves less jeopardy for our country and for the human race, than the risk of doing nothing and allowing this menace to go on in increasing proportions where it is a terrible portion of the human race. It could develop as a threat to the entire human race.

Those are the words of the late Secretary of State. He approached this whole subject very cautiously. Senators know that often I was one of those who were critical of his caution, of his slowness. But when the Secretary of State finally made the judgment and the decision to pursue these negotiations, he went into them with his eyes wide open. He knew there were some risks; but he also knew, as the scientists I have quoted today knew, that the risks of doing nothing are also dangerous risks, and that it might be well for the United States to pursue some kind of agreement which would, at least, offer some hope to humanity.

The Washington Post of today, Monday, June 8, 1959, published a very constructive editorial entitled "Nuclear Facts, Please." That, Mr. President, is what it takes—the facts—f-a-c-t-s. In that editorial, many questions are raised. I would not say that the editorial connects an all-out, overall test ban agreement with any kind of inspection or detection. Oh, no. The editorial is very thoughtful and very penetrating. It asks questions as to the kind of agreement we can get and how we are to perfect a system of inspection. The editorial asks, for example:

> How far is the Soviet Union willing to go in establishing an inspection system that would meet basic scientific criteria? How cumbersome would the system be? How great would be the element of risk, in the assumption that any inspection system would involve some risk?

In its conclusion, the editorial states:

> In the absence of more facts it is difficult for laymen to have conclusive judgments. For this reason we think it imperative that there be an informed official statement from the administration soon to answer the cacophony of dissent and deal specifically with such questions as the place of Communist China in any arrangement.

Mr. President, I ask unanimous consent that the entire editorial be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NUCLEAR FACTS, PLEASE

As the talks on halting nuclear weapon tests begin again in Geneva, the overriding question is one of judgment as to what constitutes the national and world interest. How far is the Soviet Union willing to go in establishing an inspection system that would meet basic scientific criteria? How cumbersome would the system be? How great would be the element of risk, in the assumption that any inspection system would involve some risk?

Recently a campaign has become apparent to change American policy from advocacy of an overall ban with inspection to a more limited ban which would permit continued underground testing. Senator HUMPHREY called attention to this movement last week in the Senate. It is unnecessary to question the motives of the persons who want a change. Some persons sincerely fear agreement of any kind; others sincerely want agreement of a less restrictive kind. Some of the arguments for continued testing to develop more small weapons are plausible; others are predicated on possibilities that are still on the drawing board.

What is apparent, however, is that there is almost no effective public exposition of the issues on the other side. Most of the arguments are over why the United States should not stop testing; there is little authoritative discussion of the risks in doing nothing. These risks include the danger of proliferation of nuclear weapons among countries which do not now manufacture them; the increasing difficulty of any sort of control without a prompt start; the possibility that the military security of the United States would be enhanced by a halt now, since the Russians also are capable of new developments; and the danger of convincing the Russians, because of the numerous changes of American position, that this country does not want an agreement.

Such considerations, in our view, have warranted the effort to obtain a reliable overall test ban. Soviet interest in a ban may well derive from mixed objectives, some of which may not coincide with American objectives. But conceivably this may be one of those times in history when, for different reasons, there is genuine mutual advantage to be gained. That is, the interest of this country in stopping nuclear tests may balance the interest in continued testing; and the same balance may prevail in the Soviet Union, where it is likely that there are also advocates of more tests.

Obviously it is important for this country to weigh its position carefully. If it is essential to avoid disrupting the negotiations merely because of the narrow concerns of particular groups, it is equally essential to avoid agreement merely for the sake of agreement. Unless an agreement with the Soviet Union were of the sort that would diminish suspicion and promote confidence, it could actually aggravate the present tension.

In the absence of more facts it is difficult for laymen to have conclusive judgments. For this reason we think it imperative that there be an informed official statement from the administration soon to answer the cacophony of dissent and to deal specifically with such questions as the place of Communist China in any arrangement. Although the most immediate concerns are centered in the negotiations at Geneva, the administration also needs to pay close attention to congressional and public support and understanding of its position. This need argues especially for early release of the pertinent scientific reports along with adequate explanations.

EXHIBIT 1

[From the Washington Star, June 7, 1959]

"CONSPIRACY" FOR SURVIVAL

Judging from his latest remarks on the subject, Senator HUBERT HUMPHREY suspects that there is some sort of conspiracy afoot in the Pentagon to scuttle the months-old Anglo-American-Soviet effort (which resumes tomorrow in Geneva) to negotiate an agreement for a total ban on nuclear testing.

With all due respect to Mr. HUMPHREY, this is a ridiculous point of view. For the fact is that the Defense Department, far from plotting against the idea of such a ban, appears to have been much too receptive to it until very recently. Actually, if one wishes to discuss this enormously complicated problem in sinister terms, the real "conspirators," the dissenters, the men who have the gravest misgivings about an all-out prohibition of atomic-hydrogen experimental detonations, constitute a rather large company of highly knowledgeable and distinguished non-Pentagonians.

These men, to name but a few, include Representative Holifield, Senator Gore, and former Atomic Energy Commissioner Thomas E. Murray, who now serves as a consultant to the Joint Congressional Committee dealing with nuclear affairs. They are emphatically opposed to a total testing ban under present conditions, and if their opposition is to be described as a "conspiracy," then let us all hope that it will succeed. For the alternative—a completely unjustifiable American acceptance of a total ban based on Soviet promises and on the inadequate system of onsite policing proposed by British Prime Minister Macmillan—could be a mortal threat to our safety and survival as a free nation.

Let none of us underestimate the menace. As Mr. MURRAY has warned in his two-part memorandum to the Joint Committee, "The Macmillan type of control would create the illusion of control without the reality," and

its acceptance could lead to an unmitigated disaster for the United States and the free world as a whole. This is so for the following primary reason: "The simple fact is that an accurate detection system for nuclear explosions does not exist * * * most evidence points to increasing rather than decreasing difficulty in detecting underground nuclear explosions. * * * The United States would be recklessly trusting the good faith of the Soviet Union in the face of all the historical evidence that the term 'good faith' has no meaning in the Soviet vocabulary."

In other words, an all-out testing ban at this stage would be a dangerous gamble for our country. Definitive proof of that point, according to Mr. MURRAY, can be found in our Government's still-secret Berkner report on policing systems—a report making clear that clandestine underground detonations could easily be set off—and not only in Red China—without being detected. The same holds true, apparently, for experimental nuclear shots at very high altitudes. The only exceptions are the familiar above-ground atmospheric explosions which cause health-endangering radioactive fallout and which are readily detectable. These latter can be prohibited without any peril to our national security.

As for the other tests, however, the tests that cause little or no fallout, the story is quite different. There is no sure way, at present, of detecting them, and if our Government entered upon a solemn agreement to stage no more of them, the United States, without having any real guarantees against Soviet violations or evasions, would debar itself from the development of small, clean, discriminating, and potentially revolutionary nuclear weapons. Further, it might debar itself from experiments vital to the production of an antimissile missile that could spell the difference between life and death for our country.

Certainly, in such circumstances, there is reason to welcome the kind of conspiracy that Mr. HUMPHREY has deplored. In our view, the President should be unyielding on this point. In keeping with his April 13 proposal, he should instruct the American delegation at Geneva to insist upon a strictly limited prohibition—one that would rule out only the atmospheric tests, and not the others that conceivably may stop Mr. Khrushchev from burying us.

THE PRESIDENT'S PROPOSALS ON SAVINGS BONDS, THE DEBT LIMIT, AND THE REMOVAL OF THE UPPER LIMIT ON THE INTEREST RATE FOR LONG-TERM BONDS

Mr. DOUGLAS. Mr. President, before discussing the message received from the President today, I ask unanimous consent that a statement I have prepared be printed at this point in the RECORD. I do this in order that my statement may appear in full in one place.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE PRESIDENT'S PROPOSALS ON SAVINGS BONDS, THE DEBT LIMIT, AND REMOVAL OF THE UPPER LIMIT ON THE INTEREST RATE FOR LONG-TERM BONDS

Today the Congress has received a message from the President concerning legislation which he intends to send to the Congress with respect to three major subjects, all concerned with the financial affairs of the Treasury and the Government.

First, he is asking for legislation to remove the present 3.26 percent interest rate ceiling on savings bonds so that in the immediate future a 3¾ percent bond may be issued.

Second, he is asking that the permanent ceiling on the public debt be increased from $283 billion to $288 billion, and that the temporary debt limit be increased from $288 billion to $295 billion.

Third, he is asking that the Congress remove the statutory limit on the interest rate of 4¼ percent on long-term bonds (over 5 years).

In addition, it appears from the message of the President that additional proposals—which he calls "technical proposals to improve the management of the public debt"—are also to be included in the proposed legislation. We do not yet know what these are.

Before I comment on these proposals, let me state a few facts as to how the present debt is held. As of March 1959, the $280 billion public debt was held as follows:

Length of issue and amount outstanding

	Billion
1 year or less	$68
1 to 5 years	62
5 to 10 years	13
10 to 20 years	25
20 years and over	8
Marketable E-bonds	60
Held by Government (trust funds, etc.)	44
Total	280

Now I wish to comment on the President's proposals.

INCREASE IN CEILING ON SAVINGS BONDS

While I deplore the fact that the President finds it necessary to remove the ceiling on savings bonds, in view of the fact that market yields on long-term bonds are at 4¼ percent or above, it would seem to me that the small holder of E-bonds and H-bonds should receive an interest rate more nearly equal to that which is received by those who hold long-term bonds and by those who, unlike the small investor, hold many hundreds of thousands of dollars' worth of such bonds. Thus, while it would be unnecessary if our fiscal affairs had been managed more prudently, I do not think that the small holder of E- and H-bonds should be penalized while the large investors receive higher rates. For this reason, I would reluctantly accept this proposal to remove the ceiling on these rates from the present 3.26 percent and to issue a 3¾-percent bond.

INCREASE IN THE TEMPORARY AND PERMANENT DEBT CEILING

While I again deplore the necessity for an increase in both the temporary and permanent debt ceiling, and while I believe that had our affairs been managed more prudently it might be unnecessary, it would appear that because of the nature of receipts which vary from month to month, the authority which the President has asked for is necessary to handle the seasonal variations in managing the debt.

Therefore, I am prepared, reluctantly, to see the permanent debt limit increased from $283 billion to $288 billion, and because of seasonal variations, to see the temporary limit increased from $288 billion to $295 billion.

REMOVING THE INTEREST RATE CEILING ON LONG-TERM BONDS

The President's third request, however, raises more important and more far-reaching issues than do the first two requests. I submit that no adequate case has yet been made for removing this ceiling of 4¼ percent on long term bonds. I believe that the President is using a short-run crisis—namely the seasonal needs of the Treasury to manage the debt when receipts drop in the fall—to gain a long run and what would no doubt be a permanent change in our laws. For once the interest rate increase is granted, such higher interest rates would not be reversed. Further, I believe, even if the ceiling were raised for a year or so, that we would soon find that it had become permanent.

There are various reasons why I make these statements. Let me list them in order:

First. It now appears that because of the increase in receipts, particularly from corporate profits, and because the Congress probably will cut the President's requests by about $2 billion, the fiscal year 1960 budget will be or should be in approximate balance. While there were a great many sleight-of-hand figures in the fiscal year 1960 budget—including an underestimate of expenditures for the farm program and for defense, and also including an overestimate of receipts from the postal increase, highway taxes, and the swap of FNMA securities—nevertheless the pickup in corporate profits and such budget cuts as Congress is now carrying out, including those in foreign aid, should bring a budget which is roughly in balance and which, in fact, could show some small surplus.

Consequently, there will probably not be any major need for financing additional debt in fiscal year 1960, as there was in the current fiscal year 1959 when, because of the falloff of receipts due to the recession, and in spite of the fact that Congress in the last 2 years actually cut the President's budget requests by $2.5 billion, we ran a $13–$14 billion deficit.

Thus, what debt financing there must be in fiscal year 1960 will be the refinancing of the existing debt and the need for some flexibility because of seasonal variations in tax receipts. The authority which the President has requested with respect to the debt limit increase should be adequate for these purposes.

Second. No long-term bonds of any kind come due until November 1960. In other words, it is almost a year and a half before the Treasury must refinance any of its long-term debt which in March amounted to approximately only $46 billion of the total of $280 billion. This is one of the major reasons why I say that the President is using a short-term crisis in order to attempt to effect a long-run or long-term change.

What debt that is due between now and November 1960 is short-term debt—under 5 years—for which there is now no ceiling on interest rates.

Third. Bond market difficulties stem basically from other causes than the interest rate ceiling. The President, in asking for a removal of the long-term interest rate ceiling, is attempting to deal with symptoms rather than basic causes.

Some of the other causes—and the more basic causes—of the trouble in the long-term bond market are as follows:

A. The increase in the levels of the stock market: Stock prices are now at a very high level. The composite index has risen from a level of 300 in January 1958 to a level of 426.5 as of May 15, 1959. While I do not indulge in predictions, and while I am not going to predict what the stock market will do, I would say that there is no overwhelming evidence that these stock market prices will be sustained or maintained. They could very well fall and they have been falling.

At least, there is no evidence that we know of that these levels will increase. If anything, stocks are now overvalued and appear to reflect prices which cannot be sustained on the basis of corporate profits and returns. Bonds are therefore likely to become more attractive to investors.

B. Scare talk: A great deal of the present difficulty stems from the scare talk about monetary inflation, which does not now exist, and a refusal to do anything about the administered price inflation, which does exist.

The administration has been shouting "inflation, inflation" so long and so hard that a great many people in this country have become unnecessarily frightened concerning the value of the dollar and the stability of our Government. Not only has the administration been doing this, but that part of the press which is its faithful follower has been running huge campaigns to convince the country that this is so. Further, full-page ads are being taken and paid for by the corporate supporters of the administration in order to convince people of the dangers of monetary inflation.

At the same time, what we have is an administered price inflation. The general price levels have been stable for the past year and the indications are that this will continue through at least much of this year. The facts are as follows: The consumer price index stood at 123.9 in April 1959—the latest figure we have. In July of 1958, the figure was also 123.9 and so there has been no increase since then and there has been an increase in the 12-month period from May 1958 to April 1959 of only three tenths of 1 percent, or from 123.6 to 123.9. Thus, the consumer price level has been stable for a year and has been as stable in this period as in any recent period in our history.

Industrial wholesale prices, on the other hand, have risen from 125.3 to 128.3 in the period May 1958 to April 1959, or in a period of 12 months, and since 1953 have risen from 114 to 128.3 or almost 14 points. This is where the greatest proportion of the price increases are to be found.

Meanwhile, we are not yet operating at full capacity with respect to industrial production. While the recovery seems to have made a good beginning, we have still not achieved those levels which we should have achieved a year or more ago—and we have a considerable way to go.

Further, we still have a great deal more unemployment than we should have and there are still 3.6 million people fully unemployed and the equivalent of another 1 million people fully unemployed who are working only part time.

Thus, we do not now face a situation where there is too much money chasing too few goods, and where our industrial capacity and our labor force are fully employed. If this were true, then we might be facing a problem of monetary inflation. But while we are below full capacity, the addition to our monetary system of increased amounts of credit will not bring price increases provided only that these additions are properly managed.

On the other hand, what we have seen is the ability of certain groups and corporations in our society who are in a monopoly or semimonopoly position to raise prices without the test of the competitive market. If the ordinary monetary brakes are applied to this kind of an inflation, they will have little effect and merely dampen down demand in those areas where demand is still not excessive and yet have no effect on the prices of the monopoly or administered price industries where the real price rises are going into effect. Consequently, the policies which the administration and the Federal Reserve Board have pursued in the last few months are like trying to cure pneumonia by taking out the patient's appendix.

Now, the effect of all this scare talk about the wrong kind of inflation has been to frighten people away from the bond market and to shift their investments into stocks which ordinarily rise as the price levels rise. Because of this, the problems which the Treasury now faces, and which they are trying to dump in the laps of the Congress, are partially of their own making and are in part the result of their own scare talk and that of their friends and allies. These men, while patriotic, need more faith in America.

THE ALTERNATIVES TO REMOVING THE CEILING ON LONG-TERM BONDS

Now, Mr. President, we are not without some constructive alternative policies which would get at the root of the problem and not merely deal with its symptoms, as the President's message does.

THE NEED FOR A COMPETITIVE BOND MARKET

First of all, there are sound grounds to believe that the bond market is not truly competitive. Further, there are grounds to believe that the administration and the Federal Reserve have followed a deliberate policy of raising interest rates wherever and whenever they had a choice of instruments to use in trying to restrict the amount of credit which was outstanding in our economy. I merely cite the following:

The Federal Reserve has not increased bank reserve requirements at any time since the Eisenhower administration has been in power. When inflation has been the problem, they have raised the interest rate and have not touched the level of reserve requirements. When deflation has been the problem, they have lowered reserve requirements and have used it as the main weapon against the deflation. Consequently, interest rates are artificially high.

The administration itself has followed a high interest rate policy. This has been deliberate. In its policies, there has been a disproportionate reliance on interest rates as a weapon and an unwillingness to use tax and fiscal policies.

To sum up, they have used an increase in interest rates whenever possible and while this has been good for the bankers, it has not been good for the public. I do not propose that we should now give them a blank check to carry this policy any further, but I do propose that they reexamine the entire framework of their policies to get at first causes rather than effects.

Thus, I believe that they can first attempt to make the bond market more competitive. While I do not intend to discuss the technical ways by which this can be achieved, I would say that there are such ways and that I, for one, am not yet convinced that the present bond market is anything like as competitive as it could be or as it should be.

PLUG TAX LOOPHOLES

Second, if inflation is the real problem and if the incentive to invest in stocks is now much greater than that to invest in bonds, the closing of the numerous tax loopholes in our existing laws could go a very long way to help solve this problem.

We could, in fiscal 1960, increase receipts by at least $2.5 billion by closing the most notorious of the tax loopholes. If the Treasury were to make the same effort with respect to closing tax loopholes as it has made in devising means to raise interest rates, we could conceivably pick up $4 to $5 billion in additional revenues. These funds could be used, in part at least, to retire some of the debt and to dampen down any inflationary pressures which might then be with us.

REVERSE "BILLS ONLY" POLICY

Third, the Federal Reserve now follows, purely by administrative action, a policy of buying "bills only." Treasury bills are those which are less than 1 year in length. This policy could be and should be reversed.

I do not want to be misunderstood on this subject so I want to make it clear what I am advocating. The Federal Reserve from time to time buys Government bonds. I am not advocating that they now go into the bond market and buy additional long-term bonds. What I am advocating is that they do go into the market and buy long-term bonds at the same time that they sell off some of their short-term bills, certificates, and notes. Consequently, the Federal Reserve could thus hold a greater share of its portfolio in long-term bonds at the same time that it offset any potential inflationary pressures from such buying by selling short-term bills and notes.

The Federal Reserve has the authority to do this. Their "bills only" policy is of their own making. They could do this without in any way adding to the total amount of bank credit which is outstanding and without breaching the Federal Reserve-Treasury Accord of 1951, which is of such vital importance in keeping the Federal Reserve independent of the Treasury.

Furthermore, Mr. President, as the secular needs for an additional supply of money and credit increase as our population and our productive capacity grow, the Federal Reserve could also follow the policy of buying long-term bonds. This would give, as a byproduct, added strength to the bond market.

The additional supplies of money and credit which are needed for secular purposes therefore, should be achieved by open market operations in long-term bonds rather than either (1) lowering the reserve requirements of member banks, or (2) open market purchases of bills only. Such a policy would have the effect of both insuring that the Government receives its cut of one-sixth for delegating to the banking system the power which Congress has under the Constitution "to coin money and regulate the value thereof," and of aiding the long-term bond market by increasing the amount and proportion of long-term bonds in the Federal Reserve Board's portfolio.

In addition, Mr. President, the abandonment of the bills only policy would add flexibility to the Federal Reserve and another weapon which could be used to help prevent major economic fluctuations both on the upturn and downturn of the economic cycle.

SUMMARY

Therefore, Mr. President, several constructive alternatives are now in the hands of the Treasury and of the Federal Reserve. The bond market could be made more competitive which, in my opinion, would bring a reduction in the interest rates. The Treasury and the President could help us close some of the notorious tax loopholes which would have both the effect of giving us a budget surplus and also cutting down on that portion of investment funds which are siphoned off into private investment for tax evasion purposes. In addition, the Federal Reserve could reverse its bills only policy and buy long-term bonds as it sold off a compensating amount of short-term notes, bills, and certificates.

Finally, the President and the administration could begin to show a little more faith in our economy and in our country. They should put a halt to the scare talk about monetary inflation and begin to work at the real job of doing something about the administered price inflation which comes from the ability of a few of our largest industries to set their prices without regard to market forces.

Now, Mr. President, there may be grave weaknesses in our present financial situation which the administration has not revealed to Congress and to the country. If such evidence is produced and if it should develop that the Treasury is in such great difficulties that it can only be rescued by an increase in interest rates, then perhaps the request of the administration should be granted. But on the evidence to date, I submit that the administration has not made out its case and that there are other and sounder financial steps which can be taken. I urge, therefore, that we scrutinize this proposal closely and not be stampeded into hasty and ill-considered approval.

Mr. DOUGLAS. Mr. President, today Congress has received a message from the President concerning legislation

which he intends to send to Congress with respect to three major subjects, all concerned with the financial affairs of the Treasury and the Government.

First. He is asking for legislation to remove the present 3.26-percent interest-rate ceiling on savings bonds, stating that later, if the raising of the ceiling is granted, the Treasury proposes to issue series E- and series H-bonds bearing a 3.75-percent interest rate.

Second. He is asking that the permanent ceiling on the public debt be increased from $283 billion to $288 billion, and that the temporary debt limit be increased from $288 billion to $295 billion.

Third. He is asking that Congress remove the statutory limit on the interest rate of 4¼ percent on long-term bonds—that is, bonds which have been issued for a period of more than 5 years.

In addition, it appears from the message of the President that additional proposals—which he calls technical proposals to improve the management of the public debt—are also to be included in the proposed legislation. We do not yet know what these are.

Before I comment on these proposals, let me state a few facts as to how the present debt is held. As of March 1959, the $280 billion public debt was held as follows:

Length of issue and amount outstanding

	Billion
1 year or less	$68
1 to 5 years	62
5 to 10 years	13
10 to 20 years	25
20 years and over	8
Marketable E-bonds	60
Held by Government (trust funds, etc.)	44
Total	280

The issues of 1 year or less are known as bills; those issued for from 1 to 5 years are known as certificates or notes; and the issues of from 5 to 10 years, 10 to 20 years, and 20 years and over, are known as long-term bonds.

Outstanding, in private hands, are $46 billion in long-term bonds.

Now I wish to comment on the President's proposals.

INCREASE IN CEILING ON SAVINGS BONDS

While I deplore the fact that the President finds it necessary to increase the ceiling on savings bonds, in view of the fact that market yields on long-term bonds are at 4¼ percent or above—apparently, the present yield is somewhere around 4.5 percent—it would seem to me that the small holder of E-bonds and H-bonds should receive an interest rate more nearly equal to that which is received by those who hold long-term bonds and by those who, unlike the small investor, hold many hundreds of thousands of dollars of such bonds. Thus, while it would be unnecessary if our fiscal affairs had been managed more prudently, I do not think that the small holder of E- and H-bonds should be penalized while the large investors receive higher rates. For this reason, I would reluctantly accept this proposal to remove the ceiling on these rates from the present 3.26 percent in order that a 3¾-percent bond could be issued. Perhaps I should clarify this point by saying that the entire ceiling is to be removed, but that the Treasury proposes to issue 3¾ percent bonds to replace the 3.26 percent bonds.

INCREASE IN THE TEMPORARY AND PERMANENT DEBT CEILING

While I again deplore the necessity for an increase in both the temporary and permanent debt ceiling, and while I believe that had our affairs been managed more prudently it might be unnecessary, it would appear that because of the nature of receipts which vary from month to month, the authority which the President has asked for is necessary to handle the seasonal variations in managing the debt.

Therefore, I am prepared, reluctantly, to see the permanent debt limit increased from $283 million to $288 billion, and because of seasonal variation, to see the temporary limit increased from $288 billion to $295 billion. There is perhaps a margin of $2 billion, however, which could be shaved, from this figure.

REMOVING THE INTEREST-RATE CEILING ON LONG-TERM BONDS

The President's third request, however, raises more important and more far-reaching issues than do the first two requests. I submit most solemnly that no adequate case has yet been made for removing this ceiling of 4¼ percent on long-term bonds. I believe that the President is using a short-run crisis—namely, the seasonal needs of the Treasury to manage the debt when receipts drop in the fall—to gain a long run and what would no doubt be a permanent change in our laws. For once the interest rate increase is granted, such higher interest rates would not be reversed; and the increased cost of interest to municipalities, to small businesses, and to other industries would be great, and would be a deterrent to business activity. Furthermore, I believe that even if the ceiling were raised for a year or so, we would soon find that it had become permanent.

There are various reasons why I make these statements. Let me list them in order:

First. It now appears that because of the increase in receipts, particularly from corporate profits, and because the Congress will probably cut the President's requests by about $2 billion this year—because, as we know, the Defense Department appropriations and the foreign-aid appropriations are yet to come before us—the fiscal year 1960 budget will be or should be in approximate balance. While there were a great many sleight-of-hand figures in the fiscal year 1960 budget—including an underestimate of expenditures for the farm program and for defense, and also including an overestimate of receipts from the postal increase, highway taxes, and the swap of FNMA securities—nevertheless, the pickup in corporate profits and such budget cuts as Congress is now carrying out, including those in foreign aid, should bring a budget which is roughly in balance and which, in fact, could show some small surplus.

Mr. President, I may say that I understand that the Federal Reserve and the Treasury are quoting as justification for increasing the interest rate the fact that in conferences with the central bank and treasury authorities of other nations, those authorities have expressed fears as to the fiscal solvency of the United States. If that is so, then I am sure those countries will understand, and will not hold it against us, if we cut foreign aid very much. And if the fiscal authorities of other countries doubt the fiscal solvency of the United States, certainly they cannot object if we preserve our fiscal solvency by making appreciable cuts in foreign aid.

Mr. GORE. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am glad to yield.

Mr. GORE. The able senior Senator from Illinois is one of the most enlightened Members of the Senate. He is particularly learned in this field. He has pointed to the possibility that the budget will be reasonably well balanced in 1960. I wonder whether he noticed the last paragraph of the President's message of today.

Mr. DOUGLAS. I did.

Mr. GORE. There the President informs Congress that he underestimated by approximately $500 million the cost of paying the interest on the national debt.

Mr. DOUGLAS. That is correct.

Mr. GORE. If Congress approves a policy of artificially increasing interest rates, may it not be that before the fiscal year ends, the new estimate will be out of order, and we may find that it costs an additional half billion dollars to pay the interest on the national debt?

Mr. DOUGLAS. That is quite possible.

Mr. GORE. I thank the Senator from Illinois.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am glad to yield.

Mr. PROXMIRE. The Senator from Illinois has raised a point which I believe is pertinent and is sincerely argued by those who believe in particularly high interest rates at this time, namely, that we are losing gold; that this is dangerous and alarming and that one way to stop it is to encourage investments in this country, as contrasted with investments in other countries, and therefore to raise our interest rate.

However, I should like to call attention to what I consider to be one of the finest analyses of the situation I have seen in a long time. It was published today in the New York Times, under the title "The Gold Outflow." The article was written by Edward H. Collins.

At this time, I should like to read the following from the article, because I believe it important in connection with the point the Senator from Illinois is making:

> Most of the popular myths that have grown up around the outflow of gold from the United States since early 1958 have at last been pretty effectively dissipated.
>
> Unanswerable evidence has been produced by students of the problem to show that the world has not lost confidence in the dollar; that the United States has not priced itself out of world markets and that competition from abroad has not driven American producers out of the domestic field in discernible numbers. In short, our position with respect to international payments on commercial account is by no means weak, as some persons would have you believe. On

the contrary, it is as robust as ever. Which is to say it is still stronger than that of any of its competitors in the world market.

Those are not merely assertions by that outstanding financial analyst. Instead, his conclusions are well documented later in the article.

Mr. President, if it meets with the consent of the Senator from Illinois, I now ask unanimous consent that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 8, 1959]

THE GOLD OUTFLOW—AN APPRAISAL OF SOME RECENT STUDIES OF TREND THAT HAS LASTED 15 MONTHS

(By Edward H. Collins)

Most of the popular myths that have grown up around the outflow of gold from the United States since early 1958 have at last been pretty effectively dissipated.

Unanswerable evidence has been produced by students of the problem to show that the world has not "lost confidence in the dollar"; that the United States has not "priced itself out of world markets" and that competition from abroad has not driven American producers out of the domestic field in discernible numbers. In short, our position with respect to international payments on commercial account is by no means weak, as some persons would have you believe. On the contrary, it is as robust as ever. Which is to say it is still stronger than that of any of its competitors in the world market.

Conceding these to be the facts, a person of even reasonably normal curiosity may be excused if he finds himself turning back to the subject from time to time to reconsider what must seem to him to be the contradictory nature of the evidence. "The experts," one can imagine him saying to himself, "have provided us with a watertight rebuttal of the oversimplified explanations to this episode."

"However, except in rare instances, they seem completely satisfied to stop there. They seem to feel that, while the flight of gold has now continued without interruption for 15 months and has reduced Treasury gold reserves by approximately $2.5 billion, they have discharged their responsibility simply by proving that the more blatantly fallacious 'explanations' were—well, blatantly fallacious."

In the absence of countervailing developments, the setting aside in the near future of the $344 million representing the gold share of the new subscription to the International Monetary Fund might easily bring the Treasury's gold holdings below the $30 billion level for the first time since 1940. This would represent a decline from the January 1953 total of $2.8 billion and a decline from the postwar high, reached in 1949, of roughly $4.6 billion, or not far from 20 percent.

Nevertheless, last week, for example, the Committee for Economic Development—certainly one of the wisest of the country's organizations devoted to the study of current economic problems—released a comprehensive report on the European Common Market, and in the course of the study took occasion to refer to "the fears that have been expressed about the recent gold outflow" and the popular inference that "we are pricing ourselves out of the world markets." The C.E.D. disposed of this issue in a brief paragraph that might be described as a model of complacent optimism. It declared:

"We believe the facts do not justify such a conclusion. We believe these developments should be interpreted as progress toward a better balance in the world economy, better distribution of the world's resources, and more equal competition in the world markets."

ENTHUSIASM VOICED

About the time this report was being released, the U.S. Council of the International Chamber of Commerce, giving expression to an equally benevolent mood, was publicly expressing its enthusiasm for the proposed Inter-American Development Bank, while in Washington Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, chairman of the Senate Foreign Relations Committee, was urging that the Development Fund, regarded by many as a dubious enterprise under the best of circumstances, be set up on a semipermanent basis, with a life of 5 years.

However, the widely held notion that there can be no "gold problem" so long as the dollar is strong in the field of international commerce, received a decided jolt last week at the hands of one of the country's ablest authorities. In a study prepared for the New York Stock Exchange firm of Model, Roland & Stone, E. M. Bernstein, until recently head of the Division of Research at the International Monetary Fund, while agreeing that the country's trade position was impregnable, nevertheless declares that we have an exchange problem, and that it was well in the making long before it was dramatized by the drain on our gold resources.

So far as the country's international trade is concerned, Mr. Bernstein points out, it has shown an uninterrupted annual favorable balance since 1950, with the surplus exceeding $6 billion in the best of these years. The same is true, he notes, with respect to the overall current account surplus. This has been consistently favorable and (if one excludes U.S. military expenditures abroad and military aid supplies and services) mounted in 1 year to $8,354 million.

Even this large surplus on normal account, however, has not been sufficient to avert a cumulative deficit on overall payments totaling more than $11 billion between 1950 and 1958.

REASONS LISTED

Why? Because (1) American private investments have climbed from $1,265 million in 1950 to an average for the 3 years 1956–58 of approximately $3 billion, and (2) Government expenditures and grants abroad for military and nonmilitary purposes have soared from $4,742 million in 1950 to $8,449 million in 1958, a rise of roughly 80 percent. Between them, in other words, this combination of private investments and Government expenditures abroad have totaled approximately $11,500 million in 1958, as compared with $6 billion 8 years earlier.

That our fellow members of the free world have undoubtedly been greatly strengthened by our payment policies, Mr. Bernstein would be among the last to deny. He does not, however, subscribe to the view that such a situation can continue indefinitely. As he puts it, "no country can be indifferent to the impact of its government policies on its international payments." Moreover, he has very definite ideas as to what should be done.

"From 1946 to 1951," he writes, "the U.S. policy was to provide the aid to Western Europe necessary for its reconstruction. Since 1952 the policy has been to continue U.S. aid and expenditures for military purposes until the rest of the world had rebuilt its reserves. The time has come, however, for a new emphasis on American policy.

"The new policy should be one of greatly reduced aid and expenditures for Western Europe; larger United States and European aid for underdeveloped countries, and a moderate growth of reserves for all the great trading nations."

Mr. DOUGLAS. I thank the Senator from Wisconsin. I merely brought up this matter because last fall the Chairman of the Federal Reserve Board, Mr. Martin, on his return from a conference with the central bank authorities at New Delhi, stated that he had been alarmed because the central bank authorities of other countries had been alarmed or fearful about the fiscal solvency of the United States; and I understand that the Treasury has been making informal comments about what the treasury officials of other countries have said.

I merely say that if that is the case, then such doubts about the fiscal solvency of the United States can easily be removed by reducing foreign aid; and those nations can hardly object if we take a step which they say it is necessary that we take in order to reassure them.

So I think the Treasury and the Federal Reserve have given us very strong arguments as to why there should be an appreciable cut in the administration's budget for foreign aid; and it ill behooves the administration, if it is anxious to stand well in the opinion of the central bank and treasury authorities of other countries, to insist—as it is now insisting—that Congress cannot cut a single dollar from the administration's requested appropriation of $3,900 million for foreign aid.

Mr. PROXMIRE. Indeed the Senator from Illinois is entirely correct, because our country still has a favorable balance of trade. The reason for the outflow of gold is, as I understand, that our troops are stationed all over the world, and that requires hundreds of millions of dollars, and perhaps billions of dollars; and, in addition, the administration is requesting additional amounts of foreign aid, which will mean a great outflow of American investment abroad. Those are the things which primarily are responsible for the existing outflow of gold.

Mr. DOUGLAS. I thank the Senator from Wisconsin.

The point I am trying to make is that with the balancing of the budget during the coming year, there will be no need to borrow additional money with which to meet the running expenses of our Government. Therefore there will not be any major need to finance additional new debt in the fiscal year 1960; and, hence, in order to borrow money with which to meet current expenses, we do not have to increase the interest rate.

We did have to borrow money to meet current expenses in the fiscal year 1959, the present fiscal year. That was due in large part to the falling off of receipts, which, in turn, was due to the recession. Due to the recession, we probably lost close to $7 billion or $8 billion below what had been budgeted; and the deficit accumulated, despite the fact that in the last 2 years Congress has cut the President's budget requests by $2,500 million.

You see, Mr. President, the President and his advisers are trying to blame Congress and the Democratic Party for the current deficit of $14 billion. But half of that deficit, at least, or more than half, is due to the recession itself, which in my judgment could have been reduced by proper policies on the part of the administration. And the remainder of the

deficit was not due to appropriations made by Congress, because Congress cut the President's budget.

Insofar as expenses for the farm program are concerned, we need to remember the present farm program is the Eisenhower-Benson farm program, not the Democratic congressional farm program; and if we have had expenses in connection with that program for which previous appropriations were not made, they should be charged to the administration—to Mr. Ezra Taft Benson and to the President—and not to Congress, because they forced us to take their program at the point of a gun.

Thus, what debt financing there must be in fiscal year 1960 will be the refinancing of the existing debt and the need for some flexibility because of seasonal variations in tax receipts. The authority which the President has requested with respect to the debt limit increase should be adequate for these purposes.

Second—and this is important, Mr. President—no long-term bonds of any kind come due until November 1960.

I have in my hand a Treasury bulletion for May 1959. I ask unanimous consent that portions of it be inserted in the RECORD at the appropriate place.

It refers to maturities dates on public marketable securities outstanding, and the bulletin was issued by the U.S. Government on the 30th of May.

The bulletin shows it will be a year and a half before the Treasury must refinance any of its long-term debt. Not until November 15, 1960, will any of the long-term bonds come to maturity.

The PRESIDING OFFICER. Without objection, the table referred to by the senior Senator from Illinois will be printed at this point in the RECORD.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Maturity schedule of interest-bearing public marketable securities issued by the U.S. Government and outstanding May 30, 1959*

[In millions of dollars]

Year and month	Description of security [1]	Amount of maturities		
		Fixed maturity issues	Callable issues classified by year of—	
			1st call	Final maturity
1959—June	Bills	6,602		
	Bills (tax anticipation series)	2,997		
	2¼-percent bond, June 15, 1959–62		5,266	
July	Bills	2,001		
	Bills	5,600		
August	Bills	1,596		
	1⅝-percent certificate, Aug. 1, 1959—C	13,500		
	Bills	4,000		
1959—September	Bills	1,601		
	Bills (tax anticipation series)	1,502		
October	1½-percent note, Oct. 1, 1959—EO	99		
	Bills	2,000		
November	3⅜-percent certificate, Nov. 15, 1959—E	7,711		
	3½-percent note, Nov. 15, 1959—B	1,184		
	Bills	1,600		
1959—December	2¼-percent bond, Dec. 15, 1959–62		3,455	
	Bills, Dec. 22, 1959	1,500		
Total		53,400	8,722	
1960—February	3¾-percent certificate, Feb. 15, 1960—A	11,363		
April	1½ percent note, Apr. 1, 1960—EA	198		
	Bills, Apr. 15, 1960	2,000		
May	3¼-percent note, May 15, 1960—B	2,738		
	3½-percent note, May 15, 1960—A	2,406		
	May 15, 1960	1,800		
October	1½-percent note, Oct. 1, 1960—EO	278		
November	2⅛-percent bond, Nov. 15, 1960	3,806		
December	2¾-percent bond,[2] Dec. 15, 1960–65		1,485	
Total		24,588	1,485	
1961—April	1½-percent note, Apr. 1, 1961—EA	144		
May	3⅝-percent note, May 15, 1961—B	4,078		
June	3-percent bond [3] (Panama Canal loan), June 1, 1961.	50		
August	4-percent note,[4] Aug. 1, 1961—A	2,609		
September	2¾-percent bond, Sept. 15, 1961	2,239		
October	1½-percent note, Oct. 1, 1961—EO	332		
November	2½-percent bond, Nov. 15, 1961	11,177		
Total		20,629		
1962—February	3⅝-percent note, Feb. 15, 1962—A	647		
	4-percent note, Feb. 15, 1962—D	1,435		
April	1½-percent note, Apr. 1, 1962—EA	551		
June	2¼-percent bond, June 15, 1959–62			5,266
	2½-percent bond, June 15, 1962–67		2,112	
August	4-percent note,[4] Aug. 15, 1962—B	2,000		
October	1½-percent note, Oct. 1, 1962—EO	590		
November	3¾-percent note, Nov. 15, 1962—C	1,143		
December	2¼-percent bond, Dec. 15, 1959–62			3,455
Total		6,367	2,112	8,722
1963—February	2⅝-percent note, Feb. 15, 1963—A	3,971		
April	1½-percent note, Apr. 1, 1963—EA	533		
August	2½-percent bond, Aug. 15, 1963	6,755		
October	1½-percent note, Oct. 1, 1963—BO	375		
December	2½-percent bond, Dec. 15, 1963–68		2,820	
Total		11,634	2,820	
1964—February	3-percent bond, Feb. 15, 1964	3,854		
June	2½-percent bond, June 15, 1964–69		3,743	
December	2½-percent bond, Dec. 15, 1964–69		3,818	
Total		3,854	7,561	
1965—February	2⅝-percent bond, Feb. 15, 1965	6,896		
March	2½-percent bond, Mar. 15, 1965–70		4,699	
December	2¾-percent bond,[2] Dec. 15, 1960–65			1,485
Total		6,896	4,699	1,485
1966—March	2½-percent bond, Mar. 15, 1966–71		2,946	
August	3-percent bond, Aug. 15, 1966	1,484		
Total		1,484	2,946	
1967—June	2½-percent bond, June 15, 1962–67			2,112
	2½-percent bond, June 15, 1967–72		1,835	
September	2½-percent bond, Sept. 15, 1967–72		2,716	
December	2½-percent bond, Dec. 15, 1967–72		3,703	
Total			8,254	2,112
1968—December	2½-percent bond, Dec. 15, 1963–68			2,820
1969—June	2½-percent bond, June 15, 1964–69			3,743
October	4-percent bond, Oct. 1, 1969	657		
December	2½-percent bond, Dec. 15, 1964–69			3,818
Total		657		7,561
1970—March	2½-percent bond, Mar. 15, 1965–70			4,699
1971—March	2½-percent bond, Mar. 15, 1966–71			2,946
1972—June	2½-percent bond, June 15, 1967–72			1,835
September	2½-percent bond, Sept. 15, 1967–72			2,716
December	2½-percent bond, Dec. 15, 1967–72			3,703
Total				8,254
1974—November	3⅞-percent bond, Nov. 15, 1974	654		
1978—June	3¼-percent bond, June 15, 1978–83		1,603	
1980—February	4-percent bond, Feb. 15, 1980	863		
1983—June	3¼-percent bond, June 15, 1978–83			1,603
1985—May	3¼-percent bond, May 15, 1985	1,135		
1990—February	3½-percent bond, Feb. 15, 1990	1,727		
1995—February	3-percent bond, Feb. 15, 1995	2,740		

[1] It should be noted that callable issues appear twice in this column, once in the year of 1st call and again in the year of final maturity. Callable issues with respect to which a definite notice of call has been made, however, are listed as fixed maturities. For date of issue of each security, see "Market Quotations."

[2] Income is partially exempt from income tax.

[3] Income is wholly exempt from income tax.

[4] Redeemable at option of holder on Aug. 1, 1959, on 3 months' notice.

[5] Redeemable at option of holder on Feb. 15, 1960, on 3 months' notice.

Source: Daily Treasury statement and Bureau of the Public Debt.

Mr. DOUGLAS. Mr. President, it will be remembered I pointed out that in March the long-term debt amounted to approximately only $46 billion of the total of $280 billion. Because it appears that the fiscal year 1960 budget will be roughly in balance we shall not need additional bond issues to finance current operations. We shall not need additional bond issues to refinance long-term issues. These are two of the major reasons why I say the President is using a short-term crisis in order to attempt to effect a long-term change.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. What I understand the Senator from Illinois to be saying is that until November 1960 there would be

no necessity to refinance long-term Federal obligations. Is that correct?

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. Therefore, if Government obligations were put into the long-term category, it would be a transfer from short term to long term obligations. Is that correct?

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. It seems to me that this time, a time of admittedly high interest rates, is the worst possible time for the Federal Government to lengthen its maturities. It seems to me the Senate of the United States, as a board of directors, can say as a board of directors might say to the treasurer or to the president of the corporation that when interest rates go above 4¼ percent, the composition of our debt should not be so changed that maturities are lengthened, because if the composition of the debt were so changed it would mean future generations would have to be compelled to pay the higher interest rates for a long time. Is that correct?

Mr. DOUGLAS. I think that is correct. Let me put it this way: I see no reason why short-term bonds bearing lower rates of interest should be converted into long-term bonds bearing higher rates of interest.

Mr. PROXMIRE. Exactly. I feel, as I am sure many other people do, and as I am sure the Senator from Illinois feels, there are times when we can sensibly lengthen maturities; but it is apparent that a good financial manager should try to borrow money at the lowest possible interest rates. Therefore, the worst possible time to lengthen maturities is when interest rates are high. Interest rates fluctuate and they are higher now than they have been for 25 years. Is that correct?

Mr. DOUGLAS. That is exactly correct. The debt to be refinanced between now and November 1960 is short term debt, or debt under 5 years' duration. There is no ceiling on interest rates for the short-term loans. Therefore, refinancing of those notes and bills will not be handicapped by the ceiling on long-term bonds. They can be refinanced by a further issue of short-term notes, certificates, and bills.

Mr. PROXMIRE. Is it not also true that the interest rate, at least at the present time, is substantially less on short-term obligations than it is on long-term obligations?

Mr. DOUGLAS. The yield is.

Mr. PROXMIRE. The yield is. Therefore, refinancing short-term obligations can be done at lower interest cost to the Treasury and to the taxpayer?

Mr. DOUGLAS. The Senator is correct. If this change to long-term debt were in excess of 4¼ percent interest, we would lose probably 1½ percent, and possibly as much as 2 percent.

Mr. PROXMIRE. That means that if $1 billion of the debt were refinanced, as the Treasury wishes to do it—at long-term instead of short-term debt—the cost to the Treasury would be $15 million. Is that correct?

Mr. DOUGLAS. Each year; that is correct.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Pennsylvania.

Mr. CLARK. I did not have the pleasure of hearing the Senator start his address. I came into the Chamber 2 or 3 minutes ago. I must say I think it is an extraordinary intellectual feat for the Senator from Illinois to produce so able a commentary on the President's message regarding fiscal policy on the very day the message was sent to Congress.

Mr. DOUGLAS. I may say we have been thinking of this question for some time and, I may add, I have had some very able assistance.

Mr. CLARK. I may say that I have been thinking about the matter for a long time, also, and I yield to no one on the ability of my assistants; but, needless to say, I do not have the background or the knowledge in this field the learned Senator from Illinois has. However, I should like to ask him a couple of questions.

I should like to invite the attention of the Senator to the comments at the top on page 2 of his statement, with reference to the increase in the ceiling on savings bonds. I personally would be prepared to object strenuously to that suggestion.

Is it not true that if the Federal Reserve System were to have used, to a reasonable extent, the powers given to it by statute, the whole weakness in Government bonds could well have been prevented and we could, indeed, be in a situation where a 3.26 percent return on savings bonds would seeem like an excellent return, as it was at the time the bonds were issued?

Mr. DOUGLAS. I may say that fiscally I tend to be very conservative, as the Senator from Pennsylvania may know. I am not in favor of unlimited purchases of bonds by the Federal Reserve System to maintain the price of Government securities, because the effect of it is to increase member bank deposits in the Federal Reserve System and permit a sixfold multiplication of bank credit.

Being conservative in this matter, I do not want to restrict the administration too severely. If the yield on long-term series other than E and H is appreciable above 3¼ percent, I do not want to see the small holders discriminated against. But I do not want to see the administration force the interest rate above 4¼ percent on long-term obligations.

Mr. CLARK. If the Senator will yield further, neither am I in favor of unlimited use by the Federal Reserve Board of its powers, but I certainly am in favor of some use—some reasonable use. It occurs to me that any such reasonable use, coupled with a balancing of the 1960 budget, which my friend from Illinois thinks is a very real possibility, would in turn drive down the interest rate for Government bonds across the board to such an extent that the rate on savings bonds would not need to be raised. This may be a question of degree and a question of judgment.

I certainly do not want to engage in a colloquy with my friend which would indicate any disagreement with his far greater economic knowledge, but I want to point out that certainly this is an inflationary move on the part of the President, and it is the fiscal irresponsibility of the Federal Government which has gotten us into this position.

This will clearly, will it not, increase the interest payment item which taxpayers are going to have to bear for years in the future, in raising the money necessary to keep the Federal budget in balance?

If arrangements could be made through the Federal Reserve System to restore a more reasonable level of interest rates throughout the economy, then would the Senator from Illinois not agree the 3.26 return on the savings bonds might again become as reasonable as it was at the time the bonds were issued?

Mr. DOUGLAS. That may well be. I pointed out that if the yield as to interest on long-term bonds could be reduced, then this would reduce the interest rate necessary to be paid on the series E- and H-bonds.

Mr. CLARK. It was my thought that perhaps the administration could better devote its attention toward decreasing the interest rate on bonds purchased by the insurance companies, corporations, and banks rather than increasing the rate on the savings bonds.

Mr. DOUGLAS. I am going to be shot at by the administration for opposing the increase in rate on the long-term bonds, and now I find myself shot at by my friend from Pennsylvania for making a concession on the E- and H-bonds. That shows the difficult role any middle-of-the-roader gets into when attacked from the right and from the left.

Mr. CLARK. I would not shoot at my friend from Illinois if I did not appreciate that he is used to being shot at.

Mr. DOUGLAS. That is correct.

Mr. CLARK. Indeed, my friend carries today some of the results of the shots at him by the Japanese. I am sure he will not mind my differing with him to this degree on this matter.

Mr. DOUGLAS. Oh, no.

Mr. CLARK. Let me ask the Senator a final question.

The Senator believes, does he not, that the present method of computing the debt limit is somewhat faulty? I now refer to another subject which is also covered on page 2 of the Senator's address. The method of computing the debt ceiling is a highly artificial one, because it gives no credit at all for assets of great worth held by the Government, but merely shows the gross debt.

This leads to the question of why we do not have a capital budget for the Federal Government? Would this not be a good time to provide that instead of increasing the gross debt ceiling we leave the ceiling where it is and permit the deduction from the gross debt, of the value of debt owed to the Government of the United States—in other words, apply the debt ceiling to the net debt?

Mr. DOUGLAS. I think the Senator from Illinois has made almost as many

speeches as the Senator from Pennsylvania advocating a capital budget. I heartily agree that should be done. I should like, however, to concentrate attention on the proposal in respect to the removing of the interest rate ceiling on the long-term bonds.

Mr. CLARK. I thank my friend for yielding to me. I will not detain him further.

Mr. DOUGLAS. That is all right. I simply do not want to be led astray, so to speak, on what I regard as minor issues.

Mr. MONRONEY. Mr. President, before the Senator leaves this item for another, will he yield to me?

Mr. DOUGLAS. I yield.

Mr. MONRONEY. I have listened with great interest to the full speech of my distinguished colleague, a man for whose experience in regard to fiscal and economic matters I have tremendous respect.

As a substitute for lifting the interest ceiling on the savings bonds, I wonder if the distinguished Senator from Illinois would consider a suggestion I have in mind. For good, social purposes, such as increasing the retirement income of persons who reach the social security retirement age, would it be possible to leave the interest rate at the point it now is on savings bonds, but to provide that if the bonds are held until the purchaser reaches social security retirement age the interest on such types of bonds will be not taxable? Would we then not be able to lock into our long-term bond-holding portfolio, by a very inexpensive device, bonds which we could encourage workers and others to buy during the big earning years in order to have a supplement to the social security retirement benefits which they might later receive?

Mr. DOUGLAS. I will say to my good friend from Oklahoma, this is an idea worth considering. However, it would be very easy to destroy the tax structure of the country by providing exemption from taxation for various types of income. I would be reluctant to give a blanket agreement to the idea before we had canvassed how much it would cost and to what additional demands it would lead.

Mr. MONRONEY. There would obviously have to be a limit, and a very reasonable limit, in regard to the amount of interest earned which would be tax-free under the social security supplement of which I am speaking. The Senator is a practical man. I hope I am a practical man. If the social security benefits do not permit a reasonable standard of living, then the Senator knows, as does the junior Senator from Oklahoma, that we will be forced to raise the social security benefits.

What I am suggesting is to attempt to devise a plan under which the Treasury Department, for such a social purpose, could allow a deductible amount, up to perhaps $100 or $150 a month, for a person reaching social security age, with respect to bonds which that person had bought on a long-term payroll deduction basis.

The Treasury Department is proposing a tax exemption as part of its plan on negotiable bonds. I am not in favor of that. I think that is an indirect way of raising the interest rate still higher.

I wish somebody would put some effective staff work behind a study of ways in which we could lock in more long-term savings bonds. I feel the very small amount of tax revenue which would be lost at the time of the maturing of such bonds, when a person reached social security age, would provide a very effective way of stimulating the sale of these bonds, instead of raising the interest rate directly, as is proposed, as stated by my distinguished friend from Illinois.

Mr. DOUGLAS. As proposed by the administration.

Mr. MONRONEY. Yes.

Mr. DOUGLAS. I will say that this perhaps is true, and I think it should be carefully considered. We need, however, to beware of jumping out of the frying pan into the fire in cutting our future tax revenues. I would say this is a matter which needs to be weighed. I think we all should consider it very carefully.

I think the Senator from Oklahoma deserves credit for making the suggestion. In such matters, however, one should not leap at the bait too quickly, because what one says on the floor of the Senate has a way of being quoted against one later. I should like to be a little reserved on the matter.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MONRONEY. I am not asking the Senator for an endorsement. I merely hope that somebody in the Treasury Department will look at this matter and study it, to find out what it would cost. Although I have urged the Treasury Department to do this, I have found they are more apt to come up with, and are apparently willing to come up with, a proposal for a negotiable tax exempt bond, which would put us back in the same morass we were in until we made all the income derived from Government bonds fully taxable.

Mr. DOUGLAS. I have been discussing two main points. I now come to a third point.

Third. Bond market difficulties stem basically from other causes than the interest rate ceiling. The President, in asking for a removal of the long-term interest rate ceiling, is attempting to deal with symptoms rather than basic causes.

Some of the other causes—and the more basic causes—of the trouble in the long-term bond market are as follows:

A. THE INCREASE IN THE LEVELS OF THE STOCK MARKET

Stock prices are now at a very high level, despite the fall in prices of today. The composite index has risen from a level of 300 in January 1958 to a level of 426.5 as of May 15, 1959, or an increase of 125 points—more than 40 percent in a space of 17 months. While I do not indulge in predictions, and while I am not going to predict what the stock market will do, I would say that there is no overwhelming evidence that these stock market prices will be sustained or maintained. They could very well fall, and they have been falling. I am told that the ticker today announced an average fall of 5 points in the stock market. At least, there is no evidence that we know of, that these levels will increase.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. CLARK. Is it not true that if methods of monetary and fiscal management could be devised to somewhat deflate the stock market, the almost inevitable result would be the availability of capital for the bond market, which, if accompanied by a balanced budget, would go far toward reducing the present cost of financing the public debt?

Mr. DOUGLAS. I am not in favor of taking any steps artificially to deflate the stock market. I believe in competitive prices in the stock market. The point I am trying to make is that there is no indication that the rise will be continued. What may in fact happen is that there may be a fall in stock market prices; and when that happens, bonds will become more attractive to investors.

Mr. CLARK. Unless the Federal Reserve Board establishes more moderate margin requirements in order to ease the stock market situation, which I hope it will not do.

Mr. DOUGLAS. I, too, hope it will not.

If anything, stocks are now overvalued, in terms of corporate earnings, and appear to reflect prices which cannot be sustained on the basis of corporate profits and returns. Bonds are therefore likely to become more attractive to investors. There is likely to be a movement of money away from stocks into bonds, just as in the past there has been a movement in investment away from bonds into stocks.

There is another factor which has sent up stocks, and that leads me to my next point.

B. SCARE TALK

A great deal of the present difficulty stems from the scare talk about monetary inflation, which does not now exist, and a refusal to do anything about the administered price inflation, which does exist.

The administration has been shouting "inflation, inflation" so long and so hard that a great many people in this country have become unnecessarily frightened concerning the value of the dollar and the stability of our Government. Not only has the administration been doing this, but that part of the press which is its faithful follower has been running huge campaigns to convince the country that this is so. Further, full page ads are being taken and paid for by the corporate supporters of the administration in order to convince people of the dangers of monetary inflation.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. PROXMIRE. Can we not emphasize this point by pointing out that, even recognizing the fact that inflation through administered prices has existed, we have had stable prices over the past year?

Mr. DOUGLAS. Absolutely.

Mr. PROXMIRE. In view of that fact, it seems to me that the scare talk, by the administration that we are in an inflationary period and that we must take the step of increasing interest rates because of inflation really falls to the ground.

Mr. DOUGLAS. The Senator from Wisconsin, with characteristic prescience, has put his finger on my next paragraph, to the effect that the consumer price index stood at 123.9 in April 1959, which is the latest information we have. In July 1958, the figure was also 123.9. So there has been no increase between July 1958 and April 1959. In the 12-month period from May 1958, to April 1959, there has been an increase of only three-tenths of 1 percent, namely, from 123.6 to 123.9. The consumer price level, therefore, has been stable for a year, and has been as stable in this period as in any period in our recent history.

If we consider wholesale prices—and the figures are given on page 24 of Economic Indicators for May—wholesale prices in March 1958, were 119.7; in April 1959, 120, or virtual stability.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MONRONEY. The statistics in the cost of living index and the consumer price index are very much more stable than the interest index, quoting from the President's message, published in Wall Street Journal. I think it should be emphasized and reemphasized that interest on the public debt in the year beginning July 1 will be half a billion dollars higher than the President estimated last January.

The article in the Wall Street Journal goes on to say that Budget Director Stans pointed out that the unnecessary elevation of budget costs by reason of an increase in the cost of rent of the money, which buys nothing, to the extent of an extra half billion dollars, will use up practically the entire $600 million estimated additional Treasury receipts.

We are lectured daily to maintain the President's balanced budget. Yet the Congress has not gone and will not go $500 million over his budget, as he has permitted the interest cost to do.

A few indications—not actions, but indications—from the Federal Reserve Board that it is concerned about the various inflations, especially of interest, would begin to bring interest rates down. When the distinguished Senator from Tennessee [Mr. GORE] and other Senators partcipated in such an effort a while back, and the Federal Reserve Board began to be interested, we saw interest rates come down. Later the Board reversed its position, and we saw interest rates go up. Something should be done to awaken the members of the Federal Reserve system to the fact that they are a part of the Government. They are not isolated in an ivory tower for the purpose of raising interest rates and the cost of money to the Government, the biggest borrower of all.

Mr. DOUGLAS. I quite agree with my good friend from Oklahoma; but inasmuch as the CONGRESSIONAL RECORD is read by a great many people, I wish to make my position clear.

If it were necessary to raise interest rates in order to prevent runaway inflation, I would favor an increase in interest rates, because I think the cost to the Government of the increased interest would be less than the cost to the Government and the people by reason of an increase in the cost of commodities and services. But that is not the situation.

The fact is that we do not have monetary inflation at the present time. We have not had an increase in the general price level, which is apparently stable in the past year. What we have in the wholesale price index is some decrease in farm prices and some increase in industrial wholesale prices; and that increase in industrial wholesale prices is largely concentrated in those industries characterized by imperfect competition, quasi-monopoly, or monopoly.

It is this fact of administered prices to which I think both the Federal Reserve and the administration should pay attention, rather than to an alleged monetary inflation, which certainly does not exist at the present time.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. GORE. One other factor which is necessarily present in a classical inflationary condition is a scarcity of commodities; whereas, instead of scarcities, we have surpluses.

Mr. DOUGLAS. And idle capacity, to which I shall turn in a moment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. Let me complete this thought, and I shall be glad to yield to the Senator in a moment.

I find it distressing that, in the face of all these facts, the administration continues to talk about monetary inflation, which has the effect of frightening the public, so that it does not want to invest in bonds.

The public will say, "Why invest in bonds, when at the end of 10 or 20 or 30 years we get back the same number of dollars, but whose value, because of this terrible inflation, will be less?" Therefore, people will not put money into bonds. They are afraid to do that. In that way, they force down the price of bonds and send up the yield. Then the increase in the field is used as an excuse by the administration for raising the interest rate.

Let me make this quite clear. I do not charge the administration with deliberately driving down the price of Government bonds. But I do say that the effect of their scare talk has been to help drive down the price of Government bonds; hence, to increase the yield; hence, to increase the difficulty in selling bonds. They say the situation can be helped only by increasing the interest rate. I rather think they have indulged in this scare talk, at least in part, to discredit Congress and the Democratic Party, and in so doing, it has all kicked back on the United States.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Tennessee.

Mr. GORE. If there is a further increase in interest rates, outstanding bonds will be driven still further below par. Is that not correct?

Mr. DOUGLAS. Yes; I agree with respect to outstanding securities; not refunded securities.

Mr. PROXMIRE. Mr. President, we have had not only an administered price inflation, which has only been kept in hand by lower farm prices and lower farm income, but we have had, in addition to that, an interest inflation, which is beginning to hit the consumer.

The National City Bank of New York, which is the biggest consumer loan moneylender in the country, announced last Friday that it was increasing its charges in such a way that an $1,800 car would cost the purchaser an increase of $9 a month in his regular monthly payments; that a television set would cost an additional $1 a month in the regular monthly payments.

This is inflation by interest rates of a kind that the Senator from Oklahoma was referring to a moment ago. That also must be taken into account and is a consequence of the hard money policy, together with administered prices, which I think is driving up costs, and is very unwise indeed.

Mr. DOUGLAS. The interest rate on long-term Government bonds, in a sense, is the basic interest rate, on which other interest rates are built. If the basic interest rate is raised, other interest rates necessarily go up.

Mr. PROXMIRE. As the President pointed out in the third or fourth paragraph of his message, it is now said to be impossible for the Government to compete with State or local governments who want to borrow money. The President wants to compete. What does that mean? That means that the local and State governments will have to pay more, too, and that means more expensive financing and, therefore, fewer hospitals, fewer schools, and fewer other things that America needs.

Mr. MONRONEY. I should like to note that last Sunday the New York Times had an interesting display with respect to one of our major cities. With respect to Chicago, if there are tax-exempt bonds at 4 percent——

Mr. DOUGLAS. The credit of Chicago is very good, too.

Mr. MONRONEY. I am glad to hear that, but at 4 percent——.

Mr. DOUGLAS. Comparatively speaking, of course.

Mr. MONRONEY. Net earnings on 4 percent tax-exempt bonds equals about 8 percent on taxable bonds for an average investing person, which puts the interest yield up almost to the highest point. The bonds of the O'Hara airport, which will be self-liquidating, although issued by the city, are at 4½ percent. The New York Turnpike bonds and other gilt-edge tax-exempt bonds are running in the neighborhood of 4½ percent, which makes the yield comparable to taxable bonds at about 9 percent.

Mr. DOUGLAS. There is no doubt that an increase in the basic interest rate on long-term Government bonds will send up the interest rates every-

where. This will have a depressing influence on borrowing by small business and by medium-size corporations, and so forth.

Mr. MONRONEY. Would the Senator say that removing all limitations on interest on long-term Government financing would almost be like saying, "Boys, the sky is the limit," and would not 10 percent or 8 percent for governments mean as high as 15 percent in interest for small business, when the credit thins out at the end of the line in the country banks?

Mr. DOUGLAS. I do not want to go all the way on that with the Senator from Oklahoma, but it would have something of a depressing effect; yes.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOUGLAS. May I finish the next paragraph of my prepared remarks? I believe I know what the Senator from Vermont is going to say.

At the same time that the administration has been fighting a monetary inflation, which does not now exist, what we have is an administered price inflation. The general price levels have been stable for the past year and the indications are that this will continue through at least much of this year. Thus, the consumer price level has been stable for a year and has been as stable in this period as in any recent period in our history, and I have given the figures on this index.

Industrial wholesale prices, on the other hand, have risen from 125.3 to 128.3 in the period May 1958 to April 1959, or in a period of 12 months, and since 1953 have risen from 114 to 128.3 or almost 14 points. This is where the greatest proportion of the price increases are to be found.

Meanwhile, we are not yet operating at full capacity with respect to industrial production. While the recovery seems to have made a good beginning, we have still not achieved those levels which we should have achieved a year or more ago—and we have a considerable way to go.

Further, we still have a great deal more unemployment than we should have and there are still 3.6 million people fully unemployed and the equivalent of another 1 million people fully unemployed who are working only part time.

Thus, we do not now face a situation where there is too much money chasing too few goods, and where our industrial capacity and our labor force are fully employed. If this were true, then we might be facing a problem of monetary inflation. But while we are below full capacity, the addition to our monetary system of increased amounts of credits—but limited increases, not unlimited—will not bring increases provided only that these additions are properly managed.

Now I am glad to yield to the Senator from Vermont.

Mr. AIKEN. The Senator from Vermont is quite concerned over this situation, and very much interested in Professor Slichter's description of it before the Committee on Banking and Currency, in which he stated that we cannot have a high level of prosperity without some inflation.

Mr. DOUGLAS. I do not believe that.

Mr. AIKEN. I am inclined to agree, although as a matter of practice prosperity and some inflation seem to go together. That was not what I was rising to say, however.

Mr. DOUGLAS. I do not believe that we have to purchase high level production with inflation.

Mr. AIKEN. I have had the feeling that a continuous raising of interest rates was inflationary itself. However, if the time has come when we cannot finance our Government borrowings at the ceiling rate of interest, and there is an offering of bonds at the ceiling rate on which it is not possible to get bidders, what solution does the Senator from Illinois have?

Mr. DOUGLAS. I do not believe that my good friend from Vermont was on the floor during the earlier part of my remarks. I pointed out then that the budget for fiscal year 1960 will in all probability be balanced. Therefore, there will be no need for fresh borrowings to meet a current deficit, since there will not be any deficit. When we get through with foreign aid and other cuts, the budget will be in balance. Therefore, we do not need to borrow to meet new and added Government deficits. On refunding, there will be no long-term bonds coming due until the 15th of November 1960, or approximately 18 months from now.

Therefore, for the immediate present we do not have any problem of refinancing the long-term bonds. What will come due during those 17 or 18 months will be short-term bills and notes and certificates. There is no limit on the interest rate that can be paid on those forms of the public debt. Therefore, we do not need to increase the interest rate on long-term bonds to meet the situation so far as these short-term bills, notes, and certificates are concerned.

I have some constructive suggestions for a long-term policy which in my judgment will remove the need for any increase in long-term bonds even after November 1960.

Mr. AIKEN. How long does the Senator from Illinois think we could continue to finance the Government on a virtually day-to-day basis on the short-term borrowing. Can that go on for some years?

Mr. DOUGLAS. Well, we can refinance short-term bonds with short-term bonds until the situation changes.

Mr. AIKEN. Does the Senator believe it is possible to continue the sale of short-term bonds at well below the permissible interest ceiling?

Mr. DOUGLAS. There is no ceiling on short-term bonds. There is no legal ceiling on them.

Mr. AIKEN. At what price are short-term borrowings sold for now?

Mr. DOUGLAS. On May 16, the average yield on 3-month Treasury bills was 2.722. I think the June quotations are slightly above. That is subject to correction. I do not think they exceed 3¾ percent at the present time.

Mr. AIKEN. When I have a problem to face, I like to consider alternatives. That is why I am asking the Senator from Illinois what his alternatives would be.

Mr. DOUGLAS. I have some alternatives which I shall propose. I hope the Senator from Vermont will remain to hear them and that he will not be like the character in "Heartbreak House," Captain Shotwell, who would always ask puzzling questions and rush out the door, before the questions could be answered.

Mr. AIKEN. I am in no position to rush out.

Mr. CLARK. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. CLARK. I think the Senator from Vermont is under the necessity of remaining for some time in order to protect his side of the aisle, unless he can get relief; so I suspect that he will have the privilege of hearing the rest of the very fine talk being given by the Senator from Illinois.

Mr. AIKEN. I expect to be here for a short time, anyway, to listen to what the Senator from Illinois and possibly other Senators may have to say.

Mr. CLARK. I suggest to the Senator from Illinois that there is a very important additional factor which ought to get into the discussion at this point, in order that we may have a rounded view of this problem, namely, that the high-interest policy of the Eisenhower administration has been one of the most important causes of the slowing down of our national growth to practically a halt. I call the Senator's attention not only to the unemployment figures which he has just quoted in his brilliant speech, but to the fact that in 1952 the per capita share of the gross national product of each individual American, expressed in terms of constant dollars, was $25.05; whereas, in 1958 that per capita share of the gross national product, in constant dollars, had arisen to only $25.09, or barely one-tenth of 1 percent in 4 years.

So the gross national product, in terms of the population available to enjoy it, had gone up practically not at all. I suggest that one of the major reasons that our national growth has ground to a halt was the fact that the high interest rates and tight money policy had so inhibited investment that we were not able to move forward in the way we should have.

I think it is important that these facts should be reiterated, time and time again, because our friends from Wall Street and the publishers of the New York Times and the slick weekly magazines will always tell us how much the gross national product has increased, but they will never do it on a per capita basis, which is the only real measure. This indicates in my judgment, that the objectives of the Employment Act of 1946 have not been achieved by the Eisenhower administration and the Federal Reserve Board, both of which agencies are charged, as a matter of national policy, with seeking to achieve maximum production and maximum growth as objectives of national economic policy.

Mr. DOUGLAS. I have been reluctant in the last 6 years to attack the monetary policies of the Eisenhower administration, because I disagreed with some of the monetary policies of the Truman administration. But I think the evidence is now conclusive that the administration has artificially driven up interest rates; that it is seeking to drive up interest rates still further while the artificial policy of the Truman administration resulted in an undue increase in member bank reserves and in some inflation, the artificial policy of driving up interest rates by the Eisenhower administration, pursued in cooperation with the Federal Reserve Board, has tended to affect investment by municipalities and by small business and housing. This has had a depressing influence upon the economy.

It may well be that these policies have played a part in the Nation's having two recessions in 6 years.

So, at long last, despite my innate conservatism in such matters, I feel compelled to take the floor and protest against this further attempt to drive up interest rates artificially. I believe in competitive interest rates, as I have said over and over again. In my opinion, the Truman administration artificially lowered the interest rates; I think the Eisenhower administration, in cooperation with the Federal Reserve Board, is artificially raising the interest rates, with a differing set of consequences, such as retardation of growth and increased unemployment, whereas the Truman administration policy resulted in some inflation.

I believe we can devise a policy which will give us stable prices, an adequate rate of growth, and comparatively full employment. This is what happened from March 1951 to December 1952.

I had something to do with the adoption of the so-called Treasury-Federal Reserve accord of 1951. From March 1951 to December 1952 prices were stable; yet employment was high and production was high.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. GORE. The Senator from Illinois has spoken very eloquently, movingly, and impressively. Among other things, he said he wished to see competitive interest rates. If the money supply is arbitrarily and artificially squeezed, how can that be? I point out to the Senator that in testimony before the committee on which he and I have the privilege of serving, Mr. Martin said this: "We have let the growth of the money supply slow down to about 1 percent" per year. Yet he testified that a 3- to 4-percent growth in the national product was needed.

Mr. DOUGLAS. I think the increase in the money supply in the last 3 years should have been greater. Roughly, I should say that the money supply should increase at somewhere around 3 percent a year, and that physical production should increase by at least 4 percent, a year. This should provide approximately stable prices, assuming the velocity of money to be stable. I think the Federal Reserve Board has followed, in practice, too repressive a policy.

Mr. GORE. I thank the Senator from Illinois. I find myself in agreement with him.

Mr. DOUGLAS. But this does not mean that I approve of the Truman administration policy which was followed until February 1951.

Mr. GORE. I was not attempting to take the Senator back to that time.

Mr. DOUGLAS. The Truman administration policy forced the Federal Reserve to buy almost unlimited quantities of Government bonds to keep the interest rate low and Government bonds at par. The result was that the reserves of member banks were built up. This gave the member banks the capacity to expand bank credit, and bank credit expanded more rapidly, and we had a 10- or 12-percent increase in lending capacity from the summer of 1950 to the winter of 1951. So I do not want to go back on a single word that I said, and which I think was correct. The only trouble is that while we had an excess of paregoric at that time, we have been taking an excess of bismuth at the present time.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MONRONEY. To keep the record straight, would it be proper to point out that in the period from 1950 to 1951 there was the stress and strain of the Korean war, followed by the period before the OPS was enacted, leading to inflation, as all such war periods historically have done?

Mr. DOUGLAS. That, I think, is true, It may well be that speculation in the basic prices of rubber and other war articles sent prices up, and that that could not have been restrained by decreasing or failing to expand bank credit. Nevertheless, I think that the increase in bank credit and artificially low interest rates played an important part in the inflation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. AIKEN. I am still seeking information on a subject on which I am not too well informed—that is, interest rates and money. I was interested in the remarks of the Senator from Illinois that the Truman administration brought the interest rates down unrealistically.

Mr. DOUGLAS. Artificially.

Mr. AIKEN. And the Eisenhower administration has raised interest rates less than they would have been raised on a normal basis.

Mr. DOUGLAS. Oh, no—much above what they would have been on a normal basis.

Mr. AIKEN. I thought the Senator from Illinois said he thought the interest rates would be fixed by fair competition. Did not the Senator from Illinois say that?

Mr. DOUGLAS. That is correct.

Mr. AIKEN. In the opinion of the Senator from Illinois, what would the interest rate on long-term bonds be today, on the basis of fair competition?

Mr. DOUGLAS. Well, I do not think it would be 4½ percent.

Mr. AIKEN. Could the Senator from Illinois make an estimate?

Mr. DOUGLAS. No; but I do not think it would be 4½ percent. I think it could be no more than 4¼ percent, and possibly less than that, with the changes I am going to suggest.

Mr. AIKEN. Then does the Senator from Illinois believe the ceiling on them should be maintained?

Mr. DOUGLAS. Yes; unless other things change, I believe we should maintain the ceiling.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Illinois yield to the Senator from Colorado?

Mr. DOUGLAS. I yield.

Mr. CARROLL. I have listened with great interest to the remarks of the Senator from Illinois. I thought we might emphasize what is meant by administered prices. In 1957—and I believe it might be well to state this point for the RECORD—the price of crude oil was increased 35 cents a barrel. According to testimony before our Antitrust Committee of Rear Adm. O. P. Lattu, director of Military Petroleum Supply Agency, that increase cost the Government of the United States, for that fiscal year, $85 million.

It was estimated that the increase in the price of crude oil had an inflationary effect on our economy of over $1 billion for that year.

Following that investigation, the Senate Antitrust Subcommittee conducted hearings into the automotive industry.

Again we heard testimony from outstanding economists concerning "administered prices" their application to that industry and their effect on inflation and unemployment of that period.

Thereafter, the effect of administered prices was applied to steel and the Antitrust Subcommittee began to study the steel industry and evidence was received of the enormous inflationary impact on the consumer of administered price increases by the giant steel companies.

Today the press and the public are finally paying more attention to administered prices.

There is no doubt in our mind—and the conclusions from the studies made by the committee are generally accepted now—that there has been such a great concentration of economic power in the hands of a few giant corporations that they not only control the market, but they also set the prices. Is that what we mean by administered price inflation?

Mr. DOUGLAS. Yes; and I think such increases as have occurred in the industrial wholesale sector have occurred in this field. I think that has been the main cause of the increase in 1956 and 1957, not monetary inflation.

Mr. CARROLL. The other day, I read in the New York Times an editorial on that subject; and I wondered why the Government needed to raise the interest rate. Is this brought about because of the administered price situation which exists in this country? Does

it follow that we must have an artificially administered interest rate policy on the part of the Government? Has the distinguished Senator from Illinois given thought to that?

Mr. DOUGLAS. Of course, there has been no increase in the last year. But the major portion of the previous increases occurred, I believe, in the field of quasi-monopoly or imperfect competition, and so forth. Obviously, to increase interest rates is no remedy; neither is an increase in prices a remedy in these respect, because the large corporations have enough capital, and will be able to finance their investment needs from their corporate earnings, and so forth.

So an increase in interest rates will fall primarily on smaller business and upon local investments, and, therefore, administrative inflation is not cured by an increase in the interest rates, or even by a decrease in the total supply of money.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. I yield.

Mr. CARROLL. I think this is a very important point. In our antitrust committee hearings we have examined the entire corporate structure of the large corporations. The giant corporations, almost without exception, according to the testimony of the officials of those corporations—including Mr. Roger Blough, chairman of the board of United States Steel—admitted, when I asked about their system of financing, that they did a substantial part of their financing through retained earnings or surplus.

For instance, let us assume that a corporation made $200 million after taxes; $100 million would be used to pay dividends. The other $100 million would be plowed back as retained earnings. As the distinguished Senator from Illinois has said, almost without exception that is what has occurred. The giant corporations finance their expansion by internal financing. Those corporations do not have to engage in public financing. The consumer pays for their financing, because these corporations control the market. Because they control the market, they set the prices the consumer pays. So the consumer does their internal financing for them.

In one automotive corporation—and it is a big company—there has been no appreciable public financing for many years. All its financing has been done through this system of internal financing, not public financing. Of course, this is not done in a field of pure monopoly.

I think the American Telephone & Telegraph Corp. is an example whatever its other defects may be. The House committee has exposed some of them. But at least in the matter of financing, such firms finance their expansion by going to the public money market. As regulated monopolies they are thus forced since their rates, that is the prices they charge, are fixed by a commission.

Mr. AIKEN. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. I yield.

Mr. AIKEN. The Senator from Colorado has referred to the American Telephone & Telegraph Corp.'s financing. That reminds me of the situation in the late thirties, when the manager of the State telephone company said to me that his company had a multi-billion-dollar expansion program planned, and expected to pay a large part of the cost out of earnings.

I believe that was where a substantial part of present-day inflation started, because I understand that the steel companies have financed a $1 billion expansion out of earnings; at least, that is the report. I have not checked on it. The Senators who are members of the committee should know about that. I think that practice, which began in the late 1930's, has spread through corporations of other kinds in this country.

Mr. DOUGLAS. In the case of telephone, electricity, and gas companies, if the various public-utility commissions had been on the job, they would not have permitted rates which would have allowed expansion through earnings.

Mr. AIKEN. But the Senator from Illinois realizes that that took place, does he not?

Mr. DOUGLAS. Yes; it certainly did.

Mr. AIKEN. And it was highly contributory to the general inflation of prices and the deflation of the dollar.

Mr. DOUGLAS. Yes; in the noncompetitive sector of business.

Mr. CARROLL. Mr. President, if the Senator from Illinois will yield further to me, let me say that the real point I wanted to raise presents a case illustration in connection with the scare talk. I think the Senator from Illinois has made a splendid contribution today by saying that the talk of inflation and spending is scare talk. I believe the economists' reports—at least, those I recall—about cutbacks in 1957 and the failure to press to raise the debt limit at a proper time, and Charley Wilson's action in withholding $500 million from the expenditures on basic research, and especially the defense cutbacks—in my opinion, at least—caused the layoffs which helped create the recession, which in turn caused us to wind up with a deficit of between $12 billion and $13 billion. Was not that revealed in the course of the hearings? I think the Senator from Illinois participated in some of those hearings.

Mr. DOUGLAS. I think that was a contributing cause.

Mr. CARROLL. Would not the Senator from Illinois say it was one of the major contributing causes?

Mr. DOUGLAS. I would say it was a cause.

Mr. CARROLL. I visited the west coast in the latter part of 1957; and I saw the workers thrown out of work by the thousands because defense contracts were cut off. I was under the impression that from that budget development there spiraled in a real recession.

I thank the Senator from Illinois for yielding to me.

Mr. DOUGLAS. I wish to thank my colleagues, Mr. President, for the able questions they have asked. I am flattered that, at this late hour in the day, they would remain in the Chamber.

I continue, with my prepared address, Mr. President. I shall yield when I get through, or yield as I go along.

What we have seen is the ability of certain groups and corporations in our society who are in a monopoly or semi-monopoly position to raise prices without the test of the competitive market. If the ordinary monetary brakes are applied to this kind of an inflation, they will have little effect and merely dampen down demand in those areas where demand is still not excessive and yet have no effect on the prices of the monopoly or administered price industries where the real price rises are going into effect. Consequently, the policies which the administration and the Federal Reserve Board have pursued in the last few months are like trying to cure pneumonia by taking out the patient's appendix.

Now, the effect of all this scare talk about the wrong kind of inflation has been to frighten people away from the bond market and to shift their investments into stocks which ordinarily rise as the price levels rise.

People have been buying stocks because of the fear of inflation, and they regard the purchase of stocks as a hedge against inflation. This buying has helped drive prices of stocks upward, and has increased the yield on bonds, and has helped create the situation which the administration now says requires an increase in the interest on bonds.

Because of this fear, the problems which the Treasury now faces, and which they are trying to dump in the laps of the Congress, are partially of their own making and are in part the result of their own scare talk and that of their friends and allies. These men need more faith in America.

Mr. President, I believe them to be patriotic men. I am not going to charge them with a lack of patriotism, but they need to have more faith in America.

THE ALTERNATIVES TO REMOVING THE CEILING ON LONG-TERM BONDS

Now, Mr. President, we are not without some constructive alternative policies which would get at the root of the problem and not merely deal with its symptoms, as the President's message does.

THE NEED FOR A COMPETITIVE BOND MARKET

First off all, there are sound grounds to believe that the bond market is not truly competitive. Further, there are grounds to believe that the administration and the Federal Reserve have followed a deliberate policy of raising interest rates wherever and whenever they had a choice of instruments to use in trying to restrict the amount of credit which was outstanding in our economy. I merely cite the following:

The Federal Reserve has not increased bank reserve requirements at any time since the Eisenhower administration has been in power. When inflation has been

the problem, or the fancied problem, they have raised the interest rate and have not touched the level of reserve requirements—in other words, permitting the banks, upon the same amount of reserves, to expand loans.

When deflation has been the problem, they have lowered reserve requirements and have used it as the main weapon against the deflation. Consequently, interest rates are artificially high.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. PROXMIRE. What is the effect of this kind of policy, in the first place, on bank profits, and, in the second place, on the cost of money for the borrower?

Mr. DOUGLAS. Of course, this policy sends up bank profits. They have been increased. And, certainly, it sends up the cost of money to borrowers.

Mr. PROXMIRE. So, in a sense, this is a kind of price support for bankers?

Mr. DOUGLAS. Not only price support, but price increase for bankers.

Mr. PROXMIRE. Yes. I thank the Senator for yielding.

Mr. DOUGLAS. It began with the action of former Secretary George Humphrey in increasing in 1953 the interest rate from 2¾ to 3¼ percent. I wish to say that probably some increase in the rate was necessary, but certainly not an increase of one-half of 1 percent was necessary at that time.

Mr MONRONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MONRONEY. Was not the purpose of Mr. Humphrey's action, at least as it was announced, to increase the percentage of long-term Government obligations that were outstanding so he could avoid action which he criticized in the Democratic administration, of relying too greatly on short-term obligations? But after we got through, when the "Humphrey-dumphries" started the cycle upwards, we ended up with fewer bonds and a smaller number of long-term obligations. So he was wrong. He started out westward and, like Wrong-Way Corrigan, wound up going eastward and landed in the wrong place.

Mr. DOUGLAS. Yes. The maturity term of outstanding obligations has decreased from about 6 years to a little over 4½ years.

The administration itself has followed a high interest rate policy. This has been deliberate. In its policies there has been a disproportionate reliance on interest rates as a weapon and an unwillingness to use tax and fiscal policies.

The refunding of short-term obligations by the Government furnishes such a tremendous volume of borrowing that unless the borrower is determined to drive the very best bargain he can, the interest rates will rise above what it would be in a competitive market with many borrowers, with each one trying to get the best terms possible. The fact that the administration has had a bias in favor of high interest rates has, in my judgment, deterred them from being as competitive in the money market as they should have been.

To sum up, they have used an increase in interest rates whenever possible and while this has been good for the bankers, it has not been good for the public. I do not propose that we should now give them a blank check to carry this policy any further, but I do propose that they reexamine the entire framework of their policies to get at first causes rather than effects.

Thus, I believe that they can first attempt to make the bond market more competitive. While I do not intend to discuss the technical ways by which this can be achieved, I would say that there are such ways and that I, for one, am not yet convinced that the present bond market is anything like as competitive as it could be or as it should be.

PLUG TAX LOOPHOLES

Second, if inflation is the real problem and if the incentive to invest in stocks is now much greater than that to invest in bonds, the closing of the numerous tax loopholes in our existing laws could go a very long way to help solve this problem.

Let me take a simple illustration, if I may. In 1954 a tax law was passed which gave a dividend credit amounting to approximately $400 million on dividends on stock. This was done, Mr. Humphrey said, in order to have corporations financed to a greater degree by the purchase of equity and to a lesser degree by the floating of bonds. Therefore, to sweeten the position of stocks, a credit on dividends was given which costs the Treasury $400 million per year.

The administration has followed the policy of making the purchase of stocks more attractive. Every time stocks are made more attractive, bonds are made less attractive, and hence, the price of bonds is depressed, the yield is increased, and, in turn, that fact is offered as the justification for increasing interest on bonds still further. This has always been a primary result of sending the prices of stocks up. It is said that the advantages of bonds are superior to those of stocks. Now the President says in his message that the return on bonds must be increased in order to make bonds as attractive as stocks.

Mr. GORE. But he did not suggest that the dividend credit be removed from the law.

Mr. DOUGLAS. Oh, no. I think when we reach the time for consideration of the tax bill, at the end of the month, or the legislation to raise the debt limit, we can deal with the real causes by removing the provision for dividend credit, which will provide $400 million more for the Treasury, which could be used, if necessary, to retire some Government bonds and to put us in a still more firm fiscal position.

Mr. CLARK. Nor did the President suggest that the taxes on dividends should be deducted at the source, the way they are deducted on wages.

Mr. DOUGLAS. As a matter of fact, if we could put through a program of plugging tax loopholes such as the Senator from Pennsylvania, the Senator from Wisconsin, the Senator from Minnesota and the Senator from Illinois have been advocating for some time, for which we now have bills introduced, we could raise at least $2¼ billion, and probably it would not be necessary to increase the debt limit at all.

Mr. CLARK. And if we would hire a few more revenue agents we would be able to collect another several hundred million dollars.

Mr. DOUGLAS. I think that is correct.

I hope that all of this will increase the move to reduce the depletion allowance; to have collection of taxes at the source on dividends and, if possible, on interest; to find a way to eliminate the dividend credit provision established in 1954; to put into effect the bill proposed by the Senator from Pennsylvania to have a more rigid definition of business expenses; and, of course, other things as well.

This opens up, also, the big tax fields of stock options, pension plans, spinoffs, splitoffs, and the whole gamut of tax evasion measures.

I can recall the time when the Senator from Minnesota and the Senator from Illinois in 1951 waged the battle on these points. We were voted down at every turn. If we had been able to carry the battle and to have those reforms put through, which we then advocated, we would not only have had greater justice in the tax system, but we would have had an adequate remedy, and the move to increase the interest rate would not now be necessary.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. The time is ripe to have a replay of that entire fight. We will surely engage in it. I enlist, under the leadership of the Senator from Illinois and others, to get into this tax loophole closing struggle again.

Mr. DOUGLAS. This is necessary not merely in order to get greater justice as between taxpayers, which is a very desirable thing, but it is also necessary in order to create an alternative to a higher interest rate. The added income could be used partially for welfare, partially to reduce taxes on the upper income bracket and some excise taxes, and also to reduce the debt, and hence to diminish the strain upon public finance.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. It seems what the American taxpayer has to understand is that the taxpayments are pretty much the same as the situation when a group of six people go out to dinner, on what they call dutch treat. Everyone is supposed to pay for his own menu. Just about the time everyone has completed dinner and has had dessert, one of the boys is called to the telephone by somebody he has alerted and he does not come back, so the five are left with the six checks, and the five must pay for the six dinners from the income of the five persons.

Tax loopholes operate in exactly the same way. There is a certain cost which is necessary for the operation of the Government—for security, for welfare, for atomic energy, for normal services of Government, et cetera. When somebody walks out on paying his fair share, some-

body else has to come in to pick up a disproportionate share.

Of all the things which could be done, the withholding of the taxes on dividends and the repeal of the dividend credit are probably the most valuable.

The dividend credit was a highly controversial matter, as I think Senators will recall, which was put in the tax bill after quite a bitter fight in the Senate. A substantial number of Senators were opposed to the provisions, and as I recall it was pared down somewhat from its original estimate.

Mr. DOUGLAS. It was a 15 percent exclusion to begin with, and was pared down to 4 percent.

Mr. HUMPHREY. Yes. As the Senator has revealed, this program of stock prices and bond prices, stock yields and bond yields, really reminds one of a kind of economic cannibalism. They feed on each other.

Mr. DOUGLAS. I would call it economic leapfrogism.

Mr. HUMPHREY. That is a more polite term. I will say there is always a renewed appetite. The minute the bond prices go up a little bit the stock prices have to go up, and then it is necessary to adjust again.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. There is no end to it. If we ever take the lid off and remove the ceiling, it will take an outer-space exploration to find out where these things are going.

Mr. DOUGLAS. Some months back a proposal was made to increase the interest ceiling for the Veterans' Administration housing bonds from 4¾ percent to 5¼ percent. The Senator from Illinois debated that issue for a long time, and then voted for the increase. I remember this action caused pain to the Senator from Oklahoma, to the Senator from Tennessee, and to other Senators. It seemed to me at the time we were faced with a situation in which, with general rates going up, we could not balk on one particular type.

But the Senator from Illinois has now had enough. The Senator from Illinois is not going to go any further. He is not going to let this leapfrog business go through any more. The increase in the basic rate on long-term Government bonds is more than the Senator from Illinois can stand. At last the worm has turned.

Mr. GORE. Hoorah!

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. MONRONEY. We who were fighting the increase in interest rates on Government-insured mortgages welcome the distinguished Senator from Illinois back to the fold.

Mr. DOUGLAS. Even though a late conversion.

Mr. MONRONEY. Indeed. We appreciate that the Senator is joining the group.

I wish to compliment the Senator on one phase of this subject in particular, which I think needs to be emphasized again and again and again. I refer to the hobgoblin or the scare talk of "Do you want your dollar to be worth 10 cents?"

This tune has been played again and again by the U.S. Chamber of Commerce, by the National Association of Manufacturers, by the American Bankers Association, and by all the big businessmen who have been brought into government by the scores to make speeches everywhere. Not one of them mentions how the dollar came to be worth 40 cents.

I should like to ask the Senator if it is not correct to say there were three different periods in which the value of the dollar shrank?

Mr. DOUGLAS. There were.

Mr. MONRONEY. One of them was the period from September 1939 to 1941. Every one of these organizations—these great, powerful economists and authorities—was opposing the bill introduced by the Senator from Tennessee [Mr. GORE], who was then a Representative in the House, which advocated the Baruch overall price control plan before runaway inflation could occur, at the beginning of the World War II period. Did we not then lose 25 percent of the value of the dollar, because of our refusal to face up to the realities which the Senator from Tennessee [Mr. GORE] and the great Barney Baruch saw were bound to occur?

Mr. DOUGLAS. I will say, at that time I was involved in local problems in the city of Chicago. My primary concern was the adequate collection of garbage and certain other rather minute issues. I was not dealing with national matters. I had ceased to be an economist and I had not yet become a statesman.

I think what the Senator from Oklahoma says is substantially correct. Then, of course, came the wartime to follow.

Mr. MONRONEY. Then came the wartime. Then we had the decontrol period.

They were all back at the same old stand, playing the same old tune, saying, "We have to decontrol." Supplies had not begun to come in. Cars were scarce. Farm implements were not available. Even clothing was hard to get.

The same witnesses for the National Association of Manufacturers, the U.S. Chamber of Commerce, the American Bankers Association, the National Retail Federation, day after day beat the drums and stimulated editorials in the papers, to ask, "Why not decontrol?"

Prematurely, in the early fall or almost midsummer of 1946 it was done, and by January 1947, we had another 25 percent inflation, and the dollar had shrunk in value to 50 cents.

Mr. DOUGLAS. For the sake of the RECORD I have to develop my own views, I will say to my good friends, and I am extremely lethargic with regard to price controls in peacetime.

Mr. MONRONEY. I am, also.

Mr. DOUGLAS. The main cause for increases in prices during the war and after the war, I think, was the fact that we did not finance the war from taxes but instead financed the war by the creation of bank credit. These sums of money found their way in part to the bank accounts of individuals, and those individuals could not spend them during the war. After the war these sums were available for purchases of services, durable consumer goods, and so forth.

Personally, I think that increase was inevitable once that purchasing power had been created. I think the lesson is that if we get into a war in the future, and if we are conscious of the war while it is going on, we should try to finance the war to a much greater degree by means of taxes.

Mr. MONRONEY. I agree.

Mr. DOUGLAS. That was what President Roosevelt tried to do; but the failure of Congress to approve his tax bill forced him to borrow. A good deal of the borrowing was in the form of borrowing from banks, without any commensurate increase in production, so that the ratio of money to goods increased.

We financed a third of the cost of the First World War by taxes. In World War II we did a little better. We financed three-sevenths of it by taxes. I think we should have financed a much larger portion. I trace the evils, not merely to the absence of controls after the war, but to the wartime system of financing.

Mr. MONRONEY. I was serving on the Banking and Currency Committee of the House. I was well aware of the pressures which existed. Even President Truman finally gave up in his efforts to hold the line. But had we decontrolled selectively, so that we would not have an abundance of money hitting a scarcity of supplies, such as existed in relation to cars, housing, building materials, and so forth, at least we could have saved some of the elevation of 25 percent which took place.

So there were two periods in our history when we had inflation—not the inflation we are talking about today, but an inflation which arose strictly from the war, and the lethargic attitude of big business with respect to accepting controls, and from premature decontrol. I think those factors were largely responsible, in those periods, for the weakening of the dollar to the 50-cent level. As to the level of 40 cents today, the other 10 percent reduction occurred during the Korean war before price controls were enacted to combat inflation.

Mr. DOUGLAS. While the Truman administration policy, of purchase of Government bonds in part to maintain artificially low interest rates, was in effect. I will not yield on that point.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CLARK. Does not the Senator agree that the lack of intestinal fortitude on the part of the Eisenhower administration, in failing to propose the necessary taxes to prevent the deplorable situation in which we find ourselves, is one of the real causes of the dilemma?

Mr. DOUGLAS. I quite agree. They should not have put into effect the dividend tax credit in 1954, and should have had a withholding tax on dividends at the source. This would have diminished the present preference for

stocks as compared with bonds. Hence a larger market would have been created for bonds, and the current difficulties would have been greatly reduced or removed.

Mr. CLARK. A large part of the trouble comes from the Eisenhower tax reduction program of 1954.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. AIKEN. I am sure the Senator from Illinois wants justice done on this floor.

Mr. DOUGLAS. Certainly.

Mr. AIKEN. I could not help but notice the statement of the Senator from Pennsylvania that a lack of intestinal fortitude on the part of the Eisenhower administration to impose taxes was largely responsible for the trouble. I point out that taxes are imposed by Congress. I am sure the Senator does not mind my pointing that out.

Mr. DOUGLAS. I was in the Senate in 1950 and 1951. I remember that the administration came forward with a very strong program of tax increases to finance the Korea war. Some of us tried to make it even stronger.

Mr. AIKEN. Only Congress can enact tax legislation.

Mr. DOUGLAS. But it is very difficult to do it in the absence of a lead from the administration. I have great hopes that the Senator from Vermont, with his characteristic public spirit and his belief in the general interest, will support us in trying to plug the tax loopholes, an effort which we shall make in a few weeks. So I count our good friend not as a convert, but as a fellow volunteer.

Mr. AIKEN. The Senator from Vermont is always glad to join any other Member of this body, including the Senator from Illinois, in plugging tax loopholes. The Senator from Vermont would also be glad to participate in selecting some of the tax loopholes to be plugged.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CLARK. The comment of the Senator from Vermont with respect to me leads me to believe that perhaps he was too far away to hear accurately what I said. The word I used was "propose," and not "impose."

Mr. AIKEN. I understood the Senator to say "impose." In fact, I am not sure that either "propose" or "impose" was the word I understood the Senator to say. But certainly the Senator from Pennsylvania must agree that the Eisenhower administration does not enact tax legislation.

Mr. CLARK. It never occurred to me for a minute that it did. I used the words "lack of intestinal fortitude to propose taxes" which would have avoided the present tax deficit.

Mr. DOUGLAS. We would be helped very much if the administration would give us about 30 votes which it controls. If the administration were to fall in line, some of its allies on this side of the aisle would help. We think the administration controls about 50 votes in this body. It does not control the Senator from Vermont. Only his conscience controls the Senator from Vermont.

We could, in fiscal 1960, increase receipts by at least $2.5 billion by closing the most notorious of the tax loopholes. If the Treasury were to make the same effort with respect to closing tax loopholes as it has made in devising means to raise interest rates, we could conceivably pick up $4 to $5 billion in additional revenues.

These funds could be used for a variety of purposes. They could be used to meet more of the social needs of the country, which are very great, in the field of health, education, housing, urban renewal, and so forth.

They could be used to reduce the public debt. They could be used to lower taxes, both on the upper income group and on the lower income group. I do not believe that a 91 percent income tax is a proper tax. If we were to plug the loopholes we could reduce the rates in the top brackets to 70 or 75 percent, and scale down the rates below this figure, so that we would effect a genuine reduction, and bring about to some degree what I would call a horizontal correction of inequities and injustices. At the same time, we could remove some of the excise taxes. We could also retire some of the debt, and hence dampen down any inflationary pressures which might then be with us, even though they are not present now.

REVERSE "BILLS ONLY" POLICY

Third. The Federal Reserve now follows, purely by administrative action, a policy of buying "bills only." Treasury bills are those which are less than 1 year in length—usually 90 to 91 days, or 180 to 182 days. This policy could be and should be reversed.

I do not want to be misunderstood on this subject, so I wish to make clear what I am advocating. The Federal Reserve from time to time buys Government bonds. I am not necessarily advocating that they now go into the bond market and buy additional long-term bonds and do nothing else. What I am advocating is that they do go into the market and buy long-term bonds at the same time that they sell off some of their short-term bills, certificates, and notes. Consequently, the Federal Reserve could thus hold a greater share of its portfolio in long-term bonds at the same time that it offset any potential inflationary pressures from such buying by selling short-term bills and notes. Thus there would be no necessary increase in member bank reserves if at such a time it were considered a wise policy not to increase member bank reserves.

The Federal Reserve has the authority to do this. Their bills-only policy is of their own making. They could do this without in any way adding to the total amount of bank credit which is outstanding and without breaching the Federad Reserve-Treasury accord of 1951, which is of such vital importance in keeping the Federal Reserve independent of the Treasury.

In 1951 I wanted the Federal Reserve to be independent of the Treasury; but the Federal Reserve is a creature of Congress, and if the Federal Reserve pursues an unduly deflationary policy, then Congress today has the right to give orders to the Federal Reserve. Thus I disagree with some of my friends who say it is the Executive which should have the power to give orders. I believe that Congress has the power to give orders to the Federal Reserve, because the Constitution lodges in Congress, not in the Executive, the power to coin money and to regulate the value thereof. That is in the Constitution. That is a congressional power. It is not an Executive power. If this power is used improperly by the Federal Reserve, to whom we delegate that power, we have the right to give orders to the Federal Reserve.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. GORE. Is it fair to paraphrase the Senator's statement in that regard that the Federal Reserve is by law independent of the Treasury Department, but is not and cannot and should not be independent of the welfare of the country and the Congress of the United States?

Mr. DOUGLAS. That is correct. As we all know, the Constitution provides that Congress shall have the power to coin money and to regulate the value thereof. This means the power to create monetary purchasing power and to regulate the value of that monetary purchasing power, and hence the general price level.

We delegate the power to the Federal Reserve. If those powers are, in our judgment, improperly exercised, we have the right to give instructions to the Federal Reserve. Upon examination by our various committees, we have forced member after member of the Federal Reserve to admit that in the ultimate analysis the power to control their actions lies in Congress.

So, while I defend and will continue to defend an independent Federal Reserve, so far as the President is concerned, I assert ultimate dependence of the Federal Reserve, so far as Congress is concerned.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. GORE. Then the Senator would not agree, I take it, having cited the constitutional power about the origin of the power of Congress to coin money and regulate the value thereof, with the former Secretary of the Treasury, George M. Humphrey, that the Government of this great Nation, the United States of America, is as impotent and as helpless in marketing those securities as a merchant trying to sell fur-lined underwear in August.

Mr. DOUGLAS. That is completely ridiculous. He also used the analogy that they could no more control the interest rate than a housewife going out to buy a dozen eggs could affect the price of eggs. That is ridiculous, of course.

Mr. GORE. If I may venture a suggestion, the first necessity for interest rate stabilization is a will on the part of the Government of the United States for that purpose.

Mr. DOUGLAS. I should like to say again to my friend that I am not in

favor of freezing the interest rate. I am for letting the interest rate be competitively determined, but I am opposed to an artificial raising of the interest rate which, in my judgment, would be the consequence of removing the ceiling.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. CLARK. The Senator would agree, would he not, that we have a manipulated money market in this country?

Mr. DOUGLAS. But the Government also determines the interest rate.

Mr. CLARK. Although, again, that power is lodged in the Federal Reserve Board.

Mr. DOUGLAS. Yes; and also in the Treasury.

Mr. CLARK. Has it not been the policy of the Federal Reserve, since its foundation in 1913, to take whatever action it thought desirable in the public interest by manipulating the money market? I use the word "manipulate" in a respectable sense, of course.

Mr. DOUGLAS. I would think that the function of the Federal Reserve is to supply an adequate amount of credit to provide for an adequate growth of the economy, which I believe would be roughly 3 percent a year.

I would try to keep them from fixing the interest rate. I do not believe in the Reserve using its rediscount privileges to affect the interest rate. I would close down the rediscount window completely and operate simply through the open market operations.

Mr. CLARK. But the activities of the Federal Reserve Board, in determining the amount of money, have a direct effect on the interest rate. Is that not true?

Mr. DOUGLAS. Yes; I would say that if it closed down the discount window its effect would be indirect rather than direct.

Mr. CLARK. There is no such thing as a free money market, because the Federal Reserve affects that every day in the year.

Mr. DOUGLAS. If we allowed the total amount of the bank credit to increase at about 3 percent a year, with the national income increasing at that rate, we would get an approximately stable price level. Under those conditions we could let the interest rate to be as competitively determined as it is possible to get it.

Mr. CLARK. As the gross national product increases, so should the supply of money.

Mr. DOUGLAS. That is correct.

Mr. CLARK. That has not been the situation during the last few years of the Eisenhower administration.

Mr. DOUGLAS. That is correct.

Mr. CLARK. That is one of the real reasons why we are in the present dilemma.

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. PROXMIRE. This is an extremely important point. The Senator has emphasized something which I believe most of the country and perhaps most of Congress has forgotten, and that is that the Constitution is specific in pointing out that Congress has the power to coin money and to regulate the value thereof. That is explicitly stated in the Constitution. That means that the monetary policy should be determined by Congress. The fact is that the Federal Reserve Board is determining the monetary policy on the basis of the predispositions, the attitudes, the combined judgments of the Governors of the Federal Reserve Board, especially as voiced by the head of the Federal Reserve Board, William McChesney Martin. This judgment, I think, has far too little regard for the growth of our economy. Again and again he has defended the hard money policy of the Federal Reserve Board, on the grounds of price stability, keeping down the cost of living. I have rarely heard the head of the Federal Reserve, Mr. Martin, justify his policy or explain his policies in terms of achieving growth.

I believe that Congress has an absolute duty to establish a monetary policy that encourages the growth of our country as a prime prerequisite.

Mr. DOUGLAS. Article I, section 8 of the Constitution——

Mr. PROXMIRE. Paragraphs 2 and 5 thereof.

Mr. DOUGLAS. Particularly paragraph 5 speaks of the power to coin money and to regulate the value thereof. This is inherently a congressional power. When the Federal Reserve has trouble with the Executive it likes to call upon Congress for protection. But when it is not in trouble with the Executive, then it forgets the power which Congress possesses.

I agree that if the Federal Reserve misuses its powers, we should correct the Reserve. I do, however, want to throw out this word of warning: There is a danger that, under the pressure of popular appeal, congressional action may force the Federal Reserve to increase the money supply at an appreciably more rapid rate than the growth in production. If this were to occur, we would have inflation. I would hope that we would have sufficient knowledge and sufficient judgment so that we would not fall into either excess; that we would neither expand the price level nor cause the price level to fall, but that we would get substantial full employment, and substantially stable prices at the same time.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. PROXMIRE. Will not the Senator agree that the bankers of this country, particularly the bankers in New York and Chicago and San Francisco, have tremendous influence with the Federal Reserve, and that their viewpoint is the viewpoint which has been the viewpoint that has been adopted?

Mr. DOUGLAS. Well——

Mr. PROXMIRE. Would it not be wise for Congress to assert, for a change, a counterbalance?

Mr. DOUGLAS. I should like to say this: Because the Federal Reserve Board associates with bankers, it acquires primarily the banker's point of view.

Mr. PROXMIRE. By and large, the appointments come from the banking fraternity.

Mr. DOUGLAS. Yes. I have often thought that we should have a two-platoon system in the Federal Reserve. On the appearance of genuine inflation, we should put the bankers in control, because they are afraid of inflation. In periods of depression and recession, we ought to put the politicians in power, because we are sensitive about unemployment. If we could have this two-platoon system, with bankers checking inflation, and with our checking on the necessity of employment, we would have the ideal method. Perhaps the great coach who would determine who shall play, which in this case would be the voice of the people, would approve this.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. We do have a two-platoon system, but both platoons are inflation teams. One platoon is at the Federal Reserve level, the other is at the administration level. The whole term of reference is within the constant fear of inflation. Since the beginning, I say most respectfully—since 1953—the attitude has been one of high interest rates with a shortened supply of money and tighter credit—not quite so much tight credit as higher interest rates. In fact, it seems to me that one of the weaknesses in the so-called anti-inflation program is not on the credit side, but that the use of the interest rate alone did not stop the tide of what inflation there was at all, because it simply meant that the weak would lose a good risk and could not trade, because they could not pay the interest, while the bigger ones could go in and pay the interest and fix it to the consumer price.

The committee headed by the Senator from Tennessee [Mr. KEFAUVER] said that the effect on the monetary system, of the administered price structure, with its resulting increase in interest rates, was an inflationary factor in itself.

I think it can be documented that the largest single influence on the increase in the interest rate today in America is the cost of money which has been passed through the lifeline of the American economy by means of the administered price structure.

Mr. DOUGLAS. That, I think, is true. When I was referring to the two-platoon system, I was not referring to the Treasury as one platoon and the Federal Reserve as the other. I think the Senator is correct in saying they are both high interest rate platoons at the moment. But in periods of monetary inflation, which we do not now have, I would trust the bankers more than I would the politicians. But in periods of deflation and unemployment, I would trust the politicians more than I would the bankers. I do not think we are in a period of monetary inflation now. So I think we had better get the second platoon ready and get some place kickers out.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. GORE. I had noticed some evidence that the senior Senator from Minnesota would be willing to be the head coach of a new team after next year.

Mr. DOUGLAS. So I have understood.

Mr. HUMPHREY. The place is filled with coaches.

Mr. DOUGLAS. Now I should like to conclude my statement.

Mr. President, as the secular needs for an additional supply of money and credit increase as our population and our productive capacity grow, the Federal Reserve could also follow the policy of buying long-term bonds. This would give as a byproduct added strength to the bond market.

The additional supplies of money and credit which are needed for secular purposes should, therefore, be achieved by open market operations in long-term bonds rather than either, first, lowering the reserve requirements of member banks, which now seems to be the policy, or second, open market purchases of "bills only." Such a policy would have the effect of both insuring that the Government receives its cut of one-sixth for delegating to the banking system the power which Congress has under the Constitution "to coin money and regulate the value thereof," and of aiding the long-term bond market by increasing the amount and proportion of long-term bonds in the Federal Reserve Board's portfolio.

In this connection, there is a danger that the Federal Reserve Board, by decreasing the reserve ratios, will permit banks to expand the amount of credit beyond their present reserves, and that, therefore, the Federal Government will not get any added revenue from the increase in secular credit needs, whereas an open market policy will give to the Government a commission of about one-sixth upon the total increase in the amount of credit which the banks create.

Since nine-tenths of the Federal Reserve Board's profits are turned back to the Government, this will bring in revenue to the Government. For instance, if there is an increase of 3 percent in the volume of Government bonds purchased by the Federal Reserve, that would amount to somewhere around $600 million in bonds each year. Estimating the expense to the Federal Reserve at not to exceed $200 million, this would mean a net income of $400 million. Merely turning over 90 percent to the Government would mean $360 million, which is not to be sneezed at. That amount would pay for the cost of the depressed areas bill. It would pay for the urban renewal program. It would help to pay for the housing program and for the construction of hospitals.

Mr. HUMPHREY. And for the water pollution bill, which the minority leader spoke against. It would pay for a good share of that program.

Mr. DOUGLAS. Yes.

I am perfectly willing to have the banks get the profits on five-sixths of the increased credit which they create. I am not proposing a 100-percent reserve system; I simply say that the Government should get at least one-sixth, because it is delegating its power to regulate money to the banking system.

Mr. President, the abandonment of the "bills only" policy would add flexibility to the Federal Reserve and another weapon which could be used to help prevent major economic fluctuations both on the upturn and downturn of the economic cycle.

SUMMARY

Mr. President, several constructive alternatives are now in the hands of the Treasury and of the Federal Reserve. The bond market could be made more competitive. This, in my opinion, would bring a reduction in the interest rates. The Treasury and the President could help us close some of the notorious tax loopholes which would have both the effect of giving us a budget surplus and also cutting down on that portion of investment funds which are siphoned off into private investment for tax evasion purposes. In addition, the Federal Reserve could reverse its "bills only" policy and buy long-term bonds as it sold off a compensating amount of short-term notes, bills, and certificates.

To the degree that there was a total increase in the secular supply of bank credit, that could be affected by open-market operations, and the purchase of long-term bonds. This would not only give to the Government its one-sixth profit, but also help to stabilize the long-term bond market through secular growth.

Finally, the President and the administration could begin to show a little more faith in our economy and in our country. They should put a halt to the scare talk about monetary inflation and begin to work at the real job of doing something about the administered price inflation which comes from the ability of a few of our largest industries to set their prices without regard to market forces.

Mr. President, there may be grave weaknesses in our present financial situation which the administration has not revealed to Congress and to the country, and which are not stated in the current message of the President.

If such evidence is produced and if it should develop that the Treasury is in such great difficulties that it can only be rescued by an increase in interest rates, then perhaps the request of the administration should be granted. But on the evidence to date, I submit that the administration has not made out its case and that there are other and sounder financial steps which can be taken. I urge, therefore, that we scrutinize this proposal closely and not be stampeded into hasty and ill-considered approval.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. The final paragraph of the Senator's statement, which is an excellent statement, one which has provoked considerable discussion here this afternoon, states, to my mind, the very policy which must be followed. I am certain that no Member of Congress would want to jeopardize the ability of the Federal Government to finance its obligations and its necessary programs by some sort of doctrinaire, dogmatic attitude on our part relating to interest rates.

But the burden of proof rests upon the executive branch to prove its case. Therefore, it is my hope that the responsible committees of Congress—and I know that the distinguished Senator from Illinois, who is chairman of the Joint Economic Committee, and the other members of his committee will look into the whole situation.

Mr. DOUGLAS. We are not a legislative committee.

Mr. HUMPHREY. I understand.

Mr. DOUGLAS. Since a change in the law will be required, the administration will first appear before the House Committee on Ways and Means, and then before the Senate Finance Committee, if approval is to be granted.

I have been taught by experience that the chairmen of the standing committees of the Senate are very jealous of their jurisdiction and do not want to have nonlegislative committees invading their fields. So I am inclined to be very careful about going into a legislative field in which I do not have any immediate jurisdiction.

Mr. HUMPHREY. Mr. President, the Senator from Illinois may not have any immediate jurisdiction; but let me say that these matters of finance, although not beyond the comprehension of laymen, are very difficult and complex, and require the thoughtful analysis of those who have had training in the field of finance and economics, and surely the mature judgment of those who have given a good deal of their lives to studying matters of fiscal and financial policy.

So I hope the Senator from Illinois will do more of what he has been doing today—and he does it so well, Mr. President—and that the staff of the fine Joint Committee on the Economic Report will bend its efforts, under the direction of its distinguished chairman, to studying in detail the requests of the administration.

Of course I am speaking as only one Senator; but I know that the Banking and Currency Committee, the Finance Committee, the Ways and Means Committee, and any other congressional committees which have legislative jurisdiction have primary responsibility in these fields. However, the matter of interest rates and the matter of the public-debt management involve basic policy, and are literally at the center of all that Congress does.

Of course it is not difficult for one to favor public housing or welfare programs, if the cost can be shifted to those who are best able to pay.

Therefore, what I call the real test of liberalism in government is one's view of financing and of the tax policy, because those matters involve the central issues of interest and the political economy.

Mr. DOUGLAS. They also happen to be the subjects which are the hardest to arouse popular interest in and understanding about.

Mr. HUMPHREY. That is correct. That is all the more reason why they need such a public airing.

Let us remember that the administration is requesting a change—an increase above 4¼ percent—in a long-standing policy in regard to the ceiling on Government bonds of 5 years' duration. I do not think an increase in the public debt-limit is as basic as the ceiling on the interest rate.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. As the Senator from Illinois knows, I have the greatest respect for his judgment on these matters. I think the speech he has made today has indicated the kind of prudence and caution and yet penetrating analysis that are necessary in connection with the consideration of this issue.

The Senator from Illinois has not proposed that a certain course be followed pellmell. Instead, he has presented proposals which he really believes will help. He has presented a program.

At this time I hold in my hand a portion of the news ticker, which reads in part as follows:

WASHINGTON.—The Senate's Republican leader challenged his Democratic opposite today to kill off spending proposals that would increase the national debt.

Without referring to the particular persons involved, let me say that the reference is to the positions taken by leaders in the Senate. Certainly, we are going to have some debate in regard to these policies.

I read further from the ticker:

Senator DIRKSEN said that if Senator JOHNSON is disturbed by the mounting cost of debt financing, he should oppose long-range spending proposals.

And there is more to the ticker item.

Mr. President, what is of longer range, in connection with spending proposals, than a proposal to fix a higher interest rate on long-term Government bond issues? After all, an interest rate is an expenditure which relates to the handling or financing of the public debt. I have a feeling that today there are in the Nation some persons who see in the future not quite so productive and fruitful a stock market; but they believe they see the possibilities of a somewhat higher interest rate on the bond market. The stock market has had its "lost weekend" and some of its "gay moments." [Laughter.] In fact, today the stock market had a drop of $4 billion.

I am of the opinion that there may be some persons who have long-range vision in regard to financing, and who now say, "This is the time to get out of the festive mood the stock market has been in, and to move over to the more solid, conservative ground of the bond market."

Mr. DOUGLAS. And at higher interest rates.

Mr. HUMPHREY. Yes; at the new, higher rates. They have taken the heart out of the first melon patch, and now they want to move into the next melon patch.

Mr. DOUGLAS. I assume that the Senator from Minnesota spells that word with only one "l," does he not? [Laughter.]

Mr. HUMPHREY. That is correct, and I thank the Senator from Illinois for pointing that out.

My point is that when higher rates are proposed in the case of the bond market, we should remember that the bond market relates to long-term spending. Although the administration has said that Congress must not increase governmental spending, the administration leaders have now notified the Congress that in the fiscal year 1959 the cost of handling the public debt will not be $8,100 million, as has been contemplated, but will be $8,600 million. In other words, the increased cost will be $500 million. That is more than the cost of the depressed areas bill for this year. It is more than the cost of the urban renewal bill for 1 year. Yet there seems to be no concern over the fact that this proposal will involve an addition of $500 million to the cost of handling the public debt, under the policies pursued by this administration. However, there is great concern in the administration over small extra amounts for urban renewal, depressed areas, unemployment compensation, and so forth. In fact, Mr. President, I have listened to witnesses from the Government departments testify in opposition to our proposal for food stamps for the needy in our country.

On the other hand, I have listened to testimony which shows that, in our own country, many people are going without the food they need, apparently because of the inability of the Government to provide for the transportation of the food, due to budget causes.

I thank the Senator from Illinois for yielding to me.

Mr. DOUGLAS. Mr. President, I thank the Senator from Minnesota for his comments.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. PROXMIRE. I should like to congratulate the Senator from Illinois on the outstanding speech he has made today, although certainly he needs commendation on this subject less than anyone else I know.

Mr. DOUGLAS. However, Mr. President, it is very pleasant to receive such commendations.

Mr. PROXMIRE. Certainly the Senator from Illinois needs commendation least of all from me. But I wish to point out how signficant his speech is. I think all Senators, on both sides of the aisle, recognize that the Senator from Illinois is the outstanding economist in the Senate. I think it is also widely recognized that he has either been praised or condemned as being extremely conservative in his views about matters of monetary—that is interest rate—policy. Both today and in the past he has urged careful consideration; he has not urged hasty action in connection with proposals such as the one now before us—namely, the proposal by the administration that interest rates on Government bond issues be raised.

For all these reasons, Mr. President, I believe that the speech the Senator from Illinois has made today is especially important. I hope all Senators will read his speech very carefully, as it will appear in the CONGRESSIONAL RECORD, because it is the kind of speech that can really change minds and can really change votes.

The Senator from Illinois, who is highly qualified to speak on these subjects, has spoken in a way that may surprise and even shock hard money boys who have sometimes unwisely claimed him as their own. I believe his speech is worthy of the most careful study.

Mr. DOUGLAS. Mr. President, I may say that although the message from the White House came to us only this afternoon, we had anticipated what it would be; and therefore we attempted to prepare for it.

I hope that if in any respect the comments and observations I have made today are regarded as being in error, the administration will point out the errors which it may think I have made. I hope this discussion will proceed on a high level.

In commenting on the message which was sent to us today, I can only say that I personally see no reason for raising the ceiling on the long-term Government bonds. If there are any reasons which the administration has not stated for its proposal, I believe it should come forward with them, so that we can have an open consideration of these matters.

I do not want the Congress or the country to be stampeded by the administration, by the financial writers, by the banks, or by the big interests of the country into adopting an unwise policy.

So I have spoken in an effort to point out what I believe to be some of the defects in the administration's argument and why I believe the administration has not made its case.

Mr. CLARK. Mr. President, I should like to join my colleague from Wisconsin and the many other Senators on this side of the aisle who have congratulated the Senator from Illinois on the splendid speech which he has just made.

I, too, hope that that speech will be read by every member of the Federal Reserve Board, by the Secretary of the Treasury, and by all of his principal assistants. I hope, too, that that speech will be read widely in Wall Street. I hope the editors of the Wall Street Journal will read it. I hope those who write the various bank letters, such as the letter of the First National City Bank, will read it. I hope particularly the financial editors of the New York Times will read it.

I ask unanimous consent that there may appear in the RECORD at this point in my remarks an editorial from today's New York Times entitled "Federal Financing Reforms."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FEDERAL FINANCING REFORMS

The administration hasn't officially presented to Congress its recently discussed proposals for reform in the area of debt management, but it is difficult to see how Congress could justify refusing its reported requests.

The plan is said to include the modification or removal of three needless obstacles to the financing of the Treasury's needs. It would call for an increase in the debt ceiling to perhaps $290 to $295 billion. The present temporary ceiling of $288 billion is

scheduled to revert on June 30 to $283 billion. At that time the level of the debt as now indicated will be $285 billion.

The administration, it is understood, will seek at the same time a raising or complete removal of the present unrealistic 4¼ percent maximum rate of interest at which Government securities may be offered. The third change it will seek is a rise in the present ceiling of 3¼ percent on savings bonds. Because investors and savers can obtain higher rates elsewhere, the volume of savings bonds redemptions has been running ahead of purchases now for some time.

More important, if the Treasury is to enjoy the flexibility it requires in the sound financing of the public debt, is the termination of the prevailing absurd maximum interest rate of regular Government security issues. In the light of present yields this makes it impossible to issue new securities with maturities above 5 years. When the Eisenhower administration came to office it found that of a total marketable debt of $266 billion the average maturity was 5 years and 4 months. At the present time the average maturity has fallen to 4 years 8 months.

So far this year the Treasury has been able to raise $1.5 billion of its overall financing of $28.1 billion on a long-term basis. Nevertheless, it cannot expect to continue indefinitely the inflationary policy of financing its needs predominantly through the banks. No unnecessary obstacle should be maintained that would prevent it from resorting to the long-term market when the situation presents itself.

Mr. CLARK. Mr. President, this editorial, to my way of thinking, is one of the most ill-informed editorials that has ever appeared on the pages of that great newspaper which does so much to keep us all informed as to what is really going on in the world and in the country.

I cannot help believing that if the man who wrote that editorial had listened to the Senator's speech this afternoon he would not want to do anything other than to swallow his words.

Last Friday the distinguished junior Senator from Minnesota [Mr. McCARTHY] spoke briefly during the morning hour on the subject of fiscal irresponsibility. That speech deserves the attention not only of the other Members of the Senate, but also of those who are writing editorials about fiscal policy, and the leaders in the Federal Reserve Board and in the Treasury.

That speech of the junior Senator from Minnesota points out why we are in the fiscal mess we are in now. I shall not dwell on the subject other than to say it was his judgment, and mine, that the mess we are in fiscally is due to the economic illiteracy of the Eisenhower administration.

I can only say, for my own part, that I believe the requests which the President has made today to the Congress for changes in the interest rate on savings bonds, for the removal of the ceiling on the interest rate on long-term bonds other than savings bonds, and for an increase in the public debt limit are unsound and inflationary, and should be approved by the Congress only if, as the Senator from Illinois has said, it is found that there is no feasible alternative. I for one agree with the Senator from Illinois that there are plenty of feasible alternatives.

I hope this matter will receive careful and extended consideration by the appropriate committees of the Senate.

I should like to say that in my judgment—and I have not been in the Senate very long, and, therefore, my judgment is even more fallible than it would be if I had been in Congress a good, long while—I think the Senate is deadly serious about this question. I do not think this is political polemics. I do not think this is political pyrotechnics or a "24-hour wonder." I think the Senate is going to have to be shown that any one of these recommendations of the President is in the national interest. For my part, I do not think any one of them is. I agree we have to do something about raising the national debt limit. The way to do it is not to raise the ceiling, but to acknowledge that many Government expenditures result in assets held by the Government that are the equivalent of cash and that these assets should be offset against the gross national debt and the debt ceiling applied only to the net debt which remains.

EXCHANGE OF MORTGAGES HELD BY FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. CLARK. Mr. President, I turn to another, but allied, matter.

On behalf of myself and Senators DOUGLAS, PROXMIRE, BYRD of West Virginia, WILLIAMS of New Jersey, MUSKIE, MONRONEY, MCNAMARA, YARBOROUGH, MCCARTHY, GRUENING, HUMPHREY, and CARROLL I submit, for appropriate reference, a resolution intended to put a stop to a proposed Treasury manipulation in the money market that is patently not in the public interest.

Mr. President, I ask unanimous consent that the text of the resolution be printed at this point in my remarks.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 130) submitted by Mr. CLARK (for himself and other Senators), was received and referred to the Committee on Banking and Currency, as follows:

Resolved, That it is the sense of the Senate that the policy to exchange mortgages held by the Federal National Mortgage Association for Government bonds, as proposed by the President in the Budget for the fiscal year 1960, is not in the national interest and should not be carried out because of (1) loss of income from the mortgage loans, (2) loss of tax revenues, and (3) adverse effect upon the home mortgage market.

Mr. CLARK. Mr. President, the resolution is a followup of a speech made on the floor of the Senate about 10 days ago by the distinguished junior Senator from Tennessee [Mr. GORE], in which he raised the question as to the propriety of the proposed action of the Federal National Mortgage Association to trade 4 percent mortgages held in its portfolio, maturing at an average of 6 to 10 years—12 years at the most—for Government bonds bearing an interest rate of 2¾ percent, with a maturity date of 1980, and a callable date of 1975, on an even-Stephen basis, a transaction so apparently disadvantageous that it seemed difficult to justify it.

Several Senators participated in debate following the comments of the Senator from Tennessee. The distinguished junior Senator from Alabama [Mr. SPARKMAN] indicated that, as chairman of the Housing Subcommittee of the Committee on Banking and Currency, he would propose a hearing on that matter. The Senator from Illinois [Mr. DOUGLAS] and the Senator from Wisconsin [Mr. PROXMIRE] who is present in the Chamber, and I serve on the Banking and Currency Committee.

A hearing was held. After a 2-hour session, it appeared quite clear that the administration had very little sound justification for the move it proposed to take. It is as a result of that hearing and of the careful consideration which has been given to this matter by a large number of Senators, both on and off the committee, that I proposed the resolution which I sent to the desk, which, in brief, states it is the sense of the Senate that this exchange of 4 percent mortgages for 2¾ percent bonds is not in the national interest and should not go forward.

The administration urges this move to help balance the budget and to reduce the gross national debt. I am in favor of both a balanced budget and debt reduction, but I should like to have these ends accomplished by sound and prudent means, not by accounting legerdemain, not by confusing fiction with substance.

This exchange would result in a substantial loss to the Government, and to the taxpayers, and a substantial windfall to the bondholders who would get a 4-percent investment, which would mature in 10 years, for a 2¾-percent investment, which would not mature until 1980.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. PROXMIRE. The statement that it is a 10-year maturity is a conservative statement, is it not? Is not the average maturity something like 6 years? That is my understanding from the hearing.

Mr. CLARK. Yes, I think the average is less than 10 years. Some of them are written for as long as 20 years on their face, but experience has proved that they are paid off or refinanced at an earlier date. The Senator's statement is substantially correct.

Mr. President, this deal, if it were to go through, would serve to discredit the housing programs of the Government, if they are forced to absorb losses in order to serve other purposes than the stimulation of housing construction, for which the programs were designed.

Mr. President, this issue was gone into during hearings on this year's housing bill, and again in a special hearing held last Friday by the Banking and Currency Committee.

In our hearings, it was estimated by the officials of the Treasury Department and FNMA that the net loss of receipts from the exchange of relatively high-yield mortgages for bonds issued at a relatively low rate would amount to $40,000 for every million dollars' worth of mortgages sold.

To be sure, in the budget the President estimated that only $335 million of

these mortgages would be exchanged for the Government bonds.

In the hearings it was stated that if the Government went ahead with the deal it would be tried out first with about $200 million of mortgages. However, it was also indicated in the hearings that if the transaction were successful in getting the bonds out of the hands of the banks and insurance companies and the mortgages out of the hands of FNMA, the Government would proceed until it had disposed of the whole $1 billion worth of mortgages of this category which are now held by FNMA. The loss on the exchange is computed at $40,000 for each $1 million exchanged. So, if the administration is able to do what it says it would like to do, there would result a loss to the Treasury, through FNMA, of $40 million.

In addition, Treasury officials concede that there would be a potential short-run loss of tax revenue of $8.4 million, which could only be recovered over the long run.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Wisconsin.

Mr. PROXMIRE. It was also brought out in the hearings, as I recall, that the Treasury Department conceded these bonds were convertible and were to be converted to 1½-percent 5-year notes.

It was computed that if the entire issue were converted to 1½-percent 5-year Treasury notes—incidentally, the Treasury Department said a great number of them were being so converted—the loss to the Treasury on conversion under the administration's present proposal could be as much as $125 million.

Mr. CLARK. This would be the case if the bonds taken in exchange for the FNMA mortgages would otherwise have been converted.

Mr. PROXMIRE. That is correct.

Mr. CLARK. I am sure the Senator is correct.

I will say that I have great sympathy with the bondholders in question. If I held one of these bonds, I think I would support this proposal. I do not think there is anything evil or immoral in their hope to get this windfall. The fact of the matter is that at the moment those investors are stuck with Federal long-term bonds which carry an interest rate of 2¾ percent, when the Government is trying to take the ceiling off similar issues of bonds and to issue them at interest rates of more than 4 percent. Why would not the investors want to get rid of these old low-interest Government bonds? That is only natural. I do not blame them for their desire. They can get rid of the bonds, of course, if they need liquidity, but only at the cost of taking short-term notes which carry even lower interest.

It does not seem to me that there is any necessary identification between the desire of the bankers and insurance companies to get rid of an undesirable investment and the national interest. Unless we can show the national interest will be served by such a proposal, it seems to me we should do everything within our power to stop it.

Mr. President, the dumping of the Federal mortgage stockpile on the private market could have a severely depressing effect on mortgage financing and home construction, particularly during this year when the mortgage market appears unfortunately headed already for a condition of stringency.

It is my understanding, on the basis of information which came to me this afternoon, that mortgage buyers are alreading holding back, in anticipation of having their needs filled by these FNMA mortgages which the insurance companies and banks will be glad to unload once they get them, and that this procedure is having a serious effect on an already overly tight mortgage market, thus holding up new starts of housing, which are so much needed in the national interest.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. PROXMIRE. The effect will be, then, to drive up interest rates, to discourage housing starts, and to discourage employment in the housing industry; is that correct?

Mr. CLARK. The Senator is correct.

Mr. PROXMIRE. I thank the Senator.

Mr. CLARK. Finally, although this may not have any great economic effect, it is rather curious to note the end result of what the Treasury Department wants to do. The Treasury Department has been telling us all along that it wants to fund the Government debt in long-term obligations. The whole purpose of suggesting that we raise the interest ceiling on the long-term Government obligations above 4¼ percent is to enable the Treasury Department, by using a higher interest, to put a greater percentage of the debt into long-term bonds. Yet what is the Department proposing to do now? The Department is moving to retire the long-term bonds, which carry an interest rate of 2¾ percent and which cannot be cashed in until 1980, except at even lower rates of interest. This seems to me to be running in two directions at once in a way which is truly baffling.

To be sure, the Treasury Department people would say, "We will not have to replace these long-term, low-interest bonds with other bonds if we will balance the budget. Then we will have to carry on nothing but refunding operations."

However, if the Treasury Department wants to "pickle" the long-term debt in the hands of long-term holders, what is the use of trying to turn loose a billion dollars of the long-term debt, to have a greater proportion of the Government debt in short-term bonds and notes?

Mr. President, I believe that the financial loss to the Government and the disruption of the mortgage market is too high a price to pay just to give a better surface appearance to the Government's books, and, incidentally, to bail out some unhappy bondholders. We have not truly balanced the budget when we do so only by exchanging the Government's assets for securities of less value and marketability. That is a fictitious balance. As I said before, it is an accountant's balance, not a realistic balance. It actually results in a greater deficit.

And we have not in fact reduced the national debt if we reduce the debt we owe only by a still greater reduction in the debts that are owed the Government, that is a fictitious reduction, and an actual increase.

All this raises the question of whether the Government's bookkeeping system is properly set up. I should think a sound bookkeeping system would be one which led the Government into desirable transactions—not a system which seduced the Government into undertaking undesirable transactions in order to make the books look better, when they are to be audited by the American people. But that is a broader problem, to be discussed at another time.

Mr. President, I hope very much that hearings can be held on the Senate resolution at an early date and that it can be favorably reported to the Senate at the earliest possible moment, so that the Senate will have an opportunity to declare itself unequivocally against this costly proposal of the administration.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Wisconsin.

Mr. PROXMIRE. This debate is a doubleheader today. We have just listened to a great speech made by the Senator from Illinois, in which he pointed out the impact of the President's proposal in the pushing up of the long-term interest rates. Now we heard a discussion of the situation which the resolution introduced by the Senator from Pennsylvania is aimed to correct. This is another action by the administration which will push up interest rates by increasing the number of FNMA mortgages on the market.

Mr. CLARK. The Senator is correct.

Mr. PROXMIRE. So the effect of both of the actions by the administration will be to increase interest rates, to slow down the economy, to further decrease employment, to make it even more expensive and most costly for the people who desire to buy homes in particular, and to make it more difficult for communities which have very serious problems now in State after State—not only Michigan and Minnesota, but also in Wisconsin, Illinois, and other States. There are communities and cities all over the country which are having a tremendously difficult time borrowing money so that they can build schools and hospitals, which are very, very important in the interest of the American people; is that correct?

Mr. CLARK. The Senator is absolutely correct.

I am afraid my next remark may be misconstrued, and I intend it in no arrogant mood whatever, but I wish those responsible for the administration's fiscal and monetary policy would read a few books which were written after 1896.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have an excellent staff memorandum explaining this issue very moderately, without any effort to prejudge the issue, which was

prepared by the staff of the Committee on Banking and Currency, printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

STAFF MEMORANDUM REGARDING PROPOSED EXCHANGE OF MORTGAGE LOANS HELD BY THE FNMA FOR TREASURY BONDS

PROPOSAL

The President has proposed that the Federal National Mortgage Association exchange at least $335 million in mortgages, from its management and liquidating portfolio, for an equal amount of 2¾ percent Treasury bonds, investment series B.

The stated purpose for the exchange is to permit "receipts" for the FNMA to equal its "expenditures," during fiscal year 1960—thus enabling FNMA activities during fiscal year 1960 to have no impact upon the President's budget. A collateral result would permit the retirement of the Treasury bonds so exchanged, thereby relieving some of the pressure upon the statutory debt limit.

The proposed exchange can be made without enabling legislation.

FNMA MORTGAGES

The proposed exchange would involve, primarily, 4 percent mortgage loans guaranteed by the Veterans Administration, having an average principal amount of about $5,600, and bearing an average maturity of about 16 years—which average maturity will probably be reduced to less than 10 years because of advance amortization or prepayments prior to maturity. On a yield basis, these mortgages have a current value between 86 percent and 90 percent of par.

The FNMA portfolio contains approximately $1 billion of such loans secured by properties located principally in the following States (dollars in thousands):

	Amount
Alabama	$37,896
California	246,412
Florida	82,086
Georgia	43,082
Louisiana	24,209
Michigan	148,836
Oklahoma	81,538
Tennessee	28,830
Texas	41,187
Total	884,707

The FNMA charter provides that this portfolio of mortgage loans shall be managed and liquidated "in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government."

TREASURY BONDS

The proposed exchange would involve 2¾ percent, investment series B, nonmarketable Treasury bonds. The bonds mature on April 1, 1980, and are callable at par by the Treasury on and after April 1, 1975. These bonds are exchangeable for 1½ percent, 5-year Treasury marketable notes which have a current market value for the current issues of between 87 percent and 89 percent of par.

On December 31, 1958, these bonds were held as follows (excluding holdings by Government investment accounts):

	Million
Commercial banks	$130
Life insurance companies	1,898
Mutual savings banks	882
Fire, casualty, and marine insurance companies	144
All other [1]	2,496
Total	5,550

[1] Includes individuals, nonfinancial corporations, pension funds, savings and loan associations, State and local governments, and miscellaneous investors.

This series of bonds was originally issued on April 1, 1951, at par in exchange for certain 2½ percent Treasury bonds. An additional amount was issued in June 1952 for cash and in exchange for certain 2½ percent Treasury bonds.

PUBLIC POLICY ISSUES

Budget and debt limit, 1960

The proposed exchange of mortgages for bonds could enable the FNMA, during fiscal year 1960, to operate without net drain upon the Treasury and without impact upon the President's budget. The exchange could also result in retirement of a portion of the public debt, thus relieving some of the pressure upon the statutory debt limit.

These short-run advantages should be considered in conjunction with the possible long-run and short-run disadvantages discussed below.

Loss of potential income from mortgage loans

Mortgages which would be relinquished by the FNMA bear interest at a rate of 4 percent. Assuming a servicing cost of approximately one-half of 1 percent, there is a net yield to the FNMA (Federal Treasury) of approximately 3½ percent.

The interest paid by the Treasury on the bonds is 2¾ percent—thus there would appear to be a potential loss to the Treasury of three-fourths percent, and a corresponding gain to the private institutions participating in the exchange. The FNMA estimates that the net loss, all factors considered, would be closer to 0.63 percent—or approximately $13 million on an exchange volume of $335 million in mortgages.

The Treasury has stated that, if bondholders so desire, the exchange might involve the entire parcel of $1 billion in mortgages—making the potential loss approximately $40 million.

Loss of potential internal revenue

The Treasury has stated that if the bonds are carried on the books of holders at the value of the bonds on the date of exchange, then the holders can claim a long-term capital loss or an ordinary loss—depending upon the type of institution involved.

The Treasury has estimated that the revenue loss will be insignificant—stating that to the extent that loss on the bonds is claimed for tax purposes, this loss will be largely offset by later equivalent gain on the mortgages.

Nevertheless, it would appear that losses claimed will occur in the year of exchange (1959), a year in which a reduction in internal revenue may be very significant.

Effect upon the mortgage market

Holders of the Treasury bonds involved may consider the exchange to be advantageous for several reasons, e.g., (1) increased yield upon their investments; (2) decreased period until maturity of their investments; and (3) possible tax advantages overall, or in the short run. Such holders probably have policies establishing short-run limits upon their holdings of home mortgage loans.

Under these circumstances, it is possible that institutions participating in the exchange may consider the FNMA mortgages so acquired to satisfy a portion of their desire to acquire home mortgage loans—thereby reducing their activity in the mortgage market during the period following the exchange (1959–60). If as much as $1 billion in mortgages should be absorbed by such institutions, this could have a significant impact upon the mortgage market.

Mr. PROXMIRE. Mr. President, this staff memorandum sets forth the possible benefits to the Treasury, I think, very well—just about as well as the very sorry case can be presented. It explains the problem fully, fairly, and concisely.

I believe that if Senators wish to have both sides made available to them in a concise and readable form, this staff memorandum will be of assistance.

Mr. President, I yield the floor.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 8, 1959, he presented to the President of the United States the enrolled bill (S. 1094) to amend the Bretton Woods Agreements Act.

ADJOURNMENT

Mr. CLARK. Mr. President——

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senator from Pennsylvania is recognized.

Mr. CLARK. Pursuant to the unanimous-consent order previously entered into, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 32 minutes p.m.) the Senate, in executive session, adjourned, under the order previously entered, until tomorrow, Tuesday, June 9, 1959, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 8, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Isaiah 32: 17: *The work of righteousness shall be peace; and the effect of righteousness quietness and assurance forever.*

O Thou who art our gracious Benefactor and the satisfaction of our deepest longings, we thank Thee for the noble impulse which daily turns us to Thee in prayer for the wisdom and guidance we so greatly need.

We penitently confess that we frequently blunder blindly on, forgetting Thee and following our own desires rather than the ways of blessedness and righteousness which Thou hast marked out for us.

Grant that we may use wisely and faithfully every appointed hour of the new day and if there is any good we can do, may we not neglect or defer it for we pass this way but once.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Friday, June 5, 1959, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 26, 1959:

H.R. 4282. An act to supplement and modify the act of May 24, 1828 (6 Stat. 383, ch.

CXII), insofar as it relates to the corporate powers of the Sisters of the Visitation, of Georgetown in the District of Columbia; and

H.R. 4597. An act to provide for the training of postmasters under the Government Employees Training Act.

On May 29, 1959:

H.R. 147. An act to suspend temporarily the tax on the processing of palm oil, palm-kernel oil, and fatty acids, salts, and combinations, or mixtures thereof;

H.R. 3248. An act to provide for the payment of just compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, island of Oahu, T.H.;

H.R. 3681. An act to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.;

H.R. 4599. An act to provide certain administrative authorities for the National Security Agency, and for other purposes; and

H.R. 4695. An act to amend section 108(a) of title 23 of the United States Code to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1094) entitled "An act to amend the Bretton Woods Agreements Act."

PERMISSION TO ADDRESS THE HOUSE

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House on tomorrow after the rollcall on the public works bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION TO SIT DURING GENERAL DEBATE IN HOUSE

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Communications of the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

MANAGEMENT OF THE PUBLIC DEBT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 172)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Ways and Means, and ordered to be printed:

To the Congress of the United States:

Successful management of the debt of the Federal Government is one of the most important foundation stones of the sound financial structure of our Nation.

The public debt must be managed so as to safeguard the public credit. It must be managed in a way that is consistent with economic growth and stability. It must also be managed as economically as possible in terms of interest costs. The achievement of these goals is complicated today by several factors, despite the fact that U.S. Government securities are the safest investment in the world. Our growing prosperity, combined with Government programs to support mortgages and other types of debt obligations, has strengthened the position of these mortgage and other investments with which the Treasury must compete when it sells Government securities.

In addition, the rapid growth in borrowing demands of corporations, individuals, and State and local governments (which issue tax-exempt obligations) tends to diminish the amount of funds available for investment in direct Federal Government securities. Furthermore, the market for all fixed dollar obligations has been affected by a recent preference among some buyers for common stocks.

The achievement of a fiscal position that allows our revenues to cover our expenditures—as well as to produce some surplus for debt retirement—will improve substantially the environment in which debt management operates. Greater flexibility of debt management action is required, however, under present-day conditions if a reasonable schedule of maturities is to be maintained and the safeguards against inflation strengthened.

I am, therefore, asking the Secretary of the Treasury to transmit to the Congress today proposed legislation designed to improve significantly the Government's ability to manage its debt in the best interest of the Nation.

The legislation provides principally for:

(1) Removal of the present 3.26 percent interest rate ceiling on savings bonds. This, together with other changes, will reinvigorate the savings bond program.

(2) Removal of the present 4¼-percent interest rate ceiling on new issues of Treasury bonds. The present ceiling seriously restricts Treasury debt management and is inconsistent with the flexibility which the Secretary of the Treasury has on rates paid on shorter term borrowing.

(3) An increase in the regular public debt limit from $283 billion to $288 billion, and an increase in the temporary limit from $288 billion to $295 billion. These increases are essential to the orderly and prudent conduct of the financial operations of the Government, even with expenditures covered by revenues in the fiscal year 1960, as the budget proposes.

SAVINGS BONDS

Removal of the present 3.26 percent maximum limit on savings bond interest, together with certain other changes, will permit the Treasury to improve the terms of savings bonds. This will strengthen the contribution of the program both to habits of thrift throughout the Nation and to a better structure of the public debt.

The Treasury is proposing the following revisions in the savings bond program, subject to approval of enabling legislation: A 3¾-percent interest rate to maturity for all series E and H savings bonds sold on or after June 1, 1959; an improved interest rate on all series E and H bonds outstanding and continued to be held; and improved extension terms for outstanding series E bonds when they mature.

FOUR AND ONE-FOURTH PERCENT MAXIMUM INTEREST RATE ON NEW BOND ISSUES

There is no statutory maximum on the interest rate which can be paid by the Treasury for marketable borrowing of 5 years or less—bills, certificates, and notes. The Secretary of the Treasury should have similar flexibility with regard to Treasury bonds—which run 5 years or more to maturity.

The Treasury always tries to borrow as economically as it can, consistent with its other debt management objectives. But in our democracy no man can be compelled to lend to the Government on terms he would not voluntarily accept. Therefore, when the Government borrows, it can do so successfully only at realistic rates of interest that are determined by the supply and demand for securities, as reflected in the prices and yields of outstanding issues established competitively in the Government securities market.

I am aware of the fact that many proposals have been made which are designed to produce lower interest rates. However, any debt management device which would seek to interfere with the natural interaction of the competitive forces of our free economy and produce unnatural reductions in interest rates would not only breach the fundamental principles of the free market, but under current conditions could be drastically inflationary. The additional cost to the Government alone from increased prices of the goods and services it must buy might far exceed any interest saving. The ultimate harm to the entire Nation of such a price rise could be incalculable.

Market yields on a number of Treasury bonds are already above 4¼ percent. With one exception all bonds which have 5 years or more to run to maturity have market yields above 4 percent. The Treasury recently has done substantial short-term borrowing. But it must avoid undue shortening of the public debt and therefore should continue to sell intermediate and longer term bonds whenever market conditions permit. It should not be prohibited from doing so by the existence of an artificial ceiling which under today's conditions makes it virtually impossible to sell bonds in the competitive market.

DEBT LIMIT

The Treasury's current estimates, assuming that revenues cover expenditures for the fiscal year 1960 as a whole, indicate the need for an increase in the regular (or permanent) statutory public debt

limit from $283 billion to $288 billion. The $288 billion figure is $13 billion above the permanent limit of $275 billion in effect at the beginning of the fiscal year 1959. This $13 billion increase is approximately equal to the Federal Government deficit during the current fiscal year, as estimated in the budget submitted in January.

The Treasury expects the debt to approximate $285 billion on June 30, 1959, leaving about $3 billion leeway under the proposed $288 billion regular ceiling—a leeway which is essential to protect the Government in case of unforeseen emergencies and to provide necessary flexibility in debt management operations.

Even with budget receipts covering expenditures in the next fiscal year the debt is expected to rise considerably above $288 billion next fall and winter as the Treasury borrows to cover seasonal needs.

This seasonal borrowing can then be repaid before the end of the fiscal year. I am asking, therefore, for a temporary increase of $7 billion in the public debt limit beyond the $288 billion permanent ceiling to cover those seasonal borrowing needs. This temporary limit would expire June 30, 1960, and can be reviewed prior to that time.

Certain other technical proposals to improve the management of the public debt are also included in the proposed legislation.

The enactment of this program is essential to sound conduct of the Government's financial affairs. It will contribute significantly to the Treasury's ability to do the best possible job in the management of the public debt. I urge, therefore, that the Congress give prompt consideration to this request.

There is another matter to which I wish to call your attention, quite apart from the legislative program discussed above. When I submitted my budget to you in January interest costs on the public debt for the fiscal year 1960 were estimated at $8 billion. The increase in interest rates that has taken place since that estimate was made is now expected to add about half a billion dollars to this figure.

At the same time, however, I am informed that, because of the strength of economic recovery and growth beyond our earlier expectations, our revenue estimates for fiscal year 1960 will be sufficient to offset the increased interest cost on the public debt.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 8, 1959.*

WATERSHED PROTECTION AND FLOOD PREVENTION ACT

The SPEAKER laid before the House the following communication, which was read:

JUNE 5, 1959.

Hon. SAM RAYBURN,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Public Works has approved the work plans transmitted to you which were referred to this committee. The work plans involved are:

State	Watershed	Executive communication No.	Committee approval
Arizona	Frye Creek-Stockton Wash.	925	June 3, 1959
South Dakota	Brule Creek	925	Do.
Texas	Sulphur Creek (supplement).	925	Do.

Sincerely yours,

CHARLES A. BUCKLEY,
Member of Congress, Chairman,
Committee on Public Works.

The SPEAKER. The communication will be referred to the Committee on Appropriations.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION APPROPRIATION BILL

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7007) to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "$480,550,000" and insert "$485,300,000."

Page 1, line 8, strike out "$53,050,000" and insert "$57,800,000."

Page 3, line 1, strike out "$15,250,000" and insert "$20,000,000."

Page 3, line 2, strike out "House."

Page 3, line 3, after "Astronautics" insert "of the House of Representatives."

Page 3, line 3, strike out "Senate."

Page 3, line 4, after "Sciences" insert "of the Senate."

Page 3, line 9, after "contracts" insert ": *Provided*, That none of the funds appropriated for 'Research and development' pursuant to this act may be used for construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee notifies the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility."

Page 5, lines 2 and 3, strike out "for any period prior to July 30, 1965."

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman state to the House whether this bill was increased in conference or what happened to it?

Mr. BROOKS of Louisiana. It has not gone to conference. The Senate took up the House bill and amended it in three respects. One amendment is minor. One amendment for $4,750,000 which was requested for an installation needed quickly was not placed in the original House bill. We eliminated it. The Senate placed it in there. They convinced us that NASA would have to come back to us immediately for that authorization. The other change was that in section 4 the limit was placed at 5 years. That has been changed to an indefinite limit, on which legislative authority is required.

Mr. GROSS. So that this bill has been bulged considerably.

Mr. BROOKS of Louisiana. No, I would not say considerably. The total overall increase is $4,750,000.

Mr. GROSS. How much?

Mr. BROOKS of Louisiana. Four million seven hundred and fifty thousand dollars out of $455 million.

Mr. GROSS. And without any terminal date.

Mr. BROOKS of Louisiana. That means that legislative authority would be required without regard to the 5-year limitation.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The figure that has been adopted by the Senate is the budget figure which has been approved by the Bureau of the Budget. The House committee, because there had been some indefiniteness on one new planning facility, deleted the $4,750,000 until they justified it further. I understand this has been done by Mr. Holaday, head of the NASA agency for space, and that the matter has been cleared up. Secondly, the provision which is a minor provision on page 5, section 4, the deletion requires that the legislative committee shall each year look at each of these scientific projects so that it is a double scanning by both the Committee on Appropriations and the legislative committee. We believe that our legislative committee is going to do that. We have been working hard, and we are watching the budget closely. I recommend that the bill be passed because it is as recommended by the Executive and approved by the Bureau of the Budget in this form.

Mr. BROOKS of Louisiana. All the funds in this bill are approved by the Bureau of the Budget.

Mr. GROSS. Mr. Speaker, may I ask the gentleman if this new agency has rented space in the Washington area and, if so, where?

Mr. BROOKS of Louisiana. We have not been informed of any rental space, and we have asked them to keep us informed before they make any new rental agreements. The gentleman brought that up before, and the gentleman has a commitment from me that we will keep him informed when the proposed rental agreements come up. May I say there is one other minor amendment which puts a limit of $250,000 for any capital expenditure, and when that limit is exceeded, the NASA must come back to the Congress, and explain why that expenditure is necessary. That is all included within the authorized funds of the bill.

Mr. FULTON. May I assure the gentleman from Iowa that we on the Republican side agree that that should be checked, insofar as rental in the District is concerned.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

POLICEMEN AND FIREMEN'S RETIREMENT AND DISABILITY ACT AMENDMENTS OF 1957

The SPEAKER. This is District of Columbia Day. The Chair recognizes the gentleman from South Carolina [Mr. McMILLAN], chairman of the Committee on the District of Columbia.

Mr. McMILLAN. Mr. Speaker, by direction of the House District Committee, I call up the bill (H.R. 3735) to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and to their widows, widowers, and children, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) each person who, immediately before the effective date of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957, was receiving, or was entitled to receive, relief or retirement compensation from the District of Columbia by reason of his service as an officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, or the United States Secret Service, shall, for the purposes of such amendments of 1957, be held and considered to have retired from such force, Department, or Service, on such effective date.

(b) In the case of each widow, widower, and child who, immediately before the effective date of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957, was receiving or was entitled to receive relief or retirement compensation from the District of Columbia by reason of the service on the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, or the United States Secret Service, of a deceased officer or member or a deceased former officer or member, the date of death of such officer or member, or former officer or member, shall, for the purposes of such amendments of 1957, be held and considered to be such effective date.

(c) No retroactive relief or retirement compensation shall be payable by reason of the enactment of this Act for any period before the date of enactment of this Act.

(d) Nothing in this Act shall be deemed to reduce the relief or retirement compensation any person receives, or is entitled to receive, from the District of Columbia on the date of the enactment of this Act.

SEC. 2. Section 4 of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 is hereby repealed.

Mr. McMILLAN (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the bill be dispensed with and that it be printed in full in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to continue the longstanding policy of the Congress and the District of Columbia of providing equal benefits for equal service credits, regardless of the date of retirement, to those former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the Secret Service personnel, or to their surviving widows and children.

This bill is the same as H.R. 7450 of the last Congress which was passed by the House in August 1957. The bill was not acted upon by the Senate until 2 days before adjournment last year which was too late for conferees to act. At the time the House passed that bill, the legislation it was to amend was pending before the Senate and later became the Policemen and Firemen's Retirement and Disability Act amendments of 1957. This bill, H.R. 3735, which we are considering today, would amend the 1957 amendments and continue the policy of equalization of retirement benefits which began in 1923.

The Pension Equalization Act of 1923 came about because of a pay increase for policemen and firemen in 1922. This pay increase changed the base for computation of retirement benefits. Those who retired the day following the pay increase received higher benefits than those who retired the day before the effective date of the pay increase. In the interest of justice and fairness to all retirees, past and future, the Congress, on recommendation of the Commissioners of the District of Columbia, adopted the principle of equalization so that all beneficiaries of the policemen and firemen's retirement program would receive equal benefits for equal service, irrespective of the date of retirement or eligibility for benefits.

In their recommendation to the Congress favoring the then pending equalization legislation, the Commissioners of the District of Columbia in 1923 said that the purpose of the policy was "to equalize the situation so that all pensioners of the police and fire departments, irrespective of the date on which they may have been retired, shall be eligible to equal benefits."

The House Committee on the District of Columbia, in its favorable report on the bill which became the Equalization Act of 1923 said:

Your committee is of the opinion that all pensioners who are subjected to the same living costs and who have rendered exceptional service to the District and who have been injured or have been retired because of age should receive the same pension and that there should be no discrimination in the treatment of those aged and disabled public servants.

The policy of equalization of retirement benefits for policemen and firemen was applied to every change in the base for computation of benefits for 33 years. It was applied uniformly to all changes resulting from pay increases. It was applied uniformly in every one of four increases in the percentages withheld from salaries as a contribution to the retirement fund. Deductions are now in excess of four times the rate at the time the equalization principle was adopted. At no time for 33 years was there any objection to the justice and fairness of "equal benefits for equal service."

The Policemen and Firemen's Retirement and Disability Act of 1957 changed the basis for computation of retirement benefits by increasing the percentage of the pay base on which benefits are calculated. These amendments increased the maximum benefit for disability retirement from 50 percent of the base pay to 66⅔ percent with a maximum retirement benefit for age and service of 70 percent of the base pay. The 1957 amendments also increased the benefits for widows and children. Those amendments did not provide for equalized benefits for all retirees, their widows and children as had been long standing policy.

For the first time since 1923, there is a discrimination in the treatment of those aged and disabled public servants or of their widows and children. A widow with three children on the rolls before the effective date of the 1957 amendments can receive a maximum of $2,400. The widow with three children placed on the rolls after the effective date of the 1957 amendments may receive a minimum of $3,600.

Similar unfairness and discrimination exists between policemen and firemen retired before the effective date of the 1957 amendments and those who retired thereafter. Those who retired after the effective date of the 1957 amendments receive at least one-third more retired pay for the same pay base and years of service. This is the kind of unfairness and inequity the Commissioners of the District of Columbia and the Congress acted to prevent by the Equalization Act of 1923 the purpose of which was to provide that "all pensioners, irrespective of the date on which they may be retired, would be eligible for equal benefits."

The subcommittee, during its hearings, found that 90 percent of those who would be affected by this bill were retired for disability. This fact indicates the hazardous nature of the duties performed by the policemen and firemen contributing to the retirement fund. The subcommittee further found that once a member is retired, he must bear the full costs of any hospitalization or continuing medical expense. Because of the high percentage of disability retirements a large number of these retirees are faced with such costs.

The committee studies also revealed that average years of service for those retired for disability was 20.5 years for policemen and 22.6 years for firemen. In the case of those retired for age and service, the average years of service for both groups was 32.9 years.

The actuarial tables prepared by the Treasury Department show that as of January 1, 1959, there were 1,253 retired members on the rolls, and more than 600 widows and their children who would benefit by this bill. The number of deaths among retired members during the preceeding 3 years plus the estimated deaths for 1959 exceeds 200. The first year estimated cost in 1960 for retired members, as shown by the actuarial studies is $1,320,000. The annual cost will drop by 40 percent in 1970 to $792,000 and decrease by 75 percent in 1980 to $344,000.

The estimated first year cost for widows is $189,000 and for children $22,000.

The percent contribution retained from policemen and firemen's salaries was increased to 6½ percent in August 1957. The total gross dollar increase in contributions to the retirement fund for the first full year at the 6½-percent rate is $517,000. The total annual contribution to the retirement fund is $1,508,000.

The percent contributed from police and firemen's salaries was 1½ percent at the time of the Equalization Act of 1923. Contributions were increased to 2½ percent in 1924. In 1930 the percent was raised to 3½ and remained unchanged until 1949, when contributions became 5 percent of the base pay.

Most of the retired members whose benefits will be equalized by this bill were contributing to the retirement fund during the 1930's when 3½ percent of their salaries was retained. Out of each $100 of base pay these retirees contributed more in terms of 1959 dollars than those members who are now contributing at the 6½-percent rate. Using the Consumer Price Index showing the relative purchasing power of the dollar, those members contributing during the 10-year period 1930 to 1940 averaged $7.26 in 1959 dollar values as against $6.50 contributed by present members.

During their years of service, these members were relying on the equalization policy which had been established years before. They were caught in a deflationary period when their contributions had a high purchasing power. They understood that if there was inflation at a later date they could expect to be protected by the equalization policy. This bill is designed to continue the equalization policy and give the benefits which these retirees justifiably looked forward to following the years of their service.

In the course of committee hearings no objection was raised to the continuation of equalized benefits for widows and children. Prior to the 1957 amendments, widows and children received the same benefits regardless of the date of entitlement to benefits. This bill continues the long-existing policy. The Commissioners of the District of Columbia urged that benefits for widows and children be equalized and made retroactive to the effective date of the 1957 amendments. This bill, as amended, makes the retroactive payments effective only as to widows and children. The retroactive cost for widows and children as of January 1, 1959, are $542,000.

The Commissioners objected to the equalization of benefits on the same basis for former retired members. The committee amendment to the bill follows the Commissioners' recommendation to the extent of prohibiting payment of any retroactive benefits to retired members.

The House District of Columbia Committee believes that the policy of equal benefits for equal service, irrespective of the date of retirement or eligibility, has provided the fairest treatment for those entitled to benefits under the Policemen and Firemen's Retirement and Disability Act and that this bill should be enacted to continue fully the long standing equalization of benefits for all retired former members.

PENSION EQUALIZATION ACT OF 1923—EQUAL BENEFITS FOR EQUAL SERVICE

In 1922, Congress granted a pay increase to policemen and firemen of the District of Columbia. As a result of this change in base pay, the retirement benefits of those already retired were less than for those who retired after the pay increase, even though their years of service were the same and the percent contribution from pay was the same.

To avoid the discrimination and unfairness, the Commissioners recommended, and the Congress approved, legislation providing for equal retirement benefits for equal service. This was the Pension Equalization Act of 1923. The basis for the policy of equalization expressed by the Commissioners and by the Congress in its committee report recognized the factor of increased living costs, the need for adjustment, and the basic fairness of treating retirees alike whether they retired just before or just after a certain date.

The equalization of police and firemen's retirement benefits was an attractive feature to members or prospective members of these hazardous public services. The member knew that his benefits after retirement would keep pace with the benefits of those who retired later. The purchasing power of his retirement would equal that of later retirees who had given the same service. This was an important inducement to members to continue in service and aided in keeping high morale. The policy of equalization provided fair and equal treatment for all retirees for 33 years and should be continued by approval of this bill.

Argument: "In no pension program—of which the Commissioners are aware—does the practice prevail whereby improved benefits are made available to retired employees regardless of the date of retirement or the ratio of contribution."

Answer: This argument completely ignores the very pension program to which the bill under consideration is directed. The police and firemen's retirement and disability program provided equal benefits for equal service regardless of the date of retirement. This was the substance of the Equalization Act of 1923. The policy expressed by the Commissioners of the District of Columbia and approved by the Congress leading to the enactment of that law was that there be no discrimination between those who gave the same service but who may have retired at different dates. Under the equalization policy, the member who had contributed to the retirement fund at the rate of 1½ percent of his pay, and who retired in 1930 on the base pay of a police private was entitled to, and received, the same benefits as the police private who, after the same number of years of service, retired in 1950 on a much higher base pay and who contributed as high as 5 percent of his pay to the retirement fund.

Although there were several salary increases and four increases in the contribution percentage to the retirement fund, retired members always received equal benefits according to their service regardless of the date of retirement. Improved benefits were received by those already retired each time there was any change either in salary base or in contributions by those still in service. The inequity and discrimination which resulted from the 1957 amendments came about by increasing the percentage for calculating benefits from 50 percent to 66⅔ percent of the base pay for disability and up to 70 percent for age and service. To continue one group of retirees on the 50-percent basis and the later retirees on the 66⅔ percent is purely discriminatory. There is no difference in salary base for the computation of benefits and no difference in the contributions. The policy followed under the Equalization Act makes these factors the same for all retirees of equal service credit. The argument that there is a difference lacks any substance other than the arbitrary position of giving the later retirees better treatment than the earlier retirees. Every calculation for equal service credits comes out the same to the point of applying the new percentage of the 1957 amendments. The earlier retiree then gets 50 percent and the later retiree gets 66⅔ percent. But the later retiree has nothing extra to his credit for the additional benefit. There is no logical or fair excuse for giving one the greater benefit and denying it to the other. In effect, without this amendment, we are saying to past retirees and to future retirees, we no longer follow the policy of equal benefits for equal service.

EQUALIZATION OF WIDOWS' BENEFITS

Argument: It is stated—by the Commissioners—that there is no equalization of benefits for widows and children and therefore the increased benefits of the 1957 act should be made applicable to them.

Answer: The policy of equalization of benefits for equal service without discrimination between widows and children has been followed ever since the Equalization Act of 1923. There is no automatic increase provision in the law but every widow and every child, regardless of the date of entitlement, received the same benefits. Whenever there was any increase in benefits all

received the same increases. The maximum amounts of these benefits were fixed by statute.

Policemen and firemen's retirement system—Ratio of total pension costs to salary deductions

Fiscal year	Deductions		Pension, total costs	Ratio
	Amount	Percent		
1960 [1]	$1,508,312	6½	$8,380,000	1 to 5.55.
1959 [1]	1,508,312	6½	6,744,000	1 to 4.47.
1958	1,326,000	6½	5,615,000	1 to 4.23.
1957	991,000	5	4,928,000	1 to 4.97.
1956	986,000	5	4,880,000	1 to 4.95.
1955	883,000	5	4,646,000	1 to 5.26.
1954	844,000	5	4,176,000	1 to 4.96.

[1] Estimated.

NOTE.—Prior to the 1957 amendments to the Retirement Act the ratio between contributions to the retirement fund and the total pension costs ranged from approximately 1 to 5 to as high as 1 to 5.26. After this act and without the equalization of benefits to retirees and widows and children this ratio dropped to its lowest point, 1 to 4.23. The enactment of H.R. 3735 would equalize benefits again and the ratio, based on estimates, would be 1 to 5.55 compared with 1 to 5.25 for 1955, the highest ratio experienced before the amendments of 1957.

Policemen and firemen retired before Oct. 1, 1956, and on rolls, Apr. 15, 1959

	Number	Average years service
Policemen:		
Retired for disability	623	20.5
Retired for age and service	69	32.7
Total	692	21.6
Firemen:		
Retired for disability	401	22.6
Retired for age and service	58	33.2
Total	459	23.9

Average years of service for all retired members: 22.4 years.

Percent of all members retired for disability: 90.6 percent.

Source: Figures furnished by Retired Policemen and Firemen's Associations.

NOTE.—The hazard of the duties of police and firemen is shown in the high percentage of retirements for disability as compared with regular civil service employments. Whereas 90 percent of the retirements for police and firemen are for disability, the retirements for disability in regular civil service are averaging about 32 percent.

Policemen and firemen's contributions from salary base to retirement fund

[This table shows the gross real value of contributions to the police and firemen's retirement fund per $100 of base pay, shown in 1959 dollars as calculated from the Consumer Price Index]

Year	Percent withheld from base pay	Consumer Price Index number	Contribution per $100 base pay in 1959 dollars
1916	1½	46.6	$3.97
1924	2½	73.1	4.22
1930	3½	71.4	6.55
1933	3½	55.3	7.80
1935	3½	59.3	7.20
1940	3½	59.9	7.24
1945	3½	76.9	5.63
1950	5	102.8	6.00
1956	5	116.2	5.30
1957	6	120.2	6.63
1959	6½	123.7	6.50

However, as a result of the 1957 Policemen and Firemen's Retirement and Disability Act amendments, some widows and children now receive greater benefits than others. This situation never happened under the equalization principle which was in effect for 33 years. No one questions the justice of continuing the policy of equalization by bringing all widows and children under the terms of the 1957 amendments. This bill will again put all widows and children in equal status for benefits.

Just as some widows and children now receive more benefits than others for the first time in 33 years, it is likewise true that some retired members who have wives and children receive more benefits than others for the first time in 33 years. Some of those who urge equalization of benefits for widows and children oppose equalization for retired policemen and firemen. This amounts to giving lip-service to equalization on one hand and denying it on the other. It is this kind of discrimination which the Commissioners and the Congress protested in 1923 when the Equalization Act was approved. The principle of equalization was that policemen or firemen who served the same number of years at the same grade level were to receive the same benefits without reference to the date of retirement. This policy has provided the greatest fairness for all retirees and avoided any possible discrimination. To approve any other policy is to approve a policy of discrimination.

If the policy of equalization is good for widows and children, it is good for retired policemen and firemen. If we fail to approve the pending bill the long established policy of equalization is doomed. If we approve equalization only for widows and children, we are approving discrimination between retired policemen and firemen. We deprive those previous retirees of the benefits of equalization and give notice to future retirees that no longer can they expect that future benefits will always be equalized.

This bill, H.R. 3735, merely continues the proven policy of equalization with uniform application to widows and children and to retired former members of the police and fire departments. It should be approved as presented to the House by the District of Columbia Committee.

Policemen and firemen's retirement system—Total costs excluding medical care, burials, and refunds

Fiscal year	Deductions [1]		Gross salaries [1]	Pensions total costs	Cost of gross salaries (percent)	
	Amount	Percent			Employer	Employee
1959 [2]	$1,508,312	6½	$23,204,800	$6,744,000	22.56	6½
1958	1,326,000	6½	20,400,000	5,615,000	21.02	6½
1957	991,000	5	19,820,000	4,928,000	19.86	5
1956	986,000	5	19,720,000	4,880,000	19.75	5
1955	883,000	5	17,660,000	4,646,000	21.31	5
1954	844,000	5	16,880,000	4,176,000	19.74	5

[1] Includes White House Police, Secret Service, and National Capital Parks Police.
[2] Estimated.

Fire department pension information

City	Maximum service pension	Maximum disability pension (percent)	Maximum widow's pension	Maximum child pension	Amount paid toward pension
New York	50 percent plus $50 each year over minimum.	75	None unless by extra contribution.	Same	6 percent.
Los Angeles	66⅔ percent	90	50 percent	15 percent	Do.
Washington, D.C.	70 percent	66⅔	30 percent	$600 annually	6½ percent.
Boston	80 percent	100	Option	$312 annually	5 percent.
Oakland, Calif.	66⅔ percent	75	33⅓ percent	50 percent	7 percent.
Rochester, N.Y.	Option	75	Option	Option	Determined by actuary.

NOTE.—Above cities have been listed according to population and all are in the $6,000 or higher annual pay scale except last named.

This information has been compiled from a publication by the International Association of Fire Fighters, AFL-CIO, the title of which is the same as above.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

On page 2, line 22 after "Act" insert the following: "to any person subject to subsection (a) of this section."

The committee amendment was agreed to.

Mr. AUCHINCLOSS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUCHINCLOSS: Strike out all after the enacting clause and insert in lieu thereof: "That section 4 of the Act entitled "Policemen and Firemen's Retirement and Disability Act Amendments of 1957", approved August 21, 1957, is amended to read as follows:

"'SEC. 4. The amendments made by this Act shall not apply in the case of members retired or otherwise separated prior to its effective date, and the rights of such members shall continue in the same manner and to the same extent as if this Act had not been enacted: *Provided*, That the widow and children of any deceased member retired or otherwise separated prior to the effective date of this Act shall be entitled to receive all benefits under this Act to which widows and children of deceased members retiring or otherwise separated after the effective date of this Act are entitled.'

"SEC. 2. This Act shall take effect on October 1, 1956."

And amend the title so as to read: "A bill to amend section 4 of the Act entitled "Policemen and Firemen's Retirement and Disability Act Amendments of 1957."

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to insert at this

point in the RECORD a letter dated February 19, 1959, addressed to the chairman of the Committee on the District of Columbia, the gentleman from South Carolina [Mr. MCMILLAN], from Mr. McLaughlin, President of the Board of Commissioners.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, this letter is as follows:

FEBRUARY 19, 1959.

Hon. JOHN L. MCMILLAN,
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

DEAR MR. MCMILLAN: The Commissioners of the District of Columbia have the honor to submit herewith a report on H.R. 3735, 86th Congress, a bill to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and to their widows, widowers, and children.

Subsection 1(a) of the bill has for its purpose the application of benefits of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 (Public Law 85–157) to annuitants who retired prior to the effective date of such amendments.

Subsection 1(b) would apply the increased benefits of the 1957 amendments to widows and surviving minor children of deceased policemen and firemen whose deaths occurred prior to the effective date of the 1957 amendments. Subsection 1(b) omits to extend the increased benefits to those widows and surviving children of policemen and firemen who retired before the effective date of the 1957 amendments but who died afterward. This omission, we believe, was unintentional and this report is written as though H.R. 3735 (as well as H.R. 2750, also discussed in this report) covered the latter category of widows and children, as well as the former.

H.R. 3735 is identical with H.R. 2750 with one exception. Section 1(c) of H.R. 3735 eliminates the retroactive feature concerning payment of benefits as is the case in H.R. 2750. This provision makes benefit payments under H.R. 3735 effective as of the date of enactment, instead of being effective retroactively to October 1, 1956.

The Commissioners are in accord with that portion of H.R. 3735 which has for its purpose an increase in benefits for those widows and children who did not receive the benefits of the 1957 amendments. The present monthly rates for such widows and children are $125 and $25, respectively, and have remained unchanged since 1949. In this connection attention is also invited to H.R. 2749, designed to give to such widows and children the benefits which would be given them by H.R. 3735. H.R. 2749 is retroactive to October 1, 1956.

Furthermore, it should be noted that the Commissioners forwarded to the Speaker of the House under date of February 12, 1959, a proposed bill which is similar to the objectives sought in H.R. 2749. The Commissioners' proposal was cleared by the Bureau of the Budget.

The following table reflects the estimated additional annual costs of H.R. 3735 and H.R. 2750, respectively, as they apply to those survivors (widows and children) of policemen and firemen who did not get the benefits of the 1957 amendments, projected at 5-year intervals through 1980. Since H.R. 3735 does not permit an estimate as of a given date, July 1, 1959, has been used in order to provide a base.

Fiscal year	Widows		Children		Total	
	H.R. 3735	H.R. 2750	H.R. 3735	H.R. 2750	H.R. 3735	H.R. 2750
1957–59		$481,000		$61,000		$542,000
1960	$189,000	189,000	$22,000	22,000	$211,000	211,000
1965	181,000	181,000	7,000	7,000	188,000	188,000
1970	158,000	158,000	2,000	2,000	160,000	160,000
1975	127,000	127,000			127,000	127,000
1980	97,000	97,000			97,000	97,000

For the 21-year period 1960 through 1980, the cost of each of these bills (for widows and children) is $3,314,000. For the remainder of the potential life expectancy of widow beneficiaries the additional cost of H.R. 3735 is $1,060,000, making the total cost for widows and children, $4,374,000. For H.R. 2750 the total cost is $4,916,000. The difference of $542,000 represents the additional cost for the years 1957 through 1959.

The Commissioners, however, most strenuously object to those portions of H.R. 3735 and H.R. 2750, respectively, which provide the same retirement benefits for policemen and firemen who retired prior to October 1, 1956, as were established by the 1957 amendments for members of those departments retiring after October 1, 1956, for the following reasons:

1. The Equalization Act of 1923, applicable to retired policemen and firemen, provides for an automatic proportionate increase in pensions equal to any salary increases granted active duty policemen and firemen, and is without limitation as to the amount of retirement benefit adjustment. The effect of this provision is revealed by the following table:

Comparison of increases in pension adjustments under the civil service and policemen and firemen's retirement systems during the years 1950 through 1958

Basic pension: Police and Firemen's Act, and Civil Service Retirement Act (CSRA), 1950	Current pension		Percentage increase	
	CSRA	Police and firemen	CSRA	Police and firemen
$1,606	$2,358	$2,504	47	55
$1,877	2,631	3,113	40	65
$2,012	2,629	3,395	30	68
$3,623	4,372	5,439	20	50

2. In no pension program of which the Commissioners are aware does the practice prevail whereby improved benefits are made available to retired employees regardless of the date of retirement or the rate of contribution. It is almost axiomatic that improvements in retirement systems are provided prospectively and the added costs for such benefits shared by "on the job" employees and the employer. The Commissioners do not believe members of the police and fire departments who retired prior to October 1, 1956, should be still more favored over all other groups of retired employees by receiving dual benefits.

3. The three attached charts entitled "Comparison of Increases in Pension Adjustments Under Police and Fire and Civil Service Retirement Systems" show the existing financial disparity between the two systems and the extension of such disparity by H.R. 3735 and H.R. 2750.

These charts are significant in that they reveal that under existing law the following condition prevails:

1. Retired policemen and firemen who, as of January 1945, retired on the basis of lower salaries than their civilian counterparts, received the same basic pensions as their civilian counterparts.

2. In the examples given on the charts, the pensions of the same civilians have increased from $1,350 to $2,411, from $1,950 to $2,739 and from $2,500 to $3,392, respectively.

3. The same retired policemen and firemen are now receiving pensions in excess of the salaries they received at time of retirement. In the examples given, their pensions have increased from $1,350 to $3,276, from $1,950 to $4,350 and from $2,500 to $5,850, respectively.

Should either H.R. 3735 or H.R. 2750 be enacted in the form in which they were introduced, the disparity between the two kinds of pensions would become much more pronounced.

4. The Commissioners wish to indicate the cost of section 1(a) of H.R. 3735 and H.R. 2750, respectively (relating to retired policemen and firemen), as reflected in the following table. Since H.R. 3735 has no specific effective date, July 1, 1959, has been assumed in order to establish a base which is consistent with the periods used in the cost projection. This projection is shown at 5-year intervals through 1980.

Fiscal year	Annual cost	
	H.R. 3735	H.R. 2750
1957–59		$3,484,000
1960	$1,320,000	1,320,000
1965	1,052,000	1,052,000
1970	792,000	792,000
1975	549,000	549,000
1980	344,000	344,000

For the 21-year period 1960 through 1980, the cost of each of these bills for retired members is $16,923,000. For the remainder of the potential life expectance of retired member beneficiaries the additional cost of H.R. 3735 is $2,371,000, making the total cost for retired members, $19,294,000. For H.R. 2570 the total cost is $22,778,000. The difference of $3,484,000 represents the additional cost for the years 1957 through 1959.

In conclusion, the Commissioners strongly favor and urge enactment of legislation providing improved benefits for widows and surviving minor children of policemen and firemen. The Commissioners also urge that such improved benefits be made retroactive to October 1, 1956, in order to avoid the creation of a discriminatory hiatus period which would adversely affect a group of people whose benefits have been unchanged since 1949. They are equally strong in opposing that portion of the bill extending additional benefits to members of the Police and Fire Departments who retired prior to October 1, 1956.

The Commissioners urgently recommend that H.R. 3735 be amended by striking all after the enacting clause and inserting in lieu thereof the language of the draft bill submitted by the Commissioners to the Speaker on February 12, 1959.

Sincerely yours,

ROBERT E. MCLAUGHLIN,
President, Board of Commissioners, District of Columbia.

Mr. Speaker, that is just what my amendment does. This will undoubtedly be an increase in the burden of the taxpayers here in the District of Colum-

bia. We all know that the financial situation in the District leaves much to be desired.

Mr. Speaker, I hope my amendment will be adopted.

The SPEAKER. The time of the gentleman from New Jersey has expired.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 67]

Alford	Dorn, S.C.	May
Ashley	Downing	Merrow
Barrett	Dulski	Monagan
Bass, N.H.	Evins	Nix
Bass, Tenn.	Fallon	Norblad
Baumhart	Farbstein	Philbin
Bentley	Flynn	Pilcher
Betts	Fogarty	Powell
Blitch	Fountain	Preston
Boggs	Frelinghuysen	Prokop
Bolling	Gallagher	Reece, Tenn.
Bolton	Giaimo	Riehlman
Boykin	Goodell	Rivers, S.C.
Bray	Green, Oreg.	Rostenkowski
Brewster	Gubser	Santangelo
Brown, Mo.	Hays	Scherer
Byrnes, Wis.	Healey	Schwengel
Cahill	Hemphill	Sheppard
Canfield	Holifield	Spence
Carnahan	Holt	Staggers
Celler	Irwin	Taylor
Coad	Jackson	Teller
Coffin	Johnson, Calif.	Thompson, N.J.
Collier	Johnson, Md.	Toll
Cooley	Kasem	Tuck
Curtis, Mo.	Kearns	Udall
Daddario	Laird	Van Pelt
Daniels	Lennon	Wallhauser
Davis, Ga.	McCulloch	Walter
Denton	McGinley	Weis
Diggs	Macdonald	Willis
Dixon	Machrowicz	Wilson
Dooley	Magnuson	Withrow
Dorn, N.Y.	Mailliard	Zelenko

The SPEAKER. On this rollcall, 331 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

POLICEMEN AND FIREMEN'S RETIREMENT AND DISABILITY ACT AMENDMENTS OF 1957

The SPEAKER. The Chair recognizes the gentleman from South Carolina [Mr. McMILLAN].

Mr. McMILLAN. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, the Committee on the District of Columbia was following the long well-established policy of previous administrations by granting the same treatment to retired policemen and firemen as they grant to active policemen and firemen. In other words, our committee did not deviate from a policy which has been here in existence in the District of Columbia for the past 30 years or more. We could see no reason to leave out the retired policemen who, on the average, had retired after 33 years of service and had paid into the retirement fund for that length of time. The policemen and firemen who had retired on disability and had paid into the retirement fund have an average of 22 years. So we could see no reason to leave out the retired policemen.

Mr. Speaker, I yield to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, I join the distinguished chairman of our committee in opposing the amendment offered by the gentleman from New Jersey [Mr. AUCHINCLOSS]. As has been pointed out by our chairman, this was a policy established by an act of Congress back in 1923, to treat all retired former members of the Police and Fire Departments alike, regardless when they retired, regardless what salary they were receiving at the time of retirement, regardless what contributions they had made to the retirement fund.

Then, in 1957, for the first time, Congress created an inequity, or made an exception to the tradition which had been established. We had, by act of Congress, approved a modest increase for all members of the Police and Fire Departments who would retire in the future, but made it retroactive to October 1, 1956. The bill before the House now aims to correct that inequity, in order to be consistent with our former action or actions since 1923.

The amendment offered by the gentleman from New Jersey merely excludes all former policemen and firemen who had retired before October 1, 1956, but recognizes the inequities for widows and children of members who had died prior to October 1, 1956. All of us are for taking care of the widows and orphans, most certainly. They cannot live under the present annuity rate of $125 a month.

I hope that nothing will happen to jeopardize this legislation which provides an increase for them, and I hope that by attempting to correct the inequity which exists for former policemen and firemen that the legislation will not run into too much controversy between the two bodies of Congress which will delay final approval of this much-needed legislation. The gentleman's amendment on the face of it recognizes that there is an inequity for widows and orphans of former members who died prior to October 1, 1956. The committee bill recognizes that inequity for all members who retired before October 1, 1956, as well as widows and orphans and reenacts the precedent that we established back in 1923.

Therefore, Mr. Speaker, I hope the amendment will be defeated and that the House will approve the bill as reported by the committee.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Ohio.

Mr. BOW. Mr. Speaker, I wonder if the gentleman can tell us the difference in the cost of the bill as reported to the House and the cost as it would be under the amendment offered by the gentleman from New Jersey.

Mr. McMILLAN. Mr. Speaker, I cannot tell the gentleman the exact difference.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield to me?

Mr. McMILLAN. I yield.

Mr. BROYHILL. The estimated difference in the cost of committee bill and the amendment is $19,294,000. However, the same inequity exists for former members of the police and fire departments as exists for widows and orphans of members who retired prior to October 1, 1956. The gentleman's amendment takes care of the widows and orphans only, and we are all anxious to take care of them, but the committee bill takes care of the former members as well.

Mr. BOW. I have been advised that the cost of the bill as now drawn would be about $22 million; and that if the amendment of the gentleman from New Jersey is approved the cost would be about $4 million. I wonder whether that information is correct.

Mr. McMILLAN. No; the difference would only be about $1.3 million the first year.

Mr. BOW. Would the gentleman explain that difference to us? Is it correct that the cost would be about $22 million if the bill were accepted, as submitted by the committee?

Mr. McMILLAN. These police and firemen paid into the retirement fund over a period of 33 years so they will be getting only what they are entitled to receive from their own retirement fund already paid into the treasury.

Mr. BROYHILL. Mr. Speaker, if the gentleman will yield, the cost of the entire bill is $24 million including the amount contained in the gentleman's amendment. The cost of the amendment would be $5 million. The cost so far as the policemen and firemen alone are concerned is $19 million over the entire life of the bill itself. It would be about $1,200,000 for the first year and then it gradually reduces until after the year 2000. The total cost is $19 million. The cost is proportionately negligible in comparison to these very serious inequities that actually exist.

The SPEAKER. The question is on the amendment offered by the gentleman from New Jersey [Mr. AUCHINCLOSS].

The amendment was rejected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING RETIREMENT FOR PRESENT DIRECTOR OF METROPOLITAN POLICE BAND

Mr. McMILLAN. Mr. Speaker, I call up the bill (H.R. 3030) to amend the act entitled "An act to authorize the establishment of a band in the Metropolitan Police force" so as to provide retirement compensation for the present director of said band after 10 or more years of service, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of the first section of the Act entitled "An Act to authorize the establishment of a band in the Metropolitan Police force", approved July 11, 1957, as amended, is amended by striking "such" where it first appears and by striking "as may request such a detail".

SEC. 2. Said Act of July 11, 1947, as amended, is amended by inserting after section 2 thereof the following new section:

"SEC. 3. Notwithstanding the limitations of existing law, the person who is the director of the Metropolitan Police force band on the date this section takes effect may elect to retire after having served ten or more years in such capacity and having attained the age of seventy years, and upon such retirement he shall be entitled to receive retirement compensation in an amount equivalent to, and under the conditions applicable to, the retirement compensation to which a captain in the Metropolitan Police force is entitled after serving an equivalent length of time in such force. Such retirement compensation shall be in addition to any retirement compensation which said director is entitled to receive from any other source, whether from the United States, the District of Columbia, or otherwise. Such retirement compensation shall be payable from District of Columbia appropriations."

SEC. 3. Section 3 of said Act approved July 11, 1947, as amended, is renumbered "SEC. 4.".

With the following committee amendment:

Strike out all after the enacting clause and insert "That the second sentence of the first section of the Act entitled "An Act to authorize the establishment of a band in the Metropolitan Police force", approved July 11, 1947, as amended, is amended by striking "such" where it first appears and by striking "as may request such a detail".

"SEC. 2. Said Act of July 11, 1947, as amended, is amended by inserting after section 2 thereof the following new sections:

" 'SEC. 3. Notwithstanding the limitations of existing law, the person who is the director of the Metropolitan Police force band on the effective date of this section may elect to retire after having served ten or more years in such capacity and having attained the age of seventy years. Upon such retirement, whether for age and service or for disability, said director and his surviving spouse shall be entitled to receive annuities in amounts equivalent to, and under the conditions applicable to, the annuities which a captain in the Metropolitan Police force and his surviving spouse may be entitled to receive after such captain has retired from said force for substantially the same reason as that for which said director may retire, whether for age and service or for disability, as the case may be. If the said director shall apply for retirement for disability, he shall not be eligible to retire under section 12(g) of the Act approved September 1, 1916 (39 Stat. 718), as amended (sec. 4–527, D.C. Code, 1951 edition, Supp. VI), but he shall be eligible to apply for retirement under section 12(f) of such Act, as amended (sec. 4–526, D.C. Code, 1951 edition, Supp. VI), in like manner as if the said director were an officer or member of the Metropolitan Police force. The annuities hereby authorized shall be in addition to any pension or retirement compensation which said director may be entitled to receive from any other source, whether from the United States or otherwise. The annuities payable to said director and his surviving spouse pursuant to this Act shall be payable from District of Columbia appropriations, but shall not be considered as annuities payable to an officer or member of the Metropolitan Police force or to the surviving spouse of such officer or member. Appropriations for the operations of the Metropolitan Police Department are made available for this purpose.

" 'SEC. 4. The person who is the Director of the Metropolitan Police force band on the date of approval of this Act shall, upon his retirement from such position, be retired under the provisions of this Act and not under the Civil Service Retirement Act, and the moneys to his credit in the Civil Service Retirement and Disability Fund created under the authority of the Civil Service Retirement Act of May 29, 1930, as amended, on the date of such retirement, together with such moneys in such fund as may have been contributed by the District of Columbia toward the cost of his annuity under such Act, shall be transferred to the credit of the general revenues of the District of Columbia.

" 'SEC. 5. Section 3 of said Act approved July 11, 1947, as amended, is renumbered "4".' "

The committee amendment was agreed to.

Mr. McMILLAN. Mr. Speaker, the purpose of this legislation is to amend the act authorizing the establishment of a band in the Metropolitan Police force approved July 11, 1947.

An amendment to the same act of October 14, 1957, fixed the salary of the director the same as a captain in the police force. The 1947 act authorized the chief of police to detail to the band such officers and members as may request such detail. In other words members of the police band could not be assigned to duty unless a specific request was made.

The 1947 act, as amended by the act of 1957, provided for the payment of the director of the band but makes no provision for the retirement of the director since he is a civilian employee and has no official status in the police department.

In the absence of any specific legislation, the present holder of this position would retire under the provisions of the Civil Service Retirement Act. In such case he would receive an annuity at a rate of $1,300 a year and the cost to the District with survivorship, assuming that the present director of the band retired in the near future, would be estimated at approximately $8,000.

H.R. 3030 would first relieve the policemen who play in the band from the necessity of having to request such detail. Under the proposed legislation it would be possible for the chief of the police department of the District of Columbia to assign a member of the police department for service in the hand.

H.R. 3030 would also provide for the retirement of the present director of the band. The proposed bill, H.R. 3030, as amended, specifies that when the director retires that he would be entitled to receive annuity in the amount equivalent to and under the conditions applicable to the annuities which a captain in the Metropolitan Police force and his surviving spouse may be entitled to receive, after such captain has retired from said force for substantially the same reasons as that for which said director may retire, whether for age in service or for disability.

The intent of this provision is to tie the provisions of H.R. 3030 to the annuities under which a police captain would retire. If he should retire for age and service the intent of this provision is to allow him to have his retirement computed on the same basis as the police member's retirement is computed; that is, 2 percent per year for each year of service rendered in this position. If he should retire for disability, he would retire for disability incurred "not in line of duty under the provisions of section 12(f) of the Police Retirement Act," and not under section 12(g) of such act.

This legislation recognizes the fact that the present director of the Metropolitan Police band is not an officer or member of the police force and that any annuities that he is to receive are not annuities such as those received by the officers and members of the police force.

The legislation provides adequate safeguards so that the present director of the police band is to retire under this special act and not under the Civil Service Retirement Act. The bill provides that any moneys to the credit of the present director of the band in the civil service retirement and disability fund created under the authority of the Civil Service Retirement Act of May 29, 1930, as amended, on the date of such retirement, together with such moneys in such fund as may have been contributed by the District of Columbia toward the cost of annuity under such act, shall be transferred to the credit of the general revenues of the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING DISTRICT OF COLUMBIA INCOME AND FRANCHISE TAX OF 1947

Mr. McMILLAN. Mr. Speaker, I call up the bill (H.R. 4283) to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that under certain conditions officers of the executive branch of the Federal Government appointed by the President shall be exempt from such act, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4(s) of title I of the District of Columbia Income and Franchise Tax Act of 1947, as amended (D.C. Code sec. 47 1551c(s)), is amended by striking out "and whose tenure of office is at the pleasure of the President of the United States,".

(b) Section 4(z) of title I of such Tax Act of 1947, as amended (D.C. Code, sec. 47 1551c(z), is amended by striking out "and whose tenure of office is at the pleasure of the President of the United States,".

(c) Section 8(1)(1) of title XII of such Tax Act of 1947, as amended (D.C. Code, sec. 47 1586g(1)(1)), is amended by striking out

"and whose tenure of office is at the pleasure of the President of the United States,".

SEC. 2. The amendments made by this Act shall be applicable to taxable years beginning after December 31, 1959.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That (a) the last sentence of section 4(s) of title I of the District of Columbia Income and Franchise Tax Act of 1947, as amended (D.C. Code, sec. 47–1551c(s)), is amended to read as follows: "The word 'resident' shall not include—

"'(1) any elective officer of the Government of the United States or any employee on the staff of an elected officer in the legislative branch of the Government of the United States if such employee is a bona fide resident of the State of residence of such elected officer,

"'(2) any person appointed by the President subject to confirmation by the Senate of the United States as a member (including chairman) of any of the following agencies, while he is a member of such agency:

"'(A) Atomic Energy Commission,

"'(B) Civil Aeronautics Board,

"'(C) Federal Communications Commission,

"'(D) Federal Deposit Insurance Corporation,

"'(E) Federal Home Loan Bank Board,

"'(F) Federal Maritime Board,

"'(G) Federal Power Commission,

"'(H) Board of Governors of the Federal Reserve System,,

"'(I) Federal Trade Commission,

"'(J) Interstate Commerce Commission,

"'(K) National Labor Relations Board,

"'(L) National Mediation Board,

"'(M) Securities and Exchange Commission,

"'(N) Subversive Activities Control Board, and

"'(O) United States Tariff Commission, unless such person is domiciled in the District on the last day of the taxable year.

"'(3) any officer of the executive branch of the Government of the United States whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States, unless such officers are domiciled in the District on the last day of the taxable year.'

"(b) The last sentence of section 4(z) of title I of the Tax Act of 1947 as amended (D.C. Code, sec. 47–1551c(z)), is amended to read as follows: "The term "employee" shall include an officer of a corporation, but shall not include—

"'(1) any elective officer of the Government of the United States or any officer or employee in the legislative branch of the Government of the United States whose compensation is paid by the Secretary of the Senate or the Clerk of the House of Representatives,

"'(2) any person appointed by the President and subject to confirmation by the Senate of the United States as member (including chairman) of any of the following agencies, while he is a member of such agency:

"'(A) Atomic Energy Commission,

"'(B) Civil Aeronautics Board,

"'(C) Federal Communications Commission,

"'(D) Federal Deposit Insurance Corporation,

"'(E) Federal Home Loan Bank Board,

"'(F) Federal Maritime Board,

"'(G) Federal Power Commission,

"'(H) Board of Governors of the Federal Reserve System,

"'(I) Federal Trade Commission,

"'(J) Interstate Commerce Commission,

"'(K) National Labor Relations Board,

"'(L) National Mediation Board,

"'(M) Securities and Exchange Commission,

"'(N) Subversive Activities Control Board, and

"'(O) United States Tariff Commission, unless such person is domiciled in the District on the last day of the taxable year.

"'(3) any officer of the executive branch of the Government of the United States whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States, unless such officers are domiciled within the District on the last day of the taxable year.'

"(c) The next to the last sentence of section 8(1)(1) of title XII of such Tax Act of 1947, as amended (D.C. Code, sec. 47–1586g(i)(1)), is amended to read as follows: 'This requirement shall not apply to any elective officer of the Government of the United States or any employee on the staff of an elected officer in the legislative branch of the Government of the United States if such employee is a bona fide resident of the State of residence of such elected officer, or any person appointed by the President subject to confirmation by the Senate of the United States as a member (including chairman) of any of the following agencies while he is a member of such agency: Atomic Energy Commission, Civil Aeronautics Board, Federal Communications Commission, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, Federal Maritime Board, Federal Power Commission, Board of Governors of the Federal Reserve System, Federal Trade Commission, Interstate Commerce Commission, National Labor Relations Board, National Mediation Board, Securities and Exchange Commission, Subversive Activities Control Board, and United States Tariff Commission, unless such person is domiciled in the District on the last day of the taxable year, or any officer of the executive branch of the Government of the United States wnose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States, unless such officers are domiciled within the District on the last day of the taxable year.'

"SEC. 2. The amendments made by this Act shall be applicable to taxable years beginning after December 31, 1959."

Mr. GROSS. Mr. Speaker, will the gentleman briefly explain this bill?

Mr. McMILLAN. Yes; I will be very happy to do so.

Mr. Speaker, the purpose of H.R. 4283, as originally introduced, is to provide that under certain conditions officials of the executive branch of the Federal Government, appointed by the President and subject to confirmation by the Senate, shall be exempt from income tax in the District of Columbia.

At the time the District of Columbia Income and Franchise Tax Act of 1947 was passed the law exempted such appointees of the President of the United States who were confirmed by the Senate and whose term of office was at the pleasure of the President of the United States.

The Finance Officer of the District of Columbia interpreted this to mean that Presidential appointees who were appointed by the President of the United States, subject to confirmation by the Senate, but whose term was for a specific number of years rather than at the pleasure of the President of the United States would not come under the exemption provided by the District of Columbia Income and Franchise Tax Act of 1947.

The purpose of this legislation is to correct this interpretation placed upon the legislation by the officials of the District of Columbia. It is felt that such officials who reside in the District of Columbia only because of their service to the Government of the United States should be exempt from the present income tax law of the District of Columbia. Such persons have no assurance of reappointment and in most cases have no ties or plan to make their permanent home in the District of Columbia. Most of these persons continue to maintain their private residences in the State from which they were appointed by maintaining bank accounts, professional licenses such as lawyers, doctors, and so forth, by maintaining voting residence in their State of appointment as well as continuing membership in churches, fraternities, and various political and religious organizations.

In considering the bill, H.R. 4283, it was felt that the coverage afforded in this legislation might be too broad and might encompass the exemption of certain people that the committee had no desire to exempt from income tax in the District of Columbia and for this purpose an amendment was written to the bill by striking all after the enacting clause and inserting a new bill which named the agencies involved and by so doing it was made certain that the total number of agencies covered by this legislation could be later ascertained.

The following agencies, with the total number of employees who would be exempt under this proposed legislation are herewith made a part of this report:

Atomic Energy Commission	5
Civil Aeronautics Board	5
Federal Communications Commission	7
Federal Deposit Insurance Corporation	2
Federal Home Loan Bank Board	3
Federal Maritime Board	3
Federal Power Commission	5
Board of Governors of the Federal Reserve System	7
Federal Trade Commission	5
Interstate Commerce Commission	11
National Labor Relations Board	6
National Mediation Board	3
Securities and Exchange Commission	5
Subversive Activities Control Board	5
U.S. Tariff Commission	6

The agencies referred to above constitute a number of 78 persons. The Finance Officer of the District of Columbia indicates that of this number of 78, 40 of these appointees reside outside the District of Columbia and are for this reason not subject to income tax within the District of Columbia. Thirty-eight of these persons reside within the District of Columbia and are subject to income tax in the District of Columbia. Of this number a total of 28 have filed District of Columbia income tax and either paid the entire tax in the District of Columbia or received credit for income tax paid within the State in which they resided at

the time they were appointed to the position which they hold. Ten of these people, who reside in the District of Columbia and are subject to District of Columbia income tax have failed to file or pay income tax in the District. The total loss in revenue from the persons who actually file and pay income tax in the District of Columbia at the present time would be exactly $18,076.

Mr. GROSS. Then it is one of the requirements of this legislation that they have to pay income taxes somewhere; is that correct?

Mr. McMILLAN. Yes; they pay in their home State.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. McCORMACK. I might say to the gentleman from Iowa that this matter was called to my attention and I thought it was a matter of simple justice that this situation should be corrected, and it was a pleasure for me to introduce the bill.

Mr. GROSS. I thank the gentleman.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that certain additional specified officers of the executive branch of the Federal Government shall be exempt from such Act."

A motion to reconsider was laid on the table.

AMENDING DISTRICT OF COLUMBIA HOSPITAL CENTER ACT

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia I call up the bill (H.R. 6662) to amend the District of Columbia Hospital Center Act in order to extend the time during which appropriations may be made for the purposes of such act, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of August 7, 1946, as amended, is further amended by striking out "1959" and inserting in lieu thereof "1961".

Mr. McMILLAN. Mr. Speaker, the purpose of this legislation is to extend the time during which appropriations may be made for the purposes of such act.

At the time S. 1908 was enacted, Public Law 328 of the 85th Congress, approved February 15, 1958, the period of authorization for appropriations to carry out the purposes of the act was extended from June 30, 1958, to June 30, 1959. The purpose in the present legislation is to extend this date June 30, 1959, to June 30, 1961.

The extension of time under this legislation will allow the Greater Southeast Community Hospital Foundation, Inc., additional time in which to raise funds from private sources necessary to be matched with Federal funds for the construction of a hospital in the Southeast section of Washington.

This legislation has the approval of the Commissioners of the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELATING TO COLLECTING OF TAXES AND ASSESSMENTS

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 643) to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938, and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of subsection (a) of section 3 of the Act entitled "An Act relating to the levying and collecting of taxes and assessments, and for other purposes", approved June 25, 1938 (52 Stat. 1199; sec. 47-1103, D.C. Code, 1951 edition), is amended to read as follows:

"SEC. 3. (a) (1) When any special assessment for a public improvement, with the exception of assessments levied in condemnation proceedings, is levied by the District of Columbia upon any lot or parcel of land, notice of the levying of such assessment shall be served upon the record owner thereof in the manner herein provided, and if there be more than one record owner of such lot or parcel of land notice served on one of the owners shall be sufficient. Such notice shall be deemed to have been served when served by any of the following methods: (a) when forwarded to the last known address of the owner as recorded in the real estate assessment records of the District of Columbia by registered or certified mail, with return receipt, and such receipt shall constitute prima facie evidence of service upon such owner if such receipt is signed either by the owner or by a person of suitable age and discretion located at such address: *Provided,* That valid service upon the owner shall be deemed effected under this clause (a) if such notice shall be refused by the owner and not delivered for that reason; or (b) when delivered to the person to be notified; or (c) when left at the usual residence or place of business of the person to be notified with a person of suitable age and discretion then resident or employed therein; or (d) if no such residence or place of business can be found in the District of Columbia by diligent search, then if left with any person of suitable age and discretion employed at the office of any agent of the person to be notified, which agent has any authority or duty with reference to the land or tenement to which said notice relates; or (e) if any such notice forwarded by registered or certified mail be returned for reasons other than refusal, or if personal service of such notice cannot be effected, then if published on three consecutive days in a daily newspaper published in the District of Columbia; or (f) if by reason of an outstanding unrecorded transfer of title the name of the owner cannot, by diligent search, be ascertained, then if served on the owner of record in a manner hereinbefore provided. Any notice to a corporation shall, for the purposes of this Act, be deemed to have been served on such corporation if served on the president, secretary, treasurer, general manager, or any principal officer of such corporation in a manner hereinbefore provided for the service of notices on natural persons holding property in their own right; and notices to a foreign corporation shall, for the purposes of this Act, be deemed to have been served if served personally on any agent of such corporation, or if left with any person of suitable age and discretion residing at the usual residence or employed at the usual place of business of such agent in the District of Columbia. The cost of publication, if any, shall be paid out of the general revenues of the District. The notice herein provided for shall be in lieu of any and all other notice now required by law.

"(2) In case such notice is served by any method other than personal service, a copy of such notice shall also be sent to the owner by ordinary mail."

SEC. 2. The amendments made by the first section of this Act shall apply to all special assessments for public improvements (other than assessments in condemnation proceedings) notice of which has not been served prior to the approval of this Act.

SEC. 3. The second paragraph of subsection (a) of section 3 of the Act entitled "An Act relating to the levying and collecting of taxes and assessments, and for other purposes", approved June 25, 1938 (sec. 47-1103, D.C. Code, 1951 edition), is hereby repealed.

Mr. McMILLAN. Mr. Speaker, under existing law—52 Statute 1199; section 47-1103, D.C. Code, 1951 edition—relating to service of notice concerning special assessments for public improvements requires that notice of the levying of such assessments shall be served personally upon the record owner of the property. If the address of the owner is unknown, or if the owner is a nonresident, present law permits such notice to be served on his tenant or agent. Such notice may be served either personally upon the owner or agent or by leaving it with some person of suitable age at the residence or place of business of the owner, agent, or tenant. If there is no tenant, or agent known to the Commissioners of the District of Columbia, then notice may be given by advertising once a week for 2 consecutive weeks in two newspapers of general circulation in the District of Columbia.

This legislation would allow service of such notice by registered or certified mail sent to the last known address of the owner, with return receipt, or by such notice being delivered personally to the person to be notified, or by leaving it at his place of business with a person of suitable age and discretion, or if no residence or place of business can be found in the District of Columbia, then the notice may be left with any person of suitable age and discretion employed at the office of an agent of the person to be notified, or if service cannot be effected by any of the above methods, it may then

be effected by publishing the notice in a daily newspaper of general circulation in the District of Columbia for 3 consecutive days.

This bill will enable the notice of special assessments for public improvements to be served either by registered or certified mail or by personal service and will, therefore, give the District of Columbia an alternative method of service, namely by registered or certified mail, which alternative method is not present in existing legislation.

The Finance Officer of the District of Columbia stated that there are annually approximately 800 notices of special assessments that require personal service in the field under existing law. This entails the use of at least two employees, in a responsible grade classification, working during regular hours, and in the evenings and on Saturdays and on an overtime basis, for a period of at least one month, together with the use of a government vehicle, to effect such service. Because of the requirement under present law that the attempts at personal service be exhausted before service by publication may be made and because there is no alternative method of service open to the District of Columbia, there are numerous instances where there is a time lag of many years before the District is reimbursed for moneys it has expended for public improvements.

This legislation was requested by the Board of Commissioners of the District of Columbia.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCORPORATION OF THE LADIES OF THE GRAND ARMY OF THE REPUBLIC

Mr. McMILLAN. Mr. Speaker, I yield to the gentleman from Florida [Mr. MATTHEWS], chairman of a subcommittee, to call up the next bill.

Mr. MATTHEWS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 949) for the incorporation of the Ladies of the Grand Army of the Republic, and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following-named persons, to wit: Gussie Laile Morin, Seattle, Washington; Margaret Hopkins Worrell, Ironton, Ohio; Twannette Paull, Kansas City, Missouri; Nellie D. Howe, Grand Rapids, Michigan; Sarah J. Ehrmann, Orange City, Florida; Mabel S. Taylor, Providence, Rhode Island; Edwina P. Trigg, Kansas City, Missouri; Cora M. Rowling, Indianapolis, Indiana; Irene Mangle, Woodruff, Wisconsin; Catherine G. Schroeder, Los Angeles, California; Mabel Y. Coffey, Colorado Springs, Colorado;

Helen M. Lehman, Jersey City, New Jersey; Margaret Grandle, Pittsburg, Kansas; Frances M. Kuhns, Greensburg, Pennsylvania; Gladys W. Newton, Charleston, West Virginia; Olive Vanwagenen, Washington, District of Columbia; Luella Orr, Tulsa, Oklahoma; Edna S. Lindsey, Portland, Oregon; Rosalie E. Leonard, Boise, Idaho; Lura B. Frye, Peoria, Illinois; Theo McCallum, Neenah, Wisconsin; Eloise E. Whitmer, Washington, District of Columbia; Harriet E. Hughes, New York City, New York; Margaret G. Urban, Oakmont, Pennsylvania.

Bertha Hunt, Des Moines, Iowa; Marie E. Godda, Omaha, Nebraska; Anna Hausman, Washington, District of Columbia; Frances C. Linnell, Plymouth, Massachusetts; Alma M. Blitz, Minneapolis, Minnesota; Lila Lovett, Portland, Maine; Eveh M. Ervin, Keene, New Hampshire; Mildred Puckett, Louisville, Kentucky; Ada Anderson, Wilmington, Delaware; and all past national presidents, and their successors, are hereby created and declared to be a body corporate of the District of Columbia, where its legal domicile shall be, by the name of the Ladies of the Grand Army of the Republic (hereinafter referred to as the corporation), and by such name, shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this Act, acting in person or by written proxy, are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

PURPOSES OF CORPORATION

SEC. 3. The purposes of the corporation shall be: To perpetuate the memory of the Grand Army of the Republic and of the men who saved the Union in 1861 to 1865; to assist in every practicable way in the preservation and making available for research of documents and records pertaining to the Grand Army of the Republic and its members; to cooperate in doing honor to all those who have patriotically served our country in any way; to teach patriotism and the duties of citizenship, the true history of our country, and the love and honor of our flag; to oppose every tendency or movement that would weaken loyalty to, or make for the destruction or impairment of, our constitutional Union; and to inculcate and broadly sustain the American principles of representative government, of equal rights, and of impartial justice for all.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to have succession by its corporate name;

(2) to sue and be sued, complain and defend in any court of competent jurisdiction;

(3) to adopt, use, and alter a corporate seal;

(4) to choose such officers, managers, agents, and employees as the activities of the corporation may require;

(5) to adopt, amend, and alter a constitution and bylaws; not inconsistent with the laws of the United States or of any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take by lease, gift, purchase, grant, devise, or bequest from any public body or agency or any private corporation, association, partnership, firm, or individual and to hold absolutely or in trust for any of the purposes of the corporation any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

(8) to transfer, convey, lease, sublease, encumber and otherwise alienate real, personal, or mixed property;

(9) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge or otherwise, subject in every case to all applicable provisions of Federal and State laws; and

(10) to do any and all acts and things necessary and proper to carry out the objects and purposes of the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 5. (a) Eligibility for membership in the corporation and the rights, privileges, and designation of classes of membership shall, except as provided in this Act, be determined as the constitution and bylaws of the corporation may provide. Eligibility for membership in the corporation shall be limited to female blood relatives of persons who served between April 12, 1861, and April 9, 1865, as soldiers, or sailors of the United States Army, Navy, Marine Corps, or Revenue-Cutter Service, and of such State regiments as were called into active service and were subject to orders of United States general officers between the dates above mentioned and were honorably discharged therefrom at the close of such service or who died in such service.

(b) Each member of the corporation shall have the right to one vote in each matter submitted to a vote at all meetings of the members of the corporation.

GOVERNING BODY

SEC. 6. The supreme governing authority of the corporation shall be the national convention thereof, composed of such officers and elected representatives from the several States and other local subdivisions of the corporate organization as shall be provided by the constitution and bylaws: *Provided,* That the form of the government of the corporation shall always be representative of the membership at large and shall not permit the concentration of control thereof in the hands of a limited number of members or in a self-perpetuating group not so representative. The meetings of the national convention may be held in any State or Territory or in the District of Columbia.

OFFICERS OF CORPORATION

SEC. 7. The officers of the corporation shall be selected in such manner and for such terms and with such duties and titles as may be prescribed in the constitution and bylaws of the corporation.

PRINCIPAL OFFICE; SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

SEC. 8. (a) The principal office of the corporation shall be located in Washington, District of Columbia, or in such other place as may later be determined by the corporation, but the activities of the corporation shall not be confined to that place and may be conducted throughout the various States, Territories, and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any of its members or officers as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection,

however, shall be construed to prevent the payment of compensation to officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the council of administration of the corporation.

(b) The corporation shall not make loans to its officers or employees. Any member of the council of administration who votes for or assents to the making of a loan or advance to an officer or employee of the corporation, and any officer who participates in the making of such loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation and its officers and agents as such shall not contribute to any political party or candidate for public office.

LIABILITIES FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its national conventions and council of administration. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purposes, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) The financial transactions of the corporation shall be audited annually by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions and the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress and not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

REPORT TO CONGRESS

SEC. 15. On or before March 1 of each year the corporation shall report to the Congress on its activities during the preceding fiscal year. Such report may consist of a report on the proceedings of the national convention covering such fiscal year. Such report shall not be printed as a public document.

USE OF NAME

SEC. 16. The corporation and its subordinate divisions shall have the sole and exclusive right to use the name, "Ladies of the Grand Army of the Republic". The corporation shall have the exclusive and sole right to use, or to allow or refuse the use of, such emblems, seals, and badges as have heretofore been used by the Ladies of the Grand Army of the Republic.

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 17. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in accordance with the determination of the council of administration and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 18. The right to alter, amend, or repeal this Act is expressly reserved.

Mr. MATTHEWS (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the bill may be dispensed with, the bill may be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MATTHEWS. Mr. Speaker, the purpose of this legislation is to provide for the incorporation of the Ladies of the Grand Army of the Republic. The Ladies of the Grand Army of the Republic is an organization founded to perpetuate the memory of the Grand Army of the Republic and of those men who saved the Union in 1861–65. Membership in the organization is limited to female blood relatives of persons who served between April 12, 1861, and April 9, 1865, as soldiers or sailors of the U.S. Army, Navy, Marine Corps, or Revenue Cutter Service, and of such State regiments as were called into active service and were subject to orders of the U.S. general officers between the dates above mentioned.

The Ladies of the Grand Army of the Republic have assisted financially in maintaining soldiers' homes, homes for veterans and their wives, and supporting many widows' homes throughout the Nation.

The committee is of the opinion that this organization has a meritorious purpose and is deserving of Federal recognition by receiving a Federal charter. Accordingly, the committee recommends favorable consideration of S. 949.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McMILLAN. Mr. Speaker, that concludes the business of the Committee on the District of Columbia.

AMENDING NATIONAL BANK ACT AND FEDERAL RESERVE ACT REQUIRING RESERVES TO BE MAINTAINED BY MEMBER BANKS

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 289, Report No. 444) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city." After general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Banking and Currency now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

TAX RATE EXTENSION ACT OF 1959

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 287 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7523) to provide a one-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendment shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself such time as I may require.

The SPEAKER. The gentleman from Mississippi is recognized.

Mr. COLMER. Mr. Speaker, House Resolution 287 makes in order the consideration of H.R. 7523, providing for a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates. This resolution provides for a closed rule with 2 hours of debate.

The rates on these taxes are scheduled for reduction on July 1, 1959, if they are not extended. The present 52-percent corporate income tax, without the 1-year extension provided in this bill, would revert to 47 percent as of July 1, 1958, through a reduction of the normal tax rate from 30 percent to 25 percent. The excise tax rate, which without this bill would also be decreased as of July 1, 1959, are those on distilled spirits, beer, wine, cigarettes, passenger automobiles, and automobile parts and accessories.

The bill would extend the present corporate and excise tax rates without at this time proposing any reduction in any tax rates. This is essential because of the budgetary situation in the fiscal year 1960. Failure to enact this legislation would result in a revenue loss of approximately $3.1 billion in a full year of operation and in the fiscal year 1960 would adversely affect the budget by slightly over $2 billion.

This bill is in accord with the recommendation of the President in his budget message of last January and with the recent testimony of the Under Secretary of the Treasury and the Director of the Bureau of the Budget before the House Ways and Means Committee.

The Ways and Means Committee, in reporting out this legislation, has stated that it finds it necessary to recommend that these corporate and excise tax rates be continued at the present time because it does not believe that it is desirable under the present economic conditions either to unbalance the budget or to cause a substantial increase in the deficit.

Mr. Speaker, I am sure the distinguished and able gentleman from Arkansas [Mr. MILLS], chairman of the Ways and Means Committee, and all members of that great committee, would much prefer to have brought in a bill this morning reducing taxes rather than this bill which would carry on for another year these wartime taxes; but, Mr. Speaker, I think that committee, as all of us must realize, knows that if we are going to dance we have to pay the fiddler.

Personally, I join with that great committee in the sentiment I have imputed to it and to the other Members of this body in a desire to reduce taxes, but I cannot for the life of me see how we can talk about reduction in taxes when we are engaged in deficit spending.

In 1946 we established a debt limit of $275 billion. Just a few moments ago you heard read a message from the President of the United States requesting, not that limit of $275 billion be raised but that the limit of $283 billion, which was fixed last year by the Congress, be increased to $295 billion, an increase of $20 billion over what it was in 1946. I am sure that that alone and within itself prompts all of us to observe that stop, look, and listen sign.

Where do we go from here? Are we going to continue deficit financing? Are we going to continue this spending of the taxpayers' money and increasing the national debt which carries with it, of course, a necessary increase in the servicing of that national debt? May I repeat again what I have said on this floor on numerous occasions that when I came to this Congress 26 years ago the total expenditures of the Federal Government were a little better than $4 billion a year. Now we are spending more than twice that much just to service the national debt, which has grown to gargantuan proportions. I repeat again and again that I fear the evil of inflation more than I do an invasion by the Russians from overseas through the air or otherwise.

So as we today consider this revenue bill, no one should vote against it who votes for these authorization and appropriations bills.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Illinois.

Mr. MASON. Would the gentleman also say that a Member of Congress who has voted against these squandering appropriation bills consistently should also vote to continue this tax?

Mr. COLMER. Of course, that poses a question that the individual who finds himself in that position must decide for himself. Of course, there is the overall responsibility that we all have to see that the Government operates properly. But let me say to the gentleman from Illinois who, I am sure, is in the category that he designated, that one of the ways to stop this and the best way is for more of us to join in his effort to cut down these authorizations and appropriations. Now if we are going to get into personalities, may I say that in the past when these debt increase requests have been made I voted against them, not that I did not think they were necessary, but rather I filed a protest vote. Frankly, I propose to vote against this request that the President has sent down here today asking us to increase the national debt to $295 billion.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I am happy to yield to my friend from Texas.

Mr. ALGER. I want to join in commending the gentleman for the very statesmanlike remarks he is making today, as he always does. I believe that he would join with others of us who feel, though, that once we have run up the bill, the United States has to pay its creditors, and that is exactly what raising the debt limitation is for; is that not so?

Mr. COLMER. I think that is about what I said to our distinguished colleague from Illinois a moment ago. I think I answered both questions in one. But, again, I come back to the personal part of it, which I mentioned to the gentleman from Illinois, that sometimes we have the right, you know, as Members of the House, to file protest votes.

Mr. ALGER. The gentleman will recognize that those of us who oppose this terrific spending get tired of having to pick up the tab for those who do the big spending.

Mr. COLMER. I agree with my friend as I usually do. Certainly the present plight of the Treasury cannot be charged to my respected colleague from Texas.

Mr. ALLEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I am always happy to hear my friend, the gentleman from Mississippi [Mr. COLMER], speak on economics. In my opinion, there is no one here who speaks with more authority than does the gentleman.

Mr. Speaker, this rule makes in order consideration of H.R. 7523, a bill to provide a 1-year extension of the existing corporate tax rate and of certain excise tax rates.

To be more specific, it extends for 1 year the present corporate income tax of 52 percent. Without the 1-year extension provided in this bill, the corporate income tax rate would revert to 47 percent.

The bill also provides for a continuation of the present excise tax on distilled spirits, beer, wine, cigarettes, passenger automobiles, and automobile parts and accessories for 1 year.

Failure to enact this bill would result in a revenue loss of approximately $3.1 billion in a full year of operation, and in the fiscal year 1960 would adversely affect the budget by slightly over $2 billion.

This bill is in accord with the recommendation of the President in his budget message this last January when he stated:

> The budget outlook for 1960 makes it essential to extend present tax rates on corporate profits and certain excise taxes another year beyond their present expiration date of June 30, 1959.

It is also in accord with the recent testimony of the Under Secretary of the Treasury and the Director of the Bureau of the Budget before the Committee on Ways and Means.

This bill has nothing to do with excise taxes on communications—telephone and telegraph service—nor on rail, bus, and air transportation.

This bill puts it squarely up to Congress to operate the Government within its means. The only hope for a tax reduction lies in a balanced budget. My wish is for the Congress to extend this tax bill and at the same time stop the many extravagant spending schemes. Then—and only then—are we on sound ground. Then—and only then—can we justifiably give much-needed tax relief.

It has truthfully been said, "Nobody ever gets a statue for economizing." It should be obvious to everyone that more spending means more taxes.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of

the Union for the consideration of the bill (H.R. 7523) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7523, with Mr. ZABLOCKI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MILLS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in discussing this bill before the Committee on Rules in behalf of the rule which the House has just adopted, I said that we were engaged in in our annual "pilgrimage"—I guess I should have said "legislative pilgrimage"—with this proposal. This is the sixth time since 1954 that the Committee on Ways and Means has reported legislation to the House requesting another year's extension of the so-called Korean tax rates that would otherwise expire on June 30 each year.

The bill that we bring you today is no different from the bill that we passed last year carrying out the same objectives, and circumstances, as we look to the future, being enough alike to lead us all to believe that we cannot forego this $3.1 billion of revenue in a full year, or slightly more than $2 billion revenue in the next fiscal year, 1960.

The bill is rather simple in its composition. There are three sections, as I recall, in the bill. The first section is the title, the "Tax Rate Extension Act of 1959." The second section extends for 1 year the corporate income tax rate at 52 percent. Without this section of the bill the corporate rate would revert to 47 percent as of July 1, 1959, as a result of the normal tax dropping from 30 percent to 25 percent. Incidentally, Mr. Chairman, I invite the Committee's attention at this point to a typographical error which appears in the committee report on the bill. On page 1 in the first sentence of the second paragraph under the "General Statement", the date of "July 1, 1958" should read "July 1, 1959."

Another provision of section 2 continues the tax treatment of so-called mutual insurance companies, other than life, marine or fire, and of interinsurers.

Section 3 of the bill extends for 1 year certain excise tax rates due to be automatically reduced as of July 1, 1959. The items are certain rates on distilled spirits, beer, wine, cigarettes, passenger automobiles and automobile parts and accessories. In addition of course, the bill extends for 1 more year the provisions of existing law for so-called floor stock refunds. Finally, a provision of section 3 makes it certain that the references in chapter 51, relating to distilled spirits, wines, and beer, are references to the provisions as changed by the Excise Tax Technical Changes Act of 1958, the pertinent section of which becomes effective on July 1, 1959.

As I say, I believe this proposition is thoroughly understood by the committee, by the House and by the people of the country. I think something might be said, however, about the presently existing circumstances, perhaps to supplement what was said by the distinguished gentleman from Mississippi [Mr. COLMER].

We are closing a fiscal year, 1959, with a rather heavy deficit, a deficit that now appears to be in the neighborhood of $12.4 billion. In view of the action of the conference group involving the Bretton Woods matter, the additional subscriptions to the International Monetary Fund of $1.3 billion will be counted against expenditures in the fiscal year 1959 and was included within the estimate of the committee and of the Director of the Bureau of the Budget. This results in the $12.4 billion figure as the likely deficit for 1959. We recognize that that deficit results from two things. First of all, there was a decided decline in revenues in the fiscal year 1959 due largely to the drop in the profits of corporations and, therefore, the tax take from corporations was much less than we anticipated it would be.

But, at the same time, with revenues dropping, the Congress deemed it necessary to increase by some $5.5 billion the expenditures in the fiscal year 1959 over what they were. As I recall, about $5 billion of that increase was due to matters other than the defense program. So that we readily see this deficit has resulted not from any one cause, but perhaps from two, and from one as much as the other. We have to meet the situation. It is a bad situation that none of us like, but a situation that we have to deal with. As we look to the fiscal year 1960, which begins on July 1 next, I think we can look with a great deal of interest and with what might be considered more encouragement than is the case with respect to fiscal 1959. Here we are moving from a deficit of almost $12.5 billion in one fiscal year to a situation wherein we may have a balance in our budget in the immediately following fiscal year. I say that we "may" have a balanced budget, in spite of the fact that the President submitted a budget which did indicate a surplus of some $100 million and I say it in spite of the charges that have been made about what the Congress may do or what the Congress may not do to that particular budget. If you will refer to page 4 of the committee report where we spell out the specific reasons why the Bureau of the Budget feels that we will spend less in fiscal year 1960 than in 1959, you will get some idea why I say we may or we may not be able to accomplish this balance in our budget.

We have found that on the receipts side with this legislation being enacted, in place of getting $77.1 billion in revenues in the fiscal year 1960, it now looks like we will get $77.7 billion. I would assume, although I am not gifted in this field, and I am not as able to make predictions as others might be, I would assume if the economy continues to improve, if the corporate profits continue to rise, if the personal income of individuals continues to rise, we may even get during the fiscal year 1960 more revenue than the $77.7 billion presently predicted for that fiscal year.

Then we look to the spending side and we find that the Budget Bureau reached the conclusion that we might spend some $3,850 million less in fiscal 1960 than we spent in fiscal 1959. We are already aware of some changes that have to be made with respect to those estimates of spending. In the first place, it will cost us in fiscal 1960 $500 million more, we think as of now, to pay the interest on the public debt than we thought when the President submitted his budget to us. There will be a $500 million expenditure not included therefor in this $77 billion budget. That will mean an overall increase in the cost to the public of debt management, payment of interest, in fiscal 1960 over 1959 of $1 billion. That and that alone is enough cause for concern with respect to future actions here in the Congress. I do not know what the House will do. I do not know what the committee on Post Office and Civil Service will do. But, if we do not go along with the 5-cent postage stamp, if we let the stamp remain at 4 cents, we will have to add some $350 million more on the spending side, because that will be the amount of the deficit in the Post Office without this action being taken. Third, if we have to take from the general fund $241 million that is not now available in the highway trust fund for the highway purposes in fiscal 1960, we come up then with an additional expenditure over and above that listed by the President of $1,091 million that we know now in all probability will occur. So that if the President's figures are right with respect to the parts that he included in his budget in the field of our spending for fiscal 1960, it would be in excess of $78 billion.

I have a great deal of difficulty, Mr. Chairman, in reaching a satisfactory conclusion with respect to what Government spending might be in 1960. I have, as much as I could, tried to be a student of fiscal affairs, not only tax policy, but also fiscal policy. However, for the life of me I cannot with certainty agree, much as I would like to believe it, that spending will be less than in fiscal 1959 without Congress taking some specific action to bring it about. Considering the trend of expenditures, and the cost of Government, it is difficult to see how spending can drop by $3.8 billion from one fiscal year to the next and then immediately in the next fiscal year rise by $3.8 billion, unless specific action is taken here to bring it about.

I would hope that our spending in 1960 would not exceed this figure of $78 billion to which I have alluded. It may be that this historic trend will cause us to go along on a fairly level rate in 1959, 1960, and 1961. If that is the case, however, we will not in all probability take in as much as we would spend. As we look to the remainder of this session of Congress, therefore, I think it is well for us to bear in mind that there is no certainty that we will have a balanced budget in 1960 and that, if we are not careful, we can have a greater deficit than presently appears to us.

We do not like this business of having to come to you every year asking for a continuation of rates of taxation that

we previously indicated were of a temporary nature; on the other hand, we do not feel that it is right for reductions in rates of taxation to occur on a selective basis as a result of the provision of law rather than a careful analysis and consideration of all rates, including individual, and all excises, including those which are and those which are not before us in this extender today. The committee, however, reached the conclusion with very few in opposition—I do not know the number, since we did not have a record vote, but I would say not more than three voting against it—we reached the conclusion that certainly this was not the time that would permit the loss of some $2 billion of revenue in one fiscal year.

There were members of the committee who would have liked nothing more than to have offered amendments that would have reduced some excise taxes and eliminated others. But the members restrained themselves and refrained from offering such amendments because of the overall picture which was given to the committee and which I have in part tried to relay to the Committee of the Whole today.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. MILLS. In just a moment I will yield to the gentleman.

I know there are members of the committee who do not like excise taxes, who do not think they should be included in our Federal system.

In 1958 our total take in excise taxes was about $10,847 million. Of that amount approximately $7,500 million comes from four sources, three of which are involved in this legislation: Nearly $3 billion from liquor taxes; $1,668 million from cigarettes; $1,636 million from gasoline; and $1,376 million from automobiles and trucks.

Thus more than 75 percent of the total comes from these four items counting, of course, cars and trucks as one. Had we added to that the amount derived from the taxation of passenger tickets, had we added to that the amount derived from our communications tax, one would say that those two additions, plus these four, constitute the bulk, although not all, of this total amount for excise taxes.

There was, as I say, interest in the committee for giving consideration to a great number of these taxes, but the committee restrained itself on the specific assurance that if we would report this as a straight extension the administration would oppose moves to add any amendments that would reduce the revenues. Thus we were assured that the administration, certainly, will oppose amendments and I will assure the House, here and now, I will endeavor to maintain the House position, if I get into a conference, because I do not want the House to be put in a position of not being able to exercise its will with respect to some of these proposed reductions and then have to take something because it was put on somewhere else. I think our conference committee will certainly desire to protect the membership.

I now yield to the gentleman from South Carolina.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from South Carolina.

Mr. McMILLAN. Did the gentleman's committee give any consideration to removal of the travel tax, the tax on passenger travel, and the tax on telegrams and telephones?

Mr. MILLS. We did not in the committee. When we had this overall revenue and fiscal picture laid before us we realized that the amounts of revenue involved in those particular taxes were such that we could not reduce those rates without what I consider to be the further very definite probability that such reductions would result in an increase in the public debt.

I want to say that I agree completely with the thoughts expressed by the gentleman from Mississippi that the public debt is already getting so high that we had better be trying to do something to prevent it from going higher.

Mr. McMILLAN. I think the gentleman will agree with me that he and I were both here when these taxes were placed on the statute books and they were put on for the purpose of discouraging people from the use of the railroads.

Mr. MILLS. Actually, let me remind the gentleman that the Ways and Means Committee in 1942, as I remember it, put these taxes on because we were told we could get some needed revenue from these sources. We were looking for revenue then.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Iowa.

Mr. GROSS. I appreciate the gentleman's statement in addition to explaining this bill as to the financial condition of the country, and I wish I could share his optimism that revenues may increase next year. But I would point out to the gentleman that the Department of Agriculture is already predicting an 8 percent decrease in net farm income this year, which means, apparently, that there will be considerably less income go to the Federal Government from the agricultural industry of this country.

Mr. MILLS. If the gentleman will look on page 3 of the committee report, he will see a breakdown that caused us to reach the conclusion that our revenues may be $77.7 billion. The gentleman will note that the individual income receipts are now estimated to be less than they were in January. On the other hand, he will note that the corporate income receipts are estimated to be considerably more than they were in January. We are taking into consideration, I think, this very point that the gentleman raises.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. MILLS. Mr. Chairman, I yield myself 5 additional minutes.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Is there any sense in writing to your constituents, for example, that there is a prospect of the tax on telephones being reduced, or on anything for that matter, until we quit spending so much?

Mr. MILLS. I have said that in times such as we are now experiencing, short of a shooting war, when we have a high degree of prosperity, we should not reduce taxes just for the sake of tax reduction until we create a situation wherein we can foresee a surplus of receipts over expenditures out of which we can make these reductions, certainly not do it at the expense of further deficit financing or the creation of more debt.

I doubt that our people are as anxious as some may think them to be for a tax reduction at the expense of an increased public debt. I think they are quite concerned about the public debt. Naturally, they would like to have a tax reduction, but what they want us to do is to provide tax reductions out of an accumulation of surpluses by reducing the expenditures of Government, I take it. Certainly that is what I would like to do, and I am sure the gentleman would too.

Mr. HOFFMAN of Michigan. I was simple minded enough to put out a newsletter not long ago to my folks saying they were to blame because they asked for so many expenditures. Somewhat to my surprise, and it should not have been to my surprise, they came back and said they did not suggest the building of a new office building over here for the House or Senate; that that came from us. We have slipped, too, have we not?

Mr. MILLS. I know what the gentleman's problem is, and it is mine too. Our difficulty in fiscal policy matters is this: You have two groups. You have one group that wants to spend more money. You have another group that was not in favor of spending this money in the first place. It is awfully hard to get the two in balance, to get the two forces to work together for the establishment of a sound fiscal policy.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. MILLS. I yield.

Mr. HOFFMAN of Michigan. Then, in the opinion of the gentleman, have the Members of the House slipped, too, as well as some of our folks, in asking for too many things for ourselves?

Mr. MILLS. I would guess that we are all susceptible of asking for too much when it comes to the Federal Treasury.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I am very glad that the gentleman has presented this picture about our fiscal situation. Of course, it is always pleasant to see a note of optimism about balancing this budget. Now, the gentleman has referred to certain appropriations that have been made and what we will have to do, and so forth, and so on. But, the gentleman has failed to remind us that there are a lot of authorizations coming along, authorizations in the nature of the camel getting his nose under the tent, which causes unbalancing the budget, particularly when they are for new projects. I want to call attention to the fact that I can, just out of my memory, point to something like $10

billion in authorization bills that are now either pending before the Committee on Rules or on the way to the Committee on Rules. And, when you take that $10 billion and add it on to what we have already done, you will not have any balanced budget. I wonder if the gentleman will not, in his remarks, agree with me that it is the authorizations for new projects that are causing this fiscal situation year after year after year, and there will be no remedy for it until this Congress is willing to make some sacrifice of the things that the people want back home. After all is said and done, you can talk about the budget, you can talk about the President of the United States, you can talk about necessities, and so forth, but after all is said and done, as I say, the responsibility lies right here in the Congress of the United States.

Mr. MILLS. It certainly is true, as my friend from Virginia has said, that you cannot make authorizations for programs that will cost so much money and then expect through the process of appropriations to materially reduce those authorizations. Those things which were authorized in 1958 are the things that are causing the Director of the Bureau of the Budget to say to us in our committee that in fiscal 1961 we may be back to an $80 billion or $81 billion spending level, due to the increases in these programs. The fact that we enter into contracts for the procurement of materiel that will be delivered to us on down the road 2 years from now does not mean that we should do it because it does not cost anything to us today. We have to look down the road to see what the cost of many of these programs is going to be. I doubt frankly, I will say to my friend from Virginia, that all of the responsibility is right in the Congress. I think when these programs are brought to us from the executive departments that greater information ought to be given to us about what is expected to be done under such a program; how much it is going to cost, not in the first year, but over a period of time; how long will the need, in the opinion of the person recommending the program, exist. We seem not to get as much information as we should receive, and I am sure if we did get more information we could make more intelligent decisions about the authorization of spending programs.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Chairman, it is reassuring to listen to the distinguished chairman of the great Ways and Means Committee that has the large responsibility of raising with equity to all classes of citizens the money to meet the staggering obligations of the Republic in these days of a cold war that is sapping our resources. The gentleman from Arkansas has explained with convincing clarity the compelling reasons for the action recommended by his committee, but I have been disturbed by some of the remarks of the gentlemen to whom the chairman graciously yielded that seem to imply that relatively modest appropriations for the welfare of all our people are responsible for the continuance of excise taxes that were forced upon us by the conditions of hot war. The fact is that the cold war is at the present time taking 75 percent of our appropriations, and but 25 percent goes into all the other activities of the Government.

My constituents pretty generally think there should be an immediate end to the excise tax on telephone and telegraphic messages and on transportation as these are the excise taxes that they have to pay, especially as the telephone in modern urban living is regarded as a necessity of life. They are also of the opinion that the excise tax is unfair to the ordinary family when it is imposed on articles that in a very large sense are necessities and not luxuries. I had hoped that at this session of the Congress these excise taxes could be terminated. Whether that can be done remains to be seen, although from the remarks of the distinguished chairman I would judge that the chance may not be too promising.

But what my constituents are talking about is the terrific inroad on our resources of the increased interest on the national debt. They all know perfectly well that we are now paying over $8 billion a year just on interest on the debt, and that there has been a terrific boost in the interest payment because of the policy of the administration in increasing the interest rate. It just does not make sense to them that they should continue paying a wartime excise tax on their telephone calls to enable the Government under this administration to go on paying more and more money to the banks in the way of interest.

I know that the distinguished gentleman from Arkansas and the members of his committee are not responsible for the money policy of the administration as that is a matter of determination by the executive department. But I do think, in view of some of the remarks by the gentlemen to whom the chairman has yielded and it seems to me are in the way of playing politics that mention of this should be made. I certainly commend the gentleman from Arkansas on the magnificently masterful job he has been doing. I wish the administration would match his efforts with a money policy that would make it possible for the lifting of irksome excise taxes that fall on the little people.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Minnesota.

Mr. WIER. Mr. Chairman, I know this is a most inopportune time to discuss this issue because of the President's request here today on the budget. But, there are two questions in my mind that I would like to pose to the gentleman from Arkansas, more for the information of the Members here, particularly the new Members that are getting letters from back home for the removal of the many excise taxes, such as telephone, transportation, cabaret, travel, and all of that.

What I am interested in is this. I did talk to the gentleman just before the bill came up, and I understand there are four or five excise taxes involved here. Can the gentleman tell me first, out of the 100-and-some-odd excise taxes that we levied during the Korean war for the emergency of the war—oh, I remember the words that were said on the floor of this House, that when Korea was over these will all be repealed. How many of those excise taxes are there? I do not want the exact number, but they must number around 90 of these excise taxes that are in the gentleman's committee.

My second question is this. The gentleman gave me an answer awhile ago that these other excise taxes are permanent, or words to that effect. I would assume from that answer that only the Committee on Ways and Means can bring the question of those taxes to the floor of the House, that they will not automatically come up next year or the year after or the year after that; is that correct?

Mr. MILLS. These are the only ones, the ones that are in this bill, that were enacted during the Korean war period; that is, they were increased during the Korean war period. At the same time that we increased the corporate rate and these excise taxes we thought that it would be well for us to put a termination on it, and we did, in the hope that it would be easier to get rid of these, and more likely that we could, than if we had to repeal them. The hundreds of excise taxes the gentleman talks about are permanent in the sense that they do not expire on a certain date; that is, such taxes as the passenger tax, the telephone tax—in order for those rates to go down or for the tax to be eliminated it would be necessary for the Congress to take affirmative action, by passing a bill reducing the rates or eliminating the tax. However, with respect to the taxes included in this bill, in the instances of whisky, beer, cigarettes, and automobiles, the tax reverts to a lower rate unless we take this action.

Mr. WIER. Do household electrical appliances still come under a 10-percent excise tax?

Mr. MILLS. Certain types of household appliances are at the 10-percent rate and others are at a rate of 5 percent. Those are permanent taxes and were not involved in this legislation during the Korean period, so that they are not in this bill.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. WHITENER. Mr. Chairman, I should like to express my appreciation of the candor of the chairman of the Committee on Ways and Means in his discussion of the failure to recommend the repeal of some of these excise taxes. I am wondering if the chairman of the committee could hazard a guess—and I am sure it would have to be a guess—as to when some of us here in this body will reach the opinion that there must be, maybe not austerity, but some consideration given to this problem. We have these demands, some of which are certainly worth while, but perhaps should be deferred until we are in better financial position. I am wondering if

the gentleman has any ray of hope to give us that that sort of thinking might be disseminated by the membership of his committee that has this tremendous problem of finding the money with which to operate our Government.

Mr. MILLS. I am always hesitant to say anything in the name of the Committee on Ways and Means, and I hope those who are members of that committee who are present on the floor will take issue with me if I misquote them. It is my thought that the membership of the committee would welcome by unanimous vote an opportunity to modify or eliminate some or many of these excise taxes. We will do that for you the first time you can give us a ray of hope that on down the road there is some surplus of revenue out of which we can do it. I am not referring to my friend from North Carolina, because I know my friend has voted against many things as have many others, certainly, who are for economy in government. But I cannot tell you, the Director of the Bureau of the Budget cannot tell you, when we may expect a turn in the spending program. And I want to say again what I have said publicly on many occasions, that I do not think we are ever going to see that turn in Federal spending until we take a very careful look and make a close analysis of many of our authorizations, and cut back with respect to some of these authorizations.

I have asked specifically for information during the course of discussion of this legislation as to how many things the President had recommended in his budget that the Congress should do in connection with authorizations, which would affect spending. There are some 18 items which were listed. But, if we accomplished them all today that would not be reducing but very little the costs in 1960. You make your changes today in your authorizations because the effect will occur a year or 2 or 3 years from now. I do not know whether we can do it; therefore, I am not in a position to tell the gentleman when I expect the possibility to arise that we will have a surplus.

Mr. WHITENER. I take it the gentleman agrees with me that on many of these projects and programs which appeal to us individually very much, we might well take a second look and consider our budgetary situation. Then, if we can afford to have it, and if we cannot afford it, then perhaps we should vote against some of the pressures.

Mr. MILLS. My friend, the gentleman from North Carolina, knows there is no person in the United States who is not in favor of economy in government, and I do not suppose there is anybody who would not like to have government spending reduced. We know that and when we are talking generally about it everybody is on our side. But when it comes to specific details of cutting this or that program, then we find there is some dispute, and the reductions should not be with respect to this matter but should be with respect to some other matter. It might be compared to the problems of the Committee on Ways and Means will face in its study. Everybody is for lower rates. Everybody is in favor of broadening the base of taxation. Everybody is for fairness and equity. Everybody is for simplicity. But, in the process of broadening the tax base, some people are going to have to give up something that they have today that other people do not have. Now we will find out how far we can go when we begin to look at this particular provision and see how much support there is for it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. GROSS. The gentleman speaks about balancing the budget. But, that alone is not sufficient. Will the gentlemen agree with me that it is not sufficient merely to balance the budget and we ought to be paying something on this Federal debt so as to reduce the carrying charges?

Mr. MILLS. Why, certainly, as conditions permit. I do not think we need to be concerned with respect to whether we are in balance or out of balance in any one particular year if, during the course of an entire business cycle, we will take in as much or more than we spend in the way of Government services. It is the overall situation that I am thinking about over a cycle. If we go in the hole $12.5 billion in one year, we ought to be willing to pay that back in some subsequent year; certainly we should.

Mr. COHELAN. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. COHELAN. Mr. Chairman, I am wondering about many of the studies that have come forward recently. I have in mind the Rockefeller report and, indeed, some of the statements coming from the chairman of the Committee on Ways and Means that there is in process, or should be in process, a review of the entire tax system.

Mr. MILLS. We are going to look to see what the practical possibilities are of making certain changes. But, just as you find when you try to bring about economy in Government, I fear that people generally are in favor of your objectives, but when you get to talking about the details, we may run into some difficulty. We will need the full support of the public in our endeavors.

Mr. COHELAN. I wonder if the gentleman could give us any kind of commitment as to when we can expect this matter will be gone into?

Mr. MILLS. We will start public discussions of it on November 2 next. But, as to just when legislation might come to the House, I do not know at this time.

Mr. COHELAN. I thank the gentleman.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. LESINSKI. Mr. Chairman, I am very happy to hear the fine presentation of the pending bill by the chairman of the Committee on Ways and Means [Mr. MILLS]. His remarks on the bill today and his announcement about the study of the tax structure that his committee will undertake starting on November 2 of this year are welcome news to our overburdened taxpayers.

Recognizing that the Federal Government has to have sufficient funds with which to operate and that the problem of taxation is an involved and complex one requiring close and intense attention, I will go along with the bill now under consideration. However, I feel that if some action is not taken to eliminate or revise the excise tax structure, as well as the corporate and personal income tax system, I could not in all fairness to the American taxpayer support any similar bill that might come up in the future.

I would at this point refer to my bill, H.R. 5177, in which I propose the elimination of certain retailers and manufacturers excise taxes, such as those on automobiles and accessories, and the excise taxes on facilities and services, such as those on telephone service and transportation. As I stated when I introduced my bill, many of these taxes were imposed as temporary measures during emergency periods and affect mostly the people in the low income brackets who are least able to carry this burden. Repeal of these taxes will make available to the consumer more money to spend on goods and services. It will lead to reduction in prices which will stimulate demand for the goods and services. Business activity will be increased, generating higher incomes which will ultimately provide higher income tax revenues to the Government. The resulting expanded business income tax base would help offset the loss of revenue which would occur through enactment of my bill.

Even if the latter would not be the case, the loss of revenue would be more than offset by a complete revision of the Federal income tax laws to eliminate the loopholes and special concessions now existing therein. I have made a number of proposals for income tax revisions in my bill, H.R. 539, which would bring in an estimated additional revenue of over $5 billion to offset the estimated $3 billion that would be lost to the Federal Government through enactment of my proposal to eliminate the excise taxes. In addition to the amendments I have proposed, which I hope the Committee on Ways and Means will seriously consider during the course of its study, there are a number of other parts of the tax laws that in fairness should be changed so that the small taxpayer who carries proportionately the greater burden can be granted a reduction in the amount of taxes, income and excise, that he pays.

I commend the gentleman from Arkansas for the excellent presentation he has made today and earnestly recommend that his proposed study this fall go into the question not only of revision of the corporate and individual income tax rates but also of the elimination of the vexing and unfair excise tax system.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I join my distinguished chairman on the Committee on Ways and Means in recommending the passage of this bill extending for 1 year the 30-percent corporate normal tax and those excise tax rates that were increased in the 1951 Revenue Act as temporary measures. It was then intended, and

those who were here at the time, I am sure will recall, that these selected rate increases would expire and that the American taxpayer would have a reduction in tax with the ending of the Korean war. I am sure today you, together with those of us who are asking for the passage of this legislation, regret the necessity that this legislation be continued here some 8 or 9 years after the bill was originally passed and a goodly number of years after the close of the war.

The distinguished chairman and those who discussed the subject with him have, of course, placed their finger on the fiscal reasons for the passage of this bill. Little was said about the merit of the particular legislation for, indeed, perhaps it has little merit aside from fiscal responsibility.

The fact is that the bill is before us today because without the legislation the Treasury receipts for a full year would be $3.1 billion less than if we enact this bill.

In the entire field of Federal fiscal affairs there is the need for a comprehensive study—a study that will lead to economy, a study that will result in a program of debt retirement and a program of tax reduction. There are many who believe, as I do, that too large a proportion of our earned income in this country is going into taxation and Government spending. We spend too large a proportion of the income of our country for taxation; taxation that takes from our citizens money that could and should be spent better by the person who earns the money. Until we review our tax situation carefully, thoroughly, and wisely, until we discover what it is that we are doing wrong, we will not be utilizing our tax system in the way it should be utilized. Our policy should be such as to encourage and persuade people to have confidence in the free enterprise system of doing business and thereby provide more and better jobs for our citizens.

It was stated earlier that this bill that is before us comes at the request of the Department of the Treasury who asked that the bill be passed without any amendment whatever. It was even thought there was a disposition on the part of some Members to suggest that the bill should be extended for 2 years, thereby giving to what may be temporary a character that is a little less temporary. The fact is that the bill is before us for a 1-year extension only.

It is further implied that perchance in another body they may have more time to study the subject; or, for some other reason, they may determine that perhaps some changes in our tax laws are appropriate and should be considered. It happens that for a long while I have been of the opinion that there are grave tax inequities and tax injustices, that there are areas in our taxing law with respect to excises and other tax rates where the effect is to kill the goose that lays the golden egg and to retard progress in the particular industry affected by a particular tax. So I say that, should the other body see fit to amend this bill by making changes which meet with my approval, I would not go into a conference with my hands tied so far as considering the merits of those amendments which might be offered. I will not take the time now to spell out some of those areas; suffice it to say that there are areas in our taxing field where in my opinion if we were to change the law we could not only encourage the business presently affected adversely but we might also secure more money as a result of some wise tax adjustments.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Michigan.

Mr. RABAUT. When do you think the wisdom of the committee will be such as to consider the automobile of this country as something other than a luxury?

Mr. SIMPSON of Pennsylvania. I do not know. It is a tax on business and on consumers, of course, as most of the excise taxes are. Taxes in the final analysis are paid by the ultimate consumer.

Mr. RABAUT. The automobile has come to be a necessity for people to get from their homes to their places of employment.

Mr. SIMPSON of Pennsylvania. The consumer, of course, pays the tax; 25 percent and more of every person's income goes for taxes. The automobile tax is one of the areas which the committee should explore. It is a tax on the consumer.

I deplore it. I wish it could be adjusted and I hope consideration will be given to the proposition of lowering taxes in the automobile field, but I think the chances of having it remedied at the moment are not good.

Mr. RABAUT. Let me tell the gentleman that in this modern day the automobile is a necessary means of making a living for most people, and it is very unjust to levy excise taxes on them. I do not mean that you have to take into consideration the de luxe automobile; I am speaking of the normal automobile that hauls goods for transportation, that carries people to and from their homes and places of employment.

Mr. SIMPSON of Pennsylvania. Also may I suggest to the gentleman that if we cut income taxes we would be helping domestic producers compete against imports in our domestic markets.

Mr. RABAUT. That might be one good result that would flow from it and increase our domestic business.

Mr. SIMPSON of Pennsylvania. The gentleman may be right.

Mr. RABAUT. I thank the gentleman for yielding to me and for the spirit in which he yielded.

Mr. SIMPSON of Pennsylvania. The distinguished chairman quite earnestly and objectively stated the real problem: If we continue authorizing the spending of more and more billions of dollars, we are going to have to raise the money by one means or another to furnish those dollars that are being spent; but we have come to the point where the mere assessing of new taxes is not going to solve the problem.

The imposition of new taxes can, and, if I may express my own personal opinion, will in some areas cause deficits in income whereas today we are getting money. We have reached the point where the law of diminishing returns applies. I know there are studies which show that if the taxes were increased in certain areas the take on the part of the Federal Government will be less. Already we have it in the personal income-tax field. Those people in the exceedingly high brackets are less inclined to devote their efforts to earning more money because all the way from 70 to 91 cents out of every dollar they earn is taken away from them by the Government. I am not being trite when I say that they are inclined to take things easy, live a longer life, and Uncle Sam and the American economy get less from the value of their brains.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. May I say to the gentleman, also to the chairman of the Committee on Ways and Means, that they have both made an excellent exposition of the situation. However, this seems to be a sadly repetitive situation. Today as I sit here, I recall my experience and remember the first time, during my 9 years in the Congress, when we were asked to extend these taxes. The similar statements made and the argument raised at that time were such that I in my then faith and ignorance actually believed that it might be the only time I would be called upon to vote for such extension. I wonder if the gentleman can explain to me why it is that sensible men and women in the Congress cannot come to grips with the real answer, namely that the only way to prevent extension of these and other taxes is to cut down drastically on Government spending. The Congress again and again votes to extend taxes, and to increase the debt limit. But why cannot Congress do what a family must learn to do—that is, to live within their annual income?

Mr. SIMPSON of Pennsylvania. I am sure the ladies of the Congress are sensible ladies. It will be remembered that years ago when this temporary law was first enacted, at that time we were in a spending Congress. Today we are in a spending Congress. And we are not analyzing sufficiently, in my judgment, the expenditures we make. We are wasting money, we are doing unnecessary things, we are not tightening our belts. We are told right now, as was suggested by the gentleman from Virginia, of the possible authorization of $10 billion additional money in this current Congress, money which in future years will have to be taken out of the hides of the people, money for things which, in the viewpoint of many, will be desirable things to have, nice things to do, yet they are things that can be postponed until we do what the gentlewoman from Illinois suggests, live within our proper income and apply some of the money on our national debt.

Mrs. CHURCH. Would not the gentleman agree that what we need here is not only common sense but a little courage and determination to do what is so necessary?

Mr. SIMPSON of Pennsylvania. That courage seems to be lacking. I hope in the future we will vote more carefully, more watchfully, and do all we can to better conserve the savings of our people which are taken away from them in the form of taxes.

Mrs. CHURCH. This may be a rather ephemeral suggestion, but I am led to ponder on it. Sometimes it occurs to me that it might be worthwhile to refuse to increase the money available for spending. I would hope that such drastic action might throw enough "scare" into the Congress to force a reduction in spending. At any rate, it might prove an interesting and valuable experiment—and something must be done to persuade Congress itself that there is no such thing as "public" money, that it is the justly indignant taxpayers who must pay for the extravagance.

Mr. SIMPSON of Pennsylvania. I have made talks in my district and said that in my judgment the best and surest way to reduce spending is to simply reduce our taxes. If we wait until we have a surplus in our Treasury from which we can say to the Congress: Here is $1 billion, $2 billion, or $10 billion, go out and reduce taxes, I suggest we will never reduce taxes. Certainly we will not do it in that manner, based on our experience in past years.

You will remember a few years ago when President Eisenhower first took office and the Congress did reduce taxes substantially at a time when the financial picture and economic picture was not too good in the country. Yet the tax receipts are greater and the economy has prospered. I go back to the point I started with, Why broaden here and be restrictive there? The net effect of tax reduction when applied to the economy of this great country and great Nation in the past has always resulted in greater income to the Treasury of the United States and greater prosperity among all our people. On the other hand, we are continually, year after year, going on with deficit financing when there is no stability for the long-range picture ahead, and are creating a situation that can turn into a critical matter.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Minnesota.

Mr. WIER. I imagine, Mr. Chairman, that this thought has occurred to the gentleman from Pennsylvania, and it is something that I view with favor. I think most of us here serving in the House are confronted with many of these demands for projects coming from our State administrations, water pollution and all the rest of them. Now, that is probably due to the fact that the Federal Government has preempted their fields of taxation, and it would be my hope, and do trust, that I have the opportunity sometime to restore to the States this one field in which they may build up their resources with taxation from these excises if they so desire. I think we have to get the States off our backs.

Mr. SIMPSON of Pennsylvania. The gentleman has placed his finger on a very important subject. We have preempted so many of the taxing fields within the States from them that they say, "You have taken all the sources of revenue from us. Now do the service for us that we cannot do unless we have the money." I do hope we have the courage to return certain sources of taxation to the States, and if the States would voluntarily say, "We will take over these areas with this preemption removed," we would be wise to return these powers to them.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Washington.

Mr. PELLY. The gentleman from Washington thinks that when you tax corporations over 50 percent you are over 50-percent socialized. Now, I would think that the Committee on Ways and Means might well consider a ceiling in order to preserve our free way of life, our free enterprise system. Would the gentleman comment on that?

Mr. SIMPSON of Pennsylvania. I would like very much to see the corporate tax rate reduced to a total tax ceiling of not more than 50 percent, and I, likewise, would like to see all of our income taxes reduced, the law rewritten, so that the ceiling on individual income taxes is at the same level as for corporations, at the 50-percent level. I think in that manner we would encourage more effort on the part of corporate management, as well as individuals in the practice of their professions, and so on, to the advantage of our economy.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, the bill before us proposes to extend, again, the wartime excise taxes and the additional corporation tax that was passed—what is it, 9 years ago?—and which we have been extending and extending and extending ever since. Yet, these taxes, it was definitely stated in the contract made with our taxpayers, were to be but temporary; they should be wartime taxes to raise the money for the carrying on of a war. We have violated that contract with our taxpayers time and time and time again. These taxes, like Tennyson's brook, have just simply run on and on and on forever. Now, that is the situation, and we must face it. And, we ourselves are to blame for that, and no one else, because of the unnecessary expenditures that this Congress has been making in the last several years.

Now, my name is Noah. Noah was a prophet of old. Noah prophesied the flood, and it came. Our chairman said he was not a prophet; that he did not want to prophesy; that he did not have the ability to prophesy. Now, I am going to prophesy, and I have a right to, with the name that my mother gave me. I am going to prophesy, first, that there will be no balanced budget in 1960 or 1961 or 1962. See if that prophecy will come true. I will prophesy that our limit on the national debt within the next 2 years will go up to $300 billion. There is no way of getting out of it at all unless we are willing to curtail Federal spending.

I was one of the two or three on the committee who voted against the extension of these taxes. I voted against them mainly as a protest vote. I have voted against the extension of these taxes every time an extension has come up, largely as a protest vote. I have voted against raising the national debt ceiling every time it has come up. I propose to continue to do that as a protest vote, protesting the action of this body and the other body in spending recklessly and carelessly; in my opinion unneeded spending in the last 15 or 18 years. And this protest vote is just like a voice crying in the wilderness. It does not seem to have any effect. And yet, judging by the mail that has been coming in, great bundles of it in the last 3 or 4 months, protesting against this extravagant spending, perhaps if this voice in the wilderness keeps crying aloud—and other voices have been, too; I am not alone—perhaps this Congress will listen sometime to the protests of the people who have to pay this money.

Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I have listened with great interest to the gentleman from Illinois [Mr. MASON] who preceded me, as well as to our distinguished chairman. And very little is there to argue against, so far as the facts and the merits up to this point. But I shall introduce one discordant note, if I may, by calling your attention to the report on page 6; and I hope those who have the report will follow it with me.

I am one of those who could, like many of you, having opposed much of the big spending consistently, for 5 years now, be against this tax extension. But I happen to feel that when we have run up the bills we have got to pay for them. I have no choice, as far as I am concerned, although I protest the big spending that requires such continued heavy taxation.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield gladly to the distinguished chairman.

Mr. MILLS. Mr. Chairman, I am certain the gentleman from Texas, as was the gentleman from Arkansas, would like to be in the position of protesting a lot of the taxes, but if the gentleman and I and the rest of us take this as a means of registering a protest, where will the public debt ceiling have to go between now and June 30 of next year?

Mr. ALGER. I might say to the gentleman from Arkansas, our distinguished chairman, that I could not agree with him more, and it is for that reason that I followed his leadership in this matter most willingly.

Mr. Chairman, if I may, let me call your attention to the statements on page 6. And I might say that I take issue with the Treasury in this matter, so I am

not taking sides. Here is what the report says under section IV, "Reasons for the Bill":

> Your committee finds it necessary to recommend that these corporate and excise tax rates be continued at the present time because it does not believe that it is desirable under the present economic conditions either to unbalance the budget or to cause a substantial increase in the deficit. It believes that it would be undesirable at this time to take any action which would tend toward increasing inflationary pressures by reducing revenues by $3 billion on a full-year's basis or by $2.2 billion in the fiscal year 1960.

Well, I could not agree with it more. But now, if you will read just a little further, with this I do most strenuously take issue:

> Your committee also believes that there is not any justification for reducing corporate rates or the particular excise taxes involved in this bill before consideration is given to individual income tax reductions and reductions in other excise tax rates.

It mentions, therefore, two things, first a comparative evaluation. I am not saying, of individual and corporate taxes, and a comparison of all excise taxes. Let us go back to the time when this money was raised under the first paragraph that I read. It was raised to provide more money during the Korean war. These taxes were not imposed, as I understand it, because of an agreement concerning inequities at that time in the excise tax rates or the corporate tax rates. The purpose was merely to raise more money. If that is the way we added on new taxes, why with equity can we not repeal the taxes in the same order of priority?

I say we are now introducing a new and extraneous idea. I might say to the gentlewoman from Illinois [Mrs. CHURCH], who earlier called our attention to why does Congress go on this way, I believe the Congress many times twists these things just a little bit or we become attached to existing law, in this case these taxes, and we are reluctant to give them up. All of us know that corporate taxes are passed on to the consumer, so when we talk about cutting back taxes, why cannot we cut back corporate taxes 5 percentage points and help everyone? It is true that we have to raise the money, but I think this is bringing in a wrong interpretation of why we cannot at this time reduce these particular taxes. So I join with my chairman in the hope that in November these inequities inferred by the Treasury, if such these be, may be straightened out. I think it is wrong to put in this report this language and I earlier expressed this thought in committee. It is true we must balance the budget. The big problem today is to spend no more than our receipts. We have the matter of the debt limit increase and interest rate increase because the Government has trouble in refinancing the indebtedness which Congress spends beyond Federal income. And, my friends, from an overall taxation viewpoint, when Congress takes tax money from people to spend for some program that we Congressmen think provides some immediate gain, we are hurting the taxpayers more in the long run. They could have reinvested their money or spent their money as they chose and built our economy up far more wisely and more permanently than we at the Federal level are doing in spending it for them. So I say let us reduce taxes when we can by reduced, not increased, Federal spending. Let us cut the debt and let us keep our currency from becoming devaluated through inflation that is the result of Government spending more than its income. Then we will not need to continue these taxes.

Mr. MASON. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. UTT].

Mr. UTT. Mr. Chairman, I take this time simply to keep the record straight so that the Members of the House will know who the third member of the committee is who opposed the extension of the excise tax bill. I think there is a great deal of virtue in balancing the budget whether it be a family budget or whether it be a budget of the National Government. But that virtue is greatly diminished when you have to balance it by either increasing the tax rate as is recommended in the postal increase bill or extending the excise tax, as is proposed in this bill. I take the same position that the gentleman from Illinois took in saying it is more or less of a protest vote. I know the bill is going to pass. I want to keep my record straight.

I have opposed the extension of this excise tax every time it has come up, and I would record my vote again as voting against it except I doubt that there will be a record vote. I believe the House should understand that we cannot cut taxes—the telephone tax, the transportation tax and a lot of the other little annoyance taxes such as the tax on lipstick and face creams and things like that that the housewife buys every time she goes to the store until we first say no to some of the demands for services that the people are requesting. My record will show I have voted against appropriations even when they have involved my own district. I do not feel I am fiscally irresponsible when I want to vote for a decrease in taxes because I have voted for every decrease in expenditures since I have been a Member of the Congress.

Mr. MASON. Mr. Chairman, I yield to the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Chairman, obviously the decision of the House Ways and Means Committee to request this 1-year extension of existing corporate tax rate and the specific excise tax rates covered by this bill will receive the favorable consideration of the House. It is not my intention to indicate specifically any one of these taxes which could be subject to reduction.

However, I believe we should point out to the taxpayers of the country, the citizen who is bearing the expense of ever-growing Government, that we, the elected Representatives of the people, will give serious consideration to a practical reduction in the tax burden. The facts are that, more than anything else, the taxpayer is desirous of being relieved of the tremendous financial burden that Government places upon him. In the past 5 months the thousands of letters I have received from my constituents indicate an overwhelming desire for a reduction in Government spending, with the hope that the tax burden may then be correspondingly decreased.

The majority party—Democrat—spokesmen have oftened referred to the plight of the so-called little man, that they dramatically claim to represent, yet ironically it is the program of the Eisenhower administration and the minority here in Congress which holds out to the average citizen a hope of real tax reduction. It is only by balancing the Federal budget, providing for a constant and orderly reduction of the Federal debt, that we can give to the American people the tax reduction that they so ardently desire.

I congratulate the able chairman of the committee, the gentleman from Arkansas [Mr. MILLS], for his desire to commence a study in November of the tax structure of our Federal Government. I earnestly recommend that the Ways and Means Committee give their most serious attention to reducing the burden of taxes upon the average citizen, especially the indirect taxes that are painlessly extracted but constitute a regular drain upon the pocketbook of families across the country. Mr. Chairman, Members of the House, I wish to make it perfectly plain that I will never propose a tax reduction without a corresponding allowance for a decrease in Federal spending since to unbalance the Federal budget further increases the inflationary spiral which harms the average wage earner of our Nation. The welfare of our citizens and the future of our country rests on a strong, stable economy and a period of stability. I again urge you to please give most serious consideration to a curtailment of unnecessary and extravagant Federal Government projects so that the hard-working American taxpaying public may receive the alleviation from this burden that we all know they earnestly desire.

We have an obligation to our constituents to remind them that you never get something for nothing from Government. Government merely spends funds that it extracts from taxpayers. The notion that Federal spending is dispensed throughout the land without any cost to the taxpayer has become one of the mass delusions of the day. The taxpayer is becoming aware of this and is demanding that we curtail spending and reduce his taxes. It is my hope that next year in considering this legislation, we will provide some tax reduction.

Mr. MILLS. Mr. Chairman, in order to save time, I ask unanimous consent that all Members who desire to do so may be permitted to extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. DEVINE. Mr. Chairman, Congress is again called upon to extend and continue certain tax rates including certain excise taxes. Many of these were wartime levies, enacted for emergency revenues.

It appears the taxpaying public is again being betrayed by further extension of many excise taxes. The ladies in my district, and I am sure across this great land, find it impossible to believe lipstick, cosmetics, or handbags are in the category of luxuries.

The wartime taxes on transportation, excise on telephones and automobiles, and so forth, are renewed, year after year, on the theory that the revenues derived are necessary to meet Government expenditures. This is a good sales talk, but it seems to me there are two sides to the coin. I have been and shall continue to be a strong advocate of the balanced budget. I am opposed to deficit financing and favor a planned steady reduction of the national debt.

It is much more logical to reduce Government expenditures, reduce Government services, reduce Government bureaus, reduce Government personnel, reduce Government control, reduce Government supports, reduce Government subsidies, and reduce Government participation in many foreign assistance programs. In this simple way, we could most certainly bring our expenditures well under the revenues, and still eliminate these many temporary excise taxes that are burdensome to the many taxpayers of this Nation.

The gentleman from Pennsylvania mentioned we need courage to strike these tax sources from our revenue structure. Well, it is about time the Members of Congress demonstrated some courage and faced the issue squarely. The taxpayer is the sufferer while the lawmaker whistles through the graveyard of deficit financing.

Perhaps some of the big spenders might be a little less inclined to thrust some of their dream plans on the taxpayers if the revenues are not so readily available. I am voting against this Tax Rate Extension Act of 1959 with the hope that economy in Government can become a reality.

Mr. WOLF. Mr. Chairman, I full well recognize the great statement usually referred to as fiscal responsibility. I know this is involved here but I would like to ask why we always worry about fiscal responsibility when it deals with problems of taxes paid by the unfortunate people caught in this unfair tax. This excise tax is discriminatory.

I am opposed to the continuation of this tax and I want the RECORD to show this fact.

Mr. Chairman, why did we not worry about fiscal responsibility when we permitted interest rates this year alone to eat up over one-half billion dollars more of our tax revenue?

Mr. Chairman, why did we not worry about fiscal responsibility when we permitted runaway profits to the munitions manufacturers supplying our defense weapons?

Mr. Chairman, why did we not worry about fiscal responsibility when we removed the excess profits tax which, in my book, has had much to do with our inflationary problem?

Mr. Chairman, we must come to grips with the excise tax problem.

Mr. SCHWENGEL. Mr. Chairman, it would have been possible for the Ways and Means Committee to have included the provisions of H.R. 1343.

This bill carries provisions that would have been of great help to a good cross section of small businessmen who have problems that need to be considered by this Congress. The group of businessmen I refer to are the independent oil jobbers.

It is possible that some members of the committee are not familiar with the functional operation of an independent jobber of petroleum products, and it might be well to define, or clarify, this operation. I should like to point out that an oil jobber is a marketer of petroleum products, primarily engaged in distribution of gasoline to service stations, fuel oil to home consumers and gasoline and fuel oil in bulk quantities to commercial consumers and farmers. It has been reliably estimated that jobbers distribute approximately 35 percent of the total supply of gasoline to service stations, 85 percent of the household burning oils, and well over 50 percent of petroleum fuels used by farmers. The word "independent" as it applies to an oil jobber, means that he owns his own bulk plant, trucks, and other facilities necessary to distribute petroleum products, finances his own business, and is not a subsidiary of or financially controlled by a so-called major oil company. The independent oil jobber is quite definitely one of the small businessmen of the petroleum industry.

I should like to make it clear that these people do not belong to those segments of the petroleum industry which have achieved notoriety either for serving as a breeding ground for multimillionaires or making lavish profits. The independent oil jobber must make his living in one of the toughest competitive arenas known to American enterprise. His problems are magnified due to the fact that he does not have either the tax or other competitive advantages enjoyed by his competitors, the major oil companies. While the so-called major oil companies are achieving new profit peaks every year, the oil jobber, like many other small businessmen, finds that the reverse is true of his business in that the yield on his investment and the compensation for his own work is shrinking. Each year we see the independent jobber losing ground in the distribution of gasoline and in general yielding his position in petroleum marketing to the big oil companies.

The recommendations which I propose to this Committee will not alone change the present trend. These recommendations, however, if adopted would be of some assistance to this group of small businessmen and of equal significance they would render our tax laws, applicable to gasoline, more equitable as between competing sellers in the marketplace. These recommendations briefly are as follows: First, I recommend an amendment which would provide for a refund of Federal taxes paid on gasoline which is lost by fire, flood, shipwreck, or other similar form of casualty, and second, that the imposition of the Federal gasoline tax be changed so as to apply at the time of sale by the wholesale distributor rather than at the time of sale by the producer or blender.

TAX REFUND ON GASOLINE LOST BY CASUALTY

It was pointed out at a recent committee hearing that under the current laws and regulations pertaining to tax refund on gasoline lost by casualty that the independent jobbers must pay the Federal tax on gasoline at the time of purchase as contrasted to the manufacturers of gasoline who pay the tax at the time of sale. This means that if gasoline is lost by fire or other casualty between the time of purchase and sale by the jobber he loses 3 cents per gallon in taxes or approximately 20 percent of the total purchase price. Some recognition to the recommendation was given by a subcommittee in its report dated April 20, 1956—page 18—wherein the report stated, in part:

> The subcommittee suggests that refunds or credits be made available for gasoline destroyed by fire or as the result of a disaster, to the extent that the losses attributable to the tax are not compensated by insurance or otherwise.

Subsequently, a bill was introduced—H.R. 12298—on excise tax changes but unfortunately the provisions therein with reference to gasoline taxes were watered down to such an extent that these provisions would have proven of little or no benefit to the average independent jobber. I am unaware of why my recommendations on this matter were cast aside since the record of the committee's hearings is blank on objections to our position. Since the majority of the States which impose gasoline taxes recognize the equity of our proposal by way of providing us refunds of State taxes for gasoline lost as a result of casualty, it is difficult for me to understand why the Federal Government cannot give consideration to the same equities. I can only assume that the usual has happened in that representatives of the Internal Revenue Service and possibly some committee advisers have seen fit to repudiate my position. I would welcome the opportunity of answering here and now any objections to our position or the reasoning behind repudiation of this recommendation.

If my proposal does not stand the test of examination then it should fail but certainly it should not fail merely because some "chair-borne" bureaucrats can repudiate my position in private without permitting me an opportunity to answer their arguments.

CHANGING THE LEVEL OF IMPOSING THE FEDERAL TAX ON GASOLINE

Mr. Chairman, under existing law the 3-cent Federal tax on gasoline is imposed at the time of sale by the producer. The producer is the refiner and, from the standpoint of volume, this really means the major oil companies. The word "producer" as defined by section 4082 of the Internal Revenue Code, includes "blenders" and "importers," however, the volume of gasoline handled by these last two categories is relatively insignificant. It is our recommendation that section 4082 of such code be amended as follows:

> Section 4082(a) of such code relating to definition of producer is hereby amended by

striking out "or blender" and inserting in lieu thereof "blender, or wholesale distributor."

Section 4082 (of such code) is hereby amended by adding at the end thereof a new subsection as follows:

"(d) Wholesale Distributor.—As used in this subpart, the term 'wholesale distributor' includes a jobber, consignee, distributor, or commission agent, or any person selling gasoline to retailers or users who purchase in bulk quantities for delivery into bulk storage tanks."

I should like to point out that only a few other minor changes would be necessary to conform the foregoing to other language in the code.

When the existing language of the code is translated into actual operation what it means is that the refiner or major oil company does not pay the Federal gasoline tax until the time of sale, whether that sale be direct to consumer, to a service station or to a reseller such as a jobber or wholesale distributor. It also means that the wholesale distributor who pays this tax at the time of purchase must not only encumber approximately 20 percent of his inventory capital but, in addition thereto, he must suffer the losses due to evaporation and unavoidable spillage between the time of purchase and the time of delivery into the tank of the person to whom he sells. Neither of these burdens is imposed on the major oil company with whom this small independent jobber must compete. It is estimated that the jobber's losses due to evaporation and unavoidable spillage amount to upwards of 2 percent of the total volume of gasoline handled. A majority of the States imposing gasoline taxes recognize this inequity and allow the jobber varying percentages to compensate for these losses and some of them allow additional percentages for the handling of this tax burden, collection of the tax and the maintenance of the necessary records required by the tax collector. I think it unfortunate that the Federal Government has failed or refused to recognize this situation.

It is a matter of common and indisputed knowledge that the greatest difficulty faced by the small businessman today is that of capital shortage. In the case of the oil jobber a change of the level of imposing the tax to the time of sale by the jobber would release millions of dollars of capital which this group of small businessmen could well use to advantage in maintaining their position in the marketplace.

Let us take as an example the average gasoline jobber. This jobber sells 100,000 gallons of gasoline per month at 26 cents per gallon. Six cents of the sale price represents the State tax, 3 cents represents the Federal tax, 3 cents represents the jobber's gross margin of profit, and 14 cents represents the cost of the gasoline. This jobber maintains a permanent gasoline inventory of 50,000 gallons, which represents $1,500 in Federal gasoline taxes that is constantly tied up and unavailable to him. On the basis of 1,200,000 gallons of gasoline purchased annually he must pay Federal excise taxes of $36,000. Unfortunately, however, he does not collect $36,000 by way of a resale price, including this 3 cents tax since he has a minimum evaporation and spillage loss of 2 percent. This means that in addition to the capital he has tied up in taxes he loses, out of pocket, $720 per year—almost enough to keep one of his children in college. Unfortunately, this evaporation loss will increase as gasoline becomes more volatile due to the higher octanes now being marketed. Now, mind you, these amounts do not include the capital tied up in State gasoline taxes and the losses incident to handling those taxes.

While these amounts may not appear of much consequence to this committee, who thinks in terms of millions and billions, it is significant to a small independent businessman who is faced with constant rising costs of products, labor, truck, and tanks as well as personal living expenses.

This same jobber must also have the capital to carry his credit sales to service stations and commercial consumers—50,000 gallons—for a minimum period of 30 days—this represents $11,500. In addition, on his farm sales of 50,000 gallons per month, he must extend credit for periods ranging from 4 to 6 months. On the basis of a 5-month average credit this means an additional $57,500 of capital requirements. While the change that we suggest will not vary the capital requirements from the time of sale by the jobber, the change would, however, equalize the advantages now solely enjoyed by his major oil competitor by way of freeing the inventory capital tied up in Federal taxes and the losses due to evaporation and unavoidable spillage.

We are advised by hearsay information that the principal objections to my proposed change have been voiced by representatives of Internal Revenue Service and some of the advisers to the Ways and Means Committee. The first objection is that by imposing the gasoline tax at the time of sale by the jobber or wholesale distributor it would create additional administrative problems and expense. Let me examine that argument to see if the expense and problems created are sufficient to offset the losses now imposed on the jobber. The change that we recommend would only add a few thousand gasoline taxpayers to the Federal rolls. This number is infinitesimal when compared to 50 million or 60 million income tax returns on sales of automotive equipment, household equipment, entertainment equipment, recreational equipment, and many others. In brief, this added quantity of tax reports would not even cause a small ripple in the handling of the mechanical devices used by the Revenue Service in the keeping of its records. As a matter of fact, a substantial portion of the jobbers which I refer to are already filing Federal tax returns on diesel fuel and special motor fuels both of which are taxable at the time of sale to the consumer as contrasted to the gasoline tax which is levied at the time of sale by the manufacturer. Included on the same tax form which these jobbers use in reporting such taxes is a place for reporting gasoline taxes so it would only involve the simple matter of adding one additional item in that report. I refer to form No. 720 of the Internal Revenue Service.

Apparently the 48 States of the Union have not as yet gone bankrupt and they are engaged in collecting similar taxes from these very same jobbers and in addition thereto, most of them are handling the burden of computing refunds to compensate for evaporation and spillage losses.

The second principal objection is that if the tax on gasoline is changed to the wholesale level, wholesalers and retailers of other commodities now taxed at the manufacturers level would want similar treatment, thus opening the door to the necessity of processing more and more tax returns. This argument is refuted by the language of the law itself. In the first place, the tax on gasoline is not limited to taxation at the producer level since producer includes blenders and importers neither of whom are required to be manufacturers. As a matter of fact, there are a few large jobbers who qualify as blenders and as such they do not have to pay the tax until they sell gasoline. Further, the law provides that the Federal taxes on diesel fuel and special motor fuels is levied at the time of the sale to the consumer—not at the manufacturing level. We can, therefore, see that the legal relaxations already created under the language of existing laws have not created the necessity for opening the door to other resellers whose commodities are taxed at the manufacturer's level.

Even if the latter argument were valid it would appear that the very nature of gasoline—a volatile product consumable during the process of handling—would put it in a special category subject to a different type of treatment from hard goods which does not evaporate or deteriorate during the time it is held by the reseller. Another notable exception is the fact that hard goods can be made the subject of consignment sales on which no tax is due until the time of actual sale by the consignee. This does not apply in the case of sales of gasoline to independent oil jobbers.

Apparently, the Treasury Department did not suffer apoplexy when the Congress recently passed the farmers' gasoline-tax refund bill requiring the processing of millions of applications for refund—why then should they fight so vigorously to deprive a deserving group of small businessmen from enjoying some of the same advantages which their major competitors now enjoy.

I would like to point out that neither of my proposals would give the petroleum jobber an advantage over any other competitor. These proposals would only put this category of small businessmen on the same basis now enjoyed by the big oil companies. During the recent political campaigns both parties talked long and loud about what they had done and what they intend to do for small business. I have presented to this committee two proposals which will give both parties an opportunity to back up their political verbiage and with little or no expense to the Government but with great benefit to some small businessmen.

I am wondering if we will again see that small business is a group that politicians are always going to help but somehow this help appears, like prosperity, to be perpetually just around the corner.

Mr. PELLY. Mr. Chairman, I see no proper and responsible course of action other than to support the 1-year extension of the existing corporate normal tax rates as provided in this bill, H.R. 7523. Standing firm, as I do, for a fiscally sound policy of keeping Federal income and Federal expenditures in balance there is no alternative other than one of registering a protest "no" vote, and what if a majority of Members did that.

However, let me say that I disapprove heartily of a corporate tax in excess of one-half of the profits of a business. As I have often stated when Government takes away more than half of business profits the financial structure of our Nation is more than half way on the road to socialism, and by the same token, the free enterprise system which exists through profit incentive is more than half way out of operation. It is headed for being eulogized in the pages of history and being a fond memory.

Moreover, I feel impelled to say, and sadly to say, that it is my belief this proposed action of continuing tax rates scheduled for reduction on July 1, 1959, would not be necessary if the Appropriations Committee could control expenditures as provided in the Constitution. I am convinced the so-called backdoor approach to the Federal Treasury which permits agencies of the Government to borrow from the Treasury without allowing the Appropriations Committee to study and limit the amount of funds being spent by certain Government agencies is what causes the huge Government deficit and national debt increase.

If the House were permitted to vote on the Smith resolution to eliminate the practice of bypassing the Appropriations Committee, we could let the normal corporation tax revert to 47 percent and cut excise taxes on telephones and transportation.

As I said earlier in the debate, I would like to see the Ways and Means Committee consider a ceiling on tax rates. If we observed the constitutional process of requiring all spending to be by this procedure of appropriation there would be no problem such as this one of extending wartime taxes.

Recently the House adopted an amendment to the housing bill calling for all spending under that legislation to be by appropriation. That showed the will of the House. But the budget-busters control policy there, and orders have gone out, I understand, for the Smith resolution to stay in a pigeonhole. The Democratic speaker and Democratic majority leader do not favor cutting out backdoor spending.

This is unfortunate and as a result we must continue high taxes and big spending. Let us face up to the situation. An increase in the ceiling on the Federal interest rate and the other proposal to raise the legal limit on the Federal debt is made necessary and must be blamed on these same leaders and advocates of big Federal spending.

The reason we must pass H.R. 7523 is to enable the Secretary of the Treasury to pay the Government's bills. The only way to stop this business of high taxation is to curtail authorizing big spending programs. There is a $10 million backlog of budget-busting bills hanging over our heads.

The Appropriations Committee has done a good job. It has reduced its legislative spending recommendation to a figure below the President's budget, but other committees are determined to go all out on a fiscally irresponsible spending spree. The record at the end of the session will show whether the Democratic leadership's policy is a budget-busting one. That remains to be seen. I hope for the country's sake this Democratic Congress will hold the line. I will vote to hold the line.

Meanwhile because of past sins in spending to the tune of billions of dollars, we must extend these so-called temporary wartime taxes. Let us lock the backdoor.

I intend to vote for the bill.

Mr. MASON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. Mr. Chairman, because of my persistent opposition to the automotive excise tax I have been dubbed "the automobile horn of Congress." Frankly, it has not offended me and I cannot think of a more appropriate time for a few short blasts than right now.

Every year about this time I get the feeling that this is where I came in. With monotonous and maddening regularity, we are informed that the 10-percent excise tax on automobiles, along with existing rates on beer, wine, cigarettes and corporation income, as illogical a grouping as anyone could conceive, must be extended for one more year.

Why? Only one justification is ever given: We need the money and this is the easiest way to get it. This is the third time I have sat in this Chamber and listened to the annual fiction of extending the tax for "one more year." Some of you have heard it even more because this runaround began before I got here.

I am fully aware of our need for revenue. I am firmly opposed to deficit spending. But this does not mean that I condone the singling out of any one of our basic industries for such a punitive tax. The lack of legislative logic is glaringly obvious. Why should automotive manufacturing be taxed at rates in excess of any other manufacturing?

The time is long overdue for us to have the courage to take a real close look at the "crazy quilt" we have been patching together solely for reasons of expediency. While I am encouraged to learn that the Ways and Means Committee has scheduled hearings on income tax revision I strongly urge that this committee at the same time make a thorough study of our entire excise tax structure. If we need the revenues to finance the Federal Government it is time to abandon the technique of a temporary tax, and consider the enactment of permanent legislation which would deal fairly and equitably with all segments of our industrial economy.

However, even if we had such a study underway at the present time, we still have the problem before us today. Let us take a closer look, Mr. Chairman. In 1954 when many of the temporary wartime excise taxes required by the Korean conflict were reduced, the legislation provided that the auto excise tax would drop on April 1, 1956, from 10 to 7 percent. But what has happened? It was extended, and has been extended every year since then. In fact, it has been extended so many times that Treasury Department witnesses now say that it is not "appropriate to select certain excise tax rates for reduction and decline to make reductions in others." This very reasoning demonstrates how memories have been dulled. It was only 5 short years ago the automobile was left out of a general tax reduction, with clear legislative acknowledgment that it should be included, and now it is argued that it would not be appropriate to reduce the automobile tax and omit items which were included in the 1954 reduction. How can this reasoning be defended?

Mr. Chairman, I also want to protest the manner in which the issues before us are presented. Because of the closed rule, we must vote for all or none of the package extending taxes for corporations, beer, wine, cigarettes, and automobiles. As I said last year, I resent automobiles being classed with tobacco, liquor, and imported perfumes for tax purposes. To me, the fact that the automobile excise tax is forced to keep such company admits the weakness of the arguments for its extension. The family car has become an absolute necessity to the majority of American people. Surveys show that 75 percent of all families in the United States own a car; what is more, it is now estimated that 75 percent of all passenger car mileage is related to the essential activities of making a living.

We must remember that this tax we are extending today will continue to have a depressing effect on sales, and consequently production, and jobs. We must also remember that the job of one out of every seven workers is related directly or indirectly to automotive transportation; that automobile production utilizes 44 percent of all sheet steel, 64 percent of all rubber, 63 percent of all upholstery leather, 70 percent of all plate glass, as well as being a leading consumer of thousands of other products and items.

Turning to automotive employment, I am frank to admit that there are more automobile workers in the district I represent than in any other district in the United States. In spite of the increase in auto production so far this year, there are thousands of workers who are still unemployed. For example, the latest employment statistics from Flint, Mich., an automotive center, show that there are 18,000 workers without jobs, 12.8 percent of the total local labor force. This is primarily why I am so deeply interested in this legislation. But the impact of the extension of the automobile excise tax is not limited to the confines of Michigan's Sixth District. There are

143 of my colleagues here in the House who have automobile plants centered in their own districts. We have been hearing lots of talk about aid for depressed areas. Take a map of our labor surplus areas and plot automotive activities on this map and you will readily see the relationship of the two.

Let us remember that the original purpose of this tax was to discourage production for war purposes, and that we are continuing to discourage it by our action here today. Let us get to the heart of our trouble if we are really interested in aiding the unemployed of our depressed areas.

While I dislike to disagree with my Republican friends in the executive branch, I must oppose the extension of this tax. I sincerely believe that the repeal or reduction of the excise tax on passenger cars, parts, and accessories is not only in the interests of the people of my district, but also plainly in the interests of our entire economy. However, in voting against this legislation, I wish to make it clear that my vote is in protest of the extension of the automobile excise tax and that it should not be construed as a vote favoring the reduction of alcohol, tobacco, or corporate taxes.

May I say in conclusion, that it is my hope that this will be the last time the House is asked to extend this tax, and that our distinguished Ways and Means Committee will give the matter of correcting excise tax inequities their careful and early consideration.

Mr. MASON. Mr. Chairman, we have no further requests for time on this side.

Mr. MILLS. Mr. Chairman, there are no further requests for time on this side.

The CHAIRMAN. Under the rule the bill is considered as having been read for amendment. No amendment is in order except amendments offered by the committee. Are there any committee amendments?

Mr. MILLS. There are not, Mr. Chairman.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. ZABLOCKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7523) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, pursuant to the provisions of House resolution 287, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. Do I understand that no amendments are in order, not even pro forma amendments?

The SPEAKER. The rule provides that no amendment shall be in order except committee amendments.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MASON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MASON. I am opposed to the bill.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MASON moves to recommit the bill H.R. 7523 to the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

AMERICAN SOCIETY OF INTERNATIONAL LAW

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 6378) to authorize the American Society of International Law to use certain real estate in the District of Columbia as the national headquarters of such society, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the American Society of International Law, incorporated by the Act entitled "An Act to incorporate the American Society of International Law, and for other purposes", approved September 20, 1950 (Public Law 794, ch. 958, Eighty-first Congress, second session (64 Stat. 869)), is authorized to use the real estate described as lot 805 square 2512, situated in the city of Washington, District of Columbia, as the national headquarters of such society.

Mr. McMILLAN. Mr. Speaker, the purpose of this legislation is to permit the American Society of International Law to occupy the building at 2223 Massachusetts Avenue NW., lot 805, square 2512, as a national headquarters.

The American Society of International Law was incorporated under an act of Congress approved September 20, 1950—Public Law 794, chapter 958, 81st Congress, 2d session—64 Stat. 869. The corporation is internationally known as a learned society which fosters the study of international law and its application in the contemporary world. The society publishes the American Journal of International Law, and holds meetings at which leading scholars of all nationalities learned in the field of international law give lectures and hold seminars. While the society is technically not an institute of higher learning it is a leading instrumentality for the prosecution of studies in the field of international law, which has now assumed greater importance than ever before.

The property at the present time is zoned "Residential B restricted." Property so zoned does not permit the use such as is sought by this legislation. This bill if enacted would grant an exception to the zoning plan. It is felt that the use of the property for the purpose which it would be authorized to be used under this legislation would have no adverse effect on the property in the neighborhood and many of the property owners have written and urged the projected use of the property by the society.

At a hearing before a subcommittee of the House District Committee on May 11, 1959 one person appeared and testified who owned property directly across the street. His testimony indicated that this legislation should have no adverse effect upon property in the neighborhood but that it would in fact add to the value of the property.

The legislation has the approval of the Commissioners of the District of Columbia.

Mr. GROSS. Mr. Speaker, will the gentleman yield for a question?

Mr. McMILLAN. I yield to the gentleman from Iowa.

Mr. GROSS. What is this international organization?

Mr. McMILLAN. It is an international law institution. It is not a college, it is an international law club.

Mr. GROSS. What does it do? What is its function? Does the gentleman know?

Mr. McMILLAN. It studies international law.

Mr. GROSS. Yes.

Mr. McMILLAN. The only objection is that they are using a zone which has been rezoned as residential. The only objection comes from the Zoning Commission.

Mr. GROSS. This does not benefit this international lawyers association, or whatever it is?

Mr. McMILLAN. No, sir; and not the Lawyers Guild.

Mr. GROSS. It calls for no expenditure out of the U.S. Treasury; is that correct?

Mr. McMILLAN. That is correct.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman withhold that for a moment? There are several Members who want to speak under special orders.

Mr. HOFFMAN of Michigan. If there is legislation to be considered, I want a quorum present. If there is not, I do not care.

The SPEAKER. There is no more legislation to be considered today, other than the present bill.

Mr. HOFFMAN of Michigan. I withdraw my point of order.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD after each District bill considered today a brief explanation, also certain tables.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Merchant Marine and Fisheries may take testimony in the city of San Francisco this week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

NEED OF A CRIME CENSUS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an article.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I include as part of my remarks an article in This Week magazine by former President Herbert Hoover. He says: "We Need a U.S. Crime Census." He says that our people must have the right to walk the streets free from murderers, hoodlums, and teenage gangs. I hope every Member of Congress will submit his idea on a U.S. crime census.

The article referred to follows:

FORMER PRESIDENT HOOVER SAYS: "WE NEED A U.S. CRIME CENSUS"

(By Herbert Hoover)

The Bill of Rights guarantees to all Americans the right "to be secure in their persons."

Surely that must include the right of our people to walk the streets free from holdups, muggers, murderers, hoodlums, and teenage gangs. Our people also should have protection from racketeers, blackmailers, extortionists, kidnapers, forgers, embezzlers, bank robbers, and auto thieves. Our children need protection from rapists.

But in actual fact, how secure are we? What do we know about the crimes being committed in our country? What happens to these criminals? And, what can we do about it?

In this article I propose to state the statistics on crime such I have been able to secure, and to point out the deficiencies in facts which our country needs. I shall also propose a new kind of national crime census which will give us these facts and thus help us mount an effective all-out attack on the problem.

WHAT WE KNOW ABOUT CRIME

Every report of the FBI lists the horrible increase of crime. J. Edgar Hoover has been a magnificent voice crying in this wilderness of multiplying criminals. And there is a host of crime commissions in our cities daily proclaiming the failure to protect our people. But the forward march of crime goes on and on.

The FBI by herculean effort secures reports from local authorities as to the number of known major crimes. These major crimes are murder, manslaughter, rape, robbery, aggravated assault, larceny, automobile thefts, and burglary. The reports they receive cover possibly 85 percent of the population. They do a good job.

These reports show that major known crimes have grown from 1,685,000 in 1946 to approximately 2,800,000 in 1957, or 3 times as fast as the increase in population. The minor offenses generally follow the trends of the major offenses.

Other FBI reports indicate increases in the number of major offenses in the single year of 1958 alone all the way from 2 percent to 14 percent. Rape offenses alone had increased 10 percent.

The most heartbreaking increase of crime is among the teenagers under 18 years. During 1957 there were 740,000 of these youngsters arrested. Since 1952 the population group under 18 years of age has increased 22 percent while arrests of persons under 18 years have increased 55 percent.

In the face of the FBI's staggering lists of 2,800,000 known major crimes in 1957, it is interesting to note that the Bureau of Prisons reports that there were on January 1, 1958, only 195,414 persons in Federal and State prisons, and only 80,408 were received from the courts the previous year. These exclude county and city jails whose inhabitants are mostly pending cases and minor offenses.

The Bureau of Prisons also reports that in the previous year 43,357 prisoners were paroled and 12,096 were returned to prison for crimes committed when on parole or other reasons.

WHAT WE DO NOT KNOW ABOUT CRIME

There remains a vast area of things about crime which we don't know.

What we do not know is what happens after those crimes are committed. In other words, how efficient are our procedures and methods of justice in stemming this rising flood of crime? That is the major question in determining any plans for better protection for our people.

Our information on this question is absolutely inadequate.

The only data which the FBI is able to secure on this phase of the problem comes from reports sent to them. And, these reports constitute but a sample which covers only about 25 percent of the total population.

The figures quoted below for the total known offenses in the eight categories are from the FBI and cover, as said above, approximately 85 percent of our population. However the figures for the number found guilty are mine. These are based on the FBI sample. I have applied that sample to the total population. I repeat, the estimates are mine, but the reader can discount them by a large percent and still find them startling and depressing. If so small a percentage of total offenders is found guilty the reader may well wonder as to our processes of government in protecting people.

WE NEED THE WHOLE TRUTH

Before we can do anything constructive about this terrifying problem we need to know its dimensions. In every war it is necessary to know your enemy and nowhere is that more important than in our war against crime.

As to this situation, I venture to make a suggestion. It is not a proposal to reform criminals. It is a proposal to publicly illuminate some of the spots where our governmental machinery fails to provide our constitutional rights of protection.

This requires a determination of many more facts which we do not have from any public or private agency. My proposal is that the Census Bureau be instructed by Congress to conduct a special and separate census by canvassing the police and the prison records.

The U.S. Bureau of the Census is skillful, accurate, well equipped, and long experienced for large undertakings of this kind.

Every 10 years the Census Bureau lists every person in the United States, not only making a count (now 170 million of them) but also collecting a number of items about each of them. It also collects special data as to our industries and agricultural and educational systems which require information from immense numbers of people.

When it collects such massive information it punches holes in a card. Each hole indicates an item collected. Then when they pass these cards through batteries of machines, the total can be obtained on any item wanted.

Such a census should include the following: the name of each person who has been arrested for a crime during the past 2 years. (These names should be held confidential so as not to reflect on reformed persons); a record of the nature of the crime; the date of the crime; the date of arrest; the amount of bail set; how many jumped bail; how many committed crime when out on bail; whether tried or not; the date of the trial; whether convicted or not; the date of the sentence; the sentence imposed.

If fine or imprisonment, the amount of the fine or the term of imprisonment; whether an appeal was made to a higher court; whether the higher courts confirmed the sentence or modified it; the date when the fine was paid, or the criminal finally sent to prison; the months served in prison, whether paroled, and whether any crime was committed during parole, whether the criminal was pardoned, and how many months of the term were served.

Facts should also be recorded on probation and suspended sentences. The information collected should also show whether more than one crime was committed by the same individual.

Holes can then be punched in a card for each of these items or other items as our national crime-prevention agencies might suggest.

The job is not so great as one might think since this would not be a personal canvass, but a search of public records.

Today the FBI figures on known crimes are our only important insight into comparative crime between cities and States.

ONE HUNDRED PERCENT COVERAGE

In my proposed census, these FBI figures could be used, so far as they go, to enable the census to cover 100 percent of the population, and in this way eliminate any duplication of work. It would simplify the task and give the FBI a useful index number for its future annual estimates.

Also to further simplify it, persons fined less than $50 or sentenced to less than 60 days in jail, could be omitted. And, to make it better still, we should have a separate card for youthful delinquents.

As important as the number of known crimes is, the purpose of this census is far deeper than this.

The machines would tell us how many of the known offenses resulted in arrests, how long it took from the discovery of the crime until a perpetrator was tried, how long it took from conviction to prison, and how long was the average length of time in prison for each category of crime. From such data we could judge whether the courts were being lax or effective.

The census could show as far as possible what races the offenders come from. It might stir the leaders of the various racial groups to action and we might be surprised as to where the great fault lies. It would

show the weakness or strength of the present parole systems. It might show the failure of the courts to give adequate confinement in cells so that people could no longer trespass on our constitutional rights.

The teenage cards should show what are the family situations of our teenagers who are arrested. The cards should show how many have lost one or both parents, how many have divorced parents, how many of them have had religious training in our schools, how many of them have had religious training even in reformatories, in fact, how many of them have ever tasted religious training at all.

WHAT WE'D LEARN

The first thing we would learn is: What is the matter with our governmental machinery for the protection of our fundamental constitutional rights?

A report of the type I suggest would help every local, State, and Federal agency concerned with the prevention of crime to do a better job.

And such a census would take a load of blame from our generally courageous and efficient police forces and would help relieve their too frequent frustration.

The story from this census might bring realization to the American people that freedom in the United States is in more jeopardy from crime than from all the Communist conspiracies. It might show that our freedom and safety are overwhelmed by these eight categories of thugs. It might show whether we have elevated crime into a pastime with occasional free board and lodging. It might show that we have a duty to get tough.

Remember that the enemies of our civilization numbered over 2,800,000 in 1957 alone.

On every side our freedoms are being eaten away by criminals. We have reached a time when decent Americans have an imperative duty to mobilize all our resources of knowledge and power to check the inner blight of crime.

CRIME VERSUS PUNISHMENT: A SHOCKING CONTRAST

(NOTE.—The figures below as to the known offenses are from the FBI. The figures of those found guilty are my own application of the FBI sample of 25 percent to the whole population.—H. H.)

Murder and nonnegligent manslaughter: There were 6,920 known offenses. Only 48 persons were executed. (No records can be found on how many were serving life sentences.)

Manslaughter by negligence: There were 5,740 offenses known. About 1,400 defendants were found guilty, or 24 percent.

Rape: Of the 21,080 offenses known, there were about 7,900 persons found guilty or approximately 37 percent.

Robbery: Of the 61,410 offenses known, there were about 16,000 found guilty, or 26 percent.

Aggravated assault: There were 100,110 offenses known and of these 27,000 were found guilty, which is 27 percent.

Larceny: There were 1,721,170 offenses known to the FBI. Only about 171,000 of these offenders were found guilty. This is approximately 10 percent of the total.

Automobile thefts: There were 289,950 offenses known with about 41,000 of the offenders found guilty, or 14 percent.

Burglary: There were 590,020 offenses known and 72,000 offenders found guilty, or 12 percent.

CRISIS CONFRONTING THE WHEAT FARMER

Mr. BREEDING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BREEDING. Mr. Speaker, hardly a day passes without a story appearing in the newspapers citing the difficulties which confront wheat. We are told that wheat is the farm commodity in greatest trouble; that, in fact, an acute crisis faces not only the wheat farmer but the country as a whole.

As a matter of fact, Mr. Speaker, wheat has almost become a dirty word with some people. I fear that in viewing the present situation with such grave alarm, many people are losing sight of the fact that wheat plays a valuable role in the lives of all of us. We need to remember that wheat is indeed the staff of life. Wheat, and only wheat, furnishes all 26 of the elements which dietitians and other scientists tell us are absolutely essential to maintain a well balanced mental and physical state of the human body.

I am indebted to a chart prepared several years ago by Dr. Allbright of the University of Missouri for a graphic illustration of the truth of this assertion.

From that part of the wheat which grows above ground we receive hydrogen, oxygen, carbon, and nitrogen. These are the energy foods, taken from the air, sunshine, and rainwater. They can be produced artifically and added to the flour.

But what Dr. Allbright terms the "grow foods" in contrast to the "go foods" listed above, are calcium, phosphorus, aluminum, arsenic, barium, boron, bromine, cobalt, copper, fluorine, iodine, iron, lithium, manganese, magnesium, nickel, rubidium, silicon, strontium, sulfur, titanium, and zinc.

These 22 elements are taken from the soil. They cannot be duplicated synthetically and they cannot be measured and blended into flour in proper proportions artificially.

It requires all of these 26 elements, 4 from the air, sunshine, and rainwater, and 22 from the soil to maintain a well balanced mental and physical state of the human body.

Wheat carries a greater number and in many instances a larger volume of these soil elements than any other of 120 North American food plants.

These soil elements are blended through the wheat grain and cannot be milled out of the flour.

They are the bone, brain, and internal organ builders. These are the elements which abound in our western wheat. These are the elements which make wheat bread the staff of life.

It is important, Mr. Speaker, for us to keep these facts about wheat in mind during the coming days. No doubt there is going to be considerable controversy over wheat legislation. The present oversupply of wheat will be treated by some people as a national disaster. Those who produce wheat will be described in unflattering terms.

I sincerely trust that everyone will keep in mind the absolutely essential role wheat plays in providing a balanced, healthy diet for all Americans. Some people may regard the present supplies of wheat as a national disaster. I would like to remind them that wheat is all essential, and we should keep this fact in mind.

FREE MOVEMENT OF MILK OF HIGH QUALITY IN INTERSTATE COMMERCE

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a resolution from the State of Wisconsin memorializing the Congress of the United States to enact legislation which will insure the free movement of milk of high quality in interstate commerce.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, the legislature in my home State of Wisconsin has passed a joint resolution memorializing the Congress of the United States to enact legislation which will insure the free movement of milk of high sanitary quality in interstate commerce.

The resolution reads as follows:

JOINT RESOLUTION OF THE SENATE AND ASSEMBLY OF THE STATE OF WISCONSIN

Whereas there is pending in the Congress of the United States H.R. 3840 and other like or similar bills which provide for the free flowage in interstate commerce of milk of high sanitary requirements which must be met under the provisions of said bills; and

Whereas milk is the most important part of the diet for most people; it is our most perfect food, containing almost all of the essential elements for human growth, and is the principal food of infants, children, the aged and infirm; and

Whereas more than one-half of our States are importers of milk and about the same number of States are exporters; and more than 13 million gallons of milk and cream are shipped interstate each day; and

Whereas this State has a tremendous stake in this industry, about 85 percent of its production of milk going into interstate commerce in one form or another, and milk production is one of the principal industries of this State; and

Whereas although the laws of our State require that milk and milk products must be produced under high sanitary conditions and result in sanitary, high-grade products; and

Whereas importers of milk in the importer States have regulations for high sanitary quality by use of unenecessary requirements or other health regulations which result in a crazy-quilt pattern of milk sanitation regulation which duplicates inspection procedure in thousands of plants in the exporter States, thereby causing great unnecessary expense to a producer in meeting the different code requirements of his many customers; and

Whereas it is highly desirable to all the people that there only be Federal sanitation requirements, only one code, which must be complied with so as to insure the free, economical flow of milk in interstate commerce: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Congress of the United States enact bill H.R. 3840 or a like or similar bill into law, thereby insuring that milk and milk products produced within Federal requirements will have free flowage in interstate commerce; and be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to each House of Congress, and each Wisconsin Member thereof.

———— ————,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
GEORGE MOLINARO,
Speaker of the Assembly.
NORMAN C. CLENDENAN,
Chief Clerk of the Assembly.

CONGRESS CAN GIVE A CONSTRUCTIVE ANSWER TO THE ADMINISTRATION'S DEBT MANAGEMENT REQUEST

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, the administration has today requested the Congress to remove the 4¼-percent statutory interest limit on U.S. bonds. It thus dumps the debt-management crisis squarely in our laps.

Do we simply rubberstamp the administration's request, and ratify present debt-management policies, thus letting interest rates go up and up, U.S. security prices go down and down, and investors become more and more skittish? Do we insist on the retention of the present ceiling, thus forcing the administration to concentrate its financing ever more dangerously into high-interest-rate, short-term obligations? Or is there some policy guidance which Congress can give the monetary authorities that can arrest the destructive course on which we are embarked?

If a patient presented himself to us with a raging fever, we should properly spend some time trying to discover the cause of the fever, rather than merely sealing the thermometer so that it could no longer record his constantly rising temperature.

So with the national debt. It would be a mistake to concentrate on the symptom—the high interest rate—and overlook the causes of the symptom—our improper monetary and debt-management policies.

An entirely unnecessary but very important cause of our debt management crisis is the Federal Reserve's policy of furnishing necessary increases in the money supply by lowering member bank reserve requirements, rather than by creating the required reserves by purchases of U.S. securities. In 1958, the Federal Reserve pursued a policy, quite properly, of counteracting the recession by increasing bank reserves. But it chose to do this by lowering bank reserve requirements, rather than by creating the same reserves through purchasing U.S. securities itself. What is worse, the Federal Reserve has announced that its continuing policy will be to furnish needed expansion in the money supply—at the rate of around 3 percent a year—by further decreasing member bank reserve requirements, rather than purchasing U.S. securities.

The only thing to be said for the Federal Reserve's method is that it maximizes the earnings of member banks. The opposite method—that of creating bank reserves by Federal purchases of U.S. obligations—helps debt management in three important ways. It makes the national debt more attractive to investors by cushioning downward fluctuations in the price of Governments. It saves uncounted millions of dollars to the taxpayer, because Federal Reserve returns to the Treasury the interest charges on the national debt which it holds. Thirdly, it minimizes the strain on the Treasury suffered by "attrition," where a U.S. security holder refuses to take a refunding security, and demands cash.

There is now pending before the House Committee on Banking and Currency House Concurrent Resolution 196, which directs the Federal Reserve so to pursue a sound monetary policy as to help in debt management. I intend to introduce the substance of House Concurrent Resolution 196 as an amendment to the pending legislation to remove the 4¼ percent interest rate ceiling, and have requested of the House Committee on Ways and Means the opportunity to testify to that effect.

What I propose is that the interest ceiling legislation carry as an amendment the following expression of the sense of Congress:

> It is the sense of Congress that the Federal Reserve System, while pursuing its primary mission of administering a sound monetary policy, should, to the maximum extent consistent therewith, utilize such means as will assist in the economical and efficient management of the public debt; that purchases of Government securities rather than further lowering of reserve requirements should be utilized to the greatest extent possible for attaining needed monetary expansion; and that the Federal Reserve System should promptly and fully explore methods whereby use of the power to set reserve requirements may become a more useful and effective anti-inflationary tool.

I want to make clear that this congressional sense-resolution involves no backtracking on the so-called accord of 1951, no pegging of the U.S. security market at par, no support measures at a time when monetary expansion would be inflationary. All that the sense-resolution says is that when the Federal Reserve is about its business of creating needed expansions of the money supply—it itself says that 3 percent a year is about right—this expansion shall be to the maximum extent achieved by creating reserves through Fed purchases of U.S. securities, rather than through further decreasing member bank reserve requirements.

Mr. Speaker, Congress has an opportunity to demonstrate that it yields to no one in its determination to fight inflation, but that a sound anti-inflationary monetary policy can be so exercised as to help rather than hurt the management of the national debt.

USING THE MAILS FOR OBSCENE MATTER

The SPEAKER. Under previous order of the House, the gentlewoman from Pennsylvania [Mrs. GRANAHAN] is recognized for 60 minutes.

Mrs. GRANAHAN. Mr. Speaker, today the Subcommittee on Postal Operations of the Committee on Post Office and Civil Service is releasing printed copies of the hearings held on April 23, May 18, and May 22, 1959, dealing with the sending of obscene matter through the U.S. mail.

A primary concern of our subcommittee is the widespread and growing use of the mails to send obscene materials to people who resent receiving such material. I am referring especially to the use of mailing lists through which children are mailed obscene materials that are bound to impair the years of training that parents have devoted to their children. At the initial hearing the Postmaster General testified that a half-billion dollars is realized annually in mail-order pornography and obscenity.

During the course of our hearings, outstanding leaders in church and civic organizations emphasized the seriousness of the problem of obscene literature which is placed in the hands of children and teenage youth. Mr. John Cornelius Hayes, president-elect of the National Council of Catholic Men and dean of the Law School, Loyola University, Chicago, Ill., pointed out that there is a direct relationship between the increase in smut made available to our youth and the increase in juvenile delinquency.

Thousands of complaints have been received as a result of the mailing of vast quantities of objectionable material by California concerns to addressees throughout the country. Just last month a grand jury sitting at Detroit, Mich., returned indictments against several individuals operating from Los Angeles for the mailing of advertisements or notices giving information as to where or how or from whom or by what means obscene, lewd, lascivious, indecent, filthy, or vile matter may be obtained. One individual was indicted on four counts, including one for the mailing of indecent advertising to a 15-year-old boy. This action was taken pursuant to the new venue provisions under 18 U.S.C. 1461, which provides that an offender using the mails for the distribution of obscene material may be prosecuted not only at the point of deposit of such material but, also, at the point where the objectionable material is delivered. It is gratifying to note that our efforts to purge the mails of obscene material have been strengthened by this legislation passed by the 85th Congress.

Dr. Clyde W. Taylor, executive secretary of public affairs of the National Association of Evangelicals, testified that their commission on social action reported that—

> The commission is convinced that pornographic literature is contributing to juvenile delinquency. We feel it is also one of the main factors that triggers emotionally warped individuals into committing many of the sex crimes reported throughout the Nation.

Dr. Taylor also testified that there is a great contrast between the American magazines displayed in bookstores and bazaars overseas and the Communist

magazines which are both beautiful in presentation and moral in content.

We should not be surprised—

Dr. Taylor said—

if people overseas eventually get the idea that the United States is populated by multitudes of sex maniacs.

He urged that consideration be given to legislation which will impede the exportation of obscene literature from the United States.

Dr. Edward C. Mazique, president-elect of the National Medical Association, appeared before our subcommittee to attest to the urgency for appropriate action—that obscene literature, as a causative factor in the growing decline of the general well-being of our population, may be completely and permanently eliminated.

Chaplain Lt. Col. William Golder, executive secretary of the Military Chaplains' Association of the United States, submitted for the record a resolution passed by that organization which asserts that—

1. The American people should be made aware of the available quantity of obscene and pornographic material; and

2. Against this background of public awareness, law enforcement officers, public prosecutors, and the judiciary should be expected, in keeping with our constitutional guarantees, to protect our citizens against the ravages of this contaminating evil which threatens the moral life of this Nation.

Miss Chloe Gifford, president of the General Federation of Women's Clubs, advised our subcommittee that the women of this country are irate and offer their support to all concerned in fighting the dealers in filth and smut. She stated that the women will call upon the press in their local communities to help stop this evil practice and emphasized that they will use all their power to help prevent the demoralization of youngsters which results when they are subjected to obscene trash at the impressionable age.

Mr. Randel Shake, director of the National Child Welfare Division of the American Legion, stated that their organization has been aware of the serious problems posed by the flood of obscene material, which is directed in large part toward our youth. Their concern over the availability of this material to young people stems from their belief that it tends to destroy the moral fiber of our youngsters through the establishment of false moral standards. They recommended the preparation of a publication on this subject outlining the seriousness of the situation with suggestions as to action that can be taken by parents and communities to safeguard their youth from such material.

Community support must be mobilized behind our efforts to safeguard the youth of our land from the dealers of smut and filth. I am glad to see that since our Subcommittee on Postal Operations began public hearings on this subject on April 23, there has been a public awakening to the seriousness of this problem. At the present time our subcommittee is in the process of preparing a report which will include a suggested program of action to be followed at the national, State, and local levels.

Mr. CUNNINGHAM. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM. I just wanted to say that I join in what the gentlewoman has said. The gentlewoman now in the well is the chairman of our subcommittee, of which I am the ranking minority member. I think no one appreciates as much as I do the tremendous job that she has done during this recent series of hearings. I certainly share in the statement that she has made but point out to the Members that there is a lot of work to be done in the legislative field, and I do hope that all of the Members of the House will assist us in passing the needed legislation.

Mr. Speaker, may I say how much I have enjoyed working with the gentlewoman from Pennsylvania, who is most sincere and dedicated in her work as chairman of the Postal Operations Subcommittee. She has been a most gracious and cooperative chairman and the work of this subcommittee reflects her excellent leadership.

Mr. Speaker, I wish it were possible for every Member to sit with this subcommittee and hear the expert witnesses who testify as to the terrible effects of the distribution of obscene material on the youth of the country. These dealers in smut are vicious men who are more and more aiming their material at children, trying—like the dope peddler—to snare children to the habit of pornography so that as they grow up they will be constant customers.

J. Edgar Hoover of the FBI has said repeatedly that these dealers are aiming their material at teenagers not only in the slum and rundown areas, but in every suburb, too. No more can parents assume that because they live in a "good" neighboorhood their children cannot be subjected to the filthy message of these dealers in smut. These peddlers work from their cars all across the Nation and in every town and city, first giving away some samples of their trash and then—having awakened a teenager's curiosity—returning to sell the material from time to time.

Children as young as 8 and 10 years old have been the recipients of samples of filthy literature, as a result of sending in for some stamps or other trinkets. The names of these children who write for stamps, airplane models, and other such things are put on the mailing list for these dealers. Then these small children receive advertisements for pictures of scantily clad women or for much more objectionable material.

Because these dealers are having some success in this vicious campaign aimed at children, it is vital that we have the cooperation of all parents in our efforts to stamp out these dealers. Parents who discover that their children have received such an advertisement through the mail should immediately contact the local postmaster. Be sure to save the material and the envelope for the postal authorities and be ready to appear in court as a witness for the Government if necessary.

When it can be established that obscene material is being sent or offered through the mail, the Post Office Department has the authority to impose a ban on incoming mail to such a dealer. This ban—which now is effective for 20 days—allows the Department to cut off orders and revenue for the dealers. Under the terms of bills introduced by the gentlewoman from Pennsylvania [Mrs. GRANAHAN] and myself the Post Office Department would be allowed to extend this "interim impounding order" from 20 to 45 days in order to be able to cut off orders and revenues from these dealers for a more effective period. Other provisions of the bills—H.R. 7379 and H.R. 7416—will give the Department additional tools in its fight through use of the interim impounding order.

This legislation has been strongly endorsed by John Cornelius Hayes, dean of the Law School, Loyola University, Chicago, and president-elect of the National Council of Catholic Men. Mr. Hayes reported to our subcommittee on a recent symposium in celebration of the 50th anniversary of Loyola's Law School. The topic of the symposium was, "The Case for Government Control of Obscene Publications," and as I said during the hearings, it was one of the most serious types of discussion of this problem of obscene material.

I would also call the attention of the House to an earlier bill I introduced this year, one that has received the endorsement of local and Federal officials, postal groups, and church and school leaders. That bill, H.R. 3967, would require a mandatory prison sentence for those persons who are convicted of second and succeeding offenses of Federal antiobscenity statutes. This may seem to some like harsh treatment, yet it merely faces the facts of the situation, where some of these dealers make hundreds of thousands of dollars a year. What is a fine of $5,000 or $10,000 to these men? It is merely part of the "cost of doing business." A prison sentence, now only optional, would put them out of business.

A similar bill has been introduced in the other body by Senator WILEY, of Wisconsin.

This problem of control of obscene material, while one in which the Federal Government has an active and rightful part, is not one that can be ended through passing of laws by Congress nor solely by postal and other Federal authorities.

It must have effective action by States and cities, and all adults, both as parents and as members of church and school groups, must see that their children are brought up to reject this filth, at the same time fighting to keep it from being distributed.

Mrs. GRANAHAN. I thank the gentleman from Nebraska and I know the membership will benefit by the work he is doing on the committee.

Mrs. ST. GEORGE. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I shall be delighted to yield.

Mrs. ST. GEORGE. Mr. Speaker, I also want to add my comments to the very splendid statement that the gentlewoman from Pennsylvania has made and

also for the very fine leadership that she has given this subcommittee on which I have the honor to serve. This is something that many of us have had in our minds for years, but the gentlewoman fortunately has come at a time when the people are aroused and when her leadership can really bear fruit. A lot of people have hidden behind the disguise of freedom of the press. This, Mr. Speaker, is, of course, utterly and completely absurd.

Freedom is not license. Freedom is not something to promote vice here in this country or anywhere else in the world. I know that the gentlewoman will agree with me that no one should be permitted to go into a crowded hall and scream "Fire." That would be exactly the same as to say that anyone has the right to use the mails to send pornographic literature, pictures, and other material, to young people under the age of 21 or even 18. I know the gentlewoman has seriously considered the impact of all this in causing juvenile delinquency, something that every woman and every mother in the country must abhor.

Mr. Speaker, I am indeed happy that one of the distinguished women in this Congress is taking the leadership in this campaign. I sincerely hope and I also believe that all Members of Congress are going to sustain her hand in this matter, that they will follow her leadership, and that in a short time we will have the necessary legislation to continue the work that has been so well begun.

Mrs. GRANAHAN. Mr. Speaker, I thank the gentlewoman for a very fine statement and for her very complimentary remarks. But I could not do the work without the help of people like herself.

Mr. RHODES of Pennsylvania. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Speaker, I want to commend the gentlewoman from Pennsylvania, my colleague, on a very fine statement.

Mr. ROGERS of Florida. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Mr. Speaker, I want to join the other Members in the remarks they made in commending the gentlewoman from Pennsylvania for the very fine job she has done as chairman of this subcommittee. The entire membership of the House has been waiting with a great deal of anticipation the results of her committee's work, because we are all vitally interested and our people at home are all vitally interested in this subject. We are very delighted to see the results that the gentlewoman has secured through her subcommittee and I am sure the House will stand behind her in the fine recommendations that will come from that subcommittee.

Mrs. GRANAHAN. I thank the gentleman from Florida.

Mr. SHIPLEY. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Illinois.

Mr. SHIPLEY. Mr. Speaker, I would like to say that I am very proud, as a freshman Member of Congress, to be able to serve on the gentlewoman's committee. I think the gentlewoman and her committee have done a wonderful job. They have done a tremendous amount of research that is of interest to the membership, not only information from the Post Office Department but from various church organizations. I know that the chairman has spent many hours of her own time on research. The committee hearings have been very educational, especially to me as I have been involved in this sort of literature for some 8 years in the course of my work as a county law enforcement officer, so it was very opportune for me to serve on this committee. I personally know many cases where we have picked up boys and girls for some minor crimes and even some very serious crimes, and in many of these cases this so-called smut, the obscene literature that has been and is being mailed, was a contributing cause of these crimes.

I think this is a big challenge to the chairman of this subcommittee, and I think she has done a wonderful job. I hope she will continue to have in the future the energy she has exhibited in the past.

Mrs. GRANAHAN. I thank the gentleman from Illinois.

Mr. WOLF. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman.

Mr. WOLF. Mr. Speaker, I would like to say that I have enjoyed the gentlewoman's statement and I am thrilled with the work she has done. As she knows, I feel very strongly that we need legislation along the lines of that which she has proposed. I shall certainly support it. In discharging their responsibility of protecting the minds of their youngsters from the corruption being peddled by the unscrupulous, the mothers and fathers of this country need the kind of support which the lady from Pennsylvania is lending to this problem. I think the gentlewoman is doing fine work and, as I have said, I am happy to cooperate with her in it.

Mrs. GRANAHAN. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks, and that all other members of the subcommittee who so desire may extend their remarks in the RECORD on this subject.

The SPEAKER pro tempore (Mr. THORNBERRY). Without objection, it is so ordered.

There was no objection.

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. WALLHAUSER] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WALLHAUSER. Mr. Speaker, under the distinguished leadership of my eminent colleague from Pennsylvania, the Honorable KATHRYN E. GRANAHAN, it has been my privilege to associate myself with the efforts of the Subcommittee on Postal Operations of the Committee on Post Office and Civil Service in its fight against pornography and obscene literature that is sent through the mails.

The evidence that has developed before our committee is overwhelming in pointing out that a fair portion of our juvenile delinquency can be directly traced to this filthy business, and testimony has also given clear indication that the fathers and mothers of our youth, and all decent American citizens, are thoroughly aroused at the menace of this nefarious business.

I believe that I fairly state our position when I say that all of us believe in individual liberty and individual rights, but I do not believe that this right takes precedence over the rights of the majority, especially when there is grave question as to the reason for demanding the right.

I also firmly take the position that, while there should be no censorship of the right to enjoy that which one seeks to enjoy, nevertheless there is a right on the part of parents to censor that which is injurious to their children and to the morals of all of our youth. We all acknowledge that art is a beautiful form of human expression and adds to our cultural lives, but there is, in my opinion, a distinct dividing line between art and obscene portraits, photographs, and other expressions of smut.

It is my sincere hope that every Member of this great body will join in the crusade to put the necessary teeth into our public laws to properly bring to account those who seek to undermine the future of our Nation by twisting the minds of our future American citizens. I also hope that the citizens in each local community will press for passage of State and local ordinances which will serve to strengthen the overall effort to curb these racketeers.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. OLIVER. Mr. Speaker, the gentle lady from Pennsylvania has done a most constructive job in calling to the attention of America the insidiousness of the current volume of pornographic material now passing through the U.S. mails.

Although I was not a member of the committee during the recent hearings over which you so ably presided, I have read the record and I fully appreciate the great service which is being rendered to the parents of our Nation by your energetic action and determination to stem this flood of vicious, lascivious and lewd material.

Now, that I am a member of your subcommittee on postal operations, you may depend upon my wholehearted assistance to reach the objective, so urgently needed.

It is my understanding that this un-American activity has reached the staggering total of $500 million in terms of

dollars and cents. However, the deteriorating impact of this sly, slick, and salacious material upon our youth cannot be estimated in monetary terms.

The fears of parents in my State and congressional district will only be lessened when our subcommittee and this House follow through the action which you have initiated. More severe penalties and jurisdiction of a wider scope must be legislated as additional weapons for our law-enforcing agencies with which the war against this deadly menace may be fought successfully.

Again, let me offer my support, without any reservation, to help to the best of my ability in our fight, Madam Chairman, against this evil thing.

SUBCOMMITTEE ON HEALTH AND SAFETY

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health and Safety of the Committee on Interstate and Foreign Commerce may have permission to sit today while the House is in session.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

INCREASING THE DEBT LIMIT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 30 minutes.

Mr. PUCINSKI. Mr. Speaker, within the last few days, two very important stories have appeared in the press which I should like to call to the attention of this body. One appeared in the Chicago Tribune on June 3 and the other in the Wall Street Journal also on June 3. The Chicago Tribune article discloses the fact that a conference was held in the White House last Monday, at which the President discussed plans to raise the statutory limit on Government bond interest rates and also the need for a higher national debt ceiling. The Wall Street Journal story discloses in detail the effect that stiffer interest rates will have on the economy of our Nation.

At the conclusion of my remarks, I shall enclose both of these stories with my statement.

I would be remiss if I did not point out my great concern and deep shock that the President and his advisers are prepared to suggest an increase in interest rates without even putting up a fight. There is no question in my mind that no single factor can have a greater effect on America's No. 1 problem, inflation, than the increase of interest rates on Federal bonds. I strongly disagree with the President's contention that his apparent decision to raise the interest rates is actually an anti-inflationary move.

I lay no claim to being an economist, but I do know this: we could actually be observing the beginning of the end of our free enterprise system if we permit these runaway interest rates to continue going upward.

I will leave to the experts a thorough analysis of this subject; but in my humble opinion, the moment this Congress approves an increase in Federal interest rates now pegged at 4¼ percent on marketable securities due in more than 5 years, we will touch off a chain reaction that could very well drive thousands of small businessmen completely out of business in this country.

I earnestly hope that the President will rise to this occasion and marshal the financial forces of this entire Nation to recognize the consequences of this proposed increase in interest rates.

I sincerely hope that the President will call as quickly as possible a conference of financial leaders of this country and explain to them the devastating effect this increase can have on every single American in our Nation.

It goes without saying that if the Government will raise the interest rate on its long-term bonds to 5¼ percent, as it has been rumored that the proposal will be, every single American who needs to resort to some form of credit will have to pay even higher interest rates than he is paying now to conventional lending institutions.

The thousands upon thousands of people who are hoping to buy a home within the next few years will be driven out of the market simply because they will not be able to meet the increased cost of financing their mortgages.

The businessmen and industrialists who have to rely on either short-term or long-term credit will find it more difficult to obtain such credit without paying higher interest rates. Any way you want to cut this up, every time a businessman has to pay more money to borrow the funds he needs for his business, he must reflect the cost of that increase in the ultimate selling price to the consumer.

The President has spoken out sharply against inflation. Every day on the floor of this House we hear Members on both sides of the aisle expressing deep concern over this gigantic problem of inflation. Every bill that is debated in this House is met by those spokesmen who warn that Government spending is inflationary. And yet here, through this expedient of raising the interest rate on Government bonds, we are being asked in one fell swoop to disrupt the entire structure of our economy.

Gentlemen, it is not my habit to either exaggerate or become panicky. But I can think of nothing that will be more devastating to the economy of this country than if we permit this proposed increase to go through.

This is perhaps one of the most perilous moments in our history, and I sincerely hope that the President will show the same kind of vigor in fighting this proposed increase that he has demonstrated in the role he has taken regarding present negotiations in the steel industry. I hope he will show the same kind of determination to block this unwarranted raid on the American taxpayers through higher interest rates that he has shown in trying to defend his foreign aid program. I am convinced that while there is no question or doubt that the Treasury Department is experiencing great difficulty in selling Government bonds under the present interest structure, the President is just not being told of the full consequences his proposal would have on the economy of the Nation.

The time has come when the financial interests of America will have to recognize that if we are to preserve our system of free enterprise; our system of profits in a free economy; our entire standard of living in a world that is virtually totally being swept by either communistic or socialistic philosophies, these financial interests will have to assume the leadership in holding the line. What good will it do our private institutions to earn higher earnings on their investments when these increases in earnings could well lead to the complete breakdown of our free economy.

The President has implored the American workingmen to forsake their demands for increased salaries. I am most anxious that he use the same vigor in persuading the financial interests of America to use moderation in their efforts for higher profits on their investments.

I have stated repeatedly that the unbridled and runaway interest rates in America are one of the underlying causes for our present inflation.

Every American is aware of the $285 billion present national debt and the fact that this Nation is now paying in excess of $8 billion interest on this debt, but how many Americans know that American business and industry today is in debt to the tune of $284 billion? Every time a businessman must go out to borrow money for inventories or plant modernization, the high interest which he pays on the money he borrows must be reflected in the ultimate cost of the product he sells to the consumer.

American consumers, people like you and me, are in debt for a total of $238 billion. This includes money owed on consumer goods—automobiles, furniture, appliances—on home mortgages, farm mortgages, and personal loans. Here, too, large amounts must be paid in interest alone.

Finally, American municipalities, the villages, the cities, and the States of this Nation, have a debt totaling $60 billion; and they, too, are paying interest, which is reflected in our local tax bills.

The four categories which I just mentioned total $867 billion that this Nation is collectively in debt. If you were to compute the interest on all of these debts, you would find that the people of this entire Nation, including the businessmen and industrialists, now are paying billions of dollars every year for some form of interest. I am sure you will find the basis for inflation to a great extent lies in this figure because these interest rates must be reflected in the ultimate price of every item sold or produced in America.

We know that in a free economy such as we have in America both Federal price controls and restrictions on credit buying have been tragic failures in the past. When the Government tried to impose regulations which required a higher downpayment on the purchase of a car, so-called credit curbs, the automobile industry virtually went out of

business. It stands to reason, therefore, that renewing price controls or credit curbs is not the answer. Any attempt to curb credit could seriously affect American industrial production and probably lead to increased unemployment.

It is obvious to me, then, that no greater responsibility confronts the President today than to suggest an adequate solution to these vast problems. Arbitrarily raising the interest rate, I submit, is not the answer. On the contrary, such a suggestion could very well lead to our total destruction simply because within the next 2 years the Treasury Department will have to refinance $134 billion worth of Government bonds; $76 billion must be refinanced this year alone. If we have to add the increased interest rate to this $134 billion alone, I will leave to your vivid imagination the impact it will have on our entire Federal budget.

I should like to call your attention to the closing paragraph of the Wall Street Journal article which I quote:

When Mr. Eisenhower came into office in January 1953, one of his major financial aims was to tidy up the debt—to lengthen out maturities, for example, and to place more of the debt in nonbank hands. Candidate Eisenhower emphasized his debt aims during his 1952 campaign, including the debt problem in his summation of "the mess in Washington."

On June 30, 1953, a few months after Ike took office, the total debt stood at $226 billion. The average maturity of the marketable debt was 5 years and 4 months. Of the total $65.3 billion was to mature within 1 year. An additional $36.2 billion was to mature in 1 to 5 years.

On June 30 of this year, the debt is expected to total $285 billion. The average maturity of the marketable debt is now 4 years and 8 months, or 8 months shorter than when Mr. Eisenhower took over—and the Treasury is fighting to hold it there. Of the $285 billion, $76 billion will mature within 1 year. An additional $58.2 billion will come due in 1 to 5 years.

I say that it is now up to the President to make good his pledge made in 1952.

Finally, gentlemen, let me reduce this complicated language of high interest rates right down to the level of an average constituent in an average district.

I am told by the automobile industry that today 95 percent of the people in America buy their automobiles on time payments. Of this number, 85 percent find it necessary to finance their cars over a 3-year period. Now, the average man who buys an automobile costing $3,000 gets about $1,000 for his old car on trade-in; leaving him with a $2,000 mortgage pro-rated over a 36-month period. This man has to pay $511 on the average in interest rates for the cost of financing that car and, therefore, the price of that car is not $3,000, but actually $3,511.

If the Government is going to pay a higher interest rate on its own bonds, it follows then that in order to attract money for private financing throughout this country, the interest rates will have to go substantially above those being offered by the Government; and I can see the day when the average American who wants to buy a car under the circumstances which I described will have to pay more than he is already paying in interest rates. This could conceivably drive a lot of people out of the new car market.

You can apply this same example to any facet of our economy, and that is why I so strongly urge that the President summon the top financial interests of this country immediately and see if some voluntary plans can be worked out to help this Nation survive economically in a very troubled world.

[From the Chicago Daily Tribune, June 3, 1959]

BOND INTEREST BOOST SECRET PARLEY'S TOPIC—IKE PROPOSES TO LIFT 4¼ PERCENT LIMIT

(By Robert Young)

WASHINGTON, June 2.—Senate Republican Leader DIRKSEN, of Illinois, disclosed Tuesday that President Eisenhower and Secretary of the Treasury Robert B. Anderson met with congressional leaders of both parties at a secret White House conference Monday night. The purpose was to discuss what the administration considers the "urgent" need to raise the statutory limit on Government bond interest rates.

A higher national debt ceiling also was taken up at the unannounced meeting.

FOUR AND ONE-QUARTER PERCENT LIMIT

DIRKSEN told reporters that Anderson put the need for congressional action to boost interest rates and the debt ceiling in the urgent category. The Senator related that a "high" House Democrat, whom he did not identify, assured the Treasury Secretary that "when there's a need, there's a responsibility of Congress to examine it and meet the need."

Under the present law, interest on long-term Federal Government bonds is limited to 4¼ percent, a maximum which has been in effect since 1918. The maximum interest rate on savings bonds has been fixed at 3¼ percent since April 1957.

The Treasury is beset with the debt management problem of trying to sell long-term bonds with a top interest coupon of 4¼ percent at a time when interest rates on other borrowings have been rising sharply.

LENDERS CAN GET MORE

Treasury officials said Tuesday it is now impossible to sell long-term Government bonds on the open market at 4¼ percent because investors can obtain a higher return on their money elsewhere. They said that unless Congress boosts the interest ceiling, Government bonds cannot compete with the securities of private corporations and State and municipal governments for investment dollars.

Savings bond sales also have been slumping in recent weeks for the same reason, the officials noted.

The Treasury has been attempting to lengthen the maturities of the national debt. This cannot be done by selling short-term securities.

BOOST TO 295 BILLION

The national debt now is $286 billion—highest in American history in war or peace. The present permanent statutory debt ceiling is $283 billion, to which Congress last year added a temporary increase of $5 billion. This temporary boost is scheduled to expire June 30.

In his budget message last January, the President asked Congress for a permanent debt limit of $285 billion, plus another temporary increase sufficient to cover anticipated heavy borrowings. The administration reportedly soon will ask Congress for the higher permanent ceiling and a temporary increase of as much as $10 billion.

Monday night's White House financial conference was unannounced and kept secret, DIRKSEN said, because it involved delicate matters which could affect the bond market. DIRKSEN said the meeting lasted about an hour. Other participants said Anderson outlined the difficulty the Treasury is having selling long term bonds under the present interest rate ceiling and the need for a substantial increase in the debt limit.

Those present at the White House besides DIRKSEN were Senate Democratic Leader LYNDON B. JOHNSON (Texas), Speaker SAM RAYBURN (Texas); House Republican Leader CHARLES A. HALLECK (Indiana); Senator HARRY F. BYRD (Democrat, Virginia), chairman of the Senate Finance Committee; Senator JOHN J. WILLIAMS (Delaware), ranking Republican on the committee; Representative WILBUR D. MILLS (Democrat, Arkansas), chairman of the House Ways and Means Committee; and Representative RICHARD M. SIMPSON (Pennsylvania), ranking Republican on the committee.

JOHNSON declined to talk about the secret meeting. He told reporters he felt that to do so would violate a confidence.

James C. Hagerty, White House press secretary, first confirmed reports that the President had met with the congressional leaders to discuss what Hagerty said was a higher national debt ceiling and related financial matters.

DIRKSEN, who attended the regular weekly meeting of Republican congressional leaders with Mr. Eisenhower on Tuesday morning, disclosed some details of the Monday night conference.

TWO SAY THEY'LL FIGHT IT

Representative WRIGHT PATMAN (Democrat, Texas), a severe critic of administration monetary policies, said he would oppose any move to raise the interest rate on Government bonds.

Senator ALBERT GORE (Democrat, Tennessee), a member of the Senate Finance Committee, also announced he would oppose this inflationary spiral of interest rates.

[From the Wall Street Journal, June 3, 1959]

STIFFER INTEREST RATES—CRASH PROGRAM TO JUGGLE U.S. DEBT MAY HAVE IMPACT ON ALL BUSINESS—LIFTING CEILINGS ON FEDERAL BONDS MAY MAKE PRIVATE BORROWING MORE COSTLY—SWITCH AWAY FROM STOCKS?

(By Alan L. Otten and John A. Grimes)

WASHINGTON.—The Eisenhower administration is putting together an urgent program designed to help solve Uncle Sam's mounting dept problem by allowing the Treasury to pay higher interest rates on Government securities.

These proposals, which would be of broad significance to the general economy, may go to Congress this week. They would:

Eliminate, or at least increase, the 4¼-percent interest rate ceiling on marketable securities due in more than 5 years.

Remove, or at least raise, the 3¼ percent ceiling on Treasury savings bond interest rates.

Raise the debt ceiling itself to $290 billion or $295 billion. Under present law the debt limit drops on June 30 to $283 billion from the existing temporary limit of $288 billion.

TIGHT MONEY DEBATE

President Eisenhower's request, if current thinking is followed through, would intensify the congressional debate on what Democrats call the Government tight money policy. But the best judgment in Congress yesterday was that, after all the shouting, the legislators will go along with some increase in the interest rate ceilings.

High officials insisted that no final decision has been reached on asking Congress for more leeway in fixing interest rates. But congressional leaders, after a secret White House meeting Monday night, agreed there

was no doubt the administration, finally, has just about decided to ask Congress for higher interest rate limits.

If Congress approves and the Treasury then boosts the interest rates it offers on its securities, the impact could be broad:

Businessmen almost certainly would face higher bond borrowing costs; the Treasury competes directly with them for funds.

As interest rates rose on Treasury and corporate bonds, a growing number of investors might switch funds from the booming stock market into bonds.

Higher savings bond interest rates could stimulate lagging sales of these securities and perhaps induce banks and savings and loan associations to offer higher rates to savers.

Payment of higher interest rates would boost the Treasury's debt management costs, already a sizable budget item.

If the Treasury steps up sales of long-term securities, this action, like higher sales of savings bonds, would aid the administration's fight against inflation.

MORE LONG-TERM BONDS?

The administration's concern over inflation is one factor that is pushing it toward asking for higher interest rate ceilings. With higher ceilings, Treasury officials believe they would be able to sell substantial amounts of long-term securities to nonbank investors. In recent months, the Treasury has been relying chiefly on short-term issues, which are purchased largely by commercial banks.

When a nonbank investor buys a Government security, he pays for it by taking funds from his bank; the total money supply is unchanged. When a bank buys a U.S. security, it pays for it by setting up an account on its books for the Treasury. As the Treasury draws checks on this account to pay for goods and services, the money supply grows. If the money supply grows faster than the supply of available goods and services, the result is inflation.

Sales of more long-term securities also would benefit the Treasury in a highly practical way. As the average maturity of the debt increased, the Treasury would have to make fewer trips to the market to refinance existing securities. It also would have more control over the timing of new issues; with maturities spread further apart, the Treasury would find it easier to step into the market to refinance an issue in advance if it decided market conditions were favorable. The whole debt management job would be simplified.

COMPETITIVE FACTORS

The Treasury in recent months has had difficulty selling long-term securities for two reasons: Investors' worry over inflation and growing competition from stocks and corporate bonds. For example, underwriters today are offering to the public $50 million of Public Service Electric & Gas Co. 30-year bonds at a price to yield the investor 5 percent—well above the top yield available on Treasury bonds.

Many private investors have been buying stocks heavily in preference to either corporate or Government bonds. Such investors reason that inflation would push up the prices of stocks along with the value of all other property.

With business recovering the Treasury faces the prospect of increasing private competition for the lender's dollar. The Treasury also is running into growing competition from State and local borrowing on securities whose interest is free of Federal taxes. Interest on U.S. Government securities, of course, is taxed both by States and by Uncle Sam himself. Still another potent competitor for Treasury bonds is the Government-backed housing mortgage, which yields 5 percent or better.

If the Treasury offers long-term bonds at higher interest rates, the first result would be a drop in prices of existing Treasury bonds and a resulting rise in yields on such securities. "If the Treasury offers a 4½-percent long-term bond—and they'd have to offer at least that much to find many buyers—prices of other Treasury issues would fall by 2 to 4 points," predicts one New York City bond dealer.

"If the Treasury offers higher rates, businessmen will have no choice—they'll have to boost their rates if they want to sell any bonds," says a New York City banker.

"If the Treasury gets the authority, it will use it," says a New York bond market specialist. "I foresee a 4½-percent Government issue, and that will tend to boost yields throughout the bond market."

The competition between Government bonds and corporate bonds is direct. A rise in yields on Treasury bonds would induce many investors to buy such securities in preference to corporate bonds—unless there was a corresponding rise in yields on the corporate issues.

The competition between stocks and bonds is less direct, especially in a period such as the present when inflation fears are a major factor. But it is nonetheless present.

The stock market declined sharply yesterday on the news that the Government's interest ceilings might be lifted. The Dow-Jones industrial average fell 6.06 points from the previous close to 637.45. Brokers theorized that the selling pressure that pushed prices down yesterday came from investors and traders who were speculating on the impact of a boost in Government bond interest rates. According to the brokers, the investors and traders figure that higher Treasury interest rates would lead many investors to switch from stocks into bonds and thus put downward pressure on stock prices.

HIGHER YIELDS IN BONDS

Treasury bonds already offer higher yields than many common stocks. The most recent calculation showed that the 30 stocks comprising the Dow-Jones industrial average were selling to yield an average of about 3.14 percent, compared with the yield of well over 4 percent available on existing longer term Government bonds.

Before the Government offers long-term marketable bonds at higher interest rates, it should first boost the interest rate on savings bonds, many New York City bankers say. "The savings bond structure, which is very important to the economy, is teetering," says one banker. "If all that money slips away, what does the Treasury do then?"

Savings bonds outstanding at the end of April totaled $50.8 billion, down $1.4 billion from a year earlier. Savings bond redemptions for some time have been exceeding sales as individuals have found more profitable ways to invest their savings.

Many savings and loan associations are offering 3½ percent and more to savers, compared with the 3¼ percent rate on savings bonds. "If the Treasury boosted the savings bond rate," says one New York banker, "it could put some pressure on savings and loan associations and banks to boost their rates, too."

CUTTING THE DEBT

In addition to considering higher Treasury interest rates, President Eisenhower and his subordinates are thinking more and more of using any Treasury surplus to reduce the mammoth debt rather than to provide tax relief. To a lesser extent, this same sort of sentiment shift is discernible in the House and Senate.

The switch to debt reduction can be gleaned between the lines of public pronouncements of Treasury Secretary Anderson, Budget Director Stans, and by Mr. Eisenhower himself. Just recently Mr. Stans raised the question, "When will we ever begin to reduce our $285 billion public debt if it isn't done in these prosperous times?"

To a large extent, the debt program explains the administration's drive to balance the budget for the fiscal year that starts next July 1. And to some extent, it also accounts for the slowdown in Congress of Democratic determination to force the President to spend more than he wants to spend. Continued budget deficits would add to the Treasury's already heavy chores of refinancing present issues as they fall due.

The Treasury's idea of asking for a higher interest rate ceiling on marketable securities in itself indicates Mr. Anderson would like to begin selling long-term bonds again. But officials insisted yesterday that, even with complete freedom, they'd have no idea of a wholesale switch into long-term securities. And the Treasury, like any other borrower, likes to get its money as cheaply as possible. Interest rates on short-term securities are well below those on longer issues.

"We'll look largely at the short-term area for the next few months," remarks one Treasury official.

BEHIND THE PROPOSALS

A look at the Treasury's debt predicament explains the urgency behind the legislative proposals now being prepared. In calendar 1958 the Government had to borrow $19 billion in cash, in addition to issuing $50 billion of new marketable securities in exchange for maturing debt, excluding the regular weekly bill sales. Of this $69 billion, only $2.9 billion went into long-term bonds. So far this year the Treasury has borrowed $14 billion in cash, in addition to $14.1 billion to replace old securities. Of this $28.1 billion, only $1.5 billion has gone into long-term securities.

For the rest of this calendar year alone, the Treasury will have to morrow an estimated $10 billion just to bridge the gap between current expenses and tax revenues. In addition, about $29 billion—again excluding Treasury bills—comes due and has to be either paid off or refinanced.

Financial authorities, both in and out of the Government, agree the Treasury would be unable to borrow this kind of money without sticking largely to short-term securities.

When Mr. Eisenhower came into office in January 1953, one of his major financial aims was to tidy up the debt—to lengthen out maturities, for example, and to place more of the debt in nonbank hands. Candidate Eisenhower emphasized his debt aims during his 1952 campaign, including the debt problem in his summation of "the mess in Washington."

On June 30, 1953, a few months after Ike took office, the total debt stood at $226 billion. The average maturity of the marketable debt was 5 years and 4 months. Of the total $65.3 billion was to mature within 1 year. An additional $36.2 billion was to mature in 1 to 5 years.

On June 30 of this year, the debt is expected to total $285 billion. The average maturity of the marketable debt is now 4 years and 8 months, or 8 months shorter than when Mr. Eisenhower took over—and the Treasury is fighting to hold it there. Of the $285 billion, $76 billion will mature within 1 year. An additional $58.2 billion will come due in 1 to 5 years.

The Treasury insists it hasn't slipped backward quite so much when it comes to bank versus nonbank financing. On June 30, 1953, commercial banks held $58.8 billion, or 22 percent of the $266 billion. As of February 28, 1959, commercial banks held $66 billion of the outstanding total of $285.2 billion, or 24 percent.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I congratulate the gentleman on calling the attention of the House to this very significant fact that we will be asked in the very near future to raise interest rates. The gentleman has completely described the impact that higher interest rates will have on the Federal Government, State governments, taxpayers generally, the citizens generally, small business, and farmers.

I would like to ask the gentleman to call to the attention of the House also the fact that we will shortly have a bill before us changing the powers of the Federal Reserve. That is on the House Calendar at this time. That bill will have the effect of reducing the powers of the Federal Reserve and it seems to me there should be added to the gentleman's remarks the suggestion that the President call the Federal Reserve into consultation, because it is in the power of the Federal Reserve to sustain the Government bond market without raising interest rates, and if the Federal Reserve is going to continue to operate without regard to the impact of its actions upon the economy, the Congress will be put in the very embarrassing position of having to give the Treasury power which is in fact unnecessary.

I commend the gentleman for his statement, and I invite his support in connection with the bill S. 20 when it comes before the House for consideration.

Mr. PUCINSKI. I thank the gentleman.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. First, I should like to commend the gentleman for his statement. I share his concern for the economy of our country; however, I do not share the analysis that he apparently has placed upon the problem. I believe that the President has been somewhat forced into the position he is in in asking the Congress to increase the interest rate. I believe he has been forced into that position because of the policies the Government has established through the Congress. Over the past 6 weeks, I have been doing research on the question of inflation that has been bothering me some too, and I shall in the near future take the floor to discuss the subject rather thoroughly.

I am aware of the fact as I study this proposition that the real causes for inflation have been in Congress by adding to the deficit plan of financing that has been going on in Government for so long a period of time. I wonder if the gentleman would have any idea what the interest rates might have been had we adopted a policy of maintaining a balanced budget year after year and insisted on a balanced budget in the Congress; that when we voted increases in appropriations we would vote taxes to meet those appropriations. Does the gentleman think our interest rates would be as high as they are now or would there be a need for considering this subject at the present time had we adopted a policy of having a balanced budget in peacetime?

Mr. PUCINSKI. I yield to no one in my strong desire, and I think it is the strong desire of every Member on this side of the House, to come out with a balanced budget. I think the record will show, as has been so eloquently stated on previous occasions by the majority leader of the House, that this Congress has on many occasions cut down the Federal budget.

Mr. SCHWENGEL. I am talking about previous Congresses. This deficit financing policy has more or less been forced on this administration. If we had been big enough to tax when we were voting appropriations back 5 or 6 years ago, would we be confronted with this proposition now?

Mr. PUCINSKI. I think it would be inappropriate for me to comment on previous Congresses; but as a Member of this Congress I have been doing everything to see that we come out with a balanced budget. There may be a shifting around between the Congress and the President but I think the end result is that we are going to come pretty close to a balanced budget. That is my sincere hope anyway.

Mr. SCHWENGEL. A balanced budget would be a very desirable thing, in my opinion.

Mr. PUCINSKI. I do not think there is a Member of this House who will disagree with that.

I wish to add my hearty endorsement to what has been said by the gentlewoman from Pennsylvania [Mrs. GRANAHAN] and the gentleman from New Jersey [Mr. WALLHAUSER].

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Iowa.

Mr. WOLF. Mr. Speaker, I was pleased to listen to the delightful colloquy between the distinguished gentleman from Illinois [Mr. PUCINSKI] and my friend the gentleman from Iowa [Mr. SCHWENGEL]. If the gentleman has finished, I would like to say that I am happy the gentleman from Illinois has taken the floor on this vital subject affecting interest rates, which is a matter that affects us all. I was shocked today to discover that this year we will have an additional $500 million added to the bill as interest. I think it is men like the gentleman from Illinois, constantly bringing this matter to our attention on the floor and discussing it in the open, that will eventually produce results by discussing this vital problem. I am happy to associate myself with the remarks of the gentleman from Illinois.

Mr. PUCINSKI. I thank the gentleman from Iowa.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Minnesota.

Mr. NELSEN. I want to compliment the gentleman for his part in the discussion relative to his concern over the interest rates and the public debt. I was checking on my desk this morning the report of the Committee on Appropriations for the previous Congress, and I found that the requests for appropriations were reduced by the Congress. I then found on the bottom of the page a tabulation of the so-called authorizations, or what has now become known as back-door financing, and there I found the requests for back-door financing had been increased by over $2 billion. We cut a few million out of appropriations, and then we add on by the back-door method of financing billions of dollars. Now, I am not an expert on financing but I do know this, if we spend more than we take in, we are in trouble. All of these things have a direct relationship, and if we husband our finances in a manner that is not sound, we are going to run into difficulties, and that directly ties in with the money we spend. Now, as to the economics of it, I find that my neighbor back home on that little 80-acre farm evidences more knowledge of economics than some of us who represent them in the Congress of the United States. Spending has direct relationship to our total fiscal picture which includes cost of money.

I do not want my remarks to be construed as being in support of higher interest, but I am desirous of calling attention to the fact that the things we do, have a direct relationship to the fact that interest rates are higher and inflation continues to be more and more of a problem.

I called attention in my remarks that I was not an expert, but we have some very distinguished Congressmen whom I regard to be men of good judgment, and I am referring to the gentleman from Virginia [Mr. SMITH] who, in his speech on the floor on May 19 with reference to our bond market and national debt, made these observations, which I will include with my remarks:

Heretofore for generations the soundest securities in the world markets have been the bonds of the United States. Do you know what happened to them in the last few weeks? I am going to tell you, and the figures I am going to give you are accurate because I have had them verified. To begin with, last year we were paying $8 billion approximately every year in interest. That is about one-third of what the national debt was when I came to the Congress. We were paying that much in interest last year. Now what you are going to pay in interest next year is a matter of grave concern. I want to give you the figures of how Government bonds were selling a year ago and how they are selling today, because this bill is going to be a test of whether you want fiscal solvency or whether you are going to go wild. Now, I have seen Members whom I never suspected of entertaining this kind of sentiment get up here in the well of this House during this session of the Congress and demand that we must balance the budget and that we must stop spending. Now this bill is a prelude to the spending spree and if we lose this fight for the solvency of our country, we are going to lose it all the way down the line. Now let us see what happened to your bond market in the last year.

The bonds of a year ago—10-year bonds yielding 2½ percent were selling at 98 to yield 2.70 percent. They sold at 98 a year ago. Do you know what they are selling at today? They are selling at 86 and they are yielding 4.29 percent interest.

In other words, those bonds are yielding interest above the ceiling of 4¼ percent which the Congress has set on the rate of interest the Secretary of the Treasury is permitted to pay.

The bonds of 1963—2½ a year ago sold at 101 and are now selling at 94; 1½s, 1963,

sold at 96 and are now selling at 90; 4 percent bonds of 1969 a year ago sold at 108—today they are selling at 98.

The 3 percents of 1995 a year ago sold at 97 and today they are selling at 83.

There is a drop of about 14 points in a year in your Government securities. Gentlemen, does that mean anything to you? Do you attach any significance to that? Is it a red flag waving at you? Because you know you can appropriate all the money you want to in this Congress, but when the security people who buy these bonds stop buying them, what then? I will plagiarize my old friend, Bob Rich, a former Member and say, when that happens, "Where are you going to get the money" when nobody will buy your bonds? You are confronted with that this morning. You are not confronted with just a housing bill. You are confronted with a great big picture of the solvency of this Nation, the attrition that is taking place in the bonds of your country within the last year. And who did it? We did it. You cannot duck that responsibility. Your people are demanding a balanced budget louder than they have done before in my time, and I am talking about the people back home who want to stop this thing now.

I am going to give you one more example which is the most significant of all and that is what happened last week in your bond market.

A year ago the Treasury put out $1,800 million of certificates of indebtedness; and the interest rate on them was what? It was 1¼ percent on 1-year debentures. Those bonds came due this year, and last week the Treasury offered them to the holders of these same bonds. Do you know what rate of interest the Treasury offered to trade those bonds in for a year—not 10, not 20, not 50—just 1 year? Old Uncle Sam came up with his plug hat in his hand and his stars-and-stripes coattails waving out behind, and he said to the moneylenders: "Please renew my note for a year."

Did he ask them to do it at 1¼ percent? He asked them to do it at 4 percent, and many of them did not do it; 33⅓ percent of those bondholders refused to renew your Uncle Sam's note at over 3 times the rate of interest of 1¼ paid last year.

There may be some folks in here today, I expect there are, who have gone to their banker and asked him to renew their note, and the banker said: "No, you must pay up or else. Some of us know how that feels. How do you reckon the people of the United States feel when the obligations that were bought freely by the public at 1¼ percent just a year ago are now refused and spurned at 4 percent interest?

What are you going to say when the Secretary of the Treasury comes up here as the financial writers and experts freely predict he will within a few months, and says that he cannot sell bonds at 4¼ percent? What are you going to do about it when he requests you to raise the interest rate to 5 percent?

I ask you to consider these things, I ask you to consider them seriously today when you vote on the Herlong amendment, because this is the beginning of the fight for solvency and sanity in this session of Congress; it is the beginning of the time when the 86th Congress is going to make its history, good or bad. You are about to begin the writing of that history. Are you going to make it for sound fiscal policy, or are you going to open the floodgates of inflation that is going to ruin your people?

I just read an article in the Readers' Digest about a 10-cent dollar. That has happened in other countries, and it happened because they did what we are doing: They spent more money than they had, and they kept on spending it until they could not sell their obligations and the public would not buy them.

These remarks were directed to the housing bill and the so-called Herlong amendment, but in my opinion they have a direct relationship and are matters that we as Members of Congress need to face. We cannot in one breath deplore inflation and increased rates, and on the other hand contribute to the cause that brings them about.

I was much impressed by another speech by another Democrat for whom I have a very high regard, Mr. COLMER, of Mississippi, who on March 19 made reference to our debt situation and interest payments, and here is what he said in reference to his visit with the Secretary of the Treasury:

> I ask you, where are we headed?
>
> I was talking with the Secretary of the Treasury, Mr. Anderson, the other day. When I started that conversation I was worried about the future of my grandchildren, but when I got through talking with this man, who knows more about it than I do, I was worried about myself, not about my grandchildren. I am worried as to what the future is going to be in my time if we continue this deficit spending. I would like to see this amendment adopted.

I have watched with a good deal of interest the performance on the floor of the House of Representatives and I believe that we all hope to do the best job possible and I think that we need to approach interest rates, public debt, and inflation from the point of view of the total picture and what we as individuals can do to arrest the dangerous trends and to support the sound ones.

Mr. PUCINSKI. I should like to remind the gentleman that there is no question in my mind but that deficit spending is creating some of these problems. But, I said in my opening remarks that the Treasury Department has to refinance $134 billion of Government bonds within the next 5 years. Now, if we raise the interest rate on these long-term maturities, negotiable, marketable instruments, by 1 percent, just 1 percent, as has been suggested, from the present 4¼ percent to a proposed 5¼ percent, to pay off the interest on our national debt by that one act alone on this $134 billion, we will add $1.34 billion to the national debt.

In other words, we will have to raise $1,340 million additional to pay the interest on the national debt if this proposed increase were to go into effect. I am not an apologist for deficit spending. But let us assume that we take a $3 billion deficit. That comes out to roughly $150 million more. I am in full agreement with the gentleman from Minnesota, but I am not going to be hoodwinked into believing that the panacea for all of our problems is strictly a balanced budget. To me there is a great deal more danger, alarm, and evil in permitting these interest rates to be increased on our Federal bonds than there is in this discussion on the current budget.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I would like to tell the gentleman that during the war years it was my good fortune to be a member of the Budget Bureau staff and we reported out a $100 billion budget, or so, for war purposes. We could not possibly expect to balance that budget out of taxes. We had to borrow some of that money. The Congress was perhaps too timid in voting sufficient taxes during the war years, although they could not possibly have voted as much as the increase in expenditures called for.

So, whether the public debt at the end of the war should have been $150 billion or $280 billion is a matter of conjecture. You cannot go back of history, but my point in calling this history to attention is to note that we were able, with cooperation between the Treasury and the Federal Reserve System, during the war years, to raise the Federal debt from a very small sum to the high figure when the war ended without this tremendous increase in interest rates.

What I am saying is, that we could double, treble, and quadruple the debt within the interest ceiling that was established by Congress in World War I. Now, we are told when the economy is twice the size it was then, when the increases in the public debt with which we deal are relatively trivial compared to the wartime increases in the debt, that these small increases are responsible for the high interest policy being necessary. I say, in view of the record of World War I, World War II, and the postwar period up until 1951 that this is poppycock, this is rubbish, that the gentleman is quite right to say that there is no necessity at the present time for increasing the interest rate. On the contrary, increasing the interest rate is in itself an inflationary force, one which this Congress should resist on both sides of the aisle.

Mr. PUCINSKI. I thank the gentleman from Colorado.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman.

Mr. SCHWENGEL. Mr. Speaker, I agree with what the gentleman has said about the figures. I think they are entirely correct. But I want to point out again that I think that of necessity the President and the administration are forced into this position. I disagree that there is no difference between wartime and peacetime so far as the cost of money is concerned, because in wartimes you just cannot buy the things you want because they are not available. I had to wait 4 years to buy a car. So the money I had for the car could just as well have been and was invested in bonds. I took a lesser interest rate.

Now I am told—and this was by a very able gentleman the other day, here on the floor, a man whom I respect highly, on that side of the aisle—I am told that the people are not buying these bonds and that the only way possible for us to refinance is to raise the interest rate. That is one of the reasons some of us share the concern of the President and many other great authorities in this field, that we need to do something to balance the budget, to bring down the cost of these things. I think therein lies the solution.

I wish there were an answer, I wish we could do exactly what the gentleman is asking us to do. I am sure this administration is going to do everything it can to get money for 3 percent. If it is possible, they will take advantage of it. But if they put up these bonds and nobody buys them, then what happens?

Mr. PUCINSKI. The gentleman will recall in my opening statement I said that I am aware of the difficulty that the Government is experiencing in the sale of its bonds. The gentleman will also recall that the President, without compunction, carried his fight to the people, so that when we propose an omnibus housing bill in this country, which would throw the budget out by $100 million, a housing bill that would extend great benefits and stimulate the economy of the Nation and help sustain the kind of economy that we need to raise the revenues to keep this budget in balance, the President went before the country and denounced that bill and threatened a veto. The President has gone before the country with great vigor, great passion and great conviction and said that we have to spend almost $4 billion on foreign aid. And perhaps I might agree with him. But what I am trying to say here is that before this administration and this Congress and the people of this country are expected to yield to these pressures, the President ought to summon the leaders to the White House, the financial leaders, and tell them of the folly of this move, because this could be more devastating than any single thing we might do in this Congress or any future Congress.

GEN. GEORGE CATLETT MARSHALL, JR.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. BRADEMAS] is recognized for 25 minutes.

Mr. BRADEMAS. Mr. Speaker, I have asked for this time today to pay tribute to one of the greatest living citizens of our country, indeed, one of the greatest men our Nation has ever produced, Gen. George Catlett Marshall, Jr.

Few men in our time have served America so well in so many high offices. General Marshall was Chief of Operations for the First Army in France during World War I. He became Chief of Staff of the Army in 1939 and more than any other single man was responsible for the shaping of a modern army of over 8 million men during World War II.

It was General Marshall who recommended that command of the invasion forces be given to Gen. Dwight D. Eisenhower.

After the war was over, President Truman asked General Marshall to go to China as his special envoy to attempt to fashion a peaceful solution to the civil war there.

President Truman appointed General Marshall Secretary of State in January 1947 and on June 5 of that year, just 12 years ago this month, he delivered the famous address at Harvard University which announced to a spent and war-torn Europe a program for economic recovery.

Mr. Speaker, I was a student at Harvard University in 1947 and I vividly remember the tremendous impact this remarkable speech made on the nations of Western Europe.

The speech setting forth the European recovery program—the Marshall plan—came at a time when the economic condition of Europe was rapidly deteriorating and when the threat to European political freedom of Soviet communism was becoming more and more apparent.

It was the theme of Secretary of State Marshall at the Harvard commencement exercises that the countries of Europe should work together to plan their recovery and that the United States would help them to rebuild their broken economies.

Said the Secretary of State:

> Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist.

Without the vital margin of aid provided by the United States under the Marshall plan, it is not unreasonable to suggest that the free nations of Western Europe, our firm allies today, would have been submerged under a tidal wave of Communism.

The contribution to human freedom and economic betterment symbolized by the European recovery program did not end General Marshall's service to our country. Although he had retired as Secretary of State in 1949 because of ill health, General Marshall recovered and in 1950 was appointed Secretary of Defense during the first year of the Korean conflict. During this time he also helped to shape the military forces of NATO, the 10th anniversary of which organization we celebrate this month.

Perhaps the best indication of the esteem in which General Marshall is held by the people of the world was the award to him in 1953 of the Nobel Peace Prize, the first occasion on which this high honor was ever conferred upon a soldier.

Today, Mr. Speaker, General Marshall is 79 years old and lies gravely ill at Walter Reed Hospital. It is, therefore, particularly appropriate that we rise to do him honor today.

Mr. Speaker, as a new Member of Congress from the State of Indiana I feel a special sense of responsibility to speak today in praise of George C. Marshall. Some years ago a former U.S. Senator from my State uttered words against General Marshall which I shall not dignify by repeating.

But, Mr. Speaker, there have been some changes made in Indiana. I am confident that I speak the sentiments of the vast majority of the people of my State when I say that so long as our Nation lives, the name of George Catlett Marshall will be a synonym for integrity, ability, and dedicated service to America.

Mr. Speaker, I ask unanimous consent that all Members who wish to join in this tribute to General Marshall may have permission to revise and extend their remarks in the RECORD following mine.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield.

Mr. WOLF. I want to compliment the gentleman. I think he has performed a service today which needed performing on this anniversary of the Marshall plan. Does the gentleman think that a Marshall plan is needed now for Africa similar to what we had for Europe?

Mr. BRADEMAS. Certainly I would say to the gentleman from Iowa that we should consider some sort of soundly conceived program of economic and technical assistance to enable the emerging, underdeveloped nations to establish their economies firmly, to enable their own people to live and have the better things of life and also, I would think, to enable them to develop free political institutions and fight off the possibility of communism.

Mr. WOLF. That is a very good statement. I would certainly fully agree with the gentleman. But if the gentleman will yield further, we are all glad the Marshall plan did rehabilitate Western Europe, even though it is charged that it also has caused industrial competition. These are fears which I do not happen to share. I want to register my pleasure at having lived through the days of George Marshall, Harry Truman, and those who helped shape our Nation's history in that difficult era. The Marshall plan provided the assistance needed to reconstruct Western Europe.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield.

Mr. GROSS. What happened in China as a result of sending General Marshall over there? Will the gentleman go into that in a little more detail?

Mr. BRADEMAS. I do not propose to let the gentleman from Iowa detract from the accomplishments of this great man. Perhaps the gentleman shares the viewpoint of the former Senator from my State.

Mr. GROSS. What happened in China? Is China one of our firm free-world allies today?

Mr. BRADEMAS. I do not believe I made that statement.

Mr. GROSS. I did not say the gentleman did, but I am asking him.

Mr. BRADEMAS. I do not propose to let the gentleman put words in my mouth.

Mr. GROSS. Nor do I propose to let the gentleman put words in mine.

Mr. BRADEMAS. Which China does the gentleman speak of?

Mr. GROSS. I am talking about Red China, Communist China, the China that General Marshall was sent over to take care of.

Mr. BRADEMAS. I do not think that is a fair statement. General Marshall was not sent over to take care of Red China. General Marshall was sent over there in an attempt which I think students of history recognize was not a successful attempt, unhappily.

Mr. GROSS. It was very unsuccessful.

Mr. BRADEMAS. It was very unsuccessful.

Now, I may say to the gentleman from Iowa that I will yield to him if he has a question, but I do not yield to him for a speech for there are others who want to speak on this subject before I have to relinquish the floor. Does the gentleman have a question?

Mr. GROSS. Yes. I would like to ask the gentleman what has happened in respect to the $80 billion we have spent on our so-called various free-world allies.

Mr. BRADEMAS. Perhaps the gentleman would have been willing to see the free nations of Western Europe submerged under a tidal wave of communism and would have joined in opposition to programs which have made possible the continued existence of the free nations that make up Western civilization. Perhaps the gentleman would have ranged himself against those programs under the guise of false economy and would have permitted our friends throughout Western Europe to succumb to the threat of communism.

I now yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I congratulate the gentleman for recalling to our minds and hearts the very distinguished service of a great Secretary of State, George Catlett Marshall, who rendered such signal service in the recovery of Western Europe through the Marshall plan which was subsequently implemented by the Congress. We all recognize the failure of the Soviet Union to recognize that this was a good, sound program which could save Europe. The Soviets tried in every way they could to sabotage that program. But Western Europe rallied, its economy strengthened, and it was saved from becoming part of the Communist world by the action we took under the Marshall plan.

I would like to say further with respect to the service of George Catlett Marshall as Ambassador, that at that time, in 1948, the Generalissimo who was in charge of mainland China moved against the advice of the administration to crush the Communists. The failure was the failure in part of the government which we still recognize on Taiwan to be guided by our advice; and the tragedy which ensued was not one of General Marshall's making.

I would further remind the gentleman that early today we were discussing inflation. During 1948 I had Chinese students. The last Chinese student I had was from the mainland of China. He told me that the Nationalist Government sold Chinese dollars at the rate of 4 million for one U.S. dollar, but after the Nationalist Government failed the Chinese dollar sold 8 million for one U.S. dollar. It was such a fiscal policy that caused China's collapse. No one sold China down the river. Any government which permits its currency to be so grossly debased as China permitted its currency to be debased can expect a change of administration, and that is precisely what occurred, but one which we now regret.

But had there been fiscal responsibility on the part of the Nationalist administration when they were in control of China the history of China might have been different.

I think it is a great indignity to attack a man who did his best to try to save the situation. It does no good to heap recrimination, it seems to me, upon a distinguished American who did his best while he was in office dealing with most difficult problems.

Mr. BRADEMAS. I thank the gentleman from Colorado.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to our distinguished majority leader.

Mr. McCORMACK. A friend of mine once asked the question: "Why did we do this?" I simply answered by asking another question: "Suppose we did not do it, what then?" If we had not taken the action we did, all of Europe would have been under the control of the Communists years ago. What we did saved Greece; what we did saved what is left in Europe: Italy, France, West Germany, the last citadel of Western culture in Europe.

So when they ask the question, "Why did you do this?" they should also answer the question, "If we had not done something, what would have been the results?" The results would have been that long ago America would be alone in the world. I would never want to see the day that America is alone in the world with the rest of the world dominated by communism, not that I fear it, but I would not want to see that day ever arrive in the history of our country.

Mr. BRADEMAS. I thank the distinguished majority leader for ably summing up some of the purposes of the Marshall plan. I know whereof I speak, because my father was born in Greece. I have been in that country, I have been in mountain villages, I have been in small towns, and I know that when those people speak of America they think of the Truman doctrine that saved them from the encroachment of Soviet despotism and of Communist tyranny. Therefore, I speak with some feeling on this matter.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I do not yield to the gentleman. I shall yield to the distinguished chairman of the Committee on Foreign Affairs.

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. BRADEMAS. I yield to the chairman of the Committee on Foreign Affairs.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Iowa makes the point of order that a quorum is not present. The Chair will count.

Mr. McCORMACK. Mr. Speaker, if the gentleman from Iowa insists on his point or order, there is only one thing I can do, and I am not criticizing him.

Mr. GROSS. I may say to the gentleman that when the gentleman uses my name and fails to yield to me, I do not like it.

Mr. McCORMACK. I think the gentleman was going to yield to the gentleman after he yielded to the chairman of the Committee on Foreign Affairs.

Mr. BRADEMAS. I shall be delighted to yield to the gentleman from Iowa after I give an opportunity to the chairman of the Committee on Foreign Affairs to make a statement.

Mr. GROSS. I withdraw the point of order.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Speaker, on December 31, 1880, there was born in Uniontown, Pa., which is in the district that I now represent, an individual who was destined to hold high office in this country both in peace and in war and whose demonstrated capacity for public service has won for him a series of awards from foreign governments, honorary degrees from American and foreign universities and innumerable expressions of gratitude for his public service. That individual is Gen. George Catlett Marshall.

General Marshall's rise in the Army is now a well-known part of our military history. Whether it was the Army in time of peace or in time of war, he brought to his service a capacity for leadership and for administration, a stern but understanding discipline and a proper respect for the control of our Government by civilian officials.

The climax of his military service came, of course, during the Second World War. Upon the termination of that conflict, he reasonably expected to enjoy the peace and quiet of retirement. President Truman, who had served as a Senator during most of the period of World War II, had come to know the high qualities and to respect the intellectual discipline of General Marshall. Thus, he called upon him to serve as his Secretary of State in January 1947. This was at a time when there was wide hope of optimism not only in the United States but throughout many parts of the world that the Big Four, through a series of meetings, would be able to relieve world tensions. One of these meetings was scheduled to be held in Moscow in March 1947. Already in our Government there was a note of pessimism based on the failure of earlier meetings to produce any substantial results. Western representatives were continually rebuffed by Russian negotiators, and the atmosphere had become increasingly bitter. Only a few weeks before the Moscow meeting, the British made their historic announcement that they were unable to continue their support to the countries in the eastern Mediterranean, particularly Greece and Turkey. The United States had accordingly assumed many of the obligations of Britain. This was the beginning of what is historically known as the Truman doctrine, or the containment of aggressive communism.

Against that background General Marshall gave increasing thought to the necessity for a vigorous plan to rehabilitate the war-torn industries of Europe. It was his hope that the Moscow meeting would show the Russians to be susceptible to a relaxation of tensions in Europe that would permit that continent to

begin its recovery. He balanced this optimism with a note of realism, anticipating that the Russians would probably do everything they could to prevent the Western Powers from recovery. This proved to be the case. Immediately thereafter in June 1947, he gave the now celebrated address at Harvard University. This address, generally regarded as the commencement of the Marshall plan, proved to be the greatest ray of hope for millions of citizens in Western Europe. It meant more than food, work and tools. It meant political stability, moral stabilization and spiritual revival.

The Marshall plan was speedily approved by Congress. The debates, as well as the administration of the plan, pointed to more than a desire to alleviate distress. It was more than an anti-Communist expression. It was the true beginning of the international approach to world problems by the United States.

The end results, so readily apparent to millions of individuals, represented an unprecedented revival of one continent by another continent. It brought together leaders and technicians, political figures and public-spirited individuals of many countries. Certainly no enterprise previously undertaken represents the collective efforts of so many people.

With the passage of time, the criticisms that were heard and still are heard have diminished. The economic vitality of Europe has been restored; important steps toward European integration and the consequent lessening of extreme nationalism within that continent have been achieved. It is my belief that when the world looks back upon the efforts of those 4 years, it will regard them as one of the most decisive periods in human history.

I feel that I am singularly honored today to speak these few words about one of Pennsylvania's most distinguished sons. His vision, his sense of humility, his love of humanity, his capacity to translate ideas into accomplishments mark him as one of the greatest Americans.

THE MARSHALL PLAN 12 YEARS LATER

Mr. REUSS. Mr. Speaker, this month marks the 12th anniversary of the Marshall plan for European economic reconstruction, one of the most important and successful foreign policies in the history of this country. On June 5, 1947, Secretary of State Marshall made the commencement address at Harvard University. In that address he pointed to the despair and destruction in Europe and offered American help in a program of economic recovery.

Today we are immersed in the perilous issues of 1959 and too easily forget the crisis in Europe 12 years ago. Likewise, we too easily forget the greatness of the American response which General Marshall initiated at Harvard. Yet the strengths and weaknesses of today are built upon the policies of many yesterdays. And the high economic and military strength of our European NATO allies today is directly based, in part, upon the Marshall plan.

This policy was at the same time hardheaded and deeply humane. Without the massive economic aid which we provided to the countries of Western Europe they surely would not have recovered their well-being for many years. In the interim of despair democratic government might have been replaced by Communist-dominated coalitions. Even if this had not happened it seems clear that a weak, disorganized, disarmed, and war-ravaged Europe would have been easy prey for the growing might of the Soviet forces. But the Marshall plan also gave tangible expression to the American willingness to help our European brothers whose homes had been the very battlefields. We must not forget that the Marshall plan honestly represented the deepest interests of the American Nation—defense of our own national security and basic humane help for others who stood in need.

The success of European economic recovery under the Marshall plan is a living and dynamic memorial to former Secretary of State Marshall. Today George C. Marshall is 79 years old and lies gravely ill at Walter Reed Hospital. It is fitting on this anniversary to salute the man whose vision and leadership were so largely responsible for the Marshall plan. A hundred years from now Secretary Marshall's name will be still honored because in addition to his military services he fathered the Marshall plan, one of the great revolutions in the history of American foreign policy.

As a result of the Marshall plan the pace of European economic recovery skyrocketed; the spread of communism across Western Europe was halted; and the foundations were laid for even closer economic cooperation among the receiving countries. And the people of Europe gained new hope for the future. Today the Marshall plan should be an inspiration to American foreign aid programs because of its success, its record for good administration, and the wholehearted support it won because it so completely served both American and European interests.

Mr. BOWLES. Mr. Speaker, I should like to join in the testimonials offered in the Congress to a truly great American statesman, Gen. George Catlett Marshall.

The contributions of this man, both in war and peace, have proved to be of unique value. His service to mankind is no less historic. The European economic recovery program, first announced by Marshall as Secretary of State, at the Harvard commencement proceedings in 1947, was perhaps the single most constructive achievement in the last 12 years.

In the short run, the Marshall plan preserved the freedom of many Western nations as it provided for the economic rehabilitation of their war-fatigued populations. The long-run possibilities inherent in this plan have yet to be fully explored.

The mutual security bill will shortly be debated on the floor of the House. With this in mind, I think it is highly important that this Congress reexamine the international role of the United States as envisioned by George Marshall.

Like the mutual security program, the Marshall plan was initiated because it was held necessary to protect our national security.

Marshall recognized that Europe's need for food, machinery, and raw materials were much greater than Europe could satisfy with her own resources. He believed that European nations would face economic, social, and political deterioration of a very grave character if they did not receive American aid.

The purpose of this plan—

Marshall said—

should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist.

Marshall offered American aid, but he first called for self-help and cooperation among the European nations.

Secretary Marshall's words could be applied today with equal relevance to other parts of the world.

It would be neither fitting nor efficacious—

He said—

for this Government to undertake to draw up unilaterally a program designed to place Europe on its feet economically. This is the business of the Europeans. The initiative, I think, must come from Europe.

The role of our country should consist of friendly aid in the drafting of a European program and of later support of such a program so far as it may be practical for us to do so.

There was a wideness in Marshall's vision that far transcended the more narrow although altogether vital American interest in preventing the European Communist parties from gaining power in the wake of economic chaos.

Here was an offer of strong, purposeful, and effective American leadership in cooperation with other countries.

Here was a positive American response to the crisis that jeopardized the economic and political interests of both Europe and America.

Here was an eloquent expression of hope that by cooperative action nations could build a better future for themselves.

Here was a call for a comprehensive plan for European economic reconstruction. Although American aid was to be an integral and essential part, we were counting on Europe itself to push its own resources to the limit.

Our mutual security program today lacks those clear purposes and operating principles. If we are to achieve our crucially important objectives, we must return to them.

The plan which bears Marshall's name clearly points the way which must be followed if this nation is to discharge responsibly its obligation to civilization. The concept of European economic recovery was a dynamic and positive plan designed to further the affirmative growth of economic and political freedom, not a negative holding operation merely to contain further totalitarian advances.

The Marshall plan, furthermore, did not end merely with American generosity. Instead, it attempted to foster an attitude of mutual cooperation among the struggling free European nations. Marshall considered these nations as

sources of strength, not liabilities, much less satellites. His plan was designed to aid these countries as they attempted to regain their rightful status of free and sovereign nations. These principles now must be applied in parts of the world where most governments are far less well prepared for effective cooperation than Europe was in 1948. Our ties with many of these governments are less close. But we must take into account the same variables on a new world stage.

We must rethink the nature of the present crisis, the stakes involved, the governments and the people concerned, and above all, the available areas of vital mutual interests.

The statesmen of today must face the new challenges of a changed world situation as creatively as did George Marshall 12 years ago. It is leadership of this caliber that could make clear to free people everywhere the continuing mutual stake we all have in expanding freedom.

REPORT ON U.S. RELATIONS WITH LATIN AMERICA

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, mounting unrest in Latin America has erupted within the last several days in rioting in Colombia, Argentina, and Ecuador, and in an armed invasion by exiles in Nicaragua. Ferment within Latin America may well be expected as a result of the rapid urbanization, exploding birth rate, and what is frequently referred to in underdeveloped countries as a "revolution of rising expectations." The United States, with its deep historic, strategic, and economic ties to the region, cannot remain indifferent to the course events take south of the Rio Grande.

On May 11 the Subcommittee on Inter-American Affairs of the Foreign Affairs Committee published a report on U.S. relations with Latin America. The report contains a brief examination of some of the principal frictions in inter-American relations and the subcommittee's recommendations for improving relations between the United States and its Latin American neighbors.

Editorial comment in the press has been gratifying. The following are some of the comments:

[From the Baltimore Sun, May 12, 1959]

LOOK SOUTHWARD

The latest evidence of this country's new interest in Latin America comes from the House Subcommittee on Inter-American Affairs, and takes the form of a series of recommendations for halting and reversing what that group calls a deterioration in hemispheric relations. All the recommendations have been in the air for some time. Several had been expressed as official policy. What the committee has done is to pull them together in simple form.

The first of the proposals, that the United States take care to be cool though courteous toward the remaining dictators, had previously been put forward by Vice President NIXON and by Dr. Milton S. Eisenhower, and may now be considered policy. It is still a policy that needs continuous emphasis.

In a field that cannot be policy, because it is unofficial, the committee urges that the North American press make every effort to present a rounded coverage of trends and events in Latin America. The press in general deserves the criticism. In the past it has been remiss, as witness its failure to provide adequate background for the incidents attendant on Mr. NIXON's visit to South America last year or for the Castro revolutionary success in Cuba. It should be noted, though, that the press is well aware of this fault and is endeavoring to correct it.

The committee's most nearly original recommendation is that the United States should, in an orderly and gradual manner, reduce and finally halt its grants of military assistance in Latin America; and substitute a system of purchase by the individual nations of arms needed for hemispheric defense. The suggestion deserves study, not only because arms from the United States are sometimes helpful in shoring up dictatorships—as was the case with Batista, until shipments were stopped toward the end of his reign—but also because of the cost. In the years since World War II, military aid to Latin America has totaled $470 million. With what results?

[From the Miami Herald, May 12, 1959]

HOUSE BODY CHARTS A REFRESHING COURSE—REPORT ON NEIGHBORHOOD

The House Subcommittee on Inter-American Affairs, of which Miami's Representative DANTE FASCELL is a member, has written itself quite a primer on U.S. relations with the Latin neighborhood.

Its report to the parent House Foreign Affairs Committee makes these points:

Military assistance to Latin American countries should be tapered off: "In some cases the program has had damaging consequences." Countries which desire and require armaments for hemispheric defense objectives should be permitted to acquire them on a purchase rather than grant basis.

There's no profit in playing footsie with dictators: It is imperative in our relations with the peoples of Latin America that they know we abhor tyranny of any brand and sympathize with their desire to be free.

Much of the political ferment in Latin America is subject to misinterpretation and should be recognized for what it is: Latin America is in the midst of an epic social revolution that transcends national borders.

The way to keep the peace is through the Organization of American States: Let the OAS set up a permanent police force that could rush to trouble spots.

All of this is quite an order, and much of it is familiar. For instance, the reduction of military aid and the OAS police force are objectives advocated tirelessly by Florida's Senator GEORGE SMATHERS.

If the report is guilty of any omissions, its published excerpts avoid or glide lightly over Communist subversion in the hemisphere.

While some of our Latin friends accuse us of nourishing an obsession on this subject, nevertheless it is one of very real concern. Only this week, for example, Luis Corvalan, secretary general of the Chilean Communist Party, advised his followers to latch onto the Castro movement in Cuba as a model of the progressive bourgeoise meriting Communist collaboration.

Knowing North Americans will not confuse nationalistic discontent with communism, nor will they fail to recognize that Latin America indeed is in the midst of an epic social revolution which is typical of this century.

But they cannot dismiss the reality of Communist penetration in the hemisphere. Resisting it is a cold matter of national security.

Some parts of the report can and should be implemented to the extent that Congress may assist the President and the executive department in fashioning foreign policy. Significantly, Senator SMATHERS has an ally in Vice President NIXON.

Surely there can be no argument that lavish arms aid to countries facing no external threat is shockingly wasteful. The program can be curtailed if Congress will only tighten the purse strings.

Nor is there any real argument about the usefulness of an OAS police force.

In fact, one already is in being. It was created to patrol the shores of Panama and turn back a threatened invasion from Cuba. This was not unilateral action by the United States but collective security in the names of 21 nations. The approach, far from being idealistic, was in fact so realistic that it found Cuba taking the lead in squelching the Panamanian invaders.

In sum it might be said that at long last a responsible body of the U.S. Government has got to the very heart of our relations with Latin America in a fresh and imaginative discussion of mutual problems. Its penetration, its realism, and its courage ought to be applauded all over the hemisphere.

[From the New York Times, May 13, 1959]

LATIN-AMERICAN AFFAIRS

The steady development of new policies toward Latin America and the expansion of previous efforts by the United States are assuming gratifying proportions. In these days we have seen an economic meeting in Buenos Aires which achieved some satisfying results; a request by President Eisenhower to Congress for an appropriation of $450 million as the U.S. contribution to the new Inter-American Development Bank; the opening of discussions in Panama looking toward the formation of common markets with our blessings; discussions on stabilizing the production and prices of lead and zinc; and a thoughtful, farsighted report by the House Subcommittee on Inter-American Affairs.

It is no accident that the attention and policies of our country toward Latin America are being intensified and developed today. Such policy movements are necessarily a response to pressures, demands and necessities. Any nation has to be concerned primarily with its own interests. A country like ours, with global responsibilities of a political nature and vast trade and investment dealings, naturally finds that its well-being and security depend on the well-being and the good will of many other nations. In our case this is especially true of the Western Hemisphere, whose peace and prosperity are of vital importance to us.

The extent to which our policies and our failure to meet the aspirations of Latin-American nations had been building up a dangerous resentment against us was brought dramatically to our attention when Vice President NIXON made his trip to South America last May. The degree to which criticisms of the United States were unjust or based on misunderstandings is almost beside the point. Latin-American feelings may be partly irrational, but they are also partly justified, and this is what must be faced.

There is still much progress to be made. Even so good a friend of the United States as the distinguished ex-President of Costa Rica, José Figueres, could tell the Overseas Press Club last week: "I've just finished a tour of Latin America and I'm afraid that anti-United States and anti-Western feeling is growing." Like other Latin-American leaders, Señor Figueres believes there must be a more positive program of combating communism by strengthening the material and spiritual bases of democracy.

The House subcommittee, which is headed by ARMISTEAD SELDEN, JR., of Alabama, has

made some excellent suggestions about reducing and ultimately eliminating armaments grants, restraining our relationship toward dictators to diplomatic courtesy, and placing increased reliance on the Organization of American States.

President Eisenhower's request for authorization to contribute to the Inter-American Development Bank should, of course, be granted speedily. Finally, the best wishes of the United States and whatever support it can give should go to the meeting in Panama of the United Nations Economic Commission for Latin America, which opens its plenary session tomorrow.

[From the Washington Post, May 16, 1959]

ARMS IN THE AMERICAS

For years, the House Subcommittee on Inter-American Affairs has appeared to be moribund, and this has been symptomatic of the past general indifference to Latin America on Capitol Hill. But the House group is languishing in cobwebs no longer. Under the able chairmanship of Alabama's Representative ARMISTEAD I. SELDEN, JR., the subcommittee has issued a thoughtful report based on a series of hearings on U.S. policies toward other countries of the hemisphere. This development could signal the beginning of some real discussion of inter-American affairs in the second Chamber. If the subcommittee's report is somewhat thin in its discussion of economic policy, it does contain considerable substance and sense on the problems of military aid and dealing with dictators.

The report notes that the use of armaments supplied by this country in Latin American civil disputes has aroused hostility throughout the hemisphere. Hence the subcommittee recommends a tapering off and an ultimate termination of armament grants to Latin America. The use of funds to provide military training in the United States, however, quite rightly wins the praise of the House group. Additionally, the subcommittee urges an embargo on effusive, undue cordiality to Latin American dictators. That is advice which some peripatetic Members of Congress might well heed.

To be sure, all of these recommendations have been made before, but seldom if ever in a report by a House Foreign Affairs Subcommittee. This is precisely the kind of pertinent discussion of hemisphere affairs that is needed to help shake off the lethargic indifference about neighbors who can no longer be taken for granted.

[From Diario las Americas, May 24, 1959]

THE HOUSE SUBCOMMITTEE ON INTER-AMERICAN AFFAIRS AND THE DICTATORSHIPS IN AMERICA

Sincere, bold, and timely is the report on relations with Latin America recently published by the subcommittee presided by the dynamic Congressman ARMISTEAD I. SELDEN, JR., and in which the brilliant Florida Congressman, DANTE FASCELL, has constantly labored.

In a vivid paragraph it touches upon a subject of deep interest to the conscience of the peoples of the Western Hemisphere when it states: "Latin America must know that the United States detests all tyrannies of any kind and that we sympathize with their desire for freedom," and, further on, declares: "That wherever regimes rule by repressive measures, the United States should maintain a policy of courteous diplomacy and avoid the effusive and improper cordiality which has been misinterpreted and has assumed deep symbolical significance in Latin America."

The whole report contains—undoubtedly—expressions of deep interest which must be diffused, without recurring to the errors of a summary, throughout all the nations of Latin America. To translate documents of this type into Spanish, Portuguese, and French for the purpose of distributing them in the other 20 nations of our America is a positive effort to convince our neighbors that there is in the Capital of Washington a preoccupation about the interpretation given to the daily events of inter-American life.

Within the indispensable margin of the principle of nonintervention that must rule relations between our countries, it is undeniable that there is a constant preoccupation for knowing what the United States thinks about a variety of problems which affect—whether we want it or not—the development of reactions reflected in the politico-economic and social life of the hemisphere.

Positive opinions such as those expressed by the Foreign Affairs Subcommittee of the House of Representatives warrant the most enthusiastic support of those who—like us—believe in the solid structure of pan-Americanism.

[From the Tuscaloosa News, May 25, 1959]

LATIN RELATIONS CAN BE IMPROVED

A State with a navigable stream like the Warrior-Tombigbee which empties into the Gulf of Mexico through the port of Mobile should have more than passing interest in what goes on in the countries to the south.

The importance of Latin American countries as a market can be seen quickly from statistics on trade during the past year. Twenty-six percent of this Nation's total exports were purchased by Latin American countries. Specifically, the Latin Americans purchased 33 percent of our machinery exports, 43 percent of our transportation equipment sold abroad, 33 percent of the dairy products shipped overseas, 30 percent of the chemicals and related products, 32 percent of the cotton products, 37 percent of paper and paper products, and 35 percent of the iron and steel mill output.

As a market for manufactured products, then, the Latin American nations are of major importance.

But our interests in the nations to the south must be of broader concern than this. Inter-American relations received a jolt in the disturbances that attended Vice President NIXON's tour last year. That this situation has not improved comes from the ex-President of Costa Rica, José Figueres, who recently told the Overseas Press Club in New York, "I've just finished a tour of Latin America and I'm afraid that anti-United States and anti-Western feeling is growing."

The House Subcommittee on Foreign Affairs, headed by our own Congressman ARMISTEAD SELDEN, has come up with a report on inter-American relations which can become one of the most important documents of our times in improving relations in this hemisphere.

After an intensive study of Latin American affairs and relations, this subcommittee has recommended the United States adhere to a policy of diplomatic courtesy, "but avoid the effusive undue cordiality which has been misinterpreted" toward dictators in that region.

The subcommittee also sees the Organization of American States as a powerful stabilizing force in hemisphere relations and urges that we continue full support of its constructive work. The subcommittee further proposes that the OAS look into the possibility of establishing an international police force to observe and patrol situations that threaten international peace and security in this hemisphere.

Strongly hit is the continuation of arms grants to Latin American nations. The group recommends an "orderly and gradual reduction of military armaments grants with the ultimate goal of termination of the program." It cited cases where U.S. grant arms were used against the people of Latin nations during uprisings despite the fact that these arms are supposed to be solely for hemisphere defense.

More people-to-people activities are urged in order that North and South Americans can become better acquainted and gain a better understanding of each other's problems. "Personal contacts between private citizens removes any lurking suspicions of ulterior motives which sometimes attach to a Government-instigated program," the subcommittee points out.

There is ample evidence to show that Communists are actively engaged in Latin America where social and political ferment provide fertile ground for their philosophy. We must be as alert and as active in combating the spread of the Communist menace in South America as we are anywhere on the globe. And since the Latin nations are our next door neighbors the need is even more urgent for strong, democratic governments and good relations among the people.

Congressman SELDEN and his subcommittee members have performed a great service to this country. The report should serve as a springboard for intensified interest in and action on improvement of inter-American relations.

GEN. GEORGE C. MARSHALL

Mr. QUIGLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. QUIGLEY. I would like to congratulate the gentleman from Indiana for his glowing and well-deserved tribute which he has led to a great American, General Marshall.

As he has already indicated, the people of Europe have long since grasped the greatness of this man in a manner which will only really be appreciated by future generations of Americans. I am sure the gentleman will appreciate more than anyone in this House when I tell them this story of how the success of the Marshall plan and the whole dynamic post-war American foreign poliy was first brought home to me.

In the fall of 1955 it was my privilege, as a member of the House Judiciary Committee, to visit Greece. And I have a very vivid recollection of the committee holding a hearing in Athens, during the course of which one of the members gave expression to what seemed to me some understandable irritation that a particular program had not moved forward with the speed which Congress had anticipated.

I shall never forget the witness' answer. I cannot quote it directly but in essence he said: Mr. Congressman, before you question our lack of progress, I think you must understand that just a few short years ago the free state of Greece consisted of nothing more than a few blocks in downtown Athens surrounding the very building we are in today. At that time, you could stand where you are standing and literally throw a stone over any border of free Greece; the rest of the country was completely overrun by Communists.

It was at that moment that I fully realized how truly close to defeat were not only the freedom-loving people of Greece but the free people of all of Europe. All of Greece is free today and

so is much of Europe. This is so for many reasons, but certainly mostly because of what America did in this hour of decision and what America did in that hour was done mostly because of George Catlett Marshall.

I consider it a great privilege to add my small voice of tribute to this truly great man.

RADIOACTIVE FALLOUT AND CONTAMINATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. CARTER] is recognized for 30 minutes.

Mr. CARTER. Mr. Speaker, today I introduced a bill in this House which proposes to place responsibility for the control of radioactive fallout and contamination by and in this country under the Surgeon General of the United States. I have the privilege to represent a district in south-central Iowa, and fallout readings in that area have been very high. The public is gravely concerned about this, and particularly in a district such as my own where we raise a great deal of grain and where we depend to a large extent upon surface water for our water supply. Both our grain crops and our surface water are highly susceptible to strontium 90 contamination.

There has been entirely too much confusion and contradiction in the evidence that has been presented both to the Congress and to the American people with respect to the dangers inherent in the fallout problem. There has been one element of consistency, however, in testimony by scientific groups which is interesting to speculate upon and that is this: Generally speaking, scientists working for the Government have tended to minimize fallout danger while, on the other hand, civilian scientists and scientific groups not depending on the Government in any way have repeatedly sounded the alarm. I ask all my colleagues when they are weighing the evidence to consider this all-important fact.

This we have seen, however, and that is a generally agreed upon reduction in the amount of radiation originally thought to be tolerable by the human body. Within the past year or so, this figure has been revised downward by approximately two-thirds. Out in the Midwest, fallout samplings have approached and, in a few instances, exceeded these tolerable limits.

Mr. Speaker, this seems to me to be something we have to come to grips with without any further hesitation. We are not dealing here with a matter which can safely be deferred for one instant. The substance with which we are concerned is strontium 90, an ultra-poisonous radioactive product which may be having dire effects on all mankind. At times, when I sit in my office and think about this thing, it occurs to me what a gigantic monument to man's abysmal stupidity, that he should blithely go about poisoning himself and all who come after him until there are no more, so that he might have the biggest and best bombs. This would indeed be the greatest of all pyrrhic victories.

Now, Mr. Speaker, my bill makes provision that no bombs may be tested and no radioactive wastes may be introduced into the air, soil, or water without the consent of the Surgeon General. I have what I think are two very excellent reasons for placing this responsibility under the Surgeon General. In the first place, Public Health Service has the greatest existing network for the detection of radioactive fallout. In the second place, and I pose this question to all my colleagues, what more logical authority can we turn to in this matter than our national physician? Now the Surgeon General, and I speak here of the particular individual who would occupy that position under this piece of legislation, would have to be a firm, resolute, and dedicated man. I say that because the bill provides that the President could unilaterally overrule the Surgeon General if, in the President's judgment, it was in the national interest to proceed with such activities as the testing of nuclear weapons for reasons of overriding national security. Although I did not include any such provision in the bill, perhaps my colleagues should entertain the idea of making provision for selection of the Surgeon General other than appointment by the President.

I feel that if the Congress would pass this bill it will have a tremendously favorable impact on world opinion. I admit that in substance this bill would have the effect of a unilateral suspension of atomic weapons testing, but, unlike an executive decree, it would reflect the legislative will of the American people and would be based upon a deep and abiding concern by the American people for the health and welfare not only of themselves but of people throughout the world. I do not feel that we need fear any great loss of relative strength in the development of atomic weapons to the Soviets because our weapons systems are a great deal more sophisticated than those of the Soviets at the present time and should remain so for some time to come. Furthermore, I feel that an act of this kind by the Congress will shift a tremendous burden of public opinion to the Soviets and turn the eyes of the world on them to see if they will follow suit in this good-faith effort on our part to not only eliminate bombing testing but also the results that fallout has on all mankind. In other words, I feel passage of this bill is a solid act, a reflection of a national will recorded for all the world to see. In the case of Mr. Khrushchev's unilateral suspension announcement last year, it was strictly a publicity and propaganda stunt and observers throughout the world were not fooled by his maneuver.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include two articles appearing in the Washington Post and Times Herald of Sunday, June 7, 1957, by Mr. Edward Gamarekian, and a copy of my bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

(The matter referred to is as follows:)

SERIOUS FALLOUT CASES UNCOVERED IN MIDDLE WEST

(By Edward Gamarekian)

A number of serious cases of atomic fallout in the Middle West have come to light as a jarring sequel to the congressional hearings on fallout early last month.

The radioactive end products from atomic weapons exploded at the Nevada test site in 1957 were carried by high altitude winds over States many hundreds of miles away and then were suddenly brought down by local showers. In several parts of the country, unexpectedly high and extraordinarily disturbing levels of external radiation and strontium 90 resulted.

These events were generally unpublicized. In some cases, they were discovered by accident. In other instances, they were not known until long after the event.

NO ACTION TAKEN BY COMMITTEE

Several cases were reported to the Joint Congressional Committee on Atomic Energy prior to and during the fallout hearings from May 5 to 8, but there was no discussion or even mention of them. The committee did not inquire during the hearings on what was happening in the Nation's "hot spots" despite the ominous note in reports to them from scientists in several midwestern universities.

The reports, together with independent investigation, reveal the following neglected segments of recent fallout history:

The 1957 tests at the Nevada site began on May 28. Part of the radioactive debris from each shot came down close to the test area. Part of it went up into the atmosphere, however, and was carried across the country over various routes. When rainfall happened to coincide with the passage of a radioactive cloud over an area, it usually washed down a substantial amount of the radioactive material.

No one appears to know exactly where the debris from all the tests came down to earth. The Atomic Energy Commission states it has neither the funds nor the manpower to do checking of that sort.

CHANCE DISCOVERY BY PROSPECTOR

By chance, a little was learned about one test shot, which caused considerable alarm. It was a shot called "Diablo" (Spanish for Devil), which was set off on July 15, 1957.

Winds carried the fission products in a northeasterly direction over parts of Utah, Idaho, Colorado and North and South Dakota. From there, part of it went on into Canada and part looped southward toward Texas.

As far as can be determined, there was little fallout until the airborne material reached the Dakotas on July 16 and 17.

During this period, there was a light rain over the area. No one suspected anything amiss until 6:30 p.m. on July 17, when a uranium prospector in the little town of Belle Fourche, S. Dak., called the county health officer and reported that his Geiger counter was clicking furiously.

"I never saw anything like that before," the prospector, E. A. Lindstad, told the Belle Fourche Post.

According to an account in that paper on July 18, Lindstad called Dr. J. H. Davis, the county health officer, who in turn got in touch with State civil defense authorities. They told Dr. Davis that the fallout would be a matter of concern only if the level of radiation persisted for 24 hours.

The news traveled through the surrounding area like wildfire as civil defense technicians began to make a radiation survey.

Newspapers in neighboring towns quoted officials as saying that the local fallout was "almost negligible" and there was "absolutely no danger."

Belle Fourche, a town of 2,500 in the northwestern part of the State, was apparently the hardest hit. There was consider-

able confusion about the actual level of radiation, however. Levels of 20, 10, and 4 milliroentgens per hour were measured by civil defense officials. One official calculated that a level of 10, considering the normal decay rate, would produce a total dose of over 3 roentgens in the course of a few weeks.

(A roentgen is a unit of radiation energy. A milliroentgen, or mr. is a thousandth of a roentgen.)

This amount of radiation at St. George, Utah, during the 1953 test series led officials to advise townspeople to remain indoors for several hours. This measure was taken primarily because direct contact of fallout particles with the skin could produce serious radiation burns.

The people in Belle Fourche, however, were not advised to remain indoors during the May, 1957, episode as far as can be determined.

A total dose of 3 roentgens is normally received from background radiation in about 25 years. A dose of 14 roentgens from all sources—natural, medical, and atomic—is considered the permissible limit for the general population during an individual's entire reproductive period (the first 30 to 40 years). The average person receives about 9 roentgens during this period from natural and medical sources alone.

LEVELS QUESTIONED

The radiation levels reported at Belle Fourche were later questioned by State and U.S. Public Health officials who thought the levels were much too high. They stated, however, that they had made no direct measurements themselves during the early part of the period when the radiation would have been the greatest.

During the crucial period, radiation measurements were made by a chemistry professor from the South Dakota School of Mines.

When the radiation failed to diminish during the following few days, as would normally happen unless the fallout was continuing, there began to be some concern. Radiation experts were called in from other parts of the State.

Captain John M. Jackson, chief of the radiological section at the Ellsworth Air Force Base, informed the Belle Fourche Post that the radiation was "persistent."

"Captain Jackson repeated numerous times that the fallout readings in Belle Fourche are in no way dangerous or hazardous," the Belle Fourche Post wrote on July 24, "but inasmuch as the decline or decay has not been normal, the civil defense is continuing a check in the event of accumulation."

STREETS WASHED

At this point, the mayor of the town ordered the streets hosed down. There were no further reports. The radiation apparently diminished to what was considered a safe level but it is not known whether this was due to the hosing or the normal decay of the fallout material.

On July 24 and 25 there were two more atomic tests in Nevada, the radioactive debris from which passed over the Dakotas. There were no reports of unusual fallout.

On August 7, however, a weapon named "Stokes" was detonated and the fission products again traveled to the northeast. This time, it rained at Belle Fourche as the radioactive cloud passed overhead. Radiation levels shot up again to 10 mr. per hour, according to John W. Willard, the chemistry professor at the South Dakota School of Mines.

As far as can be determined, no action was taken during this period to reduce the impact of the radiation.

If the total exposure from this fallout were equivalent to that from the "Diablo" shot, the radiation at Belle Fourche from the two tests must have exceeded the permissible limit set by the AEC for persons in the immediate vicinity of the test site. This limit is 3.9 roentgens per year.

NO RECORD

During the 1957 test series, 15 shots produced radioactive clouds that passed over South Dakota. The AEC says it has no record of any other case of heavy fallout but admits it has not been following the situation closely. AEC officials argue that it would take a tremendous amount of manpower and money to keep a close check on atomic test effects all over the country.

U.S. Public Health officials use the same argument.

State health officials in South Dakota and several other States have made similar statements.

All this leads to the conclusion that no one really knows where the "hot spots" are or what doses of fallout have been received by communities throughout the country.

AEC maps showing the movement of the clouds of atomic debris after each test reveal that these clouds have traveled over every State in the country. Yet, relatively few instances of unusual fallout have been reported so far.

The radioactive debris from the Diablo shot of July 15, 1957, rained down not only at Belle Fourche, S. Dak., also at Fargo, N. Dak., 400 miles to the northeast. A few people familiar with the Fargo incident report that town officials considered sending out an alarm advising people to remain indoors for a while and then decided against it.

There has never been an official report by any Federal, State, or local agency on what happened at Fargo. There were no newspaper accounts as far as can be determined.

BELATED DISCOVERY

E. W. Pfeiffer, assistant professor of anatomy at the University of North Dakota, discovered a year later that more strontium 90 rained down on Fargo in 1 day during that period than had come down during the entire year in other parts of the country where measurements were made.

The revelation came as a result of some detective work, by the North Dakota scientist. Pfeiffer noticed several months after the Diablo shot of July 15, 1957, that the AEC had reported peak levels of strontium 90 in milk from Mandan, N. Dak., during the month of August 1957. The milkshed at Mandan was one of the four that was being checked each month by the Commission.

Pfeiffer also recalled that the AEC had a fallout monitoring station at Fargo, N. Dak., about 200 miles away. He went back over the AEC records for that period and discovered that on July 16, enough strontium 90 had come down in the area to give the soil a layer of 24 millicuries per square mile.

NEVER REPORTED

(A millicurie is another unit of radiation. Twenty-four millicuries per square mile is the amount which produces 190 radiation-producing disintegrations for every square foot.)

The amount was unbelievable. This much fallout had never been reported to have occurred in this space of time anywhere, either before or since. New York City was the only place in the country where careful measurements of strontium 90 had been made over a long enough period of time to permit a comparison. It took New York almost 2 years to accumulate this amount.

The Fargo figure has never been reported by the AEC.

Pfeiffer published his findings in the autumn 1958 issue of the North Dakota Quarterly. Copies were sent to several Congressmen who passed them on to the AEC and the Senate-House Committee on Atomic Energy. Other copies were sent directly to the committee. A copy was handed personally to a member of the committee during the fallout hearing last month. The committee has never mentioned the matter publicly.

Representatives of the AEC and the U.S. Public Health Service went out to North Dakota to look the situation over after the 1957 Nevada tests. There were rumors that milk from some parts of the State had gone above the permissible limit and might have to be dumped. What actually happened has been kept secret, but later developments and published data gave credence to the rumors.

CITIZENS SHOCKED

During the spring of 1958, the AEC sent a team of scientists to North Dakota to set up a program for checking the strontium 90 in human bone samples. Spot checks of the milk were made in five areas in the Mandan, N. Dak., milkshed.

On May 13, 1958, 8 months after the tests in Nevada were over, the people in North Dakota finally learned what had been happening. A front-page story in the Grand Forks Herald, headlined "High Level Found in North Dakota Milk," shocked the town with the statement that there was more radioactive strontium 90 in the milk at Mandan than anywhere else in the world. At the time, milk was being checked at 30 stations around the globe.

A member of the AEC team disclosed that the concentrations exceeded 20 strontium units, which was 4 times the world average, but he would not reveal how high the levels had actually gone. It was not until Pfeiffer published his article a year and a half later that the public learned that the strontium 90 concentrations were almost double this amount at North Soo, one of the areas in the Mandan milkshed.

The May 13 statement by AEC was carried by newspapers throughout North Dakota and the surrounding States. The people in the region, panic stricken, swamped public health authorities with calls to find out where they could obtain safe milk. Officials hastened to assure everyone there was no cause for alarm.

STILL NOT DANGEROUS

The North Dakota State health director, Willis Van Heuvelen, told reporters, according to a story in the Grand Forks Herald, "there was no reason to shun milk since the concentrations of strontium 90 found by the AEC were not in the dangerous range." He indicated that radiation could not be completely avoided since there was a little radioactivity in all foods and in drinking water as well.

Pfeiffer said in a telephone interview last week that the degree of variation discovered from place to place in May 1958, when the average concentration was 19.1 units, shows that the milk in some parts of North Dakota could have easily exceeded the permissible limit the previous August, when the average was 33 units.

The North Dakota scientist disclosed that he and some others had stopped giving their children milk from the local dairies and had switched to powdered milk from an area in California that has had less fallout.

The Herald reported in its May 13, 1958, edition that a member of the AEC team—J. Laurence Kulp, a geochemist at the Lamont Geological Observatory—attributed the high strontium levels to the Russians' atomic tests and said they were not likely to have been caused by the American tests in Nevada.

CONFLICT NOTED

Kulp's statement conflicted with internal AEC reports issued months earlier which showed that the "Diablo" and "Stokes" shots had produced heavy fallout at Fargo and Belle Fourche.

While the incidents just described were going on in North and South Dakota, a university scientist in Utah also became concerned about the fallout from the Nevada

tests. The test site was only 100 miles away from the southwest corner of his State.

Norman Bauer, a chemistry professor at Utah State University, estimated that some 10,000 people in the southern part of the State had been subjected to an external dose of radiation amounting to "at least 30 times what most other persons in the United States have had to absorb" and said there was the possibility of unusually high strontium-90 concentrations in that group.

In a letter published in the July 4, 1958 issue of the prominent weekly journal "Science," Bauer criticized the AEC for seting a permissible exposure level of 3.9 rems per year for those who lived around the test site when 0.5 rems per year was the "permissible" dose recommended for the general population by the National Committee on Radiation Protection.

"Surely a double standard should not prevail unless the populations concerned are informed and are willing," he wrote.

(A rem is a unit of radiation that is approximately equal to the roentgen.)

Members of the national committee are now using 0.5 rem per year or, more correctly, 14 rems for the first 30 years as the permissible limit of radiation from all sources combined—medical X-rays, radioactive sources in the environment, fallout, and atomic wastes.

The committee has not officially announced this limit yet, although the International Commission with which it is affiliated did so recently.

The generally accepted allocation of the 14 rems to 4 rems from sources of radiation normally present in nature and 5 rems from medical X-rays, leaves 5 rems in the 30-year radiation exposure "budget" for fallout, atomic wastes, and other man-made sources.

This means that the 10,000 people in Utah who have received 3 to 4 rems from fallout have just about had their quota for the average reproductive period.

The AEC has estimated that a 30-year dose of 14 rems to the entire population of the United States might lead to as many as 200,000 cases of genetic damage during the first generation and 2 million per generation ultimately.

Bauer complained not only about the external radiation from the fallout but also about the amount of strontium 90 that has come down.

He estimated that the concentration of this bone-seeking element in southern Utah soil was probably high enough to lead to the accumulation of the maximum permissible limit of strontium 90 in the bodies of those who lived on food grown in the area.

If this happened, it might lead to a 10 to 20 percent increase in leukemia, some scientists estimate, as well as an increase in the number of bone tumors.

During the fallout hearing in Washington last month, some figures submitted in a report showed that the soil at St. George, Utah, contained the highest concentration of strontium 90 ever reported in the world—406 strontium units.

(A strontium unit is a measure of the strontium-calcium ratio. It is this ratio, and not the total strontium content, which determines how much strontium 90 finds its way into foods.)

There have been reports of other incidents in sections of Minnesota, Missouri, Washington State, California, Nevada, New York State and Arkansas.

None of these cases were originally reported by either the Atomic Energy Commission or the U.S. Public Health Service, the two Federal agencies with the greatest knowledge of the situation.

Food Radiation Rise Predicted

An increase in the radioactivity of foods and the concentration of strontium 90 in the body to new highs was predicted yesterday in a report from St. Louis.

The Greater St. Louis Citizens' Committee for Nuclear Information in its monthly bulletin stated that the strontium 90 levels in the total diet in that area would soon exceed the permissible limit based on new international standards and would be 50 percent above this limit by 1965.

The strontium 90 in the average diet would return to its present level by the year 2000, the group estimated, but pointed out that all these predictions were based on the assumption that there would be no further contamination of the atmosphere.

BASED ON HEARING DATA

The committee said it based its predictions on the information presented at the congressional hearing on fallout that was held in Washington from May 5 to 8. It did not predict what levels of strontium 90 would be reached if the fallout were increased by further testing.

There have been proposals from many quarters that atomic tests be held underground to prevent fallout if the conference now underway in Geneva fails to produce a test ban.

Atomic Energy Commission Chairman John A. McCone, in a speech prepared for delivery to the graduating class at Pennsylvania State University yesterday, said "the radiation hazard from all tests conducted to date—ours, the British, and the Soviet—has not reached dangerous proportions." However, he added, continued weapon testing in the atmosphere, without restriction or limitation, might produce "a serious hazard." "This must be avoided," McCone declared.

His statement that testing was necessary for the development of new, improved, and more efficient weapons left, as the only alternatives, testing on a limited basis or going underground.

BABY TEETH STUDIED

This might require an international agreement also, since unilateral action by the United States would not eliminate the fallout problem.

The St. Louis Citizens' Committee, made up of a diverse cross section of people, is headed by Alexander S. Langsdorf, professor emeritus at Washington University. The report was based on analysis made by five professors of physics, medicine, and plant physiology at the university.

The group is collecting and analyzing baby teeth to obtain a measure of the amount of bone-seeking strontium 90 being accumulated by children during the first year or so. Scientists generally agree that very young children are more sensitive to radiation damage than anyone else.

The Washington University scientists estimated that a child born in St. Louis in 1964 would, by its first birthday, have hot spots of strontium 90 in its bones that would increase by 70 percent the amount of radiation those parts are already receiving from radioactive sources naturally present in the environment. These hot spots would increase the radiation to the bone marrow by 38 to 150 percent, they calculated.

Although the scientists who made the analysis did not estimate the amount of bone damage this amount of radiation would produce, others have predicted that an extra dose of radiation to the bone marrow equal to that from natural background sources might increase the incidence of leukemia (11,000 per year in the United States) by 10 to 20 percent.

A Bill To Amend the Public Health Service Act To Provide for Study and Control by the Surgeon General of Dangerous Radioactive Contamination

Be it enacted, by the Senate and House of Representatives in Congress assembled, That the first sentence of section 301 of the Public Health Service Act (42 U.S.C. 241) is amended by striking out "and pollution of lakes and streams," and inserting in lieu thereof the following: "pollution of lakes and streams, and radioactive contamination of soil, water, and atmosphere, and its effects upon all forms of life, whether as a result of fallout, or disposal or escape of nuclear waste products, or otherwise."

SEC. 2. Title III of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART J—CONTROL OF DANGEROUS RADIOACTIVE CONTAMINATION

"In general

"SEC. 380. Notwithstanding any other provision of law, no department, agency, or instrumentality of the United States, no person, and no body, politic or corporate, may conduct any test or other operation involving the production or use of radioactive material except as authorized pursuant to the provisions of this part.

"Approval by Surgeon General; exceptions

"SEC. 381. (a) No test of a nuclear weapon or nuclear device, and no other operation involving the use or production of radioactive material except in armed international conflict or as provided in section 382, shall be conducted unless the Surgeon General, after full disclosure to him of all data (whether or not classified) which he may deem relevant to an evaluation of the hazard to the public health, shall have expressly approved the conducting of such test or other operation, or shall not have approval but the President, on the ground of overriding considerations of national security, shall have expressly approved the conducting of such test or other operation. Any such approval, whether by the Surgeon General or by the President, may be conditional, and may be revoked or amended at any time.

"(b) The Surgeon General, in determining whether to approve or to withhold approval pursuant to subsection (a) of this section, shall base such determination solely on the degree of hazard to the public health, future as well as present, taking into consideration the effects of radioactivity upon plant and animal as well as human life, and the degree of certainty with which available scientific knowledge permits the prediction of the nature, duration, and controllability of radioactive fallout, radioactive waste materials, or other hazards, and taking into consideration the cumulative effects of nuclear tests and other operations as well as the effects of each individual test or operation.

"Regulations authorized

"SEC. 382. The Surgeon General may by regulation authorize, with appropriate conditions and limitations, including the filing of such reports as he may require, such uses and operations involving radioactive material as do not, in his opinion, constitute a hazard to the public health.

"International cooperation

"SEC. 383. (a) The Surgeon General, through existing channels in the Department of State or otherwise, shall establish and maintain liaison with similar agencies in other countries, and shall take such other action as may, in his judgment, be appropriate to effectuate the purposes set forth in subsection (b) of this section.

"(b) The Surgeon General shall, to the maximum extent possible—

"(1) promote international study and cooperation with respect to the problems of controlling and reducing the hazards of radioactive contamination;

"(2) give wide dissemination to information developed through such study and cooperation; and

"(3) exercise continuing leadership in a worldwide effort to assure that the vast

potential for the betterment of humanity inherent in nuclear energy shall not, through ignorance or irresponsibility, be turned into a blight upon the earth.

"(c) Nothing in this section shall be construed as a waiver of any security requirements.

"Security requirements

"SEC. 384. (a) The Surgeon General shall establish, in connection with his functions under sections 381 and 382, such security requirements, restrictions, and safeguards as he deems necessary in the interest of the national security. The Surgeon General may arrange with the Civil Service Commission for the conduct of such security or other personnel investigations of such of the officers, employees, and consultants of the Public Health Service, and its contractors and subcontractors and their officers and employees, actual or prospective, as he deems appropriate; and if any such investigation develops any data reflecting that the individual who is the subject thereof is of questionable loyalty the matter shall be referred to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the Surgeon General.

"(b) The Atomic Energy Commission may authorize any of its employees, or employees of any contractor, prospective contractor, licensee, or prospective licensee of the Atomic Energy Commission or any other person authorized to have access to Restricted Data by the Atomic Energy Commission under section 145(b) of the Atomic Energy Act of 1954, to permit the Surgeon General, or any officer or employee of the Public Health Service, to have access to Restricted Data relating to any proposed test or operation as to which the Surgeon General is authorized to make a determination pursuant to sections 381 and 382 which is required in the performance of his duties and so certified by the Surgeon General, but only if (1) the Surgeon General or his designee has determined, in accordance with the established personnel security procedures and standards of the Surgeon General, that permitting such individual to have access to such Restricted Data will not endanger the common defense and security, and (2) the Surgeon General or his designee finds that the established personnel procedures and standards of the Surgeon General are adequate and in reasonable conformity to the standards established by the Atomic Energy Commission under section 145 of the Atomic Energy Act of 1954.

"Penalties

"SEC. 385. Whoever acquires, produces, possesses, uses, or disposes of any radioactive material otherwise than in accordance with regulations issued by the Surgeon General pursuant to section 382, without the approval of the Surgeon General or the President pursuant to section 381, shall be punished by a fine not exceeding $10,000, or by imprisonment for a period not exceeding 5 years, or by both such fine and imprisonment."

SEC. 3. Sections 380, 381, 382, 384, and 385 of the Public Health Service Act, as added by this act, shall take effect 6 months after the date of enactment of this act.

Mr. LEVERING. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Ohio.

Mr. LEVERING. I rise to compliment the gentleman from Iowa for bringing this very wonderful statement to the floor of the House today on this very vital matter of deadly fallout. I am glad he has made these remarks, and I trust that every Member of the House will give due consideration to them.

Mr. CARTER. I thank the gentleman.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Iowa.

Mr. WOLF. I am always happy when my friend the distinguished gentleman from Iowa, takes the floor, because I know that he will have something noteworthy to say. Just this weekend I was in my district in Iowa. I found that this matter of radioactive fallout is beginning really to terrify the people. I read an article in the press in Iowa, which I shall ask to put in the RECORD, at the proper time. We are rightfully scared. I think this is the expression. I think any time we call attention to this terrifying problem we are doing a service to humanity. But we must do more than just call attention to it. We must solve this problem. I am happy to join the gentleman in his remarks. And I might say that it begins to look as though this is Iowa day here on the floor. I am happy to see so many of the Iowans share in the discussion today.

Mr. CARTER. I thank the gentleman. It was pleasant.

Mr. KING of Utah. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Utah.

Mr. KING of Utah. I, too, should like to associate myself with the gentleman in the remarks that he has made and congratulate him on the thought that he has given to this vital subject. I should like to state that in Utah we feel we have a special problem in view of the fact that so many of the tests have been conducted at Frenchman Flats in Nevada, which is over the line from the southern part of my State. For that reason we are very conscious of this tremendous problem. We are aware that many tests have been run which have shown the presence of the evil effects of this fallout, that have been attributed to these tests. For that reason the people of my State feel, as do I, an interest in any constructive measures which will attempt to come to grips with this problem.

Mr. WOLF. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks, following the speech of the gentleman from Iowa [Mr. CARTER].

Mr. SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GLENN (at the request of Mr. ARENDS), on account of urgent personal business.

Mr. GARMATZ (at the request of Mr. FOLEY), on account of official business.

Mr. MAILLIARD, for the remainder of the week, on account of official business.

Mr. SHELLEY (at the request of Mr. COHELAN), through June 15, on account of official business.

Mr. MOELLER (at the request of Mr. LEVERING), on account of official business.

Mr. THOMPSON of New Jersey (at the request of Mr. METCALF), for today, June 8, 1959, on account of official business.

Mr. JOHNSON of Maryland, for June 8, 1959, through June 14, 1959, for official business on account of Subcommittee on Steamship Conferences hearings to be held in San Francisco, Calif.

Mr. DOWNING (at the request of Mr. SMITH of Virginia), on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BRADEMAS, for 35 minutes, today.

Mr. CHAMBERLAIN (at the request of Mr. DEVINE), for 30 minutes, on June 11.

Mrs. ROGERS of Massachusetts, for 10 minutes, tomorrow.

Mr. CARTER, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. FOGARTY (at the request of Mr. MCCORMACK) in two instances and to include extraneous matter.

Mr. EVINS and include an address by Hon. WRIGHT PATMAN.

Mr. PATMAN (at the request of Mr. ALBERT), to revise and extend remarks he made on the floor today and to include extraneous matter.

Mr. PUCINSKI, to revise and extend remarks today on his special order and to include two questionnaires at the close of his remarks.

Mr. KING of Utah.

Mr. DADDARIO (at the request of Mr. WOLF) and to include extraneous matter.

Mr. QUIGLEY and to include extraneous matter.

Mr. BOLAND.

Mr. ALGER.

At the request of Mr. ALBERT, the following Members to extend their remarks in the CONGRESSIONAL RECORD and to include extraneous matter:

Mr. METCALF.

(At the request of Mr. DEVINE, and to include extraneous matter, the following:)

Mr. VAN ZANDT.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1094. An act to amend the Bretton Woods Agreements Act.

ADJOURNMENT

Mr. WOLF. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 52 minutes p.m.) the House adjourned until tomorrow, Tuesday, June 9, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from

the Speaker's table and referred as follows:

1078. A letter from the Secretary of the Treasury, transmitting drafts of proposed legislation entitled "A bill to facilitate management of the public debt, and for other purposes", and "A bill to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be without recognition of gain or loss for income tax purposes"; to the Committee on Ways and Means.

1079. A letter from the Comptroller General of the United States, transmitting a report on a review of the proposed economic assistance program for the fiscal year 1959 for China (Taiwan), Korea, and Vietnam, as contained in the mutual security program presentation submitted to the Congress for that year; to the Committee on Government Operations.

1080. A letter from the Chairman, the Commission of Fine Arts, transmitting a draft of proposed legislation entitled "A bill to amend the act relating to the Commission of Fine Arts"; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THORNBERRY: Committee on Rules. House Resolution 289. Resolution for consideration of S. 1120. An act to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city"; without amendment (Rept. No. 444). Referred to the House Calendar.

Mr. WILLIAMS: Committee on Interstate and Foreign Commerce. S.1368. An act to amend sections 503 and 504 of the Federal Aviation Act of 1958 to facilitate financing of new jet and turboprop aircraft; with amendment (Rept. No. 445). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. House Joint Resolution 280. Joint resolution consenting to an interstate compact to conserve oil and gas; with amendment (Rept. No. 446). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARDEN: Committee on Education and Labor. H.R. 22. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; with amendment (Rept. No. 447). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL (by request):

H.R. 7610. A bill to validate certain extended oil and gas leases; to the Committee on Interior and Insular Affairs.

By Mr. BELCHER:

H.R. 7611. A bill to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended; to the Committee on Agriculture.

By Mr. CARTER:

H.R. 7612. A bill to amend the Public Health Service Act to provide for study and control by the Surgeon General of dangerous radioactive contamination; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H.R. 7613. A bill to amend the Federal Power Act in certain respects, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLT:

H.R. 7614. A bill to amend section 170(b)(1) of the Internal Revenue Code of 1954 with respect to certain charitable contributions to libraries; to the Committee on Ways and Means.

By Mr. JARMAN:

H.R. 7615. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

By Mr. KILBURN:

H.R. 7616. A bill to amend the Merchant Marine Act, 1936, to except certain voyages from the restriction on the payment of operating-differential subsidy for vessels engaged in coastwise or intercoastal trade; to the Committee on Merchant Marine and Fisheries.

By Mr. SLACK:

H.R. 7617. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. KILGORE:

H.J. Res. 418. Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico; to the Committee on Foreign Affairs.

By Mr. HOFFMAN of Michigan:

H. Res. 290. Resolution requesting certain information from the Secretary of Labor; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. MOULDER: House Resolution 161 of the Missouri House of Representatives to amend the provisions of Public Law 85-316 to include cases which fall within the fourth preference quota; to the Committee on the Judiciary.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the Chambers Lodge post office; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to enact legislation which will insure the free movement of milk of high sanitary quality in interstate commerce; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the Virgin Islands, memorializing the President and the Congress of the United States relative to requesting passage of a bill proposed by Senator MURRAY of Montana, in which he proposes the creation of an elective office of Resident Commissioner for the Virgin Islands to represent these islands in the Congress of the United States; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS:

H.R. 7618. A bill for the relief of H. P. Lambert Co., Inc., and Southern Drilling Corp.; to the Committee on the Judiciary.

By Mr. BURDICK:

H.R. 7619. A bill for the relief of Leonard Zimmer; to the Committee on the Judiciary.

By Mr. JOHNSON of Wisconsin:

H.R. 7620. A bill for the relief of Krystyna Ratajczak; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 7621. A bill for the relief of Johann Czernopolsky; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

209. The Speaker presented a petition of the city clerk, Treasure Island, Fla., requesting sufficient funds for commencement of construction of the West Coast Intracoastal Waterway from the Caloosahatchee River to the Anclote River, Fla., at the earliest possible time; which was referred to the Committee on Appropriations.

EXTENSIONS OF REMARKS

Archbishop Francis P. Keough

EXTENSION OF REMARKS
OF
HON. EMILIO Q. DADDARIO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, June 8, 1959

Mr. DADDARIO. Mr. Speaker, it was with some pride that I noted in the RECORD a few days ago a tribute inserted by the distinguished gentleman from Maryland [Mr. FALLON], on the occasion of the silver jubilee of Archbishop Francis P. Keough of the archidocese of Baltimore.

I should like to lend my wholehearted support to the justified praise that is being heaped upon Archbishop Keough and add to it the praise of my district—of which Archbishop Keough is a native. He was born in New Britain, Conn.

Archbishop Keough, who has devoted his life to the betterment of mankind, is beloved by all who know him. He has administered to his flock as a priest of the Roman Catholic Church in his home State of Connecticut, as bishop of Providence, R.I., and now in the primal see of the great metropolis of Baltimore.

He has exemplified not only a devotion to the principles and teachings of his church, but a genuine loyalty and love for the principles of Americanism.

On May 10, 1948, in the city of his birth, New Britain, the Connecticut Council of B'nai B'rith, a worldwide Jewish fraternal organization, presented Archbishop Keough a citation for his impressive achievements in sponsoring the spread of Americanism. This was a wonderful demonstration of the respect in which Archbishop Keough is held.

Born on December 30, 1891, of hard-working parents in a community which is known far and wide as the Hardware City of the World, Archbishop Keough is the first native of New Britain to reach that exalted station in the Catholic Church.

He attended St. Mary's Parochial School in his native city and St. Thomas Seminary in neighboring Hartford, and St. Sulpice Seminary, Issy, Paris. He completed his training for the priesthood at St. Bernard's Seminary, Rochester, N.Y., and was ordained in St. Joseph's Cathedral, Hartford, June 10, 1916.

The archbishop of Baltimore is concerned not only with the spiritual life of his people but also with their material pursuit of peace and happiness. He is often called the archbishop of the poor, aged, and infirm because it is to these he has devoted special care and consideration.

My fervent prayer at this time—as Archbishop Keough marks 25 years in his exalted office—is that he continue to serve God and country for many, many years ahead.

Juvenile Delinquency

EXTENSION OF REMARKS
OF
HON. JOHN E. FOGARTY
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1959

Mr. FOGARTY. Mr. Speaker, under leave to extend my remarks I include an address which I delivered at the National Institute on Crime and Delinquency at New Ocean House, Swampscott, Mass., June 1, 1959:

SPEECH OF HON. JOHN E. FOGARTY, MEMBER OF CONGRESS, SECOND DISTRICT, RHODE ISLAND, AT THE NATIONAL INSTITUTE ON CRIME AND DELINQUENCY AT NEW OCEAN HOUSE SWAMPSCOTT, MASS., JUNE 1, 1959

It is a pleasure to be here with you this evening and I welcome the opportunity to share with you my thoughts on the problem of juvenile delinquency.

It is a problem that causes grave concern, not only to you and to me, but to millions of our fellow Americans, and rightly so.

The statistics themselves are shocking.

The number of delinquency cases has risen for 9 consecutive years, in fact such cases have doubled in the last decade.

Last year more than one-half million of our children were involved in court actions because of delinquent behavior. An additional million whose cases never reached the court required police attention.

Young people under 18 are committing an increasingly disproportionate number of serious offenses, according to FBI reports.

Yet you know, as I do, that these figures, shocking as they are, do not tell the whole story. They barely hint the magnitude of the problem in the human terms of parental distress, economic burden, and loss of future potentially useful citizens.

All over our broad land, parents, teachers, the courts, civic groups, and other organizations express concern over the problem. And there are many groups attempting to solve it.

Recently I have met several times with professional people who are tackling the juvenile-delinquency problem through what they call saturation programs. This was a new term to me, but the idea it expresses—that of flooding high-delinquency areas with the united services of all the agencies of the community—seems to me to be a genuinely creative technique. What impresses me most about these total community programs is the breadth of concept. Here delinquency is tackled simultaneously with every available resource. Working through existing agencies—community, school, and civic groups; welfare and medical facilities; legal and police channels, youth organizations—these programs attempt to make available to the children of high-delinquency areas every type of help they will need. Through the schools, psychometric testing, remedial reading, and vocational guidance services are given as they are needed. The dentists and physicians of the community are drawn into contact with deprived groups who are ordinarily without such care, and mental health clinics are established to help untangle some of the complex psychological problems of the people of the area. Public and voluntary welfare agencies are utilized in their particular areas of concern. Interagency registries are set up to prevent duplication of effort and assure that each agency which has contact with a family knows which other agencies have attempted to serve members of the same family. Probation and parole officers reach out to delinquent and potentially delinquent children at a level they can understand, gradually winning the confidence and respect of influential gang leaders.

Let me say a special word about the people who handle the difficult tasks of probation and parole work. These are grueling jobs, taxing every resource of the worker, often placing him in actual physical danger. Yet, in spite of the long hours, the emotional and physical strain, the inadequate pay, we find young men and young women ready and willing to devote themselves to these jobs in the hope of reaching a few of the unreachable children. With these young men and women—many of you here today—lies much of the day-to-day supervision of disturbed and often rebellious children. To me, this type of service calls for a dedication to ideals—of vocation—of equal measure as that demanded of our medical or educational professions.

But the various techniques I have mentioned which bring together all available services are only the surface manifestations of a concept of far greater depth, which was also explained to me—a concept which I believe to be a thoroughly sound one of far-reaching implications. This concept recognizes the supreme importance of family and community, stability in freeing children of the tensions that lead to delinquency. Consequently, programs are focused especially on strengthening the family and community structures.

Special attention is given to the adjustment problems of families who move from familiar surroundings into Federal housing projects, and every effort is made to establish harmonious relationships among the new neighbors who are often of different cultural backgrounds.

Attempts are made to stimulate the more responsive members of the newly established communities to develop growing attitudes of civic responsibility. Special contacts with parents are made at the first sign of troubled behavior in the child, and the parents are educated to the need for positive parental influence and control while the children are still young enough to accept it.

The young people themselves are invited to participate in councils where specific problems can be ventilated and corrective action outlined by those most actively in and affected by them.

I am told that programs utilizing some of these ideas have been developed in several of our major cities: Philadelphia, Chicago, Los Angeles, San Francisco and others, and that one of the most comprehensive at present, is mobilization for youth, the all-out total community program in New York's lower East Side. Mr. James McCarthy, executive secretary of this program, has been partly responsible for opening my eyes to the creative possibilities of this new trend toward comprehensive programs of action.

I am not naive enough to assume that this approach to delinquency prevention and control is a panacea. In fact the more I learn about it the more I become aware of certain additional needs in the fight against juvenile delinquency. Two important aspects of the Mobilization of Youth project are simultaneous training of needed personnel and research to determine the effectiveness of techniques used in the effort to reduce deviant behavior. I feel that we need these training and evaluation procedures with each and every program of this type. We must set ourselves a goal of far more research in the field than is presently being done. We need to look into the possible relationship between juvenile delinquency and mothers who work. We need to determine why delinquency rises in some communities and drops in others. We need to make full use of the tests which have been developed to help us identify delinquency-prone children early, before they actually get into trouble, and devise still more ways to recognize such children. We must evaluate the effectiveness of our prevention and treatment techniques and formulate new ones to fill the gaps we discover.

I have been pleased to note that as you who are active in juvenile delinquency have turned increasingly to the total treatment approach in combating it, you have also turned your attention to a consideration of our present court structures. We cannot doubt the need for strong and effective courts. We know that in the past decade the number of cases coming before the juvenile courts has increased almost five times as rapidly as the child population of juvenile court age. This is an alarming rate of increase, and projected into the future at the same rate would mean that in another 5 or 6 years the courts would be handling a million delinquent children each year.

We have seen it demonstrated again and again that the seeds of delinquency are most apt to lie within the early homelife of the child. In fact I have been told that certain tests have been devised by Sheldon and Eleanor Glueck which attempt to predict the probability of future delinquent behavior through an analysis of the family setting. The Gluecks found clues that certain factors within the home relate closely to the presence or absence of delinquent behavior in the children. These factors were supervision by the mother, discipline by the father, affection of the mother and of the father, and cohesiveness of the family group.

Recently I learned that a limited pilot study in Washington, D.C., indicates that of 60 disturbed children studied, over half had shown behavior problems in their preschool years, and an additional third had manifested difficulties by the time they were in kindergarten. Poor family relationships and an unstable home environment were present in a significant number of the class. These facts, and other studies along the same line, indicate a clear need for family guidance facilities available while the children are in their preschool years, as well as during the school years—but they also bring me to the point I wish to make about our present court structures.

At present in most areas juvenile offenses fall under the jurisdiction of one court while cases relating to other family matters are handled by other courts. Many of our juvenile courts are doing an excellent job of supplying the specialized services needed by the disturbed young people who come before

them, but I feel it is possible that an even more effective job can be done if the total framework of family problems can be considered by a single agency. This is not a matter simply of adherence to certain constitutional guarantees about the rights of individual children, important as those guarantees are. If, as research seems to show, delinquency is usually an outgrowth of an inadequate home life, it seems logical that delinquency cases might best be handled by a court empowered to deal with all problems relating to family matters. This idea, of course, is not original with me. It is the substance of the Standard Family Court Act which has recently been released after 4 years of study by your organization, in cooperation with the Children's Bureau and the National Council of Juvenile Court Judges.

I think of the family court concept as a form of insurance. To return to the point I mentioned about the seeds of juvenile delinquency being sown most often in an unstable home environment, I think we might consider these questions: If, by the family court approach we can strengthen and stabilize family relationships, may we not be supplying one more of the building blocks in our defense against juvenile delinquency? May we not help families toward the resolution of some of their problems while their children are small, before they have slipped—or been driven—into delinquent behavior?

The coordination of services to a given family seems to me to be one of the chief possible advantages of this system. You have all encountered cases where the same family may be known to several different courts at the same time. You have seen that this is confusing to the family involved and inefficient from the standpoint of the court because it results in duplication of effort and one-sided knowledge of the family's problems. A family in trouble often does not know to which court it should turn with its particular problems of the moment. The courts, in turn, acting independently of each other, with different policies and procedures, may actually be at cross-purposes in relation to the problems of a given family.

Commendable as are these efforts, I have been impressed, as I have discussed the juvenile delinquency problem for the past several years, with the lack of coordinated effort. No one group accepts responsibility for giving leadership in the attempts to prevent or ameliorate the problem. The same situation of necessity exists where there is a lack of unified probation and parole system.

Earlier, I mentioned the need for more research on various aspects of the problem. As you know, I have for many years served as chairman of the committee of the House of Representatives that hears appropriation requests for the Department of Health, Education, and Welfare. In the course of the years, hearing from leaders in medical and health research, it has become apparent to me and the other members of my committee that many of our scientists are, as they should be, increasingly turning their attention to study of the behavioral sciences. Such studies include inquiry into the psychological, emotional, and environmental factors affecting children and youth. From such studies can come knowledge of influences leading to deviant behavior-knowledge which in turn will, it seems to me, give us our best leads to means for preventing juvenile delinquency.

In the Department of Health, Education, and Welfare are the Children's Bureau and the National Institute of Mental Health, both with interest, experience, and resources in the fields of child behavior, child welfare, and child psychology. My deep personal conviction of the benefits to be gained from research in medical and related health fields has led me to believe that a collaborative effort by these two agencies, one oriented to research in behavioral, psychologic and psychiatric sciences and the other oriented to research in sociological science with emphasis on child welfare, could not help but lead to methods for helping reduce the tragic social burden that juvenile delinquency represents.

The members of my committee are also convinced of the desirability of such collaborative effort by these two agencies. In our report on the appropriations for the Department we, therefore, instructed the Children's Bureau and the National Institute of Mental Health to team up on the problem and let us know what can be accomplished by such collaborative effort. In addition, because we in the Congress have been convinced of the need for some one group to assume primary responsibility for leadership in this field, the National Institute of Mental Health was asked to take such primary leadership.

I hope that as a result, there may be constructive progress, or at least a clear path toward such progress, by the time your group meets next year.

Meanwhile, I hope, and am confident, that you will continue your efforts to meet the problem. You may be equally confident that I, for my part, will continue my efforts in the Congress toward the end we both so greatly desire—an end to juvenile delinquency and a happier, more rewarding future for our Nation's children and young people.

Senator Lyndon B. Johnson Delivers Commencement Address at Bethany College; Receives Honorary Degree

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, June 8, 1959

Mr. RANDOLPH. Mr. President, on Sunday, June 7, 1959, I had the honor of presenting Senator LYNDON B. JOHNSON, the distinguished majority leader of this body, as the speaker for the 118th annual commencement at Bethany College, Bethany, W. Va. Approximately 1,500 persons were in attendance.

The able senior Senator from Texas, with whom I had the honor of having served in the House of Representatives before being privileged to be his colleague in this body, spoke of the graduation exercises as signifying the end of formal preparation and the beginning of formal participation. His address was a significant pronouncement to the class of 126 members from two foreign countries, 15 States, and the District of Columbia.

Indeed, the Texan's speech was stimulating. It had the quality of challenge. It was patterned in the tradition of the splendid Christian college founded by Alexander Campbell.

Senator JOHNSON told of the faith of the presidents of Bethany College exemplified by the founder's philosophy of education, which was also a philosophy of life. It was a well-deserved tribute to Dr. Perry Epler Gresham, the president of the college, when the majority leader stressed the steadfastness to the founder's and the institution's traditions.

I have known President Gresham for more than 20 years. It was a pleasant and a delightful experience to have heard many persons in attendance at the commencement exercise tell of the devoted leadership he is providing at Bethany.

Mr. President, I ask unanimous consent that the text of the address by the senior Senator from Texas [Mr. JOHNSON] be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATE MAJORITY LEADER LYNDON B. JOHNSON AT COMMENCEMENT EXERCISES, JUNE 7, 1959, BETHANY COLLEGE, WEST VIRGINIA

FACING THE FUTURE

I come to Bethany with a sense of pilgrimage.

This campus has been—for nearly 120 years—an American landmark of a faith from which I have drawn strength and direction for my own life since boyhood. Until now, I have known Bethany only from afar. To walk at last on "God's half acre" is a rich reward of this day.

But there is more than personal inspiration in this journey.

Here at Bethany—deep in the beginnings of your college—there is a compelling message for Americans to hear again—and give it heed today.

Bondage of traditions

In these hills, Alexander Campbell had a vision of a great American future. He saw here—in this New World—the hope for fulfillment of the human spirit if men would but break free of the bondage of traditions which had lost their meaning.

Alexander Campbell had a soul of fire. He preached with zeal. And he had a sense of purpose.

He did not propose that men cast loose from safe moorings. But it was his plea that men not allow vacant traditions and empty rituals to come between them and the sources of their real strength.

His philosophy of education was also a philosophy of life. When he said "Men, and not brick and mortar, make colleges, and these colleges make men" he was describing not only education but the Nation, the State, and every human institution.

And this tradition has been carried on by the presidents of Bethany College right down to your own Dr. Perry Epler Gresham.

It was natural that such a philosophy should arise in West Virginia. This State of rugged mountains is also a State of rugged men—men of self-reliance and integrity.

It is reflected in your leaders—men like my good friends Senator JENNINGS RANDOLPH and Senator ROBERT C. BYRD.

I suppose every college commencement speaker has admonished his audience to face the future with confidence. There is little that can be said on such an occasion that is original.

The end and the beginning

The commencement exercise signifies the end of formal preparation and the beginning of formal participation. But all of life is continuous preparation for the battles down the road and continuous participation in the struggles with us now.

In the year 1959, the cliches of the college commencement address have taken on a fresh and more vital meaning. It is because we live in a world where development is accelerating at a bewildering rate.

It is really true that you are stepping out into a brave new world.

It is really true that you are facing challenges greater than any which faced your predecessors.

It is really true that your fellow Americans—and your fellow human beings—are going to look to you for leadership in the years that lie ahead.

And, I believe, it is also really true that you and all those who are graduating this year will be equal to your tasks.

Necessary broad vision

We are living in a world where the problems cannot be solved simply by brainpower and concentration. A necessary ingredient to success is also broad vision.

All of us have a tendency to become specialists—to concentrate on a specific area and become increasingly expert in constantly narrowing fields of knowledge.

This is as true in the public life of our Nation as it is in the professions and in private enterprise. We are inclined to view the world through the eyeglasses of specialization—and to assume that what we do not see clearly is subordinate.

There are a few overriding factors in the modern world which most of us can recognize:

The drive of underdeveloped nations to independence and modern technology.

The cold war between communism and freedom.

The newly unleashed power of the atom.

The breakthrough into outer space.

Impact of basic factors

Every one of these basic factors has a direct impact not only on your country but on your daily lives. They even affect visibly the method by which you will make your living for yourselves and your families.

Although all of us are aware of the basic factors, our response to them is certain to vary. Our attitudes and our methods of thinking are necessarily conditioned by our background and our experience.

But even though it is inevitable that our viewpoints will differ, there is a trap into which we must not fall. It is to assume that our own specialized interests hold the key to all the problems of this complicated world.

All of us live two lives.

We are private individuals with our own thoughts, our own dreams, and our own individual communion with God. As such, we go about our daily rounds, taking care of our spiritual and material needs and earning the daily bread for our families.

Collective obligations

But we are also members of a nation and, as such, we have a deep stake in the prosperity and well-being of that Nation. As citizens, there are collective obligations imposed upon us which must be met.

As private individuals, it is essential that we be specialists because of economic necessities. But as members of the nation, we cannot allow our views to be warped by narrow vision.

There are those who believe that the whole key to our future lies in helping the underdeveloped people of the world to economic and social security. If we do not, it is argued, they will join the forces of communism out of desperation.

There are others who believe that our freedoms will survive only through a series of military alliances backed by crushing force. Without such alliances, we are told, we will soon be overwhelmed.

There are others who believe that we must withdraw behind strong walls and concentrate only upon our own strength. Otherwise, we are told, we will soon be too weak to help either ourselves or anyone else.

The valid viewpoint

The truth, we find, is somewhat more complicated. There is some validity in each viewpoint. But taken separately, they could be disastrous.

There can be little doubt—to a thinking man—that considerations of humanity and self-interest demand that we help the underdeveloped nations.

We live in a world one-third free, one-third Communist, and one-third uncommitted. The uncommitted world is by and large that part of the globe which has failed to keep pace with modern technology.

Should the uncommitted world join the Communist world, the forces alined against us would be overwhelming.

The problems at home

But we cannot permit ourselves to become so absorbed in the problems of the rest of the world that we are blind to the problems here at home. If we do, we will soon find that we do not have the strength to translate good intentions into good deeds.

There are people here at home who need jobs and who need security.

There are people here at home who need decent houses for their families.

And there are also resources of men and materials here at home which are now wasted and idle.

Most of our internal problems are not of the same magnitude as those which confront the underdeveloped nations.

They have hundreds of millions who hunger or who live on inadequate diets. We have only a few million who are unemployed, who are seeking jobs and who cannot find their jobs.

But if the soft spots in our economy are ignored, they will spread. And the good times which most of our people now enjoy can collapse because it has an inadequate foundation.

It is a narrow viewpoint to close our eyes to the great forces which are shaking the world. But it is equally narrow to forget about the people who live within our own borders.

The essence of survival

To survive in this world, we need our friends. We need our military alliances. We need imaginative programs to promote peace. And we need strength—not just military but spiritual and economic strength.

And we cannot stake our future on one policy or one program anymore than we can rest our bodies on a one-legged stool.

I did not come here today to give you advice. That would be presumptuous on my part and properly resented on yours.

I did come to offer my congratulations and my best wishes for the future. And the only thing I want to tell you is that those of us who 20 or 30 years ago took part in a similar ceremony have found this to be a challenging world, a fascinating world, and a world worthy of the preparation you have made for it.

Mr. RANDOLPH. Mr. President, after Senator JOHNSON had spoken, honorary degrees were conferred upon five distinguished Americans, including our honored guest and a great and venerable West Virginian, Michael L. Benedum.

The citation for the awarding of the honorary LL.D. degree to LYNDON BAINES JOHNSON noted, among other items that "his record in Congress shows that he did, and does his own thinking"; that "he has been described as one of the hardest working Members of Congress and has the respect of members of both parties"; that "he is an individual who first collects the facts in a case and then makes his recommendations without fear and without respect to personalities involved"; that "this man is a person of prodigious energy," a man who, in order to keep up with his assignments, "has to live at a gallop"; that "he has been ever alert to strike down intolerance whenever it has raised its ugly head"; and in the citation were these significant questions and answers:

What has this man written—what is he writing? We can summarize his achievements in these few words: He is writing pages in the history of a great democracy. To what is this man devoting his life? To living out those beliefs which have been quoted, namely, his proclamation of his political and personal philosophy in the following words: "I am a free man, an American, a U.S. Senator, and a Democrat—in that order. I am also a liberal, a conservative, a Texan, a taxpayer, a rancher, a businessman, a consumer, a parent, a voter, and not as young as I used to be nor as old as I expect to be—and I am all of these things in no fixed order. * * * In the heart of my own beliefs is a rebellion against this labeling and filing of Americans under headings regional, economic, occupational, racial or otherwise. I regard the right to hold one's own political philosophy as a cornerstone of American freedom." * * *

It is indeed fitting and proper that this historic old college, founded by Alexander Campbell, who held strongly to those, same principles of individual freedom, democracy, and self-sacrifice, should honor a follower of Campbell, a member of the Disciples of Christ, at this, the mother institution.

Mr. President, Mr. Paul G. Benedum, a distinguished native West Virginian and the nephew and close business associate of Michael L. Benedum—who will, God willing, achieve the age of 90 years on July 16—accepted the honorary LL.D. degree conferred by Bethany on the pioneer oil and gas explorer, producer, financier, philanthropist, and patriotic American:

Some men become wealthy because that is their purpose in life; others accumulate great fortunes as the result of the attainment of specific objectives. Michael Benedum's objective was exploration and the genius of the man who found more oil than any other individual in history produced the wealth which is now being devoted to religious and educational philanthropy and the communities in which he has a personal interest.

In 1944, Mr. and Mrs. Benedum established the Claude Worthington Benedum Foundation as a memorial to their only son, who died in World War I. Three-fourths of the income of this foundation is designated for the benefit of the State of West Virginia and is being used to provide scholarship loans for needy and deserving students, and to respond to the needs of civic, religious, charitable, scientific and educational institutions. This will be the Benedums' principal instrument for public service.

Entirely too many of our contemporary standards are those of a sedative society whose symbols of achievement are the tranquilizer, the consultant's couch and affluence for all men irrespective of merit. It is, therefore, particularly appropriate that we should pay our highest respects to a philosopher of action whose 90 years of indefatigable living have been characterized by courage, optimism, excellence and a profound sense of personal responsibility.

It is my honor and pleasure to present Mr. Michael Late Benedum for the honorary degree of doctor of laws.

The histories of civilization record an infinite variety of ideas and aspirations but if there has been one dominant preoccupation common to the minds of men in all ages it is the search for a philosophy by which to live.

In the year 1885 in Bridgeport, W. Va., Michael Late Benedum reported at Davisson's Mill for his first job. He was 16 years old and the starting wage was $16 per month and although the intervening time has altered all other circumstances the work has continued without interruption—for this is part of his philosophy. "I never expect to quit work. Idleness destroys everything within its influence. It will dissipate the

largest fortune, and it will ultimately destroy nations and civilization."

Our literature and our art proclaim the impotence of the individual; our classrooms and pulpits echo their despair, and, at the first sign of adversity, we turn in supplication toward the Potomac and pray to be delivered from the evil of self-determination.

The biography of the man we honor is the romantic, adventurous and inspirational epic of the discovery of oil from the days when an official of the Standard Oil Co. declared he would "drink every gallon of oil produced west of the Mississippi" to the truly fabulous fields of Oklahoma, Louisiana, Mexico, Rumania, and South America. And, as we observe the bench marks which identify the significant moments of triumph, tragedy, success and catastrophy along the path from lease agent for the South Penn Oil Co. to the executive offices in the Benedum-Trees Building in Pittsburgh, it is not difficult to imagine the tolerant amusement with which Mike Benedum regards the current pessimism which classifies man as solely the mechanistic product of birth and environment.

Tribute to Gen. George C. Marshall

EXTENSION OF REMARKS
OF
HON. RALPH W. YARBOROUGH
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Monday, June 8, 1959

Mr. YARBOROUGH. Mr. President, I was not on the floor of the Senate last week when the distinguished Senator from Oklahoma [Mr. MONRONEY] and others paid deserved tribute to Gen. George C. Marshall. As one who served in the Armed Forces in World War II, and saw firsthand the marvelous efficiency with which General Marshall directed the training, equipment, mobilization, and deployment of U.S. soldiers for victory, I desire to add a word to what has been said.

I ask unanimous consent to have printed in the RECORD a brief prepared statement on the lifetime of service rendered to this country by Gen. George C. Marshall.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TRIBUTE TO GEN. GEORGE C. MARSHALL; HIS SERVICES FOR WAR AND FOR PEACE

During the month of June, we commemorate the anniversaries of two great events in our Nation's history, one in war, D-day, the other in peace, the conception of the European recovery plan. These two events focus our thoughts on that great American whose unforgettable role in both was the culmination of a lifetime of service to this country in both war and peace, Gen. George C. Marshall.

As Chief of Staff before and during the Second World War, General Marshall directed the Armed Forces of this country to victory, building them from a small unprepared force to one of the mightiest defense machines the world has ever known. His ability to choose the right man for the right job without regard to personal favoritism, his reorganization of the Army into ground, air, and service forces under the Chief of Staff and Operations Division under the General Staff, his coordination of military and naval strategy, his friendly relations with legislators, and the press, and his high reputation among the leaders of other nations are but a few of the achievements and qualities which made General Marshall a great wartime leader.

There is one accomplishment in General Marshall's military career which I would like to point out especially at this time, and that is his excellent organization and supervision of the Services of Supply. Too often, amid the justifiable tribute paid to heroes of battles, we forget the heroes whose quiet, efficient, untiring labor behind the scenes is equally essential. To direct these forces well is as imperative as, in fact, a vital part of strategic planning. Shortly after Pearl Harbor, General Marshall and Secretary of War Henry L. Stimson decided on the creation of the Services of Supply, or the Army Service Forces, which took over many of the vital tasks which had be be performed for the support of military operations. Throughout the war, the service forces accomplished a prodigious task in the supply of food, clothing, munitions, and transportation, and were a decisive factor in our victory. General Marshall's role in the organization, selection of the commander, and supervision of these services, which have been described as General Marshall's own creation, should be viewed in its proper perspective as one of the most noteworthy achievements of this great man.

Finally, I should like to pay tribute to General Marshall as one of our great peacetime leaders. As Secretary of State in one of the most critical times in our Nation's history, General Marshall played a vital role in some of those early, decisive actions which did so much to stem the tide of communism, the timely aid to Greece and Turkey and, above all, the plan to help Europe recover from the ravages of war which bears his name, the Marshall plan. Most of us would be proud if we could match even a small part of General Marshall's contributions to his country, or share even a bit of the deep affection which he enjoys from the American people. Like the Father of our Country, he is held high not only in the annals of war and peace but in the hearts of his countrymen.

American Politics Has No Room for Religious Intolerance

EXTENSION OF REMARKS
OF
HON. DAVID S. KING
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Monday, June 8, 1959

Mr. KING of Utah. Mr. Speaker, recently I received in the mail an intemperate and inflammatory diatribe against the Roman Catholic Church. It was plainly inspired by the prospective candidacy for President of the United States of a prominent member of that church.

I do not question the right of a man to publicly criticize any religious group, and, with Voltaire, I will "defend with my life his right to do so." Furthermore, I should like to make it perfectly clear that I have made no commitment and, indeed, have no leanings whatsoever in favor of, or against, any one of the many splendid Democrats whose names have been prominently mentioned in recent months as presidential possibilities. When I do make my choice, you may be certain I will be in no way influenced by religious bias.

I should like to say a word, however, upon the subject of religious bigotry in American politics. Until recent times my own church, the Church of Jesus Christ of Latter-day Saints, repeatedly felt the stinging lash of this demon bigotry. For that reason my people are strongly resolved that unreasoning intolerance shall never become a part of their culture.

The Mormon people zealously teach that the American Constitution was Divinely inspired. They are intensely loyal. The basic principles of their faith clearly require their unswerving loyalty to the Government, its laws, and the constitutional ideals under which they live. One of their basic principles, as proclaimed in their articles of faith, declares:

"We claim the privilege of worshiping Almighty God according to the dictates of our own conscience, and allow all men the same privilege, let them worship how, where, or what they may."

The articles also declare, in part:

"We believe * * * in obeying, honoring and sustaining the law."

Utah history reflects the tolerance and understanding which the above articles call to mind. The Salt Lake Tribune newspaper grew into one of the most influential institutions of the State and one of the finest newspapers of America, under Roman Catholic ownership. One of its distinguished owners and publishers, the Honorable Thomas Kearns, was elected to the U.S. Senate in 1901, 5 years after Utah became a State.

The fourth Governor of Utah was a distinguished Jew, the Honorable Simon Bamberger. He was elected Governor at a time when Utah probably had as small a percentage of Jews among its population as any other State in the Nation.

Tolerance and understanding are reflected today in the general respect which Utahans show religious institutions and leaders of every faith, including such Roman Catholic institutions as Salt Lake City's Holy Cross Hospital, the Judge Memorial School, and the Cathedral of the Madeleine, and including, too, the distinguished bishop of the Catholic Diocese of Salt Lake City, the Most Reverend Duane G. Hunt.

Throughout our State history, the Mormons and Catholics have lived side by side, in harmony and peace. I pray in my heart that it may remain that way, and I have resolved that no political act of mine shall ever disturb the tranquillity of that relationship.

Although, as I have indicated, I do try to live the tenets of my own particular faith, I should add that I had the privilege of attending for 4 years the famous Jesuit institution of higher learning, Georgetown University. Many of the warmest friends I have are members of the Roman Catholic faith. Individuals are justified, I believe, in drawing conclusions from their own personal experiences. My conclusions, drawn from such experience, are that the Catholic institutions of learning are dedicated to the teaching of a type of American patriotism whose high quality and fidelity to American principles

match those of any other educational institutions in this country.

To suggest that the pledge of allegiance taken by a Roman Catholic is in any way less sincere than that taken by any other member of our Commonwealth, or that such pledge taken by the Catholic carries personal reservations which another's does not, is to ignore the facts which I know to be otherwise.

If we were to subtract from the rich and variegated pattern of our national history every contribution made by the many Catholic nationalities such as the Irish, the Italians, the Spanish-Americans, and the Poles, we would find ourselves confronted by an irreparable loss. It would be heartbreaking to live in an America who knew not these wonderful people.

Over 90 Members of the Congress of the United States belong to the Roman Catholic Church, including our very distinguished majority leader, the Honorable JOHN W. MCCORMACK, of Massachusetts. I consider it an honor to associate with these outstanding gentlemen and distinguished Americans.

As an American, I plead with all Americans to resolve never to stoop to place a single faggot on the fire of religious bigotry and intolerance. America is great because America is bigger than the cramped provincialism which excludes diversity of belief. I can only express the hope that during the coming campaign the bigness of the American mind may spurn the confinements of the narrow sphere of intolerance, and may move out into the vast sunlight of understanding.

The Oregon Centennial

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, June 8, 1959

Mr. NEUBERGER. Mr. President, in this centennial year of Oregon statehood, we take particular pride in the magnificent scenic vistas of our State. These mountains, valleys, and sweeping stretches of seacoast abound in wildlife, fisheries, and birds. Few places in America are so characterized by snowy peaks and timbered hills rising far above the ocean's foaming strands.

In Sports Afield magazine for June 1959, I have been privileged to contribute an article entitled "Oregon at 100." The theme of the article is expressed in the headline added by the editors, which refers to Oregon as "one of America's great outdoor States."

Already, Mr. President, my office is receiving many inquiries from fishermen, hunters, campers, and outdoor lovers throughout the Nation. These people have read the article and they desire to spend their vacation in Oregon, the State which thrills all newcomers—whether they be bold frontiersmen like Lewis and Clark in pine-log canoes, or modern wayfarers in sleek station wagons. This is Oregon's 100th anniversary of statehood.

I wish it were possible, Mr. President, to include in the CONGRESSIONAL RECORD some of the lovely colored photographs of the McKenzie River, the Wallowa Mountains, the Rogue River, the mouth of the mighty Columbia River, and other Oregon beauty spots which have been featured by the editors of Sports Afield magazine.

Mr. President, I ask unanimous consent to have printed in the RECORD my article entitled "Oregon at 100" from the June issue of Sports Afield.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Sports Afield magazine for June 1959]

OREGON AT 100

(By Senator RICHARD L. NEUBERGER)

(This year celebrating a century of statehood is one of America's great outdoor States. Here an eminent native son tells of her vast hunting-fishing-camping potential.)

When my wife Maurine and I are trudging through a wooded glade or beside an ocean strand, we have a game we play. What would be our choice if a mythical Paul Bunyan could transport us back in time to some earlier period in history? And always we come to one event. We would have chosen to go along with Meriwether Lewis and William Clark on that original westward pilgrimage across this vast continent by Americans.

To us, no thrill could compare even remotely with the adventure of being the first of all our countrymen to see the marvels of Oregon—to paddle in pine-log canoes down the mighty Columbia, to glimpse the snowy pyramid of Mount Hood rising out of the foothills of the Cascade Range, to peer up the chasms of the Snake and the Deschutes, to glory in the incredible quantities of fish in the swift reaches of these mountain rivers and of game on their shores, to see evergreen forests measured only by horizons, and finally to sight the great Pacific where it breaks in whitecapped splendor beyond the Columbia's bar.

Oregon affects us that way. Whenever we are separated from our native State, we are unable to feel really content or satisfied. Its surf and booming waterfalls call to us from afar. In this year of 1959, which marks the 100th anniversary of Oregon statehood, we still are dazzled by the fact that any realm on earth could be so generously supplied with all the wonders of the outdoors. And our affection for Oregon is expressed in more than mere words. One day Felton M. (Skeeter) Johnston, secretary of the U.S. Senate, said to me: "Senator NEUBERGER, I believe you spend more time in your home State and less time in Washington, D.C., than any other member of the Senate.

"Skeeter," I replied, "there's a good reason for that. Both my wife and I were born and raised in Oregon. We can hardly wait to see our favorite campgrounds or picnic spot in the Oregon wilderness, once the Vice President has banged his gavel and announced the adjournment of the Senate until the next session."

Perhaps I can make you understand our fervent devotion to Oregon.

Oregon contains in abundance the three ingredients essential to a healthy and permanent wildlife community—forests, water, and ample space not yet taken over by pavement or real-estate subdivisions.

Oregon's 434 billion board feet of standing timber make it first in the Nation in forest growth. No sister State anywhere can rival Oregon's immense green blanket of fir, pine, cedar, and other needled species. Even my hometown of Portland contains more trees than any other city in the world, regardless of size. The humblest bungalow can have a Douglas-fir as high as a 20-floor office building in its backyard.

And the rivers of Oregon match the forests which guard and protect their sources. These rivers rib seacoast and upland alike with their gorges. Some idea of Oregon's prodigious quantity of water may be gained from the fact that the Columbia carries 180 million acre-feet to the ocean. The gnawing Colorado River, architect of the Grand Canyon, has a runoff with barely 10 percent this much water. Many mountain ranges in Oregon pay glacial tribute to the Columbia and its tributaries—the Cascades, Coast, Wallowas, and Blue Mountains. They soak up winter's deep cushions of snow and let the water seep downhill with the dependable regularity of a honker flock's annual migration.

Indeed, Oregon has so many rivers stockaded by awesome scenery and filled with fighting fish that each sportsman has a different favorite. That author of innumerable western tales, Zane Grey, was partial to the saucy Rogue with its salmon and steelhead. Ex-President Herbert Hoover has told me that the foaming McKenzie, with its rainbow trout, is his special jewel. The Lostine River, which claws at granite boulders with rockets of spray, is the particular trout fishing bailiwick of Supreme Court Justice William O. Douglas. This illustrates Oregon's versatility, for the Rogue splashes directly into the ocean, while the McKenzie and Lostine are mountain rivers which reach tidewater only through a network of distant tributaries. Gen. George C. Marshall is another who, like Zane Grey of old, prefers Oregon streams murmuring straight to the sea. His choice is the picturesque Umpqua, which has an infinite variety of fishing—salmon, searun cutthroats, striped bass, and German browns.

Of course, the ordinary angler, who is not on the split-second schedule of a famous military commander or former President, can try his luck both at sea level and high among the crags when he visits Oregon. Our State, in common with such favored places as Norway and the new 49th State of Alaska, has mountains whose timbered headlands kneel in the ocean. In fact, I know of no outdoor recreation which Oregon fails to afford, unless it be scrambling up coconut palms or some other tropical tree.

Glacial ascents in Oregon of varying difficulty beckon the alpinist. A whole necklace of lakes offers boating, swimming, surfboarding and fishing. My wife, who must have mermaid corpuscles in her veins, insists that no swimming—either in salt water or fresh—is half so invigorating as that available in Oregon. The water is cold, however, and thus not for any bather who is faint of heart or pulse. Nearly one-fourth of Oregon lies inside the boundaries of national forests, which are crosshatched with excellent trails. Timber sales are twice the value of those in any other State, but the U.S. Forest Service maintains a program of sustained-yield, which means that the annual cut is kept closely in balance with new forest growth.

Their wealth of natural resources has made Oregon's people extremely conservation-conscious. When an unwise termination act put in jeopardy the extensive pine forest and waterfowl marsh of the Klamath Indian Reservation, public opinion in the State mobilized speedily. This made it possible for me to sponsor successfully in the Senate a $90 million authorization for Federal purchase and preservation of such priceless outdoor assets. The saving of the Klamath marsh—which otherwise might have been drained for use as grazing land—was of special importance, because it is used for nesting and feeding by some 85 percent

of the birds traveling the Pacific flyway. Of great assistance to this rescue operation in Oregon was the effective crusading carried on by Michael Hudoba, able Washington correspondent of Sports Afield.

Because of its wealth of water and trees, all of Oregon bristles with wild creatures of one kind of another. This is attested by the purchase last year of over 800,000 fishing and hunting licenses and kill-tags of various sorts, a statistic of amazing proportions in a State of only 1,700,000 population. Oregon has almost 3 percent of the country's land area, but about 1 percent of its people. This explains why there still are wide-open spaces in Oregon free of cities and supermarkets. Such spaces can be either gaunt rimrock, primeval groves or seashore sand dunes. Yet they have one characteristic in common—freedom from civilization. Forest fastnesses in Oregon stretch away to the skyline, untouched except by an occasional lookout tower or ranger's cabin.

We have a lean and rugged friend named Hank Lewis, who recently spent 5 weeks with his family on the Skyline Trail, which threads along the summit of the Cascades. They saw other human beings only once—when they deliberately left the mountain pathway at Crescent Lake to stock up on grub. This is a rare kind of solitude in our frenzied existence. "I wouldn't have believed we could be so all alone anywhere in the continental United States," said Hank's resourceful wife Jean, who is a member of the Oregon State Senate.

I myself remember sitting, winded and tired, on the dizzy shoulder of Olallie Butte, in the Mount Hood National Forest, just after we had returned to Oregon from a tense and hectic session of Congress. While we munched our cheese sandwiches and listened to the hum of insects in the late summer afternoon, it seemed difficult to recall that we had only just come from an environment where hordes of people pulled at our lapels and tugged at our elbows during every waking hour.

This is what Oregon means to us—rest and peace and sanctuary from the jitters of big-time politics.

But Oregon is not only a refuge for the species homo sapiens. The Malheur National Wildlife Refuge, in the State's southeastern corner, is about the biggest migratory-bird reserve in the country primarily set aside for waterfowl, sand-hill cranes, herons, pelicans, egrets, all kinds of ducks and geese, gulls, quail, sage hens, and loons are among its winged inhabitants. This is the farthest north that egrets nest on our continent. A monument recently was dedicated at the heart of the refuge in tribute to a pair of illustrious Oregon naturalists, Stanley G. Jewett and Bill Finley, who fought to keep such wetlands from being drained for agricultural purposes. A former resident of Oregon, Dr. Ira N. Gabrielson, president of the Wildlife Management Institute, journeyed 3,000 miles to make the dedicatory address while birds rustled in the reeds.

From the very beginning, Oregon's abundance of wildlife has made a vivid impact on visitors. Lewis and Clark arrived in Oregon after having had their narrowest brush with starvation when crossing the bleak Bitterroot Range. Game had been nonexistent. Oregon's first impression was to awe the explorers with the countless thousands of salmon in the rivers and the endless procession of ducks and geese overhead. The great numbers of elk on the south bank of the Columbia, within sight of the river's wide mouth, induced the location of Fort Clatsop, which soon will be made a permanent memorial by the National Park Service. Lewis and Clark needed meat and also hides to replace their tattered garments. Therefore, they built their crude log stockade where the elk foraged, and thus it was that the first habitation ever erected by Americans on the shores of the Pacific Ocean came to be located in what today is Oregon State.

The same Roosevelt elk that befriended Lewis and Clark are numerous in Oregon now, especially along the timbered seacoast. They are larger in size and darker in color than the Rocky Mountain elk, which roam the mountains and plateaus in the interior of the State. Before I was born in Oregon 46 years ago, some of the famous Jackson Hole elk herd in Wyoming had been transplanted to the uplands of Oregon. They thrived immediately in their new habitat and have flourished ever since. These animals with such a historic past give Oregon a virtual photo-finish tie with Montana for second among the States in elk population. Idaho, with its sprawling herd on the steep slopes of the Lochsa River, leads the country in this big-game category. Ironically, the famous Lochsa elk were not in the vicinity when Lewis and Clark, stricken with hunger, staggered across the area which now is Idaho.

Nearly every wayfarer has eaten well in Oregon. Explorers like Lewis and Clark or Gen. John Charles Fremont or Capt. Benjamin Bonneville might find lean pickings elsewhere, but they dined in style on elk rump, salmon steak, and goose liver when Oregon was reached. Although he got there after pioneer times, Rudyard Kipling was the happiest traveler of all. He caught seven or eight whopping Chinook salmon on lures in the Clackamas River within a few hours, near the foot of the riffles pecking at a Southern Pacific trestle. Kipling then reported to friends at his home fishing club across the globe in India: "I have lived. The American Continent may now sink under the sea, for I have taken the best that it yields, and the best was neither dollars, love, nor real estate."

The modern sportsman may not have Kipling's gift of expression, but he will be just as pleased with Oregon. Come with me for a quick survey of this far-flung outdoor paradise on its 100th birthday as a State of the Union.

If you arrive with creel and rod, plan to fish both in the mountains and along the ocean. Oregon has at least 15,000 miles of fishing streams and more lakes than an IBM machine could tabulate. An alert and well-staffed State game commission has kept waters efficiently stocked despite the inroads of fishing and an occasional overdose of sewage from cities or paper mills. At least 15 rivers of Oregon empty directly into the Pacific. Salmon are taken principally through trolling, casting, or still fishing. Spinners, artificial minnows, and cluster eggs are the most reliable lures. Steelhead, which I like to describe as rainbow trout that got inquisitive and went to sea, are at their peak during the damp but mild coastal winters. Chinook salmon, king of their kind, spawn in the gravel of fast-running creeks. But the smaller sockeye or bluebacks will hatch the next generation of salmon only in streams which have lakes lurking at their headwaters. Chinooks frequently weigh up to 50 pounds, and the world record sport-caught Chinook was taken from the Umpqua River of Oregon. Its avoirdupois was 83 pounds.

Fishing in the Oregon mountains depends less on poundage and more on fight for its thrills. Just about every sort of trout can be enumerated in one or another of the States' myriad of rivers. The Deschutes watershed, near the central portion of Oregon, offers steelhead, rainbows, eastern brook trout, German browns, lake trout, and the Kokanee, which is a landlocked sockeye salmon. The Deschutes, like many other Oregon streams, can be fished from boats or from the banks. If you prefer to cast your flies in a wilderness, try the Wallowa Range in the extreme northeastern sector of Oregon. A Swiss guide told me this idyllic valley was more like his native land than any spot he had yet seen in the United States. I never have visited Switzerland, but if it is anything like the needled and spired Wallowas, with their gem-shaped lakes, then I believe all the favorable comments I have heard about the domain of William Tell.

Snow in the high passes keeps wayfarers out of the Wallowa uplands before July 4. Trails are steep and no place for a tenderfoot addicted to dizzy spells. But the reward is rich in rainbow, eastern brook, and cutthroat trout, once the high alpine meadows are attained. This is the advantage of a State as diversified as Oregon. It combines the mountain wonders of a Colorado with the seacoast attractions of another Maine. If you are stout of heart and limb, you can invade the Wallowa Range or the Cascades with your fishing equipment. But if a coronary condition keeps you close to sea level—as it does in the case of that doughty angler, President Dwight David Eisenhower—then the 15 fretted streams pouring into the Pacific Ocean are your deepdish cobbler in Oregon.

I myself am not a hunter. I have never pulled a trigger on a fellow mammal. But I refuse to be hypocritical about my friends who do like to hunt, because I eat meat and thus share in the benefits of a kill, whether it takes place in a packing plant or grove of Douglas fir.

I have been along on hunting trips, from the moose and brown bear ranges of the Yukon to the deer-plentiful plateaus of northern California, and I think it can safely be claimed that Oregon ranks among the major hunting areas of the Far West. Indeed, the populace takes its hunting so seriously that Governors of Oregon have lost their jobs at the next election, because they closed down deer season too hurriedly when there was forest-fire peril.

Oregon is among the few States with an abundance both of mule deer and of the majestic Columbian blacktails. Blacktails abound in the gentle Coast Range, mule deer in the lofty interior. In fact, Oregon contains more deer of these two species than any other State except vast California. Deer hunting season generally takes place during the first 3 weeks of October. Elk season then follows conveniently—from late October or early November until midway through the month. Here, again, the nomad has his choice between seacoast and alpine environment. If you are hunting Roosevelt elk near the ocean, remember that they favor burned-over or logged-off hillsides to those where extensive evergreen forests still grow. By contrast, the Rocky Mountain elk of the high uplands usually lurk in thickets of lodgepole pine, where it is difficult to distinguish dark hide from rough brown bark.

Upland game in the form of birds is also a lure in our State. These include ring-necked pheasants, Hungarian and chukar partridge, three kinds of quail, and virtually every variety of grouse. The State's lush foliage and ample supplies of water make it certain that few of these species ever die out. Furthermore, we of Oregon are extraordinarily proud of our State game commission and its able director, Phil Schneider. It is not a quarrelsome, yapping commission which forever lectures and scolds sportsmen. Skillful game management is its goal, and Oregon's superiority as a site of hunting and fishing demonstrates that the goal has been consistently attained.

Space precludes me from listing all the outdoor recreational opportunities easily accessible in Oregon. But you name it, and Oregon has it. For example, Timberline Lodge and nearby Government Camp, in the Mount Hood National Forest, comprise the Northwest's most famous ski resort. More winter-sports visits are undertaken each year to this one area than throughout all the rest of the region combined. Ski tows,

ski lifts, skyways with bus bodies on heavy cables—there is just about every possible facility except human projectiles for getting skiers back up the powdery slopes of Mount Hood so they can swoop down again. The long, cool springs keep the snow from melting away early. Ski tournaments are sponsored at Timberline as late as the middle of June, while Portland's celebrated Rose Festival is being dedicated to this most fragrant of flowers only 50 miles away.

Timberline Lodge is a spectacle in and of itself. It was wedged into the rock-and-snow south face of Mount Hood, loftiest peak in Oregon, during depression years as a WPA project. Master craftsmen decorated the lodge, by hand, in symbols of the Northwest Indian tribes and with mosaics portraying the lumberjack legend of Paul Bunyan and his blue ox Babe. It is one of the finest examples of hand carving and hand weaving anywhere in the Nation. President Franklin D. Roosevelt journeyed into the heart of the Cascades to dedicate Timberline Lodge over 20 years ago. Timberline now is rented from the U.S. Forest Service by a wealthy and enthusiastic skier from New York named Dick Kohnstamm. He has installed a glass-enclosed swimming pool, so that an adventurer (or adventuress) can glide in a few moments from the icy heights of Mount Hood to a diving board suspended over steam-heated water.

Oregon contains many great vistas of scenic grandeur, and I never can quite decide which is the most spectacular. It always has seemed natural to me that Oregon should have more State parks than any other State—167. Our unparalleled national park, Crater Lake, is in a class by itself. The lake, of a deep blue which puts even the Mediterranean to shame, lies in the immense vat formed when a prehistoric volcano blew its summit to kingdom come. It is 2,000 giddy feet from the rim to the indigo water far below. But is Crater Lake any more stunning than Hells Canyon of the Snake River, 6,500 feet deep, as glimpsed from Buckhorn Ranger Station in the Wallowas? As if every day were bargain day, the sightseer also can peer up the corridor carved by the Salmon River, where it joins the Snake, and this chasm is likewise more than a mile deep. And what of the fabulous Columbia River Gorge, where the country's second mightiest river has gnawed its way through the backbone of the Cascade Range? Lacy waterfalls topple into the defile from the distant snowfields of Mount Hood, while the Columbia itself slows down in pace for the meeting with the first brine of tidewater from the Pacific.

When I was barely out of college, I stood on the basaltic palisades above the Columbia with a learned man who was chairman of Sweden's Royal Board of Waterfalls. I can still recall his words. "What a fabulous river!" he exclaimed. "It falls as far as some of our brooks in Scandinavia, and yet it has all the dimensions of the Volga or Rhine."

If you seek to climb mountains when you visit Oregon, get in touch with the Mazamas of Portland or the Crag Rats of Hood River. These are our most proficient groups of mountaineers. Membership in either organization is selective, for you must conquer a peak with a "living glacier" in order to qualify. This has been done by grandmothers and grandfathers, but it should be kept in mind that such elderly folks were natives of Oregon who stayed in trim by making ascents the year round. Alpine tests in Oregon are varied. Mount Hood, for example, is a long, tedious trudge which generally is completely safe, despite the 11,245-foot elevation of its top. But slightly lower Mount Jefferson, by comparison, is surmounted by a sheer spire where many inexperienced lives have been forfeit. Unless you are tired of this earthly realm, never attempt any of Oregon's snowy sentinels without a veteran mountaineer.

It is good to be alive in Oregon on Oregon's first centennial anniversary of statehood. I envy those lucky people who will be reveling in the Oregon outdoors in the year 2059, when the second centennial comes around. Yet I am thankful for having been born and raised in the grandeur of this State, where the outdoors is king. I think I understand and thoroughly appreciate the sentiments of Chief Joseph of the Nez Perce, whose people were ordered to leave the beautiful Wallowa Valley so that settlers could take over their lands. Joseph looked around him at the granite mountains, at the pine forests rich with deer and elk, at the rivers bursting with salmon and trout, at grassy meadows where the ponies of the Nez Perce foraged.

"This is our homeland," said Joseph. "For as long as the grass shall grow on the hills and the sun shall set in the sky, we of the Nez Perce will fight to live here."

And fight they did—against endless reinforcements of blue-coated cavalry troopers. And when at last the Nez Perce were overwhelmed by superior numbers, in 1877, Joseph's captors could not look him in the face. They might have been recruited by the Army from afar, but they sympathized with Joseph's love for Oregon.

Today, the great peak which broods over the Wallowa Valley is known as Chief Joseph. Oregon's citizens proudly salute a man who was willing to stake his life so he and his people could stay in Oregon.

A Pension for World War I Veterans Is Long Overdue

EXTENSION OF REMARKS
OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1959

Mr. VAN ZANDT. Mr. Speaker, following is my statement to the House Committee on Veterans' Affairs, June 8, 1959, in support of my bill, H.R. 1181, which provides for payment of a pension of $100 monthly to World War I veterans who have attained the age of 60 years based on income limitations of $2,400 if single, and $3,800 with dependents:

STATEMENT BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, BEFORE THE HOUSE COMMITTEE ON VETERANS' AFFAIRS, JUNE 8, 1959, IN SUPPORT OF THE VAN ZANDT BILL, H.R. 1181, AT HEARINGS ON VETERANS' PENSION LEGISLATION

Mr. Chairman, the announcement of the decision to hold these hearings on pension legislation has been the means of providing a ray of hope to the 2,796,000 World War I veterans still living out of the 4,744,000 Americans who served their country in 1917 and 1918.

It is well known that as a State and national commander of the Veterans of Foreign Wars of the United States and since coming to Congress some 20 years ago, I have always been a stanch advocate of a pension for the veteran of World War I. Bills bearing my name have been sponsored by me in each Congress. When privileged to do so, I appear before this committee in support of them. In addition, when such legislation reached the floor of the House the CONGRESSIONAL RECORD will show my active support both in debate as well as in rollcall votes. In other words, let no one misunderstand my position in favoring a pension for World War I veterans because it is in accord with a traditional American principle adopted following the Revolutionary War.

Today the average age of the 2,796,000 surviving veterans of World War I is 64.8 years and from April 1958 to April 1959, the Veterans' Administration reports 96,000 died, of which 38,303 were listed as receiving pension benefits at the time of their death.

It is on behalf of the veterans of World War I—truly the forgotten veteran of the Nation—that I appeal to this committee for favorable consideration of my bill H.R. 1181. The bill is designed to provide $100 monthly to veterans of World War I at age 60 with 90 days of honorable service, with income limitations of $2,400 to those with no dependents and $3,800 to those with dependents and providing that social security or other pension and annuities payable to the veteran be excluded by the Veterans' Administration in computing income.

In this connection, on May 19, 1959, President Eisenhower signed into law a bill amending the Railroad Retirement Act which contained a provision excluding railroad retirement benefits from being counted as income in establishing eligibility for nonservice-connected disability pension benefits.

In fact, similar legislation is now pending before the House Ways and Means Committee that would grant the same privilege with respect to social security benefits.

Mr. Chairman, H.R. 1181 was introduced by me on January 7 and was followed by my request to the chairman of this committee for departmental reports and hearings at an early date. According to the information furnished by this committee, departmental reports were requested January 19, 1959, and as late as June 3 had not been received.

Meanwhile, H.R. 6432 was introduced and heralded as a measure to modernize the pension programs for certain veterans and their dependents. It did not take long for the major veterans organizations to recognize that the so-called new look was nothing but a bold attempt to destroy the traditional American concept of a pension system for aging veterans.

The result was that H.R. 6432 was promptly assailed as pauper legislation for its approval would in reality be a high-sounding method of placing aged and ailing veterans on a par with nonveterans receiving public assistance.

At this point, I wish to make it emphatically clear that I join the several veterans' organizations in denouncing H.R. 6432 as a pauper bill. It is an affront to the veterans it proposes to benefit, and further it is an insult to our ailing and aged veterans and especially to the dwindling ranks of World War I veterans who, with an average age of nearly 65 years, are dying at the rate of nearly 100,000 a year.

Reverting to a discussion of my bill, H.R. 1181, let me emphasize that, despite criticism of those who seek to destroy the veterans' benefits programs, the proposed legislation does not—as is often insisted by anti-veteran groups—make Treasury raiders out of our World War I veteran population.

H.R. 1181, as previously explained, is no hand-out to wealthy veterans because it provides for income limitations that must be considered before eligibility for a pension of $100 monthly at age 60 can be established.

It should be remembered that nearly 100,000 World War I veterans died during 1958 and since the average age of surviving veterans of the First World War is about 65 years, their fast-dwindling ranks due to a high death rate will reduce from year to year the cost of my bill, H.R. 1181.

From an economic standpoint, approval of a pension of $100 monthly to veterans of

World War I who meet the income limitations gives assurance that pension money will be channeled into the economic stream of the Nation.

It will be spent for the necessities of life and will include the grocer, landlord and the family physician. It will serve as an effective builder of morale by aiding in preserving the self-respect and pardonable pride of veterans who served their country with honor in a national emergency and who, it is understandable, have a natural reluctance against becoming objects of public charity in their declining years.

In theory, Congress has always considered the pension rate as an adjunct to income rather than as supporting income. In this connection, however, many World War I veterans because of advanced age and disability have no other income to support them.

At this point I should like to discuss briefly the situation faced by members of our Armed Forces serving in World War I. At that time, the American doughboy in 1917 received $21 monthly pay which later was increased to $30, with 10 percent additional for overseas service.

There was no family allotment plan as in World War II whereby the Government contributed to the serviceman's deduction from his pay and the total contributions resulted in a family allowance check being mailed monthly to dependents.

In 1917 and 1918 the doughboy was strictly on his own in worrying about the comfort and health of his loved ones and any so-called allotment could only be paid out of the meager $30 monthly pay he received, as there was no helping hand from Uncle Sam.

When time for discharge arrived, the World War I veteran was given $60 as a separation allowance to assist him in adjusting himself to civilian life.

Mr. Chairman, contrast this treatment with the many fringe benefits made to World War II veterans in the form of GI home and business loans, mustering out pay, and unemployment insurance benefits for 52 weeks at the rate of $20 weekly which commonly became known as the 52–20 Club.

In addition, World War II veterans were given the option of continuing their education in trade schools, colleges, and universities with the cost of tuition, books, and a subsistance allowance for them and their dependents—all paid for by a grateful Government.

Compare these fringe benefits for service in World War II to the $60 separation allowance paid to veterans of World War I—an amount of money that was not sufficient to purchase a good overcoat because as many will recall, the $60 was received in an era that boasted of high wartime wages accompanied by skyrocketing prices and a craze for silk shirts that cost from $12 to $15 each.

Mr. Chairman, let me make it unmistakably clear that I am not critical of the treatment accorded World War II veterans because I served in both world conflicts. While I have not found it necessary to avail myself of GI loan and educational benefits provided for my comrades in World War II, I thank God they were made available for those who deserved them as they represent an expression of gratitude by a grateful Government and serve as a measure of compensation for the sacrifices of those who served in World War II.

My point in comparing the treatment accorded veterans of World War I and World War II is to emphasize that Congress has been negligent in recognizing the economic plight of the veteran of World War I.

Congress met its responsibility to veterans of the Spanish-American War by approving legislation to pay them and their dependents a reasonable pension and has from time to time granted increases in such benefits.

In like manner the benefits made available to those of us who served in World War II were not possible until Congress placed its stamp of approval on them.

In all sincerity, I ask, "How much longer are we going to ignore the economic status of the World War I veteran?"

When you search your conscience for an answer keep in mind the paltry $60 separation allowance paid veterans of World War I which in reality was an amount insufficient to purchase a good suit of clothes.

Later you will recall the so-called bonus issue rocked the country because of high unemployment among returned veterans and the absence at that time of any 52–20 Clubs to serve as a crutch in adjusting to civilian life.

Finally, the issue was decided by Congress when it overrode President Roosevelt's veto of the adjusted service bonus which was in the form of 20-year certificates and averaged about $300 per veteran. On the other hand, World War II veterans received mustering-out pay immediately upon discharge, which is further evidence of the disparity in the treatment accorded veterans of the First World War.

It is ironical that many of those in Congress and elsewhere opposing a pension for World War I veterans are themselves veterans of World War II.

Frankly, it is difficult to understand their lack of appreciation for the fact that World War I veterans have been in the frontline of battle since their discharge from service nearly 40 years ago in seeking improvement in hospital and medical care for veterans of our Nation's wars.

In fact, the veteran of World War I has for years been occupied in improving the Government's program of caring for veterans of all wars and pioneered in the struggle to establish what is now the Veterans' Administration as the successor of the old Pension Bureau.

Now at an average age of 65 the World War I veteran's span of life is nearing the end and it is unthinkable that some of his comrades from World War II are proving to be the most vociferous in urging that the World War I pension bill, H.R. 1181, be defeated.

As a veteran of World War I and while serving the Veterans of Foreign Wars of the United States as a department and national officer, I joined with other veteran leaders in the country in aiding the Spanish-American War veteran in obtaining increases in his pension granted him 20 years after the close of the war and which today amounts to $101.50.

My support of the Spanish-American War pension was based on my belief in the traditional American concept of giving special grants of one kind or another to those who have performed honorable military service—not as pay but in token of their fellow-citizens' appreciation.

As I have said before, this traditional policy of our Government was established in the days of George Washington and recognized by Congress which granted service pensions to the veterans of all wars from the days of Valley Forge to and including the Spanish-American War.

Unfortunately, Congress has ignored the World War I veteran while approving various fringe benefits to World War II veterans. The approval of these deserving benefits is proof positive that Congress recognizes military service requires great sacrifices and merits recognition.

But again I ask, why ignore the ailing and aged World War I veteran and be guilty of such rank discrimination?

When you stop to consider the merits of my bill, H.R. 1181, keeping in mind that the income limitations make the measure no so-called handout I am convinced that you will find the legislation worthy of your favorable consideration.

Therefore, I respectfully request that you give thought to the obligation Congress owes to the forgotten veteran of America's wars as revealed by the plight of the ailing and aged indomitable doughboy of 1917 and 1918.

Congress has an opportunity through enactment of my bill, H.R. 1181, or any one of the pending bills to give tangible and practical evidence that the World War I veteran is not to be left a pension orphan while his comrades of other wars have been taken care of in more generous terms.

In closing, I would remind the members of this committee that since the precedent has been established of requiring income limitations for non-service-connected pensions, it is the World War I veteran against whom such departure in the pension policy of the Nation has been made effective. Prior to that time there were no strings attached to pensions for honorable military service.

Be that as it may, H.R. 1181, in meeting the new requirement, has income limitations which definitely provide that the $100 monthly pension will be payable strictly in adherence to such limitations.

It is my sincere hope that upon the conclusion of these hearings, this committee will find it possible to report H.R. 1181 to the House or one of over 100 similar measures since I have no pride of authorship so that the House of Representatives may have an early opportunity to approve the legislation as an important step in wiping out the discrimination that has prevailed against World War I veterans when legislating for the veteran population of the Nation.

Congressman Patman Awarded Doctor of Laws Degree by Cumberland University, Tennessee's Famed Law School

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1959

Mr. EVINS. Mr. Speaker, Cumberland University, Tennessee's famed law school, on June 6 conferred an honorary degree of doctor of laws upon our distinguished colleague the gentleman from Texas [Mr. PATMAN]. Congressman PATMAN delivered the commencement address at Cumberland on this occasion—Cumberland being his alma mater. Cumberland University is justly proud of the accomplishments and achievements of Congressman PATMAN and conferred upon him a doctor of laws degree on this occasion. Others receiving an honorary doctor of laws degree on this occasion were Dr. Harry L. Armstrong, president of Castle Heights Military Academy, Mr. Lewis Gruber, chairman of the board and chief executive officer of the P. Lorillard Co., Dr. Athens Clay Pullias, president of David Lipscomb College, and Dr. L. L. Rice, noted author and lecturer and former president of Cumberland University. In this connection, Mr. Speaker, I desire to have reproduced and preserved in the CONGRESSIONAL RECORD the commencement address of Congressman PATMAN delivered at Cumberland on the occasion of the university conferring upon him the degree of

doctor of laws. The address of Congressman PATMAN follows:

ADDRESS BY WRIGHT PATMAN, MEMBER OF CONGRESS, AT CUMBERLAND UNIVERSITY, LEBANON, TENN., JUNE 6, 1959

President Stockton, members of the board of trustees, distinguished alumni, graduates, and friends: It was 43 years ago that I walked away from this campus with the diploma of bachelor of laws under my arm. In the years since some very highly prized honors have been accorded me, but I doubt that any of them has filled my heart with the pride I felt at having earned a degree from Cumberland University. That was an honor which is exceeded only by the honor of being with you here today.

This campus looks much different from the way it did 43 years ago. The physical plant is much changed and greatly improved. And it is still being improved. Certainly it is wonderful to know that such good progress is being made on the Cordell Hull Library, on the new dormitories, and on other physical improvements.

But the real substance of this great university has, I think, not changed. The real substance of any university is in its continuing philosophy, its dedication to imparting the spirit of learning, the traditional attitudes and ideals which it instills in its students. These are, of course, the intangible things; yet they are the things which move the world. They are the things which give a university its reason for being. They are the qualities which make one university distinctive from another, as they are the qualities which make one man distinctive from another. As Woodrow Wilson put it:

"The final synthesis of learning is in philosophy. You shall most clearly judge the spirit of a university if you judge it by the philosophy it teaches; and the philosophy of conduct is what every wise man should wish to derive." This is what he meant when he said that the ideal at the heart of the university is an "awakening of the whole man."

Cumberland University was founded in the spirit of the pioneer days and committed to the revolution of the human spirit which brought our Nation together. It has carried this spirit of pioneering into the learning processes, always opening new frontiers of learning, new approaches and new methods, while at the same time preserving the stout principles of democracy, self-reliance, and assistance to one's fellow men which have marked our pioneer traditions. Let us hope that the heart and spirit of this great university will never change.

You who are graduating today are joining a very distinguished company. One hundred and forty times before this Cumberland University has sent out into the world groups of men and women to help mold our Nation closer to its ideals. And through these 140 years there has been something special about the stamp that Cumberland has placed upon its graduates. The remarkable contributions it has made to molding the great men of our Nation include two justices of the U.S. Supreme Court, 16 U.S. Senators, and more than 116 Members of the House of Representatives. And as you probably know, at least nine almuni of Cumberland are now serving in Congress. Among these is my distinguished friend and colleague, the Honorable JOE L. EVINS, who represents this congressional district—this land of Andrew Jackson. These distinguished alumni also include the Honorable OREN HARRIS of Arkansas, chairman of the Interstate and Foreign Commerce Committee; the Honorable OMAR BURLESON of Texas, chairman of the House Administration Committee; the Honorable FRANK CHELF of Kentucky, a ranking member of the Committee on the Judiciary; the Honorable MORGAN MOULDER of Missouri, famous for his investigation of the regulatory Commissions of the Government; and last but not least, two other outstanding Members of the House of Representatives from Tennessee, the Honorable J. CARLTON LOSER, member of the great Committee on the Judiciary, and the Honorable TOM MURRAY, chairman of the House Committee on Post Office and Civil Service.

We have had among our fellow alumni some 450 ministers of the gospel—many distinguished ones among them—some 50 college and university presidents, more than 100 professors, and a great many leaders and outstanding administrators of business.

I have been reflecting on this extraordinary contribution that Cumberland University has made to the list of distinguished citizens of our country—a contribution which very few other universities can surpass, regardless of their size or age.

And, by way of contrast, a quotation comes to mind:

"Give me the making of the songs of a nation, and I care not who makes the laws." My Bartlett's tells me that Andrew Fletcher said it.

That quotation has always struck me as containing a useful idea—provided your purpose is to make a revolution. If you wish an overthrow of order, an era of mob rule, a backward step of civilization, then perhaps those things can be accomplished by songs of a martial sort.

Perhaps even indolence, stagnation, and slow deterioration of a society can be accomplished through the mood of song.

But if our objective is progress by orderly processes—if our objective is a social order which expands the individual freedoms and moves constantly toward the elimination of poverty, ignorance, disease, and crime—then I would say, "Give me the making of the Nation's universities." I would make universities such as Cumberland to educate not merely the minds of men but to educate the hearts of men.

How seriously do we mean it when we say we wish only to have a Nation of laws and not of men?

There can be tyranny under law. There can be tyranny when the laws are made by the wrong men. There can be tyranny when the wrong men are on the bench to interpret the laws. And there can be tyranny under good laws when the practice of law is in the hands of bad lawyers.

The written law—the statute—is only negative. It only proscribes. It says only "you shall not." Where is the affirmative law, the law which says "you shall"?

Where is the law which says to every man you shall strive to make our community, our Nation and our world a better, wiser, and happier place for people to live? Where is the law which says you shall work untiringly to see a job well done? Where is that law which says you shall speak out against injustice done to any man? Where is the law which says to the lawyer "you shall love the law, you shall be bound by an inner compulsion, not to manipulate the technicalities of the law, but to search without rest for the justice in the law"? What is the source of this compulsion to find in the law what Justice Holmes called "a hint of the universal law"? These are, of course, the laws in the hearts of men. They are in part innate; they come from inner compulsions, from every man's instinct for workmanship, and from our religious heritage. But they are also largely a product of our university training. They are in the ethics and philosophy which we acquire here. They are at least polished and made into meaningful, conscious ideals by this training.

Yes, of course, we all want a nation of laws. We do not want ad hoc laws nor arbitrary, capricious judgments. We do not want different ultimate standards of justice for different men. But we can progress toward ideal justice only when we have the right kind of men making the laws, interpreting the laws, and practicing the law. We want more than mechanics, more than the kind of justice that might be dispensed by an electronic computer or a punched card.

We want to strive for the more perfect justice that can be achieved only by having a nation of men who understand the relationship of the law to our whole social order and to the ideals and aspirations which have brought about this order. This measure of concern which the individual develops for his fellow man is, of course, the measure to which civilization progresses.

Incidentally, they tell me that a book on the best seller list out in cannibal country is one titled "How To Serve Your Fellow Man."

The distinctive character of Cumberland University, the distinctive philosophy it imparts to its students, has been given it by its teachers, past and present. It has always seemed to me that nowhere does a man's good works live after him, continuing to multiply, as in the teaching profession. I have always regarded it as my extreme good fortune to be a student here under Dr. Nathan Green, Dr. Andrew Martin, and Judge E. E. Beard. Surely these teachers were among the alltime great. But I think that the present graduating class has profited from these teachers no less than I. It is such men as these whose inspiration and ideals live on to give this university its continuing substance.

I want to speak now about a rather peculiar role which lawyers play in society today. It is not the role we usually think about, but it is no less important than the practice of law.

Lawyers are, it seems to me, the nearest modern-day counterpart of what we used to call the liberally educated man. This was the man who was trained not just in a specialized field, but who was informed at least in a general way with the state of progress and culture in all fields. He was the kind of man we used to ridicule as one who "learned more and more about less and less until he ended up knowing everything about nothing."

Yet this was the cultured man, and the articulate man. He was a man well grounded in the principles and ideals of his society. He could interpret events in terms of their meaning to the whole society. He was the "whole man." He communicated ideas, he expressed individual judgments, and he took positions on right and wrong. He was, as we would say in politics, a man who made issues. Unfortunately, he has tended to disappear.

I believe, as I have said, his role has fallen to the lawyers today more than to the people of any other profession. It is an important role. It must somehow be expanded, not only for lawyers, but for all educated individuals in our Nation.

The increasing specialization and complexity of the modern world have somehow brought about a breakdown in the communication of individual ideas. And this, it seems to me, is one of the most serious problems facing our country today.

In many ways the increasing complexity of the world in which we live has served our national aspirations extremely well. The scientific and technological revolution which has been made possible by the increasingly fine divisions of labor has gone a long way toward eliminating poverty and eliminating many of the diseases which formerly racked men's bodies and sapped their thinking abilities. This scientific and technological revolution has also created opportunities for an expansion of individual freedoms—opportunities for larger numbers of people to participate in the decisions which affect the welfare of all of us. It has given people more leisure time, freed them from drudgery and disease, and given them the time and the frame of mind in which to think. Yet I doubt if these opportunities have really resulted in an expansion of the individual freedoms. Rather, it seems to me that in many

ways individual freedoms have been narrowed and individual participation in the decision-making has been contracted. Two things have happened.

First, along with the increasing productivity and increasing outpouring of material wealth, there has taken place the so-called organizational revolution which has brought about giant business, giant labor unions, and giant government. The number of decisions important to all individuals is multiplying, and they are being made in giant bureaucracies of one kind or another. The fashion today is the organization man—the individual with no opinions or only good gray opinions worked out and approved by the bureaucracy. There is an expert bureau for everything. Only the scientist can speak on matters of science, only the educator can speak on matters of education, only the banker can speak about banking, and so on. After all too frequently the individual specialist does not speak his individual views, but feels constrained to parrot the party line of his bureaucracy—his organization or his trade or professional association.

A second thing which has happened to restrict the communication of ideas has occurred in the communications industry itself. At the same time that new electronic devices and other techniques of communication have developed, actual communications have been restricted. Yes; these new techniques of communication give us the so-called news with remarkable speed. The so-called news is communicated to all the local newspapers of the country within minutes or hours after the news occurs. And we can on television frequently see the news by means of on-the-spot movie cameras. But such news has come to consist more and more of only the surface facts. The new form of communication is well adapted to a selective kind of news, such as street crimes, auto and plane accidents, and so on, and the human experiences involved in such events are frequently conveyed in dramatic and meaningful ways. But as to the substance of the big decisions, the meanings underlying the surface facts—in short, the ideas—these tend to be omitted or capsuled into a slogan or phrase which is likely to be more misleading than informative. For example, most of the laws enacted by Congress these days are never mentioned in the press, on the radio or the television. Even the debate and enactment of major bills which affect the lives of all of us frequently go unmentioned. And it is rare, indeed, that the public receives any real explanation of the content and significance of important new laws.

Here, then, is where the lawyer—the independent man, the articulate man—must play a larger role, the role of communicating ideas and making moral judgments, on both individual and group conduct. And this is especially true, I think, of the Cumberland lawyer. Why? Two reasons. For one thing, there has always been an awareness here at Cumberland of the importance of intelligent participation in government, and particularly of the lawyer's place in good government. When other law schools have become increasingly preoccupied with producing corporation lawyers, tax lawyers, patent lawyers, and so on, Cumberland has continued to stress the contribution the lawyer can and should make to his community, to his State, and to his Nation.

Second, a quotation lives in my memory. It is associated in my mind with my first few months here at Cumberland. It is this:

"A man will never amount to something unless he stands for something."

It is to the everlasting credit of Cumberland that it has turned out men and women who stand for something.

Jefferson is our philosopher. He set down the principles in clear and glowing words. Jackson is our example. He demonstrated the principles in dramatic, unhesitating action. Can anyone imagine Jefferson or Jackson as an organization man? Can anyone imagine Jefferson or Jackson deferring individual opinion to the party line of some vast bureaucracy of government, business, or labor? Can anyone imagine Jefferson or Jackson as men without judgment and failing to articulate judgment on the morality of conduct in any field, save in the narrow field of his particular expertness? Can anyone imagine Jefferson or Jackson making a big fanfare over the small immoralities and remaining silent about great abuses of power? Can anyone imagine Jefferson or Jackson being confused about the principles of democracy or uncertain as to where the power of government should reside?

No; and I cannot imagine any Cumberland man or woman in such a state of mind either.

No; I cannot imagine any Cumberland graduate as an organization man.

To complete my theme, let me read a quotation from Mr. Justice Holmes:

"General propositions do not decide concrete cases. The decision will depend on a judgment or intuition more subtle than any articulate major premise."

Because I know the judgment and intuition of this graduating class to be good, I know that the practice of law will be in good hands, the role of citizen will be well performed, and our Nation's ideals are a step nearer achievement.

Address by Hon. Frank Coffin at Bates College Commencement Exercises

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 8, 1959

Mr. METCALF. Mr. Speaker, in 1940 one of the summa cum laude graduates of Bates College was FRANK COFFIN. Last Sunday, the same FRANK M. COFFIN, our good friend and colleague who so ably represents the second district of Maine, returned to his alma mater and delivered the address at the commencement exercises.

In this speech, Mr. COFFIN took a long look at the era ahead for the class of 1959, and presented not only to those graduates but to all of us a challenge to meet the needs of citizenship in the next decades and a reminder that progress does not just happen because of some predetermined law of nature, it is the hard work of individuals.

I commend the following thoughtful remarks to my colleagues:

LOOKING FORWARD

(An essay dedicated to the class of 1959)

In 1887 Edward Bellamy wrote a minor classic "Looking Backward." In the form of a novel describing life in the year 2000, it was at heart a work of social criticism aimed at looking backward to the injustices and waste of the 19th century industrial revolution.

For Bellamy, looking forward to the year 2000 was an ingenious way both of describing how he thought society ought to be organized and of criticizing the times in which he lived.

For you to be looking forward to the year 2000 is not an exercise in philosophy, in literature, or in social criticism. It is a mandate of common sense. At that magic bimillenial year your class will have reached the average age of 60. You will be at the peak of your powers, responsibilities, and influence. For 40 years you will have had more and more to say about what kind of families, communities, States, Nation, and world would exist in 2000 A.D.

That historic New Year's Eve could be an occasion for justified rejoicing over progress in the arts of peace; it could be an occasion for melancholy regrets over missed opportunities; and it could merely signal another orbit of the sun by the earth, noticed but little by the vestigial remains of life on a blighted planet.

Those of us destined to live and serve in these mid-century decades envy you. All I can do is to wish hopefully that, as an interested octogenarian, I can share in your rejoicing. I would like to think that shortly after midnight on January 1, 2000, I could turn off my TV by remote control, sip a dram of vintage 1959 champagne, say a heartfelt "well done," and get back to my desk to write my final speech for the June primary election.

THE MYTH OF AUTOMATIC PROGRESS

Although I would have you look forward over the next four decades, I do not propose to waste your time in speculating what life will be like. Edward Bellamy showed that prophetic intuition is not a reliable indicator. His world of 2,000 had long been run on a giant credit card cooperative basis, where money was known, where all citizens served in the industrial army according to their skills, where communities were served by one giant supermarket and one communal dining house. Indeed, Bellamy's vision was something akin to that of Lewiston merchant Bradford Peck, set forth in his book entitled "The World a Department Store." These were really not so much utopian as myopian. Variety is still the spice of life.

If the intuition of reflective man is no sure guide to the future, what about the tools of economic analysis and statistical projections? Cannot they outline the face of the future, particularly the future of the next 40 years? An object lesson in the fallibility of prophecy is a heavy tome, "America's Needs and Resources," published in 1947 by the 20th Century Fund. Its goals were modest: Merely to predict our growth in resources and needs as far as 1960, a 13-year period. Equipped with trained economists, statisticians, census figures, trends, and charts, it predicted that by 1960 our population would reach 155 million and our gross national product would be $202 billion. Actually, our population is already 175 million and will be 180 million by 1960, while our gross national product will soon pass the $500 billion mark.

When we ask why it is that our shafts fall so wide of the mark, our answer is found in the very last, humble sentence of this great statistical volume. As the authors lay down their charts, adding machines, and slide rules, they say, "In the last analysis, it is people who make progress."

In short, there is nothing automatic about progress. It is people who are responsible for progress. What this Nation will become in the next 40 years is not in the books. A small part of it is in this place, now. It is in you and your contemporaries throughout the land.

Perhaps the most dangerous myth that faces us is this myth of automatic progress, the comfortable conviction that destiny is on our side, that a government of the people, by the people, and for the people cannot perish from this earth.

There are three reasons why this myth might be acceptable to your college generation. The first is simply that our history has been one of almost continued success. True,

the Athenian democracy went into an eclipse after about the same length of time as we have been a Nation, but that example seems so remote and unreal. The second is that your generation has not known the Great Depression or the Second World War, when automatic progress and victory were by no means taken for granted. Finally, you are entering the adult stage at a period when the American people have been yielding to their sense of weariness of conflict, crisis, discipline, and sacrifice. You have come of age in a period characterized by an almost frenetic pursuit of happiness. This has happened to us with almost cylical regularity.

As we entered this century, we had two decades of ferment, the years of Teddy Roosevelt and Woodrow Wilson; these were succeeded by a decade of repose after World War I; then came two decades of convulsive action to combat depression, to fight a great war and a small one; finally, a decade of release from the coiled spring of public crisis, a decade of concentration on one's job, and home, and family. For you the decade was one of immersion in your high school and college experiences. You cannot be justly blamed for thinking that domestic repose and tranquility is the permanent posture of our national life.

THE EDGE OF AN ERA

The greatest danger facing you is to assume that our country will grow, act, and be as it should, without effort on our part beyond tending to our own affairs. The greatest opportunity facing you is to sense that you are on the edge of a new era, an era that may not see the swing of a pendulum between action and repose, an era of continuous challenge to citizenship.

It will be an era which will demand citizenship in depth from all our citizens, and particularly those who have had the benefits of exposure to a college education. By "citizenship in depth" I mean that concern for the public weal must no longer be an outer garment which one puts on for PTA meetings, political elections, United Fund campaigns, but that it must enter even into the fabric of private life, the choice and content of one's career, one's values and goals.

THE NATION'S NEED FOR A NEW CITIZENSHIP

What we need most of all in these next 40 years is a new dedication to citizenship based on a realistic recognition of the material, intellectual, and spiritual needs of this Nation.

If once we recognize these basic needs, what is required of us will be more clear.

We should recognize that by the year 2000, we in the United States shall be perhaps 300 million in a world of 6 billion.

We should recognize that by the year 2000 we shall be ever more dependent on other nations, many of them governed by dark or yellow skinned peoples, for critical natural resources.

We should recognize that the year 2000 will see many other nations competing with us in the markets of the world for capital and consumers' goods. Our ability to compete and prosper will depend on the perceptive forecasting of markets, increasing our productivity, and engaging in commercial enterprise with the utmost vigor and resourcefulness. We shall never again have the world's markets to ourselves as we did after World War II. The ages of political, economic, and psychological colonialism will be relics of the past.

We should recognize that we cannot, in such a world, afford a schoolroom shortage, a lack of effective teachers, and a waste of trained and educated manpower, because of our unwillingness to provide education calibrated to the character and ability of our young people.

We should recognize that we cannot afford to waste or jeopardize any natural resource, whether it be timber, soil, water, food, or space for outdoor recreation.

We should recognize that we cannot afford, either at home or abroad, to allow people needlessly to be sick, diseased, or to die prematurely.

We should recognize, finally, that we cannot afford to have less than our best men and women in public office nor less than our best efforts put into deciding who shall serve us and to what ends.

THE REQUIREMENTS OF CITIZENSHIP IN DEPTH

Perhaps it is unrealistic to think that the new citizen can gear his life to the demands which will be made on this Nation in the years to come.

I do not think so. I think that the satisfactions of citizenship in depth far outweigh the sacrifices.

Before stating what these are, let me hark back to the kernel of truth which Edward Bellamy saw in his book 72 years ago. He pointed out that our Nation, in moments of crisis, when it was a question of dying for it, depended on other motives than higher wages and the accumulation of wealth. It depended on honor, and the hope of men's gratitude, patriotism, and the inspiration of duty. And it was never let down. Is this, then, an unrealistic hope, that men and women will respond to their highest motives through decades of crisis when peace, progress, and justice lie in the balance?

If it is an unrealistic hope, then such colleges as Bates have existed in vain and the liberal arts values are structures of straw. Being of a third generation Bates family, you will forgive me for assuming that this is not so.

The new citizen will be characterized, not by a definition, but by a commitment. At some point he or she will say this: "These are times of greatness. The largest of issues are being decided. I want to play my part." In revolutionary times this is the spirit that made a man drop his hoe and grab his musket off the mantle. In complex times such as ours it is difficult to distinguish the hoe from the musket. Each one of you must make that decision himself. The important thing is that the decision be made.

The decision is made when a young man or a young woman sees his or her career against the background of the life and needs of the times. A trade, a business, or a profession becomes then not merely a means of making a living, but the best way in which one can serve the vast and complex society of man.

This kind of decision can be dismissed as hopelessly idealistic—except that it has been made by countless citizens in depth within my personal acquaintance.

There are doctors in Maine who practice profitably and well, who also devote many hours a week to bringing better medical care to our rural communities, to pioneering in problems faced by the aged, to the kind of work that cannot be measured in currency or time.

There is the talented lawyer devoting his energies to this Nation's intelligence efforts at far less compensation than he could earn in private practice. There is the able lawyer in private practice who devotes half of his time to the defense of liberties and rights, where the possibility of injustice exists, to the individual, or in legislation aimed at chipping away the Bill of Rights, the constitutional powers of the Supreme Court, or the Federal system itself.

A young scientists, content by nature and training with a job challenging his own skills and judgment, gropes to better the organization of this Nation's scientific effort and step uncomfortably into the political arena—at some personal risk—to prove his point.

There are businessmen who have made a citizenship commitment at home or overseas, venturing capital, ideas, and orders to test new human relationships and new markets so that private enterprise may take root in alien soil.

The teacher, the administrator, the agricultural expert, the public health officer, had to make a commitment to citizenship on the grand design before he took his family to some uncomfortable far-off post.

The Madison Avenue man, whom we are apt to look upon as one whose profits are measured in the quick turnover of ideas, made a commitment when he took the time to create word and picture images which would sympathetically portray American life to other peoples.

There are politicians I know who do not content themselves with safe positions on controversial questions. They have taken most seriously the function of the educator, appealing not to the lower common denominator among us, but raising our sights to a better understanding of national and international needs.

THE SATISFACTION OF THE NEW CITIZENSHIP

If commitments of this nature were made by an increasing number of the class of 1959 and succeeding classes, the pace of the United States would be significantly changed. The face of history itself would be altered.

The making of such commitments would imply that security and wealth had become less than your primary goals in life. With minimum security becoming more routine and wealth more rarely achieved, neither status will be the hallmark of success it once was. It would become quite irrelevant whether you had the latest model of car each year, a swimming pool, your dream-house, or a country-club membership. You might not be able to retire as early as others, but the last thing you would want to do would be to retire. Our most important measuring device would no longer be the comfort index.

Your satisfactions would be those of service, creativeness, and craftsmanship. Your service would be not only to your fellow citizens but to all members of the world family, not only to those living in this century but those who will follow. When I talk about the satisfactions of service, I am not talking about feelings or expressions of gratitude by others. The currency of gratitude is fluctuating and uncertain. The satisfaction lies rather in the feeling that one's life is spent in a large cause, larger perhaps than self, family, nation, and generation.

The satisfaction of creativeness comes when one puts together bits and pieces of the past within the framework of his own intuition and experience and comes up with something new, a new way of making, a new way of doing, a new way of using or making available to those in need, a new way of saying what needs to be said.

Even when flashes of creative inspiration are denied us, we all have the constant opportunity to be craftsmen. The craftsman has a sensitivity about his objective, the materials at hand, and how to use them most skillfully to gain the objective. To be a craftsman is to approach one's job and one's life with the consistent attitude of doing one's best.

The credo of craftsmen has nowhere been better expressed than by the contemporary dean of judicial craftsmen, Judge Learned Hand: "Whether it be in building a house, or in planning a dinner, or in drawing a will, or in establishing a business, or in excavating an ancient city, or in rearing a family, or in writing a play, or in observing an epidemic, or in splitting an atom, or in learning the nature of space, or even in divining the structure of this giddy universe, in all chosen

jobs the craftsman must be at work, and the craftsman gets his hire as he goes."

These, then, are the rewards of citizenship in depth: Service, creativeness, and craftsmanship.

IS IT ASKING TOO MUCH?

It is one thing to chart the outlines of a more deeply rooted commitment for citizenship. It is quite another thing to predict that such a new citizenship on a large scale is probable or even possible.

One thing, however, we can predict. We can look forward to continued prosperity and progress in a world where free nations are in the ascendancy only if the public well being is foremost in the minds of citizens. Not foremost because of requirements imposed from without, but foremost because of concern generated from within.

A new era of citizenship, new levels of civic responsibility, new values and goals of living—these are much to ask.

But, after all, a millenium comes only every 1,000 years. How few there are chosen to usher one of them in. May I be the first to wish you a happy new millennium.

Commencement Address of Hon. Thomas J. Dodd, of Connecticut, at Dean Academy and Junior College

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1959

Mr. BOLAND. Mr. Speaker, yesterday Senator THOMAS J. DODD, of Connecticut, delivered the commencement address at Dean Academy and Junior College in Franklin, Mass.

It was a notable address that made a real contribution in clarifying the basic issues involved in our struggle with world communism.

I think it deserves the widest possible circular, and I include it in the RECORD:

COMMENCEMENT ADDRESS OF SENATOR THOMAS J. DODD, DEMOCRAT OF CONNECTICUT, AT DEAN ACADEMY AND JUNIOR COLLEGE ON JUNE 7, 1959

It is a very great honor and personal pleasure for me to be here with you today. I say this because of my high regard for President Garner and for all the faculty members of this great institution, and because it is graduation for my son, Jeremy. It is an additional honor in that one of the trustees of Dean is an old friend of mine and one of the great Americans of our time, Representative JOSEPH W. MARTIN, who has represented this district in Congress so long and so well. I could not appear here without saying that there is no more admired, respected or genuinely beloved man in the Congress than JOE MARTIN.

And if I may add a personal word, I would like to say to Jerry, that I am pleased and grateful for the progress that he has made here and throughout his life. He is a good man. He has always been a good man. And he is a better man for his years at Dean.

Commencement day is an occasion to reflect upon the past and to attempt to assess the future. No assessment of the future can be in any way realistic that does not include the great problem of our time, the danger of aggressive world communism.

World communism, like a mammoth cloud, darkens the future of individuals and of nations. One-third of the world's people is already enslaved by it; another one-third is teetering on the edge of the chasm; and the lives of all who live in the avowedly anti-Communist world are altered and complicated because of it.

You will pay the heavy price of communism whether you realize it or not.

At the least, your lives may be interrupted by military service; you will have to pay the expense of resistance to communism in the form of high taxes and continuing inflation; you must sacrifice the inestimable benefits that could otherwise have resulted from the enormous amount of national energy that must go into resisting communism; and day-to-day anxiety and uncertainty over the future will continue to affect the daily lives of each of us. Thinking and compassionate men and women must be deeply and continually saddened by the knowledge that one billion fellow human beings are at the mercy of a ruthless, conscienceless barbarism. Communism stands in the way of peace, of progress, and of security for all mankind.

At the worst, it poses for all of us the threat of war, of enslavement and even of annihilation.

That is why it is so important that we have a proper understanding of this fearful specter walking the earth. Unfortunately, there is a great deal of confusion, fuzziness, and apathy abroad concerning communism, some of it stemming from academic circles.

There are a number of stock arguments which one hears continuously that tend to obscure the real nature of communism and dissipate one of the principal weapons against it, the moral condemnation of decent people.

We hear repeatedly that nothing is gained by calling Communists harsh names or continually raking over their past crimes, as though it would somehow be better to forget the true nature of the enemy.

We read a lot of newspaper accounts of how things have improved behind the Iron Curtain, but precious little about the essential barbarism upon which communism is founded and which sustains it in power.

There is a philosophy current that much of our difficulties with the Communists are due to misunderstanding, which implies that the Soviets and the Red Chinese are perhaps well meaning and that our difficulties could be resolved if we would only look at their side of things and get them to look at our side.

Perhaps the most popular phrase of those who minimize the evils of communism is that we cannot look at the world scene in terms of "black and white," which of course carries the implication that both the free world and the Communist world are at fault for the present danger and that each side has its good points and its bad points. I willingly concede our bad points, but I have never been able to discover the good points of communism.

This type of thinking, seeping into the American consciousness from all sides, amounts to a tremendous cumulative attrition which is utterly confusing. People who are weary after long years of anxiety are only too happy to seize upon such news items as the building of children's playgrounds in Moscow as an indication that the Kremlin masters are human and after all that everything is going to be all right.

This sort of thing, constantly repeated, causes us to let down our guard, to look for an easy way out, and it eventually leads to fatal concessions to the Kremlin.

So first of all, let's get one thing straight. Let's get communism in true focus.

Communism is total evil. It is all black. There is nothing gray about it. There is nothing good about it. Its ends are evil. Its means to those ends are evil.

If, by force of circumstance, Communists are for something right, it is only as an expedient to advance their evil ends.

If they occasionally appear in a worthy light, it is because they must make some appeal to human needs and aspirations.

When they educate the ignorant, it is to perfect their apparatus of enslavement.

When they industrialize, it is to strengthen their capacity for aggression.

When they talk peace, it is just another means of waging war.

When they allow long overdue improvements in living conditions, it is evidence that even Communist oppressors must make some concessions to the wishes of the oppressed.

There is no evil so appalling that Communists would shrink from it, if it would effectively advance their ends. There is no atrocity so hideous that they would not willingly commit it if it served their purposes.

The Red Chinese regime, in the 10 short years of its existence, has as a matter of governmental policy murdered 30 million men, women, and children. The horror contained in this statistic is too great for the human mind to assimilate or the human soul to ponder. And this is but a repetition of the crimes of the Russian communists, which have been committed on the same scale.

A penetrating New York Times editorial pointed out a few days ago that more shocking than the Red crimes themselves, are the reasons behind them. I quote from that editorial:

"The whole 'commune' system, it comes out, is an attempt to destroy the accepted moral and rational basis of the society.

"Thus the atrocities are directed not merely against the human body. They are aimed at the heart and soul. It is not merely the man and woman who must be killed but the ideas, concepts, hopes, sense of values and traditions that have made the lives of those persons worthwhile.

"The details of the killings as related in the testimony are shocking. They are, however, not nearly as profoundly terrifying as what underlies them."

Communism is at war with the whole human race. It is based on the blasphemy that a human being is just a particle of matter, without independent mind or spirit. It seeks to destroy the family as an institution. It seeks to wipe out religion. It seeks to blot out the human conscience and to distort all concepts of right and wrong. It seeks to reduce man to a mere beast of burden, without a will, without a personality, without a home, without personal property, without knowledge of God, without hope of eternal life.

Of course, they have not yet been successful in this task. They have found the objective of permanently defacing human nature somewhat beyond them. The task has been too great. There have been many retreats, deviations, new approaches.

But the end goal never changes. We must always remember that; and we must continually renew our understanding of it.

Certainly we must live in the world with them, but we must never forget what they are.

Certainly we must confer with them, but we must never concede to them on any basic principle.

The Western World is presently engaged in negotiations with the Communists. Unless there is a fundamental change in Communist doctrine, there is no hope that these negotiations will lead to peace.

I say this for three reasons:

First, communism is fundamentally dedicated to the destruction of the free world and of the ethical and rational bases of that world. Its fixed and unswerving objective is to destroy us. The Communists may have to postpone this destruction, they may have to adopt new approaches to it, but it remains their central objective in

foreign affairs. As long as this remains true, there is no hope of any lasting settlement, or of any relaxation of tensions, since such things must be based on some common interest between East and West.

Second, whereas we in the West regard peace as the normal order of things, and warfare as an interruption of that order, Communist doctrine regards warfare, ceaseless conflict, and violence as the essential order of life. There is no such thing as peace to them. There is only the absence of armed conflict, an absence which must be utilized for other forms of warfare. Therefore, it is only the West that seeks peace, and the notion that peace is being prevented by mere misunderstandings or resolvable differences is absurd.

Third, there is almost no hope that arguments based on reason and truth will have any effect whatsoever on Communists at the bargaining table. For the true Communist, there is no criterion of truth but Communist dogma. While we in the West subject our policies and our principles to many tests of truth which are above, beyond, and independent of our political credo, the Communist is incapable of doing so. Argumentation will not move him. Truth will not pierce his dialectical armor. Only the force of events, demonstrating the falsity of Communist doctrine, can erode away Communist certainty.

These facts are fundamental to any successful coping with communism. It is impossible to exaggerate their importance.

It is all too easy to fall into the error of assuming that the Communists are essentially like ourselves. They look like us; they dress like us; they can be affable and good-natured; their capacity for pretense is infinite.

It is hard to keep our eye on the Communist ball continually and keep in mind the fact that on basic issues we do not have and can never have anything in common with them.

This having been said, I hasten to add that mere rejection by us of communism offers no solution to the worldwide danger. It is not rejection that the world is seeking, but affirmation.

The impoverished, despairing peoples of the world are in search of a prophet, a philosophy, an ideology that promises a way out of their present degradation.

Americans have an old familiar saying, "you can't beat something with nothing." We cannot beat false prophets with no prophets. We cannot beat dedication to evil with lack of dedication. We cannot solve the desperate problems afflicting half the world by merely rejecting the Communist solution. We must offer a solution of our own.

We must put forward our solution in the face of many disadvantages. The uncommitted peoples of the world are generally so impoverished that they feel a kinship with the Communist masses, a kinship that they could not feel with the prosperous and advanced peoples of the West.

The record of colonialism of our European allies stands against us in the eyes of those who do not understand that communism is the most ruthless and total imperialism the world has ever known. The totalitarian Communist bloc can act with a unity, a decisiveness, and a single-mindedness that is impossible for the democratic coalition. And in the nature of things, the aggressor has an initiative that the free world cannot seem to wrest from it.

But communism possesses one fatal disadvantage. It runs against the grain of human nature. It chokes and destroys the spirit of man.

Communism is essentially evil and man is essentially good. Communism cannot satisfy any of the higher needs of man, the aspirations, the hopes, the yearnings that distinguish man from lower forms of life. Only ignorance or despair will drive men to communism. Therefore the principal task of the West is to offer light and hope.

But the battleground today is not the higher needs of man. It is the lower needs, the more tangible, the immediate day-to-day necessities of existence.

Freedom, and all the values that this term suggests, cannot flourish or have meaning without the existence of certain material conditions.

We in America have become used to a constantly rising standard of living. We have come to expect it, as though it were in the nature of things. The college students of today live better than their parents, and you expect your children to enjoy higher standards than you now have. But for a large part of the world, living standards have actually been declining despite the enormous technical advances of the past century.

It is a commonplace to say that one-third of the world goes to bed hungry at night. But it is not so generally understood that a large portion of this one-third is eating even less than they were 10 or 20 years ago. And 10 years hence, the outlook for them is even bleaker.

This inevitably feeds the hopelessness upon which communism thrives.

To men who are faced with these basic problems of existence, communism offers a coherent, exciting, tempting body of ideas and programs. And Russia provides the example of a nation which in a short period of time has bridged the chasm from a primitive, agricultural order to that of a highly industrialized state.

The West, despite its primacy in the realm of the spirit, seems unable to offer a convincing ideological antidote.

Nor is the example of our high standard of living or of our flourishing political institutions causing the unfortunate peoples of the world to flock to our colors.

Our talk of democracy, of free institutions, of representative government seems too parochial, too involved, too concerned with forms, to go to the heart of man's basic needs. And in the eyes of millions our alliances with totalitarian regimes make a mockery of our professional ideals.

We seem unable to make our ideological system intelligible to others.

At a time of crucial importance to Western civilization we seem unable to produce leaders who can so articulate the needs and hopes of men as to inspire the love and admiration and trust that America once enjoyed.

In our history, in our philosophy, in our religion, in the practical programs of assistance already in effect, we have all the needed elements for a new order of justice and peace and plenty—an order that will satisfy the lowest and the highest needs of men. We lack only the statesmen, the prophets, who can combine these elements in a form that will rekindle the hope and enthusiasm of the world.

Perhaps the young men and women of your generation will fill this need.

If the Western World, with its unparalleled capacity for producing material wealth, can meet the immediate material needs of men, if we can lead the way to the eradication of social injustice, of poverty, of discrimination, of material degradation, then the battleground for the hearts and minds of the world's people will change to a conflict in which we of the West will have all the advantages.

For man's higher needs are the very things that Western civilization answers and which the cold, merciless dogma of communism cannot supply.

The highest value that Stalin could put upon man was that he was the most precious form of capital. If that were true, if that were the full significance of man, then communism would indeed inherit the earth.

But it is not true. Man possesses mental and spiritual attributes above and beyond the material world. Man has needs and appetites that no material order or philosophy can satisfy.

He needs friendship. He needs understanding. He needs truth. He needs love. Our Judaic-Christian civilization, nourished by contributions from the Greco-Roman world, is in its finest aspects the highest response to these higher needs of mankind.

Whatever may be our weaknesses in the West, we have one great strength. Our universities are free. Our churches are free.

We have preserved unbroken the tradition of free inquiry started by Plato and Aristotle. We have preserved the knowledge of the tradition, the revelation, and the moral law of God.

The people of the West remain free to seek truth and to love God. It is we and not the Communists, who are able to satisfy man's highest needs. This and this alone will save us.

Our alliances, our weaponry, our economic strength, important as they are, will never establish peace on earth. But the church and the university, in God's good time, will do so.

Ten years ago Dr. Charles Malik, now President of the General Assembly of the United Nations, made one of the most profound statements of our century when he said:

"Communism is a doctrine of despair. Its only and complete answer therefore lies in the existence of hope. If the Western World can show a way to eradicate the shame and scandal of poverty, of exploitation, of oppression, of greed, without resort to social revolution and class struggle and dictatorship; if it can place these material values in their proper subordinate place within the context of a mighty spiritual movement which will be revolutionary without being subversive, and which will draw its substance from the infinite riches of the Western positive tradition, then the necessity for communism will vanish and the specter which now walks the earth will be laid forever."

The terrible example of communism is having one salutary effect on the Western World. It is purging us of our own follies.

The example of their total materialism is making us rightly ashamed of our own materialism.

The example of their total atheism is calling forth a spiritual rejuvenation in the West.

Their attempt to destroy all moral values is causing us to reexamine our own neglect of those values.

Their record of ruthless imperialism has caused the West to be ashamed of its own imperialism.

Their brutality is enlarging our compassion.

In the sins of communism, we see our own sins writ large.

In our desperate need to overcome evil, we are rediscovering our own capacity for good.

To the young men and women in our colleges, there opens the greatest challenge, the greatest responsibility in the long history of our civilization. If you, the products of our free institutions, cannot refine from our heritage a ringing message, an inspiring, uplifting ideology that will satisfy the universal hunger for truth and justice, then our civilization will have lost the capacity to lead, and leadership will pass on to others. Perhaps never in human history has so much been staked upon the performance of a single generation. The stakes are mortal, for they are the preservation of all that we have known and cared for, all that is worth preserving.

Thus your lives are endowed with an enormous significance. Always keep in mind the fact that you must not toil for yourself alone but for the whole future of man.

I hope, I pray, I believe that the young men and women of this class and of this country will make an effort worthy of the noble task and that, with the grace of God, they shall not fail.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 8, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of June 6, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER)

The Defense appropriation bill of 1960 provided $38,800 million, that is, $38.8 billion ($1 billion is a stack of tightly packed thousand dollar bills 666 feet high) for the year's military needs. A 44-page bill, 80-page report, and 6 volumes of hearings document and explain the needs although much information was deleted for security reasons. Here's a digest:

The common enemy of freedom-loving people is the Communist Russian totalitarian dictatorship. They are determined to win control of the earth. They can do this through three methods: (1) Subversion; (2) limited warfare; (3) total worldwide nuclear war. Russian leaders are gearing Russia for all three. They have certain advantages: (1) Greater manpower; (2) control over more natural resources; (3) increasing scientific and technical advancement; (4) totalitarian control and harnessing of all their people toward the accomplishment of specified goals. Our problem is to prevent the domination and subjugation of those who want freedom, including the United States. Further, we must do this: (1) Without straitjacketing ourselves, but as free people, and (2) in warfare, letting the enemy select the time and place of attack; we will not strike the first blow. Therefore, militarily, economically, and constitutionally preserving individual freedom from government domination, we tailor our defense to these needs. We cannot squander human lives as they can and do. Economically, we must fashion a burden we can carry for the long haul, wherever possible, avoiding the peaks and valleys involving hasty or crash programs.

Here's the dilemma—we know a good offense is the best defense, yet we will not offensively strike the first blow. So to resolve this militarily our Nation has conceived and perpetuates a staggering powerful retaliatory capability, a defensive offense or offensive defense. It's an offense to be used after being attacked. As such, it is a war deterrent, we hold. On Russia's respect for this powerpacked force rests the world's uneasy peace, the present cold war. In manpower, we must rely on quality, not quantity, and multiply our strength through increased firepower and better weapons. Our allies add to our numbers.

The gravest threats are in three areas—missiles, airpower, and submarines, and our defense is geared to meet these threats. First, a balanced missile attack force, comprised of the Titan, Atlas, Thor, and Jupiter (ballistic is self-contained, not air breathing) intercontinental ballistic missiles (ICBM), can be fired from fixed bases (thus vulnerable to destructive attack by enemy). These are supplemented by our atomic bombers, B-47, B-52, and B-58 from airbases all over the world. Secondly, our mobile striking force comprised of missiles such as Minuteman (fired from barge or flatcar), the Polaris (fired from submarine), and our Air Force air-to-surface missiles to be launched from bombers serving as mobile launching platforms. There are more than 60 missiles to provide defenses against attack of many types—surface-to-air, air-to-air, air-to-surface, underwater-to-surface, air-to-underwater.

Some continuing problems. (1) Offense abilities have outrun defense capabilities. We have no sure protection yet against missile attack, nor against submarine attack on our country (though hunter-killer fleets and missiles are being developed); (2) we may have neglected our limited warfare capability by concentrating on our all-out nuclear weapons; (3) Should we maintain an airborne alert? (4) Are we disposing properly of mountains of surplus material annually (at 8 cents on the dollar)? (5) Is the Russian submarine threat overemphasized in view of their lack of submarine bases? (6) Are we selecting the right weapons, in view of the time lag between research and production (example—Regulus II, in being, was canceled, replaced by Polaris, not yet ready). Obviously, no one can benefit from nuclear war, but we are dealing with people of fanatical dedication to conquering the world. We must be prepared. This defense bill is designed to get maximum protection for the amount expended. We are strong, but we must not be complacent.

The Water Pollution Control Act to increase Federal grants for construction of sewage disposal plants brought to us the tired old arguments again that the Federal Government can do for us locally. Additional Federal help was asked despite these facts—(1) Only 25 percent of the projects involved water pollution abatement; (2) Federal Government has jurisdiction over interstate waters and can demand that the States handle (without Federal money) disposition of sewage; (3) It costs more to send our money to Washington in order to get it back.

Definitions: Socialism—You have two cows and give one to your neighbor. Communism—The government takes both and gives you some milk. Fascism—The government takes both and shoots you. New Dealism—The government buys both, shoots one, milks the other, and throws the milk away. Capitalism—You have two cows; you sell one and buy a bull.

Memorial Day at Gettysburg, Pa.

EXTENSION OF REMARKS
OF
HON. JAMES M. QUIGLEY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 8, 1959

Mr. QUIGLEY. Mr. Speaker, on May 30 the 92d annual Memorial Day Service was held at the National Cemetery in Gettysburg, Pa. The speaker on this occasion was the junior Senator from Pennsylvania, HUGH SCOTT.

Under leave to extend my remarks I would like to include Senator SCOTT's Gettysburg address:

Commissioner McPherson, my friend and colleague, Representative QUIGLEY, reverend clergy, ladies and gentlemen, as your distinguished Congressman has just noted, I am much concerned about the preservation and enlargement, with due consideration to the problems involved, of this sacred National Memorial Park. It has been a privilege to work in cooperation with your Congressman for the protection and improvement of this historic shrine.

We are met again on a field of honor where brave men died for freedom. From among the ancestors of my wife and myself, Absalom R. Coolbaugh died for the Union and Hugh S. Doggett was gravely wounded for the cause of the Confederacy.

I have good reason for pride, therefore, in my membership on the Civil War Centennial Commission.

Memorial Day was first established to honor the memory of those who died in the Civil War. But each generation has had its own, more terrible war, and Memorial Day now honors all Americans who died in defense of their land in all wars.

This is a day to honor the dead and to pray for the welfare of the living. We should give thanks that today, only 6 years after the end of the Korean conflict, our Government is devoting its best efforts and assigning its best men to the task of assuring that there will not be new wars and newly hallowed ground to be recalled at subsequent Memorial Days.

This is the sacred place where was made manifest God's will that we should be preserved as a nation united to meet our destiny as leader and standard bearer of the world's free peoples.

It was of a gallant charge and a courageous defense of a famous hill in this place where we are met, of which it was said by the poet:

"God lives. He forged the iron will,
That clutched and held that trembling hill."

Their conflict epitomized their concepts of freedom. We are all united in a single concept now.

Our President Eisenhower himself spends more time on the problems of the world peace and international good will than on any other subject that comes before the Presidency. In averting war's dreadful consequence, he has labored to good effect.

His efforts are supported by men and women at all levels of government and in many parts of the world.

Christian Herter, our new Secretary of State, has taken over the dedicated, gigantic work for peace of the late John Foster Dulles. Today, in Geneva, Switzerland, Mr. Herter and the foreign ministers of Britain and France are absorbed in the intricate and elusive task of negotiating with the foreign minister of the Soviet Union. Secretary Herter is a firm and skillful diplomat. Our foreign policy is in good hands. Our objective is to unify Germany and establish the foundation for a more permanent solution of European affairs.

In another part of Geneva, U.S. Ambassador James J. Wadsworth is meeting in a small conference room with British and Russian delegates. He is trying—as he has been doing for the past 7 months—to find a basis whereby the three nations can agree on the world's first treaty that would ban nuclear explosions.

Behind Mr. Wadsworth, both in Geneva and in Washington, are a battery of American specialists—nuclear scientists, generals, financial experts, security officers, and geologists—every one hoping to make a contribution that will reduce the possibilities of another horrible conflict.

Our Vice President, Mr. NIXON, will visit the Soviet Union late in July. Officially he will be there to open the American Exhibit at the Moscow Trade Fair—a gathering which in itself will make a contribution to better understanding between nations. But we are all hoping that while in Moscow, Mr. NIXON will be able to convey personally to leaders of the Soviet Government the dedication to peace that is shared by all American leaders.

Our national objectives were well stated by President Eisenhower in his second inaugural address, when he said:

"We voice our hope and our belief that we can help to heal this divided world. Thus may nations cease to live in trembling before the menace of force. Thus may the weight of fear and the weight of arms be taken from the burdened shoulders of mankind.

"This, nothing less, is the labor to which we are called and our strength dedicated."

Of these young men, our eternally remembered dead, it is written:

"The muffled drum's sad roll has beat
The soldier's last tattoo,
No more on life's parade shall meet
That brave and fallen few.

"On fame's eternal camping ground
Their silent tents are spread,
And glory guards with solemn round
The bivouac of the dead."

I offer to you this tribute of our constant honoring of their sacrifices:

"They shall grow not old
As we that are left grow old.
Age shall not weary them
Nor the years condemn.
At the going down of the sun
And in the morning
We will remember them."

Public Responsibilities in Science and Education

EXTENSION OF REMARKS
OF

HON. JOHN E. FOGARTY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 8, 1959

Mr. FOGARTY. Mr. Speaker, under leave to extend my remarks I include an address which I delivered at the convocation of the graduate school of Brown University on June 1, 1959. The address is entitled "Public Responsibilities in Science and Education:"

ADDRESS OF THE HONORABLE JOHN E. FOGARTY, MEMBER OF CONGRESS FROM THE SECOND DISTRICT OF RHODE ISLAND, AT THE CONVOCATION OF THE GRADUATE SCHOOL OF BROWN UNIVERSITY ON JUNE 1, 1959

PUBLIC RESPONSIBILITIES IN SCIENCE AND EDUCATION

This indeed is a memorable day for all of us assembled here. You who are in the graduate school, and you who are the parents, friends, and mentors of the graduate students have reason to be proud today. And I, too, am proud—for I feel especially privileged to take an active part in these ceremonies.

I have always had great respect for Brown University. Not only is Brown the seventh oldest college in the Nation, but also the spirit of religious liberty—on which it was founded in 1764—is widely recognized as a particularly early and significant example of freedom of conscience in America. Brown's charter included the requirement that the public teaching should in general respect the sciences. This also was an unusually liberal stand for an educational institution to take in the mid-18th century, and it is relevant to what I shall have to say later. I admire Brown for this very early contribution to individual and intellectual freedom.

I like what your former president, Henry M. Wriston, has said about this university:

"Brown's central business is the increase of knowledge, the inculcation of wisdom, the refinement of emotional responses, and the development of spiritual awareness."

Surely, these four points are among the highest objectives for an institution of higher learning. Judging from the caliber of the Brown faculty, the educational standards of the university, and the collective record of its graduates, the four objectives outlined by Dr. Wriston continue to be met in full measure.

For you graduate students, this is a day of glory, a glory which should not be diminished in any way. But there are words that must be said and must be given thoughtful consideration by everyone. Think about this statement:

"The period since the war has witnessed some of the most rapid advances in science and at the same time some of the greatest revolutions in social, moral, and religious thought and practice of any time in the world's history. Yet humanity stands today in a position of unique peril. An unanswered question is written across the future: Is man to be the master of the civilization he has created, or is he to be the victim?"

Do these words sound particularly appropriate? Does the question provoke a timely challenge? The message and the question I have just quoted were spoken to the Brown graduating class in 1930; they were delivered by Edwin Grant Conklin 29 years ago today. In 1930, there were no hydrogen bombs, no so-called cold war involving one tense international crisis after another; no threat of a nuclear war. Still, men considered their peril unique. What shall we call the peril we face now? Twenty-nine years have passed since Edwin Conklin sounded the warning. The situation has intensified; we find advances in science coming even more rapidly than before, and almost it seems concomitantly, we find our peril more extreme. The basic fear is the same. The question of whether we can cope with the civilization that we have evolved and continue to modify must continue to be asked.

Let us go back to the year 1800. A reference to the Brown commencement address given by Jonathan Maxey in that year, 159 years ago, could never be passed off to you as contemporary. The difference, I think, will be readily apparent to you. He said, and I quote:

"We are baffled in explaining the causes of the most common appearances. We sigh to explore the hidden causes of things, their intimate constitutions, and their final destination. We sigh to wield a world, as we do an atom, to search the center of the earth and to sail among the stars. Experiment destroys our vain imagination."

In the intervening years, man has proved that he can explain the causes of many common appearances. He has proved that experiments no longer—perhaps never did—wreck our imaginations. On the contrary the products of each generation's experiments have, in many cases, far exceeded the imagination of the previous one.

Thomas Huxley defined science as "common sense at its best." Since his death in 1895, the common sense of scientists has been getting better and better in many ways. Speaking as a layman who is vitally concerned with the well-being of people everywhere, I would like to cite a few of these ways I consider important.

The scientist has vastly improved communications with his colleagues within the scientific community. He has done this despite the many technological advances that have created requirements for new specialties and subspecialties.

At the same time, the scientist also has improved his communications processes with the general public. As a result, the public's image of the scientist is no longer one of an off-beat character who chases butterflies with a net or a highly introverted recluse in a basement corner or of an arrogant egotist who refuses to concede that his work and its results can be translated into words and phrases that might be undertood by those who support him.

Finally, the scientist has shown that given proper support and enlightened understanding on the part of an informed public, he can produce near miracles for the continuing benefit of mankind. In fact, researchers in the medical and biological sciences have performed so admirably that I am inclined to think of the last 15 years or so as the first chapter in what we might call the golden age of medicine. The biometricians provide us with some rather exciting projections on the health status of our people. By the year 2,000, they estimate that the average expectance of life after age 60 will increase from the current 17.5 to 22 years. They predict that the death rate from heart disease for men 50 years of age will be 50 percent of its current rate. And they predict the death rate from cancer for women aged 60 will also be only half the current rate.

These are rather dramatic predictions, but they are not at all improbable. You may well ask, "Why is this so?" or "How can this be accomplished?" To answer these questions, I would like to review some of the developments in the recent past, from the standpoint of enlightened support and scientific accomplishment, that indicate a bright future for the health status of the American people.

Those of you who know of my principal interests and activities—both as a Representative to Congress from the Second District of Rhode Island and as chairman of the subcommittee in the House of Representatives having responsibility for Federal appropriations for the Nation's health programs—are well aware that my keenest interests are in the field of health research. I have experienced considerable personal satisfaction in having a part in the formulation of our national program for conduct and support of scientific research for the past 18 years. In these years, there has been dramatic progress in the acquisition of new knowledge and in its application for positive health gains.

At the close of World War II, the country had its choice. Either we would return to the prewar levels of effort in medical research, or we would seek to capitalize on the opportunity to support man's effort to extend his horizons in the life sciences. The question was resolved, as are all important questions in our society, by consensus. To most people, whether scientists or laymen, the course seemed clear. If a nation's scientific effort could produce so well under the stress of war, surely it could flourish to provide an opportunity for better health in peace.

As a result, Congress began to increase appropriations for Federal funds used by the Government to stimulate medical research in private laboratories throughout the country—in universities and medical schools, in hospital laboratories, and in other research centers. Appropriations also were steadily increased for the operation in Bethesda, Md., of what is today one of the world's largest medical research centers—the National Institutes of Health of the U.S. Public Health Service. This is the research program in which I have been most deeply interested; my committee has had responsibility for its appropriations, which have become a significant part of the Nation's total investment in medical research.

The appropriations for NIH, including its own operations and grants for research projects and awards for fellowships and training, amounted to less than $3.5 million in fiscal year 1946. For 1959, our current fiscal year, their appropriation stands at $324 million. Lest you conceive of this expansion

as a reckless effort to buy new knowledge, let me detail some of its elements.

First, in research project grants: In 1945, this appropriation totaled $85,000; this year, the same appropriation is a little over $141 million—supporting nearly 8,000 research projects in virtually every nonprofit research center in the country. Let me assure you now that prior to each year's increase, from 1946 through 1957, the Congress received convincing evidence of (1) the accomplishments and potentialities of existing research projects, and (2) the existence of promising ideas for new and needed research projects.

At the same time, it was necessary for those of us dealing with this program to keep well-informed on two other elements of medical research, namely, the existence of trained manpower to do the research and of adequately equipped facilities in which to carry out the research. To keep these three all-important elements of medical research in relative balance has been no easy task.

The level of support for research training, including fellowships, began to make solid advances in 1947. In that year the appropriation for fellowships and training grants totaled $428,000 compared to $57,000 in 1945. But as each year passed and as it became more and more evident that scientific manpower was the most important single factor limiting further progress in the life sciences, the program expanded until today the annual appropriation stands at about $60 million.

The third element of the Public Health Service's pattern for research support—research facilities—received only emergency attention during 1949 and 1950 for heart and cancer research facilities, totaling some $22 million. More recently, again responding to an evident need for nationwide expansion of health research facilities and equipment, the Congress passed legislation authorizing $90 million to be made available over a period of 3 years for construction and equipment of research facilities in all the health fields. Now finishing its third year, the $90 million available has been awarded to 256 nonprofit institutions in 38 States. Through matching funds, this initial investment of $90 million in Federal money has been more than equally matched by funds from local sources.

Your own university has grown in stature over the years to the point where its science department has merited increasing Federal support. Just in this past fiscal year, for example, the number of research projects that have won Federal support increased from 12 in 1958 to 22 in fiscal year 1959. Your Dr. Brooks, with his studies in cerebral palsy, Dr. Wilson in biology, and Dr. Montagna in histophysiology are among the outstanding scientists receiving substantial grants in recognition of their excellent work.

So much for the expansion of Federal support for medical research. It is a fair assumption, I think, that it has played an important part in the progress that has taken place in the decade. I see these scientific achievements solely in the light of their meaning to the public as a whole. I am thinking, for example, of the discovery and development of synthetic hormones and related agents for rheumatic disease, the widespread availability of penicillin and the development of other antibiotics, the development of chemical agents for control of high blood pressure, the discovery of chemical agents in the study and treatment of mental illnesses, the improved protection against rheumatic fever and resulting heart damage, the new tests for detection of cancer, surgery of the heart, the discovery and application of a new vaccine for poliomyelitis, the use of radioactive isotopes for studies of body chemistry, the development of drugs and chemical agents for treatment of tuberculosis.

As a Congressman, I hear a great deal of discussion of new and better chemical agents, new drugs, new treatments, and even the claim that 50 percent of today's prescriptions could not have been written 10 years ago simply because the materials incorporated in them did not exist. But the acid test of progress against disease lies in statistics which show that progress in broad terms.

Perhaps the best single index of health progress is a comparison of overall death rates. I am told that the decline in death rates since World War II from some of the major illnesses dramatically shows how over a million lives have been saved by modern medicine.

Influenza, for example, has been reduced over 90 percent in its death rate. Once great killers like acute rheumatic fever, tuberculosis, diseases that cause maternal deaths, and appendicitis have all had the rate at which they cause death reduced over 70 percent. The death rate from syphilis has been brought down over 60 percent; pneumonia, over 40 percent; some kidney disorders, 60 percent; infant death rates, over 30 percent; and paralytic polio, the disease about which much is still unknown, has been reduced dramatically in the past 2 years. Even high blood pressure, one of the greatest medical problems in terms of the numbers afflicted, has seen some decline in death rates in the past few years.

It is this record of growth and accomplishment that gives me the confidence to support those who make such dramatic predictions concerning the future of medical research.

I would like to make one further point that emerges when one considers the human dynamics, the tangible results, and the potentials for advancement that have had a part in this first chapter of the golden age of medicine. It is this: that when the public is adequately informed, when it is assured that the basic resources and mechanisms exist to accomplish certain problems common to all people, when it is asked to support the efforts to meet these problems, the public will respond and will continue to respond almost in direct ratio to the results and potentials realized.

It is most interesting, therefore, to speculate as to whether this principle that an informed public is a responsive public would be as effective in meeting the impending educational challenge as it has been in writing a brilliant first chapter in the golden age of medicine.

The statistics on education indicate at least a part of the impending challenge. In 1939, only 154 of 1,000 high school pupils went on to college; in 1954, 283 of every 1,000 entered college. Illiteracy has declined to a new low. In 1870, 20 percent of the population over 14 years of age could neither read nor write. In 1920, the figure had gone down to 6 percent; in 1952, only 2.5 percent of the population were illiterate. The number of students enrolled in America's colleges and universities this year exceeds last year's figure by more than a quarter million. In 10 years it should pass 6 million—nearly double today's enrollment.

These statistics provide just a hint as to the problems that confront education. Certainly we cannot expect the public to respond to an array of statistics without an examination of the factors and problems that are necessarily a part of those statistics.

The U.S. educational system, as you know, has come under very close scrutiny in the past few years due to the sudden challenges produced by the Soviet Union. It was clearly shown that there is much room for improvement. But the fact is that our universities face the very real danger of being engulfed by sheer numbers of undergraduate students. Not only must we find staffs to handle the influx, but we must beware of their being loaded down with repetitive undergraduate teaching which leaves them with no time for imagination, contemplation, and other intellectual pursuits. Within a decade, some 495,000 college teachers may be needed—more than twice the present number. And on the salaries which the average college teacher receives, it is no wonder that quality sometimes suffers. Faculty salaries are woefully out of kilter in the current American scene.

I consider it a glaring failure—at least to date—that new impetus to American education has not been given by providing Federal assistance in the construction of schools. It is my conviction that the strength of our democracy is intimately related to the strength of our educational processes, and I find it somewhat distressing that special interest pressures have contributed so much to this national failure—failure, first, to provide adequate school facilities for the increasing numbers of boys and girls in our society, and second, failure to provide other support to decrease the teacher deficit. Here is the goal of the people which is not being met.

Today's educational effort has not been raised to the levels of other essential elements in the space age. We need not spend public money irresponsibly to show our interest. What we need is a completely revised attitude toward education and the public support of education. We must make the same order of radical change in our attitude toward education as we have made in our attitude toward medical research. We must measure our educational effort as we do our medical research effort. That is to say, we must measure it not by what it would be easy and convenient to do, but by what it is necessary to do in order that the Nation may survive and flourish. We have learned that the support of medical research, whatever the cost, pays rich dividends in the long run. We must now learn that higher education for the academically oriented is an investment in the Nation's future.

You who have just finished your graduate work today and you who have made that possible—faculty and families—have a direct responsibility as harbingers of enlightened information about the importance of higher education. Education has been called study for the purpose of understanding. You have received understanding that opens doors to you, and you will wish to share it with others. You in the class of 1959 will want your children someday to receive an education as you have done, and as good a one as possible. Support for quality education must come from every single available source.

The Federal Government, I am glad to say, has taken several steps in the right direction toward alleviation of the problem, though it has not gone far enough at all. I am speaking of the National Defense Education Act of 1958, which in its aid to students is good, in its lack of aid to teachers is bad.

The act which became a public law in September of last year is aimed at strengthening the national defense and encouraging and assisting in the expansion and improvement of education programs to meet critical needs. It recognizes that our present emergency demands more adequate educational opportunities, and emphasizes that what is being offered is financial support, and not control.

The program of providing loans to students in institutions of higher education is the largest; in the 4 years from 1959 to 1962, a total of $295 million will be lent. In selecting the students to receive loans, special consideration will be given to those who express a desire to teach in elementary or

secondary schools and to those whose academic background indicates a superior capacity or preparation in science, mathematics, engineering, or a modern foreign language—the subjects where we are remiss. To strengthen the instruction in these subjects, $280 million will be paid to State educational agencies over the same 4-year period. The money is to be spent for equipment. And here I ask—why not some financial assistance for the subject teachers themselves?

The only provision which has bearing on the teachers' situation is the program for national defense fellowships. Fifty-five hundred fellowships are to be awarded over the 4-year period 1959–1952, and preference will be given to persons interested in teaching in institutions of higher education. An important part of this is that in order to win a fellowship, the graduate program in which the student is to participate must be approved by the Commissioner of Education, and only those institutions with new or expanded graduate programs will receive such approval. The institution itself will be awarded up to $2,500 a year. Thus, by direct pressure, encouragement is being given to higher institutions to improve their graduate training facilities. I like this provision, but I think it could stand much expansion. The stipends awarded do not exceed $2,400; students are discouraged from taking outside work unless it pertains to their study—and rightfully so—but the temptation must be great in our time of economic inflation.

The other provisions of the act are generally admirable. Programs for the guidance, counseling, and testing of students which are aimed at identifying and encouraging the most able students will be set up in the States which desire them and which submit a State plan for their execution. Language centers and institutes are a part of the act as is research in the utilization of radio, television, and motion pictures for educational purposes. Vocational education and science information are partially covered.

College professors were strangely left out of all this. They should not have been. They deserve not only much more money than they are now receiving, but also much more prestige and distinction among their fellow Americans. Raising faculty salaries is a necessary step in giving recognition where it is long overdue.

These, then, are some of the problems that are universal to education today. Although medical research and its features that have an implication in medical education have achieved an outstanding measure of success in recent years, the leaders in these fields continue to reevaluate their roles and the foreseeable challenges that lie ahead. In a recent and unusually forthright report, a group of distinguished advisers brought to the attention of the Secretary of Health, Education, and Welfare, that if the predictable needs for physicians and scientists are to be met, this country needs some 15 to 20 additional medical schools. The same report estimates that it will cost nearly half a billion dollars to bring these new schools into being. Implicit in the report, too, is the belief that the Federal Government must bear a part of the cost of constructing these new schools.

Someday, I believe that one of these new medical schools should be brought into being in this State, preferably right here at Brown. I realize that this recommendation cannot be taken lightly, and I assure you that it is not offered without serious consideration. The location and operation of a school of medicine entail considerable responsibility.

What are some of the responsibilities of a medical school? First, it is an institution for the training of gifted young men and women to practice the greatest of all healing arts. Second, it is a haven for community services related to and including the practice of medicine. Third, it is a point of focus for medical research, both in the laboratory and in the clinic. And fourth, it is most often an extension of a university, expending and strengthening the university's traditional role as intellectual and cultural center for its community.

I do not pretend to know how Rhode Island can develop its own medical school. I do not know when it can. But I do know that it can. For ours is a proud and progressive State, and Brown University has a tradition of progress and forthright action. If we want it enough, we can have a medical school and cease to be one of the nine States that do not have one today.

This is not a decision to be made hastily. There are many critical problems to be considered. How would the new construction be financed? Would the Federal Government make funds available without insisting on a degree of control? Could an effective set of working relationships be developed with local hospitals and physicians?

There are more questions than there is time to phrase them.

I am sure there are answers for them.

And I intend to see that the answers are sought, and my hope is that they may lead to a course of action that will add one further resource to the array of medical resources in Rhode Island that do credit to the State. These facilities and programs are a source of pride to all of us who have worked, each in his own way, to help bring them into being. I am confident that once again we will be successful in expressing the public need and carrying out the public responsibility in this important cause.

Almost a hundred years ago, in 1864, when Brown University was celebrating its centennial, the then president said this:

"We are about to open a new century. Shall it be one of increasing brightness for our university? Shall our successors, at the end of the new century, be able to give a good account of our doings?"

Here you are, his successors, and that "new century" is almost over. It would be my sincere wish for Brown to be able to include the addition of the medical school as part of its "good account" by the time it celebrates its bicentennial anniversary.

I have found, as I have said before, that when the public is informed the public will respond. Now is the time for the friends of Brown to carry their story to the people in somewhat the same manner that medical science has taken its story to the people. There is no possible reason why either the medical scientist or the educator should have to be solely responsible for his field when his work touches the lives of everyone. We, the public, have a duty which has become more important than ever before; we must share the increasing load of problems facing science and education. The public must keep informed and concerned and must be willing to give special effort and provide other resources to see that the task is accomplished that lies ahead.

I salute you upon the completion of your work at this fine university. In closing, I would like to recall for you a line written by H. G. Wells:

"Human history becomes more and more a race between education and catastrophe."

And I say let us leave no doubt; we must win the race for education.

SENATE

TUESDAY, JUNE 9, 1959

The Senate met, in executive session, at 12 o'clock meridian, pursuant to adjournment.

Rev. William Redd Turner, D.D., pastor, First Presbyterian Church, Clinton, S.C., offered the following prayer:

Lift up your heads, O ye gates; and be ye lifted up, ye everlasting doors; and the King of Glory shall come in. Who is this King of Glory? The Lord strong and mighty, the Lord mighty in battle, He is the King of Glory. And in the armies of heaven, or among the inhabitants of men no one can stay His hand or say unto Him, "what doeth Thou?"

O Thou great Triune God: the Father, the Son, the Holy Spirit, three persons in one Godhead, the same in substance, and equal in power and glory. Thou art the living God: who was, is, and shall be the same yesterday, today, and forever; and in Thee we live, move, and have our being.

Thou didst inspire our forefathers to erect this Nation upon the foundations of righteousness and justice. Endow these Senators with the same spirit; and may they seek Thy wisdom, and keep this a nation under God, remembering Thy promise, "Blessed is the nation whose God is the Lord; the people whom He has chosen as His heritage." Guide them and keep them by the council of Thy will; and may they hold fast to that which is true, regardless of the praise or blame of men.

In this day of crisis, as our leaders steer the ship of state through troubled waters, give them faith to put their trust in Thee, who dost hold in the hollow of Thy hand all the nations of the earth. Call them to walk with Thee, talk with Thee, and wait before Thee and listen to the still small voice saying, "That is the way, walk ye in it, for I am the way, the truth, and the life."

Crown with victory each appointed task of this day; and may the labors of Thy servants, here assembled, forge another link in the chain of peace; and may their zeal hasten the day when "swords shall be beaten into plowshares, and spears into pruninghooks; when nation shall not arise against nation, neither declare war anymore."

As they toil for us here in the Capitol of our country, we pray Thy blessing and Thy peace upon them and their loved ones, wherever they may be.

In Jesus' name we pray. Amen.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of legislative business.

There being no objection, the Senate proceeded to the consideration of legislative business.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 8, 1959, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 3030. An act to amend the act entitled "An act to authorize the establishment of a band in the Metropolitan Police force" so as to provide retirement compensation for the present director of said band after 10 or more years of service, and for other purposes;

H.R. 3735. An act to make the Policemen and Firemen's Retirement and Disability Act amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and to their widows, widowers, and children;

H.R. 4283. An act to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that certain additional specified officers of the executive branch of the Federal Government shall be exempt from such act;

H.R. 6378. An act to authorize the American Society of International Law to use certain real estate in the District of Columbia as the national headquarters of such society;

H.R. 6662. An act to amend the District of Columbia Hospital Center Act in order to extend the time during which appropriations may be made for the purposes of such act; and

H.R. 7523. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 3030. An act to amend the act entitled "An act to authorize the establishment of a band in the Metropolitan Police force" so as to provide retirement compensation for the present director of said band after 10 or more years of service, and for other purposes;

H.R. 3735. An act to make the Policemen and Firemen's Retirement and Disability Act amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and to their widows, widowers, and children;

H.R. 4283. An act to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that certain additional specified officers of the executive branch of the Federal Government shall be exempt from such act;

H.R. 6378. An act to authorize the American Society of International Law to use certain real estate in the District of Columbia as the national headquarters of such society; and

H.R. 6662. An act to amend the District of Columbia Hospital Center Act in order to extend the time during which appropriations may be made for the purposes of such act; to the Committee on the District of Columbia.

H.R. 7523. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; to the Committee on Finance.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST IN HAWAII

Mr. JOHNSON of Texas. Mr. President, sitting on the doorstep of the continental United States is an asset this Nation is failing to utilize fully. I refer, Mr. President, to the Hawaiian Islands—soon to share all rights and responsibilities with the other 49 States.

Within these islands, this Nation offers to the people of the East a window to the Western World. We have opportunity to perfect for the people of the East a showcase of democracy. We, in turn, can gain needed insight and understanding of the East.

I am today introducing a bill, along with Delegate BURNS, of Hawaii, in the other House, which we believe will achieve this result. It is the foundation for what I envision as an intellectual bridge, joining together the best of the East and the West.

The purpose of this act is simple: To promote better relations and understanding between the United States and the nations of Asia and the Pacific by establishing an institution of higher learning to be known as the Center for Cultural and Technical Interchange between East and West, in Hawaii.

Here, able scholars and authorities in the humanities, language, science, medicine, agriculture, and jurisprudence—from the East and from the West—might gather. Here, in turn, representative students of the East and West would be afforded outstanding instruction on both the undergraduate and the graduate levels.

To students from the West, the great scholars of Asia would impart their teachings. And, in the same manner, professors from the Western World would lay their knowledge before students from the East.

In Hawaii—astride the trade routes of the Pacific, and boasting a blending of many cultures—language barriers would erode.

From this intellectual association, people would gain deeper understanding and new respect for each other. All mankind would benefit.

To this concept, the able and distinguished Delegate from Hawaii, JOHN BURNS, has contributed the benefit of his thinking.

It is a practical concept which can be brought into being at a fraction of the cost now spent on weapons shipped to other nations. Peace must rest on ideas, not weapons.

We cannot move the Hawaiian Islands and all that they offer. We cannot take them to Japan, the Philippines, Indonesia, southeast Asia, India, or Pakistan.

But we can bring to Honolulu the leaders of today and the potential leaders of the East of tomorrow.

Today, from behind the Iron and the Bamboo Curtains, universities in Moscow, Peiping, and Prague beckon the young Hong Kong Chinese, the Malayan, the Burmese, and the Indians.

The opportunity to answer is ours.

A cultural and technical center in Hawaii would offer an asset of increasing value to freemen everywhere.

But, important as this factor would be, there is an even more important consideration. It is simply this: We would be doing what we honestly know should be done.

When you help a neighbor who needs a hand, you do not do it to benefit yourself. You do it because you want to, because it is the right thing to do. The same motives move us now.

The University of Hawaii has already made significant progress in this direction. But we cannot justly expect this one institution to assume a responsibility and a duty that belongs to all of us.

Basically, this proposal is not a new idea to the leaders of this great institution. For instance, the regents have recently approved plans for a year-around Asian Studies Institute. The legislature, I am told, is considering an oversea training program for the university. Asian agriculturists are now training at the University of Hawaii; but vastly expanded facilities are needed.

This is a small part of a broad program which already is under way. It will add new strength to Government programs such as the Fulbright program, and will implement and supplement the great programs now being carried on by the universities throughout this country.

It is another opportunity to demonstrate to the world that the Golden Rule is something that we live by—and not an echo of what ought to be.

I send the bill to the desk for appropriate reference.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2135) to promote the foreign relations of the United States by providing for the establishment of a Center for Cultural and Technical Interchange between East and West in Hawaii, introduced by Mr. JOHNSON of Texas (for himself, Mr. MANSFIELD, and Mr. WILEY), was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend from Montana.

Mr. MANSFIELD. I commend the distinguished majority leader for introducing a bill implementing a proposal he made some weeks ago—a proposal which I think is one of the most meritorious to be advanced in this Congress.

To me, the idea of the Hawaiian Islands, and most especially the University of Hawaii, serving as the crossroads where the cultures of the Occident and the Orient can meet, is comparable to what is now being done in Puerto Rico, where the University of Puerto Rico is being used, with help from this Government, but with considerable help being furnished by the Commonwealth, to bring about a meeting place, a crossroads, for the cultures of Africa, Latin America, and the United States of America, or the Western World.

I hope the distinguished majority leader will allow me to be a cosponsor with him of this proposed legislation, because I think it has within it the seeds of great hopes and accomplishments.

I again compliment and commend the distinguished majority leader for his statesmanship in advocating the course of action encompassed in the bill. I also want to extend my thanks to Delegate JOHN BURNS, of Hawaii, who has introduced a similar measure in the House of Representatives. JOHN BURNS has been a very effective and efficient Representative for his Territory and, because of his statesmanship and sense of timing, is very largely responsible for the admission of Hawaii as a State earlier this year.

Mr. JOHNSON of Texas. I treasure the statement of my cultured friend from Montana. Of course, I should be delighted to have him associated with me in the sponsorship of the proposal. I always find comfort and strength in his association. I shall be delighted to have him join.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend from Wyoming.

Mr. McGEE. I should like to associate myself with the remarks of both the distinguished majority leader and the distinguished Senator from Montana. The Senator from Montana and I have both had some experience in education, and the proposed legislation strikes a particularly responsive chord. This meritorious proposal is imaginative at a moment when we need imagination in the projection of the American impulse around the world. I have long felt the necessity of counteracting the influence of the University of Moscow by winning students with open minds, who have been inquiring about conditions all around the world. I think the proposal will pose that kind of challenge.

I have personally seen thousands upon thousands of foreign students filing into the University of Moscow and coming away impressed. I think the suggestion of the majority leader to create a comparable—in fact, a superior—institution that will attract the great minds of all nations, regardless of the section of the world in which they are located, will be one of the ways whereby America and free society can recapture imagination and initiative in the cold war, as well as in the long peace ahead.

Mr. JOHNSON of Texas. I am deeply grateful for the very fine statement by my friend from Wyoming. I am always strengthened by the knowledge that he is in agreement with me. He is not only an imaginative Senator, but he is one of the intellectuals of this body. He is not only a man who believes in advancing ideas, but he believes in translating those ideas into action. I am strengthened by the statement he has made.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend from Alaska.

Mr. BARTLETT. I am very glad indeed to learn that the majority leader has introduced this proposed legislation. I have been in Hawaii only twice, and then briefly, but long enough to learn that in Hawaii democracy functions at its very best. The Hawaiian people are a truly democratic people under the American flag, and I think they have much to teach us as well as the people on the other side of the Pacific.

An institution such as is proposed will do much to fortify our position in the world and to instruct others in the ways of our democratic life.

I congratulate the distinguished majority leader for having offered this proposed legislation. I hope that it soon will become law.

I likewise am glad to learn that identical legislation has been offered in the House of Representatives by the last Delegate in Congress from the Territory of Hawaii, JOHN A. BURNS, who may be the last Delegate in Congress from any organized incorporated Territory of the United States.

To the majority leader and to Delegate BURNS the Hawaiian people and the people of the United States in general owe much for translating the paradise islands of the Pacific from the political status of territorialism to statehood.

Mr. JOHNSON of Texas. I thank my delightful friend. The example he set in this body after becoming a Member of it I think did a great deal in expediting the action which Congress took in connection with Hawaiian statehood. I thank him very much for his generous references to me. I welcome his support. He is always a tower of strength to me, and I want him to know how grateful I am to him.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend from Wisconsin.

Mr. WILEY. Mr. President, I am always stimulated when the distinguished Senator from Texas speaks, because his ideas are the kind that cause one to think. I feel in this particular instance he is calling for something that will be of great value to this country, to Hawaii, and to the world, if it becomes a reality. So I congratulate him.

If the Senator would not mind having a humble Republican's name on the bill, he can put my name on it.

Mr. JOHNSON of Texas. I am always strengthened when I am in association with the Senator from Wisconsin. I treasure his friendship. I am pleased that he is willing to help with this measure. I shall expect help from him, because he is a person who always puts his country first and who wants to do everything he can to promote peace in the world. I shall be glad to have him become a cosponsor.

I have asked persons in the State Department and the Department of Interior who are most experienced in this field to give me their suggestions and their help. They have participated to some extent in what has already been done. I shall call upon the Senator from Wisconsin for his recommendations and suggestions as to how to proceed in committee, in the hope that during this session we can bring to the floor proposed legislation which will cover this subject.

Mr. WILEY. I thank the Senator. I feel very much flattered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

MANAGEMENT OF THE PUBLIC DEBT

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to facilitate management of the public debt, and for other purposes (with accompanying papers); to the Committee on Finance.

REPORT PRIOR TO RESTORATION OF BALANCES

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report of the Bureau of Accounts covering restoration of balances withdrawn from appropriation and fund accounts under the control of the Treasury Department (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF MUTUAL SECURITY PROGRAM, RELATING TO ECONOMIC ASSISTANCE FOR CHINA, KOREA, AND VIETNAM

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of Mutual Security program presentation to the Congress for fiscal year 1959, Economic Assistance for China, Korea, and Vietnam, International Cooperation Administration, Department of State (with an accompanying report); to the Committee on Government Operations.

REPEAL OF ACT RELATING TO CONSTRUCTION AND OPERATION OF A RAILROAD IN ALASKA

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to repeal the act of March 12, 1914 (38 Stat. 305), authorizing the construction and operation of a railroad in Alaska, to incorporate the Alaska Railroad Company and for other purposes (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

ESTATE OF SAKIHARA KOKI

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of the estate of Sakihara Koki (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF BANKRUPTCY ACT

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend sections 334, 367, and 369

of the Bankruptcy Act (11 U.S.C. 734, 767, 769) and to add a new section 355 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XI (arrangement) proceedings to the time prescribed by section 57n of the Bankruptcy Act (11 U.S.C. 93n) (with accompanying papers); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to provide for the payment of expenses of administration of the workmen's compensation provisions of the Longshoremen's and Harbor Workers' Compensation Act by insurance carriers and self-insurers authorized to insure under section 32 of the act, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

AMENDMENT OF ACT RELATING TO COMMISSION OF FINE ARTS

A letter from the Chairman, the Commission of Fine Arts, Washington, D.C., transmitting a draft of proposed legislation to amend the act relating to the Commission of Fine Arts (with an accompanying paper); to the Committee on Rules and Administration.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of California; to the Committee on Armed Services:

"SENATE JOINT RESOLUTION 26

"Joint resolution relative to the Army Language School at Monterey

"Whereas the startling fact exists that the United States in trying to win friends all over the globe, is unable to communicate with three-fourths of the world's population in their native tongue, due to a deplorable lack of preparation in foreign languages; and

"Whereas the Russians teach foreign languages in grade schools and require all high schools to take a foreign language course, as contrasted with the fact that less than 15 percent of our 8 million high school students in this country are currently studying foreign languages; and

"Whereas one of the world's outstanding and our Government's largest school for the teaching of foreign languages has since the early days of World War II been conducted by the U.S. Army at the Presidio of Monterey, Calif., where 28 languages are taught by native instructors to members of the Armed Forces; and

"Whereas the Air Force, which trains a great many men at this school in the Russian language, has announced its decision to withdraw from the Army Language School as of July 1, and to send its officers and men elsewhere; and

"Whereas the needless duplication of effort and additional expense caused by this decision to withdraw Air Force students will cause a serious disruption of the proficiency of the excellent Army Language School; and

"Whereas the time has come to make greater, not less, use of the Army Language School at Monterey by all branches of the Government concerned with sending personnel on oversea missions; and

"Whereas the Army Language School is fully equipped to accommodate twice the number of students now being trained: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to—

"A. Urge the Air Force of the United States to reverse its decision with respect to the training of students at the Army Language School in Monterey; and

"B. Immediately study the need for unification of the Government language teaching program for all branches of the Government and the desirability of concentrating said program at the Army Language School at the Presidio of Monterey; and be it further

"Resolved, That the secretary of the senate is hereby directed to transmit suitably prepared copies of this resolution to the President and Vice President of the United States, the Secretary of State, the Secretary of Defense, and the Secretaries of the Army, Navy, and the Air Force."

A joint resolution of the Legislature of California; to the Committee on Post Office and Civil Service:

"SENATE JOINT RESOLUTION 23

"Joint resolution relating to the Chambers Lodge post office

"Whereas the Chambers Lodge post office, a historic landmark on Lake Tahoe, is one of the first in the area and is actually located on the pier where it originally handled the mail directly from the famous lake steamer, the *Tahoe*, and had for years been served by mailboats and in turn distributed mail to residents of the area; and

"Whereas Chambers Lodge has been chosen as the official headquarters for the cross-country races of the VIII Olympic winter games, which will necessitate expanded postal and other services to handle the increased activity in the area; and

"Whereas Chambers Lodge is also the commercial seaplane base for airplanes servicing the Lake Tahoe area from San Francisco and the East Bay area; and

"Whereas the opening of a new subdivision of over 1,000 new homesites adjacent to Chambers Lodge makes the availability of Chambers Lodge post office essential: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Post Office Department is respectfully requested to continue the operations of the Chambers Lodge post office at least during the coming Olympic winter games and in the summer months in the future when the tourists and vacationing public increase the need for such facilities; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, the Postmaster General of the United States, and to each Member of the Senate and House of Representatives representing California in the Congress of the United States."

A resolution of the Legislature of the State of Minnesota; to the Committee on Armed Services:

"'RESOLUTION 7

"'Resolution memorializing the Congress of the United States to amend the Military Pay Act of 1958 to equalize the retirement pay of members of the Armed Forces of the United States

"'Whereas there is now pending before the 86th Congress of the United States legislation, including S. 269, S. 541, and H.R. 703, to equalize the pay of retired members of the uniformed services who receive their retired pay under the provisions of the Career Compensation Act of 1949; and

"'Whereas the Military Pay Act of 1958, Public Law 85-422, failed to provide for the computation of the retired pay of such members of the uniformed services retired prior to June 1, 1958, on the basis of the newly established pay rates provided in said law, at the same time providing that the retired pay of those retired after that date be computed at the newly established higher rates; and

"'Whereas there appears to be no basis for this gross discrimination against such retired personnel who by reason of past meritorious services should be equally entitled to benefits granted to retired personnel retired after the effective date of the Military Pay Act of 1958, Public Law 85-422; and

"'Whereas a failure to maintain the same standard for the computation of retired pay of all members of the uniformed services of the United States, regardless of the date of their retirement, will cause defections from active service of career officers and thus prove detrimental to the national defense and security of the United States; and

"'Whereas retired members of the uniformed services of the United States reside in every portion of our country, however, the State of Minnesota is privileged to have great numbers of such retired personnel who have served their country faithfully and with distinction: Now, therefore, be it

"'*Resolved by the Legislature of Minnesota*, That the Legislature of Minnesota respectfully memorialize the Congress of the United States to enact appropriate legislation, similar to that proposed in S. 269, S. 541, and H.R. 703 of the 86th Congress, to provide that the retired pay of those retired before June 1, 1958, be computed on the same basis as the computation of the retired pay of such members retired after June 1, 1958; and be it further

"'*Resolved*, That the secretary of state is hereby directed to transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from the State of Minnesota in the Congress of the United States.'

"KARL ROLVAAG,
"President of the Senate.
"E. J. CHILGREN,
"Speaker of the House of Representatives.

"Passed the senate the 20th day of April 1959.

"H. Y. TORREY,
"Secretary of the Senate.

"Passed the house of representatives the 20th day of April 1959.

"G. H. LEAHY,
"Chief Clerk, House of Representatives.

"Approved April 24, 1959.

"ORVILLE L. FREEMAN,
"Governor of the State of Minnesota.

"Filed April 24, 1959.

"JOSEPH L. DONOVAN,
"Secretary of State."

A concurrent resolution of the Legislature of the State of Minnesota; to the Committee on Labor and Public Welfare:

"'RESOLUTION 8

"'Concurrent resolution memorializing the Congress of the United States to enact legislation creating a youth conservation corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and water, and of recreational areas

"'Whereas an ever-increasing number of young people 16 to 22 years of age in our society are unable to find employment; and

"'Whereas unemployed youth under 20 years of age in Minnesota numbered 14,000 in February, 1959, according to Federal estimates reported by the Minnesota Department of Employment Security; and

"'Whereas such growing unemployment results from the increasing mechanization and automation in agriculture, industry, and clerical and service activities, and is therefore no transitory problem; and

"'Whereas many of these young people who are unemployed have special need to learn habits of work, responsibility, skills, and self-confidence; and

"'Whereas idleness at this period of their lives will turn many of them into embittered and frustrated citizens, crippled vocationally and emotionally; and

"'Whereas the protection of our natural resources in soil, water, forest, and wildlife is essential to the continued economic and spiritual health of our society, at the same time that conservation projects offer unlimited and noncompetitive work opportunities to our young people; and

"'Whereas both youth unemployment and conservation needs are nationwide and require Federal attention: Now therefore, be it

"'*Resolved by the Legislature of the State of Minnesota,* That the Congress of the United States be respectfully requested to enact immediately legislation now before it to establish a youth conservation corps, and be it further

"'*Resolved,* That the Secretary of State of the State of Minnesota be instructed to transmit copies of the joint resolution to the presiding officers of the Senate and House of Representatives of the United States and to each member of Congress from the State of Minnesota.'

"Approved April 24, 1959.

"E. J. CHILGREN,
"Speaker of the House of Representatives.
"KARL ROLVAAG,
"President of the Senate.

"Passed the house of representatives this 20th day of April 1959.

"G. H. LEAHY,
"Chief Clerk, House of Representatives.

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"H. Y. TORREY,
"Secretary of the Senate.

"Approved April 24, 1959.

"ORVILLE L. FREEMAN,
"Governor of the State of Minnesota.

"Filed April 24, 1959.

"JOSEPH L. DONOVAN,
"Secretary of the State of Minnesota."

A joint resolution of the Legislature of the State of Wisconsin; to the Committee on Interstate and Foreign Commerce:

"JOINT RESOLUTION 35, A

"Joint resolution relating to memorializing the Congress of the United States to enact legislation which will ensure the free movement of milk of high sanitary quality in interstate commerce

"Whereas there is pending in the Congress of the United States H.R. 3840 and other like or similar bills which provide for the free flowage in interstate commerce of milk of high sanitary requirements which must be met under the provisions of said bills; and

"Whereas milk is the most important part of the diet for most people; it is our most perfect food, containing almost all of the essential elements for human growth, and is the principal food of infants, children, the aged and infirm; and

"Whereas more than one-half of our States are importers of milk and about the same number of States are exporters; and more than 13 million gallons of milk and cream are shipped interstate each day; and

"Whereas this State has a tremendous stake in this industry, about 85 percent of its production of milk going into interstate commerce in one form or another, and milk production is one of the principal industries of this State; and

"Whereas although the laws of our State require that milk and milk products must be produced under high sanitary conditions and result in sanitary, high grade products; and

"Whereas importers of milk in the importer States have regulations for high sanitary quality by use of unnecessary requirements or other health regulations which result in a crazy-quilt pattern of milk sanitation regulation which duplicates inspection procedure in thousands of plants in the exporter States, thereby causing great unnecessary expense to a producer in meeting the different code requirements of his many customers; and

"Whereas it is highly desirable to all the people that there only be Federal sanitation requirements, only one code, which must be complied with so as to ensure the free, economical flow of milk in interstate commerce: Now, therefore, be it

"Resolved by the assembly, the senate concurring, That the Congress of the United States enact bill H.R. 3840 or a like or similar bill into law, thereby ensuring that milk and milk products produced within Federal requirements will have free flowage in interstate commerce; and, be it further

"Resolved, That properly attested copies of this resolution be sent to the President of the United States, to each House of Congress and each Wisconsin Member thereof.

———,
"President of the Senate.
"LAWRENCE R. LARSEN,
"Chief Clerk of the Senate.
"GEORGE MOLINARO,
"Speaker of the Assembly.
"NORMAN C. CLENDENAN,
"Chief Clerk of the Assembly."

A joint resolution of the Legislature of the State of New Jersey; to the Committee on Labor and Public Welfare:

"ASSEMBLY JOINT RESOLUTION 18

"Joint resolution memorializing the Congress of the United States and the executive branches of the Federal Government to use the term 'health care' in all official regulations and publications of the Federal Government pertaining to matters of health.

"Whereas the term 'medical care' is frequently used in official regulations and publications of the Federal Government pertaining to matters of health which do not necessarily require the services of a doctor of medicine or osteopathy, but nevertheless the term 'medical care' is generally construed to exclude doctors and accredited practitioners of all other health care discipline; and

"Whereas many health care services are available from properly licensed doctors and accredited practitioners of other health care disciplines as well; and

"Whereas the general misuse of the term 'medical care' results in—

"(a) Denial of the right of free choice in the selection of a practitioner by the entitled citizen.

"(b) Unwarranted discrimination against duly licensed doctors and accredited practitioners of the several health care disciplines in favor of doctors of medicine.

"(c) When it occurs at a national level it unduly interferes with the rights of the States to determine those qualified to render health care and to make their services available without discrimination to the citizens of that particular State; and

"Whereas these results are contrary to the best interests of the public health, welfare, and safety and discriminate against substantial numbers of dedicated individuals who serve the health care needs of their fellow men as practitioners of health care disciplines other than medicine: Now, therefore, be it

"Resolved by the Senate and General Assembly of the State of New Jersey—

"1. The Congress of the United States is memorialized and requested:

"(a) To use the term 'health care' in all future legislation.

"(b) To specifically provide for the utilization of the services of doctors and accredited practitioners of all health care disciplines within the scope of their practice as prescribed by the laws of the State in which the service is rendered.

"(c) To prohibit the expenditures of Federal funds for printed materials which fail to take proper cognizance of the correct use of the term 'health care.'

"2. This joint resolution shall take effect immediately and the secretary of state is directed following the enactment of this joint resolution forthwith to transmit a copy thereof, properly authenticated to the respective presiding officers of the U.S. Senate and the House of Representatives, and to the Senators and Representatives of New Jersey in Congress, and also to the heads of the executive departments and independent agencies of the Federal Government concerned with programs pertaining to the 'health care' of the American public."

A resolution of the Legislature of the Virgin Islands; to the Committee on Interior and Insular Affairs:

"'RESOLUTION IN APPRECIATION OF THE EFFORTS OF SENATOR JAMES E. MURRAY IN BEHALF OF THE PEOPLE OF THE VIRGIN ISLANDS, AND FOR OTHER PURPOSES

"'Whereas the U.S. Senator JAMES MURRAY, of Montana, chairman of the U.S. Senate Committee on Interior, has introduced a bill in the Senate of the United States in which he proposes the creation of an elective office of Resident Commissioner for the Virgin Islands to represent these islands in the Congress of the United States; and

"'Whereas this action on the part of the Honorable JAMES MURRAY, U.S. Senator from Montana, signifies faith in the people of the Virgin Islands and their ability to select a man from among their number to represent them in the Nation's Capital; and

"'Whereas this faith in the people is in keeping with the ideals under which this Government was conceived; and

"'Whereas we are in a time of world tension when the whole concept of government by a free people is questioned by godless communism; and

"'Whereas this courageous action by a recognized leader in the Congress of the United States illustrates a faith in the ordinary citizen of the United States, whether he lives in urban New York or Chicago or in the warm reaches of the Caribbean; and

"'Whereas this action gives the people of the Virgin Islands recognition as first-class citizens of the United States even though they are separated by countless leagues of

ocean from the seat of the U.S. Government: Now, therefore, be it

"'*Resolved by the Legislature of the Virgin Islands,* That the people of the Virgin Islands—U.S. citizens all—do, through their legally elected representatives in the Legislature of the Virgin Islands, warmly congratulate the senior Senator from Montana in the Congress of the United States for this courageous action; and be it further

"'*Resolved,* That this legislature go on record as petitioning the respective bodies of the Congress of the U.S. House of Representatives to endorse this bill proposed by Senator MURRAY as an example of courage for the free world and pass upon it forthrightly and make it law.'

"Thus passed by the Legislature of the Virgin Islands on May 29, 1959.

"Witness our hands and the seal of the Legislature of the Virgin Islands this 1st day of June A.D. 1959.

"WALTER I. M. HODGE,
"President.

"JOHN L. MADURO,
"Legislative Secretary."

A resolution adopted by the municipal governing board of the city of St. Petersburg Beach, Fla., favoring the enactment of legislation to provide sufficient funds for the commencement of construction of the west coast Intracoastal Waterway, Fla.; to the Committee on Appropriations.

A resolution adopted by the board of commissioners of the city of Treasure Island, Fla., favoring the enactment of legislation to provide sufficient funds for the commencement of construction of the west coast Intracoastal Waterway, Fla.; to the Committee on Appropriations.

A resolution adopted by Hopkins County Barracks No. 1645, Veterans of World War I, Sulphur Springs, Tex., favoring the enactment of legislation to revise the definition "non-service-connected disability"; to the Committee on Finance.

A telegram, in the nature of a petition, from the official governing body of the city of Isabela, P.R., signed by Manuel Corchado Valle Mayo, president, praying for the enactment of Senate bill 2023, to provide for amendments to the compact between the people of Puerto Rico and the United States; to the Committee on Interior and Insular Affairs.

A telegram, in the nature of a petition, signed by Abad Rivera and sundry other citizens of the city of Isabela, P.R., praying for the enactment of Senate bill 2023, to provide for amendments to the compact between the people of Puerto Rico and the United States; to the Committee on Interior and Insular Affairs.

A resolution adopted by the municipal and rural committees of the Popular Democratic Party, of Ciales, P.R., favoring the enactment of Senate bill 2023, to provide for amendments to the compact between the people of Puerto Rico and the United States; to the Committee on Interior and Insular Affairs.

RESOLUTION OF CITY COMMISSION OF FARGO, N. DAK.

Mr. LANGER. Mr. President, I present, for appropriate reference, a resolution adopted by the City Commission of the City of Fargo, N. Dak., relating to standard versus daylight time. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it resolved by the Board of City Commissioners of the City of Fargo, N. Dak., That

Whereas the issue of standard time versus daylight time has presented itself every spring for the past 3 years, and has caused persistent confusion in this part of the United States, particularly in areas bordering on other States; and

Whereas this situation has caused great bitterness between the respective proponents of the various times; and

Whereas the issue of what time shall prevail has caused great public inconvenience and confusion as it relates to transportation and many avenues of commerce and trade; and

Whereas various legal responsibilities in contracts and other documents with time restrictions and clauses are seriously involved in the time dispute and resultant confusion; and

Whereas the time issue has engendered great controversy and consumption of time by the advocates of the various points of view, to the possible neglect of other vital public issues which are being obscured by continuous concentration on the time issue; and

Whereas the Congress of the United States is charged with the responsibility of regulating and directing matters which affect the interstate commerce and the time issue seriously affects the transaction of interstate commerce, and therefore, the determination of the time issue is rightfully the concern and the province of the Congress of the United States: Now, therefore, be it

Resolved by the Board of City Commissioners of the City of Fargo, That the Congress of the United States of America be hereby petitioned to give the issue of standard time versus daylight time its immediate attention and to hold hearings forthwith on this issue, and to draft and enact legislation designed to end the annual confusion, chaos and uncertainty affecting the lives of the people of this part of the United States of America; and be it further

Resolved, That copies of this resolution be advanced to the members of the North Dakota congressional delegation in Washington, D.C., and that Mayor Herschel Lashkowitz be requested to forward the same to the said members of the North Dakota congressional delegation, apprising them of this request and petition.

Mayor HERSCHEL LASHKOWITZ,
President, Board of City Commissioners.

RESOLUTION OF NORTH DAKOTA BANKERS ASSOCIATION

Mr. LANGER. Mr. President, I present, for appropriate reference, a resolution adopted at the 1959 convention of the North Dakota Bankers Association, relating to the development of the Garrison diversion project, in North Dakota, and so forth. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

RESOLUTION OFFERED FOR ADOPTION AT THE 1959 CONVENTION OF THE NORTH DAKOTA BANKERS ASSOCIATION AT MINOT, N. DAK., MAY 9, 1959

Be it resolved by the bankers of North Dakota, assembled in convention at Minot, N. Dak., this 9th day of May 1959, That the following resolutions and declarations of policy be added to those previously adopted; and that the officers and member banks alike be guided by them, and wide distribution of them be made and that copies of these recommendations and resolutions be forwarded to the appropriate persons:

1. Whereas the development of the Garrison diversion project in North Dakota will provide, (1) for the irrigation of over 1 million acres of land in central and eastern North Dakota periodically afflicted by drought, thereby stabilizing the agricultural production from this area; (2) an assured and adequate water supply for over 40 municipalities and in addition many new industries; (3) water to replenish lakes, rivers, and streams throughout the area enhancing their use for recreation, fish and wildlife, municipal, and many other purposes; and

Whereas the development of the Garrison diversion project will bring new opportunities for economic growth and stability to the project area, the State, and consequently the Nation and according to conservative estimates will result in, (1) an increase of $54 million annually in North Dakota's farm income; (2) an increase of $145 million annually in trade and business activities; (3) 1,700 new business establishments; (4) 3,600 new farms; (3) 20,000 new job opportunities, and (6) an increase in population in the area of 100,000; and

Whereas the benefits that will accrue through the development of the Garrison diversion project will extend to all sections of North Dakota as well as to areas throughout the Nation by providing: (1) a broadened tax base in the project area; (2) a nearby bountiful feed supply to nonirrigated sections of the State; (3) opportunities for industrial development throughout the area; and (4) a greater demand for products manufactured at far distant points; and

Whereas the North Dakota Bankers' Association is vitally interested in the economic stability of North Dakota and the development of the resources of the State for the greatest possible benefits to all the citizens of the State and Nation: Now, therefore, be it

Resolved by the North Dakota Bankers' Association at its convention duly assembled in Minot, N. Dak., this 9th day of May 1959, That this association recognizes the value of the many benefits that will be derived from the Garrison diversion project, not only to the project area, but also to the entire State of North Dakota and the Nation, and therefore urges the Congress of the United States to approve the Garrison diversion project and appropriate the necessary funds to bring about the construction of the project facilities at an early date; and be it further

Resolved, That copies of this resolution be forwarded to Senator James Murray and Congressman Wayne Aspinall, chairmen of the Senate and House Committees on Interior and Insular Affairs, U.S. Congress; the Secretary of the Interior; the Commissioner of Reclamation; Senators William Langer and Milton R. Young; Congressman Don L. Short and Quentin N. Burdick; Governor John E. Davis; the Board of Directors of the Garrison Diversion Conservancy District; and the North Dakota State Water Conservation Commission.

2. We further recommend to our Members of Congress: (a) that they discourage further encroachment on private banking by governmental agencies; (b) recognizing the need for tax money and the responsibility of the banking industry to bear its fair share thereof, that our congressional delegation urge and support legislation resulting in a tax program that will eliminate unfair taxation, so that no form of enterprise will be specially favored thereby; that they encourage elimination of the Postal Savings System, particularly in those areas where it no longer serves a useful or necessary purpose;

3. We recommend to our Members in Congress that they urge and support legislation which would expand the membership of the Federal Deposit Insurance Corporation Board to five members, one of whom should be an officer of a State chartered bank.

RESOLUTION OF NATIONAL ASSOCIATION OF FEDERAL VETERINARIANS

Mr. LANGER. Mr. President, I submit, for appropriate reference, a resolution adopted by the National Association of Federal Veterinarians, at Miami, Fla., favoring the enactment of a comprehensive health insurance plan for Federal employees. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

At the 41st annual convention of the National Association of Federal Veterinarians held in Miami, Fla., in November of 1958, the following resolution was presented and unanimously passed:

"RESOLUTION 4

"Whereas there is pending before the incoming Congress comprehensive health insurance plan: Therefore be it

"*Resolved,* That the president write the resident secretaries requesting that they contact the congressional delegates in their respective States asking for their support for the enactment of this basic health insurance program."

RESOLUTIONS OF AMERICAN PUBLIC POWER ASSOCIATION

Mr. LAUSCHE. Mr. President, the American Public Power Association, representing over 800 local public power agencies, meeting in convention on May 28, 1959, in Seattle, Wash., adopted two resolutions which I wish to call to the attention of the 86th Congress.

I ask unanimous consent that these two resolutions be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION ON NORTHEASTERN POWER ADMINISTRATION

Whereas there are interstate power projects presently existing in Northeastern United States whose responsibility transcends State lines; and

Whereas Corps of Engineers surveys in recent years indicate there are many undeveloped hydroelectric sites feasible of development in this area; and

Whereas there is a vital need for further study and coordination of these projects for maximum development of the region's resources; and

Whereas this area is the only section of the country without a Federal agency for an overall resource study, and electric rates in the area are among the highest in the Nation; and

Whereas the Secretary of the Interior under authority of the Flood Control Act of 1944 has created the Southeastern Power Administration and Southwestern Power Administration, and has a similar authority and responsibility with respect to the northeastern region of the United States: Now, therefore, be it

Resolved, That the American Public Power Association urges the Secretary of the Interior to establish a Northeastern Power Administration, similar to the Southeastern and Southwestern Power Administrations, to make a comprehensive study of the region's electric power resources northeast from and including the Ohio River Valley, for maximum orderly development of the region's natural resources in the public interest.

RESOLUTION ON TRANSMISSION OF NIAGARA POWER

Whereas Congress authorized the Federal Power Commission to issue a license for the Niagara Falls powerplant under a mandatory condition that up to 170,000 kilowatts of the power output be made available to public and cooperative electric systems of Ohio and Pennsylvania; and

Whereas no Federal transmission lines exist for transmitting this power into these States; and

Whereas private utilities have indicated that they are not willing to wheel this power; and

Whereas the intent of the Congress will not be carried out unless transmission lines can be provided; and

Whereas the Secretary of the Interior apparently does not have adequate legislative authority to build a transmission line or arrange for wheeling Niagara power: Now, therefore, be it

Resolved, That the American Public Power Association urges that Congress amend the Niagara Act so as to authorize the Secretary of the Interior to build transmission lines or otherwise arrange for the transmission of Niagara power so that the intent of Congress can be carried out.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, without amendment:

S. 822. A bill to authorize the conveyance of certain property administered as a part of the San Juan National Historic Site to the municipality of San Juan, P.R., in exchange for its development by the municipality in a manner that will enhance the historic site, and for other purposes (Rept. No. 381);

S. 825. A bill to revise eligibility requirements for burial in national cemeteries, and for other purposes (Rept. No. 382);

S. 1185. A bill to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam (Rept. No. 383);

S. 1358. A bill to authorize the Secretary of the Interior to provide a headquarters site for Mount Rainier National Park in the general vicinity of Ashford, Wash., and for other purposes (Rept. No. 384);

H.R. 318. An act to authorize a revision of the boundaries of the Edison Laboratory National Monument, N.J., and for other purposes (Rept. No. 369);

H.R. 2154. An act to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park (Rept. No. 370);

H.R. 2497. An act to add certain lands located in Idaho to the Boise and Payette National Forests (Rept. No. 371);

H.R. 3454. An act to disclaim any interest on the part of the United States in certain lands in the State of Colorado, and for other purposes (Rept. No. 372);

H.R. 3495. An act to direct the Secretary of the Interior to administer certain acquired lands as revested Oregon and California railroad grant lands (Rept. No. 373);

H.R. 3496. An act to revise the boundaries of the Kings Mountain National Military Park, S.C., and to authorize the procurement and exchange of lands, and for other purposes (Rept. No. 374);

H.R. 4748. An act to extend the leasing provisions of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869–869–3), to certain lands in Oregon, and for other purposes (Rept. No. 375);

H.R. 5262. An act to revise the boundaries of the Montezuma Castle National Monument, Ariz., and for other purposes (Rept. No. 376); and

H.R. 5488. An act to revise the boundaries of Wright Brothers National Memorial, North Carolina, and for other purposes (Rept. No. 377).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, with an amendment:

S. 220. A bill to direct the Secretary of the Interior to convey certain lands in Navajo County, Ariz. (Rept. No. 378);

S. 602. A bill authorizing the Boy Scouts of America to erect a memorial on public grounds in the District of Columbia to honor the members and leaders of such organization, and for other purposes (Rept. No. 379); and

S. 1214. A bill to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Sota National Memorial, in the State of Florida (Rept. No. 380).

HEIRS OF J. B. WHITE—REFERENCE OF BILL TO COURT OF CLAIMS (S. REPT. NO. 368)

Mr. HUMPHREY, from the Committee on Agriculture and Forestry, reported an original resolution (S. Res. 131) referring S. 882, a bill for the relief of the heirs of J. B. White, to the Court of Claims, and submitted a report thereon; which resolution was placed on the calendar, as follows:

Resolved, That the bill (S. 882) entitled "A bill for the relief of the heirs of J. B. White," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the relief, if any, legally or equitably due from the United States to the claimant.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of Texas (for himself, Mr. MANSFIELD, and Mr. WILEY):

S. 2135. A bill to promote the foreign relations of the United States by providing for the establishment of a Center for Cultural and Technical Interchange between East and West in Hawaii; to the Committee on Foreign Relations.

(See the remarks of Mr. JOHNSON of Texas when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER (by request):

S. 2136. A bill to amend the Agricultural Act of 1956 to authorize donations of surplus food commodities to State penal institutions; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. SALTONSTALL (by request):

S. 2137. A bill for the relief of Mae Ja Ward; and

S. 2138. A bill for the relief of Petra Rabadan-Colina; to the Committee on the Judiciary.

S. 2139. A bill to amend the Small Business Investment Act of 1958 and for other purposes; to the Committee on Banking and Currency.

By Mr. HUMPHREY:

S. 2140. A bill for the relief of Dr. Peter Fowler; to the Committee on the Judiciary.

By Mr. McNAMARA:

S. 2141. A bill to amend the Fair Labor Standards Act of 1938 to eliminate the exception from the child labor provisions of such act presently existing with respect to agricultural employment; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. McNAMARA when he introduced the above bill, which appear under a separate heading.)

By Mr. BYRD of Virginia:

S. 2142. A bill for the relief of George C. McKinney; to the Committee on the Judiciary.

By Mr. SYMINGTON:

S. 2143. A bill to provide for the computation of the basic pay of Maj. Gen. Joseph F. Carroll, U.S. Air Force; to the Committee on Armed Services.

By Mr. ALLOTT:

S. 2144. A bill to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. ALLOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY:

S.J. Res. 107. Joint resolution expressing the sense of the Congress with respect to a sound national minerals policy, and directing the Secretary of the Interior to take certain action in furtherance of such policy; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MURRAY when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

Mr. HUMPHREY, from the Committee on Agriculture and Forestry, reported an original resolution (S. Res. 131) referring S. 882, a bill for the relief of the heirs of J. B. White, to the Court of Claims, which was placed on the calendar.

(See the above resolution printed in full where it appears under the heading "Reports of Committees.")

DONATION OF SURPLUS FOOD FOR USE IN STATE PENAL INSTITUTIONS

Mr. NEUBERGER. Mr. President, I introduce, for appropriate reference, a bill to amend the Agricultural Act of 1956 so as to authorize the donation of surplus food acquired through Federal price support operations to State penal institutions.

I introduce this measure at the request of the Oregon State Board of Control, which is responsible for the supervision and direction of penal institutions in Oregon. Identical bills have been introduced in the House of Representatives by Representative EDITH GREEN and Representative AL ULLMAN.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the text of a letter written to me by William C. Ryan, secretary of the Oregon State Board of Control, discussing the merits of this proposed legislation, together with the text of the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 2136) to amend the Agricultural Act of 1956 to authorize donations of surplus food commodities to State penal institutions, introduced by Mr. NEUBERGER, by request, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 210 of the Agricultural Act of 1956 (7 U.S.C. 1859) is amended by striking out everything after the word "Federal" and inserting in lieu thereof the following: "and State penal and correctional institutions, other than those in which food service is provided for inmates on a fee, contract, or concession basis."

The letter presented by Mr. NEUBERGER is as follows:

OREGON STATE BOARD OF CONTROL,
Salem, Oreg., May 27, 1959.

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: The Oregon State Board of Control on May 26, 1959, directed that the Oregon congressional delegation be requested to introduce appropriate legislation to make available surplus agricultural commodities to the State penal and correctional institutions.

The board took note of the fact that such commodities are presently utilized in all other State institutions including the mental hospitals, tuberculosis hospitals, juvenile training schools and schools for the deaf and the blind. These State institutions have made valuable use of the surplus commodities in taking care of the people admitted to these institutions. The board believes that this has resulted in an improved standard of feeding and in actual savings to the taxpayer in both State and Federal expenditures.

It is noted that since 1954 the board has contacted members of the Oregon congressional delegation and requested that such appropriate legislation be passed. The board wishes to again reemphasize its position that prohibiting utilization of surplus commodities in State penal and correctional institutions is not, in its opinion, sound public policy.

The board will appreciate any action you may be able to take to assist in the introduction and passage of legislation to make surplus agricultural commodities available to State penal and correctional facilities.

Very truly yours,

WILLIAM C. RYAN,
Secretary.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938, RELATING TO CHILD LABOR IN AGRICULTURAL EMPLOYMENT

Mr. McNAMARA. Mr. President, I introduce, for appropriate reference, a bill to amend the Fair Labor Standards Act of 1938, to extend the child labor law to farm labor.

This Nation has just reason to be proud of the progressive and humanitarian strides which have been made in providing decent working conditions and hours for Americans. We take particular pride in what we have done in the field of child labor.

But there remains one area that is a throwback to an older and crueler era. All too many children are still employed for long hours, doing the backbreaking chores of agriculture.

In 1957, the last year for which complete figures are available, more than 227,000 children between the ages of 10 and 13 were classified as paid farmworkers. One-third of these children put in a workweek of 35 hours or more. We have no accurate figures on how many workers were younger than 10; but there is evidence that the number is large.

There is also evidence to indicate that a large number of youngsters between 14 and 16 are full-time paid workers during a good part of the year.

The child labor provisions of the Fair Labor Standards Act do not apply to farm labor, except that no work can be done by any child under 16 during school hours.

The other provisions of the act—those banning any labor by one under 14 years of age, and empowering the Secretary of Labor to prescribe the working conditions and hours for youths between 14 and 16—do not apply to agriculture.

This gap in our legislation is intolerable. I am unable to discover one reason consistent with our traditions why it should not be closed immediately.

It would be different if farm labor were a rustic hobby. But the myth of the joys of pastoral labor is quickly dispelled when one knows the facts about this brutal work.

It should be enough for us to know that agriculture has the third highest accident rate for all industries; and these natural hazards are vastly increased when youngsters who have not reached maturity of strength or judgment are called upon to perform its tasks.

Mr. President, I know of no competent authority which does not acknowledge the harm that can be done young bodies and minds and—perhaps most important—young hearts by prolonged periods of strenuous work. Educators, doctors, psychologists, and the clergy agree that work done at a young age should be subject to some regulation.

The bill which I have introduced will bring agricultural child labor under the Fair Labor Standards Act. It will provide the child who does work on a farm the same protection that his fellow who does any other work receives.

This bill would continue the exemption for children who work on their family's farm.

This bill is sponsored by some of the finest organizations in the United States, as follows: National Council of Jewish Women; National Child Labor Committee; National Consumers League; National Catholic Rural Life Conference; Department of Rural Education, National Education Association; National Farmers Union; American Parents Committee; National Agricultural Workers Union; Woman's Division of Christian Service of the Methodist Church; National Sharecroppers Fund; United Packing House Workers, AFL-CIO; National Association for Nursery Education; Spanish Catholic Action, Archdiocese of New York; and Young Women's Christian Association.

Mr. President, I ask that the bill lie on the table until the close of business on June 16, so that all Senators who may wish to join in sponsoring the bill may have an opportunity to do so.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Michigan.

The bill (S. 2141) to amend the Fair Labor Standards Act of 1938 to eliminate the exception from the child labor provisions of such act presently existing with respect to agricultural employment, introduced by Mr. McNAMARA, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1959

Mr. ALLOTT. Mr. President, all of us in Congress hope, and we are certainly joined by the farmers and the taxpayers of this country, that Congress will face squarely the issues of the economic squeeze on the farmer and the tremendous overproduction of certain basic crops.

One great problem of the farmers, however, has received very little legislative attention in recent years. This is a problem faced sooner or later by all farmers, the problem of obtaining suitable and adequate financing at the time it is needed. That is the problem covered by the bill which I now introduce.

Mr. President, I introduce for appropriate reference a bill to simplify and consolidate the legislative authority of the Department of Agriculture to make and insure loans to farmers and ranchers. A companion measure is being introduced in the House by Representative HAROLD COOLEY, of North Carolina.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2144) to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, and for other purposes, introduced by Mr. ALLOTT, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. ALLOTT. Mr. President, the existing authorities of the Secretary of Agriculture to provide credit to farmers and ranchers who are unable to secure their financing through conventional private or cooperative sources, is a patchwork of laws—a development reflecting legislative growth designed to meet many specific problems as they arose. This patchwork and conglomeration of laws exists in both emergency lending authority and the regular loan programs. I may say that the laws and regulations interpreting these programs comprise some 1,200 pages.

Mr. President, I want to make one point clear: The legislation offered today is not a new or radical approach to the agricultural credit situation. In most instances the provisions and principles of the present laws are incorporated in this legislation. There is no change in any of the basic objectives of the present laws. The effect of this legislation is merely to simplify and codify all the provisions, making only such substantive changes as are necessary to gear the agricultural credit program to the existing problems of our farmers.

My bill represents further work on earlier legislation introduced in the last two Congresses as S. 1610 and S. 2802 of the 85th Congress, and S. 2559 of the 84th Congress.

This bill consolidates existing law and reflects the changing credit needs which parallel the changes in the farm economy and capital structure that have developed in the last 15 or 20 years. It is an attempt to develop, in one working tool, a means of handling, as simply as possible, all the credit needs of eligible farmers and ranchers, so that their credit problems can be handled as one transaction, rather than attacking each problem separately as required by existing law. It will also allow the handling of credit requests more expeditiously and promptly at the time the farmer or rancher needs the credit.

Existing credit statutes, administered by the Farmers Home Administration, cover 66 typewritten pages, single spaced. My bill covers 10 typewritten pages.

An even more graphic illustration is the voluminous tome of regulations under these many acts. It is more than 1,000 pages long. It takes years to train people to work with these statutes and regulations and even then our Farmers Home Administration people are greatly encumbered by continuing problems of distinctions without justifiable differences.

Mr. President, I ask unanimous consent that a list of the statutes now in effect and dating back to July 1918, be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Public Law—	Congress and session	Date of approval
210	75th, 1st	July 22, 1937
731	79th, 2d	Aug. 14, 1946
40	80th, 1st	Apr. 28, 1947
249	do	July 26, 1947
720	80th, 2d	June 19, 1948
772	do	June 25, 1948
359	81st, 1st	Oct. 15, 1949
420	do	Oct. 28, 1949
475	81st, 2d	Apr. 20, 1950
490	do	May 3, 1950
665	do	Aug. 5, 1950
123	82d, 1st	Aug. 23, 1951
375	82d, 2d	June 5, 1952
98	83d, 1st	June 30, 1953
521	83d, 2d	July 22, 1954
700	do	Aug. 30, 1954
273	84th, 1st	Aug. 9, 1955
878	84th, 2d	Aug. 1, 1956
979	do	Aug. 3, 1956

OTHER STATUTES THAT RELATE TO AUTHORITIES CONTAINED IN THE BANKHEAD-JONES FARM TENANT ACT, AS AMENDED, AND THE FARMERS' HOME ADMINISTRATION ACT, AS AMENDED

361	81st, 1st	Oct. 19, 1949
760	81st, 2d	Sept. 6, 1950
270	84th, 1st	Aug. 9, 1955

ACTS THAT AUTHORIZE THE WATER FACILITIES AND SOIL AND WATER CONSERVATION PROGRAMS

399	75th, 1st	Aug. 28, 1937
848	76th, 3d	Oct. 14, 1940
99	81st, 1st	June 10, 1949
807	83d, 2d	Aug. 17, 1954

ACT TO COMPROMISE, ADJUST, OR CANCEL CERTAIN INDEBTEDNESS

518	78th, 2d	Dec. 20, 1944

ACTS THAT AUTHORIZE EMERGENCY AND SPECIAL LIVESTOCK LOANS

38	81st, 1st	Apr. 6, 1949
665	81st, 2d	Aug. 5, 1950
115	83d, 1st	July 14, 1953
255	do	Aug. 13, 1953
132	84th, 1st	July 7, 1955
166	do	July 15, 1955

ACTS THAT AUTHORIZE SPECIAL EMERGENCY LOANS

727	83d, 2d	Aug. 31, 1954
117	84th, 1st	June 30, 1955
878	84th, 2d	Aug. 1, 1956

ACTS THAT AUTHORIZE FARM HOUSING LOANS

171	81st, 1st	July 15, 1949
531	82d, 2d	July 14, 1952
98	83d, 1st	June 30, 1953
438	83d, 2d	June 29, 1954
560	do	Aug. 2, 1954
345	84th, 1st	Aug. 11, 1955
1020	84th, 2d	Aug. 7, 1956

RURAL REHABILITATION CORPORATION TRUST LIQUIDATION ACT

490	81st, 2d	May 3, 1950

Mr. ALLOTT. Mr. President, the crazy-quilt patchwork of laws relating to this type of credit has reached the point where the lending activities of the Farmers Home Administration are in danger of becoming hopelessly bogged down in redtape. The ability of the FHA to assist deserving farmers in obtaining credit is in serious need of a complete overhaul. I have high hopes that this bill will enable the Department of Agriculture to save substantial amounts of the taxpayers' money. At the very least, it will not cost anything to provide for the more simple and efficient program in the Farmers Home Administration. My bill would make it possible for the Farmers Home Administration to simplify their program and gear it more realistically to the legitimate credit needs of those of the Nation's farmers who are unable to obtain adequate credit from private financial institutions.

In the recent drought in my area of the country, it was not unusual for a farmer or a stockman in financial distress to wait 60 or 90 days for a decision on his application for emergency assistance. This is wrong and there is no need for it. These decisions must be made at the local level and we in Congress must make it possible for such decisions to be made intelligently and promptly.

This bill recognizes the four essentials of a good agricultural program:

First. The program must be permanent; the specter of lack of credit from crop failure, drought, or difficult economic conditions, hangs like a black cloud over the farmer, as much as any fear which can possess him.

Second. It must be plain and simple. The Department of Agriculture itself from time to time has difficulty in applying the various overlapping statutes. How much more difficult it is for the

local committeemen, who devote only part time to their duties and who are not Philadelphia lawyers, but simply hardworking, honest, conscientious committeemen trying to do a job. When a farmer comes into the Farmers Home Administration office and is confronted with an employee having difficulty in interpreting Government regulations, it is only natural that the situation will plant disgust, unrest and dissatisfaction in his mind. It is no wonder that a simplified version of these agricultural laws has been not only sought after, but has been labeled the "People's Bill."

Third. It must be prompt. We all know that most farmers and stockmen can anticipate most of their needs for credit some time in advance, but the 30 or 60 or 90 days from the time a farmer or stockman has been informed his banker or credit institution cannot carry him further, can pass at a terrifyingly fast pace, when the only alternatives in sight are foreclosure or credit from the Government. Many, many farmers have been driven to exasperation by this delay, while the local, and sometimes State, people attempted to complete the necessary work to make a decision on an application.

Fourth. Lastly, it must be designed to serve the needs of the farmer. A farmer or rancher who is unable to secure financing necessary to his agricultural operation does not want to be told to choose between various types of loans available under existing law for land purchase, for land development, for farm housing and other buildings, for soil and water conservation facilities and practices and for drainage, and for refinancing, all of which are now to be secured by the farmer's land, or for farm operating and subsistence expenses, but each of which is subject to different eligibility requirements, terms and limitations. Nor, in emergency situations, is the farmer or rancher interested in whether the area is declared by the President as a major disaster area or by the Secretary of Agriculture as a production disaster area or an area of economic emergency, conditions which under existing law control the availability and terms and conditions of emergency credit. The farmer or rancher who needs this type of credit wants to know how much money he can borrow for his overall operations, considering his resources and repayment ability. This is the approach he would take in applying to any responsible lending institution if his resources were adequate for conventional or cooperative credit, and it is the way his problems would be handled by the Farmers Home Administration under this bill.

I pay tribute to the committeemen and county supervisors of the Farmers Home Administration, who have done a very great job during the trying years of drought and flood throughout this country. But we have made this job unnecessarily difficult for them and we should correct that situation in the interest of our farmers.

At this point, Mr. President, I ask unanimous consent that a more detailed explanation of the bill be printed in the RECORD, and that thereafter the bill itself be set out in full in the RECORD.

There being no objection, the explanation and bill were ordered to be printed in the RECORD, as follows:

COMPARISON OF A BILL "TO SIMPLIFY, CONSOLIDATE, AND IMPROVE THE AUTHORITY OF THE SECRETARY OF AGRICULTURE WITH RESPECT TO LOANS TO FARMERS AND RANCHERS, AND FOR OTHER PURPOSES," WITH PROVISIONS OF EXISTING LAW

The objective of this legislative proposal is, as indicated by the short title, "Consolidated Farmers Home Administration Act of 1959," to simplify and consolidate legislative authority for the Secretary of Agriculture to make and insure loans to farmers and ranchers.

Title I of the bill is designed to replace the authority for loans now being made and insured under title I of the Bankhead-Jones Farm Tenant Act for the purchase and improvement of farms, under the act of August 28, 1937, for soil and water conservation utilization and drainage and these being made by the Secretary under title V of the Housing Act of 1949 for the construction or repair of farm dwellings and other farm buildings.

Title II would authorize loans for operating purposes, including those soil and water conservation purposes which can be secured by chattel mortgages, in much the same manner as such loans are now made under title II of the Bankhead-Jones Farm Tenant Act.

Title III of the bill is designed to replace the existing emergency lending authority now found in Public Law 38, 81st Congress, and Public Law 27, 83d Congress.

Title IV of the bill is addressed to administrative organization, powers, and functions, including county committees and their certifications, and other loan making and security servicing authority. This title also provides for the establishment of a Treasury account designated "Farmers Home Administration Revolving Fund," to which would be transferred the existing assets and liabilities of the current loan programs and in which collections and other receipts would be deposited. Loans would be made and expenses paid under this bill from that fund in such amounts as the Congress determines from time to time in annual appropriation acts. Repayments to the Secretary of the Treasury on notes issued by the Secretary of Agriculture would also be made from the fund. These provisions are essentially a budget control device rather than a true revolving fund.

TITLE I. REAL ESTATE LOANS

Section 2 of the bill deals with eligibility of applicants for real estate loans. They must be (1) citizens of the United States, (2) have farm background and recent experience sufficient to assure prospects of success, (3) are or will become the owner-operators of not larger than family type farms, and (4) are unable to obtain sufficient credit elsewhere to finance their needs at rates and terms prevailing in the community. Clause (1) above is the same requirement of citizenship found in section 1(b)(1) of the Bankhead-Jones Farm Tenant Act, 7 U.S.C. 1001. There is no similar requirement in title V of the Housing Act or the act of August 28, 1937. Clause (2) compares with the provisions of title I of the Bankhead-Jones Farm Tenant Act found in sections 1(b) (1) and (2) and section 1(c). No parallel statutory requirement of background and experience exists in title V of the Housing Act or the act of August 28, 1937. The requirement in clause (3) of the ownership of not larger than a family type farm reaches the same persons as title I of the Bankhead-Jones Farm Tenant Act, except those covered by the so-called Stennis amendment found in section 1(c)(3) (7 U.S.C. 1001(c)). That provision authorizes the insurance of loans not exceeding $15,000 each in connection with construction or improvement of buildings on farms, the operation of which requires no more than three farm families. Title V of the Housing Act sets only a minimum floor for the size of farms which, to be eligible for a farm housing loan, must be capable of producing agricultural commodities of a gross value of $400 translated to 1944 prices. Both farm housing loans and soil and water loans may be made under existing authority to larger than family type farms.

Clause (4) limiting eligibility to those persons who cannot secure credit elsewhere compares with, but is somewhat broader than, provisions found in section 2(b) of the Bankhead-Jones Farm Tenant Act, 7 U.S.C. 1002, and with clause (3) of section 501(c) of the Housing Act of 1949. No such statutory limitation exists in the act of August 28, 1937, but a similar limitation has been prescribed by regulation.

Section 3 would form the basis for a single type of real estate loan for acquiring or enlarging farms or improving farm buildings, land and water development, use and conservation, or for refinancing existing indebtedness. The authority for loans to acquire, repair, or improve family-size farms and incidental refinancing and for improvements needed to adjust farming operations to changing conditions is now found in section 1(a) of the Bankhead-Jones Farm Tenant Act, 7 U.S.C. 1001. Section 1(c) of that act authorizes loans to the owner-operators of less than family-type units to repair or improve such units and to refinance indebtedness incurred for agricultural purposes. Section 1(c)(3), as mentioned above, authorizes only the insurance of loans on some larger farms and only for limited farm dwellings and other buildings. Section 17 of that act now authorizes until June 30, 1959, the insurance of an aggregate of $50 million per year in loans solely for refinancing debts of owners of not larger than family-size farms. Section 501(a) of the Housing Act of 1949 (42 U.S.C. 1471(a)) authorized loans to construct, improve, alter, repair or replace farm dwellings and other farm buildings necessary to provide the owners and their tenants and laborers with decent, safe, and sanitary living conditions, and adequate farm buildings.

Section 503 of the Housing Act (42 U.S.C. 1473) provides that, with respect to farms which are not presently economic units but which can be made so within 5 years, the Secretary may agree to make a noncash credit on the first five installments on the loan to the extent that actual income from the farm is less than the annual installment on the loan. Section 504(b) (42 U.S.C. 1474(b)) authorizes loans for farm enlargement or development necessary to support decent, safe, and sanitary housing and other farm buildings. Section 504(a) (42 U.S.C. 1474 (a)) authorizes grants and combinations of loans and grants for the purposes of making farm dwellings safe and sanitary and to remove hazards to the health of the occupant, his family, or the community.

Only direct loans may be made under the Housing Act, whereas loans for farm dwellings and other buildings under title I of the Bankhead-Jones Farm Tenant Act may be made or insured. The same is true to loans under the act of August 28, 1937, for the purposes of improvement of farmland by soil and water conserving or drainage facilities, structures or practices, improvement of the soil fertility, establishment of improved permanent pasture, sustaining yield afforestation or reforestation, or other erosion preventatives and related measures determined by the Secretary. All existing authorities for loans for real estate acquisition and improvement are encompassed in the language of section 3 of the bill except loans under the Housing Act and the act of Au-

gust 28, 1937, with respect to farms larger than family-type farms, with respect to nonoperator owners, and, in the case of soil and water loans, to nonowners. Some of this latter group might be serviced under the proposed provisions of title II of the bill. Authority for the noncash credit on section 503 loans and section 504 grants under the Housing Act would be dropped. Neither of these authorities have been used recently.

Section 4 of the bill provides that no individual real estate loan would be made or insured which would cause the borrower's indebtedness against the farm to exceed either 90 percent of the value determined by the Secretary and certified by the county committee, or $50,000 at any one time. Except for loans authorized under section 1(c)(3) of the Bankhead-Jones Farm Tenant Act ($15,000), that act does not now have a maximum loan or indebtedness limitation for real estate loans. In lieu of a dollar limit those loans may not exceed the fair and reasonable value of the farm certified by the county committee, less any prior lien indebtedness, and no loan can be made for the acquisition and enlargement of the farm which has a value of the average farm of efficient family-type farms in the community. These limitations are found in section 3(a) (7 U.S.C. 1003(a)).

Section 504 of the Housing Act limits combination loans and grants thereunder to $1,000 and grants alone to $500. Section 8 of the act of August 28, 1937 (16 U.S.C. 590x-1), limits loans to individuals to $25,000.

Section 5 of the bill authorizes loans to associations for the purpose of providing farmers and ranchers with facilities for soil and water conservation development, use and drainage. These purposes include those which are now made to associations under the act of August 28, 1937. The ceiling at present is $250,000 total indebtedness as compared with the suggested $300,000 limit (16 U.S.C. 590x-1).

Section 6 covers the terms of real estate loans. The maximum repayment period suggested is 40 years, which is identical with the 40-year term provided in section 3(b)(1) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1003(b)(1)). Existing loans under the Farm Housing Act have a maximum repayment period of 33 years (sec. 502(a), 42 U.S.C. 1472), and there is no statutory maximum repayment period for soil and water loans (sec. 9, 16 U.S.C., 590x-2). The interest rate "not to exceed 5 percent plus such fees and charges as the Secretary may determine" compares with direct title I authorizations for interest not to exceed 5 percent (sec. 3(b)(a), 7 U.S.C. 1003). Under section 12, the base rate for insured loans under title I of the Bankhead-Jones Farm Tenant Act is 4 percent with a 1 percent insurance charge added under section 12(e) and other fees authorized by section 12(d) (7 U.S.C. 1005(b)). Under a recent amendment, section 18 (7 U.S.C. 1006(e)), an interest rate of 5 percent is paid to the Secretary from which he deducts not less than 1 percent for insurance charge. Under section 18(b) other appraisal and delinquency charges are authorized. Under section 502 of the Housing Act (42 U.S.C. 1472), such loans may not exceed interest at the rate of 4 percent. Soil and water loans have no maximum statutory rate (sec. 9, 16 U.S.C. 590x-2).

Section 7 authorizes an aggregate of not more than $150 million insured loans in any year. Section 12(b) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005(b)) limits insured loans to $125 million in any year, and the act of August 28, 1937 (16 U.S.C. 590x-1), authorizes not more than $25 million insured loans per year. The section also preserves existing authority for the insurance of loans made by the Secretary when such loans are purchased by a lender other than the United States. This authority now exists in section 18 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1006(e)), and in section 11 of the Act of August 28, 1937 (16 U.S.C. 590x-4). The incontestable clause in this section adopts the language of section 10(d) of the Act of August 28, 1937 (16 U.S.C. 590x-3), and preserves the substance of section 12(g) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005(g)).

Existing farm tenant mortgage fund is more appropriately named "The Agricultural Credit Insurance Fund" in the bill and is preserved as a revolving fund for the purpose of discharging obligations in insurance agreements under this bill and of loans and mortgages previously insured. The same fund is now used to insure soil and water loans under the provisions of sections 10(a)(3) and 10(d) of the Act of August 28, 1937 (16 U.S.C. 590x-3). The Secretary's authority to borrow for authorized purposes of the fund is preserved, the only change being that such borrowings from the Treasury shall be at an interest rate fixed by the Secretary of the Treasury, taking into account the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under the bill. Presently, the Secretary of the Treasury sets interest for such borrowings, taking into consideration the current average market yields of outstanding marketable obligations having maturities comparable to the loans made or insured by the Secretary of Agriculture. No change is made in the substance of section 8(d), and section 8(e) reserves the authority to use a portion of the insurance charge at least equal to one-half of one percent of the outstanding principal for an insurance charge and the remainder of the amount retained by the Secretary for administrative expenses as now provided in section 18 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1006(e)(3)). Section 8(f) preserves the recently enacted authority to make loans out of the insurance fund when there are reasonable assurances that such loans can be sold without undue delay and authorizes the sale and insurance of such loans. The aggregate of loans so made and not disposed of is raised in the bill from $5 million to $10 million at any one time (7 U.S.C. 1006(e)(4)).

A new provision is inserted in section 8(f)(2) authorizing the use of the money in the insured fund to pay interest to the holder of an insured note accruing between the date of repayments by the borrower and the date of transmittal of such prepayments to the holder. The purpose of this provision is to permit lenders to accrue interest on an annual basis without depriving the borrower of his prepayment privileges. The remaining provisions in section 10(f) are the same as present uses to which the fund may now be put, except for the added provision in clause (5) for the payment of expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections.

Originally the Bankhead-Jones Farm Tenant Act provided for the insurance of first mortgages only (sec. 12(a)). Because of servicing complications, section 16 was added in 1955, authorizing the insurance of loans and the taking as security for such loans first mortgages running to the Secretary. A year later authority was given to take second mortgages (7 U.S.C. 1006(c)). Section 10 of the act of August 28, 1937, as added in 1954 (16 U.S.C. 590x-3), contains broad authority with respect to types of insurance and security for soil and water loans. Section 9 adopted existing Bankhead-Jones security provisions for individual real estate loans and requires liens and other security for association loans, in general language.

TITLE II. OPERATING LOANS

Section 11 establishes eligibility requirements for operating loans identical with those applicable to individual real estate loans under title I, with the exception of the requirement of farmownership. Under title II of the Bankhead-Jones Farm Tenant Act, operators of less than family-type farms are now eligible only if they have historically resided on farms and depended upon farm income for their livelihood and are conducting substantial farming operations. Clause (2) of section 11 applies the "farm background and recent farming experience" to all operating loan applicants. The clause (4) relating to credit elsewhere compares the requirement in section 44(a)(3) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1018).

Section 12 containing loan purposes is a rephrasing of the purposes stated in section 21(a) (7 U.S.C. 1007(a)) of the Bankhead-Jones Farm Tenant Act with the specific addition of financing land and water development (chattel security only) and for loan closing costs.

Section 13 provides the same total indebtedness limitation as now provided by section 21(b) (7 U.S.C. 1007(b)) for the majority of operating loans, but permits not more than one-fourth of the annual appropriation to be used to make loans which might increase such indebtedness up to $30,000 instead of the present $20,000 limit. Indebtedness incurred by borrowers under this section of the bill and under section 21 of the Bankhead-Jones Farm Tenant Act would be combined in computing these limits. Clause (3) of this section imposes an additional limit on the size of loans which shall not exceed the county committee certification, not now required by statute on operating loans.

Loans under section 21 of the Bankhead-Jones Farm Tenant Act are at the interest rate of 5 percent as provided in section 44(b) (7 U.S.C. 1018(b)). Section 14 of the bill limits the interest rate not to exceed 5 percent. This section also provides the existing 7-year original term for operating loans and simplifies the provisions of section 21(d) (7 U.S.C. 1007(d)) by prohibiting any further loans to persons continuously indebted under this section and under section 21 of the Bankhead-Jones Farm Tenant Act for the immediate preceding 10 years. The present law provides for a continuous indebtedness period of 7 years, but in justifiable cases such indebtedness may be extended for an additional 3 years and during such period additional loans may be made.

TITLE III. EMERGENCY LOANS

The provisions of section 21(a) of the bill authorize the designation by the Secretary of any area where there exists a general need for agricultural credit which cannot be met by available means, including loans under title I or title II of the bill, if the need for such credit is due to natural disasters or severe production losses. Section 1(a)(1) and sections 1(a)(2), 2(a), 2(b), and 2(c) of Public Law 38 (12 U.S.C. 1148a-1) provide separate rules for determination of areas in which emergency loans have been made or can now be made. Some rules are tied to past history, some to production disasters, some to economic disasters, some to major disasters determined by the President under Public Law 875 and others to specific conditions such as were the special livestock loans under section 2(c). In addition, temporary emergency loan authority in Public Law 727 (12 U.S.C. 1148a-1 note, expiring June 30, 1959) requires a finding only of a need for credit which cannot be met for temporary periods.

Section 21(b) of the bill establishes eligibility requirements for emergency loans. They would be available only to established farmers and ranchers who are citizens and

to private corporations or partnerships engaged primarily in farming or ranching. They must have experience and resources necessary to assure reasonable success and be unable to obtain their credit elsewhere, the same as for regular program loans under titles I and II. Citizenship is not a statutory prerequisite for existing emergency loans, most of which are limited to established farmers and ranchers. Special livestock loans, authorized until July 14, 1961, for supplementary credit only, may now be made to established producers and feeders of cattle, sheep, and goats, excluding commercial feed lot operators.

The purposes for which emergency loans would be made include all purposes specified in the bill for real estate loans under title I or operating loans under title II. Loan purposes are not specified under existing emergency loan authority, except that Public Law 727 prohibits loans for refinancing existing indebtedness.

Section 23 establishes a ceiling for loans under this title of $50,000 unpaid indebtedness or the amounts certified by the county committee, whichever is the lesser. Public Law 727 contains a $20,000 total indebtedness limitation and a $15,000 initial loan limit. There is no other effective monetary limit in connection with existing emergency loans, except that special livestock loans in excess of $50,000 must be approved by the Secretary.

Under section 24 the interest rate for emergency loans would be the same rate in effect at the time the loan is made for loans under titles I or II, the maximum in each case not being in excess of 5 percent. This compares with a statutory interest rate of 3 percent or production emergency loans under section 2(a), economic emergency loans under section 2(b) of Public Law 38, and special emergency loans under Public Law 727 and with 5 percent interest rate on special livestock loans. The repayment period may be as long as those provided in title I or title II but not longer than necessary, taking into account the purpose of the loan and the nature and effect of the emergency. Special livestock loans in the first instance were limited to repayment period of 3 years. No other statutory repayment period is set for existing emergency loans.

Section 24 preserves existing requirement of full personal liability and in the case of a corporation or partnership, the liability of each person holding as much as 10 percent interest in the organization.

Section 25 contains a provision to permit loans necessary for the orderly repayment or liquidation of existing emergency loans without regard to any current designation of emergency area or without regard to the proposed $50,000 total indebtedness limitation.

The disaster loan revolving fund created by section 84 of the Farm Credit Act of 1933, transferred to the Secretary of Agriculture by Public Law 38, as presently augmented, is renamed "The Emergency Credit Revolving Fund" and is to be utilized for emergency loans under title III of the bill. Collections from emergency loans are to be deposited in the fund and additional appropriations thereto are authorized (secs. 26 and 27).

TITLE IV. ADMINISTRATIVE PROVISIONS

Section 31 of the bill would replace section 41 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1015) and some comparable provisions in section 510 of the Housing Act (42 U.S.C. 1480), and would transfer for administration under this bill all of the assets acquired in connection with the administration of prior loan authorities. However, the bill changes the appointment of the Administrator of the Farmers Home Administration from a Presidential appointment with Senate concurrence to a secretarial appointment. It preserves the salary of that position now fixed by the Executive Pay Act (5 U.S.C. 2206(a)(3)). This section of the bill eliminates certain archaic provisions from section 41 and the authorization for the employment of experts without regard to civil service laws or Classification Act.

The next change of any substance from the provisions of section 41 of the Bankhead-Jones Farm Tenant Act is the provision inserted in section 31(e)(3)(C). It would provide for the release from liability of borrowers who have transferred their security properly to persons not eligible for loans who assume all or the actual security value of the debt on terms repayable in not less than 5 years in cases in which the Secretary determines that such release is justified by a reasonable determination of the borrower's repayment ability. This provision will result in liquidations comparable to surplus sales and will avoid the necessity of some foreclosures.

Another servicing provision is added as section 31(e)(6) of the bill. This would authorize partial releases and subordinations if the remaining security is adequate and the proceeds are used for a purpose for which the loan was made, improve the borrower's debt-paying ability, permit payments on debts to the Secretary or for the payment of costs and expenses incident to the transaction. Difficulty has been encountered because of the rather rigid Federal rules that releases may be made only upon payment of adequate consideration and that contracts may not be modified to the detriment of the Government.

Section 32 preserves the county committee as an integral unit in the administrative organization (sec. 42, 7 U.S.C. 1016 and sec. 508, 42 U.S.C. 1478). The committee membership is the same as now provided but the statutory per diem has been eliminated from the bill. Section 32(d) requires the committee to recommend the fair and reasonable value of farms and, when required, the value of other security property. This compares with the requirement of section 2 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1002), which requires the committees to examine and appraise farms with the assistance of appraisal reports by technical appraisers to certified value and as to the character of the farm, and with section 508 of the Housing Act (42 U.S.C. 1478). No similar provision is found in the act of August 28, 1937, or in most of the emergency loan authority. But all the requirement with respect to committee action on special livestock loans, which originally contemplated loan approval by a special committee appointed by the Secretary (Public Law 38, sec. 2(c), 12 U.S.C. 1148(a)(2)(c)).

Section 33 requires the applicant to certify that he is unable to obtain credit elsewhere similar to the provision of 44(a)(3) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1018) and the requirement of clause (3) of section 501(c) of the Housing Act (42 U.S.C. 1471). No credit elsewhere statutory requirement is found in the emergency loan legislation or in the act of August 28, 1937. Section 33(c) makes a slight change in existing standards for refinancing with private or cooperative credit whenever a borrower is able to obtain such credit after the loan is made. See section 44(c), 7 U.S.C. 1018, and section 502(b)(3) of the Housing Act, 42 U.S.C. 1472. No such statutory requirement exists with respect to emergency loans or soil and water loans.

The provision of section 34(d) relating to supervision of the borrower's operations compares with the requirement of section 44(b) of the Bankhead-Jones Farm Tenant Act which authorizes such provisions for supervision as the Secretary shall deem necessary to protect his interests. Supervision is not mentioned in any of the other existing statutes.

Section 34 should be compared with section 50 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1024), which makes property being utilized for the purposes of title I subject to taxation by States and other political subdivisions. Other property held under that act by the Secretary is exempt from taxation, but payments in lieu of taxes with respect thereto is directed. Considerable difficulty has been encountered with respect to the various types of taxes levied and with respect to the character of Federal interest. Hence, section 34 is an attempt to recognize the validity of State taxes and provide the consent of the United States to the taxation of the interest to the United States, whether it be as owner or mortgagee, except as to those taxes specifically mentioned. No similar provision with respect to taxation is contained in the other existing authorities.

Section 35(a) is a combination of the provisions of section 51 and the currently applicable provisions of section 43 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1025, 1017), regarding the acquisition and disposal of security property. The authority of the Secretary to sell or grant rights-of-way or easements has been enlarged and included therein is the consent of the United States to be a party to the condemnation proceedings by a State or county for highway right-of-way purposes, subject to payment of adequate consideration.

To the debt adjustment authorization in section 22 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1008), section 37 of the bill adds credit counseling assistance to farmers and ranchers.

The Farmers Home Administration revolving fund, mentioned in the introduction, is established by section 38(c) of the bill. The purpose of this provision is to permit the establishment of a net budget for each year which will reflect receipts and collections as offsets against appropriations or authorized loan programs. Excluded from the operation, for budgetary reasons, are the emergency credit revolving fund and the agricultural credit insurance fund provided for by this bill. The collections from sales and development accounts on the water conservation and utilization properties are to be transferred to miscellaneous receipts of the Treasury.

The bill would repeal titles I, II, and IV of the Bankhead-Jones Farm Tenant Act, but preserves for the purpose of the submarginal land program under title III, the original authorization to reserve minerals. It would also repeal title V of the Housing Act, except the amendment appropriating $450 million for farm housing loans for the period terminating July 1, 1956. See section 511, 42 U.S.C. 1181. The act of August 28, 1937, Public Law 38, and Public Law 727 would be repealed. All of the repeals would be effective June 30, 1960, or such earlier date as the Secretary might by regulations make the provision of this bill effective. Saved from repeal by section 41(a) are any references to the repealed acts in other legislation. Such references are to be construed as references to the appropriate provisions of this bill. Section 40(b) preserves the validity of any action or obligations under prior authority and the eligibility of prior borrowers for assistance in accordance with this bill.

Mr. ALLOTT. Mr. President, I ask unanimous consent that this bill be held at the desk until the close of business Friday, June 12, so that Senators who wish to do so may join in sponsoring it.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. LANGER. Is the bill introduced by the Senator from Colorado similar to that introduced in the House by Representative COOLEY?

Mr. ALLOTT. It is the same bill.

Mr. LANGER. Is it identical?

Mr. ALLOTT. Unless Representative COOLEY changed a word or two before he introduced it this afternoon. But they are identical bills for all purposes.

Mr. LANGER. Mr. COOLEY is the chairman of the House Committee on Agriculture.

Mr. ALLOTT. That is correct.

Mr. LANGER. I thank the Senator from Colorado.

NATIONAL MINERALS POLICY

Mr. MURRAY. Mr. President, on February 19, 1943, I wrote to President Roosevelt calling his attention to the necessity for a policy of rational expansion of domestic mining to which he replied that the suggestion is one which merits full consideration.

After considerable communication between myself and Mr. Donald Nelson, then Chairman of the War Production Board, to whom the President delegated the task of formulating a mineral policy, and consultations between his staff and mine, such a policy was drafted and sent to the President on April 17, 1943. It stressed the role of small mines as essential.

On April 24, 1943, the President wrote me as follows:

MY DEAR JIM: This is in further reply to your letter of February 19, raising questions concerning our national policy with respect to the production of strategic and critical metals and minerals. Mr. Donald M. Nelson, Chairman of the War Production Board, has submitted the policies set forth in the letter attached with the recommendation that I approve them and make them public. I do approve them and I am making them public in this letter to you.

Very sincerely,

FRANKLIN D. ROOSEVELT.

Naturally, considering the year in which this policy was approved by the President, the Murray-Nelson policy dealt largely with wartime conditions, but a great deal of it is applicable to present conditions. For instance, the policy stated:

It is a national policy to make the fullest possible use of small and marginal ore deposits, and it is national policy to build up stockpiles of strategic and critical metals and minerals to insure us against unforeseen developments whenever we can secure supplies of particular strategic and critical metals and minerals in excess of our ability to use them currently in production for essential uses.

There has been much talk to the effect that we never have had a national mineral policy. This is completely refuted by President Roosevelt's approval of the policy mentioned on April 24, 1943. This policy has never been revoked. It may require some overhauling in the light of present circumstances, but it contains a lot of good sense. It seems to have been completely forgotten.

Several years ago the President's Mineral Policy Committee was formed under the chairmanship of Mr. Felix Wormser, then Assistant Secretary of the Department of the Interior for Mineral Resources. After struggling with the matter for nearly 2 years a policy was published which, in my mind, was of such a general nature as to make it not much better than no policy at all. Mining people generally were bitterly disappointed at the time, and no more has been heard of it.

Actually, the preface to Public Law 520, the Stockpile Act of 1946, which I had a considerable part in drafting, contains an excellent policy statement for domestic mining.

Because of the succeeding confusion and the apparent inability of the administration to come up with satisfactory solutions to the problems of our mining industry, I came to the conclusion that the Congress would have to state a mineral policy if the country is to have one. So on February 23, 1956, I introduced into the 84th Congress Senate Joint Resolution 148, which stated congressional intent and directed the Secretary of the Interior to do something about it. No hearings were held on the bill as about that time it appeared that the administration would take some action.

We now are back to the same position, if the administration will not announce and follow a sensible mineral policy for domestic mining, the Congress must speak. Consequently, I am today introducing a joint resolution similar to Senate Joint Resolution 148 with minor changes, the principal one being to point out that in case of a destructive war our national stockpiles would be of inestimable value in rehabilitating and rebuilding our industries. This fact seems to have been overlooked in the haste to dispose of materials which are surplus to the present shrunken stockpile formula.

Mr. President, I ask unanimous consent that the joint resolution be printed immediately following these remarks, and that it lie on the desk until Monday, June 15, in order that additional sponsors may join with me.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Montana.

The joint resolution (S.J. Res. 107) expressing the sense of the Congress with respect to a sound national minerals policy, and directing the Secretary of the Interior to take certain action in furtherance of such policy, introduced by Mr. MURRAY, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Whereas the mineral industry of the United States is vital to the welfare of the Nation both in war and peace, ours being essentially a minerals and metals economy;

Whereas for the above and other reasons it is essential that the United States be as nearly self-sufficient as possible in both the minerals and metals commonly used as well as those classified by the Government as strategic and critical;

Whereas dependence upon foreign sources of supply for our minerals and metals needs, in this atomic age, would invite possible national suicide;

Whereas only by constant exploration, development, research and production can our minerals industry maintain its reserves and its supply position in a healthy condition;

Whereas although the Congress approves a sound mineral stockpile program as a defense measure and to aid in rebuilding the country's industries after a possible war, it feels that such a program must be supplemented by constant production, in both peace and wartime, to maintain a sound economy and realism in national defense;

Whereas economy should be practiced in Government wherever possible, too much attention is paid to procuring foreign strategic materials cheaply for the national stockpiles whereas real economy frequently demands purchase from domestic sources at higher prices;

Whereas the Office of Defense Mobilization is concerned only with the war economy of the minerals industry, the Department of the Interior is or should be directly concerned with the peacetime economy of the minerals industry;

Whereas the Office of Defense Mobilization continually insists that, although it is interested in developing as broad a mobilization base for war and peace as is possible, its Director is bound by the limits of the Defense Production Act and the current stockpile formula which he interprets as requiring him to get materials at the cheapest possible price regardless of source;

Whereas the Congress is not assured that the current reduced stockpile fomula is in the best interests of the Nation;

Whereas, as the Office of Defense Mobilization concerns itself directly only with the national defense within the stockpile formula, the Department of the Interior should be concerned with the peacetime economy of the mining and minerals industry and with the distress of certain segments of such industry contributed to by the policies of the Office of Defense Mobilization, low tariffs, and cheap imports;

Whereas the Office of Defense Mobilization has ample legislative authority, backed by ample funds, to take care of the defense situation, the Department of the Interior has neither; and

Whereas the Office of Minerals Mobilization has been organized within the Department of the Interior with directions to submit to the Director of the Office of Defense Mobilization recommendations regarding mineral policies for defense, and to the Secretary of the Interior regarding peacetime mineral economics: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to present to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives (1) within six months after the adoption of this joint resolution, a plan for keeping the domestic mining industry in a healthy condition at all times, and (2) within six months after the adoption of this joint resolution, and every six months thereafter, a report advising the Congress of the current economic status of each of the domestic mineral industries of the United States.

SEC. 2. The Secretary of the Interior is further authorized and directed, within one year after the adoption of this joint resolution, to submit to the Congress his recommendations for legislation, to be administered by the Department of the Interior (including a suitable bill or bills to carry out such recommendations), which will assure the United States of a minerals industry, both of the common minerals, and metals and

those classified as strategic and critical, having the capacity to operate on a sound economic basic regardless of the price of foreign minerals and metals.

NATIONAL ECONOMIC COUNCIL FOR SECURITY AND PROGRESS—ADDITIONAL COSPONSORS OF BILL

Mr. WILEY. Mr. President, on May 28, 1959, I introduced the bill (S. 2080) to establish a National Economic Council for Security and Progress. Since that time nine of my colleagues, of both parties, have joined me as cosponsors. During the last week I have also had many communications, from all over the country, from so-called liberals and conservatives alike, from merchants, farmers, and clerks, who felt that in conducting a military and diplomatic cold war we must not forget the dangerous third front—the economic threat.

Our good ally, Great Britain, only recently signed a comprehensive trade agreement with the Soviets. And to us, too, the Communists have recently come dangling the sparkling advantages of increased East-West trade.

Yes, I believe in trade—in more trade, and in freer trade. But I also say: Be careful of Russians bearing gifts, for what they often have in mind is not a long-term constructive program of mutual benefit, but a short-lived program for economic penetration and destruction. The Russians have demonstrated in the past that exports and imports under their system are not means for meeting legitimate market needs, but are, instead, tools in a long-range economic offensive. Soviet imports from the West, which amounted to almost 4 billion rubles in 1931, fell to less than 1 billion in 1935, once the purposes of the Soviet procurement campaign were achieved. Likewise, American sales to Russia suddenly fell from $100 million in 1931 to $12 million in 1932. Can a nation build long-term plans on this type of a trading partner? Any nation which will permit its economy to become heavily dependent on the Soviet Union will soon find that it has a very truculent bear by the tail.

When the Soviets discuss their peaceful intentions and end up by saying: Let us engage in economic competition because this way both economies will grow and no one will lose. I say: look out. As professed Marxists and materialists, believing that the economic facts determine all other facts of life, the Soviets certainly could not expect us to believe that they want to overtake and surpass the United States economically merely for the clean fun of it.

The impact of continuing Soviet economic expansion is economic, military, and political, and is profoundly psychological as well. This expansion has, therefore, major international implications.

First. Soviet economic expansion would result in a further expansion of the economic base of Russian military power. With an increase in the Soviet productive base and the resultant increase in the Soviet military threat, we may also expect more aggressive Communist foreign policies.

Second. Increasing Soviet economic capacity will enable the Communists to extend their program for penetrating undeveloped areas through trade and aid. For a long time the Soviet economic theoreticians have indicated that the new Soviet economic offensive should take place in the most vulnerable sector of the free world: in the territories having the majority of the human race and facing the most serious economic and social difficulties. Being blocked by the relative unity and prosperity of the western countries the Communists direct their efforts to underdeveloped nations. Since 1954 the Russians have extended $2½ billions in military and economic credits, and $1 billion of this was spent last year alone.

Third. Soviet economic success is constantly used as a psychological weapon—to prove communism's magic ability to produce rapid progress and to better meet the economic needs of the people. What is accomplished in Rusisa is therefore offered as a blueprint for local programs—in Asia, Africa, the Middle East, and Latin America. Through such blueprints and through identification with popular aspirations in underdeveloped areas the Communists proceed to strengthen the Communist forces operating within the target countries.

The Soviet economic offensive forms a dangerous third front. Soviet national production keeps growing at a rate of 8 to 10 percent annually. Our increase is less than 3 percent per year. With these rates they appear destined to catch up with us. Let us make sure that this does not come as a sudden surprise. Let us prevent sputniks in the economic realm.

In introducing S. 2080, establishing a National Economic Council for Security and Progress, I am asking for a reappraisal of our overall economic program and for coordination on the highest level. We do not want a planned economy—because by giving up economic freedom, political liberty is threatened also. We believe in free enterprise because we know that it works better to satisfy the people's economic needs. But in facing the Soviet economy, fully mobilized and directed towards us, I ask for preparedness. It is preparedness and a comprehensive economic program, at home and abroad, that the National Economic Council should produce.

I should like also, at this time, to ask for unanimous consent to have the names of the Senator from Utah [Mr. Moss] and the Senator from Pennsylvania [Mr. Scott] added to the list of the sponsors of S. 2080, for the establishment of the National Economic Council for Security and Progress.

The VICE PRESIDENT. Without objection, it is so ordered.

ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES—AGREEMENTS FOR COOPERATION WITH GOVERNMENTS OF CANADA, GERMANY, THE NETHERLANDS, AND TURKEY

Mr. PASTORE. Mr. President, on May 19, 1959, the President submitted to the Congress a proposed amendment between the United States and France and a proposed amendment to an agreement between the United States and the United Kingdom in uses of atomic energy for mutual defense purposes, the texts of which I introduced into the Congressional Record on May 26.

On May 26, 1959, the President submitted to the Congress four additional proposed agreements for cooperation in the uses of atomic energy for mutual defense purposes. They are separate individual agreements between the United States and each of the following nations:

The Government of Canada.
The Federal Republic of Germany.
The Kingdom of The Netherlands.
The Government of Turkey.

The four additional proposed agreements have been referred to the Joint Committee on Atomic Energy where along with the earlier two they will be considered by the Subcommittee on Agreements for Cooperation.

In order that all Members of Congress may be familiar with the details, I ask unanimous consent to have printed in the body of the Record the texts of the four additional proposed agreements as well as the accompanying recommendations of the President, the Department of Defense, the State Department, and the Atomic Energy Commission, to follow the conclusion of my remarks.

The individual proposed agreements provide that the United States will transfer nonnuclear parts of atomic weapons systems to the individual nation for the purpose of improving the state of training and operational readiness of that nation's armed forces. In addition each agreement will permit the United States to transfer classified information necessary for the development of defense plans; the training of personnel in the employment of and the defense against atomic weapons and other military applications of atomic energy; the evaluation of the capability of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and the development of delivery systems capable of carrying atomic weapons.

It should be noted that these agreements only provide for transfer of nonnuclear parts of atomic weapons systems and not nonnuclear parts of atomic weapons. Nonnuclear parts of weapons can only be transferred to a country that has made substantial progress in the development of atomic weapons, that is, only the United Kingdom at the present time. The distinction between the two is explained in the statement of the managers on the part of the House in the conference report, dated June 27, 1958:

The conference agreement, therefore, makes provision for the transfer of two distinctly different types of nonnuclear parts. One type, the nonnuclear parts of atomic weapons, relates to the integral components of the weapon itself which could only be transferred to those nations that have made substantial progress in the development of atomic weapons. The other type relates to nonnuclear parts of atomic weapons systems which are not integral to the weapon itself but pertain to various kinds of equipment involving restricted data to make

possible the operational use and maintenance of the weapon, such as adaptation kits. This latter category of nonnuclear parts relating to the atomic weapons systems is not as sensitive as the first category of nonnuclear parts and would not disclose internal design information of the weapon. This type, under the new language, may be transferred to a nation provided that the transfer will not contribute significantly to that nation's atomic weapon design, development, or fabrication capability.

In addition to transfer of nonnuclear parts of atomic weapons systems, which is contained in each, the proposed agreement with Canada would also provide for the United States to transfer classified information pertaining to research, development, and design of military reactors with an express intent to agree at some future time by an amendment to the agreement for the transfer of military reactors and special nuclear material for research on, development of, production of, and use in military reactors. This latter provision would be similar to what was entered into with the United Kingdom in purchasing an American built nuclear submarine reactor.

In accordance with section 123d, of the Atomic Energy Act of 1954, as amended, each of these agreements must lie before the Joint Committee for 60 days, during which time they may be subject to congressional resolution of disapproval. Assuming no adjournment of either House of more than 3 days, the 60-day period will expire at 12 o'clock midnight July 25, 1959.

It is my intention that the Subcommittee on Agreements for Cooperation will begin hearings on these agreements on Thursday, June 11, 1959, at 2 p.m.

There being no objection, the agreements, and accompanying papers, were ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting herewith to each House of the Congress an authoritative copy of an Agreement Between the Government of the United States of America and the Government of Canada for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes. The agreement was signed in Washington on May 22, 1959, by the Acting Secretary of State on behalf of the Government of the United States and the Ambassador of Canada to the United States on behalf of the Government of Canada.

Proceeding from the authority contained in Public Law 85-479 approved by the President July 2, 1958, which amended the Atomic Energy Act of 1954, the agreement was negotiated for the purpose of advancing the extent of cooperation between the two countries in their common defense, particularly in the vital field of the military applications of atomic energy.

The agreement is predicated on the determination that the common defense and security of the United States and Canada will be advanced by the cooperation envisaged therein, and takes into account that our countries are participating together in an international defense arrangement. The exchanges of information and transfers of equipment provided for in the agreement will substantially contribute to the capability of the United States and Canada to meet their mutual defensive responsibilities already closely shared.

I am also transmitting a copy of the Acting Secretary of State's letter accompanying authoritative copies of the signed agreement, a copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of this agreement, and a copy of my memorandum in reply thereto setting forth my approval.

Enclosures:

1. Agreement Between the Government of the United States of America and the Government of Canada for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

2. Copy of Secretary of State's letter accompanying copies of the signed agreement.

3. Copy of a joint letter from the Chairman of the AEC and the Secretary of Defense recommending my approval of the agreement.

4. A copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 26, 1959.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF CANADA FOR COOPERATION ON THE USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES

The Government of the United States of America and the Government of Canada;

Considering that their mutual security and defense require that they be prepared to meet the contingencies of atomic warfare;

Considering that they are participating together in an international arrangement pursuant to which they are making substantial and material contributions to their mutual defense and security;

Recognizing that their common defense and security will be advanced by the exchange of information concerning atomic energy and by the transfer of certain types of equipment;

Believing that such exchange and transfer can be undertaken without risk to the defense and security of either country;

Contemplating that their common defense and security may be advanced by the transfer at some future time of other types of equipment and materials for use therein; and

Taking into consideration that the U.S. Atomic Energy Act of 1954, as amended, and the Canadian Atomic Energy Control Act and atomic energy regulations were enacted or prepared with these purposes in mind,

Have agreed as follows:

ARTICLE I. GENERAL PROVISION

While the United States and Canada are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto, each party will communicate to and exchange with the other party information, and transfer materials and equipment to the other party, in accordance with the provisions of this agreement provided that the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security.

ARTICLE II. EXCHANGE OF INFORMATION

Each party will communicate to or exchange with the other party such classified information as is jointly determined to be necessary to:

A. The development of defense plans;

B. The training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy;

C. The evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy;

D. The development of delivery systems compatible with the atomic weapons which they carry; and

E. Research, development, and design of military reactors to the extent and by such means as may be agreed.

ARTICLE III. TRANSFER OF NONNUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS

The Government of the United States will transfer to the Government of Canada, subject to terms and conditions mutually agreed upon between the parties and all appropriate provisions and requirements of applicable U.S. laws, nonnuclear parts of atomic weapons systems involving restricted data as such parts are jointly determined to be necessary for the purpose of improving Canada's state of training and operational readiness.

ARTICLE IV. TRANSFER OF MILITARY REACTORS AND MATERIALS

The Government of the United States, by amendment to this agreement and subject to the terms and conditions mutually agreed upon between the parties,

A. May agree to transfer, or authorize any person to transfer, to the Government of Canada, military reactors and/or parts thereof for military applications; and

B. May agree to transfer to the Government of Canada special nuclear material for research on, development of, production of, and use in military reactors for military applications.

ARTICLE V. RESPONSIBILITY FOR USE OF INFORMATION, MATERIAL, AND EQUIPMENT

The application or use of any information (including design drawings and specifications), material, or equipment communicated, exchanged, or transferred under this agreement shall be the responsibility of the party receiving it, and the other party does not provide any indemnity, and does not warrant the accuracy or completeness of such information and does not warrant the suitability of completeness of such information, material, or equipment for any particular use or application.

ARTICLE VI. CONDITIONS

A. Cooperation under this agreement will be carried out by each of the parties in accordance with its applicable laws.

B. Under this agreement there will be no transfer by either party of atomic weapons or nonnuclear parts of atomic weapons.

C. Except as may be otherwise agreed for civil uses, the information communicated or exchanged, or the materials or equipment transferred, by either party pursuant to this agreement shall be used by the recipient party exclusively for the preparation or implementation of defense plans in the mutual interests of the two countries.

D. Nothing in this agreement shall preclude the communication or exchange of classified information which is transmissible under other arrangements between the parties.

ARTICLE VII. GUARANTEES

A. Classified information, materials, and equipment communicated or transferred pursuant to this agreement shall be accorded full security protection under applicable security arrangements between the parties and applicable national legislation and regulations of the parties. In no case shall either party maintain security standards for safeguarding classified information, materials, or equipment made available pursuant to this agreement less restrictive than those set forth in the applicable security arrangements in effect on the date this agreement comes into force.

B. Classified information communicated or exchanged pursuant to this agreement

will be made available through channels existing or hereafter agreed for the communication or exchange of such information between the parties.

C. Classified information, communicated or exchanged, and any materials or equipment transferred, pursuant to this agreement shall not be communicated, exchanged, or transferred by the recipient party or persons under its jurisdiction to any unauthorized persons, or, except as provided in article VIII of this agreement, beyond the jurisdiction of that party. Each party may stipulate the degree to which any of the information, materials, or equipment communicated, exchanged, or transferred by it or persons under its jurisdiction pursuant to this agreement may be disseminated or distributed; may specify the categories of persons who may have access to such information, materials, or equipment; and may impose such other restrictions on the dissemination or distribution of such information, materials, or equipment as it deems necessary.

ARTICLE VIII. DISSEMINATION

Nothing in this agreement shall be interpreted or operate as a bar or restriction to consultation or cooperation in any field of defense by either party with other nations or international organizations. Neither party, however, shall communicate classified information or transfer or permit access to or use of materials or equipment, made available by the other party pursuant to this agreement unless:

A. It is notified by the originating party that all appropriate provisions and requirements of the originating party's applicable laws, including authorization by competent bodies of the originating party, have been complied with which would be necessary to authorize the originating party directly so to communicate to, transfer to, or permit access to or use by such other nation or international organization; and further that the originating party authorizes the recipient party so to communicate to, transfer to or permit access to or use by such other nation or international organization; or

B. The originating party has informed the recipient party that the originating party has so communicated to, transferred to, permitted access to or use by such other nation or international organization.

ARTICLE IX. CLASSIFICATION POLICIES

Agreed classification policies shall be maintained with respect to all classified information, materials, or equipment communicated, exchanged, or transferred under this agreement. The parties intend to continue the present practice of consultation with each other on the classification of these matters.

ARTICLE X. PATENTS

A. With respect to any invention or discovery:

1. Either employing information which has been communicated or exchanged pursuant to article II, or derived from any reactors and/or parts thereof or material or nonnuclear parts of atomic weapons systems transferred pursuant to articles III and IV, and made or conceived after the date of such communication, exchange, or transfer but during the period of this agreement, by the recipient party, or any agency or corporation owned or controlled thereby, or any of their agents or contractors, or any employee of any of the foregoing; or

2. Not covered in subparagraph 1 above and made or conceived by any person representing, employed by, or acting for or on behalf of one party (hereinafter referred to as the "sponsoring party") or its contractor, while in the country of the other party and assigned to an installation, plant, laboratory, institution, or similar facility in the country of the other party pursuant to this agreement,

the recipient or sponsoring party (as the case may be) shall:

(1) Be entitled to all right, title, and interest in and to the invention or discovery, or patent application or patent thereon, in the country of the recipient or sponsoring party (as the case may be) and in third countries; and

(2) Obtain, by appropriate means, sufficient right, title, and interest in and to the invention or discovery, or patent application or patent thereon, as may be necessary to fulfill its obligations under the following two subparagraphs; and

(3) Transfer and assign to the other party all right, title, and interest in and to the invention or discovery, or patent application or patent thereon, in the country of that other party, subject to the retention by the recipient or sponsoring party (as the case may be) of a royalty-free, nonexclusive, irrevocable license, with the right to grant sublicenses, for all purposes; and

(4) Grant to the other party a royalty-free, nonexclusive, irrevocable license, with the right to grant sublicenses, for all purposes in the country of the recipient or sponsoring party (as the case may be) and in third countries.

B. 1. Each party shall, to the extent owned by it, or any agency or corporation owned or controlled thereby, grant to the other party a royalty-free, nonexclusive, irrevocable license to manufacture and use the subject matter covered by any patent and incorporated in any reactors and/or parts thereof or material or nonnuclear parts of atomic weapons systems transferred pursuant to articles III and IV for use by the licensed party for the purposes set forth in paragraph C of article VI.

2. The transferring party neither warrants nor represents that any reactors and/or parts thereof or material or nonnuclear parts of atomic weapons systems transferred pursuant to articles III and IV do not infringe any patent owned or controlled by other persons and assumes no liability or obligation with respect thereto, and the recipient party agrees to indemnify and hold harmless the transferring party from any and all liability arising out of any infringement of any such patent.

C. With respect to any invention or discovery, or patent application or patent thereon, or license or sublicense therein covered by paragraph A of this article, each party:

1. May, to the extent of its right, title and interest therein, deal with the same in its own and third countries as it may desire, but shall in no event discriminate against citizens of the other party in respect of granting any license or sublicense under the patents owned by it in its own or any other country;

2. Hereby waives any and all claims against the other party for compensation, royalty or award, and hereby releases the other party with respect to any and all such claims.

D. 1. No patent application with respect to any classified invention or discovery employing classified information which has been communicated or exchanged pursuant to article II, or derived from the reactors and/or parts thereof or material or nonnuclear parts of atomic weapons systems transferred pursuant to article III or IV, may be filed:

(a) By either party or any person in the country of the other party except in accordance with agreed conditions and procedures; or

(b) In any country not a party to this agreement except as may be agreed and subject to articles VII and VIII.

2. Appropriate secrecy or prohibition orders shall be issued for the purpose of giving effect to this paragraph.

E. Detailed procedures shall be jointly established to effectuate the foregoing provisions, and all situations not specifically covered shall be settled by mutual agreement governed by the basic principle of equivalent benefits to both parties.

ARTICLE XI. PREVIOUS AGREEMENTS FOR COOPERATION

Effective from the date on which the present agreement enters into force, the cooperation between the parties being carried out under or envisaged by the Agreement for Cooperation Regarding Atomic Information for Mutual Defense Purposes, which was signed at Washington on June 15, 1955, and by paragraph B of Article II bis of the Agreement for Cooperation Concerning Civil Uses of Atomic Energy, which was signed at Washington on June 15, 1955, as amended by the amendment signed at Washington on June 26, 1956, shall be carried out in accordance with the provisions of the present agreement.

ARTICLE XII. DEFINITIONS

For the purposes of this agreement:

A. "Atomic weapon" means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device.

B. "Classified information" means information, data, materials, services or any other matter with the security designation of "Confidential" or higher applied under the legislation or regulations of either the United States or Canada, including that designated by the Government of the United States as "Restricted data" or "Formerly restricted data" and that designated by the Government of Canada as "ZED information."

C. "Equipment" means:

1. Any instrument, apparatus or facility and includes any facility, except an atomic weapon, capable of making use of or producing special nuclear material, and component parts thereof, and includes reactor and military reactor; and

2. Nonnuclear parts of atomic weapons systems involving restricted data.

D. "Nonnuclear parts of atomic weapons" means parts of atomic weapons which are specially designed for them and are not in general use in other end products and which are not made, in whole or in part, of special nuclear materials; and "other nonnuclear parts of atomic weapons systems involving Restricted Data" means parts of atomic weapons systems, other than nonnuclear parts of atomic weapons, which contain or reveal atomic information and which are not made, in whole or in part, of special nuclear material.

E. "Atomic information" means:

1. So far as concerns information provided by the Government of the United States, information which is designated "Restricted data" and "Formerly restricted data."

2. So far as concerns information provided by the Government of Canada, information which is designated "ZED information."

F. "Military reactor" means a reactor for the propulsion of naval vessels, aircraft or land vehicles and military package power reactors.

G. "Reactor" means an apparatus, other than an atomic weapon, in which a controlled self-supporting fission chain reaction is maintained by utilizing uranium, plutonium, or thorium, or any combination of uranium, plutonium, or thorium.

H. "Persons" means:

1. Any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, Government agency or Government corporation other than the U.S. Atomic Energy Commission and Atomic Energy of Canada Limited; and

2. Any legal successor, representative, agent or agency of the foregoing.

I. References in this agreement to the Government of Canada include the Atomic Energy of Canada Limited.

ARTICLE XIII. DURATION

This agreement shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all legal requirements for the entry into force of this agreement, and shall remain in force until terminated by agreement of both parties, except that, if not so terminated, articles II and III may be terminated by agreement of both parties, or by either party on 1 year's notice to the other to take effect at the end of a term of 10 years, or thereafter on 1 year's notice to take effect at the end of any succeeding term of 5 years.

In witness whereof, the undersigned, duly authorized, have signed this agreement.

Done at Washington this 22d day of May 1959, in two original texts.

For the Government of the United States of America:

DOUGLAS DILLON.

For the Government of Canada:

A. D. P. HEENEY.

Certified to be a true copy of the original:

HALVOR O. EKERN,

Office of the Special Assistant to the Secretary for Atomic Energy, Department of State.

MAY 22, 1959.

THE PRESIDENT,
The White House.

THE PRESIDENT: The undersigned, the Acting Secretary of State, has the honor to submit to the President with a view to its transmission to the Congress, pursuant to the Atomic Energy Act of 1954, as amended, an agreement between the Government of the United States of America and the Government of Canada for cooperation on the uses of atomic energy for mutual defense purposes.

This agreement was signed today, May 22, 1959, on behalf of the United States pursuant to the authorization granted in the President's memorandum of May 22, 1959, to the Secretary of Defense and the Chairman of the Atomic Energy Commission. A copy of that memorandum was received by the Acting Secretary of State from the President.

Respectfully submitted,

(Enclosure: Agreement between the Government of the United States of America and the Government of Canada for cooperation on the uses of atomic energy for mutual defense purposes.)

MAY 22, 1959.

MEMORANDUM FOR THE SECRETARY OF DEFENSE, THE CHAIRMAN, ATOMIC ENERGY COMMISSION

In your joint letter to me of May 20, 1959, you recommended that I approve a proposed agreement between the Government of the United States of America and the Government of Canada for cooperation on the uses of atomic energy for mutual defense purposes.

Canada is participating with the United States in an international arrangement pursuant to which it is making substantial and material contributions to the mutual defense and security. The proposed agreement will permit cooperation necessary to improve the state of training and operational readiness of the Armed Forces of Canada, subject to provisions, conditions, guarantees, terms, and special determinations, which are most appropriate in this important area of mutual assistance.

Having considered your joint recommendations and the cooperation provided for in the agreement, including security safeguards and other terms and conditions of the agreement, I hereby—

(1) Approve the program for the transfer of nonnuclear parts of atomic weapon systems involving restricted data under the terms and conditions provided in your joint letter and the proposed agreement; however, types, quantities and conditions of transfer of such parts not so provided are subject to my further approval;

(2) Determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(3) Approve the proposed agreement and authorize its execution for the Government of the United States by the Secretary of State.

In taking these actions, I have noted the supplementary information regarding the agreement, also jointly submitted to me.

After execution of the agreement, I shall submit it to the Congress.

I am forwarding a copy of this memorandum to the Secretary of State.

DWIGHT D. EISENHOWER.

THE SECRETARY OF DEFENSE,
Washington, D.C., May 20, 1959.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: There is hereby submitted for your consideration and approval a proposed Agreement Between the Government of the United States of America and the Government of Canada for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

The present Agreement for Mutual Defense Purposes which was executed on June 15, 1955, provides for the exchange of information within limits concerning utilization of atomic weapons. Also, the Amendment to the Civil Uses Agreement which was executed on June 26, 1956, provides for the exchange of information on reactors of primarily military significance. Henceforth, cooperation on all military application of atomic energy would be carried out under the proposed new and expanded Agreement for Mutual Defense Purposes. Therefore, the agreement, which will permit, under the authority of the Atomic Energy Act of 1954, as amended, this increased cooperation is an important step in advancing our mutual defense interests, specifically, the vital cause of North American defense in which we have long been working closely with our Canadian neighbors and will thereby aid materially in defense of the United States.

Article II of the agreement provides for the transfer of classified information including "restricted data" and "formerly restricted data" necessary to the development of defense plans; the training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy; the evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy; the development of delivery systems compatible with the atomic weapons which they carry; and research, development and design of military reactors.

Article III of the agreement provides that the United States will transfer nonnuclear parts of atomic weapons systems involving restricted data (other than nonnuclear parts of atomic weapons) for the purpose of improving the state of training and operational readiness of the armed forces of Canada. However, in view of section 91c of the Atomic Energy Act, the applicability of which is reflected in article VI of the agreement, no transfer can be made if it would contribute significantly to the recipient nation's atomic weapon design, development or fabrication capability. It is not possible to determine at this time the types, quantities, and conditions of transfer, whether by sale, lease or loan, of those parts which it will become necessary to transfer for our mutual defense during the period of the agreement. Accordingly, under the terms and conditions of the agreement, it will be necessary to determine from time to time the types, quantities and conditions of transfer and such determination shall be submitted for your approval.

To date cooperation with Canada in the field of military reactors has been confined principally to the feasibility of their establishing a program for the design, development and construction of military reactors. Recognizing the progress being made and the desire for further cooperation in this important field within the limits of the Atomic Energy Act, article IV of the agreement expresses our intent to agree at some future time to transfer material and equipment, with the understanding that such cooperation would require an amendment to this agreement.

The agreement would remain in force until terminated by an agreement of both parties, thus assuring continued protection of information and equipment transferred in accordance with the provisions of the agreement. However, cooperation for the transfer of information and equipment under articles II and III of the agreement may be terminated by agreement of the parties or by either party, following 1 year's advance notice, at the expiration of an initial term of 10 years, or upon the expiration of any succeeding term of 5 years.

In accordance with the provisions of sections 91c, 144b and c of the Atomic Energy Act of 1954, as amended, the agreement specifically provides in article I that all cooperation under the agreement will be undertaken only when the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security. Article I of the agreement also provides, in accordance with the act, that all cooperation under the agreement will be undertaken only while the United States and Canada are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto. Cooperation under articles II and III of the agreement would be undertaken only when these conditions prevail.

Article VI of the agreement stipulates that the cooperation under the agreement will be carried out by each of the parties in accordance with its applicable laws. Article VI also specifies that there will be no transfer under the agreement of atomic weapons or nonnuclear parts of atomic weapons.

In addition to the foregoing terms, conditions, duration, nature and scope of cooperation, the agreement provides that the parties will maintain agreed security safeguards and standards. The agreement also contains particular commitments that the recipient of any equipment or information that is obtained pursuant to the agreement will not transfer it to unauthorized persons and will not transfer it beyond the jurisdiction of the recipient party, except in limited circumstances specifically provided in the agreement.

Canada is now participating with the United States in an international arrangement pursuant to which Canada is making substantial and material contributions to the mutual defense and security. It is the view of the Department of Defense and the Atomic Energy Commission that the agreement is entirely in accord with the provisions of the Atomic Energy Act of 1954, as amended. It is the considered opinion of the Department of Defense and the Atomic Energy Commission that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

Accordingly, it is recommended that you

(a) Approve the program for the transfer of nonnuclear parts of atomic weapon systems involving restricted data under the terms and conditions provided in this letter and the proposed agreement; however, types, quantities and conditions of transfer of such parts are subject to your later approval;

(b) Determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(c) Approve the proposed agreement and authorize its execution for the Government of the United States by the Secretary of State.

The Secretary of State concurs in the foregoing recommendations.

With great respect, we are,

Faithfully yours,

NEIL H. MCELROY,
Secretary of Defense.
JOHN A. MCCONE,
Chairman, Atomic Energy Commission.

To the Congress of the United States:

In December 1957 the heads of government of the nation members of the North Atlantic Treaty Organization reached agreement in principle on the desirability of achieving the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques. In enunciating this agreement in principle the heads of government made it clear that this decision was the result of the fact that the Soviet leaders, while preventing a general disarmament agreement, had left no doubt that the most modern and destructive weapons of all kinds were being introduced into the Soviet armed forces. The introduction of modern weapons into NATO forces should be no cause for concern on the part of other countries, since NATO is purely a defensive alliance.

It is our conviction and the conviction of our NATO allies that the introduction into NATO defenses of the most modern weapons available is essential in maintaining the strength necessary to the alliance. Any alliance depends in the last analysis upon the sense of shared mutual interests among its members, and by sharing with our allies certain training information we are demonstrating concretely our sense of partnership in NATO's defensive planning. Failure on our part to contribute to the improvement of the state of operational readiness of the forces of other members of NATO will only encourage the Soviet Union to believe that it can eventually succeed in its goal of destroying NATO's effectiveness.

To facilitate the necessary cooperation on our part legislation amending the Atomic Energy Act of 1954 was enacted during the last session of the Congress. Pursuant to that legislation agreements for cooperation have recently been concluded with three of our NATO partners; all of these agreements are designed to implement in important respects the agreed NATO program. These agreements will enable the United States to cooperate effectively in mutual defense planning with these nations and in the training of their respective NATO forces in order that, if an attack on NATO should occur, under the direction of the Supreme Allied Commander for Europe these forces could effectively use nuclear weapons in their defense.

These agreements represent only a portion of the work necessary for complete implementation of the decision taken by the North Atlantic Treaty Organization in December 1957. I anticipate the conclusion of similar agreements for cooperation with certain other NATO nations as the Alliance's defensive planning continues.

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of three agreements, one with the Federal Republic of Germany, one with the Kingdom of the Netherlands, and one with the Government of Turkey. I am also transmitting a copy of the Secretary of State's letter accompanying authoritative copies of the signed agreements, a copy of three joint letters from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of these documents and copies of my memorandums in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 26, 1959.*

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The undersigned, the Acting Secretary of State, has the honor to lay before the President with a view to their transmission to the Congress, pursuant to the Atomic Energy Act of 1954, as amended, authoritative copies of three agreements for cooperation on the uses of atomic energy for mutual defense purposes; an agreement between the Government of the United States and the Federal Republic of Germany signed at Bonn on May 5, 1959; agreements between the Government of the United States and the Kingdom of the Netherlands signed at The Hague May 6, 1959; and an agreement between the Government of the United States and the Government of Turkey signed at Ankara May 5, 1959.

These agreements were signed on behalf of the United States pursuant to authorizations granted in your memoranda of May 4, 1959, to the Secretary of Defense and the Chairman of the Atomic Energy Commission. Copies of these memoranda were received by the Secretary of State from the President.

Faithfully yours,

DOUGLAS DILLON,
Acting Secretary.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY FOR COOPERATION ON THE USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES

The Government of the United States of America and the Government of the Federal Republic of Germany,

Considering that they have concluded a Mutual Defense Assistance Agreement pursuant to which each Government will make available to the other equipment, materials, services, or other military assistance in accordance with such terms and conditions as may be agreed;

Considering that their mutual security and defense require that they be prepared to meet the contingencies of atomic warfare;

Considering that they are participating together in an international arrangement pursuant to which they are making substantial and material contributions to their mutual defense and security;

Recognizing that their common defense and security will be advanced by the exchange of information concerning atomic energy and by the transfer of certain types of equipment;

Believing that such exchange and transfer can be undertaken without risk to the defense and security of either country; and

Taking into consideration the U.S. Atomic Energy Act of 1954, as amended, and all applicable statutes of the Federal Republic of Germany, which were enacted or prepared with these purposes in mind,

Have agreed as follows:

ARTICLE I. GENERAL PROVISION

While the United States and the Federal Republic of Germany are participating in an international arrangment for their mutual defense and security and making substantial and material contributions thereto, each party will communicate to and exchange with the other party information and transfer nonnuclear parts of atomic weapons systems involving restricted data to the other party in accordance with the provisions of this agreement, provided that the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security.

ARTICLE II. EXCHANGE OF INFORMATION

Each party will communicate to or exchange with the other party such classified information as is jointly determined to be necessary to:

A. The development of defense plans;

B. The training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy;

C. The evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and

D. The development of delivery systems compatible with the atomic weapons which they carry.

ARTICLE III. TRANSFER OF NONNUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS

The Government of the United States will transfer to the Government of the Federal Republic of Germany, subject to terms and conditions to be agreed, nonnuclear parts of atomic weapons systems involving restricted data as such parts are jointly determined to be necessary for the purpose of improving the German state of training and operational readiness.

ARTICLE IV. CONDITIONS

A. Cooperation under the agreement will be carried out by each of the parties in accordance with its applicable laws.

B. Under this agreement there will be no transfer by either party of atomic weapons, nonnuclear parts of atomic weapons, or special nuclear materials.

C. The information communicated or exchanged, or nonnuclear parts of atomic weapons systems transferred, by either party pursuant to this agreement shall be used by the recipient party exclusively for the preparation or implementation of defense plans in the mutual interests of the two countries.

D. Nothing in this agreement shall preclude the communication or exchange of classified information which is transmissible under other arrangements between the parties.

ARTICLE V. GUARANTEES

A. Classified information and nonnuclear parts of atomic weapons systems communicated or transferred pursuant to this agreement shall be accorded full security protection under applicable security arrangements between the parties and applicable national legislation and regulations of the parties. In no case shall either party maintain security standards for safeguarding classified information, and nonnuclear parts of atomic weapons systems, made available pursuant to this agreement less restrictive than those set forth in the applicable security arrangements in effect on the date this agreement comes into force.

B. Classified information communicated or exchanged pursuant to this agreement will be made available through channels existing or hereafter agreed for the communication or exchange of such information between the parties.

C. Classified information, communicated or exchanged, and any nonnuclear parts of atomic weapons systems transferred pursuant to this agreement shall not be communicated, exchanged or transferred by the recipient party or persons under its jurisdiction to any unauthorized persons or, except as provided in article VI of this agreement, beyond the jurisdiction of that party. Each

party may stipulate the degree to which any of the information and nonnuclear parts of atomic weapons systems communicated, exchanged or transferred by it or persons under its jurisdiction pursuant to this agreement may be disseminated or distributed; may specify the categories of persons who may have access to such information or nonnuclear parts of atomic weapons systems; and may impose such other restrictions on the dissemination or distribution of such information or nonnuclear parts of atomic weapons systems as it deems necessary.

ARTICLE VI. DISSEMINATION

Nothing in this agreement shall be interpreted or operate as a bar or restriction to consultation or cooperation in any field of defense by either party with other nations or international organizations. Neither party, however, shall so communicate classified information or transfer or permit access to or use of nonnuclear parts of atomic weapons systems made available by the other party pursuant to this agreement unless:

A. It is notified by the originating party that all appropriate provisions and requirements of the originating party's applicable laws, including authorization by competent bodies of the originating party, have been complied with which would be necessary to authorize the originating party directly so to communicate to, transfer to, permit access to or use by such other nation or international organization; and further that the originating party authorizes the recipient party so to communicate to, transfer to, permit access to or use by such other nation or international organization; or

B. The originating party has informed the recipient party that the originating party has so communicated to, transferred to, permitted access to or use by such other nation or international organization.

ARTICLE VII. CLASSIFICATION POLICIES

Agreed classification policies shall be maintained with respect to all classified information and nonnuclear parts of atomic weapons systems communicated, exchanged or transferred under this agreement.

ARTICLE VIII. RESPONSIBILITY FOR USE OF INFORMATION AND NONNUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS

The application or use of any information (including design drawings and specifications) or nonnuclear parts of atomic weapons systems communicated, exchanged or transferred under this agreement shall be the responsibility of the party receiving it, and the other party does not provide any indemnity or warranty with respect to such application or use.

ARTICLE IX. PATENTS

The recipient party shall use the classified information communicated or revealed by equipment transferred hereunder for the purposes specified herein only. Any inventions or discoveries resulting from possession of such information on the part of the recipient party or persons under its jurisdiction shall be made available to the other party for defense purposes without charge in accordance with such arrangements as may be agreed and shall be safeguarded in accordance with the provisions of article V of this agreement.

ARTICLE X. DEFINITIONS

For the purposes of this agreement:

A. "Atomic weapon" means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device.

B. "Classified information" means information, data, materials, services or any other matter with the security designation of "Confidential" or higher applied under the legislation or regulations of either the United States or the Federal Republic of Germany, including that designated by the Government of the United States as "Restricted data" or "formerly restricted data" and that designated by the Government or the Federal Republic of Germany as "Sonderangaben."

C. "Nonnuclear parts of atomic weapons" means parts of atomic weapons which are specially designed for them and are not in general use in other end products and which are not made of, in whole or in part, special nuclear material; and "nonnuclear parts of atomic weapons systems involving restricted data" means parts of atomic weapons systems, other than nonnuclear parts of atomic weapons, which contain or reveal atomic information and which are not made of, in whole or in part, special nuclear material.

D. As used in this agreement, the term "atomic information" means:

1. So far as concerns information provided by the Government of the United States, information which is designated "Restricted data" and "formerly restricted data."

2. So far as concerns information provided by the Government of the Federal Republic of Germany, information which is designated "Sonderangaben."

ARTICLE XI. DURATION

This agreement shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all legal requirements for the entry into force of this agreement, and shall remain in force until terminated by agreement of both parties except that either party may terminate its cooperation under articles II or III upon the expiration of the North Atlantic Treaty.

In witness whereof, the undersigned, duly authorized, have signed this agreement.

Done at Bonn, in duplicate in the English and German languages, both texts being equally authentic, this 5th day of May 1959.

For the Government of the United States of America:

DAVID BRUCE.

For the Government of the Federal Republic of Germany:

FRANZ JOSEF KUNTZ.

THE WHITE HOUSE,
Washington, May 4, 1959.

MEMORANDUM FOR THE SECRETARY OF DEFENSE, THE CHAIRMAN, ATOMIC ENERGY COMMISSION

In your joint letter to me of May 1, 1959, you recommend that I approve a proposed Agreement Between the Government of the United States of America and the Government of the Federal Republic of Germany for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

The Federal Republic of Germany is participating with the United States in an international arrangement pursuant to which it is making substantial and material contributions to the mutual defense and security. The proposed agreement will permit cooperation necessary to improve the state of training and operational readiness of the armed forces of the Federal Republic of Germany, subject to provisions, conditions, guarantees, terms, and special determinations, which are most appropriate in this important area of mutual assistance, in accordance with the agreement in principle reached in December 1957.

Having considered your joint recommendations and the cooperation provided for in the agreement, including security safeguards and other terms and conditions of the agreement, I hereby—

(1) approve the program for the transfer of nonnuclear parts of atomic weapon systems involving restricted data under the terms and conditions provided in your joint letter and the proposed agreement; however, types, quantities, and conditions of transfer of such parts are subject to my further approval;

(2) determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(3) approve the proposed agreement and authorize its execution for the Government of the United States in a manner designated by the Secretary of State.

After execution of the agreement, I shall submit it to the Congress.

I am forwarding a copy of this memorandum to the Secretary of State.

DWIGHT D. EISENHOWER.

MAY 1, 1959.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: There is hereby submitted for your consideration and approval a proposed Agreement Between the Government of the United States of America and the Government of the Federal Republic of Germany for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

The proposed agreement will permit, under the authority of sections 91c and 144b of the Atomic Energy Act of 1954, as amended, the transfer of classified information and certain equipment necessary for the purpose of improving the state of training and operational readiness of the armed forces of the Federal Republic. The December 1957 NATO heads of Government meeting established the concept of a stockpile of arms for the strengthening of NATO's defenses, and this present agreement is an important part of the implementation of this concept. The carrying out of this agreement should do much to advance our mutual defense interests, including the vital cause of strengthening the NATO defensive alliance, and will thereby aid materially in the defense of the United States.

Article II of the agreement provides for the transfer of classified information, including "restricted data" and "formerly restricted data," necessary to the development of defense plans; the training of personnel in the employment of and the defense against atomic weapons and other military applications of atomic energy; the evaluation of the capability of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and the development of delivery systems capable of carrying atomic weapons.

Article III of the agreement provides that the United States will transfer nonnuclear parts of atomic weapons systems involving restricted data (other than nonnuclear parts of atomic weapons) for the purpose of improving the state of training and operational readiness of the armed forces of the Federal Republic. However, in view of section 91c of the Atomic Energy Act, the applicability of which is reflected in article IV of the agreement, no transfer can be made if it would contribute significantly to the recipient nation's atomic weapon design, development or fabrication capability. It is not possible to determine at this time the types, quantities, and conditions of transfer, whether by sale, lease, or loan, of those parts which it will become necessary to transfer for our mutual defense during the period of the agreement. Accordingly, under the terms and conditions of the agreement, it will be necessary to determine from time to time the types, quantities, and conditions of transfer, and such determination shall be submitted for your approval.

The agreement would remain in force until terminated by agreement of both parties,

thus assuring continued protection for the information and equipment transferred in accordance with the provisions of the agreement. However, cooperation for the transfer of information and equipment under articles II and III of the agreement may be discontinued by either party in the event of the termination of the North Atlantic Treaty.

In accordance with the provisions of sections 91c and 144b of the Atomic Energy Act of 1954, the agreement specifically provides in article I that all cooperation under the agreement will be undertaken only when the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security. Article I of the agreement also provides, in accordance with the act, that all cooperation under the agreement will be undertaken only while the United States and the Federal Republic are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto. Cooperation under articles II and III of the agreement would be undertaken only when these conditions prevail.

Article IV of the agreement stipulates that the cooperation under the agreement will be carried out by each of the parties in accordance with its applicable laws. Article IV also makes clear that there will be no transfer under the agreement of atomic weapons, nonnuclear parts of atomic weapons or special nuclear material.

In addition to the foregoing provisions on the terms, conditions, duration, nature, and scope of cooperation, the agreement provides that the parties will maintain agreed security safeguards and standards. The agreement also contains particular commitments that the recipient of any equipment or information that is obtained pursuant to the agreement will not transfer it to unauthorized persons and will not transfer it beyond the jurisdiction of the recipient party, except in limited circumstances specifically provided in the agreement.

The Federal Republic is now participating with the United States in an international arrangement pursuant to which the Federal Republic is making substantial and material contributions to the mutual defense and security. It is the view of the Department of Defense and the Atomic Energy Commission that this agreement is entirely in accord with the provisions of the Atomic Energy Act of 1954, as amended. It is the considered opinion of the Department of Defense and the Atomic Energy Commission that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

Accordingly, it is recommended that you—

(a) approve the program for the transfer of nonnuclear parts of atomic weapon systems involving restricted data under the terms and conditions provided in this letter and the proposed agreement; however, types, quantities, and conditions of transfer of such parts are subject to your later approval;

(b) determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(c) approve the proposed agreement and authorize its execution for the Government of the United States in a manner specified by the Secretary of State.

The Secretary of State concurs in the foregoing recommendations.

Respectfully,

QUARLES,
Secretary of Defense.
McCONE,
Chairman, Atomic Energy Commission.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS FOR COOPERATION ON THE USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES

The Government of the United States of America and the Government of the Kingdom of the Netherlands,

Considering that they have concluded a Mutual Defense Assistance Agreement, pursuant to which each Government will make available to the other equipment, materials, services, or other military assistance in accordance with such terms and conditions as may be agreed;

Considering that their mutual security and defense require that they be prepared to meet the contingencies of atomic warfare;

Considering that they are participating together in an international arrangement pursuant to which they are making substantial and material contributions to their mutual defense and security;

Recognizing that their common defense and security will be advanced by the exchange of information concerning atomic energy and by the transfer of certain types of equipment;

Believing that such exchange and transfer can be undertaken without risk to the defense and security of either country; and

Taking into consideration the United States Atomic Energy Act of 1954, as amended, and all applicable statutes of the Netherlands, which were enacted or prepared with these purposes in mind;

Have agreed as follows:

ARTICLE I. GENERAL PROVISIONS

While the United States and the Netherlands are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto, each party will communicate to and exchange with the other party, information and transfer nonnuclear parts of atomic weapons systems involving restricted data to the other party in accordance with the provisions of this agreement, provided that the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security.

ARTICLE II. EXCHANGE OF INFORMATION

Each party will communicate to or exchange with the other party such classified information as is jointly determined to be necessary to:

A. The development of defense plans;

B. The training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy;

C. The evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and

D. The development of delivery systems compatible with the atomic weapons which they carry.

ARTICLE III. TRANSFER OF NONNUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS

The Government of the United States will transfer to the Government of the Netherlands, subject to terms and conditions to be agreed, nonnuclear parts of atomic weapons systems involving restricted data as such parts are jointly determined to be necessary for the purpose of improving the Netherlands' state of training and operational readiness.

ARTICLE IV. CONDITIONS

A. Cooperation under this agreement will be carried out by each of the parties in accordance with its applicable laws.

B. Under this agreement there will be no transfer by either party of atomic weapons, nonnuclear parts of atomic weapons, or special nuclear materials.

C. The information communicated or exchanged, or nonnuclear parts of atomic weapons systems transferred, by either party pursuant to this agreement shall be used by the recipient party exclusively for the preparation or implementation of defense plans in the mutual interests of the two countries.

D. Nothing in this agreement shall preclude the communication or exchange of classified information which is transmissible under other arrangements between the parties.

ARTICLE V. GUARANTEES

A. Classified information and nonnuclear parts of atomic weapons systems communicated or transferred pursuant to this agreement shall be accorded full security protection under applicable security arrangements between the parties and applicable national legislation and regulations of the parties. In no case shall either party maintain security standards for safeguarding classified information, and nonnuclear parts of atomic weapons systems, made available pursuant to this agreement less restrictive than those set forth in the applicable security arrangements in effect on the date this agreement comes into force.

B. Classified information communicated or exchanged pursuant to this agreement will be made available through channels existing or hereafter agreed for the communication or exchange of such information between the parties.

C. Classified information, communicated or exchanged, and any nonnuclear parts of atomic weapons systems transferred pursuant to this agreement shall not be communicated, exchanged, or transferred by the recipient party or persons under its jurisdiction to any unauthorized persons or, except as provided in article VI of this agreement, beyond the jurisdiction of that party. Each party may stipulate the degree to which any of the information and nonnuclear parts of atomic weapons systems communicated, exchanged, or transferred by it or persons under its jurisdiction pursuant to this agreement may be disseminated or distributed; may specify the categories of persons who may have access to such information or nonnuclear parts of atomic weapons systems; and may impose such other restrictions on the dissemination or distribution of such information or nonnuclear parts of atomic weapons systems as it deems necessary.

ARTICLE VI. DISSEMINATION

Nothing in this agreement shall be interpreted or operate as a bar or restriction to consultation or cooperation in any field of defense by either party with other nations or international organizations. Neither party, however, shall so communicate classified information or transfer or permit access to or use of nonnuclear parts of atomic weapons systems made available by the other party pursuant to this agreement unless:

A. It is notified by the originating party that all appropriate provisions and requirements of the originating party's applicable laws, including authorization by competent bodies of the originating party, have been complied with which would be necessary to authorize the originating party directly so to communicate to, transfer to, permit access to or use by such other nation or international organization; and further that the originating party authorizes the recipient party so to communicate to, transfer to, permit access to or use by such other nation or international organization; or

B. The originating party has informed the recipient party that the originating party has so communicated to, transferred to, permitted access to or use by such other nation or international organization.

ARTICLE VII. CLASSIFICATION POLICIES

Agreed classification policies shall be maintained with respect to all classified information and nonnuclear parts of atomic weapons systems communicated, exchanged or transferred under this agreement.

ARTICLE VIII. RESPONSIBILITY FOR USE OF INFORMATION AND NONNUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS

The application or use of any information (including design drawings and specifications) or nonnuclear parts of atomic weapons systems communicated, exchanged or transferred under this agreement shall be the responsibility of the party receiving it, and the other party does not provide any indemnity or warranty with respect to such application or use.

ARTICLE IX. PATENTS

The recipient party shall use the classified information communicated, or revealed by equipment transferred hereunder, for the purposes specified herein only. Any inventions or discoveries resulting from possession of such information on the part of the recipient party or persons under its jurisdiction shall be made available to the other party for all purposes without charge in accordance with such arrangements as may be agreed and shall be safeguarded in accordance with the provisions of article V of this agreement.

ARTICLE X. DEFINITIONS

For the purposes of this agreement:

A. "Atomic weapon" means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device.

B. "Classified information" means information, data, materials, services, or any other matter with the security designation of "Confidential" or higher applied under the legislation or regulations of either the United States or the Netherlands, including that designated by the Government of the United States as "Restricted data" or "Formerly restricted data" and that designated by the Government of the Netherlands as "Atomic."

C. "Nonnuclear parts of atomic weapons" means parts of atomic weapons which are specially designed for them and are not in general use in other end products and which are not made of, in whole or in part, special nuclear material; and "nonnuclear parts of atomic weapons systems involving restricted data" means parts of atomic weapons systems, other than nonnuclear parts of atomic weapons, which contain or reveal atomic information and which are not made of, in whole or in part, special nuclear material.

D. As used in this agreement, the term "atomic information" means:

1. So far as concerns information provided by the Government of the United States, information which is designated "Restricted data" and "Formerly restricted data."

2. So far as concerns information provided by the Government of the Netherlands, information which is designated "Atomic."

ARTICLE XI. DURATION

This agreement shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all legal requirements for the entry into force of this agreement, and shall remain in force until terminated by agreement of both parties except that either party may terminate its cooperation under articles II or III upon the expiration of the North Atlantic Treaty.

In witness whereof, the undersigned, duly authorized, have signed this agreement.

Done at The Hague, in duplicate, in the English language, this 6th day of May 1959.

For the Government of the United States of America:

PHILIP YOUNG.

For the Government of the Kingdom of the Netherlands:

———— ————.

THE WHITE HOUSE,
Washington, May 4, 1959.

MEMORANDUM FOR THE SECRETARY OF DEFENSE, THE CHAIRMAN, ATOMIC ENERGY COMMISSION

In your joint letter to me of May 1, 1959, you recommended that I approve a proposed Agreement Between the Government of the United States of America and the Government of the Netherlands for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

The Netherlands is participating with the United States in an international arrangement pursuant to which it is making substantial and material contributions to the mutual defense and security. The proposed agreement will permit cooperation necessary to improve the state of training and operational readiness of the armed forces of the Netherlands, subject to provisions, conditions, guarantees, terms, and special determinations, which are most appropriate in this important area of mutual assistance, in accordance with the agreement in principle reached in December 1957.

Having considered your joint recommendations and the cooperation provided for in the agreement, including security safeguards and other terms and conditions of the agreement, I hereby

(1) approve the program for the transfer of nonnuclear parts of atomic weapon systems involving restricted data under the terms and conditions provided in your joint letter and the proposed agreement; however, types, quantities and conditions of transfer of such parts are subject to my further approval;

(2) determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(3) approve the proposed agreement and authorize its execution for the Government of the United States in a manner designated by the Secretary of State.

After execution of the agreement, I shall submit it to the Congress.

I am forwarding a copy of this memorandum to the Secretary of State.

DWIGHT D. EISENHOWER.

MAY 1, 1959.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: There is hereby submitted for your consideration and approval a proposed Agreement Between the Government of the United States of America and the Government of The Netherlands for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

The proposed agreement will permit, under the authority of sections 91c and 144b of the Atomic Energy Act of 1954, as amended, the transfer of classified information and certain equipment necessary for the purpose of improving the state of training and operational readiness of the armed forces of the Netherlands. The December 1957 NATO heads of Government meeting established the concept of a stockpile of arms for the strengthening of NATO's defenses, and this present agreement is an important part of the implementation of this concept. The carrying out of this agreement should do much to advance our mutual defense interests, including the vital cause of strengthening the NATO defensive alliance, and will thereby aid materially in the defense of the United States.

Article II of the agreement provides for the transfer of classified information, including "Restricted Data" and "Formerly Restricted Data," necessary to the development of defense plans; the training of personnel in the employment of and the defense against atomic weapons and other military applications of atomic energy; the evaluation of the capability of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and the development of delivery systems capable of carrying atomic weapons.

Article III of the agreement provides that the United States will transfer nonnuclear parts of atomic weapons systems involving restricted data (other than nonnuclear parts of atomic weapons) for the purpose of improving the state of training and operational readiness of the armed forces of The Netherlands. However, in view of section 91c. of the Atomic Energy Act, the applicability of which is reflected in article IV of the agreement, no transfer can be made if it would contribute significantly to the recipient nation's atomic weapon design, development or fabrication capability. It is not possible to determine at this time the types, quantities and conditions of transfer, whether by sale, lease or loan, of these parts which it will become necessary to transfer for our mutual defense during the period of the agreement. Accordingly, under the terms and conditions of the agreement, it will be necessary to determine from time to time the types, quantities and conditions of transfer and such determination shall be submitted for your approval.

The agreement would remain in force until terminated by agreement of both parties, thus assuring continued protection for the information and equipment transferred in accordance with the provisions of the agreement. However, cooperation for the transfer of information and equipment under articles II and III of the agreement may be discontinued by either party in the event of the termination of the North Atlantic Treaty.

In accordance with the provisions of sections 91c and 144b of the Atomic Energy Act of 1954, the agreement specifically provides in article I that all cooperation under the agreement will be undertaken only when the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security. Article I of the agreement also provides, in accordance with the act, that all cooperation under the agreement will be undertaken only while the United States and the Netherlands are participating in an international arrangement for their mutual defenses and security and making substantial and material contributions thereto. Cooperation under articles II and III of the agreement would be undertaken only when these conditions prevail.

Article IV of the agreement stipulates that the cooperation under the agreement will be carried out by each of the parties in accordance with its applicable laws. Article IV also makes clear that there will be no transfer under the agreement of atomic weapons, nonnuclear parts of atomic weapons or special nuclear material.

In addition to the foregoing provisions on the terms, conditions, duration, nature and scope of cooperation, the agreement provides that the parties will maintain agreed security safeguards and standards. The agreement also contains particular commitments that the recipient of any equipment or information that is obtained pursuant to the agreement will not transfer it to unauthorized persons and will not transfer it beyond the jurisdiction of the recipient

party, except in limited circumstances specifically provided in the agreement.

The Netherlands is now participating with the United States in an international arrangement pursuant to which the Netherlands is making substantial and material contributions to the mutual defense and security. It is the view of the Department of Defense and the Atomic Energy Commission that this agreement is entirely in accord with the provisions of the Atomic Energy Act of 1954, as amended. It is the considered opinion of the Department of Defense and the Atomic Energy Commission that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

Accordingly, it is recommended that you (a) approve the program for the transfer of nonnuclear parts of atomic weapon systems involving restricted data under the terms and conditions provided in this letter and the proposed agreement; however, types, quantities and conditions of transfer of such parts are subject to your later approval;

(b) determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(c) approve the proposed agreement and authorize its execution for the Government of the United States in a manner specified by the Secretary of State:

The Secretary of State concurs in the foregoing recommendations.

Respectfully yours,

QUARLES,
Secretary of Defense.
McCONE,
Chairman, Atomic Energy Commission.

REPUBLIC OF TURKEY,
Vilayet of Ankara, City of Ankara, Embassy of the United States of America, ss:

I, Richard D. Forster, Vice Counsel of the United States of America at Ankara, Turkey, duly commissioned and qualified, do hereby certify that the annexed copy of note No. 2422 dated May 5, 1959, and signed by the Honorable Fletcher Warren, American Ambassador at Ankara, Turkey, is a true and faithful copy of the original note addressed to His Excellency Fatin Rustu Zorlu, Minister of Foreign Affairs for the Republic of Turkey the same having been carefully examined by me and compared with the said original and found to agree therewith word for word and figure for figure.

In witness whereof I have hereunto set my hand and official seal this 7th day of May 1959.

RICHARD D. FORSTER,
Vice Consul of the United States of America.

No. 2422.

ANKARA, *May 5, 1959.*

His Excellency FATIN RUSTU ZORLU,
Minister of Foreign Affairs, Ankara.

EXCELLENCY: I have the honor to refer to the decisions taken at the North Atlantic Treaty heads of government meeting in December 1957 and to propose the following agreement between the Government of the United States of America and the Government of Turkey for cooperation on the uses of atomic energy for mutual defense purposes:

The Government of the United States of America and the Government of Turkey,

Considering that they have concluded a mutual defense assistance agreement pursuant to which each government will make available to the other equipment, materials, services, or the military assistance in accordance with such terms and conditions as may be agreed;

Considering that their mutual security and defense require that they be prepared to meet the contingencies of atomic warfare;

Considering that they are participating together in an international arrangement pursuant to which they are making substantial and material contributions to their mutual defense and security;

Recognizing that their common defense and security will be advanced by the exchange of information concerning atomic energy and by the transfer of certain types of equipment;

Believing that such exchange and transfer can be undertaken without risk to the defense and security of either country; and

Taking into consideration the U.S. Atomic Energy Act of 1954, as amended, and all applicable statutes of Turkey, which were enacted or prepared with these purposes in mind,

Have agreed as follows:

ARTICLE I. GENERAL PROVISION

While the United States and Turkey are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto, each party will communicate to and exchange with the other party information and transfer nonnuclear parts of atomic weapons systems involving restricted data to the other party in accordance with the provisions of this agreement, provided that the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security.

ARTICLE II. EXCHANGE OF INFORMATION

Each party will communicate to or exchange with the other party such classified information as is jointly determined to be necessary to:

A. The development of defense plans;

B. The training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy;

C. The evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and

D. The development of delivery systems compatible with the atomic weapons which they carry.

ARTICLE III. TRANSFER OF NONNUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS

The Government of the United States will transfer to the Government of Turkey, subject to terms and conditions to be agreed, nonnuclear parts of atomic weapons systems involving restricted data as such parts are jointly determined to be necessary for the purpose of improving Turkish state of training and operational readiness.

ARTICLE IV. CONDITIONS

A. Cooperation under this agreement will be carried out by each of the parties in accordance with its applicable laws.

B. Under this agreement there will be no transfer by either party of atomic weapons, nonnuclear parts of atomic weapons, or special nuclear materials.

C. The information communicated or exchanged, or nonnuclear parts of atomic weapons systems transferred, by either party pursuant to this agreement shall be used by the recipient party exclusively for the preparation or implementation of defense plans in the mutual interests of the two countries.

D. Nothing in this agreement shall preclude the communication or exchange of classified information which is transmissible under other arrangements between the parties.

ARTICLE V. GUARANTEES

A. Classified information and nonnuclear parts of atomic weapons systems communicated or transferred pursuant to this agreement shall be accorded full security protection under applicable security arrangements between the parties and applicable national legislation and regulations of the parties. In no case shall either party maintain security standards for safeguarding classified information, and nonnuclear parts of atomic weapons systems, made available pursuant to this agreement less restrictive than those set forth in the applicable security arrangements in effect on the date this agreement comes into force.

B. Classified information communicated or exchanged pursuant to this agreement will be made available through channels existing or hereafter agreed for the communication or exchange of such information between the parties.

C. Classified information, communicated or exchanged, and any nonnuclear parts of atomic weapons systems transferred pursuant to this agreement shall not be communicated, exchanged, or transferred by the recipient party or persons under its jurisdiction to any unauthorized persons or, except as provided in article VI of this agreement, beyond the jurisdiction of that party. Each party may stipulate the degree to which any of the information and nonnuclear parts of atomic weapons systems communicated, exchanged, or transferred by it or persons under its jurisdiction pursuant to this agreement may be disseminated or distribtued; may specify the categories of persons who may have access to such information or nonnuclear parts of atomic weapons systems; and may impose such other restrictions on the dissemination or distribution of such information or nonnuclear parts of atomic weapons systems as it deems necessary.

ARTICLE VI. DISSEMINATION

Nothing in this agreement shall be interpreted or operate as a bar or restriction to consultation or cooperation in any field of defense by either party with other nations or international organizations. Neither party, however, shall so communicate classified information or transfer or permit access to or use of nonnuclear parts of atomic weapons systems made available by the other party pursuant to this agreement unless:

A. It is notified by the originating party that all appropriate provisions and requirements of the originating party's applicable laws, including authorization by competent bodies of the originating party, have been complied with which would be necessary to authorize the originating party directly so to communicate to, transfer to, permit access to or use by such other nation or international organization; and further that the originating party authorizes the recipient party so to communicate to, transfer to, permit access to or use by such other nation or international organization; or

B. The originating party has informed the recipient party that the originating party has so communicated to, transferred to, permitted access to or use by such other nation or international organization.

ARTICLE VII. CLASSIFICATION POLICIES

Agreed classification policies shall be maintained with respect to all classified information and nonnuclear parts of atomic weapons systems communicated, exchanged or transferred under this agreement.

ARTICLE VIII. RESPONSIBILITY FOR USE OF INFORMATION AND NONNUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS

The application or use of any information (including design, drawing, and specifications) or nonnuclear parts of atomic weapons systems communicated, exchanged or transferred under this agreement shall be the responsibility of the party receiving it, and the other party does not provide any indemnity or warranty with respect to such application or use.

ARTICLE IX. PATENTS

The recipient party shall use the classified information communicated or revealed by equipment transferred hereunder for the purposes specified herein only. Any inventions or discoveries resulting from possession of such information on the part of the recipient party or persons under its jurisdiction shall be made available to the other party for defense purposes without charge in accordance with such arrangements as may be agreed and shall be safeguarded in accordance with the provisions of article V of this agreement.

ARTICLE X. DEFINITIONS

For the purposes of this agreement:

A. "Atomic weapon" means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device.

B. "Classified information" means information, data, materials, services or any other matter with the security designation of "confidential" or higher applied under the legislation or regulations of either the United States or Turkey, including that designated by the Government of the United States as "restricted data" or "formerly restricted data" and that designated by the Government of Turkey as "atomic."

C. "Nonnuclear parts of atomic weapons" means parts of atomic weapons which are specially designed for them and are not in general use in other end products and which are not made of, in whole or in part, special nuclear material; and "nonnuclear parts of atomic weapons systems involving restricted data" means parts of atomic weapons systems, other than nonnuclear parts of atomic weapons, which contain or reveal atomic information and which are not made of, in whole or in part, special nuclear material.

D. As used in this agreement, the term "atomic information" means:

1. So far as concerns information provided by the Government of the United States, information which is designated "restricted data" or "formerly restricted data."

2. So far as concerns information provided by the Government of Turkey information which is designated "atomic."

ARTICLE XI. DURATION

This agreement shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all legal requirements for the entry into force of this agreement, and shall remain in force until terminated by agreement of both parties except that either party may terminate its cooperation under article II or III upon the expiration of the North Atlantic Treaty.

If the foregoing is acceptable to your Government, I have the honor to propose that this note and your reply thereto, Excellency, shall constitute an agreement between our Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

His Excellency Monsieur FLETCHER WARREN, *Ambassador Extraordinary and Plenipotentiary, Embassy of the United States of America.*

EXCELLENCY: I have the honor to acknowledge the receipt of your note of today's date, which reads as follows:

"EXCELLENCY: I have the honor to refer to the decisions taken at the North Atlantic Treaty heads of Government meeting in December 1957 and to propose the following agreement between the Government of the United States of America and the Government of Turkey for cooperation on the uses of atomic energy for mutual defense purposes:

"The Government of the United States of America and the Government of Turkey,

"Considering that they have concluded a mutual defense assistance agreement pursuant to which each Government will make available to the other equipment, materials, services or the military assistance in accordance with such terms and conditions as may be agreed,

"Considering that their mutual security and defense require that they be prepared to meet the contingencies of atomic warfare;

"Considering that they are participating together in an international arrangement pursuant to which they are making substantial and material contributions to their mutual defense and security;

"Recognizing that their common defense and security will be advanced by the exchange of information concerning atomic energy and by the transfer of certain types of equipment;

"Believing that such exchange and transfer can be undertaken without risk to the defense and security of either country; and

"Taking into consideration the U.S. Atomic Energy Act of 1954, as amended, and all applicable statutes of Turkey, which were enacted or prepared with these purposes in mind,

"Have agreed as follows:

"ARTICLE I. GENERAL PROVISION

"While the United States and Turkey are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto, each party will communicate to and exchange with the other party information and transfer nonnuclear parts of atomic weapons systems involving restricted data to the other party in accordance with the provisions of this agreement, provided that the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security.

"ARTICLE II. EXCHANGE OF INFORMATION

"Each party will communicate to or exchange with the other party such classified information as is jointly determined to be necessary to:

"A. The development of defense plans;

"B. The training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy;

"C. The evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and

"D. The development of delivery systems compatible with the atomic weapons which they carry.

"ARTICLE III. TRANSFER OF NONNUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS

"The Government of the United States will transfer to the Government of Turkey, subject to terms and conditions to be agreed, nonnuclear parts of atomic weapons systems involving restricted data as such parts are jointly determined to be necessary for the purpose of improving Turkish state of training and operational readiness.

"ARTICLE IV. CONDITIONS

"A. Cooperation under this agreement will be carried out by each of the parties in accordance with its applicable laws.

"B. Under this agreement there will be no transfer by either party of atomic weapons, nonnuclear parts of atomic weapons, or special nuclear materials.

"C. The information communicated or exchanged, or nonnuclear parts of atomic weapons systems transferred, by either party pursuant to this agreement shall be used by the recipient party exclusively for the preparation or implementation of defense plans in the mutual interests of the two countries.

"D. Nothing in this agreement shall preclude the communication or exchange of classified information which is transmissible under other arrangements between the parties.

"ARTICLE V. GUARANTEES

"A. Classified information and nonnuclear parts of atomic weapons systems communicated or transferred pursuant to this agreement shall be accorded full security protection under applicable security arrangements between the parties and applicable national legislation and regulations of the parties. In no case shall either party maintain security standards for safeguarding classified information, and nonnuclear parts of atomic weapons systems, made available pursuant to this agreement less restrictive than those set forth in the applicable security arrangements in effect on the date this agreement comes into force.

"B. Classified information communicated or exchanged pursuant to this agreement will be made available through channels existing or hereafter agreed for the communication or exchange of such information between the parties.

"C. Classified information, communicated or exchanged, and any nonnuclear parts of atomic weapons systems transferred pursuant to this agreement shall not be communicated, exchanged or transferred by the recipient party or persons under its jurisdiction to any unauthorized persons or, except as provided in article VI of this agreement, beyond the jurisdiction of that party. Each party may stipulate the degree to which any of the information and nonnuclear parts of atomic weapons systems communicated, exchanged or transferred by it or persons under its jurisdiction pursuant to this agreement may be disseminated or distributed; may specify the categories of persons who may have access to such information or nonnuclear parts of atomic weapons systems; and may impose such other restrictions on the dissemination or distribution of such information or nonnuclear parts of atomic weapons systems as it deems necessary.

"ARTICLE VI. DISSEMINATION

"Nothing in this agreement shall be interpreted or operate as a bar or restriction to consultation or cooperation in any field of defense by either party with other nations or international organizations. Neither party, however, shall so communicate classified information or transfer or permit access to or use of nonnuclear parts of atomic weapons system made available by the other party pursuant to this agreement unless:

"A. It is notified by the originating party that all appropriate provisions and requirements of the originating party's applicable laws, including authorization by competent bodies of the originating party, have been complied with which would be necessary to authorize the originating party directly so to communicate to, transfer to, permit access to, or use by such other nation or international organization; and further that the originating party authorizes the recipient party so to communicate to, transfer to, permit access to, or use by such other nation or international organization; or

"B. The originating party has informed the recipient party that the originating party has so communicated to, transferred to, permitted access to, or use by such other nation or international organization.

"ARTICLE VII. CLASSIFICATION POLICIES

"Agreed classification policies shall be maintained with respect to all classified information and nonnuclear parts of atomic

weapons systems communicated, exchanged, or transferred under this agreement.

"ARTICLE VIII. RESPONSIBILITY FOR USE OF INFORMATION AND NONNUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS

"The application or use of any information (including design drawing and specifications) or nonnuclear parts of atomic weapons system communicated, exchanged, or transferred under this agreement shall be the responsibility of the party receiving it, and the other party does not provide any indemnity or warranty with respect to such application or use.

"ARTICLE IX. PATENTS

"The recipient party shall use the classified information communicated or revealed by equipment transferred hereunder for the purposes specified herein only. Any inventions or discoveries resulting from possession of such information on the part of the recipient party or persons under its jurisdiction shall be made available to the other party for defense purposes without charge in accordance with such arrangements as may be agreed and shall be safeguarded in accordance with the provisions of article V of this agreement.

"ARTICLE X. DEFINITIONS

"For the purposes of this agreement:

"A. 'Atomic weapon' means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device.

"B. 'Classified information' means information, data, materials, services, or any other matter with the security designation of 'confidential' or higher applied under the legislation or regulations of either the United States or Turkey, including that designated by the Government of the United States as 'restricted data' or 'formerly restricted data' and that designated by the Government of Turkey as 'atomic.'

"C. 'Nonnuclear parts of atomic weapons' means parts of atomic weapons which are specially designed for them and are not in general use in other end products and which are not made of, in whole or in part, special nuclear material; and 'nonnuclear parts of atomic weapons systems involving restricted data' means parts of atomic weapons systems, other than nonnuclear parts of atomic weapons, which contain or reveal atomic information and which are not made of, in whole or in part, special nuclear material.

"D. As used in this agreement, the term 'atomic information' means:

"1. So far as concerns information provided by the Government of the United States, information which is designated 'restricted data' and 'formerly restricted data.'

"2. So far as concerns information provided by the Government of Turkey information which is designated 'atomic.'

"ARTICLE XI. DURATION

"This agreement shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all legal requirements for the entry into force of this agreement, and shall remain in force until terminated by agreement of both parties except that either party may terminate its cooperation under article II or III upon the expiration of the North Atlantic Treaty.

"If the foregoing is acceptable to your Government I have the honor to propose that this note and your reply thereto, Excellency, shall constitute an agreement between our Governments."

In reply, I have the honor to inform you that the Government of the Turkish Republic accept the above proposals and agree that your note, together with this reply, shall constitute an agreement between the two Governments which shall take effect this day.

Accept, Excellency, the renewed assurances of my highest consideration.

THE WHITE HOUSE,
Washington, May 4, 1959.

MEMORANDUM FOR THE SECRETARY OF DEFENSE, THE CHAIRMAN, ATOMIC ENERGY COMMISSION

In your joint letter to me of May 1, 1959, you recommended that I approve a proposed agreement between the Government of the United States of America and the Government of Turkey for cooperation on the uses of atomic energy for mutual defense purposes.

Turkey is participating with the United States in an international arrangement pursuant to which it is making substantial and material contributions to the mutual defense and security. The proposed agreement will permit cooperation necessary to improve the state of training and operational readiness of the armed forces of Turkey, subject to provisions, conditions, guarantees, terms, and special determinations, which are most appropriate in this important area of mutual assistance, in accordance with the agreement in principle reached in December 1957.

Having considered your joint recommendations and the cooperation provided for in the agreement, including security safeguards and other terms and conditions of the agreement, I hereby—

(1) Approve the program for the transfer of nonnuclear parts of atomic weapon systems involving restricted data under the terms and conditions provided in your joint letter and the proposed agreement; however, types, quantities and conditions of transfer of such parts are subject to my further approval;

(2) Determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(3) Approve the proposed agreement and authorize its execution for the Government of the United States in a manner designated by the Secretary of State.

After execution of the agreement, I shall submit it to the Congress.

I am forwarding a copy of this memorandum to the Secretary of State.

DWIGHT D. EISENHOWER.

MAY 1, 1959.

DEAR MR. PRESIDENT: There is hereby submitted for your consideration and approval a proposed agreement between the Government of the United States of America and the Government of Turkey for cooperation on the uses of atomic energy for mutual defense purposes.

The proposed agreement will permit, under the authority of sections 19c and 144b of the Atomic Energy Act of 1954, as amended, the transfer of classified information and certain equipment necessary for the purpose of improving the state of training and operational readiness of the armed forces of Turkey. The December 1957 NATO heads of government meeting established the concept of a stockpile of arms for the strengthening of NATO's defenses, and this present agreement is an important part of the implementation of this concept. The carrying out of this agreement should do much to advance our mutual defense interests, including the vital cause of strengthening the NATO defensive alliance, and will thereby aid materially in the defense of the United States.

Article II of the agreement provides for the transfer of classified information, including "restricted data" and "formerly restricted data," necessary to the development of defense plans; the training of personnel in the employment of and the defense against atomic weapons and other military applications of atomic energy; the evaluation of the capability of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and the development of delivery systems capable of carrying atomic weapons.

Article III of the agreement provides that the United States will transfer nonnuclear parts of atomic weapons systems involving restricted data (other than nonnuclear parts of atomic weapons) for the purpose of improving the state of training and operational readiness of the armed forces of Turkey. However, in view of section 91c of the Atomic Energy Act, the applicability of which is reflected in article IV of the agreement, no transfer can be made if it would contribute significantly to the recipient nation's atomic weapon design, development or fabrication capability. It is not possible to determine at this time the types, quantities and conditions of transfer, whether by sale, lease or loan, of those parts which it will become necessary to transfer for our mutual defense during the period of the agreement. Accordingly, under the terms and conditions of the agreement, it will be necessary to determine from time to time the types, quantities, and conditions of transfer and such determination shall be submitted for your approval.

The agreement would remain in force until terminated by agreement of both parties, thus assuring continued protection for the information and equipment transferred in accordance with the provision of the agreement. However, cooperation for the transfer of information and equipment under articles II and III of the agreement may be discontinued by either party in the event of the termination of the North Atlantic Treaty.

In accordance with the provisions of sections 91c and 144b of the Atomic Energy Act of 1954, the agreement specifically provides in article I that all cooperation under the agreement will be undertaken only when the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security. Article I of the agreement also provides, in accordance with the act, that all cooperation under the agreement will be undertaken only while the United States and Turkey are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto. Cooperation under articles II and III of the agreement would be undertaken only when those conditions prevail.

Article IV of the agreement stipulates that the cooperation under the agreement will be carried out by each of the parties in accordance with its applicable laws. Article IV also makes clear that there will be no transfer under the agreement of atomic weapons, nonnuclear parts of atomic weapons, or special nuclear material.

In addition to the foregoing provisions on the terms, conditions, duration, nature, and scope of cooperation, the agreement provides that the parties will maintain agreed security safeguards and standards. The agreement also contains particular commitments that the recipient of any equipment or information that is obtained pursuant to the agreement will not transfer it to unauthorized persons and will not transfer it beyond the jurisdiction of the recipient party, except in limited circumstances specifically provided in the agreement.

Turkey is now participating with the United States in an international arrangement pursuant to which Turkey is making substantial and material contributions to the mutual defense and security. It is the view of the Department of Defense and the Atomic Energy Commission that this

agreement is entirely in accord with the provisions of the Atomic Energy Act of 1954, as amended. It is the considered opinion of the Department of Defense and the Atomic Energy Commission that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

Accordingly, it is recommended that you (a) approve the program for the transfer of nonnuclear parts of atomic weapon systems involving restricted data under the terms and conditions provided in this letter and the proposed agreements; however, types, quantities and conditions of transfer of such parts are subject to your later approval; (b) determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and (c) approve the proposed agreement and authorize its execution for the Government of the United States in a manner specified by the Secretary of State:

The Secretary of State concurs in the foregong recommendations.

Respectfully yours,

McCONE,
Chairman, Atomic Energy Commission.

QUARLES,
Secretary of Defense.

AGREEMENT FOR COOPERATION WITH INTERNATIONAL ATOMIC ENERGY AGENCY, RELATING TO PEACEFUL USES OF ATOMIC ENERGY

Mr. PASTORE. Mr. President, pursuant to section 123c of the Atomic Energy Act of 1954, as amended, the following documents were submitted to the Joint Committee on Atomic Energy on May 27 and June 3, 1959:

First. An executed Agreement for Cooperation Between the International Atomic Energy Agency and the United States of America;

Second. A letter dated May 1, 1959, from the Commission to the President recommending approval of the agreement; and

Third. A letter dated May 2, 1959, from the President to the Commission containing his determination that it will promote and will not constitute an unreasonable risk to the common defense and security, approving the agreement, and authorizing its execution.

This agreement will make it possible for the Agency to draw on the uranium-235 pledged to the Agency by President Eisenhower at the conference which approved the IAEA statute at United Nations Headquarters in 1956. The special nuclear materials covered by this agreement will be furnished by the United States at not less than the Atomic Energy Commission's published charges applicable to the domestic distribution of such material and provides for up to $50,000 worth of special nuclear material to be made available without charge during any calendar year for research on peaceful uses or for medical therapy.

The agreement provides for the transfer and export of equipment and facilities, subject to applicable laws, regulations, and license requirements of the United States, as well as for the performance of services for the Agency by persons under the jurisdiction of the United States. It also provides for the United States to undertake to reprocess the return of both special nuclear and source material made available to this agreement.

The agreement will enter into force when the parties have exchanged notifications that their respective statutory and constitutional requirements have been fulfilled and will remain in force for a period of 20 years.

I ask that these documents be printed in the RECORD at this point.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, May 2, 1959.

The Honorable JOHN A. McCONE,
Chairman, Atomic Energy Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: Under the date of May 1, 1959, the Atomic Energy Commission recommended that I approve the proposed agreement entitled "Agreement for Cooperation Between the International Atomic Energy Agency and the United States of America," and authorize its execution.

The agreement, which was negotiated pursuant to the Atomic Energy Act of 1954, as amended, and which, in the opinion of the Commission, is an important and desirable step in advancing the development of the peaceful uses of atomic energy, has been reviewed. The agreement sets forth a number of areas of cooperation between the United States and the Agency, including the transfer of special nuclear and source material, and the application or use of equipment, facilities or information.

The United States agrees to make available to the Agency, at the Commission's published charges applicable to domestic distribution, 5,000 kilograms of contained uranium 235 together with amounts which will match the sum of all quantities made available by all other member states prior to July 1, 1960, and such additional quantities as may be authorized by the United States. The United States undertakes to assist the Agency in obtaining source material from persons under U.S. jurisdiction, and to accept for reprocessing both special nuclear and source material made available under this agreement. At the Agency's request, the United States may purchase special nuclear material recovered or produced as a result of Agency activities.

Provision is made for the transfer and export of equipment and facilities, subject to the applicable laws, regulations and license requirements of the United States, as well as for the performance of services for the Agency. The United States does not warrant the suitability of any material, equipment, facilities or information for any particular use or application. All leases of special nuclear, source or reactor material made pursuant to this agreement shall include a mutually acceptable provision relieving the lessor of liabilty in connection with material after delivery.

No restricted data will be communicated under this agreement, and all guarantees prescribed in the Atomic Energy Act of 1954, as amended, are contained therein.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby—

(1) Determine that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(2) Approve the proposed agreement for cooperation between the International Atomic Energy Agency and the United States of America enclosed with your letter of May 1, 1959; and

(3) Authorize the execution of the proposed agreement for the Government of the United States of America by the U.S. representative (or acting U.S. representative) to the International Atomic Energy Agency.

It is my hope that this agreement will lead to further cooperation between the United States and the International Atomic Energy Agency in the peaceful uses of atomic energy.

Sincerely,

DWIGHT D. EISENHOWER.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., May 1, 1959.

The PRESIDENT,
The White House

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed agreement entitled "Agreement for Cooperation Between the International Atomic Energy Agency and the United States of America," and authorize its execution. The Department of State supports the Commission's recommendation.

The agreement has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, and is, in the opinion of the Commission, an important and desirable step in advancing the development of the peaceful uses of atomic energy in accordance with the policy which you have established.

The agreement is especially noteworthy in that it will provide the basis for the transfer of special nuclear materials to the Agency in accordance with your offer of October 26, 1956. In addition the agreement sets forth a number of areas of cooperation between the United States and the Agency in the peaceful uses of atomic energy, including the transfer of source material and the application or use of equipment, facilities or information.

The United States agrees to make available to the Agency 5,000 kilograms of contained uranium 235 together with amounts which will match the sum of all quantities made available by all other member states prior to July 1, 1960, and such additional quantities as may be authorized by the United States. Special nuclear material will be made available at the Commission's published charges applicable to domestic distribution. The United States will assist the Agency in obtaining source material from persons under United States jurisdiction, and if no commercial sources are available on reasonable terms, the United States may make such material available to the Agency.

The United States undertakes to accept the return of source and special nuclear material made available pursuant to this agreement for reprocessing. At the Agency's request, the United States may purchase special nuclear material recovered or produced from special nuclear and source material as a result of Agency activities.

Provision is made for the transfer and export of equipment and facilities, subject to the applicable laws, regulations and license requirements of the United States, as well as for the performance of services for the Agency.

The United States does not warrant the suitability of any material, equipment, facilities or information for any particular use or application. All leases of special nuclear, source or reactors material made pursuant to this agreement shall include a mutually acceptable provision relieving the lessor of liability in connection with material after delivery. No restricted data will be communicated under this agreement, and all the guarantees prescribed in the Atomic Energy Act of 1954, as amended, are contained therein.

Following your approval and subject to the authorization requested, the agreement will be formally executed by the appropriate authorities of the Government of the United

States of America, represented by the United States Representative (or Acting United States Representative) to the International Atomic Energy Agency, and the International Atomic Energy Agency. In compliance with Section 123c of the Atomic Energy Act of 1954, as amended, the Agreement will then be placed before the Joint Committee on Atomic Energy.

Respectfully,

———— ————,
Chairman.

(Enclosure: Agreement for Cooperation With the International Atomic Energy Agency.)

AGREEMENT FOR COOPERATION BETWEEN THE UNITED STATES OF AMERICA AND THE INTERNATIONAL ATOMIC ENERGY AGENCY

The United States of America and the International Atomic Energy Agency,

Desiring to set forth areas of cooperation in the peaceful application of atomic energy including the basis on which special nuclear material, source material, and reactor material will be made available by the United States to the Agency for use in Agency activities:

Agree as follows:

ARTICLE I

For purposes of this agreement:

(a) "Agency" means the International Atomic Energy Agency.

(b) "United States" means the Government of the United States of America, or any agency of the U.S. Government acting on behalf of the United States.

(c) "Parties" mean the United States and the Agency. "Party" means one of the abovementioned "parties."

(d) "Agency Statute" means the Statute of the Agency as amended from time to time.

(e) "Person" means (1) any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, government agency and (2) any legal successor, representative, agent or agency of the foregoing.

(f) "Reactor material" means any material, other than special nuclear material or source material, of especial importance or desirability for use in reactors or in research thereon.

(g) "Source material" means (1) uranium, thorium, or any other material determined by mutual agreement of the United States and the Agency to be source material; (2) any of the foregoing in the form of metal, alloy, chemical compound, or concentrate; or (3) ores containing one or more of the foregoing materials, in such concentration as may be determined from time to time by mutual agreement.

(h) "Special nuclear material" means plutonium-239, uranium-233, uranium enriched in the isotopes 235 or 233, any material containing one or more of the foregoing, now specified as "special fissionable material" in subparagraph 1, article XX of the Agency statute, and any other material determined by mutual agreement of the United States and the Agency to be special nuclear material. Special nuclear material does not include "reactor material" or source material.

(i) "Agency activity" means any activity set up by the Agency or any member or group of members thereof under the aegis of the Agency or conducted with the assistance of the Agency for research or development or practical application of atomic energy for peaceful purposes.

ARTICLE II

A. The United States will make available to the Agency pursuant to the Agency statute, as set forth in paragraph B of this article, for use in Agency activities 5,000 kilograms of contained uranium-235 together with the amounts of special nuclear material which will match in amount the sum of all quantities of special nuclear material made available by all other members of the Agency prior to July 1, 1960. The United States will also, from time to time, make available to the Agency such additional quantities of special nuclear materials, including contained uranium-235, as may be authorized by the United States. The uranium supplied hereunder may be enriched up to 20 percent in the isotope uranium-235 provided, however, that the parties may agree to a higher enrichment with respect to uranium to be used in research reactors, material testing reactors or for research purposes.

B. The United States undertakes to make special nuclear material available to the Agency at the U.S. Atomic Energy Commission's published charges applicable to the domestic U.S. distribution of such material in effect at the time, it being understood that the foregoing shall not affect the existence of the Commission's authority to assist and encourage research on peaceful uses or for medical therapy by making such material available to the Agency without charge during any calendar year in a quantity which at the time of transfer does not exceed in value US$50,000.

C. The special nuclear material made available to the Agency pursuant to the Agency statute will be used or pursuant to the Agency's direction and in its behalf distributed by the Agency in accordance with the statute of the Agency and rules and regulations made pursuant thereto. The United States will retain such material until needed by the Agency. When requested by the Agency, the United States will deliver such material to the Agency or pursuant to the Agency's direction and in its behalf to a member or a group of members designated by the Agency. The parties shall agree on the compensation for such material, its form and composition, delivery schedule, and related matters.

D. The United States will assist the Agency in obtaining source material and reactor materials from persons under the jurisdiction of the United States, if the Agency wishes. If no commercial sources are available to the Agency on reasonable terms, the United States may make such material available to the Agency. Such material made available to the Agency will be used or pursuant to the Agency's direction and in its behalf distributed by the Agency in accordance with the statute of the Agency and rules and regulations made pursuant thereto. The United States, when requested by the Agency, will deliver such material to the Agency or pursuant to the Agency's direction and in its behalf to a member or group of members designated by the Agency. The parties shall agree on the compensation for such material, its form and composition, delivery schedule, and related matters.

E. The United States will accept the return of source and special nuclear material made available pursuant to this agreement for reprocessing on terms and conditions to be agreed, and will, unless the parties agree otherwise, return to the Agency either the amount of source and special nuclear material recovered therefrom or an equivalent amount of source and special nuclear material recoverable therefrom.

F. The United States may, at the request of the Agency, and subject to the laws of the United States and to the Agency statute, purchase, for use solely in the peaceful application of atomic energy, special nuclear material recovered or produced from special nuclear material and source material as a result of Agency activities, at such prices and on such other terms and conditions as may be agreed.

ARTICLE III

The application or use of any material, equipment, or facilities, or use of any information (including design drawings and specifications), made available by the United States shall be the responsibility of the Agency, or of any member of the Agency to which the Agency shall transfer such material, equipment, facilities, or information, in accordance with the Agency statute, and the United States does not warrant the suitability of such information, material, equipment, or facilities, for any particular use or application except to the extent the parties may otherwise specifically agree. All agreements for the lease of any special nuclear material, source material, or reactor material pursuant to this agreement shall include a mutually acceptable provision relieving the lessor of liability arising out of or in connection with material after delievry.

ARTICLE IV

The United States undertakes that subject to the applicable laws, regulations, and license requirements of the United States, persons under the jurisdiction of the United States will be permitted to make arrangements to transfer and export material, equipment, or facilities, and to perform services in the peaceful uses of atomic energy for the Agency, or upon request of the Agency, for a member or group of members of the Agency, or for a person under the jurisdiction of such member in connection with an Agency activity with which such member is associated.

ARTICLE V

The Agency guarantees, to the full extent of its statutory powers, that:

(a) The safeguards set forth in the Agency statute shall be maintained and implemented as provided in the Agency statute with respect to material, equipment, or facilities, made available by the United States or persons under its jurisdiction for use in Agency activities.

(b) No material, equipment, or facilities, transferred pursuant to this agreement will be used for atomic weapons or for research on or for development of atomic weapons or for any other military purposes.

(c) Material, equipment, or facilities, used, transferred or retransferred pursuant to this agreement shall be used or transferred only in accordance with the agency statute and this agreement.

ARTICLE VI

This agreement shall enter into force on the day on which each party to this agreement shall have received from the other party written notification that it has complied with all requirements for the entry into force of such agreement and shall remain in force for a period of 20 years.

In witness whereof, the undersigned representatives have signed this agreement pursuant to duly constituted authority.

Done at Vienna, in duplicate, this 11th day of May 1959.

For the United States of America:
HAROLD C. VEDELER.

For the International Atomic Energy Agency:
STERLING COLES.

Certified to be a true copy:
ELEANOR C. McDOWELL,
Office of the Legal Adviser, Department of State.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Newsletter dated May 25, 1959, from the office of Representative GEORGE McGOVERN, of South Dakota, relating to the food-for-peace bill.

By Mr. TALMADGE:

Statement by J. Craig Smith, president of Avondale Mills, and weekly column of Senator TALMADGE dated May 20, 1959, relating to the threat to the textile industry by reason of the trade and foreign aid policies of the United States with respect to subsidized exportation of raw cotton.

NOTICE OF HEARING ON NOMINATION OF DEMPSTER McINTOSH TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY TO COLOMBIA

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received the nomination of Dempster McIntosh, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Colombia, vice John M. Cabot.

In accordance with the committee rule, the pending nomination may not be considered prior to the expirations of 6 days.

NOTICES OF HEARINGS ON NOMINATIONS PENDING BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for 10:30 a.m., Tuesday, June 16, 1959, in room 2228, New Senate Office Building, on the following nominations:

Charles M. Metzner, of New York, to be U.S. district judge, southern district of New York, vice John W. Clancy, retired.

George L. Hart, Jr., of the District of Columbia, to be U.S. district judge, for the District of Columbia.

At the indicated time and place all persons interested in the above nominations may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

Also, Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for 10:30 a.m., Wednesday, June 17, 1959, in room 2228, New Senate Office Building, on the following nominations:

Leonard P. Walsh, of the District of Columbia, to be U.S. district judge, for the District of Columbia, vice Bolitha J. Laws, deceased.

Fred Kunzel, of California, to be U.S. district judge, for the southern district of California, vice Jacob Weinberger, retired.

At the indicated time and place all persons interested in the above nominations may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

Also, Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for 10:30 a.m., Thursday, June 18, 1959, in room 2228, New Senate Office Building, on the following nominations:

Myron D. Crocker, of California, to be U.S. district judge, for the southern district of California, vice Gilbert H. Jertberg, elevated.

Phillip Forman, of New Jersey, to be U.S. circuit judge, third circuit, vice Albert B. Maris, retired.

At the indicated time and place all persons interested in the above nominations may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

FEDERAL TAX REFORM OVERDUE

Mr. WILEY. Mr. President, the taxpayers of America—struggling under the burden of a complex, overlapping, loophole riddled tax system—are demanding in stronger and stronger voices a broad-scale reform of our tax statutes.

Why? Because the tax systems, local, State, and Federal, have become so complex, overlapping, and burdensome.

Briefly, let us take a look at the situation. According to a recent Tax Foundation review, a workingman with an income of $4,500 a year puts in more hours of labor to pay taxes than for any other item in the cost of living. The apportionment of time requirement, out of an 8-hour day, to meet specific costs include: 2 hours and 29 minutes to pay taxes; 1 hour and 39 minutes to buy food; 1 hour and 25 minutes to pay for housing; 37 minutes to buy clothing; and lesser amounts for other needs.

We recognize, too, there is the 25-percent top rate on capital gains; 52-percent corporate tax rate; and up to 91 percent personal income tax.

From time to time, we have, of course, had revisions of the tax system.

Currently, for example, the Ways and Means Committee of the House of Representatives is considering a reexamination of the tax situation.

Before Congress, too, are pending a wide variety of bills for cutting taxes of one kind or another. For the most part, these deal with particular provisions of the statutes.

Unfortunately, the overall system has grown to gargantuan size by a piecemeal method of imposing, revising, cutting, increasing, or rescinding taxes.

The time has come, I believe, for a top level review of the overall situation, to assure that the taxpayer is getting fair treatment, and that the tax system—particularly in the light of our budgetary problems—is reflecting changes in the economy and will meet today's challenge to our financial system.

That is why I introduced S. 1885, proposing a top level commission to carry out a complete overhaul of the tax system. The measure, I believe, merits early consideration by the Congress.

The purpose would be to: First, get a more realistic picture of exactly the size of the tax burden borne by each of us; second, plug loopholes; third, as appropriate, redistribute the tax burden more equitably; fourth, capture taxes that now may be escaping under the present system; fifth, make revisions in tax requirements in the light of changes in the economy—particularly important is this in situations where, in the past, special tax treatment has been accorded to particular segments of the economy.

Recently, Business Week published an article entitled "Tax Reform Gets Popular Again." The article reviews the many "new looks" which are being taken at the tax structure, again emphasizing, I believe, the need for a thorough overhaul of the tax structure.

I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX REFORM GETS POPULAR AGAIN

In the swashbuckling days of the past, tax cuts carved out with a meat axe were an accepted device to try and win elections. No more.

Fiscal responsibility is the watchword now with both Republicans and Democrats. Yet the mouth of the office seeker waters at the prospect of lightening the tax burden before a major election—call it reform, revision, or reduction, just so it's responsible.

This alone is enough to guarantee a present flurry of tax speculation, with the 1960 White House race in mind.

But in addition, by a happenstance of the business cycle, the best of all conditions for overhauling the tax structure in a responsible manner seems about to come true.

Revenues are rising from the powerful business upswing, spending is being held down close to what the administration hopes for, and budget surpluses are again a reasonable likelihood (Business Week, May 9, 1959, p. 23). This provides the headroom most tax reformers always say they need.

Block to growth

Moreover, there is general agreement that the present patchwork of basic legislation—most of it put together in a slapdash hunt for revenues during World War II—impedes growth in a variety of ways. Even ultra-liberals among the Democrats agree that some provisions needlessly hamper business and should be changed.

The tax structure is criticized as particularly ill-suited to the problems raised by the cold war and Russia's rising economic challenge. An overhaul of taxes to suit the needs of the 1960's is hailed almost everywhere in Washington as a useful device at least, and in some quarters as essential.

Spadework

Behind the talk, there is even some quiet spadework going on: Treasury experts are canvassing the situation. In January, Eisenhower all but promised tax reform next year if a surplus appears likely. He instructed Treasury Secretary Robert B. Anderson to draw up plans. Treasury officials say their studies are continuing, and admit that the conditions laid down by the President seem more likely every day to be realized.

Under Secretary Fred C. Scribner, Jr., in charge of the Treasury's tax studies, will prepare whatever recommendations the administration decides to make. Henry C. Wallich, who moved this week from the Treasury's top economics post to a place on the President's Council of Economic Advisers (Business Week, April 25, 1959, p. 30), has been working with Scribner. He will continue to play an active role in tax policy.

In the Ways and Means Committee of the House, where tax legislation originates, there is also a stirring. Committee chairman WILBUR MILLS, Democrat of Arkansas, long an advocate of rewriting the Revenue Code from top to bottom, has brought in a

tax reform specialist, Norman Ture, formerly with the Treasury and more recently a member of the professional staff of the Joint Economic Committee of Congress. MILLS and Ture are old associates.

Members of the Ways and Means Committee say Ture is exploring the present situation for MILLS. They believe he will be asked to stay if a major reform program seems feasible.

Roadblocks

But for all these omens, tax reform is far from an odds-on bet.

For one thing, MILLS and the Ways and Means Committee are swamped with a heavy burden of routine.

Their schedule is loaded with such highly important matters as a new renegotiation act, extension of present corporation and excise tax rates, how to raise money for highways, an expected request to raise the debt ceiling, liberalizing of taxes on income earned by U.S. corporations abroad, technical questions regarding corporate reorganizations, estates and trusts, and partnerships; the administration's request to increase the tax take from cooperatives, and revision of statutes covering depletion allowances for minerals.

"MILLS would like to think he's clearing the decks for the basic reform study he wants to make," one administration official says, "but actually he's not getting any closer. The committee will be exhausted by the time Congress goes home and won't want to tackle anything as ambitious as MILLS has in mind."

What kind of reform?

This is not the most important question hanging over tax reform, however.

There are basic differences of opinion about what kind of reform should be sought, and how. There are even doubts as to whether it should be sought at all, no matter how inviting the budget situation becomes. Here's a quick look at the chief ideas that are splitting Washington policymakers.

I. JUST TOKEN REFORM

One group wants no reform at all—or at most only a token.

This is really a novel defense of the administration's present goal of budget surpluses at all costs.

The plug for it starts by admitting most of the evils laid to the tax structure, but winds up by saying that after all these do not amount to much in an economy that is rapidly expanding toward the $500-billion mark. Rather than lower revenues even a few billion dollars as the price of reform, these men would prefer to see surpluses built up and the public debt reduced.

Reverse twist

"You'll get more growth from the burst of confidence this would create than you will by lowering taxes," one proponent puts it. Though basically a conservative and friendly to business, he does not see the 52 percent corporation tax rate, the 25 percent top rate on capital gains, or even the top-bracket 91 percent personal income rate, as the most important impediments to new investment and growth. He thinks high interest rates are more harmful.

"Instead of loose budgets and tight money," another top administration thinker suggests, "why not try tight budgets and easier credit." He argues that one reason the Federal Reserve has had to tighten up on credit repeatedly in recent years is the inflationary impact of budget deficits. If the budget should now produce a series of surpluses—thus releasing savings into the private investment stream—he believes interest rates could be allowed to drop.

Wallich, in a recent talk at the University of Michigan School of Business Administration, ranged himself on the side of those who believe budget surpluses would make a more positive contribution to growth than deficit. He also argued that the case for tax reform as a growth factor is usually overstated.

This approach is "intriguing," a skeptic admits—then hastens to add, "But you've got to figure on Congress—and Congress isn't going to hold down spending in order to reduce the national debt."

Prospect

A token amount of reform may be recommended by the administration in next January's budget messages. Some administration experts believe the greates teconomic thrust would come from a combination of more liberal depreciation allowances, a reduction of the top personal income tax bracket, and some easing of the capital gains tax.

II. REFORM BY RATE CUTS

This approach, backed by the National Association of Manufacturers and regarded with sympathy by some Treasury officials, sees existing high rates as the source of most tax troubles. Cut the rates, backers say, and all sorts of unhealthy pressures will disappear. Special groups such as farmers, the self-employed, and cooperatives would ease up on demands for preferential treatment. More savings would be channeled into risk ventures.

Representative A. S. HERLONG, JR., Democrat, of Florida, and Representative HOWARD H. BAKER, Republican, of Tennessee, members of the Ways and Means Committee, are sponsoring a bill that would reduce personal and corporate income taxes over a 5-year period. They would bring the top personal and corporate rate down to 47 percent.

The bill has not been scheduled for hearings, and its chances are virtually nil. Neither the Democratic leaders of Congress nor top policymakers in the administration are for this.

III. BASE BROADENING

The strategy of reform by broadening the tax base is the one favored by MILLS. He sees erosion of the base as the main problem, as Congress votes one exemption after another to special groups.

The bill adopted by the House this year to aid the self-employed is a case in point. And earlier, during a major revision of the Revenue Code in 1954, a half-dozen new areas of erosion were established: special treatment for sick pay, for expenses of widowed mothers who must hire babysitters, for the elderly, for recipients of income from dividends.

MILLS grants that the underlying reason for such pressure is high rates, but insists that the solution is to examine all such special provisions, and drop as many as possible. This would broaden the base enough to permit reductions in rates.

Too tough

The political problems here are enormous.

MILLS hopes he can minimize pressures by first calling in tax experts in panel discussions, or by assigning given subjects to carefully selected task forces.

"I've seen both methods used and neither will work this time," a veteran of the tax wars in Washington predicts. "MILLS is on sound ground in principle, but he'd be better off to buy the idea of reform by simply cutting rates. Base broadening is just too tough—try taking tax privileges away from working mothers and the old folks."

Base broadening is attracting some of the Democratic liberals as a means of pushing ideas of their own. Senator WILLIAM PROXMIRE, Democrat of Wisconsin, for example, has a bill ready to offer as an amendment to the first tax measure that reaches the Senate floor. Its purpose is to lower the present oil depletion allowance of 27.5 percent. MILLS and the other tax reform advocates oppose piecemeal moves of this kind.

IV. THE COMMISSION WAY

Contemplating these difficulties, some advocates of reform—attorney Joel Barlow, chairman of the U.S. Chamber of Commerce tax committee is one—favor a top-level commission as a starting point. They believe it is the only practicable way of keeping Ways and Means from getting bogged down.

A bill calling for a combined White House-Senate-House Commission of 12 members to undertake a broad tax study has been filed by Senator ALEXANDER WILEY, Republican of Wisconsin. A similar bill presented last year by WILEY drew wide support from business executives, but never got anywhere in Congress. The implication that the regular tax-writing committees need help is enough to steer most lawmakers away.

There's support for the commission approach among some administration officials, but they feel their hands are tied. They have to work with MILLS and with Senator HARRY BYRD, Democrat of Virginia, chairman of the Senate Finance Committee, to keep up with the bare routine of legislation. MILLS in particular has spoken out against a commission.

DISCRIMINATORY MILK MARKETING ORDER

Mr. McCARTHY. Mr. President, on Monday, June 1, a milk marketing order of the Department of Agriculture went into effect. This order clearly discriminates against Midwest milk producers. The full text of the order appears in the Federal Register, May 6, 1959.

The order establishes, for practical purposes, a monopoly for Virginia and Maryland milk producers in the District of Columbia and in the several counties surrounding it. State and local regulations which effectively prevent the free movement of milk are not unusual, but this order goes far beyond those limits. It extends the exclusion to more than a dozen major Federal installations, including the Quantico Marine Base.

In effect, then, the Federal Government is using its authority to enforce an order which sets up a virtual monopoly for two States, and it excludes milk producers from other States from contracting with Federal installations to supply milk.

This new marketing order raises several serious questions. These have been well stated by Alfred Stedman, agricultural writer of the St. Paul Pioneer Press. I ask unanimous consent that his article, published in the Pioneer Press on May 31, 1959, be printed in the RECORD.

The PRESIDING OFFICER (Mr. BUSH in the chair). Is there objection to the request of the Senator from Minnesota?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MIDWEST GIRDS FOR NEW MILK MONOPOLY FIGHT

(By Alfred D. Stedman)

Starting Monday, the U.S. Government is turning over to a virtual monopoly of Maryland and Virginia dairy farmers the milk business of all national Defense agencies in and around Washington.

But a new and more unified Midwest fight was brewing Saturday to stop it. The office of Attorney General Lord was at work on new steps. Wisconsin's legislature is pre-

paring to authorize its attorney general to go to court against such milk barriers.

Overriding such protests, the U.S. Department of Agriculture placed in effect June 1 its proclaimed Federal milk order. This order regulates minimum prices and supplies of milk, cream and concentrated milk in the District of Columbia and nine surrounding counties of Maryland and Virginia.

The avowed purpose of the new milk order is to discourage sales of such outside dairy products to consumers, including U.S. Government units within the area, on grounds that competition of outside milk is disruptive of local prices.

The Federal milk order achieves its aim of exclusion by defining the milk supply area, by systematically discouraging inshipments from outside that area, and by giving Federal backing to sanitary regulations of Washington and nearby municipalities.

Some of these are notoriously rigged to exclude outside milk of the highest purity by scientific test. The Washington Post on May 27 stated where the order's main blow will fall.

"Its effect," said the Post, "will be felt chiefly by distant producers shipping milk here under contracts with Federal agencies."

Now the order in final form will be given fresh study by the State of Minnesota, said Sydney Berde, special assistant attorney general. Among the fields of this new study are:

1. Whether the order violates specific provisions in the defense laws requiring all Federal procurement agencies to give small business equal opportunities to do business with the Government. Many Midwest dairies and dairy farmers classify as small business, Mr. Berde said.

2. Whether the order comes to the rescue of the Maryland-Virginia Milk Producers Association in its involvement with the U.S. Department of Justice under Federal antitrust laws. The association has been directed by Federal District Judge Holtzoff to divest itself of its acquired ownership of the Embassy Dairy, a retail distributor. That decision now is being appealed to U.S. circuit court. The question is whether the USDA's new Federal milk order, in officially giving the association a near milk monopoly of the market on the supply end, is throwing a potential monkey wrench into the Government's antitrust case on the retailing end.

3. Whether Secretary of Agriculture Benson's declared policy of freedom of competition as beneficial to agriculture, including Midwest dairy farmers, is being flouted by this Federal order and scores of others whose aim is to exclude competition on grounds of being unstabilizing.

First effects of the Washington order will be felt by dairy farmers in Pennsylvania, Ohio, West Virginia, and other nearby States who have been selling more milk, cream, or concentrated milk than the Midwest to Defense agencies, Mr. Berde indicated. But as these lose their Government outlets for milk in fluid form, more of that milk has to be diverted into manufacturing in competition with Midwest dairying, he pointed out.

TAXATION OF LIFE INSURANCE COMPANIES — SUMMARY OF AGREEMENTS OF CONFERENCE COMMITTEE

Mr. CARLSON. Mr. President, on behalf of the chairman of the Senate Committee on Finance, the Senator from Virginia [Mr. BYRD], I ask unanimous consent to have printed in the RECORD a summary of agreements of the conference committee on H.R. 4245, relating to the taxation of life insurance companies.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF AGREEMENT OF CONFERENCE COMMITTEE ON H.R. 4245, RELATING TO THE TAXATION OF LIFE INSURANCE COMPANIES

Except for technical, clarifying, and conforming changes, the following substantive Senate amendments were accepted by the House conferees:

Beneficiary associations: The Finance Committee agreed to provide in the case of organizations taxed as insurance companies, which would be exempt from tax as local beneficiary associations under section 501 (c)(9) except for the fact that their investment income exceeded 15 percent of their total receipts that (A) under the phase 1 tax their actuarial reserves are to be treated as life insurance reserves even though not required by State law, and (B) under the phase 2 tax only a small proportion of decreases in reserves built up before 1958 arising from voluntary lapses of policies are to be taken into account in determining receipts. (See finance report, p. 36, last paragraph, and p. 37, first paragraph.)

Assessment companies: The Finance Committee agreed to provide assessment companies with a 3 percent assumed rate of interest on the reserves for phase 1. Although they set aside a portion of assessments as reserves, since they have no assumed rate they technically would have no policy reserve requirements without this change. (See finance report, p. 35, third full paragraph.)

Deficiency reserves: This is a technical amendment and also a substantive Finance Committee amendment. Where a company has reinsured policies of assessment companies, and reserves of these companies are used by the reinsuring company to cover deficiency reserves and loading expenses with respect to the reinsured policies, the Finance Committee agreed that the reserves are to qualify as deficiency reserves to the extent they do not represent loading expenses. Therefore decreases in these deficiency reserves (except for the loading element) will not be treated as taxable income. (See finance report, p. 31, last paragraph.)

Variable annuities: The Finance Committee agreed to treat variable annuity companies as life insurance companies for tax purposes and their reserves as life insurance reserves. This treatment is provided for a 5-year period to give Congress an opportunity to review the treatment at that time to determine whether they should come under the life insurance provisions or some special provisions should be adopted for them. (See finance report, p. 35, last paragraph, and p. 36 down to pararagraph 3.)

The House conferees accepted this Senate amendment with a modification making the applicable rate the current year's earnings rate rather than the 5-year average earnings rate.

Making phase three tax effective over 3-year period: The Finance Committee agreed to make the phase three tax gradually effective over a 3-year period, with the result that one-third of the phase three tax other wise payable in 1959 will be due; two-thirds of the 1960 tax will be due; and the full tax will be due in 1961. (See finance report, p. 25, last paragraph.)

Provision for sharing of income between company and policyholder and proviso as to tax-exempt interest, etc. The Finance Committee changed the bill to provide in phase one for a division of all items of income, including tax-exempt income, partially tax-exempt interest and dividends received from other corporations, between the policyholders and the life insurance company. The portion of all items attributed to the policyholder are set aside and not taken into account in computing the life insurance company's tax. The portion of the income items attributed to the policyholders is to be determined by expressing the policyholders' requirements as a percent of investment yield (net investment income plus tax-exempt income, etc.). The policyholder requirements (except for the use of the 5-year average) are determined in the same manner as the policy and other contract liability deduction under the House bill except that there is no downward adjustment in the requirements for tax-exempt interest, etc.

The life insurance company's tax base is then computed by subtracting from its share of investment yield, its share of tax-exempt interest, its share of thirty fifty-seconds of partially tax-exempt interest, and its share of the 85 percent intercorporate dividends received deduction. An added statutory proviso makes it clear that in no event is any tax to be imposed on tax-exempt interest or on the 85 percent of intercorporate dividends which are deductible under general code provisions. A somewhat similar revision was made in the phase two tax base. (See finance report, p. 17, second full paragraph and third paragraph.)

Increasing the size of the small business deduction (p. 26): The Finance Committee increased the small business deduction under both phase one and two from 5 percent to 10 percent of net investment income (as otherwise computed). The ceiling deduction of $25,000, however, remains the same. Thus, the maximum benefit will be reached with an income of $250,000 instead of $500,000. (See finance report, p. 17, last paragraph.)

Provision for 5-year average earnings rate, (p. 32)—The Finance Committee revised the method employed in phase 1 of the bill in computing the deduction rate. Instead of this being the average of each company's earned rate and an assumed rate (the company's own assumed rate for the current year or the industry average assumed rate for the prior year, whichever is higher) it is to be the company's own average earned rate for the last 5 years (current year and 4 prior years). (See finance report, p. 15, first full paragraph and second paragaph.) The House conferees accepted this Senate amendment modified so that the applicable rate is not to exceed the current earnings rate where this is below the 5-year average earnings rate.

Federal Employees Group Life Insurance (p. 37): The Finance Committee agreed to make it clear under the bill that the interest paid deduction is to be available where a life insurance company is required to make payments or credits on special contingency reserves of a nonforfeitable character which it must hold as a liability under some group insurance policy such as that authorized under the Federal Employees Group Life Insurance Act of 1954. (See finance report, p. 17, sentence starting on first line and next sentence.)

Three percent deduction for nonparticipating contracts (p. 52): The Finance Committee adopted an alternative to the deduction equal to 10 percent of additions to nonparticipating reserves. In lieu of this deduction taxpayers may elect to take a deduction equal to 3 percent of the current year's premiums on nonparticipating policies for contracts for periods of 5 years or more. (See finance report, p. 22, last paragraph.)

Offset of negatives to the extent of $250,000 (p. 55): The Finance Committee decided to allow policyholder dividends, the 10 percent deduction for additions to reserves for nonparticipating policies (or 3 percent deduction for premiums) and the 2 percent deduction for group insurance to add to, or create, an underwriting loss which may be

offset against phase 1 taxable investment income to the extent of $250,000 of such items. (See finance report, p. 22, first full paragraph.)

Deduction of 1958 and 1959 payments to shareholders in the case of pre-1958 mutualizations (pp. 53 and 56): A Senate floor amendment provided that in determining the phase 2 tax base deductions were to be allowed for payments in 1958 and 1959 to redeem stock in the case of companies which had "mutualized" prior to 1958. This deduction is not available as an offset against the phase 1 tax base where there is an underwriting loss, nor is it to reduce the tax below the level which would have been applicable had the formula applicable in 1957 been made applicable in 1958 and 1959.

Mutual savings banks: The Finance Committee agreed to make it clear in the committee report that life insurance departments of mutual savings banks are to be treated as life insurance companies for all purposes of the bill. It also agreed to provide in the statute that these departments of mutual savings banks are to have until April 16, instead of until March 16, each year to determine the amount of their policyholder dividends. (See finance report, p. 37, last two paragraphs.)

Loss carryover from 1955, 1956, and 1957: The Finance Committee provided that net operations losses from the years 1955, 1956, and 1957 may be carried forward to 1958 and subsequent years. (See finance report, p. 23, third paragraph.)

Eight-year loss carryover for new companies: The Finance Committee provided that in lieu of the regular 5-year carryforward of net operations losses new companies for their first 5 years of existence are to have a 10-year carryforward from each of these 5 years. (See Finance report, p. 23, third paragraph.) The conferees agreed to amendment, except that they provide an 8-year carryforward for each of the first 5 years.

Redemption of certain stock limited as to dividends: The Finance Committee agreed that distributions to shareholders in redemption of life insurance stock are not to be treated as resulting in a phase 3 tax if the stock was issued before 1958, if the stock is limited as to dividends, and if the stock can be called at the option of the company at a premium of not more than 5 percent. (See finance report, p. 38, second full paragraph.)

Establishing shareholders' surplus account for 1958: Although the phase 3 tax is not to apply to 1958 income, the Finance Committee agreed to set up the shareholders' surplus account for income of 1958. Therefore, amounts taxed in 1958 can be paid out in subsequent years without first paying a tax on distributed income of the subsequent year.

Adding nonparticipating policy and group insurance deductions to phase 3 tax base: The Finance Committee decided that amounts deducted under phase 2 under the two special deductions, the deduction equal to 10 percent of additions to nonparticipating reserves and the deduction equal to 2 percent of current year's premiums on group insurance, should be taxed under phase 3 if these amounts are ultimately paid out to stockholders. This is accomplished by requiring the amount of these two special deductions to be added to the policyholders' surplus account. (See finance report, p. 26, last paragraph.)

Terminating phase 3 tax deferral where company is not a life insurance company for 2 years: The bill presently provides that if a company in any year does not qualify as a life insurance company any income on which the tax was deferred under phase 3 becomes due as of the end of the last year it qualified as a life insurance company. The Finance Committee amended this to provide a 2-year interval of nonqualification as an insurance company before this phase 3 tax becomes due in such cases. However, if any of this income on which the tax was deferred is paid out in this 2-year period the tax becomes due on this amount. (See finance report, p. 27, last paragraph.)

More restrictive ceiling for phase 3 tax deferral: The Finance Committee agreed in phase 3 to lower the ceiling for the policyholders' surplus account. The 60-percent ceiling was lowered to 50 percent in the case of premiums. In the case of reserves the Finance Committee provided a ceiling of 25 percent of additions to reserves since 1958 or 15 percent of total reserves, whichever is higher, instead of the present single limit of 25 percent of reserves. (See finance report, p. 27, third paragraph.)

Installment payments received after 1958 on pre-1959 sales: Since under the bill capital gains occurring prior to 1959 are not taxed, the Finance Committee agreed to provide that proceeds from installment payments received after 1958 on pre-1959 sales are not subject to tax.

Reinsurance in 1958 of all insurance contracts of a type: Where a company in 1958 sold its entire insurance business of a particular type the Finance Committee agreed the sale is to be considered a capital transaction. Since capital gains and losses are not to be taxed in 1958 such transactions would have no tax effect in 1958. No implications are to be drawn from this, however, as to the tax treatment of such transactions in the future. (This was limited to life insurance contracts prior to a floor amendment.)

Second election to shift from approximate to exact revaluation method for preliminary term reserves: The Finance Committee agreed to permit companies to make an election for 1958 only between the approximate and exact methods of revaluing preliminary term reserves to a net level premium basis. Then under the Finance Committee decision, the company would have a new election between these methods binding for 1959 and subsequent years. (See finance report, p. 30, third full paragraph.)

Modifications of rule including one-tenth of accounting adjustments in 1957 income: Where an insurance company is required to shift to an accrual method of accounting an adjustment in income is taxed by a measurement which includes one-tenth of the adjustment in 1957 income (then after this additional tax is determined, the final tax on the adjustment is 10 times this amount). The Finance Committee agreed to provide that in measuring the additional tax on this adjustment under 1957 law that the "two for one limit" (designed to tax investment income of overcapitalized companies at 52 percent) is not to be taken into account by reason of this adjustment. It also agreed to provide that for the additional tax on the adjustment any effect of this additional income in reducing the special interest deduction (where investment income was less, or only slightly exceeded, interest requirements) is to be ignored. (See finance report, p. 32, last paragraph.)

Apportionment rules for foreign insurers for phase three tax and for mutualizations: The Finance Committee agreed to provide that foreign insurers may for phase three allocate the portion of a distribution that is allocable to U.S. business on the basis of either U.S. surplus to total surplus (as in the bill) or on the basis of U.S. insurance liabilities to total insurance liabilities. It also provided apportionment rules where a Canadian company mutualizes, along the lines of those provided elsewhere in the bill. (See Finance report, p. 33, last paragraph.)

Modified coinsurance: The Finance Committee adopted a provision preventing a double tax with respect to reinsurance where the reinsuring company pays the ceding company's tax with respect to the reinsurance. (See finance report, p. 38, last paragraph.)

September 15 filing date for 1958 returns: A floor amendment offered by the Finance Committee moved up from March 15 to September 15 the date for filing returns for 1958 liabilities. The entire tax becomes due on that date with no interest being paid or required prior to that date.

The Senate conferees receded on the following Senate amendment:

Nineteen hundred and fifty-eight relief from up to 10 percent of phase two tax: The Finance Committee agreed to impose certain limitations on the application of phase two for the 1958 tax liability. If the phase two tax base for 1958 (after deduction of the phase one base from gain from operations and reduction of the remainder by 50 percent) exceeds the phase one tax base, the phase two tax base is to be reduced by 10 percent of this excess. (See finance report, p. 23, par. 8.)

WISCONSIN LEGISLATURE SUPPORTS NATIONAL MILK SANITATION ACT

Mr. PROXMIRE. Mr. President, the support of the Legislature of the State of Wisconsin has been added to the unanimous voices of farm groups in Wisconsin and other States which call for a national milk sanitation act.

A joint resolution memorializing the Congress of the United States to enact legislation which will insure the free movement of milk of high sanitary quality in interstate commerce has been adopted by both houses of the Wisconsin Legislature. This resolution points out that more than 13 million gallons of milk and cream are shipped in interstate commerce each day. Wisconsin is the Nation's number one producer and exporter of milk and dairy products. About 85 percent of our State's production of milk goes into interstate commerce.

There is need, of course, for strict sanitary standards to assure the quality of all milk sold to America's consumers. Because this matter has been the responsibility of the various State and local governments, commerce in milk today is governed by a multiplicity of sanitation regulations, differing in major and minor ways from community to community and from State to State. This has placed needless restriction on interstate commerce in milk, and in turn, raised prices for milk in many parts of the country. In Wisconsin and other milk-producing areas, it places unfair restrictions on markets for high quality dairy products.

In some instances, variations in sanitation standards arise unavoidably because of the multiplicity of their legislative and administrative sources. In some places, unfortunately, unreasonable and unnecessary conditions have been imposed in the name of "sanitation" in order to create a tight monopoly for certain favored milk producers. When this happens, consumers in that area suffer higher prices for milk without enjoying one iota of extra quality in their milk. At the same time, milk producers in other areas suffer because markets are closed to them by restrictions against free, economic movement of milk supplies.

Therefore, Mr. President, Representative LESTER JOHNSON, of Wisconsin, chairman of the Dairy Subcommittee of the House of Representatives Committee on Agriculture, has introduced a bill to establish uniform national sanitation standards to govern milk in interstate commerce. He has been joined by 17 Members of the House of Representatives, including every member of the Wisconsin delegation, representing both parties. In the Senate, the two distinguished Senators from Minnesota [Mr. HUMPHREY and Mr. MCCARTHY], my very distinguished colleague from Wisconsin [Mr. WILEY], and I have sponsored a similar bill, which would be of great benefit to farmers and consumers alike.

Mr. President, I ask unanimous consent that the joint resolution of the Wisconsin Legislature be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

JOINT RESOLUTION 35, A

Joint resolution relating to memorializing the Congress of the United States to enact legislation which will insure the free movement of milk of high sanitary quality in interstate commerce

Whereas there is pending in the Congress of the United States H.R. 3840 and other like or similar bills which provide for the free flowage in interstate commerce of milk of high sanitary requirements which must be met under the provisions of said bills; and

Whereas milk is the most important part of the diet for most people; it is our most perfect food, containing almost all of the essential elements for human growth, and is the principal food of infants, children, the aged and infirm; and

Whereas more than one-half of our States are importers of milk and about the same number of States are exporters; and more than 13 million gallons of milk and cream are shipped interstate each day; and

Whereas this State has a tremendous stake in this industry, about 85 percent of its production of milk going into interstate commerce in one form or another, and milk production is one of the principal industries of this State; and

Whereas although the laws of our State require that milk and milk products must be produced under high sanitary conditions and result in sanitary, high grade products; and

Whereas importers of milk in the importer States have regulations for high sanitary quality by use of unnecessary requirements or other health regulations which result in a crazy-quilt pattern of milk sanitation regulation which duplicates inspection procedure in thousands of plants in the exporter States, thereby causing great unnecessary expense to a producer in meeting the different code requirements of his many customers; and

Whereas it is highly desirable to all the people that there only be Federal sanitation requirements, only one code, which must be complied with so as to insure the free, economical flow of milk in interstate commerce: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Congress of the United States enact bill H.R. 3840 or a like or similar bill into law, thereby insuring that milk and milk products produced within Federal requirements will have free flowage in interstate commerce; and, be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to each House of Congress and each Wisconsin Member thereof.

PHILLEO NASH,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
GEORGE MOLINARO,
Speaker of the Assembly.
NORMAN C. ANDERSON,
Chief Clerk of the Assembly.

WHICH WILL COST MORE—NEW HIGHWAY FACILITIES OR A SUBSIDY TO CONTINUE RAILROAD PASSENGER OPERATIONS?

Mr. NEUBERGER. Mr. President, the interrelated nature of railroad passenger service and superhighway construction has been vividly illustrated in current discussion of commuting problems in our major metropolitan areas.

This debate, here in Congress and elsewhere, has emphasized a simple but very vital fact, that a decrease in rail commuters means an increase in those traveling to work via our roads and highways.

The results which follow are equally obvious: A vast increase in demand for new expensive throughways, more crowded and dangerous roads and streets, greater traffic congestion, and a rise in the amount of fumes interjected into the atmosphere of our cities by internal-combustion engines.

I think we must keep more short-distance travelers on private rights-of-way, namely railroads. In urban areas our new Interstate Highway System could be constructed with tracks along the divider strip in the center for rapid-transit electric railroad service. Unless we take such action, our cities and metropolitan areas will be choked by cars and stifled by vapors from auto exhausts.

I think we must also consider some form of subsidies so that railroads can continue to operate passenger trains without going deeply into the red ink on their ledgers. Surely this will prove to be less expensive than constructing more and more superhighways, cloverleafs and throughways at millions of dollars per mile.

WEST SHORE TRAINS RUN NO MORE

For example, the West Shore Railroad in the New York City area recently received permission to abandon its commuter trains. The June 5, 1959, issue of the New York Times contains a most illuminating dispatch about the result—jammed tunnels, interminable traffic delays on the roads, far more vehicles on highways serving the metropolitan region.

Of course, Mr. President, such an outcome is inevitable. If railroad passenger service is abandoned or curtailed, then the people formerly served by the railroad have only the highways for travel. It follows that the highways then will be subjected to far more strain and traffic jams will result. Which would cost more: Additional highway facilities needed to provide for the former passengers of the West Shore Railroad or some form of operating subsidy to have kept the West Shore's passenger facilities in existence? This is certainly a question worth considering, Mr. President.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the June 5 dispatch from the New York Times, by Joseph O. Haff, entitled "Bus Commuters Miss Rail Riding."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUS COMMUTERS MISS RAIL RIDING—JAMMING OF TUNNELS DELAYS CROSSING OF THE HUDSON DURING RUSH HOURS—BRIDGE ALSO HAMPERED—INCREASE OF ALL TRAFFIC IS REFLECTED IN STATISTICS OF THE PORT AUTHORITY

(By Joseph O. Haff)

WEEHAWKEN, N.J., June 4.—The transition from rails to tires in the New Jersey commuter's daily crossing of the Hudson has brought frustrations that make him long for the good old days.

Abandonment of the West Shore Railroad's commuter and ferry service this spring emphasized a shift in travel habits from train and ferry to bus and tunnel.

Rush-hour vehicular traffic through the Port of New York Authority's Lincoln Tunnel rose to a new peak, causing delays that frayed nerves and evoked new alibis for the tardy.

Not all of the congestion in the tunnel or on the already overloaded highways leading to it has come from increased bus schedules. Port authority statistics show a substantial increase in tolls paid by trucks and passenger cars as well as buses during the first 4 months of this year as compared to the period in 1957 and 1958.

SPURT IN USE OF TUNNEL

Buses paying tunnel tolls in January rose from 173,500 in 1957 to 183,400 in 1958 and to 190,600 this year. In February, 154,600 buses used the tunnel in 1957; last year, 161,700, and this year, 172,300. March bus tolls in 1957 amounted to 175,800; last year, 182,400, and this year, 196,200. For April, 190,800 buses traversed the tunnel in 1957; while 189,200 did last year and 199,700 this year.

In these 4 months, the total tolls paid for vehicles using the tunnel rose from $6,972,000 in 1957 to $7,426,800 in 1958 and climbed to $8,303,200 this year.

Port authority figures show less bus traffic on the George Washington Bridge for the first 2 months this year compared with January and February in 1958 and 400 more bus tolls than were collected in March and again in April of this year.

BUSES BESET BY OTHER CARS

But even on the bridge bus travelers complained of a steady increase in other vehicles in rush hours. Port authority records show that in the first 4 months this year, 11,408,900 vehicles used the bridge, or 1,265,500 more than the 10,143,400 a year ago.

Bus traffic on the port authority's oldest Hudson crossing, the Holland Tunnel at Jersey City, showed an increase of only 600 bus tolls during the first 4 months this year as compared to the period in 1958.

Here again, however, rush-hour delays were caused by a general increase of other vehicular traffic as tolls from all vehicles rose from 6,165,300 in the first 4 months of 1958 to 6,631,400 this year.

Some commuters grudgingly admit that despite traffic delays experienced as bus riders they find advantages in bus travel. They recall walking in the rain from Manhattan ferry slips to the nearest subway station. Now they can stay under cover from the bus terminal to the subway.

Mr. NEUBERGER. Mr. President, I also believe there should be called to the

attention of the Senate a most significant article from the Christian Science Monitor of June 6 by Josephine Ripley entitled "U.S. Mulls Plight of the Commuter." Mrs. Ripley has pointed out that discontinuance of commuter trains and ferries has forced "more and more people onto already overcrowded highways." This is the theme of her article, and it is a timely warning to those of us in Government, who must raise the funds to finance these expensive new four-lane and even eight-lane superhighways through the countryside.

HIGHWAYS BECOME CROWDED WHEN TRAINS ARE ABANDONED

Mrs. Ripley's article also discusses S. 1331, of which I am a cosponsor, to deal with some of the very serious problems in passenger transportation which have appeared within recent months following the enactment of railroad legislation last year.

The article in the Monitor again stresses the fact that people forced off private rights-of-way, when passenger-train service is abandoned, inevitably must add to the burden on the public highways and freeways. There is no other alternative. Each abandoned passenger train means further traffic pressure on the highways, so ultimately Congress and the 50 State legislatures must face up to the fact that a public subsidy to continue passenger-train facilities may actually be cheaper than the cost of constructing additional new highways. At least, the question is something which must be analyzed impartially and thoroughly, so that accurate answers can be reached.

I ask unanimous consent, Mr. President, to have printed in the RECORD along with my remarks the article by Josephine Ripley, staff correspondent of the Christian Science Monitor, in that newspaper of June 6.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. MULLS PLIGHT OF COMMUTER

(By Josephine Ripley)

WASHINGTON.—Congress is considering the plight of the commuter.

Discontinuance of commuter trains and ferries in and around New York and other parts of the country is forcing more and more people onto already overcrowded highways.

The problem has become so acute in some cities that Congress is being implored to prevent hasty discontinuance of vital commuter services.

In a real emergency it is even suggested that a Government subsidy might be needed to keep commuter trains on the track.

But bills now before the legislators do not go this far. They do require, however, that railroads cutting off vital passenger service be required to show proof that such action is necessary.

PROOF DEMANDED

Kenneth H. Tuggle, Interstate Commerce Committee chairman, has proposed that the 30-day notice which railroads must give before curtailing passenger service be extended to 40 days.

He also favors putting the burden of proof for discontinuance of rail service on the rail lines themselves rather than leaving it to the opponents to show that the service is necessary.

These are the main points of difference in the various bills now under consideration by the Senate Surface Transportation Subcommittee.

Senator CLIFFORD P. CASE, Republican of New Jersey, is one who argues that it is up to the railroads to prove that their action is justified, and he has introduced legislation to this effect.

NEW JERSEY SERVICE SLASHED

His action is prompted by the fact that since January, 1958, more than 750 trains have been discontinued by New Jersey railroads.

This has caused more and more commuters to take to the highways, which even now are inadequate for the bumper-to-bumper traffic pouring in and out of the city.

Senator JOSEPH S. CLARK, Democrat, of Pennsylvania, a former mayor of Philadelphia, forecasts that big cities will "strangle and die" unless steps are taken to improve housing and traffic conditions.

Building of more and better highways is not the answer, he says, because of the lack of parking facilities.

Railroads say that discontinuance of commuter service stems from the fact that more and more people are driving to work and rail patronage has dropped to the point where service is no longer justified.

ARGUMENT COUNTERED

This argument is countered by charges on the other side that railroads are only too glad of an excuse to drop passenger service, on which there is little profit, and concentrate on freight, the real moneymaker.

A recent survey on urban transportation appears to confirm Senator CLARK'S view that the big cities are being hit hard by the exodus to the suburbs.

Editorial research reports find that a general preference for the private car over public transportation is threatening to bankrupt American cities.

Moving of people to the suburbs has increased reliance on automobiles and at the same time made it hard for cities to find revenue to build highways and expressways to accommodate rush-hour traffic originating beyond the city limits.

The survey indicates that transit companies are having trouble making ends meet. People who live in the suburbs of some of the biggest cities used to go to work by train, but now commuter rail lines almost everywhere are losing passengers and money, according to this report.

PASSENGERS DROP

Streetcar and buslines were found to be not much better off. In the country as a whole, the number of passenger trips on transit lines dropped from 23,400 million in 1946 to only 10,400 million in 1957.

Other recent surveys, covering transportation within cities as well as from suburbs to cities, indicate that two-thirds of all employed persons drive to work and that large numbers of them could be induced to switch to public transport only if it were comparable in time, cost, and convenience.

How much Congress can do in unraveling the Nation's traffic snarl remains to be seen. But one approach, and apparently a vital one at this point, is the current move to preserve commuter service, if possible, as a means of keeping at least some cars off the road.

Mr. NEUBERGER. Mr. President, recently the Medford, Oreg., Mail Tribune published a cogent editorial discussing the decrease in passenger trains by the seventh largest commuter line in the United States—the Delaware, Lackawanna & Western. Because this discussion so ably outlines some of the crucial problems we face in this area of transportation, I ask unanimous consent that the editorial which was published in the June 3, 1959, issue of the Mail Tribune under the headline "Cutting Commuter Service," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CUTTING COMMUTER SERVICE

The Nation's seventh largest commuter line, the Delaware, Lackawanna & Western, drops 82 passenger trains from its schedule on June 9. But it won't be quitting the commuter business entirely. It may not have wanted to anyway.

Confusing? It's like this: Some time ago the Lackawanna asked the New Jersey Public Utilities Commission for permission to discontinue 96 weekend and offpeak trips. It followed this up on April 10 with notice of intention to abandon all suburban commuter operations.

The PUC OK'd most of the first request but turned thumbs down on the second after Richard B. Wachenfeld, attorney for the road, virtually conceded at a hearing on May 5 that the Lackawanna didn't want to fold up its passenger business. Asked if the Lackawanna really planned to go through with the abandonment, Wachenfield replied: "We're not sure ourselves what will happen. We hope to get tax assessment relief, fare increases, and other points."

Like most other U.S. roads, the Lackawanna has been losing heavily on its passenger operations, $5 million in 1958, $5.5 million in 1957. (Overall, the industry lost $610 million on passenger operations in 1958 and $723 million in 1957, according to Interstate Commerce Commission figures.) The Lackawanna has been pressing for favored tax treatment in New Jersey, and it has an application pending with the ICC for higher commuter fares.

Whether the shutdown notice was or wasn't blackjacking the public as one of the PUC commissioners charged, it is apparent that the railroad industry as a whole has made considerable progress in convincing the public that relief is required if the passenger end of the business is to survive. Several States have given special tax treatment to commuter roads, and Gov. Robert B. Meyner, of New Jersey, said May 26 he may call the State legislature into special session in July to give special attention to the commuter problem. E. R. R.

IMPORTANCE OF STAYING WITHIN BUDGET LIMITS

Mr. BUSH. Mr. President, I was gratified yesterday to hear the majority leader, following the vote upon the Interior Department appropriation bill, ask the chairman of the Appropriations Committee if, indeed, this bill was within the limits provided by the budget. The chairman of the committee signified that it was within the budget.

I was delighted to hear that exchange, Mr. President, because it shows that finally we here in the Senate are paying some attention to the budget, and there appears to be, on the part of the majority, a new-found interest in attempting to stay within the budget.

It will be interesting to see if this new-found determination to stay within the budget will continue throughout the session——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BUSH. My time is limited.

Mr. JOHNSON of Texas. If the Senator does not desire to yield, very well.

Mr. BUSH. I should be very happy to yield if I might have unanimous consent to complete my statement.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Connecticut may have an additional minute in order that he may yield to me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. I am glad to yield.

Mr. JOHNSON of Texas. The Senator from Connecticut is a very able Senator. Certainly he is a nonpolitical Senator. I want him to be an informed Senator. The national committee is not always informed. I know that the Senator from Connecticut wishes to be informed.

It is not a new-found desire of the majority leader to stay within the budget. The majority leader stated last fall that he hoped we could stay within the budget. The majority leader has made numerous speeches on the floor of the Senate in an attempt to stay within the budget.

The majority leader and the former minority leader, the then Senator from California, Mr. Knowland, had a sort of compact that the roll would be called on all appropriation bills, and that there would be presented a statement showing how much the Senate had reduced the budget figures. We have been able to follow that practice very consistently during the period of service of the majority leader.

I am informed that, with respect to the bills which have passed the House of Representatives this year, not all of which have been taken up in the Senate—some of the big ones have not yet been considered by the committee—the House of Representatives has already reduced the President's requests by more than $1 billion.

I have stated on the floor of the Senate and in public meetings all over the country that I hoped this Congress would appropriate less money than the President asked the Congress to appropriate. So there is nothing new. The Senator is incorrect when he says that.

Mr. BUSH. I am expressing my own observations on this subject, and I reserve the right to do so. I do sense a new-found interest in this situation. I am very glad that the majority leader is so sensitive on the subject.

Mr. JOHNSON of Texas. I am not sensitive. I am merely truthful. I want the Senator to read the RECORD.

Mr. BUSH. I have read the RECORD, and I have listened to the Senator. I sense, and everyone else senses, that there is a new-found interest in the subject. I am glad to see it.

Mr. JOHNSON of Texas. I am glad to have that admission from the Senator.

Mr. BUSH. It will be interesting to see if this new-found determination to stay within the budget will continue throughout the session, and will be applied generally to all measures, including those which are not in the appropriation process, but which permit agencies to borrow directly from the Treasury, thus bypassing the appropriations committees. This has been referred to in debate here as the "back door" approach to spending and to exceeding the budget, and presents one of the most dangerous escapes from reality that has been developed in the legislation process. I express the hope that the majority leader will carry his anxiety to contain spending within the budget over into these other measures. The housing bill which is in conference will undoubtedly provide authority to exceed the budget in its present form. The airport bill and the depressed area bill which were passed by the Senate likewise violate the budget. Yet, the majority pressed for their passage, in spite of the fact that they violate the budget. We might hope that these bills would come over from the House in very different form, and with much more respect for the budget than the bills we sent to the House. Unfortunately the housing bill has been only slightly modified. I believe there has been some modification also in the airport bill.

Mr. President, in the current issue of the First National City Bank Monthly Letter, there appears a very interesting article entitled "The Taxes We Can Afford." This is well worthy of the attention of Senators and Members of the House of Representatives. Among other things, it points out the warning of Roswell Magill, onetime Under Secretary of the Treasury under President Roosevelt, who says that if we were to raise an extra $12 billion to meet this year's deficit, and do it with present Federal income taxes, it would require the confiscation of everyone's taxable income in excess of $4,000. Or else it would require the increase of the rate on corporations from the present 52 percent to 82 percent. Magill says that income taxes of that magnitude are almost unthinkable in a democratic state. The result would be economic chaos, he says.

I certainly am inclined to agree with his conclusions, and I point this out, Mr. President, because it should serve as a warning to those who do not think it particularly important to balance our budget. Failure to balance it will surely mean, eventually, heavily increased taxation in some form.

I hope this piece from the National City Bank Letter entitled "The Taxes We Can Afford" may be read by members of the House Ways and Means Committee, which, under Chairman WILBUR D. MILLS, has, I believe, underway a study of the possibilities for broadening the tax base sufficiently to permit significant reductions in income tax rates in 1960.

Mr. MILLS has pointed out already that tax reform must seek, among other things, a tax climate more favorable to economic growth; greater equity in distributing tax burdens; as little interference as possible with the operation of the free market mechanism; and greater ease of compliance and administration. I agree with that estimate of Mr. MILLS and I wish him and his committee great success in the study of the possibilities of broadening the tax base and perhaps presenting us with a tax reform measure which will help us meet the serious problems of today in financing our gigantic Federal budget.

Mr. President, I ask unanimous consent that the article I have referred to in the First National City Bank Letter be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TAXES WE CAN AFFORD

The President has urged some curtailment of Federal expenditures with a view to balancing the budget, retiring some of the public debt, and perhaps setting the stage for long postponed tax reforms. Chairman WILBUR D. MILLS on May 17 announced that the House Ways and Means Committee was launching a study of the possibilities of broadening the tax base sufficiently to permit significant reductions in income tax rates in 1960. Mr. MILLS said that tax reform must seek, among other things, a tax climate more favorable to economic growth; greater equity in distributing tax burdens; as little interference as possible with the operation of the free market mechanism; and greater ease of compliance and administration.

There are, to be sure, voices which urge the opposite course. Stressing how affluent we are, they ignore problems of excessive tax rates, disparage the idea of limiting Federal spending to the flush current revenues and commend enlarged appropriations for public services in almost every direction.

Advocates of bigger Federal outlays do not always face squarely the practical problem of where the money is coming from. Professor Galbraith, of Harvard, it is true, endorses sales taxes to take it out on the standards of living. That is where the burden is apt to fall anyhow in the final analysis. Others shrink from unpalatable truths and speak vaguely of "closing tax loopholes," a selective form of tax increase; commend cheap money policies, a euphonious way of saying "print the stuff"; or figure that a growing economy, stimulated by increased Federal spending, will enlarge incomes and raise income tax liabilities disproportionately so that Government can take a bigger share of what we earn without formally raising the tax rates.

The idea is that, however much the individual must stint to make ends meet, our collective wealth is so great that Government can toss out millions as though they were pennies.

It is a bad frame of mind to get into, feeling so rich we can afford anything the heart desires. Profligacy is the well marked road to bankruptcy. Our esteemed wealth is very real but it is invested—in tools and machinery needed to equip the workman for efficient production. One thing we can least afford is to live off this capital—let our plant and machinery wear out. Yet that is what spending out of wealth implies. A growing economy demands quickened—not arrested—wealth accumulation.

What Government takes out of current production, the citizen is denied. The denial may be enforced by tax rate increases, ration books, or price inflation. All these are taxes in the sense that they reduce the value of the dollar earned and saved. If taxes encourage consumption and impede saving, wealth accumulation may be arrested and with it our means to more efficient production.

When we say we can afford more of one thing we mean we can give up something else. When we say Government can afford more we mean the citizen can get along on less.

There is a bland assumption that we have great reserves of taxing capacity. This is open to serious question. It is possible to tax away the seed corn of future progress. But there are limits to what the citizen willingly will give up. When taxes get too high the symptoms may variously appear in

lethargy, in tax avoidance, in distortions of business judgments, in inflation. All these symptoms are present.

We should not decide we are so rich we can give up progress.

DIMINISHING RETURNS ON INCOME TAXES

In income taxation we have gone beyond what we can afford if we want work, enterprise, and a land of opportunity. Writing in the Saturday Evening Post last November, Roswell Magill, Under Secretary of the Treasury under President Roosevelt and now chairman of the Tax Foundation, pointed out that "* * * to raise an extra $12 billion to meet this year's deficit, and to do it with present Federal income taxes, would require the confiscation of everyone's taxable income in excess of $4,000, or increase the rate on corporations from the present 52 percent to 82 percent. Income taxes of that magnitude are almost unthinkable in a democratic state. The result would be economic chaos."

As it is, our Federal income tax takes 50 percent of a single person's taxable income beyond $16,000 and rises, step by step, up to 91 percent, the highest personal income tax known in the world. As though this were not enough, employment taxes, and sometimes State and city income taxes, get added on besides. These levies aim straight at the heart of progress.

The question is not whether we can afford to increase income tax rates further but whether we can afford so to punish the energetic, block accumulation of risk capital by normal taxpaying enterprise, and invite outright evasion.

The rapidly growing number of tax loopholes in recent years has given the economy essential room to breathe but threatens to make the tax scoop into a sieve. Even people who helped set up the confiscatory rates have become alarmed and have called for rate reforms.

The latest of the special reliefs is the Keogh bill, recently passed by the House, which would permit employers or self-employed people—small businessmen, doctors, lawyers, etc.—to put aside 10 percent of their income free of tax, within a $2,500 annual limit, in special retirement plans with banks or insurance companies. The goal is equality of tax treatment between the self-employed and employees who already have tax deferral on employer contributions to company retirement plans.

Congress is naturally sympathetic, for these people are invaluable members of our society. Congressmen know from personal experience how hard it is to build a nest egg in the face of our steep income tax rates.

The objection is that the Treasury cannot afford the revenue loss. Treasury experts figure that passage of the Keogh bill would cost $365 million annually in lost revenues. If employees demanded and got the same tax treatment on their contributions to retirement plans the annual loss might run to $3 billion.

Furthermore, the increasing number of special provisions in the tax law, many understandable only by tax specialists, tends to make the ordinary taxpayer feel that he is not being treated fairly, that other people are getting away with something. Tax morality begins to break down. People learn to accept the idea that cheating the Government is not really bad, everybody does it. The tax rates invite—indeed demand—diversion of effort from earning taxable incomes to saving on taxes. The end of this road is a demoralization of the voluntary tax system we have and its replacement by an authoritarian system based on a massive army of tax policemen.

Meanwhile, we are seeing a continuing expansion in fringe benefits, rewards for work which escape or defer the income tax burden. Although labor union leaders have assailed as loopholes such provisions for business executives, they have shifted emphasis in their own collective bargaining from taxable wages to more fringes.

It is time we stopped using a piecemeal approach and went to the heart of the tax problem—the confiscatory rates.

THE GOAL OF GROWTH

Curiously, many advocates of faster economic growth ignore the drag of excessive tax rates on the economy. It has long been recognized that hardly anything surpasses tax policy in economic, political, and social importance. Chief Justice John Marshall's crisp summary, "the power to tax involves the power to destroy" goes back to 1819. A 1955 congressional investigation into Federal tax policies resulted in a 930-page volume of papers on "Federal Tax Policy for Economic Growth and Stability" and evoked from Congressman MILLS the conclusion that: "One of the most important programs which will contribute to or detract from achieving steady, economic growth in the years ahead is our Federal tax policy." This solid evaluation we failed to heed.

It is not surprising that our tax structure discourages growth. The steeply progressive personal income rates we now have were put into effect in the 1930's when we thought we had all the productive capacity we needed and the aim was to discourage oversaving. However appropriate they might have seemed at the time, they have no help to give the expanding America of the space age. The problem now is not surpluses of saving and investment but shortages.

The key to economic growth is imaginative enterprise. What we need, on the one hand, are real savings for investment and, on the other, incentives to put funds to work and to attract sustained effort from creative individuals. As Arthur Burns, former Chairman of the President's Council of Economic Advisers, had said: "I don't know of a surer way of killing off the incentive to invest than by imposing taxes which are regarded by people as punitive."

At the same time, excessive tax rates sharply cut the rewards attainable for extra effort by ambitious and industrious people who are trying to climb the economic ladder. The elder statesmen of American industry today moved up in an era when the demands of big jobs were matched by big rewards. The question is whether the rising young executive still has incentive to drive himself toward the rigors of top management positions or whether taxes have shaved the rewards to a point where a more relaxed life seems preferable. We are risking the deterioration of what Senator HUBERT H. HUMPHREY has called that greatest of American geniuses—our managerial talent.

Although many people think we are "soaking the rich," it is small business, the proving ground for so many business leaders and the seedbed for industrial giants, which suffers most under punitive tax rates. They dry up the sources of its most crucial need—venture capital. The personal income tax rate progression saps the unincorporated small businessman's ability to build his business. It also chokes off an important source of outside funds in years gone by: the successful individual, who once found pride and satisfaction as well as profit in giving a financial lift to a budding enterprise, no longer has the means to do so.

Government loans and subsidies to business are no substitute for tax reform. They breed dependence, destroy self-reliance. The task is to make self-reliance easier, more attractive.

Even under a fair and moderate tax rate structure, our economy may be hard pressed to generate all the savings needed to advance production and generate a rate of growth adequate to the Russian challenge. As William J. Grede, president of Grede Foundries and former president of the National Association of Manufacturers, has said: "Our survival as a nation of free people with a maximum of social values is dependent upon maximum economic development. We must strike from our system policies and practices which impede the accumulation and employment of capital on the largest possible scale."

CANADIAN AND BRITISH TAX POLICIES

Our ruthless taxation of income offers a poor model for other nations, wanting progress, to follow. The resurgence of the new industrial Germany dates from the adoption of free market principles and the discard of a suffocating income tax progression that had been imposed as a result of American advice.

It was Great Britain that set the general model of steep progression which we adopted during the great depression and World War II. Other English-speaking nations for years now have been moving away from tax policies directed at destroying initiative and wealth accumulation. Australia was first to break the bonds of socialism and reform its income tax progression. In 1952 Canada began a gradual, year-by-year reform. In 1953 Great Britain itself, which had achieved the dubious honor of being the most heavily taxed country in the world, began to ease back its oppressive tax rate schedules. In the United States reform has been urged for years by members of both parties, as in the imaginative Sadlak-Herlong and Herlong-Baker bills which would spread out gradual income tax rate easement 5 years ahead. But nothing gets done because of political inertia and insistence that tax reductions be designed to stimulate consumption rather than enterprise and economic growth.

The latest tax moves abroad came in April when the Canadian Government increased taxes by $352 million, while the United Kingdom gave its taxpayers $1 billion relief, the biggest immediate tax cut they have ever had. Although opposite in direction, there is a good deal we can learn from both these actions.

The main lesson of the Canadian experience for us is that the series of foresighted tax reforms earlier in the postwar years provided a reserve of taxable capacity for emergencies. Even with the April increases Canadian personal income tax rates are far below wartime peaks. The new 84 percent top rate for 1960 compares with a peak of 98 percent during World War II. The 11-percent rate on the first $1,000 of taxable income compares with 30 percent on the first $500 of taxable income during 1943. A 2-point increase to 47 percent in the corporate tax rate cancels a 1955 reduction.

Great Britain is providing an example of how a tax reform policy can invigorate an economy. A continuous string of tax concessions—including three reductions in income tax rates beginning in 1953—has cut United Kingdom income tax rates to the lowest levels since 1939–40, produced a new spirit of optimism in the business community, and helped regenerate confidence in the pound sterling. The April reductions lowered the standard rate of British income tax—to which other rates are tied—from 42¼ to 38¾ percent. The lowest rate of income tax payable was reduced to 8¾ percent, on the first $168 of taxable income, while the highest rate (including a 50 percent surtax) was chiseled to 88¾ percent, down almost 9 points from the 97½ percent peak level which prevailed from 1942 to 1953. Income tax on corporations was reduced from 52½ to 48¾ percent; shareholders continue to get credit at the standard rate on their own tax returns for income taxes paid by the corporations on dividends.

The taxation to shareholders of corporate profits paid out in dividends is now lower in many cases in Great Britain than here. The taxation of retained profits is lighter and depreciation allowances are more real-

istic. The top personal income tax limit, while applying at a lower income level, had been brought below ours. Capital gains are tax free.

Far from being depleted by the steady succession of tax cuts, the British Exchequer revenues have flourished. Britain's experience provides support for those in the United States who believe that a creative program of tax reliefs could pay its own way by freshening the flow of the revenues.

Congress might well ponder what the Economist of London had to say just before Britain's April tax cut: "One major incubus to a free economy alone remains, and it is the biggest of all: a rate of income tax that is blatantly higher than any society can for long carry in peacetime and still hope to remain dynamic."

A REFRESHING TONIC

The United States has not had a general tax reduction since 1954, when the Internal Revenue Code was rewritten, part of the tax increases invoked in the Korean war emergency were rescinded, and a number of provisions were enacted to make the excessive rates that remained more tolerable. It was understood that income tax rate reform would be undertaken at the earliest opportunity.

The result of inaction is that in an increasingly competitive world we are left with the highest rate of personal income tax—within three points of its wartime 94 percent peak—and a 52 percent rate of tax on corporations. It is no wonder that American industry is having trouble holding leadership in world markets under the double disadvantage of top-scale wages and top-scale taxes.

We have been adding to Government spending programs now for 4 straight years. We have felt able to afford something for everyone but the taxpayer. The time has come to change the prescription. There could be no more refreshing tonic for the taxpayer and the economy than a well thought out program of income tax rate reductions.

There is no doubt that if we broadened the tax base and reduced the proportion of income which now escapes tax we could have considerably lower rates. It is not generally realized that exemptions, exclusions, and deductions of all kinds leave little more than 40 percent of total personal income subject to income tax. Congressman MILLS has estimated that if we broadened the tax base, we could have a tax rate structure on individuals that began at 10 percent of the first $1,000 and ended at 65 percent and take in as much money to the Federal Treasury as we now take in under the present Internal Revenue Code.

Whatever tax reform method is chosen will have to take account of the Treasury's revenue needs. But the important thing is to make a start by recognizing the mistake of concentrating taxes on what we want most—employment, work, and opportunity. We need to strengthen the value of the dollar earned and saved. We need to go ahead with gradual income tax rate reform, not only to invite voluntary compliance and arrest erosion of the tax base, but to build an environment of forward-looking optimism.

If there is one thing we cannot afford any longer, it is the idea that any Government spending program automatically should have priority over a citizen's use of his own money. When Government feels the necessity, for example, to spend more on defense or on aid for allies, the first place to turn is not to the citizens' standard of living through tax increases but to wasteful practices and programs within Government. In other words, our ability to afford a stronger Defense Establishment is partly measured by wastes of public funds on a variety of programs. It is not fair to expect the citizen to tighten his belt if Government does not tighten its own.

It is time we got our fiscal house in order. After all, as Roswell Magill pointed out in the article cited earlier:

"A nation as great, as productive, as wealthy as ours cannot concede that its financial problems are beyond solution. It cannot rely continuously on borrowing and inflation as its regular method of paying its bills.

"It should not be content with patching up an inadequate and archaic tax system. We should not be satisfied with anything less than a system that will permit our economy to grow at a healthy rate, that will enable us to pay as we go for the governmental services we want at home, as well as those required to maintain our place in world affairs. And we must have a means of preserving a reserve of resources that can be used to meet any great emergency that may arise—something our present tax structure and dwindling borrowing power do not provide.

"Surely American intelligence can be mustered to help our Government build a sound fiscal system, to match a sound economy and a sound defense."

MANAGEMENT OF GOVERNMENT FISCAL AFFAIRS

Mr. BUSH. Mr. President, I should like to have the attention of the majority leader.

Mr. JOHNSON of Texas. The Senator will have my attention, and will have my observations, if he will yield.

Mr. BUSH. I thank the majority leader. He is always very courteous to all of us.

Mr. President, yesterday the President of the United States sent to Congress a message calling for three important pieces of legislation: First, removing the ceiling from savings bonds; second, increasing the public debt limitation; and third, removing the statutory limit on interest rates of 4¼ percent on long-term Treasury bonds.

While I wish that it were not necessary for any of these recommendations to be made, I think they are highly appropriate under present conditions.

I observe that in commenting upon these matters yesterday, the distinguished and able Senator from Illinois [Mr. DOUGLAS] who is not now present in the Chamber, I regret to say, said in speaking of the savings bond interest problem:

While it would be unnecessary if our fiscal affairs had been managed more prudently, I do not think that the small holder of E- and H-bonds should be penalized—

and so forth.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. JOHNSON of Texas. Did the Senator notify the Senator from Illinois that he intended to refer to him?

Mr. BUSH. I did not. The Senator from Illinois did not notify me yesterday that he intended to speak on the subject.

Mr. JOHNSON of Texas. Would the Senator like to have me send for the Senator from Illinois?

Mr. BUSH. I shall be delighted. I have no secrets from the Senator from Illinois.

Mr. JOHNSON of Texas. If the Senator desires to have me do so, I will send for the Senator from Illinois.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. SYMINGTON. We have already sent for the Senator from Illinois.

Mr. BUSH. I am delighted that the Senator from Illinois is on his way to the Chamber. Does the majority leader wish to have me suspend my remarks until the Senator from Illinois arrives? I shall be glad to do so.

I note that the Senator from Illinois has just entered the Chamber.

Let us say to the Senator from Illinois that I mentioned his name, and the majority leader promptly rose and asked me if I had notified the Senator from Illinois that I intended to mention his name. I said I had not done so.

In order that the Senator from Illinois may be on all fours with us, I shall be glad to repeat what I said.

Speaking of the President's message and of the three recommendations which he made yesterday, I said:

I observe that in commenting upon these matters yesterday, the distinguished and able Senator from Illinois [Mr. DOUGLAS] said, in speaking of the savings bond interest problem: "While it would be unnecessary if our fiscal affairs had been managed more prudently, I do not think that the small holder of E- and H-bonds should be penalized"—

And so forth. That is a quotation from the remarks of the Senator from Illinois as they appear in the RECORD.

I am inclined to agree with that statement, and wish to point out that the deplorable condition of our fiscal affairs is the responsibility of the Congress. The panicky approach to our problems during the late recession in business activity furnished rather a frightening example of how the Congress can blow hot and cold, depending on which way the economic wind is blowing. Fortunately for the people of the United States, the administration, and the treasury particularly, stood absolutely firm in the spring of 1958 and prevented many wild spending schemes from being adopted by sheer force of logic and persuasion. Be it said to the credit of the majority leader and the Speaker of the House of Representatives that they supported the administration in its unwillingness to recommend a reduction in taxes at the very time when the Government's income was falling substantially, and Congress was manufacturing increased spending schemes at a deplorable rate.

I hope the majority leader heard that compliment, which is one I have repeatedly paid him. I admired his determination and his wisdom and his courage in taking that position last year. As I have said, in doing so, he rendered one of the greatest services of many fine services he has rendered the Nation as a Senator of the United States.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. BUSH. I shall be glad to yield again, if I may have unanimous consent to do so without violating the rule.

Mr. SYMINGTON. Mr. President——

Mr. BUSH. Does the Senator wish me to yield to him?

Mr. SYMINGTON. No; I thought the Senator had finished.

Mr. BUSH. No, I have not finished.

So, Mr. President, I agree with the Senator from Illinois when he says that if our affairs had been managed more prudently, it might be unnecessary to ask for an increase in both the temporary and permanent debt ceiling. And I charge the lack of prudence directly to the majority party in the Congress of the United States.

Now I wish to commend the able Senator from Illinois for his thoughtful remarks in the RECORD of yesterday; they deserve the careful attention of all Senators. In some details I am forced to disagree with him, however, as for instance when he says "once the interest rate increase is granted such higher interest rates would not be reversed."

Mr. President, that statement simply does not ring true with history. In World War I, for instance, we sold Government bonds during and after the war at rates in excess of 4 percent. I believe we sold the Victory bonds at 4¼ percent.

Yet, not many years later Government bonds were selling in a free market to yield 3 percent, and even went lower than that for some long-term issues.

Interest is the price of money, and this price will vary with the law of supply and demand, just like the price of many commodities, indeed almost all commodities varies. When we are financing the very greatest boom in the history of the United States, it is not surprising that the demand for money should be very great—indeed, record-breaking.

But, I should like to point out, as I have before, Mr. President, that one of the reasons why the demand for money is excessive is that the Government of the United States has been forced to finance a deficit. This is something that should not be allowed to happen under present conditions. Because of the deficit, the Government has repeatedly been forced into the market in competition with corporations, towns, municipalities, States and other borrowers, and has thus presented itself as a competitor for the supply of money available for loans. This, I submit, is the fault of the Congress of the United States. Basically, Congress cannot escape the responsibility.

Thus, I feel Mr. President, that it has been the failure of Congress to do its plain duty, which has been the most important single factor requiring this administration to ask for an increase in the interest ceiling on savings bonds, as well as on Treasury bonds of long maturity, and also for an increase in the debt limit. All these things, I think, can be directly traced to the fact that Congress has lost control of fiscal affairs and has failed to act responsibly when it should have done so.

Mr. President, this prompts me to remind the Senate that we have this year introduced bills providing for the item veto, which would give the President some opportunity and some authority to help deal with this situation. We have also introduced the single appropriation bill measure which, likewise, would help the Congress to discharge its own responsibility. Yet, the Congress refuses to consider these important measures.

I beg the majority leader and the majority party, Mr. President, to make it possible for Congress to do a better job. Let us have the single appropriation bill and the item veto.

Mr. JOHNSON of Texas. Mr. President, I speak with the deepest regret that a member of the minority—a minority which was reduced to almost the irreducible minimum in the last election, after the people had heard all these wild political bunk stories about reckless spending, and after they had lost 15 seats in this body—make that kind of statement. Now, when the President sends a message, on which the ink is hardly dry, and the appropriate House committee has not even had a chance to call a meeting to consider it, a message which advocates the raising of the debt ceiling to an almost alltime high, a message which advocates that the sky should be the limit so far as interest rates are concerned, a message which has far-reaching effect on the people of this country and of the $800 billion they owe in debts, I regret that the Republican Party should not be willing and satisfied to let us have careful hearings on the subject before denouncing the jury which must pass upon the measure.

I am not surprised that the bankers should be concerned, and I am not surprised that the Senator from Connecticut should be concerned. I heard him stand on the floor of the Senate and defend the former Secretary of the Treasury, George Humphrey, and his policy of high interest rates, which is costing every working man and woman in this country dollars and dollars and dollars in order that the moneylenders can be paid off.

I believe that Congress will consider the President's recommendations, give them complete study, and do what Congress believes should be done in the public interest, regardless of the political bunk put out by the Republican National Committee and its spokesmen.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I will yield in a moment. It is obvious to me that the only hope the Republic Party has left for victory is the hope that Congress will be a failure. It would be a failure if we followed their example. It is not going to be a failure. We are going to do the job the people elected us to do, and we will be worthy of their confidence and trust. We will face the issue. We will not be wild. We will not be reckless. We will not falsely charge our opposition with having done inadvisable things. We will try to put our country first, as we have always done.

In 1954 we went to the American people, and they supported our position. In 1956, notwithstanding this popular President, who happened to get into the Republican Party, and with his name on the ticket, the people still approved a Democratic Congress.

In 1958, as a result of the greatest landslide in history, the Republicans did not get enough support to wad a shotgun. Now they are trying to advise us on what our policy should be.

I read in the New York Times this morning that the New York bankers were considering a postponement of an increase they had already planned in installment loan rates, because of the "obvious congressional reluctance to go along with the administration's proposal." They were all set and ready to proceed in their attempt to get all they could, but Congress said, "Stop, look, and listen; we are going to go into it."

Of course, the bankers will denounce the Democrats. But I certainly hope that we will not have a verdict rendered before the trial.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I hope the Ways and Means Committee of the House will take the President's recommendations and the recommendations of the Secretary of the Treasury and study them. It may be necessary to raise the debt limit. Congress has already reduced by $10 billion the President's appropriations requests. That reduction has been made from the requests made in pursuance of the "great crusade." Perhaps we have not reduced them enough. The administration has a budget deficit this year, and it seems not to know how to manage the Government finances.

The only thing the Republicans can think of is to raise interest rates, raise interest rates, raise interest rates. Let the consumer pay more. Let the banker get more. That is their policy.

I assure the Senator from Connecticut that the administration will get good, fair, thorough hearings. Nothing will be done precipitately. The Senator ought to tell his banker friends in New York that they should have postponed some of the increases which they have already put into effect. That is what is wrong with the country.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SYMINGTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Missouri will state it.

Mr. SYMINGTON. Is the Senate still in the morning hour?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may have 2 minutes in which to yield to the Senator from Connecticut.

Mr. SYMINGTON. Mr. President, reserving the right to object, and I shall not object, I simply ask the question: Is the Senate still in the morning hour?

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). The Senate is in the morning hour.

Without objection, the Senator from Texas is granted 2 additional minutes.

Mr. BUSH. Mr. President, I simply say to the majority leader it is very strange that the President of the United States can send a message to Congress, that the distinguished Senator from Illinois [Mr. DOUGLAS] can comment very intelligently and thoroughly on that message, as he did yesterday—and his statement ap-

peared in full in the RECORD this morning——

Mr. JOHNSON of Texas. I agree with the Senator's statement.

Mr. BUSH. Just a minute. I understood that the Senator from Texas yielded to me; I should like to have a chance to make a comment.

Mr. JOHNSON of Texas. The Senator from Connecticut has that chance.

Mr. BUSH. I do not think it is inappropriate for one who supports the administration and its policies, particularly in the area in which we are discussing, to rise on the floor and defend the President's message. I say it is appropriate to do so. I do not think it is particularly appropriate for the majority leader to scold me for doing so.

Mr. JOHNSON of Texas. The majority leader understood that a little scolding was coming to the majority party from the Senator from Connecticut.

Mr. BUSH. The Senator from Texas heard what I said about him. I commended him for what he did last year in defending the Secretary of the Treasury.

Mr. JOHNSON of Texas. The Senator from Connecticut patted my wrist as he reached for my jugular. [Laughter.]

Mr. BUSH. I certainly missed the jugular.

Mr. JOHNSON of Texas. I agree with the statement the Senator from Illinois [Mr. DOUGLAS] made yesterday. I think it was a very complete statement. I believe the Senator from Illinois can give us great leadership in this very difficult field. But I do not think the Senator from Illinois, as a member of the majority party, or the majority leader, or Congress ought to be blamed for the policies of someone else.

It was not a Democratic Congress which was responsible for the high interest rates. The people of the country know who is responsible for that. The people will not be misled, even if the Republican National Committee continues to grind out sabotaging statements which try to put the blame where it does not belong.

I know the Senator from Illinois will not let the Republican Party get by with such statements. He will turn the searchlight on them. He will expose them and show what they are up to.

INTEREST RATES AND INFLATION

Mr. SYMINGTON. Mr. President, yesterday, on the Senate floor, the senior Senator from Illinois [Mr. DOUGLAS] presented a superb anaylsis of the President's money proposals, and accompanied his analysis with his own conclusions.

In the years I have been in the Senate, I have never read a finer analysis, one which cuts through, in more convincing fashion, the monetary smokescreen now being thrown up.

Primarily because of wasteful and unbusinesslike practices on the part of this administration, we find ourselves in a financial bind which now causes the President to come to Congress for authorization to go further into debt. On this point there would seem to be no alternative.

But is it not increasingly astonishing to have the administration which has been less successful than any other in our history in managing the Government's financial affairs, attack others as being financially irresponsible?

I concur with the recommendations of the Senator from Illinois that we should go slow in acceding to the President's request to push long-term interest rates to a higher level. My conclusion on that subject is based less on the soundness of a ceiling on interest rates; and more on the past record of the incompetence of the administration in its handling of interest rates as a matter of policy.

I agree with the Senator from Illinois that, with the long-term debt not in need of refinancing for a period of 18 months, more study should be devoted to this problem.

With idle industrial facilities and unemployed labor, we are not threatened by the type of monetary inflation which the President continuously warns as probably the greatest danger the country now faces.

Such inflation as we have had in recent years—and conceivably could have again—stems at least as much from the behavior of monopolistic elements in our economy as it does from any possible excess of money and credit.

I recommend:

A cessation in the effort to frighten the people with talk about a nonexistent inflation; and a start in a more effective enforcement effort on the part of the Federal Government against monopolistic elements;

An increase in the debt limit, as requested by the President, for 1 year only, in order to give a period of time for the administration to try to get its financial house in order;

A plug in tax loopholes, and an increase in the effectiveness of the enforcement of existing tax laws;

A change in the Federal Reserve Board policy of limiting its open market operations to supporting short-term Government bills to help the large banks—let them include longer term issues in their open-market operations; and

The authorization of a small increase in interest rates for savings bonds, but no increase, at least at this time, on long-term issues.

Mr. President——

The PRESIDING OFFICER. The Senator from Missouri.

ADMINISTRATION OF THE DEPARTMENT OF AGRICULTURE

Mr. SYMINGTON. Mr. President, yesterday the administration sent to Congress a request for an increase in interest rates.

Last night the President again emphasized a sound dollar as the most important problem of today.

If that be true, why does he not do something about it, in many areas—as, for example, in the area of agriculture?

In this connection, Mr. President, the able senior Senator from Illinois made an interesting statement yesterday on the floor of the Senate:

> Insofar as expenses for the farm program are concerned, we need to remember the present farm program is the Eisenhower-Benson farm program, not the Democratic congressional farm program; and if we have had expenses in connection with that program for which previous appropriations were not made, they should be charged to the administration—to Mr. Ezra Taft Benson and to the President—and not to Congress, because they forced us to take their program at the point of a gun.

This statement could not be more correct.

Early in this session, the Legislative Reference Service of the Library of Congress made a study of the major farm price and income stabilizing recommendations of the administration; and the subsequent action by the Congress on those recommendations.

According to this report, during the past 6 years 90 percent of the administration's farm program recommendations have been given favorable action by Congress.

Why does the Secretary of Agriculture continue to blame Congress for the present farm situation?

Even more important, why does the Secretary of Agriculture continue to refuse to give Congress any concrete recommendations for dealing with this situation?

Let me again remind the Senate of the fact that on February 16 the Secretary of Agriculture agreed to send to the Senate an omnibus farm bill, a bill which would express what he believes should be done.

At that time I assured him I would vote for any reasonable bill be presented which would reduce farm inventory.

Let me quote testimony in that connection between the Secretary and the distinguished junior Senator from Wisconsin:

> Senator PROXMIRE. It would certainly seem to me, Mr. Secretary, you would come in and propose changes all up and down the line anywhere you feel the law should be changed and improved.
>
> Secretary BENSON. That is what I have done in the testimony and we will draft it.
>
> Senator PROXMIRE. Good.

It is now nearly 4 months since the Secretary assured the Senate he would submit an omnibus bill. But he has not done so.

It is becoming increasingly apparent that the Secretary and the administration do not really know what kind of farm program they want.

In the meantime, we stumble on in agriculture as we are stumbling on in other areas, and farm storage costs alone, as estimated by the President, are running to $19 million a week.

In business there is an old saying: Either you run your business, or your business runs you.

In American agriculture, it is becoming increasingly clear who is running what.

THE WAR ON OBSCENITY

Mr. KEATING. Mr. President, as one who has been concerned for years with

the mailing of obscene material to American homes, I have noted with great interest the tremendous drive which has been mounted by the Post Office Department and various private organizations against the spread of pornographic literature. Postmaster General Arthur Summerfield, in particular, deserves hearty praise for his dedicated leadership in this important cause.

As the Postmaster General has repeatedly pointed out, a key to stamping out the flood of smut into American homes is prompt reporting of such mail to postal officials. There should be no squeamishness or embarrassment about this task of supplying information to the Post Office Department, because this problem has assumed gigantic proportions, and thousands of families are affected.

I applaud heartily the vigorous efforts being carried out in many States and cities across the land to make the laws against pornographic literature effective. I know at first hand the determined efforts which are being made in Rochester, N.Y., for example, to bring these purveyors of filth to justice. It is my hope that the present drive, combined with tightened—but carefully drawn—new statutes, will in the end result in harsh punishment of the insidious people who are growing fat and rich on this filthy business.

One of the great forces in the offensive against obscenity has been our Nation's newspapers. A recent editorial in the Rochester Democrat and Chronicle is typical of the forceful manner in which the public press has taken up the challenge of the barons of pornography. I ask unanimous consent to have this fine editorial printed in the RECORD, following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Rochester (N.Y.) Democrat and Chronicle, May 26, 1959]

MAILED OBSCENITY GROWING PROBLEM

Some peculiar problems face the Post Office Department concerning mailed pornography, among them the question, "When is a photograph art and when is the same photo obscene?"

What brings up the matter just now is a post office campaign for local support of its efforts to stamp out a traffic in pornography that has a half billion dollar a year level. This is expected to double over the next 4 years unless the public decides otherwise.

Worst of all, purveyors of pornography are aiming at, and reaching, children of high school and even grade school level. Only the complaints of parents can give the post office the evidence it needs to even start prosecution. One of the biggest troubles is that parents, in wrath and shame, tear up or burn the evidence, instead of sending it to local postal officials.

Postmaster General Arthur E. Summerfield reports that youngsters don't have to order this filth. It is sent to them in sample form, with names and addresses of the receivers having been taken from mailing lists made up of children who answer advertisements to buy innocent items such as a baseball bat or a toy auto.

The items sent to youngsters might possibly be construed as art if purchased by adults. However, the intent in sending such stuff to children is obviously not to foster art. So we come to the question asked above, can a picture be art under some conditions and not under others?

New censorship laws of any kind are laden with dynamite. The fact that the postmaster would like legislative support does not automatically mean he should get it. But it does seem monstrous that commercial pornographers can invade our homes through the mail and be able to cloak obvious intentions under the art subterfuge.

While society struggles with this problem of definition, the least parents can do is to supply the postal authorities with the weapons they need to go after the filth sellers under present laws.

PROCEEDINGS AND RESOLUTION ADOPTED BY THE CONVENTION OF THE BYELORUSSIAN-AMERICAN ASSOCIATION

Mr. KEATING. Mr. President, the Byelorussian-American Association recently held its eighth annual convention in New York City. During the course of the meeting, the various discussions which were held and a resolution which was adopted pinpointed the systematic plan of supression and tyranny being carried out by the Communists in the homeland of these fine people.

It is important for those of use in the free world to be reminded of the barbaric oppression which is going on behind the Iron Curtain. We must grasp every opportunity to assure the noble peoples now pinned under the boots of the men in the Kremlin that they are not forgotten. We must work and pray for the day when these nations, such as Byelorussia, will regain their rightful place in the family of free nations.

Because of these factors, I want to call to the attention of the Senate the various activities of the recently concluded convention of the Byelorussian-American Association. I ask unanimous consent to have printed following my remarks a description of the convention proceedings and the resolution adopted there.

There being no objection, the memorandum and the resolution were ordered to be printed in the RECORD, as follows:

THE 10TH ANNIVERSARY OF BYELORUSSIAN-AMERICAN ASSOCIATION

The representatives of Byelorussian-American Association, representing the branches of New York, N.Y., Jersey City, N.J., South River-New Brunswick, N.J., Stamford, Conn., Springfield, Mass., Cleveland, Ohio, Detroit, Mich., and Los Angeles, Calif., gathered in New York City on May 30 and 31, 1959, in the hall of Byelorussian Community Center, 401 Atlantic Avenue, Brooklyn, to mark the 10th anniversary of Byelorussian-American Association and to attend the eighth convention of the association.

The highlight of the convention was a discussion on present political situation concerning the liberation of oppressed peoples from Soviet domination, including Byelorussia, which ended with an adoption of a resolution calling an attention to the genocide practiced by Russian Communists in Byelorussia and for carrying on a positive liberation policy by the United States and the free world.

The delegates of the convention carried on and sent the greetings to President Eisenhower, Vice President NIXON, the Governor of the State of New York, and the mayor of the city of New York.

The biannual report was presented by Mr. Nicholas Kuncevich, national president and by his aids, which has been approved by acclamation.

The new national committee has been elected and sworn in: Mr. Konstanty Mierlak, of New York, national president; Mr. Francis Bartul, of New York, first vice president; Mr. Bazyl Pleskacz, of Detroit, Mich., second vice president; Mrs. Natalia Kushel, of New York, secretary; Mr. Peter Ganecki, of Stamford, Conn., treasurer; Mr. Bazyl Scecka, of New York, cultural affairs officer; Miss Nina Stoma, of New Brunswick, N.J., social affairs officer.

RESOLUTION OF THE EIGHTH CONGRESS OF THE BYELORUSSIAN-AMERICAN ASSOCIATION

We, the delegates to the Eighth Congress of the Byelorussian-American Association, in the name of the Byelorussian people oppressed by Russian communism, declare:

The colonial policy of the Russian Government in Byelorussia consistently strives to annihilate the Byelorussian people. Trying to smash the heroic resistance of this nation, Moscow aims at depriving the West of a natural ally in today's critical East-West conflict. The terrifying genocide in Byelorussia is even substantiated by Soviet statistics. In 1939 the population of the part of Byelorussia constituting the Byelorussian Soviet Socialist Republic was 10.5 million.[1] Seventeen years later, in 1956 the same territory was inhabitated by 8 million people[2] (having a natural rate of increase 17.3/thousand).[3] Normally, in 1959 the Byelorussian Soviet Republic should have had 14,133,000 inhabitants. About 2 million lives were lost as result of World War II and would have reduced the 14,113,000 to 12,133,000. However, instead of 12,133,000 the recent census of January 1959 shows 8.06 million. Hence, more than 4 million people were physically destroyed or sent to labor in Siberia and the far north by the Soviet regime.

Simultaneously with physical extermination and deportations Byelorussia is being systematically settled with elements brought in from Russia to occupy administrative and police posts and to strengthen the political reliability of this Moscow's westernmost colony.

Byelorussia is kept under strict police surveillance. All key government positions are held by Russians headed by the Minister of Government Security—the Russian Perepelitzyn. Having thus placed Russians in all leading posts in Byelorussia itself, Moscow represents this republic by Russians also in international affairs. The chief of the permanent mission of the B.S.S.R. to the United Nations, Griaznov and his secretary Sitnikov do not even speak Byelorussian. The slightest tendency of Byelorussians to ease the economic exploitation of their country is met with sharp reaction from Moscow. For example, the purge of administrative and agricultural agencies of the B.S.S.R. in March 1959 also included the Premier Aukhimovich for demanding during the second session of the Supreme Soviet in 1958 a budget which would secure a minimum living standard for the population of Byelorussia. Another reason for his expulsion, according to Pravda, was assigning executive positions to his friends, that is, his opposition to the influx of the Moscow appointed officials to Byelorussia.

This incident reflects the general sentiment prevailing in Byelorussia. This is also confirmed by the sharp criticism of

[1] "Great Soviet Encyclopedia," 2d ed., vol. 4, p. 476.

[2] Statistical collection "National Economy of the U.S.S.R.," Moscow 1956, p. 18.

[3] "Great Soviet Encyclopedia," 2d ed., vol. 50, p. 105.

Byelorussian nationalism at the Fourth Congress of Byelorussian writers, held in February 1959.

The Byelorussian-American Association supports the joint resolution submitted by the Honorable LEONARD FARBSTEIN in the U.S. Congress on April 29, 1959. This resolution suggests the establishment of diplomatic relations with a member of the United Nations, the Byelorussian Soviet Socialist Republic, which is constantly presented by Moscow to the free world as a sovereign Byelorussian state. Successful realization of the propositions formulated in the resolution will be of moral and political value to the Byelorussian people and would be a tangible demonstration of sympathy and understanding on part of the American people.

It is characteristic that Moscow, while conducting a policy of forcible russification and extermination of Byelorussian culture, so far has not permitted a single Byelorussian cultural representation to appear in the free world.

Following the policy of moral aid to the oppressed Byelorussian people the U.S. Government should include the Byelorussian language in the Voice of America broadcasts. Since the Byelorussian people is third in size and importance in the Soviet Union, the Byelorussian language is an important factor in communication between the United States of America and the Soviet Union.

The Byelorussian-American Association also believes that the appropriate U.S. authorities should establish the existing Byelorussian Desk in Radio Liberation (recently renamed Radio Liberty) as a separate and independent unit, which would replace the present inefficient propaganda by a program, really responding to the feelings of the Byelorussian people.

The Byelorussian-American Association appeals especially to the press of the free world, to its journalists and writers for their aid in focusing the attention of the political circles of the free world to the tragedy of the Byelorussian people.

SOUTH DAKOTA IS ANGLERS' PARADISE

Mr. MUNDT. Mr. President, I am delighted to call to the attention of my colleagues an Associated Press story, which appeared in the Sunday, June 7, edition of the Washington Post, concerning the wonderful recreation facilities available in the State of South Dakota.

Mr. President, it seems to me that after the heated kind of partisan debate we have been enjoying this afternoon, all of us can look forward to the period, some 60 days hence, when the Congress will be adjourning, and when the Members will be looking for vacation lands. I invite my colleagues, Republicans and Democrats alike, to visit the great State of South Dakota.

This particular article cites the excellent fishing available in the newly constructed Oahe Dam, on the Missouri River, near our capital city of Pierre.

South Dakota, with its beautiful Black Hills and the Mount Rushmore shrine to four of our greatest Presidents, has attracted citizens from all of our States, as well as visitors from throughout the world, at the rate of approximately 1 million visitors a year, for a long time.

However, I want to take this opportunity to point out that South Dakota's attractions are not limited to the scenic wonders of our Black Hills and our western Bad Lands.

The Missouri River development, for instance, has brought to South Dakota one of the largest inland bodies of water in the world. What once was the "Muddy Missouri" is now fast becoming a beautiful fresh-water lake stretching not only from north-to-south borders in South Dakota, but also encompassing large areas in our sister State of North Dakota.

As the article points out, "fishing couldn't be better" than it is in these new lakes, which are providing anglers with excellent catches of sauger, northern pike, and walleyes. Even the most pessimistic of hard-luck fishermen will find in the waters of the Missouri the dream-come-true of a fisherman's paradise.

Without being carried away by my enthusiasm for a truly delightful future of wonderful fishing, I can state, without the least shade of biased opinion, that in the years to come the fishing will be even better.

In reporting this anglers' paradise, I hasten to add that our Missouri River lakes abound in recreational assets other than fishing; and I fully expect that in the years to come, "See South Dakota" will be an irresistable Pied Piper's call to come to our State, to enjoy the fruits of the most bountiful living available anywhere.

I suggest to the Members of Congress that they begin that trek when the sine die adjournment bells ring some happy day in August.

Mr. President, I ask that the article from the Washington Post be made a part of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THANKS TO DAMS ON MISSOURI RIVER—ARID SOUTH DAKOTA ANGLERS' PARADISE

PIERRE, S. DAK., June 6.—It's hard to believe that semiarid central South Dakota could become a fishermen's paradise, but the facts are hard to dispute.

Whopping big sauger (sand pike), northern pike, and walleye catches are attracting anglers. The tailwaters of the newly constructed Oahe Dam on the Missouri River are the scene of the fabulous fishing.

Most of the fishing is done within a few hundred yards of the outlet tunnels of the dam.

This is a repetition of what happened when dams were completed earlier at Gavins Point and Fort Randall in South Dakota and Garrison in North Dakota.

Fishermen who formerly thought the Missouri was only good for channel catfish and bullheads have found the muddy stream, when slowed down, abounds with many species.

Even trout have been hooked in the clear lakes behind the dams.

Game Warden Duke Lamster, of Pierre, made a check of 80 fishermen who lined the river channel shores; they had 230 sauger, 98 northern pike, and 28 walleyes.

The sauger ran from 3 to 6 pounds, the walleyes about the same, and the northerns averaged 7. The largest northern tipped the scales at 24.

Biologists say that the first place in the United States where sauger attracted much attention was in the TVA dams.

MANAGEMENT OF GOVERNMENT FISCAL AFFAIRS

Mr. KUCHEL. Mr. President, with political power goes political responsibility. It is true, as the majority leader said a little earlier today, that the Republicans in the Senate did not do too well in the last election. It is equally true that today the Democratic Party is the majority party in both Houses of Congress, and controls them. They, not we, control the Congress. They, not we, have the majority of the votes in the Senate and the House.

My able friend, the Senator from Wisconsin [Mr. PROXMIRE], who now presides over the Senate, knows that there are almost twice as many members of the Democratic Party in the Senate as there are members of the Republican Party in the Senate. Somewhat the same ratio exists in the House of Representatives. If they care to pass legislation, they can do so.

Mr. President, if progress is made in any given legislative field, I think the record should demonstrate it. The Democratic leadership will have a right to receive appropriate credit for what legislatively, may be accomplished. But the Democratic leadership and my friends of the Democratic Party are also going to have to assume and to accept the responsibility for that which they should do but which they fail to do; and I am sure the presiding officer will agree with me on that, as a matter of fairness.

Mr. President, I have the honor to be a member of the Republican Senate leadership. I am grateful for the opportunity as a Republican Senator to sit with the President of the United States and his advisers once a week on Tuesday mornings. This morning the Under Secretary of the Treasury was present. I do not know him intimately; but Julian Baird is an able, dedicated, and patriotic man, who has been successful as an American banker, and now represents the Government and the people of the United States. I am glad to be able to call him a friend. What he and Robert Anderson, the Secretary of the Treasury, and the President urge the Congress to do in this crucially important field of fiscal responsibility, they urge that the Congress do in the interest of the people.

I feel sure that the statements which this administration has made with respect to the problem of the debt ceiling and the interest rates will, and certainly ought, on sober and mature and nonpolitical examination by Senators on both sides of the aisle, be found to be abundant reason, in the view of a majority of us, for the acceptance of those recommendations and their enactment into law.

At any rate, I hope so.

A few days ago one of the great newspapers in this country, the New York Herald Tribune, contained a long and interesting article on the difficulties the Government was having today in selling American Government securities. In all of God's world, no securities are safer than those backed by the Government of the United States; and yet the Secretary

of the Treasury has difficulty in selling them so that moneys will be available to carry on the business of the Government, including the defense and the security of the American people. Thus, in this technical field, in this professional field, in which I am ill qualified to make comment, it does seem to me that those in the Treasury Department, as pointed out in the comments which the New York Herald Tribune has made, are finding difficulty in serving the Government's needs, and in supplying the necessary cash for the day-by-day operations of the Government, under the present laws which govern.

Investors, those with money to purchase securities, are buying corporate bonds, and common stocks, and tax-exempt municipal securities, simply because the yield will be higher, and they are willing to take the risk involved.

The recommendations, as I listened to them being explained this morning are in the public interest. This is no speech, Mr. President; I merely wish to say that with the power, which the Democratic majority has, goes, hand in hand, a responsibility. For what they are able to do in the interest of the American people, full credit to all of them; but for their shortcomings, for what they fail to do and for what they do not do in the public interest, likewise, they, and they alone, will be responsible.

I regret if anyone in advance has indulged in animadversions with respect to the treatment which the proposed legislation might receive here. So far as I am concerned, I speak as an American citizen and as a Republican. I hope and pray that the recommendations of the President of our country and the heads of the Treasury Department in this country upon so overwhelmingly important a subject as this will be given the honorable and the full examination which they deserve.

Mr. SCOTT. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield to my able friend from Pennsylvania.

Mr. SCOTT. I have been listening to the colloquy on the subject of the message. I have no expert background in monetary policies. I am under the impression that money is a commodity; that it commands a certain price in the market, which is known as the interest rate; that the interest rate in a free market, therefore, depends upon the supply of and demand for money. It depends upon the willingness of the creditor to lend, and the ability of the borrower to pay.

We have heard, not only this morning, but for a very long time, statements that persons charged with the leadership of the Senate and of the other body of Congress deplore the present high interest rates. Notwithstanding the fact that in the history of our Republic, during the terms of many Presidents, interest rates have fluctuated up and down, we are led to believe that in the fixing of the present rates there may be a mysterious connection with some obscure intent to work harm upon the American people. In my judgment, that is not the case.

I should like to ask the distinguished Senator from California if he does not agree that if there is anything wrong with the fiscal policies of our Government pertaining to the fixing of interest rates, the majority party which controls two-thirds of the membership of both Houses, should be asked why it does not take the responsibility which the people of this country gave them last November and offer legislation to carry out what they claim is for the welfare and in the interest of the people of this country, the fixing, somehow, of a lower interest rate.

In my judgment, if a low interest rate is arbitrarily fixed by some kind of hocus pocus, control, legislation, or arbitrary limitation, inflation, which is the thief of every man's money and hits hardest the poorest people, those least able to pay, is also virtually guaranteed. If for political reasons we are going to go back to the old Populist theory, which embraced the belief that there were more borrowers than lenders in this country, let the majority party assume the responsibility for bringing about lower interest rates through legislative process, or let them suggest methods whereby the Goverment may secure lower interest rates through the exercise of legislative responsibility.

I am asking the Senator from California if he has heard of any serious attempt on the part of our colleagues on the other side of the aisle to do otherwise than to criticize, and has he heard any constructive suggestions so far in this session which are based upon economics?

Mr. KUCHEL. Mr. President, my friend the able junior Senator from Pennsylvania makes a timely and a powerful comment. The fact of the matter is that not very many hours after the administration sent to Congress its recommendations, on those questions, some of our colleagues on the other side of the aisle were immediately jumping up and heaping imprecations on every recommendation that was made. I suggest it would be in the interest of the people of our country if our colleagues who constitute the majority would constructively endeavor by legislation to find an answer. I thank the Senator from Pennsylvania for his comments.

Mr. President, I have located the New York Herald Tribune article to which I previously referred, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, May 26, 1959]

TREASURY'S ANDERSON: HIS PRODUCT UNPOPULAR

(By Joseph R. Slevin)

WASHINGTON, May 25.—Secretary of the Treasury Robert B. Anderson is a salesman with an unattractive product and fresh reminders of his market troubles come with disconcerting regularity.

Government securities are the Secretary's stock-in-trade. He wants investors to add larger quantities of Governments to their portfolios but they have been taking a dim view of his entreaties.

The only growing market that Mr. Anderson can find is for short-term securities. Corporations have been buying short-term Governments to invest their tax reserves and local governments have been buying them to invest their own tax collections.

Other customers are cutting back. That's true of savings bond holders, who consistently have been cashing more bonds than they have been buying. And it's true of the big institutional purchasers who have been searching out more lucrative investments than Government bonds.

It's doubly galling to Mr. Anderson and his Treasury advisers.

Government securities are being cold-shouldered at a time when the public debt—and the Treasury's needs for customers—have been rising. They are being cold-shouldered during a period when the total investments of institutions are growing by leaps and bounds.

The Treasury estimates that institutional investors chopped $1,500 million of Government securities from their portfolios during the last 6 years. The assets of the institutions climbed an incredible $100 billion over the same 6 years.

Life insurance companies and mutual savings banks cut their actual holdings of Governments by $5,500 million. The proportion of their assets in Governments dropped 50 percent.

Savings and loan associations and State and local government pension funds added to their holdings of Governments. But their total assets rose even more quickly with the result that Governments represented a smaller proportion of their assets at the end of the period than at the beginning.

The latest bit of unhappy news concerns corporate pension-fund holdings of Governments and it came to Mr. Anderson today from the Securities and Exchange Commission. It had a familiar ring, for it was the same story that a prosperous, profit-hungry economy has been telling the Secretary for a long, long time.

Corporate pension funds boosted their assets to $22,094 million at the end of 1958 from $19,319 million a year earlier. The funds simultaneously trimmed their holdings to $1,985 million from a year ago total of $2,032 million.

Where did the funds put their increased assets? Holdings of corporate bonds rose to $11,731 million from $10,392 million. Holdings of common stock jumped to $6,042 million from $4,770 million.

The pension funds are buying corporate bonds and common stock because they want a more generous return than they can obtain from Government securities. The corporates pay better. The common stock yields as much or more and provides a hedge against inflation to boot.

Corporate pension funds began to grow rapidly just under 10 years ago after the National Labor Relations Board ruled that pension benefits were a proper subject for collective bargaining. The SEC figures go back to 1951 and the changes since have been dramatic.

The funds have more than trebled in size. The December 31, 1958, total of $22,094 million compares with a December 31, 1951, volume of only $6,876 million.

The $11,731 million corporate-bond total contrasts with 1951 holding of $3,125 million and the $6,042 million common-stock portfolio stacks up against a meager 1951 volume of $812 million.

Government securities not only haven't shared in the expansion but they actually have lost ground. The $1,985 million of Governments in pension-fund hands last December 31 was $185 million smaller than the $2,170 million of Governments that the funds had 7 years before.

Mr. Anderson is trying to decide whether he should ask Congress to boost the 4¼-percent statutory ceiling on Government bonds. The going rate is higher and the Treasury has been priced out of the market.

Paying more than 4¼ percent may not arouse additional investor enthusiasm. Corporate bonds and mortgages still will yield more than Governments. But it will allow the Treasury to sell some Government bonds to the segment of the market that likes to put part of its funds in Federal obligations.

Mr. Anderson can sharply increase the Treasury's sales only by raising the Treasury rate to yield that would actively bid money away from other investments.

The maneuver would drain money from home building, local government public works, corporate expansion and other private activities. Much as Mr. Anderson would like to sell more bonds, it's not a step that he's likely to take.

Mr. HUMPHREY. Mr. President, I could not help noting with considerable interest the colloquy of the distinguished Senators on the other side of the aisle, the whip of the minority, or the deputy leader [Mr. KUCHEL], and one of the able Senators in the Republican Party, the distinguished junior Senator from Pennsylvania [Mr. SCOTT].

I was just looking through the CONGRESSIONAL RECORD for yesterday so that I would be sure the comment I am about to make would be well documented by the debate which took place in the Senate.

Mr. President, I was one of the Senators who yesterday commented on the President's message, the President's request for an increase in the debt ceiling as well as for removal of the ceilings on interest rates on long-term bonds, Government securities.

As I look over the RECORD, I observe I stated:

Mr. President, I do not claim to be an expert in this field, but, as one who is keenly concerned with financing of both public and private investments, I may say that for the Congress to permit this kind of action to take place would be tantamount to being willing to increase public expenditures in the name of interest, but being unwilling to increase public expenditures in the name of need and very essential public services.

I then stated:

I hope the Congress will give this matter its careful attention, as I understand it will, from statements of the majority leader and others.

I think the time is at hand for the Congress to take a most careful, analytical, and scrutinizing look at the manner in which the administration is handling financing of public expenditures and serving the public debt.

Mr. SCOTT. Mr. President, will the distinguished Senator from Minnesota be good enough to yield?

Mr. HUMPHREY. I am happy to yield.

Mr. SCOTT. I should like to have my friend, the distinguished Senator from Minnesota, continue reading; or perhaps I may suggest to the Senator that immediately at the point at which the Senator stopped reading he went on to say:

The Congress of the United States has the obligation, along with the executive branch, to see that public financing is handled on an equitable and reasonable basis, rather than have inflation face us in connection with public financing of projects involving public need.

Mr. HUMPHREY. Yes.

Mr. SCOTT. From which language I assume the Senator agrees that the Congress of the United States has its responsibilities with regard to the fiscal policy of the country and the interest rates which are charged. Is that a correct assumption?

Mr. HUMPHREY. The Senator's assumption is absolutely correct. I am not here to deny our responsibility. In fact, I am here to proclaim it. I hope that the Joint Economic Committee, under its able chairman, one of the most able economists in the country, the Senator from Illinois [Mr. DOUGLAS], will examine in meticulous detail into the whole matter of the servicing of the public debt, and will go back not only a few years but for a rather extended period in its investigation and research and study how the public debt has been handled and how public financing has been handled by this administration and by other administrations.

I hope the Senate Committee on Finance, which, ultimately, will have the responsibility for proposing whatever legislation may be passed, will likewise go into this matter.

I hope that the proposals of the President will be divided, in the sense that we should consider the debt ceiling as one separate item and the lifting of the ceiling on the interest rate for long-term securities as a separate items, because it is the latter which really requires careful analysis and which should be examined thoughtfully, objectively, and meticulously.

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Minnesota yield to the Senator from Tennessee?

Mr. HUMPHREY. I yield to the Senator from Tennessee.

Mr. GORE. Time and again we have heard the philosophy which was contained in the President's message of yesterday, that the Government of the United States is helpless as to the marketing of its obligations and in the management of the public debt, that it must offer its bonds and simply take whatever the trade will bear. I am sure the senior Senator from Minnesota rejects that philosophy.

Mr. HUMPHREY. I reject it completely.

Mr. GORE. As we have seen again on the floor of the Senate today, an attempt is made to dismiss the opponents of this spiral of interest rates with the question, "How do you sell bonds?"

I hope the Ways and Means Committee of the House of Representatives tomorrow will ask the Secretary of the Treasury by what magic wand he succeeded, with the support of the President, in selling successive bond issues at progressively lower rates of interest for several consecutive months after he took office. I believe the facts will disclose that the Government of the United States realized the extent of the recession which had fallen upon our country as a result, partly, of unwise monetary policies, and that a high policy decision was made to reverse the tight policies, at least temporarily. The power of the Government, though not publicly proclaimed, was privately asserted and influences were brought to bear, conditions were created so that, as I have said, the U.S. Governments were marketed for successively lower interest rates for about 9 months.

But in the summer of last year something happened. I should like to know what happened. I do not know whether the Secretary of the Treasury lost the support of the President, whether he lost his own nerve, whether he lost his convictions, or what. I do not know what happened, but since that time a concerted drive has been underway to artificially increase interest rates with agencies of the Government leapfrogging one another up the interest-rate ladder.

Mr. HUMPHREY. I thank the distinguished Senator from Tennessee for his observations on this matter. Over the years the Senator has been in the forefront of the debate on the questions of Government fiscal policy, Government tax policy, and interest rates.

Mr. President, in March of 1953 we heard from the then Secretary of the Treasury, Mr. George Humphrey, that if he could put a 3¼ percent interest rate on the long-term bonds we would get the public debt away from short-term issues, away from bills and certificates, and into long-term financing.

As the Senator from Illinois pointed out yesterday, that has not happened. In fact, the truth of the matter is that the duration of bonds of the Government is now of a shorter term than it was in 1953.

We also heard today—and I was rather surprised to hear it—that the Government of the United States is now having difficulty selling American Government securities. That is a fine commentary on this Republican administration. In a period of war, a World War, and the action in Korea, and a depression, the Government of the United States never had difficulty in handling its securities. Never before were we faced with the interest charges we now face. I will say that the economy was indeed moving ahead with tremendous strides during the period from 1946 to 1953.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. It was moving ahead at a very rapid stride.

Mr. President, the time is limited. I must say I did not bring to the attention of the minority the fact that the Senators had taken some 15 minutes, rather than the customary 3, so I thought, out of what we call the spirit of equity, we would take about 10 minutes on this side. I figured that would average out about right.

Mr. President, all I am asking is that the Congress do just what has been mentioned today, namely, examine carefully

into the policy which has been laid down by the Executive for our consideration. I believe that when such examination is made, and when the speech of yesterday by the Senator from Illinois [Mr. DOUGLAS] is studied, it will be found that the alleged urgency for removing the ceiling on the interest rate on long-term securities is not present.

There is good reason to believe, from what little information we have at this moment, that Government financing can be handled without breaking the ceiling on the interest rate on so-called long-term securities. Moreover, if there is to be a break in it, the Congress must know that the result of such break will be to open Pandora's box of trouble, not only for public financing, but for private financing as well.

Let it not be forgotten that when the Government of the United States increases the interest rates on its securities, the effect is not only passed down the line through the private economy, but it is compounded in the private economy. We are not talking about $280 billion of public indebtedness. We are talking about an even larger amount of private indebtedness which must be financed. We are talking about a vast amount of capital expenditure which must be financed.

We are not talking about whether or not we can refund certain Government bonds next year or the following year. We are establishing a yardstick of interest measurement for the entire American economy and for the world, because the United States has become the banker of the world.

We should not establish higher rates without the most compelling reasons. I am not saying that some reason may not be found for adjusting the rates. I wish to be very fair. But before the adjustment is made, let us clearly understand what we are doing. Let us understand that we shall be feeding the fires of inflation by official Government action.

Let us clearly understand that we shall be making the rich richer, and the poor poorer. Let us clearly understand that the day we take the ceiling off the interest rate, bonds now outstanding will depreciate in value, and those who manage the money markets of the country will have an even greater control of the fiscal and financial policies of the Government.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am afraid I shall have to ask the Senator to speak on his own time. I note that the Chair is about to tell me that my time has expired. I apologize to the Senator from Tennessee for my inability to yield to him.

Mr. GORE. I understand the situation.

SALE OF SURPLUS AGRICULTURAL PRODUCTS ABROAD FOR LOCAL CURRENCIES

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as part of my remarks an article entitled "Farm Surplus Bill Extension Vital," written by George W. Oakes, a contributing writer, and published in the Washington Sunday Star of June 7, 1959.

This article refers, of course, to Public Law 480, and sales of agricultural commodities under the terms of that act, as well as the use of the funds which are accumulated as a result of such sales.

This particular article also alludes to the food-for-peace bill of 1959, which is what I call a bill updating and perfecting the program under Public Law 480.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Sunday Star, June 7, 1959]

FARM SURPLUS BILL EXTENSION VITAL

(By George W. Oakes)

Congress must act this summer on extending a unique and successful kind of foreign aid—the sale of surplus agricultural products abroad for local currencies.

Agreements with 38 countries already have provided for the shipment of 30 million tons or $3.5 billion worth of commodities since the law authorizing it was passed nearly 5 years ago.

This foreign aid program is unusual in several ways:

1. It supplies badly needed food for undernourished peoples, particularly in Asia, thereby saving these countries valuable foreign exchange.

2. It provides needed agricultural imports essential for economic expansion and thus reduces inflationary pressures.

3. It promotes economic development projects through counterpart funds.

4. It enables the U.S. Government to use local currencies to pay many administrative, military, educational, cultural, agricultural promotion and other expenses.

SURPLUS FARM PRODUCTS

India, the largest single purchaser under the program, has agreed to buy $658 million worth of U.S. surplus farm products and set aside an equivalent amount of rupees for use in India on jointly approved projects of benefit to both countries. This constructive aspect of the program—that it is not simply a commodity disposal operation—has an important psychological value for Indians.

Senator JOHN SHERMAN COOPER, on the basis of his experience as Ambassador to India, describes it as a creative program and one of the most effective forms of foreign aid.

Here is the way it has worked in India:

Since its inception in October 1956 the United States has shipped the following huge quantities of farm products out of our surplus production: 230 million bushels of wheat; 8 million bushels of corn and sorghum; 4.3 million bags of rice; 235,000 bales of cotton; 5 million pounds of tobacco; 25 million pounds of dried milk.

In 1957, when the monsoon rains failed and Indian food production dropped 7 million tons, these badly needed foodstuffs prevented the reinstitution of bread rationing in the large cities, as well as the soaring of food prices. American surplus commodities accounted for nearly half of India's 5 million tons of imported grains in the 1957–58 crop year.

POPULATION INCREASE

Even though Indian food production in the current crop year has risen 10 million tons to 73 million tons of grain, American shipments are now running at a higher rate than a year ago, to satisfy needs of the large population centers. For in India the vast population increase of 2 percent, or 8 million persons per year, requires an annual additional million tons of grain.

Although India's food requirements are tremendous, in view of such widespread food shortages and undernourishment, and far greater than the amounts available, India cannot absorb unlimited U.S. food surpluses. Port facilities are limited and have been severely strained during the last 2 years, unloading 500,000 tons per month. Also, India's internal distribution and transportation system cannot handle a larger volume of imported foods, India would not wish to be too dependent on American agricultural commodities, nor would U.S. policy favor any such reliance which would tend to discourage Indian development of her own agricultural production.

These millions of tons of American agricultural products are vital to India for more than purely humanitarian reasons. As industrial development increases with rising consumer purchasing power, more food and fiber products are required. As more people go to work, their first expenditures are for food and clothing. If such agricultural supplies do not rise, ruinous inflation results. Senator HUBERT H. HUMPHREY has pointed out "insufficient food in India has produced inflation, and inflation can torpedo economic development." Since there is inadequate food production in India despite continuing efforts to raise it, American surplus food and fiber supplies perform an important function in countering inflation. In addition, by not having to use precious foreign exchange to finance agricultural imports now received from the United States, India can devote these resources to the purchase of capital goods and other essential requirements for her economic improvement.

BUILDING INDIAN ECONOMY

Not only are U.S. farm surpluses necessary for India's food and clothing requirements, but they have an additional value in that the rupees which the Indian Government pays for them are used for the country's economic development. Of the $658 million worth of rupees available, $384 million are to be loaned by mutual agreement to India in order to build up her economy. So far some $250 million worth of rupees have been loaned to the Indian Government at 4 percent interest for these projects:

1. $193.6 million worth of rupees have been allocated for 13 river valley development projects. These power and irrigation programs, which had already been started with Indian, International Bank and U.S. foreign aid funds, are located in various states such as Madhja, Pradesh, Madras, Bombay and Mysore. Most of them, vital to raising India's agricultural and industrial production, will require several years to complete.

2. A refinance corporation was established a year ago with membership of 14 Indian private banking institutions. This corporation, into which the United States put $55 million worth of rupees and Indian private banks $25 million, will rediscount loans made by the participating banks to private medium-size industry for developmental purposes for a 3- to 7-year period. The list of 57 eligible industries include those in iron and steel, chemicals, ferromanganese, cement, jute manufacture, drugs, electric motors, dyestuffs, etc. Up to last December seven applications had been received for $4 million worth of loans in such industries as cotton textiles, electrical goods, cement, drugs and ferromanganese. No single industrial firm can borrow more than $1 million in rupees.

The refinance corporation fills a gap in the Indian private banking system because medium term industrial financing has not been available from private commercial banks.

ENCOURAGES INVESTMENTS

An amendment to the law provides that in India $73.9 million worth of rupees be

loaned to private American corporations or their Indian affiliates. Conceived as a device to encourage U.S. private investment abroad, these rupee funds would, by supplying working capital and money for factory construction, make it easier for such firms to expand their business development and trade operations. So far applications from U.S. companies in the tire and truck, elevator, glue manufacturing, steel strapping, and piston ring industries would only use up about one-fifth of the rupees available.

Several million dollars' worth of rupees have been allocated for U.S. educational and cultural activities. At present the State Department uses this money to operate the Fulbright educational exchange program and hopes to expand Indian leader-specialist travel grants with these funds. Also it plans to establish chairs and seminars in American studies at Indian universities. USIA proposes to spend some of these rupees in order to translate and publish textbooks for school use in 12 Indian languages.

The successful experience in India with the constructive uses to which our farm surplus has been put illustrates why the law will undoubtedly be renewed by Congress in the next few months. Many, like Senators COOPER and HUMPHREY, favor a 5 year extension so that India and the other recipient countries can count on a long-term program for planning purposes.

STANDING COMMITTEE ON VETERANS' AFFAIRS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I made this morning before a subcommittee of the Senate Committee on Rules and Administration during its deliberations relating to a proposal to create a standing Committee on Veterans' Affairs in the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STANDING COMMITTEE ON VETERANS' AFFAIRS

(Statement by Senator BYRD of West Virginia)

Mr. Chairman, I appear in support of the resolution to create a standing Committee on Veterans' Affairs in the Senate.

Recently we celebrated Memorial Day in this country. On that occasion we paid tribute to the 23 million living veterans and their dependents. Federal services and benefits available to them account for approximately 20 percent of all budget expenditures, other than for major national security. The long-run outlook under present laws is for large and increasing expenditures for veterans' programs. Last year the President recommended that these laws be reconsidered, particularly in view of the growing general public benefit and welfare programs which are now available to veterans as well as to other groups of the population.

It seems to me amazing that an aspect of our national life so comprehensive in its scope should lack the benefit of specialized committee attention in the U.S. Senate. I feel that a field of such broad legislature implications, which is steadily increasing in importance, deserves specialist attention for the full protection both of the veterans and of the entire Nation.

Jurisdiction over veterans' affairs is concentrated in a single standing committee of the House of Representatives, from which I recently came to the Senate. This arrangement has worked well in the handling of veterans' legislation in the House. I think that the time has come, if indeed it is not long overdue, for a committee with identical duties and jurisdiction to be established in the Senate.

The new committee would assume jurisdiction over matters now handled principally by the Committee on Finance and the Committee on Labor and Public Welfare. These two committees have long had a heavy workload apart from their jurisdiction over veterans' affairs. Creation of a new standing Committee on Veterans' Affairs would relieve them of the burden of handling veterans' legislation and reduce their workload to that extent.

This proposal for the establishment of a standing Committee on Veterans' Affairs is not a new one. It was recommended in 1946 by the Joint Committee on the Organization of Congress, the famous La Follette-Monroney committee. The bill that embodied the recommendations of the joint committee contained a provision for just such a committee.

In response to objections on the floor that the two-committee assignment rule would deprive the new committee of the long experience with veterans' affairs possessed by members of the Finance Committee, which had had jurisdiction over such affairs since World War I, Senator La Follette agreed to strike the provision for the new committee from this bill.

At the same time, however, he remarked that a Committee on Veterans' Affairs would have to be set up in the Senate in the near future in order to relieve the Finance Committee of a tremendous burden.

I feel, Mr. Chairman, that the reasons which led the La Follette-Monroney committee in 1946 to recommend the establishment of a Veterans' Affairs Committee in the Senate are as valid today as they were then.

Resolutions to establish such a Senate committee have been introduced in every Congress since 1950 with wide bipartisan sponsorship and with the support of the veterans' organizations. Meanwhile, the Korean war, the extension of selective service, and the acceleration of our defense program with the continuation of the cold war all indicate a gradual increase of veterans' problems in the years to come.

It seems to me that the sifting and digesting of legislation in this field and the continuous oversight of the Veterans' Administration is such a big job that it should be assigned to a single committee in each Chamber. The vast scope of the Government's activities in behalf of veterans, the vast financial outlays involved in the conduct of such programs, and the need of coordinating their various parts is a full-time task for any committee. Only by creating a new standing Committee on Veterans' Affairs will the disadvantages of scattered responsibility and lack of coordination which are inherent in the present Senate arrangements be remedied. Only by creating a specialized agency in this body for the handling of veterans' affairs can the Senate obtain an overall view of these matters, and only in this way can we be assured of effective and coordinated legislative action in this important and expanding field.

It seems to me that, by concentrating responsibility for veterans' matters in a single committee whose members will be in a position to study the problems thoroughly, the Congress can best assure that the national as well as the veterans' interests will be served and balanced.

PROPOSED INCREASE IN NATIONAL DEBT CEILING

Mr. BYRD of Virginia. On February 26, 1958, the debt ceiling, at the President's request, was increased by $5 billion—from $275 billion to $280 billion.

On September 2, 1958, the debt ceiling, at the President's request, was increased by $13 billion—from $275 billion to $288 billion.

Now, 10 months later, the President requests another increase in the debt ceiling of $7 billion, making a total of $295 billion.

Never before in the peacetime history of our country have three debt ceiling increases been requested in 16 months.

No thoughtful person can deny that we are facing a perilous fiscal situation. The solution does not lie in increasing the debt and thereby further stimulating dangerous inflation, which has already begun.

The only sane solution to our fiscal problems is to start immediately reducing Federal spending, which is in excess of our revenue. It is not yet too late to do this for the next fiscal year, as many appropriation bills have not yet been enacted.

The situation is serious enough for the President to indicate to Congress the particular appropriations that could be eliminated or reduced and to use his veto power, if necessary, to assure a balanced budget for the next fiscal year.

In view of the President's January estimate of a balanced budget for fiscal year 1960 and current indications of rising revenue, I am sure the Senate Finance Committee will wish carefully to examine the expenditure and revenue estimates and the reasons for requesting such a great increase in the debt limit.

MAN AND THE NUCLEAR AGE

Mr. BRIDGES. Mr. President, Mr. Constantine Brown has written an article entitled "Man and the Nuclear Age," which appeared in the Washington Evening Star on June 5, 1959.

In this interesting and penetrating article, Mr. Brown views human beings as standing at the crossroads after history's greatest breakthrough, and I believe these views should have the close attention of my colleagues and the American public.

I ask unanimous consent to have this article printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Evening Star, June 5, 1959]

MAN AND THE NUCLEAR AGE—HUMAN BEINGS VIEWED AT CROSSROADS AFTER HISTORY'S GREATEST BREAKTHROUGH

(By Constantine Brown)

The nuclear age has brought about changes in the world, and in mankind's way of life, so vast and far-reaching that as yet we have only the sketchiest idea of their extent.

The surface manifestations of this immense breakthrough, this revolution in almost every aspect of life, have as yet been inadequate to impress us properly with what lies ahead. The world's peoples have become more or less familiar with such awesome phenomena as radioactive fallout, although familiarity has not yet brought understanding. We can discuss with knowledgeability such things as multimegaton blasts, as if a few million tons of TNT were after all only a big firecracker.

But the nuclear age, in the development of man's history, will without a doubt prove to be the most important change that our

few thousand years on earth have ever witnessed. When we think of the impact of other great breakthroughs—this is a word dear to scientists and more particularly to military men specializing in weaponry, and a good word it is—such as the invention of the wheel, the discovery of how to make a fire, the application of steam to machinery, we can realize how very total is the conquest of the secrets of the atom.

Yet in this conquest there are the very vigorous, not latent, ingredients for absolute disaster. In a way, the scientists who doggedly extracted from a reluctant physical universe the secrets of nuclear energy also presented to an imperfectly developed society the means for its own immediate, absolute and utter destruction.

In international politics, as the long cold war certainly attests, the statesmen go right ahead with their customary intrigues, devices, threats, bargaining, and maneuvering as if the weapons of the world were still mainly bows and arrows, or muzzle-loading cannon. The military men go right on talking of capabilities and calculated risks as if the destruction they can carry out or the risks they so glibly talk of taking involved nothing more than prevailed in the past.

We have all been told many times of the terrible power of nuclear warfare. We know—if all of us would rather not admit—that an all-out nuclear war would destroy not only the chief adversaries but all the peoples around them, and that there would be no victor except death, destruction, and darkness.

Yet the cold war goes on, every day on the brink of total disaster. A mistaken image on a radar screen; a tired bomber pilot with an incipient mental illness; and officious chip-on-shoulder braggart of a junior officer, or a senior one, for that matter; any of these and many other accidents could trigger the machinery that would destroy the world as we know it.

Then what is the enemy? Is it the presence of capitalism as a threat to the ambitions of world communism? Is it the Kremlin's cynical intention to take over the rest of the world, by whatever means? Is it imperialism, or colonialism, or whatever emotional label anyone can dig up out of the handy store of often meaningless words that have served the warmakers and the aggressors so well in the past?

Or is the enemy really, in essence, mankind's own folly, his penchant for political and social blindness, his inordinate love of power for power's own sake? If this is the true nature of the enemy, then the prediction of the gloomy anthropologist who said in 1945, in substance, that to put a weapon like the atomic bomb into the hands of an ape is to guarantee the destruction of civilization, was certainly true.

Nuclear energy can power everything we need to power. It can dig tunnels and harbors, move mountains, cure the sick, multiply food and fiber production. It can, properly applied, erase the terrible gap existing between the well-fed and the hungry, thus removing permanently one of the major reasons why men go to war.

Nuclear energy can be the golden gateway to a future no one today can adequately envisage—or it can bring silence to cities and death to the world's peoples. Plainly world society has all too short a time to revise its system, its more, its thinking, and its institutions to the incredible reality of the nuclear age.

WELCOME TO SENATOR WILLIAMS OF NEW JERSEY AS A RESIDENT OF NEW HAMPSHIRE

Mr. BRIDGES. Mr. President, I wish to state briefly how pleased I am to learn that my able colleague the distinguished junior Senator from New Jersey [Mr. WILLIAMS] is becoming a summer resident of the State of New Hampshire.

Senator WILLIAMS' decision to purchase a summer home in Tamworth, N.H., is in keeping with the tradition established by a number of noted New Jersey residents in the past who have spent their summers in this beautiful section of the Granite State.

An editorial which appeared in the June 3 edition of the Laconia, N.H., Evening Citizen extends a welcome to Senator WILLIAMS, comments on his noteworthy career, and presents an interesting outline of past New Jersey notables who have resided in this area. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WELCOME TO SENATOR WILLIAMS AS TAMWORTH RESIDENT

It is good to learn from Attorney Hugh Bownes that his friend and another good Democrat, the youthful U.S. Senator HARRISON A. WILLIAMS, of New Jersey, is buying a home at Tamworth, and that the formalities of the transaction will be closed within a week.

Senator WILLIAMS made himself a national figure by winning a congressional seat in a special election when Representative CLIFFORD P. CASE moved up to a senatorship. The following regular election Congressman WILLIAMS won again. Last November he carried New Jersey handsomely for 6 years at least as Senator. A native of Plainfield, N.J., he resides at Westfield. Graduating from Oberlin College, he served 4 years as a Navy pilot, and then finished the law course in Columbia in 1948, where he met Attorney Bownes. Upon passing the bar examinations, WILLIAMS decided to locate in New Hampshire, opening an office in Jaffrey in Cheshire County, then revised his plans and hung out his shingle in his native State.

The urge to be in New Hampshire has persisted, however, with this rising political luminary, and he should find the Tamworth atmosphere congenial, since it has distinguishing New Jersey flavor, and some political aspects that should appeal. While Tamworth is a Republican town, it reelected as selectman Francis Grover Cleveland last March on the Democratic ticket, despite the fact he had previously run and been elected as a Republican. The President Grover Cleveland tradition is one to conjure with in Tamworth.

After leaving the White House, where he, a Democrat, served two terms, President Cleveland established his home in Princeton, N.J., and first bought property at Tamworth in 1904. When President Woodrow Wilson, another Democrat, gave up a professorship at Princeton to become Governor of New Jersey he was succeeded by John Finley. Professor Finley through his friendship with President Cleveland became interested in Tamworth, locating there, and the Clevelands and Finleys attracted others from New Jersey to that region, including Dean Howard McClanahan, of Princeton. While Professor Finley went from Princeton University to hold other posts, including the presidency of the College of the City of New York, he never lost his affection for Tamworth. Newspapers described Dr. Finley's annual walk around the circumference of Manhattan Island while he was editor of the New York Times. They could with equal truth have reported long jaunts he was accustomed to take through the far reaches of Tamworth and the Ossipees.

Mrs. Francis Cleveland, who presides over the box office of the Barnstormers with grace and efficiency, is a daughter of a Princeton professor. And so it goes, with New Jerseyites happily transplanted to Tamworth. The advent of Senator and Mrs. Williams and their children, Peter, Wendy, Jonathan, and Nina should give assurance that the Jersey tinge to that portion of the Carroll County landscape will not die out.

GTA DAILY RADIO ROUNDUP

Mr. LANGER. Mr. President, I ask unanimous consent that the GTA Daily Radio Roundup of Thursday, May 14, 1959, be printed at this point in the RECORD.

As will be noted, the GTA Radio Roundup states:

Will enough farm State Republicans in the House and the Senate have the courage to defy the Secretary of Agriculture and override the veto? When you have the answer to that question, farm families will know better what kind of a wheat program and broad price support program you will have in the years ahead.

Mr. President, I cannot understand why the quoted portion of the article is limited to Republicans only, because if all the Democrats vote for the House Agriculture Committee bill, they alone can pass it and they alone can override a Presidential veto. The Democrats control two-thirds of the Senate, and the majority in the House of Representatives is 282 Democrats to 152 Republicans.

Mr. President, I have been rising on the floor of the Senate since the 86th Congress convened asking the majority leader to give special consideration to a farm bill, and to urge the Senate Agriculture Committee to report out a good farm bill previous to the spring planting. Just this past week I said on the Senate floor that the failure of a good farm bill should be blamed entirely on the Democrats who control both Houses of Congress.

Mr. President, some Republicans have already announced that they will vote for a good, decent farm bill and that they will also vote to override a Presidential veto. A failure to enact a good farm bill is entirely on the backs of the Democratic Party and not the farm State Republicans or the Republican Party.

There being no objection, the roundup was ordered to be printed in the RECORD, as follows:

GTA DAILY RADIO ROUNDUP

When Congress wants to get things done, it does. We talked about that yesterday, and right after our broadcast Congress proved how right we were. Congress proved it for the President, too. As you know, the President told Congress yesterday it was stalling (to use his words) on the impending disaster in wheat. The President told Congress to get on the ball. Congress did. It came up with such a fast answer on the wheat bill that it almost knocked the President out of the ball park. And the Secretary of Agriculture (who got the President fouled up) was nowhere to be heard. Here's what happened:

The President sent a message to Congress yesterday. Whoever wrote it was not up on his homework. The President told Congress that the law requires his Secretary of Agriculture to announce a continuation of (using the President's own language) "a thoroughly discredited wheat program by the 15th of May." He was talking about a referendum on acre and price controls. He did not know that Congress already had extended the dead-

line to the 1st of June. Then the President told Congress to get going to get a wheat bill report out. The President apparently does not know that since 1953 there have been more than 2,141 farm bills introduced. He does not know that a major one has the blessing of the Secretary of Agriculture, or the White House.

Hardly had the President's message been read when out popped a wheat referendum bill from the House Agriculture Committee. This bill can do a good job in helping give reasonable price protection, that is, if the Secretary of Agriculture is honest in his desire to reduce the wheat surplus and not simply to cut farm income and bankrupt farm families. He already has publicly declared he will get the President to veto any farm bill that strengthens farm income through price supports. This is what the House Agriculture Committee recommends:

First, the number of acres planted to wheat for the next 2 years will be cut by 30 percent—almost one-third. That will reduce planted acres in wheat from 55 million to about 38 million acres. The Secretary of Agriculture and the President should go for that section of the proposed bill.

Second, to compensate farmers for cutting wheat acres and to give them some sort of minimum income, the support price on wheat would be a graduated scale. The smaller wheatgrowers would get the 90 percent or around $2.15 average, the biggest ones 75 percent or about $1.78.

The Secretary of Agriculture already has told Congress he would get the President to veto any wheat bill that had that provision in it. Other parts of the proposed wheat bill would forbid planting of any price-supported crops on the acres taken out of wheat production, sharply increase penalties for overplanting wheat allotments; cut the present 15-acre minimum allotment to 12 acres; and remove the present 30-acre limitation on wheat grown for use solely on the farm for feed or food, and allow farmers to grow all they want for this purpose. (That part is very important for poultry and livestock farmers in some parts of the country.)

Congress has the votes to pass this bill. Chances are that it will. Chances, too, are that the Secretary of Agriculture will get the President to veto it. (He wants no price supports or controls.) Then we will have a chance to find out who will win in the showdown between Congress on one hand, and the Secretary of Agriculture, and the White House, on the other.

Will enough farm State Republicans in the House and the Senate have the courage to defy the Secretary of Agriculture and override the veto?

When you have the answer to that question, farm families will know better what kind of a wheat program and broad price support program you will have in the years ahead.

Be sure you know how your Congressman votes.

CONFUSION AMONG PEOPLE OVER PROCEEDINGS IN CONGRESS

Mr. LANGER. Mr. President, Mr. A. McPhail, of St. Thomas, N. Dak., has the reputation of being about the best blacksmith in the United States.

I received a clipping from the Grand Forks Herald, Grand Forks, N. Dak., which I believe to be of sufficient interest to the Members of Congress to have it inserted in the CONGRESSIONAL RECORD. In his letter to the editor, Mr. McPhail states:

All I know is just what I read in the newspapers and I get so mixed up, I sometimes think it would be better if I couldn't read. We have land conservation programs at seemingly tremendous expense to the Government; then the soil bank paying the farmer to take that land out of production. We have storage programs and subsidies. I get dizzy reading about it. What's that Benson doing for the farmer? They say nothing, but I know of a one-half section near here that was rented last fall for 5 years for $30,500 cash rent. Not so many years ago you could have bought outright a whole section of land for that amount of money, equal in value to that same land.

I noticed where Chester Crosby, of Cavalier, wrote to BILL LANGER to find out how he can feed his hens and sell his eggs for 18 cents a dozen. I've got a problem for Mr. LANGER, too, if he can solve this for Mr. Crosby. I have been a blacksmith all my life. First they did away with the horse—no horseshoeing, then they did away with the wagon and buggy—no more tires to set, and so on and so on. Then the Government had schools to teach welding, so it has cut down our customers and our business. Now Mr. Benson, Mr. Langer, and President Eisenhower, it's up to you, you can either pay other blacksmiths to close their shops so I'll have a profitable business, buy off other poultry raisers so they will suspend business so Mr. Crosby can get a price for his eggs, or Mr. Crosby will have to get more hens and I'll have to start another shop. It's as simple as that. Either way, whether they pay off our competitors or start us in more hens or more shops, the Government should do the financing.

Mr. President, sometimes it makes one wonder how many people in our country are also mixed up when they read about the laws that Congress passes, the way the executive branch executes its laws and the way our courts interpret them. To the average individual, perhaps it is confusing, but that's the way our Government has been formed under the Constitution, and until somebody comes up with a better form of government, our way of operating as the three distinctive branches, legislative, executive, and judicial, is in the best interests of all the people.

It is interesting, however, to receive the views of the greatest blacksmith in the United States as to how Congress and the executive branch try to solve the individual problems of our people.

I ask unanimous consent that the article in the Herald be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALL MIXED UP

(By A. McPhail)

ST. THOMAS, N. DAK.—All I know is just what I read in the newspapers and I get so mixed up, I sometimes think it would be better if I couldn't read. We have land conservation programs at seemingly tremendous expense to the Government; then the soil bank paying the farmer to take that land out of production. We have storage programs and subsidies. I get dizzy reading about it. What's that Benson doing for the farmer? They say nothing, but I know of a one-half section near here that was rented last fall for 5 years for $30,500 cash rent. Not so many years ago you could have bought outright a whole section of land for that amount of money, equal in value to that same land.

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The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. McGEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. McGEE. Mr. President, I move that the Senate proceed to the consideration of executive business and take up the nomination of Mr. Lewis L. Strauss, to be Secretary of Commerce.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. PROXMIRE in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Dempster McIntosh, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary to Colombia, which was referred to the Committee on Foreign Relations.

DEPARTMENT OF COMMERCE

The Senate resumed the consideration of the nomination of Louis L. Strauss, of New York, to be Secretary of Commerce.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. ANDERSON. Mr. President, will the Senator from Wyoming yield before he begins his main address?

Mr. McGEE. I am glad to yield to the Senator from New Mexico.

Mr. ANDERSON. I wonder if the Senator from Wyoming read the article which was put into the CONGRESSIONAL RECORD at page 10110 by the able junior Senator from New York [Mr. KEATING], in the form of a tribute to John Foster Dulles by Vice President NIXON. It is printed in the CONGRESSIONAL RECORD page 10110, of yesterday's CONGRESSIONAL RECORD. I ask the Senator from Wyoming to look down to the bottom of the first column where the following appears:

He recognized the fundamental truth that a public man must never forget—that he loses his usefulness when he as an individual, rather than his policy, becomes the issue.

I wonder whether the Senator from Wyoming would comment on whether in the hearings the policies of Admiral Strauss or the admiral as an individual become the issue.

Mr. McGEE. If I understand the Senator correctly, his question is this: In the statement by the Vice President of the United States, in proper tribute to John Foster Dulles, the Vice President applies at least the concept that a man should never get in the way; that it is the policy which is important, and when a man gets in the way, instead of the policy involved, the man's usefulness is impaired. I understand the Senator's question to be whether I believe that this contains a parallel in the hearings involving the nomination of Mr. Strauss.

Mr. ANDERSON. I should like to read to the able Senator the preceding paragraph:

"I—

This is the former Secretary of State speaking—

"I never want to be a burden on the President," he often used to say to me—

That means the Vice President—

"As a friend, I want you to tell me whenever you believe that I have become a burden, either politically or otherwise."

That is the end of the quotation from John Foster Dulles. Mr. NIXON's comment on that was:

He recognized the fundamental truth that a public man must never forget—that he loses his usefulness when he as an individual, rather than his policy, becomes the issue.

Mr. McGEE. Yes.

Mr. ANDERSON. I wondered whether there was a parallel in the two situations.

Mr. McGEE. It was my impression during the hearings that there were some persons who appeared to disagree with the Secretary of Commerce on some issues, but, in my judgment—and it is only my personal reaction that I can pass along—the differences arose less from policy differences than they did from the personal differences involved; in terms of procedures in carrying out a policy or in terms of retribution for a disagreement with a policy. It was not the intent of those who disagreed with Mr. Strauss to hold up the nomination alone because of differences in policy, but, rather, because of the individual involved.

Mr. SCOTT. Mr. President, will the Senator yield on that point?

Mr. McGEE. I yield.

Mr. SCOTT. I have heard the colloquy pertaining to the remark by the late Secretary of State, John Foster Dulles. I should like to indicate to the distinguished Senator from Wyoming that the remark was predicated upon the event that an individual, if he had become a burden to the President, would offer his resignation. I should like to assure the distinguished Senator from Wyoming—because he must have some reason for making the statement—that Secretary Strauss has not become a burden to the President but that, on the contrary, he is a distinct asset to the administration. Therefore, to the best of my knowledge, the President has no intention of withdrawing the nomination; nor does the President have any intention of asking Mr. Strauss to withdraw. He is not a burden, but an asset to the administration.

Mr. McGEE. Could the Senator from Pennsylvania enlighten those of us on this side of the aisle who do not have access to the White House every Tuesday morning as to whether Mr. Strauss may have submitted his resignation at some point for the President's consideration?

Mr. SCOTT. I would like to assure the Senator that if that has happened—I do not believe it has—I have no information to that effect; and I would assume that the person of whom that question should be asked would be the Secretary of Commerce, either during the course of the hearings or by one of the numerous letters addressed to the Secretary of Commerce from time to time. I have no knowledge of that fact. It is quite possible that any member of the Cabinet may at any given time say to the President, "If I am causing any embarrassment to you, you have my resignation." But in this contest I do not know of the existence of any such conversation.

Mr. McGEE. Yes. I thank the Senator. Mr. President, there has been some question in connection with Mr. Strauss' nomination, whether politics was involved, whether a little game was being played, or whether it related to a desperately fought battle between conservatives and liberals.

I should like to answer for myself, at least, on that point. In view of the innuendo that this is a grand inquisition based upon rumors and hearsay, I propose to proceed entirely from the record, and will cite chapter and verse from it.

At the outset I should say—and I say this as a junior Senator, unschooled in the ways of investigations and hearings—that I felt there was a very serious reason to hold hearings. After all, when the chairman of the Joint Committee on Atomic Energy, the congressional watchdog committee over the AEC, can accuse the Chairman of the AEC of withholding information from this congressional body, that is a serious charge. When Mr. Strauss can be charged by the chairman of the Subcommittee on Antitrust and Monopoly with concealing information from his body, that is a supporting charge. When the former chairman of the Subcommittee on Antitrust and Monopoly, the senior Senator from Wyoming [Mr. O'MAHONEY], can repeat the same charge, that is serious. And when one man can be described by the chairman of the House Committee on Appropriations as having supplied willfully duplicitous correspondence, that, indeed, gives me serious pause as to the fitness and usefulness of the nominee for this office.

When we find, in addition, a man who is opposed, because of his conduct of his office as Chairman of the Atomic Energy Commission by at least half, and perhaps more, of the great physicists of our country because he has divided their ranks openly; a man who has become the center of dispute among students of government over the issue of secrecy in government; then, indeed, it would be sheer dereliction of duty on the part of the Senate if they were to whitewash the nomination after perfunctory hearings and dispose of it in a summary fashion just because it was an unpleasant task.

In view of these circumstances, I remind the Senate that I did not send to the Senate the name of Mr. Strauss; that there are other names which could be submitted for the position of Secretary of Commerce; and that the President of the United States had to expect a very careful scrutiny of Mr. Strauss' record in view of the difficulties he encountered during the 6 years as Chairman of the Atomic Energy Commission. The President could not have been blind to that. For that reason, it seems to me the committee was compelled to search into those charges with the greatest of care; either to dispel the charges for the sake of the nominee, or to confirm them for the sake of the country. It was on that approach, either to acquit him or to find the depth of the charges, that the committee proceeded. In my judgment, the committee proceeded fairly in the pursuit of the answers to those questions.

Mr. SCOTT. Mr. President, I shall not continue to ask the distinguished Senator to yield if he objects to my doing so.

Mr. McGEE. I am glad to afford the opportunity to the Senator from Pennsylvania to comment.

Mr. SCOTT. At this point, I note that the distinguished Senator from Wyoming, who is my colleague on the committee, has continually used such words as "trial" and "guilty." Perhaps unwittingly, he is conveying the impression that the hearings on the confirmation of the nomination were, in fact, a criminal trial, of which it had, indeed, many of the aspects, including that of a district attorney and such accoutrements.

But does the Senator from Wyoming mean to imply by his use of those terms that Secretary Strauss was guilty of a crime and was on trial therefor?

Mr. McGEE. Indeed, not. I may say to the Senator from Pennsylvania that Mr. Strauss' responsibility to other bodies in the Government and his conduct in his relations with them had been called into question; and that thus his fitness for the important position of Secretary of Commerce was likewise called into question.

I agree with the distinguished Senator from Pennsylvania, who is himself a trial lawyer, that the hearings were not a trial in a criminal court. I am not a lawyer. I had the feeling, I must confess, that at some times there was an attempt on the part of some lawyers to get a client, who was in trouble, out of trouble if they could. But I do not think that had any relation to the merits of the case.

Mr. SCOTT. I should like to go further on this point and note that the Senator from Wyoming has said that Secretary Strauss was accused by certain persons. I assume that he intends, as he has stated, to prove the accusations; that the accusations themselves are not enough. If the Senator from Wyoming intends to prove the accusations from the record of the hearings, I am of the opinion that the distinguished Senator from Wyoming will have a considerable amount of trouble in establishing the facts.

I suggest that he, as a scholar and professor, and as an able Senator, might recall the words of Glendower, in Shakespeare's historical play, King Henry IV:

I can call spirits from the vasty deep.

It was Harry Hotspur who replied:

Why, so can I, or so can any man; but will they come when you do call for them?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. McGEE. I yield to the Senator from Illinois.

Mr. DOUGLAS. The Senator from Wyoming is not a lawyer, but he is a profound student of American history. I am certain that he has studied the Constitution many times, that he has

read section 2, of article II, and is thoroughly familiar with it. As he knows, the second paragraph of section 2, in defining some of the powers of the President, states:

Referring to the President—

He—

shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, or other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by Law;

This means that the important appointments are to be made subject to the consent of the Senate; and presumably, also, the Senate may offer its advice. This does not mean, does it, that the Senate is to be a rubber stamp to approve every appointee? If this were so, we would have a dictatorship. That clause means, does it not, that the Senate should establish in its own mind whether a person so appointed is qualified to hold office?

Mr. McGEE. That is very true.

Mr. DOUGLAS. Was the Committee on Interstate and Foreign Commerce not merely carrying out its constitutional duty in acting, not as a trial board, but as a body charged under the Constitution and under the rules of the Senate with determining whether the nominee was, in its judgment, qualified to hold the office to which he was appointed?

Mr. McGEE. I share completely the opinion of the Senator from Illinois.

Mr. BUTLER. Mr. President, will the Senator from Wyoming yield, so that I may address a question to the Senator from Illinois?

Mr. McGEE. I yield.

Mr. BUTLER. Is the Senator from Illinois telling us that we are now being put on notice that this will be the pattern for other Presidential appointees whose nominations are sent to the Senate?

Mr. DOUGLAS. Certainly not. As a matter of fact, I think this is the second appointee of the President whose qualifications have been seriously questioned. The first appointee was Mr. Bohlen, who was nominated to be Ambassador to Russia. On that nomination, the Senator from Illinois stood with the administration. I am not certain how the Senator from Maryland stood. Did the Senator from Maryland vote to confirm the nomination of Mr. Bohlen?

Mr. BUTLER. I do not want to trust my recollection. [Laughter.]

Mr. DOUGLAS. If it was proper for the Republicans of the right wing to hold an inquiry into the qualifications of Mr. Bohlen, it is proper for the Committee on Interstate and Foreign Commerce to conduct an examination into the qualifications of the appointee to the Office of Secretary of Commerce.

Mr. BUTLER. Let me say to the Senator from Illinois that whatever my vote was on the nomination of Ambassador Bohlen, it has no relation whatever to the statement made by the Senator from Illinois.

Mr. DOUGLAS. If it was proper to hold an inquiry into the nomination of the qualifications of Mr. Bohlen—and I think it was—so it is proper to hold an inquiry into the qualifications of Mr. Strauss.

Mr. McGEE. The Senator from Illinois is saying that this is not a unique procedure; that there was a careful inquiry made into the nomination of Mr. Strauss.

Mr. BUTLER. I think there are others who believe the inquiry went much further than that.

Mr. O'MAHONEY. Mr. President, will my colleague yield to me?

Mr. McGEE. I am happy to yield to my senior colleague.

Mr. O'MAHONEY. The junior Senator from Wyoming [Mr. McGEE] needs no assistance, I observe. But the Senator from Illinois, a moment ago, read from the Constitution of the United States. To some of the language read by the Senator I believe particular attention should be called.

A campaign is being waged in order to convince the country that whoever the President wants in his Cabinet should have his nomination confirmed; but the language in the Constitution says explicitly that the President shall nominate. That is his power, and only that—to nominate. The President shall nominate; and by and with the advice and consent of the Senate shall appoint. An appointment to the Cabinet by any President cannot come under the Constitution until, first, the nomination is made; and, second, until the Senate has given its consent thereto. Let us make it clear in the RECORD that the only right given to the President of the United States with respect to the selection of Cabinet officials is the right to nominate. If the qualifications of the nominee prove satisfactory to the Senate, then the nominee may take office.

The fact that the Senate has customarily confirmed Presidential nominations is not to be taken as proof that the Senate should be compelled to waive its right to confirm, although that is what our friends who are urging the editors of the country to support the nomination of Admiral Strauss because of the fact that the President nominated him are seeking to have done. But if that is done, it can be done only by constitutional amendment. If they believe the President should have the right to appoint his Cabinet members without having their nominations confirmed by the Senate, let them propose a constitutional amendment which would provide that the President shall nominate and appoint the members of the Cabinet. But do they do that? Mr. President, do they think of doing it? No; and they know why. They know that such a constitutional amendment would not be adopted by the people of the United States.

The Senate is standing on its constitutional right in behalf of the people of the United States to examine and lay bare before the public the public record of any person who may be nominated to office. And I take it that is all the committee has undertaken to do.

Mr. McGEE. Indeed it is; and I thank my senior colleague from Wyoming for his very penetrating observations. It is well known in this body that he stands as one of the prominent authorities on the Constitution and on the issue of the division of powers in our great constitutional system. His words carry great weight in the exercise of my own judgment.

Mr. ANDERSON. Mr. President——

Mr. McGEE. I yield to the Senator from New Mexico.

Mr. ANDERSON. I started to ask recognition for the purpose of pointing out what the senior Senator from Wyoming has already pointed out so forcefully. There is no power to appoint during the regular sessions of Congress. There is the power to nominate.

I join the Senator from Wyoming in saying that if the people do not like the constitutional provision in this connection, they have a constitutional remedy; namely, they can propose a constitutional amendment.

Many persons did not like it when a President was elected to four consecutive terms; and there was introduced a joint resolution which called for a constitutional amendment to make a change; and that amendment was adopted. That right always exists. No one challenges the right to make changes in the Constitution.

Mr. BUTLER. Mr. President, will the Senator from Wyoming yield to me?

Mr. McGEE. I yield.

Mr. BUTLER. For the benefit of the Senator from Illinois, let me say that I voted "yea" on the question of confirmation of the Bohlen nomination. [Laughter.]

Mr. McGEE. The RECORD will so indicate, Mr. President.

Mr. ANDERSON. Mr. President, will the Senator from Wyoming permit a further interruption?

Mr. McGEE. Certainly.

Mr. ANDERSON. In line with the comments made by the Senator from Maryland, let me say this is an experience which all of us face when we try to remember what we did. One man described it in this way:

As I approach life's gray Decembers,
These, in the main, are my regrets:
When I was right, no one remembers;
When I was wrong, no one forgets.

[Laughter.]

Mr. McGEE. Mr. President, I wish to state in all candor to the Senate that the first day of the hearings on the nomination of Lewis L. Strauss were impressive. I was impressed. I confess that I had an intense curiosity about the questions which had been raised in regard to him. The caliber of those who testified in his behalf and the character of the comments and statements contributed for him were substantial indeed.

The first cloud on the horizon came on the second day of the hearings, when there was brought before our committee a charge, contained in a New York Times editorial, which questioned the way in which the Acting Secretary of Commerce

had disposed of the issue of trading 28-inch to 30-inch pipe with the Soviet Union. The charge published in that newspaper was that he had acted rather highhandedly, after some consultation; that he had conveyed the impression that there had been no disagreement on the issue, and that, therefore, everything was rather "cozy" between the State Department and the Department of Commerce.

That was a fairly serious charge made by a reputable newspaper. We who serve on the committee were properly interested in the validity of the charge.

Mr. BUTLER. Mr. President, will the Senator from Wyoming yield?

Mr. McGEE. First, I should like to finish my statement about the charge made by the New York Times.

As a result, we asked Mr. Strauss pointblank about the validity or the falseness of the New York Times story.

Any Member who wishes to read the New York Times editorial will find it in the appendix of our record of the hearings, beginning on page 1068. It is there in full. But Mr. Strauss had an impressive explanation of the story. I shall now quote the reply made by Mr. Strauss. He said as it appears on page 46 of the hearings:

> Mr. STRAUSS. It is my understanding, Senator COTTON, and I think this one reason perhaps will satisfy your inquiry, that pipe of this size is not obtainable elsewhere than from us. And, of course, it facilitates the movement of petroleum to a very great extent. The difference between a 30-inch-diameter pipe and a 24-inch-diameter pipe, is an enormous difference in volume.

He implied that if we withheld it from Russia, we would cramp the style of the Soviet Union, whereas if we were to permit them to obtain it, we would aid them to that extent.

Then Mr. Strauss went on to say—and he volunteered this in reply to a question and I shall quote him exactly from page 44 of the hearings:

> There was absolutely no difference between the State Department and the Department of Commerce on this.

Even if there had been a difference, his suggestion to us that the United States alone had the 28- to 30-inch pipe would have been overwhelming evidence that he was right. At that point I was impressed; and at that point, I can say to my colleagues in the Senate, I stood ready to vote for confirmation of the nomination of Lewis L. Strauss.

What happened from that point on is what changed my vote; and it is that sequence of events which I thought my colleagues might be interested in hearing about. It explains how one Senator felt compelled to change his mind, and it may help other Senators to change their minds on the basis of the record.

Now I yield to the Senator from Maryland.

Mr. BUTLER. The Senator from Wyoming stated that the nominee said there was no disagreement between the State Department and the Department of Commerce. I do not believe that to be an accurate statement. I think what the Secretary said was that there was concurrence between the State Department and the Department of Commerce; and he based that statement about concurrence on the fact that the State Department, which had a representative on the interdepartmental committee, along with representatives of the Departments of Defense, Commerce, and Agriculture, the ICA, the CIA, and perhaps other agencies of the Government, had not appealed, under the procedures provided; and, therefore, he assumed—and I think he had a right to assume it—that there was concurrence.

What fault does the Senator from Wyoming find with that explanation? As I understand, the only disagreement in the interdepartmental committee was the disagreement by the State Department. But the State Department failed to appeal, as I have said.

So the Secretary concluded—and naturally so, I think—that the State Department had waived any objection; and the application was denied.

Mr. McGEE. That point will come up near the end of my remarks. I am trying to point out what happened in our committee on March 18 that impressed me. I was impressed with the unequivocal language used by the Acting Secretary of Commerce, in reply to a question; and if the Senator from Maryland will turn to page 44 of the hearings and will read, near the top of the page, with me, he will find the following answer by Secretary Strauss, in reply to a question:

> There was absolutely no difference between the State Department and the Department of Commerce on this.

The Senator has lurking in his own mind, I suspect, the correspondence of 2 months later producing some attempted clarification of the relationship between the State Department and Mr. Strauss, on this issue which we finally extracted in a tortuous process taking almost 60 days.

Mr. BUTLER. If the Senator will yield, I know the Senator wants to be fair about this, but on the very page the Senator has cited, the Secretary said exactly what I have been telling the Senator from Wyoming—that this was a matter as to which, in the final analysis, he was the man who had the final say. But this decision was arrived at by an interdepartmental committee of which State was only one representative. The objection was made by the State Department. It was in the minority. The State Department did not appeal, and naturally——

Mr. McGEE. May I say to the Senator that this is irrelevant. I am trying to suggest that the Secretary satisfied me. I thought his explanation was correct. The New York Times felt the State Department was unhappy about it. Secretary Strauss removed my doubt about it. I want to return to the explanation of these matters near the close of my comments.

I have been trying to explain what happened to the thinking of one Senator as we proceeded day by day through the hearings. If the Senator will permit me to go on and tell the story, we shall have legitimate interruptions as a point is made. What the Senator is saying has no relevance to the satisfaction which I personally expressed at Mr. Strauss' reply.

Mr. BUTLER. If the Senator does not desire me to interrupt his statement, if he prefers that I not ask questions, I will abide by his decision.

Mr. McGEE. I would only prefer that the interruption be relevant to the particular point. Therefore, I ask that I may proceed until we get to the controversial part of what the Department of State felt and what the newspaper article said. I will deal with that a little later in my remarks, if the Senator does not mind.

In any event, I want to reconstruct the sequence in the testimony that began to make an impression on my mind.

On the sixth day of the hearings, the Senator from Tennessee [Mr. KEFAUVER] went over for us again the issues of the Wenzell matter, the Dixon-Yates case, and all the controversies which raged at that time. After the Senator from Tennessee had finished his testimony, and Mr. Strauss had made his reply, I must say I had the same misgivings in that particular episode that had existed before. It was not satisfying. I am not going to take the time now to go into that. The misgivings were not the whole reason for the picture which was beginning to emerge in my mind. That picture began to sharpen perceptibly on May 4, when the Senator from New Mexico [Mr. ANDERSON] submitted his testimony to the committee.

At the outset, the Senator from New Mexico began to explain, by way of a clarifying background statement, why there had been no intense study or hearing on Mr. Strauss in the succession of public appointments he had received. This was not a condemnatory statement. He was not indicting Mr. Strauss for anything. He was merely saying that atomic energy was a new field. He was merely saying it was a field on the fringe of the knowledge of man; that we were ready and willing, of necessity, because of the pressure of time, to move quickly without beginning to hear the testimony which was available about a given man. Therefore, most persons got behind the men who were early associated with the development of atomic energy and its control. For that reason no serious examination was made.

I ask my colleagues to read in the record of hearings the very, very painstaking exchange of questions and answers between the Acting Secretary of Commerce and the members of the committee over whether there had been an executive hearing or an open public hearing on his record when he was appointed chairman of the Atomic Energy Commission in 1953.

I submit that a reading of the testimony between pages 591 and 594 discloses how very difficult it was to get from Mr. Strauss an answer to a straightforward question. I was finally forced to conclude that there was probably no executive or public hearing, but that if there were, it was so far back no one could recall for sure. It was an extremely painful observation.

I turn specifically to the charges leveled by the Senator from New Mexico

[Mr. ANDERSON]. The core of the charge of the Senator from New Mexico was that Admiral Strauss had failed to keep the congressional watchdog committee, the Joint Committee on Atomic Energy, fully informed on the activities of the AEC.

The first testimony introduced by the Senator from New Mexico was the testimony of Representative Sterling Cole. Representative Cole, in his testimony back in 1954, in quizzing Mr. Strauss, referred to the failure to keep the Joint Committee informed. On page 509 to 510 of the hearings Senators will find that matter carefully detailed.

The burden of the testimony was that even Representative Sterling Cole concluded that Mr. Strauss had withheld from the committee the kind of information the committee was entitled to receive. Representative Cole said in his conclusion:

> It may not be in your memory, but it certainly is within mine, that for the first time within the history of this committee it was necessary for the committee to adopt a formal resolution to get information from the Commission.

This was one step in the attempt of the Senator from New Mexico to show that Mr. Strauss had not been complying with the requirement to keep the Joint Committee informed.

Second, the Senator from New Mexico brought up the case of the Attorney General's letter. This controversy arose over the question of whether we should share nuclear information with Great Britain in connection with nuclear submarines. The burden of the Attorney General's letter was that in view of the seriousness of the question, while technically it might be within the law, the chairman of the Joint Committee on Atomic Energy of the Congress ought certainly to be advised. This letter was sent to the Secretary of Defense, and a copy was sent to the Chairman of the AEC. The burden of the case of the Senator from New Mexico was Mr. Strauss' refusal to advise the Joint Committee until the day after the completed agreement had gone to the President of the United States.

These were the essential features of the case of the Senator from New Mexico as to the failure of the Acting Secretary of Commerce to keep the Congress advised.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. McGEE. Yes; I yield to the Senator from Maryland.

Mr. BUTLER. It is a little difficult to follow the debate, because the Senator is going into a number of points, it seems to me, all at the same time, and not staying on any one long enough to really develop the facts.

Mr. McGEE. Does the Senator have a question to ask me?

Mr. BUTLER. I have a question now, if the Senator will yield for that purpose.

Mr. McGEE. I will yield for a question.

Mr. BUTLER. Does the Senator know that the letter from the Department of Justice, which he states was not made available to the Joint Committee, was a letter that sustained the views of the nominee in connection with the submarine transaction?

Mr. McGEE. Let me come to Mr. Strauss' rebuttal on this point. The Senator from Maryland ought to be discovering by now that we are going to review every one of these questions. I am suggesting these were the reasons why an impression of doubt began to arise.

Mr. BUTLER. I have said to the Senator before that if he does not want to answer questions it is all right with me. If the Senator yields for a question, I would appreciate an answer.

Mr. McGEE. I have asked the Senator if I can reply to that question in the course of my remarks as they are being developed chronologically.

Mr. BUTLER. I should like to ask the Senator a further question. Was it not the duty of the Department of Defense, which was vitally interested in this matter and which had received a copy of this letter, to make that information known to the Joint Committee?

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. ANDERSON. I think it would be proper to inquire what language in the Atomic Energy Act made it necessary for the Department of Defense to submit to the Atomic Energy Commission any information regarding treaties. The law is very plain.

This is an example, again, of what we went through. The law says the Department of Defense shall inform the Joint Committee with reference to certain things. I can get a copy of the actual law. It had nothing to do with treaties. That is why the Attorney General sent a copy to the Chairman of the Atomic Energy Commission and said it should be communicated to the Joint Committee on Atomic Energy, because the Commission is the only group having duties in conjunction with the Joint Committee on Atomic Energy when it comes to treaties or matters of that nature.

Mr. BUTLER. Mr. President, will the Senator yield so that I may ask the Senator from New Mexico a question?

Mr. SCOTT rose.

Mr. McGEE. I will say to the Senator from Maryland and to the Senator from Pennsylvania, I think it would be more convenient and less confusing if I could complete these comments so that we can keep continuity. Then they can "fire away" to their hearts' content.

Mr. BUTLER. As I have suggested, this is so scattered, I cannot keep up with it. I should like to keep the debate in order.

Mr. SCOTT. If the Senator will yield, Mr. President, for a moment, we must accord with what the Senator from Wyoming wishes to do, but the Senator from Wyoming is indulging, if I may say so, with all due respect, in a scatter-shot technique. It is extremely difficult for us to follow the points which the Senator is making.

For example, when the Senator refers to Representative Sterling Cole, in the context of the implication that Mr. Cole does not approve the confirmation of the nomination of Secretary Strauss, or does not think well of him, I must rise to ask the Senator if he will permit me to develop an answer to that point.

If I fail to rise, I will allow the implication to exist that the Commissioner in Vienna, the former Chairman of the Joint Committee on Atomic Energy, took the position which the Senator from Wyoming says he took, when in fact he did not.

May I be heard on that point simply to invite the Senator's attention to the fact that on page 597 of the hearing record, there is printed a letter from Sterling Cole to Admiral Strauss in which he says:

> I know that you take with you the personal satisfaction of having done as much and probably more than any other person in opening the door of opportunity for the peaceful application of atomic energy.

The letter goes on. I will read all the letter, if the Senator wishes.

There is a cablegram from Sterling Cole on May 5 to the Honorable Lewis Strauss, which reads:

> In addition to my many previous expressions complimenting your great public service am happy to confirm existence cordial relationship with you as Chairman AEC and I Chairman Joint Committee when present atomic law enacted.
>
> COLE.

I suggest that is an illustration. If the Senator from Wyoming intends to give many instances which he alleges reflect on the competency or the integrity of the Secretary of Commerce, we hope that the Senator will permit interruptions, but if he does not wish to permit the interruptions, we will, of course, be bound by his decision.

Mr. McGEE. I will say that the only lack of continuity is the actual time lag which has been the product of my distinguished colleagues across the way. If my colleagues will listen to the story, I think they will find it will hang together as a compact whole. It is no wonder the debate appears to be scattered after interruptions the Senators have sincerely felt called upon to make. I think those interruptions were in order, but they will also be in order once the case is submitted.

I ask Senators to permit me to state the case.

Mr. SCOTT. I would be glad to see if the Senator's remarks hang together.

Mr. McGEE. That will be the Senator's judgment and the Senator's privilege.

Mr. SCOTT. Inasmuch as he and others wish to hang, together, the Secretary of Commerce.

Mr. McGEE. I will yield to the Senator from New Mexico on this point.

Mr. ANDERSON. I think an interesting point has been raised. The able Senator from Pennsylvania says that if the Senator from Wyoming quoted the material to show Sterling Cole was opposed to the nominee he did it wrongly. I heard what the Senator from Wyoming said. The Senator did not say a word about whether Sterling Cole was or was not against the confirmation of the nomination. The Senator pointed out that

Sterling Cole did say the former Chairman of the Atomic Energy Commission had not supplied information.

If we are going into the question of Sterling Cole, let us go all the way into it. He went out of the Congress of the United States into a very fine job which pays some $20,000 a year, tax free.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. MANSFIELD. If I may ask the Senator from New Mexico a question, I recall something about that matter. If I correctly understand the Senator, the former Representative in Congress, who is now the head of an atomic agency in Vienna, is entitled to two pensions.

Mr. ANDERSON. When he leaves that organization there will be two pensions available. We went through that in the committee.

I am only saying that the point raised by the Senator from Wyoming was that the Representative in Congress from New York had said not all the information had been given to the committee, and had said it over and over again. In making that statement, the Senator made it quite clear that was an indictment I had made. To disprove that, the Senators want to quote a cablegram from Mr. Cole sent from Vienna this year, to the effect, "I like my job. Thank you for getting it for me."

That is fine, but what does that have to do with what he said in 1954, when he admitted he had to put a resolution through the committee in order to get the information which Mr. Strauss should have furnished?

Mr. SCOTT. Mr. President——

Mr. McGEE. Mr. President, I wish to resume the narration of the case I am submitting.

The PRESIDING OFFICER (Mr. Moss in the chair). The Senator from Wyoming declines to yield.

Mr. McGEE. I remind my listeners that I have advanced one central point from the hearings. I regarded this as the central point of the Senator from New Mexico [Mr. ANDERSON], namely, that the nominee had been guilty of withholding information from the congressional committee set as a watchdog over the AEC. The Senator gave us two cases in point, the comments from Sterling Cole and the fact of the Attorney General's letter. There were two cases.

The letter from Sterling Cole commending Strauss has nothing whatever to do with whether he scolded him for withholding information in 1954. It has nothing to do with the point raised. I suggest that we proceed from the central point to the rebuttal which Mr. Strauss himself tried to make.

Mr. BUTLER. Mr. President, may I ask a question?

Mr. McGEE. I should like to turn to the rebuttal in Mr. Strauss' reply.

Mr. BUTLER. Mr. President——

Mr. McGEE. I should like to proceed with the narrative in continuity.

Mr. BUTLER. The question I should like to address to the Senator——

Mr. MANSFIELD. Mr. President, I ask for the regular order. Who has the floor?

The PRESIDING OFFICER. The Senator from Wyoming has the floor, and the Senator has not yielded.

Mr. McGEE. I think I have explained to the Senator that he has had plenty of opportunity to interject questions, and the Senator admits that the interruptions have caused some confusion. Therefore, I should like to finish my statement.

Mr. BUTLER. I am sorry. I had no intention of doing that. I wanted to address a question to the Senator from New Mexico on the point now being discussed, but I will not do so at this time.

The PRESIDING OFFICER. Does the Senator from Wyoming yield?

Mr. McGEE. Not until we get to the end of this sequence.

Mr. BUTLER. I withhold the question.

Mr. McGEE. After the Senator from New Mexico [Mr. ANDERSON] testified before the committee, which testimony contained this central charge of the failure of Mr. Strauss to keep the congressional committee duly informed, Mr. Strauss was given the opportunity to rebut the charges. It was really Mr. Strauss' rebuttal which again alerted us to the methods he used repeatedly during the hearing.

I suggest that my fellow Senators might be willing to read pages 606 and 607, and also pages 685 to 687, illustrating, once more, the difficulty in getting from the Secretary a statement of his position on the questions raised by the Senator from New Mexico.

I wish to deal specifically with his reply in the Attorney General's letter episode, which was the question raised by the distinguished Senator from Maryland [Mr. BUTLER] a few minutes ago. According to the hearings, Mr. Strauss said on page 598 with regard to the Attorney General's letter:

> Now, Mr. Chairman, if I may, I will discuss one of the most serious instances of the Senator's charges, that the Atomic Energy Commission failed to keep the Joint Committee fully and currently informed.

If Senators will now read pages 598 to 601, they will discover that the Secretary did not address himself, to the extent of one word, to the charge of the Senator from New Mexico that the Attorney General's advice had been ignored. In effect, Secretary Strauss set up a straw man and proceeded to knock it down. It was only after we began to go after him with questions, and said to him, "Secretary Strauss, will you please answer the question?" that he proceeded to address himself to the question.

Finally, the acting chairman that day, the Senator from Rhode Island [Mr. PASTORE], was moved to say this:

> Let me say this to the Senator from Wyoming: I think in view of the facts, that the point has been raised, I think Admiral Strauss should answer on that point unequivocally and categorically.

It was necessary to pin him down to try to find out what his answer would be in rebuttal.

This was a typical exercise. It was always difficult to get a concise and meaningful statement; but he was called to order by the acting chairman in that instance.

Mr. BUTLER. Mr. President——

Mr. McGEE. So there was introduced into the record an explanation. Mr. Strauss informed the committee that he did not have the answer that day because the question went back several years, and he did not have access to the files so that he could supply accurate information. But he asked for the privilege of consulting the files and bringing a report to our committee. He did so the next day. He did so by reporting to our committee that overnight he had had an opportunity to refresh his memory, and that he had learned, on checking with the AEC files, that the Attorney General's letter, about which he had no recollection, and with respect to which he had said to me pointblank—and it is recorded on page 695 of the record—"I should have seen it. It was a dereliction on my part not to have seen it, but I haven't seen it," was discussed at a meeting. He said that he had found that the Attorney General's letter was discussed in a meeting on January 27, 1956.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. McGEE. He said "that this was understandable, but that he did not know"——

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. McGEE. No. I am in the middle of this subject. I ask the distinguished Senator from Maryland to be courteous enough to allow me to complete this statement. We have already gotten into trouble trying to understand what was said because of the interruptions. It would seem to be to the interest of the Senator from Maryland to have the case stated as clearly as possible. For that reason I trust that he will permit me to proceed with this narrative. Later I shall be glad to yield.

Mr. BUTLER. Is it the desire of the Senator from Wyoming to impose cloture on the Senator from Maryland?

Mr. McGEE. No; I did not have any difficulty until after a sequence of harassments which made it difficult for the Senator from Maryland to understand that this was a direct and central question which had been raised by the Senator from New Mexico [Mr. ANDERSON]. We were looking for a clear-cut reply from the Acting Secretary of Commerce. It is that reply which I am trying to outline now. If the Senator will be patient and listen to the reply, I shall continue with the reading of the record, without any allegations, insinuations, or anything else.

When the Secretary brought back his refreshed memory, after that evening, and overnight consultation with the files of the Atomic Energy Commission, he told us he had nothing to hide, and that he wanted the whole story told.

He said he was in Havana celebrating, I think, his 60th birthday on January 27, 1956. He said that was why he had missed that meeting, and that, therefore, he could not tell us what was discussed there.

But he failed to tell the committee that day, after he had had an opportunity to refresh his memory, that on February 2 there was another meeting, in connection with the Attorney General's letter, and that the files of the Atomic Energy Commission show that he was present at the meeting on February 2.

He failed to tell the committee that on the 29th of June, nearly 5 months later, he himself signed a letter communicating the contents of the Attorney General's advice to the Joint Committee; and yet he told us that he had no recollection of it. But he promised us a full story if he could only consult the files overnight. This he did, but he did not tell us the whole story. He told us the truth—that is, one-third of it. He left out the other two-thirds. That is the reason why some of us on the committee began to change our minds about the forthrightness of the nominee for Secretary of Commerce. We could not be sure that in his very impressive statement he was telling us everything we needed to know to form a judgment. Why did he not tell us that he had also been at the meeting on February 2? Why did he not tell us that he had signed the letter to which I refer, and that perhaps he had been wrong? I do not know what the motivation was, but the omission was conspicuous, and it calls into question his directness and forthrightness in dealing with Members of Congress.

The question of isotopes came up——

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. McGEE. I am not going into the involved question of the isotopes.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. McGEE. I am merely suggesting that Members of Congress read the isotope story, found on pages 432, 420 to 423, 445 to 502, 498, 610 to 629, 651 to 662, 666, 697, and 818 to 821.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. McGEE. Mr. President, may I have order?

Mr. BUTLER. Mr. President, I demand the regular order.

Mr. McGEE. Mr. President, I respectfully decline to yield, and I have said why. I cannot yield to this harassment until I have completed my statement.

Mr. BUTLER. Does the Senator mean his entire statement? I thought he would yield after completing a point. I am sorry.

Mr. MANSFIELD. Mr. President, I call for the regular order, and I ask the Chair to enforce it from now on. The Senator from Wyoming has the floor, and he declines to yield.

Mr. BUTLER. Mr. President, I concur in that request.

The PRESIDING OFFICER. The regular order is that the Senator from Wyoming has the floor. The Senator from Wyoming may proceed.

Mr. McGEE. I ask Members of this body to read the exchanges in the committee, as shown in the printed hearings, on the question of isotopes to Norway, and tell me, straightforwardly, where they think such exchanges lead. Because of his evasiveness and shifting, I find that it is still a mystery as to where this man stood on the question of isotopes. I shall not read all the testimony, but I ask Senators to take the time to examine the record and form their own conclusions, without dwelling on my conclusions.

Other suggestions were made during the course of the testimony by other witnesses, which called into question some of the conduct of the nominee. One of the serious charges advanced by later witnesses was that Lewis Strauss had a tendency to intimidate those who crossed him and to seek to punish those who dared to disagree with him. That is a pretty extreme charge. At certain intervals during the hearings there was not the best of proof. The charge was one which had to be brought out into the open and disposed of in order to clear the air.

The thing which did emerge was a reason, at least, to ask, "Did this man, in his executive role in the past, ever abuse his power in any vengeful or vindictive way on those who might have crossed his own views?"

There was a case in point. We had before us the president of one of our great scientific orders, Dr. David Inglis. Dr. Inglis made some charges with respect to which he seemed to feel very deeply, not only about Mr. Strauss' scientific perspicacity, but with reference to the treatment of scientists who disagreed with him. The recent polls taken by the distinguished Senator from Illinois are a case in point and illustrate how deeply the scientific community of the country feels on this subject.

My concern—and again I speak for myself—was whether there might have been this kind of pressure brought to bear on David Inglis, a witness before our committee. In the course of my inquiry into David Inglis, there appeared in the newspapers of this city a columnist's story to the effect that perhaps someone might have seen some kind of secret information in the file in front of Mr. Strauss. Therefore, it was important, in my judgment, that we find out whether this story was made up of whole cloth, whether it was a wild allegation, or whether there was something to it.

In the period of interrogation, Mr. Strauss made it very clear, and I concurred with him, that there was nothing top secret in the room. I personally said in the record that I did not see anything top secret that had been brought into the room.

Then I asked him whether there was anything that might be confidential. He said there was not. I asked whether there had been anything. The Secretary then volunteered that the only thing he had ever seen about David Inglis had been handed to him on one sheet of paper, taken from "American Men of Science." He volunteered that. Why? I do not know. Perhaps he was suggesting that he himself would never have sought any information about David Inglis. He volunteered that he had seen the sheet which someone had handed to him.

As I pursued that line of questioning, he finally said, as is shown on page 827 of the hearings, in response to an interrupted question of mine—and this was as clear and categorical as any statement he made during the hearings—

I have never asked for anything on Mr. Inglis in my life.

I do not believe that leaves much doubt. I believe that is a clear-cut statement. It was clear cut in answer to the particular question and to the series of questions which had led up to that point. Later on he tried to suggest we had just been talking about top secret information. Mr. President, we had already eliminated "top secret" from the discussion; we were talking about something else.

Mr. President, I submit nothing can be clearer than the words, "I have never asked for anything on Mr. Inglis in my life." If that was not sufficiently incriminating, he then volunteered again, it appears on page 842, and this is on his own: "I called the Commission to ask what about—after this had appeared—where were Mr. Inglis' security files."

To make sure that I did not misunderstand him, and to make sure that the defense attorneys would not find in the English language something to save their man, I said, "Was that after this?" He repeated, "After this had appeared." He changed this only after he had been confronted by a letter written by John McCone, the Chairman of the AEC now, which detailed his inquiry at the AEC.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. McGEE. The tragedy of this is that to cover one misstatement of fact he invented another one. I would not be so sure of that, had I not asked him to repeat it, to see if he stood by it. I asked him to repeat it, and he repeated it that his inquiry had been made after the newspaper column appeared. He made the inquiry, as shown by the present Chairman of the AEC, on the 20th of April, 3 weeks before the article appeared. This is not a matter of quibbling about whether it was April 25 or April 20. This is a basic point in fact which reflects the man's complex. He could not give us a straightforward answer to a question which had been repeated in his presence.

Mr. SCOTT. Mr. President, will the Senator yield at this point?

Mr. McGEE. I will not yield at this time. I shall yield when I have completed this statement; then I will yield until doomsday to the Senator from Pennsylvania. I wish to finish this case without interruption.

Mr. SCOTT. I merely hoped that the Senator would permit me to correct some inaccuracies.

Mr. McGEE. As a result of this second equivocation and the attempt to cover up the point, it seemed to me that it was quite apparent that Mr. Strauss hoped to create the impression that he would not think of turning to anyone's file to see what had happened in his past.

Why did he not say that? It would not have been fatal to his chances. Why did he not say, "Yes; I called at the AEC

to ask about David Inglis"? This demonstrates that we cannot be sure when he decides that he needs to tell the truth to the Senate. This happened when he was acting as Secretary of Commerce.

Then Mr. David Hill suggested some small documentation. He said that in the cases of a man named Carroll L. Wilson and one Malcolm C. Henderson, they had been suspended so far as Q clearance was concerned for a time because they had been at cross-purposes with Mr. Strauss.

In answer to that charge of Dr. Hill, Mr. Strauss' suggestion was that his was only hearsay, and that we should get the testimony directly from them. We did not have these men there. We only had two leading scientists for Mr. Strauss and two leading scientists against him, to represent their own views as best they could. But because the testimony of David Hill was called into question by members of the committee at the time we were examining him, I took the liberty, as a member of the committee, to write letters to these men whose names had been used by Dr. Hill. I wish to place in the context of my speech today copies of their replies. The first letter is from Dr. Carroll L. Wilson, who used to be General Manager of the AEC. Dr. Wilson states in his letter:

I have just received your letter of May 20 quoting a statement by Dr. David L. Hill concerning the actions against me by Mr. Lewis Strauss after I became Chairman of the AEC in June 1953.

I confirm entirely the quoted statement contained in your letter. Mr. Strauss resented deeply my insistence while I was General Manager of the Commission in carrying out the will of the majority of the Commission and my unwillingness to modify or change by executive action the policies adopted by the majority of the Commission.

Dr. Wilson goes on in some detail to bear out not only the substance of the charges, but to set the amount in specific terms. I ask that the full text of the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEEKONK, MASS., *May 22, 1959.*

The Honorable GALE W. MCGEE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGEE: I have just received your letter of May 20 quoting a statement by Dr. David L. Hill concerning the actions against me by Mr. Lewis Strauss after I became Chairman of the AEC in June 1953. I confirm entirely the quoted statement contained in your letter. Mr. Strauss resented deeply my insistence while I was General Manager of the Commission in carrying out the will of the majority of the Commission and my unwillingness to modify or change by executive action the policies adopted by the majority of the Commission. You will recall that Mr. Strauss was a lone dissenter in that period.

In July of 1953 reports began reaching me that an intensive F.B.I. investigation concerning me had been initiated. The basis for this was vague but over the following two or three months agents interviewed my employees, prior associates, the President of the Climax Molybdenum Co. and others. This harassment came to an end only when Mr. Arthur Bunker paid a visit to Washington to see Mr. Strauss to request either that charges be made or that this harassment cease.

The following year in June 1954 I left the Climax Molybdenum Co. and became general manager of Metals and Controls Corp. The company produced fuel elements for the AEC and in my executive capacity I required a Q clearance. Application was made for the reinstatement of my clearance at Metals and Controls. I believe this application was made in late June of 1954. Ordinarily this is a routine matter and may take a week.

Time dragged on and no satisfactory answer could be obtained through the Security Offices of the AEC, with whom my employer dealt. After seeking the friendly but ineffective assistance of friends who were members of the Commission, I finally in October wrote to General Nichols, General Manager of the Commission, demanding that action be taken on this application. I requested the presentation of charges and the opportunity of reply if there were any charges. This finally produced action and General Nichols replied that there were some questions they wished to ask me. A week later I met with a representative of the AEC at which he asked me certain questions on which the record was full and complete years earlier. Within a few days of the return of the transcript of this interview to the AEC my Q clearance was reinstated.

It is entirely clear to me that the initiative and responsibility for the actions in both of these instances came from Mr. Strauss, whose vindictiveness I had seen demonstrated before.

I regret that this letter will reach you after action in the committee. However, if this letter will be of any value in the debate on this question, you may feel entirely free to use it.

Sincerely yours,

CARROLL L. WILSON.

Mr. MCGEE. Mr. President, what did the second scientist say? He is Malcolm C. Henderson. He had this to say:

I have your letter of May 20, in which you quote part of the evidence given by David Hill at one of the hearings on the confirmation of Mr. Strauss to be Secretary of Commerce. In this testimony some of my experiences are mentioned, and you ask if I care to comment. It is with some reluctance that I do so: Mr. Strauss' arm is long and he does not, as I have reason to know, hesitate to extend it no matter how unimportant the fruit to be plucked may be. On the other hand, the Senate of the United States is clearly entitled to whatever information it desires in this matter, and what happened to me is relevant to the case before you.

He spells out his case with careful detail. I ask unanimous consent that his letter may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *May 21, 1959.*

Senator GALE W. MCGEE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGEE: I have your letter of May 20, in which you quote part of the evidence given by David Hill at one of the hearings on the confirmation of Mr. Strauss to be Secretary of Commerce. In this testimony some of my experiences are mentioned, and you ask if I care to comment. It is with some reluctance that I do so: Mr. Strauss' arm is long and he does not, as I have reason to know, hesitate to extend it no matter how unimportant the fruit to be plucked may be. On the other hand the Senate of the United States is clearly entitled to whatever information it desires in this matter, and what happened to me is relevant to the case before you.

The testimony given by Dr. Hill before the committee probably comes from a column of Joseph and Stewart Alsop printed in June or July of 1954. This column was concerned not only with my case but that of two or three other men, whom I knew, who had also been eased out of their positions by Mr. Strauss' intervention. As the testimony was given to you, it is accurate in all essential respects and there is nothing to change in it except perhaps by way of amplification. The precise title of the position I was offered was Executive Secretary to the Science Advisory Committee of the National Security Council. In my final interview with Mr. Cutler, Mr. Strauss entered as I was leaving, and was told in my presence that they were employing me. Next morning on reporting for work I was told that someone else had the position. If you want witnesses to this I can give you their names. This was in the fall of 1953.

In October I went to work for the FCDA, as Director of Test Operations at nuclear tests. For this post my Q clearance was essential. I had kept Q clearance by virtue of a contract with the AEC as consultant. In March, 1954, I was informed, by form letter, that the contract was terminated and the Q clearance withdrawn "since there is no longer a need to know, but it may be reinstated by application from your present employer." I learned immediately, nevertheless, that the FCDA was not going to apply to have it restored, because word had been received that application would not be favorably received by the Commission. The head of FCDA being no match politically for the Chairman of the AEC, this put me very neatly out of the Government's employ.

The implication in the quotation furnished me is that Mr. Strauss had me fired because I had disagreed with him on a policy matter. No man can know another's motives, but it is true that in 1952 and 1953 I had urged a course of action with which he did not agree. This was in my own area of competence at the time. That Mr. Strauss came around shortly afterward first to advocating and then to carrying out exactly the same course of action has always provided me with a certain ironic satisfaction. For my own part, I feel sure that other matters of a more personal nature weigh strongly with him. Most of my friends in the area of physics and atomic energy are people with whom Mr. Strauss has at one time or another had serious trouble, trouble not always known to exist except within the AEC.

So much for the testimony and your questions about it. May I add that I strongly urge the Senate not to confirm Mr. Strauss as Secretary of Commerce. I was deeply concerned when I first heard that he was adviser to President Eisenhower on atomic energy, and have seen my worst forbodings come true in the years that have followed. He has of course at times been right in major matters, when other equally devoted loyal Americans have not, but I consider that his method of operating as an executive is unworthy of the traditions of the U.S. Government. It is clear that he would bring to the Commerce Department the same elusive indirection and concealed dealing for which he is well known. And one last point: to one who knows the Bureau of Standards (which would be under him as Secretary of Commerce), I find it alarming to see him appoint as a top member of his staff a man who is a supporter of the notorious battery additive.

Few things seem to me as desirable that Mr. Strauss should be allowed to retire to private life.

If I can be of any further assistance in this or any other matter, please do not hesitate to call upon me.

Yours most sincerely,

MALCOLM C. HENDERSON.

Mr. McGEE. I suggest that there is more substance to the charge than meets the eye. Mr. Strauss' explanation, at the time was, as appears on page 824 of the record:

I did not personally order any investigation of Mr. Wilson so far as I can remember, and there is no reason why I should have. He had never done anything to me.

I repeat that. When we asked Mr. Strauss why he had not investigated this man, he said that he had no reason to do so because "He had never done anything to me."

What is the other side of the same coin? Would he have investigated the man if he had done something to him? Is that the point Mr. Strauss was trying to make?

What I am saying, simply and truthfully, is that there is something in the personal conduct of this man which has alienated vast segments of the public and persons in highly responsible positions. It is this conduct on which the Senate, too, ought now to focus its attention.

Finally, I turn to the duplicitous letter episode on the House side. That episode was really brought to a head because of the interrogation introduced by the distinguished junior Senator from California [Mr. ENGLE], who is now presiding over the Senate. It had to do with the seriousness of the House charge that, in some way, Mr. Strauss must have been duplicitous in his relations with the House in 1956. We got into a little exercise in what is sometimes called the old shell game.

The Senator from California had in his hand, as I watched him in the hearings, the committee print from the House side, which contained a stronger statement than actually came out in the final print. It said that the letter in question was "duplicitous, false, and fraudulent." That was in the committee print. We all know a committee print is not the official committee report. In the final majority report, all that was omitted were the two additional unkind words, but the word "duplicitous" was allowed to remain.

The Secretary knew what he was talking about. The Secretary knew which document was at stake. But he tried to cover up by saying that the minority of the committee protested that the report had been molded; that somebody had put the report together, had selected only the adverse information, and had prepared an unfavorable account.

The minority views never, in one instance, challenge the statement which the Secretary made in the hearings themselves.

On page 318 of the House hearings, and on page 978 of our recent Senate hearings, Mr. Strauss says, about the duplicitous letter:

You bet I stand by it. I would like to take full responsibility for having asked the General Counsel of the Commission to prepare the letter.

There it is, in unequivocal language, for a change. It is on page 318 of the House committee hearings. It is not in a report, not in a committee print, but in the public hearings. He was confronted with that statement by the chairman of the committee, the distinguished Senator from Washington [Mr. MAGNUSON]. What about it? I was shocked by the nominee's reply. His reply was that the record is wrong; not that "I was wrong"; not that "I should not have said it"; or not that "I had forgotten about it." No. The record is wrong; not Mr. Strauss. It is the record which is wrong.

Only one of two conclusions can be drawn from a statement such as that. Either the reporter of the public hearings was incompetent or made a mistake; or else someone had tampered with the record and changed it. At no place, in either the majority or the minority views, or in the committee print, does anyone call into question that statement—no one, that is, except Mr. Strauss. The record is wrong, he says.

Confronted with that statement, the committee had flown to Washington from New York the original reporter, the man who made the record. He located his original notes. He retranscribed them and has supplied a sworn affidavit that the record is correct as printed on page 318 of the House hearings in 1956. I have those retranscribed notes in my hand. The affidavit is a matter of public record in this body. The record is available for examination by anyone, anywhere, who wants to challenge the truth or the accuracy of Mr. Strauss' statement. Let anyone come forward now and read it for himself, if he challenges the accuracy of Mr. Strauss' reply that the record is wrong.

It is Mr. Strauss who is wrong, for I read again the germane sentence from the original notes and compare it with the printed copy of the House record. They can be compared, side by side.

Mr. Strauss said:

You bet I stand by it. I would like to take full responsibility for having asked the general counsel of the Commission to prepare the letter.

There could be no plainer language than that. That is the reason we have called into question again this man's integrity and his willingness to be forthright toward the members of a committee of the Senate.

I opened my remarks by saying that I was impressed by Mr. Strauss in the first days of the hearing. I was impressed, for example, even when he was confronted by the first questionable episode namely, his conflict with the Department of State over the shipment of pipe to Russia. I thought his answers were direct. They were satisfying to me. There was only one thing wrong with them: Two months later, we found he had not told us the whole truth.

The printed record is available for every Senator to read. It contains the full explanation, including the full press conference held by the press agent at the State Department, Mr. Lincoln White, who made it very clear that the Department of State, in fact, had not agreed to and could not have approved the Secretary's original statement concerning 30-inch pipe. What they refused to do—and this was the little legality on which the Secretary tried to hang his response—was to appeal the decision, because the Secretary himself had already announced publicly that there would be no shipment of 30-inch pipe to Russia. It would have required an appeal, and that would have opened an interdepartmental fight, so the decision was made to try to avoid an open fight by not endorsing the decision by the Secretary of Commerce. It is all in the record. The appropriate pages begin at page 1067 and continue for the next 2 or 3 pages in the appendix of the record. Any Senator can read for himself what transpired and can place whatever interpretation he chooses upon it.

That is the story, Mr. President. That is what happened to one Senator, who at one point, on the second day of the hearings, was prepared to say, "I will vote to confirm the nomination of this man." In spite of a doubt, he had given the kind of answers and the general public display and had secured the type of endorsements, which I thought were important. It was only after that he began to unfold the step-by-step evasion and snow us with words instead of direct answers to questions, and sometimes use downright deceit and falsehood, in reply to questions which had been asked.

My remarks have been focused on the record—not on the past, but on the record of this hearing. My remarks have not dwelt upon Mr. Strauss' real record as Chairman of the Atomic Energy Commission. Other Senators, who have more expert knowledge than I, can dwell upon that record. I have dwelt upon the conduct of Mr. Strauss while he has been acting, interim Secretary of Commerce.

Already, there has come to light his difficulty in his ability to get along with another department in a critical matter involving the shipment of pipe to Russia. At the same time, suggestions have been made which go back to the days of the Wenzell conflict of interest, which have a familiar ring. They were made in May, soon after the hearings adjourned, when there was clearly reason to believe that there had been a near appointment to a new transportation study group of a man named Armand Erpf, who represented in his own right a clear conflict-of-interest question, which would have had to be examined with the greatest of care. Evidently this nominee had not learned, or, if he had learned, he had chosen to ignore the lesson, that he could not continue to impose his imprint upon the administration in a different job than that which he was seeking to carry forward. There was, throughout his talk in the committee, a playing with words, a numbers game, a playing with documents. We were never sure, when we were discussing isotopes, whether he was talking about section 5 or section 10. When it was convenient, he spoke about section 10; when it was embarrassing he jumped over to section 5, and then back to section 10. We never could nail him down.

Then there was the shuffling of documents, as between the committee print and the committee publication by the majority and the minority, and the record of the hearings.

I suggest that Mr. Strauss epitomizes an extremely serious disease in our Government. It is not a disease which is confined to one party. It is a disease which has appeared in the highest places many, many times in the history of our Government. It is a desire that has appeared in high places many, many times in the history of our government. It is the attempt to cut off communication by pious and obfuscated communication. It is the attempt to deceive by wordiness. It is the attempt to doubletalk and to evade.

Mr. President, the technique of "the big lie" is well known, and can easily be pinned down and combated. But let me say that the techniques of evasion and deception are just as insidious as attempts to indulge in "the big lie"; in fact, they are even more dangerous, because they are more difficult to point out to the reading public, to the citizenry which goes to make up the heartbeat of any free society. Mr. Strauss did not invent this technique; but he is one of its expert practitioners.

I say today to the Members of this body that the time has come to call a halt to deception in high places, wherever it may be. The time has come to insist upon honesty in words.

Mr. President, we are standing before the world on our words; we are trying to sell America to other people with our words. God help us if those words are not clean and true and clear cut.

That is the reason why this question is much bigger than the mere question of whether the nomination of a Secretary of Commerce should be confirmed. I would remind those who would try to alibi and ignore the past that here the past is catching up with the present, and is casting a dark shadow over our future.

The nominee as Acting Secretary of Commerce has been in trouble. The nominee as Acting Secretary of Commerce has been evasive and contradictory with a committee of the Senate.

That is the reason, in my judgment, why the Senate should not confirm the nomination of Lewis Strauss. That is the reason why we have to give new attention, refreshed attention, to the charges of very distinguished Members of this body and of the other House, who in years past, as well as recently, have said to us, their colleagues, "I have had trouble with that man." The Senator from New Mexico [Mr. ANDERSON] has done so eloquently; the Senator from Wyoming [Mr. O'MAHONEY] has done so eloquently; the Senator from Tennessee [Mr. KEFAUVER] has warned us, and Representative CLARENCE CANNON, of the House of Representatives, and still others have warned us.

Mr. President, is it not time to ask the soul-searching question, Who is telling the truth? Is it Senator ANDERSON, of New Mexico; or is it Lewis Strauss? Is it Senator KEFAUVER, of Tennessee; or is it Lewis Strauss? Is it Senator O'MAHONEY, of Wyoming; or is it Lewis Strauss? Is it Representative CLARENCE CANNON; or is it Lewis Strauss?

I submit that on the basis of the record of the hearing, it is time to recognize the pattern which the nominee has demonstrated in this facet of his public life. Lewis Strauss has been wrong. I have reluctantly reached that conclusion. In these hearings he is wrong; and it is well that we take the warning of the great Americans who have tried to alert us to the danger.

Mr. President, that is why one man—McGEE, from Wyoming—changed his mind, and voted "No" in the committee, and will vote "nay" on the floor, on the question of confirmation of the nomination of Lewis L. Strauss.

Mr. SCOTT. Mr. President——

The PRESIDING OFFICER (Mr. ENGLE in the chair). Does the Senator from Wyoming yield to the Senator from Pennsylvania?

Mr. McGEE. Yes, indeed.

Mr. SCOTT. Mr. President, I thought the Senator from Wyoming had concluded. I did not mean to interrupt him or to prevent him from shaking hands with his friend.

Mr. McGEE. I need a little moral support, let me say. [Laughter.]

Mr. SCOTT. I understand. I wonder whether the Senator from Wyoming has concluded his address to the Senate.

Mr. McGEE. Mr. President, as a professional speaker, let me say to the Senator from Pennsylvania that his question is an insult to a speaker—if he cannot tell whether the speaker has finished. [Laughter.]

Mr. President, let me announce formally that my speech is terminated.

The PRESIDING OFFICER. Has the Senator from Wyoming concluded his speech and yielded the floor?

Mr. McGEE. Indeed I have, Mr. President; and I have already made that announcement.

Mr. SCOTT obtained the floor.

Mr. MORSE. Mr. President, will the Senator from Pennsylvania yield to me, provided it is understood that in doing so, he will not lose his right to the floor?

Mr. SCOTT. Yes, Mr. President; and I ask unanimous consent to that effect.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

OREGON CENTENNIAL TIPS ITS HAT TO LANSING CENTENNIAL

Mr. MORSE. Mr. President, on an entirely extraneous matter—but one which I am not so sure is not particularly apropos to this moment—I should like to have the attention of the two Senators from Michigan [Mr. McNAMARA and Mr. HART]. I should like to address a few remarks to them and to the Senate, under the title "Oregon Centennial Tips Its Hat to Lansing, Mich., Centennial."

Mr. President, on March 25, I received from the president of the Lansing Centennial, Inc., an interesting, if somewhat pathetic, telegram complaining of an alleged monopoly activity of my State by reason of its having given a mammoth order for 120,000 centennial hats to be used in the celebration of Oregon's centennial, which begins on June 10 of this year, in Portland, and continues for 100 days.

Apparently, the order placed by Oregon caused those in charge of the Lansing centennial to "flip their lids," so to speak. The Oregon order completely superseded a small order for 440 dozen centennial hats placed with a Fostoria, Ohio, hat manufacturing firm by Lansing, for use in its centennial celebration.

In response to the sad plea of the Lansing, Mich., centennial officials, the Oregon Centennial Commission went into action in true western hospitable style. A drive to collect hats—any kind of hats—was started at once; and by May 1, the Oregon Centennial Commission was pleased to announce that 200 assorted hats had been collected, and that 100 of the more interesting specimens would be selected for shipment to Mayor Ralph W. Crego, of Lansing, Mich.

Mr. President, I ask unanimous consent that a press release which was issued by the Oregon Centennial Commission at that time, announcing that hat collection, be printed at this point in the RECORD. I submit the release for printing in the RECORD, without taking the time to read it to the Senate. I am sure that my two friends, the Senators from Michigan, are familiar with it.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

CENTENNIAL HAT DRIVE GAINS IMPETUS

The Oregon Centennial Commission has announced that the Sanitary Truck Drivers Local 220, of Portland, has collected nearly 200 assorted hats for Mayor Ralph W. Crego, of Lansing, Mich.

John Deines, secretary of the local, told the commission that more and more hats are coming in daily to the collection point at the Swift Boulevard Salvage Co., 9087 North Swift Boulevard, Portland. The 100 most interesting hats for Lansing will be selected next week.

The Oregon hat drive which is attracting national interest resulted from a complaint from the mayor of Lansing that an Oregon order for 120,000 centennial hats had depleted the stock of their supplier in Fostoria, Ohio. The city of Lansing is also celebrating their 100th anniversary.

The Oregon Centennial Exposition and International Trade Fair, expected to attract several million out-of-State visitors, will open June 10 in Portland for 100 days.

Mr. MORSE. Mr. President, it would have given me a great deal of pleasure to have presented the 100 hats to my good friends, the Senators from Michigan [Mr. McNAMARA and Mr. HART], at this time. But, with regret, I must report that that shipment was scheduled for direct routing, rather than being sent to Lansing, Mich., via Washington, D.C.

So, Mr. President, under the circumstances, I am delighted to present—in fact, I have earlier presented—to my two great friends, the Senators from Michigan, two brandnew, union-labeled, Stetson western hats as desirable substitutes, I think, for my personal delivery of the 100 hats.

I am sorry that all my colleagues cannot see the photograph of that gala occasion, for, Mr. President, to see the Senator from Michigan [Mr. HART] in a western hat is "something"—as the photograph will show—or to see the Senator from Michigan [Mr. MCNAMARA] about to receive one is also "something." In fact, I never before saw either of them look so handsome as they did after they put on the two sombreros.

I wish to say that I presented the western hats to them on behalf of the Oregon Centennial Commission, and as a symbol of our good will toward the Lansing Centennial.

They are presented, however, by the John B. Stetson Co. itself. That is a little commercial plug. I only hope my two friends will wear these hats at least when they come to my farm on Saturdays to do some work for me.

This presentation is a great event, may I say, for the great State of Oregon, and should be regarded as a crowning achievement for the Oregon Centennial Commission and for the Centennial Commission at Lansing.

In closing, let me add that should the shipment of Oregon historic hats prove not to be sufficient, I would suggest to the people of Michigan that they follow the supply of 120,000 hats to Oregon, where they can join us in our statewide celebration during Oregon's centennial summer.

Now, in a very serious vein for half a moment, Mr. President, in behalf of the Oregon Centennial Commission officials, I ask the two Senators from Michigan to transmit to the Lansing Centennial Commission officials our very best wishes for a very successful Lansing centennial. To them, and to the good people of Michigan, I extend Oregon's invitation to join with us in our centennial celebration, I assure the Senators from Michigan that many Oregonians are going to try to join them, before the summer is over, in celebrating the Lansing centennial.

I am very happy to be the conduit, as we lawyers say, for the transmission of these two hats. I express my personal thanks, on behalf of the two Senators from Michigan, to the John B. Stetson Co.

Mr. MCNAMARA. Mr. President, will the Senator yield?

Mr. SCOTT. I yield to the Senator from Michigan.

Mr. MCNAMARA. I thank the Senator from Pennsylvania for yielding to me so I may respond to the Senator from Oregon and thank him for the very fine gesture and for his complimentary remarks about the Lansing centennial and his good wishes to Mayor Crego.

Speaking for myself—I am sure my colleague will speak for himself—I wish to express appreciation for the very fine union-made hat which was presented to me by the Senator from Oregon.

Mr. MCGEE. Mr. President, if the Senator will yield for one moment at that point, is the Senator sure those are not "Strauss" hats? [Laughter.]

The PRESIDING OFFICER. The Senate will be in order.

Mr. MCNAMARA. I am glad the Presiding Officer called the Senate to order, because I do not wish to get into the Strauss business at this time.

The Senate will notice, in examining the photograph to which the Senator from Oregon made reference, that I am presenting the Senator from Oregon with a bale of Michigan peat moss. Michigan peat moss is wonderful, and I am sure it will be of great use in his State, where there are many small Douglas-fir trees which could be benefited greatly by using peat moss.

Mr. President, this is all done in a spirit of friendly cooperation, and we hope the friendship between the great State of Oregon and the great State of Michigan will continue.

Mr. HART. Mr. President, will the Senator from Pennsylvania yield?

Mr. SCOTT. I yield.

Mr. HART. In view of the fact that the John B. Stetson hat company had been mentioned, I rather sensed that we would have no difficulty in obtaining time to speak from the Senator from Pennsylvania.

Mr. SCOTT. Not at all. I am proud that Stetson hats are made in my Commonwealth.

Mr. HART. Mr. President, I shudder at what our guests in the galleries must think as they try to relate this discussion to the discussion on the nomination of Admiral Strauss; but the people of both Oregon and Michigan think this is an important event, and I welcome the opportunity to thank the senior Senator from Oregon for the gift, which, I am sure, will impress each and all of my eight small children. I may not have the style to wear a western hat, but my children are all too young to sense that.

I part company with what the Senator from Oregon has said only when he suggests that the people of Michigan take the long trek to Oregon. I want the fact established on the RECORD that the people of Michigan boast that they have the longest shoreline—fresh water, of course—of any State in the Union. We view Michigan as being the unexcelled place in America in which to enjoy a wonderful vacation.

I hastily assure the people of Oregon—men, women, and children—that the centennial city of Lansing, and, indeed, all of Michigan, stand ready to welcome them, because many persons from Michigan have enjoyed the beauties of the Northwest, as dramatically exemplified by the State of Oregon.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President——

Mr. SCOTT. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I ask that the Senator from Pennsylvania may yield to me, with the understanding that he not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I am prepared to move that the Senate proceed to the consideration of the nomination of Mr. C. Douglas Dillon, of New Jersey, to be Under Secretary of State.

As Members of the Senate are aware, we held up consideration of the nomination until today, in an attempt to suit the convenience of all Senators. The distinguished Senator from Pennsylvania [Mr. SCOTT] informs me that he has a speech he has been waiting to make for some time. He desires to proceed with that speech.

Therefore, I ask unanimous consent that the Senate proceed to the consideration of the Dillon nomination.

I inform the Senate that at the conclusion of the speech by the Senator from Pennsylvania [Mr. SCOTT], the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], will make a brief statement with regard to the committee action on Mr. Dillon's nomination. The Senator from Louisiana [Mr. LONG] will then make a statement, which may take an hour or more, in connection with it.

We expect to have a vote on the Dillon nomination this evening.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. LONG. While the distinguished majority leader is on the floor, I want to express to him my gratitude for the manner in which he has handled this nomination. The Senator well knows the junior Senator from Louisiana feels this matter was rushed much too rapidly through the Foreign Relations Committee. It was for that reason that the junior Senator from Louisiana demanded sufficient time to look into certain matters and to prepare his remarks on this nomination. A certain personal situation arose which delayed the junior Senator from Louisiana more than had been intended.

The junior Senator from Louisiana expresses his gratitude to the majority leader for his usual gracious consideration and for the courtesy which he shows to Members of the Senate, which certainly applies to the junior Senator from Louisiana in this instance.

Mr. JOHNSON of Texas. I appreciate the remarks of the Senator from Louisiana. Every Member of the Senate cooperates with me. I am grateful to them for it. The Senator from Pennsylvania is cooperating with me now.

Mr. President, if the Senate will take action on my request that the Dillon nomination be laid before the Senate, we will then hear the Senator from Pennsylvania, at the conclusion of which we will hear the statement of the chairman of the Foreign Relations Committee, who has been very cooperative with me in this matter. Then we shall hear from the Senator from Louisiana and from any other Senators who may care to speak. Then we expect to vote this evening on the Dillon nomination.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I thank the Senator from Pennsylvania for his courtesy.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. SCOTT. I yield to the distinguished Senator from Florida.

Mr. SMATHERS. I thank the able Senator from Pennsylvania. I shall take but a moment.

The Senate will recall that several days ago I came on the floor and introduced two letters into the RECORD from constituents in Florida who said they had not sent telegrams to me urging my support of the confirmation of the nomination of Admiral Strauss.

Since that time I have received two more letters from people in Florida, saying they did not send the telegrams, and expressing indignation over the fact that someone had sent telegrams in their names, obviously without authorization.

Today I am in receipt of a telegram from New York, signed by David Nemerov, of Palm Beach Towers, Palm Beach, Fla., which reads as follows:

> About May 18, 1950, through an excess of zeal, I sent you 47 telegrams urging confirmation of Adm. Lewis Strauss. These bore the names of friends whom I believed agreed with me, and would at my request, authorize the same. Through error some of these were released before I cleared with signers. This was solely my fault. I deeply regret it. I understand how gravely unfair this was to you and to Admiral Strauss, and I sincerely apologize to you.
>
> As an admiring constituent of yours, my intentions were good and I only sought to be helpful. Admiral Strauss was totally unaware of my action. I had not consulted with him, directly or indirectly, nor with anyone on his behalf.
>
> DAVID NEMEROV,
> *Palm Beach Towers, Palm Beach, Fla.*

Mr. President, that telegram explains 47 of the telegrams I received. I received, in the space of 3 hours, about 500. I do not know how many others were sent improperly, but I think it is only right that I should accept them as being proper until they have been established as being improper.

Mr. McGEE. Mr. President, will the Senator yield for a question?

Mr. SMATHERS. I do not have the floor.

Mr. SCOTT. Mr. President, I will yield to the Senator from Wyoming so that he may ask a question of the Senator from Florida, if I do not lose my right to the floor.

Mr. McGEE. Did the Senator say when those telegrams were received originally?

Mr. SMATHERS. Originally they were received just prior to the vote.

Mr. McGEE. Just prior to the committee vote?

Mr. SMATHERS. Just prior to the committee vote on the confirmation of the nomination of Admiral Strauss.

I thank the able Senator from Pennsylvania for yielding to me.

The PRESIDING OFFICER (Mr. ENGLE in the chair). The Senator from Pennsylvania has the floor.

Mr. SCOTT. Mr. President, I am glad it has now been established that these telegrams were not in any sense the responsibility of the person whose nomination is being considered.

Mr. President, we have just heard a fervent speech, for the most part unmarred by interruptions for the purpose of correcting inaccuracies or failures to quote properly from the record of the hearings. It will be tomorrow, when we read the CONGRESSIONAL RECORD, before we shall be able to pinpoint the extraordinarily large number of statements which are in no sense sustained by the record.

While I am aware that almost anybody can make a good debate if he has no one to debate with him, I believe it would have helped us had we been able to point out these misapprehensions during the course of the debate.

I wish to say, in a general way, that not a single one of the charges brought a few minutes ago against the nominee was sustained by the body of the record. In fact, as to each of these charges there was a rebuttal which was clear, accurate, and overwhelming in its impact. As to each one of these charges, in fact, either the witness himself, or the nominee, or members of the committee, subsequently or at some point in the record brought out testimony indicating there was in fact no basis for the charge.

I should like to cite a few examples.

Much has been said about some shipments of iron pipe, with the allegation that Admiral Strauss stated that his decision—which was, by the way, by law and regulation, the final decision, as I understand—had been concurred in by the Department of State.

The distinguished Senator from Wyoming said in fact the decision had not been so concurred in, and cited pages 43 to 44 and page 1067 of the hearings.

On pages 43 and 44 of the hearings, which the Senator did not read, there is the reply of Mr. Strauss, referring to the application for the 28- and 30-inch pipes. He stated:

> The application was reinstated before me.

And he went on to say—if requested, I will read more of the record:

> It was considered by a committee on which the State Department and the Department of Defense were both represented, another agency of the Government, and there was no objection to the course of action which I recommended, which was the denial of the application.

He further said:

> And the story was incorrect and the editorial, while I am grateful for the complimentary part of it, was based upon an inaccurate statement and I will, with your permission, if you will let me have it, write to the editor and send him the State Department's clarifying and amplifying statement.

Then we turn to the end of the hearings, to page 1070, where we find the statements of Mr. Lincoln White of the State Department, in excerpts from a press briefing. Mr. White was asked about the iron pipe and he said:

> I * * * have since looked into it.
>
> I would simply like to say that the Department of State did not object to the decision by the Department of Commerce to deny this license. The decision was taken by the Secretary of Commerce after consulting his advisory committee on export policy, of which the State Department is a member.
>
> Question. Did the State Department member on this advisory body approve the decision?
>
> Answer. I will revert to what I said yesterday on that, that the decision has been taken and we don't object to it.
>
> Question. But you won't say whether the Department approved it.
>
> Answer. No; there are certain procedures, if you wish to go that far, that are available to you. We did not take those procedures.

He was referring to the right of appeal.

In other words, if I read the record correctly—and I think I do—no appeal was taken.

Mr. White went on to say:

> I suppose it boils back up through the committee to the Secretary of Commerce.

The Secretary of Commerce and the State Department representative both say the same thing, which is not in accord with the statement made by the Senator from Wyoming.

Let us consider a second illustration. A great deal was said about the isotopes for Norway, and as to whether those isotopes should or should not have been shipped. The committee went into this matter in great detail. The Secretary said he had opposed the shipment of isotopes which might be used in jet engines. For page after page of the record, he was assailed, harassed, criticized, and condemned for saying "jet engines."

The Secretary was charged with refusal to ship isotopes abroad for health purposes. He then produced the relevant documents showing he specifically accepted shipments for health purposes, and that he objected to shipments at that time for military or commercial use; that the isotopes in fact went to Norway and went to a Communist member of the Norwegian Government, who was removed from his office. Then he was again asked: "Yes; but you said jet engines," and so on.

On page 854 of the hearings, after so much had been made of this charge by the Senator from Wyoming and others, we find that the American Embassy in Oslo, Norway, was asked to refer back to the shipment, to see what the shipment was for, and that the Embassy, between the 1st and 11th of June 1949, released a cable which it sent to the State Department saying that these isotopes were for use by a—I have been paraphrasing up to now, and now I shall quote—"young physical chemist heading a group of about nine employees in developing high temperature alloys at a theoretical level and which has as yet no practical use." Then, after some further irrelevant material, a sentence follows in the cable from the State Department:

> It is desired to develop alloy for jet or gas turbine use at a temperature as high as possible, i.e., particularly above 700° C., if possible. Work already started and looks promising. It is expected eventually that there will be publication. Two patent applications have already been filed on this work.

And so forth. What is the import of this? Why is it important? Because throughout the testimony the critics of

Secretary Strauss were saying that he lied when he said his objection was to the shipment of isotopes which could be used for jet engines. Not until nearly the end of the testimony, when he was able to secure declassification of a State Department document, was he able to show that this charge, too, was false.

Mr. Strauss is accused of having said that a committee of the other body molded the testimony. The statement was made here today that that was incorrect, but 15 Members of the House of Representatives have signed a statement to the effect that, in fact, the testimony was molded, that deletions were made, that distortions occurred. They have gone so far as to address a letter to the minority leader of the Senate and to the minority members of this committee. The letter is signed by Mr. JOHN TABER, representing the minority members of the House committee. I read the relevant part:

The printed hearings are not in accord with the testimony given. Additions, deletions and other changes of substances were made.

The committee print contains statements and conclusions that are untrue, unfair, and unworthy of a committee of Congress.

The hearing testimony and the printed record itself proved that Mr. Strauss was not literally responsible for, nor had he requested, the preparation of the AEC letter of May 18, 1956.

The record is clear that this letter was not "duplicitous, false or fraudulent" as claimed in the committee print.

If there was any duplicity in connection with the AEC letter, it was in connection with the committee counsel's request for comment by the House legislative counsel and in the committee chairman's questioning on the letter during the hearings.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the entire letter, together with a discussion of the validity of the printed hearings and reports.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 5, 1959.

Senator EVERETT MCKINLEY DIRKSEN,
Senate Office Bldg.,
Washington, D.C.

DEAR SENATOR DIRKSEN: Recently CLARENCE CANNON took the floor of the House on a point of personal privilege to assert that Mr. Lewis Strauss had accused him of altering the record of the Appropriations Committee and that Mr. Strauss, in denying the truth and accuracy of the printed hearing record, was impugning the integrity of the Public Works Subcommittee and the full Appropriations Committee of which the subcommittee is a part. With this I cannot agree.

I have just sent you a copy of a letter which I and four other minority members of the House Appropriations Committee sent to Senator MAGNUSON relative to this same subject.

I have had a thorough review made of the printed hearings and report on the second supplemental appropriation bill, 1957, and of other material relating to the current attempt by Mr. CANNON and others to use such printed hearings and reports in an effort to besmirch the character of Lewis Strauss. I am sending this information to you and to the minority members of the Senate Committee on Interstate and Foreign Commerce with the thought that it might be useful as background information for combating further attacks on Mr. Strauss along this line during the forthcoming consideration of Mr. Strauss' confirmation by the Senate.

Summarizing this information we find:

The printed hearings are not in accord with the testimony given. Additions, deletions and other changes of substance were made.

The committee print contains statements and conclusions that are untrue, unfair, and unworthy of a committee of Congress.

The hearing testimony and the printed record itself prove that Mr. Strauss was not literally responsible for, nor had he requested, the preparation of the AEC letter of May 18, 1956.

The record is clear that this letter was not "duplicitous, false, or fraudulent" as claimed in the committee print.

If there was any duplicity in connection with the AEC letter, it was in connection with the committee counsel's request for comment by the House Legislative Counsel and in the committee chairman's questioning on the letter during the hearings.

The use of suggestions of the chairman of the committee, Mr. CANNON, for the report of the full Committee on Appropriations was clearly improper, because that suggestion of the chairman had been rejected by the full committee. The statement that it was the official report of the subcommittee is, therefore, not in accord with the facts.

The testimony did not support the chairman's proposed committee report at all. The attempt to use the document, which Mr. CANNON proposed as a report, and which the committee rejected, at this time, is nothing but a deliberate attempt to besmirch the character of Mr. Strauss without any basis for it.

The final committee report, especially as it related to Mr. Strauss, was not correct, and did not correctly reflect what took place in the hearings before the committee. Some of the more virulent part of the report was stricken by the full committee, but there remained much language that was not correct.

If additional details or other information is desired in connection with this matter, please let me know.

Very sincerely yours,

JOHN TABER.

DISCUSSION OF THE VALIDITY OF PRINTED HEARINGS AND REPORTS ON SECOND SUPPLEMENTAL APPROPRIATION BILL, 1957, AND OTHER PERTINENT MATERIAL BEARING ON THE CONFIRMATION OF MR. STRAUSS AS SECRETARY OF COMMERCE

Mr. CANNON, chairman of the House Appropriations Committee, recently asserted that Mr. Lewis Strauss had accused him of altering the records of the Committee on Appropriations and that Mr. Strauss in denying the truth and accuracy of the printed hearings, was impugning the integrity of the Public Works Subcommittee and the full committee. This stemmed from discussions during the Senate Interstate and Foreign Commerce Committee hearings on the confirmation of Mr. Lewis Strauss as Secretary of Commerce.

Mr. CANNON had transmitted to Senator MAGNUSON a copy of a committee print which had been rejected by the full committee with orders to clean it up. Even the resulting official committee report No. 2849 (84th Cong., 2d sess.) on the second supplemental appropriation bill, 1957, contained statements and conclusions that were not in accord with the testimony. In addition the printed hearings contained changes of substance through addition to, deletions from and changes to the original transcript. At that time a release signed by 5 minority members of the subcommittee and a minority report signed by 15 minority members of the full committee called attention to these irregularities and to the fact that the committee report was not in accord with the actual testimony presented at the hearings.

The entire matter now and in 1956, appears to be part of a deplorable concerted attempt to make it appear that Mr. Strauss has been guilty of duplicity, falsehood, and fraud. The record, however, shows that if there has been fraud, it has been on the part of his accusers.

The committee print draft of the report on the bill said "the letter is duplicitous, false, and fraudulent." This committee print was prepared by the counsel of the Public Works Subcommittee of the House Appropriations Committee without consultation with or the knowledge of any of the minority members of the subcommittee.

When confronted with the proposed report, minority members of the subcommittee took emphatic opposition to this and other intemperate, untrue and unjustified statements in the report. In this they were joined by 10 additional minority members of the full committee and a minority report was prepared pointing out that the majority report was not in keeping with the testimony.

Minority members of the Public Works Subcommittee earlier had issued a statement relative to the doctoring of the printed hearings themselves. The record showed that there has been numerous changes, additions, and deletions that were changes of substance.

In view of all this the record needs to be set straight. These are the facts:

1. There is absolutely no foundation in fact for claiming the letter is "duplicitous, false, and fraudulent" as did the committee print. An openminded reading of the record will show that it is not duplicitous.

2. If there was any duplicity relative to this letter, it was in connection with the way it was referred to the legislative counsel of the House by the committee counsel and in the committee chairman's discussion of the letter during the AEC hearings.

3. The record is clear that Mr. Strauss was not literally responsible for the letter nor did he actually request the General Counsel to prepare it. He said he would like to take full responsibility for having asked the General Counsel to prepare the letter, but he made it clear later in the hearing that he had not actually made such a request.

4. There was no misundersanding on the part of AEC officials or the Joint Committee on Atomic Energy members of the fact that additional authorizing legislation was needed before appropriations could be obtained to construct facilities which AEC had authority to construct under existing law.

5. Chairman CANNON'S assertion that all the statements in the committee print on the second supplemental appropriation bill, 1957, are substantiated by the testimony before the subcommittee is without foundation in fact.

Discussion of each of these facts and the record on which they are based are presented herewith:

DISCUSSION OF FACT NO. 1

The charge of duplicity apparently revolves around the AEC statement in the May 18, 1956, letter to the Joint Committee on Atomic Energy that they had authority under existing law to construct the type of facilities proposed in S. 2725. This letter is printed in full on pages 67, 68, 69, 70, and 71 of the Joint Committee on Atomic Energy hearings on May 23, 1956.

The record is amply clear that the Commission does have such authority under existing law. This was freely admitted by

Senator GORE, the author of S. 2725, in these words:

"You are authorized to do it, but the Congress is not authorized to make appropriation for it without further legislation" (p. 74 Joint Committee on Atomic Energy hearings May 23, 1956).

Mr. Mitchell, the AEC General Counsel, who prepared the letter, replied:

"You are perfectly right that this would be an authorization, which otherwise we would have to receive separately."

Mr. Strauss said:

"In closing, I would like to suggest some things that we can appropriately do with your assistance to push our program forward. First, I would note that the law presently authorizes us to build and operate nuclear powerplants for research and development purposes. That is the present law. That was one of the very desirable changes that were made in 1954.

* * * * *

"We are prepared to exercise that authority, and to request authorization and appropriations for such plants whenever it appears to us as a true test for this effort, that we have developed a reactor concept sufficiently to make it timely for the construction of a prototype, and when, after appropriate public invitations for proposals for joint AEC-industry projects, it ever appears that industry, cooperative or private, is not prepared to undertake such construction. Thus far industry has not failed to meet each situation" (p. 39, Joint Committee on Atomic Energy hearings, May 23, 1956).

And Dr. Libby who signed the AEC letter of May 18, 1956, had this to say at the House hearings: "* * * It seems to me that the letter says there was no substantive legislative action needed. I took that to mean an amendment to the 1954 act. We already had authority to construct research reactors under section 31 even though they might be large ones. We do have to seek authority for an appropriation, there was never any misunderstanding about that" (p. 326, pt. 2, of the printed hearings, second supplemental appropriation bill, 1957).

It should be clear to anyone with an open mind that there was no duplicity here. The letter in question was sent to the Joint Committee on Atomic Energy in response to a request for AEC comment on S. 2725 (84th Cong., 1st sess.) and H.R. 10805 (84th Cong. 2d sess.).

AEC officials knew the Joint Committee on Atomic Energy was fully aware of the fact that additional legislative authorization for appropriations was needed before AEC could obtain funds for the construction of reactor facilities which otherwise were authorized under existing law. The Joint Committee on Atomic Energy hearings of May 23, 1956, show that the Joint Committee was aware of this fact. How can there be any duplicity in not specifically telling the Joint Committee something that was already well known to them?

At the hearings before the Public Works Subcommittee of the House Appropriations Committee, Chairman CANNON time and again tried to twist the AEC statement that they had authority under existing law to construct the plants into an admission that AEC was saying they did not need authorization for the appropriation of funds for such purposes. Mr. Strauss and other AEC witnesses refused to make such an admission which would have been contrary to fact. Is this duplicity? We think not.

DISCUSSION OF FACT NO. 2

In the committee print draft of the subcommittee and in the majority report No. 2849 (84th Cong., 2d sess.), a statement on page 22 says:

"The letter told the Joint Committee, and this Appropriations Committee (for the reason that it was printed in the hearings of the Joint Committee), that no authorizing legislation was needed before appropriations could be made for the large- and small-scale reactors embodied in the Gore-Holifield bill."

This statement is not true in two respects. First, the letter did not say no authorizing legislation was needed before appropriations could be made. As noted earlier, this realization that additional legislation was necessary to authorize the appropriation of funds was made clear to the Joint Committee on Atomic Energy at the hearings on May 23, 1956. (See discussion of fact No. 1.)

Secondly, the reference to large and small reactors in the latter part of the above quoted statement from page 22 of the committee print relates to a bill H.R. 4146 which was not even in existence when the AEC letter in question was written. In this connection, let us look at the statement farther down on page 22 of the committee print which says:

"The committee examined the letter in detail. An opinion was obtained from the legislative counsel of the House of Representatives. This opinion authoritatively warrants the conclusion that the letter was wilfully duplicitous."

Now let us examine just where the duplicity really lies. At the hearings Congressman PHILIPS (p. 305, pt. 2) asked Chairman CANNON what point was submittted to the legislative counsel for his opinion. Mr. CANNON replied:

"The entire letter was submitted. They were asked merely to check the correctness of the conclusions expressed in the letter."

This statement of Mr. CANNON's is not in accord with the reply of Mr. Perley, the legislative counsel of the House, (p. 312, pt. 2), which begins as follows:

"We have been asked by Mr. John Donnelly, of the staff of the Committee on Appropriations, to give you our views on the question of whether or not there is authority in existing law for the appropriation of funds to the Atomic Energy Commission for the construction of large-scale power reactor demonstration facilities of the type described in S. 4146."

The balance of Mr. Perley's letter is confined to this one question on the authority in existing law for the appropriation of funds for AEC construction of power reactor facilities. However, it should be noted that the AEC letter makes no reference to the question of authorization of appropriation of funds for constructing the proposed power reactors. This apparently stemmed from the full knowledge that the Joint Committee was well aware that such authorization was required before the Commission could request any funds for such construction.

In commenting on the question of authorization of appropriations, Mr. Perley said:

"The view expressed by the Acting Chairman of the Atomic Energy Commission is apparently based on the assumption that, since there is ample authority to construct the facilities in section 31 of the act (as there would be also in the provisions added to the act by S. 4146), any appropriations necessary to carry out the construction are automatically authorized. If the Acting Chairman is contending, on the basis of section 31, that there is authority in existing law for appropriations to carry out the construction as well as basic authority for the construction itself (and it is not clear to us whether that is his contention), his position reflects the normal rule as we understand it; but that rule is of course subject to limitation by express language, and we think that such a limitation exists and is controlling in this case."

Thus, Mr. Perley admits in the above quotation that it is not clear whether or not the Acting Chairman of AEC is contending that there is authority in existing law for appropriations to carry out the construction. The record shows that there was no question on the part of the AEC as to the need to get annual authorization for appropriations for the type of construction in question. Its spokesmen merely emphasized that there was authority under present law for the construction itself. Admiral Strauss, Dr. Libby, and AEC General Counsel Mitchell all testified to this understanding. It is all in the printed hearings. Dr. Libby's words repeated here are as follows: "* * * It seems to me that the letter says there was no substantive legislative action needed. I took that to mean an amendment to the 1954 act. We already had authority to construct research reactors under section 31 even though they might be large ones. We do have to seek authority for an appropriation, there was never any misunderstanding about that" (p. 326, pt. 2 of the printed hearings, second supplemental appropriation bill, 1957).

It is also of interest that the bill S. 4146 referred to in Mr. Donnelly's request was not even in existence at the time the AEC letter of May 18, 1956, was sent to the Joint Committee. The RECORD shows S. 4146 was not introduced until June 29, 1956 (CONGRESSIONAL RECORD, vol. 102, pt. 8, p. 11323). The Commission's letter did not and could not have made reference to the question propounded to the legislative counsel by Mr. Donnelly relative to S. 4146. Nor did Mr. Perley's letter make any reference to the claim by Mr. Cannon that they were to "check the correctness of the conclusions expressed in the letter," nor did he comment on such conclusions. Instead, Mr. Perley's letter related to a subject not even mentioned in the Commission letter.

These are but a few examples of why the minority rightfully contended that the hearings were doctored and that the report contained unjust and untrue statements and conclusions, not in keeping with the testimony.

On the basis of these facts, can there be any other conclusion than, if there was duplicity and fraud it was on the part of subcommittee counsel and subcommittee chairman, in conducting the inquiry, doctoring the printed hearing, and in preparing the committee print draft and the final report itself?

DISCUSSION OF FACT NO. 3

With regard to responsibility for the preparation of the letter, the committee statement that "only after close questioning did Mr. Strauss acknowledge his responsibility," is not in accord with the facts. Mr. Strauss did not say he prepared the letter nor requested that it be prepared. The printed hearing quotes him as saying:

"I would like to take full responsibility for asking the General Counsel of the Commission to prepare the letter."

It was abundantly clear that Mr. Strauss did not say he asked the General Counsel to prepare the letter but that he would like to take the responsibility for so doing. This was a normal action of a man backing up the action of a subordinate. The printed hearings also show that Mr. Strauss explained that this and similar letters are prepared under a normal routine as follows:

"I do go along with the letter, Mr. TABER. A query from the Chairman of the Joint Committee addressed to the Commission asking for a Commission opinion on legislation is in the ordinary course, and has always been, since my connection with the Commission, referred to the General Counsel for the preparation of a reply. I believe that to be true throughout the agencies of the Government and no specific direction was given to Mr. Mitchell, I do not believe, to prepare a reply to this specific letter. It reached him in the ordinary course of business of the Commission and the letter was prepared. It undoubtedly went through the

Commission process of being examined for fact by the different divisions of the Commission involved and by the general manager and came in the ordinary course to the chairman or the acting chairman for execution" (p. 321 of pt. 2 of hearings on second supplemental apropriation bill, 1957).

A review of the recent Senate hearing discloses that Mr. Strauss was attempting to make it clear that he had not requested the preparation of the letter in question but that he as Chairman of the Commission felt in duty bound to assume the responsibility. And it was primarily to the insistence that he had prepared or had literally requested the preparation of the letter that he strenuously objected.

DISCUSSION OF FACT NO. 4

That there was no misunderstanding on the part of AEC officials, or the Joint Committee on Atomic Energy, as to the need for authorization for appropriations of funds necessary to permit construction of power reactor facilities which they otherwise had authority to construct, is clear from the following record (repeated from discussion of fact No. 1): (Senator GORE) "You are authorized to do it, but the Congress is not authorized to make any appropriation for it without further legislation" (p. 74 of May 23, 1956, hearings, Joint Committee on Atomic energy).

AEC General Counsel Mitchell responded: "You are perfectly right that this would be an authorization for appropriation, which otherwise we would have to receive separately."

Dr. Libby said: "* * * It seems to me that the letter says there was no substantive legislative action needed. I took that to mean an amendment to the 1954 act. We already had authority to construct research reactors under section 31 even though they might be large ones. We do have to seek authority for an appropriation, there was never any misunderstanding about that" (p. 326, pt. 2 of the printed hearings, 2d supplemental appropriation bill, 1957).

DISCUSSION OF FACT NO. 5

Chairman CANNON's assertion that all the statements in the committee print are substantiated by testimony before the subcommittee is without foundation. Here are a few examples:

On page 17 of the committee print: "Early in 1953, the President of the United States deemed it advisable to permit himself to be counseled by Mr. Strauss as a special adviser on atomic energy matters. The significance of this role must not escape attention. Up to that time, the Commission had operated within the orbit of the responsibilities placed in it by the Congress. But Mr. Strauss set out to defeat the whole purpose of the Congress in entrusting this responsibility of sweeping magnitude to a five-man commission. The result has been a development which is contrary to the best interest of the United States."

There is no testimony nor justification in the hearing to substantiate such a remark. It is obiter dicta.

On page 9, committee print: "* * * this Nation is bogged down in inexcusable stagnation."

This statement cannot be justified on the record. It cannot be substantiated. As the minority report stated: "We have had more developments than at any time in our atomic civilian history."

On page 7, committee print: "In the hearings, there was a great tendency on the part of Chairman Strauss, of the Atomic Energy Commission and of other witnesses to dismiss summarily the Russian threat by saying that information coming out of Russia is not reliable. To put it another way, since this country does not have fully substantiated data on Russia's progress in this field, we shouldn't talk about it. This attitude is unfortunate."

As the minority report stated: "Nothing in the testimony confirms this statement nor does the AEC Chairman hold the opinions charged to him. The unreliability of Russian statistics is a matter of common knowledge, admitted by all AEC Commissioners, including Commissioner Murray, but the conclusion to be reached is an emphasis on the need for constant checking and observation, in addition to our own continued research."

Again on page 7, committee print: "* * * Mr. McCune's intimate knowledge of the entire subject qualifies him as a man who speaks with authority. In his testimony before the Joint Committee on May 24 of this year on page 183, he said in substance that this country made a fateful decision in enacting the 1954 Atomic Energy Act which has put the United States 3 years behind Russia and Great Britain. These 3 years coincide with the reentry of Mr. Strauss into a position of dominating influence in the atomic field and his subsequent official acts during this period."

Most of this refers to testimony before the Joint Committee on Atomic Energy, not the subcommittee, but neither the JCAE testimony nor the facts verify any such interpretation of what Mr. McCune said at the Joint Committee on Atomic Energy hearing. As the minority report pointed out, "the testimony before the subcommittee, as in the conference at Geneva, is the opposite to this statement."

On page 4, committee print: "* * * the committee insisted that its hearings on the investigation of atomic electric power be unclassified and further that these hearings provide in a full sense accurate and understandable information on the subject. The American people have paid $15 billion in 13 years for this knowledge, and they are entitled to it."

The minority report points out that "frankly, the committee did no such thing, nor was there any need for it. We have been hearing this subject for more than 10 years, with a constant effort on the part of the Commission to provide 'accurate and understandable information,' and to declassify it."

In addition it is to be noted that the major portion of this $15 billion was for weapons development and production. To infer that $15 billion had been spent on knowledge of atomic electric power is deceiving—to put it mildly.

On page 9, committee print: On this page there is an inference that three of the AEC Commissioners were given every consideration at the hearings. That this was not so is reflected in the following comment from the minority report:

"One member of the Atomic Energy Commission (apparently the instigator of the 'crash' program idea for the Federal construction of uneconomic atomic powerplants) was given almost unlimited opportunity to present his views and to insert quotations and material in the record. * * *

* * * * *

"By contrast, Chairman Strauss, and the two other Commissioners present were treated with unwarranted disrespect, and at times with abuse when they attempted to present the facts. The three Commissioners were hindered in the presentation of their testimony, or were prevented from giving complete answers, or were denied the privilege of inserting pertinent information in the record."

In this connection, Mr. JENSEN, a member of the subcommittee, felt obliged during the hearings to protest this treatment of the witnesses in these words:

"I have sat in these hearings now for quite some time, 5 days, as have the other members of the committee, and we have seen abuses no end showered on Admiral Strauss and other members of the Commission and their staff to the end that I do not see how they have the patience to take it.

"Now, I want to plead with you gentlemen, Admiral Strauss, and the rest of you, that I hope you will not take to heart this abuse that has been showered on you by the chairman of this committee to the degree that you will throw up your hands and resign from the great job and the great responsibilities you have. I do not want to say that I would blame you if you did, but I will say that you have more patience and forbearance than any group of men I have ever sat across the table from in a hearing in the U.S. Congress, and I hope that the chairman will cease and desist from the kind of tactics he has been employing for these 5 days that you good folks have been before this committee."

"DOCTORING" OF OFFICIAL HEARINGS

The record would not be complete without further reference to the "doctoring" of the printed hearings of the second supplemental appropriation bill, 1957, which were released in July 1956. Upon reading these hearings, it was quickly noted by members of the subcommittee who had attended the hearings, that there were deletions, additions, and major changes from the actual testimony given at the hearings. Five minority members of the subcommittee immediately issued a public statement calling attention to the matter. Here is what they said:

"The printed hearings of the Appropriations Subcommittee on Public Works, just released, include testimony on the fiscal 1957 budget requests of the Atomic Energy Commission. It offers a startling example of political "doctoring," of an official record.

"As released to the press, the document misrepresents some portions, and distorts other portions, of the actual testimony.

"For example, in the committee room, Chairman CANNON said to Chairman Strauss, of the Atomic Energy Commission (as we recall the statement, which can easily be verified by the original transcript), something like this:

"'Mr. Chairman, your testimony has been satisfactory. You have a difficult and complicated problem. You are serving one of the most important interests of our times and apparently you are doing it as efficiently and as expeditiously as we have reason to expect'."

"Mr. CANNON also complimented the Commission on the manner 'in which it has handled its budget and on its dealings with the committee, and especially the economical way in which it approached the whole subject.'

"In the politically edited version of the hearings, the above statements by the committee chairman have been removed, along with Mr. Strauss' responses. Unwarranted remarks, derogatory to Admiral Strauss, Dr. Libby, or other AEC witnesses, were kept in the hearings. The minority members objected frequently to the arbitrary and often discourteous treatment of witnesses representing the majority views of the Commission.

"'The record has been juggled to give false weight to testimony appealing to the bias of the committee majority while other testimony has been omitted from the printed record. In at least one instance, the remarks of a minority member of the subcommittee were stricken without his permission.

"During a colloquy between the committee chairman and Mr. Strauss (pp. 63–71 of pt. II of the printed record) the committee chairman asked Mr. Strauss to give the clerk a statement, representing the view of a majority of the Atomic Energy Commission on the subject of the Gore-Holifield atomic power acceleration bills which Mr. Strauss wanted to place in the record. A long statement representing the one-member minority view on the Commission is included in full. It is interesting to note that this

one member, who now advocates a 'crash' program, which testimony shows to be inimical to the best interest of the Nation, was himself opposed to the extended Federal financing program idea in January. Through the entire hearings he was given space and recognition, as opposed to the three members of the Commission present who did not support this 'crash' program and the absent member who was reported to agree with these three. In this Nation, a vote of 4 to 1 is presumed to represent a decision. In the committee, the politically inspired opinion of one Commissioner seems to influence the committee majority.

"Readers of part 2 of the hearings will be interested to observe the headings of various paragraphs and to compare them with the indexed hearings. Reference from the index to the pages indicated will fail to disclose the listed headings in many instances; in turn, a great many of the actual headings will not be in the index. Many of the non-indexed headings are both political and inaccurate.

"These hasty examples are sufficient to show that the printed record is not a true account of what transpired in the hearings of the Atomic Energy Commission before the Appropriations Subcommittee."

This release was issued by John Taber, Ben F. Jensen, H. Carl Andersen, John Phillips, and T. Millet Hand. All were members of the Public Works Subcommittee of the House Appropriations Committee of the 84th Congress. The first three are now the top-ranking minority members of the House Appropriations Committee.

Shortly after the above-noted release, these 5 members of the Public Works Subcommittee were joined by 10 other members of the Appropriations Committee in a minority report pointing out the above and other instances of changes in the printed record and protesting the biased and unjustified committee print draft report on the bill in question.

On the basis of the record and the evidence presented in the minority report, it is clear that Mr. Strauss was amply justified in objecting to the validity of the committee print and the printed hearings upon which it was supposed to be based. The record is equally clear that he had reason to object to any accusation that he was literally responsible for the preparation of the AEC letter of May 18, 1956, which unjustifiably had been referred to as "duplicitous."

Mr. BUTLER. Mr. President, will the Senator yield at that point?

Mr. SCOTT. I yield.

Mr. BUTLER. I know that the Senator remembers the Senator from Wyoming [Mr. McGEE] holding the transcript in his hand and saying that he had the exact transcript in this Chamber to prove that it had not been altered. If the Senator will refer to page 978 of the record, he will see that the nominee himself said:

Secretary STRAUSS. No; I don't deny that what you read is correct as printed but not correct as attributed.

What the Secretary was saying in that answer, and what he said before our committee, was, in effect, "I made the statement that was attributed to me. I do not claim that it was doctored in any way. I do not claim that that statement was molded in any way, but it attributed a meaning to me that I did not intend to convey."

Then, to my complete satisfaction, he explained what he meant.

Mr. SCOTT. That is correct. On page 978 Secretary Strauss testified as follows:

Senator McGEE, I will not permit you to put words in my mouth—which you have been trying to do since the beginning of this hearing. I will simply read you again, repeat again, the statement of 15 of your congressional colleagues and I will rest my case on that. They said material matters were omitted from the record and the record had been molded. I will stick by that.

Mr. BUTLER. Mr. President, will the Senator further yield?

Mr. SCOTT. I yield.

Mr. BUTLER. I think the Senator from Wyoming said the Secretary was setting up straw men and knocking them over. Would the Senator care to characterize that type of debate?

Mr. SCOTT. I should say that if anything substantive was heard in the fervid address of the distinguished Senator from Wyoming, it was not heard by me, and I remained in the Chamber throughout. I heard no reason given for opposing confirmation of the nomination of Secretary Strauss, supported by the testimony in any particular.

I have mentioned only a few instances. There were more. A careful reading of the record will show them. I do not wish to delay the Senate further by laboring this point.

Much was made of the fact that in the testimony of Dr. Inglis, one of the only two scientists who testified against the nominee, certain charges were made. I believe the testimony of some 42 other scientists, who testified in favor of the nominee, was inserted in the record.

A great deal was made of the allegation that Mr. Strauss had said:

I have never asked for anything on Mr. Inglis in my life.

But nothing whatever is said, in fairness to this body, as to the context in which the remark was made. I should like to have the RECORD show that when I make statements, I read from the record in support of them, and I sincerely wish the Senator from Wyoming had done the same.

On page 827 of the record, there is a discussion as to whether or not Mr. Strauss had brought any top secret papers into the room. Following that discussion, the Senator from Wyoming [Mr. McGEE] makes this inquiry:

Senator McGEE. Was there any statement, Admiral, in front of you, pertaining to the files of Dr. Inglis?

Mr. STRAUSS. The files of Dr. Inglis?

Senator McGEE. Anything affecting his past. No files of Dr. Inglis that you saw?

The CHAIRMAN. You mean security files, don't you, Senator?

Senator McGEE. I assume that it is some phase of security.

I emphasize the word "security."

Senator McGEE. I assume that it is some phase of security.

The distinguished Senator did not mention that statement here today.

Mr. STRAUSS. I think at one time after he was announced as a witness, someone handed me a transcription of a page from "American Men of Science," with date of birth, degrees, things of that sort. But I don't know what I did with it, and it is not top secret.

Later in the interrogation, on the same page:

Senator McGEE. To your knowledge——

Mr. STRAUSS. I have never asked for anything on Mr. Inglis in my life.

That obviously refers to security files. But lest there be any doubt whatever about it, the hunt to find something in the record of Secretary Strauss is resumed in full cry at page 842. At that time, red coat flying—one could almost hear shouts of "tally ho"—the Senator from Wyoming propounded further questions. He refers to the fact that Strauss had said, "I have never asked for anything on Mr. Inglis in my life."

The Senator said:

That was a categorical statement.

Mr. Strauss said further:

Yes; and it must be read in the context of a so-called request for a security report on Mr. Inglis. That is a fact. You can construe it any way you wish, Senator. That is a fact. Here was a man who was appearing, or to appear as an adverse witness. I wanted to know what his qualifications were, whether he was an employee where he was a scientist, and whether or not he was Q-cleared.

Senator McGEE. We have been through this before, Admiral, on a number of other questions in which we found it extremely difficult to get a direct answer. It seems to me that there you have as direct a statement as anybody could make.

Mr. STRAUSS. I will have to leave that with you. I made as direct a statement as I could in the context of the question. And you cannot change it in any respect.

That was an illustration of some of the things with which we had to contend in the hearing. I submit that, had these statements been presented to the distinguished Senator from Wyoming, and had an opportunity been given, during the time he was speaking, his case of allegation, innuendo, and implication against confirmation of the nomination of Secretary Strauss would have fallen of its own weight, as, indeed, I think it should.

Mr. President, I ask unanimous consent to include in the RECORD at this point, as a part of my remarks, a statement concerning the eulogies of former Secretary of State, John Foster Dulles. I ask to have it included in the RECORD as a part of my remarks at this point because it pertains to the subject on which I am speaking.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The printed record of the hearings on the nomination of Lewis L. Strauss was not available to the Senate until Wednesday. Each of us will now have the opportunity to consider that record for himself, calmly, deliberately, and without preconception or prejudice.

Unfortunately, even before the record was printed, or the reports of the committee received, attempts were being made on this floor to prejudge the issues by verbal characterizations totally unwarranted by the facts. Since all too often the naked adjectival appeal to prejudice reaches our ears while the small print of inserts into the

record may evade our eyes, I am impelled to rise at this time to appeal to my colleagues to judge a record of over 40 years of useful public service on the basis of fact and not unsupportable conclusions.

An example occurred on Tuesday, May 26. The eulogies to the honored memory of John Foster Dulles were interrupted by the junior Senator from Wyoming who rose to charge Mr. Strauss with a "naked attempt to deceive" the Interstate and Foreign Commerce Committee. The grueling harassment to which Mr. Strauss was put during the period when this deception was alleged to have taken place is clear even from the portion of the committee transcript which the gentleman had printed in the RECORD. I would like to deal with a portion of that insertion. The RECORD shows the following exchange to have taken place during our committee hearing:

"Senator MCGEE. Sir, you have introduced a subject here on the veracity of the record or the reporting in a congressional hearing.

"Secretary STRAUSS. I did not introduce it. This is a matter of official record. A minority report is a matter of record as well as a majority report.

"Senator MCGEE. A minority report can oppose the conclusions drawn from a record but as I understand your statement, and that was the only reason I was asking for the meaning or the implication of your words. Are you challenging the honesty or the veracity or the integrity of those who prepared this report in print?

"Secretary STRAUSS. I am only concurring with the minority report.

"Senator MCGEE. You are evading my question.

"Secretary STRAUSS. In the language in which it is written and I do not—do not try to put words in my mouth.

"Senator COTTON. Mr. Chairman, I am compelled to protest at this line of questioning when the Senator from Wyoming insists on putting into the words of the witness the words of 15 Congressmen. They challenged this report and said it was doctored and he persists in trying to say that no one did except Admiral Strauss and I resist that as unfair.

"Senator MCGEE. I was unaware that I had yielded the floor, Mr. Chairman."

I want to read to you now parts of the minority report to which Mr. Strauss was referring in his testimony. It is the minority report to the report of the House Appropriations Committee on the second supplemental appropriation bill, 1957, and was signed by 15 members of the committee.

The report opens by saying:

"We find ourselves unable to support a report, the conclusions in which are not in accord with the testimony. We cannot approve printed hearings, from which pertinent testimony has been omitted, or which has been moulded to meet a desire to make a case, irrespective of the evidence, in favor of public power from atomic sources."

And then goes on to say:

"The original issue of the committee report, furnished the full committee at its meeting this morning, July 20, was so full of inaccurate, and at times almost libelous attacks on the Chairman of the Commission that several of the majority members themselves could not stomach it. We hope it will be cleaned up before it is filed with the Congress. The bitterness of the personal and untrue attacks on Commissioner Strauss, Mr. Cisler, and other men who happened to disagree with the committee chairman's predecided opinions, or with the suggestions of the lone minority member of the Commission, is unequaled in the memory of minority members of this committee.

"The readers of the report, at some future date, when the heat of the argument has cooled, but the report regrettably still stands as an official record, must understand that the slanderous assertions, if allowed to remain, are untrue, unfair and unworthy of a committee whose past actions have demonstrated greatness, not pettiness, and that we not only disagree, but say to Chairman Strauss, and the other under attack, that we rank them among the great and the patriotic citizens of this Republic, willing to suffer these indignities in the service of the United States."

It strains the imagination on any fair reading of the record of the hearings to find a naked attempt to deceive by Mr. Strauss. As Mr. Strauss tried to point out, as other members of the committee tried to make clear, the charge that the House committee record had been inaccurate was a charge made and subscribed to by a substantial minority of Congressman CANNON'S own committee. It was not Mr. Strauss' charge.

Another basis for the allegation that Mr. Strauss sought to deceive seems to stem from the testimony, some of which the gentleman also included in his statement on May 26, concerning the letter of May 18, 1956, prepared by the General Counsel of the AEC and signed by Dr. W. F. Libby, then acting as AEC Chairman in the absence of Mr. Strauss. Mr. Strauss plainly and clearly assumed full responsibility for that letter and its preparation. He tried in vain to explain, however, that he had not actually been present at the time the letter was prepared and signed but, indeed, he was out of the city at the time.

Mr. President, Mr. Strauss tried many times, and apparently with very little impression upon some already closed minds, to make it clear that he took the responsibility, even though he was not present at the time, for this action as well as a number of others. He was the head of the agency. He considered himself responsible for all its activities. From this, it does not necessarily follow that he personally participated in every action of the agency or its subordinate officers. I have never known it to be expected of a man that if he admits responsibility for some act, he must also admit the actual performance of the act or be charged with deception.

Invariably and almost without exception, during the course of the entire protracted hearing before the committee, the gentleman from Wyoming grasped at every scrap of testimony derogatory to Mr. Strauss as the basis for drawing characterizations flagrantly prejudicial to the nominee. He has continued this practice from the floor. Without waiting to give the Members of this body any reasonable opportunity to read the record for themselves, the gentleman has been heard almost daily with his selected portion of the transcript accompanied by his own verbal denunciations. Is he too fearful of the results to allow the record to be read without bias and without malice?

We have always been pround of the tradition of the Senate as the greatest deliberative body in the world. Issues are settled here by reasoned and mature judgment unmarred by haste and deaf to naked appeals to blind prejudice.

I ask only that a record of over 4 decades of great service to our Nation be judged in accord with this tradition and not by unsupportable appeals to emotionalism.

Mr. SCOTT. Mr. President, in all my career I have never before witnessed such a well-planned attempt to legislative lynching. I have heard of such things, but never actually seen them first hand—the long buildup to prepare the groundwork for the prosecution's case, the well-timed statements, the opposition witnesses who just happened to come from all walks of life, the coincidence that prosecution testimony never seemed to overlap—no charges were wasted—all of these things were somewhat frightening to see.

Often the testimony against Lewis Strauss had a nightmare quality, in that it seemed to depart from reality. At one point a woman rose from the audience and shouted that Mr. Strauss had financed the Russian revolution. So bizarre had been some of the evidence against Mr. Strauss that, instead of recognizing this as the ravings of an unfortunate person, I wondered if in fact this was not the next witness to be called by committee counsel.

Evidence was permitted into the hearing record with little attempt to sort out fact from fancy, malice from sincerity, irrelevancies from the real issues before the committee.

QUALIFICATIONS NOT CHALLENGED

In 16 days of hearings I saw no evidence to justify an adverse recommendation on this nomination. Lewis Strauss' competence, patriotism, and excellent background were never challenged. What I did see was a band of persons, known and unknown, gnawed by personal motivations, calling up every slippery trick in the history of congressional investigations in an effort to cut down a man recommended by President Eisenhower to serve in his Cabinet. These witnesses rushed to the attack from various parts of the country, impelled, in my opinion, by considerations other than civic duty.

It is a tribute to the press of the United States that, despite the garbage that has been heaped upon Lewis Strauss, I have not been able to find enough newspapers opposed to his nomination to count on the fingers of one hand. But I have read more than 80 which urge the Senate to confirm the President's nomination, or which criticize the Senate for its tactics in this matter.

Let us look into the record of this man we are being asked to confirm, the nature of the charges lodged against him, and the effect this has been having on informed opinion throughout the United States.

I ask unanimous consent to insert into the RECORD at this point a brief biographical sketch about Admiral Strauss.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

LEWIS LICHTENSTEIN STRAUSS, SECRETARY OF COMMERCE

1896: Born in Charleston, W. Va., on January 31; son of Lewis and Rosa (Lichtenstein) Strauss, natives of Richmond, Va., both deceased. Educated in the Richmond, Va., public schools. Married Allice Hanauer; have one son, Lewis H. (another, Jerome, deceased).

GOVERNMENT SERVICE

1917–19: Secretary to Herbert C. Hoover (then U.S. Food Administrator and Chairman of the Commission for the Relief of Belgium) in relief operations in Belgium and elsewhere overseas, and in the U.S. Food Administration. Served as U.S. delegate at final armistice convention.

1941–46: In Naval Reserve 1926; active duty from February 1941 to May 1946; successively promoted through officer grades to the rank of rear admiral, being one of the first Reserve officers to reach that rank. Navy assignments included:

1941–43: Staff assistant to the Chief of the Bureau of Ordnance. General Inspector of Ordnance;

1943–44: Assistant Chief of Procurement and Material; Special Assistant to the Vice Chief of Naval Operations;

1944–46: Special Assistant to the Secretary of the Navy; Navy member of the Army-Navy Munitions Board;

1945–46: Navy member of the Interdepartmental Committee on Atomic Energy.

1946: Appointed member of the first Atomic Energy Commission; resigned in April 1950.

1946–52: Served as a member of the Naval Research Advisory Committee (the Office of Naval Research was established following Admiral Strauss' recommendation to Secretary of the Navy Forrestal).

1950: Appointed consultant to Joint Congressional Committee on Atomic Energy.

1950–58: Adviser on occasions to congressional and executive agencies studying and reporting on production and procurement problems for the Department of Defense.

1953: Completed report on hazardous duty and other special pays, requested by the Armed Services Committee of the Senate.

1953: Appointed special assistant to President Eisenhower on March 9.

1953–58: Nominated by President to be Chairman of the U.S. Atomic Energy Commission on June 24, confirmed by the Senate on June 27, and took oath of office on July 2. Retired at end of 5-year term, June 30, 1958.

1955 and 1958: Chairman of U.S. delegation to the United Nations Conferences on the Peaceful Uses of Atomic Energy, held at Geneva, Switzerland, August 8–20, 1955, and September 1–13, 1958. Developed concept which resulted in President Eisenhower's speech of December 8, 1953, before the United Nations General Assembly. Administered the actions taken to implement that program, representing the U.S. Government at the sessions at the United Nations and as chairman of the U.S. delegation to the first meeting of the International Atomic Energy Agency. (Proposed the International Conference on the Peaceful Uses of Atomic Energy.)

1958: Appointed special assistant to the President on matters concerning atoms for peace.

1958: Appointed on October 24 as Secretary of Commerce; took oath of office, November 13.

BUSINESS SERVICE

1919–46: Associated with the investment firm of Kuhn, Loeb & Co., New York, N.Y. Became partner in 1929, resigning in 1946 to take office as AEC Commissioner. At same time relinquished all business directorships.

At various times was director of business enterprises, including Radio Corp. of America, National Broadcasting Co., General American Transportation Corp., U.S. Rubber Co., Industrial Rayon Corp., Hudson and Manhattan Railroad, Rockefeller Bros., Inc., Rockefeller Center, Inc., Merchants Fire Assurance Co., etc.

1950: Consultant and financial adviser to Messrs. Rockefeller.

DECORATIONS, HONORS, AND DEGREES

Awarded the Distinguished Service Medal; and the Legion of Merit with Gold Star (Navy) in lieu of a second award and an Oak Leaf Cluster (Army) in lieu of a third award.

Officer of the Legion of Honor (France); Grand Officer, Order of Leopold (Belgium); and other decorations from foreign governments.

1958: Awarded the Medal of Freedom by President Eisenhower in person in July.

Recipient of 23 honorary degrees from colleges and universities in the United States and abroad.

TRUSTEESHIPS AND OTHER OFFICES

President of the board of trustees of the Institute for Advanced Study at Princeton University, Princeton, N.J.

Trustee of the Hampton Institute, the Sloan-Kettering Institute Memorial Center for Cancer and Allied Diseases, the New York Institute for the Crippled and the Disabled, the Jewish Theological Seminary of America, Belgian-American Educational Foundation, Metropolitan Opera Association, Inc., Virginia Museum of Fine Arts at Richmond, and Congregation Emanu-El of the city of New York (also its past president).

Mr. SCOTT. Mr. President, Admiral Strauss' public service began when he became private secretary and assistant to Herbert Hoover, during the administration of President Woodrow Wilson. He has served in nearly every administration—Democratic and Republican—since that time. And he has letters of commendation from five Presidents.

Outside of Government, he entered an investment firm in 1919, with which he was associated for the next 27 years. He resigned from business connections of all kinds in 1946 when he was appointed by President Truman to the Atomic Energy Commission.

Mr. Strauss comes by his title of admiral after 32 years service in the U.S. Naval Reserve. About 5 years of that service was active duty. He was awarded the Legion of Merit on three occasions and the Distinguished Service Medal on one occasion. He received awards from some of America's allies. And President Eisenhower personally presented him with the U.S. Medal of Freedom.

FIVE CHARGES

The nature of the charges brought against Mr. Strauss in committee and on the floor of the Senate can be broken down into five general categories.

First is that he is conceited and arrogant. He may very well have some grounds for honest pride, because Mr. Strauss is a very talented and successful man. As to his arrogance, I cannot speak from personal experience, but no one who knows him personally has ever so characterized him to me. But the answer to this charge must in any event be: "Since when are unproved charges of conceit and arrogance grounds to prevent a man from serving in the President's Cabinet?"

I might add parenthetically that statements have been made that Admiral Strauss is a conservative, that opposition to him is based on that ground, and that support of him is founded on that ground. I wish to make it perfectly clear that I have at times been called a conservative, albeit rarely. But I believe that my own philosophy in all probability is considerably different from that of the nominee. I have no interest whatever in the ideology of Admiral Strauss so long as it does not impinge upon his loyalty, his integrity, his patriotism, or his competence. What is being considered here is his competence to be appointed Secretary of Commerce. He is not being tried for his opinions or for any of his ideas, however much it may be that he disagrees with me or with any other Member of the Senate anywhere along the political spectrum. That is totally irrelevant to the consideration before us.

The second charge is that when he was Chairman of the Atomic Energy Commission his agency made certain reports to Congress that were in error in some particulars and not fully informative in others. This is the "et cetera" in the case against Mr. Strauss. Those who attack Mr. Strauss for other reasons, then add this charge, as a person adds the word "et cetera" when he has nothing more to say, but wants his case to look a little bit more impressive. The distinguished Senator from Rhode Island [Mr. PASTORE], who served as a member of the Joint Committee on Atomic Energy, when Mr. Strauss was Chairman of the AEC, gave the best answer to this allegation by voting in committee to confirm Mr. Strauss.

The third charge is that Mr. Strauss hurt the development of peacetime uses of atomic energy by overemphasizing the development of the hydrogen bomb. This is just nonsense. The AEC has a superb record of promoting nonmilitary uses of atomic energy. Of course, all of us now blessed with hindsight can say that there may have been a better way to do both jobs. Maybe there was. But we did not have that tough, complex responsibility, and let us be thankful that the head of the AEC had the foresight to put national security first when he did have the responsibility.

The fourth charge is that his judgment was wrong in advocating the Dixon-Yates contract for supplying electric power in the TVA area. This has become a political issue of the first order and, as a consequence, the facts in the case are badly muddied with emotions. This is a matter between those who advocate one form of power use as opposed to those who differ. Whatever the merits or demerits of this case, it should be noted that Dixon-Yates negotiations in no way reflect upon the integrity of Mr. Strauss.

OPPENHEIMER CASE

The fifth charge is that Lewis Strauss singlehandedly attempted to discredit and disgrace Dr. Robert Oppenheimer, an able scientist indeed, who contributed to the development of the atom bomb. It is this charge which is striking the most responsive chord among scientists throughout the country, partly because they are misinformed about national security aspects of the Oppenheimer case, partly because the Oppenheimer supporters are conducting a most efficient and most ruthless campaign against Mr. Strauss.

It is worth restating some facts to keep the record clear.

The Atomic Energy Commission on December 23, 1953, suspended the physicist from the top-secret status he held up to that time. The action became public when Dr. Oppenheimer, himself, leaked the news in March of 1954.

It was not, as alleged by one witness, released by the nominee.

On April 12, 1954, a special three-man security board began to hold hearings on the charges against Dr. Oppenheimer. The Chairman of the Board was Dr. Gordon Gray, former president of the University of North Carolina. Other members were Thomas A. Morgan, former president of the Sperry Gyroscope Co., and Dr. Ward Evans, professor of chemistry at Loyola University in Chicago.

The hearings were held behind closed doors from April 12 to May 6. Dr. Oppenheimer was represented by counsel of his own choosing. He was present throughout the hearings. He confronted every witness against him.

On May 27, the Board voted 2 to 1—Dr. Evans dissenting—to recommend that Dr. Oppenheimer be denied reinstatement. This recommendation then went to the full Atomic Energy Commission, composed at that time of Admiral Strauss, Eugene M. Zuckert, Joseph Campbell, Thomas E. Murray, and Henry D. Smyth. The verdict of the AEC was 4 to 1 to approve the recommendation of the Gray Board—Mr. Smyth dissenting.

The findings of this Board are pertinent, now that this matter is again a subject of discussion. The hearings showed that over a long period of years, Dr. Oppenheimer had seriously involved himself in Communist associations. He had contributed regularly to the Communist Party. His wife was a former Communist. His brother, Frank, and and Frank's wife, also had been Communist Party members. Many of Dr. Oppenheimer's friends were Communist functionaries or party members. All this direct connection with communism did not happen when Dr. Oppenheimer was a high school or college student. They had not occurred until his late thirties.

In one instance the hearings disclosed that Haakon Chevalier, a Communist functionary, had attempted to get some atomic secrets from Dr. Oppenheimer at Los Alamos. Dr. Oppenheimer deliberately concealed this from security investigators.

The Commission said in announcing its 4-to-1 decision:

> The record shows that Dr. Oppenheimer has consistently placed himself outside the rules which govern others. He has falsified in matters wherein he was charged with grave responsibilities in the national interest. In his associations he has repeatedly exhibited a willful disregard of the normal and proper obligations of security.

CONCLUSION OF SIX

Mr. President, I call attention to the important fact that this was the conclusion not alone of Admiral Strauss, but also that of Eugene M. Zuckert, Joseph Campbell, and Thomas E. Murray on the Atomic Energy Commission and shared by Gordon Gray and Thomas A. Morgan.

These are the facts in the overly emotional and beclouded Oppenheimer case. Admiral Strauss' "failing"—if it may be considered a failing—is that he has possessed an uncomfortable one-mindedness when he knew that he was right.

Some might say that they would prefer it if Admiral Strauss walked more softly, was more considerate of personal sensibilities, tempered his actions with more diplomacy. But can anyone who appreciates the seriousness of nuclear warfare say that he should have acted otherwise in the Oppenheimer case?

Admiral Strauss drove relentlessly to develop the hydrogen bomb ahead of the Russians. Dr. Oppenheimer did everything he could passively to prevent the bomb's development. Admiral Strauss, himself an intellectual, felt that even intellectuals must be bound by certain rules involving American national security. Dr. Oppenheimer put himself above the rules.

The judgment exercised by Admiral Strauss in the difficult Oppenheimer case should be an asset, not a liability, to his designation to the President's Cabinet.

If this is the vengeance some people would wreak on Admiral Strauss for his actions in the Oppenheimer case, we can assume that they are laying in wait for the others. If we in the U.S. Senate are to be taken in by their arguments, we are opening the way for similar systematic attacks on the good names of Eugene Zuckert, Joseph Campbell, Thomas E. Murray, Gordon Gray, and Thomas A. Morgan—all of whom concurred with Admiral Strauss in this case.

Mr. President, one of the many things which surprised me as I followed these confirmation proceedings was the wide divergence between some opinions here in Washington and informed public opinion throughout the United States. From every part of the country, newspapers and magazines have urged the prompt confirmation of Lewis Strauss or criticized the manner in which he was attacked.

The headlines of many editorials give a quick summary of intelligent opinion throughout the United States. They said, for instance: "Ike Has a Right to His Own Cabinet," "An Abuse of Power," "Strauss Deserves Better Treatment," "The Senate's Political Head Hunters," "Truth Takes a Beating," "Strauss Subjected to Persecution," "The Pillorying of Nominees," "Get the Admiral Off the Hook," "Paying the Price of Patriotism," "Let's End Political Farce," "The Senate Should Confirm Lewis Strauss," "Senate Democrats Show Petty Partisan Motives," "Good Men Raked Over Coal Beds," "Look Who's Braying at Strauss," "The Senate Is Unfair," "Congress Hurts Itself," "Open Season on Lewis Strauss," "Speaking of Witch Hunts," and many others.

LACK OF FAIR PLAY

Of the more than 80 editorials I read, columnists and editorial writers were dismayed more by the lack of fair play than by any other one facet of the attack on Admiral Strauss.

William S. White, whose article appeared in the Washington Evening Star, wrote perceptively:

> The odd truth is that (Strauss), himself, is an egghead, but—rarest of things—a Republican Old Guard egghead. The shaking up being given him, and to the issues he typifies, is entirely understandable. It is probably good politics as well, but it does have this one shortcoming: It is not fair.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point another article by William S. White, which was published in the Washington Star of June 8, 1959. In the article Mr. White reaches the following conclusion:

> All the same, Strauss' is not the only trial going on in this small, almost intimate chamber of vast power. The Senate, too, is on trial. Is it big enough to be fair, even to the wrongheaded, even to a past that not many, surely, would want to see return?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Evening Star, Washington, D.C., June 8, 1959]

STRAUSS DEBATE TESTS SENATE—PARTISANSHIP COULD DETERMINE FATE OF MAN DEDICATED TO PUBLIC SERVICE

(By William S. White)

The Senate, in its great debate on whether to confirm President Eisenhower's nomination of Lewis L. Strauss to be Secretary of Commerce is sitting now in one of the most solemn of all its roles as a high tribunal of this Republic.

It is putting a mans' public career on trial, in this case a career reaching across more than 40 years of service in nearly every national administration beginning with that of Woodrow Wilson. When the vote at last has been cast it will be determined whether this career is now to end in repudiation and in wreckage.

This is no light task. Though the verdict, if unfavorable, will not take Lewis Strauss' life or liberty, it will becloud the reputation of an American citizen in his 65th year.

The blocs that are forming are mainly partisan blocs, with the Democrats generally against confirmation and the Republicans very generally for confirmation. But in a deeper sense the real division is betweeen those who deeply value tradition and those who can take tradition or leave it alone.

The tradition itself is unarguably clear: Historically, the Senate will not refuse to ratify a Cabinet appointment without overpowering reason. Heretofore the appointee has not been turned back unless shown to be unfit beyond all reasonable doubt. Only seven times in a century and three-quarters, indeed, has the Senate said "No" to a presidential choice for such an office.

So, the scene here on the Senate floor is very grave; but the drama is also for the most part dry and underplayed. The Old Guard Republicans—Strauss himself is one and this is at the heart of his trouble now—are moving with stolidity hidden passion to his defense. Behind their leader in this matter, the bear-like Senator SCHOEPPEL, of Kansas, they are making ready to go with Strauss "clear across the bridge," meaning to the end. The modern-liberal Republicans do not greatly like Strauss or his ideas; they are standing with him mainly in defense of the President's right to have a Cabinet of his own choosing.

The Democrats are more nearly divided on the inside than they appear on the outside. It is they, generally, who least of all like Strauss, for to them of all men his policies and ideas are the most unpleasing. But many of them are anxious, too, for they know that to dislike a man's viewpoint is no justification for convicting that man in a lofty court such as this.

Strauss' public personality has been endlessly described—a right-wing Republican, a

very rich big business type, and so on. But what of Strauss simply as a human person? Here he is, as seen by one correspondent who has rarely agreed with him but believes justice ought to be done in any trial, even to those with whom nobody at all may agree:

This is a spare, fit, tanned man of quick, nervous movements, sometimes harshly impatient movements. His gray, semi-bald head darts about angrily when he is annoyed. And this is not infrequently; for he is not a patient man and in this long contest he has not troubled to hide his disdain for some of his Senate prosecutors.

He is an able and even a brilliant man, and so he has plenty of confidence in Lewis L. Strauss. It comes impossibly hard to him to put on a humble face or to return the soft answer. He does not seek sympathy; all during this business his large, restless brown eyes have had no surrender in them.

Still, he is also a man of sentiment, and even of sentimentality. For the fact is that he is not fighting here only for Strauss; he is also fighting for his ultimate hero, Herbert Hoover, who himself held the Commerce post long ago and looks upon "Lewis" as his natural successor. To Strauss, Mr. Hoover is still "my chief."

Strauss, in a word, is a hard man to defend because he so unapologetically personifies an erea that is even harder to defend, the lost, profoundly unpopular era of Herbert Hoover. He is one of the last and surely one of the most faithful of the Hoover Republicans.

All the same, Strauss' is not the only trial going on in this small, almost intimate Chamber of vast power. The Senate, too, is on trial. Is it big enough to be fair, even to the wrong-headed, even to a past that not many, surely, would want to see return?

Mr. SCOTT. Mr. President, the Pittsburgh Press wrote:

Some Senators took a violent dislike to Mr. Strauss when he was Chairman of the Atomic Energy Commission. He is now being disciplined for inciting this disfavor.

The Indianapolis News said:

By and large, the U.S. Senate is made up of people who do not like to see other people get pushed around the way Admiral Strauss has been pushed around.

The Canton, Ohio, Repository said:

Lewis Strauss must be hung up by the thumbs while his Senate critics make him bleed in public.

And the Omaha World-Herald declared:

No man with Mr. Strauss' long record of honor and integrity in public service should be required to submit to the personal vilification which was heaped upon him.

The Washington Evening Star characterized the prosecution's case as "an outrageous smear whose real victim is not Mr. Strauss, but the truth." The Tampa Tribune referred to it as "a campaign of personal harassment." And the Cincinnati Enquirer said:

As an example of what happens to a public servant of ability and integrity who gets caught in the toils of opposition party politics, the Strauss hearings are an alltime low.

QUALIFIED FOR POSITION

The viciousness of the attack on this nominee is all the more unreasonable because of the man's obvious qualifications for the high position to which he has been nominated.

As the Corning, N.Y., Leader said:

Admiral Strauss is probably one of the most competent officials of our age. His only difficulty—in the matter of governmental service—is his political ineptness. To many this is a plus instead of a minus because Mr. Strauss has acted as a dedicated public servant and not a politician catering to ward heelers and the like.

The New Castle, Pa., News wrote:

At no time has there been any suggestion that Admiral Strauss is not fully competent for the job.

The Wilkes-Barre Times Leader-News described him as "one of the country's most able and devoted public servants." And the Johnstown, Pa., Tribune-Democrat said, "Mr. Strauss is obviously qualified for this position."

Or, as the Sioux City Journal expressed it:

Secretary Strauss has been more often right than wrong, and right a good deal oftener than most of his critics. He is unassailable on the points that rest most sorely with his critics. He has proved to be an able administrator and policy leader wherever he has been chosen to serve by Democratic and Republican administrations.

The Tulsa World pointed out:

Lewis Strauss wrote an admirable record as a member of the Atomic Energy Commission. Even some of his worst enemies confess that he is an excellent choice, by reason of his business and financial background, to be Secretary of Commerce.

And the Des Moines Register added:

Few men have a more intimate knowledge of the problems and needs of business and industry in this country.

NOTHING NEW REVEALED

Editorial writers throughout the country have followed closely the hearings before the Committee on Interstate and Foreign Commerce; and many pointed out the important fact that nothing which would disprove Mr. Strauss' qualifications to become Secretary of Commerce was revealed at the hearings.

The Meadville, Pa., Tribune, said:

Since nothing really detrimental has been disclosed, the Senate should refrain from further harassment and grant the courtesy of early confirmation.

The Providence Journal wrote:

On balance, then, no defects of character or thinking have been uncovered to bar Mr. Strauss from the Commerce Department post. He enjoys Mr. Eisenhower's confidence, and the President wants him in his Cabinet family, a right that the Chief Executive should enjoy. We believe, therefore, in keeping with Senator PASTORE's agonizing appraisal, that Mr. Strauss should be confirmed as Secretary of Commerce.

The Houston Press said:

Nothing has been produced to contravene belief that Mr. Strauss, as AEC Chairman, faithfully did his duty as he saw it in his new and little understood field. No substantial reason has been advanced why the President should be denied his own choice as Cabinet ministers.

Arthur Krock in the New York Times called attention to the fact that Mr. Strauss' competence for the office of Secretary of Commerce, "has not been questioned in the hearings."

Although the minority views undertake to state that his competence has been questioned, that statement is not borne out by the committee hearings and the committee's report.

The Washington Evening Star remarked that:

In 16 days of trial by smear and innuendo, the Strauss-haters were unable to establish a single fact which showed him to be unfit for the Commerce post. On the contrary, Mr. Strauss time after time was able to prove that the accusations against him were baseless.

And the Rocky Mount, N.C., Telegram remarked:

Just what connection Strauss' role in the Dixon-Yates controversy, as head of the AEC, has to do with his job in the Commerce Department has not been explained, nor has anyone pointed out how that role could be detrimental to his efficiency as Commerce Department head.

DISCOURAGES GOVERNMENT OFFICIALS

Mr. President, what is the long-term effect of the witch hunt in connection with the nomination the President has made? Many commentators in America looked ahead to the long-term effect that this witch hunt will have on the recruitment of Government officials. They warned that every Federal administration in the future, regardless of the party in power, regardless of the President in the White House, will suffer because of the nature of the attack against Lewis Strauss.

Roscoe Drummond, whose syndicated column for the New York Herald Tribune News Service appeared in the Washington Post and Times Herald, wrote:

Secretary of Commerce Strauss is not going to resign, however much he might wish to put Washington and its political brickbats behind him—for the sake of his family's peace of mind if not for his own. He is too far into the battle to withdraw. But how many other able Americans, Democrats and Republicans alike are watching and wincing at this petty, petulant smear mess and are saying to themselves: "Not for me; stay from Washington." And Government and public and party are the losers because quality in public life is given the red light.

Life magazine wrote:

The more such men are harassed for reasons of political spite, the fewer "real public servants" will be available for service.

The Richmond Times-Dispatch remarked:

If this sort of thing is allowed to continue much longer, men of the caliber of Lewis Strauss will refuse to take Government posts. And no wonder.

The Harrisburg Patriot said:

It makes it increasingly difficult for any President to get able and honorable men to serve the Government when a Senate committee shows such calculated discourtesy to an able and honorable public servant as Lewis Strauss.

The Oil City (Pa.) Derrick said:

And it's just this sort of unwarranted and stupid maneuvering that dampens the willingness of able men to accept appointment to public office.

The Souix City Journal-Tribune said:

This goes a long way toward explaining why successful men and women show increasing reluctance about administrative appointments. Why should they be interested in serving the Nation if, in order to

do so, they must accept attacks on their integrity at times and in places where they have no legal recourse? It's a good question, and it is time the remaining statesmen in the Senate answered it in a way that corrects the present bad experience so many desirable appointees have to undergo in order to contribute to the national welfare.

The Galveston News commented on this situation at greater length. Its editorial said:

One of the problems of a free society is to be both free and efficient. It is not as easy to do as the phrase is to be spoken. In such a society, men are often chosen for office for reasons other than competency and efficiency.

Appearance, geniality, affability, good fellowship, a wise marriage, membership in numerous organizations, and other similar reasons may elevate a man to elective positions; contributions to campaign funds, friendships with elected officers, and sheer top-notch ability may influence appointment of office.

Career men are not necessarily able men nor are they necessarily incompetent. However, the best minds in the United States have for a century or more, say since the Civil War, gone into business, industry, and the law.

These extraordinarily constructive persons have built the structure of production and distribution which knows no superior on earth. They retire generally at an early age, say 65, and have many years of usefulness ahead of them.

Occasionally, the Government of the United States is able to co-opt or capture one of these extraordinarily competent men for Government service. During wartime it is easy because patriotism and even social pressure stimulate a desire to serve the country.

In peacetime, it is more difficult. Men of great ability, of large possessions, of responsibility in private ventures are often unwilling to submit to the legal limitations placed upon Government functionaries, some of which make for atrocious inefficiencies, and subject competence to the tyranny of the elected officials.

PREVIOUSLY DISAGREED

Finally, I would call the attention of the Senate to two among those newspapers which pointed out that they had disagreed with Admiral Strauss on issues in the past. The Albany (N.Y.) Times-Union said:

It is inevitable that a man of Mr. Strauss' force, intelligence, and integrity will make enemies, who are sniping at him now. Not as an enemy, but as a reasonable dissenter, this newspaper has disagreed with him at times when he headed the Atomic Energy Commission. But there is no denying his ability. He served in high office under three Presidents—Republican and Democratic. He was largely responsible in raising the warning flag against physicist Robert Oppenheimer as a questionable security risk. He is eminently equipped to be Secretary of Commerce, and the Senate should quit stalling and confirm him in that job.

And the liberal New York Post said:

It seems to us that the opposition to confirming Lewis Strauss as Secretary of Commerce is verging on silliness.

We have often disagreed with Strauss in this space; he is essentially a conservative Republican whose views on public power and other domestic issues reflect the attitudes of the conservative business community. But such views happen, for better or for worse, to be the basic approaches of both the Eisenhower administration and of large areas of American industry and finance. It is rather incongruous to question his fitness for the role of Commerce Secretary because he holds such opinions.

Whatever else may be said about Strauss, he is obviously a man who has served long and conscientiously in Government when he might well have achieved larger personal gain—and comfort—by remaining in Wall Street. Some of the personal attack to which he has been subjected is hardly calculated to inspire men of talent, whatever their political outlook, to seek Government office.

In short, we disagree with much of what Strauss has had to say, but we respect his right to say it. In terms of both devotion to duty and basic competence, he appears to be uniquely suited for the position of Commerce Secretary in this administration. * * * The time for national review of national policies is a Presidential election—not a debate over a Cabinet appointment.

MOST IMPORTANT ISSUE

With all the foresight displayed by these editorial writers, one important issue has gone almost unnoticed. That is the massive effect upon public opinion if the Senate—for the first time in 34 years—rejects a man nominated by a President to serve in his Cabinet.

Most of us here have been long in public life. We know that our constituents rely, to a great degree, upon our judgment to legislate in their best interests. Only rarely do we hear from more than a thousand persons on any one subject. But we do hear from our constituents very emphatcially on each election day. Whether or not they have ever expressed themselves in the past, they do so in the ballot box.

If the Senate should reject President Eisenhower's nominee for Secretary of Commerce, the story will appear on the front page of every newspaper in America, on every radio and television news show.

Americans who, until the vote here in the Senate, showed only a casual interest in the case, will begin to wonder aloud, "For what reasons did a majority of the U.S. Senate reject a man nominated by President Eisenhower? Did the recent hearings reveal some hidden crime on Lewis Strauss' part which many Presidents and Congresses never before uncovered? Was he caught stealing from the Treasury? Did he betray a lack of patriotism? Was he morally unfit, or patently unqualified for the job?"

Senators who vote against confirmation of the nomination of Lewis Strauss will have to answer that he was "arrogant," that he made some mistakes in his previous position, that he was a political conservative—which I, who rise, among others to support him, am not—that he was too aggressive in the development of the hydrogen bomb, that he was too patriotic, and an implacable foe of Soviet Communism.

These answers, of course, are ridiculous, because none of them disqualifies a man from being a member of the President's Cabinet. And the closer we get to the next election day—when such votes as those on the question of confirming this nomination must be justified—the more ridiculous and cruel these answers will seem.

Thoughtful men and women will recognize this as an historic injustice to a man who served his country with loyalty and dedication, and then was made to pay the price for his courage.

I urge my colleagues to be fair, to give due regard to tradition, to exercise common decency, to respect the judgment of several Presidents of the United States, to display the responsibility that is expected of the U.S. Senate.

But should all those pleas be disregarded, I would talk to my colleagues as one practitioner in political life to another: Senators, beware of the execution that creates a martyr. Beat Lewis Strauss, and you have given your opposition a real, live issue—an outstanding example of political power run amuck.

Who in the Senate would have on his record the political assassination of an American patriot? Who would accept the awful responsibility for shaking confidence in the Presidency at a time when we can least afford it.

Recently, the distinguished senior Senator from Virginia [Mr. BYRD] made the point that if the action the Senate takes in connection with the pending nomination should result in refusal to confirm the nomination of Admiral Strauss, such action would be interpreted in many parts of the world as a rebuff of the President by the Senate of the United States. Let others take that risk, if they will. I will not.

Those who are so assiduously digging a grave for Lewis Strauss had better pause to look at the names etched on the tombstone.

Mr. President, unless there are questions, to which I shall readily submit myself, I yield the floor.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MCGEE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF C. DOUGLAS DILLON TO BE UNDER SECRETARY OF STATE

The Senate proceeded to consider the nomination of C. Douglas Dillon to be Under Secretary of State.

Mr. FULBRIGHT. Mr. President, I shall try not to delay the Senate too long, but I wish to make a few remarks about the nomination of Mr. C. Douglas Dillon to be Under Secretary of State.

It has been alleged heretofore that the Committee on Foreign Relations, of which I have the honor to be chairman, has rushed this nomination through. I believe the nomination was characterized at one time as having been "railroaded." I desire to say a few words about some of the circumstances of the committee's action, aside from saying a few words about Mr. Dillon's own qualities and qualifications for this position.

I wish the RECORD to show that Mr. Dillon's name was sent to the Senate and referred to the committee on April

30. In accordance with the rules of the committee, which require that names of nominees be held for 6 days, we did not do as we had in the case of Secretary of State Herter, who was about to leave for an important conference in Geneva, and we suspended the rule by unanimous consent. In this case, when asked about it, I said, "No. We will follow the usual course with such nominations."

The committee did not call up the nomination until May 12, some 12 days later. There were 12 days in which any Member of the Senate—any member of the committee, certainly—could have instituted his own investigation. He could have called upon the Library of Congress. He could have called upon members of the staff of the committee. He could have written letters to the Secretary of State. Or he could have approached the nominee individually, which, in fact, I believe later was done. However, in any case, there were 12 days in which to institute any study a Senator might have wanted to make.

The hearing commenced on May 12, and lasted from 10 o'clock until late in the afternoon. In any event, the record, which is available on the desks of Senators, consists of 29 pages of testimony.

But that was not all, certainly. On a previous occasion, May 4, Mr. Dillon was before the committee to open the hearings on the mutual assistance program. At that time I suggested to the committee that although he was before the committee to testify about the mutual assistance program, he certainly was there also to answer any questions any member of the committee might wish to put to him as to his qualifications to be Under Secretary of State, because the nomination was then pending, and he was available for that purpose. I also suggested that his capacity to answer questions dealing with the mutual security program would certainly be a good basis on which to judge of his wisdom and knowledge of that particular aspect of our foreign policy program.

I suggest that, even if Mr. Dillon had never previously appeared before the committee, even if it were the first time his name had been submitted to the Senate, there was ample time given to members of the committee to consider his qualifications and to arrive at a judgment based upon the facts in which they were interested.

But that is not the whole story, by any means. As long ago as February 1953, Mr. Dillon was nominated to be Ambassador to France and came before our committee for action on his nomination. So those who had not known him before then had an opportunity to get acquainted with him.

Mr. Dillon served in France from February 27, 1953, to January 1957, nearly 4 years. He served with great distinction as Ambassador. I recall that I, along with a number of my colleagues from both Houses of Congress, were in Paris to attend a NATO conference, I believe in November of 1956. It was either 1956 or 1955. In any case, quite a number of us were there. I remember the former chairman of the committee, the Senator from Rhode Island [Mr. GREEN], and other Members of Congress were present. We met with Ambassador Dillon, which was then his title, in Paris, in his office. He also asked us to dinner.

We had ample opportunity to observe him actually at work in Paris. I believe I speak the opinion of all my colleagues—certainly the majority of them—and I certainly speak for myself when I say he gave an excellent account of himself. He was well informed about the problems which then existed with regard to our relations with France. He spoke French, I may say. It is most unusual for one of our Ambassadors to France or to Rome to speak the language of the country to which he is assigned. The Ambassador who is now in France, though he is an estimable gentleman, does not speak French. In any case, Mr. Dillon spoke French. He went further. Both he and his wife were seeking to perfect their French. He possessed the respect of the French people with whom I spoke. I do not think there is any question that he was considered by the French people, as well as by the Americans, as being a qualified Ambassador.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. Does the Senator find it surprising that a man who was born and raised in Geneva, Switzerland should speak French?

Mr. FULBRIGHT. No, I am not surprised. I think it was very fortunate that an Ambassador from this country who was sent to France, and who was expected to interpret French opinion, should speak French, however he may have learned it. I am not sure the fact that he was born in Geneva had anything to do with his ability to speak the French language. I understand it was an acquired knowledge, and that he learned French at a later period in his life, and not as a child. He certainly did not spend any appreciable period of his life in Switzerland. He went to school in this country. He is a graduate of Harvard University. He grew up in this country. I think it is purely an irrelevant circumstance that he was born in Switzerland. His parents are citizens and have been citizens of this country all their lives.

Subsequent to that time, after having had a distinguished career as Ambassador, Mr. Dillon was nominated in 1957 to be Under Secretary of State for Economic Affairs, and he was again before our committee. We had ample opportunity then to review his qualifications. As I recall, the nomination of Mr. Dillon was approved by the committee and by the Senate without objection. I cannot recall exactly, I did not happen to look up the record, but it is my impression there was no objection at that time at all to the nomination of Mr. Dillon to be Under Secretary of State for Economic Affairs.

In addition to that, during the past 2 years Mr. Dillon has appeared before our committee on numerous occasions. He not only appeared before the Committee on Foreign Relations, as the Under Secretary of State for Economic Affairs, I do not know how many times, but many times, but he has also appeared before the Committee on Banking and Currency to inform that committee as to the details regarding such organizations as the proposal for the International Development Association, which was primarily sponsored by the Senator from Oklahoma [Mr. MONRONEY]. His elucidation of the very complex and difficult subject of soft currencies and what may be done with them under circumstances prevailing today was one of the best I have observed before the committee.

So I submit that all this fuss about the nomination being railroaded, with no opportunity to become acquainted with the nominee, and so on, is simply irrelevant. We confirm every week the nominations of dozens of admirals, generals, and high officials, without anything like the record of acquaintance and without anything like the knowledge we have regarding this man. It never occurred to me, in expecting we could dispose of the nomination after 12 days of waiting with 1 day of hearing, that there could be any serious objection whatever.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Louisiana.

Mr. LONG. The Senator is most courteous.

I wish to say to the Senator that I am perfectly satisfied to go ahead with this matter now. The Senator knows very well that I did feel the hearings were rushed. At the time the nomination came up, the junior Senator from Louisiana had not had an opportunity to look into the background of Mr. Dillon as he would have liked to have done.

I submit to the Senator, in all fairness, based on my attitude at that time and not on my attitude today, we should consider this in respect to the confirmation of the nomination of Mr. Strauss. We have had Mr. Strauss with us for a long time. We have heard of him day in and day out on Capitol Hill. We have looked into his background. The hearings regarding the nomination of Mr. Strauss contain 1,128 pages. The largest hearing the junior Senator from Louisiana was able to obtain with regard to the Dillon nomination contains only 29 pages. There is almost a geometric ratio between those figures, I would assume.

I wish to say to the Senator that I have no objection to proceeding with this nomination at this time. I did feel previously that I was entitled perhaps to ask for about a week's delay, but I have no objection at all now. I believe I have been treated fairly in the matter. I say to the Senator that, so far as I am concerned, I am perfectly willing to discuss the merits of the issue.

Mr. FULBRIGHT. I thank the Senator for his observation.

I wish to end that part of my remarks by saying I do not believe we have indulged in any undue haste. I think due, careful and responsible consideration has been given the nomination, and I believe the record will speak for itself. I hope, at least, the people of the country do not believe that the Committee on

Foreign Relations has taken its particular obligation in this case in a light manner. We try to discharge our obligations as responsibly as we can.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield to the Senator from North Dakota for a question.

Mr. LANGER. I am quite sure the distinguished Senator remembers when the Senator from Wisconsin [Mr. WILEY] gave a luncheon for Mr. Dillon. I think all members of the Committee on Foreign Relations were present. If any members of the committee were not present, my memory is simply at fault. I think all of the Senators were present.

I particularly recollect that Mr. Dillon, the nominee, threw himself wide open for any questions which might be asked of him. His answers were uniformly satisfactory.

I think we were at the luncheon for an hour and a half. Some who were present drifted out. Mr. Dillon had all kinds of time, and he gave us most generously of his time when we asked him questions.

Does the Senator remember that occasion?

Mr. FULBRIGHT. The Senator from Arkansas certainly does remember the occasion. I am glad the Senator from North Dakota has refreshed the memory of the Senate in this respect.

That was characteristic of Mr. Dillon. I think, of all witnesses we have had before us in recent years, Mr. Dillon is one of the most frank I have seen. If he knows something, he says so directly. He is not the least bit evasive. If by chance a question is asked to which Mr. Dillon does not know the answer, he says, "I do not know," and he turns to ask somebody who does know. He has a very disarming way, of which I approve. But he does not pretend he knows something when he does not. I must say, however, in his field, he usually knows the answers. He is extremely well-informed. His training before he came into the Government, in the field of finance, I think, especially, suits him for the particular function of dealing with the financial aspects of our international relations.

I think the Senator from North Dakota is absolutely correct. Mr. Dillon made a very fine impression. I thought all members of the committee were present. He made a fine impression, as he has on many other occasions.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Kansas.

Mr. CARLSON. I should like to concur in the statement just made by the distinguished chairman of the Committee on Foreign Relations in respect to Mr. Dillon and his appearance before the committee.

I am a new member of the committee, but it has been my privilege to participate in hearings regarding a number of nominees who have come before our committee in connection with the confirmation of nominations. I think the chairman has handled those matters very well, and I think he has been diligent in searching the backgrounds of nominees.

In Mr. Dillon's case I was particularly pleased with the fine way the nominee answered all questions. He certainly was not evasive. I personally feel we are fortunate to have a man of Mr. Dillon's background, experience, and ability in the position to which he has been named.

Mr. FULBRIGHT. I thank the Senator.

The Senator says he is a new member of the committee. Of course, I am a new chairman of the committee. I have been chairman for only about 4 months. I am quite sure I have made some mistakes already, which have been well advertised. I would not deny that.

However, the complaint that we are railroading nominations and not taking seriously our responsibility regarding them I think is ill founded. I have made some other mistakes, but I do not think that can be one of them.

I have been receiving some complaints from certain quarters to the effect that we have been giving too much attention to nominations, that we ought to take action on them with less attention and less notice. At least, so far as I am concerned, it came as somewhat of a shock to be told that I railroaded the nomination, and that we are putting over on the American people a man about whom we know nothing. I know scarcely any other nominee of recent vintage about whom we know more, or about whom, certainly, we have had greater opportunity to know more and to observe his work, as well as to have him before the committee time after time to inquire into it.

Most of our Ambassadors, even though they have been in the service a long time, are in other countries. Some of our professional men who have been in the service for 20 years have not appeared before our committee nearly as often as has Mr. Dillon in the 2 years, because he has the responsibility of coming before the committee to present and to justify various measures.

One other characteristic about Mr. Dillon which I like is that when he really feels some way about a policy of the President or of the Government he will often so state. Sometimes he will say he does not agree with the policy, though he is presenting it. I have heard him say, "I am not sure they are wise in this."

I also like a certain independence in his attitude. He is not simply a rubber stamp for his own administration. I think we can rely on his independence of judgment.

There is one other complaint which the Senator from Louisiana has made which I submit is not justified. At least, it is in the nature of a complaint. The Senator asserts in his remarks as one of the reasons indicating that he has not been treated fairly the fact that he has not been permitted to appoint a single member of the staff of the Committee on Foreign Relations.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. This is a very sensitive point.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I will yield in a minute. I want to make the point first.

This is a very sensitive subject, especially in foreign relations. I have been chairman of the committee for 4 months. I have not appointed anyone. I do not expect to appoint anyone. I do not regard the staff of the committee as a patronage field. We have a personnel subcommittee, to which are submitted the names of any applicants or prospects for positions on the staff of the committee. The personnel committee examines the applications carefully. The only appointments which have been made since I have been chairman had absolutely nothing to do with me. I had no previous acquantance with those who were appointed. They were selected entirely on the basis of their personal and professional qualifications. I regard every member of the staff as a professional nonpolitical, nonpatronage appointment. I do not believe any Senator, including the Senator from Louisiana, has any valid complaint on the ground that he has not been permitted to appoint a member of the staff.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. I hope the distinguished Senator has not read into my prepared remarks something that is not there. I have not made the allegation that I have been treated unfairly.

All I say is that it is a practical impossibility to find out what is happening to all the money. That is all I am saying. It cannot be done by an ordinary member of the committee, no matter how hard he tries to get the information. I am not complaining. I cannot get it. All I am saying is that that happens to be the fact.

Mr. FULBRIGHT. In order that the record may be clear, I believe that the statement of the Senator from Louisiana, which has just been handed to me, speaks for itself. I assume this is a correct copy. I read from the statement:

> The junior Senator from Louisiana, for example, is chairman of a Subcommittee on Social and Economic Policies. He is not privileged to name a single member to the Foreign Relations Committee staff.

The implication is that other Senators are. If it means anything at all, it means that the chairman and other senior members are permitted to make appointments. Otherwise I do not know why the statement should be made. The staff members are as available to the Senator from Louisiana as they are to me. I doubt if the Senator would assert that they have ever refused to do for him anything that they would do for any other member of the committee.

Mr. LONG. I do not so assert. I believe my statement will speak for itself. I am not complaining that I cannot get information. All I am saying is that I cannot get it, period.

Mr. FULBRIGHT. The Senator has available everything that is available to me. The Senator knows that almost every day we have hearings on this program. There is a stack of booklets. It is true that most of them are labeled "Secret" or "Confidential," under the

existing law, which the Congress enacted, giving certain privileges to the military. A large part of the program relates to military affairs. We are not entitled to make these reports public, or give them to the press, but we are entitled to read every one of them. The Senator from Louisiana has the same right to read them that I have, or that any other member of the committee has.

I admit that they are so complex and voluminous that it is not easy for any man to digest them all, and very few even try. That is another matter growing out of the complexity of the program. It is not that I or anyone else wishes to deny to the Senator from Louisiana access to this information. It is only because of the nature of the program, and the nature of the information, that many of us do not know all we should know.

There is another point of which the Senator made much in committee, and in his speech. I shall have to confess that the subject is extremely complicated. The general subject has bedeviled the Committee on Banking and Currency, in the consideration of the International Development Association and other programs dealing with foreign credits and currency.

I have prepared, as carefully as I know how, and as simply as I could, a statement to try to give meaning to the question of foreign credits, and especially the situation in Greece. It is a very difficult subject to understand, and I am sure my statement could be criticized for oversimplifying this very complicated subject.

Nevertheless, I think we should try to do it. We had to do it in the Committee on Banking and Currency. I shall try once more. This statement is based upon an official letter from the Department of State which I requested, and which I shall introduce into the RECORD. What I have tried to do is to reduce, simplify, and make the subject more understandable. Whether or not I have succeeded, I leave to Senators to judge.

I believe there is great misunderstanding today in many circles about the so-called counterpart or foreign credit. We use the term "counterpart" more or less as a word of art, arising from the Marshall plan and the Greek-Turkish law. We now use foreign currencies more generally in speaking of the credit which arises under the operations of Public Law 480, which actually are very much larger.

Mr. President, in recent weeks in connection with consideration of the Mutual Security Act and the nomination of Mr. Douglas Dillon to be Under Secretary of State, there has been much discussion of a proposal to permit the Greek Government to use some 3.6 billion drachma in counterpart funds, with a dollar equivalent at the official rate of $120 million, for debt retirement purposes. We have been caught in a frenzy of assertions to the general effect that the American taxpayer should not have his money used to retire the governmental debts of foreign governments. This is more or less the nature of the assertion. Another version is that if these Greek drachma are to be used in Greece, we ought to put them to some good use—such as throwing them off the Acropolis for the populace to pick up.

These assertions are based on certain basic misunderstandings, in my view, about some rather complicated financial relationships. I shall try to explain these financial relationships as clearly as I can.

Let me say in the first place, however, that I would have no part of any plan to use the money of American taxpayers to pay off the national debt of any nation. After all, I am a taxpayer myself and there are several hundred thousand taxpayers in Arkansas who, I am sure, would take a very dim view of their junior Senator were he to participate in any such operation.

Let me say in the second place, that I have no intention of supporting any legislation which might have the effect of throwing any ally of the United States either into the hands of the Communists or into an economic tailspin that would invite a Communist takeover.

With respect to the Greek drachma situation in Greece, let us remember that in 1947, when President Truman asked the American people to assist Greece and Turkey to repel the Communist thrust toward the Dardanelles, the Congress showed no hesitancy in supplying both military and economic assistance to Greece and Turkey.

Part of that assistance to Greece was in the form of economic equipment, such as trucks, tractors, plows, food, electrical equipment, and so on. These were gifts, or grants, to use the technical word, not loans.

But just how does one go about giving the people of Greece trucks, or tractors, or food? Obviously these things cannot be unloaded on a dock and then handed out on a first-come-first-served basis. This would create utter chaos and absolutely destroy the very free enterprise system which we were trying to preserve.

Obviously it would practically destroy all the established dealers in the same commodities all over Greece. It would completely disrupt the fabric of her existing business. So we could not do it that way.

Instead of giving tractors away to one farmer here, and another there; instead of dumping food in village squares; the United States sought a method of getting these items into the normal channels of trade. This was done—and I simplify the procedure for purposes of clarity—by selling these items through regular sales channels, requiring that they be paid for in Greek drachma—that is the local currency, because that is all the Greeks have—and then putting the drachma which were received into a special account in the Bank of Greece. The money in this account was known as counterpart—the counterpart of the aid we had given. We had given the grants, in other words.

This counterpart money belonged to the Greek Government. It does today. It was the local currency equivalent of the economic assistance—the trucks and food and tractors—which the people of the United States gave to the people of Greece to help them fight off both internal and external Communist attack.

Let me repeat that we did not give a tractor to Mr. Spirolous, or any other Greek. He had to save his own drachma and pay for his tractor. But the fact is that our hypothetical Mr. Spirolous would not have been able to buy this tractor had it not been for the United States' help, simply because the Greek drachma had no power to purchase anything outside of Greece. He could not have bought the tractor from us and passed dollars, because the Greeks had no dollars. We gave them, in effect, to the nation, and it sold them to their citizens for whatever currency they had, for the only currency they had, and which is made up of drachma. The drachma were deposited in the account.

Over the years of the Greek program, the drachma in the counterpart account accumulated. From time to time these drachma were spent by the Greek Government—in small amounts—with U.S. approval and in carefully limited amounts, for road construction, harbor rebuilding, and to pay the Armed Forces, and used for local Greek expenses.

But every time a drachma from this fund was spent it had a tendency to cause inflation in Greece because the number of drachma in circulation was increased. In other words, if drachma from the counterpart funds were used to put two Greek citizens to work, it meant that those two citizens then had drachma enough to buy a bicycle or a plow—but bicycles and plows were not yet manufactured in Greece in enough quantity to supply to the newly employed Greeks. The bicycles had to be bought outside Greece where the Greek drachma had no purchasing power.

That was the reason they could not be turned loose.

Now, what is the present situation? There are 3.6 billion drachma in the counterpart fund. The economists of the United States and Greece have agreed that if this 3.6 billion drachma, owned by Greece, were to be spent in Greece, the inflationary impact would be tremendous. They recommend, therefore, that the two Governments agree simply to engage in a paper transaction which will wipe this fund out.

The alternative is to leave it where it has been for years, as an account in the Bank of Greece. That is the alternative to doing what is proposed to be done, to which so much objection has been raised.

In other words, Congress does not need to accept the recommendation. It is a recommendation by Mr. Dillon, or, rather by the Government, or by the administration. It is not a personal matter with Mr. Dillon.

We can simply leave the subject alone, in which case the counterpart fund will continue at its figure of 3.6 billion drachma, unused, but always a potential threat that some day it might be used to flood the Greek economy with the equivalent of printing press money.

Let us, for a moment, imagine that these drachma were thrown from the Acropolis, or used to put 50,000 Greeks to work building a road or a dam. What would happen? It would mean simply that there would be a tremendous in-

fusion of new purchasing power in Greece, and not enough in the way of goods to satisfy that new purchasing power. The price of tractors, trucks, food, houses, everything, would spiral to new heights. Those Greek citizens who might have accumulated small savings would seek ways to get their drachma converted to foreign currencies, or try to take their property out of the country, and elements in any community which thrive on chaos would have a field day.

The men and women who would be hurt most would be the little men and women with no way to protect themselves.

Mr. President, lest there be any feeling that I overstate the case, I point out that in all of Greece the total drachma in circulation is 8 billion. If the drachma in circulation were increased by an infusion of 3.5 billion drachma from the counterpart account, it would involve an increase in the funds in circulation of 44 percent. A 44-percent increase of the funds in circulation in the United States would be an increase of $12.3 billion, and I suspect that even in this rich country we would feel an inflationary impact of some magnitude. Just think of what havoc would be caused in this country if we suddenly started the printing presses and threw from the top of the Capitol $12.3 billion. That would be a serious situation, but not quite so serious as it would be in Greece.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I have only one or two more paragraphs and then I shall be finished. Yes; I yield to the Senator from Louisiana.

Mr. LONG. Does the Senator have any idea what our national deficit is going to be? It will be about $12 billion.

Mr. FULBRIGHT. Yes.

Mr. LONG. Is that not about the same thing?

Mr. FULBRIGHT. What?

Mr. LONG. As putting that much additional money into circulation.

Mr. FULBRIGHT. During the debate today and for several days now one of the principal concerns of the administration and of Congress has been the inflationary effect of deficit spending. Is that not so?

Mr. LONG. That is occurring in this country.

Mr. FULBRIGHT. Does the Senator wish to impose the same thing on poor little Greece, which does not have the resources we have?

Mr. LONG. I hope the Senator is not particularly worried about the man who has no drachma and no dollars and no job facing the prospect that the drachma might not be worth quite so much if he had a job.

Mr. FULBRIGHT. The effect of what the Senator from Louisiana proposes is not in any degree different from merely starting the printing presses and printing that much money. There is no production of goods which would offset it.

The percentage of the increase in Greece would be out of all proportion, and disastrously out of proportion, to the total resources. In this country, we can withstand it, because we are so enormously rich, compared to other countries. However, I hope that we will not continue in this way, and that we will not have another deficit next year. We ought to have a surplus next year. The way to do that is by doing two things, and a little of each. First, we should hold down expenses, if we can do so, in areas which are not so critical, or are less critical, and second, increase the Government's income.

I remind the Senator from Louisiana—and this is a matter of record—that I voted against the last decrease in taxes in 1954. I believe only 10 or 12 of us voted against such a decrease in taxes. One of the principal reasons was that I thought it was improvident, when we were not suffering too much, to start running a deficit. The $7½ billion, which, as I recall, is the amount that we reduced taxes that year, would be very useful today if it were coming into the Federal Treasury and helping to balance the budget. However, that is another matter.

In conclusion, I ask unanimous consent to insert a letter to me from the Acting Secretary of State, dated May 14, 1959, which sets forth in more technical language than I have used the proposal to use counterpart funds for debt retirement.

I also ask unanimous consent to include a memorandum giving a series of cases in which we have consented to the use of counterpart funds for debt retirement purposes.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The Honorable J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: During the hearings before the Foreign Relations Committee on May 4 Senator LONG requested additional information explaining the situation in Greece which has led the executive branch to propose that section 516 of the Mutual Security Act be amended to permit the use of counterpart for debt retirement when any other use would adversely affect economic and financial stabilization. The purpose of this letter is to supply the additional background information requested.

When the United States provides commodities to a foreign country as grant aid that country is required to deposit into a special account an amount of its own currency equivalent in value to the commodities furnished. As the committee is aware, these local currency deposits are called counterpart funds.

Counterpart funds, with the exception of a small amount set aside for U.S. uses, are the property of the foreign government concerned. Nevertheless, by agreement between the United States and the other government, they may be used only to further the purposes of the mutual security program, and their use for specific expenditures must be agreed upon by both governments.

A counterpart account was established in Greece at the beginning of the Marshall plan and has continued to exist until the present time. The use of the counterpart account has been the subject of continuous discussion between the two governments as contemplated by the legislation.

To put the matter into perspective, it is useful to recall the policy covering the use of counterpart funds in the days of the Marshall plan when aid to Greece was very substantial. The question of counterpart uses was considered at some length by the Congress, and in particular by the Senate Foreign Relations Committee, during that period. In its Report No. 935 (80th Cong., 2d sess.) the committee recorded its view that appropriate uses of these funds would include:

"(a) Immobilization of the local currency, in whole or in part, to assist in measures of financial reform and currency stabilization;

"(b) Use for retiring the national debt so as to promote the most rapid achievement of financial stability."

The Greek Government was at that time confronted with the extremely difficult problem of reconstructing and restoring a country and an economy ravaged by invasion and civil strife. It was compelled to make very heavy expenditures of Greek currency, which in turn led to serious inflation. The effort of the United States throughout this period was directed toward support of Greek efforts to restore sound economic and financial conditions. In this connection, the ability of the U.S. Government representatives to control the expenditure of counterpart funds, thereby immobilizing or sterilizing large amounts, was one of the most useful devices to preclude more serious inflationary pressure. Thus, sterilization of a considerable portion of the counterpart funds was an important factor in restoring economic stability.

It had been originally contemplated that these sterilized counterpart funds might ultimately be used to retire some of the very substantial debt incurred by the Greek Government to its Central Bank. Action to this effect was deliberately postponed pending further improvement in the Greek fiscal situation.

However, in 1953 Congress enacted legislation which prohibited the use of counterpart funds for debt retirement. This prohibition (now sec. 516 of the Mutual Security Act) of course did not mean, nor was it intended to mean, that counterpart funds should be spent for uses which would be contrary to the objectives for which aid had been provided. In other words, there remained a responsibility to see to it that counterpart funds would be used to promote economic and fiscal stability.

In recognition of the fact that release into the Greek economy of a large amount of counterpart funds would be unwise the executive branch proposed and Congress enacted a proviso to section 516 which enabled us to reach an agreement in 1957 with the Government of Greece to cancel about $115 million of Greek Government debts to the Bank of Greece. This authority was limited, however, to very special circumstances, and is not applicable to the remaining counterpart funds now under discussion. We are now talking about 3.6 billion drachma, equivalent to $120 million, which still remain on the books unreleased. This represents about 18 percent of the total of more than 20 billion drachma generated during the history of the program.

To inject this additional amount of local currency into the money supply of the Greek economy would, in the opinion of both governments, have serious inflationary consequences. It would simply increase the amount of money available without increasing in any way the amount of goods or services available for purchase. The obvious effect would, of course, be to increase prices and costs for all concerned. Rather than benefiting the individual Greek citizen it would have directly opposite results since inflation hits first and hardest at the low-income groups.

The Greek Government itself has been faced with considerable internal pressure to spend these funds but in view of the obvious inflationary consequences, the government has courageously withstood these pressures and made plain its intent to maintain this account as a sterilized one.

This is the situation in which we are asking for the amendment. If the amendment is not adopted we anticipate that, since both governments are agreed that expenditure of the counterpart funds would be inflationary, the counterpart funds would continue to be sterilized. Such sterilization could continue for several years to come. However, if the amendment is adopted, we expect that the major portion of the funds will be used to cancel an equivalent amount of the debt which is carried on the books of the Greek Central Bank. This is not debt which is owed to individuals, nor does it constitute a burden on the Greek Government which must be retired at some future date from current revenue. The proposed use is, of course, neither inflationary nor deflationary since it merely amounts to a cancellation of a nominal government asset and an equivalent nominal government liability.

It may be added that our economic programs in Greece have been directed toward promoting development within the framework of a sound economic and financial policy. These efforts have been eminently successful, as may be seen by reference to the presentation materials submitted to the Congress. For example, between 1952 and 1958, real gross national product increased by nearly 50 percent, consumption rose by 40 percent, and private investment increased by 50 percent. These results, we believe, fully justify our adherence to sound economic and fiscal policy as the basis for economic development which has been truly beneficial to all the citizens of Greece.

As you know, the new Director of the International Cooperation Administration is Mr. James W. Riddleberger who, as a result of his assignment as American Ambassador in Greece, is thoroughly familiar with this situation. As soon as he assumes his new duties, I will ask him as a matter of first priority to review carefully this matter. In any event, no action will be taken prior to the completion of this further review.

Sincerely yours,

———— ————,

Acting Secretary.

MEMORANDUM

This memorandum is in response to Senator FULBRIGHT's request for examples of cases where, in the past, counterpart funds have been used for debt retirement or other financial transactions similar to that which will be undertaken in Greece, if section 516 of the Mutual Security Act is amended as requested.

The clearest examples of the use of counterpart funds for debt retirement occurred in the countries of Western Europe during the Marshall plan period from 1948 to 1952. As Mr. Dillon pointed out in his letter of May 14, 1958, it was a basic policy of the Marshall plan program, understood and approved by the Congress, that counterpart funds derived from Marshall plan aid would be released only if the use proposed for such funds would not have a dangerously inflationary effect, and that counterpart funds might be used to offset Government deficit financing or other internal inflationary pressures. In some circumstances, it was recognized that the most effective way of accomplishing this latter objective would be through debt retirement.

The importance attached to the avoidance of inflation and recognition of the danger that injudicious releases of counterpart might compound an inflationary situation were reflected in the requirement on ICA to consult the National Advisory Council on International Monetary and Financial Problems before agreeing to any releases of counterpart. Every program for the release of counterpart had to be considered with this body, which is chaired by the Secretary of the Treasury, and which, under the law, still exercises these advisory functions.

Throughout the Marshall plan period, when the reconstruction of Western Europe was the primary objective of our economic assistance program and when the establishment or maintenance of monetary and economic stability was recognized to be essential to reconstruction, the effect of National Advisory Council review was frequently to suspend, limit, or withhold the release of counterpart in situations where its release would have increased the demand for the available resources of goods and services and thus have been dangerously inflationary.

As the reconstruction of Europe was completed, the emphasis in economic assistance programs shifted to other parts of the world, where the financial and administrative organization of government and private enterprise was in many instances less well developed and less experienced than in Europe. There were more instances where countries were confronted with problems of a development or defense nature for the first time in their independent history. The common assumption grew that, wherever possible, all counterpart funds would be allocated as rapidly as generated to finance development projects and to provide support to budgets, both civil and military. This pattern was accentuated as we began to deal with a number of countries in which the primary need of aid is to finance local currency expenditures rather than to provide foreign exchange to maintain essential imports. Since the passage of legislation in August 1953 prohibiting the use of counterpart funds for debt retirement, the effort to establish financial stabilization by withholding the use of the counterpart of aid, or sterilization, as a direct offset to inflationary pressures has become less and less common.

We have provided this brief review of the background of the problem of debt retirement in order to explain the importance accorded to financial objectives in the Marshall plan period and to account for the fact that the examples which are discussed in the enclosed statement are all from Western Europe and from the period before fiscal year 1953.

The use of counterpart funds to retire a Greek Government debt to the National Bank of Greece is the only transaction now under consideration for which the new legislative authority we have requested is necessary. Because of the form the economic aid program has taken in the past several years, few such cases are likely in the future. Nevertheless, circumstances do arise from time to time in which U.S. objectives are best served by withholding the expenditure of counterpart funds, and thus (to put the matter in purely monetary terms) using grant aid to offset inflationary pressures which already exist, as distinct from those which might derive from the expenditure of counterpart. In such cases, as in the Greek case now under consideration, the wisest use of counterpart funds may be to retire a government debt. This is another instrument, in addition to those with which existing legislation arms the administration, for achieving the basic purposes for which foreign aid is given.

THE INTERNATIONAL COOPERATION ADMINISTRATION—THE USE OF LOCAL CURRENCY COUNTERPART FOR DEBT RETIREMENT, 1948–52

The economic cooperation agreements with countries participating in the Marshall plan, originally signed in 1948, and as amended later, generally included expressions of intent by the participating governments to exert their best efforts for certain economic and financial objectives, among them to create or maintain a stabilized currency, internal financial stability, and confidence in their monetary systems. The listing of purposes for which the special counterpart account might be drawn upon specifically included the effective retirement of the national debt, especially debt held by the Central Bank or other banking institutions.

The agreements in Europe required the deposit in a special counterpart account of local currency commensurate in value with all the grant aid received. No distinction was drawn as to whether there were actually sales proceeds generated directly by the aid, as was provided under the Mutual Security Act of 1954.

In the course of the first 4 years of operation of the aid program after the passage of the Economic Cooperation Act of 1948, approvals to release local currency counterpart for debt retirement amounted to the equivalent of $2,510.8 million plus an additional $72.5 million of Austrian local currencies arising under prior legislation for which the Economic Cooperation Administration had assumed responsibility. A summary of the cumulative total of these actions by country appears below. All the basic considerations of issues and approval of the action proposed took place before the end of fiscal year 1952, and for the most part before the end of fiscal year 1951. The table, however, is arranged to show the time when the withdrawal from the special accounts took place:

INTERNATIONAL COOPERATION ADMINISTRATION

Counterpart funds withdrawn for debt retirement by fiscal year

[Millions of dollar equivalents]

Country	Cumulative, June 30, 1956	Fiscal year				
		1949	1950	1951	1952	1953
Total	2,583.3	798.8	315.2	1,075.3	260.4	[1] 133.6
Austria, total	85.0	85.0				
Public Law 472	12.5	12.5				
Public Laws 84 and 389	72.5	72.5				
Denmark	130.1			88.3		[1] 41.8
France	171.4	97.4	74.0			
Netherlands	197.4				197.4	
Norway	202.7	42.3	31.2	127.4		[1] 91.8
United Kingdom	1,706.7	574.1	210.0	859.6	63.0	

[1] Withdrawn in July 1952, but approved for withdrawal in fiscal year 1952.

NOTE.—Dollar equivalents have been figured at the exchange rates in effect when the withdrawals were made. ICA data covers actions of predecessor agencies.

UNITED KINGDOM

Two-thirds of the Debt Retirement releases of local currency counterpart for debt retirement were approved for the United Kingdom where such withdrawals totaled 529 million pounds sterling. The physical destruction wrought in the United Kingdom by the Second World War was accompanied by the deterioration of its international financial position which had shifted from net assets to major liabilities, making the United Kingdom a large-scale debtor. During this

period the United Kingdom was making a strong effort to rebuild the wartime destruction of the country and to increase productivity and output. There was the strongest interest in building up export earnings to offset the deterioration of the international financial position and to reduce the need for aid. The domestic economy was beset by inflationary pressures generated during the war and in the early postwar period.

As an aspect of the reconstruction efforts, positive measures were taken to try to prevent the generation of further inflationary pressures and strenuous efforts were made to plan for and to achieve a surplus in the central government budget. The advance assessments of what could be undertaken and what the budget could afford were drafted in terms of the resources expected to be available as a result of domestic production and from the assistance provided. Efforts were made to limit domestic consumption and to hold domestic capital expenditure to the level that could be supported by the physical resources available, bearing in mind the competing urgent necessity to increase exports. In the effort to reinforce the confinement of private and public undertakings to the level which the resources effectively available would allow, the United Kingdom had begun to follow a practice of using the local currency receipts developed as a result of foreign aid to retire public debt even prior to the commencement of the European recovery program and the assistance rendered under the Economic Cooperation Act. In consideration of maintaining as close a balance of available resources with desirable uses as possible, the initial decision, first taken in the summer of 1948, to continue this practice of debt retirement and to apply withdrawals from the special local currency counterpart account to the repayment of United Kingdom treasury debt held by the Bank of England was reaffirmed in each of the following 3 years but always after a fresh review of the prevailing situation.

NORWAY

During the wartime occupation of Norway by German forces the Government of Norway was obliged to provide funds to Germany to pay the cost of the occupation of their country. The reflection of this action took the form of a debt by the Government of Norway to the Central Bank of Norway. At the beginning of the European Recovery Program the Government of Norway was faced by latent inflationary pressures which it was making strong efforts to control through budgetary and administrative measures and through blocking accounts in order to prevent their use from increasing the level of demand within the country. A policy of gradually wiping out the overhang of the old occupation accounts was begun and followed, with periodic reconsideration and reaffirmation of the suitability of this action, for most the period 1948–52. The Government of Norway was also using its own blocked funds and certain tax resources for this purpose.

In 1950, for example, the review of the financial and economic situation noted that the Government of Norway was contemplating a out in the investment program to limit its inflationary impact and an anticipated budget deficit. There was also great concern to prevent a deterioration in the balance of payments and to facilitate Norwegian participation in the OEEC trade liberalization program, which an increase in inflationary pressure would hinder. The greater part of the counterpart funds were thus used for retirement of the occupation account as a deliberate factor in controlling the expansion of the money supply and the pressure of inflationary demands upon the limited existing resources. The first action to include also some direct support for investment and defense in the counterpart program was taken only late in 1951 when the degree of stabilization maintained and the existing priorities appeared on balance to justify the action.

DENMARK

The first significant program for the use of counterpart was presented by the Government of Denmark in 1950. Prior to that time the funds had been sterilized in the special counterpart account. During the period of the wartime occupation, the payment of German occupation costs was reflected by an increasing debt of the Government of Denmark to the Danish National Bank. After 1948 there was considerable concern in Denmark lest the release of the counterpart funds for investment would generate increased inflationary dangers which Denmark could not withstand. The Government had been taking strenuous measures to control inflation from 1946 on through such measures as creation of an effective net surplus in the budgets of the central government and local administrative units, through capital levy, through internal stabilization loans, and through sterilization of the counterpart of foreign assistance.

In the Danish consideration of policy the proponents of debt retirement had to balance the desires for investment against the concern for stability. The counterpart use proposal of 1950 involved a permanent sterilization of part of the accumulated counterpart account through its use to reduce the occupation account debt of the Government of Denmark to the Danish National Bank. It also proposed the use of a smaller amount of counterpart funds to support investment.

Similar considerations involving the calculation of the level of activity which could be supported by the physical resources available and the concern to prevent inflation were involved in a further proposal of the same kind made in the latter part of 1951. This called for assignment of half the projected release to debt retirement of the same kind as in 1950 and the balance for investment and defense uses. It was considered that to release any more funds for current use at that time would place too great a strain on the internal financial situation in Denmark. In consequence the Economic Cooperation Administration approved the release and the debt reduction was again undertaken.

NETHERLANDS

The use of counterpart by the Netherlands was keyed to the physical availability of resources and the continuing concern to limit the impact of inflationary developments and to maintain an effective internal stabilization. As a result, beginning in 1948, a considerable volume of the local currency counterpart generated by the aid program had in effect been temporarily sterilized. In 1952, as a part of its proposal for the use of counterpart made at that time, the Government of the Netherlands proposed to retire some of its debt to the Netherlands Bank, which would in effect make permanent the temporary sterilization of that portion of the counterpart account. The debt which it was proposed to eliminate had arisen when the Government of the Netherlands took over from the Netherlands Bank, in exchange for Treasury bills given to the bank, accounts accumulated by the bank during the Nazi occupation of the Netherlands during the Second World War and which had subsequently become worthless. During 1951 there had been a rapid improvement in the Netherlands, offsetting the inflationary situation which had built up following the outbreak of war in Korea. However, with the contemplated increase in defense activity and counterpart expenditures still to be completed under programs previously approved and contemplated under the release proposed, it was considered that to press a larger expansion of current activity than that already projected would be unwise and might endanger the stabilization achieved.

AUSTRIA

Determinations on the use of local currency counterpart in Austria in the fall of 1948 involved the most serious consideration of issues involved in assuring an appropriate balance of the pressure demand against existing resources of goods and services. The fear of inflationary consequences of overextension was paramount and the effectiveness of releases for investment and for industrial development were dependent upon a satisfactory fiscal and monetary program as a whole. Under these conditions, the Austrian Government planned to use a significant amount of counterpart funds under ECA control and also of local currency from other sources for reduction of the government debt to the Austrian National Bank.

In essence the technical action which reduced the debt of the Government of Austria as reflected in the books of the Austrian National Bank made permanent the temporary sterilization of counterpart account which it had been necessary to effect in order to avoid the inflationary consequences of a further increase in the level of demand within the country. The Government of Austria was heavily dependent upon assistance to carry out its official commitments. The most careful review, step by step, of economic and financial developments was a regular part of the operations of the U.S. Economic Cooperation Mission in Austria. The Austrian Federal budget was already in deficit and anticipated increases in revenue were expected to meet only part of the increased need. It was clear that however desirable the investment programs, they would only be frustrated by the mere release of additional funds to compete with existing demands for the available goods and services. Under these conditions it was agreed that the use of local currency counterpart for debt retirement would help to support the program to control and limit inflation and prevent the undermining of the confidence of the country in its financial leadership and in the stability of the currency.

FRANCE

France faced most serious economic difficulties in 1948. In September of 1958, following a succession of governmental crises, the Prime Minister submitted to Parliament a program of economic and fiscal measures looking to increase Government revenues, to check inflationary credit, to effect economies in expenditure, to undertake investments aimed at improving the balance of payments, and seeking to expand exports. The basic question at issue underlying this concern was the commitment to the total level of activity involved in the actions of the Government and private enterprise compared with the availability of resources from domestic production and from the imports financed through assistance.

Under the circumstances which prevailed at the time, the contemplation of the counterpart program had to take into account more than merely the direct uses which could be supported. In consequence the decisions as to the degree to which investment could be supported had to be balanced by the restraint which would be effected by allowing part of the release to be used for debt retirement to counteract the inflationary pressures which would otherwise result from the Government's reliance on central bank financing. As a consequence, in both fiscal year 1949 and fiscal year 1950, approvals for release of counterpart for debt retirement were given and approval of releases for investment expenditure were limited to a degree consistent with the objectives of maintaining or restoring a degree of financial stability in France.

During this time the economic situation was moving quite rapidly and it was necessary to follow the situation in close detail over the intermediate term as well as for longer periods of foresight in the attempt to

maintain a balance of inflationary and deflationary forces. The retirement of the public debt, as an offset to inflationary financing already in prospect, would neutralize the inflationary advances to the French Government and would result in the permanent sterilization of the counterpart. Debt retirement was, therefore, the closest reflection of the real situation and the inability to impose any additional requirements for expansion which would be beyond the resources available.

Mr. FULBRIGHT. Mr. President, as we know from past experience in Germany and France after the war, the ones who get hurt the most by any extreme inflation are the small people, the small shopkeeper, the teacher, the laborer, the man with the salaried income. That is the very thing which disillusions people with the free enterprise capitalistic system.

When they lose everything through the devaluation of their currency and the destruction of their investments in Government bonds and similar investments, that is when they become desperate and say, "This kind of system is not worth protecting. We are perfectly willing to try the socialistic system, or something else."

I wish to remind the Senate that the original ECA legislation specifically authorized the use of counterpart funds for the retirement of the Greek debt. It is true that subsequent to that—I believe in 1953—under the impact of difficult times and high taxes, Congress forbade it. That is why it is proposed by the administration that only in the case of Greece should the operation to which I have referred be permitted.

I do not wish to labor the point further. I conclude by merely saying that Mr. Dillon is an extremely capable and qualified man. He has been criticized for having been a banker. That is the function which we expect of him. It is the training most closely allied to the responsibilities which he is given in the Department. That is the field of international finance. Do we want a plumber or a blacksmith to administer the International Loan Fund or to advise the country and the President on how to proceed in the very complicated international financial arena?

I cannot imagine why anyone would criticize him for having the experience which best fits him for the particular function he is to perform. I think he is extremely well qualified.

The Committee on Foreign Relations reported Mr. Dillon's nomination favorably by a vote of 16 to 1. I hope the Senate will approve his nomination without any further delay, and I hope it will do so unanimously.

Mr. CASE of New Jersey. Mr. President, it is with a deep sense of personal pleasure and pride that I rise to support the nomination of C. Douglas Dillon as Under Secretary of State. As a fellow New Jerseyite, I am particularly proud that this able public servant has been chosen by the President to fill the second-ranking position in our State Department.

Mr. Dillon has an outstanding record and experience in the international field. In his long and active career as businessman and public official, he has revealed qualities of leadership which document beyond doubt his ability to fill this newest assignment with distinction, imagination, and vigor. Few men in public life today are better fitted to cope with the manifold and complex problems which confront U.S. foreign policy in these critical times.

That so many of these problems are economic in nature is an added reason for welcoming the appointment of Mr. Dillon as Under Secretary. Prior to his advent into public service, Mr. Dillon served many years in the difficult field of international finance. Upon graduation from Harvard University in 1931 he became a member of the New York Stock Exchange and subsequently director and president of the United States & Foreign Securities Corp. In 1938 he became vice president and director of Dillon, Read & Co., an investment banking firm with extensive foreign business, and in 1946 was made chairman of the board.

In his travels for the firm before the war, Secretary Dillon gained invaluable insights into the nature and role of economics in the operation of foreign policy. He early became convinced that economics was basic to foreign policy and should receive thorough consideration in the formulation of foreign policy decisions.

In 1940 Mr. Dillon was called to Washington for the first time when the late James A. Forrestal, then Under Secretary of the Navy, asked him to make a special study of Navy Department organization. A year later Mr. Dillon was commissioned an ensign in the Naval Reserve, and rose to the rank of lieutenant commander during 4 years' active duty with the Seventh Fleet in the Southwest Pacific. For his services at Guam, Saipan, and in the Philippines, he received the Legion of Merit and the Air Medal.

Returning to the banking business after the war, Mr. Dillon maintained his deep interest in politics and foreign affairs. In 1953 he was appointed Ambassador to France, and there served with distinction for 4 years. Confronting each situation with tact and skill, Mr. Dillon soon earned the respect of the French people and the commendation of officials in Washington for his work in Paris.

One man who was particularly impressed was Secretary of State John Foster Dulles. In January 1957 he summoned Ambassador Dillon to Washington to direct the State Department's foreign economic policy and pull together the mutual security and lending aid programs which had emerged since the Marshall plan and the establishment of NATO. He tackled this difficult task with energy and vision, and did such a good job that within a year Congress, on its own initiative, raised his rank from Deputy to Under Secretary of State for Economic Affairs, making him the third-ranking member in the State Department.

Mr. Dillon's board experience in international finance and diplomacy, and his deep concern for the role of the United States in world affairs, combined to produce significant results in this new position. Largely because of his work, U.S. foreign economy policy took on new dimensions of effectiveness and status. His ability to work with Congress, his knowledge of economics and finance, and his interest in new ideas have helped to focus attention on the economic realities which underlie our relations with foreign countries and which can be ignored only at our peril.

The changes which have taken place during Mr. Dillon's tenure as Under Secretary for Economic Affairs are many and significant. Among them is a gradual shifting of U.S. foreign aid programs from a grant to a loan basis. In line with this, the administration proposed and this Congress has approved an increase in our subscriptions to the World Bank and the International Monetary Fund. Both these institutions have played a vital role in stabilizing and improving the economies of underdeveloped nations. Together they have helped to foster sound fiscal and monetary policies among member nations and thus to strengthen the base for constructive economic development.

The administration has also proposed the creation of an Inter-American Development Bank, in an effort to meet the pressing credit needs of our neighbors to the south. Such a bank could contribute greatly toward solidifying the bonds of friendship between the United States and the Latin American peoples. Mr. Dillon has been extremely interested in the economic development of these nations.

The past 2 years have also witnessed the conversion of the old Export-Import Bank into a major tool for emergency aid for crisis situations in key countries. In cooperation with the International Monetary Fund, the bank has helped to arrange special balance-of-payment loans to such countries as Great Britain, India, Brazil, Colombia, and the Philippines, in an effort to tide them over serious financial difficulties. Through this and other emergency devices, the Bank has helped to meet the more immediate needs of these nations in the critical area of foreign exchange.

Mr. Dillon has likewise given consistent support to another vital aspect of U.S. foreign economic policy, that concerning reciprocal trade. The multilateral flow of trade is vital to the economic well-being of the United States, as well as to the other free world nations. We now depend on the less-developed areas for many of the raw materials which feed our industries, and that dependence is likely to grow as our national resources are depleted in the future. The populations of these areas also offer great potential as substantial markets for our goods. Mr. Dillon has recognized the full implication of this interdependence and has worked to foster better trade relations as a primary prerequisite for world peace and prosperity.

While recognizing the importance of Government loans to developing countries, Under Secretary Dillion has repeatedly stressed the need for more private investment. Through the Develop-

ment Loan Fund, and the cooperation of the Export-Import Bank and the World Bank, much has been done to stimulate private enterprise, which Mr. Dillon believes is essential to the stability of the less developed areas. American private capital has been encouraged to participate in this development, through tax treaties, through our system of credit for foreign income taxes paid, and through other provisions of the Internal Revenue Code. Currently, the administration is studying ways to ascertain how the Government can more effectively enlist the aid of private enterprise in achieving the objectives of our foreign policy. It is hoped that from these studies will emerge concrete proposals which will strengthen the partnership of Government and business in the area of foreign economic policy.

Mr. Dillon's approach to foreign aid and investment programs has been practical and sound. He is the first to admit the need for improvement in the administration and control of these programs. His efforts to effect improvements in the planning, programing, and execution of the Development Loan Fund are a good illustration of this approach. Recognizing that mistakes have been made in the first year's administration of the Fund, he has taken a personal interest in securing procedural improvements which will help to reduce the possibility of such errors occurring in the future. He has displayed a similar concern for the proper administration of our other aid and lending programs.

As Under Secretary for Economic Affairs, Douglas Dillon has been guided by a consistent philosophy. The core of this philosophy is his belief that the future of the United States and the free world is inextricably linked to that of the underdeveloped nations of Asia, Africa and Latin America. He recognizes the enormous force represented by these nations, whose peoples comprise some two-thirds of the world's population, and understands their desire to build viable and self-sustaining economies. Only in this way can they hope to achieve meaningful independence and freedom.

In a speech given last January, Under Secretary Dillion summed up his philosophy in this way:

> To me, the yearning of the peoples of Asia, Africa, and Latin America for a better way of life presents us with the ultimate challenge of our times—and our greatest hope for the future. It is clearly a moral challenge. If we fail to respond adequately, we shall stand accused as a people who proclaim our own satisfaction with the benefits of freedom, but who are slothful in carrying the spirit of freedom to others around the world. The plain fact is that our posture before the world can be no better than the manner in which we fulfill the obligations that flow from our status as the most materially favored Nation in all history.

Mr. President, last week, on June 2, Under Secretary Dillon received an honorary degree of doctor of law from Columbia University. I would like to conclude my remarks by reading the citation for this honorary degree because it expresses so well the qualities that commend the nominee to our approval:

> Clarence Douglas Dillon is presented for the degree of doctor of law. History teaches us that a democratic society will be best safeguarded when men of uncommon ability make the deliberate choice to forsake private interests for the public service. You have made this choice and you deserve well of your country because you have brought to your great responsibilities intelligence, industry, and devotion. In a troubled time, you provide the priceless quality of quiet, distinguished leadership.

Mr. LONG obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield to me, with the understanding that he will not lose the floor?

Mr. LONG. I yield with that understanding.

Mr. MANSFIELD. Mr. President, I have supported fully the right of the distinguished Senator from Louisiana [Mr. LONG] to take such time as he might require to pursue and to express his objections with regard to the nomination of Mr. C. Douglas Dillon to be Under Secretary of State. The able Senator has done his duty as he sees fit. I commend him, most emphatically, for his deep sincerity and his perservance in this matter.

With equal emphasis, however, I support the confirmation of the nomination of Mr. Dillon. I have known of his work for many years. He is a very experienced man, a man of great dedication to the Nation and of exceptional intellectual capabilities and courage. His record as an Ambassador and as Under Secretary of State for Economic Affairs is outstanding.

Mr. Dillon is held in high esteem by other nations. He is, also, in every sense, worthy of the esteem of the Senate. He has been, at all times, frank and helpful in his relations with this body.

Doubts and criticisms of the foreign aid program are, often, only too well-founded. We should not make the mistake, however, of transferring these doubts and criticisms to the man who has been assigned the thankless responsibility of supervising the policies of this program, as one aspect of his manifold duties in the Department of State.

We do not have in this Government a conspicious surplus of able and qualified administrators. It is to the advantage of the entire Nation to see to it that those we do have are not lost to the public service. I urge the confirmation of the nomination of C. Douglas Dillon to be Under Secretary of State.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement prepared by the distinguished junior Senator from New Jersey [Mr. WILLIAMS], and certain articles appertaining to the nomination.

There being no objection, the statement and articles were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WILLIAMS OF NEW JERSEY

The name of C. Douglas Dillon is before the Senate for confirmation as Under Secretary of State. Mr. Dillon is a native of New Jersey. He comes from one of our most distinguished families. He has added to the great contribution his family has made to our State and to the Nation. Although not a professional diplomat, his record as Ambassador to France was marked with distinction. In an era when all too frequently political appointments to major diplomatic posts have resulted in inferior representation, Mr. Dillon has been a sterling example of the highest order of competence in our foreign service. He went to France knowing the language—a qualification far from trifling and one which is not always considered in appointments to major diplomatic posts. What is even more important—he took the time and trouble to learn and understand the problems of the country he was accredited to and gained the confidence of the leaders in France.

Mr. Dillon has won acclaim from columnists in this country, including David Lawrence and Marquis Childs. Lawrence said on February 16, 1959, "Dillon has an excellent and diplomatic economic background." Childs said on February 15, 1959, "Dillon was an excellent Ambassador to France with a realistic understanding of the forces that led to the Suez crises."

Mr. Dillon has the full confidence of the new Secretary of State. As Joseph Alsop has stated: "Secretary Herter and Mr. Dillon form one of the most intimate partnerships Washington has seen in some time." And the esteemed James Reston: "Mr. Herter and Mr. Dillon are accustomed to working with the top foreign officers of the State Department."

Mr. Dillon is firmly grounded in the practical facts of our international economics. He springs from a background of finance and successful business operations. At the same time, he has demonstrated his awareness of the rising level of expectations of the peoples of the underdeveloped areas of the world and he has demonstrated, too, his awareness of our need to aid in meeting these expectations if the Communist empire is not to steal the ball from us.

As early as his days at Harvard, he demonstrated his interest in foreign affairs and has continued to demonstrate his interest ever since. In an administration that has not always reflected awareness of the grave problems we face in Asia, Africa, and Latin America, Mr. Dillon has frequently shown he wears no rose-colored glasses. An example of his astuteness is the fact that he is credited with reversing the policy against the United States participation in regional development funds for Latin America and the Middle East. While we still await the implementation of regional development assistance to the Middle East, we have before us today the implementation of Mr. Dillon's efforts toward a more realistic economic policy to Latin America.

It is highly important that a man of Mr. Dillon's capacity in terms of international economics be in high station in the State Department today. It has been repeated over and over again that one of the principal challenges of the Soviet Communists in 1959 is their growing economic offensive. By experience, by training, and by inclination, Douglas Dillon is attuned to this challenge and as Under Secretary will, undoubtedly, move the State Department toward a more realistic understanding and appreciation for the magnitude the challenge poses.

What is perhaps even more important is that his record proves that his chief concern is not so much in the realm of thinking up new policies (although he certainly is not devoid of new ideas), but in terms of getting more efficiency and effectiveness out of the ones we have.

My full-scale endorsement of Douglas Dillon's nomination as Under Secretary of

State surely does not spring from any political motivation. Mr. Dillon has been an active, aggressive, and articulate adversary in the Republican Party in New Jersey.

The question before the Senate, however, is not a political one. The question is: What are Mr. Dillon's qualifications to do the job he has been nominated to do? On this score there can be no question in my mind but that he is eminently qualified by experience, by training and by demonstrated understanding of some of the most important aspects of our foreign policy. It is my hope he will be confirmed overwhelmingly and with a minimum of controversy.

IMPERATIVES OF INTERNATIONAL ECONOMIC GROWTH

(Address by the Honorable C. Douglas Dillon, Under Secretary of State for Economic Affairs, before the Foundation for Religious Action in the Social and Civil Order, Hotel Mayflower, Washington, D.C., January 16, 1959)

It is a distinct privilege to participate in FRASCO's fourth annual conference and to share this discussion of the imperatives of international economic development with so distinguished a Member of the Congress as Senator MONRONEY.

We have recently entered what promises to be a year of the highest drama. This fateful year is certain to produce formidable challenges to us as a nation, as a God-fearing people, and as freedom-loving citizens. Inevitably, many of 1959's problems will stem from the aggressive, expansionist ambitions of the leaders of the Sino-Soviet bloc.

There is no need for me to spell out here the full dimensions of international communism's military, economic and psychological threat to the free world. Many of you were among the first to recognize its total nature and its enormous implications for our way of life. And you, and the organizations you represent, were among the first to call for a many sided response to this many sided challenge—a response which your Government is pressing forward on every front.

As you well know, Communist efforts in the economic field have been intensified in recent years. But I do not intend today to discuss the Sino-Soviet economic offensive. I want instead to examine with you the demand being made upon our resources and upon our consciences to help raise the living standards of the peoples of Asia, Africa, and Latin America. These are the areas where most of mankind lives and where the struggle between freedom and totalitarianism may ultimately be decided. The need to help these peoples forward on the road to economic progress would confront us even if communism and the Sino-Soviet bloc simply didn't exist.

To me, the yearning of the peoples of Asia, Africa, and Latin America for a better way of life presents us with the ultimate challenge of our times—and our greatest hope for the future. It is clearly a moral challenge. If we fail to respond adequately, we shall stand accused as a people who proclaim our own satisfaction with the benefits of freedom, but who are slothful in carrying the spirit of freedom to others around the world. The plain fact is that our posture before the world can be no better than the manner in which we fulfill the obligations that flow from our status as the most materially favored nation in all history.

Our objective must be to help raise other peoples' standards of living. In so doing, we shall also help to raise standards of personal and political freedom—a goal which is impossible of achievement in the absence of economic growth. With these objectives in mind, let us consider the imperatives of international economic development:

The first imperative—and a major one—is to maintain a sturdy, growing economy in the United States. Our ability to extend aid, to offer the capital which is so badly needed in the newly emerging countries, is conditioned upon our domestic strength. Our prosperity also helps to assure them a market for their output. The movement of goods is, of course, closely related to the movement of capital. Not only must we import in order to export. We must import to keep investment flowing overseas. For without the prospect of returns, the expanding flow of private investment is impossible.

The second imperative—and one with which we must reckon increasingly as we continue to prosper—is the need to narrow the widening gap between living standards in the industrialized West and the underdeveloped nations. Ironically, while our own living standards and those of our allies in Europe are rapidly improving, living standards in the newly emerging nations are advancing much more slowly—due largely to the tremendous growth in population. Heroic efforts to narrow this gap must be made this year—not a decade hence, when it will be too late. We can be thankful that we are not alone in our recognition of this imperative. As they have emerged from the devastation of war, Britain, France, and Italy have been turning their attention increasingly to assisting the world's underdeveloped areas. Germany has recently entered this field with characteristic vigor, as has our neighbor, Canada, and other members of the British Commonwealth. So has Japan. The Japanese are now beginning to share their skills and resources with their neighbors.

But this gap cannot be closed by our efforts alone, nor even by the combined efforts of ourselves and our allies. The peoples of the newly emerging nations must make the major contribution to their own progress. I have visited many of these countries and talked to their leaders. A fresh wind is sweeping through them. Their peoples are no longer content to sit back and envy the more developed countries. They have been caught up in what has been aptly described as the revolution of rising expectations. Their leaders are desperately trying to meet these expectations. They need our help in their great effort.

Military security and internal stability must be present to provide the framework in which economic progress can take place at a steady and acceptable rate. Many of the newly emerging nations, especially in Asia and Africa, are plagued by the tensions inherent in the transition to new-found political independence. Our mutual security program has been of assistance in this respect, by making available equipment, training and defense support for indigenous military and civil forces.

A third imperative is the maintenance of adequate markets on which the developing countries can place their goods. These countries must sell their products in order to obtain the industrial equipment needed for development. We have made significant strides toward keeping our market open to the surplus production of all countries of the free world through the extension of our Reciprocal Trade Agreements Act on a realistic, long-term basis. We are also working with other countries to expand trade through the operations of the General Agreement on Tariffs and Trade. We must continue to pursue ways to remove artificial restraints upon world trade—our own and those imposed by others. Since many of the less-developed countries now find their exports concentrated in a few primary commodities, we must stand ready to study ways to help avoid disastrous price fluctuations, and to assist them in diversifying their economies.

A fourth requirement for the newly emerging nations is the crying need for the technical and managerial skills which are the bedrock of development. Without them, no amount of capital will bring about growth. The United States has, over a period of years, made important contributions in this area: bilaterally, through our International Cooperation Administration, and multilaterally, through the United Nations and the Organization of American States. The need for technical skills is fully recognized by the developing nations themselves. For example, the recent annual report of the Colombo Plan's Consultative Committee, said:

"In a year which has seen intensive consideration given to increasing the capital resources of leading lending institutions, it is now urgent that the less developed countries give greater attention to the development of the human skills which can assure the appropriate and effective utilization of these capital resources."

A fifth necessity is private investment. If we are to be of maximum help to less developed countries, our private resources—which are far larger than those Government can possibly provide—must be welcomed and drawn upon to the greatest extent possible. We are constantly seeking ways to stimulate the flow of private American investment abroad. The investment guarantee program of the ICA has been steadily expanding. Through tax treaties, through our system of credit for foreign income taxes paid, and through other provisions of the Internal Revenue Code, the United States is endeavoring to avoid double taxation and thus facilitate American investment abroad. In our current tax treaty negotiations we have introduced an important innovation. We are preparing to give tax credit for certain income taxes waived by less developed countries as an inducement to investment, as if they had, in fact, been collected abroad. Currently, we are studying ways to ascertain how the Government can more effectively enlist the aid of private enterprise in achieving the objectives of our foreign policy. A group of distinguished citizens drawn from the Business Advisory Council of the Department of Commerce, is now working actively on the preparation of concrete suggestions, and the President has stated his intention of submitting legislation on this subject to the Congress.

A sixth requirement is for public loans on normal bankable terms. Such loans are now being extended by the International Bank for Reconstruction and Development, and the International Monetary Fund. These organizations have a special virtue, for they draw on both the public and private resources of the entire free world. The United States has believed in, contributed to, and supported these agencies from the very beginning. The directors of these institutions, acting upon an American suggestion, have proposed to expand their resources. The United States also extends bankable loans for development through the Export-Import Bank, which has made an outstanding contribution to economic progress.

A seventh requirement is for development financing which will provide flexible terms of repayment. Many sound projects which are essential to development cannot qualify for bankable loans. It was to help finance such projects on a businesslike basis that the U.S. Congress established the Development Loan Fund. It works closely with our Export-Import Bank and with the World Bank to stimulate an increased flow of bankable loans for development programs. One of its objectives is to help stimulate private enterprise, which is so essential to the sta-

bility of the less developed areas. In its first year of operation it has proved itself as a highly effective tool for economic development. It deserves your full and active support.

The United States is also working with its sister republics of the other Americas toward the establishment of an inter-American financial institution. And we are suggesting the establishment of an International Development Association closely affiliated with the International Bank. Such an association would be a multilateral version of our own Development Loan Fund. It would provide a means whereby other countries able to do so could join in financing development projects. We are now actively examining the feasibility of such an institution with our friends and allies. This proposal, as many of you know, sprang originally from an imaginative concept of Senator MONRONEY, who has long been a leader in our Nation's efforts to aid the newly emerging peoples.

Now, I have been discussing the imperatives which depend heavily upon the initiatives and the resources of the more developed nations.

There are other imperatives of economic development which rest largely with the peoples of the underdeveloped nations themselves. I shall mention them briefly:

1. The need to create a climate in which foreign private investment can flourish.

2. The need to stimulate national savings so as to accumulate the domestic capital which is needed to insure stability and economic progress.

3. A willingness on the part of indigenous capital and business to welcome competition and assume risks normal to healthy free enterprise.

4. The reduction of traditional social and cultural barriers to economic progress, whether based upon class, race, or tradition.

5. The need to emphasize scientific, technical, financial, and commercial studies in their educational systems—plus a willingness on the part of the more talented individuals to seek training in skills directly related to economic progress, rather than to pursue education primarily as a means of enhancing social prestige.

These needs are rooted in problems based on attitudes, tradition and established social patterns. They are resistant to change. They will not all be met tomorrow. But they must eventually be met if the newly emerging peoples are to make a successful transition to a state of steady economic growth.

Finally, I come to an imperative which is of crucial importance to this Nation. I refer to the need for redefining our national purpose in extending aid to other countries of the free world.

I sometimes wonder if we haven't fallen into a trap of our own making when, in seeking support for our mutual security program, we present it to the American people mainly as an answer to the menace of Communist aggression? We find that our motives are sometimes misunderstood abroad. I wonder if we haven't allowed ourselves to be identified in the eyes of large parts of the world as defenders of our own status quo—rather than as a people whose motivations are founded upon principle and whose response to the needs of others arises out of a deep sense of moral responsibility?

We must clearly establish the fact that all of our endeavors in the foreign aid field are designed as part of one common free world enterprise. We must consolidate a communion of interest with the aspiring peoples. I know of only one way to shape an image of integrity and responsibility. That is to exhibit integrity and responsibility. This we have most assuredly done. But perhaps we have allowed our good deeds to be obscured in the fog generated by our problems with the Soviet Union.

I neither overlook nor minimize the dangers to this country inherent in masses of men and weapons, as well as technical and industrial resources, in the hands of an implacable Communist enemy. Without question, economic and technical assistance to the newly developing nations is in our national self-interest. However, we do ourselves a grave injustice and distort our true image before the world if we give our foreign aid program a wholly selfish cast. For this program rests squarely in the great tradition of idealism that has motivated the American people since our earliest beginnings.

The Marshall plan, the point 4 program, and the present mutual security program, have no parallel in all history. The willing acceptance by the American people of the challenge to help free other peoples from the bitter slavery of poverty is one of the greatest moral achievements of this century. We should not permit it to be derided by the cynical or deprecated by the uninformed.

I look to groups such as this to help bring about a wider understanding of the imperatives of our foreign policies, both at home and abroad. That understanding is crucially needed. For our foreign aid programs grew naturally out of our social, cultural and religious heritage. We have accepted a great challenge from which we cannot draw back. If we answer it successfully we shall be assured a place in history as one of the great humanitarian peoples of all time. In the words of Arnold Toynbee:

"Our age will be well remembered, not for its horrifying crimes or its astonishing inventions, but because it is the first generation since the dawn of history in which mankind dared to believe it practical to make the benefits of civilization available to the whole human race."

We are the natural leaders of that generation. Our duty and our path are clear.

ECONOMIC FOUNDATIONS OF U.S. FOREIGN POLICIES

(Address by the Honorable C. Douglas Dillon, Under Secretary of State for Economic Affairs, before DACOR, Diplomatic and Consular Officers, Retired, Department of State Auditorium, Washington, D.C., February 19, 1959)

I have been looking forward to this evening with DACOR. It is a privilege to meet with our retired officers and their ladies. Each of you has contributed over the years to a proud tradition of honorable service which reflects great credit upon yourselves and upon your country.

I know that my feeling of respect for the members of DACOR is shared by the Secretary, who has asked me to give you his personal regards. I am confident that all of you join with me in the hope and prayer that the Secretary will soon return to active duty.

It is certainly no news to this highly knowledgeable gathering that our foreign economic policies are playing an increasingly important role in the achievement of our national objectives. This growing and mandatory emphasis on economic matters is making ever heavier demands upon the talents and training of the Foreign Service and the personnel of other agencies assigned to our missions abroad.

The world in which we are living is simply not the same world that we knew a generation ago. The task of representing the United States abroad in today's highly technological world presents our Foreign Service with a challenge which mounts in complexity with each day that passes.

Nowadays, a young aspirant to the Foreign Service who thought of an assignment overseas merely in terms of traditional diplomatic and consular duties would be in for a rude shock. These functions continue, of course, to be of primary and basic importance. But the responsibilities of the Foreign Service have expanded to embrace functions undreamed of a generation ago.

Our representatives are confronted today with problems ranging from atomic energy to sales of surplus American farm products, from educational exchange to the intricacies of currency stabilization, from immigration policies to nationalist sentiment as it affects private investment. They are more and more preoccupied with the need to counter hostile Communist propaganda. They have major responsibilities in the management of technical and financial assistance programs to underdeveloped areas.

Most recently, our representatives overseas have become deeply concerned with mounting Sino-Soviet efforts to penetrate newly emerging nations through trade and aid. Before very long, we can be reasonably certain that the problems of outer space will require increasing Foreign Service attention.

I would not presume to assign a priority to any single one of the Foreign Service's diverse responsibilities. But I am convinced that if we are to keep pace with the demands of these crisis-ridden times, we must find ways to strengthen the capacity of our Foreign Service to wage peace through imaginative and resourceful implementation of our foreign economic programs.

On occasion, I have observed a curious tendency in our Foreign Service to establish a dichotomy in talking about our "political" problems and our "economic" problems. In the past it may have been possible to make such a distinction. Today it surely is not. For example, when we give an order for electric turbines to an American firm, bypassing a British low bidder, the matter immediately develops important political overtones.

Today, it is difficult to think of any problem that is purely political in nature and does not carry with it important economic implications of one sort or another. Any attempt to separate economic from political matters in developing our foreign policy is an anachronism that must not be permitted to persist.

The intimate relationship of economic and political factors becomes apparent when we examine the broad objectives of United States foreign economic policy. These objectives are identical with those of our overall foreign policy and, in fact, with the basic policy of the United States Government—to protect and advance the national interest, to improve the security and well-being of the United States and its people.

The broad objectives of our foreign economic policy can perhaps be broken down into three components:

First we have the promotion of the economic strength of the United States. This has long been the traditional objective of foreign economic policy: expanding foreign markets for American products—insuring ready access to overseas sources of supplies needed by our economy—permitting the Nation to take reasonable advantage of the economies which flow from specialization in production throughout the world—improving conditions for U.S. citizens to invest and do business abroad.

Our second objective is the promotion of the economic strength of the free world. This objective has become of major importance since World War II—and here is where political and economic factors become inextricably intertwined. We recognize, of course, that a prosperous world brings economic advantages to our own country. But even more important, foreign economic growth is necessary for the establishment and maintenance of stable, peaceful, and

friendly societies abroad. Economic stagnation is a source of unrest which can threaten political stability and, eventually, the peace of the world. The moderate leadership groups which are in power in most of the less-developed countries are under tremendous pressure to speed millions of their countrymen into the 20th century. Failure of these leaders to achieve reasonable economic progress with help from the industrial West would provide a welcome opportunity to international communism, which is making a major effort to convince these peoples that the best and only path to progress is through communism. If these new nations with their millions of people should be lost to our free world, it would constitute a staggering blow to our national security and well-being.

The third basic objective of our foreign economic policy is the building and maintenance of cohesion in the free world. Our present foreign policy is built upon a web of relations among virtually all of the free nations. Without adequate economic support these ties would be weak and unreliable. For most coutries, it is vital to have easy access to foreign markets and foreign sources of basic materials and capital. The jobs and well-being of their people are at stake. This is especially important for the developing countries of Asia, Africa, and Latin America, which are heavily dependent upon the sale of a few basic commodities. By working together with other free world countries for their economic advancement and for the building of a durable and just international economic order, we can do much to achieve our broad aspirations as a nation.

To achieve these objectives, the United States is following these basic economic policies:

1. The expansion of trade, through the gradual and reciprocal reduction of governmental barriers.

2. The promotion of private American investment abroad.

3. The extension, jointly with other industrialized nations, of financial support to newly developing areas.

4. The provision of economic and technical assistance through our mutual security program.

These broad policy subjects do not begin to exhaust the immense range of economic matters that are dealt with in our international relations. There is the complex and difficult field of aviation policy. There are problems of shipping, telecommunications, currency exchange, East-West trade, and special problems surrounding key commodities, such as petroleum, cotton, wheat, coffee, rubber, tin, aluminum, lead, and zinc.

Foreign policy today is pervaded by economics. The political, military, cultural, and psychological components of our international relations are interrelated as never before with economics. Actions taken with respect to one have a bearing on one or several other components. None can be treated in isolation. All have an economic base. They form an integrated whole.

In view of this interrelation, I hold that any young American who enters the Foreign Service without a sound academic or business grounding in economics must be given an opportunity to acquire a basic knowledge early in his career—either through inservice study or by work on economic matters in the field or in Washington. Similar opportunities for all officers, regardless of specialized educational background, should be provided at more and more advanced levels throughout their careers.

Further, I maintain that all ambassadors, career or noncareer, must have some economic competence if they are to represent the Government and people of the United States effectively in this last half of the 20th century.

In this connection, I should like to quote from an excellent brochure published by the State Department, entitled, "The American Ambassador." It reads, in part:

"The economic field is just one of many which the Ambassador must direct. Yet, an example of the diversity of his responsibilities in this single field may be seen when it is realized that in the United Kingdom, for instance, our Ambassador is responsible for coordinating the economic activities of:

"The Embassy economic staff, including general economic reporting officers, commercial and labor attachés, and specialists in petroleum and civil air matters.

"The economic, commercial, and labor officers at eight consulates general and consulates in the United Kingdom.

"The aid programs of the International Cooperation Administration.

"The agricultural attachés.

"Representatives of other Government agencies, such as the Treasury Department, the Bureau of Customs, and the Maritime Administration, who may from time to time be assigned to the Embassy.

"Army, Navy, and Air Force attachés and members of the Military Assistance Advisory Group (MAAG) engaged in reporting overseas economic developments of particular interest to their respective services.

"U.S. delegations to international conferences held in Great Britain to discuss economic subjects."

Although there are no longer any aid programs in the United Kingdom—or for that matter, in most of Western Europe—this is still a fair sample of the wealth of activities encompassed in the word "economic."

I had the honor to serve for 4 years as Ambassador to France. From personal experience, I can assure you that the supervision of the economic functions alone of an Embassy is a formidable task. To quote again from the State Department brochure:

"While the Ambassador relies on his counselors and attachés and upon specialists for the details of many programs, he himself, must have a thorough grasp of fundamentals in each pertinent field of human enterprise in order to understand the problems for which he has ultimate responsibility."

Much remains to be done in preparing our representatives overseas to deal successfully with the economic problems which will inevitably confront them. A good start has been made through the assignment of outstanding officers to take specialized study at some of our leading universities, as well as through the training programs of the Foreign Service Institute.

A few weeks ago, I had the pleasure of spending part of one afternoon with the members of the senior officers training course at the Foreign Service Institute. I found them, on the whole, to be well informed on economic aspects of our foreign policy. They have a healthy curiousity, and are probing deep into the roots of our foreign economic policies. Some of these mature students will be going out as deputy chiefs of mission when their course is completed. This sort of advanced training bodes well for the future conduct of our international relations. But much more is needed—at all levels of the service.

Undoubtedly, there is room for considerable improvement in our Foreign Service and in our International Cooperation Administration. They are, after all, human institutions. We do not claim infallibility, either for our people or our programs. And we are constantly seeking ways to improve the level of our competence and of our performance.

However, we will not be assisted in our efforts by carping, uninformed, and often irresponsible criticism. Improvements can and will be made by officers of the Department of State. But they must have the active and sympathetic support of citizens of good will and dispassionate interest.

I am often appalled by recurring evidence of the lack of understanding and appreciation evidenced by many of our fellow citizens toward our representatives abroad. Perhaps we are partly at fault. Perhaps we have neglected—as the public relations experts put it—to create a more positive image of the Foreign Service and its related agencies. We maintain no lobby. Nor do we underwrite high-powered public relations operations. Indeed, even if the resources were available, we would consider such activities inappropriate and undesirable. We do, however, desire that the American people receive a full and fair picture of the men and women who conduct our foreign relations. Perhaps this is an area where DACOR, as it grows in experience and membership, can make its influence widely felt as a private organization.

Those who have never served in our missions overseas cannot fully comprehend the immense satisfactions that accrue to a member of the Foreign Service during his lifetime. There is precious little glamor, as all of you well know. There are long hours of routine. There are other hours of tedium and sheer frustration. There are difficult times. Occasionally, there are dangerous times—as the plaque in the lobby of this building honoring members of the Foreign Service who have died in the line of duty so eloquently attests. And yet, from time to time, there come those quite unspectacular, but deeply satisfying moments of fulfillment which each one of you must have experienced when you know that in some way, large or small, you have contributed as an individual to the security and well-being of your fellow Americans and of freedom-loving peoples everywhere.

For some of you, such a moment of fulfillment may have made the next day's headlines. For others, it may have been noted by a superior or by a colleague. Or, possibly it may not have been noted at all. Perhaps your only reward was a highly personal inner sense of satisfaction.

All of us know that the resolution of the problems which occur in relations between nations are seldom the result of a spectacular deed or accomplishment. Rather, they are the consequence of persistent, diligent, day-by-day application on the part of hundreds of men and women who represent the Government of the United States in the Department and abroad.

At this point, I should like to say a very special word about the dedicated men and women who conduct our ICA program of technical cooperation here and overseas. As the State Department official most directly concerned with their operations, I can testify that they are doing a magnificent job. I have seen them operating in many countries, often under conditions of extreme hardship. They deserve the fullest possible support and cooperation of the Foreign Service, with which they work so closely in so many lands. For, while the members of the Foreign Service wage peace in our embassies and consulates, these ICA mission directors and technicians are waging peace in the backlands and in the rice paddies. Theirs is truly a people-to-people mission.

The contributions being made by our representatives overseas to international growth and progress are, in many ways, extensions of efforts we have successfully made at home to meet politico-economic problems. These problems are, after all, basically human problems which must be solved in human terms. We have made vast strides toward conquering them in our own country. At the same time, we have advanced human values.

One highly significant American effort is being observed throughout our country tonight. I refer to National Brotherhood Week, which was originated 25 years ago by the National Conference of Christians and Jews as a way of building better relations among

persons of all nationalities, races, and religions.

Brotherhood Week is an occasion in which we can all take pride. For it points up the admirable process by which peoples of widely diverse backgrounds have become Americans.

The example of this truly remarkable process is a beacon light for the newly-emerging peoples of the underdeveloped countries. These countries stand on the threshold of progress. Many of them—like our own country in the past—are melting pots where peoples of many races, religions, and nationalities must learn to live with each other.

Like us, they cherish their independence—which many of them have only recently acquired. Like us, they are determined to protect it. They eagerly seek assistance in achieving economic progress. But they also expect recognition from us of their dignity and equality as individuals and as our fellow members in the family of nations. Their aspirations for a better life under freedom confront us with a high moral responsibility from which we cannot withdraw.

[From the Reporter, Mar. 20, 1958]

MR. DILLON AND THE FIGHT FOR FOREIGN AID

(By Sidney Hyman)

Clarence Douglas Dillon, the Deputy Under Secretary of State for Economic Affairs, is a tall, clear-eyed, boyish-looking man of 48 who enjoys whatever work he throws himself into. Intimates say that this was also true of him on Wall Street, where at an early age he was made the chairman of the board of Dillon, Read, has father's investment firm. They say it was also true when he served as President Eisenhower's Ambassador to France. And it has certainly been true in his present post, which he assumed a year ago. Dillon offers a refreshing contrast to the Wailing Wall attitude struck by other figures in the Eisenhower administration, who lament the "personal sacrifices" they are making to serve the Government. There is no trace of any such self-pity in Dillon. He gives the appearance of a man who has lost all interest in making another extra million in private business and who envisions public service as a chance to use his creative talents on the grandest of all scales. Moreover, since this attitude is combined with a vigorous intelligence and an aptitude for hard work, it is not surprising that whenever Dillon's name is mentioned he is spoken of invariably as one of the most promising officials to come to the fore during President Eisenhower's second term.

DIPLOMAT ON THE HILL

Of the three salient achievements that now stand to Dillon's credit, the first was the precedent-setting Polish loan in 1957.

When the Gomulka regime first appealed to the United States for economic assistance, Secretary of State Dulles and Under Secretary of State Herter were both disposed to grant aid of some sort. However, they feared that if it was necessary at any point to go to Congress for enabling legislation and if Congress took the occasion to make known its opposition to the whole idea of a Polish loan, the effect might be to drive Poland back to hopeless dependence on the Kremlin.

Dillon was well aware of this danger. But he felt that there was a good chance to overcome it if the State Department, in any necessary approach to Congress, were to come armed with political reinforcements quietly drawn from two sources. One was the farm-state representatives, who could see in the terms of the Polish loan a means of reducing some of the huge agricultural surpluses the U.S. Government had on hand. The other was the Polish community in America, and Catholic sentiment in general—both of which favored helping the distressed Poles despite their Communist government.

In the end, Dillon was entrusted with the negotiations incident to the loan. When the matter was unavoidably drawn into the congressional forum, his deft political management carried the project through to a triumphant legislative endorsement; so triumphant, in fact, that this year's loan to Poland faced no real opposition.

Under Secretary Dillon's second salient achievement was in getting the 1957 session of Congress to accept in principle—if not altogether in fact—a new foreign-aid concept represented by the establishment of the Development Loan Fund. The general aim was to provide a fund of sufficient size without annual appropriations strings, so that projects in underdeveloped areas could be planned and executed on a long-term basis. Moreover, the lending policy of the Fund was meant to be less stringent than the lending policies of the World Bank and the Export-Import Bank.

Dillon's third achievement was the key role he played in the complex negotiations that were successfully concluded on January 30 among representatives of the United States and French Governments, the European Payments Union, and the International Monetary Fund. The purpose here was to provide effective support for the long-term program undertaken by France to eliminate inflation, to achieve equilibrium in the French balance of payments, and to restore stability in France's internal and external financial condition. To these difficult negotiations Dillon brought the invaluable store of knowledge about the French economy he had acquired in the course of his career both as a man of international finance and as an Ambassador to France. He was able to help arrange the U.S. Government contribution to the French stabilization program in such a way as to prove eminently acceptable to all other parties but with minimal budgetary costs to the United States.

The recently concluded Indian loan can hardly be listed among Dillon's major achievements. Indecisiveness on the part of the Executive proved too much for even his political and administrative skill. India's approaches to the United States were first made early last fall when the Indian Finance Minister was in Washington for the annual meeting of the World Bank and the International Monetary Fund. At the time, he cited cogent facts and figures showing why India needed $1.4 billion in foreign exchange from the West during the next 3 years to help rescue India's second 5-year plan of industrial development. Of the total, the hoped-for share to be provided by the United States was put at around $500 million.

The granting of such a sum at any one time would require legislative action. Since Congress was not then in session, the Indians understood that action on the full request would have to await Congress' return to Washington in January. Meanwhile, however, the administration made a firm promise to use certain funds on hand for stopgap credits to India. The amount promised was relatively small, but was welcomed nonetheless by India because the need was urgent. Weeks and months passed, during which the President suffered his third illness. And there were delays instead of deliveries on the administration's promise.

At this juncture, the Communists turned the American default to their own gain in Indian relations when Communist Czechoslovakia, with only a small fraction of America's resources, took just 3 days to conclude a $63 million loan to India.

Still more time passed. Meanwhile a decision was reached not to go to Congress with a request for funds specifically earmarked for the Indian loan. The unpublicized reason was not hard to grasp. Unlike the case of the Polish loan, there were not enough Indians or Hindus in America to form an effective lobby. Moreover, while the Polish loan was not presented directly to Congress in the form of a request for new funds, the request for the Indian loan would have to be direct and explicit. But this could inspire a violent attack on Indian neutralism, followed by a possible defeat that might prove disastrous for Indian-American relations.

Accordingly, after keeping the Indians on tenterhooks, the administration finally announced that it was prepared to do the bare minimum of what it could have done all along since last fall. From existing resources, and without recourse to Congress, it has put together a dollar loan of $225 million made up of Export-Import Bank and Development Loan funds. India will also be sold $65 million in surplus wheat, the bill to be paid in rupees, eighty percent of which the United States can reloan to India. Moreover, Senator JOHN SHERMAN COOPER, our former Ambassador to India, his proposed that the repayment by India of the principal and interest due on the $190 million wheat loan America made in 1951 should be renegotiated so as to permit repayment in rupees instead of dollars.

A TOUGH ASSIGNMENT

It is now Mr. Dillon's duty to present a new foreign-aid program to Congress and to direct the day-by-day maneuvers aimed at getting a bill passed without crippling mutilations. To this task Dillon brings the prestige he has acquired since his appointment. To assist him in mobilizing public opinion, the President has assigned Eric Johnston, who has been put in charge of bipartisan virtue and humanitarianism at large. Johnston's appointment was long delayed and when it came his duties were so ill defined that any man lacking his resilience would have been utterly discouraged. And it is Dillon who must bear the formal responsibility of convincing Congress that the Communist economic offensive must be counteracted with other tools than missiles.

An important segment of Congress has always preferred military to economic assistance. But unfortunately, in these days even the traditional trends of foreign aid are made hesitant by the growing distress of our economy. In Washington today one can frequently hear Congressmen with unblemished reputations for enlightened internationalism say that their primary concern must be for the unemployed voters in their own States: "The home folks are in need and they won't like it if we appropriate money for foreigners and not for them."

A detailed account of what is happening in a pocket of distress in the Congressman's constituency usually follows. Of course this is an election year, and qualms about foreign assistance are thoroughly bipartisan. Unidentified spokesmen have let it be known that the administration was offering a guarantee that Republican congressional candidates in 1958 would not use a vote for foreign aid cast by their Democratic opponents as a basis for campaign attack.

Moreover, as we all know, economic isolationism is spreading in the South as the result of industrialization, and in the West as the producers of raw materials feel the pinch of falling world prices for their commodities. Many a Southern and Western Democrat thinks twice before coming to the support of any kind of foreign economic policy that threatens to create new and competitive producers.

All this, however, is only part of the difficulty Dillon has to face. In confronting Congress, he must lift the concept of foreign aid from the low level to which it has fallen since 1953. This is a most difficult task, since Dillon cannot easily erase the record the administration has established.

It is a record of generally decreasing Congressional appropriations. It is the record that was established by some strong men in the first Eisenhower administration who were notoriously addicted to the word giveaway. Finally, it is the record best symbolized by the appointment of John B. Hollister

as director of the International Cooperation Administration (ICA)—an appointment, it has been said, for which the isolationist Mr. Hollister was as well qualified as a Jehovah's Witness would be for the job of Defense Secretary.

President Eisenhower has adhered to an established behavior pattern. Each year, when the congressional battle was joined and when the friends of foreign aid in the Senate triumphed there while its foes triumphed in the House, the President was deaf to all appeals that he use the reserve power of the Presidency on the side of the Senate and against the House. In the end, the drastic House cuts always prevailed.

"WHAT HAPPENED TO THE FUND?"

Dillon's task will be further complicated by the embarrassing certainty that any request he makes for new foreign aid funds will encounter the objections of numerous legislators who will deplore the delay in getting the Development Loan Fund under way as a going concern. To be sure, Dillon can properly cite any number of valid excuses for the delay. In the first place, nothing could be done until Hollister resigned on August 14 as the head of the ICA, the State Department's parent agency for the Fund. While this removed a massive obstruction, there was a hiatus before James H. Smith, a friend of Dillon and of foreign aid, was sworn in and took hold as Hollister's successor. In the second place, the designated new head of the Fund, Dempster McIntosh, was advised by the State Department to remain at his ambassadorial post in Caracas until the Venezuelan plebiscite of December, 1957, was held. And in the third place, President Eisenhower's illness held up the appointment of the loan committee that is the real key to the operations of the Fund.

However valid these excuses may be, the absence of any real record of performance by the Fund compromises Dillon's position. Legislators opposed on any ground to foreign aid will confront him with this kind of challenge: they will observe that while the administration put its request for the Fund at $2 billion, and while Congress under the influence of the House appropriated only $300 million for fiscal 1958, very little of even this sum has actually moved outward through the foreign-aid pipelines. From this they will go on to ask: "Why should we appropriate additional funds for foreign economic aid when so little tangible use has been made of the funds that are already available?"

Indeed the administration's desire to avoid this challenge may account for the exceedingly modest increase of the ICA budget requests for 1959—a restraint particularly remarkable considering the constant cries of alarm over the Communist economic offensive.

In this connection, it may be recalled that the State Department on January 3 released a report showing that in the last 3 years Communist-bloc countries had pledged (and in part delivered) $1.9 billion in military and economic aid to selected targets of opportunity in underdeveloped areas. Much of it was for development projects in Asia and the Middle East, where the conviction that living standards can and should be raised is a paramount fact of political life. Furthermore, the Communists dispensed a good deal more than we did during this period in the favorable form of long-term loans, repayable in commodities or local currencies. But even more important, the interest rates they charged—2 to 2.5 percent—must be compared with American interest rates on foreign-aid loans ranging from 3 to 4 percent on ICA loans to as much as 5.75 percent for Export-Import Bank loans.

This State Department report set the stage for the President's state of the Union message. In it he warned that if we failed to meet the massive Communist economic offensive the effect would be far more perilous than the earlier failure to appreciate the psychological impact sputnik had on world opinion. One could have inferred from this that the administration budget request for new Mutual Security funds would be substantially greater than in fiscal 1958. Instead, the figure stands at $3.9 billion. Admittedly, this is $500 million more than Congress actually appropriated last year. But it is about $500 million less than the administration originally requested a year ago.

Of the total sum now requested, $2.6 billion is for military assistance and defense support in such places as South Korea, Formosa, Vietnam, and Turkey. As for the $1.3 billion earmarked for economic aid, the breakdown is $142 million for technical assistance; $625 million for the Development Loan Fund; and the other $540 million for a variety of special projects, such as the President's emergency fund, aid to refugees, U.N. programs, and cultural exchanges.

From these figures, it will be seen that the key to the difference in the reduction of the mutual security budget for fiscal 1959, as contrasted with fiscal 1958, is mostly the difference between the large amount requested a year ago for the Development Loan Fund and the smaller amount requested for the same purpose this year. This limitation, in turn—so it is explained—is due to an awareness that any appeal for a much larger sum would be regarded by Congress as almost a personal affront until such time as the Fund is a going concern with a record of practical usefulness that can be demonstrated.

A DIVIDED COMMAND

There is one final and major difficulty for Dillon. Though he bears a heavy responsibility for the ultimate fate of the foreign aid program once the congressional battle is fully joined, he is beset on all sides by conflicts of departmental interest within the administration, each department asserting its own power over the character of the program and each seeking its own allies in Congress. For example, the Department of Agriculture would use foreign aid to get rid of agricultural surpluses even where their use brings an adverse result. Again, the military would keep on arming Pakistan even when this forces India to arm and thereby use up funds that are critically needed for India's internal economic development.

To be sure, within the State Department itself, Dillon's authority over the broad formulation of foreign economic policy has been strengthened with the approving support of Secretary Dulles. Also, he has a number of pressure points of influence he can use by virtue of his membership on a maze of governmental committees or organizations involved in foreign economic affairs. Besides the International Monetary Fund, the Export-Import Bank, and so on, they include an interdepartmental committee under the chairmanship, of the Secretary of Agriculture that decides how agricultural surpluses can be used in foreign aid work, the National Advisory Council on International Monetary and Financial Problems under the chairmanship of the Secretary of the Treasury, and the Council on Foreign Economic Policy under the chairmanship of Clarence Randall.

Still, the kind of foreign-aid program entrusted to Dillon's care in the battle with Congress is a program that reflects decisions made in the White House, where interdepartmental conflicts of interest come to a head. Dillon has already been forced to acquiesce in decisions made by more highly placed men—decisions which he would not himself have made if he had enjoyed full responsibility for foreign economic policy.

One of these decisions involves the interest rates charged on loans made by the Development Loan Fund. Here the lines of force were drawn between the State Department on the one side and the Treasury on the other. To meet and overtake the Communist competitive advantage represented by long-term offerings at low interest rates of between 2 to 2.5 percent, the State Department wanted either to reduce existing rates charged by the Fund or to empower U.S. foreign-aid officials "to make exceptions" for needy countries that cannot afford to pay the high going interest rates on these loans, which are established according to the cost of the money to the Treasury itself. The Treasury position won the official approval of the administration on January 29, with the result that though two schedules of rates have been set to differentiate between nonprofit and profit-making projects, the average comes to around 4 percent. Dillon must support this decision.

MR. WEEKS MOVES IN

He also had to acquiesce in a decision whose tendency is to separate foreign-aid policies from foreign-trade policies—a separation that flies in the face of Dillon's clearly expressed conviction that the two are indivisible and should be treated as a single subject. Nevertheless, according to the terms of the White House decisions, the task of presenting the administration's case to Congress on extending the reciprocal-trade agreements has been largely entrusted to Secretary of Commerce Sinclair Weeks. Mr. Weeks, it should be observed, comes from a protectionist background, and though he is now reported to be a convert to a more liberal trade policy, he has already shown a marked disposition to make major concessions to the protectionists.

One thing should be remembered. The process of giving greater prominence to Secretary Weeks in formulating foreign-trade policy predated Dillon's assumption of his present post in the State Department. More specifically, it began with the decision to shift the responsibility to the Commerce Department for a task that ordinarily would have fallen to State. This was the work of preparing a bill that would authorize American membership in the Organization for Trade Cooperation, an international tariff-lowering agency.

It was argued at the time that if Commerce undertook this task, it would more readily draw to its support the many American interests involved in export trade. A bill providing for American membership in OTC was in fact eventually sent from the Commerce Department to the House. But for the lack of any insistent pressure from Secretary Weeks, it never reached the point where it was accorded even the dignity of a hearing by the House Ways and Means Committee. The only practical effect was to leave Mr. Weeks in command of the administration's trade policy, by and with the consent of Mr. Dulles, who sloughed off what a Secretary of State like Cordell Hull would have clung to with his last strength. The further practical effect was to create a precedent for the selection of Mr. Weeks as the man who will now present the reciprocal-trade program to the Congress.

This precedent was stressed further when Eric Johnston was put in charge of mobilizing public opinion for the foreign-aid program but was given no mandate regarding the pending debate on foreign trade. Obviously the administration view is that Mr. Weeks can take care of himself.

THE FACT MUST BE FACED

In the campaign for the foreign-aid program, Dillon has certainly been greatly helped by the massive bipartisan assembly that Eric Johnston convened in Washington on February 25. The identity of thoughts and words among the Republican and Democratic leaders could not have been more striking. Indeed, it was superabundant.

The President, Mr. Truman, Mr. Acheson, Mr. Stevenson, and Mr. Dulles all came out vigorously for foreign aid. That was hardly news. They all spoke at their best and they all received thunderous applause. The most powerful congressional leaders, not yet sold on the foreign-aid program, were all invited and sat in silence at the speakers' table. To what extent the redoubtable CLARENCE CANNON, Democrat, of Missouri, chairman of the House Appropriations Committee, was swayed by the eloquence of his fellow Missourian, Mr. Truman, is still a dark mystery. The silent presence of Representative JOHN TABER, Republican, of New York, graced the evening gathering at which the President spoke.

But the day in, day out job of carrying foreign aid through Congress must be Dillon's. He has the assistance of a small but devoted personal staff. He knows what he wants, and what he wants is known to everyone. Perhaps his greatest strength comes from his capacity for straight talk. He provided an example of that characteristic trait in Philadelphia, on January 8. Speaking before the 11th annual forecasting conference of the U.S. Chamber of Commerce, he blasted the idea that private investment abroad could readily take the place of U.S. Government assistance to underdeveloped areas.

Total new U.S. private investment abroad in 1956 amounted to about $2.75 billion, of which the less developed countries of Asia and Africa received only $342 million—about $1 in $8. The remaining $7 were invested in Canada, Western Europe, or Latin America, all highly developed or semideveloped regions. Furthermore, the great bulk of the $342 million was concentrated in the oil-producing countries of the Middle East, leaving very little for the rest of Asia and Africa. "The fact must be faced," Dillon said, "that private capital has not yet proved willing or able to do the job in the areas of greatest need where the combat for men's minds and souls, the combat between freedom and tyranny, is today at its fiercest."

No Congressman, it is to be hoped, can consider Mr. Dillon an enemy of private capital.

[From the New York Times magazine]

CAPTAIN OF OUR ECONOMIC CAMPAIGN

(By Edwin L. Dale, Jr.)

WASHINGTON.—Foreign economic policy, a catchall term that covers a wide variety of activities, is something that the United States has been practicing and talking about throughout the period of the cold war. But for the past year something new has been added: The Government for the first time has a captain to run the whole show.

He is a former New York investment banker and Ambassador named C. (for Clarence) Douglas Dillon, and he has been running the show with a zest not seen here since the days of the Marshall plan. It is an intricate and subtle business—far more complicated than simply combating the much-discussed "Soviet economic offensive"—and the record to date indicates rather strongly that the President and Secretary of State Dulles have found the right man for the job.

Mr. Dillon's formal title is Under Secretary of State for Economic Affairs—a title, incidentally, upgraded from Deputy Under Secretary this year on the initiative of a Congress that was so impressed by Mr. Dillon that it wanted to give him higher rank. The job title does not tell the whole story, however. Sometimes with a formal directive and sometimes without, Mr. Dillon has gradually taken either full control or a leading role in the many-sided foreign aid program, the field of tariffs and trade, the operations of the vastly expanded Export-Import Bank, the relations of the United States with the World Bank and International Monetary Fund, the farm surplus disposal program—and negotiations with Congress on most of these.

For reasons closely connected with the personalities of both men, Mr. Dulles has, in effect, turned this whole field over to Mr. Dillon. This was not the case with Mr. Dillon's predecessors in the "E" (for Economics) area of the State Department, a relatively obscure group that included Samuel Waugh, Herbert Prochnow, and, on an acting basis, Thorsten Kalijarvi.

Undoubtedly the main reason for the Dulles decision is that Mr. Dillon instinctively places his political foot at least as far forward as his economic. His predecessors, with no discredit to them, were fundamentally bankers—fellows who shuddered at the thought of lending money to countries like France and Turkey and Brazil that were clearly living beyond their means. But Douglas Dillon sees France and Turkey and Brazil as crucially important allies of the United States whose internal stability cannot be allowed to be destroyed by severe economic strain.

Because of his innate political orientation, Mr. Dillon does not overrate the role of economics in the current power struggle. He would be the last to claim the leading role for economic factors in such tribulations as, for example, the Iraqi revolt, the Indonesian civil war, or the Algerian rebellion.

But there is no doubt of his belief—a belief that now has the status of gospel within the Government—that the future safety of the United States will be heavily dependent on the course taken by the underdeveloped, usually politically uncommitted, one-third of the world that has become the focus of the current phase of the cold war. A key element of this gospel, though the point is occasionally disputed from the outside, is that economic factors will be decisive in the political outcome.

The new element in the situation, as compared with the earlier postwar period, is, of course, the growing use by the Soviet Union of economic weapons. The United States has been using them all along, mainly to create or maintain situations of economic strength or at least stability, in those parts of the world where basic political interests already coincided with our own—first, Europe, then such Asian nations as Korea, Vietnam, and the Philippines.

These operations are continuing, and mostly succeeding. But under the Soviet challenge a new dimension has been added to foreign economic policy in the past few years—the goal of fostering economic development as such, whether the nations in question are allies of the United States or not. Mr. Dillon puts it this way:

"During the past year I have become deeply impressed by the overshadowing importance to the United States of meeting the Communist challenge in the less developed countries. * * * In my judgment the most important economic question facing the United States is: What economic system will these 1 billion people of the less developed countries ultimately choose in their struggle against poverty? * * * Whether the verdict will go to the Communist system or to the Western system of freedom will, I believe, be heavily influenced by the effort which the industrialized countries of the West are prepared to put forth in helping the less developed areas to achieve an adequate rate of economic growth."

The real problem, however, is more complicated than just promoting development. It is a problem of wielding a variety of weapons in different ways for different situations, some of them as much political as economic. Douglas Dillon's aim is to win the weapons from Congress and to use them for the hardheaded purpose of protecting the security of the United States. This suits Mr. Dulles, who has never been exactly enchanted by economics, just fine.

The most striking aspects of Douglas Dillon's captaincy of foreign economic policy are imaginativeness and flexibility. No idea is too daring to be considered, and fear of congressional reaction is never enough, per se, to kill a plan before its birth. The results of this kind of approach, in the brief period of a year, are impossible to exaggerate. These are some of the things that have been done:

(1) After half a decade of talk, the United States has suddenly let the world know that it favors larger contributions, including dollar contributions, to the World Bank and Fund. These two institutions, particularly the Fund, have played an extremely important role over the past few years in keeping the world economy on an even keel. Now they need more money and Mr. Dillon wants to give it to them.

(2) After an even longer period of talk, the United States has announced its willingness to consider contributing funds to an inter-American development bank. This may be of more symbolic than practical importance, but that is exactly the point. The bankers were quite rightly against it, on the grounds that other lending institutions already existed. But Mr. Dillon perceived the political intensity with which the Latin-American countries regarded the question.

(3) The staid old Export-Import Bank has quietly been converted into a major instrument for spot—and, in banking terms, rather "unsound"—help for crisis situations in key countries. In the past year the Bank has bailed out or helped bail out Brazil, Columbia, Britain, the Philippines, Chile, and India. That is, it has sometimes made balance of payments loans—loans direct to the treasury of a country that was desperate for foreign exchange—as distinct from carefully worked out project loans for development. In some of these cases, the prospects for repayment are not all that a banker would like, though the Bank will undoubtedly be repaid in the end. Also, an unpublicized new device has been discovered for helping to deal with these highly important balance-of-payments crises, namely, postponement of repayments due the United States on past loans. This has been used in the cases of Britain, France, and Turkey.

(4) The United States for the first time has announced its willingness to talk over the perennial request of the underdeveloped raw-material producing countries for "commodity agreements" aimed at stabilizing prices and markets and thus stabilizing these nations' earnings of foreign exchange, possibly by some form of guaranteed minimum purchases by the United States. The first item being discussed is coffee. Though in the end no agreement may be reached, the very participation of the United States in the discussions is something new under the sun.

(5) Largely under Mr. Dillon's prodding, the administration swallowed its principles and recommended a subsidy and stockpiling scheme for the domestic mining industry rather than raise tariffs on lead, zinc, and possibly copper. The reason: The economic impact of higher tariffs of such key friends as Chile, Peru, and Mexico.

In addition, and of at least equal importance with these accomplishments, the Dillon regime has succeeded in making a fairly aggressive foreign economic policy respectable in the two places that count most—Congress and the Treasury.

Congress has just passed the longest extension of the reciprocal-trade program in history, with no seriously damaging protectionist amendments, in the face of a nearly universal impression that protectionist sentiment has never been so strong. It also passed a foreign aid bill of $3.3 billion, cutting the administration request less than in

most recent years. Finally, it added another $4.2 billion to Mr. Dillon's arsenal by expanding the authority of the Export-Import Bank and the farm-surplus disposal program.

As for the Treasury, that Department has been, during parts of the post-war period, the bane of those men, concentrated in the State Department, who have felt that imaginative use of economic policy, and in particular economic aid of various kinds, was essential to a successful foreign policy. Under George M. Humphrey the Eisenhower Treasury often seemed like a sort of inverted Micawber—always looking for something to turn down.

The assumption of office by Douglas Dillon coincided very closely in time with the appointment of Robert B. Anderson as Secretary of the Treasury. The two men hit it off at once. While Mr. Anderson is anything but a spendthrift, he has been persuaded of the need to do the sorts of things that Mr. Dillon deems essential, even though most of them cost money. Otherwise—to cite a key example—the proposal to expand the resources of the World Bank and Fund, an area that has always been the exclusive province of the Treasury, would never have got off the ground.

This catalogue of innovations in foreign economic policy under Douglas Dillon's direction does not mean that his main task in life is to spend more and more of the taxpayers' money with less and less control over it. There is still plenty of the investment banker in him, and he has no intention of rewarding foreign profligacy. As evidence, he has welcomed and promoted a significant new device for gaining a quid pro quo for the help given to countries that are in trouble largely because of their own extravagance.

This is the device of the "package" aid program, in which the quid for the quo is extracted not by an unfeeling and imperialist Uncle Sam but by the impeccably impartial Monetary Fund. In the case of Brazil, Turkey, and France in the past year—with India probably to come—the fund contributed some of the aid and won from the countries' governments pledges to live more modestly in the future. It is still far from the case that any friend of the United States or key neutral need only get itself in trouble to find Uncle Sam's coffers open.

Besides coping with crises and developing new instruments for waging foreign economic policy, Mr. Dillon's job requires him to deal with such touchy matters as aid to Poland and Yugoslavia, fostering the exciting new movement toward European economic unity while protecting basic U.S. export interests, gradually filling the partial economic vacuum left by France in Tunisia and Morocco and by Britain in Jordan and Libya, and the perennial questions involved in East-West trade.

While he has a fair variety of weapons to employ, the prevailing opinion among those most concerned with the economic side of the current struggle is that he needs still more. The greater deficiency, in the eyes of Mr. Dillon and others, is in the portion of the arsenal that can be directed specifically at the newly developing, recently independent nations that have become the targets of the Soviet economic offensive. The chief weapon is the new development loan fund, a portion of the foreign-aid bill. Congress last year voted only $300 million and this year only $400 million, compared to the $1 billion annually that Mr. Dillon feels is the minimum needed to meet legitimate requests of nations that are determined to develop at all costs.

Adequate or not, the arsenal of weapons is still an impressive one. What manner of man is it who wields this rather unprecedented power in the foreign economic field?

The most striking thing about Douglas Dillon on first impression is that he talks and looks so very much like what he was in private life—a graduate of Groton and Harvard who went into Wall Street. His inflection, in particular, is unmistakably Groton-Harvard. If it were ever true that this sort of man, or the "striped pants" type of diplomat, could never get anywhere with the "small folks" Congress, Douglas Dillon has disproved it.

Finance and foreign policy—with a smattering of pure domestic politics—have made up Mr. Dillon's life. He joined his father's Wall Street firm, Dillon, Read & Co. after graduation from Harvard in 1931. Except for a few years as a Stock Exchange floor trader and a 4-year interlude in the Navy in World War II, he remained there until the Eisenhower administration called him to public service in 1953. By that time he had been for several years chairman of the board of the firm.

Mr. Dillon's interest in foreign policy began as long ago as his college days, when history was his major subject, and grew as a result of the widespread foreign operations of the Dillon, Read firm. By 1948, already an acquaintance of Mr. Dulles, then a private lawyer, he was working on foreign policy speeches for Thomas E. Dewey in the presidential campaign. His entree into the Eisenhower entourage was made all the easier by his leading role in helping win the key primary in New Jersey—his home state—for General Eisenhower over Robert A. Taft in 1952.

He was thus a fairly typical—and more than typically influential—example of an Eastern "modern Republican" with a particular interest in foreign affairs. Mr. Dulles chose him as Ambassador to France, the Nation's No. 2 ambassadorial job, and he served for 4 years in Paris with what is generally regarded as great distinction. Then in March, 1957, Mr. Dulles called him to his present post.

To his subordinates in the "E" area of the State Department Mr. Dillon is unlike anyone they have seen before. "Two things have struck me," says one veteran. "The first is his knowledge of detail. He reads every line of every paper and every figure in the appendix. I honestly don't know how he gets time to do it, but he does.

"The other is his ability to persuade people. Obviously, we're bound to like it in our shop when our top man carries the weight this fellow does. Look at Treasury. Or Congress. I've often wondered how he does it, and I think maybe the main reason is that he doesn't give people any malarkey. People can have confidence in him.

"Quite frankly, we like him very much, and I think you'll have a hard time finding anyone around here with a different view."

As for Mr. Dillon himself, there is no doubt that he relishes his present role. He does not put it in terms of power, but that is what it comes down to. The things that can be done, he says, "are much more important than what any one private person can do."

Mr. MANSFIELD. Mr. President, I thank the Senator from Louisiana. With his permission, I shall suggest the absence of a quorum.

Mr. LONG. That is agreeable to me.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN-AID FIASCO

Mr. LONG. Mr. President, I oppose the confirmation of the nomination of Mr. C. Douglas Dillon as Under Secretary of State for several reasons. However, I want it clearly understood that I have no ill-will whatever against Mr. Dillon personally.

Mr. Dillon has a fine family background. He has a good education. He has been extremely successful in business, both on the New York Stock Exchange and in handling investments and securities of foreign nations. I admire his great success in business and his personal demeanor. If his name were before us to be Secretary of Commerce, I would be his enthusiastic supporter.

I find no particular pleasure in opposing the confirmation of his nomination to be the Under Secretary of State. However, the situation here is such that the confirmation of his nomination will spell one more dreary chapter in the book of American failure to stem the rising tide of Communist tyranny throughout the world.

Coming from his background, Mr. Dillon can understand the point of view of the rank and file of the masses in this world only with great difficulty. He has had little or no contact with their problems and has little understanding of the way they feel, think, and react.

One of our most important jobs in the field of foreign relations is to find a way to reach the masses of the people of the world and to make them understand our enthusiasm to benefit them and help them to improve their conditions. If we are to win the fight against human slavery, we must get this idea across, and we must provide help which the less fortunate can understand and appreciate.

With Mr. Dillon at the head of our foreign aid program we do not have any real hope of receiving substantial benefit from the vast U.S. holdings of foreign currencies. Nor will we receive the proper benefit from the counterpart funds generated by our foreign aid which are held by other governments, with the proviso that we must approve of the way in which they are spent. Mr. Dillon does not propose to urge the foreign countries holding these currencies to spend them in ways that will materially benefit the people of those countries.

THE GREEK DEBT DEAL

One obvious example of Mr. Dillon's obvious inability to understand that we must make our programs appeal to the people of other countries, and his wasteful use of counterpart funds is his attitude toward the hundreds of millions of dollars worth of Greek currency, generated by our foreign aid program, which is available in Greece for projects mutually agreeable to the United States and Greece. Mr. Dillon made it clear during the course of hearings before the Committee on Foreign Relations that he advocated using this money to reduce the national debt of the Greek Govern-

ment. He admitted that it was unlikely that any more than a handful of people in Greece would know that this ever happened. He admitted that there is little prospect that this Nation would receive any benefit in terms of good will or gratitude from the people of Greece as a result of this transaction.

Let me quote from the hearings of the Committee on Foreign Relations of May 4:

Senator LONG. Do I understand counterpart funds can be used in those countries only in ways to which those countries agree?

Mr. DILLON. That is the general understanding, as far as Public Law 480 counterpart goes.

* * * * *

Senator LONG. Under the Public Law 480 part, if we can only use it for purposes for which the particular country agrees, then if that country declines to agree that the appropriated fund can be put to any use whatever, that is almost equivalent to canceling out the funds or to freezing them indefinitely. Wouldn't that be the case?

Mr. DILLON. That has been the case in some cases.

Senator LONG. I look upon counterpart money as being a huge asset which could be used over and over again for desirable purposes, to help bring humanity forward, to help bring economic development to areas that need it.

Now, I am disappointed to find there are so many restrictions to which we ourselves agree and which I fear in many instances we voted right here in Washington, without the foreign nations imposing them on us. That is the effect of some of your testimony here today, is it not?

Mr. DILLON. That is true to some extent.

Senator LONG. Here is a country, for example, that held a large amount of counterpart money and said, "Well, we couldn't think of any finer thing to do than to take this and cancel out the national debt."

I believe that was done in Norway at one time, wasn't it? * * * Which country was it that decided to reduce the national debt with counterpart money?

Mr. DILLON. It was done apparently in Norway, I am told.

The next sentence was intended to be whimsical.

Senator LONG. We have to admire those people who have a high regard for public finance, and who think it would be just a fine thing to pay off the public debt with the American counterpart funds they were holding.

Now, I understand Greece is making a similar suggestion with regard to counterpart funds. Is that correct?

Mr. President, I should like to have Senators to note Mr. Dillon's reply to that question:

Mr. DILLON. No, this suggestion is being made by us.

Mr. President, that is $100 million which is simply scratched off the books.

Imagine that. Our Government has suggested that the Greeks use this money to retire their national debt. Our State Department has suggested this, even though it is at present against the law. Mr. Dillon goes on to say that any other use of the funds would be "inflationary."

On May 12, at the hearings before the Foreign Relations Committee on Mr. Dillon's confirmation, I asked him if the State Department had made any proposals to the Greek Government for spending that $120 million worth of drachmas for desirable projects. His answer was, in effect, "No."

Let me quote from that hearing:

Senator LONG. Did you have a single American technical expert who proposed a single desirable proposal other than just wiping out the national debt, which I view as just like lighting a match to our counterpart money? Did you have a single person who proposed a single project or a single possibility as to how that might be used for the benefit of the masses of the people in Greece?

Mr. DILLON. There were no alternatives proposed at this time; no, sir.

Senator LONG. Do you know of any project that we ever proposed that might be a desirable way of using it?

Mr. DILLON. I do not know what all the past history has been at the time when I was not here, but ever since this money has been frozen, the opinion has been held that to spend it would lead to inflationary pressures which would be bad for the Greek economy and bad for our interests in Greece.

Mr. President, I do not think that Mr. Dillon or his subordinates have really tried to find a way to spend that money to help the Greek people. Instead, he is proposing to Congress that we simply let the Greek Government cancel out $120 million worth of Greek currency.

Let me quote once more from the May 4 record. Senators will note that we are talking about $100 million, rather than the actual figure of $120 million. Mr. Dillon had said that the amount involved was about $100 million.

Senator LONG. Now, you propose to take the $100 million and just cancel it out.

Mr. DILLON. Yes.

That is simple enough to understand. I read further:

Senator LONG. In other words, that is the same as sitting here with a man with a lighted match and seeing him light your $100 million of cash, in currency.

Mr. DILLON. That is Greek currency.

Senator LONG. But that is money we paid for in dollars.

Mr. DILLON. That is right.

Mr. President, I think that the American taxpayer has a right to expect more than this from his hard-earned dollars which go into the foreign-aid program. Mr. Dillon even admitted that the vast majority of the Greek people would not even know that we were using this money to help them.

Again, I quote Mr. Dillon's testimony before the Foreign Relations Committee:

Senator LONG. I certainly hope that you won't just destroy the money. I would like to see us get $100 million worth of goodwill out of it.

My guess is if you do what you are doing about it, that the public in Greece won't even know the difference. None of them will know what has happened.

Mr. DILLON. That may be so. This is what the Greek Government wants us to do with it, however.

This admission of Mr. Dillon's that the Greek people "may" not know that the sacrifices on the part of the American people for our foreign aid program are of benefit to them, is at the heart of the failure of our giveaway program. Most people in other countries do not know that we are sacrificing to help them. Congress has frequently called attention to this failure in our policy, but to no avail. So long as we have Wall Street bankers like Douglas Dillon heading the program, it is not likely that the little people in other countries will ever really feel directly the benefit of our aid.

ARMOUR RECOMMENDATIONS

In 1956, the Senate appointed a Special Committee To Study the Foreign Aid Program. That committee, composed of all the members of the Senate Foreign Relations Committee, and the chairman and senior minority member of the Appropriations and Armed Services Committees, sent a number of eminent Americans, experienced in foreign affairs, to other countries to report on the effectiveness of this program in other countries. One of these was Mr. Norman Armour. The following is Mr. Armour's experience in diplomatic work as set forth in "Who's Who in America":

Attaché, Embassy, Paris, France, 1915; third secretary of Embassy, Petrograd, Russia, 1916, second secretary, 1917–18; second secretary of Embassy, Brussels, Belgium, 1919–20; first secretary of legation, The Hague, Netherlands, 1920–21, Montevideo, Uruguay, 1921–22; assistant to the Under Secretary of State, Washington, D.C., 1922–24; first secretary of Embassy, Rome, 1924–25; counselor of Embassy, Tokyo, Japan, 1925–28, Paris, France, 1928–32; U.S. Minister to Haiti, October 1932-June 1935; appointed U.S. Minister to Canada, June 1935; appointed Ambassador to Chile, 1938, Ambassador to Argentina, 1939, Ambassador to Spain, December 1944-December 1945; retired; Assistant Secretary of State, Washington, 1947–48, retired 1948; Ambassador to Venezuela, 1950, again retired, 1951; returned to Foreign Service as Ambassador to Guatemala, 1954–55; retired 1955.

In his report to our committee, Mr. Armour made the following recommendation:

That International Cooperation Administration efforts to use the withholding of commodity proceeds to discourage Greek inflation be discontinued.

He said that we should not just let that money sit idle. But the State Department, with its economic program headed by Mr. Dillon, disagreed.

Furthermore, Mr. Armour pointed out ways in which the counterpart funds could be put to constructive use, mostly in the field of technical assistance, but also to provide credit for farmers. Mr. President, it is not inflationary to provide credit to help farmers produce food. In fact, that is just the opposite of inflationary, especially when people are hungry and are unemployed. I quote further from Mr. Armour's statement:

Study should be given to the possibility of assisting the Greek Government to set up agricultural schools similar to the American Farm School at Salonica, which has been so successful.

There is a need for furnishing cheap agricultural credit to the Greek farmers, and perhaps some of the proceeds from the sale of U.S. commodities, agricultural or otherwise, could be used for this purpose.

He went on to say, in reference to the present handling of our counterpart funds:

It has already been pointed out that it is quite difficult for this kind of program to have much appeal to the Greek people. It

is equally difficult to demonstrate how assistance originally from the United States has tangible benefits when the proceeds of commodity sales are absorbed by the Greek Government budget and are used by the Government for development purposes. Through this system, the relation of Greek development of the U.S. aid becomes obscure and the impact is diminished. It is hoped that the further assistance recommended above in other commodities, such as farm machinery and an increase in technical assistance, will help in overcoming this difficulty, will better demonstrate to the Greek people that the United States is still lending much needed aid and continues to be interested in the welfare of Greece, and will thus be in the interests of U.S. aid objectives.

Another problem posed by this commodity sales program is the problem of assuring that counterpart proceeds going to the Greek Government, especially that portion which is supporting the investment budget, are used with maximum effectiveness. Once the U.S. Operations Mission releases counterpart to the Greek Government, there is very little that can be done to assure that the funds are used to full advantage.

I would strongly recommend that careful study be given to this problem with the hope that some better methods of assuring maximum use of U.S. assistance may be found.

Finally, it should be pointed out that the International Cooperation Administration's technique of discouraging Greek inflation by using the release of counterpart funds to the Greek Government is not proving successful, is causing difficulties for the mission in Greece, and should be discontinued.

Mr. ANDERSON. Mr. President, at this point will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. ANDERSON. Mr. President, I am very much interested in what Mr. Armour had to say about the use of the production of agricultural commodities in connection with inflation. As I understand, the position has been taken by some that the way to stop inflation in other countries is to pay off their national debts.

However, in the United States, we have, as the chairman of the Committee on Agriculture and Forestry well knows, a billion bushels of wheat in storage, and large stocks of other agricultural commodities, including cotton and corn. Although we have on hand and in storage such very large stocks of wheat and cotton, and although there will be an extremely large supply of corn on hand, do I correctly understand that the method by which the State Department is proposing to meet inflation in the countries we are attempting to aid is to help pay off their national debts, rather than to assist the people of those countries to obtain sufficient supplies of food?

Mr. LONG. That is what the State Department has been recommending. Of course, if that method is to be followed, a law will have to be gotten around, and Mr. Dillon is trying to help the Department get around it. That goes to prove that Mr. Dillon does not have a real appreciation of the congressional purpose and intent in connection with the foreign-aid program, and that so long as the methods which he and others like him in the State Department have been advocating are followed, we shall never succeed in building up among the peoples of the other countries the good will that our program is intended to build up, unless we make some effort to help the people in those countries understand that we are trying to assist them.

Furthermore, in the case of the inflationary problem, certainly food and other forms of relief for the people of those countries help to meet the inflationary problem.

Mr. ANDERSON. The supplying of various types of agricultural commodities—food—is anti-inflationary, is it not?

Mr. LONG. Of course it is.

Mr. Armour further stated that our nonmilitary aid program is almost entirely in the form of U.S. surplus commodity proceeds absorbed by the Greek Government's budget. Then he said:

> Through such a program, U.S. identity with U.S. aid is quickly lost and the popular impact of that aid becomes quite intangible, if not invisible.

By the way, Mr. President, the Foreign Relations Committee helped pay for that investigation. The Senate did not follow the suggestions which came from the investigation, but the Senate Foreign Relations Committee helped pay for it.

Yet, in spite of repeated congressional suggestions, our foreign-aid program has continued to be administered in such a manner that the Communists can persuade the poor people of recipient countries that the whole program is a deal, between corrupt officials in their countries and Wall Street interests in this country, to take from the poor and give to the rich.

UNEMPLOYMENT IN GREECE

We have an opportunity in Greece to do something that the people can see and appreciate. Yet, Mr. Dillon says to do anything constructive will be inflationary. I asked Mr. Dillon in this excerpt from the committee hearings if there was any unemployment in Greece:

> Senator LONG. Does Greece have no unemployment whatsoever. No labor available at all to do any constructive work?
>
> Mr. DILLON. I will have to give you a full report on that. I can't answer that offhand.

Mr. President, I did not get that report for over 3 weeks. On May 4 this information concerning the use of counterpart funds in Greece was requested by the distinguished chairman of the Foreign Relations Committee and by me. On May 14, I received Mr. Dillon's reply. Mr. President, the reply which I received from Mr. Dillon was evasive and entirely unsatisfactory.

In the first place, the reply did not mention the unemployment situation in Greece.

In the second place, it did not mention the possibility of using counterpart funds in any of the ways suggested in the report of former Ambassador Norman Armour on the use of counterpart funds in Greece, to which I have referred earlier.

In the third place, while it mentioned two appropriate uses of counterpart funds listed in a Senate Foreign Relations Committee report of 1948, which said that these funds could be used to immobilize local currency and retire the national debt in order to promote financial stability, it did not mention the three other appropriate uses of these funds. The uses that he left out were to use the money for the development of additional production of certain raw materials, to aid projects which would contribute to European recovery, and for the local currency administrative expenses of the United States incident to the operation of the program. In other words, the other authorizations permitted the officials to do anything they wanted with the money.

In the fourth place, this report came in after sufficient delay so that the nominee would have been confirmed before receipt of the information unless I had delayed his confirmation.

The significance of the question concerning unemployment in Greece was that a nation with a large amount of unemployment need not worry about the inflationary effect of putting idle people to work to producing the necessities of life, or, for that matter, constructing desirable public works. This was the attitude taken by the Roosevelt administration during a cruel depression when large-scale public works projects were undertaken. Vast numbers of those projects are still serving a worthy purpose.

Since, for some reason, my request for information on this matter was ignored for so long, I have sought this information and obtained it on my own.

Greece is a nation of 8 million people. In that nation there are 500,000 persons unemployed. There are 1,500,000 people only partially employed. Now, let us compare that with the United States.

If this country had the same percentage of unemployment, we would have about 11 million people completely without jobs, and another 32 million who were able to find work only part time.

Against that background, Mr. Dillon is here to advise us that the $100 million worth of Greek currency available for mutually agreeable projects through our foreign aid program could not possibly be put to beneficial use in Greece without contributing to undersirable inflation.

Mr. President, I cannot in good conscience support a man for the job of running our foreign aid program who is unable to visualize how we could use that money to help the Greek people.

It is easy to see that Mr. Dillon does not know what it is to be unemployed, wondering where the next meal will come from. He has not experienced the sensation of a father watching a small child lift its eyes to the parent for food which cannot be provided. He does not know the frustration of not being able to find work. Nor does he appear able to appreciate the viewpoint of the man who is suffering such an experience.

As unfortunate as these facts are on their face, the tragic part about the matter is that Mr. Dillon does not realize that by failure of those administering our foreign aid program to understand the needs, the hopes, and the prayers of millions of underprivileged people in the world, we are losing the struggle against communism.

BUILD HOSPITAL

One of my suggestions for using these funds would be to build hospitals, at

least one of which should be a large one. In front of that hospital, I would suggest inscribing a message from the American people to the hard-working and devoted people of Greece which would read as follows:

This hospital is a gift from the freedom-loving people of the United States of America to their brothers in Greece, the early home of democracy.

With the vast amount of money available, it would be possible to insure that no mother in the vicinity give birth to her child without the benefit of medical care and modern medical facilities. It would be possible to pay the expenses of operating the hospital for some time to come, and it would be possible to pay the expenses of training a competent staff of doctors and nurses.

This is just one of the possibilities that come to my mind. The money could be spent to give schoolbooks to small children. And I rather doubt that anyone would find it particularly objectionable if somewhere on the frontispiece was an inscription to the effect that this book was a demonstration of the friendship of the American people for the people of Greece, from whose early civilization we have learned so much.

Money could have been used to build school buildings, sanitary facilities, highways, electric lines, libraries, or almost any desirable public project. And yet all Mr. Dillon would have purchased with this money was a cipher.

It must be remembered, Mr. President, that in addition to the $120 million worth of such drachmas available, that there is also available a Development Loan Fund which makes it possible for the Greek Government to borrow funds to provide the materials and the tools for the unemployed labor of Greece if, indeed, those materials were not already available within the country.

In view of Mr. Dillon's failure to comprehend the situation concerning the enormous surplus of manpower in Greece, is it not possible that he has failed to give us all the information available relating to the other unutilized resources of that country?

In any event, whether the resources are fully utilized or not, the problem of tools and materials could be worked out through the American Development Loan Fund.

But we are told by Mr. Dillon that we have no choice. We are told the matter has been studied, and that nothing can be done constructively with the money except to apply it against the national debt of Greece. I cannot believe that. He has not even tried.

The situation in Greece is but one example of the waste of our foreign currency holdings. Mr. Dillon and his kind have let this money sit idle in many countries while it could be put to constructive use. For instance, we could explore means of setting up investment firms or trading corporations to lend the money to small businesses, housing contractors, fishermen, farmers, and many others, and let them repay it on reasonable terms.

The point is, Mr. President, that there is not the real zeal to make these currencies work for us and less fortunate humanity. There is not the determination and the drive to make the program work.

So long as there are vast balances available for our country in other nations, there is a natural resistance to sending more aid. Our State Department's answer to this is "Let's not get rid of it so we can get some more from the U.S. Treasury. Just scratch the old counterpart funds from the books, and let us go back to Congress for more dollars."

EXAMPLE OF FEDERAL AID TO STATES

It should not require a mental giant to figure out the very simple principles necessary to make a foreign aid program work.

The United States Federal Government has a multitude of programs for aid to 50 States of this Union. Those programs have one thing in common: firm Federal standards. The States and the Federal Government make a deal whereby the two cooperate to achieve a desirable purpose.

There is Federal aid for highways, Federal aid for public welfare, Federal aid for land-grant colleges, Federal aid for health research. In fact, some people say we have Federal aid for practically everything under the sun by now.

In every one of those programs, each State of the 50 is required to comply with every single Federal standard before the first Federal dollar is turned loose.

The welfare program, for example, requires that the States match with a certain amount of money. A merit system is required. Bookkeeping and proper accounting are necessary. A State is required to submit its plan for approval. If a single detail of the plan deviates from essential Federal requirements, the Federal Government does not put up any money.

In view of almost 100 years of experience with Federal aid to the sovereign States of the Union, would it not seem logical that any foreign aid program would start with the 100 years of practical experience gleaned from Federal aid to the States? Yet, our foreign aid program fails to meet the first simple requirement of a successful Federal aid program; namely, a firm agreement with the recipient State, the violation of which means that United States funds are to be immediately withheld.

We have had little difficulty in persuading States to take our money. It would not require much persuasion to cause foreign governments to see the light. It is simply necessary to say: "Here is the money. You can have it if you comply with standards which we find necessary to impose. We want to know what happened to our money, for one thing. For another, we want you to do your share." Military aid, for example, cannot be a successful program unless there is a firm understanding as to the minimum effort, in terms of money and men, which the recipient nation is to provide.

Undoubtedly, we have been confronted throughout the world with situations where many of the nations we are helping have reduced their own efforts because they have been able to shift more of the burden on to us.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LONG. I yield, with the same understanding.

Mr. LANGER. The Senator brings to mind something which happened a few years ago in my home State, when we had a Federal highway under construction. There was some error in the specifications for the highway, and the width was shortened by a few inches. The Federal inspectors came along and denied the State the Federal aid unless the highway were built so that the few inches were covered and so that the highway met the specifications entirely. That is how careful the Federal Government is in seeing to it that the State of North Dakota complies with specifications before the State receives Federal money.

Mr. LONG. The Senator is entirely correct. If there is a Federal aid highway to be built the Federal Government in some instances puts up as much as 90 percent of the money, and the Government wants to have answers to questions such as "Where will you put the highway? Who will provide the right-of-way? Where will the highway go? How deep will the foundations be? How thick will you pour the concrete? How much sand and how much gravel will go into every yard?"

After the Federal Government gets such an agreement and such a firm understanding it will put up the money. That is how we could go about assuring that the program will work. The program is not working now.

I thank the Senator.

Mr. GRUENING. Mr. President, will the Senator yield for a brief comment on his speech?

Mr. LONG. I yield.

Mr. GRUENING. I congratulate and commend the Senator from Louisiana for his fine presentation. I was particularly struck by the illustration of the way we correctly handle our highway program, in that we insist upon every dollar being accounted for, that the specifications be strictly followed, and that the work be done in a businesslike and effective manner. At least that is our objective, so that the American people will get a dollar's worth of value for every taxpayer's dollar which is spent.

I should like to ask the Senator whether he thinks it would be a good idea to apply the same principles of vigilance and prudence to our foreign aid program.

Mr. LONG. Mr. President, the Senator knows I am in complete agreement with him on this issue. The Senator from Alaska, in part, represents the largest State in the Union. Alaska is a vast, undeveloped frontier. The Senator from Alaska is going to have the greatest difficulty in finding the necessary funds to provide the essential public works for development of that vast frontier, which is a great defense bastion of America. The Senator will have great difficulty in getting the money necessary to develop that land, yet he will observe the foreign aid funds being used around the world, in effect, in the same manner as one would walk into a vault with a lighted

match to burn up the money. That is how the program is handled in some foreign lands.

The Senator from Alaska will have the greatest difficulty, though I assure him of my cooperation, in getting money for the most elementary and essential public projects in order to develop the great State which he has the honor in part to represent in this body.

Mr. GRUENING. I appreciate what the Senator from Louisiana says, and I know it to be true. During many years when we in Alaska were working for statehood we used to say, humorously, "Our problems would be solved if for a few years we would hoist a foreign flag. Then we would be 'in the chips.' We would get all kinds of aid, which is denied to States and Territories but which is freely given to foreign countries."

Mr. LONG. I predict that the great State of Alaska, as it is today and as it will become, will be completely content to comply with Federal standards as to receiving any Federal money sent to Alaska to help develop that vast frontier.

Mr. President, while I am making constructive suggestions I should like to recommend what we should do about the dishonest dictators who, under the foreign aid program, steal and who permit stealing by Government favorites.

FUGITIVE TYRANTS RESOLUTION

What would I recommend doing about these dishonest dictators who steal and permit stealing by Government favorites? What would I do about those who will not permit food to be imported for the benefit of their own starving masses unless there is some way for them to get their hands on some of the proceeds?

I would simply put through the "fugitive tyrant" resolution which the junior Senator from Louisiana introduced last month. My resolution provides that this Nation should use its influence in foreign lands to obtain international agreement by every member of the world community that there is no sanctuary for a fugitive tyrant who has abused his own people in violation of God's law and the laws of his own nation. No longer would it be possible for the Farouks, the Bao Dais, the Peróns, the Batistas to live in the lap of luxury after they have persecuted and tortured their own people until the people rose and threw them out. They would be apprehended on the first ship which they boarded. They would be intercepted in international airspace. They would be treated in somewhat the same manner as pirates. They would not be permitted to keep all the money which they had stolen from their subjugated peoples, including our foreign aid money. They would be subject to trial for their crimes before an international tribunal to guarantee that justice would be done.

Under these conditions it should not be very difficult to persuade dishonest potentates and dictators that they must either govern their people wisely and well or face the consequences when they are thrown out by their own people. There would be nowhere on this planet that they could go. Farouk and Bao Dai would not be "living it up" on the French Riviera and the Isle of Capri. Every international dictator would be confronted with the problem of either signing the fugitive tyrant compact or classifying himself as one of those against whom the compact was aimed.

Admittedly, such a program would create a new situation. The difference between my recommendations and the program which is now being carried on is that these suggestions could work.

Under the present program, billions of dollars are given away without requiring the first essential element of success, the element of cooperation.

Let me direct the attention of the Senate to the headlines in this morning's paper. They tell us that Mr. De Gaulle is in the process of throwing the United States Air Force out of France. Since the conclusion of the Second World War, our grant aid has totaled almost $4.4 billions, loans or credits have totaled $2.5 billions, military assistance totaled more than $3.7 billions, and reliable sources estimate another $1 billion for what is basically economic aid. It is not seriously expected that most of this will be repaid. The grand total is over $11.5 billions. It would seem to me that the people of the United States who have provided this aid are entitled to more than simply being asked to get out.

This is just one more illustration of what we achieve when we have no firm agreement to begin with or thereafter. Our present program has no beginning point, no stopping point, no in between, no sense of direction. If it succeeds, it will be little more than an accident.

Appropriately enough, Mr. President, Mr. C. Douglas Dillon served as Ambassador to France while much of this money was being donated to that nation, and helped put the program over in a way which left France free to throw the Americans out whenever it wanted to.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the article to which I referred, from the Washington Post and Times Herald, "Paris Balks At New NATO Ties."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PARIS BALKS AT NEW NATO TIES; UNITED STATES MAY SHIFT 200 A-BOMBERS

(By Alain de Lyrot)

PARIS, June 8.—France served notice today that it would make no further commitments to the North Atlantic Treaty Organization in what appears to be another clash between President Charles de Gaulle and NATO.

The French announcement was made after it was reported that Gen. Lauris Norstad, NATO supreme commander, was planning the removal of 200 fighter-bombers with atomic capability from French territory.

This was believed to have been caused by France's refusal so far to allow atomic stockpiles on French territory unless the French Government has control over them. NATO regards it as impractical to keep atom-capable aircraft in a country without atomic stockpiles.

(The Defense Department in Washington denied Sunday that a decision to withdraw the aircraft had been made.)

SHAPE STATEMENT

The reported planned decision received apparent confirmation when Supreme Headquarters, Allied Powers Europe (SHAPE) declared:

"No agreement has been reached between the French Government on all aspects of operational armament of the NATO aviation based in France. Pending conclusion of these agreements, consideration is being given measures which will insure the effectiveness of Allied air units now based in France. SHAPE can make no further comment."

In what appeared to be an immediate retort, the Foreign Ministry published a statement saying that talks were going on among France, the United States, and Britain on a number of problems including stockpiling atomic weapons and that while they had not been concluded "they may yet be concluded soon."

The statement, which some believe may have been penned by De Gaulle himself, added laconically that the French Government considers these talks essential "but that there is no question of making new commitments with NATO."

MAJOR DEMANDS

The statement was interpreted to mean that De Gaulle may have decided to snub NATO as a result of what he reportedly feels is a lack of cooperation on several major demands.

These demands include the sharing of atomic data among the NATO Big Three (United States, Britain, France), control by France of atomic weapons if they are stocked on French territory, and complete coordination among the Big Three on international political and strategic questions.

Difficulties between De Gaulle and NATO originated with his memorandum to the United States and Britain on September 24, 1958, suggesting that France be placed on an equal footing with the other two powers. This created protest among other NATO nations and the matter has had no concrete solution so far.

Since then De Gaulle has rejected most NATO requests.

Mr. LONG. Let us keep in mind the way that this program appears to the ordinary man on the street, both in this country and abroad. Most people look upon this program as a deal whereby American politicians and big businessmen handle foreign funds in such ways that their overseas counterparts—that is princes, potentates, politicians, as well as foreign bankers and merchants—find ways to maneuver the funds around so that most of the money winds up in the pockets of politicians and big businessmen, with only a small amount ever trickling through to the hands of the ordinary people.

THE STORY OF "COLLUPTIONISTS"

Let me tell a short story illustrating that point.

Recently, a member of the Legislative Assembly of Singapore, Mr. Lim Cher Kheng, was the guest of some of the members of the Senate Committee on Foreign Relations at a luncheon.

One of the Senators asked him, "What do your people think of us and our foreign aid program?" Mr. Lim's answer was, "They think you are 'collupt'."

"What do you mean, 'collupt'?" Mr. Lim was asked. He said, "Yes, sir, 'collupt'."

"Do you mean corrupt?"

"Yes, sir. 'Collupt.' Our people do not understand anything about communism, but they do understand about 'colluption.' They think the Americans

are spending money to help our 'collupt' politicians. When one of our people sees an American official driving in a big car with one of our politicians who we know steals from our people, it is felt that the American big shots must be 'collupt' too. The Communists tell us that is why we are in this fix—that the Americans help our politicians steal from us."

All over the world there are people like Mr. Lim—men who understand the good intentions of Americans, men fighting for democracy. They cannot understand why we appear to be subsidizing corrupt politicians and grafting merchants who are favored by their rulers.

It is little short of disgraceful that the handling of our foreign aid money permits the little people of many countries throughout the world to feel the same way about American aid as does Mr. Lim from Singapore.

The concept is really not very far wrong when we look at the way that much of this program has worked out.

ARTIFICIAL EXCHANGE RATES

Some years ago we discovered that our so-called defense support money was nothing more than economic aid, and that the defense support funds being sent to the nations of Vietnam, Cambodia, and Laos were handled in such a fashion that the currencies were pegged at three times their actual exchange ratio. For example, it was found that a Loatian kip was worth about 1 cent, although the exchange rate was pegged at 35 kips to the dollar. The same thing was true of the Vietnamese piaster.

Foreign governments would license only a few merchants to handle the commodities sent from the United States. Out of 12,000 merchants who applied in Vietnam, for example, only 2,000 were permitted to receive import licenses. Naturally, the other 10,000 spent their time saying that the program was crooked. The favored persons would take American commodities at the pegged exchange ratio. They would then proceed to sell them into the local economy for the best price they could obtain. By virtue of the unrealistic pegging of the foreign exchange, two-thirds of the actual value of the defense support money went into the hands of the merchants and politicians. Less than one-third was available for the troop pay, clothing, construction, food, and various other items necessary to enable those Asiatic countries to support a military establishment.

It would appear that for these three countries alone, we were losing more than $100 million each year by virtue of the manner in which the currencies were pegged in an unrealistic fashion.

The same thing was true, although perhaps to a lesser degree, with regard to the hundreds of millions of dollars of defense support that was going to Korea and Taiwan. In this type of transaction, our Nation was giving perhaps as much as $300 million each year to the merchants, bankers, businessmen, and politicians in the countries to which the funds were sent. The prevalent graft and waste naturally reduced the effectiveness of the program and tended to discredit the whole undertaking.

When this matter was investigated, a witness from the U.S. Chamber of Commerce, Mr. Clement Johnson, testified that this should be stopped. He stated that he found not a single person representing the United States in the Asiatic countries who would recommend continuing the type of arrangement that existed. He told us that efforts to change this setup had been repeatedly declined at the Washington level. Why this was done, it is very difficult for any of us to understand. The arrangement made so little sense that it would appear that Washington would have been the first to demand its cessation once it was discovered. Yet this practice was continued for years, even after it was condemned by a unanimous congressional committee report.

I recall that I offered an amendment on the floor to reduce the amount of defense support for those countries until this type of situation had been corrected. The amendment was defeated. Very few Senators on the Foreign Relations Committee voted to stop this type of banditry, although they had signed a unanimous report recommending that this type of thing should be stopped.

We are now told that some sort of arrangement has been worked out in Laos to prevent this sort of thing from occurring in the future. Whether that is correct or not, no one really can tell at this early date.

However, I would not be the least bit surprised to find that the same international bankers, who found one way of draining American tax funds into their pockets and the pockets of their foreign associates in these international dealings, would soon develop another one which would be even more difficult to detect and equally effective.

SOME FOREIGN AID NECESSARY

Against this background, some persons might ask: Why have any foreign aid program at all? The anwser is logical and inescapable. A nation which is capable of producing twice as much food as it can eat should not be privileged to pour milk into the rivers and countenance human misery around the globe without making some of its surplus and abundance available to unfortunate mankind. A nation which has explored the secrets of the Deity, mastered the answer to long life and human abundance should help others to achieve the same result.

The four freedoms described by Franklin D. Roosevelt—the freedoms of religion, speech, abundance and safety—could be and should be enjoyed by all people on this side of heaven. This Nation is the logical leader toward that attainment. Yet, we are failing to achieve it because of our inability to use our resources effectively.

At the moment, our Nation is trying to maintain the trickle-down version of democracy. The trouble with that form of operation is that it never has worked and it never will. The futility of it is demonstrated when we see that those who claim to believe in it do not even try to make it work. So long as they are able to get a share of the proceeds for themselves or their associates, they seem to have little regard for the consequences. They will leave the eventual salvation of this Nation and the world to their successors.

When their successors undertake its operation, the trickle-down philosophers will be standing in the way, demanding a healthy fee for permitting the world to be saved.

Many people do not realize that international bankers at the Wall Street level have the ability to maneuver these foreign programs in such fashion that they can make fantastic profits in the transactions. Usually they are not even dealing with their own money. Many times they are dealing with borrowed money, which they simply use to purchase vast amounts of foreign securities cheaply and cash them in at a greater value when the transaction which they are anticipating occurs. This type of thing has occurred time and again, although it is difficult for those of us in Congress to get the facts to prove who were the principal beneficiaries in individual cases.

Someone might wonder why large taxpayers in wealthy firms in America would go along with this type of bankrupting of the American economy. The answer is that so long as they are able to make large profits out of it, their share of the taxes do not amount to one-tenth of 1 percent of the fantastic profits they make in helping to put over such transactions.

GERMAN DEBT DEAL

One of the smoothest Wall Street deals that has been pulled recently was the handling of the German war debt. This Nation demanded few reparations from Germany. As a matter of fact, we asked little more than that we have some compensation for the economic aid which we had given to that defeated and prostrate nation after the American victory. At that time there were large numbers of bonds outstanding issued by the old Weimar government. There were also large holdings of bonds issued by public utilities of the German nation prior to the advent of Adolph Hitler.

Those bonds had been generally repudiated and were considered to be worthless. Nevertheless, a bondholders committee had been organized and the matter was maneuvered in such a fashion that, prior to the German Government paying back their economic aid which the United States had given them, it was arranged that all of the bondholders were permitted to come in and cash in their bonds at 100 cents on the dollar, plus accrued interest, from the date that the bond was issued to the time that it was paid off. They were permitted to cash these bonds prior to the receipt of any money by the U.S. Government. The amount that would have been paid back to the American taxpayers for their economic aid to a prostrate German nation in time of need was thereby reduced by the amount of money that was to be paid for these almost worthless, pre-Hitler German bonds.

In this fashion, the bonds issued by the pre-Hitler government became securities of much greater value and greater

yield than those of the U.S. Government itself. If a person had purchased bonds that had been repudiated by the Hitler government at the time that the United States went to war with Germany, his earnings would have been many times as great as they would have been had this same person purchased U.S. war bonds. That was a slick Wall Street deal, Mr. President, and some of us who saw it go through attempted to expose it. We were never even successful in compelling our Government to make available to us a list of those who benefited from this transaction.

Great numbers of the beneficiaries were American citizens. Some of them were German citizens. Many of them were undoubtedly international banking and investment firms. Anyone who had any idea that this deal was going to go through could have purchased these old worthless bonds at 10 cents on the dollar and realized fantastic profits from them.

This is the type of thing that happens when Wall Street bankers and brokers are in a position to exercise great influence upon the foreign policy of the U.S. Government.

WALL STREET INFLUENCE

Now, Mr. President, the same kind of thing is true with regard to bigger deals as far as the economic aid of the U.S. Government is concerned. Once Wall Street firms were able to maneuver their men into control of the U.S. foreign aid program, it is easy enough to put over these international deals which will never be discovered until years thereafter, if indeed they are ever exposed. Many of these deals will never be uncovered, because it is possible for these people to do business through their various connections in foreign lands without mere minority members of the U.S. congressional committees ever being in position to detect or uncover the vast amounts derived by the beneficiaries.

It does not particularly concern those who enrich themselves in this program that there is hardly enough gold left in Fort Knox to cover American obligations to these foreign nations, which I will discuss later in my speech. So long as they are able to derive even 1 percent of the take in this vast amount of graft and corruption that exists in a worldwide foreign aid program, these people are in position to gain very substantially.

It is true, Mr. President, that one has great difficulty in presenting the proof to establish what is actually happening to our foreign aid money. I can only rely upon the old saying that "you don't have to eat the whole hog to tell that it is tainted." Now let us see where Mr. C. Douglas Dillon fits into the picture.

DILLON BACKGROUND

Mr. C. Douglas Dillon, the son of one of the biggest international bankers, Clarence Dillon, was born in 1909 in Geneva, Switzerland, a logical birthplace for one who is to specialize in the handling of foreign securities. This gentleman graduated from Groton in 1927 and from Harvard in 1931. He was immediately given a seat on the New York Stock Exchange, just about the time of his 22d birthday. After 5 years on the New York Stock Exchange, Mr. C. Douglas Dillon then became a director of the United States Foreign Securities Corp. and the United States International Securities Corp. At the age of 27, he was in charge of bigtime financial dealings around the world involving these investment companies. Vast numbers of people have been known to go broke buying foreign securities. Not so with Mr. Dillon. His record is that of one of the insiders who was able to make vast profits even though large numbers of people were known to have lost everything they invested in such securities.

In 1938 Mr. Dillon had become vice president and director of Dillon, Read & Co., Inc., one of the largest Wall Street investment banking firms, organized by his father. Members of this firm have played prominent parts in putting over international deals which have tended to divert the wealth of this Nation into foreign hands.

In 1946, at the age of 37, Mr. Dillon became chairman of the board of Dillon, Read & Co. In 1952, he was chairman of the Citizens for Eisenhower Committee of the State of New Jersey. This political activity, plus his contribution of $36,000 to the Republican Party, earned him the position of Ambassador to France, which commenced his public service. He served from 1953 to 1957 as Ambassador to France.

In 1957, Mr. Dillon came back to the United States—then at the age of 48—to become U.S. Alternate Governor of the International Monetary Fund and the International Bank for Reconstruction and Development.

In 1958 he became the Under Secretary of State for Economic Affairs, thereby placing himself in position to oversee and supervise the entire economic foreign aid program. This put him in position to pass upon all of the international deals classified under the fraudulent name of defense support and all other economic aid and technical assistance to all the foreign nations of the earth to whom the United States was dispensing its resources. Lest there be any doubt that Mr. Dillon is the man who really runs our foreign aid program, I will quote from the testimony of Mr. Leonard Saccio, the Acting Director of the International Cooperation Administration. This information is from an executive session of the Foreign Relations Committee and the transcript of the hearings is marked "Secret," but I am sure there is no objection to my quoting this brief paragraph which certainly does not have any bearing on our security.

Mr. SACCIO. The system today is that Mr. Dillon, the Under Secretary of State, is the person who really coordinates and supervises the program, both as operated by the Defense Department in military assistance, and by ICA in defense support and other economic programs.

Is it any wonder that we find ourselves confronted with deals to permit this Nation to be short-changed in the international handling of our foreign aid money? What else would one expect when he places a Wall Street tycoon in charge of handling the program?

With that background, it is easier to understand the kind of things that Mr. Dillon has recommended. In the first place, he recommended this deal to pay off the Greek national debt at the expense of the American taxpayer. This type thing had been done before. It was uncovered by Congress and outlawed by a specific act of Congress in 1953, because it encouraged fiscal irresponsibility on the part of other governments who figured we would bail them out no matter how far they went in debt. Such an act does not stop Mr. Dillon. When he is requested to give ideas of how we could more effectively use our foreign aid money, he comes in testifying for just such a proposal.

Mr. President, I call to the attention of the Senate the fact that from 1949 through 1952, a grand total of $2,583,300,000 worth of counterpart currencies were used to retire the national debts of other countries. In six countries this took place, while the national debt of the United States is greater than that of all the rest of the other countries of the world combined. If there is any place where American dollars should be used to reduce the national debt, why not apply some of it right here in the good old United States of America?

I do not lay this at Mr. Dillon's doorstep, but it nevertheless is true that in 1957, without more than a handful of Members of Congress knowing about the matter, an amendment was slipped into the foreign aid bill to permit another $115 million of counterpart funds derived from America to be applied against the Greek national debt, notwithstanding the fact that this had been outlawed in 1953. There would have been objection—certainly by this Senator—if all Senators had known about it.

Another reason for my objection to Mr. Dillon is that the handling of our commodities under Public Law 480 has degenerated into such a loose transaction that the best testimony we are able to get on the subject indicates that we will be lucky if we get any value whatever for the currencies thus generated.

Under Public Law 480 we sell surplus agricultural commodities to foreign countries for their currency. We, in turn, lend this money back to them for desirable projects to aid their economic development. We do not expect to be paid back in dollars for these loans, but we do expect to be paid back in local currency.

MAINTENANCE-OF-VALUE PROVISIONS

One of the few things which could be said in favor of lending money for so-called soft currencies was that there had been worked out a maintenance-of-value arrangement so that we would not lose due to inflation or currency reforms in other countries. Foreign nations have agreed to pay, in their own currency, the real value of our original loan even though their currency may depreciate in value. In view of the tendency of many foreign nations to crank up the printing press and run off vast amounts of additional currency every time the government finds itself in economic difficulties, thereby squeezing the value out of the existing currency, this maintenance-of-value arrangement was a practical way of assuring that the vast

holdings of foreign currency by the U.S. Government will retain their buying power.

In recent years, procedure has been dispensed with by the State Department wherever possible. Mr. Dillon, in his responsibility as Deputy Under Secretary of State for Economic Affairs, has played his part in dispensing with the maintenance-of-value arrangement in these contracts for the sale of surplus commodities. His testimony before the Committee on Foreign Relations, on the same day that he recommended paying off the Greek debt with our foreign aid money, also set out that this nation should provide legislatively for removing some of the few remaining guarantees of maintenance of value in the payment of soft currency to the U.S. Government. I asked Mr. Dillon:

Did you recommend that the maintenance-of-value clause be dispensed with in regard to the Public Law 480 transaction?

His answer was: "Yes."

In other words, he would not even ask that we get back in foreign currency the full value of our loans.

Under the arrangement, one more large door is to be left open whereby this nation can be skinned and cheated in the foreign aid program, contrary to the best interests of foreign people as well as the people of this nation.

EMPTYING FORT KNOX

Furthermore, Mr. President, the present Acting Under Secretary of State, Mr. Dillon, has not shown the least concern for the fact that the foreign holdings of American dollars in trade now puts them in position to practically empty Fort Knox.

When we look back to the end of World War II, we see that this Nation had about $24 billion in Fort Knox, subject to about $6 billion of foreign holdings, leaving us almost $18 billion of gold which we could call our own. Starting in 1948, under the guise that it was necessary to close the dollar gap and get rid of foreign holdings abroad, the Marshall plan was put into full operation. Thereafter, the nations of Europe accumulated dollar holdings every year. This was done at the rate of more than $1 billion a year until now the foreign holdings of American dollars are more than $18 billion, against which somewhat in excess of $20 billion is buried at Fort Knox. Thus, we only have about $2 billion of American gold that can be called our own in view of the fact that foreign nations, unlike American citizens, are entitled to demand payment in gold for American dollars and credits.

Mr. President, to protect this drain on our gold, it might be desirable to negotiate agreements whereby we could pay some of these foreign dollar and gold drains with some of our foreign currency holdings.

This type of thing does not seem to concern Mr. Dillon. It does not worry him at all. He takes the attitude that when the Nation runs out of gold, we can resort to something else for international payments.

Once again, let me refer to the hearings before the Committee on Foreign Relations on May 4. I shall ask unanimous consent to have certain parts of the transcript of the hearings printed at the conclusion of my remarks.

The gist of the material which I shall ask to have printed in the RECORD is simply that Mr. Dillon is not the least bit concerned with the fact that the U.S. Government has considerably less than $3 billion worth of gold stocks that we can call our own. The fact that our holdings of gold stocks have declined rapidly in recent years is of no concern to the man who heads our economic foreign aid program.

That is the attitude that one might expect from the former chairman of the board of Dillon, Read & Co., the former President of the United States & Foreign Securities Corp. and the former president of the United States & International Securities Corp. Such a person, coming from the background of one in position to make a fortune in short order dabbling with such transactions on a worldwide basis, would naturally take the attitude that America does not require gold in order to trade.

The fact that we are emptying Fort Knox in the foreign aid program does not worry those who are making vast amounts of money out of it. Their attitude could be that once America runs out of gold we can simply work harder and begin to replenish our Treasury. Meanwhile, these persons can be expected to make vast amounts of money in the type of dealings to which I have referred.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LONG. I yield, with the understanding that I do not lose my right to the floor.

Mr. LANGER. Does not the Senator from Louisiana believe, in view of the great importance of his speech, that the Senate ought to recess until tomorrow, so that the entire Senate can have the benefit of what I consider to be one of the most important speeches ever made on the floor?

Mr. LONG. The Senator from North Dakota is most gracious and most kind to make such a suggestion. I have presumed to request a considerable delay of the Senate to act on this nomination in order to make this speech. I do not feel that I could impose upon the kindness of the majority leader and the rest of the leadership of the Senate to request that the Senate delay further.

Mr. LANGER. I am a member of the Committee on Foreign Relations. Unfortunately, I was unable to be present during all the time Mr. Dillon was being examined. I simply wish to say that I was not aware of some of the testimony which has been quoted by the Senator from Louisiana.

I want the RECORD to show that I intend to vote against the nomination of Mr. Dillon.

Mr. LONG. I am delighted to hear the Senator from North Dakota make that statement. In my judgment, if the distinguished senior Senator from North Dakota had known as much about this matter as I was attempting to dig up and make available to him, I would have guessed that he would have formed exactly that opinion.

Mr. LANGER. The Senator may remember that at that time the Senate was very busy. Three or four committees were holding meetings simultaneously.

Mr. LONG. In all justice to the great and able senior Senator from North Dakota, I may say that I went to the meeting of the committee which was considering the nomination of Mr. Dillon and was completely prepared to vote for him. But when I heard his proposal about paying off the Greek national debt with our foreign aid money—which is against the law as it is today—and heard the same man suggest deals whereby the United States could be skinned and cheated all over the world, without the foreign people even being benefited, I felt that I should look into the matter and present the facts to the Senate.

I felt I should show that this is the kind of matter which is responsible for the failure of the United States to overcome communism, and that we seem to be making as many enemies as we are friends, with the many billions of dollars we are spending in foreign aid.

I would have been prepared to vote for the confirmation of the nomination of Mr. Dillon if I had never heard him testify. But what seemed to impress some persons favorably caused the junior Senator from Louisiana to conclude that although Mr. Dillon is a fine man personally—I am certain he is; I have nothing personal whatever against the gentleman—if this is the kind of policy he advocates, then, in my judgment, the presence of such a man in the position to which Mr. Dillon has been nominated would constitute another reason why the United States is failing to overcome communism throughout the world. We are spending fantastic amounts but do not seem to be getting results.

I believe the explanation is simple, when we see that we are not putting the right persons in charge of the program.

I thank the Senator from North Dakota.

OUR GOLD RETIRES DEBTS OF OTHER NATIONS

I have prepared a table which throws some very interesting light upon the relationship between the use of counterpart funds to retire the national debts of other countries and the gold and dollar holdings of the same countries. Denmark, for example, has dollar claims against the U.S. Treasury of $129,100,000. We have allowed Denmark to use $130,100,000 for the retirement of her national debt. The United Kingdom had a dollar balance of approximately $1,069,000,000 on December 31, 1958. It is conservatively estimated that her dollar holdings have increased at least $200 million since that time, which would give her a dollar balance of approximately $1,269,000,000. We have allowed the United Kingdom to use $1,706,700,000 of counterpart funds for debt retirement.

The six countries of Austria, Denmark, France, the Netherlands, Norway, and the United Kingdom have dollar claims against the United States of approximately $2,751,400,000. We have allowed the same countries to use $2,583,300,000 of counterpart funds to retire their national debts. Mr. Dillon is now proposing that we allow the Greek Government

to use more counterpart funds to retire the Greek national debt. We have already let the Greeks use $114,500,000 of this money for purposes of debt retirement, while the Greek dollar claims against our Government at this time are $131,900,000.

Mind you, Mr. President, the United Kingdom is entitled to call on us at any time for gold in the approximate amount of $1,269 million.

The table or chart which I have prepared sets forth that matter in as much detail as we could provide on short notice. From an examination of the table, we see that today France is in a position to call upon the United States for gold and dollar claims in the amount of $544 million. Of course, the United States was told that France would never be able to repay the loans which our country made to France. That is why we now regard those amounts as gifts, rather than as loans. And now there is the prospect that France will tell us that we must remove the forces we have in that country. Of course there is no means by which we can prevent France from calling upon our country to pay to her the $544 million in gold. France can have that amount in gold whenever she wishes to have it.

Likewise, Mr. President, from the table we learn that Denmark has gold and dollar claims on the United States Treasury—payable in gold whenever Denmark wishes to have the gold—in the amount of $129,100,000. Similarly, the Netherlands have such claims on the United States Treasury in the amount of $349 million; Norway has such claims on our Treasury in the total amount of $250,300,000. Of course Norway has done fairly well; she can call at any time on our country to pay her the $250,300,000 in gold; and Norway also has had $292,700,000 of these counterpart funds used for the retirement of her national debt.

Mr. President, I ask unanimous consent to have the table to which I have referred printed at this point in the RECORD. I think the attention of the Senate and of the people of the United States should be drawn to these facts. The table shows, in the first column, the amounts of counterpart funds used for the retirement of the national debts of various countries. The total, as of June 30, 1956, for the six countries listed, is $2,583,300,000. The table also shows a total of $2,951,400,000 of gold and dollar claims by the same countries on the United States Treasury.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Country	Counterpart funds used for debt retirement (total, June 30, 1956)	Gold and dollar claims on the U.S. Treasury (latest available figures)
Austria	$85,000,000	$410,000,000
Denmark	130,100,000	129,100,000
France	171,400,000	544,000,000
Netherlands	197,400,000	349,000,000
Norway	292,700,000	250,300,000
United Kingdom	1,706,700,000	[1] 1,269,000,000
Total	2,583,300,000	2,951,400,000

[1] Approximate.

Mr. ANDERSON. Mr. President, has the Senator from Louisiana made plain whether the figures to which he has just referred appear as a part of the text of his prepared statement?

Mr. LONG. The chart to which I have referred is not included in the prepared text which I have made available to Senators; it is an insertion. I hope the Senator from New Mexico will examine the table in the RECORD, tomorrow, for it is most enlightening.

I may say that such transactions are now against the law. Unless Mr. Dillon and his group are able to overcome the 1953 law, it will prevent the resort to such transactions in the future.

Mr. ANDERSON. I think this matter is very important. There seems to be some sort of balance between the amounts of the counterpart funds used to retire the national debts of some of these countries and the amounts of their gold and dollar claims on the U.S. Treasury—or, we may say, the gold in storage at Fort Knox.

Mr. LONG. Greece is not included in the list, but I would like to point out that we have already allowed the Greek Government to use $114,500,000 of this money for purposes of debt retirement while the Greek dollar claims against our Government at this time are $131,900,000. This list does include Denmark, France, Norway, the United Kingdom—a total of six countries. The United States has applied to the retirement of the national debts of those countries a total of almost $2,600 million of the foreign-aid dollars we have sent to them; and the same countries have gold and dollar claims on our Treasury in the total amount of $2,951,400,000—which claims they are entitled to obtain in gold on their demand—at any time. Our country cannot ask them to return to us any of the $2,583,300,000; it is gone. Not only is it gone; but the people of those countries did not know their governments received it, and did not know it was given by the people of the United States in an effort to be of aid and assistance to the people of those countries. In fact, Mr. President, I will wager that even the Senator from New Mexico [Mr. ANDERSON] did not know that the United States gave that money to those countries.

Mr. ANDERSON. Mr. President, the Senator from Louisiana will not win such a wager with me, because I will not make such a wager. Certainly I did not know that, and I have never said I did. I can only point out to the Senator from Louisiana that if such a question had been included in a quiz program, it certainly would have stumped the panel.

Mr. LONG. I thank the Senator from New Mexico.

Mr. BUSH. Mr. President, will the Senator from Louisiana yield for a question?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Louisiana yield to the Senator from Connecticut?

Mr. LONG. I yield.

Mr. BUSH. Does the table to which the Senator from Louisiana has referred show over what period of years the payments referred to were made?

Mr. LONG. The total for the counterpart funds used for debt retirement is from Marshall plan days until June 30, 1956. Let me say that in this instance my objection to confirmation of the nomination of Mr. Dillon is that although such transactions were outlawed by the Congress in 1953, he is trying to get the law changed, so that such transactions can be engaged in all over again; and that applies to the making of these little arrangements to maintain the value of the currencies of these foreign countries and to keep us from being cheated. Frankly, what I object to is not so much the matter of cheating the American people as it is the matter of cheating the people we are trying to help. Frankly, it seems to me that it is perfectly obvious that if the people we are trying to aid continue to be cheated in such fashion, the American people will inevitably reach the conclusion that all our foreign-aid attempts must be stopped, and they will so state in no uncertain terms.

In this connection, let me refer to Representative SAUND, who was born in India, and later came to the United States, settled in California, now is a Member of the House of Representatives from the State of California. He said he was going to visit India as a living demonstration that a man of dark skin can be elected to the U.S. Congress. He said he was going to speak to the people there in their own language. The Senator from Arkansas [Mr. FULBRIGHT] has had printed in the RECORD his recommendations, based on Representative SAUND'S recommendations and conclusions. Mr. SAUND said that the people in the region in which he was born and reared feel that the whole program is corrupt; and he said that unless the program is changed, so that the people in the countries we are trying to aid will receive some benefit from it, we had better abandon the program, because today it is doing more harm than good.

INTERNATIONAL BANKING PROFITS

Mr. President, I have not said that Mr. Dillon is making money out of these foreign transactions which are all but bankrupting the U.S. Government. Nevertheless, it stands to reason that Dillon, Read & Co., as well as the United States & Foreign Securities Corp. and the United States & International Securities Corp., might be making more profits than they have made in a long period of time. These concerns deal in international finance, and these are the heydays for such groups.

In view of the fact that these corporations deal on a worldwide basis, there are a number of places where their transactions are not even subject to any sort of U.S. supervision or investigation.

For example, Senators know that banks in Switzerland do business in such a fashion that any foreign dictator, potentate, crook, grafter, or politician can keep his money there without any person on earth being able to find out anything about it.

Every time an effort is made to investigate the foreign aid program, there is

always a guarantee that the person investigating it is one who has been willing to tolerate the sort of mishandling of funds that has occurred since the program was started.

DRAPER WHITEWASH INVESTIGATION

For example, consider the present whitewash investigation that is being commenced. It is called the President's Citizens Panel on Foreign Aid. It is headed by Gen. William H. Draper, a man who has been associated with the foreign aid program down through the years. General Draper is a vice president of Dillon, Read & Co. Mr. C. Douglas Dillon need not have the least bit of worry about General Draper, whose income is derived from the firm established by Mr. C. Douglas Dillon's father, the firm in which Mr. Dillon served as chairman of the board. Mr. C. Douglas Dillon does not need to worry about General Draper's bringing out matters to embarrass Mr. Dillon, in connection with the handling of the foreign aid program; of that, Mr. Dillon can feel confident.

General Draper recently spoke before a U.S. Chamber of Commerce breakfast. At that meeting, he attacked the entire program advocated by the Citizens Foreign Aid Committee, a group which criticizes much of the waste and ineffectiveness in our foreign aid program. This group is composed of such persons as Lt. Gen. George E. Stratemeyer, Gen. Albert Wedemeyer, Gen. Robert E. Wood, and other noted military leaders and businessmen. Members of this committee are not isolationists. Perhaps it would be better to call them realists. Yet, General Draper attacked almost everything they had to say, as if they had no understanding whatsoever of world problems.

The people that he was denouncing on that occasion happen to have included some of the strategic and tactical planners of our victory in World War II. Such men undoubtedly could serve this Nation well again in planning for a worldwide struggle against communism if such a struggle were forced upon us. Yet, these men are denied access to much of the information necessary to make a correct assessment of the value of our foreign aid expenditures, while General Draper, as head of the President's Citizens Panel, has already cost American taxpayers nearly half a million dollars in his whitewash investigation.

PUBLIC KEPT IN IGNORANCE OF FACTS

Prior to the time that the junior Senator from Louisiana came to the Congress, the Foreign Relations Committee was organized in such a fashion that junior members were practically barred from obtaining the information they might desire. The subcommittees of that great committee were reduced to the status of mere consultative subcommittees. They were given no power other than ability to confer with officers of the Department of State.

The junior Senator from Louisiana, for example, is chairman of a Subcommittee on Social and Economic Policies. He is not privileged to name a single member to the Foreign Relations Committee staff.

Mr. President, I am not complaining. No discrimination has been shown. The same practice applies to the other members of the committee. Members of a Senator's office staff are not permitted to listen in to the many closed-door sessions of the Senate Foreign Relations Committee during periods when Senators find it necessary to be elsewhere.

The distinguished Senator from New Mexico [Mr. ANDERSON] is present. He is familiar with the fact that some of us serve on the Finance Committee as well as the Foreign Relations Committee. When the Finance Committee has an important bill before it for consideration, we must be present in that committee. We cannot vote or offer to make motions in the Foreign Relations Committee unless we are present to offer arguments. Yet when we are attending the Finance Committee, we are denied an opportunity to know what is going on in the Foreign Relations Committee.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ANDERSON. The Senator from Kansas [Mr. CARLSON] today announced there was going to be a report of a conference agreement on the insurance tax bill. The Senator from Louisiana sat not very far from the Senator from New Mexico day after day of committee hearings. We could not attend other meetings, because that was an extremely important revenue measure.

Mr. LONG. I am sure the Senator recalls very well that every insurance company in North America, as well as every employee and every salesman of every insurance company, was concerned about that bill.

Mr. ANDERSON. I recall that fact very well.

Mr. LONG. That is the problem. One cannot be in attendance on another committee and know what is going on in the Foreign Relations Committee at the same time.

During the years that I have been a member of the Foreign Relations Committee, it has not been possible for me to have a member of my office staff sit in and hear what happened in the closed door committee meetings at times when I was necessarily absent on the Senate floor, in executive sessions of the Senate Finance Committee, or the Small Business Committee, or meeting with constituents. This was true even when my administrative assistant was a former Foreign Service officer, holding a Reserve commission in our armed services, and classified to handle any sort of Government secret.

It could not be done. If a Senator is not present in the Foreign Relations Committee, he simply cannot get that information.

The taxpayers are never permitted an opportunity to find out what happens to their money. This foreign aid program comes in marked "Confidential" and "Secret." Testimony on it about how much foreign nations are receiving is mostly classified.

Yet we would be fooling ourselves if we did not recognize that foreign nations exchange notes. They mutually trade information to be able to pry more money out of the American taxpayers. While the Russians know how much money is being expended, while most foreign nations are in positions to get the figures, the figures are kept secret from the American taxpayers. There is not much doubt about the reason for all of this secrecy. Much of it relates to the fact that an outraged public would not stand for it if the people knew all of the details about what is being done with their money.

Mr. President, this issue, like a great number of others, is one in which a Senator can do something to resist the wasteful extravagant mismanagement and graft in the foreign aid program, or he can find a thousand excuses for not doing anything. It is like so many other obvious evils in Government—those opposing the evils must fight for years before achieving any result.

NOT ALL RIGHT WITH ME

The Senators who could swing the balance fail to vote for necessary reforms for a number of reasons over a long period of time. Either it is too hot or too cold, the time is not ripe, or the issue is approached in the wrong way. Their excuses remind me of a line from a popular Cole Porter song, "It's the wrong time and the wrong place." The second line of this song is more appropriate to this confirmation: "Though your face is charming, it's the wrong face."

After 11 years of service in this body, I am used to such excuses. The majority of Senators will vote to confirm Mr. Dillon for a myriad of reasons. On the Democratic side of the aisle, Senators will explain their vote in this fashion: "I disagree with Mr. Dillon in a number of respects. However, he is an appointee of the President. He appears to be a decent fellow, a man of moral integrity, a good family man, and, though I differ with his policies, I respect the right of the President to appoint the man of his choice."

The point was made today that Mr. Dillon speaks French, and that that is a good reason for his appointment. Other points will be made.

Other Senators will explain their vote by saying, "My objections are to the way he does things, and not to the man himself." The trouble with all of these excuses is that those who make vast profits out of the foreign-aid program, at the expense of the American taxpayer, are able to do so because they have men of their choice in the places where they want those men to be.

MAN OF PEOPLE SHOULD RUN PROGRAM

Since the day the foreign aid program started, major Wall Street interests have been well represented. When Paul Hoffman, former president of the Studebaker Corp., was in charge of the European Cooperation Administration, which dispensed Marshall plan aid, James Forrestal, a former president of Dillon, Read & Co., was Secretary of Defense.

Averell Harriman is a former Governor of New York and an honorable man, but he is a partner in the Wall Street banking firm of Brown Bros., Harriman & Co., and he was the first head of the

Mutual Security Agency. Now C. Douglas Dillon is running the program.

In spite of exposures of graft, waste, and extravagance, those of us who have opposed the frittering away of taxpayer money have had little success in taking the control of the program from the Wall Street group. We will have little chance of reforming the administration of the program so long as we permit these vested interests to hold key positions.

So long as those who resist reform of the foreign aid program control the management of that program in the State Department, and so long as the sponsors of the program control every commission appointed by the President to investigate the program, and every congressional committee, there is little we can do to make the program more effective. Those of us who seek to rule out and correct the obvious evils of the program are isolated and reduced to little more than voices in the wilderness.

It might be well to note that the new head of the economic aid agency, the ICA, is a Mr. James Riddleberger. He was another participant in the scheme to retire the Greek national debt with funds derived from American foreign aid. When Mr. Riddleberger returns from Greece, where he has been serving as Ambassador, he will assume the overall direction of the economic aid program under Mr. Clarence Douglas Dillon.

Mr. Henry Labouisse had been previously recommended for the job of heading the ICA. Mr. Labouisse had been universally praised for the fine job he did as Director of the United National Relief and Works Administration in handling the Arab refugees. He had demonstrated the ability to make our good intentions understood by unfortunate humanity around the world. I know that Mr. Dillon is one of those who shared that opinion of Mr. Labouisse. However, Mr. Labouisse was refused the job as head of ICA because he had no previous standing with the Republican National Committee. Mr. Meade Alcorn, according to reports, did not feel that Labouisse was a good Republican. He was an independent politically and he had, at one time, even voted for a Democrat for President.

Mr. Labouisse was born in New Orleans, La. So far as I know, I have never had the privilege of meeting him. However, my native State is proud of his origin.

The Labouisse-Riddleberger story sounds very much like the concluding chapter of "The Ugly American." The general theme of that story is that a dedicated young American Ambassador sought to correct the obvious shortcomings and evils of his Embassy. His efforts to do so cost him his job. He was replaced by a loud-mouthed, inept, public-relations man with no feeling for the people of other countries. That sort of political appointee is one of the reasons why we are losing our worldwide struggle to the Communists.

Mr. Labouisse did a fine job handling the Arab refugee problem. Mr. Riddleberger did his best to retire the Greek national debt by heaping it on the backs of the American taxpayers. Mr. Labouisse was retired from public service. Mr. Riddleberger got the job.

I have seen some State Department replies to the book, "The Ugly American." These replies failed completely to recognize that the fundamental criticisms of our foreign aid program were well taken. The No. 1 criticism is that we have the wrong people running our foreign aid program. That is the first lesson which the authors of "The Ugly American" attempt to show us.

FOREIGN AID ON "TRICKLE-DOWN" PLAN

The futility of trying to defeat the Communists on the trickle-down plan is every day more apparent. Yet here we witness again the placing of an entirely inappropriate man in the top position.

Senators may well say, "If you are opposed to Mr. Dillon, whom do you recommend to head our foreign program?"

To that I would reply: "Anyone at all who is able to understand the problems, the attitudes, and the feelings of the little people around the world." There are a good many former Republican governors who could do an admirable job in this position, assuming that Democrats are not be considered. Former governors have at least shown that they could be elected to high office and have not had to rely upon appointments for their high places in public life.

It would seem that Mr. Labouisse might do a good job. In particular, I would like to urge the President to go beyond the small handfull of international bankers and one day name a real man of the people to head the program. Until he does, there will be little evidence of our idealism apparent in our foreign aid. We will continue to be subject to the kind of international extortion whereby we pay a government money for the privilege of maintaining a base where we are supposed to defend the very people who are "shaking us down."

The whole foreign aid program was originally described as a calculated risk. Anyone with intelligence would recognize the possibility that America might be forced to defend itself without the benefit of allies. In such an event, the $100 billion invested in foreign aid might well prove to be a complete waste of resources which, had they been directed to the construction of weapons and bomb shelters, might have supplied the margin of our victory.

When we look at a program which, at best, is a gamble, it is fantastic to see that those who manage it have been failing to take those lesser risks which could have made the program a success.

OUR MONEY SHOULD REACH "THE LITTLE MAN"

We will be better off when this Nation will tell a foreign country that unless that country permits us to use our financial resources for the benefit of the people of that nation, with the opportunity to see that this result is achieved, we will not send that nation any more money or other gifts.

I refer to the type thing which will happen when this Nation will tell corrupt politicians throughout the world that we are not interested in supporting their governments unless their governments demonstrate a genuine interest in their own people. Such a demonstration of ideals and idealism throughout the world would assure us of the support of true believers in democracy throughout the world, which includes most of the human race.

When America starts making such decisions and starts pursuing them with vigor, there will be no more incidents such as the spitting on the Vice President and his wife in Venezuela. We will not find it necessary to call upon the Bolivian Government to muster out the army in order to protect our Embassy in that country. Our U.S. Information Service headquarters will not be the first object of mob attack as has happened so many times.

REVIEW REASONS FOR OPPOSITION

Now, let us review in conclusion some of the reasons why Clarence Douglas Dillon should not be given expanded power in the Department of State, particularly insofar as the direction and control of our foreign aid program is concerned.

First, he has little understanding of the attitude or the point of view of the masses of the people around the world whom we seek to assist. By his own admission, he would urge decisions which would cause our funds to be frittered away in manners where the masses of the people could not see the benefits of the program, if indeed they were benefited at all.

The type transaction involved in his proposal to pay the Greek national debt with money generated from U.S. foreign aid funds is the sort of thing one would expect from a Wall Street tycoon in charge of our foreign aid operations.

The doing away with the maintenance of value arrangements in certain soft currency countries is the type of thing one could expect from one accustomed to making large windfall profits in the handling of foreign securities, where some lose everything and others make handsome profits.

The sort of thing which slips through Congress, such as the 1957 shot-in-the-arm of $115 million to reduce the Greek national debt, and the arrangement to make good the defaulted German bonds at the expense of the American taxpayer, are the things which will continue to slip through Congress—sometimes with our knowing about it and sometimes without us being aware of the import of our decisions—so long as we have men like Mr. Dillon controlling our foreign policy.

Second, Mr. C. Douglas Dillon typifies exactly what the Communists say against us, that our Government is controlled by the international Wall Street tycoons. He happens to be exactly the type of person who they contend is responsible for our policies. From the point of view of Communist propaganda, our enemies could not ask for a more desirable choice. They say Wall Street runs our country; let us not go out of our way to prove them right. If for no other reason than for this one, Mr. Dillon should not be in charge of our foreign aid program.

Third, the manner in which Mr. Dillon administers our program makes pos-

sible the huge profits by political favorites and corrupt heads of governments around the world.

Fourth, under his management, there is little evidence of the altruism and idealism which could make our program a success. Our program will continue to be misunderstood by the average American who is paying the bills, and also by the person abroad whom we seek to help, so long as Wall Street tycoons who believe in the trickle-down philosophy of government continue to supervise the program.

Now, Mr. President, there is little doubt but that the nomination of Clarence Douglas Dillon will be confirmed. Why, then, have I made this determined fight? I have done it because it is my hope that my determined opposition to the Wall Street control of our foreign aid program might eventually result in the management and control of that program being wrested from the hands of the vested interests. Perhaps, the next President will appoint a man who has a way of making the people understand our good intentions. Perhaps, as a result of my opposition to this nomination, the next President will be more reluctant to send another big time Wall Street financier to head our foreign aid program.

If any of these possibilities should result from my objections today, then I will have been richly rewarded for my efforts to bring these facts which I have discussed here to the American people.

Mr. President, I have several exhibits which I should like to insert in the RECORD.

The first is from the hearings before the Senate Foreign Relations Committee on May 4, 1959, and concerns Mr. Dillon's views on our declining gold balances.

The second is an excerpt from the hearings of the Senate Foreign Relations Committee of May 26, 1959, on the nomination of Mr. J. Graham Parsons to be Assistant Secretary of State for Far Eastern Affairs. In the excerpt we are discussing the foreign aid situation in several countries in southeast Asia.

The third exhibit is from the survey of our foreign aid program in southeast Asia by Clement Johnston, Chairman of the Board of the U.S. Chamber of Commerce in 1957. His report is dated March 1957.

Mr. President, I ask unanimous consent that these exhibits be printed at this point in the RECORD.

There being no objection, the exhibits were ordered to be printed in the RECORD, as follows:

EXHIBIT 1

MR. DOUGLAS DILLON'S VIEWS ON OUR DECLINING GOLD BALANCES

(From the Senate Foreign Relations Committee hearings of May 4, 1959)

Senator LONG. Mr. Secretary, I understand that foreign credit against our gold holdings in this country approach or are probably in excess of $17 billion now, would that be correct?

Mr. DILLON. I don't think it is that much.

Senator LONG. I am speaking of foreign dollar gold holdings and credits. Do you have that information? Is it available to you?

Mr. DILLON. I don't have it readily available, but my impression was it was somewhat less than that. We have it here, I think.

Senator LONG. I think it is important to get that figure.

Mr. DILLON. We will have to give you that. We don't have the figure here.

Senator LONG. My impression is that at the time we started out with the Marshall Plan, we had a dollar gap in the world, and countries wanted to import more than they could export to us, and that was much of the logic behind putting so much of this business on a grant basis rather than on a loan basis.

Since that time it has been my impression that every year since 1948, looking at the world as a whole, there has been no dollar gap. Foreign nations have been accumulating American dollar credit at the rate of about a billion a year, and that now we have less than $6 billion that is free of foreign claims.

I would be curious to know if that is somewhere near the facts, or if you could give me what the exact facts are.

Mr. DILLON. Less than $6 billion is free of foreign claims?

Senator LONG. If you take foreign claims for about 17 or 18, maybe more by now, as against I suppose we must have 22 or 23 billion that we hold——

Mr. DILLON. I think the gold holdings are down to about $20 billion.

Senator LONG. My impression was that the net was somewhere less than 6 that we thought was a minimum for our currency. Someone told me awhile back it was as low as 3. But I haven't got the figure and perhaps you have it.

Mr. DILLON. We will provide you with a figure.

Data on U.S. gold reserves

[In millions]

	Mar. 31, 1959
U.S. gold stock [1]	$20,486
Required minimum domestic gold reserve [2]	11,739
	Feb. 28, 1959
U.S. gold stock [1]	$20,520
Liquid dollar holdings of foreign countries and international institutions:	
Short-term dollar holdings	16,606
U.S. Government bonds and notes (December)	1,478
Total	18,084

[1] Includes gold in Exchange Stabilization Fund.

[2] 25 percent of Federal Reserve notes and deposits, plus $156 million held by Treasury as reserve against U.S. notes and Treasury notes of 1890 and $20 million held as reserve against gold certificates (preliminary figure).

Source: Federal Reserve bulletins.

Senator LONG. Well, now, what problems does that create for us when we get down to the point where we don't have the gold available for the legal requirements to protect our currency in this country, and to pay off on these foreign claims?

Mr. DILLON. Well, there is no particular reason why we should feel we always had to have more gold available, substantially more available. The British pound sterling has served as a very sound currency, and it is the basis of more than half of the world's trade for many years, and in the past few years their obligations against sterling have exceeded the amount of gold reserves of the whole sterling area by a very substantial amount, and sterling is still sound, it still continues in the same way a bank does; that is, it does not necessarily have cash on hand to pay off all the deposits all at one time. There is no particular reason to expect that countries which have dollars on deposit here will suddenly want to turn all those dollars into gold. The only reason that would happen if they lose total confidence in the dollar, and in which they thought the dollar was going to be devalued, and I don't think that is probable.

Senator LONG. If there is not enough gold to go around, is there some danger that people might start thinking in terms of asking for their gold?

Mr. DILLON. I don't know exactly——

Senator LONG. It is sort of like a run on the bank when people get the idea that the bank can't pay off.

Mr. DILLON. Well, of course, that has been stopped as far as our own currency is concerned for a long time, because we used to have the right, as citizens, to get gold for our own dollar currency, and now, of course, we can't do that. We have a relatively small amount of legal requirement of gold as against the total currency outstanding, but we don't consider our total currency unsound because of that.

The CHAIRMAN. While you are on that, what is the relation—will the Senator yield?

What is the relation presently between the gold reserve and the outstanding currency in this country?

Mr. DILLON. The exact figures we will have to get you, but the outstanding—I will provide it for this committee—but outstanding currency is larger than the statutory gold reserve. I don't know whether it is larger than the total amount of gold we have.

Data on U.S. gold stock related to currency in circulation

[In millions]

	Feb. 28, 1959
U.S. gold stock [1]	$20,520
Currency in circulation	31,139

[1] Includes gold in Exchange Stabilization Fund.

Source: Federal Reserve Bulletin.

Senator LONG. You say the outstanding figure is larger than the statutory gold reserve.

Mr. DILLON. Statutory, yes.

Senator LONG. My recollection is, offhand, you are supposed to have a certain percentage of gold as against the currency that was issued.

Mr. DILLON. Something of that nature.

Senator LONG. I think it is a 5-to-1 ratio. I forget the exact ratio, but you are supposed to have a certain percentage and the figure we needed was about $6 billion gold to meet the statutory requirements. I imagine that is what you are referring to.

Mr. DILLON. I think I will have to get you those figures. I think we are getting over ahead of what I am prepared to testify on as to exact figures. My guess is that the statutory requirements of the United States for gold reserves run around $12 billion.

Senator CARLSON. Will the Senator yield?

Senator LONG. Just one more and I will be glad to yield.

Go ahead, Senator CARLSON.

Senator CARLSON. Just on this matter, I have before me the hearings of the Committee on Foreign Relations on this bill to amend the Bretton Woods Agreement, and on page 43 it gives U.S. gold stock of monetary gold reserve requirements of foreign liquid dollar holdings, and as of December 1958 the U.S. monetary gold reserve requirement was $12 billion. I happened to have the table here.

Senator LONG. Does that give the holdings plus the foreign dollar holdings? The gold plus foreign dollar holdings?

Senator CARLSON. It is a complete table.

Senator LONG. At that particular time our gold dollar stock, Mr. Secretary, was $20,582 million. Total foreign dollar holdings around $15 billion, and then if you add the international to it, it would mean total liquid dollar holdings outside, I mean total foreign

liquid holdings, $17,632 million. So that is only about $3 billion that is not subject to foreign holdings now.

What I had in mind was that if we get down to the part where foreign holdings exceed our gold stocks, would you recommend that we should declare that this Nation would no longer pay off on its currency in gold internationally?

Mr. DILLON. No, I don't think I would do that. Obviously, it is conceivable that a series of circumstances would arise where any government would be in a position where they couldn't pay off in gold on all their obligations. That happened to the United Kingdom, and it happened to this country in 1933 and 1934. But I don't think that you can set any particular——

Senator LONG. You say it happened in this country, you mean with regard to foreign holdings?

Mr. DILLON. When we went off the gold standard at that time for a period we blocked any changes.

I don't think you can set any particular line and say there is the moment when this is going to happen. Certainly, it would be only at a time when gold movements had assumed the characteristic of a flight from the dollar, which certainly has not been the case so far, and I think that all the experts in the Treasury Department, and the Federal Reserve, will confirm that they do not see any indications of that sort of a flight at the present time.

Senator LONG. I was somewhat hoping that if we ever got into a position where we couldn't pay off that we might be able to persuade some of these countries to accept some of the counterpart of American money they were holding in payment for the gold that is buried at Fort Knox, but if we are going to cancel out great portions of our counterpart, and I understand this is foreign held counterpart which is on a somewhat different basis, if we are going to do very much canceling out of our counterpart holdings, I am afraid we can't ever use it for this purpose.

EXHIBIT 2

EXCERPT FROM THE HEARINGS OF THE SENATE FOREIGN RELATIONS COMMITTEE OF MAY 26, 1959, ON THE NOMINATION OF MR. J. GRAHAM PARSONS TO BE ASSISTANT SECRETARY OF STATE FOR FAR EAST AFFAIRS, CONCERNING OUR FOREIGN AID PROGRAM IN SOUTHEAST ASIA

The CHAIRMAN (Senator FULBRIGHT). Mr. Parsons, yesterday a very well-known Congressman called upon me and said he felt that our position in southeast Asia, in such countries as Indonesia, Vietnam, Cambodia, Burma, and other places was very precarious and that our policies with regard to military aid and the way we have conducted our whole system of programs was contributing to our unpopularity and the undermining of our influence there.

He said in the popular mind, we are identified with militarism and corruption.

This morning, I have a letter just handed to me a moment ago, sent to one of the members of this committee from a man from that area, and I will read you one paragraph. It happens that I agree with what I was told yesterday by this Congressman who, as a matter of fact, is from that general area.

"By the press and radio, I heard that President Eisenhower insists on giving aid to South Vietnam in order to help us fight the Communists. In fact, we badly need your aid and are very grateful for the U.S. aid for what it has done and will do for us, but we wish your money given so generously would be spent for the good of our poor country; for its efficient defense and not for the prosperity of our President, his family, and his men.

"It is admitted that U.S. officials sent here rarely live in the country for long in order to have enough time to know our country and countrymen.

"Besides, they generally know other government employees and high officials who, in their immediate interest, give a false picture of the situation of the country.

"Perhaps to my humble opinion it is better that the Allies, the Americans, the British, and the French have a common action here. Each bring his own experience for making a country able to survive the present world crisis."

Now, the Congressman yesterday, who is an Indian but is an American now and who I consider a very fine man, in a sense confirmed this, that we haven't and are not achieving our purpose; not that he questions our motives or purposes, but we are not going about this in an effective way.

There is an overemphasis on the military and a lack of understanding of the people, making them believe we are not interested in them but only in preserving the status quo.

Do you have any comment on that?

Mr. PARSONS. Mr. Chairman, I would say at the outset if it were true that it was the general feeling in Southeast Asia that the United States merely took a militaristic and negative, narrow view of the crisis in the world today and were not interested in the peoples of southeast Asia for their own sake and in doing what we could within our capabilities to set them on the path to self-respecting progress, economically, socially, and so on, then I would, indeed, be very seriously disturbed.

I recognize that there are responsible people who hold views that perhaps go nearly that far. I think it is a continuing concern which we should have in the Department to try and demonstrate to these peoples that we are interested in them as, indeed, we are interested in them.

I do not agree that our position is as precarious in all of these countries as the other gentleman you referred to apparently feels.

I also notice that our problem in many of these countries is how to deal with the request of their governments for more aid, both military and otherwise, and, of course, that is true even of countries which are not formally associated with us in any alliance and which follow very self-consciously, the policy of complete neutrality and independence.

I am thinking of Indonesia at the moment where the interest is in acquiring military equipment from the United States and from other free world countries and where upward of 400 and 500 officers of their army have been trained in the United States, and, so far as I am aware they are very proud of their knowledge of the United States and of the effectiveness of the training which they have received.

I don't wish to belabor this subject too long, Mr. Chairman, but I would be prepared to give other instances in support of that view if it is your desire.

Senator LONG. Would it surprise you to know that a responsible person in charge of our Public Law 480 program told some of us on this committee that some of these heads of foreign governments into which we were selling our agricultural commodities seemed to be taking the attitude that if we insist, that is insist that the currency generated be used for the benefit of their people, that they wouldn't be interested in taking the commodities?

Mr. PARSONS. If I understood the first part of your question, Senator, it would surprise me.

Senator LONG. Well, frankly, it surprised me. It surprised me so much that although the statement was made off the record, I went back into the office and made a memorandum of it while my memory was fresh because I thought it was rather shocking, but I would assume that statement would include some of these Far Eastern countries, Southeast Asia, to which you have been and have some familiarity.

Mr. PARSONS. If it does apply to any government leaders of those countries, I would think that those particular leaders were very much the exception rather than the rule.

Senator LONG. What is your attitude toward this government actually using our foreign aid to make some of that aid get down to some of those poor people?

For instance, take the attitude of some of those heads of state. If they are going to talk about sovereignty and so on, and where it doesn't benefit their own people, we won't just give them the money.

What do you think of foreign aid in that respect, making that kind of decision?

Mr. PARSONS. Senator, if I understand your question, I certainly agree with the objective that our aid must be utilized for things that will benefit the peoples of those countries and provide a basis for their national life.

The way in which we use the aid program as a device to bring pressure is a very delicate matter, and I think each particular case or problem of this kind has to be judged on the basis of the particular situation, also on the basis of the kind of personal relationship which the Ambassador or the Mission Director has been able to establish with individuals in the Foreign Service.

If there are people in power so callous and of such a self-seeking nature as the one which the gentleman apparently had in mind, whatever the country was——

Senator LONG. I am sure he had in mind one or two more, but I imagine he had a problem to which he was referring.

Mr. PARSONS. In dealing with a person like that, I wouldn't be inclined to be too tender nor would I think his own people or his own associates would be too tender with him very long either, because I think all of the governments in those new and undeveloped and rather weak countries are quite conscious of the fact that they've got to show some progress; they've got to show that their countries are getting ahead, at least at a reasonable rate, or otherwise their people are not going to be satisfied with the kind of government they are providing.

Senator LONG. You are a Foreign Service professional who has come up from the ranks; I see it in your background. You have worked up from the lower positions to the top echelon of the State Department. I imagine that your objective is pretty much the same as mine on what we would like to see and the question is whether we are going to get there the way we are now going. That is what concerns me more than any other cycle of our foreign aid program.

You served in Laos as Ambassador from 1956 to 1958. During that period of time we were sending in foreign aid under the heading of defense support. I think it is a misleading term. It should just be called economic aid. Does that seem more logical to you that it should be called economic grants to a foreign government?

Mr. PARSONS. I would agree that defense support may not be the best name for it, but I also would feel that economic aid is not the best name for it because it is defense support.

Senator LONG. Well, it is aid of an economic nature, isn't it?

Mr. PARSONS. It is aid of a nature to keep an economy from deteriorating further and while enabling the country to maintain the military forces that it appears necessary to maintain.

Senator LONG. That aid was sent in terms of commodities in the main, was it not? Would that be correct?

Mr. PARSONS. To Laos at that time?

Senator LONG. Yes, 1956 to 1958 while you were Ambassador there.

Mr. PARSONS. Not directly. A large part of the aid was in the form of cash grants.

Senator LONG. Dollars?

Mr. PARSONS. Dollars which generated counterparts in order to pay the army and maintain the military establishment.

Senator LONG. Who handled those dollars?

Mr. PARSONS. They were turned over by the Director of ICA to the government of Laos which in turn deposited them in the national bank.

Senator LONG. Of Laos?

Mr. PARSONS. Yes; they were then converted into kip, the local currency.

Senator LONG. At what exchange rate?

Mr. PARSONS. At the then legal rate which was 35 kip to the dollar. The kip were then expended and put into circulation in the country.

Senator LONG. How do the merchants handle that transaction?

Mr. PARSONS. The merchants only came into the picture at such time as they propose to import goods from the outside.

Senator LONG. What is the present exchange rate of kip for dollars?

Mr. PARSONS. It's 80 to 1. That is the legal rate at the present time.

Senator LONG. I was told back during that period of time that 80 or 100 to 1 would have been a much more realistic exchange rate.

Would that be in accord with your experience at that time?

Mr. PARSONS. Yes, the short answer is "Yes." The exchange rate deteriorated during the period that I was there for reasons which I could detail; one of them being concern for the future of the country on account of certain negotiations that were going on.

Senator LONG. Well, here's the way we got it back here, witnesses from the area, witnesses from the chamber of commerce who served over there during the war and went back to see what the situation was.

We got this about Vietnam, but the same thing was true we were told as far as Laos was concerned, but perhaps not in the same detailed way, that these local currencies were worth about 1 cent to the dollar. They were pegged about 30 to the dollar, and that the handling of defense support which ran into large amounts of money, and would there be any objection to me stating what it was for Laos—is that supposed to be a classified figure? Let's say it ran somewhere less, but not much less than $50 million a year for that one country, with a population of about 1.5 million.

Mr. PARSONS. There has never been a census. We usually accept it at 2 million or a little more.

Senator LONG. There was a small country, low per capita income, and let's say something short of $50 million a year going in there, but on the taking of the currency, we were losing two-thirds of that money. Out of $50 million a year we were losing, let's say, $33 million to whoever was handling that transaction.

It wasn't you; I know that because you would be in the penitentiary if you were doing it in this Government, but somebody was doing it in that government, and it took us from that time, the time we started that program up to when we got this situation corrected and to get this exchange ratio of 80 to 1.

How long did it take us, do you recall?

Mr. PARSONS. The first recommendations which the mission director and I made were as far back as late September or early October of 1956.

At that time the spread between the official rate and the free rate in Bangkok and Hong Kong was such that they considered it was impossible to hold the line by control measures.

The actual decision of the Laos Government to accomplish what they called monetary reform—it had other features besides just devaluation—occurred about October of last year, and so it was nearly 2 years before.

Senator LONG. It didn't take you long to recommend that change be made, I take it. You were there at what time?

Mr. PARSONS. I arrived there July 31, 1956, or around there.

Senator LONG. It took you about 3 months to recommend that that reform should be put into effect.

Mr. PARSONS. Yes, sir, that is about right.

Senator LONG. The Congressman made a statement that in that country, in handling the medical supplies, the medical department licensed only one person to handle the medical supplies, and that was the medical director's wife. Is that correct?

Mr. PARSONS. No, sir; that testimony is incorrect. There were other firms that handled pharmaceuticals. Not all pharmaceuticals were handled with money from the U.S. foreign aid.

Senator LONG. What percentage was handled by the wife of the health commisioner, those medical supplies?

Mr. PARSONS. It would only be a guess, but I would think it certainly was way under 30 percent or so. I really don't know, but while that was on the larger of the little firms in that country that did this, it was by no means the only one.

Senator LONG. I don't know whether he was relating it to Laos, but in some cases he says we have been overcharged by as much as 1,000 percent in some commodities.

Do you know of any transactions of that sort?

Mr. PARSONS. Does this refer to the price at which pharmaceuticals were sold to the consumer?

Senator LONG. I am not specifying pharmaceuticals, but he said there were instances where he could produce evidence that we had been overcharged as much as 1,000 percent.

I was wondering if you had any information as to where we have been overcharged in our aid program in that country or in one adjoining.

Mr. PARSONS. I can't think of any such instances where the United States paid an overcharge of 1,000 percent either knowingly or unknowingly.

Certainly in procurement in the country we were discussing, in Laos, there is very little procurement within the country.

Senator LONG. The point I had in mind here is that I am very much concerned about this Nation taking a position in foreign policy that we will support these governments even when they will not permit that money to seep on through to their own people.

I don't believe in the trickle down theory anyway, but if you are going to try to do it, somebody ought to be sure that this does trickle down to the people and I was trying to get your views on the extent to which we should go in dealing with these governments in giving firm evidence of our ideals and idealism in this program and showing that we want to help the people; showing that we are on their side and not on the side of the dictator or politician.

How far do you think we should go in saying to these governments that the money won't come to you unless you use it for the benefit of your people.

Mr. PARSONS. I think in most instances they fully agree that it should be used for the benefit of the people which often is saying for a constructive, national purpose.

If you build a road, it does go directly to the people insofar as you pay labor and supplies.

Senator LONG. You know the people aren't getting much when they out-trade you three to one and when you send in the $50 million. There is no great return.

Mr. PARSONS. I can assure you that one of the reasons why I recommended and why we made the effort to persuade the Laos Government that it was in its interest to suggest a change in its exchange rate and so on, was because we wanted to eliminate the incentive for that very kind of thing.

I can't think of anything that is a more jealously guarded prerogative of sovereignty than the right to set the value of your money. Devaluation imposed from the outside is an invasion of a foreign government's sovereignty, so this is a highly delicate matter.

Senator LONG. Well, I have visited Southeast Asia. I have heard legislatures talk in those countries, not in that particular country but not too far from it, and their recommendation was that we not give their legislature any money until they let us see that the money was used the way it was intended to be used.

Does that square with your philosophy, that you ought to see the way it is used, the way it is intended to be used?

Mr. PARSONS. I think you ought to have a right to see that. The question is whether it is in our interest to put that "or else" proposition to a country situation such as Laos was situated at that time.

It was the only country in the free world at that time where Communists and non-Communists were actually shooting at each other in the two northern provinces which were under the control of the Communists.

It was in a very precarious situation as regards the preservation of its independence. It was completely dependent on the maintenance of the Army.

Senator LONG. But the person on the side of democracy, it wouldn't appear that you would have to make him rich or to take foreign aid in order to get him away from the Communists, should it? Usually those kind of people can't go to communism either.

Mr. PARSONS. I don't think there is any element of making them rich in order to get them to do certain things.

Senator LONG. But haven't some insisted on getting rich during the course of it?

Mr. PARSONS. I think there are people who always would like to get rich if they find the opportunity to do so, even people in public life.

Senator LONG. My only point here is that one nation during this time you served, which, by failure to implement your recommendations, could very well have lost about $66 million in 2 years of this defense support money as far as the effectiveness of it is concerned.

Your recommendation was being vetoed here in Washington during that period of time. That is what our witness down there came back and told us.

Mr. PARSONS. No, sir; I wouldn't want to place the blame on Washington that way.

Senator LONG. You recommended it and it took them 2 years to agree with it. Let's leave it that way.

Mr. PARSONS. Let's say the first recommendation I made wasn't the right one. There are various ways of doing these things and it takes some time to work out a position in a highly delicate and complicated matter of this kind.

I tried, with several recommendations.

Senator LONG. You are going to move up to Assistant Secretary of State for Far Eastern Affairs. You will perhaps have the opportunity to comment on the bill that was just introduced requiring that this Nation should, as part of its foreign policy, and in its agreements with others, make those people available for trial in an international tribunal, for crimes against their own people.

I hope in some measure that will show our sincerity to help the people rather than the politicians with this aid program.

Thank you.

EXHIBIT 3

EXCERPTS FROM SURVEY NO. 7, SOUTHEAST ASIA (VIETNAM, THAILAND, CAMBODIA, LAOS, BURMA, AND INDONESIA) BY CLEMENT JOHNSTON, CHAIRMAN OF THE BOARD, U.S. CHAMBER OF COMMERCE, MARCH 1957

Action needed: There is one situation requiring prompt action and immediate correction. Conditions which existed at the time may have justified the U.S. decision to support the currencies of Vietnam, Laos, and Cambodia at the arbitrary rate of 35 piasters or other local currency to the dollar. Today that figure is utterly unrealistic, as becomes apparent when we examine the need for monetary reform in Vietnam. The added and unnecessary cost to the U.S. taxpayer is approximately $20 million a month. This money is not going into public treasuries; it is going into private pockets. Of even more importance, the faith of the newly freed people of the area in the integrity of democratic government is being shaken by the spectacle of the undeserved enrichment of a favored group.

* * * * *

The result has been a mounting monetary inflation. In the past 2 years prices have risen in Vietnam by about 30 percent. For various reasons the value of the piaster in international markets has deteriorated even more. The contrast between the official rate of 35 piasters to the dollar and the official free market rate of 75 piasters to the dollar is overshadowed by the local black market rate and Hong Kong parallel market rate of 100 to 120 piasters to a dollar, rates which have increased by at least one-third since the campaign against foreign business interests began. This inflationary situation is seriously distorting the economy. Large windfall profits are being made by importers and merchants importing at a 35-piaster rate and selling on a 75 or 100 general market rate. To counter rising prices, controls and police actions are applied. This, in turn, demoralizes the business community. U.S. aid cannot bring any real and lasting benefits to Vietnam, Laos, or Cambodia as long as the false values of inflation are diverting resources to uneconomic ends.

Mr. BUSH. Mr. President, I have listened to all the speech of the distinguished Senator from Louisiana. I also listened to the remarks of the distinguished chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT]. I feel that the comments of the Senator from Arkansas this afternoon virtually demolished the argument of the Senator from Louisiana before he made the argument. I believe the 16-to-1 vote of the Committee on Foreign Relations is satisfactory evidence, in advance, of the demolition of the argument.

However, Mr. President, I feel the speech of the Senator from Louisiana is so full of damaging innuendoes, and inaccuracies as well, that although one would say it hardly needs any rebuttal nevertheless there are inferences to be drawn from the speech—that Mr. Dillon is connected with graft, waste, and extravagance—which must be resented and must be commented upon.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. BUSH. Mr. President, I will yield after I finish my remarks.

It so happens that I know this nominee. I have known him for many years, and I am offended by the inferences to which I refer. I can assure the Senate that we could hardly find a man of higher principle, more dedicated to duty, or more competent to discharge the particular duties which have fallen to his lot.

I believe that the distinguished record he has made as our Ambassador to France and as Assistant Secretary and Under Secretary for Economic Affairs justifies the very high opinion in which he is held on Capitol Hill, and among people wherever he is known, with the possible exception of the distinguished Senator from Louisiana and a very few others.

The Senator from Louisiana said in his speech:

Since the day the foreign aid program started, major Wall Street interests have been well represented. When Paul Hoffman, former president of the Studebaker Corp., was in charge of the European Cooperation Administration, which dispensed Marshall plan aid, James Forrestal, a former president of Dillon, Read & Co., was Secretary of Defense. Averell Harriman is a former Governor of New York and an honorable man, but he is a partner of the Wall Street banking firm of Brown Bros., Harriman & Co., was the first head of the Mutual Security Agency. Now C. Douglas Dillon is running the program.

In spite of exposures of graft, waste, and extravagance, those of us who have opposed the frittering away of taxpayer money have had little success in taking the control of the program from the Wall Street group. We will have little chance of reforming the administration of the program so long as we permit these vested interests to hold key positions.

I consider that an innuendo which is highly inappropriate, to say the least. I consider it quite offensive.

In his remarks——

Mr. LONG. Mr. President, I call the Senator to order under rule XIX.

Mr. KEATING. Mr. President, I move that the Senator from Connecticut be permitted to proceed in order.

The motion was agreed to.

The PRESIDING OFFICER. The Senator will proceed in order.

Mr. BUSH. In his remarks which I have read the Senator has referred to the late James Forrestal, who was Assistant to the President of the United States, Franklin D. Roosevelt, Secretary of the Navy, and later the first Secretary of Defense. I doubt whether the Washington scene has observed a more dedicated public servant than James Forrestal, and I believe that the inference contained in the remarks of the Senator from Louisiana is quite unfair and uncalled for. I say it is offensive to me.

Mr. LONG. Mr. President, I call the Senator to order under rule XIX. If the Senator cannot stay within the rule, I shall have to insist on calling him to order.

Mr. BUSH. Mr. President, I submit that I have said nothing in violation of the rule.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator be allowed to proceed in order, and I express the hope that he will do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. Mr. President, in my opinion I have not violated the rule. I do not think it is a fair conclusion that I have been guilty of any violation of the rule. I have not questioned the Senator's motives. I have questioned what he said.

The Senator has made reference——

Mr. LONG. Mr. President, will the Senator yield to me in order that I may read rule XIX?

Mr. BUSH. I am glad to yield for that purpose.

Mr. LONG. I will say to the Senator, in all good grace, that I try to stay within the rules. I do not have the privilege of saying things that are unworthy of a Senator, and I do not do it.

Mr. BUSH. I say the same thing about myself. I intend to abide by the rules.

Mr. LONG. Let me read the rule to the Senator. Paragraph 2 of rule XIX reads as follows:

No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

I call attention to the words "any conduct or motive."

Sometimes I find myself feeling that perhaps another Senator is doing something that is wrong. Perhaps I find myself thinking he has an unworthy motive. I do not say so, because the rule does not permit me to say so, and I stay within it. I am completely content to be put in my seat if I violate the rule.

Although I know that the Senator may, in all good conscience, strongly disagree with what I have said, I assure him that I am as sincere in my feeling as the Senator is in his; and I shall try to show him the same courtesy that I urge him to show me.

It is not necessary for me to look at the rule in order to treat the Senator with the courtesy which the rules requires me to show him, because I have the highest admiration for him. But I hope the Senator will conduct himself in the same fashion toward the junior Senator from Louisiana. These battles go on from day to day in this body. I certainly hope the Senator will attempt to stay within the rule.

Mr. BUSH. Let me say to the distinguished Senator from Louisiana that I still believe that I have not said anything which is in violation of the rule, nor do I intend to do so. I have not questioned the Senator's motive. I am assuming that the Senator believes all he said in his speech. That is why I find it so highly objectionable.

Mr. LONG. Mr. President——

Mr. BUSH. Let me finish the statement. I believe that if I find remarks like these highly objectionable inferences with respect to men like James Forrestal, Averell Harriman, and others who have rendered distinguished service to the Nation under other Presidents, I have a right to say that I find them objectionable. That is what I have just said.

I do not question the Senator's motive. I have not questioned it. I have not questioned his conduct. The Senator has a right to stand on the floor and say what he pleases about those gentlemen, and he has done so. I do not see why

the Senator cannot allow me to proceed to say what I have to say about what he has already said, especially when it is so deprecatory about men who have rendered such noble service to their Government.

Mr. LONG. The Senator can say anything he wishes to say about me.

Mr. BUSH. I have said nothing about the Senator.

Mr. LONG. If the Senator will examine the part of my speech to which he is referring, he will find that I have not undertaken to say that those men engaged in graft. I did not say they engaged in stealing. But I will say that there is graft in this program throughout the world. There has been a great amount of mismanagement of these funds; and the testimony of the responsible officials in charge of the program, and some of the documents which I am placing in the RECORD as exhibits, demonstrate that those in authority knew that such things were going on. They admitted that they were going on. Their reason for tolerating this is something for them to explain.

They are honorable men. I do not for a moment draw the conclusion which the Senator seeks to draw from my remarks. I hope the Senator understands me.

Mr. BUSH. Mr. President, I am sorry that the Senator from Louisiana and I find ourselves in disagreement. I do not mean to question his motives or conduct as a U.S. Senator, or to question his right so say what he has said. I hope he does not question my right to take exception to what he says if I heartily disagree with it, and if I find it offensive to me, because I know the men he is talking about. I know that it is quite unfair to the memory of those who are dead, and to the reputations of those who are living, to have it clearly inferred from the Senator's remarks that they are in any way responsible for or connected with exposures of graft, waste, extravagance, and so forth.

Mr. President, I was about to amplify my remarks in greater detail, but I see that the time is growing late. I will simply say that I very much hope that the Senate will disregard what our good friend from Louisiana has said about those men.

It is not appropriate to attack men who have had the splendid record they have had, simply because they are what the Senator from Louisiana calls Wall Street bankers.

I could give the name of Eugene Black, the President of the World Bank, of John J. McCloy, the first President of the World Bank, Robert W. Lovett, Under Secretary of State, Under Secretary of Defense, and Secretary of Defense, after having been for 5 years Assistant Secretary of War. I could give the names of men like that, who came from Wall Street and served this Nation under President Roosevelt and under President Truman with great credit.

I object to sweeping innuendoes and inferences that there is something wrong, that these men might be tempted by graft or might be tempted to do anything which was wrong or immoral or against the interests of the United States. They may make a mistake in judgment now and then, but I object to the implications all through the Senator's speech against the character of these men.

I should like to have the Senator understand that I do not object to his calling me to order, except I do not believe he was quite fair in doing so, because I did not attack the Senator as to his motives or as to his personal conduct. I have no criticism of that. I am only sorry that the Senator believes as he does in this matter.

Mr. KEATING. Mr. President, with respect to certain questions about our foreign aid policies in Greece, raised in connection with this nomination, I desire to make some comments. Personally, I favored the change in the law in 1953 which prevented the use of counterpart funds generally for the purpose which is criticized here. Nevertheless, I recognize the possible necessity for such action in a specific case, which is apparently advocated now by Mr. Dillon.

We are not here concerned with that issue. It will come up properly in connection with the consideration of the bill authorizing the extension of the Mutual Security Act. Rather, we are concerned with the nomination of a man who is criticized because he has indicated his approval of a change in the law to take care of a specific situation with regard to Greece.

We can all remember back to those days in late 1946, in the uncertain days just following World War II when Greece was next in line to become a Soviet satellite—when Communist revolutionaries starting in the mountains fought from early 1947 until late 1949 to enslave Greece.

We can also remember the message which President Truman sent to the Congress in March 1947, and which resulted in a $400 million appropriation in June of that year to begin the so-called Truman doctrine. Since then, the valiant Greek people with American help have stopped the Communist revolutionaries and have made great progress in attacking the problems of Greece and making that valiant little country a stanch member of the free world community and a valuable member of the NATO alliance.

The greatest problem with which the Greeks had to contend, apart from the threatened takeover of the country by force of arms, was a galloping inflation which occurred betwen 1948 and 1954. at a time when our aid program was operating to accumulate counterpart funds in the country.

This inflation reached such a critical stage in 1954 that the exchange rate was 30,000 drachmas to $1. In April 1954, the Greek Government began a strenuous stabilization program, issued a new heavy currency valued at 30 drachmas to $1 and has been able to maintain this rate of exchange ever since. Thus, since 1954, the Greek Government with our aid has been able to achieve relative financial stability. The best evidence of this is to be found in the cost of living. Using 1953 as a base year at 100, the cost of living in 1955 was 122; 1956 was 126; 1957, 129; and 1958, 131. It has gone up, but certainly not in any galloping fashion.

Further evidence of the success of the aid program in Greece is that massive economic assistance has ceased. We are now supplying Greece with $20 million a year in defense support to enable Greece to bear her share of the NATO burden and we are supporting a technical assistance program of about $1 million a year to train young Greeks to be better farmers and technicians, but our large economic programs have tapered off since 1953 as they are no longer necessary.

The future has never looked brighter for Greece. With a solution to the difficult Cyprus problem, the Greeks have turned their attention to economic problems and came out on April 29, with an ambitious 5-year plan of public works.

However, the Greek economy is in a delicate balance. The Greek Government spends a total of $570 million annually. If the total of $120 million in counterpart funds were poured into the Greek economy in the form of paper money without bringing any goods or services into Greece, financial disaster would result. It is not hard to see why Mr. Dillon, with a lifetime of experience in practical economics and having been a successful Ambassador, supported the withholding of this paper money from the Greek economy.

Mr. President, I submit that an impartial check into the history of our aid program to Greece shows that this bipartisan effort over a period of 12 years is one of the real success stories in our foreign relations. The objections which have been raised are based on a misunderstanding of what is admittedly a complex situation.

Mr. President, C. Douglas Dillon has had an illustrious career in the international field, both as investment banker and diplomat. He was born in Geneva, Switzerland, in 1909 while his parents were traveling in Europe. He became a member of the New York Stock Exchange in 1931. In 1936, he became a director and later president of the United States and Foreign Securities Corp. In 1938 he became a vice president and director of Dillon, Read & Co., and chairman of the board in 1946.

It was during these years that he got the experience in international economic affairs which enabled him to render outstanding service as the third-ranking officer in the Department of State, directing the international economic activities of the Department and coordinating both the military and economic aspects of the mutual security program.

Mr. Dillon's public service includes 4 years' active duty in the Navy, winning the Legion of Merit and the Air Medal for his World War II service at Guam, Saipan, and in the Philippines.

He was also a very successful Ambassador to France for 4 years and has served as Alternate Governor for the United States at the annual meeting of the International Bank and Fund at New Delhi in October 1958, Alternate U.S. delegate to the 10th Colombo plan meeting at Seattle in November 1958;

and as a member of the U.S. delegation at the meeting of the joint Canada-United States Committee on Trade and Economic Affairs in January of this year. He has also done important work with the Organization of American States to strengthen inter-American economic cooperation.

Douglas Dillon is a man of integrity, who has a lifetime of experience as a practical economist, who made a brilliant reputation as Deputy Under Secretary of State for Economic Affairs after having been a successful Ambassador in Paris. He has had more than 6 years of day-to-day experience working at the most responsible levels of the Department of State. The United States is fortunate in having men of the caliber of Douglas Dillon available for public service.

Mr. LONG. Mr. President, I do not wish to have read into my remarks any inference of dishonor on the part of any person. If any Senator attempts to read that into my remarks, I affirmatively state that there was no such intention. In the beginning of my speech, I pointed out that Mr. Dillon is a man who has a fine family background, and that if his name were before the Senate to be Secretary of Commerce, I would be an enthusiastic supporter of him. I believe I have made that clear.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MANSFIELD. As a matter of fact, I recall hearing the Senator say, in the beginning of his remarks, that he had nothing but the highest personal respect for Secretary Dillon; and that if he were a nominee for the position of Secretary of Commerce, the Senator from Louisiana would be the first to urge the approval of his nomination.

Mr. LONG. Yes. I regard Mr. Dillon as an honorable man.

Incidentally, while I am clarifying the record, the record might as well show that certain distant relatives of Mr. Dillon communicated to me some personal information which might have reflected adversely on the gentleman. I did not even look into it. I simply asked him what his reaction to it was, he told me, and that was the end of it. I have no desire to cast aspersions on Mr. Dillon.

I did make the point, and I believe it to be correct, that the failure of the man who is proposed to be placed in charge of this program, to make the program meaningful to the ordinary people of the world is one of the major shortcomings of the program and is one of the reasons why it is failing.

In reading from a prepared text which I had issued, the distinguished Senator from Connecticut [Mr. BUSH] referred to Mr. Averell Harriman. I wish to make it crystal clear that I have no grievance against Mr. Harriman; I am one of his admirers.

The point I sought to make was that this program has been controlled in the main by big businessmen, big investment groups, Wall Street bankers, almost from the day it was started. Those men are not responsible, in my judgment, for the graft, waste, and extravagance which pervades the program. Why they permitted such conditions to continue when they knew they existed—particularly those who had actual knowledge of them and had the exposures placed before them at the time—is something I cannot understand. They were aware of the unrealistic practice of the pegging of currencies in the southeast Asian countries of Laos and Vietnam. The same situation exists, and has existed for some time, in South Korea and Taiwan. Why such practices were permitted to continue, I do not know. However, it would certainly not be fair to associate the names of Averell Harriman and James Forrestal with those matters.

In fairness to Mr. Dillon, it should be said that over a period of time the situation in Laos has been corrected. I doubt that it has been completely cleaned up. The fact that there is graft, waste, and extravagance in this program is well known. I feel it is tolerated to a much greater degree than it should be tolerated. The program is not so meaningful as it should be.

When I see a person about to take over a program, and that person advocates the very things which make possible the type of conduct of which I have just spoken, such as the retirement of a country's national debt with our foreign aid money, or enabling foreign countries to crank up their printing presses and "skin" us out of our value in foreign aid money, and also when an attempt is made to take the program off a loan basis and put it on a grant basis, as Mr. Dillon has done, so as to get rid of the counterpart money, and demand more from the Treasury of the United States, I am convinced that such things make possible the graft, waste, and extravagance which exist in the program.

I do not allege that the appointee is guilty of any of these offenses. I would not and do not allege it. I do not know it. So far as I know, he is an honorable man. I would not allege it without knowing it. But I do say that such practices exist, and Mr. Dillon knows they exist. He could explain in his own language why greater efforts are not made to clear up these conditions.

With respect to certain abuses and mismanagement in the program, I have found it necessary, from time to time, to leave closed-door sessions, go to my office, and make memorandums, and put them in my safe, concerning the way money has been stolen, according to the testimony of responsible officials who know about it and who say, "Take it off the record."

On occasion, such as the one with respect to which I placed an excerpt in the RECORD, I have confronted persons who have responsible positions with the statements about graft and corruption and have asked them, "Would you be surprised to know that a responsible person said this and said that, but he did not want it on the record because he was afraid it might have a bad effect?"

This matter is not new to the Committee on Foreign Relations. There are members of the committee who know it. I simply say that it is possible to get results with the foreign aid money. We will not get results from the man whose nomination will be confirmed—and it will be confirmed today—who advocates just exactly the opposite of what we who want results are advocating. I have tried to make clear how I think we can get results so as to make ourselves understood by the poor people throughout the world.

I think Mr. Dillon is a very fine man, but he has been nominated to the wrong position. I hope I have made that clear. If I have not, it is because it was beyond my ability to do it. My personal regard for the man is high. The appropriateness of his nomination for this particular position is, I believe, extremely unfortunate.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of C. Douglas Dillon, of New Jersey, to be Under Secretary of State?

The nomination was confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be so notified.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 643. An act to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938;

S. 949. An act for the incorporation of the Ladies of the Grand Army of the Republic; and

H.R. 7007. An act to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 9, 1959, he presented to the President of the United States the following enrolled bills:

S. 643. An act to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938; and

S. 949. An act for the incorporation of the Ladies of the Grand Army of the Republic.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The Senate resumed the consideration of the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce.

Mr. MANSFIELD. Mr. President, has the Senate now returned to the consideration of the nomination of Mr. Lewis L. Strauss?

The PRESIDING OFFICER. It has.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, as in legislative session, I move that the

Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 59 minutes p.m.) the Senate, as in legislative session, adjourned until tomorrow, Wednesday, June 10, 1959, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate June 9, 1959:

DIPLOMATIC AND FOREIGN SERVICE

Dempster McIntosh, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Colombia, vice John M. Cabot.

CONFIRMATION

Executive nomination confirmed by the Senate June 9, 1959:

STATE DEPARTMENT

C. Douglas Dillon, of New Jersey, to be Under Secretary of State.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 9, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Proverbs 3: 6: *In all thy ways acknowledge Him and He shall direct thy paths.*

Almighty God, in whom we find the light that reveals unto us the eternal truth and the grace that renews our strength, grant that our minds and hearts may now be brought under the sovereignty of Thy wise and holy will.

Inspire us to make Thy will our own, not in sullen submission but gladly and gratefully, for in following and doing Thy will is our peace.

Help us to give ourselves unto Thee completely but what have we that Thou dost need and desire and what can we render unto Thee that is not already Thine own?

May we daily grow in the faith by which Thou art known and the fidelity by which our inner life is made a sanctuary of Thy presence and peace.

Hear us through the merits and mediation of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5915. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. CHAVEZ, Mr. BIBLE, Mr. MUNDT, and Mr. YOUNG of North Dakota to be the conferees on the part of the Senate.

FEDERAL WATER POLLUTION CONTROL ACT

The SPEAKER. The unfinished business is the vote on the motion of the gentleman from Florida [Mr. CRAMER] to recommit the bill (H.R. 3610) to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works; to establish the Office of Water Pollution Control; and for other purposes.

Without objection, the Clerk will read the motion to recommit.

There was no objection.

The Clerk read as follows:

Mr. CRAMER moves to recommit the bill, H.R. 3610, to the Committee on Public Works with instructions to report the same back to the House forthwith with the following amendment: Page 2, in line 2, insert after "*Provided,*" the following: "That in order to require the State wherein the project is located to match the amount of the Federal grant, no grant shall be made for any project from an allotment from sums appropriated for any fiscal year beginning after June 30, 1962, in an amount in excess of whichever of the following is the smallest: (A) 25 percent of the estimated reasonable cost thereof as determined by the Surgeon General, (B) the amount of the State funds paid toward financing the cost of such project, or (C) $500,000: *Provided further.*"

On page 3, strike out lines 15–18, both inclusive.

The SPEAKER. The question is on the motion to recommit.

Mr. HALLECK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 156, nays 240, not voting 38, as follows:

[Roll No. 68]

YEAS—156

Abbitt	Cunningham	Jensen
Adair	Curtis, Mass.	Johansen
Alexander	Curtis, Mo.	Jonas
Alger	Dague	Judd
Allen	Davis, Ga.	Keith
Andersen, Minn.	Derounian	Kilburn
	Derwinski	Knox
Arends	Devine	Lafore
Ashmore	Dixon	Laird
Auchincloss	Dorn, N.Y.	Langen
Avery	Dorn, S.C.	Latta
Ayres	Dowdy	Lennon
Baker	Dulski	Lindsay
Baldwin	Dwyer	Lipscomb
Barry	Fenton	McCulloch
Bass, N.H.	Fino	McDonough
Bates	Flynt	McIntire
Becker	Ford	McMillan
Belcher	Forrester	Mack, Wash.
Bennett, Mich.	Fountain	Martin
Bentley	Frelinghuysen	Mason
Berry	Gary	Meader
Betts	Goodell	Michel
Bolton	Griffin	Miller, N.Y.
Bosch	Gross	Milliken
Bow	Haley	Minshall
Bray	Halleck	Mumma
Broomfield	Halpern	Murray
Brown, Ohio	Hardy	Nelsen
Budge	Harris	Norrell
Bush	Harrison	O'Brien, N.Y.
Byrnes, Wis.	Henderson	Osmers
Cahill	Herlong	Ostertag
Cederberg	Hess	Pelly
Chamberlain	Hiestand	Pillion
Chenoweth	Hoeven	Pirnie
Chiperfield	Hoffman, Ill.	Poff
Church	Holt	Quie
Collier	Horan	Ray
Colmer	Hosmer	Rees, Kans.
Cramer	Jarman	Rhodes, Ariz.
Riehlman	Smith, Calif.	Wainwright
Robison	Smith, Kans.	Weaver
Rogers, Mass.	Smith, Va.	Weis
St. George	Springer	Westland
Schenck	Taber	Wharton
Scherer	Taylor	Whitener
Schwengel	Teague, Calif.	Williams
Scott	Thomson, Wyo.	Wilson
Short	Tuck	Winstead
Siler	Utt	Younger
Simpson, Ill.	Van Pelt	
Simpson, Pa.	Van Zandt	

NAYS—240

Abernethy	Gavin	Nix
Addonizio	George	O'Brien, Ill.
Albert	Giaimo	O'Hara, Ill.
Alford	Granahan	O'Hara, Mich.
Anderson, Mont.	Grant	O'Konski
	Gray	O'Neill
Andrews	Green, Pa.	Oliver
Anfuso	Griffiths	Passman
Ashley	Hagen	Patman
Aspinall	Hall	Perkins
Bailey	Hargis	Pfost
Barden	Harmon	Philbin
Barr	Healey	Pilcher
Barrett	Hébert	Poage
Bass, Tenn.	Hechler	Porter
Beckworth	Hogan	Powell
Bennett, Fla.	Holland	Preston
Blatnik	Holtzman	Price
Blitch	Huddleston	Prokop
Boggs	Hull	Pucinski
Boland	Ikard	Quigley
Bonner	Irwin	Rabaut
Bowles	Jennings	Rains
Boyle	Johnson, Calif.	Randall
Brademas	Johnson, Colo.	Reuss
Breeding	Johnson, Wis.	Rhodes, Pa.
Brewster	Jones, Ala.	Riley
Brock	Jones, Mo.	Rivers, Alaska
Brooks, La.	Karsten	Rivers, S.C.
Brooks, Tex.	Karth	Roberts
Brown, Ga.	Kasem	Rodino
Broyhill	Kastenmeier	Rogers, Colo.
Burdick	Kee	Rogers, Fla.
Burke, Ky.	Kelly	Rogers, Tex.
Burke, Mass.	Keogh	Rooney
Burleson	Kilday	Roosevelt
Byrne, Pa.	Kilgore	Rostenkowski
Cannon	King, Calif.	Roush
Carnahan	King, Utah	Rutherford
Carter	Kirwan	Santangelo
Celler	Kluczynski	Saund
Chelf	Kowalski	Saylor
Clark	Landrum	Selden
Coffin	Lane	Shipley
Cohelan	Lankford	Sikes
Conte	Lesinski	Sisk
Cook	Levering	Slack
Cooley	Libonati	Smith, Iowa
Corbett	McCormack	Smith, Miss.
Curtin	McDowell	Spence
Daddario	McFall	Staggers
Daniels	McGinley	Steed
Davis, Tenn.	McGovern	Stratton
Dawson	McSween	Stubblefield
Delaney	Macdonald	Sullivan
Dent	Machrowicz	Teague, Tex.
Dingell	Mack, Ill.	Teller
Dollinger	Madden	Thomas
Donohue	Magnuson	Thompson, N.J.
Dooley	Mahon	Thompson, Tex.
Doyle	Marshall	Thornberry
Durham	Matthews	Toll
Edmondson	Merrow	Tollefson
Elliott	Metcalf	Trimble
Everett	Meyer	Udall
Evins	Miller, Clem	Ullman
Fallon		Vanik
Farbstein	Mills	Vinson
Fascell	Mitchell	Wampler
Feighan	Monagan	Watts
Fisher	Montoya	Whitten
Flood	Moore	Widnall
Flynn	Moorhead	Wier
Fogarty	Morgan	Willis
Foley	Morris, N. Mex.	Wolf
Forand	Morris, Okla.	Wright
Frazier	Moss	Yates
Friedel	Moulder	Young
Fulton	Multer	Zablocki
Gallagher	Murphy	Zelenko
Gathings	Natcher	

NOT VOTING—38

Baring	Denton	Hoffman, Mich.
Baumhart	Diggs	Holifield
Bolling	Downing	Jackson
Boykin	Garmatz	Johnson, Md.
Brown, Mo.	Glenn	Kearns
Buckley	Green, Oreg.	Kitchin
Canfield	Gubser	Loser
Casey	Hays	Mailliard
Coad	Hemphill	May

Miller, George P.	Norblad	Thompson, La.
Moeller	Reece, Tenn.	Wallhauser
Morrison	Shelley	Walter
	Sheppard	Withrow

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Baumhart for, with Mr. Kearns against.

Mr. Glenn for, with Mr. Buckley against.

Mr. Gubser for, with Mr. Garmatz against.

Mrs. May for, with Mr. Loser against.

Mr. Wallhauser for, with Mr. Sheppard against.

Mr. Jackson for, with Mr. Thompson of Louisiana against.

Mr. Reece of Tennessee for, with Mr. Morrison against.

Until further notice:

Mr. Hemphill with Mr. Canfield.

Mr. Holifield with Mr. Withrow.

Mr. George P. Miller with Mr. Mailliard.

Mrs. Green of Oregon with Mr. Norblad.

Mr. DAGUE changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MASON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 255, nays 143, not voting 36, as follows:

[Roll No. 69]

YEAS—255

Abernethy	Davis, Tenn.	Irwin
Addonizio	Dawson	Jennings
Albert	Delaney	Johnson, Calif.
Alexander	Dent	Johnson, Colo.
Alford	Dingell	Johnson, Wis.
Anderson, Mont.	Dollinger	Jones, Ala.
	Donohue	Jones, Mo.
Andrews	Dooley	Karsten
Anfuso	Doyle	Karth
Ashley	Durham	Kasem
Aspinall	Dwyer	Kastenmeier
Bailey	Edmondson	Kee
Baker	Elliott	Kelly
Baldwin	Everett	Keogh
Barden	Evins	Kilday
Barr	Fallon	Kilgore
Barrett	Farbstein	King, Calif.
Bass, Tenn.	Fascell	King, Utah
Beckworth	Feighan	Kirwan
Bennett, Mich.	Fisher	Kitchin
Blatnik	Flood	Kluczynski
Blitch	Flynn	Kowalski
Boggs	Fogarty	Landrum
Boland	Foley	Lane
Bonner	Forand	Lankford
Bowles	Fountain	Lennon
Boyle	Frazier	Lesinski
Brademas	Frelinghuysen	Levering
Breeding	Friedel	Libonati
Brewster	Fulton	McCormack
Brock	Gallagher	McDowell
Brooks, Tex.	Gathings	McFall
Broomfield	Gavin	McGinley
Brown, Ga.	George	McGovern
Broyhill	Giaimo	McSween
Burdick	Granahan	Macdonald
Burke, Ky.	Grant	Machrowicz
Burke, Mass.	Gray	Mack, Ill.
Byrne, Pa.	Green, Pa.	Madden
Cahill	Griffiths	Magnuson
Carnahan	Hagen	Matthews
Carter	Haley	Merrow
Celler	Hall	Metcalf
Chelf	Hargis	Meyer
Chenoweth	Harmon	Miller, Clem
Clark	Healey	Mills
Coffin	Hébert	Mitchell
Cohelan	Hechler	Monagan
Colmer	Herlong	Montoya
Conte	Hogan	Moore
Cook	Holland	Moorhead
Cooley	Holtzman	Morgan
Corbett	Horan	Morris, N. Mex.
Curtin	Huddleston	Morris, Okla.
Daddario	Hull	Moss
Daniels	Ikard	Moulder
Multer	Riley	Teague, Tex.
Murphy	Rivers, Alaska	Teller
Natcher	Rivers, S.C.	Thomas
Nix	Roberts	Thompson, N.J.
O'Brien, Ill.	Rodino	Thompson, Tex.
O'Brien, N.Y.	Rogers, Colo.	Toll
O'Hara, Ill.	Rogers, Fla.	Tollefson
O'Hara, Mich.	Rogers, Mass.	Trimble
O'Konski	Rooney	Udall
O'Neill	Roosevelt	Ullman
Oliver	Rostenkowski	Vanik
Passman	Roush	Van Zandt
Patman	Rutherford	Vinson
Perkins	Santangelo	Wainwright
Pfost	Saund	Wampler
Philbin	Saylor	Watts
Pilcher	Scott	Whitener
Pirnie	Selden	Whitten
Porter	Shipley	Widnall
Powell	Sikes	Wier
Price	Sisk	Williams
Prokop	Slack	Willis
Pucinski	Smith, Iowa	Wolf
Quigley	Smith, Miss.	Wright
Rabaut	Spence	Yates
Rains	Staggers	Young
Randall	Steed	Zablocki
Reuss	Stratton	Zelenko
Rhodes, Pa.	Stubblefield	
Riehlman	Sullivan	

NAYS—143

Abbitt	Dowdy	Michel
Adair	Dulski	Miller, N.Y.
Alger	Fenton	Milliken
Allen	Fino	Minshall
Andersen, Minn.	Flynt	Mumma
	Ford	Murray
Arends	Forrester	Nelsen
Ashmore	Gary	Norrell
Auchincloss	Goodell	Osmers
Avery	Griffin	Ostertag
Ayres	Gross	Pelly
Barry	Halleck	Pillion
Bass, N.H.	Halpern	Poage
Bates	Hardy	Poff
Becker	Harris	Quie
Belcher	Harrison	Ray
Bennett, Fla.	Henderson	Reece, Tenn.
Bentley	Hess	Rees, Kans.
Berry	Hiestand	Rhodes, Ariz.
Betts	Hoeven	Robison
Bolton	Hoffman, Ill.	Rogers, Tex.
Bosch	Hoffman, Mich.	St. George
Bow	Holt	Schenck
Bray	Hosmer	Scherer
Brooks, La.	Jarman	Schwengel
Brown, Ohio	Jensen	Short
Budge	Johansen	Siler
Burleson	Jonas	Simpson, Ill.
Bush	Judd	Simpson, Pa.
Byrnes, Wis.	Keith	Smith, Calif.
Cannon	Kilburn	Smith, Kans.
Cederberg	Knox	Smith, Va.
Chamberlain	Lafore	Springer
Chiperfield	Laird	Taber
Church	Langen	Taylor
Collier	Latta	Teague, Calif.
Cramer	Lindsay	Thomson, Wyo.
Cunningham	Lipscomb	Thornberry
Curtis, Mass.	McCulloch	Tuck
Curtis, Mo.	McDonough	Utt
Dague	McIntire	Van Pelt
Davis, Ga.	McMillan	Weaver
Derounian	Mack, Wash.	Weis
Derwinski	Mahon	Westland
Devine	Marshall	Wharton
Dixon	Martin	Wilson
Dorn, N.Y.	Mason	Winstead
Dorn, S.C.	Meader	Younger

NOT VOTING—36

Baring	Glenn	Miller, George P.
Baumhart	Green, Oreg.	Moeller
Bolling	Gubser	Morrison
Boykin	Hays	Norblad
Brown, Mo.	Hemphill	Preston
Buckley	Holifield	Shelley
Canfield	Jackson	Sheppard
Casey	Johnson, Md.	Thompson, La.
Coad	Kearns	Wallhauser
Denton	Loser	Walter
Diggs	Mailliard	Withrow
Downing	May	
Garmatz		

So the bill was passed.

The Clerk announced the following pairs:

Mr. Buckley with Mr. Baumhart.

Mr. Garmatz with Mr. Canfield.

Mrs. Green of Oregon with Mr. Glenn.

Mr. Shelley with Mr. Gubser.

Mr. Sheppard with Mr. Jackson.

Mr. Holifield with Mr. Kearns.

Mr. Hemphill with Mr. Mailliard.

Mr. Loser with Mrs. May.

Mr. George P. Miller with Mr. Norblad.

Mr. Walter with Mr. Wallhauser.

Mr. Morrison with Mr. Withrow.

Mr. BUSH changed his vote from "yea" to "nay." The result of the vote was announced as above recorded. The title was amended so as to read: "A bill to amend the Federal Water Pollution Control Act to increase grants for construction of sewage-treatment works, and for other purposes."

A motion to reconsider was laid on the table.

PUBLIC WORKS APPROPRIATIONS, 1960

The SPEAKER. The unfinished business is further consideration of the bill (H.R. 7509) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. The question is on the amendment of the gentleman from Louisiana [Mr. PASSMAN], which the Clerk will report.

The Clerk read as follows:

On page 4, line 7, strike out "$658,300,100" and insert "$658,800,100."

The SPEAKER. The question is on the amendment offered by the gentleman from Louisiana [Mr. PASSMAN].

Mr. CANNON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 199, nays 198, not voting 37, as follows:

[Roll No. 70]

YEAS—199

Abbitt	Davis, Ga.	Holland
Abernethy	Davis, Tenn.	Horan
Albert	Dawson	Huddleston
Alexander	Dent	Ikard
Alford	Dingell	Jennings
Andersen, Minn.	Dollinger	Johnson, Calif.
	Donohue	Johnson, Colo.
Anderson, Mont.	Dorn, S.C.	Johnson, Wis.
	Dowdy	Jones, Ala.
Anfuso	Doyle	Judd
Ashmore	Edmondson	Karsten
Aspinall	Elliott	Karth
Avery	Evins	Kasem
Baldwin	Fallon	Kastenmeier
Barden	Farbstein	Kee
Barrett	Fascell	Kelly
Bass, Tenn.	Fisher	Keogh
Beckworth	Flynn	Kilgore
Bennett, Fla.	Flynt	King, Calif.
Blatnik	Foley	Kitchin
Blitch	Forrester	Kluczynski
Boggs	Fountain	Kowalski
Bonner	Frazier	Landrum
Bowles	Friedel	Lane
Boykin	Gallagher	Lankford
Breeding	Gary	Lennon
Brooks, La.	Gathings	Lesinski
Brooks, Tex.	Gavin	Libonati
Brown, Ga.	Granahan	McCormack
Burdick	Grant	McDowell
Burke, Ky.	Gray	McGovern
Byrne, Pa.	Green, Pa	McMillan
Carnahan	Hagen	McSween
Carter	Haley	Mack, Ill.
Celler	Hall	Matthews
Chelf	Hardy	Merrow
Clark	Harmon	Metcalf
Cohelan	Harris	Meyer
Colmer	Harrison	Miller, Clem
Corbett	Healey	Mills
Cramer	Hébert	Mitchell
Daniels	Herlong	Montoya

Moorhead	Prokop	Steed
Morgan	Pucinski	Stubblefield
Morris, N. Mex.	Rains	Teague, Tex.
Morris, Okla.	Reuss	Teller
Moss	Rhodes, Pa.	Thompson, Tex.
Moulder	Rivers, Alaska	Toll
Multer	Rivers, S.C.	Trimble
Murphy	Roberts	Tuck
Nix	Rogers, Colo.	Udall
Norrell	Rogers, Fla.	Ullman
O'Brien, Ill.	Rogers, Tex.	Vinson
O'Hara, Ill.	Roosevelt	Wainwright
O'Konski	Rostenkowski	Wampler
O'Neill	Santangelo	Watts
Oliver	Saund	Whitener
Passman	Scott	Wier
Patman	Selden	Williams
Perkins	Shipley	Willis
Pfost	Sisk	Winstead
Philbin	Smith, Iowa	Wolf
Pilcher	Smith, Kans.	Wright
Poage	Smith, Miss.	Yates
Porter	Smith, Va.	Young
Powell	Spence	Zablocki
Price	Staggers	Zelenko

NAYS—198

Adair	Everett	Milliken
Addonizio	Feighan	Minshall
Alger	Fenton	Monagan
Allen	Fino	Moore
Andrews	Flood	Mumma
Arends	Fogarty	Murray
Ashley	Forand	Natcher
Auchincloss	Ford	Nelsen
Ayres	Frelinghuysen	O'Brien, N.Y.
Bailey	Fulton	O'Hara, Mich.
Baker	George	Osmers
Barr	Goodell	Ostertag
Barry	Griffin	Pelly
Bass, N. H.	Griffiths	Pillion
Bates	Gross	Pirnie
Becker	Halleck	Poff
Belcher	Halpern	Quie
Bennett, Mich.	Hargis	Quigley
Bentley	Hechler	Rabaut
Berry	Henderson	Randall
Betts	Hess	Ray
Boland	Hiestand	Reece, Tenn.
Bolton	Hoeven	Rees, Kans.
Bosch	Hoffman, Ill.	Rhodes, Ariz.
Bow	Hoffman, Mich.	Riehlman
Boyle	Hogan	Riley
Brademas	Holt	Robison
Bray	Holtzman	Rodino
Brewster	Hosmer	Rogers, Mass.
Brock	Hull	Rooney
Broomfield	Irwin	Roush
Brown, Ohio	Jarman	Rutherford
Broyhill	Jensen	St. George
Budge	Johansen	Saylor
Burke, Mass.	Jonas	Schenck
Burleson	Jones, Mo.	Scherer
Bush	Keith	Schwengel
Byrnes, Wis.	Kilburn	Short
Cahill	Kilday	Sikes
Cannon	King, Utah	Siler
Cederberg	Kirwan	Simpson, Ill.
Chamberlain	Knox	Slack
Chenoweth	Lafore	Smith, Calif.
Chiperfield	Laird	Springer
Church	Langen	Stratton
Coffin	Latta	Sullivan
Collier	Levering	Taber
Conte	Lindsay	Taylor
Cook	Lipscomb	Teague, Calif.
Cooley	McCulloch	Thomas
Cunningham	McDonough	Thompson, N.J.
Curtin	McFall	Thomson, Wyo.
Curtis, Mass.	McGinley	Thornberry
Curtis, Mo.	McIntire	Tollefson
Daddario	Macdonald	Utt
Dague	Machrowicz	Vanik
Delaney	Mack, Wash.	Van Pelt
Derounian	Madden	Van Zandt
Derwinski	Magnuson	Weaver
Devine	Mahon	Weis
Dixon	Marshall	Westland
Dooley	Martin	Wharton
Dorn, N.Y.	Mason	Whitten
Dulski	Meader	Widnall
Durham	Michel	Wilson
Dwyer	Miller, N.Y.	Younger

NOT VOTING—37

Baring	Downing	Johnson, Md.
Baumhart	Garmatz	Kearns
Bolling	Giaimo	Loser
Brown, Mo.	Glenn	Mailliard
Buckley	Green, Oreg.	May
Canfield	Gubser	Miller, George P.
Casey	Hays	Moeller
Coad	Hemphill	Morrison
Denton	Holifield	Norblad
Diggs	Jackson	
Preston	Simpson, Pa.	Walter
Shelley	Thompson, La.	Withrow
Sheppard	Wallhauser	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Thompson of Louisiana for, with Mr. Baumhart against.

Mr. Morrison for, with Mr. Glenn against.

Mr. Buckley for, with Mr. Gubser against.

Mr. Shelley for, with Mr. Jackson against.

Mr. Garmatz for, with Mrs. May against.

Mrs. Green of Oregon for, with Mr. Simpson of Pennsylvania against.

Mr. Hemphill for, with Mr. Wallhauser against.

Mr. Sheppard for, with Mr. Coad against.

Until further notice:

Mr. Loser with Mr. Canfield.

Mr. Baring with Mr. Kearns.

Mr. Holifield with Mr. Mailliard.

Mr. George P. Miller with Mr. Norblad.

Mr. Casey with Mr. Withrow.

Mr. HOLTZMAN changed his vote from "yea" to "nay."

Mr. CELLER, Mr. LESINSKI, and Mr. YATES changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Wisconsin: On page 4, before the colon at the end of line 7, insert: ", and in addition $75,000 for planning for the Eau Galle River project, Wisconsin."

The SPEAKER. The question is on the amendment.

Mr. TABER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 192, nays 205, not voting 37, as follows:

[Roll No. 71]

YEAS—192

Abernethy	Davis, Tenn.	Ikard
Addonizio	Dawson	Jennings
Albert	Delaney	Johnson, Calif.
Alford	Dent	Johnson, Wis.
Anderson, Mont.	Diggs	Jones, Ala.
	Dingell	Karsten
Anfuso	Dollinger	Karth
Ashley	Donohue	Kasem
Aspinall	Dorn, S.C.	Kastenmeier
Bailey	Dowdy	Kelly
Barden	Doyle	Keogh
Barrett	Durham	Kilgore
Bass, Tenn.	Edmondson	King, Calif.
Beckworth	Elliott	King, Utah
Bennett, Fla.	Evins	Kitchin
Blatnik	Farbstein	Kluczynski
Bolch	Fascell	Kowalski
Boggs	Fisher	Landrum
Bonner	Flynn	Lane
Bowles	Flynt	Lesinski
Boyle	Foley	Libonati
Brademas	Fountain	McCormack
Breeding	Frazier	McDowell
Brock	Friedel	McFall
Brooks, La.	Gallagher	McGinley
Brown, Ga.	Gavin	McGovern
Burdick	Giaimo	McMillan
Burke, Ky.	Granahan	McSween
Burke, Mass.	Grant	Machrowicz
Byrne, Pa.	Gray	Mack, Ill.
Carnahan	Green, Pa.	Madden
Carter	Hagen	Magnuson
Celler	Hargis	Matthews
Chelf	Harmon	Merrow
Chenoweth	Healey	Metcalf
Clark	Hébert	Meyer
Cohelan	Hogan	Miller, Clem
Cooley	Holland	Mills
Daddario	Holtzman	Mitchell
Daniels	Huddleston	Moorhead
Morgan	Rains	Stubblefield
Morris, Okla.	Randall	Teague, Tex.
Moss	Reuss	Teller
Moulder	Rhodes, Pa.	Thompson, N.J.
Multer	Rivers, Alaska	Thompson, Tex.
Murphy	Rivers, S.C.	Toll
Nelsen	Roberts	Trimble
Nix	Rodino	Udall
O'Brien, Ill.	Rogers, Colo.	Ullman
O'Hara, Ill.	Rogers, Fla.	Van Pelt
O'Konski	Rogers, Tex.	Vinson
O'Neill	Roosevelt	Wampler
Oliver	Rostenkowski	Watts
Passman	Santangelo	Whitener
Patman	Saund	Wier
Perkins	Saylor	Williams
Pfost	Scott	Willis
Philbin	Selden	Winstead
Poage	Shipley	Wolf
Porter	Sisk	Wright
Powell	Smith, Iowa	Young
Price	Smith, Miss.	Zablocki
Prokop	Spence	Zelenko
Pucinski	Staggers	
Quigley	Stratton	

NAYS—205

Abbitt	Fenton	Monagan
Adair	Fino	Montoya
Alexander	Flood	Moore
Alger	Fogarty	Morris, N. Mex.
Allen	Forand	Mumma
Andersen, Minn.	Ford	Murray
	Forrester	Natcher
Andrews	Frelinghuysen	Norrell
Arends	Fulton	O'Brien, N.Y.
Ashmore	Gary	O'Hara, Mich.
Auchincloss	Gathings	Osmers
Avery	George	Ostertag
Ayres	Goodell	Pelly
Baker	Griffin	Pilcher
Baldwin	Griffiths	Pillion
Barr	Gross	Pirnie
Barry	Haley	Poff
Bass, N.H.	Hall	Quie
Bates	Halleck	Rabaut
Becker	Halpern	Ray
Belcher	Harris	Reece, Tenn.
Bennett, Mich.	Harrison	Rees, Kans.
Bentley	Hechler	Rhodes, Ariz.
Berry	Henderson	Riehlman
Betts	Herlong	Riley
Boland	Hess	Robison
Bolton	Hiestand	Rogers, Mass.
Bosch	Hoeven	Rooney
Bow	Hoffman, Ill.	Roush
Bray	Hoffman, Mich.	Rutherford
Brewster	Holt	St. George
Brooks, Tex.	Horan	Schenck
Broomfield	Hosmer	Scherer
Brown, Ohio	Hull	Schwengel
Broyhill	Irwin	Sheppard
Budge	Jackson	Short
Burleson	Jarman	Sikes
Bush	Jensen	Siler
Byrnes, Wis.	Johansen	Simpson, Ill.
Cahill	Jonas	Simpson, Pa.
Cannon	Jones, Mo.	Slack
Cederberg	Judd	Smith, Calif.
Chamberlain	Keith	Smith, Kans.
Chiperfield	Kilburn	Smith, Va.
Church	Kilday	Springer
Coffin	Kirwan	Steed
Collier	Knox	Sullivan
Colmer	Lafore	Taber
Conte	Laird	Taylor
Cook	Langen	Teague, Calif.
Corbett	Lankford	Thomas
Cramer	Latta	Thomson, Wyo.
Cunningham	Lennon	Thornberry
Curtin	Levering	Tollefson
Curtis, Mass.	Lindsay	Tuck
Curtis, Mo.	Lipscomb	Utt
Dague	McCulloch	Vanik
Davis, Ga.	McDonough	Van Zandt
Derounian	McIntire	Wainwright
Derwinski	Macdonald	Weaver
Devine	Mack, Wash.	Weis
Dixon	Mahon	Westland
Dooley	Marshall	Wharton
Dorn, N.Y.	Martin	Whitten
Dulski	Mason	Widnall
Dwyer	Michel	Wilson
Everett	Miller, N.Y.	Yates
Fallon	Milliken	Younger
Feighan	Minshall	

NOT VOTING—37

Baring	Casey	Gubser
Baumhart	Coad	Hardy
Bolling	Denton	Hays
Boykin	Downing	Hemphill
Brown, Mo.	Garmatz	Holifield
Buckley	Glenn	Johnson, Colo.
Canfield	Green, Oreg.	Johnson, Md.

Kearns	Miller, George P.	Shelley
Kee	Moeller	Thompson, La.
Loser	Morrison	Wallhauser
Mailliard	Norblad	Walter
May	Preston	Withrow
Meader		

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. George P. Miller for, with Mr. Baumhart against.

Mr. Walter for, with Mr. Glenn against.

Mrs. Green of Oregon for, with Mr. Gubser against.

Mr. Garmatz for, with Mrs. May against.

Mr. Buckley for, with Mr. Wallhauser against.

Mr. Shelley for, with Mr. Coad against.

Until further notice:

Mr. Moeller with Mr. Canfield.

Mr. Loser with Mr. Kearns.

Mr. Preston with Mr. Mailliard.

Mr. Hemphill with Mr. Meader.

Mr. Thompson of Louisiana with Mr. Norblad.

Mr. Morrison with Mr. Withrow.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

Mr. SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report it back forthwith with the following amendment: On page 17, after line 21, insert the following:

"TITLE IV—GENERAL PROVISIONS

"SEC. 401. The funds appropriated for construction programs in titles I and II of this act are hereby reduced by an amount equal to the sum represented by a 5 percent reduction in the amount allocated to each separate project for which five million dollars or more is allocated for fiscal year 1960 in House Report 424."

Mr. CANNON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. TABER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 149, nays 251, not voting 34, as follows:

[Roll No. 72]

YEAS—149

Abbitt	Bates	Bush
Adair	Becker	Byrnes, Wis.
Alexander	Belcher	Cahill
Alger	Bennett, Fla.	Carter
Allen	Bentley	Cederberg
Andersen, Minn.	Berry	Chamberlain
	Betts	Chiperfield
Arends	Bolton	Church
Ashmore	Bosch	Collier
Auchincloss	Bow	Conte
Avery	Bray	Corbett
Ayres	Breeding	Cunningham
Baker	Broomfield	Curtis, Mass.
Barr	Brown, Ohio	Curtis, Mo.
Barry	Broyhill	Dague
Bass, N.H.	Budge	Davis, Ga.
Derounian	Kastenmeier	Rees, Kans.
Devine	Keith	Riehlman
Dooley	Kilburn	Robison
Dorn, N.Y.	Lafore	St. George
Dulski	Laird	Saylor
Dwyer	Langen	Schenck
Feighan	Latta	Scherer
Fenton	Lennon	Schwengel
Fino	Lindsay	Short
Flynn	Lipscomb	Siler
Flynt	McCulloch	Simpson, Ill.
Ford	McDonough	Simpson, Pa.
Fulton	McIntire	Smith, Calif.
Gavin	Mack, Wash.	Smith, Iowa
Goodell	Marshall	Smith, Kans.
Griffin	Martin	Smith, Va.
Gross	Mason	Springer
Haley	Meader	Stratton
Hall	Michel	Taber
Halleck	Miller, N.Y.	Taylor
Halpern	Milliken	Tollefson
Harrison	Minshall	Tuck
Henderson	Mumma	Utt
Hess	Nelsen	Vanik
Hiestand	O'Konski	Van Pelt
Hoeven	Osmers	Van Zandt
Hoffman, Ill.	Ostertag	Wainwright
Hoffman, Mich.	Pelly	Weis
Holt	Pillion	Wharton
Horan	Pirnie	Widnall
Jensen	Poff	Wilson
Johansen	Quie	Wolf
Jonas	Ray	Younger
Judd	Reece, Tenn.	Zablocki

NAYS—251

Abernethy	Farbstein	McGovern
Addonizio	Fascell	McMillan
Albert	Fisher	McSween
Alford	Flood	Macdonald
Anderson, Mont.	Fogarty	Machrowicz
	Foley	Mack, Ill.
Andrews	Forand	Madden
Anfuso	Forrester	Magnuson
Ashley	Fountain	Mahon
Aspinall	Frazier	Matthews
Bailey	Frelinghuysen	Merrow
Baldwin	Friedel	Metcalf
Barden	Gallagher	Meyer
Barrett	Gary	Miller, Clem
Bass, Tenn.	Gathings	Mills
Beckworth	George	Mitchell
Bennett, Mich.	Giaimo	Monagan
Blatnik	Granahan	Montoya
Blitch	Grant	Moore
Boggs	Gray	Moorhead
Boland	Green, Pa.	Morgan
Bonner	Griffiths	Morris, N. Mex.
Bowles	Hagen	Morris, Okla.
Boykin	Hardy	Moss
Boyle	Hargis	Moulder
Brademas	Harmon	Multer
Brewster	Harris	Murphy
Brock	Healey	Murray
Brooks, La.	Hébert	Natcher
Brooks, Tex.	Hechler	Nix
Brown, Ga.	Herlong	Norrell
Burdick	Hogan	O'Brien, Ill.
Burke, Ky.	Holland	O'Brien, N.Y.
Burke, Mass.	Holtzman	O'Hara, Ill.
Burleson	Hosmer	O'Hara, Mich.
Byrne, Pa.	Huddleston	O'Neill
Cannon	Hull	Oliver
Carnahan	Ikard	Passman
Celler	Irwin	Patman
Chelf	Jarman	Perkins
Chenoweth	Jennings	Pfost
Clark	Johnson, Calif.	Philbin
Coffin	Johnson, Wis.	Pilcher
Cohelan	Jones, Ala.	Poage
Colmer	Jones, Mo.	Porter
Cook	Karsten	Powell
Cooley	Karth	Price
Cramer	Kasem	Prokop
Curtin	Kee	Pucinski
Daddario	Kelly	Quigley
Daniels	Keogh	Rabaut
Davis, Tenn.	Kilday	Rains
Dawson	Kilgore	Randolph
Delaney	King, Calif.	Reuss
Dent	King, Utah	Rhodes, Ariz.
Derwinski	Kirwan	Rhodes, Pa.
Diggs	Kitchin	Riley
Dingell	Kluczynski	Rivers, Alaska
Dixon	Knox	Rivers, S.C.
Dollinger	Kowalski	Roberts
Donohue	Landrum	Rodino
Dorn, S. C.	Lane	Rogers, Colo.
Dowdy	Lankford	Rogers, Fla.
Doyle	Lesinski	Rogers, Mass.
Durham	Levering	Rogers, Tex.
Edmondson	Libonati	Rooney
Elliott	McCormack	Roosevelt
Everett	McDowell	Rostenkowski
Evins	McFall	Roush
Fallon	McGinley	Rutherford
Santangelo	Sullivan	Wampler
Saund	Teague, Calif.	Watts
Scott	Teague, Tex.	Weaver
Selden	Teller	Westland
Sheppard	Thomas	Whitener
Shipley	Thompson, N.J.	Whitten
Sikes	Thompson, Tex.	Wier
Sisk	Thomson, Wyo.	Williams
Slack	Thornberry	Willis
Smith, Miss.	Toll	Winstead
Spence	Trimble	Wright
Staggers	Udall	Yates
Steed	Ullman	Young
Stubblefield	Vinson	Zelenko

NOT VOTING—34

Baring	Green, Oreg.	Miller, George P.
Baumhart	Gubser	Moeller
Bolling	Hays	Morrison
Brown, Mo.	Hemphill	Norblad
Buckley	Holifield	Preston
Canfield	Jackson	Shelley
Casey	Johnson, Colo.	Thompson, La.
Coad	Johnson, Md.	Wallhauser
Denton	Kearns	Walter
Downing	Loser	Withrow
Garmatz	Mailliard	
Glenn	May	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Baumhart for, with Mr. Walter against.

Mr. Glenn for, with Mr. Garmatz against.

Mr. Gubser for, with Mr. Buckley against.

Mr. Jackson for, with Mr. Denton against.

Mr. Kearns for, with Mr. George P. Miller against.

Mrs. May for, with Mr. Shelley against.

Mr. Wallhauser for, with Mr. Holifield against.

Until further notice:

Mrs. Green of Oregon with Mr. Canfield.

Mr. Moeller with Mr. Mailliard.

Mr. Baring with Mr. Norblad.

Mr. Loser with Mr. Withrow.

Mrs. St. GEORGE, Mr. FULTON and Mr. BRAY changed their vote from "nay" to "yea."

Mr. McGINLEY and Mr. NORRELL changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. CANNON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 381, nays 20, not voting 33, as follows:

[Roll No. 73]

YEAS—381

Abbitt	Bass, Tenn.	Brown, Mo.
Abernethy	Bates	Brown, Ohio
Adair	Becker	Broyhill
Addonizio	Beckworth	Budge
Albert	Belcher	Burdick
Alexander	Bennett, Fla.	Burke, Ky.
Alford	Bennett, Mich.	Burke, Mass.
Andersen, Minn.	Bentley	Burleson
	Berry	Bush
Anderson, Mont.	Betts	Byrne, Pa.
	Blatnik	Cahill
Andrews	Blitch	Cannon
Anfuso	Boggs	Carnahan
Arends	Boland	Carter
Ashley	Bolton	Cederberg
Ashmore	Bonner	Celler
Aspinall	Bosch	Chamberlain
Auchincloss	Bowles	Chelf
Avery	Boyle	Chenoweth
Ayres	Brademas	Chiperfield
Bailey	Bray	Church
Baker	Breeding	Clark
Baldwin	Brewster	Coffin
Barden	Brock	Cohelan
Barr	Brooks, La.	Collier
Barrett	Brooks, Tex.	Colmer
Barry	Broomfield	Conte
Bass, N.H.	Brown, Ga.	Cook

Cooley	Johnson, Wis.	Powell
Corbett	Jonas	Price
Cramer	Jones, Ala.	Prokop
Curtin	Jones, Mo.	Pucinski
Curtis, Mass.	Judd	Quie
Curtis, Mo.	Karsten	Quigley
Daddario	Karth	Rabaut
Daniels	Kasem	Rains
Davis, Ga.	Kastenmeier	Randall
Davis, Tenn.	Kee	Reece, Tenn.
Dawson	Keith	Rees, Kans.
Delaney	Kelly	Reuss
Dent	Keogh	Rhodes, Ariz.
Derounian	Kilburn	Rhodes, Pa.
Derwinski	Kilday	Riehlman
Diggs	Kilgore	Riley
Dingell	King, Calif.	Rivers, Alaska
Dixon	King, Utah	Rivers, S.C.
Dollinger	Kirwan	Roberts
Donohue	Kitchin	Robison
Dooley	Kluczynski	Rodino
Dorn, N.Y.	Knox	Rogers, Colo.
Dorn, S.C.	Kowalski	Rogers, Fla.
Dowdy	Lafore	Rogers, Mass.
Doyle	Landrum	Rogers, Tex.
Dulski	Lane	Rooney
Durham	Langen	Roosevelt
Dwyer	Lankford	Rostenkowski
Edmondson	Lennon	Roush
Elliott	Lesinski	Rutherford
Everett	Levering	St. George
Evins	Libonati	Santangelo
Fallon	Lindsay	Saund
Farbstein	Lipscomb	Saylor
Fascell	McCormack	Schenck
Feighan	McCulloch	Scherer
Fenton	McDonough	Schwengel
Fino	McDowell	Scott
Fisher	McFall	Selden
Flood	McGinley	Sheppard
Flynn	McGovern	Shipley
Flynt	McIntire	Short
Fogarty	McMillan	Sikes
Foley	McSween	Siler
Forand	Macdonald	Simpson, Ill.
Ford	Machrowicz	Simpson, Pa.
Forrester	Mack, Ill.	Sisk
Fountain	Mack, Wash.	Slack
Frazier	Madden	Smith, Iowa
Frelinghuysen	Magnuson	Smith, Miss.
Friedel	Mahon	Smith, Va.
Fulton	Martin	Spence
Gallagher	Matthews	Springer
Gary	Meader	Staggers
Gathings	Merrow	Steed
Gavin	Metcalf	Stratton
George	Meyer	Stubblefield
Giaimo	Miller, Clem	Sullivan
Goodell	Miller, N.Y.	Taylor
Granahan	Milliken	Teague, Calif.
Grant	Mills	Teague, Tex.
Gray	Mitchell	Teller
Green, Pa.	Monagan	Thomas
Griffin	Montoya	Thompson, N.J.
Griffiths	Moore	Thompson, Tex.
Gross	Moorhead	Thomson, Wyo.
Hagen	Morgan	Thornberry
Haley	Morris, N. Mex.	Toll
Hall	Morris, Okla.	Tollefson
Halleck	Moss	Trimble
Halpern	Moulder	Tuck
Hardy	Multer	Udall
Hargis	Mumma	Ullman
Harmon	Murphy	Utt
Harris	Murray	Vanik
Harrison	Natcher	Van Pelt
Healey	Nelsen	Van Zandt
Hébert	Nix	Vinson
Hechler	Norrell	Wainwright
Henderson	O'Brien, Ill.	Wampler
Herlong	O'Brien, N.Y.	Watts
Hess	O'Hara, Ill.	Weaver
Hiestand	O'Hara, Mich.	Weis
Hoeven	O'Konski	Westland
Hogan	O'Neill	Whitener
Holland	Oliver	Whitten
Holt	Osmers	Widnall
Holtzman	Ostertag	Wier
Horan	Passman	Williams
Hosmer	Patman	Willis
Huddleston	Pelly	Wilson
Hull	Perkins	Winstead
Ikard	Pfost	Wolf
Irwin	Philbin	Wright
Jarman	Pilcher	Yates
Jennings	Pillion	Young
Jensen	Pirnie	Younger
Johansen	Poage	Zablocki
Johnson, Calif.	Poff	Zelenko
Johnson, Colo.	Porter	

NAYS—20

Alger	Cunningham	Hoffman, Mich.
Allen	Dague	Laird
Bow	Devine	Latta
Byrnes, Wis.	Hoffman, Ill.	Marshall
Mason	Ray	Taber
Michel	Smith, Calif.	Wharton
Minshall	Smith, Kans.	

NOT VOTING—33

Baring	Green, Oreg.	Miller, George P.
Baumhart	Gubser	Moeller
Bolling	Hays	Morrison
Boykin	Hemphill	Norblad
Buckley	Holifield	Preston
Canfield	Jackson	Shelley
Casey	Johnson, Md.	Thompson, La.
Coad	Kearns	Wallhauser
Denton	Loser	Walter
Downing	Mailliard	Withrow
Garmatz	May	
Glenn		

So the bill was passed.

The Clerk announced the following pairs:

Mr. Moeller with Mr. Baumhart.
Mr. Loser with Mr. Canfield.
Mr. Hemphill with Mr. Glenn.
Mr. Baring with Mr. Gubser.
Mr. Garmatz with Mr. Jackson.
Mr. Buckley with Mr. Kearns.
Mrs. Green of Oregon with Mr. Mailliard.
Mr. Walter with Mrs. May.
Mr. Thompson of Louisiana with Mr. Norblad.
Mr. Morrison with Mr. Wallhauser.
Mr. Preston with Mr. Withrow.

Mr. HOFFMAN of Illinois changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FISH AND WILDLIFE STUDIES IN THE MISSOURI BASIN

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, conservation organizations and the fish and game departments of the Missouri River Basin States are seriously disturbed by the reduction in the budget request to finance studies by the Fish and Wildlife Service in the Missouri River Basin. The budget request amounts to $280,000 in an appropriation bill carrying funds for the major water project construction agencies totaling $1,200 million. The Appropriations Committee knocked out a quarter—or $70,000—in the Fish and Wildlife Service budget request in reporting the public works appropriation bill for 1960, H.R. 7509. This is a drastic reduction in view of the fact that the activity is designed to provide adequate planning for fish and wildlife resources associated with a program involving the spending of $161 million in the Missouri River Basin by the Corps of Engineers, the Bureau of Reclamation, and the Department of Agriculture in 1960.

The vast Missouri Basin contains some of the most vital habitats in the Nation for fish and wildlife resources. The water resource program of the Federal Government has a tremendous impact on these resources. River basin studies in the basin by the Fish and Wildlife Service are designed to provide for minmizing the adverse effects of these projects and provide for taking full advantage of improvements for fish and wildlife.

FISH AND WILDLIFE STUDIES IN THE MISSOURI BASIN

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, the Fish and Wildlife Service has a big job to do in providing for the conservation of fish and wildlife resources in the Missouri River Basin in the face of the tremendous impact of the great water resource program in that basin on fish and wildlife habitat. We ought to give that agency the necessary money to do the job as long as we are appropriating so much to the Corps of Engineers, the Bureau of Reclamation, and the Department of Agriculture.

Many of the Members of this House will recall that last year we passed legislation reported by the Merchant Marine and Fisheries Committee which provides for the equal consideration of fish and wildlife resources in connection with these water programs. That legislation had the endorsement of every one of the Governors of the then 48 States, every State fish and game department, and every national conservation organization. How can we adopt legislation like that, and yet deny to the Fish and Wildlife Service the modest funds required to carry through the work which we requested to be done in connection with the water resources program?

This bill carries a total of nearly $1,200,000,000, mostly for the water resources projects of the Federal Government. Of this amount, about $161,000,000 is for water project work in the Missouri River Basin. In all these vast sums, only $280,000 was requested in the budget for this bill for the Fish and Wildlife Service to do its job of conservation surveys. It seems like strange economy to make a 25-percent reduction in an item like this which is so small in comparison to the total appropriation and so important to the future of outdoor recreation—fishing and hunting—in the Missouri River Basin.

I urge that the Congress restore the budget request for the Fish and Wildlife Service in the Missouri River Basin.

FISH AND WILDLIFE STUDIES IN THE MISSOURI BASIN

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, the Missouri River Basin is renowned across the country for its fish and wildlife resources. It contains the Nation's most important waterfowl-producing area, some of its finest big game habitat, and many miles of its best fishing streams.

The conservation of these resources must be adequately considered in connection with carrying forward the water resources development program of the

Missouri River Basin. The Fish and Wildlife Service has adequate authority, provided to it by Congress, to participate with the water project construction agencies in the Missouri River program so as to provide for this consideration. However, this authority is meaningless unless adequate funds, in relation to the funds provided to the project construction agencies, are made available to the Fish and Wildlife Service for participation in planning, construction, and operation of this project.

For fiscal year 1960, the budget request was for a total of $280,000 to finance this activity by the Fish and Wildlife Service. The Appropriations Committee cut this by one quarter, while providing about $161 million for the Federal construction agencies to carry on their work in the Missouri River Basin.

In view of the present and prospective scale of need by people of our country for outdoor recreation resources, it would make good sense for us to invest the relatively small amount requested by the Fish and Wildlife Service in the preservation of hunting and fishing resources needed in connection with this great water program in the Missouri River Basin.

It is urged that these modest funds for the Fish and Wildlife Service be restored.

TAXATION OF LIFE INSURANCE COMPANIES

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a conference report on H.R. 4245, the bill relating to the taxation of life insurance companies.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO SIT DURING GENERAL DEBATE IN THE HOUSE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Labor-Management Relations of the Committee on Education and Labor may be permitted to sit during general debate in the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

TOBACCO PRICE SUPPORT

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 286 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the Act of July 28, 1945, to stabilize and protect the level of support fof tobacco. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and yield myself such time as I may consume.

The SPEAKER. The gentleman from Arkansas is recognized.

Mr. TRIMBLE. Mr. Speaker, House Resolution 286 makes in order the consideration of S. 1901, which would amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco. This resolution provides for an open rule and 2 hours of debate.

S. 1901 is identical to H.R. 5058, as amended and reported by the House Committee on Agriculture. It provides that the level of price support in dollars and cents for any kind of tobacco, with certain exceptions, shall not exceed that established for the 1958 crop until 90 percent of parity computed as provided by the bill, as of the beginning of the marketing year for any crop, exceeds the lower of, first the 1958 support level, or second, 90 percent of parity computed as provided by existing law. Beginning with such crop, the support level will be fixed at 90 percent of parity computed by whichever of the two methods results in the lower price. The method of computing parity provided by this bill is generally similar to that used prior to the enactment of the Agricultural Act of 1948, using the base periods specified in the law at that time both in determining the base period price for the commodity and in computing the parity index. The method of computing parity provided by the bill would be applicable only for the purposes of the bill. The bill would not make any change in the method of computing parity prices of tobacco for any other purpose.

The Agricultural Act of 1948 modified the parity formula so that the parity prices of the various agricultural commodities would reflect the price relationships between such commodities during the immediately preceding 10 years. The effect of this so-called modernized parity formula has been to increase the parity price of tobacco.

Tobacco support prices, which are fixed at 90 percent of parity when marketing quotas are in effect, have increased correspondingly and the industry has generally agreed that continuing increases would not be in the interest of this segment of our agricultural economy. Tobacco producers, warehousemen, and exporters believe present general price levels for tobacco are reasonable, and therefore the House Agriculture Committee recommends enactment of S. 1901. With this adjustment tobacco support prices will continue to have a stabilizing effect on price and income in the industry.

I urge the adoption of this resolution.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Arkansas has stated, this resolution, House Resolution 286, makes in order the consideration of the bill S. 1901, the so-called tobacco bill, under an open rule with 2 hours of general debate. This is one of two measures that will be before the House today and tomorrow dealing with agricultural problems.

First, of course this bill S. 1901, deals with tobacco and the price supports to be paid on tobacco, as well as the control of tobacco acreage allotments. The second measure will deal with wheat acreage allotments, support prices, and so forth.

I wish to take this opportunity, before discussing the tobacco bill, to say that it is a great farm dilemma which confronts, not only the Congress, but also the country as a whole. It is a growing problem. There is some politics in it at times, and at other times, none.

I would like to point out, if I may, coming as I do from a substantially agricultural district, that four-fifths of agriculture is free of any Government controls of any kind, and has been doing very well. It is in the areas where the Government has been the most solicitous, and has interfered the most, that there have been the greatest difficulties as far as farm problems are concerned. The attempts by Government to control production and to fix prices at artificial levels have been quite futile, in most cases during recent years, as I am sure most of you will admit.

However, despite the recommendations of the present administration in power—the Eisenhower administration—the old rigid program of price supports has been pretty well kept in effect upon a very few crops. There have been very few changes made in farm legislation during recent years. I am not at all certain we can expect, at this session of the Congress, any overall labor reform legislation, certainly in view of the situation which exists now.

The old basic crop or farm legislation, as I say, has been kept on the books through the years, although amended slightly now and then, but it does not fit the needs of the average small farmer. As I come from Ohio where we have a great many small farms, and family-size farms, I, of course, am particularly interested in the needs of the small farmer.

As we go into the discussion of these great problems and issues which will come before us in these two measures, we ought to remember that, despite the fact—and I am saying this simply out of fairness to the man, because I have not always agreed with him—many people have attacked the Secretary of Agriculture, and condemned Secretary Benson for that which has been going on in the field of agriculture, and for the many heavy farm benefits that are paid. I have read a number of newspaper stories about how Mr. Benson was responsible for somebody getting $260,000, or $2,600,000, or some outlandish amount of money, out of the Federal Treasury because of our present farm program. So, we ought to keep in mind that this bill is not a part of the Benson

program. He has been asking Congress for a good while to take the shackles off of agriculture and to drastically change the present farm program.

The bill which comes before us today, the tobacco bill, will make some slight changes in the present law. Whether it is beneficial, I do not know. Tobacco has probably made the best record of any crop under our present price control arrangements and laws.

As I understood the information and the testimony which was given before the Rules Committee, actually what this bill will do is to make tobacco the only crop on the old parity formula basis, instead of the new modern parity formula, and while it does continue the principle of giving rather high price supports to the tobacco farmer, in actuality and in effect—if I am wrong, I hope somebody will correct me—will lower a bit the benefits the tobacco farmers may receive.

There is some argument and some conflict as to the cost, or the possible cost, of this proposed program. Frankly, I am not a sufficient expert on the matter to tell you which is right and what is wrong. However, I do know I have just received a telegram from the president of the American Farm Bureau Federation urging that we support an amendment to this bill to be offered by the gentleman from Iowa [Mr. HOEVEN], the ranking Republican member, when it is read under the 5-minute rule for amendment.

Mr. Shuman wires me, and I believe he has wired other members of the committee and of the House, that:

> Farm Bureau favors making tobacco prices more competitive in a clean, honest, and understandable manner which would be less costly and more acceptable than Senate 1901.

Now, there again you have—and I think that causes confusion in the minds of many of us—the statement of a great farm leader that this bill would be more costly than the present law. Others testified it would be less costly to the Government if we adopt the provisions of this bill.

For that reason I urge and suggest that when we go into the Committee of the Whole for the consideration of this measure and that we give careful attention to the debate and to the discussion of the bill. As I said in the beginning, there is no minority report filed on the measure. There was some testimony given before the Committee on Rules which was critical of the bill, as well as a great deal of testimony favorable to it. And, as a result of these conflicting arguments and statements, it perhaps is difficult for those of us who do not know tobacco production, and do not come from tobacco-producing districts and areas, to know just what should be done with this bill. But, I do want to report there was no opposition in the Committee on Rules to the rule reporting this bill, and I know of no opposition on the floor to the consideration of the measure, so I join in asking that the resolution making the bill in order be adopted.

Mr. Speaker, I now yield 5 minutes to the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Speaker, I may be the only one in this body that is opposed to this rule, but I am, and I am opposed to it because it will make in order the consideration of a measure that would put another patch on this costly, creaking structure of farm price supports that have proved so utterly useless in controlling farm surpluses. I think it is time that somebody started talking about a taxpayers' revolt or at least relief for the taxpayers by getting rid of these programs which have cost $18 billion in a quarter of a century and have proved a colossal failure. But, you cannot get a bill out of committee to do it, or devise an amendment to bring it to issue on the floor.

Now, I propose a program based on four points. The first point is to get rid of the farm support and subsidy programs immediately.

The second point after that would be to hold a fire sale to get rid of these surpluses that are costing over a billion dollars to store and are worth about $9 billion.

My third point is to use $1 billion of the proceeds to relocate the small and inefficient farmers who cannot stay in business without price supports.

My fourth point is to use whatever is left to apply to the national debt and make it possible for us to achieve a tax reduction at a sooner date.

Unless we get rid of them, farm supports will cost around $5.4 billion this year. That is $2.2 billion more than the entire Federal budget of 1924 and more than is currently required to support the U.S. Army at a time of national peril. Fifty-five percent of the Nation's farmers have voted in a recent poll for no supports, no controls, no price floors, free and open markets, and to get the Government clear out.

Farm subsidies hit the taxpayers twice, once for increased prices of clothing and food and once again by pirating about 20 cents out of every tax dollar to pay for the programs. It seems to me that our only sensible course is to stop throwing good money after bad and get rid of this mess as fast as we can and return to what the farmers want by a majority vote, a free market in agriculture, as we have a free market in other things. I truly believe if this Congress would follow the majority vote and wishes of the people of the United States it would cease and end this program as of now. I believe it is no less scandalous and no less moral to give people's tax money to big farmers than it would be to give it to United States Steel or General Motors.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Is it not true that with 4.8 million farms in this country, it is averaging more than $1,000 a farm per year to keep this program going?

Mr. HOSMER. I have not figured it, but I do not doubt the gentleman's statistics.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I ask the gentleman to yield because in my previous remarks I said that Mr. Shuman, president of the Farm Bureau, was from one of the Southern States. Since I returned to my desk I have been informed, of course, as I well knew, that he was from Illinois. I had him confused in my mind with Mr. O'Neill, of Alabama, who was for many years president of the Farm Bureau. I wish to make this correction in order that I might not be called to order on the floor for remarks made previously.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 1901, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I shall try to be brief. This is a very important problem we are dealing with today. We think that by this bill we are doing exactly what the President of the United States indicated should be done when he presented his agriculture message to Congress on January 29, 1959. In speaking of tobacco, the President said this:

> The present old laws result in price support at continually rising levels.

That is a clear indication that he would like us to do something that would prevent price supports from continually rising. That is the very purpose of this legislation.

The idea did not originate with the President, however. Last fall I appointed a small subcommittee of the House Committee on Agriculture and authorized the subcommittee to investigate and to make on-the-spot studies of the situation in foreign countries to determine what, if anything, could be done to expand our export markets for tobacco. That subcommittee was headed by the gentleman from Kentucky [Mr. WATTS]. The subcommittee, after making the trip and conferring with officials of our own and foreign countries and with people in the tobacco trade, came back and filed the most comprehensive report ever written on the subject of tobacco.

The farm organizations of the tobacco-growing area, everyone in the tobacco industry—the farmers, the auction warehousemen, the tobacco buyers, and the exporters and manufacturers—all came together and appointed an industrywide committee composed of 18

men. I conferred with the committee and then immediately arranged for a subcommittee hearing.

The gentleman from Virginia [Mr. ABBITT] is chairman of the Tobacco Subcommittee of our Committee on Agriculture, and he held hearings in our committee room. After carefully surveying the situation and after the matter had been widely publicized over the radio, television, and through the newspapers, I did not receive one objection to the proposals contained in this legislation. Actually, I was a little apprehensive and thought that we would meet with objection, because the bill will actually prevent an increase in the price support levels for tobacco. I cannot see how anyone can object to our preventing an increase in the financial burdens now being borne by the Federal Government in connection with the farm program.

I received a letter from the Secretary of Agriculture. I shall not delay long enough to read it, but I call your attention to it in the report. In reporting upon a bill introduced by Congressman JENNINGS, of Virginia, the Secretary of Agriculture did not indicate his opposition but merely said in effect that the bill did not go far enough. He meant by that that it was a step in the right direction but it did not reduce the price support level for tobacco. After considering the Jennings bill as it had been originally introduced we came to the question of what parity formula would be used in calculating price supports for tobacco, whether we would continue under the new parity, modernized parity, which would result in continually increasing price support levels, or whether we would go back to old parity and prevent an increase. So to satisfy those who objected to tobacco returning to old parity while other crops remained under the new parity, we have provided in the bill that the Secretary should make his calculations under both the old formula and the new formula and use the lower of the two.

I do not know of any other group of producers of any other commodity that is willing to accept the provisions of this bill. If wheat producers, or the corn producers, are willing to accept these provisions, I am perfectly willing to vote in favor of conferring authority upon the Secretary to deal with the problems of producers of other commodities.

But, let me call your attention to one thing. Tobacco is important as a tax revenue producing proposition. Federal, State, and local taxes collected on tobacco products amount to $2,500 million a year. Thus, each acre of tobacco cultivated in the United States yields, by the time it is used by consumers, $2,500 in taxes to help finance Federal, State and local governments. Just imagine it.

The farmer receives for the tobacco in this package of cigarettes which I hold in my hand, slightly more than one penny. It is one and one-tenth cents that the farmer receives for the tobacco which goes into this package of cigarettes; yet, the consuming public pays on the average 25 cents a pack.

If the farmer produced the tobacco and gave it to the cigarette manufacturers this would affect the price of cigarettes little, if any at all.

The $2,500 million in taxes collected on tobacco each year would pay for all farm price support programs, with money to spare.

It is strange to see a group of farmers and producers and exporters and manufacturers all here asking the Congress to prevent increases in price supports. We realize that the support prices have gone too high. I shall not take the time to explain to you how this has come about, but I will yield to my colleagues who are entirely familiar with it and then they will explain to you just why tobacco, as a commodity, is now in a unique position.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JONAS. The gentleman stated that it was unusual to see this action which is supported by the tobacco growers and the industry, and I agree that it is. But, I think the members of the committee would like the chairman of the committee to explain why the tobacco growers and producers and other people connected with the industry are willing to accept a reduced price support program.

Mr. COOLEY. I thank my friend for the suggestion.

The idea is to prevent our commodity from being priced out of the markets of the world and to bring about a stability in prices so that the users of our tobacco in foreign countries can maintain a blended cigarette and know that next year the prices will not be skyrocketing up and up and up. The reason for that increase in the price support level will be explained by one of the members of our committee.

In closing my remarks, I would like to call the attention of the House to what happened in the other body. On May 21, this bill before us today passed the other body on a voice vote. On page 8749 of the RECORD there is a long list of the organizations that are supporting this legislation. I might say that the farm organizations and all of the major tobacco growing areas are supporting this bill. I hope the bill will be adopted without opposition.

Mr. HOEVEN. Mr. Chairman, I yield myself 15 minutes.

Mr. HOEVEN. Mr. Chairman, I am no expert on tobacco. In fact, I never saw a tobacco plant growing until I became a Member of the Congress and was assigned to the Committee on Agriculture. No tobacco is grown in my area or in the State of Iowa. We have here a bill which is commendable in several respects in that it does try to reduce the support level. But, on the other hand, there are some objectionable features that I want to call to your attention. Before I forget it, my good chairman made reference to the fact that the Secretary of Agriculture in a report on the bill H.R. 5058, I believe the first bill that came to the attention of our committee in which the Secretary did say this was a step in the right direction, but subsequent to that time under date of May 25, the chairman also received a letter from the Secretary of Agriculture, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, May 25, 1959.

Hon. HAROLD D. COOLEY,
House of Representatives.

DEAR CONGRESSMAN COOLEY: Inquiries to the Department indicate there is some doubt as to whether or not the Department favors passage of H.R. 5058 concerning tobacco price supports.

In order to further clarify our position it should be understood that in our view the bill is inadequate. It will not accomplish the adjustment needed to regain lost markets and preserve existing ones.

It would result in a dual standard of parity prices. Old parity would be used for tobacco, whereas new parity would be used for other commodities. If we are to use parity price as a standard for price support, we should use the same formula for all commodities. You can understand, therefore, that the Department does not approve of the proposed use of old parity for tobacco.

Therefore the bill in its present form should not pass.

Sincerely yours,

EZRA TAFT BENSON.

(Copy to Hon. CHARLES B. HOEVEN.)

Now we have here a proposition which I think I can sum up in this phraseology: A proposition of having your cake and eating it too. In other words, keep price supports from rising in order to save tobacco exports, but at the same time preserve the symbol of 90 percent of parity now retained by tobacco alone, and if we are to use parity price as a standard for price support we should use the same formula for all commodities. That is a matter of equity, of course.

Mr. Chairman, in order to dispel any doubt concerning the nature and origin of this legislation, I would like to briefly trace the legislative history of this bill. This legislation was first introduced on February 26, 1959, as H.R. 5058 by the distinguished gentleman from Virginia [Mr. JENNINGS]. As originally introduced, the bill simply froze the level of support for most kinds of tobacco at the lower of the 1958 level or 90 percent of modernized parity until 90 percent of old parity exceeded the 1958 level. Thereafter, price supports for tobacco would have been establishd solely on the basis of old parity.

On April 9, the tobacco subcommittee ordered H.R. 5058 reported to the full Committee on Agriculture with two amendments. The first amendment was designed to make it clear that the bill would apply to Fire-cured, Dark-Air-cured, and Virginia Sun-cured tobacco, since price supports on these tobaccos are based on a percentage of the support rate for burley tobacco. The second amendment provided that in computing old parity as provided in the bill, the modernized parity index would be used. The reason given for using the modernized parity index—which includes wage rates, interest, and taxes—in the old parity formula was to prevent unnecessary bookwork and administrative duplication within the Department of Agriculture.

H.R. 5058 was considered by the full committee on April 16 and was ordered reported by a 21 to 10 vote which in-

corporated the subcommittee amendments. An amendment to provide a 3-year freeze of price support at the 1958 level was defeated 20 to 11.

After it became apparent that this bill would not pass the House on either the consent calendar or by suspension of the rules, it was brought back to the full committee for reconsideration. The full committee on April 28 further amended the bill and again reported it to the House. The bill was reported to the House on May 5 in House Report No. 329. The final committee amendment was for all practical purposes a play on words. This final amendment merely froze price supports at the 1958 level until 90 percent of old parity exceeds the lower of either the 1958 level or 90 percent of modernized parity. Thereafter, price supports would have been based on the lower of old or modernized parity.

It again became apparent to the sponsors of this legislation that it would become difficult to pass the House bill, it was introduced in the other body as S. 1901. As pointed out in Senate Report No. 297, S. 1901 is identical to H.R. 5058 and, with the exception of a technical amendment adopted on the floor, the other body passed S. 1901 on May 21. In other words, we are considering H.R. 5058 by the circuitous route of the other body.

S. 1901 was then considered by the House Committee on Agriculture and ordered reported to the House on June 1, 1959. The Committee on Rules has denied our distinguished chairman's request for a closed rule and the bill is before us today on a 2-hour open rule.

Mr. Chairman, I am opposed to S. 1901 for two reasons. The first reason is that this bill sets a very bad precedent for other commodities in returning tobacco price support calculations to the old parity formula. The second reason is that this unduly complicated and complex bill will do nothing more than fool our tobacco farmers and the public in general.

I would like to draw your attention to some of the reasons why we are today considering this bill which lowers price supports for tobacco. I want to make it clear, however, that I sympathize fully with the desire of the tobacco industry to obtain a sound program. I compliment them on their awareness of the shortcomings of the present program and their desire to move more tobacco into consumption, rather than into the Government's hands. I have supported the tobacco program in the past because of differences between tobacco and other commodities, and above all because tobacco farmers have been willing to adjust their production in an attempt to keep supplies in line with demand. This bill is before us today simply because the tobacco program is in trouble. Three real reasons exist. These reasons are:

First. Price supports based on 90 percent of a constantly increasing parity formula will continue to rise. In other words, price supports as expressed in dollars and cents can do nothing but continue to rise under the present program.

Second. The impact of foreign competition is severe. Other tobacco-producing countries are increasing their acreage under the U.S. umbrella of high price supports and selling more and more tobacco in the world market.

Third. The awesome reality of even further acreage allotment cuts now again faces the American tobacco farmer.

First. The parity formula: Under present law most kinds of tobacco are supported at 90 percent of parity, and I wish to emphasize that this is 90 percent of what is called new or modernized parity. Under present law this modernized parity formula has been constantly rising because of a variety of reasons. These reasons include increased demand for cheaper grades, prices holding above the support level, prices for all farm products being considerably less than 90 percent of parity, and the statistical interplay of these economic factors on the parity formula. Whatever the reason may be for the increase, the plain fact is that modernized parity for tobacco has increased, with the result that price supports based on the modernized formula have also increased. For example, full parity in 1958 on Flue-cured tobacco was 60.7 cents per pound. Reliable projections indicate that this could climb some 12 cents a pound, or all the way up to 72.7 cents per pound by 1963, unless an adjustment is made. The second reason that S. 1901 is before us today is the severe impact of foreign competition. Our tobacco exports have been declining for the past 4 years, while at the same time world consumption has been increasing. For example, Rhodesia and Nyasaland have increased their exports of Flue-cured tobacco from 72 million pounds per year in the 1947–51 period to 117 million pounds in 1958. American Flue-cured tobacco accounted for 73 percent of the world market in the 1947–51 period. In 1958 it was down to only 52 percent. Let us take a further look at what foreign tobacco farmers have been doing to take advantage of our rigid high price-support program. In 1958 foreign nations produced around 1.8 billion pounds of Flue-cured tobacco, about 100 million pounds more than 1957, 200 million pounds more than 1956, and 1.3 billion pounds more than they produced before World War II. The third main reason for the presence of this legislation today is to forestall a further acreage allotment cut for our tobacco farmers. As repeatedly pointed out by our distinguished chairman, tobacco farmers have taken a 37-percent cut in the past 3 years. I agree with him that they should not take further cuts, especially in view of the fact that in 1957 the average-sized burley allotment in the United States was only 1.02 acres and the average Flue-cured allotment was only 3.37 acres. These small farmers should be able to look with hope toward the chance to increase their allotments. S. 1901 gives them no such hope.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. SPRINGER. May I say to the distinguished Member from Iowa that I, too, have no tobacco in my district, and I would merely like to do the right thing on this bill, as I am seriously interested in all facets of agriculture. I understand from talking to some of the other members of the committee that it may resolve itself into a question of semantics over how you are going to do this thing. However, I would like to read a telegram here which comes from a constituent of mine, Charles B. Shuman, president of the American Farm Bureau Federation, which is as follows:

Mr. HOEVEN. May I interject there? The gentleman from Ohio [Mr. BROWN], has already inserted the telegram in the RECORD in considering the rule.

Mr. SPRINGER. May I ask this question? Is it the opinion of the gentleman from Iowa, then, that this will in effect ultimately raise the price of tobacco on the open market in such a way as to keep us from getting a foreign market for tobacco?

Mr. HOEVEN. Well, that is the difficulty, of course; the loss of the foreign markets has been severe.

Mr. SPRINGER. You mean that we are too high priced at the present time?

Mr. HOEVEN. Yes. We are pricing ourselves out of the market under the modernized parity formula.

Mr. SPRINGER. Now, from just looking at some figures I saw a moment ago, it was my understanding that you would take whichever was lower, the old parity or the new parity. Is it the gentleman's opinion that ultimately the parity price would go down on tobacco or go up or stay the same?

Mr. HOEVEN. Well, that remains to be seen, because of this so-called old parity, it is estimated it would take about from 5 to 7 years to rise to the 1958 level of support.

Mr. SPRINGER. May I ask the gentleman one further question? Is this, then, the difference between your position and the chairman's position, that this will or will not lower parity, or are you both agreed on that?

Mr. HOEVEN. Well, I think that we are quite agreed on it. It is the method that we are pursuing. The proponents of this legislation want to attack the problem by a circuitous method, and I propose to do it by a direct method. I propose to submit an amendment which will freeze the price for 3 years, trying to accomplish the same purpose in a forthright manner.

Mr. SPRINGER. Would there be too much difference, then, in what your amendment would do from what the chairman's bill does? Or, is it just a different method of attacking the same problem?

Mr. HOEVEN. Well, it is a different method, and as I said a moment ago, it is the bad precedent that is being set that is objectionable.

Mr. SPRINGER. Of the two-price parity?

Mr. HOEVEN. Yes, the two parity prices, old and new. This gimmick or gadget in S. 1901 is going to be made available to the tobacco growers and not on any of the other commodities.

Mr. SPRINGER. Is it my understanding, too, if you would put old and new parity on corn, wheat, and some

of the other products, it would have the effect of raising the price, or raising the parity for those products?

Mr. HOEVEN. Yes, I think it would for both corn and wheat. For cotton and rice it would be lower.

Mr. SPRINGER. You think it would?

Mr. HOEVEN. Yes.

Mr. SPRINGER. So this is the only product at the present time where it would have the effect of perhaps lowering parity; is that correct?

Mr. HOEVEN. Yes. Tobacco would be the only commodity calculated under old parity. Now, if I may continue.

These three reasons, the failure of the constantly rising parity formula to provide realistic price supports, the increased competition of foreign tobacco producers, and the pending acreage allotment cut are why the bill is here.

The real question we must answer is whether the bill before us will do the necessary job. I contend that it will not. This bill attempts to deal with the failures of the present law by providing that price support will remain at the 1958 level until 90 percent of old parity reaches the 1958 level or 90 percent of modernized parity drops below the 1958 level. When this happens, supports will be based on either old or modernized parity, whichever is lower. The way the parity formula has been going in the past few years it is highly improbable, if not impossible, that 90 percent of new parity will ever go below the 1958 level as expressed in dollars and cents. This language in the bill is merely window dressing. It is possible for 90 percent of old parity to reach the 1958 level, so the real effect of the bill is to return to old parity. This just doesn't make sense. Congress adopted the modernized parity formula only after it discovered through long experience that the old formula was defective. What sound reason is there for returning to this undesirable standard? Mr. Chairman, the only real reason is to allow some political face saving by those who have committed themselves to high rigid supports. A few years ago some wheat groups sought to return to old parity. Is Congress going to be a party to procedure whereby one commodity has a different parity formula than another? If so, let us take a look at America's most important crop, corn. Old parity for corn is around 22 cents higher than new parity. This is not the way to achieve better public understanding of our farm programs. We should not add to the public confusion by using different standards for different commodities. If this bill is enacted, tobacco would be the only commodity based on old parity calculations. There are six commodities which are based on the transitional parity formula which acts as a statistical tool to go from old to modernized parity in an orderly manner. These commodities are corn, Puerto Rican filler tobacco type 46, grapefruit, oranges, avocados, and dates. All other commodities—some 160 or so—are based on the modernized parity formula. If there is something wrong with the formula we should correct it, not go back to a formula we know is unsound and out of date. This bill is not the high road to unity and progress in agriculture. It is the low road to disunity and further weakening of farmers' relationships with the general public. Our farmers will be fooled by this bill. They will continue to be told the alleged virtues of the tobacco program with support at 90 percent of parity. It will be 90 percent of an old parity formula which results in a lower price support, but it will still be held up as 90 percent of parity to our farmers and the public.

In an attempt to get legislation which will be acceptable to the administration and which will be of benefit to the tobacco farmers of America without returning supports to the old formula, I plan to offer an amendment calling for a 3-year freeze of tobacco price supports at the 1958 level. This is in essence and in reality what S. 1901 attempts to do, so let us call a spade a spade and pass some legislation which is needed badly if we are to regain our exports and avoid more cuts in tobacco acreage allotments for the family-sized farmer.

These complex problems deserve much further study if we are to avoid mistakes that will mean future trouble for tobacco producers. I believe my recommendation for freezing for 3 years the price support on tobacco at the same dollars-and-cents level as 1958 will have the following effects:

First. It will serve notice on the world that the tobacco industry in the United States is going to meet competition and that we are not going to continue to hold an umbrella over the expansion of foreign production at the expense of the domestic industry.

Second. It will help to insure that the current stocks of tobacco can be moved at competitive prices without undue losses.

Third. It will give opportunity for the Congress to study and recommend whatever revisions are necessary in the parity formula.

The argument that a 3-year freeze will disrupt the buying habits of large purchasers and thus cause instability and confusion does not hold water. The shrewd and experienced buyers in the tobacco industry know very well how S. 1901 will work. They know it merely amounts to a freeze for an indefinite period of time. A definite 3-year freeze would cause no uncertainty; it would protect the value of current inventories and investments, it would suspend the action of the haywire tobacco parity formula, and it would prevent another acreage reduction.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. WATTS].

Mr. WATTS. Mr. Chairman, I have the honor of representing the largest burley tobacco producing district in the world. We have for a number of years had a tobacco support program that all of our farmers have been very proud of. Every time it came up for a vote it received the approval of 99 percent of the farmers. We have tried, and are successful, in operating a good program. We have never come to Congress and asked that a minimum acreage be placed on tobacco so that we could not be cut under a certain amount. We have always taken every cut that the Department of Agriculture has said was necessary in order to keep our program sound.

We have tried as best we could, and I believe have been successful, in keeping supply and demand in balance. We have had cuts of from 45 percent to 50 percent of our acreage in order to accomplish that. We even came to Congress in 1955, with the consent of our growers and all our organizations and asked Congress for permission to place a further cut of 25 percent on all tobacco acreage. We have never had any desire to do other than to keep supply and demand in line, and I believe we have done a creditable job in that field.

We have for the last 3 or 4 years actually produced less tobacco than has been consumed. The amount of tobacco under loan with the CCC is on the downgrade. The actual support program for tobacco has not cost the taxpayers 1 red cent. As a matter of fact, it has shown a profit of somewhere between $300,000 and $400,000. Mind you, I am talking about the actual support price program.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. WATTS. Briefly.

Mr. CHELF. I should like to say this, that I am very happy the gentleman just brought out that point because, as the gentleman knows, my district adjoins his and the two of us together represent more tobacco than all the other tobacco districts throughout the length and breadth of Kentucky.

With respect to the matter the gentleman just spoke of, we came in voluntarily and asked that we be cut in order to keep our supply in balance. Not only that, it was a pretty difficult thing to do. I must say, Mr. Chairman, the gentleman did a very courageous thing, the day he came in here in the House in 1955, because he had not been here too long at that time, and he laid it on the barrel top. He was honest with the House of Representatives and they honored him by passing the bill at the time. We all worked hard to help him pass our bill. He was a fine leader on the floor.

Mr. WATTS. Mr. Chairman, I thank the gentleman for his contribution; he is exactly right. We have never wanted to produce more tobacco than the market would consume. We are one of the few groups that did come before this Congress and ask that we be given a further cut. In addition, I would like to call the attention of this committee to the fact that in the process of administering the tobacco program, the tobacco growers pay for the storage, not the Government. The tobacco growers pay for insurance on the tobacco, not the Government. The tobacco growers pay for the handling charge on tobacco not the Government. We have borne all these expenses. We have paid to the Treasury millions of dollars in interest on all the money that they have loaned us. The accrued interest has amounted to in excess of $107 million.

We do have one problem that concerns us today and I wanted to devote myself to that.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for just a moment?

Mr. WATTS. I am delighted to yield to my colleague.

Mr. COOLEY. I just want to emphasize the fact that we are not now considering the Jennings bill. We are considering the Senate bill which was sponsored in the other body by the distinguished Senator from North Carolina, [Mr. JORDAN], and by the distinguished Senator from Kentucky [Mr. COOPER], who honored us with his presence here just a moment ago. I think the bill is supported by distinguished Members of both parties and I think it is supported by every Congressman representing a major tobacco growing area.

Mr. WATTS. I thank the gentleman.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. WATTS. I am delighted to yield to the gentleman.

Mr. HOEVEN. Of course, the gentleman will admit that the bill now being considered, S. 1901, is practically on all fours with the Jennings bill, which was reported out of the committee.

Mr. COOLEY. It is identical except for a slight technicality.

Mr. WATTS. The Jennings bill accomplishes the same thing I am delighted to tell the gentleman, and the reason for the change is this—I believe a Member from your side offered the amendment.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 additional minutes to the gentleman; and I hope that the gentleman will explain why tobacco is in a unique position.

Mr. WATTS. I am going to do so as soon as I can answer the gentleman. A gentleman on your side raised the objection that we were treating tobacco differently by putting it on the old parity instead of the new parity. The language in the bill says emphatically that tobacco is on the lower of the two and we are one of the few groups of farmers who have ever come before the Congress and have asked you voluntarily without any increase in our acreage to lower our support prices. But, we do have a problem today to which I want to address myself. In 1948 the Congress enacted a law providing for a new parity formula. It went into effect in 1950. Under the terms of the new parity, tobacco is about the only quota-supported crop that received a higher support price under the new parity than it did under the old parity. I would like to take just a moment to explain to you why that happened. In calculating the new parity, you take a 10-year moving average of the price of tobacco and determine what the average price of tobacco was for that 10 years. You take the 10-year moving average of all other commodities and determine what that average is. Then you divide the average of all commodities into the average for tobacco, and you multiply that by the factor determined to be the relative increase in the cost of living over the period of 1910 to 1914. We, in the tobacco industry, have held supply and demand in line. We have actually produced less. Therefore, the price of our tobacco has been climbing higher and higher. The average of the 10 years is high. Other commodities that have not held their supply and demand as much in line have gone down. Their average is lower. Therefore, you are dividing a lower figure into a higher figure and multiplying it by the cost of living, which gives a distorted picture. That is the reason we have taken this route to correct it. In other words, last year the cost of producing tobacco went up 2 cents a pound, but the support prices under this modernized parity went up 7.5 cents per pound. The Department of Agriculture tells me that if we froze the cost of everything the farmer buys for the next 4 years—froze everything he bought—his labor and everything else for the next 4 years, then under this modernized parity the support prices of tobacco would still go up 11 cents. It never was the intent of the Congress or of anybody else that the support price should do anything than go up or down with the cost of living. I am sorry that modernized parity does not work in this case. We need to take a new look at parity, but that is a job that will take a year or more to do. We recognize the fact that our tobacco is getting so high that if we do not do something to stop this increase, it is going to find its way into our Government warehouses instead of going into the trade channels and the markets of the world.

Mr. BAKER. Mr. Chairman, will the the gentleman yield?

Mr. WATTS. I yield.

Mr. BAKER. I ask the gentleman from Kentucky if it is not true that without legislation, the price of tobacco would automatically increase over a period of time.

Mr. WATTS. It certainly will.

Mr. BAKER. The question is this—and I will premise it by saying I favor the committee bill and I represent a large burley district: Will the gentleman explain why a 5-year period of legislation is necessary rather than a 3-year period?

Mr. WATTS. Certainly; the amendment that the gentleman from Iowa talks about will accomplish for the first 3 years the same thing that the committee bill does; but after the third year is over, the committee bill goes on and continues to hold the price support of tobacco down to the actual index of the increase or decrease in the cost of living. But, the Hoeven amendment, the amendment of the gentleman from Iowa, would leave the tobacco farmer hanging in the air at the end of the 3 years.

I have been told by officials in the Department of Agriculture—and I am not at liberty to quote their names—and by people who represent the trade that a 3-year freeze would not only be a freeze on the price but would also be a freeze on the actual sales of tobacco because we are tied to about 9 or 10 big buyers. They have at least a 3-year supply of tobacco on hand and would not buy any more of our tobacco than was absolutely necessary until after the 3-year freeze was over, with the hope that at the end of the 3 years we would be in such a predicament that the price of tobacco would be much lower.

Mr. HOEVEN. Mr. Chairman, I yield 12 minutes to the gentleman from Pennsylvania [Mr. DAGUE], who is the ranking Republican member on the subcommittee.

Mr. DAGUE. Mr. Chairman, during the more than 12 years that I have been a member of the Committee on Agriculture the record will show that I have fairly consistently opposed high-level supports—and that means 90 percent of parity—together with the controls and regimentation that go with them.

Seemingly it is easy to vote "No" but I must confess that I have gotten little satisfaction out of taking the negative position. The fact of the matter is that I have never been able to conceal my admiration for the determination with which the high-support members have stuck to their guns and I am persuaded that it stems from honest convictions—either theirs or those of the people they represent. And by the same tokens I have shied away from Government supports for the very simple reason that that is the way the folks up our way feel about it.

As to our committee, despite the accusation that too often we have labored mightily and brought forth a mouse, I know of no group in the Congress who are more dedicated. And I know of no men who exceed our chairman and the ranking member on each side in their knowledge of agriculture and its problems or in their honest desire to come up with the right answers to the very vexing questions which presently confront us. They know that our agricultural legislation, like most of our legislative effort, is largely based on compromise—and because of their vast knowledge of the problem and their abiding concern for the farmer—the little guy who is in the middle of this mess—they are trying to effect a solution without destroying the very object of that concern.

But, unfortunately, perhaps, that is where I find that I must leave them and while I am not normally a defeatist I simply cannot be persuaded that there ever can be a legislative device that will keep up farm income—or, indeed, that of the producer of any commodity—when the output exceeds what the market will absorb.

Before I address myself briefly to the legislation under consideration, however, I think that a word should be said in defense of the farmer and in refutation of the propaganda against him that is reaching such a crescendo. In the first place the $5 billion, more or less, in annual expenditure by the Department of Agriculture is no more of a free handout to the farmer than the billions expended by the Department of Commerce, or Health, Education, and Welfare, or the military are subsidies for the rest of us. The stark fact of the matter is that the farmer today is suffering from a diminishing return on his investment in the face of rising costs and, with his income declining at the very time when the cost to the consumer is either rising or remains at a high level, there is increasing evidence that the real culprit is found in the cost of packaging and distribution—most of it going to labor. And, as it has been pointed out so often, the farmer could virtually donate his products free

and the end cost to the consumer would drop but little.

Now as to S. 1901. First, let me remind you that I represent a district that probably raises more tobacco—30-odd-million pounds a year—than any other area of its size in the country—not even excepting the rich tobacco land included in the district of my distinguished chairman.

As a matter of fact, the Ninth District of Pennsylvania realizes each year some $10 million to $12 million from tobacco alone—or about one-twelfth of our overall annual agricultural income. Some 4,000 of our 11,000 farms—average farm size 75 acres—count on tobacco as one of their leading cash crops. Specifically, we concentrate on raising Pennsylvania type 41, which is not benefited in any way by this bill, a filler type tobacco that goes into the cheaper cigars. As to price, it brings less than half of what some of the brighter grades command. But here is the difference—our tobacco operation is strictly free enterprise, and we do not look to Uncle Sam for supports, and as a consequence we are not burdened with his quotas and the regimentation that always accompanies his largess. Oh, sure, our people have toyed with the idea of getting on the support bandwagon, but on taking a second look they have decided against it, and just a few months ago when the last referendum on tobacco quotas was held they voted "No" in the ratio of 11 to 1. And please do not try to tell me that we are in any more advantageous position geographically than other agricultural areas of the country. The answer is that in 200 years of farming we have found that with a little hard work, and without an overweening ambition to get rich, we have been able to enjoy a good living without "putting the bite" on "Uncle Samuel."

This bill, Senate 1901, which lowers price supports for tobacco farmers is before us today for several reasons.

First of all, foreign competitors are drastically increasing their output of tobacco. For example, let us take a look at Flue-cured tobacco. During 1958 foreign countries produced an estimated 1.8 billion pounds as compared with 1.7 billion pounds in 1957, 1.6 billion pounds in 1956, and a pre-World War II average of less than 500 million pounds per year. At the same time, the United States share of the world tobacco market has been declining. In 1958 we held 52 percent of the world market in Flue-cured tobacco. This compares with 55 percent in 1957, 52 percent in 1956, 56 percent in 1955, 58 percent in 1954, 68 percent in 1953, 61 percent in 1952, and 73 percent during the 5-year average, 1947–51. Overall, our tobacco exports have been declining at a time when world consumption is increasing.

Another reason that this bill is being considered today is that the tobacco industry has finally realized that 90 percent of parity based on the modernized formula can do nothing but continue to rise. The practical result of this statistical phenomenon is even higher price supports causing greater export losses and increased foreign production. In short, the tobacco industry itself recognizes the failure of 90 percent of parity and seeks to do something about it. In my opinion, however, S. 1901 is not the right way to do it.

A third reason for this legislation is to prevent further acreage allotment cuts for tobacco farmers who have already endured deep and severe restrictions. In burley tobacco, for example, the average-sized 1957 allotment in South Carolina was only forty-four one-hundredths of an acre. In Georgia it was only forty-two one-hundredths of an acre. In North Carolina it was only fifty-seven one-hundredths of an acre, and it was only 1.75 acres in Kansas, which, incidentally, has the largest average burley allotment. The average size of a burley acreage allotment for the United States was only 1.02 acres. These farmers simply should not and cannot be required to further decrease their allotments.

On the contrary, these tiny allotments should be increased. S. 1901 offers no hope whatsoever of any such increase.

The Department has pointed out the shortcomings of this legislation when it reported on H.R. 5058 which for all practical purposes is the same as S. 1901. The Department pointed out that this legislation fails to go far enough for the following reasons:

First. It would freeze price supports for tobacco at current high levels, thus hampering efforts to expand markets and to curtail foreign production. Instead of such a freeze we need more discretion in setting the support level so that we can regain markets rigid supports have lost for tobacco.

Second. It would put back into use the old parity formula which previously was discarded by Congress because it resulted in unrealistic parity prices. Under the old formula parity price for tobacco is based on the level of prices in 1934–38 for Flue-cured and burley, 1936–40 for Maryland, and 1919–28 for other tobaccos, modified to the extent that prices paid by farmers have changed. Use of this base period of some 20 to 30 years ago fails to recognize the changes which have occurred in farm technology since then, and the changes in inter-commodity relationships. It was these shortcomings which led Congress to adopt a modernized parity which takes into consideration price relationship in a recent 10-year period.

Third. It would result in a dual standard of parity prices. Old parity would be used for tobacco, whereas new parity would be used for other commodities. If we are to use parity price as a standard for price support, we should use the same formula for all commodities.

Fourth. It would continue to place certain tobacco growers at an advantage over producers of other crops. Currently tobacco is the only price-support commodity where the Secretary has no discretion in setting support levels. This level is and has been higher in terms of percent of parity than it has been for other crops where even under present law some discretion is permitted.

This bill will simply and plainly, in my opinion, not do the job.

As I have said, I have the honor and privilege to represent a district which produces about 30 million pounds of tobacco a year. The growers in my district have consistently rejected the control concept, often advocated as a solution, but less often not even a success.

I am sincerely proud of these free enterprise farmers. Things have not been easy for them. Some years they took a real licking in the marketplace because of overproduction, but in the following year they made the necessary adjustment. The marketplace, not the Government, has kept these industrious and diligent farmers both prosperous and free. We in Pennsylvania have never been forced to reduce our plantings to 1.02 acres as in the case of the average U.S. burley grower.

In conclusion, Mr. Chairman, let me suggest that the only way the American tobacco farmer will ever find his way out of the woods will be when he borrows a leaf from the book of his Pennsylvania neighbors and produces for the market, with freedom from the controls that must always accompany the bureaucratic process.

Mr. COOLEY. Mr. Chairman, I yield 8 minutes to the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman, this is a most important piece of legislation for a large segment of our society. I have placed here—I do not know whether you can all see it or not—a chart that shows rather graphically what will happen if we have no legislation and what will happen if we enact S. 1901.

The tobacco program, so far as price support is concerned, has never cost the American taxpayers any money. You see what will happen in 1959? It will put the tobacco program in the red under the present program. If S. 1901 is adopted, it will go on this line for burley, and the same is true for Flue-cured tobacco. You can see there graphically why this legislation is needed.

Now, much has been said about the sponsors of this legislation. This legislation actually originated with the tobacco people and the boys in the tobacco branch of the Department of Agriculture. They sat down together and worked out what they thought was the necessary legislation to keep a sound tobacco program in the future as we have had in the past.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from Kentucky.

Mr. CHELF. For one, I want to thank the gentleman who now occupies the floor and who is addressing this House. As the chairman of the Subcommittee on Tobacco, you have been most kind and most courteous and most considerate of those of us who are not members of the great Committee on Agriculture, and I, for one, want to thank you publicly for the many courtesies you have extended to us and our people over the years. When our tobacco problems arose, you were kind enough to send out word and allow us to come in and sit down and talk it over with our growers, warehousemen, our farmers, and with the Mem-

bers of the Congress. We have always tried to come up with an answer to our problems. And, I want to say this to you, a moment ago you pointed out a thing that I think is a strong point, the greatest and best point that I think this entire program has, which is in its favor for passage today, and that its administration has never cost the taxpayer a dime. The fact of the matter is, the fellows who violated our program, who raised in excess of the law, were fined, and it was that money that was used to keep the price support program going. I want to compliment the gentleman for the fine work he has done.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from Iowa.

Mr. HOEVEN. As a result of the colloquy between the gentleman from Kentucky and the gentleman from Virginia, I am sure the gentleman from Kentucky does not want to leave the impression that the tobacco program did not cost something. The costs of the program for stabilizing tobacco prices and related programs since 1932 are estimated at $156.5 million.

I have here a table showing the estimated costs to the department of the tobacco programs by fiscal years 1953 through 1959. In 1953 the program cost $2.2 million; in 1954, $0.5 million; in 1955, $5.1 million; in 1956, $5 million; in 1957, $13.8 million; and in 1958, $34.5 million.

These costs were incurred under the tobacco price support program, the Public Law 480 programs, the soil bank program, acreage allotments, and marketing quotas. The increase in the cost of the tobacco programs during the past 2 fiscal years was due in large part to costs of the acreage reserve program in those years.

So, I do not think it can be said that the program did not cost any money.

Mr. ABBITT. What the gentleman was referring to, I am sure, was the price support program, which, I am sure, included administration costs. Research has also cost money, but the price support program has brought returns to the Federal Treasury.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from Minnesota.

Mr. QUIE. How much tobacco is in storage right now?

Mr. ABBITT. Owned by the Federal Government?

Mr. QUIE. Yes.

Mr. ABBITT. I understand approximately 10 million pounds.

Mr. QUIE. What percentage of the total crop is that?

Mr. ABBITT. That is a relatively small amount of the total crop. I am sure the gentleman understands that tobacco is one of two commodities that ripen with age. There is another liquid commodity that ripens with age, and tobacco is a commodity that ripens with age and storage does not hurt it. And, the buyers need this legislation. The entire trade needs to know whether the price for our commodity of tobacco is going to be stabilized. Between 38 and 40 percent of Flue-cured tobacco is exported.

Mr. WATTS. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from Kentucky.

Mr. WATTS. The question was asked a moment ago as to how much tobacco was now in storage. At the present time the figures furnished me show 912 million pounds, which is a decline from the high of 1,076 million pounds.

There is altogether in this country a supply of tobacco in the hands of the Commodity Credit Corporation and in the hands of private companies of 5,850 million pounds. The part in storage with Commodity Credit Corporation would be less than one-fifth, somewhere around one-sixth.

Mr. ABBITT. And that is not going to be kept there any great length of time, as I understand it.

Mr. WATTS. The peak amount after the 1956 crop was, in all of the United States, something over 6,200 million pounds. It has now been reduced down to 5,850 million pounds.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman.

Mr. COOLEY. I think the gentleman who made the inquiry wanted to know to what extent the Government was holding this tobacco in inventory. I would like the gentleman from Kentucky [Mr. WATTS] to tell us how much Government tobacco is in the Commodity Credit Corporation inventory. My recollection of it is that it is a very small amount, mostly taken from some defunct co-op in Kentucky. That is being held in CCC inventory and the value of it is almost negligible with relation to the overall program.

Mr. ABBITT. That is my understanding.

Mr. WATTS. In actual fact the Government has about 10 million pounds of tobacco. The figure that I gave before of 912 million was the amount of tobacco that is in the hands of the co-ops, on which the co-ops are paying the storage and the interest. With this, that and the other, it represents about one-sixth of the supply.

Mr. ABBITT. Then the answer that I gave before was approximately right, about 10 million pounds.

Mr. QUIE. If the gentleman will yield further, does that mean that the tobacco that is held by the co-ops, on that tobacco the co-ops pay the storage costs?

Mr. ABBITT. That is correct.

Mr. QUIE. But on the 10 million pounds that the Government owns, the storage is being paid by the Government.

Mr. WATTS. Mr. Chairman, if the gentleman will yield to me, they have turned that tobacco over to one of the other groups to administer. The reason for it was that the co-op that had the tobacco did not function the way they wanted them to function. So they foreclosed the loan on the tobacco that this particular co-op had. It only amounted to 10 million pounds, which is an insignificant sum. That was done in order to get it out of the control of that particular co-op.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield to me, that tobacco could be sold probably at a profit at a later date.

Mr. ABBITT. And I am sure will be sold.

Mr. QUIE. In the past, at any time that the tobacco has been sold, has it been sold at a profit?

Mr. ABBITT. Not every time, of course, but over the long haul they have made a profit, yes.

Mr. QUIE. On the aggregate, there has been a profit?

Mr. ABBITT. That is correct.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. JENNINGS].

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield, briefly, to the gentleman.

Mr. QUIE. The gentleman does not have to answer this, if it will take more time than he needs to make his presentation. But what I should like to have explained is why it is necessary to put tobacco on old parity and new parity, both, rather than just freezing the price support figure at the 1958 level? I accept the statement that 3 years is not long enough, but it has been stated before that the old parity will rise to the 1958 level probably in 5 years. Why could we not freeze the price support of tobacco at the 1958 level for 5 years and accomplish the same purpose as this bill intends to accomplish?

Mr. JENNINGS. Because this bill permits the price support for tobacco to go down if the prices of the things which the farmer buys go down. There is nothing in the bill that prevents the price supports from coming down, provided the price the farmer pays for the commodities he buys comes down, and brings it down. This is in line with the basic concept of parity. But it does prevent it from going up under the new formula until such time as it reaches the 1958 level under the old formula. Actually, it is not a freeze. It is a freeze only so far as the price support going up under the new formula is concerned; it does not prevent supports from going down should the bottom drop out of things the farmer has to buy.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman.

Mr. COOLEY. It is my recollection that the gentleman who is now making the inquiry offered the amendment that resulted in our putting both old and new parity into the bill and providing that the Secretary should use the lower of the two.

Mr. QUIE. That is correct.

Mr. COOLEY. We accepted the gentleman's amendment thinking that the bill would be pleasing and acceptable to him.

Mr. QUIE. I did not say it would be pleasing and acceptable to me. I want to find out the reason why you have to go to old parity because it seems to

me that the contention is not should we freeze it at the 1958 level for a long period of time, but should we go on the old parity?

Mr. COOLEY. Should we freeze the prices for 3 years we would of necessity be forced to change the law, or then we would have a price rise of probably 8 or 10 cents a pound which would be devastating in the operation of our program in foreign markets; or we would have no alternative but to pass legislation rolling the price back, which would be very difficult for us to do. This would prevent the increase and obviate the necessity of a rollback.

Mr. JENNINGS. The gentleman is entirely correct. As a matter of fact, it would actually prevent the objective of the bill from being accomplished, this being to stabilize the price of tobacco. And, you could get no stability by freezing price supports for only two years and then having them immediately jump up or down.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. ABBITT. The charts show where we would be at the end of 3 years, what a drastic and bad position we would be in. The whole thing would be way out of kilter.

Mr. JENNINGS. I thank the gentleman.

Mr. Chairman, I think this will probably be the most important piece of tobacco legislation to come before the House this year. It is most important as far as the future of the tobacco program is concered.

I know it is customary when one speaks in the well of the House to start out by complimenting everyone from the top on down who had any part in the particular piece of legislation. But, I regret there are those whom I cannot compliment today because of their adverse reports on this tobacco legislation. I would like, however, to commend the head of the Tobacco Division in the Department of Agriculture as well as the head of the Foreign Agricultural Service Tobacco Division for the fine manner in which they are trying to solve this problem, and for their understanding of the problems involved in this tobacco program.

This bill would stabilize and protect the support level of tobacco. Why is it necessary? First of all, it is necessary because we are losing a part of our foreign export trade.

I was a member of the special subcommittee, headed by the distinguished gentleman from Kentucky [Mr. WATTS]. We went into practically every facet of the export trade in tobacco. Everyone we talked with and every branch of the industry that we visited said they needed stability of prices. In our report we state that we need to stabilize prices so that these foreign exporters may know from year to year what the price of tobacco is going to be. That is necessary in order to continue our export program at the level it has been in the past and also to capture new markets.

What is the practical effect of this bill? It means that our farmers will not, of necessity, have to take an acreage reduction. But let me say this, if an acreage reduction should become necessary, the tobacco farmers understanding this program are going to vote in order to keep supply in line with demand as they have in the past.

There is nothing particularly new about this bill because, as the gentleman from Iowa pointed out, other commodities are figured at old parity. As a matter of fact, the one commodity the gentleman is particularly interested in, corn, is figured on transitional parity which is figured on old parity. The difference is that they have the higher of the two, and we are asking for the lower of the two—the lower of either old or new parity, whichever it happens to be. That seems to be reasonable to me. The group of producers, all segments of the tobacco industry, are coming in wanting to stabilize their prices. They realize very well why they are doing it.

We have had some telegrams read here today pointing out the opposition of certain organizations. Well, organizations from that same group, namely, the American Farm Bureau organizations on the local level from every major tobacco producing State, are supporting this bill. Just read the record of the hearings on the bill and you will find that the State farm bureaus, and, apparently there must be a difference because the American Farm Bureau did testify against it, but the State farm bureaus from all major tobacco producing States testified in favor of this piece of legislation, as well as the other farm organizations. As a matter of fact, I am going to ask that a list of these organizations supporting this bill be made a part of the RECORD.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I now yield to my colleague, the gentleman from North Carolina, who is so interested in this legislation.

Mr. WHITENER. I ask the gentleman from Virginia, if it is not true that not only the State farm bureaus in every tobacco producing area have taken a position contrary to the American Farm Bureau, but if it is not also true that every facet of the tobacco field, the producers, and all other groups have joined up with you in favor of this legislation.

Mr. JENNINGS. The gentleman is exactly correct, and he was present when these organizations testified before our Tobacco Subcommittee in support of this legislation.

Mr. WHITENER. I ask the gentleman further, if we did not have a meeting also with the chairman of the Committee on Agriculture, and the interested Members of the Congress, together with these tobacco groups, in which the expressed opposition of these persons was given to the position, the unrealistic position, if you please, of the American Farm Bureau.

Mr. JENNINGS. I agree with the gentleman. His remarks are very timely and true. It is a question of which Farm Bureau you are going to side with—those from the tobacco producing areas or the American Farm Bureau. It boils down to this simple question, as far as that particular farm organization is concerned.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. HOEVEN. Did I understand the gentleman to say that corn was on the old parity?

Mr. JENNINGS. Corn is figured on transitional parity, which is based on old parity. I would like to refer the gentleman to a statement of the Secretary of Agriculture which was issued in a memorandum and entitled "Agricultural Prices From May 1959" in which he states:

> Effective U.S. parity prices for farm products and average prices received as percentage of effective parity prices based on data for May 1959 with comparisons.

You will find that reference is made to footnote 6, which appears in the statement. This footnote states:

> Transitional parity, basic commodities 85 percent, and nonbasic commodities 50 percent (90 percent and 55 percent, respectively, during 1958) of parity price computed under formula in use prior to January 1, 1950.

And further in the report which was issued by the Department:

> The transitional parity for basic commodities during 1958 is 90 percent of the parity price computed by the old formula. The parity price according to the old formula is calculated by multiplying the average price received by the farmers for corn for the 60 months, August 1909–July 1914, which was $0.642 per bushel, by the July 15, 1958, unrevised index of prices paid, including interest and taxes, which is 306 percent. This gives an indicated parity price of $1.96 per bushel under the old formula. Multiplying by 90 percent gives $1.76, the transitional parity price. Since this is higher than the indicated parity price under the new formula of $1.73 per bushel, the transitional parity price is the effective parity price.

The difference between us is that we are asking for the lower instead of the greater parity price.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. HOEVEN. In order that the record may be clarified I read from a memorandum from the Department of Agriculture on the subject of parity computations the following:

> No commodities are calculated on the basis of old parity.
>
> Six commodities are calculated on the basis of transitional parity. These commodities are corn, Puerto Rico filler tobacco type 46, grapefruit, oranges, avocadoes, and dates.
>
> All other commodities (approximately 160) are calculated on the basis of modernized parity.

Corn is not on the old parity.

Mr. JENNINGS. The difference is that one is figured on a transitional parity and the other on the old parity. They use transitional parity, I take old parity. There is complete agreement.

What we need is stability over an effective period of time.

I might point out, in support of that statement, the fact that foreign manufacturers buy ahead, anticipate their needs on an average of 3 years. Therefore, it would be 3 years before any pro-

gram would be effective in the foreign market.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 2 additional minutes and hope he will utilize part of the time to read a list of the organizations supporting the legislation.

Mr. JENNINGS. I will try to do so.

Department of Agriculture figures show tobacco to be the only price-supported commodity for which the Commodity Credit Corporation has realized a hundred percent rate of recovery on its investment. An analysis of the tobacco program from October 1933 to March 1959 shows the following:

The March 31 "Report of Financial Conditions in Operations of the Commodity Credit Corporation" shows tobacco price support program losses of $4.4 million and supply program gains of $4.8 million, or a net gain of $400,000 to the Commodity Credit Corporation in tobacco program operations during this 25-year period.

Mr. HOEVEN. Those are points I referred to a while ago.

Mr. JENNINGS. As to the organizations supporting the legislation, I will read them:

ORGANIZATIONS SUPPORTING TOBACCO BILL

Interstate organizations: Burley and Dark Leaf Tobacco Export Association, Burley Auction Warehouse Association, Bright Belt Warehouse Association, Tobacco Associates, Flue-Cured Tobacco Cooperative Stabilization Corp., National Grange, National Farmers Union, Burley Leaf Tobacco Dealers Association, Leaf Tobacco Exporters Association, Plant Food Institute of North Carolina and Virginia, Association of Dark Tobacco Dealers and Exporters, Conn-Mass Tobacco Cooperative, Inc., National Cigar Leaf Tobacco Association.

Kentucky: Kentucky Farm Bureau, Burley Tobacco Growers Cooperative Association, Western Dark-Fire-Cured Tobacco Growers Association, Stemming District Tobacco Association.

Tennessee: Burley Stabilization Cooperative, Eastern Dark-Fire-Cured Tobacco Growers Association.

South Carolina: South Carolina Farm Bureau, South Carolina Grange, South Carolina Tobacco Warehouse Association.

Georgia: Georgia Farm Bureau.

Virginia: Virginia Farm Bureau, Virginia Farmers Union, Virginia Burley Tobacco Growers Association.

North Carolina: Farmers Federal Cooperative, North Carolina Grange, North Carolina Farm Bureau.

Wisconsin: Northern Wisconsin Cooperative Tobacco Pool, Inc., Wisconsin Tobacco Growers Association.

Ohio: Cigar Tobacco Cooperative.

Maryland: Maryland Tobacco Cooperative, Maryland Farm Bureau.

New York: Leaf Tobacco Board of Trade, New York City.

Certainly it is obvious to all that this group represents practically the entire tobacco industry in those States which are interested in tobacco. All of them are interested in this legislation becoming effective.

The farmers understand what is in this particular piece of legislation. They are interested in keeping the tobacco supply in line with demand and not losing their export markets. What they want to do is to gain export markets, and this bill will help them do that.

Mr. Chairman, this legislation has the support of the largest group of tobacco growers and representatives of the tobacco industry that have ever—as far as I know—agreed completely on the need for a change in the existing program. This spirit of cooperation, of determination to make the program continue on the successful patch it has followed over the past years, should be met by the Congress with approval of this bill.

As a representative of the burley tobacco producing area in Virginia, I support and urge the approval of this legislation.

Mr. HOEVEN. Mr. Chairman, I yield 3 minutes to the gentleman from Maine [Mr. MCINTIRE].

Mr. MCINTIRE. Mr. Chairman, tobacco is the only commodity that continues to be supported in a program of 90 percent of parity. I served on the tobacco subcommittee in the 85th Congress, and want to commend the gentleman from Virginia [Mr. ABBITT], the gentleman from Kentucky [Mr. WATTS], and others for their attempts to keep the program in line.

However, two problems are now apparent; one, the problem of increasing inventories, and the other the fact that 90 percent of modern parity is pricing this crop out of its markets.

The difference of opinion, in my judgment, arises as to how to do the job. Frankly, I would prefer to do it more directly by an adjustment in the percentage of support based on modern parity the same as all other crops. This is a bill worded in such a way that prices are frozen, but we do not quite say so; 90 percent is not preserved but we do not quite say that either.

The bill shifts to old parity in order to avoid stating factually that lower than 90 percent supports are in fact in effect.

I wish the language were more direct, but the objective is in line with the best interests of the tobacco industry.

May I say again, those who have had a very active part in trying to keep this type of program within bounds have looked at the problem very realistically—the information given to us as subcommittee members then was convincing and showed that the industry was interested in facing up to this very real problem. However, I recognize the problem confronting many individual Members in relation to the concept of 90 percent. The language in this bill is an attempt, in my opinion, very frankly, to preserve many of those principles. I do not quarrel with the necessity of attempting to preserve those principles; however, I do think that we would have better legislation for the tobacco industry in the long run if we would face up to the realities of the situation and with legislation that permitted lower levels of support in line with the best interest of the tobacco growers.

I shall support this bill in final passage.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. TUCK].

Mr. TUCK. Mr. Chairman, I want to thank my longtime friend and colleague, the distinguished gentleman from North Carolina, for having been so generous as to extend 3 minutes of his time to me. I want to promise him at the outset that I will not request him to grant me more than six extensions of time.

I want to thank him for allowing me to follow in the footsteps of the two somewhat illustrious Virginians who have proceeded me. In that great State outsiders do not regard us as being reluctant to think and to speak well of ourselves. That is the sentiment which prevails among all segments of our people.

A preacher who lived on my farm, which, incidentally, is not too far from the North Carolina line, having labored in the vineyard of the Lord in our State, went to North Carolina. He heard a preacher there one Sunday reading the Scriptures about the 10 virgins who went forth to meet the bridegroom. Five of them were wise and five of them were foolish. My preacher got up and said, "Would you mind reading to us again that Scripture about those 10 Virginians?"

So, he read it again and he said, "Now, what objection do you have to offer to that? What comments do you have to make?" He said, "Well, since you read it twice, I think I understand it, but it does look to me that the percentage of foolish Virginians is mighty high."

Mr. Chairman, I am pleased to speak briefly in behalf of Senate bill 1901, which is a very important piece of legislation intended to stabilize and protect the level of support for tobacco. I have the great honor to represent in the Congress of the United States a district which produces a great deal of the Fluecured type of tobacco which is used in manufacturing our famous cigarettes. Smaller quantities of other types of tobacco are produced in some of the other counties in my district. There is grave concern among the tobacco growers and all segments of the industry over the decline of our export trade in tobacco. Although domestic consumption is holding up well, the welfare of the industry is dependent upon a substantial export trade, and we are losing our export markets due to a price situation over which we have no control, and which has come about under the present method of computing price supports. It may seem strange that we are advocating legislation to prevent an increase in price supports, but we are faced with a situation where such action is absolutely necessary if we are to preserve these foreign markets which are indispensable to the continued growth of the tobacco industry in this country.

The able and distinguished chairman of the Committee on Agriculture in his report which accompanies this bill has, in a clear and forceful manner, explained the purpose of the bill and outlined the urgency of the situation. The computation of a parity formula is intricate and complex, but the report contains an adequate outline of the history of the tobacco parity formula and describes the price distortions now appearing as the result of the application of the present formula and predicts the

extent to which its operation may bring further increases in the price of tobacco, with adverse effect upon our exports.

It must be remembered that the production and consumption of tobacco is increasing in many areas of the world, but we can maintain our position in the export markets if we have a favorable price situation and not price ourselves out of such markets. This legislation is designed to avoid such a development and I earnestly hope it will be enacted into law and thus correct a condition now proving detrimental to one of our oldest industries.

I might say to you, my friends, that tobacco is one of the most important of all farm commodities. The Government of the United States derives a great deal of revenue from it. It is connected with the history and the growth and the culture and the education of our country. In Colonial Virigina our citizens paid the preachers with tobacco, and some of these Colonial Americans purchased their wives by paying for their transportation with tobacco.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. TUCK. I am pleased to yield to my handsome friend from Kentucky and answer any question that he may ask if I can.

Mr. CHELF. Governor, I will say this to you quite frankly, that for every pack of cigarettes the farmer gets about 1.1 cents. It sells for 25 cents. There is approximately 50 percent of Federal and State tax that goes into the cost of that package of cigarettes.

Mr. TUCK. You are right. A gentleman awhile ago spoke about eating cake and having it, too. Well, prior to the establishment of this program we did not have any cake to eat, nor did we have bread and many a time our farmers brought their year's supply of tobacco to market and went home empty-handed, unable to buy shoes and clothing for their children.

Mr. CHELF. It runs into the hundreds of millions of dollars.

Mr. TUCK. The tax does run into hundreds of millions. Times were so hard, my friends, that the people down in the tobacco-growing sections found out that old rabbit tasted better in the heat of July than in the frost of December. This tobacco program and the extension of this program along the lines provided for in this bill is necessary if we are to continue to enjoy an economy that will enable our people to produce this important crop.

Mr. CHELF. Amen.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, regarding this bill, I think it is important to keep in mind the fact that it provides a clear recognition that parity, and the parity formula, is no sacred cow—and that we need not depend entirely on parity formulas.

We have heard recommendations this afternoon to the effect that we should take another look at the parity formula and see if it really works. This program points the way to a different concept of parity, because the traditional system has threatened to drive the commodity, tobacco, out of the market.

The second indictment of the old parity concept is also important to agriculture. It has been demonstrated that holding the price support at a certain percentage of parity can be detrimental to agriculture rather than helpful, and the example of producers—as well as tobacco processors—coming in and asking for a freeze on price supports to prevent an increase in price is a clear example of this.

I would like to show you what would happen to the price of tobacco, because of the workings of the parity formula, if some type of freeze is not enacted. In this year, 1959, on Flue-cured tobacco, this commodity would have to be supported, according to the May price, at 61.9 cents a pound—if we do not pass some kind of freeze rather than support the price on tobacco. This represents an increase of 7.3 cents a pound. Three years from now it would mean 10.6 cents a pound higher.

The following table is a case in point—showing as it does an estimated projection for the next 5 years on Flue-cured and burley tobacco:

Flue-cured tobacco

[1958 level of support was 54.6 cents per pound or 90 percent of parity]

Full parity	Year	1958 level expressed as percent of parity
61.7 cents (April)	1959	88
61.9 cents (May)	1959	88
63.5 cents	1960	86
65.2 cents	1961	84
68.7 cents	1962	79
72.7 cents	1963	75

Burley tobacco

[1958 level was 55.4 cents per pound, or 90 percent of parity]

Full parity	Year	1958 level expressed as percent of parity
63.8 cents (April)	1959	87
64.0 cents (May)	1959	87
66.1 cents	1960	84
69.1 cents	1961	80
73.3 cents	1962	76
77.7 cents	1963	71

Five years from now, the proponents of this legislation say that 90 percent of old parity might be higher than the 1958 level in dollars and cents. This would mean an 18.1 percent a pound higher price, if we stayed on modernized parity at 90 percent support. In 1959, if there is a freeze bill, tobacco will be supported at 88 percent of parity for Flue-cured tobacco or 87 percent of parity for burley tobacco. In 1961, 3 years later, it would be supported for Flue-cured tobacco at 84 percent of parity and in 1962 at 80 percent of parity. And if the trends continue as they have in the past 4 years, 5 years from now, 1963, the support price that is indicated in 1958 in dollars and cents will mean, for Flue-cured tobacco, 75 percent of parity and for burley tobacco 71 percent of parity.

I think this a clear indication that, in order to hold markets, producers of an important agricultural commodity are willing to take a lower price for their commodity. It also shows that markets are one of the most important things we need to consider in producing our agricultural commodities, because if we hold the price of any crop so high that it cannot be sold on the domestic or the foreign market, we stand to lose as farmers, because as farmers we want to produce. A farmer's natural inclination is to produce from fence row to fence row. He hates to be cut back on production.

Here we have a program that has been held up as a perfect example of high price supports with controls to make it work. And most every year it seems that further cuts in acreage are imposed. It was indicated this afternoon that the acreage of tobacco has been cut back between 45 and 50 percent, and our chairman has mentioned many times that in 3 years they have taken 37½ percent reduction in acreage. Now at last they come in and ask for a reduction in price in order that they may be able to keep their markets, that is, the markets that they have left. There has been a great loss in markets of tobacco and, as we look at the other commodities in agriculture and consider them, we should watch what has happened to tobacco; because there is a danger of pricing a commodity out of the market.

Mr. Chairman, I am going to support the amendment of the gentleman from Iowa to freeze the price support of tobacco at the 1958 level for 3 years because, even though it would be detrimental, I agree, to the tobacco industry, if we waited the full 3 years before anything was done for tobacco, yet I think there would be time in those 3 years to work out a more acceptable program for tobacco. If that amendment does not carry, I plan to support the bill, because at least this will hold the price support on tobacco at the 1958 level, rather than allowing it to jump about 7 cents in this year and an additional amount each year at a greater cost to the Government and a loss of markets and income to the tobacco farmers. It will be necessary to have further acreage reductions I am quite certain in tobacco as time goes on, but at least this is a step in the right direction.

I hope that the amendment to be offered by the gentleman from Iowa will be adopted.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, I rise in support of the legislation.

I have some 20,000 small growers in the district that I am privileged to represent and the growers in general are satisfied with the present tobacco program. The small grower cannot stand any further reduction in acreage. It is only natural through legislation to improve a program if we feel such a result may be brought about by legislation. Personally, I feel the rigid price support program, insofar as burley tobacco is concerned, has worked well. In fact, the support price has only risen 8 cents over

the past 5 years, and I think on burley 31 from 47 cents to 55 cents through the years 1953–58. I am not alarmed by all of this talk that we need flexible price supports.

With respect to the desirability of preventing further increases in tobacco support prices in the immediate future, there is general agreement that unless the support price is stabilized at or near present levels, exports will decrease and allotments will be reduced. While this will be most serious for the producers of Flue-cured and other types of tobacco where as much as 40 percent of the crop is exported, its influence will spread to the producers of burley. The economy of the majority of the counties in the district that I am privileged to represent is based to a great degree on tobacco, the annual income ranging anywhere from $500,000 to $2,500,000 in some counties. The tobacco farmers in these counties cannot absorb additional acreage reductions in the face of current economic conditions. I feel that additional acreage reductions will not become necessary if the Secretary of Agriculture will make full use of the provisions of Public Law 480 for increasing our burley tobacco exports.

Mr. Chairman, I urge the passage of this legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, first of all I want to thank the very distinguished ranking Member from the State of Iowa for having given me permission to speak on this bill. I do not represent tobacco farmers. I am not a friend of price supports. In fact, I am almost sure that anything I say to this gathering will be supremely unpopular. But I would like to take you down a different vista entirely. I am sure almost everyone within the sound of my voice has contributed and will contribute generously to cancer research. I am also sure that in a very short time we will have many bills introduced asking that the Federal Government contribute generously and in large amounts to research for the discovery of a cure for cancer, especially cancer of the lungs. There are many people who know far more about this than I do, who have studied the matter and who are persuaded and honestly persuaded, and there are medical people among them too, that tobacco is injurious and that tobacco in many instances may cause the dread disease of cancer. I am not here to tell you that tobacco is no longer going to be grown in this country, but I would ask you to consider first whether tobacco should be regarded and treated as a basic crop. It seems to me a basic crop is something we all need; something we require for our welfare; something that we have to have. Of course, it is possible to make a living by growing a crop that is not basic. There is no doubt that farmers can do that. The gentleman from Pennsylvania [Mr. DAGUE] pointed that out in his very excellent remarks earlier, but after all, if everyone who wants to grow something has to be supported, we might just as well carry that out to its logical conclusion and support the people in New York City who are growing marijuana quite successfully in their window boxes. As I say, that too can be done. It seems to me that having heard the pros and cons on this bill, there is no doubt that the supports, which some of them may have wanted and some may not have wanted, are in fact pricing their product out of the world markets. And they are not the only ones. This is only a small cloud on the horizon. You and I, as we stay in this House of Representatives and in this Congress, are going to hear more and more often of our commodities being priced out of the markets of the world. Are we going to continue on this path of Government support for every crop and every commodity that cannot hold its own in the world markets? The end of that road is in sight—and you all know what that end is. For that reason I hope, the Hoeven amendment which to my mind is a step in the right direction, will be adopted. I would like to call your attention to this: That we might well, all of us, go much further and try to restrict supports, if they are needed, to the things that are fundamental and basic for the welfare of our country. There certainly is grave doubt that tobacco and the use of tobacco could qualify for support on the basis of such criteria. After all, you are not supporting the alcoholic beverage industry. They make bourbon in this country and they make many other things of the same kind and, perhaps, they will be having difficulty soon in selling their products in the world markets. I do not know. So why not apply the same yardstick and why not gradually restrict these supports to those commodities and those basic crops which our people absolutely have to have so that they can be furnished with the necessities of life.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I do not pose as an expert on farm problems, but I do know the difference between a ham string and a crupper. I was raised on a tobacco farm and know what it is to sucker tobacco, worm tobacco, and cure tobacco, and I do feel that I can qualify on the burdensome task involved in producing this commodity and preparing it for the market.

I know that much of our tobacco in my section of the country is raised by the farmer and his mule because it cannot be done by machinery.

I am not convinced that this is going to solve all problems for the tobacco farmers. Today at least 50 percent of the income of the farmers in the State of North Carolina comes from this commodity, and that means something to us, it means something to our institutions, and also it means something to the Federal Government, for today the Federal Government is taxing this commodity more than any other commodity in the channels of our trade and commerce in this country. I think we should take it seriously and endeavor to find a solution.

The gentlewoman from New York [Mrs. ST. GEORGE] has injected into this debate here a problem about which we are all concerned, of course. This discussion has gone on from time to time as to whether or not this commodity which we are speaking of here this afternoon does contribute to cancer. Many great and fine laboratories throughout the country are engaged in this research problem, and all the large tobacco manufacturers today have laboratories, financed by the tobacco companies, in which they are trying to determine whether or not this is the true fact. We have two or three of the finest research laboratories in our section of the country, and we have the finest technicians and research people pursuing research in these laboratories. It is much like many of the problems we face in the overall research field presently. There is disagreement in many fields of research. I certainly hope and pray, of course, that some day we will find a cure for cancer, having had experience with it in my own family. I know something about it by the loss of my own dear wife. Much of the research activity of this country is devoted to an endeavor to find out some way to cure this dread malady. We are spending millions and millions of dollars here this year in public funds beside the millions being spent by private foundations, in research in the laboratories to determine the true facts with respect to it.

Looking at the bill before us I know of no group that has come in here—corn, wheat, cotton, or any other group—which has agreed to freeze at today's level of commodity prices guaranteed under the parity formula, whether it is 90 percent, 70 percent, or 60 percent. It is a great sacrifice for the tobacco farmers. We have taken his acreage away from him in our section until the small tobacco farmer today has nothing much left. As you know our State is composed of small farmers, and unless he has 1, 2, or 3 acres of tobacco he has nothing to live on, and they have to fall back onto social security or some other type of relief for their existence.

Speaking of export trade, as to whether or not this is going to solve much of the problem I am not sure. I have visited a good many places in Europe over the last several years and I have inquired into conditions. I have seen it come to the situation where tobacco is grown in Germany, Switzerland, down in Greece, down in Italy, all over those countries today. In my last visit over there, a year ago, I bought a can of tobacco for which I would pay 15 cents in this country, but there I had to pay 90 cents. I asked the merchant why such an exorbitant price, and told him that we would get the same thing for 15 cents in our country. He said: "Well, we are trying to price you out of business so that we can grow our own tobacco." They are perfectly frank about it. I think our State Department

should be better traders than they are in their negotiations and trade agreements. During the war the demand for American tobacco was high in those countries but today we are simply being priced out of the market because of low wages and cheaper tobaccos. It is not what the average American would enjoy smoking, but they smoke it over there.

Mr. Chairman, I do hope we enact this bill today. I feel that it will help some. I do not say it is going to cure all the tobacco farmer's problems, but it will help, and they certainly do have a problem.

Mr. HOEVEN. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I take this opportunity to make several observations and to ask the Chairman a question, if I may.

Several days ago, the Members will recall, when we had on the floor of the House the Agriculture appropriation bill. We wrote into the appropriation bill a limitation of $50,000 on any one Commodity Credit Corporation loan. Admittedly, the language was not defined in this body to the extent it should have been, but in the other body a definition of that language was made.

This morning our Subcommittee on Agriculture Appropriations took this matter up with the Secretary of Agriculture, and through a prolonged discussion it was the feeling among the members that this kind of legislation should not come on an appropriation bill, but, rather, should be the work of a legislative committee. I am wondering now what the position of the chairman of the Committee on Agriculture would be if an amendment were offered to this bill which would in effect invoke this $50,000 limitation.

Mr. COOLEY. The gentleman will recall that when the Taber amendment was on the floor for consideration I objected to it because I believed it would have destroyed completely the tobacco, rice, and peanut programs, and other programs, as well, because the limitation was applicable to cooperatives through which the programs are operated. That very afternoon, after the House had debated the Taber amendment, I received a letter from the Secretary of Agriculture, Mr. Benson, in which he agreed that the limitation should not be applicable to co-ops. This tobacco program is operated through a co-op. There are no individual loans. The peanut program is likewise operated through a co-op.

I have no objection to a reasonable limitation, if it could be made to work, but I do not believe we should adopt any limitation on these loans, because I do not think we should discriminate against a man because he happens to be a large operator. These large loans have largely been paid off. I know of some of them that have been paid back in full with interest, and they do make for stability in the market.

Mr. MICHEL. I may say to the gentleman that the language in the other body was designed for tobacco producers, and it is not our intention, even if one large landowner should have a number of tenants, to discriminate against the individual tenant. Each one of them can get up to $50,000. What we seek to do, of course, is to put in some overall limitation, and it seems to me $50,000 is not unreasonable. I would like to know how the chairman thinks about that.

Mr. COOLEY. I have seen the language, and I have no objection to the language that will ultimately be in the bill, but I still do not go along with the idea of limiting these loans.

Mr. HOEVEN. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, all Members of the House are interested in proposed labor legislation.

In view of the statement on the ticker that Mr. Reuther spent some 40 minutes with the Speaker of the House today, discussing the prospect of the enactment of labor legislation, so-called, and recalling that the House Committee on Education and Labor intends to close hearing tomorrow and start writing a bill the day after, it would seem that before too long that committee will report out a bill for the consideration of the House.

This afternoon, two witnesses, attorneys, appeared for James R. Hoffa. I asked them if they were authorized to present his views and they stated that they were. Earlier today they had criticized the bills which have been given to the committee for consideration, and, as they appeared to be, and undoubtedly they are, exceptionally capable attorneys with years of experience in connection with labor disputes and litigation, and seem familiar with the decisions of inferior as well as with the decisions of the U.S. Supreme Court, I asked them to give us a bill not later than next Monday which would incorporate Mr. Hoffa's views. This they agreed to do.

Inasmuch as members have had opportunity to examine the various bills which have been presented, may I most humbly suggest that when Mr. Hoffa's bill comes in next Monday, it be critically examined with the thought that it is barely possible that some worthwhile suggestions may be found in it.

Much as we need labor legislation, and the need is imperative, unless we can bring from the floor of the House a bill which will minimize and I hope end blackmail picketing as described by Senator MCCLELLAN, and secondary boycotts, it will be impossible for me to vote for it.

The evils growing out of those two activities are almost immeasurable and it is idle to pretend to protect the public or the individual citizen or the union man himself unless those two evil practices are barred.

Mr. HOEVEN. Mr. Chairman, I have no further requests for time.

Mr. COOLEY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(c) of the Agricultural Act of 1949 is amended by deleting the period at the end thereof and adding a colon and the following: "*Provided,* That for any kind of tobacco (other than Connecticut Valley cigar binder types 51 and 52) for which marketing quotas were in effect for the 1958 crop, the level of support computed in dollars and cents for each subsequent crop of such tobacco for which marketing quotas are in effect shall not exceed the level of support computed in dollars and cents applicable to the 1958 crop until 90 per centum of the parity price as of the beginning of the marketing year for a subsequent crop computed in the manner used prior to the enactment of the Agricultural Act of 1949 exceeds the level of support applicable to the 1958 crop or 90 per centum of the parity price computed as provided in the Agricultural Adjustment Act of 1938, as amended, whereupon the level of support for such subsequent crop and each crop thereafter shall be 90 per centum of the parity price as of the beginning of the marketing year computed in the manner used prior to the enactment of the Agricultural Act of of 1949, or computed as provided in the Agricultural Adjustment Act of 1938, as amended, whichever computation results in the lower level of support: *And provided further,* That in computing parity in the manner used prior to the enactment of the Agricultural Act of 1949, the parity index as defined in section 301(a)(1)(C) of the Agricultural Adjustment Act of 1938, as amended, shall be used except that in lieu of the period January 1910 to December 1914, inclusive, the base period applicable to the kind of tobacco prior to the enactment of the Agricultural Act of 1949 shall be used."

SEC. 2. Section 2 of the Act of July 28, 1945, as amended (59 Stat. 506; 7 U.S.C. 1312 note), is amended by deleting the proviso at the end thereof and substituting therefor a new proviso reading as follows: "*Provided,* That beginning with the 1959 crop, the level of support for each such kind of tobacco shall not exceed a maximum level of support determined therefor pursuant to the provisos in section 101(c) of the Agricultural Act of 1949, as amended."

Mr. COOLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HOEVEN. Mr. Chairman, I offer two amendments, and I would like to have them considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. HOEVEN: Page 1, line 9, after the words "and cents for" strike out "each subsequent crop" and insert in lieu thereof "the 1959, 1960, and 1961 crops."

Page 2, line 2, after the word "crop" strike out the rest of line 2 and strike out lines 3 through 22 and insert a period after the word "crop."

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco, had come to no resolution thereon.

SUPREME COURT IN BARENBLATT CASE UPHOLDS HOUSE UN-AMERICAN ACTIVITIES COMMITTEE MANDATE BY CONGRESS

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, by reason of unanimous consent this day granted me so to do, I am pleased to present excerpts from the Supreme Court's majority opinion, which decision was rendered by your highest Court on yesterday, in the important case of Lloyd Barenblatt, a former instructor at Vassar College, who refused to answer questions asked him by the Un-American Activities Committee of the House of Representatives about his Communist associations, and as to whether or not he was a member of the Communist Party, or had ever been a member of the Communist Party. Other questions were also asked him which he also refused to answer. The vote of the Court was 5 to 4 and the decision of the Court therefore affirmed the contempt conviction of Barenblatt.

The following is the text of the newspaper comments of the case in the New York Times as of June 9, 1959. It recites historical facts and information which will be found interesting and valuable in the reading of this important decision in the Barenblatt case:

MAJORITY OPINION

(Mr. Justice Harlan delivered the opinion of the Court:)

Once more the Court is required to resolve the conflicting constitutional claims of congressional power and of an individual's right to resist its exercise. The congressional power in question concerns the internal process of Congress in moving within its legislative domain; it involves the utilization of its committees to secure "testimony needed to enable it efficiently to exercise a legislative function belonging to it under the constitution." *McGrain* v. *Daugherty*, 273 U.S. 135, 160. The power of inquiry has been employed by Congress throughout our history, over the whole range of the national interests concerning which Congress might legislate or decide upon due investigation not to legislate; it has similarly been utilized in determining what to appropriate from the national purse, or whether to appropriate. The scope of the power of inquiry, in short, is as penetrating and farreaching as the potential power to enact and appropriate under the Constitution.

Broad as it is, the power is not, however, without limitations. Since Congress may only investigate into those areas in which it may potentially legislate or appropriate, it cannot inquire into matters which are within the exclusive province of one or the other branch of the Government. Lacking the judicial power given to the Judiciary, it cannot inquire into matters that are exclusively the concern of the Judiciary. Neither can it supplant the Executive in what exclusively belongs to the Executive. And the Congress, in common with all branches of the Government, must exercise its powers subject to the limitations placed by the Constitution on Governmental action, more particularly in the context of this case the relevant limitations of the Bill of Rights.

VIEWED IN PERSPECTIVE

The congressional power of inquiry, its range and scope, and an individual's duty in relation to it, must be viewed in proper perspective. *McGrain* v. *Daugherty*, supra; Landis, Congressional Power of Investigation, 40 Harv. L. Rev. 214; Black, Inside a Senate Investigation, 172 Harper's Monthly 275 (February 1936). The power and the right of resistance to it are to be judged in the concrete, not on the basis of abstractions. In the present case congressional efforts to learn the extent of a nation-wide, indeed world-wide, problem have brought one of its investigating committees into the field of education. Of course, broadly viewed, inquiries cannot be made into the teaching that is pursued in any of our educational institutions. When academic teaching-freedom and its corollary, learning-freedom, so essential to the well-being of the Nation, are claimed, this court will always be on the alert against intrusion by Congress into this constitutionally protected domain. But this does not mean that the Congress is precluded from interrogating a witness merely because he is a teacher. An educational institution is not a constitutional sanctuary from inquiry into matters that may otherwise be within the constitutional legislative domain merely for the reason that inquiry is made of someone within its walls.

We here review petitioner's conviction under 2 U.S.C., Section 192 for contempt of Congress, arising from his refusal to answer certain questions put to him by a subcommittee of the House Committee on Un-American Activities during the course of an inquiry concerning alleged Communist infiltration into the field of education.

The case is before us for the second time. Petitioner's conviction was originally affirmed in 1957 by a unanimous panel of the court of appeals, 240 F. 2d 875. This court granted certiorari, 354 U.S. 930, vacated the judgment of the court of appeals and remanded the case to that court for further consideration in light of *Watkins* v. *United States*, 354 U.S. 178, which had reversed a contempt of Congress conviction, and which was decided after the court of appeals decision here had issued. Thereafter, the court of appeals' decision here had issued. Thereafter the court of appeals, sitting en banc, reaffirmed the conviction by a divided court. 252 F. 2d 129. We again granted certiorari, 356 U.S. 939, to consider petitioner's statutory and constitutional challenges to his conviction, and particularly his claim that the judgment below cannot stand under our decision in the Watkins case.

FIVE QUESTIONS LISTED

Pursuant to a subpena, and accompanied by counsel, petitioner on June 28, 1954, appeared as a witness before this congressional subcommittee. After answering a few preliminary questions and testifying that he had been a graduate student and teaching fellow at the University of Michigan from 1947 to 1950 and an instructor in psychology at Vassar College from 1950 to shortly before his appearance before the subcommittee, petitioner objected generally to the right of the subcommittee to inquire into his political and religious beliefs or any other personal and private affairs or associational activities, upon grounds set forth in a previously prepared memorandum which he was allowed to file with the subcommittee. Thereafter, petitioner specifically declined to answer each of the following five questions:

"Are you now a member of the Communist Party? (Count 1.)

"Have you ever been a member of the Communist Party? (Count 2.)

"Now, you have stated that you knew Francis Crowley. Did you know Francis Crowley as a member of the Communist Party? (Count 3.)

"Were you ever a member of the Haldane Club of the Communist Party while at the University of Michigan? (Count 4.)

"Were you a member while a student of the University of Michigan Council of Arts, Sciences, and Professions?" (Count 5.)

In each instance the grounds for refusal were those set forth in the prepared statement. Petitioner expressly disclaimed reliance upon the fifth amendment.

JAIL TERM IMPOSED

An indictment ensued. With the consent of both sides the case was tried under all counts, a general sentence of 6 months' imprisonment and a fine of $250 was imposed.

Since this sentence was less than the maximum punishment authorized by the statute for conviction under any one count, the judgment below must be upheld if the conviction upon any of the counts is sustainable. As we conceive the ultimate issue in this case to be whether petitioner could properly be convicted of contempt for refusing to answer questions relating to his participation in or knowledge of alleged Communist party activities at educational institutions in this country, we find it unnecessary to consider the validity of his conviction under the third and fifth counts, the only ones involving questions which on their face do not directly relate to such participation or knowledge.

Petitioner's various contentions resolve themselves into three propositions. First, the compelling of testimony by the subcommittee was neither legislatively authorized nor constitutionally permissible because of the vagueness or rule XI of the House of Representatives, 83d Congress, the charter of authority of the parent committee. Second, petitioner was not adequately apprised of the pertinency of the subcommittee's questions to the subject matter of the inquiry. Third, the questions petitioner refused to answer infringed rights protected by the first amendment.

SUBCOMMITTEE'S AUTHORITY TO COMPEL TESTIMONY

At the outset it should be noted that rule XI authorized this subcommittee to compel testimony within the framework of the investigative authority conferred on the Un-American Activities Committee. Petitioner contends that *Watkins* v. *United States*, supra, nevertheless held the grant of this power in all circumstances ineffective because of the vagueness of rule XI in delineating the committee jurisdiction to which its exercise was to be appurtenant.

The Watkins case cannot properly be read as standing for such a proposition. A principal contention in Watkins was that the refusals to answer were justified because the requirements of 2 U.S.C. 192 that the questions asked be "pertinent to the question under inquiry" had not been satisfied. 354 U.S., at 208–209. This court reversed the conviction solely on that ground, holding that Watkins had not been adequately apprised of the subject matter of the subcommittee's investigation or the pertinency thereto of the questions he refused to answer. Id., at 206–209, 214–215; and see the concurring opinion in that case, id., at 216.

In so deciding the court drew upon rule XI only as one of the facets in the total mise en scene in its search for the "question under inquiry" in that particular investigation. Id., at 209–215. The court, in other words, was not dealing with rule XI at large, and indeed in effect stated that no such issue was before it, id., at 209. That the vagueness of rule XI was not alone determinate is also shown by the court's further statement that aside from the rule "the remarks of the chairman or members of the committee, or even the nature of the proceedings themselves, might sometimes make the topic [under inquiry] clear." Ibid. In short, while Watkins was critical of rule XI, it did not involve the broad and inflexible holding petitioner now attributes to it.

RULE DISCUSSED

Petitioner also contends, independently of Watkins, that the vagueness of rule XI deprived the subcommittee of the right to compel testimony in this investigation into Communist activity. We cannot agree with this contention, which in its furthest reach would mean that the House Un-American Activities Committee under its existing authority has no right to compel testimony in any circumstances. Granting the vagueness of the rule, we may not read it in isolation from its long history in the House of Representatives. Just as legislation is often given meaning by the gloss of legislative reports, administrative interpretation and long usage, so the proper meaning of an authorization to a congressional committee is not to be derived alone from its abstract terms unrelated to the definite content furnished them by the course of congressional actions. The rule comes to us with a "persuasive gloss of legislative history," United States v. Witkovich, 353 U.S. 194, 199, which shows beyond doubt that in pursuance of its legislative concerns in the domain of "national security" the House has clothed the Un-American Activities Committee with pervasive authority to investigate Communist activities in this country.

It can hardly be seriously argued that the investigation of Communist activities generally, and the attendant use of compulsory process, was beyond the purview of the committee's intended authority under rule XI.

We are urged, however, to construe Rule XI so as at least to exclude the field of education from the committee's compulsory authority.

To the contrary, the legislative gloss on rule 1 is again compelling. Not only is there no indication that the House ever viewed the field of education as being outside the committee's authority under rule XI, but the legislative history affirmatively evinces House approval of this phase of the committee's work.

In this framework of the committee's history we must conclude that its legislative authority to conduct the inquiry presently under consideration is unassailable.

PERTINENCY CLAIM

Undeniably a conviction for contempt under 2 U.S.C. 192 cannot stand unless the questions asked are pertinent to the subject matter of the investigation. Watkins v. United States, supra, 215–215. But the factors which led us to rest decision on this ground in Watkins were very different from those involved here.

In Watkins the petitioner had made specific objection to the subcommittee's questions, on the ground of pertinency; the question under inquiry had not been disclosed in any illuminating manner, and the questions asked the petitioner were not only amorphous on their face, but in some instances clearly foreign to the alleged subject matter of the investigation—"Communism in Labor." Id., at 185, 209–215.

In contrast, petitioner in the case before us raised no objections on the ground of pertinency at the time any of the questions were put to him.

We need not, however, rest decision on petitioner's failure to object on this score, for here "pertinency" was made to appear "with undisputable clarity." First of all, it goes without saying that the scope of the committee's authority was for the House, not a witness, to determine, subject to the ultimate reviewing responsibility of this Court. What we deal with here is whether petitioner was sufficiently apprised of the topic under inquiry thus authorized and the connective reasoning whereby the precise questions asked related to it. In light of his prepared memorandum of constitutional objections there can be no doubt that this petitioner was well aware of the subcommittee's authority and purpose to question him as it did. The subject matter of the inquiry had been identified at the commencement of the investigation as Communist infiltration into the field of education.

CONSTITUTIONAL CONTENTIONS

Our function, at this point, is purely one of constitutional adjudication in the particular case and upon the particular record before us, not to pass judgment upon the general wisdom or efficacy of the activities of this committee in a vexing and complicated field.

The precise constitutional issue confronting us is whether the subcommittee's inquiry into petitioner's past or present membership in the Communist Party transgressed the provisions of the first amendment, which of course reach and limit congressional investigations.

The Court's past cases establish sure guides to decision. Undeniably, the first amendment in some circumstances protects an individual from being compelled to disclose his associational relationships. However, the protections of the first amendment, unlike a proper claim of the privilege against self-incrimination under the fifth amendment, do not afford a witness the right to resist inquiry in all circumstances. Where first amendment rights are asserted to bar governmental interrogation, resolution of the issue always involves a balancing by the courts of the competing private and public interests at stake in the particular circumstances shown.

The first question is whether this investigation was related to a valid legislative purpose, for Congress may not constitutionally require an individual to disclose his political relationships or other private affairs except in relation to such a purpose.

That Congress has wide power to legislate in the field of Communist activity in this country, and to conduct appropriate investigations in aid thereof, is hardly debatable. The existence of such power has never been questioned by this Court, and it is sufficient to say, without particularization, that Congress has enacted or considered in this field a wide range of legislative measures, not a few of which have stemmed from recommendations of the very committee whose actions have been drawn in question here. In the last analysis this power rests on the right of self-preservation, "the ultimate value of any society," *Dennis* v. *United States*, 341 U.S. 494, 509.

NOT AN ORDINARY PARTY

On these premises, this Court in its constitutional adjudications has consistently refused to view the Communist Party as an ordinary political party, and has upheld Federal legislation aimed at the Communist problem which in a different context would certainly have raised constitutional issues of the gravest character. To suggest that because the Communist Party may also sponsor peaceable political reforms the constitutional issues before us should now be judged as if that party were just an ordinary political party from the standpoint of national security, is to ask this Court to bind itself to world affairs which have determined the whole course of our national policy since the close of World War II.

We think that investigatory power in this domain is not to be denied Congress solely because the field of education is involved. Indeed we do not understand petitioner here to suggest that Congress in no circumstances may inquire into Communist activity in the field of education, rather, his position is in effect that this particular investigation was aimed not at the revolutionary aspects but at the theoretical classroom discussion of communism.

In our opinion this position rests on a too-constricted view of the nature of the investigatory process, and is not supported by a fair assessment of the record before us. An investigation of advocacy of our preparation for overthrow certainly embraces the right to identify a witness as a member of the Communist Party (see *Barsky* v. *United States*, 167 F. 2d 241), and to inquire into the various manifestations of the party's tenets.

Nor can it fairly be concluded that this investigation was directed at controlling what is being taught at our universities rather than at overthrow. The statement of the subcommittee chairman at the opening of the investigation evinces no such intention, and so far as this record reveals, nothing thereafter transpired which would justify our holding that the threat of the investigation later changed. The record discloses considerable testimony concerning the foreign domination and revolutionary purposes and efforts of the Communist Party. That there was also testimony on the abstract philosophical level does not detract from the dominant theme of this investigation—Communist infiltration furthering the alleged ultimate purpose of overthrow.

MOTIVE NOT AT ISSUE

Nor can we accept the further contention that this investigation should not be deemed to have been in furtherance of a legislative purpose, because the true objective of the committee and of the Congress was purely exposure. So long as Congress acts in pursuance of its constitutional power, the judiciary lacks authority to intervene on the basis of the motives which spurred the exercise of that power. Having scrutinized this record, we cannot say that the unanimous panel of the court of appeals which first considered this case was wrong in concluding that the primary purposes of the inquiry were in aid of legislative processes.

Finally, the record is barren of other factors which in themselves might sometimes lead to the conclusion that the individual interests at stake were not subordinate to those of the State. There is no indication in this record that the subcommittee was attempting to pillory witnesses. Nor did petitioner's appearance as a witness follow from indiscriminate dragnet procedures, lacking in probable cause for belief that he possessed information which might be helpful to the subcommittee. And the relevancy of the questions put to him by the subcommittee is not open to doubt.

We conclude that the balance between the individual and the governmental interests here at stake must be struck in favor of the latter, and that, therefore, the provisions of the first amendment have not been offended.

We hold that the petitioner's conviction for contempt of Congress discloses no infirmity, and that the judgment of the court of appeals must be affirmed.

Newspaper article about case in New York Times:

CONTEMPT CONVICTION OF TEACHER UPHELD IN FEDERAL CASE

(By Anthony Lewis)

WASHINGTON, June 8.—The Supreme Court upheld in broad terms today the power of Congress and State legislatures to investigate alleged subversion.

By a vote of 5 to 4 the Court affirmed the contempt conviction of Lloyd Barenblatt, a former instructor as Vassar College who refused to answer questions of the House Un-American Activities Committee about Communist associations.

The majority rejected contentions by Barenblatt that the committee's entry into the field of education was unconstitutional, that its only purpose was an illegal one of "exposure for exposure's sake" and that the investigation discouraged free speech and association.

The Court was divided precisely the same way in the closely related case of Willard Uphaus. It affirmed his contempt conviction for refusing to produce for a New Hampshire subversion inquiry guest lists of a summer camp he ran in that State.

DRAMA IN THE COURT

It was a dramatic day in the courtroom. The Justices sat until 5 p.m., past their normal closing hour, to read their opinions in several of the term's most controversial cases. They disposed of 14 of 50 argued cases awaiting decision.

The Barenblatt case settled some big questions left unanswered 2 years ago by the Court's landmark decision in the case of John T. Watkins.

The holding there was that a congressional committee could not compel answers from a witness unless it made clear to him the subject of its inquiry and the pertinence of particular questions to that subject.

Many persons, including a large number in Congress, read the Watkins decision as a tight rein on congressional investigations. Others saw it as a carefully limited procedural ruling and they were proved right today.

Barenblatt was questioned by the House committee in 1954. He refused to answer on the ground that the committee had no constitutional power to make him talk about associations, whether or not with alleged Communist persons and groups.

He was convicted of contempt, sentenced to 6 months in jail and fined $250. The court of appeals here upheld the conviction, but the Supreme Court sent the case back for reconsideration in the light of the Watkins case.

The court of appeals, by a vote of 5 to 4, again affirmed. It then held up a number of other congressional contempt cases to see what the Supreme Court would say about Barenblatt. All those other cases are still pending.

Justice John Marshall Harlan wrote the majority opinion today. He was joined by Justices Felix Frankfurter, Tom C. Clark, Charles Evans Whittaker, and Potter Stewart.

LIMIT PUT ON INQUIRY

The power of Congress to investigate is limited by the Bill of Rights, Justice Harlan said. He explained that requirements of academic freedom, for example, would prohibit any committee from conducting a general inquiry into what a teacher was teaching.

He went on to say that the Supreme Court would be alert against any intrusion into "this constitutionally protected domain."

"But this does not mean that Congress is precluded from interrogating a witness merely because he is a teacher," he said.

"An educational institution is not a constitutional sanctuary from inquiry into matters that may otherwise be within the constitutional legislative domain merely for the reason that inquiry is made of someone within its walls."

The valid legislative purpose found by Justice Harlan in this situation was the Government's "right of self-preservation" against Communist attacks.

The opinion said the Supreme Court had "consistently refused to view the Communist Party as an ordinary political party" and would have to "blind itself to world affairs" to do otherwise. It noted congressional findings that communism seeks the overthrow of the Government.

Justice Harlan said an investigation could not be bound by the strict requirements of evidence needed for a criminal prosecution. Congress has a right to inquire step by step, he said, about matters leading up to attempts to overthrow of the Government.

In this case, he said, the committee showed no design to control what is taught at universities or to intimidate or pillory witnesses.

The majority specifically rejected contentions that the House committee was interested only in exposing alleged subversives to public obloquy. Justice Harlan said the Court could not look into Congressmen's motives.

The issue of exposure was one ground of the principal dissent. It was by Justice Hugo L. Black and was joined by Chief Justice Earl Warren and Justice William O. Douglas. Justice William J. Brennan, Jr. joined purely for the sake of exposure.

Justice Black said "the Court today fails to see what is here for all to see—that exposure and punishment is the aim of this committee and the reason for its existence." He added:

"I cannot believe that the nature of our judicial office requires us to be so blind."

He said the contempt conviction should not stand because the committee had taken over the function of the courts to try and punish individuals.

Beyond this point, Justice Black argued broadly that the first amendment guarantees free speech and association.

It did so, he said, because witnesses are forced to expose their beliefs and associations and are subjected to obloquy and public scorn for them. He said the only effect can be to inhibit speech and association.

Justice Black rejected the majority's reliance on the nature of communism. He said all minority or unpopular views would be subject to harassment under the Court's view.

He rejected also the majority view that public and private interests must be balanced. That, he said, was as if the first amendment read:

"Congress shall pass no law abridging freedom of speech, press, assembly and petition unless Congress and the Supreme Court reach the joint conclusion that on balance of interests of the Government in stifling these freedoms is greater than the interest of the people in having them exercised."

But even on balance, Justice Black said, the majority did not weigh the interest "of the people as a whole in being able to join organizations, advocate causes and make political 'mistakes' without later being subjected to governmental penalties for having dared to think for themselves."

"Ultimately," he concluded, "all the questions in this case really boil down to one—whether we as a people will try fearfully and futilely to preserve democracy by adopting totalitarian methods, or whether in accordance with our traditions and our Constitution we will have the confidence and courage to be free."

Close observers of the Supreme Court called the Barenblatt decision one of the most important of recent years.

They said it made plain the majority's unwillingness to restrain the substantive powers of congressional inquiry. The decision thus restricted the Watkins case to a warning by the Court that committees must have fair procedures.

Justice Harlan canvassed the committee's procedures in this case and found them sufficient. Barenblatt knew the subject of inquiry, he said, and the questions were clearly pertinent to it. He also turned down contentions that the House had not authorized the Un-American Committee to look into educational matters.

The gulf between the majority and minority lay, as Justice Black said, in their view of the judicial function. The majority paid great deference to the powers of Congress. The dissent said the Court had retreated from its obligation to enforce the Bill of Rights strictly.

"Unless we once again accept the notion that the Bill of Rights means what it says and that this Court must enforce that meaning," Justice Black said, "I am of the opinion that our great charter of liberty will be more honored in the breach than in the observance."

The American Civil Liberties Union supported Barenblatt's appeal. Edward J. Ennis of New York argued for him and Philip R. Monahan for the Government.

Mr. Speaker, this Barenblatt decision by the highest Court appears to bring into proper perspective several previous decisions by said Court in the same area, particularly in the matter of rights of witnesses and jurisdiction of the House Un-American Activities Committee and also other investigative committees in Congress.

Particularly does it single out the earlier case of Watkins vs. United States, in which rule XI of the House of Representatives, 83d Congress, the charter of the authority of the House Un-American Activities Committee, was commented upon by the Court. It was particularly this decision which was grasped upon by those who condemned the procedures and policies of the House Un-American Activities Committee.

The Communists in our Nation and many of their avowed sympathizers and followers publicized this Watkins decision as justification for claiming that the House Un-American Activities Committee should be dissolved and done away with by the House of Representatives.

Several weeks ago, by both the proponents and opponents of the House Un-American Activities Committee, it was stated on the floor of this House that they were awaiting the anticipated forthcoming of this Barenblatt decision. This Barenblatt decision expressly treats of this Watkins case. It expressly upholds the grant of power to the House Un-American Activities Committee by the House of Representatives as set forth in rule XI.

I recommend that every Member of this great legislative body read the majority decision and also the dissent opinion by Justice Black and the minority members of the Court.

WITHOUT UNNECESSARY DELAY

Mr. HOLTZMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOLTZMAN. Mr. Speaker, I offer an editorial which appeared in the New York Times this morning and strongly urge my colleagues to read and heed the admonition therein contained.

Enactment of the so-called Mallory bill would, in my opinion, be a step backward in our democratic way of life. If this bill becomes the law of the land it could possibly open the door to a far greater evil than the occasional acquittal of an admitted felon. To those of my colleagues who are interested in curbing the Supreme Court, and who simultaneously cry out for constitutional government, I submit that the enactment of the Mallory bill will only curb the constitutional rights of our citizens to be arraigned without unnecessary delay, and thus abort the very purpose of our constitutional form of government.

The editorial follows:

WITHOUT UNNECESSARY DELAY

Prolonged and secret detention by the police, with no opportunity for the prisoner to consult with family or counsel, is a hallmark of the totalitarian state. The practice remains, for example, one of the dark features of the Soviet system of justice.

For many years Federal practice in this country has been a model for the prevention of such excessive prisoner detention. It has called, first, for the police to bring any prisoner before a judge for arraignment "without unnecessary delay." At arraignment the prisoner is informed of his right to counsel; probable cause of his arrest must be shown, and the arrest becomes public knowledge.

To enforce that requirement for prompt arraignment, the Supreme Court 16 years ago laid down the rule that any confession obtained by the police during improper detention of a prisoner could not be used in evidence against him.

This well-established and essential safeguard is now the subject of attack in Congress. The House is scheduled to vote this week on a bill providing that no confession by a Federal prisoner shall be excluded solely because of delay in his arraignment.

Agitation for the bill followed a unanimous Supreme Court decision in 1957 reversing the conviction of a District of Columbia rapist because a confession was obtained from him during a deliberate delay in arraignment.

But the bill is not a forthright measure to allow more time for police questioning. It is a back-door approach which leaves the requirement for prompt arraignment on the books but kills entirely the only workable enforcement method. It would allow the police to keep a man in secret detention for days without fear of effective sanctions.

Surely this is not a time for the Federal Government to retreat from a civilized system of criminal justice. The Members of the House should remember the words of Justice Felix Frankfurter in his 1943 opinion establishing the rule now under attack: "The history of liberty has largely been the history of the observance of procedural safeguards."

PRICE OF SUGAR—CASTRO'S AGRARIAN REFORM LAW

Mr. MUMMA. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MUMMA. Mr. Speaker, several months ago the Pennsylvania delegation in Congress was contacted by the various candy manufacturers of our State who were interested in the price of sugar on the eastern market. Their particular interest was in some working out of a solution to avoid their having to purchase sugar in the Chicago market at a price which was usually a cent or more higher than the New York market where Cuban sugar is purchased. This additional cost has a very vital effect on the price of the candies made in Pennsylvania and other eastern States. In fact, several of these big companies are opening branches in the West to take advantage of this situation.

Several days ago the Castro government in Cuba announced the fact that they were going to confiscate or, in some way, take over all these American sugar plantations in Cuba, and I thought the information contained in this letter which I am including herewith would be of interest to the Members of Congress.

Mr. Speaker, it would be my observation that Castro needs us more than we need him.

RE CASTRO'S AGRARIAN REFORM LAW

MAY 28, 1959.

The question is what, if anything, should the United States do at the present time because of the Cuban agrarian reform law which, in fact, confiscates the properties of U.S. citizens. The word confiscation is justified by the cynical terms of the law itself; the basis for compensation is only a fraction of the true market value of the lands, not only because the decreed land tax valuation basis of the property bears no relation to its true value (being 40 or 50 years old and not being used for tax purposes) but also because of the provision that payments are to be made in long-term internal bonds which obviously would be unmarketable, and the proceeds, if any, would not be convertible into dollars. No compensation whatever is provided for the damage which the proposed gutting of an integrated enterprise would do to the sugar mill itself, nor is any indemnity whatever provided for the growing cane—in Cuba a 5- to 10-year perennial crop.

If the repercussions to this act were only on Cuba and not all of Latin America it might be better to do nothing and watch the situation deteriorate for possible later action.

However, we have bigger stakes in other Latin countries and both Government and private business are trying to help them develop along decent lines, including measures to hold down inflation, balance budgets, recognize the sanctity of contracts, etc. If Castro's expropriation is allowed to go unchallenged it will for many years discourage private investment in the entire Western Hemisphere.

There is some risk in acting, but in my opinion there is more risk in not acting. I believe the United States should immediately and publicly protest the agrarian law as a contravention of the friendly political and economic ties between our two countries; and at the same time state that if Cuba persists in carrying out the proposed law adequate, fair, and immediate compensation must be made for the expropriated properties.

It would not be difficult to compensate American shareholders out of the difference between the world price of sugar and the U.S. sugar price which Cuba obtains on her quota. This difference, which in 1959 will amount to $150 million, could be withheld over the years in a fund for a pro rata distribution to American stockholders based on independent appraisals of their respective properties. The total value of American owned sugar mills and lands is probably $500 million without taking into consideration net current assets.

We should also not renew the Sugar Act at this session of Congress which is not necessary as it does not expire until December 31, 1960. A renewal now would be interpreted in Cuba at this critical moment as tantamount to a lack of interest by the United States in Castro's move or what it does to Americans, and that he has a free hand to go ahead. That would be an encouragment to Castro who has publicly stated, "I do not believe that the United States will consider the loss of cane lands by the American companies as worth disruption of the friendly relations between Cuba and the United States."

A strong statement by the United States now will not only have a salutary effect on other Latin American countries (who distrust and fear Castro and cannot understand our seeming support and tolerance of him) but would also keep faith with our many friends in these countries, including Cuba.

JOHN L. LOEB,
Senior Partner, Carl M. Loeb, Rhoades & Co.; Chairman of the Board, Cia. Azucarera Atlantica del Golfo.

MONSIGNOR McGLINCHEY HAS GONE TO HIS HEAVENLY REWARD

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, to young Joseph McGlinchey, the highest purpose in life was to serve God and to uplift the hearts of those he met along the way.

That was his mission, and through the 52 years of his priesthood he set a saintly example that enriched the lives of countless thousands who mourn the death of their good friend.

He was born in Emerald, Kans., on April 2, 1882, the second youngest in a family of 10 children. In the loving circle of a poor family where cooperation overcame hardships, and the custom of gathering each night to say the rosary brought the joy and serenity of true faith, he received the inspiration that was to guide him all the years of his pilgrimage on earth.

His family moved to Cambridge, Mass. St. Paul's Parochial School, Cambridge Latin School, Boston College; these were the steppingstones to theological studies at the North American College in Rome. He was ordained as a priest of the Roman Catholic Church on May 23, 1907.

Four years after his return to the United States he was appointed archdiocesan director of the Society for the Propagation of the Faith. For 16 years he served as director of the missionary aid organization. His zeal and his reverence were largely responsible for the increase in foreign mission activity. In 1922 the church recognized and honored his work by conferring upon him the title of monsignor.

He was only 45 when he was assigned as pastor of St. Mary's Church in Lynn. That was in 1927. In the 32 years since then, he built up St. Mary's Parish into one of the largest in New England. The original church was destroyed by fire in 1941. It was impossible to replace St. Mary's due to the strict wartime controls on new construction. Yet, less than 2 years after the victory was won, a larger and more beautiful house of worship was completed. A new school was next on the expansion program. Then the establishment of a home for workingwomen.

Monsignor McGlinchey organized more parish societies. He knew that the church should provide opportunities for all groups—the young and the old, men and women—to find spiritual fulfillment.

When he first spoke from the pulpit of old St. Mary's, in 1927, he said: "You will have the best that is in me, my good will, my energy, my faith, and trust in God, and my loyalty to the head of the archdiocese." As the years proved up this pledge, there was nothing that his parishioners would not do for him.

The great affection of the congregation for their pastor radiated throughout the whole community. Here was a priest of God whose purity of heart was evident in his every word and action. Clergymen of other faiths, public officials, educators—even those without any religious affiliation—came to have a deep and abiding respect for Monsignor McGlinchey.

Like a clean and steady light that leads men safely through the confusing expediencies of our times, the character and works of Father McGlinchey kept many a human being on the right road. Following in the footsteps of Christ, he sanctified his life by faith and hope and charity, and helped many who were weak to grow in spiritual strength and grace and happiness.

The people of Greater Lynn have lost a good and true friend. From the thousands of people in the crowded cities of Massachusetts, to the small mission bands in far-off places, he will be mourned, and prayed for, and fondly remembered.

Msgr. Joseph F. McGlinchey has arrived at his eternal home in the kingdom of the blessed.

ESTABLISHMENT OF EAST-WEST UNIVERSITY IN HONOLULU, HAWAII

Mr. SAUND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SAUND. Mr. Speaker, it is my honor and joy today to introduce a bill to establish an East-West University in Honolulu, T.H.

This honor was initially reserved for my beloved colleague, the Delegate from Hawaii, the Honorable JOHN A. BURNS. Delegate BURNS has played a leading and decisive role in bringing Hawaii into the statehood status and it was only fitting that his name be associated with the legislation to establish this great institution of learning in the Hawaiian Islands.

This bill is a companion to the bill introduced today in the U.S. Senate by its distinguished majority leader, the Honorable LYNDON B. JOHNSON, of Texas. In the absence of Delegate BURNS, Senator JOHNSON expressed to me his desire that I author this highly important piece of legislation in the House of Representatives

Mr. Speaker, I can see today the tremendous significance of this bill in the future, expanding friendly cultural relationships between the United States of America and the peoples of the vast areas of the Pacific and the continent of Asia. Peoples which comprise the great independent nations of the Pacific and the Far East are inheritors of the world's greatest ancient and modern civilizations.

The United States of America today has become the symbol of triumphant progress, expressing in its finest form the vitality and vigor generated by the industrial and political revolutions of Western Europe during the last 200 years.

This East-West University will be a meeting place for students nurtured on Western ideas and ideals and students whose intellectual heritage is rooted in the great teachings and examples of Gandhi, Sun Yat Sen, and Magsaysay.

Here will come young people from the East eager to learn the American know-how which produces 2 bushels of rice where only 1 grew before. They will see a demonstration of the practical application of scientific knowledge toward the betterment of human life on this globe. They will see the concrete results of the rigid application of the principles of personal liberty and freedom of enterprise as exemplified by modern America.

In return they will impart to their Western counterparts the secrets of the age-old wisdom of the East which can give peace of mind and contentment of the soul.

Mr. Speaker, I represent a synthesis of the East and the West.

I have found in life that the simple lessons of human behavior which I learned from my mother, who never learned to read or write her name, have been of great practical value to me throughout my long stay in the United States as a student of the University of California, a farmer and businessman and later as a public official and a Member of the U.S. Congress.

Reflecting the gist of ancient Indian teaching, my mother gave me this parting advice: "Son, make friends everywhere and no enemies." This has stood me in good stead. A favorite hymn which she sang in the early hours of every morning of her life, is, in my opinion, the ultimate flower of philosophy: "I am not afraid of anyone and I seek to impose fear on nobody. When I acquire that inner state of mind, I shall become the beloved of both man and God."

Mr. Speaker, there exists today an abounding reservoir of good will and affection for the people of the United States among the teeming millions who live on the continent of Asia. I made that observation during my trip to that part of the world nearly 2 years ago.

The young people of Asia are yearning to meet and imbibe the happy characteristics of the American way of life. I see no better or more practical manner of bringing the two cultures together for a happier, freer, and more peaceful world than the establishment of the great university proposed in this legislation.

ESTABLISHMENT OF A CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST IN HAWAII

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Hawaii [Mr. BURNS] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BURNS of Hawaii. Mr. Speaker, it is high honor indeed to have the privilege of cosponsoring the legislation which has today been introduced in the other body of the Congress by the very prescient, knowledgeable, and most able senior Senator from Texas [Mr. JOHNSON] acclaimed as one of the greatest majority leaders in the history of the Senate.

The bill provides for the promotion of foreign relations of the United States by providing for the establishment of a center for cultural and technical interchange between East and West in Hawaii.

Mr. Speaker, Hawaii is a unique and powerful asset to the United States in two chief ways. Geographically, economically, commercially, and culturally Hawaii occupies the central, preeminent position in the Pacific Ocean. To this world, therefore, and to the East—which together contains more than two-thirds of the world's population and countless other tremendous untapped resources—Hawaii is America's bridge, America's very real, intangible, and practical key to friendly profitable relations with these areas.

Further, in Hawaii's people—who are thoroughly American, yet understand the peoples of the Pacific and the East, and can sympathize with their problems—the United States has its best means of utilizing Hawaii's position. Statehood is the

catalyst which releases the energies of Hawaii's people and gives them the opportunity to exploit these energies, which opens up, as a result, a whole new era, a whole new area of possibility, for Hawaii and for the Nation.

It is only through Hawaii that America can achieve its fullest measure of participation in the development of the Pacific—whose reaches include all of the East—as the ground for the growth for a new age, whose culture will be a unique, fruitful meeting of the East and West.

The immense resources of Asia and the Pacific are being developed by people who have a newly won dignity which seeks expression in a better life and a higher standard of living. In this effort, America has been of some assistance, limited, however, by the unbridged chasm heretofore separating the oriental and occidental. The resources of the East should be implements of friendship and the peoples of this vast area should be neighbors with whom we can have mutually beneficial relations. Each can, and should, learn from the other.

We have an opportunity, in our own small human way, to establish in our world a condition which, in some way reflects our common and unattainable ideal in which the lion lies down with the lamb. To attain this is the one great endeavor of the present world—if, indeed, we do not arrive at something like it, perhaps we will not have a world at all. If we expect this endeavor to succeed—the admission of Hawaii as a State in the American Union is, from my point of view, a sine qua non.

The bill which I have the privilege of cosponsoring with a truly great American, whose friendship does me such great honor, will contribute materially to the full utilization of Hawaii's significant assets.

A BILL TO PROMOTE THE FOREIGN RELATIONS OF THE UNITED STATES BY PROVIDING FOR THE ESTABLISHMENT OF A CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST IN HAWAII

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

STATEMENT OF PURPOSE

SECTION 1. The purpose of this Act is to promote better relations and understanding between the United States and the nations of Asia and the Pacific (hereinafter referred to as "the East") through cooperative study and research, by establishing in Hawaii a specialized institution to be known as the Center for Cultural and Technical Interchange Between East and West, where scholars, students, and others in various fields from the nations of the East and Western World may meet, study, exchange ideas and views and conduct other activities primarily in support of the objectives of the United States Information and Educational Act of 1948, as amended, and Title III of the Mutual Security Act and other acts promoting the international educational, cultural and related activities of the United States.

ESTABLISHMENT OF CENTER

SEC. 2. The Secretary of State (hereinafter referred to as the Secretary) shall carry out the purposes of this Act by—

(1) making such arrangements as may be necessary with public, educational, or other nonprofit institutions, or otherwise, for the establishment, construction, and operation in Hawaii of an institution to be known as the Center for Cultural and Technical Interchange Between East and West.

(2) providing grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the East and the Western World as may be necessary to attract such scholars and authorities to the Center.

(3) providing grants, scholarships, and other payments to qualified candidates from the nations of the East as may be necessary to enable such students to engage in study at the Center; and

(4) making the facilities of the Center available for study to other qualified persons on a reasonable basis.

ADMINISTRATIVE PROVISIONS

SEC. 3. (a) In carrying out the purposes of this Act, the Secretary is authorized to utilize the provisions of the United States Information and Educational Exchange Act of 1948, as amended, to the extent he deems necessary.

(b) The Secretary may, in administering the provisions of this Act, accept from public and private sources grants and gifts of money and property to be utilized in carrying out the purposes and functions of the Center. In utilizing any grants or gifts accepted there shall be available to the Secretary the same authorities as are available to him in accepting and utilizing gifts, bequests and devices to the Foreign Service Institute under the provisions of Title X, Part C of the Foreign Service Act of 1946, as amended. For the purposes of Federal income, estate and gift taxes any grant or gift accepted by the Secretary under the authority of this Act shall be deemed to be a gift, devise or bequest to or for the use of the United States.

(c) The Secretary shall make an annual report to the Congress with respect to his activities under the provisions of this Act, and such report shall include any recommendations for needed revisions in this Act.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 4. There are authorized to be appropriated, to remain available until expended, such amounts as may be necessary to carry out the provisions of this Act.

DIVIDENDS PAID ON SO-CALLED STOCK HELD BY COMMERCIAL BANKS IN FEDERAL RESERVE BANKS LARGELY TAX-EXEMPT; FEDERAL RESERVE NOTES OBLIGATION OF THE UNITED STATES—COPY OF CERTIFICATE OF SO-CALLED SHARES OF STOCK IN FEDERAL RESERVE MADE PUBLIC

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

(Mr. PATMAN (at the request of Mr. McCORMACK) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, the Federal Reserve Banks are owned by the U.S. Government. The Federal Reserve System is a Government agency. It should be operated in the interest of the people and should not be controlled by the private bankers when the Federal Reserve legislation was being considered.

President Woodrow Wilson made it clear he would not sign a bill that would permit the bankers to serve on any important decision making board of the system. But in 1935, the Federal Reserve banking system was completely changed. This change was made in an emergency period when very few Members of Congress were looking and when the others were willing to take most anything they thought could help the country out of the depression. But the bankers were on the job. The big bankers had opposed the Federal Reserve System at the start. So the proposed changes which were made in 1933 and 1935 were carefully watched by the bankers; they knew every move made; they knew what suggestion to make; they knew the benefits that would accrue to them; they knew every word, phrase, and punctuation mark. The Act of 1935, which was a revision of the 1913 Woodrow Wilson Reserve Act, completely changed the system in a way with which the bankers were highly pleased. The representatives of the people in Congress doubtless did not realize exactly what had been done.

The system was changed so that the regional banks, except the one in New York, have very little to do. Aside from the New York Bank, the officers, directors, and employees do not earn their salt.

The New York Bank is different because it functions for all the other banks. Even the services rendered for the U.S. Government, as distinguished from the services rendered the private commercial banks, by the officers, directors, and employees of the New York Bank is practically nil in comparison to the salaries paid to them by moneys belonging to the U.S. Government. The net result is that the System is being operated at the expense of the taxpayers for the benefit of fewer than one-half of the commercial banks of the country and more specifically for the benefit of a few big banks that control the System.

AUDITS WILL BE DISCLOSED

Within the next 2 weeks, I expect to disclose the results of an examination of the audits of the 12 Federal Reserve banks. These disclosures will reveal that enormous sums of money are being spent by Federal Reserve officials for all kinds of frivolous, fun-making, and unnecessary purposes. These disclosures will be shocking to many people. Every dollar spent foolishly and unnecessarily by Federal Reserve officials is just the same from the viewpoint of Uncle Sam, and the taxpayers, as any postmaster's spending his stamp money for the same purpose. Needless to say, a postmaster who spent his stamp money in such a frivolous and wasteful manner would be put in the penitentiary. It would not be tolerated in any community in our land. The Federal Reserve claiming a "sacred cow" status has successfully prevented the formation of a congressional investigating committee to take a look at what it is doing. Some of the truth will come out

anyway. If they do not have something to hide, why do they oppose an investigation?

PEOPLE MISLED BY FEDERAL RESERVE OFFICIALS

The Federal Reserve officials get by with it because people have been misled about the ownership of the System and how it operates. The truth is that it operates just like the post offices, and the Federal Reserve officials have no more right to waste money entrusted to them through their Federal Reserve connections than the postmasters of our local towns have such a right.

THE FEDERAL RESERVE OPERATES ON THE CREDIT OF THE GOVERNMENT

Gov. Oliver S. Powell appeared before the Joint Economic Committee on Monetary Policy and the Management of the Public Debt in March 1952. His testimony commences at page 463 of the hearings. On the question of whose credit the Federal Reserve is using, the following information that appears on pages 474 and 475 is revealing:

Representative PATMAN. Well, the truth is, Mr. Powell, is it not, that the Federal Reserve banks operate on the Government's credit?

Mr. POWELL. Yes; they are creators of credit under franchise from the Government.

Representative PATMAN. That is right; and they are set up to operate on the credit of the Nation because every note that you issue, every Federal Reserve note is an obligation of the U.S. Government, is it not?

Mr. POWELL. That is right.

Representative PATMAN. It is not an obligation of the Federal Reserve bank; it is an obligation of the Federal Government.

Mr. POWELL. It is both, technically, but—

Representative PATMAN. Yes; I know; do you have one of the Federal Reserve notes in your pocket?

Mr. POWELL. I am not sure.

Representative PATMAN. Well, you ought to be carrying a pocketful, being a member of the Board. [Laughter.]

Mr. POWELL. Well, let me see if I have one. This is a Federal Reserve note [exhibiting].

Representative PATMAN. Well, now, what does it say? Who promises to pay that note?

Mr. POWELL. I think it just says it is lawful money of the country, "United States of America will pay to the bearer on demand"——

Representative PATMAN. That is it; that is the binding statement. The United States of America will pay to the bearer on demand $10 or whatever it is.

So it is an obligation of the United States. There is nothing on it or in the law to indicate it is an obligation of the Federal Reserve banks, or the member banks, or anyone else except the U.S. Government. That is correct, is it not?

Mr. POWELL. That is right.

PRIVATE BANKS RECEIVE 6-PERCENT, TAX-FREE INTEREST ON SO-CALLED STOCK INVESTMENT IN THE FEDERAL RESERVE

Despite the fact that the Federal Reserve banks are owned by the Government, and operate solely on the money-creating power of the Government, the private banks are allowed to own a certain amount of so-called "stock" in the Federal Reserve banks. This is not stock in any usual sense of the word. It does not represent any ownership in the Reserve banks. The stock carries no proprietary rights. And the money from the stock is in no way needed or used by the Reserve banks. Yet the private banks are paid 6-percent interest on their investment in this so-called stock. Furthermore, interest payments on all of this so-called stock issued before 1942 is tax exempt.

THE SO-CALLED STOCK CERTIFICATE

Each of the 12 Federal Reserve banks issue the same kind of stock certificate. Each certificate is numbered and the certificate issued to a particular bank shows the number of shares which that bank holds, with the following language:

FEDERAL RESERVE BANK OF ————————

This is to certify that ———— is the owner of —— shares of the par value of $100 each, of the capital stock of the Federal Reserve Bank of ———, which shares of stock cannot be transferred or hypothecated. The stock represented by this certificate, issued in pursuance of the provisions of the act of Congress approved December 23, 1913, known as the Federal Reserve Act, as amended, is paid up to the extent of 50 percent of its par value.

In witness whereof, the said Federal Reserve Bank of ——— has caused its corporate seal to be hereunto affixed and this certificate be signed by its duly authorized officers this — day of ——, 19 —.

———— ————,
Vice President.
———— ————,
Secretary.

On the back of the certificate is the following:

FEDERAL RESERVE BANK OF ————————

This certificate represents —— shares of Federal Reserve bank stock which were purchased and paid for prior to March 28, 1942, and —— shares of Federal Reserve bank stock purchased and paid for on or after March 28, 1942.

———— ————,
Vice President.

The certificate from which I have quoted is from the Federal Reserve Bank of Philadelphia.

TAX EXEMPT STOCK HELD BY COMMERCIAL BANKS

It is doubtless difficult for the commercial bank to keep on any particular certificate the number of shares, because the number of shares is changing all the time. The number is based on 6 percent of the bank's capital and surplus, with 50 percent paid in. Since the amount of the bank's capital and surplus is changing all the time, the amount of shares is changing all the time.

The statement on the back of the certificate brings to mind a very important consideration. The following information taken from the testimony of Mr. Vest, General Counsel of the Federal Reserve Board, commencing at page 480 of the hearings on the Monetary Policy and the Management of the Public Debt before the Joint Economic Committee in 1952, indicates the importance of disclosing the number of shares purchased before March 28, 1942, and the number after:

Representative PATMAN. Now, I have a memorandum here and I think it was obtained from, if not your office, someone connected with the Federal Reserve Board, which gives the information that there is a total amount of $237 million in stock outstanding to the commercial banks and of that stock $139 million was issued prior to December 3, 1940, and since that time there has been an increase of $98 million.

You mean to say, then, if these figures are correct, that the $98 million has a tax paid on the 6 percent dividend each year, but there is no tax paid on the $139 million?

Mr. VEST. On the dividends on that stock, that is correct.

Representative PATMAN. That is, the $139 million.

Mr. VEST. That is correct.

Representative PATMAN. Well, is that not kind of unusual, I wonder why——

Mr. VEST. It results, I think, Mr. Chairman, from the language of the statute which was passed in 1942.

Representative PATMAN. Has the board ever called that to the attention of Congress or asked it be changed?

Mr. VEST. I do not recall they have.

Representative PATMAN. A lot of the bankers I know are hard against these tax exemptions; they are hard against them and, of course, I do not blame them, they should be against exemptions, you know, for private industry making profits and not paying taxes.

I wonder why they would accept the tax exemptions here in a case like that—it has never been called to the attention of Congress?

Mr. VEST. I do not believe so, sir.

Representative PATMAN. And the Board has never taken any action on it?

Mr. VEST. No action that the Board could take up—we did take it up with the Internal Revenue, to get their viewpoint.

Representative PATMAN. Their interpretation of it?

Mr. VEST. Yes, sir.

BANKERS WILL NOT ASK FOR CHANGE IN TAX EXEMPT STATUS

The Financial Institutions Act of 1957, which came to Congress under the false label of "recodification" and properly failed to pass, contained 171 substantive amendments to banking, including one hidden provision that would make any loan shark happy, to repeal the Federal usury law and render ineffective the usury laws of the States, which were intended to greatly help the commercial banks, but a change in this tax-exempt status was not one of them.

LECTURING ON THE VIRTUES OF HONESTY WITH A STOLEN GOOSE IN HIS SLEEVE

The committee of big bankers sponsoring the Financial Institutions Act considered asking for its repeal in this act, but on a vote of the Banker Committee to place it in the Financial Institutions Act, it was overwhelmingly defeated. A minority of the bankers felt like it placed them in an inconsistent and really an embarrassing position in their fight against others for receiving what they considered tax exemptions. One banker is said to have remarked, after the defeat of the proposal to put a provision in this proposed act to tax the dividends, that it placed the bankers who were trying to get Congress to tax their competitors under the same circumstances in the position of the old sage who was delivering a lecture on the virtue of honesty with a stolen goose in his sleeve.

SO-CALLED STOCK INVESTMENT SHOULD BE RETURNED—SAVE $100,000 A DAY

It is in the interest of the country—the public interest—that the amount of so-called stock paid in by the commercial banks to the 12 Federal Reserve banks should be immediately returned

to the commercial banks. The commercial banks have received 6 percent interest on it for 46 years—most of it during that time tax-exempt. The money has never been invested by the Federal Reserve banks. It has remained idle and unused and has served no purpose whatsoever. It could be paid back to the banks immediately and the taxpayers would be saved over $21 million a year, or $60,000 per day.

FEDERAL RESERVE BANKS SURPLUS SHOULD BE RETURNED—SAVE TAXPAYERS $100,000 A DAY

Furthermore, the Federal Reserve banks hold $1 billion in surplus that belongs to the U.S. Treasury, but is being withheld. It, too, is idle and unused. It is not invested and serves no purpose whatsoever where it is. It is idle and unused. If paid to the Treasury now, it would save the taxpayers the interest on over $1 billion a year and immediately reduce the national debt by $1 billion. The interest saved would mean about $40 million a year, or $3.3 million a month. Breaking it down to days, it would save the taxpayers over $100,000 a day. So why should there be any further delay in paying this money over to the Treasury under these circumstances?

ESTABLISHMENT OF A PERMANENT ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. FOUNTAIN] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FOUNTAIN. Mr. Speaker, for the information of Members of the House, I should like to insert in the RECORD a copy of a press release which is being sent today to the wire services and to daily newspapers throughout the country.

The release follows:

Representative L. H. FOUNTAIN, Democrat, North Carolina, chairman of the Intergovernmental Relations Subcommittee of the House Committee on Government Operations, said today that the subcommittee will hold joint hearings with the Senate Committee on Government Operations from June 16 through 19 on identical bills to establish a permanent Advisory Commission on Intergovernmental Relations. Bills for this purpose have been introduced by Congressman FOUNTAIN (H.R. 6904), Congresswoman FLORENCE P. DWYER (H.R. 6905), Senator EDMUND S. MUSKIE, and a bipartisan group of 24 cosponsors from 18 States (S. 2026).

Congressman FOUNTAIN said these bills are "designed to carry out a recommendation of House Report No. 2533, which was unanimously adopted last August by the Committee on Government Operations after extensive hearings and studies by its Intergovernmental Relations Subcommittee."

"The most important function of the Commission," Representative FOUNTAIN stated, "would be that of bringing together Federal, State, and local officials on a continuing basis for discussion of the problems which concern all levels of government. By periodically bringing together Federal, State, and local officials, representing both the executive and legislative branches, it is my hope that the Commission would provide a favorable atmosphere for promoting mutual understanding and help to produce a smoother functioning of our Federal system."

The bills provide for a bipartisan Commission made up of 24 members, as follows: Three officers of the executive branch of the Federal Government; three Senators; three Members of the House of Representatives; four Governors; three State legislators; four mayors; one county official; and three private citizens.

It is intended that the Advisory Commission will (1) bring together representatives of the Federal, State, and local governments for the consideration of common problems; (2) provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation; (3) give critical attention to the conditions and controls involved in the administration of Federal grant programs; (4) make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the Federal system; (5) encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation, and (6) recommend, within the framework of the Constitution, the most desirable allocation of governmental functions and responsibilities among the several levels of government.

Organizations or persons wishing to present their views on these bills should communicate with James R. Naughton, counsel, Intergovernmental Relations Subcommittee, House Office Building, Washington, D.C., by June 13.

Members of the Intergovernmental Relations Subcommittee, in addition to Chairman FOUNTAIN, are JOHN A. BLATNIK, Democrat, of Minnesota; OVERTON BROOKS, Democrat, of Louisiana; NEAL SMITH, Democrat, of Iowa; FLORENCE P. DWYER, Republican, of New Jersey; ODIN LANGEN, Republican, of Minnesota. Representative WILLIAM L. DAWSON, Democrat, Illinois, chairman of the Committee on Government Operations, and Representative CLARE E. HOFFMAN, Republican, of Michigan, are ex officio members of the subcommittee.

THE SHASTA DAISY

Mr. PHILBIN. Mr. Speaker, I have today introduced a joint resolution to designate the Shasta daisy as the national floral emblem of the United States.

Created after long experimentation and propagation by the great genius, the immortal Luther Burbank, native of Lancaster, Mass., in my district and later famous son of the great State of California, the Shasta daisy is a flower of great beauty. It is hardy, vigorous, and vital. It grows in almost every soil and section. Its lines are sturdy, yet graceful. It lends itself to pleasing decorative effects. It is a flower of dignity and stature.

The Shasta daisy combines several varieties of native American flowers. Only the truly incredible Luther Burbank could have so skillfully blended these varieties into a lovely American flower of rare, impressive shape, outline, and coloring that can live and thrive under most unfavorable conditions.

To my mind, it is most appropriate that our great Nation should have a national flower to complement those of other great nations of the world. The fleur de lis of France, famed in song and story, is an example of a national flower invariably so closely associated with that great nation as to be a very part of it.

The rose is the national flower of England and Luxembourg. The cornflower is the national flower of Poland and Germany. Belguim honors the azalea as its national flower, Canada the sugar maple leaf. Ireland has the lovely shamrock as its national flower, Greece the dainty violet. The Netherlands honors the tulip, while Denmark has the forget-me-not as its national flower. The list is almost endless and there are few nations indeed that do not have a national flower.

In our country where there is such a wealth of beautiful flowers growing in field and forest and in the lovely gardens of our land, the choice of a national floral emblem is not an easy one. We can all think of many flowers that grow throughout the land that could well be considered.

But the time has come, I think, for us to make a decision so that our Nation like others may have a national flower.

Those of us who favor the Shasta daisy do not seek to designate it because we love other flowers less, but because we think there is a special significance, as well as a most appealing desirability, of a flower like this one of rare and surpassing beauty, growing almost everywhere, created and perfected in its extraordinary appeal by a native son of ours who was one of the greatest geniuses of all history.

Thus, the Shasta daisy is something more than a flower. It is a symbol of American imaginativeness and creative scientific talent. It is a composite, so to speak, of all the lovely flowers of the land, representing the beauty and grace and vitality of growing things, typical of our lofty mountains, our fertile fields, our shaded nooks, our great prairies and the byways that surround our streams and lakes and run along our babbling brooks and majestic rivers.

There are other reasons, in my humble judgment, and of course I gladly acknowledge and understand other preferences, that we should support this measure. Many people indeed on the west coast, on the east coast, north and south, in the plains and valleys of America favor the Shasta daisy. And what is especially appealing to me, many of our school children, still in their early years of life, favor and urge the Shasta daisy as the national flower.

I am particularly impressed with the choice of so many of our school children, because as the leaders of the Nation in the future, they will be the ones, who, if this flower is adopted, will have to live with it as the symbol of America's beauty, America's sturdiness, America's sensitivity, and all the things we cherish.

In introducing this bill, I express warm thanks to the schoolchildren, teachers, public officials, and friends of Lancaster, Mass., who requested and inspired it, and I most respectfully ask the careful consideration and generous support of my colleagues in the Congress for the Shasta daisy. It is my fond

hope that, in time to come, they will be more and more impressed, as I have been, by the appeals of the people and the school children of America, and they will be thus disposed to come to the same conclusion that I have come to, that the Shasta daisy should be designated as the national floral emblem. I urge your vigorous support of this bill.

Following is the text of the joint resolution I am introducing today:

JOINT RESOLUTION DESIGNATING THE SHASTA DAISY AS THE NATIONAL FLORAL EMBLEM OF THE UNITED STATES

Whereas practically all nations of the world proudly display among their national symbols a floral emblem; and

Whereas the United States, a land of varied and beautiful flowers, has never made such a choice; and

Whereas the Shasta daisy was conceived and perfected by that immortal genius, plant breeder and horticultural scientist, the great Luther Burbank, born in Lancaster, Mass., later famous son of the great State of California, and is not the national flower of any other country; and

Whereas the said Luther Burbank, creator of more than 3,000 species of plants, in his life and work exemplified noblest patriotism, tireless industry, surpassing genius, and by his noteworthy creative talents and resourcefulness linked two great American States and brought untold blessings and benefits to the Nation and the world; and

Whereas his great work also brought a common bond of interest and pride in his outstanding contributions to research and achievement in plant breeding and plant life; and

Whereas the Shasta daisy is a plant flower of rare beauty, vigor, and vitality which has conclusively demonstrated its ability to survive and grow in almost every soil and every section of the Nation and thus has achieved universal appeal to the American people: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the flower commonly known as the Shasta daisy is designated and adopted as the national flower of the United States, and the President is directed to declare such designation and adoption by proclamation.

Mr. Speaker, as a matter of possible interest to my colleagues in the House, I include in the RECORD a compilation of national floral emblems of foreign countries which has been made available to me by the Legislative Reference Service of the Library of Congress. This listing is perhaps the most complete of available listings of national flowers in current source materials. It shows the wide range of interest in the various nations of the world in the flower as a national symbol.

The material follows:

NATIONAL FLORAL EMBLEMS OF FOREIGN COUNTRIES

Argentina: Ceibo (Erythrina Cristagalli).
Australia: Golden Wattle.
Belgium: Azalea.
Bolivia: Khantuta (Cantuta Buxifolia).
Brazil: Blossoms of Ipe (Tcemoa Araliacea).
Canada: Sugar Maple Leaf.
Chile: Copihue (Lapageria Rosea).
China: Plum flower.
Columbia: Flore de Mayo (Catleya Trianae).
Costa Rica: Guaria Morada (Catleya Skineri Bateni).
Cuba: Cana de Amber, Mariposa (Hedychium Coronarium).
Czechoslovakia: Linden tree.
Denmark: Forget-me-not.
Dominican Republic: Blosoms of Caoba (Switenia Mahagoni).
Ecuador: Quina Roja (Cinchona Succirubra).
Egypt: Lotus.
El Salvador: Cafe blossoms (Coffen Arabica).
France: Fleur de lis (Iris).
Greece: Violet.
Germany: Cornflower.
Guatemala: Monja Blanca (Lycaster Skimeri Alba).
Honduras: Rose.
India: Lotus.
Iran: Rose, red.
Ireland: The Shamrock.
Japan: Chrysantheum.
Lebanon: Cedar tree.
Liberia: White Frangipangi.
Luxembourg: Rose.
Mexica: Nopal cactus.
Netherlands: Tulip.
Nicaragua: Cana de Amber, Heliotrope (Hedychium coronarium).
Panama: Flor del Espiritu Santo (Holy Ghost Orchid).
Paraguay: Jazmin del Paraguay, Manananca.
Peru: Cantu (Cantua Buxifolia).
Philippine Republic: San Paguita.
Poland: Cornflower.
Sweden: Each of Sweden's 24 provinces has a flower emblem but there is no national flower.
Turkey: Tulip.
Union of South Africa: Red prote.
United Kingdom: The flower for England is the rose; for Scotland, the thistle; for Wales, the leek.
Uruguay: Blossoms of Ceibo (Erythrina Cristagalli).
Venezuela: Flor de Nacar (Orchid, flower of mother-of-pearl).
Yugoslavia: Lily-of-the-valley.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MOELLER (at the request of Mr. LEVERING) for the balance of the week, on account of official business.

Mr. LOSER, June 9 through June 12, on account of official business.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DAVIS of Tennessee and to include extraneous matter.

Mr. LANE and to include extraneous matter.

Mr. BENTLEY and to include extraneous matter.

Mr. CELLER.

(At the request of Mr. QUIE, and to include extraneous matter, the following:)

Mr. VAN ZANDT.

(At the request of Mr. MCCORMACK, and to include extraneous matter, the following:)

Mr. ANFUSO in two instances.

Mr. POWELL.

Mr. STRATTON.

Mr. MCCORMACK.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 7007. An act to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 643. An act to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938; and

S. 949. An act for the incorporation of the Ladies of the Grand Army of the Republic.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 54 minutes p.m.) the House adjourned until tomorrow, Wednesday, June 10, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1081. A letter from the Comptroller General of the United States, transmitting a report on the review of ship overhaul contracting activities administered by industrial managers, Bureau of Ships, Department of the Navy; to the Committee on Government Operations.

1082. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to repeal the act of March 12, 1914 (38 Stat. 305), authorizing the construction and operation of a railroad in Alaska, to incorporate the Alaska Railroad Company, and for other purposes"; to the Committee on Interior and Insular Affairs.

1083. A letter from the Director, Administrative Office U.S. Courts, transmitting a draft of proposed legislation entitled "A bill to amend sections 334, 367, and 369 of the Bankruptcy Act (11 U.S.C. 734, 767, 769) and to add a new section 355 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XI (arrangement) proceedings to the time prescribed by section 57n of the Bankruptcy Act (11 U.S.C. 93n); to the Committee on the Judiciary.

1084. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases of certain aliens who have been found admissible into the United States, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 1253. A bill to amend the Federal Trade Commission Act,

as amended, so as to equalize rights in the distribution of merchandise identified by a trademark, brand, or trade name; with amendment (Rept. No. 467). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H.R. 2390. A bill for the relief of the city of Madeira Beach, Fla.; without amendment (Rept. No. 516). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIAMS: Committee on Interstate and Foreign Commerce. H.R. 4049. A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons; with amendment (Rept. No. 517). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee of conference. H.R. 4245. A bill relating to the taxation of the income of life insurance companies (Rept. No. 520). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 611. An act for the relief of Harry H. Nakamura; without amendment (Rept. No. 448). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1887. An act for the relief of Alice V. Tenly; without amendment (Rept. No. 449). Referred to the Committee of the Whole House.

Mr. KASEM: Committee on the Judiciary. H.R. 1387. A bill for the relief of Mrs. Mary D'Agostino; without amendment (Rept. No. 450). Referred to the Committee of the Whole House.

Mr. KASEM: Committee on the Judiciary. H.R. 1456. A bill for the relief of Universal Trades, Inc.; with amendment (Rept. No. 451). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. H.R. 2009. A bill for the relief of James V. Williams; with amendment (Rept. No. 452). Referred to the Committee of the Whole House.

Mr. KASEM: Committee on the Judiciary. H.R. 2296. A bill for the relief of the estate of Seth E. Libby, Jr.; with amendment (Rept. No. 453). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 2695. A bill for the relief of the Inter-County Telephone & Telegraph Co., Fort Myers, Fla.; without amendment (Rept. No. 454). Referred to the Committee of the Whole House.

Mr. HENDERSON: Committee on the Judiciary. H.R. 4423. A bill for the relief of F. H. Hillel Co.; with amendment (Rept. No. 455). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. H.R. 4894. A bill for the relief of the Georgia Kaolin Co.; with amendment (Rept. No. 456). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 5357. A bill for the relief of Loretta F. Ossorio; without amendment (Rept. No. 457). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 128. Resolution providing for sending the bill H.R. 2692 for the relief of Dr. Walter H. Duisberg and accompanying papers to the Court of Claims; without amendment (Rept. No. 458). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 5873. A bill for the relief of Clara H. Hall; without amendment (Rept. No. 459). Referred to the Committee of the Whole House.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 6490. A bill for the relief of Colbert Colgate Held and Charles W. Shellhorn; without amendment (Rept. No. 460). Referred to the Committee of the Whole House.

Mr. HENDERSON: Committee on the Judiciary. H.R. 6546. A bill for the relief of Nancy Mae Floor; with amendment (Rept. No. 461). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6714. A bill for the relief of Abraham Fye; without amendment (Rept. No. 462). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6717. A bill for the relief of Robert N. Anthony; without amendment (Rept. No. 463). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. H.R. 6718. A bill for the relief of Lt. Col. Albert E. Sherron (U.S. Army, retired); without amendment (Rept. No. 464). Referred to the Committee of the Whole House.

Mr. HENDERSON: Committee on the Judiciary. H.R. 6955. A bill for the relief of Sallie B. Dickens; with amendment (Rept. No. 465). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7085. A bill for the relief of John B. Sutter; with amendment (Rept. No. 466). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 32. An act for the relief of Uwe-Thorsten Scobel; without amendment (Rept. No. 468). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 33. An act for the relief of Bertha Glickmann; without amendment (Rept. No. 469). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 46. An act for the relief of Ben Chassin; without amendment (Rept. No. 470). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 110. An act for the relief of Yaeko Inouye; without amendment (Rept. No. 471). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 178. An act for the relief of Wong Bick Quon (Maria Wong); without amendment (Rept. No. 472). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 182. An act for the relief of Yong Chul Jurgens; with amendment (Rept. No. 473). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 190. An act for the relief of Melanie Hoffmann; with amendment (Rept. No. 474). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 199. An act for the relief of Stanislawa Siedlecka (Rejman); without amendment (Rept. No. 475). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 201. An act for the relief of Chiyoko Korematsu and Aiko Korematsu; without amendment (Rept. No. 476). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 210. An act for the relief of Pantaleon Ibarra, also known as Elmo Gomes Arcibal; without amendment (Rept. No. 477). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 211. An act for the relief of Aurelia Marija Medvesek-Pozar; without amendment (Rept. No. 478). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 245. An act for the relief of Umeko Parker; without amendment (Rept. No. 479). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 313. An act for the relief of Collingwood Bruce Brown, Jr.; without amendment (Rept. No. 480). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 317. An act for the relief of Tatsuo Kochi; without amendment (Rept. No. 481). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 319. An act for the relief of Theodore Burtzos; without amendment (Rept. No. 482). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 320. An act for the relief of Sofija Laica; without amendment (Rept. No. 483). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 322. An act for the relief of Dr. Stasys Sereika; without amendment (Rept. No. 484). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 327. An act for the relief of Cwy Pinkusiewicz; without amendment (Rept. No. 485). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 328. An act for the relief of Ellen B. Mueller; without amendment (Rept. No. 486). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 330. An act for the relief of Erminio Neglia; without amendment (Rept. No. 487). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 451. An act for the relief of Mohammed Ali Halim; without amendment (Rept. No. 488). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 459. An act for the relief of Penelope Carnavas Kafos; without amendment (Rept. No. 489). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 460. An act for the relief of Gorjana Grdjic; without amendment (Rept. No. 490). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 461. An act for the relief of Androula Neofitos Stephanon (Androula Kyriacou Stephanou); without amendment (Rept. No. 491). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 510. An act for the relief of Peter R. Muller; with amendment (Rept. No. 492). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 524. An act for the relief of Giovanni Malara; without amendment (Rept. No. 493). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 604. An act for the relief of Christos Kartsonis; without amendment (Rept. No. 494). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 624. An act for the relief of Girolamo Naselli; without amendment (Rept.

No. 495). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 626. An act for the relief of Maria Wolfram; without amendment (Rept. No. 496). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 707. An act for the relief of Demetrios Pappathakis; without amendment (Rept. No. 497). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 755. An act for the relief of Sieglinde Ginzinger Maxwell; without amendment (Rept. No. 498). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 770. An act for the relief of Feiga Altmann Rock; with amendment (Rept. No. 499). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 855. An act for the relief of Saeko Higa and Masako Higa; without amendment (Rept. No. 500). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 896. An act for the relief of Anthony Elio Monacelli; without amendment (Rept. No. 501). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 940. An act for the relief of Hilas Anthony Lousedes; without amendment (Rept. No. 502). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1034. An act for the relief of Asae Nishimoto; without amendment (Rept. No. 503). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1037. An act for the relief of Jessie Isobel Foster; without amendment (Rept. No. 504). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1042. An act for the relief of Stephanos Tsoukalas; without amendment (Rept. No. 505). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1128. An act for the relief of Jurij Antin Nimylowycz; without amendment (Rept. No. 506). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1192. An act for the relief of Angela Maria Staia Labellarte; without amendment (Rept. No. 507). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 21. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; with amendment (Rept. No. 508). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 30. Concurrent resolution withdrawing suspension of deportation in the case of Eduardo Pires; without amendment (Rept. No. 509). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 31. Concurrent resolution withdrawing suspension of deportation in the case of Eva Garcia de Zepeda; without amendment (Rept. No. 510). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 32. Concurrent resolution withdrawing suspension of deportation in the case of Jose Poblet; without amendment (Rept. No. 511). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 5914. A bill for the relief of Dr. Radboud Louwrens Beukenkamp; with amendment (Rept. No. 512). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 6711. A bill for the relief of Petar Trbojevic; without amendment (Rept. No. 513). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. House Joint Resolution 407. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens; without amendment (Rept. No. 514). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 405. Joint resolution for the relief of certain aliens; with amendment (Rept. No. 515). Referred to the Committee of the Whole House.

Mr. SMITH of Virginia: Committee on the Judiciary. House Concurrent Resolution 186. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens; with amendment (Rept. No. 518). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 406. Joint resolution to facilitate the admission into the United States of certain aliens; with amendment (Rept. No. 519). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 7622. A bill to provide for the issuance of a special missiles for peace stamp to honor the first delivery of mail by missile; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H.R. 7623. A bill to amend the Elkins Act, as amended, to prohibit expressly rebates to oil pipeline shipper-owners by the payment of dividends; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H.R. 7624. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRISON:

H.R. 7625. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the communications and transportation taxes for amounts paid by churches, church organizations, and church-owned institutions; to the Committee on Ways and Means.

By Mr. MULTER:

H.R. 7626. A bill to amend the Second Liberty Bond Act to provide that savings-type investors shall have priority in the allotment of certain bonds; to the Committee on Ways and Means.

By Mr. PELLY:

H.R. 7627. A bill to provide direct aid to the States for educational purposes only; to the Committee on Education and Labor.

By Mr. COOLEY:

H.R. 7628. A bill to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, and for other purposes; to the Committee on Agriculture.

By Mr. POAGE:

H.R. 7629. A bill to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. HOLLAND:

H.R. 7630. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service, large farming enterprises and other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. REUSS:

H.R. 7631. A bill to amend the act of July 3, 1956 (70 Stat. 492), entitled "An act to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes"; to the Committee on Banking and Currency.

By Mr. SAUND:

H.R. 7632. A bill to promote the foreign relations of the United States by providing for the establishment of a center for cultural and technical interchange between the East and West in Hawaii; to the Committee on Foreign Affairs.

By Mr. STAGGERS:

H.R. 7633. A bill to amend the act requiring certain common carriers by railroad to make reports to the Interstate Commerce Commission with respect to certain accidents in order to clarify the requirements of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVIS of Tennessee:

H.R. 7634. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. HOLLAND:

H.R. 7635. A bill to provide for making payments in lieu of taxes with respect to certain industrial manufacturing plants owned by the United States; to the Committee on Interior and Insular Affairs.

By Mr. PHILBIN:

H.J. Res. 419. Joint resolution designating the Shasta daisy as the national floral emblem of the United States; to the Committee on House Administration.

By Mr. WILSON:

H.J. Res. 420. Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Georgia:

H.R. 7636. A bill for the relief of Mrs. Viola H. Rooks; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 7637. A bill for the relief of Maria Ioannou and Vassiliki Ioannou; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 7638. A bill for the relief of Sakihara Koki; to the Committee on the Judiciary.

By Mr. LANKFORD:

H.R. 7639. A bill to permit Hans Musaeus to take the examination for license to practice dentistry in the District of Columbia; to the Committee on the District of Columbia.

By Mr. McCORMACK:

H.R. 7640. A bill for the relief of James F. Conroy; to the Committee on the Judiciary.

By Mr. SAUND:

H.R. 7641. A bill for the relief of Cecilia Ruiz-Ramirez; to the Committee on the Judiciary.

By Mr. WOLF:

H.R. 7642. A bill for the relief of Vincent Edward Hughes; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Grave Threat to Textile Industry

EXTENSION OF REMARKS
OF
HON. HERMAN E. TALMADGE
OF GEORGIA
IN THE SENATE OF THE UNITED STATES
Tuesday, June 9, 1959

Mr. TALMADGE. Mr. President, the trade and foreign aid policies of the United States with respect to the subsidized exportation of raw cotton and the indiscriminate importation of finished textile goods are jeopardizing the continued existence of the American textile industry and threatening the jobs of the country's 1,919,200 textile workers.

Under present procedures foreign countries can buy surplus American cotton with borrowed American dollars 20 percent cheaper than it sells in this country and, taking advantage of wage rates which in many instances are one-tenth or less of the American legal minimum and of virtually nonexistent tariff barriers, undersell comparable American textile products on the American markets. This situation will be materially worsened on August 31 when the export subsidy on cotton will be increased to 8 cents per pound.

A special subcommittee of the Senate Committee on Interstate and Foreign Commerce recently made an exhaustive study of the problem and, in an excellent report, recommended a 10-point program of help and relief for the textile industry. It is my earnest hope that Congress will take affirmative action on these proposals before the close of this 1st session of the 86th Congress.

The grave threat posed to the American textile industry has been graphically described in a recent statement by Hon. J. Craig Smith, president of Avondale Mills. I also treated on it in my weekly column of May 20.

I ask unanimous consent that Mr. Smith's statement and my column of May 20 be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

AUGUST 31, 1959, WILL BE A CRUCIAL DATE FOR OUR INDUSTRY

(By J. Craig Smith, president, Avondale Mills, Sylacauga, Ala.)

On August 31, 1959, the export subsidy on American cotton will be increased to 8 cents per pound. The American cotton mill then will be in a completely unbearable situation unless at the same time there are definite limits placed on how much of this cotton can come back into the United States in the form of yarn, cloth, and garments.

Up to now, the principal reason our foreign competitors have been able to sell in this market is because of their very much lower wage rates. The products which have come in were those which had a high percent of labor in their total cost, such as fine combed goods and garments. With an 8-cent cotton subsidy, the foreign mill will be able to ship heavy goods such as sheeting and denim into the United States based solely on the saving they will have in their cotton cost.

Anyone who feels that I may be overstating this situation need only look at the published figures of American textile companies, including Avondale. Our cotton cost is 50 percent of our selling price, on the average. This would be somewhat higher in our coarse yarn mills and somewhat lower in a mill like Birmingham. An 8-cent subsidy on cotton is equal to 25 percent of the cotton cost. With cotton being 50 percent of the selling price and with the foreigner having a 25-percent advantage in the cost of his cotton, it doesn't take a mathematical expert to figure that the foreigner can have a 12½-percent lower selling price than the domestic mill. The advantage he has in respect to his lower wage rates is an additional advantage. The tariffs, which are based on the value in the exporting country, have been watered down to a point where they are hardly worth talking about. What little tariff is left doesn't come anywhere close to offsetting the wage advantage, so the cotton subsidy will be a net advantage to the foreign mill.

This subsidy to the foreign mill is being paid for by the American taxpayer, including those of us who look to the textile industry for our livelihood. To permit goods made from this subsidized cotton to come back into this country and take our markets is so completely unfair and unreasonable that we have difficulty getting our fellow citizens to believe that the situation exists. Surely on August 31, when the subsidy is to be substantially increased, limitations will be placed on how much can come back in. If this is not done, it will not only wreck our industry but in the long run will defeat the purpose of the cotton subsidy, which is to reduce the surplus of raw cotton in the United States. Obviously, no reduction in raw cotton surplus will take place if the subsidized cotton exports are permitted to displace bales of cotton which would otherwise be used in American mills.

HERMAN TALMADGE REPORTS FROM WASHINGTON

No other industry in the history of the world ever has been forced to compete for its existence under handicaps like those imposed on the American textile industry by this country's trade and foreign aid policies.

As the result of those policies, the industry's overseas competitors have the staggering advantages of being able to get their capital from the U.S. Treasury in the form of foreign aid grants and loans, to buy American surplus cotton with borrowed American dollars 20 percent cheaper than it sells in this country, to sell their finished products back to the American Government through so-called three-way deals under the foreign aid program, to learn American trade secrets and production know-how merely by asking, and, because American tariffs and quotas have been reduced so drastically, to undersell comparable American products on the American markets.

Those advantages are compounded by the facts that wage scales in many of the competing countries, particularly in the Far East, are one-tenth or less of the American legal minimum and that there are no bars in those countries to the imposition of working conditions which would be illegal here in the United States.

It is small wonder in the light of those facts that the American textile industry has lost markets equivalent to 10 percent of the national production and that, since 1947, 717 textile mills have closed their doors and 345,000 textile jobs have been discontinued. It is a tribute to the vitality of the industry that its losses have been contained within those bounds.

From the things which have been done to the industry in the name of global goodness, it is no exaggeration to conclude that it is the actual, if not officially expressed, policy of the Government of the United States that the American textile industry is expendable and should be forced to help finance its own liquidation.

Fortunately, this plight has received recognition in a study recently completed by a special subcommittee of the Senate Committee on Interstate and Foreign Commerce which, in its report, recommended a 10-point program of help and relief for the textile industry. Essentially, its recommendations entail more stringent import quotas, faster relief action under the Trade Agreements Acts, a better tax break particularly as regards depreciation and elimination of the two-price system on American cotton.

It is my resolute conviction that the American textile industry, as well as all other domestic industries, has a right not only to expect but also to demand that both Congress and the executive branch by statute and policy give it and the jobs of its workers effective protection from unfair foreign competition. For the sake of the one out of every three Georgians employed by the textile industry, it is my hope that Congress will act to give it relief and protection at this session.

Senator Johnson's Tribute to Three Maryland Congressmen

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 9, 1959

Mr. ANFUSO. Mr. Speaker, the distinguished majority leader of the Senate, the Honorable LYNDON B. JOHNSON, has just paid a most deserving and excellent tribute to three of our colleagues from this House, who are Democratic Representatives from Baltimore, Md. They are the Honorable GEORGE H. FALLON, dean of the Maryland delegation; the Honorable EDWARD A. GARMATZ; and the Honorable SAMUEL N. FRIEDEL.

This tribute was paid them at a testimonial dinner in their honor at the Lord Baltimore Hotel in Baltimore, Sunday evening, June 7, 1959. I had the distinct pleasure and privilege to attend this dinner and to participate in the tribute to our colleagues, who have distinguished themselves in their public service to the people of Maryland and to the Nation as a whole.

I was particularly impressed by Senator JOHNSON's address in which he also discussed the role of the Democratic Party in Congress and in providing leadership to the Nation. Senator JOHNSON himself is setting a fine example of distinguished leadership and in building up a constructive record of achievements by the 86th Congress which we can proudly present to the people in due time.

In my book Senator JOHNSON is an able leader and a great humanitarian. He is a man who loves peace, but at the same time he is a firm believer in adequate

military preparedness and in maintaining the proper defense posture for our country. As such, he is one leader upon whom the free world can depend for its future security and peace in troubled times.

In his thinking for social and humanitarian legislation, Senator JOHNSON belongs not only to Texas but to the entire country. He is a man who has a wide reputation for fostering unity. He is equally known for opposing divisive issues or perpetuating conflicts which can only weaken us and cause irreparable damage to the Nation.

Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD the address by Senator JOHNSON, which is as follows:

ADDRESS BY SENATE DEMOCRATIC LEADER LYNDON B. JOHNSON TESTIMONIAL DINNER, LORD BALTIMORE HOTEL, BALTIMORE, MD., JUNE 7, 1959

A RESPONSIBLE RECORD

Mr. Chairman, honored guests, friends, fellow Americans, we are here tonight for one of the most important ceremonies in America.

We have gathered to pay tribute to three public servants—three men who have devoted their talents to serving their country.

It so happens that those three men are Democrats and I am a Democrat. All four of us bear that label proudly.

But I do not consider this a partisan meeting. It is a gathering of the citizens of one of our greatest cities to tell the three men who represent that city that they are appreciated and their work has not been in vain.

There is a special significance in holding this meeting in Maryland. This is a State which has a tradition of public service—a history of men of achievement and statesmanship.

TWO GREAT SENATORS

I have served in Congress with two of your greatest Senators. One was Millard E. Tydings. The other was Herbert O'Conor.

In Millard Tydings, Maryland produced one of the truly fearless men I have known. His shoulders were always back, his back was always straight, and his chin was always up.

And he always walked into battle for the principles he believed were right with the same courage that he walked into enemy fire during war.

In Herbert O'Conor, Maryland produced a Senator who had few equals. He was quiet. He was modest. And he was effective in advancing the interests of the people in whom he believed and who believed in him.

And Herbert O'Conor can walk onto the floor of the Senate today and receive the same respect and deference that he did back in the days when he had a vote and the right to make a speech.

These qualities are characteristic of Maryland Democrats.

THE ART OF UNITING

You have a Governor—J. Millard Tawes—who has mastered the art of uniting men to resolve issues. This is because he follows the rule of doing what is right—not just what is expedient.

You have a dynamic and energetic new mayor—Harold Grady—who brings together people from all walks of life—simply because he is trying to advance the interests of his city.

And you have a former mayor—Thomas D'Alesandro—who has served in the legislative branch of three levels of government and won friends in all three.

I want to thank your senior Senator, JOHN BUTLER, for the courtesy he has extended me by his presence here this evening.

I also want to express my appreciation to Congressman TOM JOHNSON, Congressman DAN BREWSTER, and my dear friend, Congressman VICTOR ANFUSO. Congressman ANFUSO is one of the finest men in Washington. He is a very inspiring member of the House Aeronautical and Space Committee.

I see that former Solicitor General Perlman is in the audience. As all of you know, he was named to this important position by my good friend, and fellow Texan, the Honorable Tom Clark.

In this audience, there are many more leaders of your State. Your distinguished new comptroller, Louis Goldstein, your president of the Maryland Senate, George Della, and your new president of your city council, Philip Goodman, are also here tonight.

I have been advised that your junior Senator, GLENN BEALL, was at the airport to meet me. Unfortunately, I was late and he had another engagement.

To all of you, I am very appreciative for the opportunity to be here with you tonight.

I have begun by mentioning these men because I wanted to place the three we honor tonight against their proper background.

It is a simple thing to honor ordinary men in a land where everyone else is mediocre. In the land of the blind, the one-eyed man is king.

But in the State of Tydings, O'Conor, Tawes, Grady, and D'Alesandro, men who are selected for honor must be extraordinary. And that is what you have done tonight.

Baltimore has three beloved sons: GEORGE H. FALLON, SAMUEL N. FRIEDEL, EDWARD A. GARMATZ.

FIFTY-SIX YEARS OF SERVICE

Between them, they represent 56 years of public service. I would like to recite the record tonight—not because it is unknown to you but because I would like to place it in writing for all to read who care to know the facts.

GEORGE H. FALLON, dean of the Maryland delegation and the "Mr. Roads" of Congress.

GEORGE FALLON can be proud of many things. Probably he himself would list first his wife, his daughter, and his two grandchildren—Johnnie and Stevie.

The citizens of Baltimore would probably add to the list the channel for Baltimore Harbor, the Chesapeake and Delaware Canal, and the harbor pollution bill.

His colleagues in Congress would add to the list the Federal Aid Highway Act. Because of GEORGE FALLON, the time is not too far distant when people will be able to travel from coast to coast—not only in comfort but in safety without a stoplight or a traffic sign.

SAMUEL N. FRIEDEL, the only man who has ever represented the Seventh Congressional District.

SAM FRIEDEL is a man who has fought the good fight for John Doe, citizen. He has tried to equalize the tax burden; to improve the social security system; to liberalize the Railroad Retirement Act.

He is a prudent man—a careful man—who realizes that a nation can advance without spending itself wild. And day after day, his work becomes more effective and his voice stronger in the Halls of Congress.

EDWARD A. GARMATZ, who is as much a part of your city as Baltimore Harbor itself.

This is a man who has never forgotten the people who trusted him so much that they sent him to Congress to transact their business. He has stood consistently for those he represents—so much so that he is known, and will always be known, as labor's friend.

And I am proud to call him my friend.

I have not reviewed these records tonight merely to pay tribute to three loyal, hard-working Americans. I have called the roll because I believe your Congressmen illustrate a point that is important to our people.

It is that there is something more to politics other than being elected. The real objective is not to win public office but to serve the public after the election is over.

CHOICE OF THE PEOPLE

There is a legitimate place for partisanship in the life of our Nation. The American people must have a choice.

Partisans have not only a right but an obligation to present their views to the people vigorously and forcefully. But after the people have spoken, there is another obligation which falls upon the shoulders of those who seek office.

It is to accept the verdict of the voters gracefully—and then to go ahead and try to make our Government work. After all, it is our Government as Americans no matter which party runs it—Republican or Democratic.

Like me, the three men we honor tonight have been in both the majority and the minority. I do not believe that any of us have ever rejoiced over the failure of a President or a Congress because the President or the Congress belonged to an opposing political party.

As a Democrat, I believe the Democratic Party is best qualified to run our country. I did not adopt my political allegiances lightly or simply out of habit.

A PARTY OF VISION

The Democratic Party, to my way of thinking, is a party of broad vision and progressive outlook. It brings together the people of the North, the South, the East, and the West for effective action to solve the Nation's problems.

But when the voters, in their wisdom, select a Republican President, I want that President to succeed in making our Nation strong. And when he does succeed, he will have my cooperation every step of the way.

Again speaking as a Democrat, I am very proud of the fact that three successive Democratic Congresses have gone more than half way to cooperate with a Republican President.

There may have been a temptation to snipe and harass; to tear down and obstruct. But it was a temptation which was sternly set aside.

When the President advanced proposals with which we agreed, we accepted them.

CONSTRUCTIVE ALTERNATIVE

When the President advanced proposals with which we disagreed, we either modified them or presented constructive alternatives.

Men like FALLON, FRIEDEL, and GARMATZ were determined to make their Government work. And it has worked despite the division between a Republican President and a Democratic Congress.

The Democratic Congress has not attempted to sabotage the Republican President—and then chortled gleefully over the results.

There are two theories of politics in this country.

One is that the way to win elections is to run against something—to prove that the opposition is motivated by bad faith.

The other theory is that the way to win elections is to run on a record of constructive achievement.

And the second theory is the one that has been followed by your Congressmen and their colleagues in the Democratic Congress.

The first theory is one which Democrats have left to others—and I am sorry to say that it is being practiced.

A DANGEROUS THEORY

It is a dangerous theory, because it leads those who embrace it to take a further step. It is that unless they control an institution of government, they will not let that institution work.

We are going to have a practical test of the two theories of politics before very long.

The record of this Congress, as of the previous two Congresses, will be constructive. It will be a record of highways, of houses, of health legislation, of steps to protect our working men and women, of moves to strengthen the freedoms and the rights of our people, of care for the needs of our farmers, of prudence in the Nation's fiscal affairs, of attention to the economic needs of our people, of efforts to strengthen our country's position in foreign affairs.

And those who seek to run against this record had better offer the voters something besides partisan slogans shouted hastily into a microphone on a Tuesday morning.

SABOTAGE OF GOVERNMENT

The American people do not take kindly to sabotage of their Government.

I came here tonight with a feeling of deep pride. I came because I wanted to help in honoring three men who believe that a public office is an opportunity for public service, and who have translated their beliefs into action.

And when the final record is written, Baltimore will be able to take great pride in the contributions of its three able men—FALLON, FRIEDEL, and GARMATZ.

Conditions Among Farmworkers

EXTENSION OF REMARKS
OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1959

Mr. McCORMACK. Mr. Speaker, in my insertion, I include a statement on the problem of farmworkers which was transmitted last Saturday to Secretary of Labor James P. Mitchell, with a copy to Attorney General William P. Rogers. Twenty-one Members of the House signed the statement and 13 Members of the Senate.

It describes conditions among farmworkers as "one of the most serious economic and human problems in our Nation." The statement deplores the "intensive pressure" campaign being conducted on Members of Congress to induce them to help prevent Secretary Mitchell from issuing "moderate" reform regulations for improvement of conditions of farmworkers and to block public hearings planned by the Secretary at which all parties concerned will be invited to give their views on the proposed regulations.

While the statement describes the new regulations as "more moderate than are called for by the evidence of the tragic conditions of the great majority of farm laborers and their families," it commends the Secretary, nevertheless, for proposing these slight improvements.

Mr. Speaker, I also include in my statement a terrible story about farmworkers from today's Washington Post. Under a three-column headline, "Sixteen Farmworkers Die in Blazing Bus," this Associated Press story from Phoenix, Ariz., describes the tragic burning to death of these workers in "a makeshift bus, with canvas sides and top and no windows" and only one rear exit, when it crashed into a tree and exploded in flames. The Associated Press ticker said 32 other farmworkers were injured in the crash, some of them seriously.

This gruesome story is, indeed, a sad exclamation point to the need set forth in the Congressmen's and Senators' statement—a need for treatment of these farmworkers as human beings, with at least some degree of decency and human dignity. It is long past time for our Government to eliminate the disgraceful transportation, living, and educational conditions characterizing employment of these workers and their families by the large-scale, corporate growers of our Nation. These conditions provide the most effective propaganda possible for the Communists and defame our form of society:

[From the Washington Post and Times Herald, June 9, 1959]

SIXTEEN FARMWORKERS DIE IN BLAZING BUS

PHOENIX, ARIZ., June 8.—Sixteen Mexican farm laborers were burned to death today when a heavily loaded makeshift bus smashed into a tree and exploded in flames. Thirty-two others were injured, three critically.

Those killed had been asleep on the floor or were trapped near the front of the bus—a converted truck with canvas sides and top and no windows. Witnesses said the bus exploded like a clap of thunder.

Flames immediately engulfed the vehicle as the laborers fought to reach safety through a single rear door partly blocked by suitcases and a water barrel.

The driver, Nato Manuel Gloria, Jr., told the highway patrol he dozed at the wheel. Gloria, injured slightly, said he had planned to stop at a service station just 100 yards ahead and turn the driving over to his assistant.

One of the seriously injured said the men in the front of the bus "fought like animals" to get out.

PUBLIC HEARINGS ON FARMWORKERS

Secretary of Labor James P. Mitchell has proposed new regulations of employment on larger farms for consideration. Mr. Mitchell has also announced public hearings in Washington and other places during the summer at which all interested parties will be given an opportunity to state their views. We commend the Secretary of Labor for having taken these steps to deal with one of the most serious economic and human problems in our Nation.

Unfortunately, the moderate regulations which the Secretary has proposed have met with strong resistance from some of the groups involved. Intensive pressure is being applied to have the regulations withdrawn and even to prevent the holding of the public hearings. Spokesmen for the big farm operators have initiated a letter, telegram and telephone campaign to persuade Senators and Congressmen to oppose the regulations and the public hearings. A call-to-action has been sent out by Mr. William H. Tolbert, legislative chairman of the National Farm Labor Users Conference, who stated to members of the organization: "It seems the regulations indicate their own course of action that you should take. That is, do anything you can, anywhere, to stop them and to prevent the issuance of them and the holding of the public hearings."

We believe it necessary, under these circumstances, to review the facts and to indicate the purpose and the need for the new regulations and the public hearings.

The fundamental issue is the responsibility of our Government to protect the basic rights of a long neglected group of citizens. We think Secretary of Labor Mitchell is correct in pointing out the contrast between the conditions of agricultural workers and the standards achieved by a majority of workers in other kinds of employment. He has expressed the opinion that the conscience of the American people will not much longer permit so large a body of workers as those in agriculture—between 1½ and 2 million workers—to remain at such low levels of pay and to live under such bad housing, health, educational, transportation and other conditions.

We believe the issue also involves the direction that agriculture is taking in this country. The proposed regulations of the Secretary of Labor are directed at large scale commercial farms which comprise less than 5 percent of the farms of the Nation and which largely rely on interstate and foreign recruitment of labor. The regulations will not apply to the typical family farm, and the hired man of the family type farm is not included in the program. This proposal is crucial in the competition between the family type farmers and the large-scale, corporate growers. Evidence seems to us substantial that family type farmers are losing out in this competition partly because the big operators are exploiting agricultural workers in their wages and other working and living conditions.

It is likewise pertinent to note that upward of half a million Mexican and other foreign workers are imported annually as migrant farmworkers while millions of our domestic workers are unemployed. The generally low wages and working conditions of the imported workers tends to depress the standards of the domestic workers.

The sorry plight of our country's agricultural workers and the meager living standards of millions of our small farmers are problems demanding solution for the economic and social welfare of our Nation. The increased purchasing power of this large segment of our population would obviously be an important stimulus to the Nation's economy. With their families these agricultural workers combine with the small farmers to number in the neighborhood of 20 million people.

We believe the Secretary of Labor acted within the authority delegated by Congress in promulgating the new regulations. Directives similar to this have been in force for several years. Further, the Department of Labor officials have proceeded properly under the Administrative Procedures Act in this matter. The Department has sent out copies of the proposed regulations to the concerned parties and solicited their views and recommendations. Officials of the Department of Labor are holding conferences with various governmental and semigovernmental groups in States where farm labor is most extensively used. At these public hearings all interested parties will be given an opportunity to testify. We think this procedure is in the best tradition of the American democratic way of achieving a fair decision. We regret the campaign now being carried on to prevent this democratic process.

We commend the National Advisory Committee on Farm Labor, composed of religious, educational and civic leaders, for once again directing public attention to the conditions of farm laborers. That committee includes such prominent citizens as the former President of the University of North Carolina, ex-Senator Frank P. Graham, Archbishop Robert E. Lucey, Mrs. Franklin D. Roosevelt, and President Clark Kerr of the University of California. The recent public hearings, conducted by the committee here in the Nation's Capital, supplied ample evidence for the need of new regulations of the employment of farm laborers.

The new regulations are, in our judgment, more moderate than are called for by the evi-

dence of the tragic conditions of the great majority of farm laborers and their families. Nevertheless, we feel the proposed regulations of the Secretary of Labor are steps in the right direction and that they merit the support of thoughtful citizens everywhere, including Members of Congress.

We strongly urge a renewed concern for the working and living conditions of domestic farm labor, particularly of the migrant workers. We think that the announced public hearings of this summer are an essential step to an understanding of this problem and a prelude to long overdue action.

Signed by the following Senators: JOHN A. CARROLL, of Colorado; JOSEPH S. CLARK, of Pennsylvania; THOMAS J. DODD, of Connecticut; PAUL H. DOUGLAS, of Illinois; VANCE HARTKE, of Indiana; HUBERT H. HUMPHREY, of Minnesota; EUGENE J. MCCARTHY, of Minnesota; PAT MCNAMARA of Michigan; WAYNE MORSE, of Oregon; JAMES E. MURRAY, of Montana; RICHARD L. NEUBERGER, of Oregon; WILLIAM PROXMIRE, of Wisconsin; HARRISON A. WILLIAMS, JR., of New Jersey; STEPHEN M. YOUNG, of Ohio.

Signed by the following Representatives: THOMAS L. ASHLEY, of Ohio; CLEVELAND M. BAILEY, of West Virginia; JOHN A. BLATNIK, of Minnesota; RICHARD BOLLING, of Missouri; CHESTER BOWLES, of Connecticut; EMANUEL CELLER, of New York; MERWIN COAD, of Iowa; FRANK M. COFFIN, of Maine; JEFFERY COHELAN, of California; JOHN D. DINGELL, of Michigan; DANIEL J. FLOOD, of Pennsylvania; EDITH GREEN, of Oregon; BYRON L. JOHNSON, of Colorado; JOHN W. MCCORMACK, of Massachusetts; LEE METCALF, of Montana; CLEM MILLER, of California; JAMES G. O'HARA, of Michigan; CHARLES O. PORTER, of Oregon; BYRON G. ROGERS, of Colorado; JAMES ROOSEVELT, of California; FRANK THOMPSON, Jr., of New Jersey; ROY W. WIER, of Minnesota.

Officers and Employees of the Railroad Retirement Board Are To Be Commended for the Efficient Administering at a Minimum Cost of the Railroad Retirement and Railroad Unemployment Insurance Acts

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 9, 1959

Mr. VAN ZANDT. Mr. Speaker, as many of you know, my congressional district on a percentage basis has the largest active and retired railroad population in the Nation. The economic security of these people is safeguarded in large measure by the Railroad Retirement and Unemployment Insurance Acts. Therefore, in serving this large railroad population I have found it necessary during my congressional career in seeking information and assistance to call upon the Railroad Retirement Board, which, as you know, administers these acts.

As a result of my frequent contacts with the officials and staff members of the Railroad Retirement Board and in visits to its headquarters in Chicago, I have been deeply impressed not only with the way the information requested was readily made available to me but also with the strong sense of interest and responsibility they take in administering the provisions of both the Railroad Retirement and Railroad Unemployment Acts.

As you know, the Board is composed of three members appointed by the President, by and with the consent of the Senate—one upon the recommendation of representatives of employees, one upon the recommendation of representatives of carriers, and one, the Chairman, without recommendation by either employees or carriers.

The headquarters of the Board is located in Chicago, Ill. There are seven regional offices and about 100 field offices in localities accessible to large numbers of railroad workers. The organization of the Board is so designed as to integrate the administration of the two laws without duplicating facilities or operations.

The scope of the Board's operations has increased steadily, highmarked here and there by the effects of important amendments, and to a lesser yet significant extent, by economic conditions, particularly in the railroad industry. The operations carried on by the Board comprise the second largest governmental system of social insurance in the United States and the only Federal system designed to serve the employees of a single industry.

Mr. Speaker, it is of interest to observe that in 1958 the Board paid out more than a billion dollars in retirement, survivor, unemployment and sickness benefits. Of the amount paid out in 1958, benefit payments under the Railroad Retirement Act came to $745 million, with $571 million going to 526,000 retired employees and their wives and $174 million being paid to 296,000 survivors of deceased employees. At the end of 1958, some 725,000 persons were receiving monthly retirement or survivor benefits.

Under the Railroad Unemployment Insurance Act, benefit payments in 1958 totaled over $280 million, with $228 million in unemployment benefits being paid to 350,000 employees and about $52 million going to 155,000 who were sick.

Despite the expanding workload and the complexities introduced into its operations over the years through legislation, the Board has maintained maximum efficiency and economy in its operations. At the present time, the number on its payroll is about 2,400.

The ratio of administrative expenses to benefit payments has been steadily decreasing through the years and has now reached a very low point. In 1957–58, under the railroad retirement system, it cost slightly more than 1 cent to pay $1 in benefits.

Under the unemployment insurance system during the same period, administrative costs came to about 4 cents per dollar in benefits; the cost here including those for operating a free placement service for unemployed railroad workers.

I think it is quite evident that the Railroad Retirement Board has achieved a high degree of efficiency and economy in its operations. Notwithstanding the progress it has made, the Board is not content to rest on its past achievements. In fact, the Board is constantly reviewing all of its activities for the purpose of operating at the lowest possible cost.

For example, we are getting an excellent demonstration of the efficient manner in which the Board has consistently performed by the way in which it is now handling the recent amendments to the acts. The bill was signed by the President on May 19, 1959, and the increases under the Railroad Retirement Act became effective on June 1, 1959. This meant that the increases were actually due and payable for the month of June to the approximately 743,000 persons on the Board's retirement and survivor benefit rolls. Virtually all of these increases will be reflected in the checks, prepared by Board personnel in Chicago, dated and mailed for July 1 delivery.

Under the amendments to the Railroad Unemployment Insurance Act, approximately 450,000 employees are due to get retroactive benefits for unemployment and sickness in 1958–59 and the last half of 1957–58. This, in itself, is a gigantic job; the Board has already set up the machinery with which to expedite the handling of these retroactive payments. As a matter of fact, some 3,000 current beneficiaries are already receiving checks at the higher rates set by the amendments.

The efforts which the Board is making to administer its programs efficiently and economically and to render the maximum possible service to the millions of people in the railroad industry and their families are certainly appreciated, and it is my great pleasure to pay this well-deserved tribute to the members and employees of the Board for their record of achievement.

Mr. Speaker, in concluding this tribute to the Railroad Retirement Board and its competent staff, I wish to commend particularly the officials and employees who during my congressional career have rendered at all times the finest assistance possible when called upon for information and service.

This group includes Mr. Frank McKenna, chief executive officer of the Railroad Retirement Board, and Mr. Robert H. LaMotte, director of retirement claims, both in the Chicago office; Mr. J. E. Walsh, Washington liaison officer; Mr. Patrick F. Murphy, regional director of the Cleveland, Ohio, regional office; and Mr. Charles F. Spearing, district manager of the Altoona, Pa., district office.

Labor-Management Reform Legislation

EXTENSION OF REMARKS
OF
HON. ALVIN M. BENTLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 9, 1959

Mr. BENTLEY. Mr. Speaker, I imagine that there is no more controversial or emotional issue now being discussed throughout the country than the question of labor legislation at the present time. Speaking personally, I am

sure that I have received more correspondence on this issue than any other single important matter now pending before the Congress.

With the idea of presenting my own views on this subject, I desire to include, under leave to extend and revise my remarks, a copy of my testimony before the subcommittee on Labor Management Reform Legislation of the Committee on Education and Labor which I presented on June 4, 1959. I am also including herewith the text of two newspaper articles, from the Saginaw News of June 4 and one from the Detroit Free Press of June 5, in comment on my testimony and the question and answer period which followed:

STATEMENT OF CONGRESSMAN ALVIN M. BENTLEY BEFORE THE SUBCOMMITTEE ON LABOR-MANAGEMENT REFORM LEGISLATION OF THE COMMITTEE ON EDUCATION AND LABOR, JUNE 4, 1959

It is a pleasure to appear before this subcommittee.

I feel we have reached a point in this country when it is of necessity that we take positive steps to protect the welfare of the American worker and also to curb the present abuses in labor-management relations.

I feel the subcommittee should be interested in the results of my annual questionnaire I sent to my district. Of over 9,300 answers to the question, "Do you believe organized labor is becoming too powerful?" over 81 percent, made up of all occupations, felt that it was. What makes this figure even more representative of true feeling is the fact that a further breakdown shows 76 percent of the workers themselves felt organized labor was becoming too powerful.

I have introduced H.R. 1103, which would guarantee the democratic control of unions by the rank and file membership thereof. My bill goes further than most other legislation in this field in that 15 percent of the membership of the union is given the right to petition the National Labor Relations Board to supervise the union's regular and special elections. The right to supervise would not have to be based on fraud, but would be provided at the request of the required percentage as a matter of right.

I strongly feel that the best way to clean up the corruption and mismanagement which has been revealed during the hearings held by the Senate Labor Rackets Committee, and to prevent other unions from falling under the influence of racketeers and gangsters, is to insure that the members elect their officers in an honest election. I have faith in the judgment of the individual members of almost all unions. If we can insure their right to exercise that judgment, most of the problems that exist in this field will be taken care of as a matter of course.

My bill would give 30 percent of the union membership the right to demand a referendum to revise or repeal any section of the union's constitution, bylaws, or other regulations. This referendum would thus enable a majority of the membership, if they so desired, to veto decisions by the union's officers pertaining to dues, initiation fees, salaries of officers and employees, gifts, grants, loans, donations, or investments. Under this heading would come the use of union funds for political purposes, a subject that has become a matter of much controversy in union affairs. My bill also covers national and local elections as well as strike votes, recall elections, and referendums. Nonsupervised elections are required to be by secret ballot and if not, a new election can be held which will be supervised. Employers are also given the right to petition for court supervision on strike votes.

Another section of my bill provides that all duly nominated candidates for union offices shall be given a reasonable opportunity to present their views to the membership by the use of union-sponsored publications. A candidate would have little possibility of defeating an incumbent unless he has an opportunity to use the same means of publicity available to the incumbent. Candidates must have this opportunity to criticize the officeholder and to present their programs.

The bill also provides that any person who tries to prevent a union member from exercising the rights provided in the bill will be subject to a $10,000 fine or 5 years in prison or both. The National Labor Relations Board is also given the authority to keep secret the names of the petitioners for a supervised union election. Supervision of some elections may also be transferred to State agencies which are willing to assume the duty. I feel the workingman is entitled to the protection of H.R. 1103.

Another labor reform bill I have introduced is H.R. 6455, which provides for the establishment of a temporary Commission to investigate the economic power of labor unions. This Commission would have the authority to prevent a union from becoming so big that it would have a detrimental effect on the Nation's economy.

This Federal Labor Commission would study and investigate the present organization and methods of operation of national and international labor unions, with particular reference to the existence and growth of monopolistic tendencies and practices, industrywide bargaining, and inequities in the balance of power between employers and unions. The Commission would determine what changes in Federal law and policy affecting labor organizations and collective bargaining are needed to insure that the balance of power between employers and unions is kept.

The growth of giant unions and the expansion of their activities into diverse areas of commerce presents a danger to our free political and economic institutions. Something must be done to limit the power grabs of men such as Hoffa. Means must be devised to prevent expansion of unions into unrelated occupations and industries. This Labor Commission would have the responsibility of limiting union expansion to the same industry or craft or occupation.

This Commission would be made up of 12 members as follows: 4 appointed by the President of the United States, 2 from the executive branch of the Government and 2 from private life; 4 appointed by the President of the Senate, 2 from the Senate and 2 from private life; 4 appointed by the Speaker of the House of Representatives, 2 from the House of Representatives, and 2 from private life. This Commission would be temporary in nature and would submit its final report to Congress not later than June 30, 1961, at which date the Commission would cease to exist.

As a further step in labor reform legislation, I am at present preparing legislation to establish a permanent Federal Labor Commission which would be similar to the Federal Trade Commission. The Federal Trade Commission was created to stop violations of the Sherman and Clayton Acts in their incipiency. A Labor Commission could serve a similar function in the labor field and prevent labor violations in their incipiency. For example, the Federal Labor Commission would be able to hear private parties seeking an injunction against a secondary boycott or blackmail picketing.

This Labor Commission would hear complaints from the public as well as those parties to a union contract that the union, management, or both, are engaging in practices which restrain trade or impede competition. This Labor Commission would not be required to wait for an adversary proceeding as the National Labor Relations Board is.

The Federal Labor Commission could investigate these charges, make findings of fact and conclusions of law, and subject to appeal, issue cease and desist orders. The Commission would be made up of five members, each appointed by the President, with the consent of the Senate, and they would serve for a 7-year term.

I have received much correspondence in regard to the overall labor problem. In the past few weeks it has been centered on the recently passed Kennedy-Ervin bill. Comments from my constituents on this bill have ranged from "The Kennedy-Ervin labor bill is another step to repeal the Taft-Hartley Act and to offer our employees to the union," to "It is labor reform legislation that will not reform."

Some views of constituents as to what they feel should be done are as follows: "Labor legislation should have such end results that labor leaders will have the same rights and privileges as we other citizens, and no more"; "Congress has a very definite responsibility to enact remedial legislation which will protect and preserve the rights of the citizens of this Nation against abuse and exploitation by unscrupulous and, in many instances, crooked and criminal labor bosses. Proper legislation will benefit honest, sincere labor leaders and unions"; "reform legislation must strike a blow at the enslavement and persecution of the rank-and-file union men and penalize the corrupt leaders who grow fat on their misery and yet legally escape punishment for their crimes."

The Kennedy-Ervin bill does not contain any provisions to curb two vicious practices of mobster union leaders, secondary boycotts, and blackmail picketing. I am sure this subcommittee has heard voluminous testimony concerning these two subjects already, but I can see no reason why the American public should be forced to continue to put up with these practices.

The third party coercion brought about under secondary boycotts must be stopped. The area of industrial disputes should be restricted to the parties immediately concerned and public policy should attempt to limit participation in labor disputes to the primary parties. The existing legal structure materially fails to accomplish the job which the public interest demands. Blackmail picketing of a nature which forces workers to join or employers to accept a union which they unquestionably do not want is outrageous. I certainly hope the House will see fit to adopt amendments which will cover these two points.

[From the Saginaw (Mich.) News, June 4, 1959]

LABOR REFORMS URGED BY BENTLEY—HITS SECONDARY BOYCOTTS, ORGANIZATIONAL PICKETING

WASHINGTON.—Representative ALVIN M. BENTLEY, of Owosso, today called secondary boycotts and organizational picketing "vicious practices of mobster union leaders."

In testimony prepared for an appearance before Joint House Labor Subcommittees, the Michigan Republican pleaded for curbs on these two union weapons.

"I can see no reason why the American public should be forced to continue to put up with these practices," BENTLEY said.

He termed top-down organizational picketing (commonly described as blackmail picketing) "outrageous".

BENTLEY testified in support of two labor reform bills he has introduced.

One would strike at union corruption by seeking to insure honest union elections and by giving members the means of overturning actions of union executive boards.

The other would set up a temporary Federal Labor Commission empowered to investigate union power and growth.

Discussing his investigative measure, BENTLEY said:

"The growth of giant unions and the expansion of their activities into diverse areas of commerce represents a danger to our free political and economic institutions. Something must be done to limit the power grabs of men such as (Teamsters President James R.) Hoffa.

"Means must be devised to prevent expansion of unions into unrelated occupations and industries. This labor Commission would have the responsibility of limiting union expansion to the same industry or craft or occupation."

BENTLEY'S proposed labor Commission would report its findings to Congress by June 30, 1961, and then be dissolved.

The Michigan Republican now is preparing a bill which would set up a permanent Federal Labor Commission empowered to issue cease and desist orders in connection with labor-management practices restraining trade or impeding competition.

BENTLEY'S union elections reform bill would give 15 percent of a union's members the right to ask and receive National Labor Relations Board supervision of a union election.

The measure would give 30 percent of the members the right to demand a referendum on revising or repealing any section of the union's constitution and bylaws, or actions taken by the executive board on dues, initiation fees, officers or employees' salaries, use of union dues for political purposes, gifts, grants, loans, donations, or investments.

[From the Detroit Free Press, June 5, 1959]

UNIONS TOO STRONG?—BENTLEY'S POLL OF STATE LABOR STIRS A RUMPUS

(By James M. Haswell)

WASHINGTON.—Michigan questionnaires—showing that substantial majorities of union members think that organized labor is too powerful—drew sharp interest Thursday from members of the House subcommittee drafting antiracketeering legislation.

Representative ALVIN M. BENTLEY, Republican, of Owosso, said 76 percent of the union members who replied to his questionnaire expressed this view.

BENTLEY told the committee he got 9,300 replies, about a 30 percent response, from the Eighth Congressional District.

Representative ELMER J. HOLLAND, Democrat, of Pennsylvania, a member of Local 1272 of the United Steelworkers of America, was skeptical.

"There are 65,000 steelworkers in my district," he said, "and I have had only 12 letters favoring the Kennedy-Ervin bill. The climate in union meetings I have attended is not as you describe."

Representative ROBERT GRIFFIN, Republican, of Traverse City, said he circulated questionnaires in the Ninth Michigan District and got replies similar to BENTLEY'S.

Representative CHARLES E. CHAMBERLAIN, Republican, of East Lansing, had the same experience in the Sixth District, GRIFFIN said.

BENTLEY urged the subcommittee to consider his two labor bills.

One is designed to promote rank-and-file control of union affairs. It would enable members to call in the National Labor Relations Board to supervise elections and hold referendums on the actions of local officers.

This would permit strike votes, recall elections, and referendums on spending union money in politics.

BENTLEY also would authorize employers to ask courts to supervise strike votes.

He also would set up a temporary commission to survey the economic power of labor unions as a step toward establishing a Federal policy on monopoly practices, industrywide bargaining, and giantism.

"Something must be done to limit the power grabs of men such as James R. Hoffa, Teamster Union president," BENTLEY said.

He told the committee he will introduce later a bill to create a Federal Labor Commission which would supervise union activities affecting business. It would operate in the manner of the Federal Trade Commission, BENTLEY said.

The Kennedy-Ervin bill is "a step in the right direction," BENTLEY said.

Nose-counting on the Education and Labor Committee leads some members to predict a young Democratic revolt on the committee. With Republicans offering to vote out any bill, first and second-term Democrats who favor the original Kennedy bill could prevail over senior Democrats.

Most of the older Democratic members are holding out for a strict bill, or want none at all.

Following his committee testimony against the Senate-passed bill Wednesday, AFL–CIO President George Meany circulated a letter to Senator JOHN F. KENNEDY, Democrat, of Massachusetts, Thursday, emphasizing that the AFL–CIO does not oppose the original Kennedy-Ervin bill as reported out by the Senate Labor Committee. It does oppose the amended bill the Senate passed.

This letter was greeted as offering an out for prolabor Democrats from industrial areas who don't want to offend the AFL–CIO management, but at the same time say they can't go home without voting for some kind of antiracketeering measure.

Harold J. Gibbons, No. 2 man to Hoffa in the Teamsters, said Thursday the big truck union is prepared to accept some type of labor control legislation.

Gibbons said, however, that the Kennedy-Ervin bill has union-busting, punitive and repressive features and any such legislation would be unacceptable.

Gibbons, the union's executive vice president, substituted for Hoffa in the meeting with newsmen. Gibbons said Hoffa was busy in a conference.

Gibbons was asked what the Teamsters might favor. He said that for one thing the union endorses complete financial accounting of union funds to the Government.

The Food-for-Peace Bill

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 9, 1959

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a fine newsletter prepared by Representative GEORGE MCGOVERN, of South Dakota, be printed in the CONGRESSIONAL RECORD. This newsletter gives a very succinct and concise analysis of the provisions of the bill, as well as the purposes for which it was introduced.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON REPORT

(By Congressman GEORGE MCGOVERN)

MAY 25, 1959.

DEAR FRIENDS: Although the American people are understandably concerned about the mounting level of farm surpluses, we ought not to lose sight of the potential value of our food abundance. Throughout history, those nations blessed with plentiful food resources have flourished; conversely, nations suffering from food shortages have languished.

OUR DAILY BREAD

"Give us this day our daily bread" is still the prayer of human beings in the far corners of the earth. For most Americans, it is the prayer of gratitude for ample food. But for more than a billion human beings it is the cry of hunger—the feeble plea of the old man begging on the streets of Cairo, the child whimpering for milk in Bombay, the weary African mother trying to convert a few scraps into an evening meal for her family.

For several years, I have been advocating a more imaginative use of our farm abundance. It has seemed to me that piling up vast quantities of food in a world of misery and hunger is morally wrong, economically wasteful, and politically dangerous. Morally, we are losing sight of the Great Teacher's admonition to feed the hungry and clothe the naked. Economically, we are paying hundreds of millions of dollars a year in storage costs for commodities that are already beginning to deteriorate. Politically, we are creating an unfavorable image of Uncle Sam abroad when we wring our hands over our surplus food problem in full view of the world's hungry inhabitants.

FOOD AND FOREIGN RELATIONS

I wonder if we fully realize the power of food in our relations with other countries. Is it posible that many of the underdeveloped nations now receiving expensive military shipments from the United States would be more impressed and better strengthened by less costly shipments of food?

Personally, I become more convinced each day that our most powerful material asset in building a world of peace and freedom is our food abundance. It seems probable to me that the remarkable productivity of the American farmer, if properly used, can be a more decisive factor in the struggle between freedom and communism than the sputnik. The hungry multitudes of Asia, Africa, and the Middle East are far more interested in bread, medical care, and schools than in any number of jets and sputniks. Does anyone wonder what the crafty Khrushchev would do if he had America's surplus food to use in his international operations?

BREAD VERSUS GUNS

In a few days, Congress will be considering the President's request of $3.9 billion for next year's foreign assistance program. Of the $3.9 billion the President has requested, $2.6 billion is for military aid, including defense support and the contingency fund; $1.3 billion is requested for economic and technical assistance

Many of us in the Congress are becoming more concerned each month with the heavy emphasis of the foreign aid program on the side of military hardware. A sizeable amount of such aid is going to undemocratic governments that rule over people suffering from poverty, hunger, and disease. It seems such people would not make very good fighters for freedom.

After pouring millions of dollars in military equipment into Iraq to bolster this country against communism, we saw our military aid used by Iraqi military leaders to destroy the local government and then engineer a working alliance with the Russians.

American military supplies, poured into Pakistan, have so frightened her neighbors that Afghanistan has made a deal with Russia for arms and India has taken a hundred million dollars out of her economic development program and placed it in orders for military equipment with the British and French.

In still other instances, guns and tanks sent by the United States of America have been used by unpopular dictators, not to fight communism, but to resist local reform movements demanded by the people.

For these reasons, I am going to support amendments that will cut several hundred million dollars from our military shipments to underdeveloped nations. At the same time, I will continue to push legislation that I have introduced calling for an expanded use of our farm surpluses overseas as well as in the United States.

FOOD FOR PEACE ACT, 1959

On April 20, I introduced a comprehensive bill known as the Food for Peace Act of 1959, containing the following provisions:

1. The sale of surplus farm commodities for foreign currencies to the extent of $2 billion a year for the next 5 years.

2. Outright grants of food surpluses to countries experiencing famine or chronic hunger.

3. Continued encouragement to church groups and other voluntary private agencies that wish to distribute surplus commodities overseas on a direct people-to-people basis. This section of the bill also includes grants of surplus farm stocks to public and private agencies for use in the United States in the school lunch program, nonprofit summer children's camps, charitable institutions including hospitals, and needy citizens.

4. Agreements with friendly countries to establish foundations to promote education, health, research and other projects from foreign currencies accruing to the United States through the sale of farm surpluses. We could literally convert surplus farm commodities into education and health.

5. A Peace Food Administration under the President to direct the various operations provided for in the legislation.

Under Public Law 480, we are already moving surpluses to other countries. Included in that program is a truly fine section that permits the churches and other private institutions to distribute surplus commodities overseas. The church world service groups have done a magnificent job with this most valuable program. In my view, this particular activity is the finest single example of the kind of people-to-people relationships that the world desperately needs.

"Food for Peace" is more than a slogan. It offers a partial solution to our agricultural problem and will at the same time relieve much of the suffering of a world that looks to America for leadership in this crucial hour.

Your friend and Representative in Congress.

GEORGE MCGOVERN.

Afghanistan

EXTENSION OF REMARKS
OF
HON. ADAM C. POWELL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 9, 1959

Mr. POWELL. Mr. Speaker, I wish to salute the people of Afghanistan, His Majesty Almutawakel-AlAllah Mohammed Zaher Shah, and His Excellency M. H. Maiwandiwal, the country's Ambassador to the United States, for having secured their complete political independence some 40 years ago and for today occupying a rightful and dignified place among the world's free nations.

Though presently the country lags behind many others in the various fields of human endeavor, that has not always been the case. For in bygone days history reveals there were periods when Afghanistan enjoyed an advanced civilization which spread into the adjacent areas. It was here that the Aryans for the first time took to sedentary life and framed a rudimentary form of democratic government. The Afghans complain that foreign invasions directed against their independence and violations of their territorial integrity by hordes of warriors of various nationalities with accompanying wars have left the country and its people considerably lagging in the march of the 20th-century civilization.

Afghanistan, about the size of Texas and a landlocked mountainous country of some 12 million, is bordered by China, Iran, the Soviet Union, and Pakistan, is the crossroads between Asia, the Middle East, and the Indian subcontinent, and is one of the most popular countries of that section of the world.

Since World War II Afghanistan has maintained consistently friendly relations with Persia, India, China, Soviet Russia as well as with the United States. During this period Afghanistan has received from the United States $117,294,000 in grants, loans, and assistance.

Prime Minister Daud in a radio report to the nation stated in 1956:

The main objectives before us as a sovereign and peace-loving nation are to raise the standard of living of the people and to insure their material and spiritual well-being, for the achievement of which we must fight ignorance, disease, and poverty.

Moreover, he added:

Relations between Afghanistan and other states have continued on a basis of neutrality, and by maintaining this traditional policy, efforts have been made to strengthen and develop friendly relations with the peoples and nations of the world.

The Afghan foreign policy is expressive of the collective spirit of its people. They are warmhearted, honest, trusting, generous, and tolerant people and mind their own business so long as they are not interfered with, I am told. Slowly becoming aware of the limitations of their life in comparison to the more advanced nations of the world, they wholeheartedly support plans and projects designed to bring them and their country more prosperity and a higher standard of life. For which reason the Afghans are highly appreciative of the technical aid and assistance extended by the big powers. Yet their desire for continued independence without interference from anyone, their love of freedom and self-respect dictated their current neutrality in an otherwise cold-war world.

Their tradition of hospitality is well known and it is reported that a total stranger to any Afghan home would be warmly received and would be offered the best food and if there were only one sleeping room it would be his for the visit.

For Americans to be identified with such a proud people and for Afghans to accept our offers of friendship is mutually rewarding and though our entry there might have been competitively motivated, we are enriched as they by the relationship. For since time immemorial Afghanistan has not only been a marketplace for the exchange of ideas and cultural values, but it has been a birthplace for new ideas and values, a land whose history may contain some important lessons for the man who would be a scholar of history or a citizen of the world.

In the words of Afghan Minister for Foreign Affairs, Sardar Mohammed Naim, before the United Nations in 1955:

The establishment of feasible and verifiable confidence among nations will help reduce tension, and that in turn will clear the way for disarmament * * *. Nuclear energy, instead of being thought of as the angry demon of destruction bent on the annihilation of the human race, will become the powerful angel dedicated to the well-being of mankind.

Again civilization may find a new vitality in a land that nurtured our Western culture.

Curbing Oil Pipeline Rebates

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 9, 1959

Mr. CELLER. Mr. Speaker, on June 9 I introduced a bill to amend the Elkins Act in order to prohibit expressly rebates to oil pipeline shipper-owners through the payment of dividends.

This bill will implement one of the recommendations contained in the Antitrust Subcommittee's Consent Decree Report on oil pipelines. In its investigation of oil pipeline operations under the terms of the 1941 consent decree, the Antitrust Subcommittee found that in 1955 and in 1956 some of the defendant pipeline companies had paid to their shipper-owners dividends equal to 20 percent to 47 percent of the pipelines' total revenues from common carrier transportation services. Since the overwhelming majority of an oil pipeline's revenues come from tariffs that the shipper-owner pays, it is clear that the dividends rebate to the shipper-owner his payments to the pipeline. The shipper-owner gets an additional advantage over his competitors because part of the tariffs paid by outsiders to the pipeline also is transferred to the shipper-owner.

In its report the subcommittee found that:

Ownership of oil pipelines in 1958 continues to afford their major integrated owners substantial advantages over the other segments of the petroleum industry. In order to correct this condition, the committee recommends that Congress consider legislation that would amend the Elkins Act so as to prohibit expressly any payment of dividends by oil pipelines to the shipper-owners that are derived from transportation charges paid by the shipper-owner, or by competitors of the shipper-owner.

It is clear that the Elkins Act always has prohibited payment of dividends

when such payment became a device to discriminate among shippers by returning to a favored shipper part of his transportation charges. The purpose of my bill is to have Congress at this time reaffirm the purposes of the Elkins Act and to declare expressly that dividends paid by an oil pipeline to its principal shipper from the money paid by that shipper for transportation services constitutes a rebate.

The purpose of my bill is to assure that oil pipelines operate as common carriers in fact as well as in law, rather than as private carriers for the benefit of their shipper-owners. It attempts to remedy present discriminations against outside users of oil pipelines by curtailing dividend payments to shipper-owners in lieu of divorcing oil pipelines from the ownership and control of the major integrated oil companies.

The remedy contained in my bill is less severe than divorcement of oil pipelines, which ultimately may prove to be necessary. My bill assures that the refineries owned by the major oil companies will continue to have access to necessary supply without the intervention of outside ownership. Unlike the situation which might occur if there were divorcement, continuity in management and operations will not be jeopardized and the ability of the pipelines to borrow money needed for expansion and development will not be impaired.

The objective of this bill solely is to assure that, in accordance with the intent of Congress as manifested in the Hepburn Act of 1906, oil pipelines be available for the benefit of the entire petroleum industry rather than for the private benefit of their shipper-owners. Continued discrimination by the shipper-owners against outside users of oil pipelines, who are competitors of the shipper-owners, must be stopped.

Pensions for World War I Vets 3 Years Overdue

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 9, 1959

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement which I made on June 9, 1959, before the Committee on Veterans' Affairs, in support of H.R. 4392, to provide for payment of a pension of $100 per month to World War I veterans who have attained the age of 60 years:

PENSIONS FOR WORLD WAR I VETS 3 YEARS OVERDUE

Mr. Chairman and members of the committee, the average age of World War I veterans is close to 65. The Congress has failed to honor their military service to the Nation by granting to them a pension in the last years of their lives.

In spite of the fact that those who preceded them—the veterans of the Civil War, and the veterans of the Spanish-American War—became eligible for pensions upon reaching the age of 62, close to 3 million veterans of World War I have been deprived of the pensions to which they are entitled for the past 3 years. This loss which they have suffered has become the Nation's debt to them. It could be compensated for, but only in part, but a retroactive pension to the qualifying age of 60 years.

But even this could not make amends to the tens of thousands of World War I veterans who have passed away since 1956. Late as it is, because of 3 years' delay, the very least we can do is to pass a pension bill at this session for the survivors of World War I, whose ranks are diminishing more rapidly as time moves on.

Three hundred and thirty died today. Three hundred and thirty plus will die tomorrow.

Each 24 hours' delay in passing this pension bill puts us that much more in default of our obligations to these men, the obligations we owe to them while they are living. We are denying to them the peace of mind that this pension from a grateful Nation would bring to them. It is a material benefit, yes; but it is also an honor that should bring some measure of happiness to a veteran for the few years remaining to him.

This fall, we shall observe the 41st anniversary of the day when World War I came to an end. Forty-one years have brought the veterans of that conflict to an age at which most people become eligible for retirement. It is now possible for women who are covered by social security to qualify for benefits at an earlier age of 62.

The concept of a service pension is not new. A long line of precedents, stretching back over 185 years, and applying to the veterans of all previous wars in which our Nation has been engaged, clearly establishes the right of veterans to receive such pensions during their old age.

The veterans of World War II, and the veterans of Korea, although much younger, are receiving substantial benefits in other ways and covering the active years of their lives. Are the World War I veterans to be considered as an exception to the rule? Is there any justification for their exclusion that would stand up to the searching test of reason and justice?

The opponents of pensions for World War I veterans, unable to rebut precedents, or the fact that the veterans of 1917–18 have already passed the qualifying age, try to evade the issue through legislative maneuvers, or, when required to take a definite stand, try to scare the Nation by bringing up the costs. We did not hear that word "cost" mentioned in World War I, when we summoned millions of men to give everything for their country. Some did. Others were broken in health. The rest bear the invisible scars of time and opportunity lost, and in their aging years show the strains that can be traced to the military service of their youth.

The cost? Three and a quarter billion dollars a year at the start, but declining daily. This is about the same amount that we have been spending for foreign aid, and less than the appropriations for the Department of Agriculture which includes purchase of farm surpluses, and thousands of dollars paid to individual farmers each year just to keep part of their fields unplanted and unemployed.

The cost? If the Federal Government fails to provide a service pension for these old soldiers, it is we who will lose the faith and confidence, not only of the 2,700,000 survivors of World War I, but of every living veteran who knows that a service pension in old age is the implied promise our Nation makes to every man and woman who serves in time of war.

I speak in behalf of my own bill, H.R. 4932, to provide for payment of a pension of $100 per month to World War I veterans who have attained the age of 60 years, or $135.45 per month if the veteran is in need of regular aid and attendance.

This shall not be affected by payments to the veteran of social security and railroad retirement benefits and other pensions, annuities and retirement benefits, whether payable by law, contract, or otherwise.

The pension shall not be paid under this section to any unmarried veteran whose annual income exceeds $2,400, or to any married veteran or any veteran with children whose annual income exceeds $3,800.

I call attention to the many similar bills on this same subject as evidence of growing support for this legislation, and a realization that the time has arrived to make good on our obligations to the veterans of World War I.

Danny Thomas and His St. Jude Hospital Foundation

EXTENSION OF REMARKS
OF
HON. CLIFFORD DAVIS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 9, 1959

Mr. DAVIS of Tennessee. Mr. Speaker, under leave to extend my remarks in the RECORD, I should like for the Members of the House to know something more about Danny Thomas, the outstanding television star who is doing so much for medical care in this country of ours, with special emphasis on research for the dread disease of leukemia among children.

Danny Thomas become acquainted with St. Jude Thaddeus, patron saint of the hopeless, in Detroit, in 1937. Danny, then still using his real name, Amos Jacobs, had married his schoolgirl sweetheart 2 years before, and had just become the father of a baby daughter, Margaret. His job as a nightclub emcee had just folded. He had $7 to his name.

Wandering into a Catholic Church to pray, Danny found a pamphlet on St. Jude. He walked to the poor box, deposited his $7, and asked St. Jude to return it tenfold. Upon returning to his tenement rooming house, a telephone call from a radio station awaited him. Would Danny do a spot commercial for a washing machine company? Pay? $75. Just a little more than he had prayed for—the money paid the hospital bill for Margaret.

A few years later in Chicago, Danny facing another personal crisis as to whether he should leave the theater, prayed to St. Jude, seeking advice. That day, the worst blizzard in years hit the Windy City. Trains had stopped running. This delay caused Abe Lastfogel of the William Morris Agency to be detained overnight in Chicago. Lastfogel caught Danny's act at the 5100 Club and told the comedian, "Your place is in show business." Danny took his advice and became one of the Nation's greatest comedians.

Not long afterward, Danny vowed to build a shrine—later changed to a hospital—in honor of St. Jude. Down the years, Danny has staged innumerable shows to raise funds for his project. Many of Hollywood's top movie and TV

stars have appeared repeatedly as guest stars.

Money for construction of this living shrine was raised through the efforts of Danny Thomas and his St. Jude Hospital Foundation, formed in 1946. Toward this end, Danny has devoted tremendous energy in performing benefits to raise money. He has been doing this nearly single handed. This is the shrine he promised.

In 1954, Danny was dubbed a Knight of Malta by Pope Pius XII for his tremendous efforts toward aiding medical science by raising funds for all hospitals as well as his St. Jude Hospital Foundation project.

The land for this ultramodern, $2 million, 128-bed hospital was donated by the city of Memphis. Paul R. Williams, the famed architect, donated his services in designing the hospital. As part of his contribution, Walt Disney will send his staff to decorate the wards with his well-known characters.

Staffed by the Memphis and Shelby County Medical Society, in cooperation with the university of Tennessee's medical center, this hospital will provide care for the treatment of leukemia and related blood diseases in children, regardless of race, color, or creed absolutely free. There will be no accounts receivable department in the St. Jude Hospital. In addition, its laboratories will work toward the accomplishment of a cure for this dread disease. Two-men teams of scientists—a total of six—will work around the clock in three 8-hour shifts. The lights of these laboratories will never be dimmed until the cure for leukemia is discovered. When these scientists find the pharmaceutic to limit or cure leukemia, it will be made available to all children in every community throughout the known world.

ALSAC was formed and incorporated under the laws of the State of Illinois in November 1957, for the sole purpose of the maintenance of the St. Jude Hospital and its research laboratories in Memphis, Tenn.

It is ALSAC's sincere hope that its efforts will result in worldwide benefit to humanity as did the work of the famous Dr. Salk.

Thousands of Americans of all races and creeds have and are contributing small and large amounts to the maintenance of the hospital.

The American Philippine Science Foundation

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1959

Mr. ANFUSO. Mr. Speaker, I take great pleasure in reporting that one of our most loyal and stanch allies, the Republic of the Philippines has embarked seriously upon a program of scientific development and modernization. To help promote this movement a group of tried and true friends of the Philippines have inspired, formed and organized the American Philippine Science Foundation, led by Gen. Carlos P. Romulo, the Philippine Ambassador to the United States and President of the Fourth Assembly of the United Nations, as president, the distinguished Nobel physicist, Dr. Arthur H. Compton, as cochairman and His Excellency, Carlos P. Garcia, as honorary president.

This group includes Messrs. Alexander D. Calhoun, vice president of the First National City Bank of New York; James Jacobson of the Chase Manhattan Bank; Mr. Paul C. Smith, former editor and general manager of the San Francisco Chronicle and former president and board chairman of the Crowell-Collier Publishing Co.; Mr. John E. McKeen, president of Chas. Pfizer & Co., Inc.; Dr. George E. Armstrong, formerly Surgeon General of the U.S. Army and now vice president in charge of medical education at New York University; Mr. Richard Reuter of CARE; Prof. Frederick Pfitzpatrick of Columbia; Mr. Max Abelman, philanthropist and former officer Manufacturers Trust Co., and public relations expert, and other prominent citizens.

The events leading to this important development may be summarized as follows:

Founded in 1954, for the first 5 years of its existence, the Foundation engaged in an educational campaign in the Philippines on the essential role that science and technology play in the viability of a modern nation. This campaign reached a climax when Dr. CoTui, formerly professor of experimental surgery at New York University, founder and vice president of the American Bureau for Medical Aid to China and now director of laboratories at the Creedmoor Institute, was invited by President Ramon Magsaysay early in 1957, to study the science needs of the islands. The report of the survey was finished after the late President's untimely death and was rendered to President Garcia in April and June 1957, months before the advent of Sputnik I.

In part I of the report, attention was drawn to the dangerous scientific and education deficit of the country and a nine-point program was recommended. These points called for all-out Government support of scientific work, for the establishment of a coordinating agency close to the Chief Executive, for the enhancement of science education, for revision of tax laws to attract philanthropic aid, for simplification of administrative machinery to expedite scientific development, and finally for the Philippines deliberately to assume the role of the cultural center of southeast Asia. In part II, untapped sources of possible aid from abroad were pointed out; namely the thousands of American friends of the Philippines and the large overseas Filipino communities in the United States.

This program coincides with that of the present administration in the Philippines. During the Philippine congressional session of 1958, Republic Act No. 2067, fathered by Senator Emanuel Pelaez and called the magna carta of Philippine science, was passed, providing for speedy development of science and technology. The National Science Development Board was established, with the chairman, Dr. Pauline J. Garcia, formerly Secretary of Health, enjoying a 6-year term and having cabinet status. Science teaching is being intensified and science talent searches have been instituted under the direction of the Science Foundation of the Philippines, of which Dr. Juan Salcedo, Jr., formerly Secretary of Health, is President. An intensive research effort on Kadang-Kadang, a disease threatening the coconut industry, the industry of greatest magnitude there, has been initiated. Modernization is also taking place in other scientific fields.

Meanwhile, here, the APSF in the United States is shifting from the educational role to a more active one. President Garcia, on his visit to this country in 1958, made a sizable personal contribution to help get the activities under way and smaller sums have been contributed by American firms and overseas Filipino groups. The support of CARE was won in spending over 3 high school science libraries with promise of 17 more when the need arises. With its still slender resources, the APSF has sent over information on up-to-date world science and educational developments. However, more, much more, aid is needed to bring the scientific structure of the Islands to the point where it will be able to sustain a nation of now 24 million and rapidly growing.

All patriotic Americans should rejoice in this development and I call upon all and sundry, private individuals as well as corporate bodies and foundations, to do their utmost to encourage this movement. Its philosophy is in perfect consonance with that of the report of the President's Science Advisory Committee, recently made public. There is probably no better way to help the Filipinos help themselves for all time than this of helping them build their scientific structure and thus enabling them to achieve the fulfillment of their national destiny. In the ultimate analysis, their failure will be our failure and their success our success and science and technology may well spell that difference, for in this rapidly changing world, scientific progress is national defense in depth for them, for us and for the entire world.

Closer Local-Federal Cooperation Urged as Step Toward Building Better Limited Partnership Between Two Important Levels of Government

EXTENSION OF REMARKS

OF

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 9, 1959

Mr. STRATTON. Mr. Speaker, this morning I had the privilege of address-

ing the 50th annual convention of the New York State Conference of Mayors and Other Municipal Officials, which was held in the Waldorf-Astoria Hotel in New York City. As a former mayor of one of New York's largest cities, and a former member of this conference, I was not only honored to have this opportunity to address the convention, but also I took this occasion to discuss what seem to me to be the proper areas of cooperation that should exist between our Federal Government in Washington and our local governments at home. Under leave to extend my remarks, I include the text of my address to the conference:

A FORMER MAYOR LOOKS AT THE FEDERAL GOVERNMENT

(By Representative SAMUEL S. STRATTON, of New York, 32d District)

Mr. President, my former friends and associates in the conference of mayors, it is a pleasant treat indeed to have this opportunity to come back here to renew my friendships with members of this conference, especially since I no longer can qualify for membership in my own right, and also to have this opportunity to talk with you for a few moments on a comparison of my present fate, as a Member of Congress, with my previous privilege of being a mayor of one of New York State's leading cities.

Let me say at the outset that while, as you perhaps will remember, I always enjoyed being mayor of Schenectady, I am even more delighted to be a Member of the House of Representatives. I can recommend the life, and I would even urge all of you to run for Congress, too, provided, of course, that you make sure not to run in the 32d District. I have troubles enough there already.

There is a great temptation here this morning to make use of this very kind invitation which you have so cordially extended to me to do nothing more than compare the life and duties of a Congressman with those of a mayor. I could dwell on the fact, for example, that there are drawbacks as well as compensations in making any such change. It's true that by being down in Washington it is hard for a Congressman to keep in anywhere as near as close and effective touch with his constituency as does the average mayor. On the other hand, you don't often get awakened in the middle of the night by some irate constituent who wants you to collect his garbage right away or raid a nearby crap game. It is true that the average Congressman is a very small frog in a very big puddle, especially after having experienced the ceremonial deference that is, upon occasion at least, accorded to the average mayor. Yet I find, too, that I can always locate a place to park around the House Office Building in the spaces reserved for Members of Congress—which is a lot better than I used to be able to do back in Schenectady, even as mayor. And while a Congressman exercises much less administrative control over Federal governmental affairs than the average mayor does over local affairs (excluding those of us, of course, who got our training in city manager cities), there is at least the dubious satisfaction of knowing that as a Congressman you are assumed to be an expert in everything from foreign policy to water pollution.

Like most freshman Congressmen I found myself rather disturbed by the tight seniority system that applies to the House, whereby authority and responsibility come only after successive reelections. But then the Speaker reassured us early on this score. "Don't worry," he said. "You may not like the seniority system now, but you'll find that the longer you are down here the better you'll like it."

But while I would enjoy the chance to expand on comparative advantages like these and others I am afraid you might not feel such comments would be really worth your price of admission. And so I have chosen instead to speak on something else that has also been of great interest to me in the past few months in Washington—namely, the proper and desirable relationship that ought to exist between our Federal Government and the several local governments at home which you ladies and gentlemen so effectively represent here this morning.

There is one point of view—and I am sure you are familiar with it—that the Federal Government has no business dealing directly with the local agencies of Government at all—that it should always go through the State governments in each case and should leave it to the States to determine to what extent each local government, as its own creature shall benefit from or participate in Federal programs. Perhaps there is something to be said for this point of view, but I am sure you will agree with me that it does not represent by any means the whole story.

Then there is a second view, and I know that you and I have heard this expounded many times, too, and with great eloquence, and this is that the State governments are actually shortchanging the local governments, and that if the incorporated areas of our States are to continue to survive and to grow, they can no longer hope to look to the State legislatures for help but must look instead directly to the Federal Government in Washington. The suggestion has even been advanced over the past few years by some of our national municipal organizations that to meet this need the Federal Government should be reorganized, and a new, special Cabinet department be created to handle the affairs of local governments, to be known as the Department of Urban Affairs. There is no doubt something to be said, at times at least, for this point of view, too. And yet I am inclined to believe that this approach also goes too far, and that we in the cities and villages of New York do not need to feel that there is no future for us except through direct and continuing assistance and supervision from Washington. I am sure you will agree with me there, too.

And so I lean toward a third possible answer to the question of just what kind of relationship ought to exist between the State and the Federal Government, one that lies somewhere between these two extremes—that the proper role of the Federal Government should be one of a kind of limited partnership with local government agencies in those specific fields of activity where it can be especially and peculiarly helpful. In other words, the Federal Government should not replace the State but rather should only supplement it in its dealings with local agencies. And I feel very strongly too that this partnership cannot and should not exist except, as I have said, in those areas where a very definite and urgent Federal need or concern is involved.

Let me try to explain what I mean, if I may, in terms of a few concrete examples.

Take, for instance, the matter of stream pollution, and the pressing need in many of our cities and villages for the construction of sewage treatment facilities. Unless things have changed drastically in New York State since January 3, many of you represent communities which have been ordered by the State to construct these costly sewage treatment plants by such and such a date. And yet, the State itself has been unwilling to advance any of its own funds to help in the construction of such facilities. This, I know, is a very pressing problem in my own congressional district, where Amsterdam, Johnstown, and Gloversville are up against these construction deadlines, and yet are unable to find any help in meeting what is a virtually insurmountable financial burden in view of their own tight budgetary situation.

Well, water is fast becoming a major national problem, not merely in the arid West but across the land; and streams and rivers, as we all know, are no respecters of local or even State boundaries. The elimination of pollution passing across State lines, and the creation in its place of a fresh and wholesome supply of water for use by a steadily growing population is certainly a legitimate national—not just a State or local—concern. Hence we have had in operation over the past few years, as you know, a limited program of Federal assistance—up to 30 percent of the cost—for the construction of sewage treatment facilities by local governments, with a total of $50 million allocated per year, or about $2.7 million per year for New York State. This has been a very useful program. And while many communities are still hard pressed, even with this help, to find the other 70 percent of the money, at least here is evidence of a reasonable working partnership between the Federal Government and local governments that is both within limits and highly beneficial all around.

I am flying back to Washington this morning—and I hope I make it in time—in order to be able to vote on an expansion of this program which would make its benefits available more quickly to a large number of communities, by setting aside a total of $100 million for this purpose each year for a period of 10 years. This bill, H.R. 3610, the so-called Blatnik bill, has been endorsed, incidentally, by our own Governor Rockefeller, who wrote the House committee that its adoption would make it possible for the modest program of antipollution activity, already stimulated in New York State by the original aid bill, to be expanded and speeded up. I hardly need to tell you that this bill also has the endorsement of your conference, and I am happy not only to support it, but I am confident it will be adopted today by the House.

This, as I say, is one example of the reasonable, proper, and limited kind of partnership which I believe ought to exist between our Federal and local governments—directed to a pressing local need in which State assistance is not possible or forthcoming, at least in entirely adequate amounts, and in which a real, and urgent national need is involved. Let me give you another example of such an area, aid to areas of chronic or unusually high unemployment.

Many communities here in New York State have been suffering heavily in the past few years from a sharp and painful loss of jobs. At a time when overall national statistics indicate the country is moving back out of its economic slump, we find in our own State that many spots are experiencing the same or even greater amounts of unemployment. Something is wrong. Somehow the economy of our country seems to be suffering from a kind of economic imbalance, and New York State, as you and I well know, is at the short end of the stick in this regard. Our share of national defense contracts, for instance, has been dropping off sharply in the past few years. We are told that our standards are too high to keep and to attract to our State the kinds of great productive industries for which New York is famous.

Here too in my opinion is a legitimate and urgent Federal concern. Any area of chronic unemployment in any part of the

country eventually will be harmful to the country as a whole. Any imbalance in our level of employment and production, any special predominance of defense production in one area of the Nation at the expense of other areas, will ultimately hurt all of us, just as much as any cancerous growth in any isolated portion of the body will ultimately, unless removed, destroy the whole body.

This degree of Federal responsibility and concern is especially obvious, of course, in those areas—and I include areas right here in New York State—where this unfortunate loss of business and jobs has been caused in large measure by Federal policies and programs. I am thinking, for instance, of the glove industry of Fulton County, where our Federal tariff policies have been directly responsible for the continued serious unemployment in that area. In peace no less than in war, the Federal Government, it seems to me, has a responsibility to act to relieve the impact of any of its actions which may be harmful to individuals or to whole communities.

To try to meet this serious problem, I am happy to tell you that the 45 members of the New York State congressional delegation, Republicans and Democrats alike (the largest single State group in Congress incidentally) have been meeting regularly to work out a plan of action to put our efforts and our energies solidly and unitedly behind programs to benefit our State. We have been doing this, I am proud to say, without regard for partisanship. Governor Rockefeller is to be commended for the lead which he took in April in calling such a united operation into being. And my colleagues in the House and Senate are to be commended for their willingness to go along in promoting the interests of our State. Forty-three Members of the House, after all, amount to one-tenth of the total membership. If we all stick together we can be pretty darn powerful. I believe we should stick together in things of this kind to make sure that New York State's legitimate interests are fully protected, that we get our fair share of defense and Government contracts, and that the special economic needs of New York State are properly recognized by the Federal Government.

Why, for example, should California get the lion's share of defense contracts? We New Yorkers in Congress, all 45 of us, have introduced a bill to make sure that every area gets proper recognition in the award of defense contracts, and that unemployment areas are given the fullest possible consideration. We have also joined in sponsoring legislation which will end the curious situation under which New York State has been penalized, in the Federal Interstate Highway program, for having gone ahead and built the great thruway on our own with our own money. Our bill would make New York eligible for its fair share of Federal aid moneys for highways in spite of what has already been built, with the additional funds that will be coming to us because of the thruway being made available for increased State construction in the Adirondacks areas, and elsewhere where local roads are needed.

Personally, I have sponsored legislation to aid distressed and unemployment areas in their efforts to attract new industries, another bit of activity which I feel is of special interest to New York State, and I have introduced another bill that would add one more, and in my judgment a very important, incentive for industries to settle or to expand in our State rather than moving elsewhere, and that is to grant them special Federal income tax benefits in the form of fast tax write-offs—for any new construction or expansion that may be undertaken in unemployment areas, especially those areas where unemployment has been created by Federal tariff and other policies.

There are many other areas too where a proper, a limited, and a mutually advantageous working partnership between Federal and local governments can and should be put into effect. Such things, for example, as reasonable urban renewal and slum clearance programs, redevelopment planning operations, crime prevention techniques through the operation of nationally advocated FBI standards, (as well as the Federal crime census advocated Sunday by former President Hoover), legislation to deal with hate bombings; legislation to deal with the vitally serious problems that will be created if communities in the South continue to emulate the example of Little Rock and Prince Edward County in Virginia in abandoning their responsibility to educate the children of our Nation without regard for race, creed, or color; legislation to deal with the deadly menace of narcotics; and finally, if I may be pardoned for a somewhat more personal reference, legislation to help meet the unexpected but very urgent danger created by the growing numbers of plastic laundry and drycleaning bags in the drawers and closets of the American home. Incidentally, in that latter connection, I am delighted to see that in response to my suggestions both the city of New York, the State of New York, as well as a number of responsible and public-spirited members of the industry, have begun to take needed corrective action to end this thoroughly unnecessary and wasteful loss of human life at the cost of a relatively minor personal household convenience.

These then are the proper areas for cooperation and mutual assistance, as I see it, between our State and local governments. But to make this relationship work most effectively in both directions, there is one ingredient that is especially necessary, and which, as I see it, only you can supply. That is the ingredient of closer cooperation and exchange of information and ideas between you who have the working responsibility on the local level and those of us who have the responsibility on the national level. Even though we may recognize the need and the propriety of this limited partnership I have spoken of, there is not nearly enough close cooperation, I believe, between us both. Perhaps this is the result of a certain hesitation, a certain unwillingness on the part of local officials to risk all the redtape of Federal Government bureaucracy. Perhaps we in Congress have not done all we should. Perhaps it is the result of nothing more serious than the fact that all of us have a lot more to do than we have time to do it in.

In any case, something must be done to increase this exchange of information. You would be surprised, I am sure, as I have been in the past, to find that dealing with the Federal Government is not nearly as formidable as it often appears. You would be amazed, I think, to find how much the mayors of our cities and villages are listened to in Washington, and how influential you can be in determining the kind of legislation that is adopted in Washingon, if you will but make your wishes known to us. In fact we in Congress would not only welcome but would actively want to seek out your help and suggestions on how we could better serve and represent you in our own districts.

With this in mind, then, I would like to make one specific proposal which I hope will be accepted, that we in Congress, and you in your respective communities, set up some kind of formal organization within each congressional district through which the views and thinking of the various local governments within each congressional district can be regularly passed along to your own Congressman, either on some of the matters I have discussed or any other matter of concern to you.

If we could establish such small, working groups as these and use them for the purposes I have suggested the results would be tremendous. They should, of course, be nonpartisan groups. They ought to meet with some degree of regularity. The exchanges between us could, of course, be limited to exchanges of letters and phone calls between the local organization and the appropriate Congressman, or, as I would hope, it could also involve some periodic visits of the group to Washington during the legislative session.

Maybe those of us down there and you up here wouldn't agree on all matters brought up. I don't expect we would. But we would at least keep the channel of information open. We would have guaranteed that our representative system of Government would be truly representative. We would have established, in my opinion, the most genuine and real basis for a sound working partnership between two important levels of American government.

I might say that we in the 32d District have already tried to set up just this kind of organization, composed of mayors, and in our case directed specially to the problem of industry and unemployment, under the able leadership of Mayor Thomas Gregg, of Amsterdam. I would hope that perhaps this kind of liaison group could also be established in other parts of our State. Your Congressman, after all, is in Washington to work for you, and nothing can be more effective at cutting through official Government redtape than a Congressman. I urge you as the representatives of your cities and villages to make the fullest possible use of this important—and as far as I am concerned, most exciting and pleasant—branch of our Government and its elected Members.

We in New York State are facing critical problems in the months ahead. Our long, traditional leadership in the Nation is being challenged, just as the leadership of the United States is being challenged in the world at large. It is time that we in New York moved to set up those pieces of machinery and organization which can best utilize our strength. It is time that we in New York take advantage of the real power which we as a State possess, and begin to use it to protect our future. There is a need for all of us, I think, regardless of our party, to pull together toward this objective.

Your New York Representatives in Congress, as I have said, have already taken the first preliminary steps toward establishing the basis for bipartisan unity in behalf of our State. But more is still needed to insure that behind us and along with us we have your continuing cooperation and support on a similar bipartisan basis, and in behalf of the desperately important objective of protecting the future of our own State.

I, for one, as a former member of this organization, am confident that the mayors and other municipal officials of New York State, through your great conference here will rise to meet this challenge, that you will indeed, in the weeks and months ahead, take steps to use your vast experience and influence as representatives of the State of New York in this great task which confronts us, and that you will, both individually and through this organization, work to promote an increasingly harmonious and effective partnership between the Federal and local governments, a partnership that will enhance not only the future of our great Empire State, which we all love, but also, through the continued health and prosperity of our State, the future and prosperity of the United States of America, the leader of the free world both today and in the years to come.

SENATE

WEDNESDAY, JUNE 10, 1959

Rev. William H. D. Hornaday, D.D., minister, Founder's Church, Los Angeles, Calif., offered the following prayer:

Infinite Father, in deep and sincere communion we now turn to Thee. As we do, we attune ourselves to the source of all truth. In our deliberations, which include the welfare not only of our own beloved Nation, but also that of all peoples of the world, we ask to be receptive to Thy guidance in all considerations and decisions.

We do recognize the authority of human logic and reason, but we now include the higher authority of Thy wisdom. Such wisdom exemplified in a united consciousness will direct the way to security for all and a lasting peace. Give unto us open and discerning minds. Cause us humbly to remember the courage and faith of those who formed the fundamental principles of our Nation under Thee. Give unto us a faith so vital that we, too, shall know there is no problem which Thy wisdom cannot solve.

Let us walk in the consciousness of Thy presence, for we know that where Thy Spirit is honored, there is liberty, truth, and power. For this worthy goal, O God, we pray. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 9, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 3610. An act to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works, and for other purposes; and

H.R. 7509. An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 3610. An act to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works, and for other purposes; to the Committee on Public Works.

H.R. 7509. An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Subcommittee on Flood Control, Rivers, and Harbors, of the Committee on Public Works, be permitted to sit during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I want the minority leader to observe the following request, particularly: I ask unanimous consent, on behalf of the Veterans' Affairs Subcommittee of the Committee on Labor and Public Welfare, that it be permitted to meet in executive session during the session of the Senate today.

The VICE PRESIDENT. Is there objection?

Mr. DIRKSEN. Mr. President, there was objection to this request from one Member who could not attend. So, on behalf of a Member of the Senate, I shall have to object to that request.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

SPECULATION AS TO FINAL ADJOURNMENT — ACCOMPLISHMENTS OF THE SESSION

Mr. JOHNSON of Texas. Mr. President, many questions have been asked of me, and there has been some speculation, about the adjournment of this session of Congress.

The speculation about adjournment is somewhat premature. So far as I know, there is no fixed adjournment date in mind. I have none, and I do not know of anyone else who has set such a date.

Congress will adjourn when it has completed all the work the majority feels should be completed at this session.

The Senate already has acted upon a substantial number of bills. I ask unanimous consent to have printed in the RECORD at the conclusion of my statement a list of those bills.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JOHNSON of Texas. Mr. President, a great deal of work still remains to be completed.

Members of Congress are sent to Washington to transact the Nation's business. There is no requirement that they go home at any fixed date before that business is completed.

Right now I do not think any of us knows whether the session will be a long or a short one. But I am confident that it will be a constructive one; and I think that is the important consideration in the minds of the American people.

EXHIBIT 1

SUBSTANTIAL LEGISLATION PASSED BY THE SENATE JANUARY 7, 1959, THROUGH JUNE 9, 1959

Cloture: Liberalized the cloture rule by providing that two-thirds of the Senators voting may close debate on any measure, including rule changes; and affirmed the fact that the Senate is a continuing body. Final passage 72 to 22.

Hawaii: Provided for admission of Hawaii to the Union as the 50th State. Final passage 76 to 15.

REA: Restored authority of REA Administrator to approve or disapprove loans without supervision by the Secretary of Agriculture. Vetoed. Final passage 60 to 27.

Wheat supports: Fixed wheat price supports at 80 percent of parity for growers who agree to 20 percent reduction in planting acreage, 75 percent support for 10 percent cutback and 65 percent for full acreage planting; limits payments to any one farmer to $35,000 a year. Final passage—division vote.

Draft: Extended draft to July 1, 1963; extended Doctor Draft and Dependents' Assistance Acts, and the suspension of personnel strength limitation on Armed Forces. Final passage 90 to 1.

Space supplemental: Authorized $48.3 million supplemental appropriations for fiscal 1959 to expedite projects of the National Aeronautics and Space Administration. Final passage 91 to 0.

Space, authorization for 1960: Authorized $485.3 million for NASA for fiscal 1960. Final passage 81 to 1.

Modern Navy: Authorized $110 million construction program of modern naval vessels for 1960. Voice vote.

Economic study: Provided $200,000 for a major study of the Nation's economy by the Joint Congressional Economic Committee. Voice vote.

World Bank and International Monetary Fund: Increased U.S. subscription to the International Monetary Fund by $1.375 billion and the World Bank by $3.175 billion. Final passage, 73 to 10.

Depressed areas: Authorized a new Federal program with an initial authorization of $389,500,000 in loans and grants for industrial redevelopment in economically depressed areas. Final passage, 49 to 46.

Housing: Provided for a $2.7 billion housing program over a 6-year period, emphasizing low-cost housing, college housing, urban renewal, and a more realistic building program for the elderly. Final passage, 60 to 28.

Airports: Authorized $465 million 4-year airport construction program, including discretionary funds for expansion to handle jet planes. Final passage, 63 to 22.

Labor: Labor-Management Reporting and Disclosure Act to curb undemocratic and racketeering practices in labor unions and labor-management relations. Final passage, 90 to 1.

Temporary unemployment extension: Extended benefits of Temporary Unemployment Compensation Act of 1958 for 3 months to jobless whose State payments expired before April 1, 1959. Voice vote.

Railroad retirement: Provided for a 10-percent increase in benefits under Railroad Retirement and Unemployment Compensation Acts. Voice vote.

TV education: Authorized grants up to $1 million to each State for purchase of TV facilities and equipment upon their agreement to provide land, building, and operate and maintain an educational channel. Voice vote.

Insurance taxes: Provided for a permanent and more realistic formula for taxation of life insurance companies and increased their taxes from $319 million under the

present stop-gap law to $500 million for the year 1958. Voice vote.

Unemployment problems: Established a Commission on Unemployment Problems of 11 members, 5 to be appointed by the President and 6 by Congress, to make a study of the problems and report in 60 days. Voice vote.

Health for peace: Authorized a $50 million a year program to improve health conditions through international cooperation in research, training, and planning. Final passage 63 to 17.

Bank mergers: Requires that bank mergers have the approval of Federal Reserve Board, Comptroller of Currency, or Federal Deposit Insurance Corporation to assure against monopoly. Voice vote.

Alaska Omnibus Act: Amends various Federal laws to facilitate orderly transition from Territorial to statehood status. Voice vote.

Clayton Act: Amends Clayton Act to expedite procedures for enforcement by Federal Trade Commission. Voice vote.

Federal Reserve Board: Permits Federal Reserve Board to lower reserve requirements of member banks. Voice vote.

Jet age: Amends Federal Aviation Act to facilitate financing of new turboprop and jet aircraft. Voice vote.

Tobacco supports: Stabilizes and protects the level of tobacco price supports by permitting the support price to be either the 1958 level or 90 percent of new parity, whichever is lower, until 90 percent of old parity exceeds either of these levels. Voice vote.

Air pollution: Made permanent the Federal air-pollution control program, authorized funds, and provided for agency cooperation. Voice vote.

Special school milk program: Raised limitation on special school milk program to $80 million for 1960 and 1961. Increased to $78 million for current year. Voice vote.

Appropriation bills:

Second supplemental for 1959: Appropriated $2,764,500,380 (conference figure). Final passage, 80 to 1.

Agriculture and farm credit for 1960: Appropriated $3,975,774,848. Final passage, 74 to 10.

District of Columbia: Federal contribution $29,351,000. Final passage, 68 to 0.

Interior Department and related agencies for 1960: Appropriated $478,785,025. Final passage, 82 to 0.

Treasury-Post Office-Tax Court for 1960: Appropriated $4,643,363,000 (conference figure). Final passage, 53 to 3.

So far, in this first session of the 86th Congress, we have passed a total of 210 measures of a general nature and 106 private bills. In addition, we have confirmed 31,405 nominations submitted by the administration.

Mr. JOHNSON of Texas subsequently said: Mr. President, earlier in the day I obtained the unanimous consent of the Senate to have printed in the RECORD following my remarks a list of certain substantial pieces of proposed legislation which have passed the Senate since we came here on January 7. That list has been compiled, together with the vote by which the Senate acted upon each measure. If the Senate will indulge me, I should like, hurriedly, to go over the list. I ask unanimous consent that my remarks appear in the RECORD following the remarks I delivered earlier in the day on this subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. The liberalized cloture rule was adopted by the Senate by a vote of 72 to 22.

The Hawaii statehood bill was passed by the Senate by a vote of 76 to 15.

The REA authority bill, which the President vetoed, was passed by the Senate by the overwhelming vote of 60 to 27.

The wheat support bill was passed by the Senate on a division vote, not a yea and nay vote.

The bill to extend the draft, which at some periods in our history has closely divided Congress—at one time, just before Pearl Harbor, it passed the House by 1 vote—was passed by the Senate this year by a vote of 90 to 1.

The space supplemental appropriation bill was passed by the Senate by a vote of 91 to 0, giving the President exactly the funds which he requested.

The space authorization bill for 1960, involving $485.3 million was passed by a yea and nay vote of 81 to 1.

The modern Navy bill, authorizing a $110 million construction program to modernize the Navy, was passed by a voice vote.

The bill providing $200,000 for a major study of the Nation's economy by the Joint Economic Committee, was passed by a voice vote. I trust and hope that the Joint Committee will be able to make a thorough study of the entire debt-management structure and will begin that study at as early a time as possible.

The World Bank and International Monetary Fund bill, to increase the U.S. subscription to the International Monetary Fund by $1,375 million, and to the World Bank by $3,175 million, was passed by the Senate by a vote of 73 to 10. That bill has gone to the President.

The depressed areas bill, authorizing $389,500,000 in loans and grants for industrial redevelopment in economically depressed areas, was passed by the Senate by a vote of 49 to 46. That was the only really close vote we have had this year.

The housing bill, providing for a $2.7 billion housing program over a 6-year period passed the Senate by a vote of 60 to 28. The airports bill, which I trust will be agreed to in conference shortly, perhaps this week, was passed by the Senate by a vote of 63 to 22. That was Senate bill 1.

The labor-management reporting and disclosures bill, to curb undemocratic and racketeering practices in labor unions and labor-management relations, was passed by a yea and nay vote of 90 to 1.

The temporary unemployment compensation extension bill, to extend the benefits of the Temporary Unemployment Compensation Act, was passed by a voice vote.

The railroad retirement bill, providing for a 10-percent increase in benefits under the Railroad Retirement and Unemployment Compensation Acts was passed by a voice vote and has now become law.

The television education bill, authorizing grants up to $1 million to each State, was passed by the Senate again this year, as it was last year, by a voice vote.

The bill to provide for a permanent and more realistic formula for the taxation of life insurance companies, and increasing their taxes from $319 million under the present stopgap law to $500 million for the year 1958, was passed by a voice vote. The conference report has just been adopted, and the measure should be on its way to the White House before the day is over.

The bill to establish a Commission on Unemployment Problems was passed by a voice vote.

The health for peace bill, to authorize $50 million a year to improve health conditions through international cooperation in research, training, and planning, was passed by the Senate by a vote of 63 to 17.

The bank mergers bill, requiring that bank mergers have the approval of the Federal Reserve Board, the Comptroller of the Currency, or the Federal Deposit Insurance Corporation, to assure against monopoly, passed the Senate by a voice vote.

The Alaska omnibus bill, to amend various Federal laws to facilitate orderly transition from territorial to statehood status, a bill which was actively supported by the two able and influential Senators from Alaska [Mr. BARTLETT and Mr. GRUENING], was passed by a voice vote.

The bill to amend the Clayton Act, so as to expedite procedures for enforcement by the Federal Trade Commission, was passed by a voice vote.

The Federal Reserve Board measure permits the Federal Reserve Board to lower reserve requirements of member banks. That measure was passed by a voice vote.

The jet age measure amends the Federal Aviation Act, so as to facilitate the financing of new turboprop and jet aircraft. That measure was passed by a voice vote.

The tobacco supports bill stabilizes and protects the level of tobacco price supports, by permitting the support price to be either the 1958 level or 90 percent of new parity, whichever is lower, until 90 percent of old parity exceeds either of these levels. That measure was passed by a voice vote.

The air-pollution measure made permanent the Federal air-pollution control program, authorized funds for it, and provided for agency cooperation. That measure was passed by a voice vote.

The special school milk program bill raised the limitation on the special school milk program to $80 million for 1960 and 1961, and increased it to $78 million for the current year. That measure was passed by a voice vote.

The Senate passed the second supplemental appropriation bill for 1959 by a vote of 80 to 1. That measure appropriated $2,764,500,380.

The Senate passed the Agriculture and Farm Credit Administration appropriation bill by a vote of 74 to 10. That measure appropriated $3,975,774,848.

The Senate passed the District of Columbia appropriation bill, which made appropriations for a Federal contribution of $29,351,000 by a vote of 68 to 0.

The Senate passed the Interior Department and related agencies appropriation bill for 1960—a bill which appropriated a total of $478,785,025—by a vote of 82 to 0.

The Senate passed the Treasury-Post Office-Tax Court appropriation bill for 1960—which appropriated a total of $4,643,363,000, as the conference report on that bill was finally agreed to—by a vote of 53 to 3.

Mr. President, I may say that the appropriation bills passed by the House of Representatives thus far this year have reduced the President's budget requests by $1,096 million, and each and every appropriation bill which has been passed by the Senate has been below the President's estimates.

So far in this 1st session of the 86th Congress, the Senate has passed a total of 210 measures of a general nature and 106 private bills. In addition, the Senate has confirmed 31,405 nominations which were submitted to the Senate by the administration. Also, 31,406 nominations have been submitted by the administration and have been reported to the Senate. We still have one nomination on the calendar. I trust that at an early date we may be able to proceed to the final disposition of that nomination.

Mr. President, if the hour were not so late, I would suggest the possibility of working out an agreed-upon time for taking the vote on that nomination. I should like to ask the Members on both sides of the aisle, including both the majority of the committee and the minority of the committee, to be informed that sometime tomorrow, or no later than Friday, I shall confer with the minority leader and the appropriate members of the committee, to see whether we can find some date which will be agreeable to us. This nomination has been given rather thorough committee consideration, and ample opportunity has been given to most Members of the Senate to express their views on the floor.

I should like to be able to have the Senate proceed to the consideration of at least two or three appropriation bills next week.

We have almost reached the middle of June; and there remain some appropriation bills which must be acted upon by June 30. Most of them will have to go to conference, and before June 30 there will have to be agreement to the conference reports.

I wish to commend the members of the Appropriations Committee for their diligence and effectiveness and the excellent way they have expedited their program. Most of the appropriation bills have been in the Senate Appropriations Committee for a relatively short time, as compared with the time they have been considered in the other body, where such bills originate.

Generally speaking, those who have been around the Congress for a long time realize that during the first 3 or 4 months of each session, the House must devote itself to acting on the appropriation bills; and during the last 3 or 4 months of each session, the Senate spends its time on them.

As I stated yesterday, we have no specific target date for the sine die adjournment. The American people sent the Members of Congress here to do a job. So far as the Senator from Texas is concerned, we are going to do that job; and we are not going to act on a sine die adjournment resolution until we are reasonably well satisfied that the majority wishes of the Senate have been expressed in a program for this year.

Mr. President, I am very much pleased to be able to observe that in dealing with the long list of substantial bills which already have been acted upon—bills involving billions of dollars, involving many diverse viewpoints, involving many proposals from different sections—when the final votes were taken, the Senate acted with a unanimity which I have rarely observed before in the deliberations of this great body.

There was only one really close vote; it was on the depressed areas bill. That bill has not yet been acted upon in the other body.

I think it is a tribute to the Senate, and I think it is a tribute to the Members on both sides of the aisle, and I think it is a tribute to our democratic processes, that here in the Senate, after the committees have carefully considered the proposed legislation, Members can express their viewpoints; the humblest Senator from the smallest State can come to the floor of the Senate and can be on an equal footing with the ablest Member from the largest State; and here we can hammer out agreements which will serve the people of the free world.

I am glad that a minimum of acrimony has appeared this year.

I think that the longer most Senators sit in the Senate, the more they respect it, the more they love the institution, and the higher their regard for their colleagues on both sides of the aisle.

I know that the Members of the Senate want to be worthy of the confidence placed in them by their respective States. Under the Constitution, each State has two spokesmen in this body. So far as I can, so far as I am able, with the cooperation of the leadership on the other side of the aisle and with the cooperation of my colleagues on both sides of the aisle, each Senator is going to have ample opportunity to express his views, and to have those views recorded by votes, whenever he desires.

We may not always be able to agree on each procedure or on each piece of legislation. There will frequently be times when, because of sectional differences, because of different environments, because of different populations, because of different viewpoints, those viewpoints will have to be disagreed upon in the Senate. But, Mr. President, in view of the way this body operates, with the assistance of its very able and dedicated staff, and with the support of the very fine leadership of the minority, we can disagree without being disagreeable.

This session has been one of the most pleasant and, truly, one of the most effective, and I believe it will be one of the most productive sessions of the Senate, that I have observed.

Mr. DIRKSEN. Mr. President, I do not know whether that recital was in anticipation of early adjournment; but I believe it was not.

The list which has been recited is an impressive one.

I would only add one postscript and one hope. Of course I share the hope of the majority leader that the session will be a fruitful and a constructive one. But, of course I believe that the measuring rod will be, not how much straw we thresh, but how much grain we get.

Mr. President, that is about the only comment I have to make.

But I assure the majority leader that in every case we shall make an earnest endeavor to cooperate to make the session a constructive one.

Mr. JOHNSON of Texas. Mr. President, the point I wish to make is that already this year we have obtained a great deal of grain; and the only way to obtain more is to hope for more and to attempt to achieve more.

No one who is defeated in advance ever succeeds. The Senator from Texas is an optimist. The Senator from Texas tries to keep his eyes on the stars and his feet on the ground at all times. The Senator from Texas believes that our problems can be met; they can be met head on; they can be faced up to; and they can be solved. And he has such a high regard for this body and for our democratic processes that he is not about to predict defeat in advance.

PROPOSED AMENDMENT TO THE BUDGET, FISCAL YEAR 1960 (S. DOC. NO. 29)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a proposed amendment to the budget for the fiscal year 1960, involving an increase in the amount of $200,000 for the legislative branch, which, with an accompanying paper; was referred to the Committee on Appropriations, and ordered to be printed.

PETITIONS AND MEMORIALS

Petitions, and so forth, were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Ohio; to the Committee on Public Works:

"SENATE JOINT RESOLUTION 36

"Resolution memorializing the Congress of the United States to take appropriate action to assure the continuance of surveys and planning and cooperation in the construction of projects of the State of Ohio that are vital and necessary to the control of floods and the conservation of soil and water by sufficient appropriations being granted for this purpose to the bureau of reclamation, the U.S. Department of Agriculture, and the Corps of Engineers and other Federal agencies and departments

"Whereas water and soil are the most valuable natural resources of Ohio; and

"Whereas the citizens, industries, farms, and cities of Ohio have always been subject to floods, but more recently they have experienced severe hardships and great financial losses from floods; and

"Whereas the nature of rivers is such that storms occurring in headwater regions of a stream in one area frequently inflict damage

to points in other areas, and the benefits of stream stabilization resulting in adequate and dependable water supplies in one area become beneficial to points in other areas; and

"Whereas it has become evident that we must use every means available and feasible to conserve and control all of the sources of water supply for agricultural, municipal, industrial, and recreational use; and

"Whereas watershed development has been increasingly emphasized as vital to all programs for the flood control and conservation of water and soil by the several agencies of government, and the program is lagging because of the insufficiency of Federal funds for planning purposes; and

"Whereas the Federal Government through acts of Congress has delegated to two agencies, namely, the Corps of Engineers and the soil conservation service of the U.S. Department of Agriculture the primary responsibility for flood control and conservation of water and soil: Therefore be it

"Resolved by the General Assembly of the State of Ohio, That we respectfully urge, request, and petition the Congress of the United States to take such action necessary to assure (1) continuance of surveys, planning, and cooperation in the construction of projects in the State of Ohio that are vital and necessary to the prevention of floods and to the conservation of water and soil and (2) that Federal funds for this purpose be appropriated in sufficient amounts to the Corps of Engineers and the Soil Conservation Service of the U.S. Department of Agriculture, and also other Federal agencies and departments; and that we adopt this resolution and cause a copy thereof to be spread upon the Journal; and be it further

"Resolved, That the clerk of the senate transmit authenticated copies of this resolution to the President of the United States, the Vice President of the United States, each Member of the Congress of the United States, and the director of the Bureau of the Budget of the United States.

"JOSEPH W. BARTUNEK,
"Clerk of the Senate."

A letter in the nature of a petition, signed by Ellwood B. Jones, of Forest City, Pa., relating to union activities, and so forth; to the Committee on Labor and Public Welfare.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with an amendment:

S. 990. A bill to authorize the use of Great Lakes vessels on the oceans (Rept. No. 385).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McGEE:

S. 2145. A bill for the relief of Constantinos G. Diapoulis; to the Committee on the Judiciary.

By Mr. LAUSCHE:

S. 2146. A bill for the relief of Godfrey Malensek (Bogomir Malensek); to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 2147. A bill for the relief of Margaret MacPherson, Angus MacPherson, Ruth MacPherson, and Marilyn MacPherson; to the Committee on the Judiciary.

By Mr. ENGLE:

S. 2148. A bill to amend title XI of the Merchant Marine Act, 1936, as amended, to provide for the deposit of funds in escrow with the Secretary of Commerce, to provide for the payment of insurance, in part, on the basis of such deposits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HUMPHREY:

S. 2149. A bill to include costs of relocation of building tenants and costs of demolition or removal of structures within the definition of the term "construction for the purpose of the Federal-aid highway laws"; to the Committee on Public Works.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 2150. A bill for the relief of Luka Biondich; to the Committee on the Judiciary.

By Mr. MONRONEY:

S. 2151. A bill relative to the distribution of automobiles in interstate commerce; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. BYRD of West Virginia (for himself and Mr. RANDOLPH):

S. 2152. A bill to provide for the establishment of a Soil and Water Conservation Laboratory at or near Morgantown, W. Va.; to the Committee on Agriculture and Forestry.

By Mr. MAGNUSON (by request):

S. 2153. A bill to authorize the Coast Guard to accept, operate, and maintain a certain defense housing facility at Yorktown, Va., and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S. 2154. A bill for the relief of Ante Grgas Pivac; to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S. 2155. A bill to amend the Civil Service Retirement Act, as amended, with respect to the beginning and terminating dates of annuities under that act; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. AIKEN (for himself and Mr. PROUTY):

S.J. Res. 108. Joint resolution authorizing the President to issue a proclamation designating the month of November of each year as "Family Memorial Month"; to the Committee on the Judiciary.

INCLUSION OF CERTAIN COSTS IN DEFINITION OF TERM "CONSTRUCTION" IN FEDERAL-AID HIGHWAY LAWS

Mr. HUMPHREY. Mr. President, in the course of construction of highways under the Federal-aid highway laws, many people are displaced from their homes. Perhaps this is one of the penalties of progress, that some people suffer hardship for the general welfare of all. Nevertheless, we must do all we possibly can to minimize the hardship and injustice for those who suffer loss through no fault of their own.

At present, costs of highway construction and acquisition of highway rights-of-way under the Federal Interstate Highway System are reimbursed to the States on a 90 percent basis, with the States bearing 10 percent of the cost. If a man's home lies in the path of highway construction, the State acquires his land and his house by condemnation proceedings under the right of eminent domain. The State will pay him compensation for his home—as fair a price as possible—and the State will be reimbursed for 90 percent of this cost.

But the homeowner suffers additional costs. In theory he receives fair compensation to buy a similar home elsewhere, but he must bear alone the burden of moving costs—the costs of moving himself and his family and his personal property and the costs of settling in his new home.

Mr. President, I make note of the fact that this all occurs through no fault of the homeowner. It simply happens that the State highway department, operating under the Federal Highway Act, decides to run a highway through the middle of the man's house, though perhaps he has been located there 20 years. The man is reimbursed for the so-called fair price for the property, but he is not reimbursed at all for the very expensive cost, at times, of moving his personal property and household goods.

This is unfair; the costs of moving should legitimately be included in the compensation paid to displaced tenants by the States and this payment by the States to the displaced tenants should be included in reimbursable costs of construction and acquisition of rights-of-way.

Therefore, I introduce for appropriate reference a bill to include costs of relocation of building tenants within the definition of the term "construction" for the purpose of the Federal-aid highway laws.

The PRESIDING OFFICER (Mr. HRUSKA in the chair). The bill will be received and appropriately referred.

The bill (S. 2149) to include costs of relocation of building tenants and costs of demolition or removal of structures within the definition of the term "construction" for the purpose of the Federal-aid highway laws, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Public Works.

Mr. HUMPHREY. Mr. President, I introduce the bill because I have had literally dozens of these cases brought to my attention in regard to the cities of Minneapolis and St. Paul. I refer to cases of compensation for property, in the process of which, when the property has been condemned, there has been no consideration at all with regard to the very considerable costs which have been involved in the transportation and moving of personal effects.

Mr. President, my proposal also includes costs of demolition or costs of moving buildings within this definition of "construction." By including these costs, we will help to ease the financial burden of highway construction for States. Although the States are entitled to 90 percent reimbursement for land and building acquisition for construction on the Federal Interstate System, nevertheless, the costs of tearing down structures within highway rights-of-way, particularly in built-up areas, are not reimbursed to the States. These demolition costs are just as much a

cost of construction as land and building acquisition and should be included as reimbursable construction costs.

Also, I wish to point out that we can save money for both State and Federal Governments by including costs of moving buildings from highway rights-of-way to new sites. If the cost of moving a house to a new site is less than the cost of acquisition by eminent domain, it seems only reasonable to reimburse States for the lesser cost of moving, rather than the greater cost of acquisition and demolition.

DISTRIBUTION OF AUTOMOBILES IN INTERSTATE COMMERCE

Mr. MONRONEY. Mr. President, I introduce, for appropriate reference, a bill which would give legislative recognition to the need to restore the economic health of the small business segment of the American automobile industry. It would permit automobile manufacturers to give an additional discount to dealers for sales of automobiles to customers in the geographic area in which the dealer is required to develop the market and provide service facilities for the make of car which he handles.

During the past few years the individual automobile dealer in America has been required to invest more and more in facilities to sell and service automobiles. This investment, required in his franchise agreement with the manufacturer, now averages more than $100,000 for each dealer in the United States. However, while the cost of his dealership has been going up and up, what he gets in return has been less and less—less in terms of the protection he is afforded in his franchise, less in terms of the return on his investment.

The competition between retail automobile dealers has always been vigorous, but that competition was once between dealers selling competing makes of cars. Today the responsible dealer must also compete for customers against cutrate sellers of the same make of automobile who make no attempt to maintain the service facilities which he must maintain to keep his franchise. He is caught in a squeeze between rising investment and falling return, and unless something is done to relieve his situation the independent small businessman may well be replaced by a factory-owned distribution system.

The bill which I have just introduced represents a principle of greater reward for development and service in the dealer area of responsibility. This approach I believe has the best chance of success. A number of other bills have been introduced in this session of Congress to deal with the same problem. Bills relating to the distribution of automobiles by the Senator from North Dakota [Mr. LANGER], S. 997, the Senator from Kansas [Mr. SCHOEPPEL], S. 2042, and the Senator from Nebraska [Mr. HRUSKA], S. 2047, have already been referred to the Special Subcommittee on Automobile Marketing Practices of the Committee on Interstate and Foreign Commerce. I hope the bill I have introduced will be similarly referred, and that hearings on all these measures can begin on Monday, June 22, 1959. At that time the interested Government departments, the automobile dealers and manufacturers, and others who may be interested will be given a full opportunity to appear and give their views as to the respective merits or demerits of the various remedies proposed in these bills.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2151) relative to the distribution of automobiles in interstate commerce, introduced by Mr. MONRONEY, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

AUTHORIZATION FOR COAST GUARD TO ACCEPT, OPERATE, AND MAINTAIN A CERTAIN DEFENSE HOUSING FACILITY AT YORKTOWN, VA.

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize the Coast Guard to accept, operate, and maintain a certain defense housing facility at Yorktown, Va., and for other purposes. I ask unanimous consent that a letter from the Acting Secretary of the Treasury requesting the proposed legislation may be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2153) to authorize the Coast Guard to accept, operate and maintain a certain defense housing facility at Yorktown, Va., and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

OFFICE OF THE SECRETARY
OF THE TREASURY,
Washington, June 2, 1959.

The PRESIDENT OF THE SENATE.

SIR: There is transmitted herewith a draft of a proposed bill, "To authorize the Coast Guard to accept, operate, and maintain a certain defense housing facility at Yorktown, Va., and for other purposes."

The proposed legislation would authorize the transfer without reimbursement, from the Department of the Navy to the Coast Guard, of a 42-unit defense housing facility at Yorktown, Va., for the use of Coast Guard personnel, with their families, without such personnel being deprived by reason of such occupancy of money allowances to which they are entitled for rental of quarters as authorized by the act of July 2, 1945 (59 Stat. 316; 37 U.S.C. 111a). The Coast Guard would be given similar authority as the other Armed Forces to operate and maintain this housing facility for its personnel.

The Department of the Navy has been operating the housing facility for the benefit of Navy personnel with their dependents on a rental basis and proposes within the near future to relinquish the facility to the Coast Guard as part of a transfer of certain properties at Yorktown, Va., from the Navy to the Coast Guard. The proposed establishment of a Coast Guard Reserve training facility upon this former Navy Establishment will require the occupancy of the defense housing facility by the Coast Guard personnel which will be transferred and attached to the newly established Coast Guard training facility.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Very truly yours,

A. GILMORE FLUES,
Acting Secretary of the Treasury.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT, RELATING TO BEGINNING AND TERMINATING DATES OF ANNUITIES

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill to amend the Civil Service Retirement Act. This bill would make certain changes in the act relating to the beginning and terminating dates of annuities provided by that act.

Under existing provisions, annuities of employees retiring under the act commence on the first day of the month following the date of retirement. Annuities cease on the last day of the month preceding the month in which death or other terminating event occurs.

Thus an employee retiring on the 1st, 2d, 3d, or late date in May would not have his annuity commence until the 1st day of June, leaving a period of from 1 to 30 days in which he would receive neither salary nor annuity.

This bill amends that situation by providing that the annuity shall commence on the day following the day on which one's salary ceases.

Under present provisions of the act an employee who withdraws from the retirement roll to resume employment, or for other reason save that of death, finds that his annuity has been stopped on the last day of the month preceding the month in which such withdrawal, or termination, occurs. Thus if an annuitant withdrawing from the retirement roll to resume employment on the 29th, 30th, 31st, or any other date in May would have had his annuity stopped on the 30th of April. In this instance, also, he would have to go from 1 to 30 days without either salary or annuity.

This bill amends that situation by providing that one's annuity shall cease—save in the event of death—on the day preceding the day on which the withdrawal or other terminating event occurs. In the case of death the annuity will cease, as presently provided, on the last day of the month preceding the month in which death occurs.

This exception is made in the case of death, because under section 10 of the Retirement Act, a survivor's annuity begins on the first day of the month in which death occurs.

As they presently stand the provisions of the Retirement Act with reference to the beginning and terminating dates of annuities, work an injustice on an employee who retires on any day except the last day of the month, or who leaves the retirement roll for any cause save that of death, on any day other than the first of the month.

This bill corrects that situation, and will prevent any future injustices of this nature, Mr. President, so far as Federal employees are concerned.

Mr. President, I request that the bill lie on the table until Friday, June 12, so that other Senators who desire to do so may join as cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the table until June 12, as requested by the Senator from Texas.

The bill (S. 2155) to amend the Civil Service Retirement Act, as amended, with respect to the beginning and terminating date of annuities under that act, introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD,

By Mr. NEUBERGER:

Article entitled "Festivities Kick Off Exposition," dealing with Oregon's centennial exposition and trade fair, published in the Portland Oregonian of June 6, 1969; and telegram dealing with the subject.

DEADLOCK AT GENEVA

Mr. MANSFIELD. Mr. President, the news from Geneva is depressing; and the latest offer by Mr. Gromyko on Berlin is, of course, unacceptable, as Secretary of State Herter and his colleagues have pointed out.

After 4 weeks of negotiating in Geneva, we have little to show for our efforts. If the usual procedure is followed, we can expect agitation to the effect that we are wasting our time and ought to come home. Just today there have been indications of such a feeling in the press dispatches from Geneva. To do so, in my opinion would be a mistake. It has taken us 4 weeks to bring the basic business of the conference to a head. That basic business is Berlin, even though the question of Berlin is related to other questions affecting Germany as a whole and Central Europe. However, we must not lose sight of the fact that it was the Berlin crisis which brought the Geneva conference into being in the first place, and not the question of German reunification or European security.

The preliminaries are now over; and the main event is in the making. This is not the time to scan the timetables, look over the steamship schedules or make other preparations for the voyage home. It may be hard for us to stay in Geneva on an indefinite basis. In spite of this, we ought to continue talking, either in the persons of our foreign ministers or in the persons of their chief assistants, to the end that a possible agreement may be reached on the question of Berlin.

We have stated, and we will reiterate, as the President and Secretary Herter have on so many occasions, that there will be no summit meeting unless a degree of progress is achieved. The President noted only last Wednesday that he would be prepared to define liberally what he meant by progress. I commend him for his willingness to stay in the game, for his statesmanship in giving every possible encouragement to our Secretary of State in the difficult and seemingly time-wasting negotiations now being conducted in Geneva. If we are firmly convinced that a settlement of the issues cannot be obtained, then we should be prepared to break off the conference. We should not do so, however, until every possible facet is explored and every possible move has been made. I am certain that it is the intent of the President and Secretary Herter and his colleagues to make every effort to arrive at an agreement.

I am likewise certain, if and when the time arrives when the representatives of the West are convinced that there is no point in continuing the talks at Geneva, that they will make their decision known and return to their respective countries. Certainly we have not yet reached that point.

Let us be in no hurry; let us be patient and let us explore every reasonable and honorable channel in the hope that an agreement is still possible and that the deepest desire of mankind can, at least in part, be achieved. No nation at this critical time ought to be more interested in saving face than in saving civilization.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REQUEST FOR COMMEMORATIVE POSTAGE STAMP IN HONOR OF THE 150TH BIRTH ANNIVERSARY OF ELIHU BURRITT

Mr. DODD. Mr. President, I wish to bring to the attention of my colleagues in the Senate a letter which I have sent to Postmaster General Arthur E. Summerfield, urging that a commemorative postage stamp be issued in honor of the 150th anniversary of the birth of Elihu Burritt, a colleague of Abraham Lincoln, and one of the great statesmen of his day.

I ask unanimous consent that the letter be published in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 8, 1959.

The Honorable ARTHUR E. SUMMERFIELD,
Postmaster General,
Post Office Department,
Washington, D.C.

DEAR MR. SUMMERFIELD: I am very anxious to join a group of distinguished citizens of New Britain, Conn., in urging that a commemorative stamp, honoring Elihu Burritt on the 150th anniversary of his birth, December 8, 1960, be issued by the Post Office Department.

Mr. Burritt was one of the first to fight for the adoption of international penny postage. He received worldwide recognition as a champion of international peace. Words which he spoke at International Peace Congresses and recorded in his "Olive Leaf" papers stand as a memorial to his vigorous efforts in behalf of international peace.

A man of such outstanding endeavors as Elihu Burritt is most deserving of being honored by the issuance of a commemorative stamp, and I sincerely hope that the Postmaster General will agree.

Sincerely yours,

THOMAS J. DODD.

FARM LEGISLATION

Mr. YOUNG of North Dakota. Mr. President, the Minot Daily News, a newspaper published at Minot, N. Dak., long has had a deep and sympathetic concern for agriculture. The newspaper has always followed very closely farm legislation being considered in Congress.

The Saturday, June 6, issue of that newspaper contains a very interesting, illuminating, and thought-provoking editorial on proposed farm legislation—the kind of editorial I believe all Members of the Senate would appreciate reading, as I have.

Mr. President, I ask unanimous consent that the editorial be printed in the body of the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FURTHER MUDDLING IN PROSPECT

While the administration blames Congress and Congress the administration, because no new or stopgap wheat legislation was approved before June 1, several aspects of this complex situation are being ignored.

One is, certainly, that it is not within the power of Congress actually to solve the problem of surplus production.

Farmers themselves cannot solve it and they are the ones who make the production decisions, except as nature may overrule them. Farmers cannot be expected to solve the surplus problem by voluntary means unless and until circumstances prompt a very large number of them, the country over, to go out of business.

Under historic production patterns that exist, no arm of government and no organization of wheat producers can be successful in avoiding national wheat surpluses. No program has been presented either in Congress or by the administration which would guarantee that result.

Only natural or man-made disaster can accomplish that seemingly much-to-be-desired result, which would bring wheat production and consumption into at least a temporary balance.

The very near utopian objective of doing away with surplus wheat is something which will not be accomplished within the framework either of so-called high, rigid supports or of lower flexible supports despite all the talk we have heard about these two opposites of policy. No evidence yet exists that low variable supports with relaxed restrictions can be more effective than higher supports with strict limits. Many Senators of both parties know this only too well, even if technical economists and administrators in the Department of Agriculture do not.

If, then, production and consumption of wheat cannot, by the nature of production patterns, be brought into satisfactory bal-

ance through the application of ordinary economic mechanisms and dogmas—and it is our conviction they cannot—what can the Government do? What should Congress and the administration hope to accomplish to relieve the situation?

Obviously Congress and the administration have a joint responsibility to prevent the wheat program from assuming the proportions of a burden on the public. Though many figures have been cited, with long strings of ciphers tacked on, Ovid Martin, Associated Press farm writer, showed several months ago that the net cost to the Government of all commodity price support programs—including wheat—is running about one and three-quarters billion of dollars annually. Under the present wheat program, the price support operates through Government loans and purchases, and the Government's costs are primarily (1) the costs of storage of purchased grain and (2) the losses sustained in selling wheat below the guaranteed price.

Cheaper ways of guaranteeing support were suggested to Congress this year, most of them taking the form of some type of domestic allotment plan under which Government storage of grain would be eliminated. These plans generally called for allotments in bushels, rather than acreage allotments, and provide the basis for a two-price or multiple price system, aimed at guaranteering a good price to the farmer for his share of the domestic wheat consumption. There was a considerable amount of doubletalk about these plans before Congress, and divergent views as to whether they would accomplish the purposes aimed at. To be successful, such a plan would have to be effective in maintaining price stability, and effective in bringing the maximum possible volume of wheat into consumption, besides being effective in reducing costs of operating the program.

Many Senators and Congressmen have been reluctant to switch to two- or three-price plans, without Government loans and purchases, for the understandable reason that they are dubious whether these plans will work as intended. This one thing can be said for the present wheat program: It has been successful in maintaining domestic prices at or near the support level. Any plan which meets the approval of the wheat-growing States must do that. Its weaknesses have been that it may have held a considerable amount of wheat out of consumptive channels, and that it has become in the last 6 years increasingly expensive. Because of the clamor raised by those who have emphasized the burdensome cost, which has been exaggerated severalfold by some of the critics, it is incumbent on the Congress and the administration alike to consider and design some alternate plan of supports which will be as effective pricewise to the producer, yet less costly to administer.

One of the best and simplest of the alternate plans suggested to Congress this year came from an individual farmer and legislator from Max, Otto Hauf. He would give the farmer an allotment in bushels and shift from the Government to the farmer himself the burden of storing whatever excess of wheat could not go into consumptive channels.

Any improved plan to guarantee a fair wheat price to the consumer has to deal with the fact that off-the-farm segments of the industry are likely to find ways and means of harvesting too large a share of the benefits intended to protect the farmer and his price. That is a fault of the present program. As long as it is profitable for large-scale grain handlers and processors to keep on building, and paying for, large terminal storage facilities on the storage fees they can collect for housing Government grain, it is going to be difficult for Congress to accomplish the kind of overhaul in the wheat program that is needed. The influences of off-the-farm segments of the wheat industry are strong in Washington today, and they are loathe to give up their storage checks until the loans on which terminal facilities were built are paid off. The pity is, of course, that the wheatgrowers themselves get the blame, and are likely to be penalized, for the cost of a commodity loan and storage system which is expensive.

As we see it the Government does have an obligation to try, by such broadly helpful devices as are within its power, to make it as easy as possible for the wheatgrower to muddle through a virtually unsolvable economic predicament. The main thing, perhaps, is to keep trying, and not to be too much alarmed by those interests which are hypocritical when they cry about high costs.

One justifiable purpose of national wheat policy at this stage in our history should be to contrive to keep as many small independent farmers as possible in the wheat business, consistent with the national welfare. The trend of the technical revolution in agriculture is radical in its effects, and it is working painfully in the opposite direction. Whatever devices are employed to keep the independent farmer in business, they must enable him to market his production at a liveable, fairly even, not ruinous price.

Since the 1920's the Congress has recognized that under our historic production patterns, farming has difficulties with respect to marketing and price structure which other industries do not have. Until now, at least, the assumption has been that farm stability was important to the Nation. The view has been accepted that the Government has an obligation to try to ease the farmer's predicament, through stabilizing his market. This obligation has not been repudiated, though much of the force behind present controversy moves in that direction.

The aim, it would seem, has been to stabilize the general economy of the predominately agricultural States by doing something to make the farmers' marketing structure sufficiently dependable to enable him to live with it. The policy implied has been to encourage modest and moderate sized, independent units of operation. It has been assumed that, until something better is figured out, it is to the national interest to keep farmers growing those cash crops for which their land and climate are best suited under existing or practical production patterns. The trend of the farm revolution in this period has been to cause small-scale independents to quit in wholesale numbers. Though national farm programs sometimes are blamed for accelerating this trend, there is no proof that it would not have happened anyhow, perhaps at a faster rate. In our own region the policy probably has had the effect of keeping many farmers on the land who, without a policy of price stabilization, would have gotten out long ago.

It seems doubtful that we have yet reached a stage in the wheat industry where it is feasible and desirable to let the millers and other processors take control of the land and hire someone to raise grain under contract. As poorly as the present wheat program has worked in recent years, it has not had the effect of bringing that kind of integration to pass on any large scale.

Congress seems to want the independent wheat grower to stay on the land, if it is possible to keep him there, and that is well. It has been extremely difficult for sectional interests to agree on an overhaul of the present wheat program which can be effective to that end, yet be operated at less expense than the present program. Whatever plan is worked out in the future, it is desirable, we think, that the overhaul should be well enough conceived to meet present objections, and at the same time not deprive the wheat grower of the incentive to stay on the farm. Let us content ourselves to be able to develop a program which will enable the country to muddle through, as we say, an unsolvable predicament, in just a little better fashion than we are muddling now and, if possible, at reduced expense.

VIEWS OF OREGON SCIENTISTS AND BUSINESSMEN ON APPOINTMENT OF ADM. LEWIS STRAUSS TO BE SECRETARY OF COMMERCE

Mr. NEUBERGER. Mr. President, recently I sent communications to 37 Oregon businessmen and scientists who were affected by decisions of the Atomic Energy Commission, either as researchers or suppliers, while that organization was headed by Adm. Lewis L. Strauss. I asked these individuals, who represent a variety of businesses and six Oregon institutions of higher learning, to give me the benefit of their informed estimate of AEC operations under the direction of Admiral Strauss and their appraisal of his qualifications to be confirmed as Secretary of Commerce.

The response to this request was very good. I received 34 replies to my queries. The results were these:

First. Of business concerns answering, six sent replies favorable to the confirmation of Admiral Strauss; one was adverse to confirmation; and one was noncommittal.

Second. Among the Oregon scientists responding, 4 indicated that they favored confirmation; 13 were opposed; and 9 were noncommittal.

SCIENTISTS MORE FERVENT

This is a quantitative analysis of the replies which I have received. Although no mathematical breakdown of the degree of fervor evidenced in these letters is possible, it should be stated that those who wrote in opposition to Admiral Strauss did so with far more emphasis than those who supported him. This was particularly true with respect to the scientists.

Scientists who indicated they were opposed to the confirmation of Admiral Strauss generally cited as reasons for this position, first, the J. Robert Oppenheimer case; second, the alleged failure of the AEC under Strauss' direction to provide the public with full and accurate information concerning weapons testing; third, the Dixon-Yates contract; fourth, lack of an open mind on the part of Admiral Strauss.

Businessmen who favored confirmation cited as recommendations for Strauss, first, his business background; second, forceful personality; and third, administrative ability.

FULFILL CITIZENSHIP RESPONSIBILITY

I have appreciated receiving these thoughtful responses from both businessmen and scientists in Oregon. By taking the time to give me the benefit of their views, they have fulfilled part of their responsibilities as citizens. Because I have not served on any Senate committee which has dealt directly with Admiral Strauss, either in his capacity as AEC Chairman or as Acting Secretary of Commerce, the replies forwarded to me will be helpful in assessing the

hearing record and the debate on the nomination now before the Senate.

These letters cannot furnish a final answer to the question: Should I vote "yea" or "nay" on the Strauss appointment? Some of the conclusions furnished me were candidly admitted to be based on hearsay. In a number of cases, ties with AEC were of such a tenuous nature or at such a low level that the writer was forced to qualify heavily his conclusions.

REPLIES FURNISH "EYES"

But I believe that the comments contained in these letters serve as extra eyes through which to view the Strauss record. The opinions of these Oregon scientists and businessmen will enable me to better see the central issues in this debate.

In the past few days I have had an opportunity to review the Senate Commerce Committee report. I intend to study carefully the hearing record. I wish to follow closely the Senate debate. It seems to me that all these steps should be completed before my decision is reached. This is only fair and proper. Of what purpose are these costly documents or the lengthy debate except to help inform those who are undecided in the matter?

FAIR PLAY TWO-WAY STREET

Some members of my own party in Oregon have written me very strong letters, asking that I take an immediate stand of opposition to Admiral Strauss.

Many Democrats were extremely critical of the rightwing Republicans who, almost automatically, took a hostile position against nearly all the nominations which former President Truman sent to the Senate, without even waiting to hear the merits of the question as argued in debate. We Democrats condemn such an attitude of blind opposition. Thus, we can do no less than to wait to hear the evidence when a Republican President sends a nomination to the Senate—even a controversial nomination such as that of Admiral Strauss. This I certainly expect to do.

CONSERVATION OF NORTH AMERICAN SALMON

Mr. BARTLETT. Mr. President, when the Washington Post and Times Herald misconstrues the nature and background of legislation in its editorial pages, we have a sure indication that those of us who have prepared and supported such legislation need to intensify our educational efforts with the press and public.

Such is my feeling as a sponsor of S. 502, of which the distinguished senior Senator from Washington [Mr. MAGNUSON] and the distinguished junior Senator from Alaska [Mr. GRUENING] are cosponsors. This bill would prohibit the importation of salmon taken by the nationals of any country which permits high seas fishing of immature North American salmon, when such fishing activity makes very difficult or impossible a proper conservation program for such North American salmon.

The Washington Post and Times Herald editorial of Tuesday, May 26, 1959, states that negotiation with Japan "makes more sense" than the provisions of S. 502 as a means of preserving the red salmon resource of North America. Mr. President, the editorial reveals a serious misunderstanding. Trade sanctions under the terms of S. 502 and diplomatic negotiations are not mutually exclusive alternatives.

Indeed, the sponsors of S. 502 have advocated negotiations at the highest levels of diplomacy with officials of the Japanese Government. Unfortunately, the Government of Japan has shown little willingness over the years to make the concessions necessary to carry out the fundamental purposes of the treaty—the conservation of the salmon resources. Moreover, Mr. President, let the RECORD show that the senior Senator from Alaska has opposed any suggestion that our responsibilities under the North Pacific Fisheries Convention should be unilaterally abrogated, but it is certain that no agreement between the United States and Japan requires us to accept the addition of insult to injury which is occasioned by Japanese exports to America of salmon spawned in American streams.

The editorial's statement that "with the exception of the Bristol Bay dispute, the convention has on the whole worked well" merits comment by me. First, the Bristol Bay dispute is not a minor matter. It involves, in human terms, thousands of our fellow Americans who, because of Japanese fishing on the high seas, face economic disaster. Second, the problem is compounded by the fact that continued Japanese fishing activity would be a death knell to the world's red salmon resource in the area affected.

Mr. President, the economic competition of Japan—to which, in part, S. 502 is a protest—is not merely the familiar type of overseas competition which causes American natural resources and human resources to become idle. The Japanese fishing activity is not protested by the sponsors of S. 502 because of its effect on the profits of a few. We protest this activity because it is depleting an American resource, to the detriment of every American. We protest this activity because it is the source of social and economic upheaval among the people of Bristol Bay, Alaska. We protest this activity because it is contrary to the spirit of the fisheries convention. We protest this activity because the Bristol Bay salmon runs, once extinguished by predators, will never again return.

As a sponsor of S. 502, I propose to participate in an educational campaign—which appears to be badly needed—so that every American will know what is at stake. Although I disagree with the Washington Post and Times Herald editorial, I believe its publication in the CONGRESSIONAL RECORD will clarify the nature of the controversy. Mr. President, I ask unanimous consent that the editorial from the Washington Post and Times Herald be printed in the RECORD following these remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SANCTIONS FOR SALMON?

An effort is being made in Congress to solve an extremely complex problem involving the Japanese fisheries by use of the cleaver of trade sanctions. We refer to the little-publicized Pelly bill in the House and its companion measure in the Senate, which would empower the Secretary of Interior to restrict the flow of imported canned salmon from Japan in order to compel compliance with conservation measures which this country may deem necessary. The origin of the bill springs from a very real problem: the decline in yield of the Bristol Bay fishery in Alaska, which has fallen from 23 million red salmon in 1947 to 5.7 million in 1958.

Sponsors of the bill—which include Alaska's Senator BARTLETT, and Washington's Senator MAGNUSON and Representative THOMAS M. PELLY—contend that the Bristol Bay decline is due to the failure of the Japanese to observe needed conservation measures. The Japanese just as stoutly maintain that the decline is due to other causes than their fishing methods. But even if the blame can be lodged with the Japanese, the procedure involved in the Pelly bill is dubious.

Since 1952, fishing fleets in the Pacific have been regulated by an international convention signed by Japan, Canada, and the United States. With the exception of the Bristol Bay dispute, the convention has on the whole worked well. It provides for arbitration machinery to alter fishing lines marked out by treaty. The Pelly bill would undercut the treaty unilaterally by imposing a sanction which runs counter to this country's overall commercial policy.

For this reason, the State Department has opposed the legislation and urged that negotiations be undertaken with Japan to solve the problem. This certainly makes a good deal more sense than a bill which might achieve a desirable objective by plunging a fishhook in the flank of an ally.

THE TREASURY INTEREST RATE

Mr. HUMPHREY. Mr. President, I was very pleased to note in this morning's issue of the New York Times, June 10, 1959, a letter to the editor written by the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], the present Presiding Officer of the Senate, under the title "Higher Interest Opposed—Government's Drive To Increase Long-Term Financing Questioned."

This letter by the Senator from Wisconsin [Mr. PROXMIRE] states concisely and with considerable documentation the impact of the President's request to remove the 4¼ percent ceiling on long-term Government securities. I ask unanimous consent that the very fine letter be printed in the body of the RECORD, since it relates to current legislative proposals.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HIGHER INTEREST OPPOSED—GOVERNMENT'S DRIVE TO INCREASE LONG-TERM FINANCING QUESTIONED

To the EDITOR OF THE NEW YORK TIMES:

In your editorial of June 4 entitled "Treasury Interest Rate" you characterize concern about Government paying more than 4¼ percent in interest on long-term Governments "more sentimental than rational." The whole burden of your editorial is that the interest rate does and should rise and fall in response to free market forces.

The fact is that interest rates on Government bonds and generally on all interest-bearing obligations rise or fall because of the planned action or inaction of the Federal Reserve Board.

The Constitution provides in article I, section 8, paragraph 5, that the Congress

shall have the power to regulate the value of money. The Federal Reserve Board has been created by Congress in important part for the purpose of regulating the price of money or interest. It does so with explicit rationalization.

Gov. William McChesney Martin, Federal Reserve Board head, has repeatedly explained the policies of his agency which raise or lower interest rates in terms of prospective inflationary or deflationary conditions.

His agency has just raised the interest rate by raising the rediscount rate sharply in five Federal Reserve districts.

It can and does also buy or sell Government securities to lower or raise interest rates. It can and does lower or raise reserve requirements of the Nation's banks, and thereby multiplies or divides the amount of capital seeking investment and by that very process drops or hikes interest rates.

PURPOSEFUL ACTION

There is nothing random or haphazard about these actions. They are purposeful. The interest rates that result are therefore sure to be the artificial reflection of the best judgment of Mr. Martin's agency.

Early last year Mr. Martin and his agency decided interest rates should be low. They acted accordingly and interest rates for a while were very low. Later they decided they should be increased, and said so. The Federal Reserve Board acted. Interest rates responded with one of the fastest rises in history.

The Federal Reserve Board consists of men of impressive experience, training, integrity, and judgment. But they can be wrong. One can disagree with their judgment and contend that the Federal Reserve should act to lower interest rates without being sentimental or nonrational.

I feel very strongly that the Federal Reserve should ease pressure on interest rates. But even if they do not, the President's request for an increase in the 4¼ percent long-term statutory rate should not be approved by Congress because:

This high interest-rate period is the worst time for the Government to shift into long terms. To do so means "freezing" high-rate servicing cost of the national debt for a longer period and therefore increases future Government costs and taxes.

Increased Government long-term financing puts the Federal Government into greater competition for long-term capital with schools, hospitals, slum clearance, homes. In doing so it drives up the cost of what America needs most, and the local and State taxes to pay for it.

WILLIAM PROXMIRE,
U.S. Senate.

WASHINGTON, *June 8, 1959.*

(The Federal Reserve System undoubtedly has an important influence on interest rates. But its influence on long-term rates is far less than the influence of private supply and demand. The amount of Federal Reserve purchases of longer term Government bonds that would be needed to stabilize or depress long-term rates could be astronomical and, of course, highly inflationary in its impact on the money supply.—Editor, the Times.)

Mr. PROXMIRE subsequently said: Mr. President, there is a necessity for clarifying something which has already taken place today. Earlier today the senior Senator from Minnesota [Mr. HUMPHREY] placed in the RECORD a letter which appeared in this morning's New York Times, which I had written. At the end of the letter there appears a comment by the editor of the New York Times on my letter. Several Senators who have seen the letter have asked for my reply to this comment. Therefore, I wish to take this opportunity to place this reply in the RECORD. I ask unanimous consent that the reply may be placed in the RECORD immediately after the insertion made by the Senator from Minnesota in the body of the RECORD today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, my reply is this. It would not be necessary for the Federal Reserve Board to take any action at all in order for the Federal Treasury to refund its obligations at exactly their present maturities in the next 18 months. This is because there is no statutory limit at all on interest rates for Government obligations with a maturity of less than 5 years.

At the present time we have no Federal Government obligations with maturities of more than 5 years which become due until after November 1960. To lengthen maturities during this period of high interest rates seems to me to be very unwise. That is my first answer.

Now if the Federal Reserve Board decided to lower interest rates, it could do so, as the editor of the New York Times suggests, by buying long-term bonds. The Federal Reserve Board can do this. It can also do it by lowering the rediscount rates and by lowering the reserve requirements of banks throughout the country. Any of those methods would indeed increase the supply of money; that is true. As suggested by the editor of the New York Times, if interest rates are lowered under present circumstances it is possible that this increase in the supply of money might be substantial. However, I submit that there is no evidence that such an increase in the supply of money would necessarily have an overall inflationary effect. The fact is that it would have a double effect.

First, it would reduce the interest rates; and, in doing so, it would reduce that part of the cost of living which has been increased for those people who want to buy a house, who want to buy a car, and want to buy a television set, or who want to buy anything which must be financed on time, and in connection with which interest rates constitute a substantial cost.

It would also reduce the cost of building schools, the cost of building hospitals, and the cost of everything else that a community must finance on time.

It is true, however, that while interest rates will discourage people from building homes and buying cars and building schools, in doing that it will relieve pressure on the somewhat limited resources, both natural resources and human resources, and for that reason might diminish the demand in our economy and some of the pressures that tend to drive up prices.

The point that I should like to make is that there has been no analysis by any economist who balance the two forces. I am at present writing letters to bank economists and professors of money and banking throughout the country challenging them to provide evidence to show that high interest rate will have an overall dampening effect on inflation. Until we have that evidence, we cannot conclude, just because there is a Ricardian theory, advanced more than a hundred years ago, and arrived at before our present statistics were available, that the use of higher interest rates is the way to fight inflation.

ADEQUATE INSPECTION SYSTEM FOR NUCLEAR WEAPONS TEST EXPLOSIONS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the California State Legislature, which commends and encourages the Congress and the U.S. Government for efforts to negotiate an end to nuclear weapons test explosions, be printed in the body of the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ASSEMBLY JOINT RESOLUTION 22

Joint resolution relative to nuclear weapons test explosions under an adequate inspection system

Whereas representatives of the United States are negotiating with representatives of the Soviet Union and Great Britain toward an international treaty to end nuclear weapons test explosions under an adequate inspection system; and

Whereas a conference of scientists and technicians representative of these Governments and others have previously concurred on the feasibility of monitoring such a system of controls; and

Whereas there is now tentative agreement on seven articles in a proposed treaty to set up worldwide inspection posts; and

Whereas such inspection posts could be established in strategically nonsensitive areas within a nation's boundaries, to avoid infringement of national rights; and

Whereas the successful negotiation of a treaty to end nuclear weapons test explosions under adequate inspection would be a positive first step toward disarmament by all nations, a policy which is the goal of the United States and the hope of all mankind; and

Whereas such action would reduce the hazard of radioactive fallout and would aid in preventing the emergence of many new nations armed with atomic and hydrogen bombs and would further set the stage for additional international control and reduction of weapons of mass destruction; and

Whereas the sincere and constructive efforts of the national administration to achieve agreement in this critical area, coupled with its firm and unequivocal stand against totalitarianism wherever it may occur constitutes the world's best hope for achieving a lasting peace: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California (jointly), That the U.S. Government be commended and encouraged in its efforts to negotiate an end to nuclear weapons test explosions as a significant development toward which men from every corner of the earth look with hope; and be it further

Resolved, That such a treaty should provide for effective international control over any experimental nuclear explosions designed to provide scientific information for peaceful purposes, in order to prevent improper use of such explosions for other than peaceful purposes.

Resolved, That the chief clerk of the assembly is directed to transmit suitably prepared copies of this resolution to the President of the United States, to the Secretary of State of the United States, to the Secretary General of the United Nations, and to

each Senator and Representative in the Congress of the United States from the State of California.

_____,
Speaker of the Assembly.

_____,
President of the Senate.

Attest:

_____,
Secretary of State.

Mr. HUMPHREY. Mr. President, this particular resolution—Assembly Joint Resolution 22—relative to nuclear weapons test explosions under an adequate inspection system, confirms and supports the action of the Senate in adopting a recent resolution to encourage our Government to pursue the proposition of a cessation of nuclear weapons tests with adequate inspection and control.

NATIONAL PLANNING TO MEET THE SOVIET ECONOMIC CHALLENGE

Mr. PROXMIRE. Mr. President, in this morning's Wall Street Journal there is published a letter to the editor written by the senior Senator from Minnesota [Mr. HUMPHREY]. It is the lead letter in this issue of the Wall Street Journal, and is a very excellent letter. I call it to the attention of Senators because it replies to a charge made by the Wall Street Journal on May 18 attacking the position of the senior Senator from Minnesota, and declaring that his program—and I regret the way the Wall Street Journal puts it—is a program which copies the Communists.

I believe most Senators recognize that nothing could be further from the truth. No Senator is more dedicated to maintaining a strong America, economically, militarily, morally, and spiritually, than is the senior Senator from Minnesota.

I believe that the beginning of wisdom in our contest with the Soviet Union is the recognition of the kind of challenge we confront. For that reason I should like to quote briefly from the letter of the senior Senator from Minnesota:

> That the U.S.S.R. is gaining rapidly on the United States is acknowledged in all authoritative quarters. For example, I quote Mr. Allen Dulles, Chief of the Central Intelligence Agency:
>
> "During the past 7 years, through 1958, Soviet industry has grown at the annual rate of 9½ percent * * * Our own industrial growth has been at the annual rate of 3.6 percent for the 7 years through 1957. If one included 1958, the comparison * * * would be even less favorable."

He goes on to point out how important it is to organize our resources within our system of freedom, so that we can overcome the gain in rate which the Soviet Union is enjoying. He concludes:

> In essence, what I have proposed is that we rationalize these plans, fit them together, and make our decisions, so that the things that should have the highest priority get it. And I have made the point (which has been made before by many others, notably the Rockefeller Bros. Fund reports) that fulfilling these plans will be comparatively easy if we can step up the growth of the economy to, say, 5 percent a year, and comparatively difficult if it continues at the rate of 2 percent a year.

The Senator from Minnesota recognizes, of course, that we are substantially ahead of the Soviet Union, and that we shall continue to gain so long as we can step up our rate of growth. But, as the Senator very well points out, it will require all the resources of the American Government, as well as American free enterprise.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield briefly to the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator for his courtesy and thoughtfulness in placing in the RECORD my letter to the editor of the Wall Street Journal.

Let me say to the Senator from Wisconsin and my other colleagues that I was really shocked and disappointed to see a responsible journal such as the Wall Street Journal, which I consider to be one of the fine newspapers of this country, indulging in cheap demagogery. It was beneath the dignity of that fine newspaper, because the speech to which the editorial refers was one which was jampacked with dedication to the institutions of free enterprise and institutions of political and economic freedom, and was directed toward alerting even the Wall Street Journal to the danger of Communist economic competition, on which I shall address the Senate later today.

The Wall Street Journal would do much better in behalf of freedom, democracy, and free enterprise if it quit calling HUBERT HUMPHREY names, and settled down to the business of exposing what the Communists are up to economically, and enlightening the American business community as to the nature of the economic competition with which we shall be faced from the Soviet bloc. That is the responsibility of a responsible journal, rather than indulging in petty-fogging nonsense, of which it was guilty, I regret to say, at least in the title of the editorial.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the letter be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

"COPYING THE COMMUNISTS"

EDITOR, THE WALL STREET JOURNAL:

Your editorial of May 18, "Copying the Communists," misconstrues and misrepresents my position on national planning and how we can and should meet the Soviet economic challenge.

That the U.S.S.R. is gaining rapidly on the United States is acknowledged in all authoritative quarters. For example, I quote Mr. Allen Dulles, Chief of the Central Intelligence Agency:

"During the past 7 years, through 1958, Soviet industry has grown at the annual rate of 9½ percent * * * our own industrial growth has been at the annual rate of 3.6 percent for the 7 years through 1957. If one included 1958, the comparison * * * would be even less favorable."

Commenting on the tendency to dismiss the significance of this (as you did in your editorial) because "the Soviet economic base is so much smaller than ours," Mr. Allen Dulles had this to say:

"The comforting illusion spread by the 'disciples of the absolute gap' should not serve as a false tranquilizer."

He pointed out that the Soviet industrial output is now about 40 percent of ours, and estimated that by 1965 it would be about 55 percent of ours.

That the Soviet military strength, including its missile capabilities, has caught up with ours is generally admitted. Indeed, there are many competent critics who believe that it is perilously ahead.

In the light of these facts, and taking cognizance of the deadly seriousness and determination of the Soviet plans to forge ahead, I proposed (to quote from the speech to which you alluded): "* * * that we need to know our goals as clearly as they know theirs. And we need to manage our affairs as effectively for our purposes as they manage their affairs for their purposes. And, moreover, we must do it by the means of democracy, and to take full advantage of the enormous production potential of our free enterprise economy."

Specifically, I proposed that we do not imitate the U.S.S.R.—either its goals or its methods. But by the same token, we are challenged to demonstrate that democracy and a free enterprise economy can plan as necessary to achieve its goals, when those goals are the preservation of peace and security and the extension of freedom and welfare.

The suggestion that planning is incompatible with democracy or with our American economy, or that it would lead to a centrally and politically directed economy (to use your words) certainly is not borne out by our experience. Every tax, every tariff, every public expenditure, every change in the discount rate is a decision that involves the allocation of our resources and of our production. We have planned to build 40,000 miles of interstate highways, so many schools, so many hospitals. We have planned to give retired workers a claim on current production, to be paid for by their pensions. We plan our water supply, and the conservation of land and mineral resources. And, of course, by planning we give our national defense an overriding claim on nearly 10 percent of our national production.

In essence, what I have proposed is that we rationalize these plans, fit them together, and make our decisions so that the things that should have the highest priority get it. And I have made the point (which has been made before by many others, notably the Rockefeller Brothers Fund reports) that fulfilling these plans will be comparatively easy if we can step up the growth of the economy to, say, 5 percent a year, and comparatively difficult if it continues at the rate of 2 percent a year.

Planning there will be. And, in fact, there are already numbers of planning staffs in the Government. The Department of State has a staff to advise the Secretary on foreign policies. There is a Council of Economic Advisers to the President. We have the National Security Council, and we have interdepartmental planning committees in the Defense, Commerce, and Treasury Departments, in the CIA and in the Budget Bureau.

The question is whether our planning will be disjointed and at cross purposes, or coordinated to the purposes of national policy. I would hope that the Journal would address itself to these questions seriously—since they are of the most serious consequence to the country—rather than resort to diatribes about copying the Communists.

Your editorial does a disservice to both your own fine reputation and the intelligence of your readers.

HUBERT H. HUMPHREY,
U.S. Senator.

WASHINGTON, D.C.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The present occupant of the chair, in his capacity as a Senator, takes this opportunity to join

the Senator from Wisconsin in testifying to the patriotism, ability, and character of the Senator from Minnesota, and the great good he has done in this area down through the years.

IMPROVEMENT IN THE EMPLOYMENT SITUATION

Mr. KEATING. Mr. President, it is now universally conceded that we are enjoying a massive economic upswing. I am delighted to say that the Labor Department, within the hour, has released its report on employment and unemployment for May. The figures it contains prove to be dramatic new evidence of the strength of the Nations' economic advance. More than 66 million Americans were at work last month, more than in any May in the history of the Nation.

In the past month alone 1 million new jobs have been created. Unemployment is now down to 4.9 percent of the labor force, and is dropping steadily. This is the third month in a row showing impressive gains on the employment front.

Without question we are in the full swing of national prosperity. The economy is once more demonstrating the folly of those men of little faith and less judgment who, until very recently, were crying that only large-scale Government intervention could rescue us from economic catastrophe. I plan to discuss this subject tomorrow at greater length. I am delighted at this time to be able to call the attention of the Senate to this latest evidence of continuing economic improvement.

SPECIAL SENATE EXHIBIT OF AMERICAN SCIENTIFIC APPARATUS

Mr. KEATING. Mr. President, within the next week the Senate Appropriations Committee will complete its work on the appropriation bill for the Departments of Labor, and Health, Education, and Welfare and related agencies for fiscal 1960. A vital question which the committee will decide is whether to write a limitation into the bill which would prevent the use of Federal funds under the National Defense Education Act for the purchase of Russian science teaching equipment.

This is an extremely serious issue, which should command the attention of every Member of the Senate. Involved here is another Soviet move in their deadly economic cold war. Likewise involved is a basic question as to whether the objectives of a worthy Federal program are to be reversed and the funds provided for that program used to aid and abet the activities of the international Communist conspiracy.

I do not conceive of this problem as being one of foreign trade policy. Indeed, we should all recognize that the Soviets are not seeking free and open trade in scientific apparatus. To the contrary they have deliberately cut their prices in these products in order to flood our market and our schools with their equipment, thus seeking to achieve a major propaganda and political victory. At the same time, the Russians are seeking by their cut rate prices to seriously undermine an important domestic industry.

Mr. President, it is not my purpose today to go into the pros and cons of this question. Instead, I invite the attention of Senators to an exhibit of domestically manufactured scientific equipment, which will be set up for the convenience of the Senate in room F-37 of the Capitol. The exhibit can be viewed on Thursday and Friday, June 11 and 12, between the hours of 10 a.m. and 5 p.m.

I urge every Member of this body and members of their staffs to take advantage of this opportunity to study at firsthand the American equipment which is being challenged by that made in the Soviet Union. It is important that every Member view this apparatus for several reasons.

I realize that many Senators were unable to be present several weeks ago when the Senate Appropriations Subcommittee held hearings on this issue. A good many Senators, however, later were invited to witness—and did witness—an exhibit of Russian-made science teaching products in the New Senate Office Building. The exhibit to be held later this week in room F-37 thus represents in a sense, an "equal time" opportunity for the American side of this story.

Particularly since the character and caliber of domestically produced equipment has been drawn into issue in the debate on this subject, I think it is only fair that Members of the Senate who viewed the Soviet exhibit be given a chance to see for themselves the many new items of science teaching apparatus which have been developed by the domestic industry and introduced into the educational market in recent years.

Mr. President, at the appropriate time, I intend to discuss at length the grave dangers involved in expending Federal funds to buy Russian science equipment. I intend to show how such purchases would have a serious impact on the American industry and could have a damaging propaganda effect on our children.

For the present, however, I merely want to urge every Member of this body and members of all staffs, to take time to witness the exhibit of American science apparatus which will be assembled in room F-37 of the Capitol Thursday and Friday of this week. It will be time well spent. It will be time which can arm each Member of the Senate to oppose another move by the Communists in their deadly cold war economic offensive against the United States.

Mr. President——

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senator from New York.

JOHN FOSTER DULLES—HE KEPT THE PEACE

Mr. KEATING. Mr. President, one of the outstanding aftermaths of the tragic passing of John Foster Dulles has been the growing realization and understanding of the soundness of the policies he pursued as Secretary of State. At a time when the advocates of flexibility for flexibility's sake are raising their voices repeatedly, it is important for all of us to recall and understand the steadfastness and firmness of purpose which characterized Mr. Dulles' successful foreign policy.

Secretary Dulles recognized—with a clarity few of us can even approach—that we are in a life and death struggle with international communism. He knew that we are in a cold but deadly war with the men in the Kremlin, with our very survival as the ultimate stake.

The actions of John Foster Dulles were grounded on his deep understanding of the Communist plan and on his stern moral conviction that America could and should turn them back. Perhaps the finest tribute one can pay him when we are so close to his term in office is, that he kept the peace in perilous times. He forewarned and forearmed America for the great struggle. He called America to greatness and he prepared America to respond with a dedicated will.

Mr. President, a fine editorial in Life magazine recently underscored the greatness and incredible dedication of John Foster Dulles. I ask unanimous consent to have this outstanding commentary printed in the RECORD, following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DULLES THE PEACE KEEPER

It was not just because of his personal distinction that the world paused to honor John Foster Dulles. It was rather in the realization that for six terribly dangerous and puzzling years, the first years of Khrushchev, he had kept the peace. When Dr. Elson read the Beatitudes at his funeral, the words that bit the air of the National Cathedral were "Blessed are the peacemakers." But how many bowed heads shared the simple secret of his achievement? He kept the peace by knowing, and acting in the knowledge, that he was in a war.

Like most Westerners, he was born and raised in the notion that peace is normal to political animals, war a frightful aberration which statesmen must work to avoid. He learned to diplomatize not only at Versailles but in a thousand business negotiations, a world in which conflicts are reconciled by hard work and mutual trust. But when he came to high office, he found himself up against an adversary for whom political normality is not peace but war—unceasing conflict on all fronts between classes and nations.

Winston Churchill, in his famous 1939 statement about Soviet foreign policy—"A riddle wrapped in a mystery inside an enigma"—concluded that the key to the riddle was the national interest of the Russian nation. Dulles learned better. Russian interest is just one of the keys. The Communist dogma of perpetual conflict, in which peace is inconceivable short of the communization of the world, fits more locks and is the key Dulles used. That is why, during so much of his 6 years in office, he was about the most unpopular statesman in the world—not only in the Kremlin, but sometimes in Western capitals as well. For all his hearty love of life and talent for conciliation, he never let us forget how grim a world we live in.

Two days before his funeral his fellow Presbyterians in general assembly passed a

resolution of hope "that the day may soon come" for the United States to recognize Red China. A day after it the International Olympic Committee yielded to Communist pressure and dropped Nationalist China from its membership. These small but significant defections from the stanch Dulles line are all too likely to be followed by more. For the unanimous sorrow at his death masked a deep and perhaps growing division in Western attitudes toward the Communist challenge.

So does the surface solidarity of the Western foreign ministers at Geneva. Although the British are accounted the current soft spot in our Geneva front, this is not because Britons are softer than Germans, French or Americans; it is because Macmillan must act more responsively to home opinion these days than Adenauer, De Gaulle, or Eisenhower need to do. There is plenty of softness and division in all four countries. There is in fact a new and rather sophisticated form of indifference to the Communist threat, a kind of cold war weariness, at large in the NATO world. Division of opinion over tactics and strategy is inevitable in any open society. What is not inevitable, and is becoming dangerous, is the division of opinion as to whether we are in a war or not.

There is no such uncertainty on the Kremlin side. Gromyko knows that his job is still conflict management; that Geneva is as much a battlefield as was Panmunjom; that summitry itself is a weapon system; that coexistence and cold war are one and the same thing; that relaxation of tension is a one-way soporific; that if Khrushchev's methods are less brutal than Stalin's, his aims are no less total; that among those aims is the division and dismantling of NATO; and that in pursuit of those aims it is part of Gromyko's job to foment and multiply the divisions and uncertainties of Western opinion.

The new neutralism serves those aims. It stems partly from the rising fear of nuclear war, but also from wishful interpretations of the fact that Soviet Russia is changing. Thus the neutralist British magazine New Statesman recently described Dulles' policy as based on Hobbesian pessimism, and obsolete because it was tailored in response to Stalinism, which went out in 1953.

In fact, however, Dulles' policy was tailored in response to Leninism, which is certainly not obsolete since it governs more of the world today than even in Stalin's time. Nor was Dulles pessimistic. He repeatedly expressed the confidence that Russian communism, as a result of mass education and industrialization, must evolve into a sane and freer system—provided it could be denied the glamor of new conquests and victories abroad. But communism is still resolutely seeking and finding such victories. It is possible that Dulles' policy was not pessimistic enough.

The authors of "Protracted Conflict," a new Foreign Policy Research Institute study of Communist strategy (Harper's), conclude that although the free world has the superior potential, the Communists may win world war III because they know they are in it. Dulles knew he was in it. Anyone who doubts we are in it should consider this elementary fact: that all the conflicts between our world and theirs, from Berlin to trade rivalry, are located this side of the Iron Curtain. We are the war zone; theirs is the camp of peace—the peace of a prison whose stresses and sufferings, even in the outrageous cases of Hungary and Tibet, we have not found the means to exploit or relieve. We are the war zone because the Communists continue to plan it that way.

If Khrushchev were seriously interested in relieving tensions, or in Russian national security, he could have both from a grateful free world in a week. Unfortunately he is interested in creating tensions in our world, not only to hasten its downfall, but the better to ride out the tensions in his own.

Stalinism, by the too naked use of terror, managed to unite and harden the West. Khrushchevism, by a shrewder mixture of terror and talk, is seeking to divide and soften it. Dulles spent his last painful working months heroically resisting that division and softening. He had "absolute confidence that our policies will succeed if they are steadfastly pursued." His steadfastness will be badly needed now.

The limitless ruthlessness of Communist dogma was one reality of politics with which Dulles learned how to cope. Another was the certainty of change of which he saw much in his time and foresaw more. Accepting the inevitability of change, Dulles made his special concern: that it be "peaceful change," and of the kind that "shall increasingly reflect the basic principles" of freedom and justice.

Dulles was scarcely in his grave when two monkeys named Able and Baker returned safely from a 1,700-mile voyage through space, bringing still closer the age of interplanetary travel when the universe itself becomes a new frontier for mankind. All earthly strife looks petty in the light of such onrushing technical achievements. "I think it not improbable," Justice Holmes once said, "that man, like the grub that prepares a chamber for the winged thing it never has seen but is to be—that man may have cosmic destinies that he does not understand. And so beyond the vision of battling races and an impoverished earth I catch a dreaming glimpse of peace." To Dulles it was more than a glimpse; it was a goal. But his path to it was lined with hard tasks and stern duties. So is ours.

NOMINATION OF HENRY J. FRIENDLY TO BE A JUDGE OF THE U.S. COURT OF APPEALS

Mr. KEATING. Mr. President, yesterday there appeared an editorial in the Washington Post entitled "Inexcusable Delay." It states:

It is almost 3 months since President Eisenhower sent to the Senate the nomination of Henry J. Friendly, of New York, to be a judge of the U.S. Court of Appeals, Second Circuit; yet the Senate Judiciary Committee has not even scheduled a hearing on the nomination. The delay apparently is a result only of political considerations.

If the editorial had stopped there, I could not have had any quarrel with it. However, it goes on to say:

Although Mr. Friendly has the recommendation of such respected judges as Learned Hand, as well as the endorsement of lawyers in the New York area, he does not have the support of Senator JACOB K. JAVITS, Republican of New York, and other New York Republican leaders. It will be a sad commentary on these New York GOP politicians if they cannot rise above purely party considerations and back Mr. Friendly, whose qualifications for the bench are of the highest order.

Where on earth any such information as that was obtained by the Washington Post is beyond my realm of knowledge. I cannot, of course, speak for my distinguished colleague, who happens to be absent from the Chamber at the moment. Although I am not mentioned by name, and perhaps it is presumptuous on my part to assume that "other New York Republican leaders" might possibly apply to me, nevertheless I wish to say emphatically that Henry J. Friendly has my unquestioned support for confirmation of his nomination. He is an outstanding lawyer of New York City. I believe he got the highest grade in Harvard Law School ever obtained by any student. I trust that the distinguished occupant of the chair will still be sitting in his chair and not have popped out of it when I state that Mr. Friendly's average was 86, which, in Harvard Law School, is quite something, as anyone who has attended there knows.

I have had no contact with Mr. Friendly, but I know how disturbed he is by the editorial, because I have just received from him this telegram:

NEW YORK, N.Y., *June 10, 1959.*

Hon. KENNETH B. KEATING,
Senate Office Building, Washington, D.C.:

I have just seen editorial concerning me in yesterday's Washington Post. Am utterly dumbfounded at this. Cannot understand how anyone could attribute delay to you or any other Republican. While I knew nothing about this editorial, as I am sure you realize, nevertheless wish to express my deep regret at this wholly unfair criticism of you and your colleagues.

HENRY J. FRIENDLY.

The erroneous information contained in the editorial certainly should be cleared up. The United States could not possibly have a better judge on the court of appeals than Henry J. Friendly. That has been my attitude ever since his name was sent to the Senate. I have been urging that hearings be held on the nomination. I have written to the chairman of the Committee on the Judiciary about it. I realize the other problems with which the committee is confronted. But surely there is no reason for any suggestion that Henry J. Friendly does not have my support and, I feel sure, also that of my colleague from New York.

THE CONDITION OF MODERN MAN

Mr. DIRKSEN. Mr. President, on June 7, the distinguished Secretary of Labor, Mr. James P. Mitchell, delivered an address to the graduating class of Catholic University, entitled "The Condition of Modern Man." It is a scholarly effort and, in my judgment, one of the finest addresses the Secretary of Labor has ever delivered.

On that occasion, the Secretary of Labor received an honorary doctor of laws degree. I ask unanimous consent that both the speech and the citation on the awarding of the degree be made a part of my remarks at this point in the RECORD.

There being no objection, the address and citation were ordered to be printed in the RECORD, as follows:

THE CONDITION OF MODERN MAN

(Address by Secretary of Labor James P. Mitchell to the graduating class of the Catholic University of America, Washington, D.C., June 7, 1959)

I am honored to share, even to so brief an extent, in the life of a university where the love of truth and the truth of love, as understood by Christians, unite to give meaning to man's existence.

A scholarship that believes as well as thinks is more necessary to man's freedom now than ever before, for education devoid of belief fastens man to matter, from which only the grace of God can free him.

You may think, in the achievement of this hour, that you are leaving behind the difficult problem of man's existence, known from your study. Nothing could be less true. Those problems just cease being theoretical, and where the result of your success in wrestling with them could once be measured by a mark on a piece of paper, your success in meeting them now can be measured only by a judgment beyond that of your fellow man.

In whatever place in life you find yourself, moral decision will be a constant requirement—in the operation of a business, in the management of other people, in the leadership of a union, in your daily work, and your relation with your employer and your fellow employees, in the community where you live, in your relationship with your wife or husband, and with your children—the truths of Christianity that may have seemed largely theoretical are encountered in starkly concrete and practical form.

CONDITION OF MODERN MAN

The condition of man in the world today, as it has always been, is a harrowing one, and, as always, especially so for the Christian.

One can make out, in viewing the different societies of the human family, a profound anguish and one can see behind it a profound human error of judgment.

Of man's anguish and man's error, the Christian has spoken for many generations; I would confront you now with modern man's anguish and modern man's error—the new forms of the old sorrows—with the hope that by your own lives, you will illuminate the darkness.

Man has an instinct for immortality. He carries within himself an awareness of the natural law, and a realization that there is written across his being a stunning message of supernatural significance. It is small wonder, then that in the world of today, in the vast penal colony of China, in the antihuman tyranny of the Soviet Union, where the supernatural is scoffed and the natural law abridged by political fiat, we find modern man in anguish.

But it does not end at the borders of regimented societies, though they themselves are the most complete expressions of an evil deeper than politics, and one to which man everywhere is subject.

There is anguish of the soul in Europe, and in Asia, and in Africa, and here in America.

I need not record for you the number of personal shipwrecks that come to the surface in our statistics of broken homes, suicides, alcoholism, mental breakdown, delinquency, and a rising crime rate. I need not review for you the art and literature of our time, not only in America but all across the wide range of modern society, except to say that it is for the most part subjective, that man has cast aside objective reality and seeks within his own self the order and the meaning to life he fails to find outside him.

If the anguish is real, what is the error that causes it?

It is this—the falsehood of believing that man's technology, and the remarkable use it makes of matter, is alone capable of securing for us personal happiness and harmony among nations.

Modern man's anguish is real enough. Millions suffer under the harsh and unnatural system of totalitarianism. Millions more, struggling out of their own past in the earth's new nations, are subject to the tensions of awakening in a world of great powers and universal weapons. Millions of others, in our own country, find in their own general culture, in their literature and popular mass mediums, very little to inspire them to sanctity or lead them toward that end their own nature desires.

You have heard it said as often as I have that given enough time, and given the proper information, and given the right techniques and tools, there is hardly a problem confronting the human being that cannot somehow be solved by technology.

On the simplest of levels, for example, there is an abiding general belief that investment in research will produce a cure for cancer within a given number of years. No one quarrels with that.

But, on the other hand, it is also believed by some people, that once the full chemical relationships in man's brain are understood, and once the parts of man's personality and their growth and reaction are fully explored and known, a technique can be developed to free him of anxiety, guilt, depression, despair, and other ills, connected with his spirit.

The same confidence in the triumph of the technological spirit—felt most generally, I believe, in the rulers of regimented states—can lead to an attempt, like that being made now in China, to formalize a society by quantitative rule.

Young couples, for example, who hoped to become married in such a system, would submit themselves to the proper bureau which would give them the proper genetic and compatibility tests and pronounce them fit or unfit; if unfit, the good of the system decrees that they be forced apart.

That may sound like a nightmare, a bad dream that could never happen—and I ask you to consult the people in some of China's communes, in this year of 1959, whether or not it can happen, and I ask you further to note that the same perfect belief in man's ability to solve his age-old problems by technological method is abroad, in some form, in all of the world's societies, and can lead by absolute logic to eventual mightmare made real.

THE ACHIEVEMENT OF TECHNOLOGY

Certainly the achievements of technology are impressive enough in lifting entire nations across a thousand-year gap of progress in a decade, in combating disease, in providing comfortable homes and rapid transportation and enough food and clothing, and in providing the ingenious techniques and tools whereby man improves his own material position in the world.

And today, technology promises man possibilities of plenty, of leisure, of comfort, of protection against his old ills, of great individual wealth and, perhaps most important of all, of understanding about the laws of nature and the nature of the universe itself.

Yet it carries—not only for the nations of the world, but for yourselves in your own individual lives—another prospect: The alarming danger of spiritual sterility.

The glare of man's technical accomplishment can blind him to the greater realities of existence, and perhaps this is what the traditional Christian admonition to beware of the world really means.

RESULTS OF ERROR

A complete reliance upon technology can do this: It can give man a false sense of self-sufficiency.

It can lead to a false idea of reality.

It can lead to making a machine of society, and cogs and gears of men.

We see all of those effects clearly pronounced in those societies, the Communist societies, which are candidly materialist.

SUPERFICIALITY IN MODERN LIFE

But we see the same effects in other societies. We see a form of them in our own. Anyone with ears and eyes and a feeling for man's dignity cannot help but look with something like sorrow upon the mediocrity and superficiality that is so prevalent in so many things we do. We ask ourselves, as we turn the knob on our television set or run our eyes down the list of articles in a magazine, why this must be.

Superficiality is born of conformity; it is the result of fearing to lose the interest of the majority and to present only that idea in which all may believe without controversy.

Conformity, in turn, is a characteristic of a society that is organized to sell in a mass market. This organization is the mark and, perhaps, the cost of a technological system.

We abide mediocrity and tolerate superficiality because they are byproducts of a system to which we look for greater benefits.

FALSE REALISM

The false sense of reality that results from a dependence upon technology is, for man, a tragic shortening of vision.

He deludes himself that the ownership of things is going to make him wiser, happier, more knowing, more distinctive, when he knows at the pit of his heart that they will not.

Even worse, he loses the sense of the real fullness of reality, which involves a great deal more than matter. Thus we are asked to believe that Calvary is less real than Cape Canaveral, and that a theologian knows less of the world than an atomic physicist.

The ultimate absurdity of this view was reached a few weeks ago when a prominent Soviet thinker announced that the sputniks had conclusively disproven the existence of God, since they had penetrated the heavens and not found Him there.

These things are tragic, and the human mind and will have been challenged by them, in one form or another, for many thousands of years—although man has heretofore denied himself the pleasure of knowing that he can, by accident or anger, destroy all of creation.

REJECTION OF EVIL

There is a final, more grievous result of the technological spirit—one fatal to the human being. That is the rejection of evil, and the subsequent rejection of grace.

Modern man of the technological age rejects the notion of evil because to accept evil is to accept a system of values based upon the supernatural, which he rejects as unprovable and unproven.

Thus he may, and does, commit evil under the guise of good. The gas chambers and concentration camps, the regulation of political thought, the murder of political criminals, are demonstrations of modern man's capacity to do evil and call it good since it is done in the name of the organization and for the improvement of the system.

When man looks only to his own works for his happiness and fulfillment, the result can only be frustration, fear, regimentation, and loss of responsibility.

That, then, is the condition of modern man over great reaches of the world; it is also the condition in which you will exist, for life has no spectators.

HOW MODERN ERROR AFFECTS THE INDIVIDUAL

You are a part of modern technological society, and you are also a Christian. Having said those two things, I have said all that needs to be said about where your responsibility lies.

I can tell you that your life holds your share of anguish and error, and that the time will come when you will face around suddenly to see the truths you now believe and behold them as though you had never seen them before.

I can tell you, too, that the place you work, and the place you live, and the friends you have, and the person you marry, and the children you raise will present your mind and will with some racking decision—and as well as you may know God now, you will be looking for Him more desperately as your life goes on.

THE CHRISTIAN COMMITMENT TO HOPE

But because you are Christians, you will hope.

Aquinas mentions "the eternal life we hope for, and the divine help we hope by."

The Christian commitment to hope is as strong, and stronger, than the materialist's attachment to despair. For while the materialist concludes, at best, with the notion that life is a gigantic absurdity, the Christian concludes with the conviction that the great gift of being proceeds from a Will with a divine purpose, and that the majesty of life and the act of living it are things for which we can be profoundly grateful.

It is this basic affirmation of life, and of creation, that will cause you to feel dismay at a society that would overlook your conscience, discouragement at an authority that would depersonalize you, and sadness for a system that insults you by making you less than a human being.

Dismay, discouragement, sadness—perhaps anger and disdain—but always and forever hope and confidence in the ultimate will of God.

It is this basic Christian affirmation of life that also leads to a seeking after justice and charity, for this beautiful and great gift of being alive should be valued at its very highest price in every individual human being.

Men will expect justice and charity of you, and you will expect it of them—but there are times when you will neither give it nor receive it.

And how brilliant man's society would be if justice and charity were given and received at every junction. How brilliant would the modern world be if man's incredible technology were made a true instrument for his spiritual perfection, if our machines and buildings and roads and drugs and businesses and labor unions and everything else were made a part of a great human offertory.

I refuse to believe that this cannot happen someday.

For I believe in man's possibilities, and in his will that can choose good and reject evil. Where we find corruption, we also find self-sacrifice. Where we find horror, we also find courage. Where we see destruction, we also see creation. Where we find evil, we also find good. And while we can believe, from all the facts before us, that the world might suddenly, through anger, end, we can also believe, from equally pertinent facts, that it might also, through prayer, improve.

Where is this evidence from?

Here in America, in a free system with its labor and management components, we have a showcase for human dignity, or for human degradation. As I said at the start, at almost every point in the structure there is a challenge to man's will—in conducting a business, in managing fellow men and women, in determining profits and wages, in hiring and promoting workers, in distributing the goods and selling them, in membership in a union, in conduct, at the workplace; in countless aspects of our economic life, moral decisions are intricately involved.

Anyone who has spend the greater part of a lifetime watching the growth of that system, and watching those decisions being made, knows what he knows of man's cunning, and greed, and enslavement to the material ends that delude him—but he also knows what he knows about man's capacity to love and be just.

This is what I would leave you with: The times are always desperate for the Christian conscience, but they are also and always glorious in their possibilities to glorify God.

CITATION OF THE HONORABLE JAMES PAUL MITCHELL

Since its establishment under that pioneering champion of the rights and welfare of the workers, the illustrious Pope Leo XIII of happy memory, our university has ever made human rights and, above all, the rights of the working man a major concern. Through the influential teaching of John Augustine Ryan and other distinguished professors, it has won the acclaim and gratitude of all those who love social justice and are endeavoring to establish its sway as widely as possible. It is with a special sentiment of affection and respect, therefore, that we welcome today the Honorable James Paul Mitchell, Secretary of Labor, a man who in his public utterances and in his wise and just recommendations and decisions constantly reflects the spirit of those truly great charters of human rights and duties, the noble papal encyclicals Rerum Novarum and Quadragesimo Anno.

The Catholic University of America, therefore, with deep admiration for the achievements of the Honorable James Paul Mitchell, distinguished leader in the field of labor and outstanding Catholic layman, takes pleasure in conferring upon him the degree of doctor of laws honoris causa.

HYDROELECTRIC POWER DEVELOPMENT IN ALASKA

Mr. GRUENING. Mr. President, because Alaska is potentially one of the richest areas under the American flag in terms of hydroelectric power and because it is at the same time indubitably the least developed in the field of electric energy, the people of my State have a great interest in the national policy toward water development.

On several occasions I have mentioned here the need to harness the water resources of Alaska so that the new State can attract industry and begin to accommodate the large number of Americans who we know desire to live there and who can make useful careers for themselves in enterprises of all kinds on the last frontier.

An eloquent presentation of Alaska's interest in power development was made by my colleague, the distinguished senior Senator from Alaska [Mr. BARTLETT] in the form of a keynote address at the annual convention of the American Public Power Association at Seattle, Wash., 2 weeks ago. Mr. President, I ask unanimous consent that the text of the keynote speech delivered by the senior Senator from Alaska be printed in the RECORD, together with a resolution adopted at the convention relative to Alaska power development.

There being no objection, the address and resolution were ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR E. L. BARTLETT, OF ALASKA, BEFORE THE AMERICAN PUBLIC POWER ASSOCIATION, SEATTLE, WASH., MAY 26, 1959

It is a great honor for me to appear before you, of the American Public Power Association here today, and to try to set the keynote for your convention on the theme "Low-Cost Power for Prosperity."

I always like to visit down south in Seattle. That comment may have a strange ring in your ears. But for us in Alaska, Seattle is indeed down South. And this city is our gateway. Whether we are going "in" or "out," as Alaskans put it, Seattle is almost always on our itinerary.

And Seattle is an appropriate place for you to meet, having as it does a long and excellent history of municipal public power. Likewise it is a great beneficiary of the mighty Bonneville Power Administration. The Northwest has seemed to me, as a frequent visitor, to be an ever-improving showcase for public power. The wide range of benefits to agriculture, industry, and both urban and rural life, stemming from low-cost power, is displayed in this region for the world to see. The Northwest has for many years reverberated—and still does—to the thunderous collisions of public and private power interests. From these battles have emerged policies and procedures which I believe to be in the best public interest.

When the President presented his budget for fiscal 1960, there was revealed a proposed policy which to me symbolizes the faint interest of his administration in public power development.

Around Washington, we call this the "no new starts" policy. The President proposed that there be no new starts in construction of public works projects—and no new starts in the study and planning of such projects. Construction and planning already "in the pipeline," so to speak, would go ahead—but in many cases on greatly decreased levels of activity.

This, of course, is said to be necessary to balance the budget. I consider it sheer folly, particularly as regards planning and feasibility studies. To stop the input in our pipelines would be shortsightedness of the worst sort, faced as we are by the challenges of the future. To think that private industry can step into the breach and build the great national projects—much less build them in line with the broad national interest—is folly, too. Witness Hells Canyon.

The "no new starts" policy, as I said, manifests the administration's distaste for taking the lead in fostering water power development and related works. We must move forward in this field. And to do so, we must have a positive and aggressive policy at the Federal level.

Power projects certainly should not be put off to balance the budget. They produce revenue. They pay their own way. Sometimes they help pay the way for irrigation projects. They attract new residents and new industry. They make a richer life possible. They provide the basis for mighty new production in many forms.

To focus attention on these facts and to stop the sacrifice of such projects under the alias of economy, I favor the adoption of a capital budget. Senator WAYNE MORSE of Oregon, introduced a capital budget bill this year, and I am pleased to be one of the cosponsors.

The Morse bill, S. 1244, would distinguish in the budget between capital investments and operating expenditures. It would exclude long-term productive capital investments from computation as part of the national debt. And it would require the President to submit, as part of his annual economic report to Congress, a minimum and maximum program of proposed capital investments for the coming year, and a 6-year program.

In a few minutes I intend to discuss the record of Federal failure in developing Alaska's waterpower. Let me draw one example right here to show how a pennywise policy in harnessing hydroelectric power can be very pound foolish to the Nation in the long run.

As part of our defense effort to plug the missile gap, we must have a set of missile-detection centers, and fast. One will be located in Alaska. A rather heavy power-load is involved. No present project in Alaska will be able to supply this energy. Nor is any far enough along in planning so it could be built right away. As a result, the military will be put to tremendous extra expense for makeshift power systems. We will pay dearly for not having developed our abundant water resources sooner.

Across the roof of the world our Soviet neighbors are not shrugging off their chances for water-resource development. Listen to

what Maj. Gen. E. C. Itschner, Chief of Engineers, U.S. Army, told two Senate committees recently:

"The Soviet water-resource effort is demonstrating to the world what can be done in this field by well-considered long-range planning and a willingness to make sacrifices in present standards of living in order to achieve the goal of a great future industrial development.

"Indeed, the Soviets have given water-resource development a priority second only to the development of heavy industry designed to support military programs."

General Itschner went on to give this evaluation:

"In hydroelectric-power development the Soviets already approach us in total installed capacity and have individual projects under construction that far exceed any American project in capacity."

I suspect that you know better than I the blessings that flow from low-cost power. Let me simply suggest that this power may be the basis not only for our continued prosperity, but also for our survival.

I think some of the national problems and possibilities in hydroelectric development are reflected in my State. So now I'm going to veer northwest of the Northwest and what we have lately been calling the other 48 States.

Your speaker appears before you public power enthusiasts as a Senator from a State which is in the position of a small boy looking up to his elders. But the small boy is a boy who could grow up to dwarf you all.

For Alaska has a gigantic hydroelectric power potential. How vast? Over 50 billion kilowatt-hours a year, according to somewhat out-of-date estimates of the Bureau of Reclamation.

How vast? The North Pacific Division of the Corps of Engineers recently listed 90 major Alaska powersites. The corps added up the prime power potential of these sites to more than 12 million kilowatts—only a little less than the installed capacities of all the Federal hydroelectric plants in the United States.

The greatest of these is the Rampart Canyon site. It lies northwest of Fairbanks on the Yukon River, about midway in the 100-mile canyon section downstream of Yukon Flats.

If a high dam were erected at Rampart Rapids, the Army Engineers say, a lake covering the entire Yukon Flats area would be created. Rampart would provide a prime power supply of some 3¾ million kilowatts. Its installed capacity would be about 5 million kilowatts. It would generate more power than the ultimate combined output of Grand Coulee, Chief Joseph, and The Dalles.

The reservoir would back up over Yukon Flats, flooding some 10,000 square miles—an area larger than Lake Erie. According to one estimate, the reservoir would hold 1½ billion acre-feet of water. Meteorologists have even suggested that this immense inland lake would moderate the summer heat and winter cold of interior Alaska.

Five million kilowatts installed capacity, 1½ billion acre-feet. And unfortunately, the Engineers say it would probably cost a billion dollars—or more. The rough estimate is $900 million to $1½ billion.

How long would Rampart take to plan and build? The Army Engineers say 13 years, under optimum conditions. By optimum, I suspect, they are referring to unusual speed by Congress in reaching for the public checkbook. However, staged development of Rampart may be possible, with some power production before final completion.

Turning from the gloomier aspects of time and financing, I should add that Rampart offers true low-cost public power—2 to 4 mills per kilowatt-hour at the site. That site is some 90 miles from Fairbanks and 400 miles north of Anchorage. We hope that by the time Rampart is put in service, transmission improvements will make wheeling much more efficient than it is now.

Rampart is the most promising of the Alaska sites studied so far. But three others also offer prime power of more than 1 million kilowatts each. Two of them, Kaltag and Woodchopper, lie in the same basin complex as Rampart does. This trio of sites offers a prime potential of more than 6 million kilowatts.

The fourth site of 1 million kilowatts plus is Wood Canyon on the Copper River, near the gulf coast of Alaska. The Central Alaska Power Association has a preliminary permit for Wood Canyon, but fishery problems may prevent its early development.

In addition to our sleeping giants, the Army Engineers found nine more sites with prime potentials of more than 100,000 kilowatts, and seven other sites of between 50,000 and 100,000 kilowatts of prime power.

Two promising sites are located on the Susitna River, in a strategic rail belt location between Anchorage and Fairbanks. The Bureau of Reclamation has had the Devil Canyon project there under study for about 5 years, and expects to have the report completed in mid-1961. An installed capacity of 450,000 kilowatts is proposed.

Perhaps by now my remarks have convinced you that Alaskans are going to follow in the hoary tradition of bragging by spokesmen of the physically biggest State. I won't deny the possibility. But please remember my remarks that, as regards power, Alaska today is a small boy looking up.

Our hydroelectric potential is more than 17¾ million kilowatts of installed capacity. Less than 1 percent is developed now. We are starting almost from scratch. In 1957, Alaska's per capita installed electric power capacity was an estimated 0.64 of a kilowatt, as compared to 0.85 in the United States.

Just one Federal project exists in Alaska today. That is Eklutna Dam, with an installed capacity of 30,000 kilowatts. This Bureau of Reclamation operation serves Anchorage and its environs through the city system and the Chugach REA Cooperative. It also powers our leading farm center, the Matanuska Valley.

Eklutna was built on an emergency basis, starting about a decade ago, when the mushrooming of Anchorage made it imperative to do something in a hurry. Anchorage at that time was getting a lot of its power from a plant in the stern quarters of a wrecked tanker.

Eklutna was a long time in coming. But when it reached Congress, justifying the $29½ million project was no problem. There was plenty of demand.

In fiscal 1958, Eklutna sold firm power at 10.9 mills and dump power at 6 mills. These are considered attractive prices in view of the Alaska economy—but I think we can do much better.

Is Eklutna meeting the demand? A Bureau of Reclamation power division official told me recently: "We could use another just like it."

Alaska is a public power State—for such power as we have. About 80 percent of our utility capacity is publicly owned.

Most existing facilities are small. Only a few electric utilities have plants with installed capacities of more than 1,000 kilowatts. Close to half are hydroelectric. Most of the rest are diesel.

Installed utility capacity at the end of 1957 amounted to about 95,000 kilowatts. Industrial generating capacity was 185,000 kilowatts—and in that figure military plants are included, representing about two-thirds of the total. So our industrial capacity, including military, is almost twice the utility capacity.

Mining company generating plants at Juneau and Fairbanks account for most of the nonmilitary industrial capacity. Gold mining has fallen on hard days. But we can count one blessing from this depressed industry—surplus power. Several cities buy much of their electricity from plants once used to run mining equipment.

What future is there for diesel and steam-power? Alaska has oil and it has coal. But costs of production are high and costs of transportation higher. Coal must be stockpiled for winter use at greatly increased cost. Oil is not being processed in the State and many years may pass before it is. Charges for shipping a barrel of fuel oil to some locations are higher than the cost of the oil itself.

Some of the more isolated towns no doubt will have to get along on diesel or steam-power for years. But as a general rule, hydroelectric power is our answer.

Alaska has the hydroelectric potential. Let's consider who is going to develop it. Who should plan and execute the work? What level of government should finance these projects?

Although we have wide-open spaces in Alaska, most people live in cities. Our city governments are very active. Public ownership of utilities is a well-established principle in most cities. It extends even to the rather unusual field of telephone service in a number of municipalities.

County government? Here's a curious thing. Alaska has no counties. Developing as a Territory, it was divided into four large judicial districts. Counties just never grew. Our State constitution does provide for boroughs. But for the time being I think it is safe to rule out boroughs as a governmental unit for power development.

Our electric cooperatives will be able to handle some projects. Here I want to pause to salute the Rural Electrification Administration. The REA has done a fine job in moving along some of our smaller projects. As of last March 31, the REA had loaned a grand total of $43,845,000 for Alaska generation and distribution facilities. An example is Cooper Lake, where a 15,000-kilowatt project is now under construction, financed by a $13 million REA loan. REA financing has accounted for 33,100 kilowatts of installed capacity in our State.

Should the Alaska State government enter the power development field? My answer is no. State income is limited, and for the foreseeable future such functions as education, public health, and transportation must take top priority.

Were the State to undertake a power project, where would it start? Power potential has been studied in seven major areas. Each has pressing needs. It would be impossible to satisfy all at once, or even over a reasonably short period of years.

Alaska's noncontiguity with the other States bars any multistate regional program, so we are up to the Federal level.

Uncle Sam, as Alaska's keeper during our 92 years as a Territory, did not live up to his responsibilities—not only in power development but in the whole gamut of governmental activities. I am not here, however, to recite this sorry record. We Alaskans prefer to look ahead to the bright future.

Still, let me cite a few facts about Federal stewardship with regard to power. Eklutna is the only Federal power development in Alaska, and it was crisis-created. Federal agency loans have helped and are helping with a few of our smaller projects. But all in all, the record is dismal. We have had surveys—a batch of them. Uncle Sam looked and looked, but as for leaping, there was only the short Eklutna hop.

In 1950, the Federal Power Commission published an Alaska power market survey. It forecast a 1960 load for Alaska of 173,000 kilowatts, exclusive of military installations.

New figures just compiled by the Commission show us at least 50,000 kilowatts short of that goal—and 1960 is almost here.

Now the Commission predicts that by 1970 the Alaska utility system will require between 86,000 and 125,000 kilowatts of additional capacity. In other words, we will need to double our utility system capacity by 1970. By 1980, the Commission adds, the 1970 utility capacity will have to be doubled again. We hope review of these predictions in 1980 will show a better record than past reviews have. And personally, I view the Commission figures as conservative.

In 1952, the Department of the Interior published a major reconnaissance report of Alaska water resources. It was a fine slick paper job, packed with scenic photographs and complex maps and graphs. It is a treasurehouse of information, but unfortunately it hasn't yet resulted in enough electricity to light a cigarette.

Another survey is just being completed by the Army Engineers. It is a brief summary of the results of seven separate regional studies completed or almost completed by the corps since 1948.

Yes, Uncle Sam has helped us dream. Yet our dreams remain unfulfilled.

Now that Alaska is a State, does Federal responsibility end? Obviously not all of it ends. The mighty dams and powerhouses of the Pacific Northwest and other regions are ample proof of that.

We contend that the Federal responsibility must remain somewhat larger in our State, for the present at least. Why? Because of our strategic position near the top of the globe, because of the military installations that continue to dominate our economy, and because the United States stands to gain a great deal from the rapid development of Alaska.

As a rule of thumb, I would say this about power development in Alaska: Whenever and wherever possible, local political subdivisions and consumer groups should do it. By this I mean cities, cooperatives, and possibly, some day, boroughs.

When and where local government cannot handle the needed power jobs, we should ask the Federal Government to tackle them.

Some of our geographical areas lend themselves well to power development by cities. This is particularly true on the Panhandle, our southeast section on the Pacific Coast. Along that coast, steep mountains rise from the sea. Abundant rainfall feeds many lakes in the rugged mountains. These lakes offer a splendid natural power head for generating plants at tidewater. These are fairly small projects, mostly with prime capabilities of less than 20,000 kilowatts. The isolation of cities in this area—the cities either being on islands or separated from neighboring communities by near-vertical terrain—means few projects will be able to serve more than one municipality.

We have a fine example of city development in progress in the city of Sitka. Sitka is damming Blue Lake, 4 miles east of town. The project will provide water and power for a pulp mill and for Sitka residents. This source will replace a Government-owned steam generating plant at the Mount Edgecumbe Alaska Native Service Hospital and School, on an island across the channel from the city.

Sitka's electricity now comes from the hospital. With the project completed, just the reverse will be true. The hospital intends to abandon steam generation and buy power from Sitka. Financing is by revenue bonds, which the Federal Community Facilities Administration is expected to buy if they are declined by private investors. Overall cost of the pfoject will be about $6 million.

Pulp plants are likely to be located in other Panhandle cities, too, so we look for more of this type of development.

In the main expanse of Alaska, to the north and west, the geography, the population distribution and hence the power situation are quite different. Many present and potential industrial sites stand at tidewater. Others are along the rail belt. Generally the power sites lie far away, across virgin country.

In some areas, local cooperatives will be able to take on small power projects with REA loans. But for the most part, we will look for Federal help in our big interior and gulf coast projects.

Here we run into a fact of law that will characterize Alaska projects. They will be strictly power projects, divorced from ordinary reclamation purposes. A few may have minor flood control and navigation aspects. And Alaskans will insist upon the protection of their fisheries. But power will be the main purpose.

Alaska is the westernmost of the Western States, Hawaii included. But, unlike other Western States, the 49th State is not a reclamation State. This is a result of the Statehood Act. It gave the Alaska State government direct control of the shares of oil, gas, and coal lease income which ordinarily go into a Federal fund earmarked for reclamation in a particular State. Funds from these sources in Alaska go directly to the State under no restriction as to purposes for which they may be used. This is a tremendously favorable situation.

By 1964, according to a responsible State official, these funds may amount to some $15 million a year.

Does the State's receipt of this income imply a responsibility for State assumption of power and reclamation obligations? I think not.

The State government will be hard pressed to meet its top priority needs. And the Federal Government has fallen short of meeting its obligations in Alaska over the years. A substantial Federal responsibility remains.

With Alaska not a reclamation State, can the Bureau of Reclamation help us any? There is a legal argument on that point in the Interior Department. One side holds that terms of the Statehood Act do not preclude construction by the Reclamation Bureau of hydro projects in Alaska—for power only. We hope this side will prevail.

For the time being, however, we are placing our trust in the Corps of Engineers. The corps, as you know, undertakes some pure power projects. Chief Joseph on the Columbia and Big Bend on the Missouri are examples.

We hope to put the corps to work soon on Rampart. A resolution requesting a Rampart feasibility study has been passed by the Senate Committee on Public Works. The Alaska delegation to Congress is seeking a $100,000 appropriation for this purpose.

We hope also to arrange for the corps to begin a detailed study of the Bradley Lake project in the Cook Inlet area, about 50 miles from Anchorage. Bradley Lake offers an estimated 23,000 kilowatts of low-cost prime power, close to tidewater.

We need a two-pronged Federal power development program—short range and long range. Rampart will provide vast amounts of power—but will take 13 years to complete if detailed study begins July 1. It is our top priority long-range item.

We must also have a short-range program to provide needed power in the interim. I am strongly in favor of pushing now for some of the smaller projects such as Devil Canyon and Bradley Lake, so we can wire Alaska for orderly and rapid growth.

This suggests a key point: Alaska's power development must be planned. A project program for the coming years must be laid out. Perhaps this task will fall to the congressional delegation acting in concert with State officials and the State and Federal agencies involved. But this would seem to have some inherent weaknesses, and we must look into ways of setting up a more efficient mechanism.

One possibility is a power administration. Would it be so surprising if one day an Alaska or a Yukon Power Administration stood among your number alongside the Bonneville, Southwestern and Southeastern Power Administrations and the Tennessee Valley Authority?

Or perhaps a less ambitious arrangement will be made to guide the planned development of our bounteous power resources. The rather fruitless surveys of past years dictate, it seems to me, that some unit must be designated—or created—to make a plan we in Alaska can get behind and push to accomplishment, with the aid of organizations like yours.

Now, what about justification of Alaska projects? The population of only 220,000 is thinly spread over 586,400 square miles. The Military Establishment and fishing remain the economic keystones. Mining and lumbering have potential, but are not too strong now. Agriculture is limited.

How, you may ask, can Alaska justify a big power project? Why invest a lot of money when there doesn't appear to be much demand? Is a market for the power there?

Let's hark back some 40 years to the time when a few wise and persistent men first realized the power possibilities of Grand Coulee Dam. Wasn't the cry then that the vast amounts of energy Grand Coulee could generate would not be sold, that there simply was not a market for them? Certainly it was.

There is no need to list for you the blessings Grand Coulee and its low-cost power have wrought, or the value the harnessing of this precious resource has been to the Nation. I believe it will be the same story with low-cost waterpower harnessed in Alaska.

Even though our possibilities for agricultural irrigation are very small, the power potential—pure and simple—can and will justify Alaska projects. There is a market for this energy now—much larger, I believe, than almost anyone realizes. And there is a far greater potential market to be created by the decades ahead, a market reaching to the outer limits of man's inventiveness and imagination.

Let me tell you a little about this market.

First, take domestic requirements. The average day is lower in temperature in Alaska than in the other 48. We have fought for years against the dreary pictures conjured up by the phrase "Seward's Icebox." But we will admit we have some cold weather. So there is a higher demand for electricity for heating in the all-electric Alaska home. The high costs and inconveniences of coal and fuel oil make it obvious that people will go electric when the price is right.

Our long hours of winter darkness tend to increase electricity consumption. This applies to stores and factories, of course, as well as homes. And there is a high demand for deep freezes, traceable to the Alaskan's fondness for hunting and fishing and his winter shopping problems.

Increased usage of low-cost electricity of course would bolster our appliance businesses.

In rural areas in the interior, water supply wells penetrate the permafrost. Where electric service is available, electrically heated cable wrapped around well piping solves this problem. The rather short growing season could be supplemented by use of electrically heated greenhouses and curing units.

Turning to our major industries, I mentioned earlier the importance of an adequate low-cost power supply for military bases. Remember, the military now has more than 40 percent of the installed capacity in Alaska. Many of these plants are uneconomical.

Uncle Sam could trim his operating expenses substantially with low-cost public power available.

Our fisheries can make myriad uses of hydroelectric power. Salmon canneries need energy. Many which now generate their own would readily switch to low-cost public power. Quick freezing and cold storage facilities can enable us to diversify our fishery products.

Mines, too, consume power, and low-cost energy might help to make high-level production possible again at our great mines of bygone days. Alaska is rich in deposits of rare and strategic minerals. There have been many proposals for new mining and metals processing operations. For example, reduction of such light metals as magnesium and aluminum.

Ores from Asia could be shipped over the short haul to Alaska, given preliminary processing near tidewater, then shipped on to the other 48 States in ingot form.

Here I might mention our one, big, ill-fated proposed partnership project. This was the Taiya project. It involved a plan to dam the Lewes River in Canada near Whitehorse, creating a 500-square-mile reservoir in the Yukon Territory and British Columbia. Water was to be delivered to Alaska with an enormous power head by means of a 15-mile tunnel system under the coast range. The powerplants were to be on the Taiya Inlet near Skagway. It was estimated that between 3.5 and 8.8 billion kilowatt-hours of firm energy a year could be produced. An aluminum company proposed to use the power.

The company announced plans for the project with appropriate publicity trimmings. Then, a few days later, the whole idea blew up when the Canadian Government strenuously objected that it hadn't been consulted about the company's plans at all.

Coal hydrogenation plants are other potential power users. The timber and lumber processing industries and pulp plants likewise need power for growth.

Construction is one of our biggest industries. We have the raw materials for cement, but no company has yet favored Alaska with a plant because production would not at present be economical. It has been estimated that a cement plant producing 350,000 tons per year would use 10 million kilowatt-hours annually. With low-cost power a cement plant might indeed make ends meet.

And with all the big dams we Alaskans want to see constructed—not to mention highways and buildings—there promises to be a good market for a few bags of cement.

Attracting such an industry would aid Alaska greatly by chipping away at the high cost of living that plagues us. Locally produced cement would reduce building prices. This in turn would tend to lower other prices.

Power likewise would help the buildup in small industries in the construction, transportation, and service fields—and our communications system. Electrification of the Alaska Railroad should certainly be considered.

Industry based on a low-cost power supply would help provide a backhaul for rail and water transport serving Alaska, and thus tend to reduce the high freight rates we pay.

To sum up, Alaska has great water power potential—and its development has barely begun. The State also has great potential as a power market—and its development has barely begun.

Alaska is a public power State—and I hope it will remain so. I favor hydro development by local government units whenever possible, and by Federal Government when local units are not big enough to do the job.

Our projects will be mainly power projects, with no reclamation and little flood control. Our fisheries and other resources must be protected in the execution of the projects.

Low-cost power, in my opinion, is a sky hook we can use to pull our State up to prosperity—and to a position from which we can serve the Nation well without being an economic burden of any sort.

Achieving this goal will require bold action by Alaskans and Federal officials alike. We cannot countenance no-new-starts policies and a lack of executive leadership in this field. We must have a continuing program of planning and execution.

All of this applies to the United States as a whole just as to Alaska. The only differences are in potential and in stages of development. The record of the past is plain: Power is a key to prosperity. We need low-cost public power to grow. And I believe we in America must grow or perish.

ALASKA POWER DEVELOPMENT

Whereas the State of Alaska has tremendous hydroelectric potentialities, with an estimated undeveloped capacity of more than 17 million kilowatts of power; and

Whereas one project, the Rampart Canyon, has a potential of 5 million kilowatts of generating capacity; and

Whereas the Corps of Engineers is in the process of preparing a 308 Report for Alaska; and

Whereas the Senate Public Works Committee has requested the Corps of Engineers to investigate the feasibility of the Rampart Dam on the Yukon River, and also the Bradley Lake project on the Kenai Peninsula; and

Whereas the economy of the State of Alaska has been severely restricted by inadequate power supply and high electric rates: Now, therefore, be it

Resolved, That the American Public Power Association urges a program of hydroelectric development in the State of Alaska in order to provide adequate power supply at the lowest possible cost.

Mr. GRUENING. Mr. President, the resolution urges a program of hydroelectric development in the State of Alaska. Had Alaska been admitted to statehood a quarter of a century ago, a start would undoubtedly have been made then on development of our power resources, for that was the period of progress nationally in the direction of building the strength of America through utilizing our land, water, and other resources. That was the era of Bonneville, Grand Coulee, the Tennessee Valley Authority, and all the other great hydroelectric developments which strengthened America immeasurably during the Roosevelt and Truman administrations.

Alaska has become a State only this year, and her more than 17 million kilowatts of hydroelectric power remain a potential of which less than one-fourth of 1 percent has been developed. Alaskans know that power development can do for our State what it did for the Pacific Northwest. Alaskans look forward to the day when a new national administration, abandoning the wasteful and unenlightened policy of "no new starts," will turn again to the development of hydroelectric power resources as a means of building America's strength.

I commend the excellent address which my able colleague made at the Seattle convention.

Pertinent to this subject is a commentary that was made yesterday on the floor of the Senate by the able and distinguished junior Senator from the State of Louisiana [Mr. LONG]. He had been outlining some of the wastefulness and maladministration of the mutual security program, and was commenting on the contrast between the manner in which our domestic programs, in order to be approved, were subjected to a scrutiny and a vigilance by the Congress which does not exist in our foreign aid. I took occasion to comment and to commend the Senator for his able address, at which point he said:

> Mr. President, the Senator knows I am in complete agreement with him on this issue. The Senator from Alaska, in part, represents the largest State in the Union. Alaska is a vast, undeveloped frontier. The Senator from Alaska is going to have the greatest difficulty in finding the necessary funds to provide the essential public works for development of that vast frontier, which is a great defense bastion of America. The Senator will have great difficulty in getting the money necessary to develop that land, yet he will observe the foreign aid funds being used around the world, in effect, in the same manner as one would walk into a vault with a lighted match to burn up the money. That is how the program is handled in some foreign lands.
>
> The Senator from Alaska will have the greatest difficulty, although I assure him of my cooperation, in getting money for the most elementary and essential public projects in order to develop the great State which he has the honor in part to represent in this body.

Mr. President, I hope that the able Senator from Louisiana, whose helpfulness both in behalf of statehood for Alaska and for worthy causes generally is well known and appreciated, will be mistaken about the great difficulty Alaska will have in securing the necessary funds to provide the essential public works, which were so beneficial to the entire Nation during the Roosevelt and Truman administrations, and in fact, ushered in an era of prosperity which, despite the cessation of these enlightened policies under this administration, has nevertheless carried over to a large extent.

It is pertinent that when President Truman, in the closing days of his administration, dedicated the Hungry Horse Dam in Montana, he remarked to those present: "Take a good look at it. It's the last of these dams that you will see for a long time," or words to that effect. Unfortunately, his prophecy has proved true so far as the United States is concerned. We are building dams in foreign countries, but not in the United States of America. We are running far behind in power development, in contrast with what the Russians are doing. I am hopeful that, with a change of administration in 1960, there will be at least as much concern for the needs of the American people and for the development requirements of the 50 States as there has been during the past 6 years for the development of 60-odd foreign countries.

Mr. MANSFIELD. Mr. President, is the Senate still in the morning hour?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. HUMPHREY obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield, so that I may suggest the absence of a quorum?

Mr. HUMPHREY. I yield for that purpose.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CHALLENGE OF COMMUNIST ECONOMIC EXPANSION

Mr. HUMPHREY. Mr. President, on yesterday, I had intended to address the Senate on the subject "The Challenge of Communist Economic Expansion," but, as Senators know, the day was a long and busy one. The request of the leadership to have the Senate consider the nomination of Mr. C. Douglas Dillon to be Under Secretary of State was a request which surely should have had priority of attention. Therefore, despite the fact that I had released to the press the text of my remarks, I accommodated the Senate, and also, I hope, the officers and employees of the Senate, by not keeping the Senate in session late last night in order to deliver this address.

I make these few words of explanation and apology, because it is somewhat embarrassing to me to have released the text of an address, together with a summary of it, and then not to have fulfilled my responsibility as outlined.

Mr. President, the House of Representatives has completed its work on the mutual security bill, and the Senate Committee on Foreign Relations is now considering various amendments to the bill. Therefore, this is an appropriate time to step back for a few minutes and look at the mutual security program and our entire foreign economic policy in its largest dimensions.

Much of the debate on economic aid has been carried on with a business-as-usual attitude. Many persons do not seem to see the relevance of this debate to the larger international crisis in which we are involved.

Ever since the end of World War II there has been an unending series of international crises—Berlin, Trieste, Korea, Quemoy, Indochina, Suez, Baghdad, and again Berlin. In each of these crises were present the seeds of a possible nuclear war. But beneath these specific crises there is an even more serious underlying crisis—a profound moral crisis within Western civilization itself.

Some philosophers of history are seriously asking whether Western civilization, and with it Western values, can survive its present time of troubles.

I am not that pessimistic. I believe both America and Western civilization have a future, even a great future. But there is nothing automatic or predestined about it. We will have a future only if we pay the price of survival and leadership—only if we understand the crisis we confront and respond with courage and imagination to the dangers and opportunities it presents.

The profound and many-sided crisis which shakes our world is the product of three dynamic and interrelated realities, each of which presents its own peculiar challenges, each of which tests a different facet of our character. I refer to the challenge of modern technology, the challenge of the revolution of rising expectations, and the challenge of world communism itself.

The fantastic achievements of modern science have put mankind within reach of one of its greatest goals, the elimination of stark poverty. But this same technology, ironically, may be mankind's undoing. The fundamental answer to the challenge of modern science cannot be found within science. The technological dilemma is basically a political and a moral question.

The revolution of rising expectations among the peoples of the economically less developed areas of Asia and Africa and Latin America presents us with a whole new set of problems. The destiny of Asians and Africans who are striving for or are celebrating their political independence may determine the destiny of the world for many generations.

The third massive reality in our present world crisis is the challenge of world communism itself. The crises of modern technology and political ferment in Asia and Africa are compounded by the existence of an aggressive and expansionist political religion whose ultimate goal is nothing less than world conquest. The high priests of world communism in Moscow and Peiping prefer to attain their messianic goals without a nuclear war. They want the fruits of a successful war without the sacrifices of war. Yet they have not ruled out either limited war or total war, if either seems to them necessary or expedient.

The Communist challenge is most immediately a military challenge; but it is more than a military challenge. We shall make a great mistake, perhaps a fatal mistake, if we think of the Communist threat in exclusively military terms. The challenge of communism is also political, economic, ideological, and, in the deepest sense, religious. I say it is religious because the Communist upsidedown view of man and the world is a direct challenge to the fundamental beliefs of our Judeo-Christian heritage, and, indeed, of freedom everywhere.

SOVIET ECONOMIC INTENTIONS

Mr. President, today, I shall address myself only to certain aspects of the Soviet economic challenge, the expanding Russian economy, and the Communist economic offensive. Premier Nikita Khrushchev has repeatedly boasted that the Soviet Union would overtake the mighty United States and eventually win the world to communism by economic, rather than military, means.

> We declare war upon you in the peaceful field of trade—
>
> Said Khrushchev on November 22, 1957.
>
> We will win over the United States. The threat to the United States is not the ICBM, but in the field of peaceful production. We are relentless in this, and it will prove the superiority of our system—

He said.

Mr. Khrushchev made the same point several times in my conversation with him, last December.

That boast cannot be lightly dismissed as a megalomaniac dream of grandeur by a former Ukrainian coal miner, who by some grim destiny was propelled to the pinnacle of political power. The headlines in our newspapers, supported by quiet, independent research, compel us to take Mr. Khrushchev seriously. It may, indeed, be true that the destiny of Western culture will be determined on the economic battlefield. And on that battlefield we might be defeated.

A brief review of recent headlines suggests that Russia is deadly serious about her economic offensive.

Mr. President, listen to these headlines: "Finnish Cabinet Forced To Resign as Russians Stall Trade Pact."

Mr. President, let me say that I was in Finland on the very day when the Soviets broke their trade pact with the Finnish Government, at the very time when the Soviets refused to carry through their purchase agreements with Finnish employers until Finland's Government was changed. I saw the Soviet Union break the back of the Finnish Government; and less than 1 month later the Finnish Prime Minister was in Leningrad, to be greeted by Nikita Khrushchev.

Let me be clear about the matter, Mr. President: Finland is yet a free country, thank God. The Finnish people are brave and liberty loving. But Finland has witnessed a tremendous force—the Soviet economic power.

When I say we are engaged in a struggle on the economic battlefield with the Soviet Union, and that we might be defeated, I mean we might be defeated only if we refuse to accept the challenge. But if we set ourselves to doing something about it, we will not be defeated.

I think these headlines tell the story of what I intend to say today, Mr. President. I continue to read from them: "Russian Trade Machinery and Equipment for Brazilian Coffee"; "Soviet Union Buys Commodity Surpluses From Key Countries"; "Russia Cuts World Metal Prices"; "Nasser and Arab Countries Enter Loan Agreements With Russia and Czechoslovakia"; "Soviet Ships Military Equipment to Guinea"; "Moscow To Build 78 More Plants for Chinese Reds"; "Moscow Offers a $25 Million Drug Industry to India"; "Soviet Set To Flood Northern Europe With Oil"; "Ruble Envisioned as Top Currency by 1965."

Those headlines, taken from the American press, are about the Soviet economic power and the Soviet economic challenge to the United States, Western Europe, and, indeed, all other parts of the world. I suggest to the Senate that we should not underestimate this power.

Mr. President, it is always possible to have a good audience in the Senate when a Senator speaks about intercontinental ballistic missiles. It is always possible to

have a good-sized radio or television audience when one speaks about massive weapons. It is my view that the Soviet Union will resort to such weapons only in desperation. The weapon with which she intends to club us into submission is the weapon of her economic power; and it is here that we are found wanting.

Mr. President, last evening I visited with a distinguished gentleman from another country, one who has spent a lifetime in economic trade. He said the Soviet Union has an economic planning board which, day by day, looks over the world to see what it can do in terms of improving the Soviet's economic position at home and of improving the Soviet's economic power abroad. It is here that we see the Soviet's moving into markets, depressing markets, and, as the Senator from New York pointed out, dumping commodities upon normal markets, in order to break them and to cause disruption of normal commerce.

Mr. President, behind these headlines there is a carefully designed plan to win the world by economic penetration. Does this grand plan have any real chance of success? The answer to this question depends upon the capacity of the Soviet economy now and in the immediate future to support a sustained period of successful economic competition with the United States and other free-world industrial powers in certain strategic areas.

Mr. President, I hold in my hand, from the New Leader, one of the outstanding intellectual publications of this country, an article from the issue of June 1, 1959, entitled "Can Russia Overtake the United States?" The article was written by Herbert S. Levine; it is the second of two articles by Mr. Levine on the details and the implications of the new Soviet economic plan. The first article was on "Prospects for Russia's Economic Expansion." I have read that article, and in the course of my remarks today I shall allude to it. But I would have my colleagues note the second article by Mr. Levine, in which he expresses one or two thoughts which I wish to call to the attention of the American people, through the forum of the Senate.

Mr. President, in summarizing certain economic statistics which are included in the article—and at the end of my remarks I shall ask unanimous consent to have the articles printed in the RECORD—Mr. Levine states:

> These figures are only impressionistic. However, the impression they give is somewhat startling. A continuation of present and planned Russian rates of growth—9 to 10 percent—

That is the annual rate of growth—

> and a continuation of the present U.S. rates of growth—3 to 4 percent—will result in the Russians' catching up to us in industrial output in the next 10 to 20 years.

The article states that "according to Russian experts, Russian tool production already matched ours in 1956, and by 1965 they plan to double their present levels."

I read further from the article:

> By 1965, the Soviet Union will be producing 85 to 90 percent of the U.S. 1957 output of steel, about 70 percent of U.S. 1957 output of electrical power and fuel energy, and about 150 percent of 1957 U.S. cement.

Fellow Americans, the Soviet Union has laid down a challenge. We have our work cut out for us. Mind you, Mr. President, the Soviet citizens do not have the high standard of living, the consumer goods and luxuries, that we have. Therefore, these figures of industrial output, present and projected for the future, are to be understood in terms of one word—"power," not comfort, but power—power to be used as a part of the total Communist challenge in this world; power to be used as a part of the total Communist force and Communist aggression in this world.

Let us examine the Soviet Union's economic capacity by reviewing briefly her current level of production, the rate of growth of her economy, and project these facts into the future.

I have done this on one or two items.

SOVIET PRODUCTION

It is important to remember two essential facts. First, Soviet production today is about 40 percent as great as U.S. production. Second, at the present time the gross national product—GNP—of the Soviet Union is growing at a rate of from 6 to 8 percent—in fact, it is closer to 9 percent—or approximately three times as fast as the rate of growth in our economy.

Since her first 5-year plan of 1928, Russia has developed rapidly from a predominantly agricultural country into the second greatest industrial power in the world. By 1950 the total Soviet output equalled one-third of our own for that year.

The Russian economy, by design and not by accident, has developed unevenly. Industrial production, especially heavy industry and military equipment, has been given priority over consumer goods and services. Russian output of cars, washing machines, and refrigerators, for example, ranges from 2 to 4 percent of U.S. production of these goods. In contrast, the Russians devote a far higher proportion of their industrial output than we do to weapons production, which is their most efficient industry. By a strange irony of history the Marxist idealists have become exporters of the weapons of war.

The output of some key products approaches our own production. Though lower in other fuels, Soviet coal output is about 70 percent of ours.

By the way, I saw the geologic surveys in the Soviet Union of the Soviet coalfields. They are incredibly large and unbelievably rich. I have said a number of times that if we really want to have a glimpse of Soviet power for the future, we should go to the seventh floor of Moscow University and see the geologic survey that has been made of the entire land area of the Soviet Union—Russia and Siberia—and then, my fellow Americans, be prepared for a kind of shock. It is something, I may say, that can make one's hair stand on end. There are fabulous resources only awaiting the touch of modern technology.

When our fellow Americans read of Soviet expansion and Soviet development in Siberia, they should not think for a moment that those land areas are wastelands. They are potentially rich and productive lands—rich in timber, minerals, metals, oil, coal. They are fabulously rich, and the Soviet Union is determined to develop them. That is what Mr. Khrushchev has in mind when he says he will "bury us," and he has said it again and again.

Mr. President, it is quite an experience to sit across the table from Mr. Khrushchev and to listen to him tell of the future plans of the Soviet Union with almost arrogant confidence.

May I say, as an American, it is rather discouraging to see in this country a governmental philosophy that ignores planning, that refuses to plan for the development and utilization of our great resources, our mighty rivers, our valleys; even to see a situation where an industry such as coal mining in America is sick because of the lack of adequate plans and development for converting coal into fuels which are economic and usable, and the failure to provide new methods and means for research into the uses of products of coal.

That is what the Wall Street Journal article was about. The Senator from Minnesota saw with his own eyes the plans of the Soviet Union. I have as a mission in my life the alerting of the American people to the struggle which is already underway. Regrettably, we apparently feel there is a struggle only when bombs drop. Well, the bomb of dropping surgical instruments on the American surgical instrument market, or the bomb of dropping photographic equipment at cutrate prices upon the American manufacturers, is a kind of war, too. What this country needs is a sort of Paul Revere to let us know, not that the redcoats are coming, but that the Reds are on the way and are in the fields.

In my limited and feeble way, I shall attempt to be one voice to arouse the American Government and our economy, before it is too late, to the challenge we face. That challenge, as I have said in this address, is not merely military, even though, of course, that is one aspect of the struggle. It is economic, it is political, it is social; and it surely is ideological on the propaganda side.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. NEUBERGER. The Senator from Minnesota is performing a public service in helping to alert our country to the very imposing and grave threat posed by the Soviet Union.

As Russia emerges more and more into the 20th century, and then later as Red China begins to emerge from peasantry, I wonder if it is not true that the American people are going to have to be told by their leaders that greater, rather than lesser, sacrifices lie ahead?

Although the Senator from Minnesota is of a different political party than is Mr. Allen Dulles, I remember the address by Mr. Dulles before a group of financiers

in the electrical industry, which I read, and which was reprinted in full in the New York Times a few weeks ago.

If I am not mistaken, Mr. Allen Dulles stated in that speech that while Russia had a smaller gross national product than did the United States, Russia had a considerably larger proportion of its total smaller national product devoted to public purposes, such as conservation of natural resources, education, schools, development of roads and highways, and many of the other purposes which have been neglected in the budget we are discussing in this country.

I wonder how long the American people are going to be able to spend more on liquor and tobacco than they spend on all education? I wonder how long we will spend infinitely more on chewing gum and permanent waves than we spend for all medical research? So it goes. I wonder if some of us in Government are not going to have to say to the American people that, although we may produce 50 times the number of automobiles Russia produces, and while our automobiles may have the finest tail fins, Russia may be the first to the moon? I wonder whether we are not going to have to make real sacrifices because of the crisis posed by the Soviet Union?

I wish to say to the Senator from Minnesota that I have never had the opportunity he has had to visit the Soviet Union. One day I saw it from afar, across the Bering Strait from the shores of Alaska. I saw the dim headlands of Siberia. Beyond that I have never had the opportunity which the Senator from Minnesota, the Senator from Louisiana [Mr. ELLENDER], and other Senators have had to penetrate into the vast nation, which is our rival, but I certainly think the Senator from Minnesota is performing a genuine public service today by presenting to us the details of the Russian program for economic aid and industrial expansion and for effective use of the almost unlimited natural resources of the Soviet Union.

Mr. HUMPHREY. I am most grateful to the Senator from Oregon for his observations and his splendid contribution.

Mr. President, I have mentioned that the output of some key products by the Soviet Union approaches our own production. I mentioned the Soviet coal output as being about 70 percent of ours. Steel production is about half the production in our country, but for a short time last year the combined steel production of Soviet Russia and of Communist China exceeded the steel output of the United States.

I want that sentence to sink in somewhere, Mr. President. I never thought I would live to see the day when the Soviet Union and the so-called backward country of Red China would produce more steel than mighty America. Steel represents power. Steel represents strength. Steel is the yardstick of an economy. Fellow Americans, last year for a short period of time—for better than a month, at least—the Soviet Union and her partner, Red China, produced more steel than the United States of America. That had an impact on the world. Make no mistake about it.

Since annual additions to steel capacity are now running about equal in tonnage in the two countries, the output of steel mill equipment is estimated to be about the same. When we include all Communist-controlled countries, the steel production of the Communist bloc has risen from 27.2 million metric tons in 1938 to 93.3 in 1958. The goal is 152 million tons in 1965. According to Allen Dulles, Director of the Central Intelligence Agency, Russia last year produced only 1 automobile to every 10 produced by the United States, but in the same year she produced 4 machine tools for every 1 produced here. Machine tools are an important index of the capacity of an economy to produce finished goods.

In brief, Soviet production has expanded greatly. Although its overall growth rate between 1928 and 1955 was not much higher than our own, the Soviet economy since 1953 has been growing at a rate roughly three times that of the United States.

From 1938 to 1953, the growth rate was relatively equal, but since 1953 Russia's growth rate has been roughly three times that of the United States.

Since 1900 our gross national production has grown at an average rate of 3 percent annually. From 1945 to 1952, it expanded at a rate of 5 percent. Since 1953 the rate has been about 2 or 3 percent. I say that these facts are ominous. It was to these facts, Mr. President, that the Rockefeller report was directed. That report called upon America to have as a minimum goal a 5-percent increase in our gross national product annually. I underscore the words "Rockefeller report." This was not some dangerous, radical, New Deal outfit. This was a body of competent men, specialists, who came to a conclusion as to the urgency of our economic growth.

WHY THE SOVIET ECONOMY HAS GROWN

The Soviet economy is an administered economy, a forced-draft economy. Centralized political decisions determine the allocation of economic resources and the priorities of production. The ruling elite manages the economy to serve domestic political purposes and foreign policy objectives. The leaders in the Kremlin have the power to slice the national income pie any way they wish, within the limits set by hard economic facts and the patience of the long-suffering Soviet people. They determine how much the population will be permitted to consume. Then they plow back into the economy the unconsumed resources in the form of capital necessary to guarantee the maximum economic development consistent with their ambitious national objectives.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ENGLE in the chair). Does the Senator from Minnesota yield to the Senator from Wisconsin?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I also should like to commend the Senator from Minnesota for his address. The Senator is indeed a Paul Revere. There simply is not the kind of voice in our Government which is needed to awaken, to inform the American people about the challenge we are up against in regard to the Soviet Union. I think most of us realize we are ahead, and well ahead, of the Soviet Union. We are ahead of the Soviet Union in our economic production; is that not true?

Mr. HUMPHREY. By far, at the moment. I am very happy to report we are ahead.

Mr. PROXMIRE. Our system of freedom has put us ahead. I am sure the Senator from Minnesota agrees we should not depart in any measure from a system of economic freedom. Is that correct?

Mr. HUMPHREY. The Senator surely is stating my view in terms of the kind of economy I believe we should embrace.

Mr. PROXMIRE. The Senator has stated that over the past 7 years the increase in the gross national product of this country has been between 3 and 4 percent, on the average.

Mr. HUMPHREY. Between 2 and 3 percent.

Mr. PROXMIRE. Is that correct for constant dollars and on a per capita basis?

Mr. HUMPHREY. That is correct.

Mr. PROXMIRE. On a per capita basis, also?

Mr. HUMPHREY. That is correct.

Mr. PROXMIRE. I think the Senator's estimates are conservative, if anything, on the side of overstressing the extent to which we have grown. The figures I have seen are to the effect that we have grown less if we allow for the population increase and allow for constant dollars.

Mr. HUMPHREY. I should like to qualify my remarks. The population increase factor was not included. The factor of the constancy of the value of the dollar has been included.

Mr. PROXMIRE. If the population factor is allowed for—and obviously it should be, because we are having a constantly increasing work force and population growth—the figures are more meaningful. If we do not relate the figures to the increase in population, the growth figure means much less.

I should like to ask the Senator from Minnesota if it is not true that, because of the kind of political organization the Soviet Union has, it has the advantage of a kind of geometric growth in its economy because of the fact that so much of its economic system is geared to producing capital goods. It consists of heavy industry, producing economic goods, productive goods, which in turn further increase production. Is that correct?

Mr. HUMPHREY. That is true, of course. At the present time the Soviets are producing the types of goods which have productive capacity within themselves. In other words, when there is an expansion in the creation of steel mills, hydroelectric units——

Mr. PROXMIRE. Cement plants.

Mr. HUMPHREY. Cement plants, and all the other heavy basic industries—when they are expanded, obviously a structure is created which lends itself to further production and expansion.

Mr. PROXMIRE. In their system of tyranny, what they have been doing is pushing the growth into those areas, rather than permitting the Soviet people to enjoy a higher standard of living.

Mr. HUMPHREY. I wish to be fair. I am sure that the Soviet people enjoy a higher standard of living today than they have enjoyed for some time. But it is quite obvious that most of the resources of the nation have gone into capital goods, heavy goods, at the expense of consumer items and services.

Mr. PROXMIRE. Is it not also true that a large proportion of the gross national product goes into education?

Mr. HUMPHREY. A very substantial portion, as I shall show in a moment, and upon which I shall comment.

Mr. PROXMIRE. Is it not something like 16 or 17 percent, as compared to 4 percent in this country?

Mr. HUMPHREY. I am not sure of the figure, but it is substantially more than 10 percent, which is more than double ours.

Mr. PROXMIRE. Is not the real ingredient of growth the fact that the human resources of the Soviet Union are provided with training, education, and opportunities which give the Soviet Union economy a much greater productive force than it would have otherwise?

Mr. HUMPHREY. Let me put it this way: The Soviet leaders knew, in the early stages, that they had to overcome the heavy burden of illiteracy which was characteristic of the Russian peasantry. Under the czars, Russia always had an intellectual elite. There were some fine universities and schools. But with the Communists coming into power, and particularly during the past 20 years, there has been a great drive in the Soviet Union to expand the educational program.

It is common knowledge that the Soviet Union has one of the better educational facilities, in terms of the number of men and women in the teaching field, in terms of research, in terms of moneys made available for that program. The result has been a very accomplished product in the field of science and technology. Today in many fields Soviet scientists are considered to be among the best in the world. I presume most Americans would not agree to the standards and values which are imposed in Soviet education, because, again, it is not the kind of educational system which befits a democratic society. It is one which is tailormade and structurally designed for the requirements of a totalitarian society.

Mr. PROXMIRE. The emphasis on engineers, skilled workers, electricians, welders, and so forth, is a very important ingredient in the great expansion of the Soviet Union, is it not?

Mr. HUMPHREY. Without it, it would be impossible. We must never underestimate the great number of people who are being educated and trained in these fields of specialties.

Mr. PROXMIRE. Is it not true that in trying to evaluate the position of this country as compared with that of the Soviet Union we should take into consideration the great growth in the rest of the free world, particularly in Western Europe? Is it not true that in West Germany, France, Italy, and England, there has been a tremendous growth in national product?

Mr. HUMPHREY. Indeed.

Mr. PROXMIRE. As I understand, the West German growth has perhaps exceeded the Soviet Union growth over the past few years.

Mr. HUMPHREY. So has the growth of France. France and Italy have experienced a remarkable economic growth.

Let me add, as a note of reassurance, that if we are able to maintain closer economic and political cooperation between ourselves and our Western allies, in particular, members of the NATO community, and especially on the economic front, the preponderance of economic strength within the possession of the free nations is something that is very reassuring.

What the Soviets seek to do is to divide. They seek in every way to play upon any type of protectionist theory, to try to divide us from our allies. In Washington at this very time a conference is in progress among representatives of the maritime nations, including Norway, the United States, and Great Britain, relating to shipping. If there is not close cooperation on the economic front among the allies, which are so much a part of the free world, the so-called cumulative power of the members of the NATO alliance becomes a theory rather than a fact. It can be lost by division.

Mr. PROXMIRE. This is extremely important. I wonder how many people in America realize that the production of steel in Western Europe last year was larger than it was in this country.

Mr. HUMPHREY. It is a fact which it would be well to emphasize.

Mr. PROXMIRE. I wonder how many people realize that this year the production of automobiles in Western Europe is between 60 and 70 percent of what it is in this country. It is true that they are smaller automobiles, and they represent a smaller capital investment per car, but the automobile is the preeminent American free enterprise product. The fact is that we are a part of the free world, and if we recognize, as the Senator from Minnesota says so well, and has been emphasizing day after day, week after week, and year after year, the great importance of our alliances, we can see that the solution to the challenge is international. The challenge calls for a partly national solution and a partly international solution. To a great extent the challenge is economic.

It seems to me that this fact should reflect our attitude toward interest rates, taxes, conservation policies, labor policies, and also international policies.

Mr. HUMPHREY. The Senator is absolutely correct.

Let me summarize my view. Communism is an international force; and we cannot defeat an international movement by sheer nationalism. It will require international cooperation on the part of the member nations, political, economic, and military cooperation, to defeat international totalitarianism and international communism on the part of the Soviet Union and its satellites.

The emphasis upon sharing, cooperation, and integrating our economies, breaking down the walls of division and separation, is all important.

I commend the Senator for his emphasis upon those values in these remarks.

Mr. PROXMIRE. I thank the Senator.

Mr. HUMPHREY. They can channel scarce resources into top priority enterprises, such as nuclear energy, missiles, spacecraft, steel, and certain industries producing goods for export. They can curb consumer demand by promising more food and larger apartments in the future. They can get their people to produce guns without much butter with the promise that by the end of the new 7-year plan they will be producing both guns and butter.

The human price for Soviet economic growth has been staggering. Between 1926 and 1955, for example, 25 million peasants were ruthlessly shifted from agriculture to industry. The per capita consumption of the Russian people today is only one-fifth that of ours. The 7-year plan seeks to increase by specified amounts the volume of goods directed into the consumer sector.

In addition to its rich natural resources—and I have referred to this subject today—and its large labor force, the Soviet economy has benefited greatly by borrowing Western technological advances.

I should like to note that in the new 7-year plan the Soviet Union will need another 10 million nonagricultural workers. It is estimated that the labor force will be increased by approximately 3 million women. I also call attention to the fact that many of the women will go into the professional fields. As we know, the overwhelming majority of doctors, for example, in the Soviet Union, are women.

General Electric, for example, built the first modern power generators for the Dnieper Dam, Ford designed the Gorky auto plant, and International Harvester set up the Stalingrad tractor facilities. Nearly all basic industries of the U.S.S.R. were modernized with the aid of the three top Western industrial powers. A large amount of American, British, and German equipment is still used in many Soviet factories.

Another element which contributed to increased Russian productivity, an element largely overlooked in the West until Sputnik I went streaking across the heavens, is the high quality of Soviet education, especially technical education. Today, Russia has 30 million pupils in 214,200 primary and secondary schools, and 2.1 million more attending 33 universities and 732 technical institutes. The quality of scientific training in the universities and technical institutes is high. Prof. W. A. Nash who recently returned from a visit to Russian technical academic centers pointed out, for example, that "laboratory equipment for both undergraduate and graduate student instruction far surpasses that to be found in even the better equipped

American universities"—"Soviet Research and Education," Industrial Laboratories, February 1959, page 101. The Soviet Union is second only to the United States in overall science and technology, but as the sputniks and lunik have demonstrated, she is well ahead of American achievements in some specific areas.

I wish to say to my self-satisfied fellow Americans that in most Soviet schools it is commonplace to have audiovisual aids in the primary and elementary and secondary schools. The Soviet Union mass produces motion-picture projectors and slide machines and tape recorders, so that the audiovisual educational techniques can be used to maximum capacity.

I have visited Soviet laboratories—I am not claiming to be an expert, although I did have an expert with me—and I say that the facilities were the most modern and the very best.

I should like to add, too, that the classrooms were not overcrowded.

The teachers are well paid. They are at the top of the social list in the Soviet Union, together with professors, in terms of remuneration. This kind of emphasis is bound to lend itself to the results the men in the Kremlin want, namely, qualified and skilled people. As I shall point out a little later, it may also lend itself to some results which the Soviet leaders do not want, which, in my mind, is the hope of all I am describing.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am glad to yield to the Senator from Texas.

Mr. YARBOROUGH. I wish to ask a question of the distinguished senior Senator from Minnesota. In his investigation of conditions in Russia, how widespread was the use of the complete audio visual equipment which has just been so graphically described by the Senator? Was it used in a few of the secondary schools or high schools or junior colleges, comparable to such schools in our country, or was it used in most of them, or perhaps only in the larger high schools located in the larger cities, such as in our localities where the better high schools are located; or is this use in the Soviet Union widespread throughout that country?

Mr. HUMPHREY. The Senator from Minnesota cannot give personal testimony on that point. I did not visit very many places, because I did not have the time to do so. However, our own educational experts who have visited in the Soviet Union, and have visited many areas in that country, report that that use is widespread. They have reported that the use of audio-visual equipment is widspread not only in the large technical institutes and universities and in the schools in Moscow, Leningrad, Kiev, and Odessa, but also in the country schools, out on the collective farms. Let us put it this way: The classroom has a high priority on the resources of the Soviet economy.

Mr. YARBOROUGH. I should like to ask the distinguished Senator from Minnesota whether he thinks we can adequately educate the youth of America at our present rate of expenditure of 4 percent of our gross national product on education.

Mr. HUMPHREY. Absolutely not. Four percent of our gross national product for education is a measure of our own inadequacy and apparently of our own lack of understanding of the nature of the competition we face; and it is also a sad commentary on the values American people seem to accord to education.

Mr. YARBOROUGH. Does the Senator from Minnesota believe the fact that we spend more per annum in the United States on tobacco, alcoholic liquors, and cosmetics than we do on education indicates that we have not given enough time and thought to the real values of life and to the need of educating the youth of this country?

Mr. HUMPHREY. I will answer that question by a reference to my own life. My father was a most amazing man. He was a constant inspiration to me. He was also an inspiration to hundreds of others. My father was not the kind of disciplinarian who told me what not to do. He always laid emphasis on what I should do. In other words he was a positive man. The later I used to get in at night, the earlier he got me up in the morning. He never told me what time to go to bed, but he was the best "getter upper" in the world.

I am not telling people how much cosmetics they should use or how much liquid spirituality they should have. Some people want to look better on the outside than they are, and feel better on the inside than they are. That is their choice.

However, I am saying that if we want to do these things, we ought to be willing also to expend what is necessary for top grade, first class educational establishments in our country.

I hope no one misunderstands me. Our educational system is fine. It is good. There are many areas in the Nation where local communities have sacrificed greatly to provide the finest education. However, on a national basis, as the Senator from Texas has pointed out, from 4 to 5 percent of the national income is not adequate for a first rate educational structure.

Mr. YARBOROUGH. I wish to thank the distinguished Senator from Minnesota for his fine report on this subject, for his forward-looking desires for the American people in this and in so many other fields. We have seen his efforts in the education and public health subcommittees, and his support of education bills, and his support of the health for peace plan around the world, and for building research facilities and improving conditions of public health throughout the world.

The distinguished Senator from Minnesota, in my opinion, has put his finger on the weakest link in the whole armor of American progress, namely, the strength of our educational institutions, and the need for building stronger ones, and the need for building institutions which will make it possible for some school children to go to school more days each year, and for more of them to go to college each year.

The cost of college tuition has gone up 71 percent in the past 7 years. That is the average increase of college tuition across the country. That is not the increase in the cost of food. It is an increase of 71 percent in the cost of college education. It points up the great problem we have in America. I wish to say again to the distinguished senior Senator from Minnesota that I hope his call on this point will be heeded by the American people.

Mr. HUMPHREY. I thank the Senator from Texas. I know of the Senator's long record of dedicated service in support of education.

I have heard some of the witnesses who have testified before committees on the student exchange program. That program operates by having students come from other lands to America, and by having American students travel to other countries.

A problem which sometimes confronts us is how to finance the program. We hear much in the Halls of Congress about how to finance these projects.

I wonder how many Americans know that in the Soviet Union there are approximately 700 technical institutes and 33 great universities. Thousands and thousands of students from the Middle East, Africa, and Asia are attending these schools. More than 95 percent of the foreign students receive a stipend from the Soviet Government to pay for all of their expenses—their clothing, their travel, their food, their education, their medical care.

I have said to some Senators privately, and I have said on the radio, on television, and in public addresses elsewhere, that on the night of our arrival in Moscow, the airport was crowded with young people from all the countries of Asia and Africa—at least, it looked that way to me. There were young people there from Vietnam—North Indochina; North Korea; there were Negroes from Africa; orientals from Asia; and Arabic people. There were thousands of them, and they could be seen all over Moscow. All of them were there to attend school; they were being given what is called a visit to the Soviet Union.

While Moscow may not look quite so good as New York; while it may not compare with our American cities—in fact, it cannot be compared at all with great metropolitan cities like New York, Chicago, Philadelphia, Detroit, Cleveland, San Francisco, Minneapolis, and St. Paul, and other great American cities—nevertheless, Moscow looks pretty good to someone who has come out of a grass hut in a village of Asia or Africa. The Soviets go out of their way to impress these visitors.

The Senator from Texas [Mr. YARBOROUGH] has emphasized the educational aspect of our foreign aid programs. The technical and scientific institutes, not only of the Soviet Union, but of other Communist countries, are today jammed with eager students.

Recently, at a meeting in Chicago, I gave a comparison between the growth of education in some of the countries with which we are associated and the growth of education in Poland, Yugoslavia, Rumania, and Albania, countries about which we have statistical information. I must say that the emphasis upon edu-

cation in those countries is something to be watched very carefully. I think, ultimately, it will be to the good. I never frown upon educational efforts, no matter where they are made.

The Soviet Union is second only to the United States in overall science and technology, but as the sputniks and the lunik have demonstrated, she is well ahead of American achievements in some specific areas.

THE 7-YEAR PLAN AND THE FUTURE

Khrushchev's 7-year plan, adopted by the 21st party congress last February 5 has been minimized in some Western quarters because the preceding 5-year plan was abandoned by Russia in 1957, less than a year after it was announced. The fact is that the preceding plan was discarded, not because it was fundamentally unrealistic, but because the Polish and Hungarian revolts intervened, placing unanticipated strains on the Soviet economy. To placate discontent in Eastern Europe the U.S.S.R. had to pour hundreds of millions of dollars worth of goods into that area late in 1956 and throughout 1957. The possibility that similar difficulties within the Soviet bloc might impede the new 7-year plan cannot be wholly excluded, but the West would be foolish indeed to base its calculations on that contingency.

In fact, I believe one of the hopes for peace in the next decade is the fact that the Soviet Union needs peace in order to fulfill the objectives of its 7-year plan. It is in the next decade that we must be hard at work pursuing every possibility for peace. The Soviet Union needs peace; it needs manpower; it needs the resources for the fulfillment of its 7-year plan. During that period, there may be some chance—in fact, I hope and believe there will be—to inch along toward a better understanding.

Although Khrushchev has put a new emphasis on consumer goods in his 7-year plan, which spans 1959 through 1965, the main stress is again on heavy industry—particularly oil and natural gas, metallurgy, chemical production, electrical power, and machinery. The plan contains a very ambitious housing program, in response to the growing pressure for a decent living standard. It includes a relatively cautious agricultural schedule in contrast to the ambitious goals put forward previously by Khrushchev.

Mr. President, I digress to say that the Soviet Union is having trouble getting farmers to produce agricultural commodities. The Soviet collectives simply do not seem to work to the satisfaction of the leaders. In the United States, the Government is spending its time trying to get our efficient and very capable farm economy not to produce. This is really the world upside down. I have often wondered what Nikita Khrushchev would be doing if he had the abundance of wheat, cotton, food, and fiber which we have in the United States. I venture to say that he would not be complaining; I think he would find ways to use them. He would not be sending witnesses to Congress, saying "We are using all the world can absorb." I have heard witnesses testify that we are already exporting all the commodities which the countries of the world can absorb.

If the tables were turned, and the Soviets had our wheat, our corn, our feed grains, our powdered milk, our vegetable oils, all of which the food-deficit countries of the world need, I cannot imagine Nikita Khrushchev and the other men of the Kremlin saying they would not know what to do with it, particularly if they had the ships in which to move it. Here we have not only the ships in which to move the commodities; we have the ships already loaded. But we will never move them because we have a government policy which believes in static conditions. They could even calm the waves around the ships, so that the ships would not vibrate.

Mr. President, it is a sad commentary upon a free economy, a vital economy, like ours, to have an incapacity to use God-given resources. These resources could be used without any form of collectivism, without any form of regimentation. All it would take would be a slight amount of mental agility and agitation.

The Soviet plan calls for an 80-percent increase in industrial output by 1965. Heavy industry is slated for the lion's share, an increase of 85 to 88 percent. Consumer goods are to get a 62 to 65 percent increase over 1958.

EVALUATION OF THE 7-YEAR PLAN

These bold objectives must be taken seriously, but not necessarily at full face value for each specific target figure. Some Western experts suggest that these targets are over ambitious and cannot be fully realized. They estimate that 75 percent fulfillment is a more realistic expectation. Even if the goals fail by 25 percent, the production called for by 1965 is still 60 percent over current levels. It should be remembered that the U.S.S.R. is now well past the getting-started stage, and that the new plan has the momentum of an advanced economic system and a modern industrial plant supported by a scientific and technological community and a skilled working force.

Furthermore, automation is just around the corner. It may be ironic, but automation may develop faster in the Soviet Union than in the United States, the land of its birth. Today in our country more than 3 million persons are still unemployed, and from 15 to 20 percent of our productive capacity is not in use. In the U.S.S.R. there is a shortage of labor.

As I have said, the report now is that there will be a labor shortage of approximately 10 million in nonagricultural developments for the fulfillment of the 7-year plan. It will be necessary for the Soviet Government to recruit labor. This is one of the reasons why they are moving in the so-called academic circles with respect to the so-called work program. It is now estimated that an additional labor force of 3 million people will be taken from the women of the community.

On top of this, the Russians plan to shorten the work week to 35 hours, while raising wages and lowering prices at the same time. I think we would do well to watch and see if that can be done. These ambitious objectives can only be achieved by greatly increased productivity, and here is where automation comes in.

Buried in Khrushchev's 7-hour speech at the recent 21st party congress was a hint as to how the Russians would accomplish their high economic goals. Said Mr. Khrushchev:

> Comrades, the tasks of the 7-year plan can be met only by the broad introduction of new technology, complex mechanization and automation of production processes. * * * Output of the machinery needed for this must be increased in the immediate future.

With her labor shortage as an incentive, the Soviet Union may adopt automation faster than the United States.

In summary, the outlook is that by 1965 the Communist bloc will be far and away the largest economic power on the Eurasian land mass, greatly exceeding the combined output of Western Europe and Japan. Communist competition in world markets will involve an increasing range of commodities, including a wide variety of machines and important types of consumer goods. And an increasing volume of Soviet credit will probably be extended to politically vital areas of the world.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4245) relating to the taxation of the income of life insurance companies.

EXECUTIVE SESSION—NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. MANSFIELD. Mr. President, the hour of 2 o'clock has arrived; and I move that the Senate proceed to consider executive business, to consider the nomination of Lewis L. Strauss.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

Mr. MANSFIELD. I thank the Senator from Minnesota.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Philip L. Rotondo, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey.

THE CHALLENGE OF COMMUNIST ECONOMIC EXPANSION

As in legislative session,

WE MUST SHED OUR ILLUSIONS

Mr. HUMPHREY. Mr. President, lingering illusions about the state of

technical and economic strength of the Soviet Union are too dangerous to entertain in an era in which the destiny of mankind may be decided on the battlefield of production. Yet illusions persist. Most Americans, and this includes members of both the executive and legislative branches of our Government, have, at least until Sputnik I, consistently underrated Soviet industrial and economic achievements. We have underrated their progress in atomic energy, missiles, aircraft production. We derided their ability to produce in some areas of consumer goods. It was only a few years ago that one of America's top Russian experts asserted that the Russians could not even mass produce bicycles. The simple fact is that the Soviets have demonstrated their capacity to mass produce many things more important than bicycles—cars, tractors, jet aircraft, and, alas, nuclear bombs and missiles.

In spite of the facts, so clear that he who runs may read, highly placed officials in the administration assure us calmly that we are ahead in the nuclear energy and missile race. A recent statement of the Secretary of Defense to this effect was characterized by one of our most distinguished columnists, Joseph Alsop, as soothing syrup.

Although it is not possible to determine with precision where we stand in relation to the Soviet Union, is it not the better part of wisdom and valor to err on the generous side in estimating Russian economic and military strength, rather than to underestimate it? Would not it have been better for the cause of peace and security if the democratic nations had slightly overestimated Hitler, rather than vastly to have underrated him?

We should not, of course, go to the other extreme, and look upon every Russian as being 10 feet tall. Some years ago, the perceptive British observer of the American character, Denis Brogan, warned us against the illusion of American omnipotence, the false view that held that since we as a Nation were powerful, we were very powerful. Today, some Americans are in danger of making precisely the opposite error, namely, the illusion of Russian omnipotence. Russia is powerful; but she is not all powerful. She is not destined by history or some inscrutable fate to rule the world, or even to take over all of Europe or Asia.

We must avoid complacency on the one side; and hysteria on the other. I am not an alarmist. But I believe in running scared when there is something substantial to be concerned about.

SOVIET PROBLEMS

The Soviet Union's economic strength can be seen in a balanced and realistic perspective when we take into account certain political and economic problems she faces. One problem is her lopsided economy, which allocates a disproportionately large volume of production to heavy industry, to the detriment of living standards. Can the Russians be expected to meet the heavy demands of the 7-year plan without the incentive of more consumer goods than they are presently getting? There are limits to human endurance, and Russian leaders must take this fact into account. I believe Paul Henri Spaak was right when he said that it is more difficult to provide all members of a society with a roof, shoes, and meat, than it is to launch an earth satellite. But Khrushchev is a politician with uncanny wisdom, and he has ordered an increase in consumer goods. In fact, he has recently bartered raw materials for certain consumer items.

Another problem has to do with the rigidities of Communist doctrine. The orthodox line against capitalist evils, such as the free market and the bourgeois characteristics of individual incentive and personal integrity, will have to be substantially altered if the demanding Soviet economic goals are to be realized. There is considerable evidence to suggest that Messrs. Khrushchev and Mikoyan appreciate certain strengths within the free economic systems of the West and are willing to sacrifice certain sacred Communist cows on the altar of pragmatism.

Mr. President, at this point I wish to recall a statement Mr. Mikoyan made to me at a reception in Moscow. We were talking about trade. I had pointed out to the Soviet First Minister that when the Soviets engaged in trade they did so for political, not economic, purposes. Mikoyan had protested that trade was economic and did not involve itself in politics. At that time, I had just returned from a visit to Finland. Since I was then in Moscow, attending a reception at the Yugoslav Embassy, I thought it would be wise to state politely, but firmly, that we regard trade as an economic pursuit, and that I regretted that the Soviets were using trade, particularly in Finland, as a political weapon. As I have said, Mikoyan denied that. But, of course, the facts spoke for themselves; and, of course, most of the observers and listeners knew what the facts were.

Mikoyan said to me, "Do you know what is the definition of a modern Communist?"

I replied, "I do not recall that I do."

He said, "A modern Communist is one who has the zeal of a Bolshevik and the practicality of a capitalist."

Mr. President, I suggest that we keep in mind that definition, because that is what we are dealing with; we are dealing with those who have the zeal of the Bolsheviks, but the practicality of the capitalists.

Mr. GOLDWATER. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I am happy to yield.

Mr. GOLDWATER. During the Senator's travels in Russia, did he sense that the Russian economic system was embracing more and more of the capitalistic ideas?

Mr. HUMPHREY. I think it was embracing more and more of certain capitalistic production practices; yes.

Mr. GOLDWATER. Am I not correct in recalling that the State-owned farms are now to some extent being turned over to individuals or groups?

Mr. HUMPHREY. Through collectives; yes.

Mr. GOLDWATER. And the farmers themselves are allowed to participate in the profits, although previously they were not allowed to do so; is not that correct?

Mr. HUMPHREY. Yes; I believe some of that is occurring.

Mr. GOLDWATER. Am I not also correct in recalling that they are using the incentive or the reward system more and more in the factories, in order to obtain greater production?

Mr. HUMPHREY. The Senator from Arizona is eminently correct. In fact, I think perhaps that is what Mikoyan meant when he referred to the "practicality of the capitalists."

Mr. GOLDWATER. I wish to say, Mr. President, that I think the Senator from Minnesota is doing the country a favor by calling attention to the fact that the Soviets are increasing their economy. In fact, that is the only direction in which they can go. For us to sit idly by, and assume that the Soviets will forever remain a poor people, would be foolish. Certainly such an assumption would be extremely foolish. The Soviets are making gains in their economy.

I had the pleasure of speaking before the Industrial War College 2 years ago; and at that time the figures I had forced me to come to the conclusion that if the Russians maintain their present rate of production increase, and if our rate of increase in productivity continues to decline a little, each year, by 1975 the Russians will be producing about four-sevenths of what our country will then be producing. It is possible that if the same trends continue, by the year 2,000 the Russians will be producing on a par with us.

Mr. HUMPHREY. I think the Senator from Arizona has been a little optimistic in terms of the Russian production rates, insofar as comparisons are concerned.

I would also say that we must keep in mind that the Russians do not regard production merely as a matter of consumer convenience. They are very short on yoyos and hula hoops. [Laughter.] And they have very little productive capacity that is used for making plastic toys, for example. But they utilize their resources to make missiles, nuclear reactors, tractors, generators, trucks, military weapons, ships. In other words, I think we have to compare types of production, in order to obtain a more accurate picture.

Mr. GOLDWATER. The fields of production I was interested in were the types the Senator has just mentioned, mostly heavy industries and manufacturing—in other words, the backbone of industry in any country. Certainly hula hoops and yoyos do not contribute much to national production. They contribute to the individual who may use them or sell them.

I desired to point out that merely recognizing that the Soviets have the capability—in fact, they must have—to increase their production, is not the answer. The Russians have said that they have had productivity increases in the range of 7 percent a year. I think

that estimate is too high. I think the rate is probably around 4 percent a year. However, our historic rate of increase of productivity of 3 percent a year has fallen in the past 5 or 7 years, let us say, or since the Korean War, to about 2½ percent. If we cannot maintain a productivity increase rate of about 3 percent a year, then the estimates I made that Russian productivity would reach four-sevenths of our productivity by 1975 and equal our production in the year 2000 could be raised. I think it behooves American industry and American labor to recognize the fact that our productivity increase must keep up.

I do not wish to interfere with the Senator in his presentation, but I should like to refer to the capitalistic system Russia seems to be following.

Mr. HUMPHREY. The Senator is so right.

Mr. GOLDWATER. I offered this hypothesis once at the Air War College: Let us assume Russia continues to follow the capitalistic system instead of her socialistic system, and then let us assume the United States continues to look more and more to the Federal Government for support of industry and as the total source of all good and of all income. Would it not be possible for the United States to find herself the No. 2 or No. 3 economic power, and Russia to find itself the No. 1 economic power, by virtue of the fact that it has taken from us that which has made us so great economically and that we have taken from her that which has caused her to be backward. That is a hypothetical question, but, as I listened to the Senator this morning, I could not help thinking that he himself has some fears in that direction. Am I correct?

Mr. HUMPHREY. I made comment to the effect that the Soviet Union has made some adjustments in its doctrinaire philosophy relating to Marxist economics, and those adjustments have been in terms of what we would call capitalistic principles.

I hope the Senator will clearly understand that in the Soviet Union there are no private employers or private industries. Industry is state owned, or, if it is not state owned, it is collectively owned, under state control. So the principles of investment of capital resources, for example, the principles of incentive for the individual worker and producer, while they fit within the context of what we call the capitalistic philosophy, are not unique to capitalism, and they have been adopted by the Soviet Union, I think, as a means of providing for an additional reward and an additional force for improving their productive mechanism.

Mr. GOLDWATER. The Senator is eminently correct in that statement, but does he not agree that if the capitalistic system or capitalistic methods which the Russians are slowly adopting continue to improve the Russian economy, the day may come when they might have private enterprise as we have had it in this country?

Mr. HUMPHREY. I see no evidence that lends credence to that fond hope. I may say I would hope, with the Senator, that condition would evolve.

Mr. GOLDWATER. Would the Senator tell me, from his experiences in Russia——

Mr. HUMPHREY. My experiences have been very limited, I may say. My experiences were limited to Moscow primarily, in the education and health field, and to discussions of foreign trade and economic development.

Mr. GOLDWATER. The Senator's experience is far greater than mine, because I have never been to that country; but it is the junior Senator from Arizona's feeling, even though I cannot back it up with any sound reason, that Russia wants to be the No. 1 power in the world——

Mr. HUMPHREY. There can be no doubt about that.

Mr. GOLDWATER. The means of her getting to the No. 1 position are not of utmost concern to her. In other words, if communism will do it, she will stick to communism; but if she has to go to the methods of capitalistic countries, I feel she will go that way in spite of Communist doctrine. Does the Senator agree?

Mr. HUMPHREY. If the Senator is indicating that, because of Russia's desire for world influence and power, the Soviet leaders will make adjustments in doctrine and dogma, I agree. I think the Senator has ample evidence at his fingertips, as do others, that adjustments have been made. But I think we would be foolish if we thought that her leaders were of the mind that the so-called socialistic system, which I prefer to call the communistic system, had failed them. They feel their system has produced tremendous results. To my mind, those results have been produced at an enormous sacrifice of what I hope every American cherishes, namely, individual freedom, freedom of choice, religious freedom, freedom of petition and assembly. But I think we would be in error if we assumed this kind of forced draft system could not produce technical and technologic production results. The system can do that, but I do not think it produces the kind of person, philosophy, and values which I want to embrace as a way of life.

Mr. GOLDWATER. To end my colloquy, I conclude by saying the reason I have the idea that Russia might some day become a capitalistic nation is wrapped up in the Senator's last argument, namely, that Russia wants to be the No. 1 world power. I think the Senator will agree with me that no state-dominated economy can ever produce as a free economy can.

Mr. HUMPHREY. I hope the Senator is correct.

Mr. GOLDWATER. Russia can produce more than she has been producing, and she will have to do so, in order to survive. I am confident she will. But her state-controlled economy can go only so far, and then it retrogresses.

That is the point at which I think Russia will look more and more to the capitalistic system. My concern is that as Russia does so, we will not at the same time, under a false assumption, adopt more of the Russian or socialistic form of economy. In that category I would put more Government controls, Government intervention, and use of Government funds to stimulate the economy. I feel all those steps are leading us in the direction of adopting the principles Russia has adopted in her particular economic system, an economic system which cannot produce as our free system has always produced.

I thank the Senator for allowing me to interrupt him.

Mr. HUMPHREY. I appreciate the Senator's observations and interest. My whole purpose in making this speech was to encourage Members of the Senate and my fellow citizens to do some of the hard thinking which needs to be done in arriving at our judgments and evaluations. I am deeply grateful to the Senator from Arizona for his observations, with many of which I concur.

I was just saying, the questions we have to ask are these: Will this movement away from doctrinaire rigidity and toward pragmatic experimentalism go far enough to make full use of certain dynamic forces which are actively at work in our own economy? Is it possible for Russia to utilize the market mechanism as a major determinant of economic decision? Is it possible for the political elite to surrender sufficient power to the managerial elite so it can utilize effectively the human and natural resources for maximum production?

These questions can be answered adequately only by unfolding events, but I believe Khrushchev and Mikoyan are shrewd enough to borrow generously from the systems they denounce. Mikoyan has defined a modern Communist as one who has the zeal of a Bolshevik and the practicality of a capitalist.

SOVIET EDUCATIONAL DILEMMA

Some observers of the Soviet scene believe that the demands of a modern technological society will almost inevitably have a moderating influence on the political structure of the Soviet Union. Professor Reinhold Niebuhr has pointed out that a high level of education, even technical education, is ultimately subversive of dictatorship. This is true because genuine learning always confronts the student with the great ideas of history, including the ideas of liberty, justice, and brotherhood which have inspired men everywhere. When these ideas encounter the human spirit, there must be a human response. This response may be distorted by the twisted loyalties of the student or frustrated by external circumstances over which he has little control.

All tyrannies have imposed restrictions precisely for the purpose of muffling living ideas which appeal to the highest in men. But even the most rigorous tyranny cannot forever prevent these ideas, and the deep loyalties associated with them, from taking root. Once they take root in enough people, we have the beginning of change, the beginning of hope, hope that will eventually be fulfilled when the time is ripe.

Khrushchev in his bid for power enlisted the support of the managerial elite and the intellectual elite in order to

frustrate the military elite. In order to retain the support of the managerial elite he has had to make important economic concessions. In order to keep the intellectuals on his side, he has granted long-sought concessions to scientists, technicians, students, artists, and writers. Today the intellectual community of the Soviet Union has a degree of freedom and relaxation from rigid party dogma and police control it has not experienced before.

Thus, there are mingled elements of fear and hope in Russia's intellectual and technological advance, and no one inside or outside the Soviet Union can sketch with precision the shape of the future.

TEMPORARY MARGIN OF STRENGTH

The struggle is still open. There are tremendous assets on our side—military, political, economic, and moral. Today the United States and her allies are together stronger than the Communist bloc. But we are living in a dynamic world, and the margins of our present superiority can be narrowed or surpassed if we do not respond to the challenge of the expanding Soviet economy. We cannot afford to be content with a rate of growth of approximately 2 percent when the Soviet economy is growing two or three or four times as fast. We cannot afford to be content when more than 3 million men and women are idle and when almost one-fifth of our industrial potential lies unused. The situation demands precisely the imaginative and courageous leadership which the present administration lacks.

I am tempted to elaborate this point, but I must pass on to a brief consideration of the Soviet economic offensive in the international marketplace where the economic battle between world communism and the West is being waged today.

THE SOVIET ECONOMIC OFFENSIVE

In the realm of economic competition, world war III has already started. Russia has made an open declaration of war upon us. And she has given teeth to this declaration by launching a far-reaching program of economic penetration abroad.

The two major weapons of the Russian ruble war are trade and aid. The battleground for this war is the entire world. But the present campaigns are being pushed mainly in certain selected strategic areas where the Soviet Union is seeking to gain a political foothold through the economic back door.

The United States by virtue of her great productivity, her global trade, and her political leadership of the free world is the chief adversary of the Soviet Union in the economic war. While our instruments of foreign policy must also include trade and aid, our objectives are different from those of the Soviet Union. We trade for profit. Russia trades for power. We extend aid to help build an economic foundation for political stability in the recipient country. Russia extends aid to gain political support by splitting traditional trade relations and by making the recipient country economically dependent upon the Communist bloc.

The Soviet Union is an Ivan-come-lately to the foreign aid idea, and even to extensive international trade. In contrast, the United States has long held a commanding position in world commerce and has had a large and successful economic aid effort extending from the Marshall plan to the present mutual security program. Yet, as the record reads today, we have lost our undisputed leadership in the foreign aid sphere, just as we lost our nuclear monopoly in the military sphere some years ago.

CONCENTRATION OF SOVIET FOREIGN AID

Let us look briefly at the facts of the Communists economic offensive, first in the area of foreign aid. According to a recent State Department report, "The Communist Economic Threat," the Soviet bloc countries since 1954 have concluded agreements with 18 of the less developed countries outside the Communist orbit. These agreements provide for the extension of an estimated $2.4 billion in intermediate and long-term credits and grants for goods and services from the bloc. Within the Soviet aid program there is the curious notion that the foremost need of the less-developed areas is for weapons of destruction. Accordingly, nearly one-third of all assistance granted by the U.S.S.R. consists of credits for the purchase of surplus Communist arms.

Of the total extended, approximately $782 million consists of credits extended to Egypt, Syria, Iraq, Yemen, Indonesia, and Afghanistan, for the purchase of Communist arms. The remaining $1.7 billion is for economic purposes and includes $163 million in credits to Yugoslavia, a Communist country that has not found security within the Communist bloc. Communist China is the only bloc country making grants of any real consequence. It has provided $61 million to Cambodia, Ceylon, Nepal, and Egypt.

Although the Communist economic offensive recognizes no geographic limits, the lion's share of Moscow's largesse has been bestowed upon a few unalined target countries where the political stakes are high. Yugoslavia, India, Afghanistan, Egypt, Syria, and Indonesia have received about 80 percent of the bloc credits and grants. Clearly this has been an investment in frustrating the development of the free world coalition. Iran, Turkey, and Iceland are notable examples of countries allied with the West which have been the targets of repeated bloc offers. Each of these countries, two of which are members of NATO, have accepted limited economic aid.

The Soviet Union has concentrated its aid activities in a few major projects: $100 million in credit agreements with Afghanistan, Argentina, and Indonesia; $132 million for a steel mill and another $126 million in credit for India; $98 million in credits for Yugoslavia; $275 million for Egypt; and an estimated $168 million for Syria. A fortnight ago the U.S.S.R. announced a new aid loan of $137 million to Iraq.

Virtually all Soviet economic aid has been in the form of interest-bearing credits. In contrast, a large portion of American aid has been in the form of grants, although since the creation of the Development Loan Fund 2 years ago, most of our aid has also been in the form of credit.

U.S. credits have been a mixture of hard loans payable in dollars, such as those made by the Export-Import Bank, and soft loans repayable in local currency, such as those from the Development Loan Fund, but we are moving in the direction of easier credit to counter the Soviet offensive.

Soviet bloc loans have usually been repayable in convertible currency of "normal export commodities" of the client country. The U.S.S.R. has had nothing comparable to the loans in local currency made by our Government from the sale of surplus food and fiber provided through Public Law 480.

In short, since 1955 Soviet bloc aid to 18 less-developed countries totaled $1.7 billion compared with $3.3 billion in U.S. grants and credits for the same countries in the same period. The two programs come into competition chiefly in Afghanistan, Burma, Ceylon, Cambodia, India, Indonesia, and Nepal.

In her aid program the Soviet Union has pursued short-term political and propaganda effects, as opposed to the long-term objectives of economic development. She has concentrated on certain key countries in which she hopes to neutralize or displace Western influence. She has been willing to underwrite some projects with little regard for their economic justification. The recently promised loan for a stadium in Jakarta is a case in point. Unlike the United States, the Soviets do not attempt to secure domestic reforms designed to insure the economic success of a project.

I am not suggesting that U.S. aid is given for purely humanitarian reasons, or implying that it should be. We, too, give military and economic aid to support our political purposes. But our political purposes do not call for the eventual domination of the recipient country. We do not seek to enhance our national security by means of a captive alliance. Nor are our projects chosen primarily for propaganda effect or for their mischief potential. We are genuinely interested in the economic development and political self-respect of the countries we aid.

Although the U.S.S.R. is winning friends and influencing people through its aid offensive, she, as of now, has by no means preempted the field. She has not been able to conceal her political motives. But the important fact is that she is moving ahead while we are continuing our program with a politics-as-usual attitude. We know that we have every reason to fear her new initiative, but we have not yet responded with a new initiative of our own.

THE SOVIET TRADE OFFENSIVE

I should like to mention briefly the second weapon in the Russian economic offensive—politically controlled international trade—before I say a word about the American response. Several years ago Premier Khrushchev bluntly told a group of visiting Members of Congress: "We value trade least for economic reasons and most for political purposes." Last December he said to me that Rus-

sia trades for power. To make the point absolutely clear, Khrushchev told Walter Lippmann that economically speaking, "we Communists will cause you Americans more trouble each year."

With trade an openly avowed instrument of political warfare, Russia seeks to create in smaller and poorer countries an excessive economic dependence upon the Soviet Union. This is done in two ways. First, she supplies military and industrial equipment on a large enough scale that the recipient country at once becomes dependent upon her for technicians and spare parts. Second, she buys a substantial proportion of a major export from a small country, so the very economic stability of that country is dependent upon continued trade with the Soviet Union. Just last year, for example, the Russians forced an unfriendly cabinet in Finland to resign by threatening to renege on an almost-completed trade agreement for the purchase of Finnish-made ships. As I said, I was in Finland when this happened.

In 1958 the United States exported $18 billion worth of goods, compared with Russia's $4.5 billion. In spite of this fact, the Soviet Union is now, and will increasingly become, a tough competitor in certain sectors of international commerce. This is true because of her increasing productivity at home, the use of her satellites for running interference, and her less than honorable trading practices. I hope to have an opportunity in the near future to address this Chamber at greater length on the nature of the Soviet trade offensive and on some of its implications for the United States and the free world.

As I have said, I do not regard myself as an alarmist. Neither am I an ostrich with my head buried in a sand trap at Burning Tree. I agree with the London Economist which said recently that "the Soviet economic offensive need cause deep concern, in the long run, only if the Western industrial economies fail to keep growing."

We are in a mighty struggle with world communism which may last for decades. We are being tested on many fronts simultaneously—the military front, the diplomatic front, the ideological front, and the economic front. The very fiber of our character is being challenged.

THE AMERICAN RESPONSE

The American people will be adequate to the challenge only if there is a new sense of urgency and a new sense of direction. We cannot compete with a concerted and well planned offensive with a springtime-as-usual attitude. Long-range planning is a necessity. It is true that a free society cannot plan in the same way as a totalitarian society. But our remarkable performance in World War II and in the Korean war proves beyond a shadow of doubt that the American people have the capacity to set economic, political, and international goals and to plan effectively to meet them. This we have done, and we have done it without sacrificing the democratic values we hold dear.

Today we are not in a shooting war, and the sacrifices of that kind of war are happily not required. But we are in war, a strange cold war. Some sacrifices, and a great deal of planning, will be required if our cause is to prevail in the world. I would like to mention three areas where we must set new goals and develop new policies.

First. We must strengthen the American economy so we can take care of the needs of our expanding population and at the same time support an adequate defense program and foreign economic policy worthy of today's needs. We should not hesitate to take the measures required to a 5 percent rate of growth a year. To plan for less is to underestimate both our capacity and our needs. At the present time we are now growing at only about half this rate. We are a very rich country with the highest standard of living in human history, but there are still those among us who suffer because of inadequate food, housing, and medical care. Poverty in America, however little, is a scandal.

Second. We must strengthen our intellectual life. We need better schools, not merely to train better scientists and technicians, but to train better citizens and better persons. We need more scientists, but not at the expense of a lopsided educational system which overlooks the needs of the whole man. We must strengthen the humanities along with the physical sciences. Without a balance among science, art, and morals, our culture will become twisted and brittle. We will be in danger of becoming like ancient Sparta, learned in the arts of war, but wanting in the arts of peace. Let us strive to be a modern Athens where wisdom is honored and moral values are cherished.

Third. We must develop a more imaginative foreign policy. We must get off dead center and attempt to anticipate events rather than merely reacting to them. We must be strong, and our strength must be balanced, so that we can deal effectively with all reasonable contingencies from brushfire wars to a general nuclear assault.

It is not enough to be prepared only on the military front. A massive war is already in progress, I repeat, on the economic front. We must undertake new policies to counter the initiative of the Soviet state monopoly in trade. I plan to make a floor statement on this subject in the near future.

We should increase substantially our foreign aid program in all its aspects. I have joined with Senator FULBRIGHT in sponsoring a series of amendments to the mutual security bill designed to do precisely this. We are calling for a greater emphasis on economic aid to the peoples in the less developed and politically unalined countries of Asia and the Middle East, without in any way curtailing the legitimate defense needs of our allies who are in positions of special danger. We should undertake a 5-year commitment for the Development Loan Fund and this fund should be authorized to spend $1.5 billion a year for that period. This money should be borrowed from the U.S. Treasury to which the long-term, low-interest development loans would be repaid. I also believe we should authorize the President to increase the allocation of U.S. economic aid and development funds to the U.N. and other international agencies when they serve the purposes we have in mind.

I am happy to say today that the Senate Foreign Relations Committee has agreed to a 5-year extended period, at $1 billion a year. So at long last, in the Senate foreign aid bill, we have the principle of continuity and of long-term loans.

Just as we must relate our great power to the security needs of the free world, so we would relate our great wealth to the economic needs of Asia, Africa, and Latin America. We, in cooperation with other industrialized nations, need to perform in the 20th century what the London capital market accomplished in the 19th century. In the last century Great Britain provided from her national income a substantially greater proportion for investment abroad than the United States is providing today. Perhaps the World Bank and the emerging International Development Association, with vigorous support from the United States, will be a relevant successor to the London capital market in stimulating economic growth in the less developed areas of the world.

To do the job that needs to be done in all these areas the serious problem of fragmentation in our policymaking procedures will have to be tackled. I have recently recommended the creation in the Congress of a Joint Committee on National Strategy to include the chairman and ranking minority member of the major committees of each House. This Joint Committee would not usurp the functions of any of the present committees, but would supplement them by endowing their work with a larger frame of reference. I also believe the time has come to consider seriously the creation in the executive branch of a permanent research and policy-analyzing agency charged with the responsibility of thinking about a comprehensive and long-range national strategy which would embrace all essential factors of domestic and foreign policy. This agency would relate the total capacities of the American people—military, economic, technical, intellectual and moral—to the responsibilities of international leadership which history has thrust upon us.

Whatever we do we must do in concert with our closest allies. The Soviet Union is committed to the splitting of the free world alliance. If she succeeds in isolating us from our friends, her objective of world conquest may move within her grasp.

This is indeed a time for courage, initiative and determination. All of us know we have the material resources to do what needs to be done. And I firmly believe the American people have the moral capacity to respond with sustained dedication and, if necessary, with sacrifice. What is lacking is leadership where leadership is needed most. The perils of aimless drifting and massive apathy have never been greater. There is no substitute for leadership—leadership wise enough to understand our common danger and imaginative enough

to enlist the human and material resources to meet it.

As I conclude, I ask unanimous consent that the article to which I referred earlier, entitled "The New 7-Year Plan: Can Russia Overtake the United States?" by Mr. Herbert S. Levine, who until recently was associated with Harvard University's Russian Research Center, and is currently visiting Moscow, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Leader, June 1, 1959]

THE NEW 7-YEAR PLAN—2: CAN RUSSIA OVERTAKE THE UNITED STATES?

(By Herbert S. Levine)

Can the Russians fulfill their new 7-year plan? They themselves believe this plan has a great deal of slack. For the first time they seem to be talking in terms of minimum plans instead of maximum ones. Here is an extremely illuminating passage from Soviet Premier Nikita Khrushchev's speech to the 21st Congress of the Soviet Communist Party:

"The 7-year plan is being drawn up in such a way that it can be carried out without overstrain. Why has this been done? Because, if we have a very strained plan, there is always the chance that some of its targets may not be reached, that some branches of the economy may not get all they require in the way of raw materials, supplies, and equipment. This may cause interruptions in the work and, consequently, undercapacity operation of plants and factories, idle working time and all attendant consequences. This is what economists call disproportions. The 7-year plan is being drawn up in such a way as to rule this out. Overfulfillment of the plan will give us a chance to create additional reserves and obtain additional accumulations."

It is interesting to note that Academician Stanislav G. Strumilin, the dean of Soviet economists, attacked the plan for being too slack: Much more can be accomplished in the next 7 years, he said, and the plan should provide for it.

The Russians also claim that more care was taken in the preparation of this plan than in the past. I. I. Kuzmin, the former director of Gosplan (state planning commission), stated that many well known scientists and specialists took part in working out the plan. Prof. A. Efimov, director of Gosplan's economic research institute, wrote that more than 200 research institutes worked on the single problem of specialization and subcontracting; never before in the history of the Soviet Union was this done, he said. It is clear, therefore, that at least the Russians consider this to be a fairly slack, well constructed, consistent plan, and confidently expect it to be not only fulfilled but overfulfilled.

Overfulfillment of the yearly industrial plans has been the rule since 1950. In the past 2 years, the plans have been overfulfilled by 2.7 percent and 2.2 percent, respectively. This compares with an average overfulfillment since 1950 of about 2 percent. If this practice were carried over into the 7-year plan, the average annual rate of industrial growth would be more than 10.5 percent instead of the planned 8.6 percent. Soviet economic statistics are often difficult to deal with and the more aggregative the statistics (e.g., gross output) the more difficult the problem. But most specialists agree that Russian statistics have improved since 1950. Two independent calculations by Westerners of the rate of industrial growth between 1950 and 1956 give average annual rates of about 10 percent (official Soviet statistics give an average rate of about 12.5 percent for 1950–56 and a rate of 10 percent for 1957 and 1958). In comparison with the performance achieved since 1950, the planned average rate of 8.6 percent does not appear to be out of line.

Another way of looking at the possibilities of fulfilling the industrial plan is to look at the figures for increase in the industrial labor force (20 percent) and increase in output per industrial worker (50 percent). Together they are responsible for the increase in industrial output (80 percent).

If one projects past relationships, one gets a nonagricultural labor force figure for 1965 roughly 10 million less than the plan calls for. The question is, Can this deficit be made up by new recruits from the ranks of agricultural workers, women, and juveniles?

There has been a tendency among Western specialists to argue that even though the ratio of agricultural labor to industrial labor in the Soviet Union is much greater than in the West, Soviet agricultural productivity is so low and the needs so high that the flow of workers to the cities has probably stopped. However, in the last few years Khrushchev has made a great many changes in the organizational structure of agriculture, and these, coupled with the stress in the 7-year plan on increased labor productivity through increased and especially better-balanced mechanization, may give new impetus to the flow of labor from country to city. Whether it will reach the approximately 4 million apparently planned for is hard to say.

It is also hard to say how many women can be attracted into the labor force. The ratio of women in the labor force to women in the prime working age group has risen from about 20 percent in 1940 to about 30 percent in 1950 and 35 percent in 1956. If this were to rise to 40 percent by 1965, then an additional 3 million women would be added to the labor force. Furthermore, the estimated additions to the labor force resulting from the school reform range around 4 million. (How useful these teenagers will be is another question.)

Thus, in a very rough and incomplete way, it can be seen that it will be difficult, but not completely impossible, for the labor force as a whole to increase as planned and therefore for the industrial labor force to increase the planned 20 percent. The biggest problem is whether the flow from the countryside will be as heavy as contemplated. In the fifth 5-year plan, even though the industrial output plan was overfulfilled, the industrial labor productivity plan was underfulfilled. The overfulfillment of the output plan was achieved by means of increasing the labor force 10 percent more than planned.

This safety factor of over-plan increase in the labor force probably does not exist in the 7-year plan, and therefore the critical question is whether industrial output per worker can be raised the 50 percent (or 6 percent per year) envisaged in the 7-year plan. The average rate of 6 percent is below what was achieved in the fifth 5-year plan (7.6 percent) and is also slightly below what has been achieved in the last 3 years. On the other hand, it may be argued that if the rate of capital investment growth is really to diminish then the increase in labor productivity should also diminish. This may be true but it need not be.

To begin with, there is to be a concentration of resources on projects already begun. Thus the ratio of the introduction of new capacity to total investment will increase. But perhaps even more important, the increase in output per worker is related not only to the increase in capital per worker, but also to a residual factor usually called technology. This includes, in addition to changes in technology itself, changes in the skill, intensity, and stability of labor, management and organizational efficiency, and other elements. It has been shown by Western economists that this residual factor has been of predominant importance in the increase of output per worker in the West. And it is the elements of this factor which are being stressed in the 7-year plan. One is impressed by the new, more rational approach the Russians are now taking toward prices, investment decisions, and other economic questions. They may, indeed, reap significant returns from increases in the residual factor.

As for the agricultural plan, many Western analysts feel there is less likelihood of fulfilling these targets than of fulfilling the industrial targets. Yet here, too, one should be careful before pronouncing failure in advance. Khrushchev has claimed that the grain targets could be achieved if yields per acre were to be raised 30–40 percent. Up to 1953, the Soviet record of raising yields was not too impressive. The average yield in 1949–53 was only 10 percent greater than in 1910–14. But since 1953, progress has been made. The average grain yield in 1954–58, according to official Soviet data, was about 20 percent greater than in 1949–53.

At least two major ways of raising yields, discussed by Khrushchev, have bright prospects for success in the period of the 7-year plan. One is the use of fertilizer and pesticides—the supply of fertilizer to the farms is to triple. The other is the scheduling of work on the farms. With the farms owning their own machinery and with more decentralization in planning, this will most likely show much improvement. Besides grain, the other major part of the agricultural plan concerns animal husbandry. The planned average annual rates of growth are not too different from those achieved since 1953, except for meat, and here much is expected from increased technology, mechanization, incentives, and fodder production.

All in all, perhaps the best answer to the question—can the 7-year plan be fulfilled?—is to say that it would be imprudent to bet against it.

What, then, can be said of the meaning of the 7-year plan for us? Khrushchev sees the Soviet Union in an economic race with the capitalist world, specifically the United States. He stresses the need for speed—he builds thermal stations instead of hydropower stations, he concentrates capital investment on projects already begun and he renovates and modernizes existing plants instead of constructing new ones. His time horizon is a short one. He is interested in the outcome of this race in the next 7 to 15 years, not in the distant future. To get some idea of how close he is to his objective, it will be necessary to look, if only briefly and impressionistically, at some comparative statistics.

Some of the figures on heavy industrial products do not present too reassuring a picture for us. True, if per capita figures are cited, the Soviet Union does not come out too well. But it is questionable whether, when dealing with heavy industry, it is the per capita figures which are the most pertinent. For purposes of national power, propaganda and military capability, figures for the state as an entity are perhaps more important. By 1965, the Soviet Union will be producing 85–90 percent of the U.S. 1957 output of steel, about 70 percent of U.S. 1957 output of electric power and fuel energy, and about 150 percent of U.S. 1957 cement. In addition, according to Western experts, Russian machine-tool production already matched ours in 1956 and by 1965 they plan to double their present levels.

In most consumer goods, the U.S. lead will remain substantial, although the well-publicized Russian campaign to overtake the United States in per capita output of milk, butter and meat will in part be successful. That is, by 1965 the Russians will probably surpass us in per capita output of milk and butter, but only approach us in per capita output of meat.

Intercountry comparisons of aggregate industrial output are treacherous, but perhaps some very rough idea about the comparative levels of aggregate industrial output can be derived from the accompanying table. Most Western specialists estimate that Soviet industrial output is currently 40–50 percent of ours. Let us assume it is 45 percent. Then for the various annual rates of growth listed (these are the rates most expected), the intersecting box gives the number of years it will take Soviet industry to catch up to ours. For example, if Soviet industry grows at an average annual rate of 9 percent and that of the United States at 3 percent (a very likely situation), then Soviet industrial output will equal ours in 14 years.

U.S.S.R. rates of industrial growth	U.S. rates of industrial growth		
	2 percent	3 percent	4 percent
	Years	*Years*	*Years*
7 percent	17	21	28
8 percent	14	17	21
9 percent	12	14	17
10 percent	11	12	14

Again the caveat: These figures are only impressionistic. However, the impression they give is somewhat startling. A continuation of present and planned Russian rates of growth (9–10 percent) and a continuation of present U.S. rates of growth (3–4 percent), will result in the Russians catching up to us in industrial output in the next 10–20 years.

Russian success in catching up is a result of both the natural advantages accruing to the latecomer in the industrialization process (an instructive example is provided by the relative positions of Germany and the United States in the 19th century) and Soviet centralized economic institutions. The plan as a channel for commands to production units is, on the whole, a better instrument for growth than is the market-price and profit-motive system. In the Soviet system, those giving the commands are the central leaders and growth is one of their prime objectives. And those receiving the commands, the managers of Soviet firms, never need ask whether they will be able to sell all their output. Virtually their sole objective is to fulfill the established targets. This factor, a guaranteed market, provides obvious advantages for growth through continuously expanding, large-scale production, and planned advances in technology.

In a profit system, commands are given both by the people and the government, and manifest themselves in the form of profit opportunities to which managers of firms respond. Those who give the commands are not primarily concerned with growth, but with current wants. Thus the pattern of commands may better serve those wants, but will not necessarily ensure the highest level of growth. In addition, in a mature economy without a great reserve of unemployed resources, a swell of commands (demand) leads to high profit opportunities and through them to inflationary pressures. The decentralized methods of coping with inflation act to reduce this demand, thus depressing the level of output and the rate of growth.

Economists, drawing on historical examples, speak of diminishing rates of growth. The rate of growth in the Soviet Union has been diminishing, but this does not necessarily mean it will diminish, in the near future, to rates comparable to our own. Diminishing rates of growth result perhaps as much from demand factors as from production factors. And in the Soviet system, the demand factors and the mechanism for transmitting these demands are essentially different from ours.

Thus we find ourselves at a disadvantage in the production race. And to this observer, at least, our chances of winning this race, short of a drastic reorganization in our institutions, are dim. The question, however, is how much do we want to win this race. Is a race in which the goal appears almost to be production for production's sake worth our becoming a mobilized state (for it might be argued that this is the only way we will win it)? This is not to say that there is nothing we should do to better our institutions and to improve our rate of economic growth. There is much to do, both in increasing our output and in changing its composition, but it should be done to satisfy our needs as we ourselves define them, not merely to match the Russians.

However, the fact that the Russians are catching up will doubtless present a serious challenge to our foreign policy aims. Both successful Soviet economic development and increased Soviet economic aid will make adherence to Communist principles more attractive to underdeveloped nations. To combat this (and also, of course, on its own humanitarian merits), we will need a substantial expansion in our foreign aid, perhaps in concert with other nations of the free world, thus helping the underdeveloped nations through the critical period of initial capital formation; and we will need a more sympathetic understanding of the economic, political, and social problems involved in the process of their industrialization.

We will also need something else—both for our foreign policy and for ourselves at home. Russia's catching up in the economic sphere will administer greater shocks to the American people than those administered by the launching of the Russian earth satellite. It is self-defeating to consider ourselves superior in every aspect of life, for we then become dismayed and unsure of ourselves as the Russians begin to match our accomplishments. It is necessary for us to determine what is important and what is not. The current rethinking and analysis of our values and institutions should be pursued with vigor. We should clearly define, both for ourselves and for the world, what we believe in and what our aspirations are. And it should be done soon. This ought to be the meaning for us of the new Soviet 7-year plan.

Mr. KEATING. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. I am happy to yield.

Mr. KEATING. I commend the Senator for pointing up what is a very serious problem. Of course, I cannot agree with some of the characterizations which are contained in the Senator's address, but the problem which he has presented is, in general, the same one upon which I made some remarks earlier today.

Mr. HUMPHREY. The Senator is correct; and I allude to those remarks.

Mr. KEATING. I realize that.

In the case of Soviet scientific equipment, the Soviets, with the kind of economy they have, and with complete control over the means and methods of production, are able to produce scientific and other equipment for use in our schools, to sell at a price from one-fifth to a third or one-half of the price at which our own industries can produce the same equipment.

If this program were carried to its extreme, they could put out of business all those in this country engaged in that work; and all those who are employed in such industries would be out of jobs.

After the Soviets had accomplished that purpose, they could proceed to some other area, and in the same manner drive any other industry out of existence.

I hope the Senator from Minnesota is sympathetic with the effort which I have been making—and I rather feel that he is—to provide, in our appropriation bills, that none of the funds put up by our taxpayers for the fine objectives of the national education bill may be used for the purchase of Soviet scientific equipment with which to flood our schools.

Mr. HUMPHREY. I recall that at that time a commitment was made that the entire subject would be carefully gone into.

Mr. KEATING. That commitment has been kept.

Mr. HUMPHREY. The problem is one which surely deserves to be examined meticulously.

I am of the opinion that while we are momentarily troubled with this unfair competition, the real danger will be not only in the American market but in markets in other parts of the world.

Mr. KEATING. I entirely agree with the Senator.

Mr. HUMPHREY. We shall see more and more of that practice.

Mr. KEATING. I entirely agree with the Senator. That is already evidenced by the active push the Soviets have given to their economic offensive all over the world. This is one of the first examples which have come to my attention, of what appears to be the same pattern in our own country.

Mr. HUMPHREY. The Senator is correct.

Mr. KEATING. It shows to what lengths the Soviets will go in order to prepare to ruin one of our own industries in this way.

Mr. HUMPHREY. The Senator is surely to be commended for looking into this subject and bringing the situation to the attention of the Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TVA REVENUE BONDS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement which I made before the Committee on Public Works expressing my objections to S. 931, and expressing myself in favor of the Vinson territorial restrictions amendment minus the exceptions.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman, I wish at this time to express opposition to certain features of S. 931 and H.R. 3460. I would favor this kind of legislation only (1) if budgetary and Treasury and congressional controls are provided

so that the Treasury, in particular, will have an opportunity to pass on the timing, amount, and interest rate to be paid on TVA bonds, and (2) if the Vinson territorial restriction amendment, minus the exceptions, is included.

Mr. Chairman, the Treasury is responsible to the Nation for the management of a national debt of $288 billion. If a lesser Federal agency of the Government is permitted to come into the picture and sell bonds in competition with the Treasury, that may result in an increase in interest rates and it could compound the difficulties of management of the enormous Federal debt. Under this bill, the Treasury would have practically no control over the bonding operation, and control of the financing of $750 million in bonds would be left virtually to the sole judgment of three TVA Board members who cannot be removed for an error in judgment but who are only removable for misfeasance or malfeasance in office. The Congress and President of the United States represent all of the people of the Nation. The President can remove the Director of the Bureau of the Budget and the Secretary of the Treasury by asking for their resignations. Removable officials should have authority over these bond issues rather than that authority be given to a Board which is not removable, each of whose members serves for a period of 9 years. Under this legislation, the budget of the Tennessee Valley Authority will not be included in the overall budget of the Government so far as receipts, expenditures, and surpluses are concerned. TVA would be exempted from the provisions of the Government Corporation Control Act of 1945, an act which provides that the TVA, as a wholly owned Government corporation shall submit a budget program to the President through the Bureau of the Budget and that legislation shall be enacted making available such funds or other financial resources as the Congress may determine. Should this bill become law the President and the Bureau of the Budget would have no authority to review or modify the budget of the TVA at least insofar as it relates to spending power revenues and revenue bond proceeds. In other words, the Chief Executive would have no control, except in a national emergency, over an executive agency for which he is responsible. Two provisions of these bills specifically exempt the TVA from any kind of budgetary control. In section 15d(d) both bills provide as follows:

"Bonds issued by the Corporation hereunder shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the United States. The Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the bonds of the Corporation acquired by them under this section. Bonds issued by the Corporation hereunder shall be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes."

Also, section 15d(b) would exempt the TVA from the basic budget provisions of the Budget and Accounting Act of 1921. This reads:

"And such proceeds and bonds shall not be included in computation of receipts, expenditures, surpluses, or deficits in the budget prepared annually pursuant to section 201 of the act of June 10, 1921, as amended (31 U.S.C. 11)."

It may be said, Mr. Chairman, that before the TVA can build any new facilities this legislation would impose an obligation upon it. Section 15d(a) requires that the TVA, except with the approval of the President during a period of national defense emergency, must inform the President and Congress of its intention to initiate the construction of additional power producing facilities, and it cannot proceed with such projects until such notice has been given and until a period of 90 days has elapsed during a single session of Congress without Congress having enacted a concurrent resolution disapproving such construction. In other words, the failure of Congress to object would be taken as implied approval by Congress of the construction program. I am certain that we all recognize that many things can happen by inaction that would certainly not be consummated if action of an affirmative and positive nature is required in advance.

This provision has a number of hidden limitations that are of fundamental importance. First, it only applies to the initiation of construction of new power-producing projects. This bill in other sections would authorize the TVA to acquire the use of, or to acquire completely, facilities used in power production by leases or by lease-purchase agreements. Thus, I am told, it could lease or lease-purchase the large steam generating plant being completed by the city of Memphis. But this language would not permit Congress to set aside such an undertaking by a concurrent resolution because it would not involve the initiation of construction. Second, the provision only applies to additional power producing projects. Congress would have no authority through a concurrent resolution to stop the construction of additional power-producing facilities at existing power-producing projects. Certainly such a provision would not provide adequate congressional control. If this legislation is passed, as it is presently written, granting TVA the authority to issue $750 million of revenue bonds and the authority to spend its net power proceeds, which would be in excess of $100 million a year, on its power program without congressional control, the TVA will be permitted to operate for several years and to expand its power-producing facilities in its own way. It can choose the kind of producing facilities that it wishes. It can place them where it will and operate them in its own way. Congress will not have to authorize the power-producing facilities that TVA will build with these revenue bonds. Congress will not have to make an annual appropriation of funds to permit the TVA to construct these unauthorized projects. This Agency can go its own way and spend this money absolutely as it sees fit. It will not have to present to the Appropriations Committee requests for funds each year. The Appropriations Committee thus will not be in a position to review the activities of the TVA—to appraise them and to appraise the future program of the Agency. The TVA will not be subjected to these types of controls imposed on all other agencies of the Government. This means, Mr. Chairman, that we, as representatives of the taxpayers of this Nation, who have a $1.2 billion appropriation investment in TVA, and $1.6 billion in total, would have practically nothing to say about how TVA is operated in the future.

Moreover, Mr. Chairman, I strenuously object to S. 931 because, in effect, it would invite TVA to expand its power service to cover territory now being served adequately by 11 private electric companies. This bill in section 15d(a) (p. 2, line 15; p. 3, line 5) purports to limit the area in which the TVA would be permitted to dispose of power produced by facilities financed by revenue bonds. But, in effect, this very language would invite TVA to expand its service area by many thousands of square miles over the 80,000 square mile area presently served by the TVA. The language purports to limit the power marketing area of TVA, but it, in fact, invites an expansion of its present area. There is no restriction on sale or delivery of power produced by existing power facilities, and TVA can expand its operations, under this bill, without previous authorization or appropriation by Congress.

On this question of TVA's power service area, H.R. 3460 as passed by the House of Representatives is far superior to S. 931. The House bill on page 2, lines 13 to 21, contains a very desirable amendment first presented by Representative CARL VINSON. This language in effect provides that, unless authorized by Congress, power facilities of the TVA "shall not be used for the sale or delivery of power for use outside the service area of the corporation as it existed on July 1, 1957" (except for exchange agreements to be made with utility systems where such arrangements already exist). This language is most important because it would prohibit TVA from competing unfairly with the privately owned electric companies that border its present area. But I regret that language was added to that proposed by the gentleman from Georgia which would permit the TVA to serve no less than 10 cities or towns in Tennessee, Georgia, and Kentucky not actually served on July 1, 1957.

The original amendment as proposed by the gentleman from Georgia is highly desirable. But the House committee weakened this amendment by making certain exceptions and thereby opening the door for future expansion of TVA's service area. There are two reasons for opposing the exceptions added to the original Vinson amendment. First, the inclusion of such a list of exemptions obviously would extend TVA's power service area beyond its boundaries as they existed on July 1, 1957. Second, the inclusion of such a series of exceptions might encourage, as it has already done in the House, further efforts at amendments on the Senate floor to include additional cities outside the territorial limitation contained in the Vinson amendment. Consequently, I strongly urge that there be included in S. 931 before it should be reported from this committee, the language that is contained in H.R. 3460 on page 2, lines 13 to 21 as passed by the House. This would be substituted for the language on page 2, line 15 through page 3, line 14 to S. 931.

Mr. Chairman, unless the Vinson amendment without the exceptions is included in the legislation, enactment of this bill into law would permit an unjustified and unwarranted intrusion by the TVA into an area adequately served by free private enterprise as we now know it. The privately owned electric companies presently serving the additional area which would be added to TVA-served territory, pay taxes to the Federal Government. Fifty-two percent of their net profits go in taxes to the Federal Government—not to mention the substantial amounts of taxes to State and local communities—but once a municipality, once a rural area being served by a private electric company is taken over by the TVA that area is no longer buying electricity on which the privately owned electric company is entitled to make a modest profit which would be subject to the Federal income tax. So every time that the TVA expands its marketing area by taking over consumers from privately owned electric companies it reduces the tax base available to the Federal Government. With a budget that is highly unbalanced this year, and which next year may just attain a balance, it is imperative to preserve every possible source of revenue that might be available to the Federal Government.

Mr. Chairman, I represent a State the economy of which is based largely upon the coal industry. We welcome every market for coal. The private electric utility industry is well prepared to handle the increasing demands of our Nation for electric energy. Through sound business planning and investment, it has on its drawing boards complete designs for augmenting capacity to the extent required by a growing population and power-hungry industry and homes. With coal the chief source of energy for turning the turbines for spinning the generators that produce this power, our miners look forward to greater and greater use of coal by the utilities. Meanwhile, the TVA's record for purchasing coal leaves something to be desired. Entirely too much of the fuel moving into TVA plants comes from mines whose workers are underpaid and who are deprived of the reasonable security safeguards afforded in major producing areas.

The United Mine Workers of America have time and again demanded that the TVA effect reasonable adjustments in its fuel-purchasing program, but these pleas have been to little avail. The general feeling among the mineworkers and industry management is that the sale of coal to private utilities is much more representative of fair competitive bidding.

No, Mr. Chairman; I cannot find any advantage to the general welfare in the legislation we are considering here today. As a matter of fact, to broaden the authority of this Agency might further imperil whatever stability in coal prices remains in the TVA periphery. Through its so-called spot purchases of coal, it contributes to the violation of the spirit of the Walsh-Healey Public Contracts Act. It is folly for the Congress of the United States to set minimum wage standards and then permit an agency of this Government to be a party to the repudiation of this wage level. Those of us who have been concerned with the invasion of American markets by products manufactured in countries where wages and standards of living are far below those prevalent in this country have periodically reminded Congress that it appears wholly inconsistent to permit this practice to continue. We enact legislation setting minimum wage scales. Then, we, in effect, invite our markets to be flooded with commodities produced by human beings whose earnings are but a small percentage of those enjoyed by counterparts in this country.

Mr. Chairman, I respectfully urge that the Vinson amendment minus the exceptions be included in the legislation before it is reported by the Committee. Also, Mr. Chairman, I wish to emphasize that I have no quarrel with the desire of those who wish to finance future construction by the TVA through the means of revenue bonds. However, the power to finance by revenue bonds must be surrounded with proper governmental controls. The authority of the Secretary of the Treasury should be maintained to supervise the issuance and the terms of revenue bonds, and, as the representatives of the people, the Congress should require prior reporting by the TVA of its planned expenditures of funds raised through the sale of revenue bonds as well as the annual after-the-fact report now required. Finally, Mr. Chairman, I respectfully urge that the TVA be required to make a repayment of at least $20 million annually on the original appropriation investment, that interest be required on payments which may be deferred under the 2-year clause of subsection e of section 15d, and that provision be made for repayment of, and a return on, the $468 million dollars of retained revenue from power sales.

CANADIAN GOVERNMENT EXPRESSES VIEWS ON PAVING ALASKA HIGHWAY IN CANADA IN COOPERATION WITH THE UNITED STATES

Mr. NEUBERGER. Mr. President, the Department of State has conveyed to me several documents bearing on the Canadian Government's position with respect to S. 1125, a proposal which I introduced earlier this year for paving the Alaska Highway in Canada on the basis of a cost-sharing agreement between the two nations.

Because the information made available to me by the State Department is of pertinence in connection with Senate consideration of my bill, I wish to place these materials in the RECORD today.

The documents include a letter of transmittal from the State Department signed by William B. Macomber, Jr., Assistant Secretary of State; the text of a letter to Willis C. Armstrong, counselor at our Embassy at Ottawa, from N. A. Robertson, Under Secretary of State for External Affairs for the Canadian Government providing an information expression of opinion on the part of Prime Minister Diefenbaker's government with regard to S. 1125; and the text of a second letter to Mr. Armstrong from Mr. Robertson transmitting the remarks of Mr. Diefenbaker in the House of Commons on May 7, 1959, in response to questions put to him on the floor regarding S. 1125.

CANADIAN STUDY ENCOURAGING

Mr. President, I would like to make several observations and comments on this correspondence.

First. I am pleased that Canada has given my proposal consideration at a high level of government. I believe that the achievement of purpose of S. 1125, which is cosponsored by 15 other Members of the Senate, would greatly benefit both our countries.

Second. The position of the Canadian Government is that further careful study and extensive consultation between the two countries will be required before an agreement can be reached. This is a wise and necessary course of action, and I hope that the State Department's Canadian affairs experts and the Commerce Department's specialists in the Bureau of Public Roads, as well as various other affected governmental bodies in this country, such as the Alaska International Rail and Highway Commission recently reactivated by Congress, will cooperate with appropriate Canadian officials in carrying out the review and discussion suggested by Prime Minister Diefenbaker with the view to obtaining an international agreement which will permit this project to become reality.

STATEMENT CLARIFIES POSITION

Third. Prime Minister Diefenbaker has outlined in general terms several matters of concern to Canadians in connection wtih S. 1125. These include the question of maintenance and the supervision of actual work on improvement of the Alaska Highway. I appreciate the fact that the Prime Minister has given public expression to these questions. His statements will be of material aid in congressional consideration of my bill. Certainly, I, myself, am not wedded to the language of S. 1125. A cooperative venture of the type which I have proposed to provide a hard-surfaced all-weather highway through British Columbia, the Yukon, and Alaska, cannot be dictated by one party to the agreement.

Suggestions advanced by Canada will, I am confident, receive detailed and thoughtful examination by Congress. Further discussions between Canada and the United States will undoubtedly result in additional clarification of the views of our northern neighbor and result in a more realistic shaping of the general proposal which I have advanced.

In connection with Prime Minister Diefenbaker's objection that, under the terms of my bill, direction of the work would be controlled by an agency of the U.S. Government, I think it is important to point out, however, that the purpose of the language to which the Prime Minister refers to fix internal responsibility for U.S. participation in the proposed international project, not to assure domination by this country of technical operations.

Fourth. Prime Minister Diefenbaker correctly points out that S. 1125 is "unilateral in that it lays a foundation for a subsequent proposal for an international agreement." In approving my bill in present or modified form, Congress would merely authorize the expenditure, subject to an agreement with Canada, by our Government of a specified sum for a joint effort to improve the Alaska Highway in Canada. Thus, passage of S. 1125 following full consideration of the views of the Canadian Government as expressed by the correspondence which has been forwarded to me and additional opinions which may be expressed prior to detailed study by the Senate Committee on Public Works, would furnish a basis for conclusion of an accord between our two countries.

MUTUAL INTERESTS INVOLVED

Fifth. The documents which I submit today for the study of the Senate indicate the keen interest of the Canadian Government in development of adequate transportation facilities in the northwest portion of the North American Continent. As Mr. Robertson points out, the Canadian Government established an interdepartmental committee in 1958 to examine the international aspects of such development. This committee has met with representatives of our own Government on several occasions to review problems of communication between Alaska and the 48 States. In the United States awareness of the problems involved in connecting Alaska with her sister States has stimulated a number of legislative and study proposals. In view of the joint cultural and economic interests of the two nations in this area, a continuing exchange of views on the questions of paving the Alaska Highway in Canada will work to the benefit of both. I am hopeful that mutual goals, not procedural

differences, will set the tone of such discussions.

Mr. President, I ask unanimous consent that the correspondence which I have received from the State Department be printed at this point in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, June 5, 1959.

The Honorable RICHARD L. NEUBERGER,
U.S. Senate.

DEAR SENATOR NEUBERGER: I refer to your letter of April 20, 1959 expressing your interest in mutual participation by the United States and Canada in hard surfacing the Alaska Highway. As I mentioned in my reply of April 29, the Department is well aware of the importance attached to this matter and our Embassy at Ottawa was instructed some time prior to the receipt of your letter to call S. 1125 to the attention of the Canadian Government and to ask for an expression of official Canadian views with regard to it.

I enclose for your information in this connection a copy of a letter dated April 30, 1959, from the Under Secretary of State for External Affairs of Canada in response to an Embassy request for this information.

This subject was also discussed in the Canadian House of Commons and I enclose an extract of questions and answers from the Canadian House of Commons Debates for May 7, 1959, as transmitted to the Embassy in a letter dated May 8, 1959 from the Under Secretary of State for External Affairs. I believe that taken together these two documents give a clear indication of the thoughts of the Canadian Government as regards the need for further study on this matter and also of the various considerations which govern Canadian views at this time with regard to the enactment of presently pending legislation by the U.S. Congress.

In view of their interest in the subject, I am sending a similar letter to each of the other signers of the letter of April 20.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

(Enclosures: (1) From Mr. N. A. Robertson, April 30, 1959; (2) from Mr. N. A. Robertson, May 8, 1959.)

OFFICE OF THE UNDER SECRETARY
OF STATE FOR EXTERNAL AFFAIRS,
Ottawa, April 30, 1959.

WILLIS C. ARMSTRONG, Esq.,
Counselor,
U.S. Embassy, Ottawa.

DEAR MR. ARMSTRONG: You have asked for an informal expression of opinion on bill S. 1125 introduced in the Senate of the United States on February 19, 1959, which, provided certain requirements are met, proposes that the Government of the United States make $11 million available each year for 6 years to enable the United States to cooperate with the Government of Canada in the construction, reconstruction, and improvement of the Alaska Highway within the boundaries of Canada, including the connection to Haines, Alaska.

The appropriate Canadian authorities have been actively engaged for some time in the expansion and improvement of transportation facilities in the Canadian Northwest.

An Interdepartmental Committee was established early in 1958 to examine the international aspects of northwest transportation. This committee has met on several occasions with representatives of the U.S. Government to examine the question of communications between Alaska and the remainder of the United States.

The complex nature of the subject suggests the need for careful study and extensive consultation between the two countries before reaching any decision on the terms which a possible international agreement might contain.

Yours sincerely,

N. A. ROBERTSON,
Under Secretary of State, for External Affairs.

OFFICE OF THE UNDER SECRETARY
OF STATE FOR EXTERNAL AFFAIRS,
Ottawa, May 8, 1959.

WILLIS C. ARMSTRONG, Esq.,
Counselor, U.S. Embassy,
Ottawa.

DEAR MR. ARMSTRONG: Further to our rerecent exchange of correspondence with the Embassy regarding Senate bill 1125, may we draw your attention to the following remarks of the Prime Minister in the House of Commons on May 7, 1959:

"Mr. ERIK NIELSEN (Yukon). I should like to direct a question to the Prime Minister. This question arises from a press report in today's Globe and Mail concerning Senator NEUBERGER's proposal for jointly sharing the cost of paving the Canadian section of the Alaska Highway. Has the U.S. Government sought the views of the Canadian Government with respect to legislation pending in the U.S. Congress concerning paving of the Alaska Highway? If so, what comment has been made?

"Mr. DIEFENBAKER. Insofar as this question is concerned, the categorical answer would be 'Yes.' The Government has indicated that the complex nature of the subject suggests the need for careful study and extensive consultation between the two countries before reaching any decision on the terms of an international agreement along the line suggested by the legislation introduced by Senator NEUBERGER in the U.S. Senate. The problem of this highway is one that merits attention when it is considered that from 1945 to March 31, 1959, the cost of maintaining that highway has been $132 million. The whole question will receive consideration and, insofar as the legislation now before the U.S. Senate is concerned, it is unilateral in that it lays a foundation for a subsequent proposal for an international agreement. In any event it is subject also to the objection that the direction of the work would, in effect, be controlled by an agency of the U.S. Government, which is something we could not accept.

"Hon. LIONEL CHEVRIER (Laurier). Would the Prime Minister allow me to ask a supplementary question? Since this highway, or a part of it, is exclusively under Canadian jurisdiction, would it not be a matter for the Canadian Government to determine whether or not the paving should be paid for by Canada?

"Mr. DIEFENBAKER. Oh, yes. Insofar as the highway is concerned, that portion of the highway system that lies in Canada is about 1,500 miles in length, of which 1,221 is the Alaska Highway proper. There are about 800 miles in British Columbia and about 700 miles within the Yukon territory. Obviously the answer would be 'Yes.'"

Yours sincerely,

N. A. ROBERTSON,
Under Secretary of State for External Affairs.

DEPARTMENT OF COMMERCE

The Senate resumed the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. ENGLE. Mr. President, when the hearings opened on the confirmation of the nomination of Mr. Strauss, my inclination was to vote for him. I had never to my knowledge met Mr. Strauss and I had had no dealings whatever with him personally during my service in the House of Representatives. The Committee on Interior, on which I served and of which I was chairman, has no occasion to deal with matters with which Mr. Strauss was involved. To the best of my knowledge, the first time I ever saw Mr. Strauss was when he appeared before the Senate Interstate and Foreign Commerce Committee.

I believe that the President should be given wide latitude in the selection of his Cabinet. I believe that a strong presumption should be indulged in favor of his choice. I would not vote against Mr. Strauss because I disagreed with him on policy matters—and I do disagree with him on policy matters. I believe the President is entitled to Cabinet officers who reflect the views of his administration even though they disagree with mine and those of a majority of the Members of the Senate. I believe, however, that the Senate does have a responsibility under the provisions of the Constitution. I do not agree with those who would repeal by ignoring that section of the Constitution that requires the advice and consent of the Senate in the confirmation of Cabinet officers. There are some who would simply blot out that provision of the Constitution and call on the Senate to rubberstamp whatever nominee the President sent up. Obviously, there is some reasonable middle ground that should be taken while at the same time giving the President wide latitude in the selection of his Cabinet officers.

One of the things that Congress has a right to consider is the relationship of the nominee with Congress itself. A Cabinet officer is required to work with the Congress of the United States. He must have the kind of relationship with the Members of the House and the Senate that would make it possible for him to effectively do his job. He must have the confidence of the Members of the Senate and the House that he will provide the Congress with complete and accurate information even though, individually, Members of the Senate and the House may disagree with him about what those facts add up to and the policy decisions to be made in connection with those facts. Here is where the difficulty occurs with Mr. Strauss.

Every Member of the Senate, I assume, is inclined to make a decision in this matter based to some extent upon his personal experience. For 6 years I was chairman of a committee in the House of Representatives—for 2 years chairman of the Committee on War Claims and for 4 years chairman of the Interior Committee.

In addition, I was at various times during my service in the House the chairman of the Subcommittee on Public Lands and the Subcommittee on Irrigation and Reclamation. Our dealings were primarily with the Department of the Interior. During my service of eight terms in the House there were five Secretaries of the Interior: Mr. Ickes, Mr. Krug, Mr. Chapman, Mr. McKay, and the present Secretary, Mr. Seaton. In no instance that I can recall did I ever feel it necessary to challenge the correctness of the information given me or our committee by any of those Cabinet officers.

I never suspected any of them, in either party, of deliberately dealing in half-truths. We often disagreed on what the facts were or what the facts meant in terms of conclusions. We often disagreed about the policy which ought to be adopted in particular situations. But it never occurred to me that a Cabinet officer would give us anything less than the facts—and all of the facts.

As a consequence, I was surprised to learn that a number of outstanding legislators who had dealt with Mr. Strauss directly, in connection with their committee work, charged that he had been less than frank, that he had skated on the edge of half-truths, that he had withheld information to which the committee was entitled, and that he had, in fact, been guilty of deception and falsehood. These were serious charges, in my mind, charges which required some careful examination, because if they were true I could have no confidence that Mr. Strauss, if his nomination to be Secretary of Commerce were confirmed, would deal accurately, fairly, and fully in the facts with the committee of which I am now a member—the Committee on Interstate and Foreign Commerce. Of course, I project that concern against my own background in the House of Representatives, as chairman of a committee for a number of years.

A major portion of the testimony in this record, consisting of more than 1,100 pages, deals with the charges made before our committee that Mr. Strauss has dealt in half-truths and skated on the edge of deception in dealing with Congress and the public.

These pages also clearly portray a personal relationship with Members of Congress which, in my opinion, would seriously impair his effectiveness as a Secretary of Commerce.

During this debate I am sure we shall hear the details of the record argued pro and con. I shall deal with some of those instances as they are referred to in this record. But I am more interested in the personal appraisal made at the time the instances occurred and the testimony and statements were made. It is hard to get at the facts in going back through a record. There are always charges that the record is not correct or that it has been misinterpreted. That is the reason why appellate courts do not undertake, ordinarily, to decide questions of fact from the record alone. The findings of fact are made by the trial judge because he was present at the time. He heard the testimony, he saw the demeanor of the witness, and he understood the circumstances under which the testimony was given. That is a necessary part of determining whether or not a witness is speaking the truth and the whole truth. So, with reference to these particular allegations, I have been intensely interested in the appraisal made of the reliability of Mr. Strauss by the legislators who were there, who had intimate knowledge of the subject matter, and who know the circumstances under which the testimony was given or the statements made. They are the best judges of whether or not Mr. Strauss was dealing in half-truths and skating on the edge of deception in these particular matters.

Let me add, Mr. President, that the legislators who have complained of Mr. Strauss' unwillingness to deal fully and frankly with Congress are, in each instance, men of outstanding ability and long service in Congress. They understand the basic forms of our Government from long association with them. They are prepared to give the executive branch the full measure of the authority to which it is entitled under the Constitution. They understand, too, the position and the proper function of the legislative branch. They are seasoned, experienced public officials who do not take lightly their obligations in connection with so serious a matter as the confirmation of a Cabinet officer. They understand politics, and they are perfectly willing to countenance a little leeway for the representatives of the executive branch who undertake to put the best light possible on a particular situation. They are old hands; they understand all of that. So, when, in their considered and mature judgment, they make the kind of charges which have been made against Mr. Strauss, it becomes testimony of very great weight with me.

Let me start with an illustration in the House of Representatives.

REPRESENTATIVE CANNON OPPOSES STRAUSS

Representative CLARENCE CANNON was elected to Congress on March 4, 1923, and has served continuously since that time—19 consecutive terms. He is outranked in seniority in the House of Representatives by only two men—the Speaker, Mr. RAYBURN, and Representative VINSON, of Georgia. Mr. CANNON first because chairman of the powerful House Committee on Appropriations in 1941. He has seen many Cabinet officers come and go. He is not known as a man who undertakes personal vendettas against anyone. He often disagrees vigorously with someone; but never in my eight terms in the House of Representatives have I known him to denounce anyone in the terms which he applied to Mr. Strauss.

One of the subcommittees of Mr. CANNON's Committee on Appropriations filed a report, referred to on page 872 of the hearings, which makes reference to a letter from the Atomic Energy Commission in the following language:

> This letter is duplicitous, false, and fraudulent.

In this report the subcommittee goes on to say that Mr. Strauss acknowledged full responsibility for the letter. Mr. CANNON, in a letter to Senator MAGNUSON, transmitting the subcommittee report, said:

> The whole committee later decided to tone it down somewhat, but this is the official report of the subcommittee and all statements in it are substantiated by the testimony before the subcommittee.

To sum up the situation then, the subcommittee said that the letter received under the direction of Mr. Strauss was "false, fraudulent, and duplicitous," and Mr. CANNON on March 7 of this year said that the statements of the subcommittee are substantiated by the testimony.

Later, Mr. Strauss challenged the accuracy of the report of the hearings in which his testimony was that he not only took responsibility for the letter but had directed the preparation of it. Here of course, is the situation I have just referred to; that is, arguments which always come up in trying to interpret a record long in the past. Mr. Strauss says he was not correctly reported, although he did not revise or change this particular statement, even though he revised matters immediately before and immediately after this particular statement in this record. We could haggle about the matter for a long time, but the fact which impresses me is that Mr. CANNON, who was there at the time, knew the circumstances ,and could evaluate them in the light of the situation as it then existed, says that the testimony fully substantiated the statements made by the subcommittee. Subsequently, when Mr. Strauss challenged the record, Mr. CANNON took the floor of the House of Representatives and denounced Mr. Strauss for making an assault upon his integrity and that of the committee.

I am impressed with the fact that Mr. CANNON has not changed his view; that he still says Mr. Strauss was guilty of submitting "false, fraudulent, and duplicitous" information to the committee. This is a charge which, in my opinion, cannot be ignored by the Senate of the United States. It is important for two reasons: First, because it gives an indication of what kind of information we might expect from Mr. Strauss if he was Secretary of Commerce. Second, because, as Secretary of Commerce, Mr. Strauss will still have to deal with Mr. CANNON as chairman of the Committee on Appropriations of the House of Representatives.

It is extremely important, it seems to me, that the Secretary of Commerce be able to get along with the chairman of the House Committee on Appropriations, and not be subject to the kind of accusation or the kind of charge made by Mr. CANNON in this instance.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. ENGLE. I am sorry; I decline to yield. I wish to finish my speech first; thereafter, I shall be glad to yield at length for any comments, or any questions which any Senator may wish to ask.

If the incident I have mentioned were an isolated instance, it would disturb us. We would have to weigh it; but we might say, in taking the whole record, that even if this were true we would not refuse to confirm the nomination because of one error or one mistake. But this pattern is repeated time and again.

CHAIRMAN STERLING COLE CHARGED STRAUSS WITH WITHHOLDING INFORMATION

A further and impressive illustration of the difficulty Congress is having with Mr. Strauss is the instance in which the Joint Committee on Atomic Energy felt obliged to change the law in order to get a fuller reporting of information. The chairman of the Joint Committee at that time was Representative Sterling Cole, of New York, then one of the senior

and outstanding Members of the House of Representatives, who now serves as Director General of the International Atomic Energy Commission, at Geneva.

The colloquy between Chairman Cole and Mr. Strauss appears on pages 509, 510, and 606 of the hearings. Chairman Cole said to Mr. Strauss, in discussing the requirement of the 1946 act that the Commission keep the Joint Committee fully and currently informed on all of its activities—

You will agree there have been recent instances where that principle has been resisted, where the Commission has resisted informing the committee on matters which the committee requested of the Commission.

Now, my purpose in bringing that out is at this time to write into the bill language which may be even stronger than what is in there now, and I do not know what stronger language could be used than to say it is the duty of the Commission to keep the Joint Committee fully and currently informed on all the Commission's activities.

Mr. Strauss replied:

Would you accept the change in wording, Mr. Chairman, that instead of resisting, it has been delayed? I do not believe there is anything which the Joint Committee had requested that the Commission has failed to comply with. Nor in respect to such information as crosses the desk of the chairman has there been any delay in furnishing, as a matter of fact.

I read further from the colloquy:

Chairman COLE. It may not be in your memory, but it certainly is within mine, that for the first time within the history of this committee it was necessary for the committee to adopt a formal resolution to get information from the Commission.

Mr. STRAUSS. I am aware of that.

Mr. Cole has submitted a communication supporting Mr. Strauss; but the record of the hearings in 1954 is very plain. Chairman Cole complained because Mr. Strauss had "resisted" the transmission of information to which the Joint Committee was entitled, and announced his intention to change the law. The committee report at that time accompanying the bill was specific and clear that "it is the intention of Congress that the Joint Committee be informed while matters are pending rather than after action has been taken."

Of course that was one of the complaints—namely, that they received the information after the action had been taken, not before.

That would not have been necessary in a formal committee report, the amendment of the law would not have been necessary, and that discussion would not have occurred between Chairman Cole and Mr. Strauss except for the fact that Mr. Strauss was not complying with the law and was not giving the Joint Committee the information that the law required.

Mr. McGEE. Mr. President, will the Senator from California yield for a matter of personal privilege? I do not wish to interrogate the Senator from California, because I think he should be allowed to make his speech without interruption for interrogations.

Mr. ENGLE. I yield.

Mr. McGEE. I wish to apologize for having to leave the Chamber at this time. We have been waiting for a long time to hear the Senator from California deliver his speech. However, the other business of the Senate has required the Senator from California to postpone until now the delivery of his speech.

I have to catch a plane, to go to Chicago, where I am to speak this evening, at a dinner for the Combined Jewish Appeal. For that reason, it will be necessary for me to leave the Chamber now.

But I want the Senator from California to know that in the morning I shall study his speech very carefully; and I wish to be associated with the stand he has taken.

Mr. ENGLE. I thank the Senator from Wyoming.

SENATOR ANDERSON OPPOSES STRAUSS

Mr. President, what reason do we have to believe that Mr. Strauss has changed his mode of operation? We certainly cannot base such a conclusion on the testimony of the present Chairman of the Joint Committee on Atomic Energy, the Senator from New Mexico [Mr. ANDERSON]. Senator ANDERSON appeared before our committee, and made a long statement in regard to the difficulties with Mr. Strauss. His statement fully supports the conclusion arrived at by his predecessor, Representative Cole, when Representative Cole was chairman of the Joint Committee. Senator ANDERSON goes somewhat further than Chairman Cole, who complained of resistance. I shall not try to detail the bill of particulars as set out by Senator ANDERSON. They are set forth with great completeness in the hearings that are before Senators; and Senator ANDERSON will be heard on this floor. I do, though, want to call attention to the fact that the testimony of Senator ANDERSON in this matter should not, in my opinion, be taken lightly. On the contrary, his testimony in this matter should be given great weight. Here again we have an outstanding and distinguished Member of the Congress of the United States. Most of us are very familiar, I am sure, with Senator ANDERSON's long record in public life. His service as a public official goes back to 1933, when he was treasurer of the State of New Mexico. He served in various executive offices in the State of New Mexico, and with the Federal Government from that time until 1941, when he was elected to the 77th Congress as a Member of the House of Representatives. He served in the House of Representatives with great distinction until June 30, 1945, when he resigned from Congress to become the Secretary of Agriculture. He resigned as Secretary of Agriculture on May 10, 1948, to run for U.S. Senator for New Mexico, an office to which he was elected on June 8 of that year, and which he has held ever since that time. Senator ANDERSON has served in public life for over 25 years. He does not lightly make the kind of charges that are made in this instance. He understands better, I suspect, than most of us the responsibility which is involved. He himself has been a Cabinet officer. Yet he has made these charges that come out of his direct experience in dealing, as a member of and as chairman of, the Joint Committee on Atomic Energy, with Mr. Strauss.

The particular instances can be argued in great detail, but all of them boil down to this—that Senator ANDERSON, on the basis of his intimate dealings with Mr. Strauss, has concluded that Mr. Strauss has dealt in half-truths and deception, insofar as Congress is concerned. As a matter of fact, Senator ANDERSON went further; he said that Mr. Strauss has indulged in falsehoods, in dealing with the Joint Committee on Atomic Energy.

SENATOR KEFAUVER OPPOSES STRAUSS

But there are still others. We shall hear from Senator KEFAUVER regarding his dealings as chairman of the Subcommittee on Antitrust and Monopoly, of the Senate Committee on the Judiciary, with Mr. Strauss.

Let me say that I am referring to chairmen of major and important committees—the chairman of the House Committee on Appropriations, two chairmen of the Joint Committee on Atomic Energy, and now the chairman of the Antitrust and Monopoly Subcommittee of the Senate Committee on the Judiciary.

Senator KEFAUVER's detailed statement before our committee appears in the hearings, commencing at page 122. Here, again, I shall not go through each of the particular statements and allegations; but here, again, we have a Member of the U.S. Senate, the chairman of an important subcommittee, a legislator who has had long experience in public life, and who is well known to us all, who says as plainly as can be stated that Mr. Strauss withheld important information from his subcommittee and from the Congress and from the public. Here, again, Mr. President, I am referring to a Member of the U.S. Senate, the distinguished senior Senator from Tennessee [Mr. KEFAUVER], with whom I had the honor and pleasure of serving in the House of Representatives. I have known him for a long, long time. I do not believe that Senator KEFAUVER would make the type of charges he has made in public and before our own committee unless they were fully substantiated and fully warranted by his personal experience and his personal dealings with Mr. Strauss. That is the difference between reading the record and listening to the chairmen of the Senate and House committees. They have had the opportunity to view the testimony personally, to hear it delivered, and to know the circumstances under which it was delivered.

STRAUSS WITHHOLDS AND MANIPULATES INFORMATION

The record shows that Mr. Strauss is inclined to withhold or manipulate information to serve policy ends. In other words, he not only manipulated the information, but manipulated the release of information, depending on whether or not the facts involved would tend to support or to defeat his attempt to attain certain objectives. For instance, when the matter was under discussion regarding the exchange of nuclear information with Great Britain, Mr. Strauss was told specifically and directly by the Attorney General that that was a matter which

should be discussed with the Joint Committee on Atomic Energy. Chairman Cole—to whom I have already alluded—and others had raised a question regarding the legality of transferring nuclear information to Great Britain. Mr. Strauss had an opinion from the Attorney General that it was legal, but also saying the matter should be discussed with the Joint Committee. Mr. Strauss did not reveal that he had the legal opinion, because to have done so would have required him to discuss the whole matter with the Joint Committee. He did not want to do that. He wanted to continue the negotiations, and he did continue the negotiations until they were, for all practical purposes, completed—before the legal opinion was brought to the attention of the Committee.

The safety report of the Detroit reactor is another illustration. Here Mr. Strauss had a report regarding the safety of the proposed reactor. This report was classified as administrative confidential. Mr. Strauss says now that that was a mistake. Nevertheless, the Committee did not get the information. Mr. Strauss wanted to go forward with the reactor contract. The release of the report regarding the questions of safety would have raised serious question as to the intelligence of going forward with the contract, and so the report was not released until it was later pried out at a committee meeting.

Another illustration involved the matter of an export license for pipe to the Soviet Union. Mr. Strauss said that there was absolutely no difference between the State Department and the Department of Commerce on this matter. He opposed the export of the pipe, but the State Department had interposed no objection. Mr. Strauss misled the committee regarding the position of the State Department. Presumably this was done because he did not want the State Department's position to be known and thereby support revealed for the contentions of those who thought the pipe ought to be exported.

Another illustration is the row over the export of the isotopes to Norway. Mr. Strauss opposed the export of these isotopes in 1947. He described as an "unqualified falsehood" the statement that he had opposed the shipment of isotopes in 1949. This, of course, was a clever juggling of dates.

A press release was issued by the AEC saying that an underground explosion of a nuclear bomb could be detected only 250 miles. At a matter of fact, it was detected at a distance of 2,500 miles. Mr. Strauss says that was a mistake by the agency, but the fact of the matter is the public got incorrect information. Mr. Strauss has opposed the suspension of nuclear tests. He has a right to take that policy position if he thinks it is sound. But if an underground explosion can be detected only 250 miles, then probably no detection system would be useful. Since any limitation of nuclear testing would depend upon a good detection system, the fact, if it was a fact, that the test could be detected only 250 miles would be an argument for not trying to get the halting of any nuclear testing; whereas, if it could be detected 2,500 miles away, it was a different matter.

The Washington Post, in an editorial on May 8, 1959, deals with this particular characteristic of Mr. Strauss in the following language:

> Differences of opinion on major issues apart, what caused trouble for Admiral Strauss as chairman of the AEC was more than anything else his tendency to convey substantial misinformation while leaving himself a narrow, technical trapdoor. It was as if, when asked whether he was a New York investment banker who was born in Charleston, W. Va., on Thursday, January 31, 1896, and grew up in Richmond, Va., he replied blandly, "No"—on the ground that he was actually born on Friday. It was not without reason that Senator ANDERSON and others protested what they believed to have been deception on issues extending from the Dixon-Yates contract to fallout.

A further illustration has already been referred to in the controversy with Representative CANNON, the chairman of the House Committee on Appropriations.

In the previous reference, I alluded to the report made by the subcommittee, but subsequently, by a vote of 35 to 15, the House Appropriations Committee approved a report which said that a letter from the Atomic Energy Commission was "duplicitous"—which means, in my opinion, exactly the same thing as false— and five Republican members of the Appropriations Committee voted for that report.

Here they accused Mr. Strauss of lifting out a portion of a report in order to make it mean the exact opposite of what it actually meant. The testimony shows that at one time when we were testing in the Pacific, Mr. Strauss issued a public statement to the effect that the purpose of the test was to develop a clean bomb—when apparently the purpose of the test was exactly the opposite.

In the Dixon-Yates controversy the congressional committees could not get a copy of the proposed contract until somebody bootlegged it out and it was published in the St. Louis Post-Dispatch. And then there was the phony chronology that came out with reference to the participation of Mr. Wenzell. It was, of course, extremely detrimental to show Mr. Wenzell's participation in the meeting on the Dixon-Yates contract. In fact, Mr. Wenzell's participation is the basis of the Attorney General's position that this contract became infected with the conflict of interest which finally forced the President to throw it out. Each of these transactions was the subject of a great deal of testimony before our committee.

And their cumulative effect forces the conclusion that this sort of thing happened too often, and too often in the direction of the policy interests of Mr. Strauss, to be the result of inadvertence or mistake. The conclusion becomes inevitable that Mr. Strauss will withhold or manipulate information to which the Congress and the public is entitled, to serve preconceived policy ends.

STRAUSS SAYS HE IS SOLE JUDGE OF CONGRESS RIGHT TO INFORMATION

Above and beyond the failure to inform Congress or the effort to mislead it, which I have already discussed, Mr. Strauss has asserted a right to deny information to Congress. He sought to explain certain instances of failure to inform Congress as a result of inadvertence or to excuse himself on the grounds of absence from the country or lack of knowledge, or even a mistake. But he proudly defends his refusals to inform Congress in certain important situations as sanctioned by his concept of the doctrine of executive privilege or separation of powers.

The hearings include the record of testimony before committees in which Mr. Strauss has refused to answer relevant questions on the claim of executive privilege. There is certainly a proper place for the claim of executive privilege, and no one can deny the doctrine of separation of powers is basic in our constitutional system. At the same time, it cannot be unreasonably extended or used. Mr. Strauss asserted the right to set himself up as the sole judge of when and where executive privilege or the doctrine of separation of powers would justify his denying information to Congress.

In one instance, the Attorney General had ruled that the Joint Committee on Atomic Energy was entitled to certain information regarding agreements being negotiated with England for the transfer of information in connection with nuclear submarines. Mr. Strauss said:

> If I am advised that I have no privilege by the Attorney General, I might still feel that my construction of the Constitution was correct, by which I should abide.

In other words, Mr. Strauss says that he would not take the advice as to what the law is from the Attorney General, who is the chief attorney for the executive branch of the Government. He not only asserts the right to claim an executive privilege or to deny information on the ground of separation of powers, but says that he can be the sole judge of when that can and should occur.

To permit Government officials to claim and exercise unrestrained personal discretion in withholding information from Congress on the ground of executive privilege or the doctrine of separation of powers could be destructive of the legislative process. Under those circumstances we could not get the information even though the Attorney General ruled that we had the right to have it. This attitude, coupled with Mr. Strauss' long record of difficulty with Congress on the same point, and the detailed record of his misleading Congress, distorting or withholding information for the purpose of supporting certain policies or certain predetermined views, all add to the conviction that Mr. Strauss could not be expected to deal frankly and openly with congressional committees.

SUMMARY OF CONCLUSIONS

In summary, Mr. President:

First. I went into the hearings on the confirmation of the nomination of Mr. Strauss with an open mind. I had had no direct association with him, and in fact, as far as I know, the first time I ever saw him was when he appeared before our committee. It was my intention to be completely objective.

Second. My disposition is to vote to confirm the nomination of the President's choice for Cabinet officers because I believe the President is entitled to wide latitude in the selection of his official family. I would not vote against Mr. Strauss because I disagreed with him on policy matters—and I do disagree with him on policy matters—because I think the President is entitled to have in his Cabinet men who reflect the philosophy of his administration.

Third. I became convinced during the hearings that Mr. Strauss had skated the edge of deception and had dealt in half-truths in his relations with Congress and with the public. I believe that a Cabinet officer should have the confidence of the Members of Congress that he will deal with Congress fairly and fully on the facts. From listening to the testimony, I have no confidence that the information furnished by Mr. Strauss as Secretary of Commerce to the Congress would be either accurate or complete.

Fourth. I believe the evidence shows that Mr. Strauss is inclined to withhold or manipulate information to serve policy ends. This goes beyond putting the best face on the situation as far as the administration is concerned. It involves the matter of releasing erroneous information or refusing to release information which congressional committees ought to have when that information might be detrimental to the achievement of particular policy objectives which Mr. Strauss has had in mind.

Fifth. I think Mr. Strauss is wrong in his stubborn insistence that he has the right to be his own judge as to when Congress is entitled to information and when he is entitled to withhold it under the doctrine of executive privilege or separation of powers. This, in effect, constitutes Mr. Strauss as a one-man censor, the rulings of the Attorney General or anyone else to the contrary notwithstanding.

Sixth. I am impressed with the caliber and the standing of the men in Congress who have challenged Mr. Strauss' fitness. These are men with whom Mr. Strauss came in repeated and close contact as the Chairman of the Atomic Energy Commission. These are men who presided over committees before which Mr. Strauss testified, and where this testimony was developed. They are the Members of the Senate and of the House of Representatives best qualified to judge whether Mr. Strauss dealt fairly, fully and freely on the facts with the Congress and with the public; and they say that he has not. I do not see how he could do a good job and an effective job as Secretary of Commerce with the kind of relationship which exists between him and these leading Members of the U.S. Congress.

Seventh. And, finally, on the basis of the long testimony produced before our committee, it is apparent that Mr. Strauss could not have been confirmed again as Chairman of the Atomic Energy Commission if renominated. I am convinced that that is the reason his name was not sent up again. I do not believe that his nomination should be confirmed for the higher office of Secretary of Commerce.

THE BLACK MARKET IN MONEY

Mr. McNAMARA obtained the floor.

Mr. ENGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Michigan yield for that purpose?

Mr. McNAMARA. I will, if the Senator insists. I have no desire that we follow such a procedure.

Mr. ENGLE. I withdraw the request, Mr. President.

Mr. McNAMARA. I thank the Senator from California. I appreciate his willingness to get more Senators present, but I would rather proceed with the business at hand.

The PRESIDING OFFICER. The Senator from Michigan may proceed.

Mr. McNAMARA. Mr. President, what has long been rumor has now been made official. The President has confessed that he wants Congress to increase the statutory interest rate limit of 4¼ percent on Treasury bonds.

It is, indeed, a confession. The President of the United States, by requesting the lifting of this statutory ceiling, is admitting to an incredible mismanagement of the Nation's monetary fiscal affairs.

We are now told that in order to save our Government from financial disaster it is essential that higher interest rates be permitted so that the Treasury can compete in the bond market.

I submit, Mr. President, that it is a sad day when the U.S. Treasury finds itself unable to sell its bonds in the open market at a reasonable rate of interest.

Nor are we asked to raise the statutory interest level by any specific amount, such as a quarter or a half of 1 percent.

No. We are asked by the administration to give it a blank check to permit interest on Treasury bonds to go just as high as necessary to make them competitive.

I wonder why the administration simply does not turn the U.S. Treasury over to the commercial money market, and be done with it.

That is the direction our monetary fiscal policy has been taking since 1953.

In fact, when this administration came into power it seemingly took two pledges of allegiance—one to the flag and another to the banks.

The second pledge went something like this:

> I pledge allegiance to the banks, and to the benefits for which they stand, high interest, compounded, with tremendous profits for all.

And they have been tremendous profits, Mr. President. They will become even greater if we permit this rise in interest rates above 4¼ percent, a rate that already is scandalously high.

In attempting to justify their request, the administration and its supporters will throw the word "inflation" around indiscriminately and inveigh against the "spenders" and other strawmen they have invented.

They will not, of course, even consider the argument that increasing the interest rate may be one of the most inflationary steps we could take.

Nor will the administration suggest that its tax cut of 1954—which has given more than $2.8 billion each year in tax relief to corporations and stockholders—has had anything to do with the tremendous Federal deficit.

Or that the fact that we are already paying $8 billion a year—or about 10 cents of every tax dollar—in interest on the national debt is even noteworthy.

The administration will carefully hide these matters, and insist that an increase in interest rates is vital to national solvency.

Of course, it is doubtful that any tears would be wept downtown or on Wall Street if such an increase should lead to higher interest rates for the home buyer, the car purchaser, the community where classrooms must be provided, and so forth.

This, I feel, is a situation where it is fairly simple to trace the blame.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield.

Mr. PROXMIRE. I commend the Senator on his extremely vigorous and forthright address. It is typical of the Senator from Michigan that when he hits, he hits hard. This is an issue which should be hit hard.

The Senator has just said that in his judgment the increase in the statutory limit on long-term Government bonds would tend to increase the interest rate on the obligations of State and local governments, and therefore would drive up the cost of financing schools, streets, and other improvements.

Mr. McNAMARA. That is correct.

Mr. PROXMIRE. That seems to me to be very logical. Yet the Secretary of the Treasury, in testifying this morning before the House Ways and Means Committee, emphasized over and over again that this proposal would not drive up interest rates.

Let me say to the Senator from Michigan that if the Federal Government, with its enormous debt, and with the great amount of maturities which are coming due within the next few months, decides to enter the long-term money market—and all the obligations maturing until late fall or next year are short-term ones—and thereby increases the demand for long-term money, it would seem to follow, as day follows night, that the cost of such money will be driven up.

Mr. McNAMARA. It certainly would. Not only would the cost of money borrowed by the Government be driven up, but all borrowing, including that of private business, would be affected.

Mr. PROXMIRE. Exactly. If there is one fixed star in the constellation of the Republican economic attitude, it is that the law of supply and demand governs our economy.

I am sure the Senator from Michigan also believes in free enterprise; but I feel that there are frictions which sometimes prevent the law of supply and demand from operating in the way in which it is supposed to operate. However, in this case the Government intends to enter the money market. Obviously the Secretary

of the Treasury would not be insisting upon this proposal if he did not intend to convert the short-term obligations of our Federal Government. We have no long-term obligations which come due until November 1960, It seems to me that the Secretary would not insist on increasing the statutory limit if he did not intend to go into competition with the financing of schools, hospitals, streets, and all kinds of State and municipal investments. Is that correct?

Mr. McNAMARA. I certainly agree with the Senator. He is correct.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield.

Mr. KEATING. Will the Senator outline the alternative which he thinks is more in the national interest?

Mr. McNAMARA. I shall be happy to go into that subject later. I cover it at a later point in my speech. If the Senator has any questions at that time, I shall be happy to yield to him.

I had never been a great admirer of George M. Humphrey when he was Secretary of the Treasury, nor have I made any speeches praising the policies of his successor, Robert Anderson. But I must say that it is the Federal Reserve Board, and not the Treasury Department, which must bear the major share of the responsibility for the current crisis.

I do not mean to detract from the well-earned place of Humphrey, Anderson, and the administration in the current financial mess, through their restrictive tight-money policy. They certainly made their contribution. But it is the Federal Reserve System to which we must look in large part.

I am sure we all recall the great fight that took place between the Treasury and the Federal Reserve shortly after the outbreak of the Korean conflict. Until that time the Federal Reserve had worked in partnership with the Treasury, helping to keep the money market stabilized. It did so all during World War II, and in the trying postwar years, with remarkable success. But the bankers inside the Federal Reserve and outside—it is sometimes difficult to tell the difference—were growing increasingly irritable under the restraints.

The fight was a rather bitter one, and it ended with the so-called Accord of 1951. We can look back upon that with a heavy heart, because the Treasury-Federal Reserve Accord of 1951 marked the end of sensible monetary policy in the United States. This accord terminated a decades-old relationship between the Treasury and the Federal Reserve, and gave the latter its full independence.

It is possible that the new status might have worked out all right. At first the Federal Reserve insisted its concern for the problems of its longtime partner, the Treasury, would not diminish with this new independence. But this concern rapidly evaporated; and the evaporation can easily be traced to the advent of the Republican administration in 1953.

Within 2 months the Federal Reserve had cast off all semblance of cooperation with the Treasury, and had begun the move toward what it liked to call a free money market. The Federal Reserve cut itself completeley loose from the Treasury, thus deriving the money market of all effective guidance and permitting the market to begin the spiraling rise in interest rates.

The rate has not stopped climbing since. A manifestation of the fact that there is no real desire to see it stop is the President's latest request to raise the statutory limit.

The rise in interest rates in recent years is a national disgrace. In 1950, the last full year before the Federal Reserve-Treasury accord, the average yield, or interest rate, of taxable Treasury bonds was 2.32 percent. In 1952 it was 2.68 percent. By 1958, last year, it had climbed to 3.43 percent. In May 1959, only last month, the interest rate had risen to 4.08 percent. At the present time the Treasury simply cannot sell its bonds under the statutory 4¼ percent limit. Hence the request for an increase.

Mr. President, to many citizens this may sound like financial mumbo-jumbo that is of little concern to the average person. I submit, however, that it is of great concern to each and every citizen—because it represents dollars out of his pocket—dollars that have bought him nothing, not even good government.

Examples are in order here to show just how much this Government-by-Federal Reserve has cost the American people. The U.S. Government now has more than $83 billion in Treasury bonds outstanding. Given the 3.43 average interest rate on these bonds in 1958, the total cost to the taxpayer of carrying them was about $2.8 billion. Had the interest rate remained where it was in 1952 at 2.68 percent, the taxpayers would have saved well over a half-billion dollars last year.

If the rate had stayed at the 1950 level of 2.32 percent, these savings would have amounted to about $1 billion.

But that is by no means the total cost to the taxpayers of the administration's high-interest, tight-money policies. When the interest rate goes up on Treasury bonds, it goes up on all other Government securities as well. Prior to the advent of the present administration the highest level our national debt had ever reached, on an annual basis, was $268 billion in 1946. The interest cost of carrying that debt in that year was $5.3 billion. After 1946, the Truman administration was able to stabilize the debt at about $255 billion on the average.

But soon after the Republican administration took over, the debt began to rise, and by 1954 it had slightly exceeded the 1946 level. The rise in interest rates was exacting its toll, also. In 1954, the cost of carrying the debt was $6.3 billion, an increase of about $1 billion over 1946, with the national debt at about the same level.

Now we come to 1957, and we find the national debt still at the same level, or about $268 billion. But the cost of carrying the 1957 debt had risen to $7.3 billion a year, or $2 billion more than the same debt cost in 1946. This year we have an even higher national debt, and the carrying charge will rise to even greater astronomical heights.

The President, in his message, concedes that he underestimated this year's interest charges on the national debt by about a half-billion dollars. That is another half-billion added to the original estimate of $8 billion.

All this, in addition to gobbling up more and more of our tax dollars which should go to buy real service, is reflected in higher interest rates on the commercial money market to which we go when we buy a house or a car or other goods on credit.

Mr. President, the American people have been taken for billions of dollars by this fiscal shell game, and then are treated to a lot of double-talk in explanation. The Federal Reserve System and other partisans of the tight-money gamble have a standard excuse; namely that of fighting inflation.

Mr. President, it does not take a trained economist to know that, if fighting inflation was the real plan, it has been a dismal failure. This can easily be seen in terms of the Consumer Price—or cost-of-living—Index over the years. In 1950 the index was 102.8. By the end of 1951, the first year in which the Federal Reserve fought inflation by pushing up interest rates, the living-cost index was up to 111.0.

Each year since then, the Federal Reserve has continued its so-called fight against inflation, and the cost of living has followed right along with the interest rates. Last year the index stood at 123.5, an increase of 20.7 points—a very expensive monument to the god of free money.

Mr. President, I do not mean to question the sincerity of those who run the Federal Reserve System. They undoubtedly have had great faith in their policies. But judging from the results of those policies, we can well demand a change. Certainly a change is long overdue. The Treasury Department cannot sell its bonds on the market at even the high statutory rate of 4¼ percent. Its outstanding bond issues sell on the market at discounts up to 15 percent and more.

The credit of the U.S. Government is all but ruined. The taxpayers are being bilked of billions of dollars. Yet the Federal Reserve System stands aloof, permitting the Treasury and the entire Federal Government to struggle in the quagmire of unrestricted high finance.

The only answer the President and his Treasury Secretary can think of is to raise still higher the interest rate on bonds. They prefer now to let the law of supply and demand take over, which used to be the attitude of the black marketeer, once he had cornered the supply.

As one Senator, I will refuse to put my stamp of approval on this black market in money by voting for an increase in the interest rate. I would instead suggest to the Federal Reserve that it scrap its ruinous policy of supporting this black market with the taxpayers' money. I would suggest that the Federal Reserve resume its role as a guardian of the public interest in matters of high finance.

It can do this by rejecting its support of the tight-money policy, and by moving into the market itself to purchase Treasury bonds. This would serve not only to stabilize the money market, but, in fact, depress the already much too high level of interest rates. Many economists agree that the mere threat by the Federal Reserve to do this would have a marked stabilizing effect.

The American economy demands a drastic change in the tight-money policies of both the administration and the Federal Reserve. If we do not have a sensible change, I fear we will be inviting a return of the recession of 1958, a recession which is far from over in too many areas of our country.

It is not too late for such a change. But to effect it we need people in Federal Reserve and administration positions who show as much concern for the public as the present occupants do for the bankers.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I commend the Senator for what he has done. I believe he has answered the Senator from New York [Mr. KEATING] as to what specific measures he would advocate. I say this without necessarily approving the proposals of the Senator from Michigan. In his speech he approves the kind of situation which prevailed when President Truman was in the White House, at least until 1951. In addition to that, the Senator from Michigan points out that if the Federal Reserve Board would simply threaten to act, it would very likely have a salutary effect, and it might solve the situation.

It is unnecessary to consider the merits of various solutions, however, for is it not true that even if the Federal Reserve Board does nothing, and if Congress simply stands tough and refuses to change the statutory interest rate, the Treasury can refinance the maturities which come due during the next 15 to 18 months at their present maturities, without lengthening or shortening them, and thus solve the financial problem which faces it?

Mr. McNAMARA. As I see it, that can be done.

Mr. PROXMIRE. Is it not also correct to say that in the event the Treasury would like to lengthen the maturities—and that is understandable, because in so doing it might have less of an inflationary effect, according to some economic theorists—this is the worst possible time to lengthen maturities, because the interest rate now is higher than it has ever been in the past 25 years, or at least higher than it has been for a long time? If the financial manager of a corporation told his board of directors that he wanted to lengthen maturities at a time of high interest rates, he would not have his job very long. That is exactly what the Secretary of the Treasury, the Nation's financial manager, is telling the Congress, the board of directors. He is saying, "I would like to lengthen the maturities of the Federal Government and pay higher interest rates for 20 years or 25 years, or longer." He is asking us to go along with the saddling on the American people and future administrations of a freezing of higher servicing costs on the national debt. He is saying, "Buy this long-term money now when its cost is highest."

Mr. McNAMARA. That is true. Furthermore, we are passing that debt on to generations yet unborn.

Mr. PROXMIRE. That is why it is very wise to put a statutory limitation of 4¼ percent on long-term obligations, because doing so means that our financial managers will be restrained from floating long-term issues when interest rates are high.

Mr. McNAMARA. The 4¼ percent rate is already too high. I believe it should be reduced. With proper handling of our fiscal policies, it could be reduced.

Mr. PROXMIRE. I have the highest regard for the very able Senator from Michigan, even though I may disagree with respect to some parts of what he has said. I should like to point out that the Senator from Illinois [Mr. DOUGLAS], who has been a conservative with respect to monetary policy matters, and who has been condemned as believing in high interest rates at times, agrees wholeheartedly with the position the Senator from Michigan and I take, that the statutory limit on long-term obligations should not be increased above 4¼ percent.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. KEATING. As I understand it, the Senator's solution is to have the Federal Reserve go back into the market to purchase bonds as a competitor. Is that correct?

Mr. McNAMARA. At least it should threaten to do so. I believe that the mere threat would help the situation a great deal, and at least mean an end to the continued high interest rate.

Mr. KEATING. Does not the Senator realize that in periods of unparalleled prosperity, such as the Nation has been enjoying, for the most part, since 1953, when businesses are expanding and booming, there is a great demand, an increased demand, for private capital. This tends to raise the rates on commercial paper and private borrowings, and this has the effect among investors of causing them to seek a raise in the rates on Government borrowings?

Mr. McNAMARA. It might have that effect if all that the Senator says were true; but I submit that when millions of people throughout the United States are still unemployed, we do not have the prosperity we should have. We have anything but prosperity, as I see it.

Mr. KEATING. More people are employed today than at any other time in the Nation's history. A million more persons are now employed than were employed even last month. Practically every economic index is at its highest. Month after month, it has risen to its highest point. That has been the story. Dips have occurred now and then, but there has been a rising economic index, generally, since 1953. It is true that there is some unemployment; but the rate of unemployment is down to about 4.9 percent since the last previous figures. Of course, it is serious when any person is out of work.

Mr. McNAMARA. But does not the Senator from New York agree that increasing the interest rates will result in more hardship and less recovery in the economy?

Mr. KEATING. I have not as yet studied the question sufficiently to be certain what my final position should be. I am very frank to say that.

Mr. McNAMARA. The Senator must recognize also that about a million persons will be coming out of school in the next few weeks, during the month of June. They, too, will be thrown onto the labor market. We should be planning for an increase in productivity, for an increase in the availability of ready money, so as to encourage business, not to put business in the straitjacket of high interest rates.

Mr. KEATING. I shall deal tomorrow at some length with the forebodings which have been indulged in for several months, even as prosperity has been increasing and the economist indexes have been increasing. For more than a year we have been hearing forebodings of gloom concerning the future, but the predictions have not panned out. As I see the picture, economic conditions are improving. I do not think we are dealing with the question of unemployment alone; we are dealing with general prosperity. Employment always will go along with general prosperity. It should go along with it, although it is not unusual for employment to lag somewhat behind the other indexes.

Mr. McNAMARA. I agree that we are not dealing with employment specifically; but the Senator raised this argument; I did not. We are not dealing particularly with business failures. However, I think one of the important barometers of the future business climate is the stock market. Certainly since the announcement by the President with respect to an increase in interest rates, the stock market has reacted pretty badly.

Mr. KEATING. That is a natural reaction, of course.

Mr. McNAMARA. Not only it is natural; it is unfortunate, as well.

Mr. KEATING. Those who are investors always have to decide whether to invest in stocks or bonds.

Mr. McNAMARA. That is correct.

Mr. KEATING. The Government has reached the point, as I understand, where it cannot market its long-term securities at the interest rate ceiling which is now placed on such borrowings. People are buying equities; they are purchasing common stocks. They are investing their money in businesses and other areas. So the Government must make some provision for its own borrowings. That is why I was interested to hear the solution proposed by the Senator from Michigan, which is to have the Federal Reserve System step back into the picture and purchase bonds. I am not at all certain that such a plan would, if carried to its ultimate, be the

solution; indeed, I believe it would make the situation worse.

Mr. McNAMARA. I would be happy to hear a better solution, but I think something must be done to improve our economy. That is my concern. I do not agree with the statement of the Senator from New York that we now have prosperity.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. PROXMIRE. I think it is also true that the immediate problem can be solved without increasing the interest rate on long-term obligations at all. There is no limit, as the Senator from New York well knows, on short-term obligations of less than 5 years. There is no reason why the short-term debt which comes due during the next 18 months cannot be refunded on the same basis. The interest rate is lower, and the cost is lower. We would not be freezing ourselves into long-term obligations.

Mr. KEATING. The interest rate on short-term obligations has been rising to where it is almost as high as the interest rate on long-term obligations.

Mr. PROXMIRE. That may well be. But, in the meantime, it makes sense for succesful financial management to invest in a less expensive way.

Mr. KEATING. Treasury officials have been operating in that way, in what might be called a hand-to-mouth operation, over a considerable period of time. I believe they have reached the point where it is proper for them to come to Congress and have us decide whether that practice shall continue. I fear the inflationary effects of continual short-term financing and an inability to convert short-term obligations into long-term borrowings.

Mr. McNAMARA. There is another way to equalize. The Government ought to consider equalizing downward.

Mr. KEATING. When there is prosperity and a high rate of employment, interest rates are likely to be high. I am certain that when the Senator speaks about equalizing downward, he does not want all the other things to go down, too.

Mr. McNAMARA. I was talking about interest rates. There is competition between the bond market and the stock market. Prices can be equalized downward. If the Government is concerned about selling bonds on the market, then it can equalize downward as well as upward. But, constantly, this administration has been causing interest rates to go up, up, up.

Mr. KEATING. It is not possible to put all those things into one package. I am reminded of a one-minute speech I heard in the other body, when I served there following the OPA days. One of my erstwhile colleagues, who is no longer there, made a speech about keeping the price level from going down all the time. Then he said: "There is one thing I want to have my colleagues keep in mind: We must keep the wage rate going up all the time."

But those two things go pretty much together. It is not possible to have prices of commodities going down and wages going up.

Mr. McNAMARA. A good many extraneous matters have been brought up as a result of my speech; but I shall be glad to discuss them today or tomorrow with the Senator from New York when he makes his remarks.

Mr. KEATING. I think we shall have to come forward with some suggestion. I am happy to have heard the Senator's speech.

Mr. McNAMARA. I am certain we have much in common in that regard.

Mr. KEATING. I am not inclined to think that the solution is to have the Federal Reserve return to the buying of bonds. Nevertheless, it is up to Congress to try to solve the problem.

Mr. McNAMARA. The Senator from New York and I are in complete agreement on the responsibility of Congress.

Mr. KEATING. We are bound to have some differences of opinion.

Mr. PROXMIRE. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. I yield.

Mr. PROXMIRE. The Senator from New York has raised, very interestingly, it seems to me, the question of wages. He says that if there are to be higher wages, there will likely be higher prices. I think the Senator from New York may well be correct, particularly if wages increase more than productivity increases. Now we are beginning to talk about the real causes of inflation. Rising costs of operation push up prices for one thing. For another if there is to be excessive Government spending, if there is to be a Government deficit of the kind we now have—$12 billion or $13 billion—that is a contribution to inflation. Whether an increase in the supply of money by itself, divorced from the velocity of money, will drive prices up is certainly a question which can be debated. It has not been decided definitively at all.

Mr. KEATING. Economists are not in agreement on that question.

Mr. PROXMIRE. Exactly, they do not agree.

Mr. McNAMARA. They do agree that if doctors will reduce their fees, that will help.

Mr. PROXMIRE. My conclusion is that a policy designed to cut interest rates is not necessarily an inflationary policy, even if, in the course of it, the supply of money is increased.

It does not per se, by itself, increase the cost of living. We know that any policy that cuts interest rates will also cut the cost to the consumer when he buys a house or an automobile or anything else on time. He will not have to pay as much, if interest rates go down.

I should like to clear up one other point. The Senator from New York said employment is now at an alltime peak.

Mr. KEATING. I said the number of persons employed is at an alltime peak.

Mr. PROXMIRE. As I understand, that is not quite the case. The number of unemployed was at an alltime peak for any May in history but was somewhat below the peak 1957 level, although not very much below it. Is not that correct?

Mr. KEATING. I do not think so. It is now 66 million.

Mr. PROXMIRE. I believe it was 66 million plus, in July or August 1957.

At any rate, the point I wish to make is that the percentage of unemployment is still significantly high. The fact is that today we have a larger working force and a larger population; and it is true that we can go on breaking employment records, and at the same time have a serious situation of unemployment.

Mr. KEATING. Of course, we recognize that unemployment exists.

My point is that there has been tremendous improvement in the last month. One million new jobs have been created in just the last month—an amazing increase. That has been the record for the past 3 months; and I see no reason for a downward trend.

Mr. PROXMIRE. And that increase is what the Senator from Michigan [Mr. McNAMARA] and I want so urgently to continue.

But I believe that if the rise in interest rates continues, the result will be to discourage the purchase of homes and automobiles, and to dampen the recovery, and to start a recession again.

Mr. KEATING. Of course, if I thought it would have the effect of stopping the recovery and if I thought it would have a seriously inflationary effect, rather than the effect of a reasonable increase in our general prosperity, I would share the Senator's views about it. But I do not see that in the picture at the present time.

Mr. McNAMARA. Mr. President, I yield the floor.

Mr. KEATING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Without objection, it is so ordered.

THE ST. LAWRENCE SEAWAY

Mr. LANGER. Mr. President, when the St. Lawrence Seaway was opened, I inserted in the CONGRESSIONAL RECORD my views as to the importance of the Seaway to industry and transportation in the areas contiguous to the Great Lakes and to the Dakotas. I pointed out that it will help our many industries in North Dakota and aid in bringing industry to the State, such as the use of the vast supply of lignite in the State in the production of aluminum and iron under an industrial complex program.

There has been brought to my attention by the Committee of American Steamship Lines, Washington, D.C., a factual statement entitled, "Upper Midwest and America's Merchant Marine Are Silent Partners in World Trade." It contains some very interesting facts as

to the good it is going to do for the States of North Dakota, South Dakota and Minnesota.

I ask unanimous consent that this statement be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

Senators, especially those from the Midwest, will find it very informative.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UPPER MIDWEST AND AMERICA'S MERCHANT MARINE ARE SILENT PARTNERS IN WORLD TRADE

On May 19–20, during World Trade Week, America's merchant marine will salute Minnesota—a great new coastal State—and the Twin Cities—industrial heart of the upper Middle West.

The 2-day event is sponsored by the Minneapolis area and St. Paul Chambers of Commerce in cooperation with the Committee of American Steamship Lines. Members of the committee are the 14 American-flag lines which sail 312 passenger and cargo ships on the Nation's essential foreign trade routes under operating contracts with the Government.

Bringing an important world trade message to the Twin Cities will be steamship executives from all U.S. coasts. They will spotlight the area's dependence on foreign trade and the American merchant marine. They will journey inland 1,500 or more miles from the sea to tell a foreign trade story that means jobs to tens of thousands of farmers, miners, and manufacturing workers in the North Star State, and in North Dakota and South Dakota as well.

They will tell how foreign trade is more important to the upper Midwest than ever before, enhanced by the opening of the St. Lawrence Seaway, America's fourth coast, which will link Minnesota and ocean highways to the world's far flung trading centers.

Present during the 2-day visit will be steamship industry leaders from the 14 contract lines, including Grace Line and American Export Lines, the only two American steamship companies to date to provide regularly scheduled world trade service from Great Lakes ports. First U.S. merchant ship to enter the Seaway on April 27 was Grace Line's *Santa Regina*. American Export Line's *Extavia* was the second American vessel in the Seaway.

Heading the steamship operators, representing some of the oldest and most important shipping interests to serve this country in peace and war, will be Lewis A. Lapham, Grace Line president and chairman of the Committee of American Steamship Lines.

Their foreign trade story will directly or indirectly affect the lives of every one of the 4.7 million inhabitants of Minnesota, North Dakota, and South Dakota.

Here are a few of its highlights—facts recently compiled by the steamship committee:

In Minnesota, 375,000 workers—including 200,000 on farms—depending on foreign trade for a living in 1957, latest available year for figures. The State's share of farm exports of four crops alone—wheat, soybeans, corn, and barley—totaled $77 million. Its share of the country's oversea shipments of only four manufactured goods—machinery, chemicals, fabricated metals, and paper and paper products, totaled $86 million. Its share of exported processed foods totaled another $40 million.

Altogether, Minnesota's share of the country's exports of these categories alone came to $203 million.

Seventy percent of the iron ores that the U.S. steel industry consumes are produced by more than 20,000 miners in Minnesota, who earned $119 million in 1957. They have a vital stake in all U.S. exports of machinery, autos, aircraft, and fabricated metal products—worth $9.4 billion in 1957.

Narrow the statistical spotlight to the Twin Cities and the foreign trade picture is in even clearer focus. For example, one out of every eight persons walking down the street in Minneapolis or St. Paul is a manufacturing worker. In six industrial classifications alone, there are 112,000 Twin Cities' manufacturing workers—two out of every three—whose jobs depend on exports, worth $87.5 million.

Importance of exports to Twin Cities' key industrial firms is revealing too.

E. J. Longyear Co., for example, sends 60 to 70 percent of its production overseas. General Mills and Pillsbury export 15 percent of their total flour output, and International Milling Co., some 20 percent. D. W. Onan & Sons export 20 percent of their generating units while Toro Manufacturing Co. equipment mows lawns in 75 countries.

Also, loss of exports would mean an immediate reduction of 25 percent of the working force of Napco Industries—exporters of Federal trucks and parts. Cuban fishermen power their craft with outboards by Scott-Atwater, and plows, threshers, and tractors from Minneapolis-Moline are found on farms from Australia to the Middle East. Archer-Daniels-Midland, with Twin Cities headquarters does a farflung export-import business with 60 countries through its 150 U.S. plants and elevators.

Talk about the combined effect of foreign trade on Minnesota, North Dakota, and South Dakota and its benefits virtually blanket the three-State area. To elucidate:

The 400,000 farmers and farm employees working on the 260,000 farms in Minnesota and the Dakotas rely on foreign trade. Their share of exports in 1957 was $224 million worth of wheat, corn, barley, and oats. For 90,000 of these farms—classed as "cash grain" farms by the Department of Agriculture and receiving at least 50 percent of their income in grain sales—their $224 million export share represents $2,500 per farm.

All told, some 580,000 Minnesota and Dakota farm and factory workers out of a total work force of 1.7 million are employed in production industries that stamp $443 million worth of goods for destination overseas.

Industrial plants in Minnesota and the Dakotas would be seriously crippled and their payrolls cut if it were not for imports, many of which are brought in by American merchant ships. (A 1958 Department of Commerce study shows the United States is some 50 to 100 percent dependent on imports for 94 different raw materials.)

Ship-borne imports are essential to the more than 6,000 manufacturing plants in Minnesota and the Dakotas. During 1957, these plants employed 242,000 workers whose total earnings were nearly $1.15 billion.

Some of the 60,000 workers in the metal-using industries in the three States could well worry about being unemployed if it weren't for imports. In 1957 the United States imported 130 million tons of ore consumed by its steel mills. If these imports were ship loaded at one time, a fleet of 1,600 extra-big 20,000-ton capacity ships would be required.

Minnesota-Dakota farmers who own 205,000 trucks, 339,000 cars, and 481,000 tractors, might find these essentials hard to come by if it were not for the 250 imported raw materials that ships bring to America's motor transport industry.

Imports of food and everyday household needs are vital to homemakers—and to the livelihood of retailers and wholesalers distributing them. In 1957, the three States had more than 307,000 workers earning $1.05 billion in the wholesale and retail trade. Home products imported in total or in part included everything from coffee, cocoa, chocolate, and spices to mahogany, flax, cork, and wool for suits.

The story, then, to be told by steamship executives in the Twin Cities, May 19–20, is one of economic health for the upper Midwest. For 95 percent of the overseas trade that moves in and out of these States rely on ocean ships for transport.

The American merchant marine is therefore a lifeline between these States and world markets—a silent trade partner that helps assure Minnesota and the Dakotas, as well as the rest of the Nation, of continued economic stability.

FOOD PRODUCERS NEED IMMEDIATE HELP

Mr. YARBOROUGH. Mr. President, the consensus of opinions expressed at the National Watershed Congress which met in Washington recently was that long-range programs for improving land and research work on ways of improving agriculture should be carried on.

The reason is that in less than a generation, with foreseeable population growth, surpluses could easily become shortages.

We have realistic examples of food shortages in other parts of the world today, and I am sure everyone agrees we should do everything in our power to prevent such a situation from occurring here in our own country.

Food producers who are experiencing financial difficulty are in no position to carry out their share of programs looking toward a better food supply situation to meet the demands of tomorrow.

In particular, many producers of poultry, eggs, hogs, and milk are in trouble at this moment. These family-sized farmers and small businessmen have asked for a way of helping themselves. They have applied for loans from the Federal Small Business Administration but have been declared ineligible. This ineligibility ruling is made in spite of the fact that such loans are being made to persons packing, handling, and marketing these products.

Not only does this seem highly unfair, but, in the light of the needs which will be making themselves felt in the very near future, it seems extremely shortsighted.

I believe steps should immediately be taken to correct this injustice and to help these farmers and businessmen to provide vitally needed portions of our diet.

Chickens and eggs are cheaper now than they were a few months ago, and that is one of the prime reasons why the cost-of-living index has gone down. These two items are helping to pull down the very high cost of living. But if we deny credit to the producers of poultry products, we will force them out of the market, and we can expect the prices of those products to rise, thus starting up again the cost-of-living spiral.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a resolution adopted by the Texas House of Representatives, with the Senate concurring, on April 2, 1959, asking that some solution to this problem be found quickly.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION 48

Whereas many producers of poultry, eggs, hogs, and milk are in need of financial backing which is not available at private financial institutions; and

Whereas such producers have, by administrative ruling, been declared ineligible to obtain loans from the Federal Small Business Administration; and

Whereas persons packing, handling, or marketing these items are now receiving loans from such Administration: Now, therefore, be it

Resolved by the Texas House of Representatives (the Senate concurring), That we respectfully request the executive and legislative departments of the Federal Government to issue the necessary administrative ruling or to pass the necessary legislation making poultry, egg, hog, and milk producers eligible for loans from the Small Business Administration; and be it further

Resolved, That a copy of this resolution be forwarded by the secretary of state to each Member of Congress from the State of Texas.

BEN RAMSEY,
President of the Senate.
WAGGONER CARR,
Speaker of the House.

I hereby certify that House Concurrent Resolution 48 was adopted by the house on April 2, 1959.

DOROTHY HALLMAN,
Chief Clerk of the House.

I hereby certify that House Concurrent Resolution 48 was adopted by the senate on May 12, 1959.

CHARLES SCHNABEL,
Secretary of the Senate.

Mr. NcNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

TAXATION OF LIFE INSURANCE COMPANIES—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, I ask that the conference report on the insurance tax bill be laid before the Senate.

Mr. BYRD. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4245) relating to the taxation of the income of life insurance companies. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of June 10, page 10405.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSON of Texas. Mr. President, I should like to ask the very distinguished and able Senator from Virginia, who is chairman of the Committee on Finance, if the conference report is unanimous?

Mr. BYRD of Virginia. It is unanimous.

Mr. JOHNSON of Texas. It is agreed to by all members of the Senate conferees and all members of the House conferees?

Mr. BYRD of Virginia. All signed the conference report.

Mr. JOHNSON of Texas. I ask the Senator from Virginia how much money is involved in taxes in connection with the conference report?

Mr. BYRD of Virginia. Five hundred million dollars annually.

Mr. JOHNSON of Texas. This represents an increase over what is now being obtained, does it not?

Mr. BYRD of Virginia. Yes.

Mr. JOHNSON of Texas. To what extent?

Mr. BYRD of Virginia. There is now being obtained $325 million. This measure represents a 60-percent increase.

Mr. JOHNSON of Texas. So, it will bring into the Treasury, over and above what is now coming into the Treasury, approximately $175 million?

Mr. BYRD of Virginia. Yes; and the amount will increase in years to come.

Mr. JOHNSON of Texas. Is this the bill on which the Senator's committee held extended hearings?

Mr. BYRD of Virginia. We held hearings on it for 2 months.

Mr. JOHNSON of Texas. And it was unanimously reported by the committee?

Mr. BYRD of Virginia. It was unanimously reported by the committee.

Mr. JOHNSON of Texas. Mr. President, I did not agree with all the provisions of the bill as reported by the committee, or as passed, or as now embodied in the conference report. But this is a substantial tax measure. It will bring in substantial additional revenue to the Federal Government.

We have followed our democratic processes, and the distinguished chairman has received the cooperation of all members of his committee, and apparently has come to an agreement with the distinguished members of the Ways and Means Committee of the House of Representatives who participated in the conference.

I congratulate him for the fine work he has done, and for the results he has obtained. I express to him the appreciation not only of the Senate, but of the entire country, for his diligence, his effectiveness, and his ability to bring men together and to submit a report like this to the Senate. I trust the Senate will act with the same unanimity with which the Senator from Virginia was able to have the Senate act on the bill previously, which unanimity prevailed also in the conference.

This measure will be one of the substantial achievements of this Congress. I hope this measure will receive the approval of the President. I gather that the conference report has already been acted upon in the House of Representatives, inasmuch as the bill originated there. I understand that, generally speaking, the conference report is not at variance with the recommendations of the President.

Mr. BYRD of Virginia. That is correct.

Mr. JOHNSON of Texas. I commend the Senator. I thank him. I would appreciate it if he would give a brief explanation of the conference report; and, if there is no objection to acting upon it, I think we can do so without a yea-and-nay vote. I think it is important that the bill be sent to the White House at the earliest possible date.

Mr. BYRD of Virginia. I thank the distinguished majority leader.

I may say at the opening of my remarks that this measure will establish a permanent system of taxation of life insurance companies. We have been on a temporary basis since 1942, and have been compelled from time to time to enact stopgap legislation.

The House conferees agreed to all of the Senate amendments, with certain clerical and technical changes, with the exception of the following:

Senate amendment No. 10, which was offered by the Senator from Nebraska [Mr. CURTIS], provided for a 10-percent reduction in the amount of income subject to tax under phase 2 where the gain from operations for the year 1958 exceeded the taxable investment income for that year by more than a certain percent. The Senate conferees were forced to recede on this amendment as the House conferees were unwilling to accept it.

Senate amendment No. 20 provided that losses sustained during the first 5 years by a new company may be carried forward 10 years. The House conferees insisted that the period of carryforward be restricted to 8 years instead of 10 years, and the Senate conferees were forced to recede and agree to the 8-year period. I may say, Mr. President, that that section of the bill was to aid small and growing insurance companies.

Senate amendment No. 11 provided that in determining the policy and other contract requirements, the average earning rate for taxable year shall be the average rates for the taxable year and each of the 4 taxable years immediately preceding such taxable years. The House conferees objected to this provision and insisted on the House bill, which provided a deduction rate based upon—first, the average rate of interest assumed by the taxpayer in calculating life insurance reserves—or, if higher, the industry assumed rate for the prior year—and second, the investment yield rate—referred to in the Senate amendment as the "current earnings rate."

The Senate conferees objected to the use of an assumed rate entering into

the computation. A compromise was reached under which the House conferees accepted the 5-year average earned rate, provided in the Senate bill, unless for the taxable year the current rate is lower than the companies average earnings rate. In such a case, the current earnings rate will be substituted for the average earnings rate. Thus the Senate conferees were able to retain the full concept of an earnings rate, and the 5-year average of the Senate rate will continue to apply until the earnings rate for a particular year drops below the 5-year average, in which case the current earnings rate will be substituted for the 5-year average.

The House conferees accepted the Senate amendment with respect to variable annuities with certain technical changes. Since in the case of variable annuities, the rate is fixed by the contract, the modification adopted the contract rate instead of the 5-year average provided in the Senate bill.

I am glad to report to the Senate that the House conferees accepted the Senate amendment relating to tax-exempt interest. This amendment provided that if it is established in any case that the application of the definition of taxable investment income results in the imposition of the tax on any tax-exempt interest, or any amount of partially tax-exempt interest which is allowable as a deduction, or of any amount of dividends received which is allowable as a deduction, adjustment shall be made to prevent such imposition.

On the whole, the conference was a satisfactory one—most of the Senate amendments prevailed—and I feel now that we have at last arrived at a permanent formula for the taxation of life insurance companies.

Mr. JOHNSON of Texas. Mr. President, I should like to observe that when I first came to Washington, almost 30 years ago, one of the men who had been here a long time then and who is still here, said to me that no Member of Congress is any better than his staff.

That certainly applies not only to our individual offices and to the staff of the Senate, but particularly to the staff of committees. I wish to take this occasion to express the gratitude of the Senate for the leadership of Mr. Colin F. Stam, who serves so effectively and diligently in connection with all subjects of taxation, and who has been a tower of strength to the Members of the Senate.

I also wish to express my personal gratitude to Mrs. Elizabeth Springer, the chief clerk of the Committee on Finance, who has been a strong right arm to all of us. She is always gracious and always courteous. I know of no better public servant anywhere.

Finally, I think that if I were to try to find an appropriate birthday present for HARRY BYRD—and certainly he is entitled to a birthday present—I am sure the thing he would appreciate more than anything else would be seeing some extra money coming into the Federal Treasury, and maybe the cutting of some appropriation bills.

I have been busy all afternoon trying to find some appropriation bills which we could cut below the budget estimates, while the Senator from Virginia has been trying to bring in some additional revenue. It is with a great deal of pleasure that I observe that this very youthful Senator from Virginia is celebrating another birthday anniversary today. This is an additional monument and a real present that we can give to HARRY BYRD.

I do not always agree with the Senator from Virginia [Mr. BYRD] or with the Senator from Delaware [Mr. WILLIAMS], but I always respect their sincerity, their effectiveness, and their desire to do right. They work very effectively together. It is another demonstration of their willingness to help their country first and to do a good job. I am grateful for it.

Mr. BYRD of Virginia. I thank the distinguished Senator. It is a very happy birthday for me.

Mr. JOHNSON of Texas. I wish to commend each member of the committee, both majority and minority, particularly the chairman and the ranking minority member, for the success we have obtained in this important field.

Mr. KEATING. Mr. President, first I should like to join in paying tribute to the staff of the committee, which is so very helpful to all of us. Second, I wish to assure the majority leader that on this side of the aisle the Republicans join with him in this effort to give HARRY BYRD a birthday present he would like most. I am sure that this will be a bipartisan offering, and the Republicans will in no respect stint in their efforts to join with the majority leader in his nonpartisan effort to give a birthday present to our distinguished friend from Virginia, who so much deserves it. I know I express the wish of every Senator that he will have a long and continually useful and fruitful life.

Mr. JOHNSON of Texas. I thank the acting minority leader. I should like to observe that I believe the Senator from Virginia looks younger today than he did when he started early in March before he had taken 704 pages of testimony. I think it is really good for him to have these hearings. He does a remarkable job.

Mr. WILLIAMS of Delaware. Mr. President, I wish to join the majority leader in paying respects not only to our staff but also to one of the greatest Americans I have ever had the privilege of serving with in Congress, Senator BYRD of Virginia. Certainly not only those of us who serve with him, but the State of Virginia and the country as a whole owe a deep debt of gratitude to Senator BYRD for the job he has done for all of us.

Mr. CURTIS. Mr. President, I should like to join with millions of people all over the country in wishing HARRY BYRD well. He is indeed one of the pillars of this Republic. He is one of the most popular U.S. Senators in the State of Nebraska and every other State. We wish him a very happy birthday anniversary and we commend him for the extremely valuable service he has rendered to our country, and for the maintenance of national solvency, which will bless mankind down through the years.

Mr. JOHNSON of Texas. I thank my friend.

Mr. THURMOND. Mr. President, I wish to ask the distinguished Senator from Virginia a question about the conference report. As I understand from the report, county and municipal bonds will not be taxed under the bill. Is that correct? Is that the Senator's construction?

Mr. BYRD of Virginia. That is my construction. There is a proviso that if by any chance under the bill they should be taxed, necessary steps will be taken to refund the tax.

Mr. THURMOND. I thank the Senator.

Mr. BYRD of Virginia. That provision was not changed in conference.

Mr. THURMOND. I thank the distinguished Senator for furnishing that information. I was vitally interested in it. I believe it means a great deal to the people of our Nation to preserve our State municipal bonds untaxed by the Federal Government.

Mr. BYRD of Virginia. I agree with the Senator from South Carolina.

Mr. THURMOND. While I am on my feet, I wish to take the opportunity to extend to the Senator from Virginia my cordial congratulations on his birthday anniversary. I only wish our country and Congress had more people like HARRY BYRD of Virginia, for he is looked upon in this country as one of the greatest financiers and one of the greatest statesmen the United States has produced. I am proud to claim his friendship. I am always glad to cooperate with him in any way I can, because I know that he stands for the betterment of our Nation.

Mr. BYRD of Virginia. I thank the Senator from South Carolina.

Mr. FREAR. Mr. President, I just had occasion to learn that this is the birthday anniversary of our great and able chairman of the Committee on Finance. Upon reflection, I want to congratulate him on the 39th anniversary of his birth. [Laughter.] I may say also that I have enjoyed being under his command on the Committee on Finance. He has been very strongly devoted to the principles to which he has subscribed during his life.

There is only one little thing I might say in retrospect, namely, that if age might have mellowed him, along with certain conditions, it would also help the junior Senator from Delaware on a specific piece of legislation. [Laughter.]

Mr. JOHNSON of Texas. Mr. President, may we have action on the conference report?

THE PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

BIRTHDAY ANNIVERSARY OF SENATOR BYRD OF VIRGINIA

Mr. BYRD of West Virginia subsequently said: Mr. President, a little earlier today the distinguished majority

leader called attention to the birthday of one of our colleagues.

As a neighbor of the senior Senator from Virginia [Mr. BYRD], I should like to join my friends here in complimenting and extending congratulations and best wishes to him on the occasion of his birthday anniversary.

For a long time before I came to this body, I had heard of Senator BYRD of Virginia. I had heard of his excellent administration as Governor of the Old Dominion. I had had occasion to hear of his apple orchards. I had formed a very high opinion of this distinguished servant of his people. Since I have come to be a Member of the U.S. Senate, my impressions of him—which earlier were formed—have been substantiated tremendously.

Today, as the junior Senator from West Virginia, I wish to say concerning my neighbor from Virginia that my senior colleague and I wish for him many happy birthdays, and we trust that he will have the opportunity to continue his very distinguished service to the people of his State and to the people of the Nation.

My thoughts can be most adequately conveyed by a bit of verse which I think expresses the views of most West Virginians toward Senator HARRY BYRD, who was born in our State of West Virginia:

The roses red upon my neighbor's vine
Are owned by him, but they are also mine.
His was the cost, and his the labor, too,
But mine as well as his the joy, their loveliness to view.

They bloom for me and are for me as fair
As for the man who gives them all his care.
Thus I am rich, because a good man grew
A rose-clad vine for all his neighbor's view.

I know from this that others plant for me,
And what they own, my joy may also be.
So why be selfish, when so much that's fine
Is grown for me, upon my Virginia neighbor's vine.

Mr. KEATING. Mr. President, will the distinguished Senator from West Virginia yield to me?

Mr. BYRD of West Virginia. Yes, I yield to my delightful friend.

Mr. KEATING. I have heard my distinguished friend hold forth in this vein before, and I want to compliment him. I think we should consider creating the position of poet laureate of the Senate, and my nominee is the distinguished junior Senator from West Virginia.

Mr. BYRD of West Virginia. I thank the junior Senator from New York, whose friendship I treasure, and shall always cherish. I appreciate those kind remarks. In return, to him I should like to dedicate another little bit of verse:

Wouldn't this old world be better
If the folks we meet would say—
"I know something good about you"
And treat us just that way?

Wouldn't it be fine and dandy
If each handclasp, fond and true,
Carried with it this assurance—
"I know something good about you."

Wouldn't life be lots more happy
If the good that's in us all
Were the only thing about us
That folks bothered to recall?

Wouldn't life be lots more happy
If we praised the good we see?
For there's such a lot of goodness
In the worst of you and me.

Wouldn't it be nice to practice
That fine way of thinking, too?
You know something good about me,
I know something good about you?

Mr. KEATING. I want to express my gratitude to the distinguished Senator from West Virginia, but, in order that the RECORD may be perfectly clear, the poem rendered by the Senator from West Virginia was unsolicited. I had no idea when I rose to compliment the Senator that I would be so graciously rewarded.

Mr. BYRD of West Virginia. I thank the Senator from New York. Poems are always best when they are unsolicited, and it does not come with any great deal of difficulty for me to quote a bit of verse when I think of the charm and the gracious, fine manners always exemplified by my friend, the distinguished junior Senator from New York. I know that he joins with me in saying to Senator HARRY BYRD, a great Virginian and a great American, on the occasion of his birthday:

Count your garden by the flowers,
Never by the leaves that fall.
Count your days by the sunny hours,
Not remembering clouds at all.

Count your nights by stars, not shadows.
Count your life by smiles, not tears.
And on this beautiful June afternoon
Count your age by friends, not years.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move the Senate resume the consideration of executive business.

The motion was agreed to; and the Senate resumed the consideration of executive business.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

COAL RESEARCH AND THE FUTURE OF THE COAL INDUSTRY

Mr. BYRD of West Virginia. Mr. President, early in this session of Congress, nine of us joined with the distinguished minority leader in introducing S. 49. That bill would encourage and stimulate the production and wise use of coal in the United States, through research and development, by creating an independent Coal Research and Development Commission in the executive branch of the Government. I shall return later to a discussion of the makeup, as well as the duties, responsibilities, and functions of the proposed commission.

Some of my colleagues, not being from major coal producing areas, may be wondering why those of us who are from coal areas should be so seriously interested in a new deal for coal research. There are several good reasons for our intense personal interest. These are perhaps even better reasons why the people of the United States, the U.S. Government, and especially the Congress of the United States, should be vitally interested.

First and foremost is the fact that coal is one of our truly great natural resources. Useful though it has been in the past two centuries, its promise for the future, for hundreds if not thousands of years ahead, is truly fabulous. Not only is it relatively widely distributed and of a considerable variety of types and qualities, but it is also abundant. There are at least 27 States with important reserves. Remaining U.S. coal reserves of all types amount to about 1,900,000,000,000 tons. Just count all of those zeroes—it means nearly 2 trillion tons. Of that amount, something like one-half or about 950 billion tons are estimated to be recoverable. That is 950 billion tons. At present, in most periods 1 billion tons serves the United States for all uses, including coal's part in powering the world's top industrial machine, for about 2 years. It can be seen that even if we step up usage substantially, there is a large enough reserve of coal estimated to be recoverable to last a long time. Technology now in the experimental stages may make it possible to utilize some narrower veins not now recoverable.

There is so much of it that there seems little reason to burden Senators with figures on estimated reserves in particular States. Lignite and semibituminous types are particularly abundant in certain areas in the western half of the country. Illinois, Kentucky, West Virginia, and Pennsylvania are especially well supplied with bituminous reserves. Antracite coal is still another matter. Really, what I am emphasizing is not only that we have very large amounts of coal in reserve, but that it is a diverse substance from place to place and age to age; information on some aspects of many coal formations or measures is still largely sketchy and inadequate, if not entirely unavailable.

We might even go so far as to say that, fortunately, it is not a simple substance, but of many grades and ranks. It is a highly complex macromolecule, composed of varying amounts of liquid hydrocarbons, solid carbon, deleterious elements such as sulfur and inert materials or ash. If we want to be somewhat more technical, we can describe the hydrocarbons in coal as ring-shaped compounds, known as aromatics, that lie loosely in a hexagonal lattice structure, much after the pattern of a chicken-wire mesh.

Broadly speaking, based on present knowledge, there are four levels of elements in coal which are important in the industrial world. First, there is the level of relatively cheap hydrocarbon gases, which are used for the production of aliphatic chemicals, ethylenes, acetylenes, and so forth. The volume of production of these gases can be varied

through engineering processes. Second, there is a small range of solids, such as pitch, which can be turned into high-grade metallurgical coke, an increasingly scarce item. Third, there is a wide range of medium-priced volume chemicals, such as benzene, phenol, naphthalene, cresols, and analine, which can be used in a variety of products, such as plastics. Finally, there is a great range of heretofore little-used and high-priced chemicals, such as acenaphthene and indole. In the fly ash of bituminous coals there have been found many of the rare-earth minerals; notably among them is germanium; but nickel and many other elements could be extracted. Great potential uses for at least some of coal's constituents are anticipated by coal researchers—uses which will be highly beneficial to the national economy and to the standard of living of the United States.

That, I say, is based on present information. We just do not know very much about coal yet, in spite of having made some use of it for most of two centuries.

To quote from a very recent authoritative statement, "Findings and Recommendations of the Special Subcommittee on Coal Research," report of the Committee on Interior and Insular Affairs, House of Representatives, Report No. 1263, 85th Congress, 1st session, Washington, 1957, page 60:

> The subcommittee finds that so little is known about coal, including such fundamental factors as its origin, composition, properties, and chemical behavior, that opportunities for research leading to the most effective and efficient utilization of this great resource are almost unlimited.
>
> Considering the complex nature of coal and of the problems faced by the coal industry, the amount of research and development work conducted in the past has been pitifully inadequate. The coal industry is decades behind the petroleum and other growth industries in research and development.

That, Mr. President, is a primary reason why we must have increased coal research. It is a versatile raw material. It will not only serve as a fuel; but more important in the long run, it will support other uses and offer benefits almost unlimited, if only we will take adequate steps to learn more about it, its nature, especially its chemical nature and the many possible derivatives. That is the great glorious future of coal, if only we are wise enough to explore it and develop it. The western frontier of our youth may be gone, but the research frontier is just beginning to open up.

I would not have Senators think that there are no other major reasons for stepped-up coal research. The coal industry is at present a depressed industry. Some have called it a sick industry. There are several reasons for its trouble—most of the reasons appear to be short term, but the results are nonetheless painful. Fuel uses of coal have been in part displaced, not so much absolutely as comparatively. Illustrations come to mind not alone from transportation and home heating, but from industry.

In 1947 coal still supplied about 50 percent of this country's total energy supply. Now it is down to 25 to 30 percent of the total. Railroad transportation, which at its peak required about 150 millions tons per annum, has been almost completely lost. The use for home heating is nearly gone. Metallurgical requirements have increased. Use of coal in generating electric power also has increased substantially; since 1947 the increase in this use has absorbed about 70 percent of the railroad transport loss.

With the exception of the waterpower, the competitive liquid hydrocarbons and natural gas are exhaustible resources—not this year or next, but apparently in, at most, a few decades. Coal reserves as Senators will recall, are measured in centuries at least. But the short-term effects of decreased use on the coal industry, in terms of unemployment, bankruptcies, low incomes, family distress, and even withered communities, are overwhelmingly disastrous.

This can be documented in community after community in my State and in several other States. Possibly a majority of the communities now officially designated as labor-surplus areas, core areas of distress, for which concentrated effort will presumably be made under the area redevelopment proposals, if ever we should have an adequate program of that sort, are basically coal-depressed areas.

In 1957 there were 8,539 bituminous coal mines in operation; in 1958 there were 7,588 such mines producing. Production was down from a peak of about 631 million tons in 1947 to about 493 million tons in 1957 and a preliminary estimate of about 400 million tons in 1958. Average daily employment declined from 228,000 in 1957 to about 190,000 in 1958. In West Virginia a decade or so ago there were about 125,000 miners employed in bituminous coal; in 1957 it was about 57,000; now it is more nearly 48,000 or even fewer.

It has been a period of rapid mechanization—so coal produced per man-day has risen sharply. By comparison with other important producing countries, our mines are very efficient in terms of man-hour coal output. Mines have been closed; companies have consolidated; production has been concentrated on the thicker, more easily mechanized veins.

There are those who hold that time will solve the problem—that petroleum and natural gas will become scarce and high priced, that population will grow vastly. Such complacency is not for me. If the coal industry is to be a strong, vital, efficient supplier of this country's needs in 1975 or the year 2000, it must first solve its present problems of growing up and living so as to survive what is currently a near crisis in its economic condition.

A good case can be made out that the long-term interest of the Nation with respect to coal coincides with its short-term interest. This industry contributes something like $5 billion annually to the national economy and supports, directly or indirectly, something like 2 million people. Shipments from mine to market account for about $2 billion of the revenues of carriers. Twenty-one States have a producer's interest in coal. These are big figures; the interest is nationwide, but in its broader sweep is relatively impersonal. For some of us the situation becomes pathetically personal.

The coal mining town and surrounding countryside all too often is a one-industry affair; when one, two, or more coal mines close down, or even curtail operations for lack of orders, the whole community suffers. And, if the State has many such coal communities, the State finds itself hard up.

Meanwhile, only a relatively small percentage of the total coal production is used as chemical raw material—that is the rainbow on the horizon, the promise of rejuvenation, of new life for a depressed industry. Research, more research, is the magic word, the vital catalytic agent in transmuting the gross black lump into sheer fabric or potent drug, or any one of a thousand items we need and could and would use. The shift toward increased use of coal in the chemical industry would seem to be indicated in any case. Only by speeding up the process with a crash program of effective research can the distress be relieved within anything equivalent to the present working life of many of those who are now unemployed. They are not trained for other work and are, in many instances, perhaps too old to shift elsewhere. If, as some anticipate, atomic power, or some other new breakthrough on the energy supply front should be anywhere near at hand, it is even more necessary that coal research, particularly with respect to chemical uses, should proceed full speed ahead, if the distressed industry is not to find itself overwhelmed with utter ruin. As a raw material for many important chemicals, it might indeed prove to be of more worth to man than as a fossil fuel—but, if it is to serve the new chemical age, we must know more about it, its chemistry and the commercially feasible derivatives thereof, all within a relatively short time.

S. 49 would provide a crash program of research and development for the coal industry. That bill is not, however, something which has been put together in a hurry. In essence it dates back at least as far as the careful work of the Special Subcommittee on Coal Research in 1957. Our chosen instrument for this crash research program is an independent commission of three members experienced in industrial-type research. They would be appointed by the President, with the advice and consent of the Senate, for 3-year terms, except that initial appointments would be staggered to provide some continuity. Removal would be by the President, only for specified causes. Pay would be in line with that accorded more or less equivalent Government positions.

Duties and functions, insofar as they are spelled out in S. 49, are broad, falling generally in the "formulate," "develop," "execute," "activate" categories. In other words, they are to get a job done. The job as noted in section 4 is an overall research program designed but not limited to: First, develop new and more effective uses for coal; second, improve and expand existing uses of coal; third, reduce the cost of coal production

and distribution; and, fourth, emphasize those developments in uses for coal of particular value to small coal producers.

The scope of the methods and activities which the Commission might use would include actually conducting research, but only when it is unable on reasonable terms and conditions to contract or otherwise provide for such research to be conducted by any other qualified organization. Though provision is made for a staff insofar as it may prove to be necessary, emphasis obviously would be upon contracting, and upon coordination of available research information. All information resulting from the contracts and otherwise, including patents, would be in the public domain. Initiation, cooperation, coordination, and avoidance of duplication are key concepts. Cooperation with industry and with other governmental agencies, whether Federal or State, is emphasized. The Commission is given authority to create such advisory committees as it deems necessary, with some advice thereon from the Attorney General, the Federal Trade Commission and the Small Business Administration. Such advisory committees would be purely advisory, but nevertheless some rather detailed provisions are included as to representation thereon and operation procedures thereof. The proposed authorization as to funds would be related to such sums as may be necessary to carry out the purposes of the proposed act.

Some may well ask why we do not have the job done by the Bureau of Mines. I think we must agree with the Coal Subcommittee, in its summary of the situation, which was in essence that the Bureau of Mines has performed much valuable and outstanding coal research work, but that a relatively small amount of it has been directed toward assisting the coal industry as a whole with its immediate or short-range problems.

Perhaps this scientific "fixation" of the Bureau may be illustrated by quoting from the appropriations hearings for fiscal 1960 with respect to recent accomplishments:

> In the bituminous coal program, during the past year, advances were made in both the Fischer-Tropsch and coal-hydrogenation methods of producing gases and liquids from coal. New sources of coking coal were determined and advances made in the technology of low-temperature carbonization and coal gasification. The program also provided coal analyses that served as the basis for all Federal coal purchases, developed new analytical techniques, described new coal mining and preparation techniques, and provided detailed data and trends on production, distribution, and utilization of bituminous coal, coke, and related commodities. The safety of permissible explosives was assessed, and research was conducted on the explosibility of gases and dusts and in the experimental coal mine on incendivity of explosives and methods of fighting mine fires.
>
> Under the anthracite coal program, several cooperative mining research projects have shown such encouraging results it is felt that from them will emerge new mining techniques which will substantially improve safety conditions and reduce costs by increasing output per man-day. Preliminary tests were made on determining the most efficient method of cleaning fine-sized anthracite, for which substantial new markets are being developed in the metallurgical and chemical industries. (U.S. House, hearings, subcommittee of the Committee on Appropriations, 86th Cong., 1st sess., 1959, p. 236.)

With respect to the year ahead, the new budget requests $6,216,000 for the conservation and development of bituminous coal by the Bureau of Mines, as compared with $6,110,000 in the current fiscal year and $5,929,714 in the previous year. For anthracite conservation and development the request is $938,000, as compared with $930,000 in fiscal 1959 and $816,000 in fiscal 1958. The only changes in program specifically mentioned for fiscal 1960 are as follows:

> The research program on underground gasification conducted at Gorgas, Ala., will be discontinued in 1960. The funds will be used to work on hydraulic transportation of coal from face to tipple, prevention of formation of acid mine water, degasifying coalbeds, and study of the performance characteristics of commercial coal-cleaning equipment.
>
> No other major changes in the conservation and development of mineral resources program are contemplated. (U.S. House, hearings, subcommittee of the Committee on Appropriations, 86th Cong., 1st sess., 1959, p. 237.)

That is not useless work, nor does it lack considerable significance. Yet it would seem clear enough that it has not rendered assistance to most coal producers in solving their major short-range problems—that of maintaining and expanding existing markets and creating new markets for coal. Nor does it provide the crash program emphasis on coal as a chemical industry raw material which we estimate is needed now.

It should be noted that at the time of the 1957 Coal Research Subcommittee hearings the Bureau of Mines did indicate that they could increase their research program immediately, without first acquiring additional laboratory space, to utilize an additional $1 to $2 million per year, and over a 3- or 4-year period to utilize as much as $4 million more per annum, if qualified professional personnel could be obtained.

Perhaps we can summarize this part by saying that, as might reasonably have been anticipated, the Bureau of Mines has not been inclined to look with favor upon the proposed independent Commission. The Bureau would have research and development programs expanded through projects carried out individually and separately by the Federal Government, with special reference to conservation, basic science, health and safety, and so forth, and by private interests, using independent sources of funds, to develop commercial applications. We can only say that their approach has not given the results we must have.

At that point there will be those who ask why the coal industry does not do its own research. A brief answer is that it appears to have done so within existing limits, but again, not enough. Non-Federal research groups are credited with having contributed significantly to most phases of coal research; universities, trade associations, private nonprofit organizations and the industry itself are aware of certain problems, have made contributions thereto and are still working. For example, the Special Subcommittee on Coal Research stated that excellent progress has been made and continues to be made by equipment manufacturers in developing improved mining and coal-burning equipment with resultant lower mining costs and increased economy in the use of coal. Some significant advances have been made in coal preparation and in other phases of coal technology.

These groups certainly represent substantial research facilities and abilities which we may presume would be additionally activated and utilized, under contract, by the proposed Commission. Yet it is perfectly obvious that they have not, under existing conditions, been able to inaugurate or carry out the crash program of research which is needed. In part this too is a matter of basic orientation, though it would appear that finances too have been a bottleneck. According to the latest information only about $17 million was channeled into coal research in 1955—of which the Federal Government provided less than $5 million. In comparison, research expenditures in 1953 in petroleum were estimated at $146 million, and in the chemical industry at $361 million. This reflects the fact that earnings in the coal industry have long been poor in most years. One survey of some of the largest, hence presumably the most efficient coal mining companies, indicates that stockholders got only 15 cents per ton for the product, low even by comparison with the 30 to 40 cents per ton which went into the welfare fund for the miners. We may wonder which part of the low-earnings, starved-research situation is cause and which effect. Only a crash research program is likely to provide the bootstraps to rescue this vital industry.

We know that our agriculture is not without its problems; but we also know that it is the envy of the world's leaders and farmers, a most significant aspect in which the U.S.S.R. finds itself almost hopelessly behind. What agricultural research in its several aspects has done for the farmer and the consumer, the proposed Coal Research Commission can undertake to stimulate on a somewhat comparable basis for coal. The independent Coal Research and Development Commission is the only type of coal research legislation which appears to have met with the approval of most of those who are interested in coal—with both the management and the labor of the industry. Reservations or suggestions, other than those by the Secretary of the Interior, have been mostly of a perfecting sort. It is time to move full speed ahead on a real research program for coal.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FORTIETH ANNIVERSARY OF SERVICE OF ARTHUR C. PERRY

Mr. JOHNSON of Texas. Mr. President, today is the 40th anniversary of the service of Mr. Arthur C. Perry to the Congress. Mr. Perry served for many years under the late Senator Morris Sheppard and former Senator Tom Connally. Prior to his coming to the Senate, Mr. Perry was an employee of Mr. Sheppard, when Mr. Sheppard was a Member of the House of Representatives.

Since the departure of Senator Connally from the Senate, it has been my pleasure and my very great privilege to have Arthur Perry associated with me. I have never known a more faithful public servant. I have never known a more honorable man. I have never known a person more dedicated to the preservation of the democratic processes.

Mr. Perry is loyal. He is diligent. He is thorough. He is patriotic. I only hope that he may be given the health and the capacity to serve the Senate for many more years.

As I stated earlier in the day, I think the Senate is very fortunate to have in its service some of the most competent, best prepared, unselfish public servants I have ever known in either public or private life. I have served in Congress, in one capacity or another, for almost 30 years.

So I pay my respects to Mr. Perry today and wish him many more years of useful service. I say this on behalf of the more than 9 million people of Texas for whom he has worked directly for many years, and the 175 million Americans for whom he labors each day.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate, as in legislative session, adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 53 minutes p.m.) the Senate, as in legislative session, adjourned until tomorrow, Thursday, June 11, 1959, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 10, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Lamentations 3: 40: *Let us search and try our ways and turn again to the Lord.*

Eternal God, our Heavenly Father, who art the inspiration of every noble longing, we are turning to Thee in prayer, for daily we are sorely vexed by problems which our finite wisdom cannot solve and by questions for which we have no satisfactory answer.

We humbly confess that again and again darkness broods upon our hearts and our minds are overwhelmed by doubts and there seems to be no hope for better things.

Grant that we may place our trembling hands in Thine for Thou dost understand, and by the guidance of Thy divine spirit we shall be led out into the clear light of day and find the way to joy and peace.

Help us to believe that Thy gracious and beneficent purposes are beyond defeat for Thy faithfulness abides forever and nothing can separate us from Thy love.

In Christ's name we offer our prayer. Amen.

The Journal of the proceedings of yesterday was read and approved.

PEACEFUL USES OF GUIDED MISSILES

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, I wish to call the attention of the House to the outstanding achievement of the United States in transporting a large number of letters by guided missile from a submarine lying off our coast some hundreds of miles to an automatic landing at an airport in Florida. All the Navy personnel, engineers, scientists, industrial firms, and the Post Office Department which made this flight possible are to be congratulated.

The flight is significant in two respects.

First. A submarine lying off the coast, whether it is American or Soviet, can direct missiles to specific targets on shore, and the missiles can carry powerful warheads. This is an important fact for our defense planners and policymakers.

Second. The time when missiles and spacecraft will be put to peaceful use is also approaching very rapidly. The *Regulus* is in effect an unmanned turbojet aircraft. But in the making are important plans both for postal rockets which can deliver letters across the ocean in less than half an hour, as well as communications satellites, on which the Science and Astronautics Committee has reported to the House, which will give secure and economical delivery of teletype and voice messages anywhere in the world.

SUBCOMMITTEE NO. 3 OF THE COMMITTEE ON THE JUDICIARY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that Subcommittee No. 3 of the Committee on the Judiciary may have permisison to sit during general debate for the remainder of the week.

The SPEAKER. Without objection, it is so ordered.

A NATIONAL LOTTERY TO PREVENT FURTHER INFLATION

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, the President's proposal to increase the interest rates on savings and Treasury bonds as an inducement for people to invest in Government securities, is absolute proof that we are in deep, serious financial trouble.

While it is true that a higher interest rate will get more individuals to invest in these types of securities, it will, at the same time, generate an inflationary trend, notwithstanding the Treasury's claim to the contrary.

Mr. Speaker, this proposal is certainly not an anti-inflationary device. If Government interest rates are increased, all other interest rates will rise also. This would soon be reflected in higher prices for the things this borrowed money finances. The higher interest rates will mean higher cost of financing the national debt. All of this spells out one sad note—a heavier tax burden on the American wage earners.

Mr. Speaker, if this were the only recourse, I would not argue. But there is another avenue for relief—a painless, voluntary and anti-inflationary way to pump additional funds into the Treasury. A national lottery would bring into the coffers of our Government enough money to solve our present financial ills and prevent further inflation.

Mr. Speaker, the time is ripe for this Congress to gather up enough courage to face the fiscal facts of life and treat a national lottery as a good, practical and sound fiscal measure. The Government is in desperate need of money and, I submit, a national lottery is the only sane and sound answer to the problem.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 74]

Baring	Gray	Preston
Barry	Gubser	Reece, Tenn.
Bolling	Healey	Rogers, Tex.
Buckley	Jackson	Teague, Tex.
Burke, Ky.	Johnson, Md.	Tollefson
Canfield	Kearns	Walter
Casey	Loser	Weaver
Davis, Tenn.	Macdonald	Withrow
Downing	Mailliard	Wright
Garmatz	Miller, George P.	
Glenn	Powell	
Goodell		

The SPEAKER. On this rollcall 403 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LIFE INSURANCE COMPANY INCOME TAX ACT OF 1959

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 4245) relating to the taxation of the income of life insurance companies, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 520)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4245) relating to the taxation of the income of life insurance companies, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 7, 8, 9, 15, 16, 17, 18, 19, 21, 24, 25, 28, 29, 30, 31, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 48, 49, 50½, 51, 52, 53, 55, 56, 57, 58, and 59, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(g) VARIABLE ANNUITIES.—

"(1) IN GENERAL.—For purposes of this part, an annuity contract includes a contract which provides for the payment of a variable annuity computed on the basis of recognized mortality tables and the investment experience of the company issuing the contract.

"(2) ADJUSTED RESERVES RATE; ASSUMED RATE.—For purposes of this part—

"(A) the adjusted reserves rate for any taxable year with respect to annuity contracts described in paragraph (1), and

"(B) the rate of interest assumed by the taxpayer for any taxable year in calculating the reserve on any such contract,

shall be a rate equal to the current earnings rate determined under paragraph (3).

"(3) CURRENT EARNINGS RATE.—For purposes of this part, the current earnings rate for any taxable year with respect to annuity contracts described in paragraph (1) is the current earnings rate determined under section 805(b)(2) with respect to such contracts, reduced by the percentage obtained by dividing—

"(A) the amount of the actuarial margin charge on all annuity contracts described in paragraph (1) issued by the taxpayer, by

"(B) the mean of the reserves for such contracts.

"(4) INCREASES AND DECREASES IN RESERVES.—For purposes of subsections (a) and (b) of section 810, the sum of the items described in section 810(c) taken into account as of the close of the taxable year shall, under regulations prescribed by the Secretary or his delegate, be adjusted—

"(A) by subtracting therefrom an amount equal to the sum of the amounts added from time to time (for the taxable year) to the reserves for annuity contracts described in paragraph (1) by reason of appreciation in value of assets (whether or not the assets have been disposed of), and

"(B) by adding thereto an amount equal to the sum of the amounts subtracted from time to time (for the taxable year) from such reserves by reason of depreciation in value of assets (whether or not the assets have been disposed of).

"(5) COMPANIES ISSUING VARIABLE ANNUITIES AND OTHER CONTRACTS.—In the case of a life insurance company which issues both annuity contracts described in paragraph (1) and other contracts, under regulations prescribed by the Secretary or his delegate—

"(A) the policy and other contract liability requirements shall be considered to be the sum of—

"(i) the policy and other contract liability requirements computed by reference to the items which relate to annuity contracts described in paragraph (1), and

"(ii) the policy and other contract liability requirements computed by excluding the items taken into account under clause (i); and

"(B) such additional separate computations, with respect to such annuity contracts and such other contracts, shall be made as may be necessary to carry out the purposes of this subsection and this part.

"(6) TERMINATION.—Paragraphs (1), (2), (3), (4), and (5) shall not apply with respect to any taxable year beginning after December 31, 1962."

And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: On page 3 of the Senate engrossed amendments, line 22, strike out "policyholders'" and insert "policyholders"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with the following amendments: On page 5 of the Senate engrossed amendments, in the fifth line from the bottom of the page, strike out "investment yield." and insert the following: "investment yield; except that if the policy and other contract liability requirements exceed the investment yield, then the policyholders' share of any item shall be 100 percent."

On page 6 of the Senate engrossed amendments, line 14, after "245" insert the following: "(as modified by paragraph (5))."

On page 7 of the Senate engrossed amendments, after line 10, insert the following:

"(5) APPLICATION OF SECTION 246(b).—In applying section 246(b) (relating to limitation on aggregate amount of deductions for dividends received) for purposes of this subsection, the limit on the aggregate amount of the deductions allowed by sections 243(a), 244, and 245 shall be 85 percent of the taxable investment income computed without regard to the deductions allowed by such sections."

On page 7 of the Senate engrossed amendments, line 11, strike out "(5)" and insert "(6)."

On page 7 of the Senate engrossed amendments, line 21, after "245" insert "(as modified by paragraph (5))."

On page 9 of the Senate engrossed amendments, line 13, strike out "805(b)(3)" and insert "805(b)(4)."

On page 9 of the Senate engrossed amendments, line 22, strike out "805(b)(3)" and insert "805(b)(4)."

On page 12 of the Senate engrossed amendments, line 9, strike out "average earnings rate" and insert "adjusted reserves rate."

On page 12 of the Senate engrossed amendments, strike out line 14 and insert the following:

"(b) ADJUSTED RESERVES RATE AND EARNINGS RATES.—

"(1) ADJUSTED RESERVES RATE.—For purposes of this part, the adjusted reserves rate for any taxable year is the average earnings rate or, if lower, the current earnings rate."

On page 12 of the Senate engrossed amendments, line 15, strike out "(1)" and insert "(2)."

On page 12 of the Senate engrossed amendments, line 22, strike out "(2)" and insert "(3)."

On page 13 of the Senate engrossed amendments, line 10, after "1958)" insert "and section 381(c)(22)."

On page 13 of the Senate engrossed amendments, line 16, strike out "(3)" and insert "(4)."

On page 14 of the Senate engrossed amendments, line 18, strike out "average earnings rate" and insert "adjusted reserves rate."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 809. IN GENERAL.

"(a) EXCLUSION OF SHARE OF INVESTMENT YIELD SET ASIDE FOR POLICYHOLDERS.—

"(1) AMOUNT.—The share of each and every item of investment yield (including tax-exempt interest, partially tax-exempt interest, and dividends received) of any life insurance company set aside for policyholders shall not be included in gain or loss from operations. For purposes of the preceding sentence, the share of any item set aside for policyholders shall be that percentage obtained by dividing the required interest by the investment yield; except that if the required interest exceeds the investment yield, then the share of any item set aside for policyholders shall be 100 percent.

"(2) REQUIRED INTEREST.—For purposes of ths part, the required interest for any taxable year is the sum of the products obtained by multiplying—

"(A) each rate of interest required, or assumed by the taxpayer, in calculating the reserves described in section 810(c), by

"(B) the means of the amount of such reserves computed at that rate at the beginning and end of the taxable year.

"(b) GAIN AND LOSS FROM OPERATIONS—

"(1) GAIN FROM OPERATIONS DEFINED.—For purposes of this part, the term 'gain from operations' means the amount by which the sum of the following exceeds the deductions provided by subsection (d):

"(A) the life insurance company's share of each and every item of investment yield (including tax-exempt interest, partially tax-exempt interest, and dividends received); and

"(B) the sum of the items referred to in subsection (c).

"(2) LOSS FROM OPERATIONS DEFINED.—For purposes of this part, the term 'loss from operations' means the amount by which the sum of the deductions provided by subsection (d) exceeds the sum of—

"(A) the life insurance company's share of each and every item of investment yield (including tax-exempt interest, partially tax-exempt interest, and dividends received); and

"(B) the sum of the items referred to in subsection (c).

"(3) LIFE INSURANCE COMPANY'S SHARE.—For purposes of this subpart, the life insurance company's share of any item shall be that percentage which, when added to the

percentage obtained under the second sentence of subsection (a)(1), equals 100 percent.

"(4) EXCEPTION.—If it is established in any case that the application of the definition of gain from operations contained in paragraph (1) results in the imposition of tax on—

"(A) any interest which under section 103 is excluded from gross income,

"(B) any amount of interest which under section 242 (as modified by section 804(a)(3)) is allowable as a deduction, or

"(C) any amount of dividends received which under sections 243, 244, and 245 (as modified by subsection (d)(8)(B)) is allowable as a deduction,

adjustment shall be made to the extent necessary to prevent such imposition.

"(c) GROSS AMOUNT.—For purposes of subsections (b)(1) and (2), the following items shall be taken into account:

"(1) PREMIUMS.—The gross amount of premiums and other consideration (including advance premiums, deposits, fees, assessments, and consideration in respect of assuming liabilities under contracts not issued by the taxpayer) on insurance and annuity contracts (including contracts supplementary thereto); less return premiums, and premiums and other consideration arising out of reinsurance ceded. Except in the case of amounts of premiums or other consideration returned to another life insurance company in respect of reinsurance ceded, amounts returned where the amount is not fixed in the contract but depends on the experience of the company or the discretion of the management shall not be included in return premiums.

"(2) DECREASES IN CERTAIN RESERVES.—Each net decrease in reserves which is required by section 810 or 811(b)(2) to be taken into account for purposes of this paragraph.

"(3) OTHER AMOUNTS.—All amounts, not included in computing investment yield and not includible under paragraph (1) or (2), which under this subtitle are includible in gross income.

Except as included in computing investment yield, there shall be excluded any gain from the sale or exchange of a capital asset, and any gain considered as gain from the sale or exchange of a capital asset.

"(d) DEDUCTIONS.—For purposes of subsections (b)(1) and (2), there shall be allowed the following deductions:

"(1) DEATH BENEFITS, ETC.—All claims and benefits accrued, and all losses incurred (whether or not ascertained), during the taxable year on insurance and annuity contracts (including contracts supplementary thereto).

"(2) INCREASES IN CERTAIN RESERVES.—The net increase in reserves which is required by section 810 to be taken into account for purposes of this paragraph.

"(3) DIVIDENDS TO POLICYHOLDERS.—The deduction for dividends to policyholders (determined under section 811(b)).

"(4) OPERATIONS LOSS DEDUCTION.—The operations loss deduction (determined under section 812).

"(5) CERTAIN NONPARTICIPATING CONTRACTS.—An amount equal to 10 percent of the increase for the taxable year in the reserves for nonparticipating contracts or (if greater) an amount equal to 3 percent of the premiums for the taxable year (excluding that portion of the premiums which is allocable to annuity features) attributable to nonparticipating contracts (other than group contracts) which are issued or renewed for periods of 5 years or more. For purposes of this paragraph, the term 'reserves for nonparticipating contracts' means such part of the life insurance reserves (excluding that portion of the reserves which is allocable to annuity features) as relates to nonparticipating contracts (other than group contracts). For purposes of this paragraph and paragraph (6), the term 'premiums' means the net amount of the premiums and other consideration taken into account under subsection (c)(1).

"(6) GROUP LIFE, ACCIDENT, AND HEALTH INSURANCE.—An amount equal to 2 percent of the premiums for the taxable year attributable to group life insurance contracts and group accident and health insurance contracts. The deduction under this paragraph for the taxable year and all preceding taxable years shall not exceed an amount equal to 50 percent of the premiums for the taxable year attributable to such contracts.

"(7) ASSUMPTION BY ANOTHER PERSON OF LIABILITIES UNDER INSURANCE, ETC., CONTRACTS.—The consideration (other than consideration arising out of reinsurance ceded) in respect of the assumption by another person of liabilities under insurance and annuity contracts (including contracts supplementary thereto).

"(8) TAX-EXEMPT INTEREST, DIVIDENDS, ETC.—

"(A) LIFE INSURANCE COMPANY'S SHARE.—Each of the following items:

"(i) the life insurance company's share of interest which under section 103 is excluded from gross income,

"(ii) the deduction for partially tax-exempt interest provided by section 242 (as modified by section 804(a)(3)) computed with respect to the life insurance company's share of such interest, and

"(iii) the deductions for dividends received provided by sections 243, 244, and 245 (as modified by subparagraph (B)) computed with respect to the life insurance company's share of the dividends received.

"(B) APPLICATION OF SECTION 246(b).—In applying section 246(b) (relating to limitation on aggregate amount of deductions for dividends received) for purposes of subparagraph (A)(iii), the limit on the aggregate amount of the deductions allowed by sections 243(a), 244, and 245 shall be 85 percent of the gain from operations computed without regard to—

"(i) the deductions provided by paragraphs (3), (5), and (6) of this subsection,

"(ii) the operations loss deduction provided by section 812, and

"(iii) the deductions allowed by sections 243(a), 244, and 245,

but such limit shall not apply for any taxable year for which there is a loss from operations.

"(9) INVESTMENT EXPENSES, ETC.—Investment expenses to the extent not allowed as a deduction under section 804(c)(1) in computing investment yield, and the amount (if any) by which the sum of the deductions allowable under section 804(c) exceeds the gross investment income.

"(10) SMALL BUSINESS DEDUCTION.—A small business deduction in an amount equal to the amount determined under section 804(a)(4).

"(11) CERTAIN MUTUALIZATION DISTRIBUTIONS.—The amount of distributions to shareholders made in 1958 and 1959 in acquisition of stock pursuant to a plan of mutualization adopted before January 1, 1958.

"(12) OTHER DEDUCTIONS.—Subject to the modifications provided by subsection (e), all other deductions allowed under this subtitle for purposes of computing taxable income to the extent not allowed as deductions in computing investment yield.

Except as provided in paragraph (3), no amount shall be allowed as a deduction under this subsection in respect of dividends to policyholders.

"(e) MODIFICATIONS.—The modifications referred to in subsection (d)(12) are as follows:

"(1) INTEREST.—In applying section 163 (relating to deduction for interest), no deduction shall be allowed for interest in respect of items described in section 810(c).

"(2) BAD DEBTS.—Section 166(c) (relating to reserve for bad debts) shall not apply.

"(3) CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.—In applying section 170—

"(A) the limit on the total deductions under such section provided by the first sentence of section 170(b)(2) shall be 5 percent of the gain from operations computed without regard to—

"(i) the deduction provided by section 170,

"(ii) the deductions provided by paragraphs (3), (5), (6), and (8) of subsection (d), and

"(iii) any operations loss carryback to the taxable year under section 812; and

"(B) under regulations prescribed by the Secretary or his delegate, a rule similar to the rule contained in section 170(b)(3) shall be applied.

"(4) AMORTIZABLE BOND PREMIUM.—Section 171 shall not apply.

"(5) NET OPERATING LOSS DEDUCTION.—The deduction for net operating losses provided in section 172 shall not be allowed.

"(6) PARTIALLY TAX-EXEMPT INTEREST.—The deduction for partially tax-exempt interest provided by section 242 shall not be allowed.

"(7) DIVIDENDS RECEIVED.—The deductions for dividends received provided by sections 243, 244, and 245 shall not be allowed.

"(f) LIMITATION ON CERTAIN DEDUCTIONS.—

"(1) IN GENERAL.—The amount of the deductions under paragraphs (3), (5), and (6) of subsection (d) shall not exceed $250,000 plus the amount (if any) by which—

"(A) the gain from operations for the taxable year, computed without regard to such deductions, exceeds

"(B) the taxable investment income for the taxable year.

"(2) APPLICATION OF LIMITATION.—The limitation provided by paragraph (1) shall apply first to the amount of the deduction under subsection (d)(6), then to the amount of the deduction under subsection (d)(5), and finally to the amount of the deduction under subsection (d)(3).

"(g) LIMITATIONS ON DEDUCTION FOR CERTAIN MUTUALIZATION DISTRIBUTIONS.—

"(1) DEDUCTION NOT TO REDUCE TAXABLE INVESTMENT INCOME.—The amount of the deduction under subsection (d)(11) shall not exceed the amount (if any) by which—

"(A) the gain from operations for the taxable year, computed without regard to such deduction (but after the application of subsection (f)), exceeds

"(B) the taxable investment income for the taxable year.

"(2) DEDUCTION NOT TO REDUCE TAX BELOW 1957 LAW.—The deduction under subsection (d)(11) for the taxable year shall be allowed only to the extent that such deduction (after the application of all other deductions provided by subsection (d)) does not reduce the amount of the tax imposed by section 802(a)(1) for such taxable year below the amount of tax which would have been imposed by section 802(a) as in effect for 1957, if this part, as in effect for 1957, applied for such taxable year.

"(3) APPLICATION OF SECTION 815.—That portion of any distribution with respect to which a deduction is allowed under subsection (d)(11) shall not be treated as a distribution to shareholders for purposes of section 815; except that in the case of any distribution made in 1959, such portion shall be treated as a distribution with respect to which a reduction is required under section 815(e)(2)(B)."

And the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with the following amendments: On page 29 of the Senate engrossed amendments, lines 21 and 22, strike out "(reduced by the amount of the required interest for

the taxable year)" and insert the following: "(reduced by the amount of investment yield not included in gain or loss from operations for the taxable year by reason of section 809(a)(1))."

On page 30 of the Senate engrossed amendments, lines 3 and 4, strike out "(reduced by the amount of the required interest for the taxable year)" and insert the following: "(reduced by the amount of investment yield not included in gain or loss from operations for the taxable year by reason of section 809(a)(1))."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(e) CERTAIN DECREASES IN RESERVES OF VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATIONS.—

"(1) DECREASES DUE TO VOLUNTARY LAPSES OF POLICIES ISSUED BEFORE JANUARY 1, 1958.—For purposes of subsections (a) and (b), in the case of a life insurance company which meets the requirements of section 501(c)(9) other than the requirement of subparagraph (B) thereof, there shall be taken into account only 11½ percent of any decrease in the life insurance reserve on any policy issued before January 1, 1958, which is attributable solely to the voluntary lapse of such policy on or after January 1, 1958. In applying the preceding sentence, the decrease in the reserve for any policy shall be determined by reference to the amount of such reserve as of the beginning of the taxable year, reduced by any amount allowable as a deduction under section 809(d)(1) in respect of such policy by reason of such lapse. This paragraph shall apply for any taxable year only if the taxpayer has made an election under paragraph (3) which is effective for such taxable year.

"(2) DISALLOWANCE OF CARRYOVERS FROM PRE-1958 LOSSES FROM OPERATIONS.—In the case of a life insurance company to which paragraph (1) applies for the taxable year, section 812(b)(1) shall not apply with respect to any loss from operations for any taxable year beginning before January 1, 1958.

"(3) ELECTION.—Paragraph (1) shall apply to any taxpayer for any taxable year only if the taxpayer elects, not later than the time prescribed by law (including extensions thereof) for filing the return for such taxable year, to have such paragraph apply. Such election shall be made in such manner as the Secretary or his delegate shall prescribe by regulations. Such election shall be effective for the taxable year for which made and for all succeeding taxable years, and shall not be revoked except with the consent of the Secretary or his delegate."

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with the following amendments: On page 32 of the Senate engrossed amendments, strike out lines 16 to 20, inclusive, and insert the following:

"(iii) subject to subsection (e), if the life insurance company is a new company for the loss year, an operations loss carryover to each of the 3 taxable years following the 5 taxable years described in clause (ii)."

On page 33 of the Senate engrossed amendments, line 8, after "1958)" insert the following: "and section 381(c)(22)."

And the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "(d)(8)(B)"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with the following amendments: On page 33 of the Senate engrossed amendments, lines 20 and 21, strike out "(or, if section 381(c)(22) applies, any predecessor)" and insert the following: "(or any predecessor, if section 381(c)(22) applies or would have applied if in effect)."

On page 33 of the Senate engrossed amendments, line 23, strike out "10-YEAR CARRYOVER" and insert "8-YEAR CARRYOVER."

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendment, and on page 37, line 10, of the House engrossed bill, strike out "subsection," and insert "section,"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: On page 35 of the Senate engrossed amendments, line 6, after "does not" insert "(except for purposes of paragraph (3) and subsection (e)(2)(B))"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "(d)(8)(B)"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "809(d)(10)"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "1958, and adjusted to the beginning of the year of the distribution as provided in subparagraph (B)"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(d) GAIN ON TRANSACTIONS OCCURRING PRIOR TO JANUARY 1, 1959.—For purposes of this part, there shall be excluded any gain from the sale or exchange of a capital asset, and any gain considered as gain from the sale or exchange of a capital asset, resulting from sales or other dispositions of property prior to January 1, 1959. Any gain after December 31, 1958, resulting from the sale or other disposition of property prior to January 1, 1959, which, but for this sentence, would be taken into account under section 1231, shall not be taken into account under section 1231 for purposes of this part."

And the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: On page 43 of the Senate engrossed amendments, line 17, strike out "805(b)(1)" and insert "805(b)(2)"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with the following amendments: On page 51 of the Senate engrossed amendments, line 14, after "subchapter L" insert "of chapter 1."

On page 51 of the Senate engrossed amendments, lines 20 and 21, after "subchapter L" insert "of chapter 1."

And the Senate agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
N. M. MASON,
Managers on the Part of the House.

HARRY F. BYRD,
ROBERT S. KERR,
J. ALLEN FREAR, JR.,
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4245) relating to the taxation of the income of life insurance companies, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Except as otherwise indicated, references to section numbers in this statement are to the sections of the Internal Revenue Code of 1954 as amended under the House bill, the Senate amendments, or the conference agreement, as may be appropriate.

Amendments Nos. 2, 7, 8, 9, 15, 16, 18, 19, 21, 22, 24, 26, 30, 31, 32, 33, 36, 37, 38, 40, 41, 43, 45, 47, 48, 49, 52, 54, 57, and 59: These amendments are either technical, clarifying, or clerical amendments or amendments conforming the House bill to the substantive amendments discussed below. With respect to these amendments the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature.

Amendment No. 1: Section 801(b), as amended under both the House bill and the Senate amendments, defines the term "life insurance reserves." Except as provided in paragraphs (2) and (3) of such section, life insurance reserves must be required by law. Senate amendment No. 1 adds a new provision which exempts from this requirement reserves held under policies issued by certain voluntary employees' beneficiary associations which would qualify for tax exemption under section 501(c)(9) of the 1954 Code except for the fact that less than 85 percent of their income consists of amounts collected from members and amounts contributed to such associations by the employers of the members for the sole purpose of meeting expenses and making payments of life, sick, accident, or other benefits to members or their dependents.

The House recedes.

Amendment No. 3: This amendment adds a new sentence at the end of section 801(b)(3) to provide that for purposes of part I of subchapter L of chapter 1 of the 1954 Code the rate of interest assumed in calculating the reserves described in 801(b)(3) (relating to reserves of assessment companies and associations) is deemed to be 3 percent.

The House recedes.

Amendment No. 4: Under both the House bill and the Senate amendments, certain reserves, defined as "deficiency reserves," are excluded from "life insurance reserves" and "total reserves" as defined in the bill. Under the House bill only deficiency reserves on life insurance and annuity contracts

were included within the definition of deficiency reserves. Under Senate amendment No. 4, deficiency reserves on all insurance contracts are included within the definition. The Senate amendment provides that the computation of the amount of deficiency reserves is made with respect to individual contracts. The amendment makes it clear that if a reserve, a portion of which meets the definition of deficiency reserves, also includes other amounts (such as an expense loading factor), only that portion of the reserve which meets the definition (that is, the excess of net premiums over actual premiums) is included as a deficiency reserve.

The House recedes.

Amendment No. 5: This amendment adds a new subsection (g), relating to variable annuities, to section 801. The new subsection (g), for which there is no corresponding provision in the House bill, contains the general rule that an annuity contract includes a contract which provides for the payment of a variable annuity that is computed on the basis of recognized mortality tables and the investment experience of the company issuing the contract. Accordingly, under the Senate amendment, the reserves held under such contracts constitute "life insurance reserves" for the purposes of section 801(b), and a company issuing such contracts will qualify as a life insurance company if it fulfills the requirements of section 801(a). The new subsection (g) as contained in the Senate amendment also contained special rules for computing the current earnings rate, the rate of interest assumed by the taxpayer in calculating the reserve on a variable annuity contract, and increases and decreases in reserves. Under the Senate amendment, the general rule and the special rules referred to above shall not apply with respect to any taxable year beginning after December 31, 1962.

Under the conference agreement, the House recedes with an amendment which (in effect) retains the general rule referred to above and clarifies the special rules which are to apply with respect to variable annuity contracts. Under the conference agreement, the new subsection (g)(2) provides that the adjusted reserves rate for any taxable year with respect to variable annuity contracts described in paragraph (1) of the new subsection (g), and the rate assumed by the taxpayer in calculating the reserves on any such contract, shall be the same percentage as is prescribed under the amendment for the current earnings rate.

Under the conference agreement, a specific rule is added to clarify the application of the new subsection (g) in the case of life insurance companies which issue both variable annuity contracts described in the amendment and other contracts. This rule (par. (5) of the new subsec. (g)) provides that, under regulations prescribed by the Secretary or his delegate—

(1) the policy and other contract liability requirements of such a company for any taxable year are to be considered to be the sum of—

(A) such requirements computed by reference to the items which relate to the variable annuity contracts described in the new subsection (g)(1), and

(B) such requirements computed by excluding the items which relate to such variable annuity contracts; and

(2) such additional separate computations (with respect to such annuity contracts and such other contracts) are to be made as may be necessary to carry out the purposes of the new subsection (g) and the new part I.

Amendment No. 6: Under both the House bill and the Senate amendments, one of the components of life insurance company taxable income (specified in sec. 802(b)(3), as contained in the House bill) is the amount subtracted from the policyholders surplus account for the taxable year (as determined under the new sec. 815). (No such component is included in life insurance company taxable income for 1958 under either the House bill or the Senate amendments.) Senate amendment No. 6 reduces the amount of tax imposed for 1959 and 1960 with respect to this component, insofar, as it relates to actual distributions made in 1959 or 1960, by the following percentages:

(1) 66⅔ percent in the case of a taxable year beginning in 1959, and

(2) 33⅓ percent in the case of a taxable year beginning in 1960.

The House recedes with a clerical amendment.

Amendment No. 10: Under section 802(b)(2) as contained in the House bill, if the gain from operations for any taxable year exceeds the taxable investment income, the life insurance company taxable income includes an amount equal to 50 percent of such excess. Under the Senate amendments, this rule is retained; except that under Senate amendment No. 10 if for 1958 the amount determined under section 802(b)(2) (without regard to this amendment) exceeded the taxable investment income, the amount taken into account under section 802(b)(2) was to be reduced by 10 percent of such excess.

The Senate recedes.

Amendment No. 11: This amendment strikes out of the House bill subpart B (relating to investment income—the so-called phase 1 tax base) of the new part I of subchapter L of chapter 1 of the 1954 Code relating to the taxation of the income of life insurance companies, and inserts in lieu thereof a substitute subpart B. Except as explained below, and except for clerical, technical, and conforming changes, the provisions of subpart B under the House bill and of subpart B under the Senate amendment are substantially the same.

(1) Treatment of tax-exempt interest, etc.: Under the House bill the taxable investment income was an amount equal to the net investment income minus the policy and other contract liability deduction. Net investment income was the whole of the gross investment income minus (in general terms) the investment expenses, tax-exempt interest, the deduction for partially tax-exempt interest, the deduction for dividends received, and a small-business deduction. From the net investment income a deduction was allowed for policy and other contract liabilities. This deduction was adjusted so as to prevent including in this deduction any amount for tax-exempt interest, partially tax-exempt interest, and dividends received, which (as explained above) had already been allowed as a deduction.

Under Senate amendment No. 11, the policyholders' share of the investment yield (gross investment income minus investment expenses) is not included in the life insurance company's taxable investment income. The taxable investment income is then computed by determining the life insurance company's share of investment yield and by subtracting from this share the life insurance company's share of tax-exempt interest, of the amount of partially tax-exempt interest which is allowed as a deduction, and of the amount of dividends received which is allowed as a deduction. There is also subtracted a small-business deduction (discussed below in par. (2)). The policyholders' share of any item is that percentage obtained by dividing the policy and other contract liability requirements by the investment yield. The life insurance company's share of any item is 100 percent minus the policyholders' share of such item.

In addition, Senate amendment No. 11 contains a provision that if it is established in any case that the application of the definition of taxable investment income results in the imposition of tax on any tax-exempt interest, on any amount of partially tax-exempt interest which is allowable as a deduction, or on any amount of dividends received which is allowable as a deduction, adjustment shall be made to prevent such imposition.

Except for technical, clarifying, and conforming changes, the conference agreement follows that portion of Senate amendment No. 11, relating to the treatment of tax-exempt interest, etc., discussed above.

(2) Small-business deduction: Under the House bill, the small-business deduction was an amount equal to 5 percent of the net investment income for the taxable year (computed without regard to the small-business deduction), with a ceiling of $25,000. Under Senate amendment No. 11, the deduction is an amount equal to 10 percent of the investment yield for the taxable year, with a ceiling of $25,000. Under the conference agreement, the small-business deduction as contained in Senate amendment No. 11 is retained.

(3) Life insurance reserve requirements: Under the House bill, a "deduction for the investment yield on adjusted life insurance reserves" was allowed in determining the policy and other contract liability deduction. In determining adjusted life insurance reserves and the deduction for the yield on such reserves, the House bill (sec. 805(b)(2)) provided a "deduction rate." In general, this rate was to be ascertained by dividing by 2 the sum of—

(1) the average rate of interest assumed by the taxpayer in calculating life insurance reserves (or, if higher, the industry assumed rate for the prior year), and

(2) the investment yield rate (referred to in the Senate amendment as the "current earnings rate").

However, if the investment yield rate is less than the rate determined under paragraph (1), the deduction rate was to be the investment yield rate.

Under Senate amendment No. 11, in determining the policy and other contract liability requirements, an amount ascertained by multiplying the adjusted life insurance reserves by the "average earnings rate" is taken into account. Also, the adjusted life insurance reserves are ascertained by reference to the average earnings rate. The average earnings rate for any taxable year is the average of the current earnings rates for the taxable year and each of the 4 taxable years immediately preceding such taxable year.

Under the conference agreement, the policy and other contract liability requirements, and the adjusted life insurance reserves, will be determined in the manner provided in Senate amendment No. 11 unless for the taxable year the current earnings rate of the taxpayer is lower than its average earnings rate. For that taxpayer for that taxable year, the current earnings rate will be substituted for the average earnings rate in making the determinations described above.

(4) Definition of pension plan reserves: Under both the House bill and Senate amendment No. 11, the reserve requirements for pension plan reserves are, in effect, treated as being the amount of the earnings on such reserves. Under the House bill the term "pension plan reserves" means, in effect, the reserves allocable to qualified pension plans. Under the Senate amendment such term includes the same reserves as under the House bill and, in addition, the reserves under contracts purchased to provide retirement annuities for their employees by educational, charitable, religious, and other organizations which are described in section 501(c)(3) of the 1954 Code and are exempt from income tax. Under the conference agreement, the new provision added by Senate amendment No. 11 is retained.

(5) Interest paid: Under both the House bill and Senate amendment No. 11, interest paid is an item taken into account in

determining reserve requirements. The Senate amendment is substantially the same as the House bill, except that the Senate amendment includes interest on special contingency reserves established pursuant to section 8(d) of the Federal Employees' Group Life Insurance Act of 1954. Under the conference agreement, this new provision is retained.

Amendment No. 12: This amendment strikes out section 809 of the new subpart C (relating to gain and loss from operations—the so-called phase 2 tax base), and substitutes a new text therefor. Except for clerical, technical, and conforming changes, and except as explained below, the provisions of section 809 as contained in the Senate amendment are (in general) the same as under the House bill.

(1) Treatment of tax-exempt interest, etc.: Senate amendment No. 12 makes changes in section 809 to conform the section to the action of the Senate under Senate amendment No. 11 in allocating a portion of each item of investment yield (including tax-exempt interest, partially tax-exempt interest, and dividends received) to policyholders and the remainder to the life insurance company. For purposes of determining gain or loss from operations, the share of each item set aside for policyholders is determined under Senate amendment No. 12 by dividing the required interest by the investment yield. The life insurance company's share of any item is 100 percent minus the percentage set aside for policyholders.

Under the conference agreement the substance of Senate amendment No. 12 with respect to tax-exempt interest, etc., is retained, but with technical changes necessary to clarify the application of this provision in certain cases, such as the case of a life insurance company having investment expenses in excess of gross investment income. The clarification also applies with respect to a life insurance company having an investment yield less than the sum of (A) its share of tax-exempt interest, (B) the deduction for partially tax-exempt interest computed with respect to its share of such interest, (C) the deduction for dividends received computed with respect to its share of such dividends, and (D) the small-business deduction.

(2) Deduction for certain nonparticipating contracts: Under the House bill, in determining the gain or loss from operations a deduction was allowed in an amount equal to 10 percent of the increase for the taxable year in the reserves for certain nonparticipating contracts. Under Senate amendment No. 12, a deduction is allowed in an amount computed in the manner provided under the House bill or (if greater) an amount equal to 3 percent of the premiums for the taxable year (excluding that portion of the premiums which is allocable to annuity features) attributable to nonparticipating contracts (other than group contracts) which are issued or renewed for periods of 5 years or more.

Under the conference agreement the deduction is allowed as provided in the Senate amendment.

(3) Certain mutualization distributions: Under Senate amendment No. 12, in computing gain or loss from operations a deduction is allowed equal to the amount of distributions to shareholders made in 1958 and 1959 in acquisition of stock pursuant to a plan of mutualization adopted before January 1, 1958 (sec. 809(d)(9) as contained in the amendment). Under section 809(g), as contained in the amendment, the deduction for these distributions may not exceed the amount (if any) by which—

(A) the gain from operations for the taxable year (computed without regard to the deduction, but after the application of section 809(f), as contained in the amendment), exceeds

(B) the taxable investment income.

Also, the deduction is to be allowed only to the extent that it (after the application of all other deductions) does not reduce the tax imposed by section 802(a)(1) for the taxable year below the amount of tax which would have been imposed for such taxable year if the 1957 law applied for such taxable year. Under the amendment, it was provided that section 815(e) (relating to special rule for certain mutualizations) was to apply to any distribution described above only with respect to so much of the amount of such distribution as was not to be allowable as a deduction by reason of the limitations described above.

Under the conference agreement (sec. 809(d)(11)) the deduction contained in the Senate amendment is retained. Also, under the conference agreement, the limitations on the deduction are retained. Under the conference agreement it is provided that that portion of any distribution with respect to which the deduction is allowed under the new section 809(d)(11) shall not be treated as a distribution to shareholders for purposes of section 815 (relating to distributions to shareholders); except that, in the case of any distribution made in 1959, such portion is to be treated as a distribution with respect to which a reduction is required under section 815(e)(2)(B) (relating to adjustment in allocation ratio for certain distributions after December 31, 1958).

(4) Limit on deductions for dividends to policyholders, nonparticipating contracts, and group life, accident, and health insurance: Under the House bill, the deductions for dividends to policyholders (sec. 809(d)(3)), for increase in reserves for nonparticipating contracts (sec. 809(d)(6)), and for group life, accident, and health insurance (sec. 809(d)(7)) could not exceed the amount (if any) by which gain from operations (computed without regard to the deductions) exceeds taxable investment income. Under the Senate amendment, the corresponding deductions (sec. 809(d)(3), (5), and (6)) may be taken to the extent of $250,000 in addition to the amount allowable under the House bill.

The conference agreement retains this provision of the Senate amendment.

Amendment No. 13: This amendment is a conforming amendment made necessary by that portion of Senate amendment No. 12 which dealt with the separation of each and every item of investment yield into the policyholders' share and life insurance company's share.

The House recedes with amendments clarifying the application of this provision in the case of a life insurance company having required interest which exceeds investment yield.

Amendment No. 14: This amendment adds a new provision (sec. 810(e)), relating to decreases in reserves in the case of a life insurance company which meets all requirements of section 501(c)(9) of the code other than those specified in subparagraph (B) thereof. Under this amendment, in determining whether there is a decrease in the reserves of such a company under section 810(a), only 11½ percent of any decrease in life insurance reserves that is attributable to the voluntary lapse on or after January 1, 1958, of any policy issued before that date, shall be taken into account. The amendment further provides that its provisions are elective and, if elected, the provisions of the last sentence of section 802(b) (relating to the reduction, in certain cases, of life insurance company taxable income for 1958) as added by Senate amendment No. 10, and those provisions of section 812(b)(1) which relate to the carryover of certain pre-1958 losses are not to apply (see Senate amendment No. 20). The election provided by Senate amendment No. 14 shall be effective for the taxable year for which made and for all succeeding taxable years unless its revocation is consented to by the Secretary or his delegate.

The House recedes with an amendment which (in effect) follows the Senate amendment, with technical and clarifying changes, and a change to conform to the conference action on Senate amendment No. 10.

Amendment No. 17: Section 811(b), as contained in the House bill, relates to the deduction for dividends to policyholders for any taxable years. The deduction is adjusted for amounts held at the end of the taxable year as reserves for dividends payable during the following year, and for this purpose amounts set aside before the 16th day of the third month of the following year are taken into account. Under the Senate amendments these rules are retained except that, under Senate amendment No. 17, in the case of a mutual savings bank having a life insurance department, amounts set aside before the 16th day of the 4th month of the following year are taken into account.

The House recedes.

Amendments Nos. 20 and 23: The House bill provided for an operations loss deduction (sec. 812) for purposes of computing the gain from operations. This deduction was similar to the net operating loss deduction provided by section 172 of the 1954 Code and was to be computed on the basis of allowing a 3-year carryback and a 5-year carryforward of losses. Under the House bill losses for a taxable year ending before 1958 were not to be taken into account and no loss was to be carried to any taxable year beginning before 1958.

Senate amendments Nos. 20 and 23 retain (in effect) the provisions of the House bill, with 2 modifications. Under the Senate amendments—

(1) a loss sustained for any of the first 5 years of a new company may be carried forward (subject to the limitations provided by Senate amendment No. 23) for 10 years, and

(2) a loss sustained for any taxable year during the period 1955, 1956, and 1957 may (subject to reduction for the life insurance company taxable income for each of the other taxable years in the same period, computed as if the new part I, as in effect for 1958, applied to such years) be carried forward for 5 years (or 10 years in the case of a new company) from the loss year.

Under Senate amendment No. 23, a life insurance company is a new company for any taxable year only if such taxable year begins not more than 5 years after the first day on which it (or, if section 381(c)(22) applies, any predecessor) was authorized to do business as an insurance company. Under the amendment, a company does not qualify for the 10-year carryover of a loss if (for the loss year) it is a nonqualified corporation (as defined in sec. 812(e)(2)(B), as contained in the amendment). Also, if at any time during a taxable year after the loss year the company is a nonqualified corporation, then the 10-year carryover provision will cease to apply, with respect to that loss, for that taxable year and all subsequent taxable years. For example, if a company which qualifies as a new company for a loss year becomes a nonqualified corporation during the 7th taxable year following the loss year, the loss for such loss year may not be carried to the 7th or any subsequent taxable year.

Under the conference agreement, the House recedes on Senate amendment No. 20 with an amendment which provides that a loss sustained for any of the first 5 years of a new company may be carried forward for 8 years from the loss year. With respect to Senate amendment No. 23, the House recedes with a technical amendment and an

amendment conforming to the conference action on Senate amendment No. 20.

Amendments Nos. 25, 28, 29, 34, and 46: Section 815, as added by the House bill, provided that each stock life insurance company shall establish and maintain a shareholders surplus account and a policyholders surplus account effective as of January 1, 1959. These accounts are a part of the procedure established by the House bill for determining the so-called phase 3 tax base. Subtractions from these accounts are made, as provided by the House bill, in respect of distributions to shareholders. After the shareholders surplus account has been reduced to zero for any taxable year by reason of distributions to shareholders, amounts subtracted from the policyholders surplus account, as provided in the new section, by reason of such distributions are added to life insurance company taxable income under section 802(b)(3).

Under Senate amendments Nos. 28 and 29, the shareholders surplus account is to be established as of January 1, 1958. Senate amendments Nos. 25 and 46 provide that the rules contained in the House bill for determining the amounts subtracted from the shareholders and policyholders surplus accounts in respect of distributions shall apply only in the case of distributions made after December 31, 1958. However, Senate amendment No. 34 provides that the amount of distributions to shareholders made in 1958 shall be subtracted from the shareholders surplus account (to the extent thereof).

The House recedes.

Amendment No. 27: This amendment provides an additional exception to the definition of the term "distribution" for purposes of determining the portion of the tax base attributable to distributions to shareholders. The amendment provides that the term "distribution" does not include any distribution in redemption of stock issued before 1958, where such stock, at all times on and after the date of its issue and on and before the date of its redemption, is limited as to the amount of dividends payable and is callable (at the option of the issuer) at a price not in excess of 105 percent of the sum of its issue price plus the amount of contribution to surplus (if any) made by the original purchaser at the time of his purchase.

The House recedes with a technical amendment.

Amendment No. 35: Under both the House bill and Senate amendment No. 35, an addition is made to the policy holders surplus account for any taxable year beginning after December 31, 1958, of an amount equal to 50 percent of the amount by which the gain from operations exceeds the taxable investment income. Senate amendment No. 35 further provides for the addition of the following two amounts to the policyholders surplus account for any taxable year beginning after December 31, 1958:

(1) The 10 percent or 3 percent deduction for certain nonparticipating contracts provided by section 809(d)(5), as limited by section 809(f), and

(2) The 2 percent deduction for group life and group accident and health insurance contracts provided by section 809(d)(6), as limited by section 809(f).

The House recedes.

Amendment No. 39: Section 815(d)(2), as contained in the House bill, provided special rules pertaining to a taxpayer which ceases to be a life insurance company. Under the House bill, if for any taxable year the taxpayer was not a life insurance company the amount taken into account under section 802(b)(3) for the preceding taxable year was to be increased by the entire balance remaining in the policyholders account as of the close of the preceding taxable year. This rule was subject to the exception for certain successor life insurance companies provided in section 381(c)(22).

Senate amendment No. 39 provides instead that if for any taxable year the taxpayer is not an insurance company, or if for any 2 successive taxable years the taxpayer is not a life insurance company, the amount taken into account under section 802(b)(3) for the last preceding taxable year for which it was a life insurance company is to be increased (after the application of sec. 815(d)(2)(B), which is explained in the paragraph which follows) by the entire balance in the policyholders surplus account at the close of such last preceding taxable year. As in the case of the House bill, these rules are subject to the exception contained in section 381(c)(22).

Under section 815(d)(2)(B), as contained in Senate amendment No. 39, distributions to shareholders during a taxable year when the taxpayer is an insurance company but not a life insurance company are to be treated as having been made on the last day of the last preceding taxable year for which the taxpayer was a life insurance company.

The House recedes.

Amendments Nos. 42 and 44: Under the House bill (see sec. 815(d)(4)) a limitation was placed on the amount in the policyholders surplus account. If the amount in such account at the end of any taxable year exceeded whichever of the following is the larger:

(1) 25 percent of life insurance reserves, or

(2) 60 percent of the net amount of the premiums and other considerations taken into account for the taxable year under section 809(c)(1),

then such excess was to be treated as subtracted from the policyholders surplus account for such taxable year. Under Senate amendments Nos. 42 and 44, the 25 percent figure in paragraph (1) above is reduced to 15 percent, the 60 percent figure in paragraph (2) above is reduced to 50 percent, and an alternative limit is added. Under this alternative limit an amount which would be treated as subtracted from the policyholders surplus account under the revised percentage figures explained above will be so treated only to the extent that the amount in the policyholders surplus account at the end of the taxable year exceeds 25 percent of the amount by which the life insurance reserves at the end of the taxable year exceed the life insurance reserves at the end of 1958.

The House recedes.

Amendment No. 50: This amendment adds a new subsection (d) to section 817. The new subsection (d) (for which there is no corresponding provision in the House bill) provides, for purposes of the income tax on life insurance companies, that there shall be excluded any gain from the sale or exchange of a capital asset, and any gain considered as gain from the sale or exchange of a capital asset, resulting from sales or other dispositions of property prior to January 1, 1959. Thus, in computing the capital gains tax under section 802(a)(2), as contained in the House bill, any gain from the sale of a capital asset consummated before 1959 would not be taken into account (e.g., where installments are received after 1958). Also, such gains would not be taken into account in determining the excess of the short-term capital gain over the net long-term capital loss for purposes of computing investment yield.

The House recedes with a technical amendment making it clear that in applying section 1231 of the 1954 Code (relating to property used in the trade or business and involuntary conversions) such gains are not to be taken into account.

Amendment No. 50½: This amendment adds a new subsection (e), relating to certain reinsurance transactions in 1958, to section 817. Under the new subsection (e), for which there is no corresponding provision in the House bill, the reinsurance in a single transaction, or in a series of related transactions, occuring in 1958, by a life insurance company of all of its insurance contracts of a particular type (through the assumption by another company or companies of all liabilities under such contracts) is to be treated as the sale of a capital asset.

The House recedes. For any taxable year beginning after December 31, 1958, the determination as to whether the reinsurance or sale of a group of contracts where the reinsurer assumes all liabilities under such contracts shall be treated as a sale of a capital asset shall be made as if the new subsection (e) has not been enacted.

Amendment No. 51: Section 818(c) as contained in the House bill provided an election with respect to the amount taken into account as life insurance reserves in the case of contracts for which such reserves are computed on a preliminary term basis. Under the House bill, the taxpayer could adopt the exact revaluation basis or an approximate revaluation basis, but the basis so adopted had to be adhered to for all subsequent taxable years, unless a change in the basis of computing such reserves was approved by the Secretary or his delegate. Senate amendment No. 51 provides that if, pursuant to an election made for a taxable year beginning in 1958, the basis adopted is the approximate revaluation basis, then the taxpayer may change, without the consent of the Secretary or his delegate, to the exact revaluation basis for its first taxable year beginning after 1958.

The House recedes.

Amendment No. 53: Under both the House bill and Senate amendments, a transitional rule is provided where the method of accounting required to be used in computing the taxpayer's taxes for 1958 is different from the method used in computing its taxes for 1957. Senate amendment No. 53 adds the following two provisions to the transitional rule:

(1) section 804(b) of the 1954 code, as in effect for 1957, and relating to the special ceiling on the reserve and other policy liability deduction, shall not apply with respect to any amount required to be taken into account by reason of the transitional rule, and

(2) the amount of the deduction allowed by section 805 of the 1954 code, as in effect for 1957, and relating to the special interest deduction, shall not be reduced by reason of any amount required to be taken into account by reason of the transitional rule.

The House recedes.

Amendment No. 55: Subsection (c) of section 819, as contained in the House bill, provided a rule for determining, in the case of a foreign life insurance company, the amount of distributions to shareholders for purposes of sections 815 and 802(b)(3). This rule takes into account the minimum figure ascertained for the taxpayer for the taxable year under section 819(b)(2).

Senate amendment No. 55 provides an alternative rule (based on the relationship of insurance liabilities on U.S. business to the total insurance liabilities of the company) for determining the amount of distributions to shareholders. Under the amendment, the taxpayer may elect for each taxable year which of the two rules will apply.

The House recedes.

Amendment No. 56: This amendment, for which there is no corresponding provision in the House bill, adds a new section 820 which provides an optional treatment for policies reinsured under modified coinsurance contracts. Subsection (a) of the new section 820 contains a general rule providing that insurance and annuity policies reinsured under a modified coinsurance contract (as defined in subsec. (b) of the new sec. 820) will, in general, be treated as if they were

reinsured under a conventional coinsurance contract.

This optional treatment applies with respect to any policy reinsured under a modified coinsurance contract only if the reinsured company and the reinsurer company consent to such treatment for all policies reinsured under the modified coinsurance contract and consent to the application of the special rules set forth in subsection (e) of the new section 820 and the special rules prescribed by the Secretary of the Treasury or his delegate under the authority contained in such subsection.

Subsection (c) of the new section 820 sets forth special rules for the application of the general rule contained in subsection (a)(1) of the new section. In general, these rules provide that the income (including capital gains), reserves and assets, expenses, and policyholders' dividends attributable to the portion of a policy reinsured under a modified coinsurance contract will be treated as the income, etc., of the reinsurer company, rather than of the reinsured company. The Secretary of the Treasury or his delegate is authorized to prescribe additional special rules.

The House recedes.

Amendment No. 58: This amendment, for which there is no corresponding provision in the House bill, amends section 6501(c) of the 1954 Code to extend the period during which the tax resulting from certain distributions, or from the termination as a life insurance company or as an insurance company, may be assessed. Under the amendment such period is not to expire before the expiration of the applicable 3-year period provided in the amendment.

The House recedes.

Amendment No. 60: This amendment adds a new subsection (i) to section 3 of the House bill. The new subsection (i) provides for the filing of income tax returns by life insurance companies, with respect to their 1958 income tax liabilities, on or before September 15, 1959 (in lieu of on or before March 15, 1959, as required by sec. 6072(b) of the 1954 Code). The returns made pursuant to the new subsection (i) are to constitute the returns for 1958 for all purposes of the 1954 Code. Under this amendment, all payments of tax made by life insurance companies prior to September 15, 1959, with respect to their 1958 income tax liabilities shall (to the extent such payments have not been credited or refunded) be deemed to be payments made on that date. Accordingly, no interest shall be payable on any underpayment or overpayment of 1958 income tax liabilities prior to that date. This amendment further provides that the full amount of any remaining 1958 income tax shall become due and payable on September 15, 1959.

The House recedes with clerical amendments.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
N. M. MASON,
Managers on the Part of the House.

Mr. MILLS (interrupting the reading). Mr. Speaker, in view of the fact that this is a unanimous report, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members desiring to do so, including the gentleman from Pennsylvania [Mr. SIMPSON], the gentleman from Texas [Mr. IKARD] and myself, may extend their remarks at this point in the RECORD on the conference report just agreed to.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MILLS. Mr. Speaker, the Members of the House will recall that in February we passed the bill H.R. 4245 providing a permanent formula for the taxation of life insurance companies. The bill was to be effective for determining the tax on the life insurance company income for 1958 and thereafter.

Under the bill the tax base was computed in three steps. Phase 1 of the bill provided a tax base for investment income which was considerably sounder than the various stopgap provisions for investment income of life insurance companies which have been enacted into law in recent years. This phase alone provides a considerable tax increase over the law that had been in effect for 1957. Phase 2 of the bill was designed to add to the tax base one-half of the net underwriting gain of the companies; that is, one-half of total income in excess of the taxable investment income. This part of the income of life insurance companies had not been subject to tax since 1921. In the phase 2 tax base, generous allowance was made for the uncertainty as to whether the income of a life insurance company can be measured in any one year. Thus a third phase tax base was added which taxes the other one-half of the underwriting gain when this income is distributed to stockholders.

Both the bill as passed by the Senate and as agreed to by the conferees follows substantially the format of the House bill with relatively minor changes. As agreed to by the conferees, the bill would raise about $50 million less than the House bill as applied to 1958 incomes. This brings the expected revenue from life insurance companies for 1958 down to $500 million as compared to a tax of about $320 million, which would be obtained under the law in effect in 1957. This reduction of revenue arose principally from a revision by the other house of the investment income formula in the first phase of the bill. The revenue level of $500 million is the same as would be raised by the 1942 formula which would have applied in 1958 in the absence of this legislation.

The final bill also differs from the House bill by virtue of various amendments designed to deal with problems connected with the transition to a total income approach and to deal with special problems arising from particular business practices or particular company situations.

I turn to a brief description of the substantive Senate amendments that were accepted by the House conferees either with or without modification.

AMENDMENTS 1 AND 14

These amendments deal with the application of the new life insurance company provisions to certain nonprofit voluntary employees' beneficiary associations that do not qualify for tax exemption under section 501(c)(9) solely by reason of the fact that their income from investments constitutes more than 15 percent of their total income. Since these organizations are different from ordinary life insurance companies in that they are not subject to State regulation as life insurance companies, some modifications of the ordinary life insurance company tax provisions were necessary to avoid very harsh tax consequences. The Senate amendments which were accepted with only technical modification by the House conferees were designed to give assurance that their reserve funds would be recognized as life insurance reserves for tax purposes and to prevent the tax on these organizations from being any larger than it was under the 1957 law.

AMENDMENT 3

This amendment provides a statutory presumption for an assumed interest rate in the case of mutual assessment companies. The operation of the bill requires an assumed interest rate.

AMENDMENT 5

The House conferees accepted with modification a Senate amendment dealing with the application of the new law to companies selling variable annuity contracts. These contracts involve an insurance element since the issuing company bears the mortality risk involved in the contract, but the contract provides that the amount of each annuity payment will go up or down with the investment experience of the company. There has been much interest in contracts of this sort in recent years because the insuring company can invest the reserves held against these contracts largely in common stocks and thus provide an insurance contract that will keep up with inflation. The amendment provides a modification of the general principles of the bill for taxing life insurance companies so as to make them applicable to the special provisions of these contracts. In view of the special features of the variable annuity contract and certain similarities to an outright investment arrangement, the special provisions will apply only through the year 1962. This termination date will assure a congressional reexamination of the appropriateness and the technical adequacy of these provisions dealing with variable annuities.

AMENDMENT 6

This amendment provides that the third phase of the tax provided by H.R. 4245, the tax on the distribution to shareholders of previously untaxed additions to surplus, will come into effect gradually. Under the House bill, this third phase would not have applied to 1958. It would have been fully applicable in 1959. Under the amendment, this third phase will be only one-third in operation in 1959, two-thirds in 1960, and in full operation in 1961.

AMENDMENT 11

This is the principal Senate amendment. It can best be explained in terms of the several changes that it accomplishes:

(a) The deduction against investment income: Phase 1 of the House bill provided a deduction against the investment income of life insurance companies to approximate the investment income ultimately credited to policyholders. The House bill computed this deduction, using a deduction rate determined as the means of the company's current earnings rate and a book-required interest rate. The Senate bill modified this deduction by permitting the companies to use the average-earnings rate for the taxable year and the 4 preceding years. Generally the conferees agreed with the objective of the Senate bill to provide for a rate to be used in computing the deduction in 1958 which was slightly below the current earnings rate of the companies. The Senate bill, however, would not reach this result when interest rates were going down. Then it would produce the anomaly of allowing the use of a rate in computing the deduction which was actually higher than the rate which the company was currently earning. The bill as agreed to by the conferees requires the companies to use as a rate in computing the deduction the lower of the average earnings rate or the current earnings rate. Compared to the Senate amendment, this modification to provide for the use of the current earnings rate, if lower, will prevent the sharp drop in revenue from life insurance companies in periods of declining interest rates. Compared to the House bill, the amendment will generally limit the use of the full current earnings rate to years of declining interest rates and provide a deduction rate lower than the current earnings rate in other years.

(b) As agreed to by the conferees, the final version of H.R. 4245 extensively rewrites the provisions of the House bill dealing with tax-exempt interest and dividends received, including the addition of a proviso to the effect that if in any particular case the formula under the bill does not provide the proper treatment of these items, appropriate adjustment will be made. It is my belief that the appropriate deduction was allowed by the House bill and that these provisions of the final bill, which closely follow the Senate amendment, make no change of substance.

(c) Amendment No. 11 includes these other changes: An increase in the small business deduction allowable to companies with investment income under $500,000; an extension of the benefits of treatment as pension plan reserves to reserves held in connection with employee annuities, not under a qualified plan, which have been purchased by a tax-exempt organization described in section 501(c)(3), such as a school or a church; and assurance of a deduction for interest paid to special contingency reserves established pursuant to law in connection with the Federal employees' group life insurance plan.

AMENDMENT 12

This is another major amendment that can be explained in several parts:

(a) The amendment rewrites for the phase 2 tax base, the treatment of tax-exempt interest and dividends received in the same manner as the revision described in connection with amendment 11.

(b) The amendment provides an alternative calculation for the special deduction for nonparticipating insurance business, namely, 3 percent of premiums. This alternative will make the deduction more realistic for certain companies, such as those selling noncancelable accident and health insurance, that have substantial insurance risk which is not adequately measured by the size of life insurance reserves.

(c) This amendment also provides a limited deduction under phase 2 of the bill for distributions in 1958 and 1959 in connection with plans of mutualization adopted prior to January 1, 1958. These distributions are in the nature of fixed charges against the insurance company that were determined prior to the imposition of a total income tax for these years.

(d) Under the House bill, certain deductions were allowed for purposes of the total income tax base in phase 2, but allowed in only a limited way. Specifically they were not allowed to the extent that they would reduce the phase 2 tax base below the taxable investment income determined under phase 1. To this extent, the phase 1 tax was intended to be preserved as a minimum tax. The deductions that were limited in this way were the deductions for policy dividends on participating contracts, the special deduction for nonparticipating business, and the special deduction for group insurance. The bill as agreed to by the conferees provides that these deductions may be taken in phase 2 even where they produce a negative that serves to reduce the tax on investment income provided that this reduction of the phase 1 tax may not exceed $250,000. I speak for all of the House conferees when I say that our acceptance of this provision does not imply that we favor any general permission for mutual companies to eliminate their tax base by increasing the level of policy dividends. This deduction up to $250,000 we consider to be an allowance of the special problems of small insurance companies, both stock and mutual. Any dividends permitted under this limited ceiling would not constitute a competitive problem.

AMENDMENTS 20 AND 23

Both of these amendments are connected with the fact that typically life insurance companies show a loss from operation in their early years by charging off as an expense in those years many of the costs associated with income that will be received in later years. For this reason the bill permits losses arising in the years 1955, 1956 and 1957 to be carried over and applied against the tax base in the year 1958 and later years. The losses arising in these years would be offset against any gains from those years before being carried over. This will be of principal benefit to new businesses. Another special loss provision provides that new companies may have an 8-year carryover of losses—rather than the usual 5-year carryover—with respect to losses arising in the first 5 years of their operation. The bill as passed by the Senate would have provided a 10-year carryover for new companies but was reduced to 8 years by the conferees. The 8-year carryover figure was reached by recognizing that a new company does not have prior earnings experience to take advantage of the 3-year carryback provided for ordinary companies and thus the 3 years of the carryback were added to the 5 years of the carryover. A company is not regarded as new if it is the parent or the subsidiary of another corporation.

AMENDMENT 27

This amendment provides that a distribution redemption of certain preferred stock issued before January 1, 1958, will not be treated as a distribution to which the phase 3 tax applies. Your conferees believe that preferred stock is extremely rare in life insurance company financing and thus it is realistic to assume that the preferred stock issues to which this provision would apply were intended to be temporary financing arrangements and their redemption could be treated as being in the nature of repayment of a loan.

AMENDMENTS 28, 29, 30, AND 34

As was mentioned earlier, the bill provides that the phase 3 tax will not come into operation until 1959. In general the phase 3 tax is not supposed to apply to any distribution of profits with respect to which taxes already have been paid. These amendments provide that a company can distribute as dividends in 1959 or thereafter any retained taxpaid life insurance company taxable income for 1958 before the distribution is regarded as being a taxable distribution of previously untaxed income.

AMENDMENT 35

This amendment strengthens the House bill by requiring life insurance companies to add to the policyholder surplus account the special deductions allowed for nonparticipating business and for group insurance. The effect of this is to impose the phase 3 tax if the amounts accumulated under these special deductions are distributed to stockholders instead of being held to meet contingencies within the companies.

AMENDMENTS 38, 39, 40, AND 58

Under the House bill the phase 3 tax was imposed on the accumulated untaxed income whenever a company ceased to be a life insurance company. Under the amendment the phase 3 tax does not fall on the accumulated untaxed income unless the company ceases to be a life insurance company for two successive years or ceases to be an insurance company at all for 1 year. Thus the penalty of the phase 3 tax on the entire accumulation will not be imposed if for a single year a company fails to meet the definition of a life insurance company and is treated as a casualty insurance company. Appropriate safeguards are provided to prevent tax-free distribution of this accumulation

while a company is not a life insurance company and to keep the statute of limitations open as necessary to enforce the provisions.

AMENDMENTS 41 TO 44

The phase 3 tax provided in the House bill would ordinarily come into operation when the accumulated untaxed income was distributed to stockholders. It was also provided that this tax would also come into operation when these accumulations exceed certain levels indicating that they were too large to be regarded as necessary for the business. These amendments generally reduce the levels provided under the House bill. The alternative of 25 percent of life insurance reserves is reduced to 15 percent. The alternative of 60 percent of premiums is reduced to 50 percent and a third alternative was introduced, which is 25 percent of the reserves accumulated after the end of 1958.

AMENDMENTS 49 AND 50

These are essentially technical amendments designed to carry out more uniformly the decision of the House bill to impose no tax on gains arising from sales prior to December 31, 1958, and to permit, in computing capital gains taxes, the use of the December 31, 1958, value of the property as the basis.

AMENDMENT 50 1/2

This amendment treats as capital transactions certain reinsurance operations occurring in 1958 in which a life insurance company reinsured all of its insurance contracts of a particular type. These transactions were entered into at a time when the companies were not aware of the tax consequences under this bill. Their treatment as the sale of a capital asset will accomplish the reasonable result that the proceeds of these reinsurances will not be taxable income in 1958. It is made clear in the statement of the managers on the part of the House that the technique of treating these transactions as sales of capital assets is not to give rise to any inference as to the appropriate treatment of similar transactions occurring after 1958.

AMENDMENT 51

This amendment provides that companies which choose to use the approximate method for revaluing preliminary term reserves for 1958 will have a fresh opportunity to choose between the approximate and the exact revaluation methods for 1959 and will only thereafter be held to a consistent use of one method or the other. This is necessary in view of the fact that many companies will not be able to test the desirability of the exact revaluation method in the short time available for filing returns on 1958 income.

AMENDMENTS 52 AND 53

The House bill required life insurance companies to shift from a cash to an accrual method of reporting investment income items. It also required that investment income which would otherwise have been omitted as a result of that change—that accrued but not received on December 31, 1957—would be taxed in a special way. The companies would compute a tax as if one-tenth of this amount had been added to their 1957 income and the resulting increase in the 1957 tax would be paid annually in the 10 years beginning with 1960. The amendment provides, in effect, that in this recomputation for 1957 the operation of two special features of the 1957 law that might change the effective tax rate will be ignored. The effect of this is that almost uniformly the additional tax under the computation will be at the rate of 7.8 percent of the investment income involved.

AMENDMENT 55

The House bill contained special provisions relating to the application of the tax to Canadian and other foreign stock life insurance companies doing business in the United States. The amendment preserves the general intention of the House provision by making allocations between United States business and other business of these companies. The amendment avoids using an allocation ratio that would require the valuation of assets of the companies held outside of the United States. This is done by expressing the ratio in terms of the company's liabilities rather than its assets.

AMENDMENT 56

This is primarily a technical amendment clarifying the application of the bill to a life insurance arrangement called modified coinsurance. Essentially the amendment is designed to insure proper recognition of income, deduction, asset and reserve items between the reinsuring company and the reinsured company.

AMENDMENT 60

This is a necessary amendment dealing with the filing dates for the returns on 1958 income. The House bill had no provision in this area other than the elimination of any penalty under the estimated tax for payments that would have been due on their 1958 incomes in September and December of 1958. Under the amendment the 1958 return will not be due until September 15 and interest will start to run from that date. Of course, under the general provisions of corporate tax law, the companies can take an automatic 90-day extension of the time for filing so that in practice the companies will have nearly 6 months in which to compute their first tax return under the new bill.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I have joined with the distinguished chairman of the Committee on Ways and Means in urging the House to adopt the conference report on H.R. 4245 relating to the income taxation of life insurance companies.

At the outset of my remarks I would express the view that the conference report presents to the House an improved version of the bill that was considered and passed by the House last February. While this legislation represents the diligent efforts of the entire membership of the Committee on Ways and Means as well as the endeavors of many distinguished Members of the other body, I would particularly commend my committee chairman, the gentleman from Arkansas, at this time. I believe it fair to say that no other one individual brought more diligent or more able endeavor to the task of developing this permanent formula for life insurance company income taxation than has the gentleman from Arkansas [Mr. MILLS].

The esteemed chairman of the committee has already presented to you an able technical discussion of the provisions that have been changed in the legislative process subsequent to the passage of H.R. 4245 by the House. Therefore, I will not undertake to give a detailed account of those changes. I will express approval of the fact that the bill in its final form will impose a somewhat less harsh tax burden on the insurance form of savings than would have been imposed under the original House bill. It is my conviction that the tax formula in its present form is equitably related to the ability of the industry to pay tax and in addition fairly apportions the total burden among the competing companies within the industry. As we gain experience with this formula the Congress can in its wisdom undertake to make adjustments that seem warranted in the light of that experience.

As was true with respect to the House bill insurance companies will be taxed on investment income, on underwriting gains, and on gains from dispositions of capital assets. The bill contains provisions which will ameliorate the impact of the tax burden on certain types of companies during a transitional period necessary because of the change in tax formula. The treatment of tax-exempt interest under the conference version of the bill will make it more clear that such exempt income is not to be subject to tax. Under this tax formula new companies will find it possible to enter the industry and assure a continuation of a high degree of competition for the benefit and security of our citizens.

Mr. Speaker, I have already commended the committee chairman and my many committee colleagues for the work they have done on this legislation. I would also express what I am sure is the unanimous appreciation of the Congress for the work that has been done by the staffs of the Treasury, the Joint Committee on Internal Revenue Taxation, the House legislative counsel, and the Committee on Ways and Means. I have urged my colleagues in the House to approve this meritorious conference report on H.R. 4245.

Mr. IKARD. Mr. Speaker, I would like to make an inquiry of the chairman of the Committee on Ways and Means in regard to certain provisions in the pending bill, H.R. 4245.

I understand that the purpose of sections 804(a)(5) and 809(b)(6), added by the Senate, is to insure that other provisions in the bill do not impose a tax on tax-exempt interest and do not disallow the corporate dividends received deduction. I further understand in this respect that the pending bill differs from H.R. 4245 as passed by the House and also differs from previous Revenue Acts applicable to life insurance companies enacted since 1942.

The reason for this different approach in the pending bill is that prior laws taxing life insurance companies were primarily an excise tax on only part of a life insurance company's income whereas the pending bill is an income tax on all of a company's income. However, because of the method of determining an insurance company's income under this bill the application of sections 804(a)(5) and 809(b) (6) is to be a matter of proof in each case.

Mr. Speaker, is my understanding correct?

Mr. MILLS. The pending bill clarified the language of the House bill to make it definite that we do not intend to tax the interest on tax-exempt securities. It provides that if it is established in any case that any provision of the bill results in levying a tax on tax-exempt securities such provision shall be adjusted so that it does not do so. This is a different approach from previous revenue acts passed since 1942 as the old laws were based upon the experience of the industry as a whole rather than on the experience of each individual company.

TOBACCO PRICE SUPPORT

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 1901, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, there were pending the amendments of the gentleman from Iowa [Mr. HOEVEN]. Without objection, the Clerk will report the amendments of the gentleman from Iowa.

The Clerk read as follows:

Amendments offered by Mr. HOEVEN: Page 1, line 9, after the words "and cents for", strike out "each subsequent crop" and insert in lieu thereof "the 1959, 1960, and 1961 crops."

Page 2, line 2, after the word "crop", strike out the rest of line 2 and strike out lines 3 through 22 and insert a period after the word "crop."

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, this amendment simply calls a spade a spade and brings the entire matter into the open. Instead of hanging on to the gimmick or gadget basing price supports on either the old or the new parity, whichever is the lower, my amendment would freeze supports at the 1958 dollars and cents level for a period of 3 years. This would mean 54.6 per pound for Fluecured tobacco and 55.4 cents per pound for burley tobacco, both of which figures are related and based on 90 percent of the new parity formula.

The general import of S. 1901 is to lower price supports for most kinds of tobacco. The bill for all practical purposes freezes the price supports for tobacco at the 1958 dollars and cents level until either 90 percent of modernized parity falls below the 1958 level, or until 90 percent of old parity reaches the 1958 level. Thereafter, price supports would be based on whichever formula is the lower.

It is estimated that this freeze will exist for about 5 years, thus holding the level unchanged for that period. This freeze, of course, is determined to stop a steady climb in the dollar value of the tobacco price supports which has led to a corresponding drop in exports.

The bill as presented sets a bad precedent in allowing tobacco supports to be calculated on old parity. A few years ago many wheat groups sought to return to old parity calculations for price supports, but Congress denied their request. Old parity for corn is 22 cents per bushel higher than new parity. "What is sauce for the goose should also be sauce for the gander."

If tobacco is going to be given preferential treatment in this regard, why should not the same dual parity "gimmick" be afforded all other commodities? The legislation, therefore, is discriminatory in favor of the tobacco farmer. There is no sound reason to allow tobacco a special privilege of basing supports on old parity while denying it to other commodities.

The proponents of S. 1901 want the freeze at 1958 levels but also want to hand on to the 90 percent old parity formula for about 5 years simply as a face-saving proposition. This clever maneuvering will only result in fooling the tobacco farmers. Why not come into the open, get away from all this subterfuge and let the tobacco farmer know that during the next 3 years they are going to have their price supports at 1958 levels without any "gimmicks" or gadgets attached? They want to be protected at the 1958 price levels and my amendment will give them exactly what they want.

The argument that a 3-year freeze will disrupt the buying habits of large purchasers and thus cause instability and confusion does not hold water. The shrewd and experienced buyers in the tobacco industry know very well how S. 1901 will work. They know it merely amounts to a freeze for an indefinite period of time. A definite 3-year freeze would cause no uncertainty; it would protect the value of current inventories and investments, it would suspend the action of the haywire tobacco parity formula, and it would prevent another acreage reduction.

My amendment should be supported if the tobacco industry actually wants legislation which can be enacted into law. The amendment has the full approval of the Department of Agriculture, and I urge that the amendment be adopted.

Mr. WATTS. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, if you will bear with me for just a few moments, I would like to point out the difference between the effect of the bill as reported by the committee and the effect of the Hoeven amendment if it should be adopted.

First I want to say that we have not asked for special treatment. We have come before this Congress in the committee bill and asked you to give us the lower of support prices computed on the basis of either the new or old parity. If the time ever comes that support prices computed at new parity is lower than the old we want the new; if on the other hand the old parity is lower than the new we want the old.

If there is any other agricultural commodity in this country that wants the lower of the two price parities we in tobacco certainly are willing that they should do so.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WATTS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Will the gentleman explain to the House why tobacco is in the situation it is in at the moment, how it happens it is in a unique position in regard to price supports?

Mr. WATTS. I will if I have time. I would like to analyze the bill and the amendment.

Mr. Chairman, in the first place the amendment will not accomplish what should be done. It would merely freeze the price of tobacco for 3 years and at the end of that 3-year period let me show you on this chart what would happen.

Here is the 1958 level. Under the bill that we propose we would freeze the support price of tobacco at this level until the support price computed on basis of old parity would equal it. Thereafter the support price would be computed on basis of old or new parity, and established at the lower of the two figures.

Under the Hoeven amendment tobacco would be held at 1958 levels for 3 years. At the end of the third year the price would jump sharply to the point that the price of tobacco would increase 10 or 11 cents. But if the committee's bill is in effect it will continue prices at this level with gradual increases or decreases according to whether the cost of living goes up or down.

There are other reasons why the Hoeven amendment will not work satisfactorily. In the event of serious depression in the next 3 years and it should become necessary or advisable for the price of tobacco to go down, the Hoeven amendment would prevent it from going down; whereas, the committee's bill would permit tobacco prices to go down with the cost of living. In the event of serious inflation and the old parity should climb above the 1958 level, the bill as presented by the committee would provide it would increase with the cost of living, whereas the Hoeven amendment would keep it stymied.

Our problem is not the 90 percent support program. That has given us no trouble. It is not supply and demand. We have kept supply and demand in line. Our trouble is that the formula for new parity has clearly demonstrated that unless all crops either go down or all crops go up, it will not work satisfactorily. When all the other commodities raised on the farm are on the down

grade and tobacco is being held up high, because we have kept supply and demand in line, a distorted picture appears in this new formula which forces the tobacco prices much higher than they ought to go. For instance, in the last year the support price of tobacco went up 7.5 percent, whereas the cost of living went up 2 percent. It was never the intention of the Congress to raise the floor more than the cost of living. We have told of something that will not work. We are not asking the taxpayers to take anything out of their pockets. We are asking you to permit us to use less of your money in support of our crop.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. DIXON. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

Mr. MASON. Mr. Chairman, I object, and I shall object to all requests of gentlemen to extend their time.

Mr. DIXON. Mr. Chairman, I move to strike out the last word.

I would like to ask the gentleman from Kentucky several questions. First, may I say that I admire the realistic position of the tobacco people. They plead that high supports are pricing them out of the market. That is exactly what we say for all crops. That is why I admire their realism.

But is not the Hoeven amendment a holding provision until you can develop some better legislation?

Mr. WATTS. Well, it is holding, yes, provided we do develop some better legislation, but the committee bill is also a holding provision which will function even if we do not develop any new legislation. That is where I fall out with the Hoeven amendment.

Mr. DIXON. Even with the committee bill you would like to develop that?

Mr. WATTS. Any time we can develop anything better we will do it.

Another thing I do not like about the Hoeven amendment is this.

You know, we are subject to selling our tobacco to about 9 or 10 large tobacco companies. Since this legislation has been pending, with the exception of the very most necessary sales, the sales of stocks of tobacco have been stymied awaiting the outcome of this legislation. I am fearful if we put a freeze on and be forced into the position of enacting new legislation, whether we need it or not, that the companies that have now on hand 3 or 4 years of supply will fail to buy tobacco, and you will not only freeze the price but you will freeze the sales, because they will wait us out, and the tobacco will go into Government hands.

Mr. DIXON. Would this not establish a precedent? Rice could use the old formula and have a lower support price, and possibly cotton. Are you not establishing a precedent here? Should not all crops be treated alike?

Mr. WATTS. I would be perfectly willing to establish a precedent any day of the week any time any bunch of farmers come in and say, "Let us take a little less out of the Treasury. Let us support our crops a little bit lower."

Mr. DIXON. Suppose they want no change, because they have the privilege of either formula under this bill.

Mr. WATTS. Our bill ties us to the low. We are asking for less; not more.

Mr. DIXON. I am afraid you are establishing a precedent that the other crops are going to ask for.

Mr. WATTS. Any time the other crops want to lower their support price and want to get a lower basis of support, I am sure this Congress will be glad to accommodate them.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. JENNINGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, before directing my remarks to the amendment, I think we should review the need for this bill.

First of all, as has been ably pointed out, we are losing some of our export markets. We are also losing an opportunity to gain additional export markets because of the price situation. If this legislation is not adopted, we are actually encouraging foreign producers to produce tobacco that should be supplied by our own American farmers.

Now, I pointed out yesterday that practically every segment of the tobacco industry is backing this legislation. All the industry members from the tobacco-producing States, including the farm bureaus—that is, the State farm bureaus and not the American Farm Bureau—are for this legislation as are practically all other agricultural organizations.

This bill will actually help the farmer, because it will permit him to recapture some of the markets that have been lost and permit him to participate in the expansion of future markets and take advantage of the increased consumption of tobacco throughout the world.

The cost of this program was brought up yesterday. I want to read from a letter the Secretary of Agriculture sent to the Chairman of the Agriculture Committee. He says:

> This proposal is superior to the present legislation in that it prevents further price support increases for some time.

H.R. 5058 is a bill almost identical to the one we are now considering with the exception of an amendment offered by the Senator from Maryland to include the Maryland type of tobacco. Let me say in that respect—and please give me your attention on the left side of the aisle over here—that this is not the Jennings bill that is being considered here today. This is the Cooper-Jordan bill sponsored by the distinguished Senators from Kentucky and North Carolina, Senator COOPER and Senator JORDAN, who are very much interested in the tobacco program and in tobacco farming. Let me again refer to what the Secretary said in his comments on the bill:

> H.R. 5058 would have the tendency to lower the amount of Commodity Credit Corporation funds which would otherwise be invested in the tobacco price support program. It would effect no change in administrative expenses.

In other words, by his own letter, the Secretary says this bill will reduce the cost of the program.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Iowa.

Mr. HOEVEN. I would remind the gentleman that we are considering S. 1901 and not H.R. 5058, which is a different bill. I would ask the gentleman just what the difference is between H.R. 5058 and S. 1901.

Mr. JENNINGS. Well, there is very little difference, as I pointed out, except that an amendment was offered in the Senate by the Senator from Maryland which brought in Maryland tobacco. They are both good bills.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I thought the gentleman was making the point that that bill was sponsored by a very distinguished gentleman in the other body, a member of the Republican Party.

Mr. JENNINGS. This is bipartisan legislation. It is good legislation, and that is the basis on which it should be considered, on its merits.

Mr. COOLEY. And further that the Secretary of Agriculture said in effect that the bill did not go far enough and was inadequate because it did not go far enough, but indicated that it was definitely a step in the right direction.

Mr. JENNINGS. The Chairman is exactly correct in his remarks.

Let me say further as to the effects of this amendment: The gentleman said that the amendment would, for all intents and purposes, do what the bill would do for 3 years. That statement is somewhat correct, except that under the provisions of this bill, if the prices which the farmer has to pay go down, that is, the price of his tractors and insecticides and fertilizer and so forth—if that should go down, if the bottom should drop out of prices, under the bill the price support level of tobacco would go down. Under the amendment of the gentleman from Iowa [Mr. HOEVEN] the price support level could not go down because it would be frozen. It would be disastrous, just as the present situation is disastrous, because it would deny us the market.

I urge the defeat of this amendment in the interest of stabilizing the support price of tobacco, which is in the interest of our farmers. The defeat of this amendment will help keep supply in line with demand and prevent further cuts in acreage allotments.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. JENNINGS] has expired.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to open my remarks by stating to the Members that I do not have a single stalk of tobacco in my district. My only interest in this bill is to assist an industry in the adoption of legislation which I think is sound and which I think the industry needs.

Mr. Chairman, I hesitate to say this; I am a little bit surprised at the opposition

to this bill. I do not want to make any false charges. I know in times past I have made some pretty harsh statements in the well of this House regarding the attitude of Ezra Taft Benson and his supporters on agricultural legislation. I have been trying to be a little temperate and understanding for the last few years, but their opposition to this bill just for the sake of being obstructionists is getting under the skin of some of us. I cannot help but feel that the opposition is offered just for the purpose of being consistent in opposing everything except those things which are conceived in the mind of Ezra Benson.

Ezra Taft Benson is for lower price supports. My friends to my left and some of those to my right have supported the Secretary in that view. The American Farm Bureau Federation, which is the echo of Ezra Benson, is for lower price supports, and it has supported the Secretary in that view. The tobacco industry and the tobacco farmers of America, most of whom happen to be located in Democratic districts, have come to this Congress with a piece of legislation saying, "We are asking the Congress to permit us to pass a bill which will reduce price supports." The position of these farmers is in keeping with and in the direction of the Benson and the Farm Bureau philosophy. Then why do they oppose it? Their opposition is a mystery to everyone.

When this matter was finally voted on in our committee there was only one audible "no" against it, only one. They know that. But since that hour something has happened, for some reason or for some particular purpose, and I am unable to understand what it is; somebody trumped up some very peculiar, unstable, and unsound reasons against this legislation. They have neither merit nor reason. They are the handiwork of obstructionists.

This is a consumer bill. This is a bill which is designed to reduce the price of tobacco to those who consume it. Further it is designed to increase the markets of our farmers abroad. Its objectives are good. Even Ezra Benson in his report on the bill admits these things. But he objects to it and offers nothing as a substitute.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I am happy to yield to the gentleman.

Mr. COOLEY. Is it not a fact that every single witness who appeared before our committee opposed the proposition that is now before the House, to wit: the freezing of prices?

Mr. ABERNETHY. That is right; not only did every witness oppose the proposition—the Hoeven amendment—that is now submitted to the House, but the people who propose this proposition also opposed an identical freeze bill of last year. How inconsistent can one be?

Ah, do you not remember last year when we had the freeze bill before the Congress? Do you not remember last year when we had a bill here which would freeze and stabilize prices and acreage, not for 3 years as my friend from Iowa has proposed, but just for 1 year, my friends—the Republicans—on the left came into the well of this House and opposed it. They told us that the President would veto it. And he did. Yet they are back here today, 15 months later, proposing what? Proposing that which they opposed last year, and which they succeeded in defeating by Presidential veto.

Mr. Chairman, I hold in my hand a telegram from Charles Shuman, president of the American Farm Bureau, under date of March 19, 1958, and what did Charles—Mr. Benson's echo—have to say then? He said, "We of Farm Bureau oppose rigidly fixing price supports and acreage allotment." He said such "is against the long-time interest of farmers and should not be approved." Charles—Ezra's echo—was then opposing a 1-year freeze as was Ezra Benson. As always they are in the same corner and if one is occasionally inconsistent then so is the other.

On yesterday I received a telegram from that same Mr. Charlie Shuman, and what did he say yesterday? Oh, he like Ezra Benson has reversed himself from his position of last year of being against a freeze. Now he is for it not for 1 year but for 3—3 long years. Now he says "Farm Bureau recommends temporarily freezing price supports (on tobacco) for a period not to exceed 3 years." And so he urges us to vote for the Hoeven amendment; which will do what? Which will put the tobacco farmers' price support in a freeze for three times the length of that which he opposed last year. And yet he, Mr. Charles Shuman, draws about $25,000 a year for this inconsistent sort of leadership of Farm Bureau.

Let it be said that every tobacco farmer whom we have heard from wants this bill. Every warehouseman wants this bill. Exery tobacco organization wants this bill. And every State farm bureau heard from (and most of them have testified) wants this bill, their national president, Mr. Charles Shuman to the contrary notwithstanding.

This, my friends, will give you some little idea of just how inconsistent the oposition has been in fighting this legislation.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I am happy to yield to my colleague.

Mr. HOEVEN. I would like to ask my colleague this question. The gentleman is talking about the freeze bill of last year.

Mr. ABERNETHY. Yes; and the gentleman opposed it; did he not?

Mr. HOEVEN. No; he did not.

Mr. ABERNETHY. Yes; the gentleman did. Does the gentleman say he did not?

Mr. HOEVEN. The gentleman's recollection is incorrect. The gentleman from Iowa voted for the freeze bill.

Mr. ABERNETHY. Oh, you did?

Mr. HOEVEN. Yes; and the gentleman from Mississippi [Mr. ABERNETHY] did the same.

Mr. ABERNETHY. I am glad to know the gentleman was for the freeze bill. But I do know the gentleman's administration and Mr. Benson opposed it, and you are taking that position now.

Mr. HOEVEN. The gentleman from Iowa is not the administration.

Mr. ABERNETHY. No; he is not, but he is its leader in the House of Representatives on matters pertaining to agriculture, and he is at this time endeavoring to lead in the direction which the administration desires to go.

Now, this is a simple matter. Everyone supports this bill who has an interest in raising and marketing tobacco. The only people who oppose it are Ezra Benson—and even he has said it is an improvement over present law—Mr. Charles Shuman, of the Farm Bureau, and most of the Republicans. It is a good bill. It will halt the advance in tobacco prices, and that is what the growers seek. It will improve their position in the markets.

I trust you will vote down the amendment of the gentleman from Iowa and stand by the committee.

Mr. CHELF. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, I did not plan to make a speech today and I am not going to make a long one. But, I would like to say this to you quite frankly. Everybody within the sound of my voice knows that we have a terrific surplus of most of our farm commodities. We do not want that to happen to tobacco. You know, the situation with reference to our farm program today reminds me of the story we tell down in Kentucky about the two sweet little old ladies who were driving along the road in their little Model T Ford. Suddenly, without warning, an old Model A Ford went by them at a tremendous speed. It ran up on the side of the road, and about a quarter of a mile ahead, it went out of control—hit a tree and then bounced—careened—hit an embankment and then smacked against a bridge and rolled over and over and over about 10 times down into the bottom of a dry creek bed, and then the thing burst into flames. Well, the two sweet little old ladies stepped on the gas in their Model T and as fast as they could drove to the bridge, jumped out and ran down and dragged the poor old fellow out just as it caught on fire. Then one of them said, "Oh, bless you, oh bless your sweet cotton-picking heart, you are safe—the good Lord was sure riding with you." And the old farmer who was groggy and in shock, but still chewing on his cud of tobacco, first switched it over to the right side of his mouth and then he switched it over to the left side—spat out about a cup of "ambeer" and said, "Well, if he was, he just had one hell of a rough ride; didn't he?" We do not want that to happen to our tobacco program here today. We do not want any rough rides—we have had enough. About 5 years ago those of us who represent tobacco farmers in Congress came in and it was the first time, I think, the representatives of any commodity had come in and asked to cut our own allotment and our acreage. We sought to cut it because we knew that if we did not cut it—mind you now—we did not want to cut it but we had to be realistic. Our tobacco farmers, large and small did not—the warehousemen did not; nobody really desired

a cut in our tobacco acreage allotment, but we had a very practical situation confronting the growers, and the entire industry and therefore, in an honest effort to preserve and to protect our foreign markets and our overproduction—we got together—all of us in the business—and agreed that a cut while most distasteful was far better than ruining our fine tobacco program that we had worked so hard over the years to establish. Yes, it was truly like taking a big dose of ill-smelling, bad-tasting medicine—but we knew that it would help the illness of the patient.

So today I say to you quite frankly, that I am against this amendment because it would freeze the prices over a period of 3 years, and at the end of that 3 years, Mr. Chairman, the prices would go sky high and then our market and our tobacco program would fall like mother's bread when the oven door slammed shut. It is just as simple as that. Mr. Chairman, it took raw courage and, if I do say so, it took vision, foresight and unselfishness on the part of our farmers, especially our little tobacco growers, to take this action.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. CHELF. I yield.

Mr. JENNINGS. In reference to the amendment offered by the gentleman from Iowa, I would like to ask the gentleman if he does not agree with the statement in our committee by a spokesman for the industry who was present pertaining to this very subject of the freeze. The distinguished chairman of our committee asked this question, and the record is as follows:

Mr. COOLEY. It has been suggested that instead of passing the Jennings bill, we consider legislation, the effect of which would be to freeze the price support level in 1959 at the 1958 level. Do you think legislation along this line would be worth while?

Mr. LANIER. I think it would be the worst thing that could be done, because that would give instability and just make confusion from year to year. I think you have got to face it Mr. COOLEY, to either do something that will be worthwhile, or not do it. But 1 year would not help in my judgment.

Mr. COOLEY. Mr. Chairman, with your permission, I should like to ask Mr. Royster the same question.

Mr. ROYSTER. Yes.

Mr. COOLEY. I ask you the same question: Do you think passage of that type legislation, freezing the support levels of 1959 at the 1958 level, would be worth our efforts?

Mr. ROYSTER. I have just heard the statement of Mr. Lanier. I concur in the statement wholeheartedly.

Mr. Chairman, I do not think that any period of time would be advisable. We have never operated on that kind of program, and I think it would be very unwise to attempt to do so now.

As Mr. Lanier has ably said, what we need is stability over an indefinite period of time.

I might point out in substantiation of that statement, Mr. Chairman, the manufacturers—foreign manufacturers—buy for usage 2 and 3 years hence. Therefore, a freeze even of 2 or 3 years would not even get them up to the beginning point of the purchases from now on.

So actually, in effect, if we should adopt this amendment, we would be nullifying the effects of this bill so far as our foreign purchasers are concerned.

Mr. CHELF. I agree with the gentleman wholeheartedly.

Mr. Chairman, in conclusion let me say this. I hate to impose on you, my friends, but this is the first speech I have made this year and if this subject was not so very near and dear to my people, especially my little farmers—whose only "cash crop" and their livelihood is at stake—I would not be here in the well of the House bothering you. Let us take into consideration one thing. Here is a commodity that I think is entitled to a fair break; to your fair consideration and to your sympathy and understanding, gentlemen of the House. When you consider that this is a commodity that pours annually into the Federal Treasury $1,734 million in taxes and from the great State of Kentucky last year alone, the Federal Treasury got $353,321,000; that is not hay nor peanuts. It is a sizable sum. This is a report from the Commissioner of Internal Revenue—they are not my figures. So I say to you quite frankly, I feel we are entitled to some extra bit of consideration at your hands. We have carefully policed and guarded our program. Those who overproduce in violation—pay a penalty—this all goes into the Treasury. Therefore—this does not cost the taxpayers one dime. I said it yesterday and I repeat it today, our program has stood on its own bottom. It will not cost you a dime insofar as the administration of it is concerned. Oh, yes, certainly, we will have to pay something out according to law for soil bank signers—but I am talking about the program as a whole. We are proud of it—we have worked hard to build it. Sure it has taken sacrifices on the part of our little tobacco farmers but, God bless them, their vision and cooperation has produced for them in the final analysis—less toil, a better market and a smile on their faces when they haul their crop to market.

Defeat this amendment and then vote for our bill. My people will be grateful and so will your colleague from Kentucky's Fourth District.

Mr. VANIK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, on this entire issue of any supports for the tobacco crop, I am a conscientious objector. It seems to me that Federal support of a farm program should be limited solely to a food support program excluding frill crops, such as tobacco.

The accumulation of medical evidence associating the rising incidence of lung cancer among heavy cigarette smokers is a crushing indictment. Public health may someday drastically control or even prohibit the production of a tobacco crop.

Although the present tobacco surplus is perhaps economically tolerable, the prospects are exceedingly great that the surplus will soon overtake present ratios. With multiplied cigarette consumption, the cigarette-producing industry is using less and less tobacco and more and more paper. They soon will be producing an all-filter, no-tobacco cigarette.

There is no dispute as to the cost to the Government of the tobacco support program. Whatever the cost, we should not continue to spend Federal funds in any degree to expand the production of a crop not essential to human welfare. We should instead direct these expenditures toward further cancer research to assess tobacco damage.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield.

Mr. JENNINGS. As I understand him, the gentleman admits that this particular disease is very controversial; the facts have not been established from what source it comes, and it could well come from other sources and in all probability does. Inasmuch as the source has not been established, does the gentleman agree that perhaps this issue should not be injected into this debate today?

Mr. VANIK. I want to say in reply to the gentleman that on the contrary, as far as I personally am concerned, I am already sufficiently alerted, and I think most of my constituents are well alerted as to the dangers and hazards to the human body from excessive indulgence in cigarette smoking. As a matter of fact in my community we have made extensive studies of industrial air pollution, and our researchers have concluded that cigarette smoke contributes more to harm the tissues of the human body than all other forms of industrial pollution that is put into the air.

Mr. LANKFORD. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I am pleased to yield to my distinguished colleague from Maryland.

Mr. LANKFORD. I want to call the gentleman's attention to an article which I inserted in the RECORD a few days ago on the subject of lung cancer and the results of the research conducted at the University of Maryland situated in Baltimore, saying that as far as that particular specialist was concerned, and he is recognized throughout the Nation, there is no connection between smoking and lung cancer.

Mr. VANIK. For every authority the gentleman can produce who holds that opinion I think I can produce three or four who hold the opposite opinion.

The American Medical Association is meeting in Atlantic City this week, and before its sessions are concluded I expect that they will have something to say on the subject of tobacco smoking and its effects on the human body, and it is not going to be favorable from what I have heard.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield further?

Mr. VANIK. I yield.

Mr. JENNINGS. Does the gentleman himself smoke?

Mr. VANIK. The gentleman from Ohio does not smoke at the present time.

Mr. JENNINGS. Let me ask the gentleman if he realizes that the tobacco industry itself is actually expending millions of dollars to determine whether or not the gentleman's assertions or his beliefs are correct? And does the gentleman not agree also that the tobacco program has not cost the Government any appreciable amount of money? The support program actually has shown a profit. In addition to that, $2.5 billion

each year is paid in taxes to the Federal, State, and local governments.

Mr. VANIK. Let me say in reply to the gentleman from Virginia that the money going into the Federal Treasury by way of taxes on tobacco does not make it any more healthful as far as the human body is concerned. As a matter of fact what about the billions of dollars that are spent every year for narcotics and other habit-forming drugs that produce no good when we compare it to the damage done to the American people through their use?

I do not think we are in a proper position to assume any advantages of this taxation program.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word, and I yield to the gentleman from Ohio to ask him a question, also to express my regret if any action of mine may provoke or aggravate him in any way.

Mr. VANIK. I thank the gentleman from Florida, and appreciate his respect for the rules of the House.

Mr. MATTHEWS. I want to say that yesterday I listened with a great deal of interest to the statement by the distinguished gentlewoman from from New York [Mrs. ST. GEORGE], whom I admire very highly. She spoke about marihuana. I hope she is not comparing cigar smoking to marihuana smoking. I know this is a problem and I am not saying this facetiously.

But getting back to the subject matter, specifically this is the question: Granting everything the gentleman has said, in all sincerity and good faith, and I want to emphasize that I am not being facetious—if this bill were passed, would it have anything in the world to do with how many cigarettes people will smoke or how many cigars people will smoke? Is not the gentleman's wonderful argument here a little bit extraneous to the bill we are discussing?

Mr. VANIK. I do not think so. We are dealing with a Federal support program. Perhaps this is something that ought to be handled by the individual States. In a short time we will have to vote on H.R. 3, which seeks to take away from the Federal Government the right of preemption. Perhaps the right to control and regulate tobacco production ought to be reserved to the individual States.

Mr. MATTHEWS. I just wanted to ask a question.

I now yield to the gentleman from Kentucky, Mr. CHELF.

Mr. CHELF. It has been alleged here that there are those doctors, and I know they are conscientious and sincere, who say that tobacco is a definite threat so far as cancer is concerned. There are those others who say it is not. Until such time as it has been decided and the doctors can get together, should we not reserve our decision here today?

Mr. MATTHEWS. The gentleman has made a very fine point.

Mr. CHELF. Are we going to prejudge a case before we hear the case?

Mr. MATTHEWS. I yield to the distinguished gentlewoman from New York, Mrs. St. George.

Mrs. ST. GEORGE. Mr. Chairman, I am not one of those who believe that you can legislate morality. The question has been brought up here whether one smokes or whether one does not smoke. My weakness in this argument is that I do not smoke. In a way, I wish I did, because the whole argument is, should the tobacco crop be considered a basic crop or not? In my opinion, as long as there is a thought in very high medical circles as to its usefulness, it should not be considered a basic crop.

Mr. MATTHEWS. You know, there are certain sections of the country where certain people say if you breathe the atmosphere it will give you lung cancer. I do not say that; no, I would not dare say that because I cannot prove it. You know, actually it would be just as ridiculous to pass a bill prohibiting visits to certain areas of this country because of a cancerous irritation that might result from breathing the air, as it would be to try to pass legislation to keep people from smoking. I am not suggesting legislation to restrict free travel in this country or to impose by law a code of morality. I am saying in all seriousness that this is a very serious problem. My position is that if you defeat this bill, if you defeated every tobacco bill, if you took away from the farmers the rights they have to make a living, you may have more tobacco smoking, but the people who grow it will get less money for their tobacco. The people who manufacture and sell it would get more, and you would have as many cigarettes and cigars as you have today, with less money going to the little farmers who produce the tobacco.

Mr. CHELF. I, too, have quit smoking also, but the reason was because I had surgery back in 1954 and the doctor said: You have an ulcer. If you want to gain a little weight from 118 to 155, you had better quit smoking. So I quit then. That ulcer I had I had to carry around in my hand, I was so thin.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that debate on the pending amendments close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. KING of Utah. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. KING of Utah. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments close in 25 minutes, the last 5 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. MICHEL. Mr. Chairman, this is not on all amendments, is it?

Mr. COOLEY. On the pending amendments and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Chairman, I rise to associate myself with the remarks of my distinguished colleague the gentleman from Ohio [Mr. VANIK]. I know that a serious conversation or discussion on the uses of tobacco usually degenerates into a facetious exchange of quips, but I remind my colleagues that next year there will be 35,000 Americans die of lung cancer, and this rate is on the rise every year. Much of this cancer will be induced by the use of tobacco. I would remind you that this is not a facetious matter.

I should like to state that I am unequivocally opposed to Government price supports on tobacco, in any form.

Three months ago I introduced a bill designed to promote the education of American children on the harmful effects of smoking.

That bill has brought me mail from every section of this great land. In fact, I have received more personal mail about this bill than I have about any other legislative measure before this Congress. The authors of such mail invariably ask: "What can we do to help put such a program over? We want our children to have the facts about tobacco and lung cancer."

This mail persuades me that the 86th Congress has the responsibility to reexamine the whole question of price supports for tobacco. I believe the mounting evidence which links lung cancer with cigarette smoking demands that we reexamine it.

I remind my colleagues that just last week the American Cancer Society launched a new offensive to alert the American people about the health risks they run in using tobacco. The powerful tobacco interests argue, of course, that the society's campaigns against smoking have been inspired by prejudice and bias. But the simple truth is that the campaign has been inspired by sober research. The society would fail its purpose and ignore its responsibility if it failed to act upon the evidence which its extensive research has produced. And I think we fail our responsibility if we fail to carefully weigh the same evidence.

Lung cancer is expected to claim 35,000 lives in this country this year. This closely approaches the annual highway death toll. The time to act is now. The American people want action, and they have every reason to expect it.

I think we insult our sense of reason when we persist in classifying tobacco as one of the basics of American agriculture. The products of tobacco are frills—and potentially dangerous frills at that. Certainly tobacco is not a basic in the traditional sense; it hardly deserves a place beside food and fiber commodities which sustain the life and health of this Nation.

In the opinion of the Honorable RICHARD L. NEUBERGER of Oregon, our subsidies on tobacco sorely damage American prestige abroad. I share that opinion.

How can we make our global companions see the reason in our appropriating large sums for research to seek causes and cures for cancer and, at the same time, pouring even larger sums into the production of a commodity which clearly contributes to the alarming rise in cancer deaths? We can never make them see the reason in it, for there is none.

How can we claim for ourselves the moral leadership of the world when our domestic affairs show such a glaring example of moral irresponsibility?

Imagine, as Senator NEUBERGER has said, the storm of abuse we would heap upon Communist China, if that country began to subsidize the production of opium. The world would ring with our howls of righteous indignation. Still we subsidize the production of a narcotic when we approve price supports for tobacco. Nicotine is, in fact, more than a narcotic—it is a deadly poison.

I am deeply pleased that many young Americans are showing the intellectual and spiritual strength to resist the persuasive appeals of the television and radio hucksters who irresponsibly link smoking with personal success and distinction. These young Americans recognize the menace in cigarettes.

In Utah and the intermountain West, youngsters commonly speak of cigarettes as "cancer sticks," and here in the Washington area, I have heard teenagers call them "coffin nails."

I am also very grateful that many of my colleagues share my concern about this menace. I commend Senator NEUBERGER for his unremitting effort to bring enactment in the other body of legislation to educate American children on the harmful effects of smoking. I also commend the gentlewoman from New York, the Honorable KATHARINE ST. GEORGE, for the very appropriate remarks she made to this body yesterday.

I also commend the American Cancer Society for its new offensive, and under unanimous consent to revise and extend my remarks at this point in the RECORD, I quote that part of an Associated Press dispatch from Boston which shows the objectives of the society's campaign. The article, in part, follows:

BOSTON, June 5.—The American Cancer Society today launched an intensified drive to alert physicians and the public to the dangers of cigarette smoking.

The society's directors, meeting in Boston, adopted resolutions yesterday to instruct the group's staff to:

1. Intensify its efforts to bring the facts about cancer and tobacco to physicians.

2. Study deficiencies in laws to protect the public from the hazards of cigarettes and to recommend appropriate legislation.

3. Intensify efforts to make available through all channels facts about cancer related to the use of tobacco, with particular emphasis on teenagers.

The board also approved pilot showings of a 17-minute film in selective communities to test the effectiveness of using a movie in presenting the dangers of tobacco.

Dean Davies of New York, administrator for research on lung cancer for the American Cancer Society, and Dr. Howard C. Taylor, a director at large, said more than a score of studies in different parts of the world all showed lung cancer patients to be predominantly cigarette smokers.

The society's directors also considered a plan at their meeting to find out through studies why people smoke—or don't smoke.

Mr. Chairman, this issue cannot be avoided. The day will surely come when an aroused Nation will realize that a tobacco support program has no place in our agricultural program. When that day comes, the record will show the position which I now take.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I was much interested in the remarks of the gentleman from Ohio [Mr. VANIK] and the gentleman from Utah [Mr. KING], who just addressed the House on the subject of the effects of tobacco. Next week the annual multibillion-dollar foreign giveaway will be before the House of Representatives, and, as I understand it, money is made available from funds under that bill, the Development Loan Fund, and the countless technical assistance programs in the United Nations and elsewhere for the development of tobacco production in the so-called underdeveloped countries of the world. I am sure that the gentleman from Ohio or the gentleman from Utah, or both, will be Johnny-on-the-spot with amendments when the foreign handout bill comes up next week to prohibit the use of any of those funds to provide for the production of tobacco in the underdeveloped countries. Surely, you gentlemen are not going to let American tax dollars be used to subsidize the production of tobacco in foreign countries to contaminate underdeveloped people all over the underdeveloped world.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SOVIET RUSSIA DOES POSSESS ICE-FREE, OPEN SEA SUBMARINE BASES

Mr. STRATTON. Mr. Chairman, last Friday the gentleman from Missouri [Mr. CURTIS], offered a case of whisky to any naval personnel who can sight a single ice-free open sea base the Soviets possess from which to operate submarines. As a member of the Naval Reserve, I am going to win that case of whisky this afternoon by pointing out to the gentleman not one but two ice-free bases on the open sea from which the Soviets can operate their vast submarine fleet, and I would be very much surprised if they are not operating submarines from those bases today. One of them is Murmansk in the north, and the other is Petropavlovsk on the Pacific.

Let me say that I have consulted on this point not only with the chart but with some officials in the Navy Department. Both of these ports are on the open sea. Both of them are ice-free. Therefore, Mr. Chairman, I submit that the gentleman has lost his wager.

However, I do not want to collect a case of whisky for myself. Instead, I suggest that the gentleman from Missouri turn his case of whisky over to the American Red Cross to be used for medicinal purposes.

As far as the Soviet Navy is concerned, I hope that we will not again encounter any attempts in this House to minimize the very serious threat which this country faces from a vast and highly trained Soviet submarine fleet operating from these and other bases.

May I add, Mr. Chairman, that I advised the gentleman from Missouri this morning that I intended to respond to his challenge on the floor this afternoon. Unfortunately the gentleman informed me he would be detained by necessary committee business.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I was intensely interested in the extent to which the debate has gone for the past few minutes on the relative question of whether tobacco smoke is injurious. On Saturday of this week I expect to attend at the city of Richwood, W. Va., an annual affair known as the over eighty party, one at which the good citizens of Richwood and their friends entertain everybody in the Richwood community and of two or three counties surrounding that city who are over 80 years of age.

Three years ago, in attending this party, I met a lady whose last name was Givens. She was 102 years of age and she insisted on having a picture taken with her Congressman. She was smoking a clay pipe and she advised me she had been smoking one since she was 12 years of age.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOUNTAIN].

Mr. FOUNTAIN. Mr. Chairman, it is my earnest hope that this House will pass S. 1901 by an overwhelming majority. This legislation is urgently needed.

In the first place, this year's tobacco crop has been planted. Tobacco farmers are entitled to know what the level of price supports will be on their 1959 crop. The purpose of this bill is clear and simple. It would prevent for an indefinite period, certainly for the next 3 years, further increases in the prices of tobacco, increases which will occur under the existing law unless this bill is passed. It is designed to limit the automatic and artificial yearly advance in the level of support prices for tobacco. If there are those in the House who oppose the tobacco program itself, or oppose 90 percent price supports which flue-cured and burley tobacco have successfully enjoyed for years, without cost to the Government, such opposition, in my opinion, is not relevant to the legislation at hand.

The purpose of this legislation, therefore, is to protect the most effective farm program in the United States for tobacco farmers, for the tobacco industry, and what is important to all of us—the protection of the Government itself and the taxpayers with respect to program costs and the revenue produced by tobacco. As has already been pointed out, the bill provides that the 1958 level of price

support in dollars and cents shall remain in effect and shall not be increased until such time as the level of price supports determined by the old parity formula catches up with the 1958 level of price supports. After that time, the level of supports would be based on the lower of the two computations—old or modernized parity.

It has been estimated that it would be from 3 to 5 years before old parity supports would equal the 1958 level. Support levels would thus remain stabilized at the 1958 level for at least that period. In fact, they would remain stabilized after that time if the cost of things which the farmers must buy does not continue to advance. It has also been estimated that the index of prices paid by farmers would have to increase about 16 percent for burley and 11 percent for Flue-cured tobacco before the old parity provision would go into effect and the freeze removed. As has already been so well explained, burley and flue-cured are our major export tobacco. This legislation will contribute substantially toward a stabilization of prices for tobacco and the maintenance and improvement of our export market.

The modernized parity formula was written into the law to prevent substantial drops in farm prices which occurred following World War I. At that time, the Congress was interested in protecting tobacco farmers in the future. However, every eventuality could not be foreseen and it is a fact that the modernized formula with respect to tobacco has placed tobacco in a precarious situation competitively with the growing volume of foreign produced tobacco. If this bill is not passed, the present law could seriously impair the market and sales for tobacco in this country. If this occurs, the result would be an increase in Government investment in crop support loans and a further reduction in tobacco acreage. Those of us from the tobacco-growing States know that the tobacco growers should not have to stand further cuts in their acreage allotments.

This bill, S. 1901, represents the initiative, the thinking and the voluntary sacrificial action of tobacco growers and the entire tobacco industry to avoid such consequences. It represents a voluntary effort on the part of tobacco growers and their organizations to improve and save the tobacco program and to place a check upon anticipated rising support prices which would not bear relation to the cost of things the farmers must buy.

I cannot understand the position of apparently a majority of the directors of the National Farm Bureau. I say a majority of the directors for, after all, the American Farm Bureau is nothing more than the official name for all of the State farm bureaus put together. In this instance, all of the tobacco-growing States support this legislation because they think it is best for them and they do not want their program to cost the Government any money.

I say I cannot understand the position of apparently a majority of the American Farm Bureau directors since they have advocated and supported legislation representing the judgment and the decisions of growers of other agricultural commodities such as corn, cotton, and wool with respect to the type of program which is best for them.

Much has been said recently in opposition to the parity concept. I should like to emphasize the reason which makes the parity concept so applicable to tobacco. It still takes approximately the same amount of hand labor to produce tobacco that it did 25 years ago. This is not true with other commodities such as grains where many times as much effort can be exerted with the same amount of labor.

In further support of the parity concept for tobacco, let me also point out that tobacco has no open market such as other agricultural commodities enjoy. The uses of tobacco are limited. It must necessarily be sold to probably 10 or 12 major tobacco companies and a mere handful of foreign buyers. If they do not buy, the tobacco farmer has no market for his crop.

If those of you who are not familiar with the tobacco auction system would visit one of our tobacco warehouses and observe sales in process, you would very quickly discover that the price paid by tobacco buyers is largely determined by the support price. This support price provides a floor which effectively protects the price of all cigarette leaf tobacco sold. The price paid the farmer for his tobacco is a very small portion of the price we pay for the cigarettes and other processed tobacco we buy. Also, the retail price paid for tobacco products bears little if any relationship to the support price for tobacco.

In the case of tobacco, Federal, State, and local taxes amount to almost three times as much as farmers receive for their part of the crop consumed in the United States. I believe the gentleman from North Carolina [Mr. COOLEY], chairman of the House Agriculture Committee, gave figures yesterday indicating that Federal, State, and local taxes collected on tobacco products amount to $2½ billion a year while the farmer receives for the tobacco in a package of cigarettes slightly more than 1 cent.

Let me mention another argument in support of this legislation and our basic tobacco program. The present program with price supports at 90 percent of parity and strict production controls has worked as shown by the fact that nearly 100 percent of the tobacco farmers of this country approve it and have kept it sound and self-supporting. In the case of nearly every price support crop except tobacco, surpluses seem to build up despite our best efforts to control and dispose of surplus production.

In his agricultural message to Congress on January 11, 1954, the President said:

> Each farm crop has its own problems and these problems require specific treatment.

In regard to tobacco, the President said:

> Tobacco farmers have demonstrated their ability to hold production in line with demand at the supported price without loss to the Government. The relatively small acreage of tobacco and the limited areas to which it is adapted have made production control easier than for other crops. The level of support to cooperators is 90 percent of the parity price in any year in which marketing quotas are in effect. It is recommended that the tobacco program be continued in its present form.

Nothing has happened since that message in 1954 to change the strength and truth of that declaration. What the tobacco farmers, their organizations, warehousemen, exporters, and other interested people are asking us to do is to take action which will have the twofold effect of providing a stable source of tobacco without reduction in fair prices for farmers, and to encourage both foreign and domestic buyers of tobacco to continue and even increase their purchases, thus bringing about a greater assurance of stabilized and competitive prices in future years.

A vote against this bill is not a vote against 90 percent price supports or the parity concept, but is a vote for supports at a higher level than the tobacco farmers themselves believe to be either in their best interest or in the best interest of the taxpayers.

I ran across a speech recently made by a former distinguished Member of this House, a former chairman of the House Committee on Agriculture and the ranking minority member of that great committee at the time he retired from this body. No Member of this House was held in higher esteem and no one had a better knowledge of the problems of agriculture than the Honorable Clifford R. Hope, of the State of Kansas. I would urge every Member of this House, especially those on my left, to read his address made before the National Grange at Spokane, Wash., and recorded in the CONGRESSIONAL RECORD, volume 101, part 1, page 228. I never read a better presentation of the problems of agriculture and the steps which must be taken from time to time to help improve that segment of our American economy.

As a source of light upon this legislation, I should like to quote a portion of what he said to the National Grange:

> I do not want at this time to get into the controversy over price-support programs except to say that experience has demonstrated as we have gone along that the Grange position is right, and that our greatest mistake as far as farm programs is concerned, is to attempt to apply one magic formula, one cure-all, that will answer the problems of all agricultural products.
>
> Furthermore, I think we have to recognize that there are some commodities which do not adapt themselves to direct price-support programs.
>
> That great man in agriculture, Albert Goss, warned us years ago that there is no such cure-all and that there are almost as many problems as there are commodities.
>
> I remember he used to tell our committee that just as we can't cure appendicitis with castor oil or smallpox with surgery, we must have a bag full of remedies as a country doctor carries a bag full of different pills, so to speak.
>
> Our experience has demonstrated the value of attempting to tailor a program to meet the needs of a particular commodity.
>
> Take the one case of sugar, with which many of you are familiar. The sugar program stands by itself. It was worked out to meet the needs of that particular commodity,

and it has worked more successfully, perhaps, than any other program.

The same can be said of the tobacco program. Ninety-percent price supports with strict controls have worked so well on that commodity that practically everyone has agreed—no matter what his views might be as to other commodities—that such a program should be continued for tobacco.

In the last Congress, recognizing the fact that wool has peculiar problems of its own, we set up a wool program to meet the needs of that commodity.

All of this is in accord with the views expressed by President Eisenhower in his message to Congress on January 11, 1954, entitled "Recommendations Affecting the Nation's Agriculture."

In that message he said, and I quote: "No single program can apply uniformly to the whole farm industry. Some farm products are perishable, some are not; some farms consume the products of other farms; some foods and fibers we export, some we import. A comprehensive farm program must be adaptable to these and other differences, and yet not penalize one group of farmers in order to benefit another."

These remarks from a distinguished former Member of this body, referred to as "Mr. Agriculture," are in keeping with the steps which we are urging this House to take today.

I sincerely hope that this House will pass this legislation, without amendments, in the interest of tobacco growers, the entire tobacco industry, the tobacco market—domestic and export—and in the interest of the American taxpayer.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina, the chairman of the committee [Mr. COOLEY] to close debate on the pending amendments.

Mr. COOLEY. Mr. Chairman, I shall not consume the 5 minutes, but I do want to say to the Members of the House that this is a very important amendment. If we were here asking for an increase in price supports or for legislation which might become financially burdensome on the Government, then I could readily understand that we might meet with opposition. But here are the farmers in all the tobacco growing areas who have come together and agreed upon this measure which will prevent an increase in price supports and will prevent an increase in the financial burdens being borne by the Government. The question here is not as to whether we approve of the tobacco program or not. Those who classify tobacco with marihuana and other evil commodities are entitled to their own views. These gentlemen who have spoken with great sincerity about the harmful effects of smoking are entitled to their own views. But if this bill should be voted down, we still have a tobacco program and the operation of that program would continue and prices will spiral upward. By this bill we are doing exactly what Mr. Eisenhower said should be done, and that is we should take steps to prevent the continuous spiraling upward of tobacco price supports.

Mr. Chairman, I ask for the passage of the bill as it has been reported from the committee. I do not question the sincerity of my colleague who has offered this amendment, but I point out to you that this amendment was considered in our committee and not a single witness from any part of the tobacco-growing area of America came to testify in support of the amendment. The amendment proposes to freeze prices. We do not propose to freeze prices. We only propose to operate at the lowest possible level permitted by either the new formula or the old formula on which parity prices are calculated.

Mr. Chairman, I urge the defeat of this amendment and urge the passage of the bill, as reported by the committee.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Iowa [Mr. HOEVEN].

The question was taken; and on a division (demanded by Mr. HOEVEN) there were—ayes 65, noes 128.

So the amendments were rejected.

Mr. PELLY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PELLY: Page 3, immediately following line 6, insert the following:

"SEC. 3. No financial benefit or assistance shall accrue or be paid, directly or indirectly, by reason of the amendments made by this Act, to any Member of Congress, any officer or employee of the legislative branch of the Government, or any officer or employee of the Department of Agriculture."

Mr. PELLY. Mr. Chairman, my amendment to S. 1901—the tobacco price support bill—is to prohibit employees of the Department of Agriculture or of the legislative branch of Government, including Members of Congress, from benefiting under this legislation which they have originated and will administer.

Here we come face to face with the subject of conflict of interests and ethics. My amendment is based on the same principle as rule VIII of the House Rules which calls for abstention in voting on measures in which a Member has a direct pecuniary interest.

According to the Washington News, issue of May 28, 1959, a Scripps-Howard newspaper survey showed 35 Members of Congress have shared in farm subsidies. I do not know if any of these were under the tobacco price support program. If so, of course, Members would be exercising the same privilege as any other citizen and as such it would be quite proper.

However, in the field of ethics one is expected not only to act within the law but also to avoid any possible basis of criticism. Like Charles Wilson who had to sell his General Motors stock and lost millions, public service calls for sacrifice.

I would have hoped Congress would have tightened up on such matters. We should have established general codes of ethics for ourselves and our employees. But until overall standards are set we can do the job piecemeal and this is one such piece.

I urge the adoption.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. BAKER. I would like to ask the gentleman how he breaks down the classes of people included; would it go down to the county level, to people who work as stenographers in the farm program?

Mr. PELLY. I think the amendment is quite clear.

Mr. BAKER. Perhaps I did not hear it read correctly.

Mr. PELLY. It refers to Members of Congress and employees of the legislative branch and of the Department of Agriculture.

Mr. BAKER. Does it mean all employees of the Department of Agriculture?

Mr. PELLY. All Federal employees.

Mr. WATTS. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. WATTS. In the tobacco trade our farm programs are all run by the A.S.C. committees that are elected by the farmers of the various communities, people who themselves are in fact growers. I do not know whether such people would come directly and automatically under the gentleman's amendment or not.

Mr. PELLY. I am sure I would be glad to have the amendment clarified in any way that would meet a particular situation.

Mr. WATTS. Does not the gentleman really think that before offering such a far-reaching amendment it should be studied and its effects assessed? In every county there would be from 8 to 10 committee members in every segment of basic crops, cotton, corn, wheat, rice, and tobacco. Does it mean that such people would have to give up their farming operations to serve on these committees? It seems to me the gentleman's amendment is so broad that we would have nobody but city folks trying to run programs they knew absolutely nothing about.

In the case of tobacco, the tobacco the tenant farmer raises goes in the same farm basket with other tobaccos. How is the Government going to assess the support price on one part of a basket of tobacco and not on the other?

Mr. PELLY. If the gentleman wants to strike out everything from my amendment except Members of Congress, I would still support it.

Mr. WATTS. I think the amendment has not been adequately considered.

Mr. COOLEY. Mr. Chairman, I shall not discuss the amendment. The amendment speaks for itself, and I am certain Members of the House understand it. I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. PELLY].

The amendment was rejected.

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: Page 2, line 22, after the word "used", strike out the period and insert a colon and the following: "*Provided further*, That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of $50,000 would be extended through loans or purchases made or made available by Commodity Credit Corporation to any person on the 1960 production of tobacco. For the purposes of this proviso, the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust,

estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof. In the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation. Such limitation shall not apply to price support on tobacco extended by purchase of tobacco from, or by loans on tobacco to, persons other than the producers of tobacco if the Secretary of Agriculture determines that it is impracticable to apply such limitation. The Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation."

Mr. COOLEY. Mr. Chairman, I reserve a point of order simply to ask a question of the author of the amendment. I want to thank the gentleman for giving me a copy of the amendment in advance. The amendment is applicable to only one commodity, and that is tobacco?

Mr. MICHEL. That is right. The reason for that is this: I noticed in reading the Senate bill it refers to section 101(c). Had it been 101, then we would have been able to make it applicable to all commodities. Since this particular bill deals only with tobacco, I would be out of order in offering such an amendment and it would not be germane.

Mr. COOLEY. I wanted to clear up that one matter. So far as I am concerned, I do not know anybody who has obtained a loan on tobacco in excess of $50,000. In all the history of the program I understand there have been only four loans which exceeded $50,000. With that statement I do not insist on the point of order and I will not speak in opposition to the amendment.

Mr. MICHEL. I thank the gentleman, and I would not take the time of the House except for the benefit of those Members who were not here yesterday when the chairman of the Committee on Agriculture engaged in a short colloquy with me, in which we explored the possibility of offering the pending amendment to this legislative bill. It will be recalled that about a week ago when the agricultural appropriation bill came up on the floor of the House we wrote into that appropriation bill a limitation of $50,000 for any CCC loan, and it carried. However, the language of that amendment was not refined to the point where it would take care of the people we are talking about here today, the producers of tobacco who market their crop through co-ops. So in the other body the language was clarified to some extent, and I am quite certain when the bill is in conference between the House and Senate—and I refer to the appropriation bill—the language will be even further refined. It seems this kind of legislation does not belong on an appropriation bill, but is a legislative proposal. So I offer the amendment here to get the concurrence of the House in the orderly legislative fashion.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I call attention to the colloquy that took place yesterday. The gentleman is reasonable and a highly regarded Member. He stated at that time that he thought it ought to be a matter for the legislative committee to work out these matters.

Mr. MICHEL. Yes; that is right.

Mr. GATHINGS. As a matter of fact, does the gentleman not think this long and involved amendment should not be considered in this manner by debating it only a very few moments on the floor? That is not the proper procedure. Does the gentleman not think we ought to take it back to the committee and look into it and see what the effect of the language will be? We do not know what the effect will be. People who know tobacco best should be consulted along with Government agencies.

Mr. MICHEL. I differ with the gentleman, because it is a very simple limitation. There is no prolonged argument necessary about what we are trying to do.

Mr. GATHINGS. What you are trying to do is to change a law that has been on the statute books since 1933. It will revolutionize the whole CCC structure. To impose a limitation as contained in your amendment is the opening wedge in obtaining lower limitations in the future.

Mr. MICHEL. I differ with the gentleman, because the Secretary told us just yesterday in the subcommittee that this would not disrupt the entire program and that, as a matter of fact, under this kind of language we are taking care of every administrative objection, particularly in the matter of disposing of your tobacco crops through co-ops.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. BALDWIN. I congratulate the gentleman for offering this amendment, and this is the proper place for an amendment of this type. The House remembers well last week in a rider on an appropriation bill an amendment was offered. Now, to carry out that will we should adopt an amendment of this type when we have a legislative bill up for consideration.

Mr. MICHEL. I thank the gentleman.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. I just want to express my appreciation to the gentleman making it clear that those who took the action last week were taking an improper action by voting an improper amendment at the wrong place. I am glad you realized your mistake.

Mr. MICHEL. That would be only with some reservation.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the distinguished chairman from North Carolina.

Mr. COOLEY. The gentleman will recall that I objected to the Taber amendment because it applied to co-ops. As I understand, the gentleman's amendment clearly does not apply to co-ops.

Mr. MICHEL. That is right, sir.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 108, noes 55.

So the amendment was agreed to.

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 3, line 6, after the word "amended" add the following paragraph: "Notwithstanding any other provision of law, the Flue-cured tobacco acreage allotment which would otherwise be established for any farm having a Flue-cured acreage allotment in 1960 and subsequent years shall not be less than 2 acres."

Mr. MICHEL. Mr. Speaker. I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Chairman, I should like to preface my remarks in the support of the amendment just offered by saying that I came into this Chamber yesterday with an open mind relative to this bill and I sat through the entire debate even though we grow no tobacco whatsoever on the farms in my district. Ours is a corn, soybean, and livestock producing area. Nevertheless, I was particularly interested in this bill because its proponents assert that they are for reducing price supports on tobacco and tobacco now is the only crop supported at 90 percent of parity. This certainly is a departure from the distinguished chairman's position of at least the last several years. The distinguished chairman and proponents of this bill have stated that it is necessary to lower the price support for tobacco to make it competitive in both domestic and world markets. This is a new approach for it is the first time that I can recall that the chairman has suggested that it is necessary to lower price supports for any commodity. It is equally interesting that Members now recognize that it is important to sell commodities in domestic and foreign markets rather than store them in Government warehouses. When it is said that tobacco price supports must be lowered in order to meet competition, these Members are mouthing the very words of our Secretary of Agriculture, Mr. Benson and I personally commend the Members for taking this view.

Many Members of this House have traveled the breadth and width of this country saying that the solution of agriculture's ills is 90-percent parity price supports. Having said this many Members now advocate the misleading and complicated legislation now before the House in order to lower price supports and still maintain them at 90 percent of the old parity formula. Mr. Chairman, I am opposed to the haphazard method of singling out one crop here and another there for special consideration even though admittedly there are problems peculiar to certain of the basic commodities.

I can recall in my 12 years here on the Hill listening to debate on farm legislation up in the gallery and here on the House floor and I have heard it said "we have given you wheat boys an opportunity to write your section of the bill, you corn boys have written your section, those interested in cotton have written your section, peanuts, yours, tobacco, rice, and so forth, and it has always made me feel as though it has just been one grand log rolling operation. To use the same logic in consideration of a labor bill, you would think all that was necessary was to call in Mr. Reuther, Mr. Hoffa and Mr. Meany and give them precisely what they want. It seems to me that in all these discussions each special interest has come in for its payoff and the general public be damned.

Now, I certainly want to make it clear in this connection, that coming from a corn and soybean producing area that I am not against the tobacco farmer. From the early days of history, the raising of tobacco has been an important part of the American economy and the chairman yesterday and others today have pointed out the amount of Federal revenues derived from the heavy taxes imposed upon tobacco users. And parenthetically, I might say that in the distilling industry, back in my area, we have the largest distillery in the world, and we are putting better than $1 million a day from one plant into the Federal Treasury as excise taxes on distilled spirits.

But again, I must say that the bringing of this bill before us aroused my curiosity and I asked the Department of Agriculture to furnish me with some figures which prompted me to introduce the amendment to provide for a minimum 2-acre flue-cured tobacco acreage allotment for any farmer desiring to grow this type tobacco. I was amazed to learn that in the distribution of flue-cured tobacco allotments for 1957 of the 211,000 total allotments, 124,000 were in the State of North Carolina but even more astounding is the fact that in 1957 more than 9,000 had an allotment of less than one-half acre. Do you realize, gentlemen, that a one-half acre is no larger than the roof of this Chamber? Better than 10,000 had an allotment between a one-half acre and a full acre and that better than 27,000 had an allotment less than 2 acres and that another 25,000 had an allotment of less than 3 acres. I am wondering how these poor farmers can eke out a living on such a small allotment and I am surprised that no move has been made to alleviate the situation by the very same Members of this House who have on so many occasions piously purported to be the champion of the small farmer. Could it be that the large producers are running the show so far as tobacco legislation is concerned? It is almost incredible, Mr. Chairman, that more than three-fourths of all the growers of flue-cured tobacco, for example, have allotments of less than 4 acres each. This large proportion of growers accounts for less than one-half of the total flue-cured acreage allotment. Less than 5 percent of the growers, the few large growers, control 16 percent of the total acreage.

The burley tobacco allotments are even smaller. Two-thirds of all the burley tobacco allotments are for less than seven-tenths acre each. It wouldn't make much difference what the price is, just try to make a decent income on an allotment that small.

Mr. Chairman, my amendment is very simple, it merely provides that in 1960 and subsequent years the flue-cured tobacco acreage allotment which would be established on any farm shall not be less than 2 acres. Because the planting of the 1959 crop is now under way, this provision cannot be made effective this year. While I am in complete agreement that it is necessary to lower tobacco price supports, I believe it is equally important that we provide the small tobacco farmer with sufficient acreage to earn a decent farm income. While price is important, farmers' net income is determined by the volume he sells times the price he receives minus his production cost. It is for this reason that I feel the small tobacco farmer should have an acreage allotment of at least 2 acres in 1960 and subsequent years.

The average tobacco acreage allotment as I understand it, is approximately 2 acres. There are more than 90,000 flue-cured tobacco acreage allotments that are 2 acres or less. All my amendment is intended to do is to provide that in 1960 and subsequent years those tobacco farmers who currently have less than 2 acres would at least have that size tobacco acreage allotment.

Mr. COOLEY, the distinguished chairman, and other members of the House Agriculture Committee have declared that the establishment of minimum acreage allotments is important if we are to protect the family farm. In an August 1, 1956, report of the House Committee on Agriculture on the family farm, we find this comment on page 24:

> In farm programs which convey authority for production adjustments, specific provision must be made for allotments of acres or units of production that will reflect fair treatment to small farmers in relation to the needs of their families for a decent standard of living. To this end specific minimum allotments should be made for the various crops under production adjustment programs. The subcommittee in its field studies found great hardships among small farmers resulting from the constriction of their allotted acres below the necessities of the farm families. These hardships, and their solution through minimum allotments, should be the concern of the Department of Agriculture, the Congress, and the Nation.

By my amendment here today, I am merely trying to carry out the recommendation of the House Committee on Agriculture insofar as it would apply to flue-cured tobacco growers.

I would like to ask Mr. COOLEY, Mr. MCMILLAN, Mr. ABBITT, and Mr. MATTHEWS—all of whom come from areas where flue-cured tobacco is important—if a 2-acre allotment would not be of assistance to their small tobacco growers. They have indicated that it would by the very fact that they signed the House committee report on the family farm, which urges minimum allotments to protect the small family farms. Since they made this recommendation, I assume that they will support my amendment.

I would like to also ask Mr. WATTS and others from the burley tobacco area, that since they now have a provision in the law to protect the small burley tobacco grower, that a provision to protect the small flue-cured grower would also be equally important and desirable.

Since many Members have made numerous speeches throughout this country of their interest in the small family farm, I presume that they will be willing to take the words that they have said and translate them into actual action by supporting my amendment to provide at least 2 acres for the small flue-cured tobacco growers. This is your opportunity, it seems to me, to indicate if you are really for the small family farm or whether you have been giving this idea mere lip service in your various speeches.

Currently the law provides for protection for the small-family farmer in the case of burley tobacco, cotton, and wheat. I see no reason why similar provisions should not be made for the flue-cured tobacco growers.

To me, it makes a great deal of sense if we are going to lower the price supports for tobacco farmers—and I am in complete agreement that this is necessary—that at the same time we provide the small family size tobacco farmer with at least enough acreage so that he can earn a decent farm income. I presume the Chairman and his distinguished colleagues are for the small family tobacco grower and that they will support my amendment.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I gladly yield to the gentleman from Virginia.

Mr. JENNINGS. Could the gentleman inform us how much this amendment would increase the overall acreage allotment for flue-cured tobacco?

Mr. MICHEL. That I am not in a position to give.

Mr. JENNINGS. May I ask the gentleman, Would it increase production?

Mr. MICHEL. That I am not fully prepared to say, although I cannot conceive that it would, in view of my not changing the countrywide quota.

Mr. JENNINGS. Can the gentleman tell us how much additional this would cost the Government; how much more it would cost in storage than the present program?

Mr. MICHEL. Frankly, I do not think it would cost a dime more.

Mr. JENNINGS. Does the gentleman not agree that it would produce more tobacco?

Mr. MICHEL. Not necessarily.

Mr. DEROUNIAN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

Mr. DEROUNIAN. Is it not about time to write a section for the consumer in the United States?

Mr. MICHEL. That is exactly the point that I was trying to make. In all

this debate the public seems to be damned while the voices of special interest reign supreme. We in the corn producing area, might very well be guilty of this too, but I say it is wrong.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. BECKWORTH. Did the gentleman find out how many people have gone out of the business of growing tobacco, say, in the last 5, 10, or 15 years, because of small allotments?

Mr. MICHEL. No; but I should say that that must certainly be the case in point.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, unfortunately the author of the amendment is not able to tell us just what the effect of his amendment will be. It is clear, however, that about 92,000 allotments would be involved. They are the farmers with allotments below 2 acres. In North Carolina we have more little farmers than any State in the Union. I do not recall having received a single petition from a single farmer in North Carolina asking us to establish a minimum acreage allotment for flue-cured tobacco. It is rather strange that the author of the amendment who represents a district in which tobacco is not even grown should feel that it is necessary for him to come to the rescue of the people that we, from the tobacco districts, represent.

Mr. Chairman, to aid the House in understanding what is proposed here, I offer this table showing the distribution of flue-cured tobacco allotments in 1957 by size groups:

Size of allotments	North Carolina	Florida	Alabama	Georgia	South Carolina	Virginia	Total
From 0.01 through 0.50	9,655	570	71	1,619	4,225	1,695	17,835
From 0.51 through 1	10,176	805	49	2,758	3,104	2,336	19,228
From 1.01 through 2	27,320	2,913	82	11,341	6,427	7,211	55,294
From 2.01 through 3	25,383	1,175	54	6,049	4,396	4,151	41,208
From 3.01 through 4	17,135	565	14	2,632	3,027	3,194	26,567
From 4.01 through 5	10,387	289	12	1,574	1,801	1,994	16,057
From 5.01 through 6	6,777	161	4	812	1,164	1,129	10,047
From 6.01 through 7	3,996	77	2	445	666	624	5,810
From 7.01 through 8	2,929	63	1	331	494	396	4,214
From 8.01 through 9	2,148	53	0	250	393	298	3,142
From 9.01 through 10	1,489	30	0	130	307	201	2,157
From 10.01 through 20	5,320	88	4	437	957	530	7,336
From 20.01 through 50	1,499	11	0	90	213	98	1,911
From 50.01 through 100	197	1	0	4	16	9	227
From 100.01 through 200	30	0	0	1	3	1	35
Over 200	5	0	0	0	0	0	5
Total number of allotments	124,446	6,801	293	28,473	27,193	23,867	211,073

Mr. MICHEL. Mr. Chairman, will my good chairman yield?

Mr. COOLEY. Certainly, I yield to my colleague.

Mr. MICHEL. During the course of the debate, time and time again the good chairman criticized Members on our side for being against the small farmer.

Mr. COOLEY. No, no, that is not so.

Mr. MICHEL. I want to help the small farmer, if I can by the adoption of this amendment.

Mr. COOLEY. No, I was not criticizing the gentleman for being against the small farmer. I know that the small farmer has friends everywhere, on both sides of the aisle. But to give you an illustration, in Kentucky in the burley area they had a minimum acreage allotment. Then they found they could not possibly live with it. They came to the Congress and asked for the repeal of that provision. Nobody appeared in opposition to the repeal of the minimum acreage allotment in the burley area. Now you intend to impose a minimum acreage allotment on the flue-cured tobacco growing area and you do not have any idea how much more it is going to cost the Government, and, definitely, it is going to cost the Government a substantial amount more and it will increase the acreage on one hand while we are trying desperately to decrease the acreage on the other.

Mr. MICHEL. All that I am trying to do in the overall allotments is that the allotment be taken from the big and be given to the small. No one who does not have an allotment now could be qualified in 1960 unless he had an allotment in 1959.

Mr. COOLEY. The gentleman's amendment certainly would not accomplish what the gentleman says he intends to accomplish.

Mr. MICHEL. Why not?

Mr. COOLEY. Because it does not take it away from the large grower and give it to the small grower. You provide only that the acreage on any farm should not be less than 2 acres. Therefore, you are merely adding to the acreage while we are trying to reduce the acreage. I am quite certain the Secretary of Agriculture would oppose the gentleman's amendment and I, as chairman of the committee, oppose it because I know it is not wanted. It seems to me if it was wanted, the people who are interested would be asking for it. The small grower—and in North Carolina there are little growers with only one-half acre—have not asked us a minimum in the law, as you propose.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. Does this not simply show that this is another one of those amendments that is brought up here on the floor of the House with just about as much thought as that two weeks ago when the gentleman from Illinois apologized for it. And is this not one of those cases that has not had any more thought either as to what would be its effect?

Mr. COOLEY. I think the gentleman should be consistent and let the legislative committee work out this problem, which we will consider when someone urges us to do so.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CHELF. I do not yield to anybody in the protection of my little farmers. Let me say to you one thing right now. If I thought that this was feasible, and if I thought this would help our program, I would be the one to offer the amendment.

Mr. COOLEY. Why, certainly.

Mr. CHELF. And I say to you right now it will wreck our program. It will do away with our cash crop. Why, you talk about the little fellow being destroyed? Why, I have as many as you have.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MICHEL. I do not propose by my amendment to change the overall quota for tobacco.

Mr. COOLEY. I think the gentleman should give the matter more consideration than he has given it. I would like to make it 3 or 4 acres—you know I would—but I do not want to wreck this program.

In any event, Mr. Chairman, I ask for the defeat of the pending amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GROSS. Before we leave the bill altogether, would the gentleman and this committee give the corn farmers of this country the same consideration that here today is being given to the tobacco growers?

Mr. COOLEY. Did the gentleman refer to the corn farmers?

Mr. GROSS. Yes.

Mr. COOLEY. We have been considering feed grains legislation for 6 months and we have a bill pending before the Committee on Rules. If you can get the Committee on Rules to report it out, we will bring it here and give it all the consideration possible.

Mr. GROSS. All the consideration possible? Will you give the corn farmers the same consideration that is here today being given to the tobacco growers.

Mr. COOLEY. Yes, sir; I will vote to give you the lower of either the old or the new parity.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. COOLEY. I believe that this one point should be made. This amendment would be applicable to the 1959 crops and all of the allotments have already been made for 1959 and it would be breaking the faith with all of the farmers to whom allotments have been given for this year.

Mr. WHITTEN. I thank the gentleman.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MICHEL. Did I understand the gentleman to say that this applied to the crop of 1959?

Mr. WHITTEN. So the gentleman from North Carolina has stated.

Mr. MICHEL. It specifically does not, in my amendment.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes in view of the interruptions.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Chairman, my good friend from Illinois, a member of our Subcommittee on Agriculture Appropriations, is a fine person. The Department used to prepare questions for our friend Charlie Vursell to ask in the committee, but Charlie's glasses were bad and somebody had to read some of the questions for him; my friend Bob is an improvement. When the gentleman from Illinois [Mr. MICHEL] offered the amendment he said it did not apply to any production in his district, that his district did not get any benefit out of this bill. Recently when our appropriation bill was before the House I said that any man was entitled to be local for at least 1 year on the Appropriations Subcommittee; but it is a national position, and after the first year it was my thought that he ought to look at the national aspects of this matter. I had reference to that subcommittee. I did not mean that for every one of the committees, of course.

We have before us an amendment that does not affect the gentleman's district. He has corn in his district and there is no control on corn and it has a $1.12 price support. For most of us it is so easy to point out what should be done in areas where other people know more about it.

I have served on the Subcommittee on Agriculture Appropriations for 14 years. In my experience the problems have been so complicated that I do not know as much about the tobacco program after 14 years of study as I should. I have a different view of the basic approach. I yield my views, however, to those who live with the problem.

Let me say again that price supports are made necessary by the other laws that we have on our statute books giving labor the right to organize, giving labor the right to strike, giving labor minimum wages, and industry's having the right to make up its own profits through cost-plus and other laws on the statute books. If we are not to wreck our economy, agriculture has got to have the right to meet the changing practices in industry and labor or our whole economy will go down in total collapse.

The tragedy of the policy our Secretary of Agriculture is following, including the wasted money spent on the conservation and acreage reserve programs, programs sponsored by the Secretary of Agriculture and administered by the Secretary of Agriculture, and yet the wasteful practices under his administration are being used to inflame the 88 percent of the nonfarmers against the farmers on any program. Looking around me I see Members who due to this buildup of public sentiment, on erroneous information back home, are afraid to vote for any program, however sound.

Let me say to you that the farmers are entitled to have their share of the law, necessary to protect their share in the economy of this Nation on the same basis with industry and labor; and, for the good of the whole economy, a balance must be retained.

My friend has said he got a whole lot of figures from the Department. As to how those figures are applied is a matter of opinion. But he very significantly said that he had not asked how much the total production was at any time or how much his amendment would add.

Mr. Chairman, the farmers are not entitled to these protections to offset other laws unless they are willing to do the things that make protection possible; until they are willing to do their parts, and their part means that they have got to pull their production down into line with domestic and foreign markets, and I am saying to you that in the guise of this type of amendment the effect is to increase total production. This oversupply will then be used by those opposed to farm programs to destroy all Government programs.

Let us listen to the people who live with this problem, who are dependent upon present markets and future markets, people who are dependent on income from tobacco. The other day the House adopted the Taber amendment placing $50,000 gross limitation on the volume of production that any person could place under price supports. This forces such production not eligible for loans on the domestic market. I believe it will break the market and therefore all production per person under $50,000 will go into the hands of the Government. The ineligible production will defeat the purpose of the program. If Mr. Benson has not done enough to wreck the farm program, my friend JOHN TABER did the rest when he put over his amendment leaving part of production out and part in.

I am telling my friends on the Republican side that this thing will catch up with them in September and October of 1960, just before the next election. It looks as though the Secretary of Agriculture, Mr. Benson, the President, and others will be in here just before the elections in 1960 as they were in 1956 when they sponsored that $2.7 billion thing known as the soil bank requesting that $1.6 billion be paid to the farmers in September and October of 1956 just before the election. So it is my feeling that in September and October of 1960 you are going to be in here with some synthetic, foolish, ridiculous program like your acreage reserve which your President now says is no good, which your Secretary of Agriculture says is no good, and which Congress says is no good, and so we kicked it out. The farmers do not want such a program. They want their fair share of the law, reasonable profits, and a long-range marketing program. If this cannot be given them you are going to answer for it, in my opinion, not merely by farm votes, but in the disastrous effect on the economy.

Remember a drastic break in farm prices and income led off the depression of the 1920's. It appears that the Department and many others do not recognize that neither agriculture, industry, nor labor can go down into depression without pulling down the rest—again like in the 1920's, agricultural net income from the farm is being forced to a level which will pull down all the rest.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. BROOMFIELD. Mr. Chairman, it is my intention to vote against S. 1901, the tobacco bill, and H.R. 7246, the wheat bill, and I urge my colleagues to do the same.

Any extension of our present farm subsidy program is bound, by its very nature, to do more harm than good to our farmers, our consumers and our taxpayers.

The farmers are paying for these subsidies with their freedom, the consumers are paying with higher prices for farm products and taxpayers—and that includes all of us—are paying tremendously through wasted Federal effort in the wrong direction.

At a time when we should be taking dramatic steps toward lifting all farm subsidy regulations, we now find ourselves with bills which would further pile Government regulation on top of Government regulation, expand further the artificial fiscal devices which have created our present predicaments, increase taxes for a program which is going nowhere except toward bankruptcy and impose further shackles on the farmer by dictating the amount of crops he can raise.

Our agricultural economy is in a state of extreme imbalance, ready to topple with the first breath of competition. We cannot improve this precarious situation by piling additional regulations on top of this already topheavy situation. We must build a broad and substantial base which does not ignore laws of economics which are as irrefutable as the law of gravity.

The only method by which we can convince our farmers that they should grow for the marketplace instead of the Government warehouse is to allow free market conditions to prevail. That is the only method by which we will restore dignity and integrity to our farmers, confidence in our lawmakers by our taxpayers and fair prices to our consumers.

The bills before us today will further increase the tremendous sums which have been spent to salvage our hopeless farm program. For the current fiscal year, we set a new high of $5.4 billion in Federal funds used to try to stabilize farm prices and income. This compares with $3.2 billion spent in fiscal 1958 and only $2.1 billion spent in 1953.

Commodity Credit Corporation investments in farm goods is expected to reach

$9.8 billion by June 30, 1960, compared to $1.4 billion at a similar time in 1952.

Wheat will make up about 35 percent of this total investment by the end of the next fiscal year, and wheat and feed grains together will account for near 78 percent.

The larger surplus stocks which our Federal Government is now holding and will hold in the future are also costing our Federal Treasury dearly. Inventories plus interest will amount to $1.3 billion for the next fiscal year under our present programs. Unless we are successful in reducing these ridiculous stockpiles to more realistic levels, our taxpayers are going to have to continue to foot the bill for these needless expenditures.

For instance, we will have 1.4 billion bushels of wheat in storage by the end of the next fiscal year—almost two and one-half times our annual domestic consumption. All of our wheat exports have to be subsidized because our artificial controls have priced us entirely out of the world market.

From the state of affairs in which our Nation's investment in agriculture now finds itself, there is no doubt that our taxpayers are going to have to pay larger and larger amounts to keep this program going. The worst part of it is that there is no end in sight. We are going absolutely nowhere with our price support and farm subsidy programs. We will surely lose our world markets if present practices prevail. We will encourage more and more production of farm goods on fewer acres, meanwhile penalizing those farmers whose crops are outside the price support program by forcing them to pay higher feed costs.

We must decide where we are going, whether we are to choose the path of freedom for our farmers, whether we are to continue investing in a program which only serves to make our problems worse in the long run, whether we are to pile tax on top of tax and debt on top of debt to go nowhere.

Either we choose freedom or we choose economic slavery, with our Federal Government holding the club and the carrot over the economic welfare of each of our farmers. Either we compete in world markets or we draw into a turtle-like shell, forced out of world trade by our own folly. Either we stop this wholesale Government regulation of a large segment of our people or we give them a chance to think and act for themselves.

In my mind, this issue is clear. I intend to oppose all extensions of our subsidy program and our price support programs, and to cast my vote in favor of those bills which will return the right of self-determination to our farmers, fairness to our taxpayers who are paying for these programs and fair prices to our consumers.

Mr. BOLAND. Mr. Chairman, I rise in support of the bill. This legislation is necessary if we are going to have tobacco price stabilization.

The tobacco growers of the Connecticut Valley in my congressional district in western Massachusetts, who produce binder types 51 and 52 are not included and have so informed me. Under leave, I include a telegram I received from Mr. Samuel J. Orr, general manager of the Connecticut-Massachusetts Tobacco Cooperative:

HOLYOKE, MASS., *June 1, 1959.*

U.S. Representative EDWARD P. BOLAND,
House Office Building,
Washington, D.C.:

We urge your support of the Cooper-Jordan bill already passed by Senate concerning tobacco price stabilization, originally introduced as H.R. 5058. We urge that you vigorously oppose crippling amendments to this much needed legislation.

SAMUEL J. ORR,
General Manager, Connecticut-Massachusetts Tobacco Cooperative.

Mr. Chairman, Connecticut Valley binder types 51 and 52 are not included under provisions of this legislation. The Secretary of Agriculture recently provided a revised method of computing parity prices for this tobacco under the authority of section 301(a)(1)(F) of the Agricultural Adjustment Act of 1938. That section provides that whenever the parity price of a commodity is seriously out of line, the Secretary shall make appropriate revision of the method of computing the parity price for such commodity. Last year producers requested the Secretary to review the parity price for these types 51 and 52 and the Secretary subsequently established lower parity prices for them. Nevertheless, the Connecticut Valley tobacco growers favor this legislation because it will stabilize tobacco prices and it is good for the entire tobacco industry.

As the gentleman from Virginia [Mr. ABBITT] has pointed out, the tobacco program, so far as price support is concerned, has never cost the American taxpayers any money, but it has brought billions of dollars in revenue into the Treasury.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco, pursuant to House Resolution 286, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

Mr. HOEVEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HOEVEN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HOEVEN moves to recommit the bill S. 1901 to the Committee on Agriculture with the instructions to report the same back to the House forthwith with the following amendment: On page 1, line 9, strike out the words "each subsequent crop" and insert in lieu thereof the words "the 1959, 1960, and 1961 crops."

And on page 2, line 2, insert a period after the word "crop" and strike out the rest of line 2 and strike out lines 3 through 22.

Mr. COOLEY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit offered by the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 138, nays 261, not voting 35, as follows:

[Roll No. 75]

YEAS—138

Adair	Dooley	Meader
Alger	Dorn, N.Y.	Merrow
Allen	Dwyer	Michel
Arends	Fenton	Miller, N.Y.
Auchincloss	Fino	Milliken
Avery	Ford	Minshall
Baldwin	Frelinghuysen	Moore
Barr	Fulton	Mumma
Barry	Gavin	Norblad
Bass, N.H.	Goodell	Osmers
Bates	Griffin	Ostertag
Baumhart	Griffiths	Pelly
Becker	Gross	Pillion
Belcher	Halleck	Pirnie
Bennett, Mich.	Halpern	Quie
Bentley	Henderson	Ray
Berry	Hess	Rees, Kans.
Betts	Hiestand	Rhodes, Ariz.
Bolton	Hoeven	Riehlman
Bosch	Hoffman, Ill.	Robison
Bow	Holt	Rogers, Mass.
Boyle	Holtzman	St. George
Bray	Horan	Saylor
Broomfield	Hosmer	Schenck
Brown, Ohio	Jackson	Scherer
Budge	Jensen	Schwengel
Bush	Johansen	Simpson, Ill.
Byrnes, Wis.	Judd	Smith, Calif.
Cahill	Keith	Springer
Cederberg	Kilburn	Stratton
Chamberlain	Knox	Taber
Chenoweth	Lafore	Taylor
Chiperfield	Laird	Teague, Calif.
Church	Latta	Thomson, Wyo.
Collier	Lindsay	Utt
Conte	Lipscomb	Van Pelt
Corbett	McCulloch	Van Zandt
Cramer	McDonough	Wainwright
Curtin	McDowell	Wallhauser
Curtis, Mass.	McIntire	Weaver
Curtis, Mo.	Macdonald	Weis
Dague	Machrowicz	Westland
Derounian	Mack, Wash.	Wharton
Derwinski	Madden	Widnall
Devine	Martin	Wilson
Dixon	Mason	Younger

NAYS—261

Abbitt	Brock	Dingell
Abernethy	Brooks, La.	Dollinger
Addonizio	Brooks, Tex.	Donohue
Albert	Brown, Ga.	Dorn, S.C.
Alexander	Brown, Mo.	Dowdy
Alford	Burdick	Doyle
Andersen, Minn.	Burke, Mass.	Dulski
Anderson, Mont.	Burleson	Durham
Andrews	Byrne, Pa.	Edmondson
Ashley	Cannon	Elliott
Ashmore	Carnahan	Everett
Aspinall	Carter	Evins
Bailey	Celler	Fallon
Baker	Chelf	Farbstein
Barden	Clark	Fascell
Barrett	Coad	Feighan
Bass, Tenn.	Coffin	Fisher
Beckworth	Cohelan	Flood
Bennett, Fla.	Colmer	Flynn
Blatnik	Cook	Flynt
Blitch	Cooley	Fogarty
Boggs	Cunningham	Foley
Boland	Daddario	Forand
Bonner	Daniels	Forrester
Bowles	Davis, Ga.	Fountain
Brademas	Dawson	Frazier
Breeding	Delaney	Friedel
Brewster	Dent	Gallagher
	Denton	Gary
	Diggs	Gathings

George	McFall	Riley
Giaimo	McGinley	Rivers, Alaska
Granahan	McGovern	Rivers, S.C.
Grant	McMillan	Roberts
Green, Oreg.	McSween	Rodino
Green, Pa.	Mack, Ill.	Rogers, Colo.
Hagen	Magnuson	Rogers, Fla.
Haley	Mahon	Rooney
Hall	Marshall	Roosevelt
Hardy	Matthews	Rostenkowski
Hargis	May	Roush
Harmon	Metcalf	Rutherford
Harris	Meyer	Santangelo
Harrison	Miller, Clem	Saund
Hays	Mills	Scott
Hébert	Mitchell	Selden
Hechler	Moeller	Sheppard
Hemphill	Monagan	Shipley
Herlong	Montoya	Short
Hogan	Moorhead	Sikes
Holifield	Morgan	Siler
Holland	Morris, N. Mex.	Sisk
Huddleston	Morris, Okla.	Slack
Hull	Morrison	Smith, Iowa
Ikard	Moss	Smith, Kans.
Irwin	Moulder	Smith, Miss.
Jarman	Multer	Smith, Va.
Jennings	Murphy	Spence
Johnson, Calif.	Murray	Staggers
Johnson, Colo.	Natcher	Steed
Johnson, Wis.	Nelsen	Stubblefield
Jonas	Nix	Sullivan
Jones, Ala.	Norrell	Teague, Tex.
Jones, Mo.	O'Brien, Ill.	Teller
Karsten	O'Hara, Ill.	Thomas
Karth	O'Hara, Mich.	Thompson, N.J.
Kasem	O'Konski	Thompson, Tex.
Kastenmeier	O'Neill	Thornberry
Kee	Oliver	Toll
Kelly	Passman	Trimble
Keogh	Patman	Tuck
Kilday	Perkins	Udall
Kilgore	Pfost	Ullman
King, Calif.	Philbin	Vanik
King, Utah	Pilcher	Vinson
Kirwan	Poage	Wampler
Kitchin	Poff	Watts
Kluczynski	Porter	Whitener
Kowalski	Powell	Whitten
Landrum	Price	Wier
Lane	Prokop	Williams
Langen	Pucinski	Willis
Lankford	Quigley	Winstead
Lennon	Rabaut	Yates
Lesinski	Rains	Young
Levering	Randall	Zablocki
Libonati	Reuss	Zelenko
McCormack	Rhodes, Pa.	

NOT VOTING—35

Anfuso	Garmatz	O'Brien, N.Y.
Ayres	Glenn	Preston
Baring	Gray	Reece, Tenn.
Bolling	Gubser	Rogers, Tex.
Boykin	Healey	Shelley
Broyhill	Hoffman, Mich.	Simpson, Pa.
Buckley	Johnson, Md.	Thompson, La.
Burke, Ky.	Kearns	Tollefson
Canfield	Loser	Walter
Casey	Mailliard	Withrow
Davis, Tenn.	Miller,	Wolf
Downing	George P.	Wright

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Gubser for, with Mr. Reece of Tennessee against.

Mr. Baring for, with Mr. Preston against.

Mr. Simpson of Pennsylvania for, with Mr. Garmatz against.

Mr. Kearns for, with Mr. Loser against.

Mr. Glenn for, with Mr. Anfuso against.

Mr. Tollefson for, with Mr. Buckley against.

Until further notice:

Mr. Healey with Mr. Ayres.

Mr. Rogers of Texas with Mr. Broyhill.

Mr. Shelley with Mr. Canfield.

Mr. George P. Miller with Mr. Hoffman of Michigan.

Mr. Burke, of Kentucky with Mr. Mailliard.

Mr. Thompson of Louisiana with Mr. Withrow.

Mr. McINTIRE changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. KING of Utah. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 250, nays 149, not voting 35 as follows:

[Roll No. 76]

YEAS—250

Abbitt	Granahan	Multer
Abernethy	Grant	Murphy
Albert	Green, Pa.	Murray
Alexander	Gross	Natcher
Alford	Hagen	Nelsen
Andersen, Minn.	Haley	Nix
	Hall	Norrell
Anderson, Mont.	Hardy	O'Brien, Ill.
	Hargis	O'Hara, Ill.
Andrews	Harmon	O'Hara, Mich.
Ashmore	Harris	O'Konski
Aspinall	Harrison	O'Neill
Avery	Hays	Oliver
Ayres	Hébert	Passman
Bailey	Hechler	Patman
Baker	Hemphill	Perkins
Barden	Herlong	Pfost
Barrett	Hogan	Philbin
Bass, Tenn.	Holifield	Pilcher
Beckworth	Holland	Poage
Bennett, Fla.	Horan	Poff
Berry	Huddleston	Porter
Blatnik	Hull	Price
Blitch	Ikard	Pucinski
Boggs	Jarman	Quie
Boland	Jennings	Rabaut
Bonner	Jensen	Rains
Bowles	Johnson, Calif.	Randall
Boykin	Johnson, Colo.	Rees, Kans.
Brademas	Johnson, Wis.	Reuss
Bray	Jonas	Riley
Breeding	Jones, Ala.	Rivers, Alaska
Brewster	Jones, Mo.	Rivers, S. C.
Brock	Judd	Roberts
Brooks, Tex.	Karsten	Rogers, Colo.
Brown, Ga.	Karth	Rogers, Fla.
Brown, Mo.	Kasem	Roosevelt
Budge	Kastenmeier	Rostenkowski
Burdick	Kee	Rutherford
Burke, Mass.	Keogh	Santangelo
Burleson	Kilday	Saund
Byrne, Pa.	Kilgore	Scott
Cannon	King, Calif.	Selden
Carnahan	Kirwan	Sheppard
Carter	Kitchin	Shipley
Celler	Kluczynski	Short
Chelf	Kowalski	Sikes
Chenoweth	Landrum	Siler
Coad	Lane	Sisk
Cohelan	Langen	Slack
Colmer	Lankford	Smith, Iowa
Cook	Lennon	Smith, Kans.
Cooley	Lesinski	Smith, Miss.
Daddario	Levering	Smith, Va.
Davis, Ga.	Libonati	Spence
Dawson	McCormack	Springer
Denton	McCulloch	Staggers
Dingell	McFall	Steed
Dollinger	McGinley	Stratton
Donohue	McGovern	Stubblefield
Dorn, S.C.	McIntire	Teague, Calif.
Dowdy	McMillan	Teague, Tex.
Doyle	McSween	Teller
Dulski	Mack, Ill.	Thomas
Durham	Magnuson	Thompson, Tex.
Edmondson	Mahon	Thomson, Wyo.
Elliott	Marshall	Thornberry
Everett	Matthews	Toll
Evins	May	Trimble
Fallon	Metcalf	Tuck
Fascell	Michel	Udall
Flood	Miller, Clem	Ullman
Flynn	Mills	Van Pelt
Flynt	Mitchell	Vinson
Foley	Monagan	Wampler
Forand	Montoya	Watts
Forrester	Moore	Weaver
Fountain	Moorhead	Whitener
Frazier	Morgan	Whitten
Friedel	Morris, N. Mex.	Wier
Gary	Morris, Okla.	Williams
Gathings	Morrison	Willis
George	Moss	Winstead
Giaimo	Moulder	Young

NAYS—149

Adair	Baldwin	Belcher
Addonizio	Barr	Bennett, Mich.
Alger	Barry	Bentley
Allen	Bass, N.H.	Betts
Arends	Bates	Bolton
Ashley	Baumhart	Bosch
Auchincloss	Becker	Bow
Boyle	Green, Oreg.	Osmers
Broomfield	Griffin	Ostertag
Brown, Ohio	Griffiths	Pelly
Bush	Halleck	Pillion
Byrnes, Wis.	Halpern	Pirnie
Cahill	Henderson	Powell
Cederberg	Hess	Prokop
Chamberlain	Hiestand	Quigley
Chiperfield	Hoeven	Ray
Church	Hoffman, Ill.	Rhodes, Ariz.
Clark	Holt	Rhodes, Pa.
Coffin	Holtzman	Riehlman
Collier	Hosmer	Robison
Conte	Irwin	Rodino
Corbett	Jackson	Rogers, Mass.
Cramer	Johansen	Rooney
Cunningham	Keith	Roush
Curtin	Kelly	St. George
Curtis, Mass.	Kilburn	Saylor
Curtis, Mo.	King, Utah	Schenck
Dague	Knox	Scherer
Daniels	Lafore	Schwengel
Delaney	Laird	Simpson, Ill.
Dent	Latta	Smith, Calif.
Derounian	Lindsay	Sullivan
Derwinski	Lipscomb	Taber
Devine	McDonough	Taylor
Diggs	McDowell	Thompson, N.J.
Dixon	Macdonald	Utt
Dooley	Machrowicz	Vanik
Dorn, N.Y.	Mack, Wash.	Van Zandt
Dwyer	Madden	Wainwright
Farbstein	Martin	Wallhauser
Feighan	Mason	Weis
Fenton	Meader	Westland
Fino	Merrow	Wharton
Fogarty	Meyer	Widnall
Ford	Miller, N.Y.	Wilson
Frelinghuysen	Milliken	Yates
Fulton	Minshall	Younger
Gallagher	Moeller	Zablocki
Gavin	Mumma	Zelenko
Goodell	Norblad	

NOT VOTING—35

Anfuso	Garmatz	O'Brien, N.Y.
Baring	Glenn	Preston
Bolling	Gray	Reece, Tenn.
Brooks, La.	Gubser	Rogers, Tex.
Broyhill	Healey	Shelley
Buckley	Hoffman, Mich.	Simpson, Pa.
Burke, Ky.	Johnson, Md.	Thompson, La.
Canfield	Kearns	Tollefson
Casey	Loser	Walter
Davis, Tenn.	Mailliard	Withrow
Downing	Miller,	Wolf
Fisher	George P.	Wright

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Baring against.

Mr. Preston for, with Mr. Gubser against.

Mr. Garmatz for, with Mr. Simpson of Pennsylvania against.

Mr. Anfuso for, with Mr. Kearns against.

Mr. Buckley for, with Mr. Glenn against.

Mr. Loser for, with Mr. Tollefson against.

Until further notice:

Mr. Casey with Mr. Broyhill.

Mr. Healey with Mr. Canfield.

Mr. Rogers of Texas with Mr. Hoffman of Michigan.

Mr. Wolf with Mr. Withrow.

Mr. DAWSON changed his vote from "nay" to "yea."

Mr. SCHERER, Mr. LATTA, Mr. PIRNIE, and Mr. HOSMER changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDING MUTUAL SECURITY ACT OF 1954

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 293, Rept. No. 526),

which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PROVIDING FOR ABSENCE FROM DUTY BY CIVILIAN OFFICERS AND EMPLOYEES OF THE GOVERNMENT ON CERTAIN DAYS

Mr. MADDEN, from the Committee on Rules, offered the following privileged resolution (H. Res. 294, Rept. No. 527), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5752) to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON EDUCATION AND LABOR

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have permission to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

WHEAT PROGRAM FOR 1960 AND 1961

Mr. SMITH of Virginia. Mr. Speaker, I call up the resolution (H. Res. 285) providing for the consideration of H.R. 7246, a bill to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended, and ask for its present consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and now yield myself such time as I may consume.

Mr. Speaker, this rule makes in order the so-called wheat bill. It is an open rule providing for 3 hours of general debate. It purports to amend the Agricultural Stabilization Act as well as other agricultural acts. The Committee on Rules reported this bill out with a pretty liberal provision of 3 hours for general debate. I might say that the committee reported it without any great enthusiasm for it because as far as I can learn about everybody who lives in a wheat growing district seems to be carrying around a substitute bill in his pocket, and it is very difficult to get any general approbation of any particular program. But, this is a subject that needs full airing and full discussion in the hope that some reasonable solution of this very troublesome question can be obtained.

Our situation with respect to wheat is that under the existing programs we have on hand in storage about $3 billion worth of surplus wheat which is deteriorating. It cannot be marketed, apparently cannot be given away. It is constantly piling up. They are building storage facilities to store it in about as fast as the surplus increases. Something has just got to be done about our situation, but nobody knows what to do.

It seems to me that we have about reached the point on this program where we have got to sit down and think soberly about it and do something pretty drastic, but when you do that somebody is going to get hurt, and you are not going to get this thing straightened out until somebody is hurt.

The bill we have before us today undertakes to cut down the production in acreage by 25 percent. That sounds fine; that ought to reduce the surplus; but after they do that the bill turns around and gives them back one-third of the wheat in kind that they would have raised on the 25 percent if they had planted it in wheat. In other words, we take away from them with one hand and give back to them with the other. I do not think that is going to help the program very much.

Those of us who represent farming areas, and I do, like to have a nice juicy parity, but you can get it so juicy and you can get it so high, and you can make it so costly that the country is going to get saturated with farm programs, and the first thing you know we are all going to be swamped.

The time has come to do something sensible about this thing and realize that we cannot continue to hold up prices, and pile this stuff up in surpluses. I speak as coming from a farm area, and my district is composed of 20 farming counties. I think that parity is too high. I think you are doing too much to encourage people to raise the wheat they might not otherwise raise.

Another thing about it is that we cut the 15-acre boys back to 12 acres, and it seems that they are not entitled to any voice on what shall happen to them in this market. That does not sound very democratic to me.

I think that if you are going to pass this bill at all you ought to cut out this gift; cut them 25 percent and make it stick; do not give back to them with the other hand this 33⅓ percent of what they would make on the land they did not plant. I do not like to have to tell my farmers what they have got to do. They are not accustomed to that. I do not think anybody else likes to be told.

I might say in conclusion that the Rules Committee decided we would bring it out here and let everybody take a crack at it, listen to all these different programs and see if something can be worked out, but I admit to being very pessimistic.

I feel, however, that we ought to pass this rule and let the House discuss this matter freely because there are a great many people who are very much interested. If you do not do something a lot of people are going to get hurt, because the country is going to get tired of supporting this kind of program; and if you do do something, somebody is still going to get hurt. So I hope you pass the rule and give everybody a chance to be heard.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. BROWN of Ohio. Mr. Speaker, the gentleman from Virginia has explained fully and well the provisions of this rule. It makes in order the consideration of the so-called wheat bill, H.R. 7246, under 3 hours of general debate and an open rule.

I listened with a great deal of interest to the remarks made by the gentleman from Virginia as to the attitude of the Rules Committee in permitting this bill to come to the floor for consideration and determination of what should be done with this measure. The fact of the matter is that the sponsor of the bill before the Rules Committee, the chairman of the Subcommittee of the House Committee on Agriculture, frankly advised our committee that nobody that he knew of was for this bill, that he did not know of a single farm organization which is supporting the measure and that he did not know very many farmers that were for it, but that this was the best bill that

the committee could bring out under the circumstances.

I listened with a great deal of interest to the statements made by the subcommittee chairman before the Committee on Rules and statements made by others, and I find myself in full agreement with the statement made by the chairman of the subcommittee, that this is a bill that no one is really for, or can be for, or should be for.

I have not been able to find anybody anywhere, either on the House floor or elsewhere, who is very enthusiastic about this measure.

The truth about this bill is it is a big wheat producers' bill. It is a bill that will take care of the big boys in the wheat-production business at the expense of the little fellow. It is a bill that will take care of the great wheat ranchers in a few of the Western, Southwestern and Northwestern States where many years ago, during World War I, a number of rich men got together, at the request of the Government I may say, and purchased or rented huge tractors and plows, and went out in the springtime and plowed under the buffalo grass on the plains, thousands and thousands of acres of it, and planted wheat. Then they went back home and waited until harvest time came, when they sent out the big tractors and the big harvesting machines and worked up from the Southwest, on farm after farm, or ranch after ranch, thousands of acres after thousands of acres, until they finally reached Canada and the northern wheat-producing areas. Then once they were through and certainly ever since we have had this farm program, a great many of them sold their wheat to the Government through loans never repaid and went to Florida for the winter.

So, as a result, we have been reading newspaper reports and stories about how this particular farm operator or wheat farmer, or that particular wheat farmer, some of them in Congress, some out of Congress, received thousands of dollars, and sometimes millions of dollars, either for not producing wheat or for producing and selling wheat to the Government through putting it in warehouses—warehouses, in many instances, that these very same individuals owned and rented to the Government, at 14 cents a year per bushel for taking care of the wheat.

This bill is one that would cut, supposedly, wheat production by the big fellows 25 percent, and by the small wheat farmer, who plants 15 acres or less, 20 percent. But there is a little rinkus-dinkus in this measure you ought to look at. After they make the 25-percent cut in the amount of wheat grown—and some of these wheat ranches or wheat farms are as extensive as 40,000 acres—this bill would give back to these same people, in kind, so much wheat, 30 percent of the cut, which means, of course, that actually the reduction in wheat acreage for the big fellows will be only 17½ percent and not 25 percent. Get out your pencil, and look up your arithmetic, and you can figure that one yourself. It is in this bill.

What else will it do? This measure would continue to disenfranchise and take away from the little wheat producer, 15 acres or less, his right to vote, his right to participate in the referendum to decide for himself whether he wants to come under this kind of an arrangement or not. Of course, it would not take away from the big wheat farmers, the big producers, the people who have really created these huge surpluses, and have received the great sums of money, as I mentioned, either for not raising wheat, or for raising it and selling it to the Government, their right to vote. It will continue to take away the right of the little fellow to vote, however.

I would like for you to read the report on the wheat program for 1960 and 1961, that accompanies this bill, and the minority report or reports contained therein. There are several minority reports, by the way. All of the minority members of the committee, except one, signed the minority views in the report.

I am especially proud of the fact that the gentleman from Ohio, a newcomer in Congress and a new member of the Agriculture Committee, Mr. LATTA, the last man on the committee, by the way, made additional minority views public. You will find them on pages 31 and 32. He points out, very effectively and very ably and very well, just what happens to the little wheat farmer under this bill.

I want you to remember, before I read some of these figures to you, that in States like Ohio, Indiana, Pennsylvania, Virginia, and many of the other States of the Union, we have small farms, family-sized farms. We do not have these huge ranches, these huge expanses of farmland like they have in certain sections of the country, on which they grow wheat. The wheat in these States has been and is being produced primarily for two reasons: one, to furnish feed to be used on the farm, perhaps in poultry raising and things like that; and, second, as a cover crop, in the rotation of crops in the small farm operation, so as to have a crop rotation every 3 or 4 years.

But, let us look at this schedule on page 32, if you will, for a minute, to see how unfair this bill is to the little farmers that most of us here represent. Let us take, for instance, my own State of Ohio. If you will look at Ohio, in the second column on page 32 of the report, you will see that 127,916 farmers out of a total of 157,516 would, by this bill, be barred from voting in any wheat referendum. That amounts to 81.2 percent of the farmers in Ohio would be disenfranchised under the provisions of this bill as far as any wheat referendum is concerned.

Then, let us take the State of North Dakota. That is a good State, and I like the people in it. It has 72,290 farms, large farms in most instances, and only 3,698 of their 72,794 would be disenfranchised. Only 5.1 percent of the farmers in North Dakota would be barred under the provisions of this bill from voting in any wheat referendum. As far as wheat production is concerned, the farm people of Ohio would not be on an equal basis.

Let us take Indiana, for instance. There is a good State. I am sure the gentlemen from Indiana, the Members in this House from that great agricultural State, will be interested in these figures. They have 123,500 farms in Indiana; most of them small farms, or family-sized farms around 160 acres. Of those Indiana farmers, 100,294 would be barred or banned from voting in any wheat referendum under the provisions of this bill; 81.2 percent of the farmers in that State of Indiana, the Hoosier State, would have no right to participate under this system or to say whether they wanted this sort of arrangement or did not want it.

Let us take a look and see what we can find on the list down here below Indiana. Here is Kansas with 138,991 farms, of which 41,365 would not be eligible to vote. Practically 100,000 could vote, most of them large farms; 29.8 percent only would be barred from voting, yet in Indiana, I say again, 81.2 percent of the farmers would be barred from voting in a wheat referendum.

Let us look at Virginia, where they have 48,892 farms; but 44,947 of your Virginia farmers could not participate in this referendum, or 92 percent would not have the right of sovereignty, to vote in this wheat referendum.

Let us take Wisconsin. It, too, is a very good farm State, by the way. They raise wheat in small amounts to get feed for their chickens, and also as cover crops. Wisconsin has 13,990 farms; 13,606 of them, all but 384, would be barred from participating in this referendum under the provisions of this bill; 97.3 percent of the farmers of Wisconsin would be disenfranchised.

I do not believe the people in these States can stand by and support legislation of this type.

Let us take Oklahoma. That is a good State. Only 36 percent of their farms—and they are large farms, mostly, down there—would continue to be barred from voting in the wheat referendum.

Let us take Illinois. In Illinois 77.6 percent of the farmers would be barred from participating in the wheat referendum.

I say to you who represent these small farm States, where the wheat crop is not as important as it is in some other areas, that you had better take a second look at this bill. There is an argument of course, and a difference of opinion as to what this bill will do or what it will not do. If I recall correctly, the sponsor of the bill when he appeared before the Committee on Rules, told us it would probably save considerable money—what was the figure? $240 million or something like that. On the other hand, other members of the same committee advised us that passage of the bill would mean an additional cost to the Federal Government of $110 million per year.

I am a farmer, or a farm operator, myself. I think we have to have some sort of a workable farm program if the farmer is to compete with industry, with business, and with organized labor in these modern times. But what I fear is that we will continue to enact this

kind of legislation, or to increase the support price for many of these crops, and continue to build up such great farm surpluses, for I have noticed, being a farmer and a farm operator myself, that when you reduce acreage a bit, most farmers just plant their best land, and fertilize it a little heavier and wind up with just as much production in the end as they had before, that unless we enact a workable wheat program, unless we do something to cut down these huge surpluses and these great expenses, and do it on a fair and equitable basis, so that all the farmers in America, regardless of the size of their farms, or the amount of wheat they may produce may participate in the wheat program and in the referendum, that in the end the public will be so aroused the Congress may eliminate all farm legislation, and agriculture generally will suffer, and will pay the cost of our foolishness.

Mr. Speaker, I understand there will be certain amendments offered in the House. I am sure there will be a great many of them. I am convinced, from what I heard in the Committee on Rules, and from conversations I have had on the floor, there will be considerable discussion and argument before this bill is finally approved in one form or another, or is rejected.

But it seems to me, if we are going to enact any farm legislation we should give consideration to those amendments which will protect the right of the little farmer in America. I have heard a great deal of discussion on this floor of the House, and in fact I have seen a great deal of blood spilled from bleeding hearts, right here in the well of this House, for the little man in America. Here is an opportunity to do something for the little farmer, to protect his right to plant at least 15 acres of wheat if he wants to do so, to keep his crop rotation, to protect his right to produce grain on his own farm, if he consumes it on that farm, and does not put it into interstate commerce, or up for national or international sale. I hope some sort of amendment of that type may be worked out.

Mr. Speaker, I think we have to hold down the support price, fixed for wheat, to a reasonable figure so we do not encourage the additional fertilizing of wheat land and additional increased production.

After we get that production this bill would give back nearly one-third of it to the farmer that raised the wheat. So actually the reductions of wheat produced carried in this bill are only relatively slight, and will be overcome by the increased production through heavy fertilization and the usage of the best land.

Mr. Speaker, I have completed my statement, and I am now glad to yield to the chairman of the subcommittee, the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, the gentleman has made quite an argument about this bill disfranchising a number of farmers. The truth of the matter is, and this applies to all farm programs, that only those who are subject to marketing penalties are allowed to vote. This bill brings 94,000 more farmers under marketing penalties than under existing law. The truth of the matter is that if this bill passes there will be 94,000 more eligible voters than there are today.

Mr. BROWN of Ohio. That may be the opinion of the gentleman from Oklahoma, for whom I have the greatest respect; but it is not the opinion of other members of the committee. It certainly is not my opinion from reading the record, and it is not my understanding from the testimony that was given before the Committe on Rules by the gentleman and others.

Mr. QUIE. Mr. Speaker, will the gentleman yield so that I may ask the chairman of the subcommittee a question?

Mr. BROWN of Ohio. I should be glad to yield to the gentleman for that purpose.

Mr. QUIE. I ask the gentleman from Oklahoma [Mr. ALBERT], Is it not true that the people who have reduced their acreages from 15 to 12 will not be able to vote in the referendum this year because of the wording of an amendment to the present law which came in from a past committee, and which wording was not changed?

Mr. ALBERT. Under the basic law they are eligible to vote. The first year it may be that some will not be eligible, but so far as I am concerned, if that is true it is the intention of the subcommittee, and the gentleman knows it, to enfranchise every grower who is subject to marketing penalties. That has always been the law and certainly we intend that that continue to be the law.

Mr. QUIE. It might be that that was the intention of the subcommittee, but actually this bill does disenfranchise those new people who come under quotas this year by denying them the right to vote.

Mr. ALBERT. It does not disenfranchise any of them. It makes all of those who are subject to marketing penalties eligible to vote under the basic law. If there is some gimmick in this bill that would postpone that for a year, then that is a different matter and it should be corrected.

Mr. BROWN of Ohio. Mr. Speaker, I regret I must decline to yield further for this discussion, to say that I do not question the gentleman's good intentions, that is, the good intentions of the chairman of the subcommittee, but I cannot help from being reminded of a certain place I hope I never see, that is supposed to be paved with good intentions according to the Holy Book—and good intentions are not enough so far as this legislation is concerned. As I read this legislation and as other members of the committee read this legislation, you do disenfranchise these farmers who do plant 15 acres or less of wheat under the provisions of this bill.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. JONES of Missouri. I merely want to ask the gentleman from Ohio for his interpretation of the word "disenfranchise". In other words, if a person is not voting now, would you be disenfranchising him if he is not voting again? You are not taking anything away from him.

Mr. BROWN of Ohio. It is rather peculiar that this Congress which has gone so far to make certain that all Americans have the right of franchise in general elections should not also go so far to see to it that a great many Americans, who happen to live on small farms, have the right of franchise the same as any other individual.

Mr. POFF. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. POFF. Mr. Speaker, I shall support the so-called Belcher substitute to H.R. 7246. I do so, not because I entirely approve every provision of the substitute or because I disapprove every provision of H.R. 7246, but because in balance and overall I consider the substitute the better of the two.

Specifically, I disapprove the provision in H.R. 7246 which reduces the 15-acre exemption to 12 acres and I disapprove the provision in the provision in the substitute which eliminates the exemption altogether.

I am convinced that a repeal of the current 15-acre wheat exemption would work a great hardship on, first, the small farmer; second, the small businessman who mills the wheat and processes the flour; and, third, the wheat and flour consumer.

Let us consider a few indisputable facts and figures:

First. Sixty-three percent of the Nation's wheat farmers are located in the soft wheat area—the region east of the Mississippi River.

Second. Sixty percent of the soft wheat crop is grown on farms with allotments of 15 acres or less.

Third. Soft wheat—used primarily for flour in commercial and home bakeries—is not in surplus. Between 1948 and 1957 soft wheat averaged 17 percent of total wheat production but only 4 percent of the national carryover, and at the close of the 1957–58 crop year, the carryover was less than 1 percent of the national total. Only 9 percent of the 1958 crop in the soft wheat area was put under the price support program which proves that supply and demand are almost in balance.

Fourth. Farmers in the soft wheat area plant wheat for one or a combination of three purposes: (a) To complete a proper crop rotation schedule, (b) to provide for on-the-farm consumption of food, seed, or livestock feed, and (c) to produce a readily marketable cash crop. Accordingly, since soft wheat has a special, almost exclusive consumer use, it does not displace other types of wheat from the domestic or foreign markets in any appreciable degree, and since supply and demand are so nearly in balance and do not materially add to the overall surplus problem, the 15 acre exemption should be maintained.

The foregoing facts and figures pertain to soft wheat generally, including both red and white. With respect to soft red wheat, the case for maintenance of the exemption is even stronger. On occasions during the last 2 years, there has

been an actual shortage of soft red wheat, so serious in nature that the Department of Agriculture was compelled to restrict exports under Public Law 480. This is of particular concern to me inasmuch as Virginia is 1 of the 10 principal producers of soft red wheat.

Mr. Speaker, the entire agriculture program, formulated during the war emergency, has consistently discriminated against the small farmer in the East in favor of the big farmer in the West who tills thousands of acres of level land with highly mechanized equipment and sells—by loan forfeiture or otherwise—thousands of bushels of grain to the Federal Government where they rot in warehouses at a storage cost of nearly a billion dollars a year. Over the years, this discrimination has increased. In 1939, Virginia's share of the 55 million acre wheat allotment was 482,719; today, it is only 259,999, representing a cut of 46.1 percent. By comparison, the wheat allotment has been increased for Michigan 46.5 percent, Utah 49.5 percent, New Mexico 52.1 percent, and Colorado 105.2 percent.

To repeal the 15 acre exemption would be to continue and aggravate this history of discrimination against the small farmer. Surely, this Congress will not thus add to the burden of the family-type farm.

Mr. SMITH of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Speaker, I want to make a very brief statement. The President of the United States sent about seven messages to the Congress asking that something be done for the wheat which all admit is our No. 1 farm problem. The committee has acted to do something for wheat. The gentleman from Ohio has mentioned that there are several amendments to the proposed bill, and thereby we will have an opportunity to exercise the will of this body. For that reason, I think anything we do here will not make the condition any worse than it is now and the quicker we adopt this rule and get into a debate on the facts rather than a misstatement of some of the facts, the earlier we can reach agreement on what needs to be done. I would like to see us vote on this resolution right now.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

(By unanimous consent, Mr. MCCORMACK was given permission to proceed out of the regular order.)

Mr. MCCORMACK. Mr. Speaker, I rise at this time simply for the purpose of having the record clear in relation to the very friendly and very mild colloquy that occurred between my dear friend, the gentleman from Indiana [Mr. HALLECK] and myself the other day. The gentleman from Indiana later made some remarks to the effect that he had the debate on the railroad retirement bill carefully examined and he could not find anything in the RECORD by any Republican Member either directly or indirectly in relation to a veto. Mr. Speaker, I, personally, have examined the RECORD myself.

On page 7043 of the RECORD for April 29 a Republican Member was addressing the Committee of the Whole and he said:

> Moreover, rumors are extant to the effect that the adoption of those amendments on the floor would ultimately kill the entire bill unless those amendments collectively became a substitute for, instead of additions to, the committee bill.

He was talking about amendments of his own—

> The bill would be entirely killed.

If it passes both branches that means that the bill has to be vetoed before it would come back to Congress in connection with Congress acting upon a veto of the President. In this case he went even further than veto and said it would be killed. The threat of veto can be direct or indirect.

I will not in my remarks mention the name of the Republican who made that speech, but his remarks will be found in the first column of page 7043 of the RECORD of April 29.

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me?

Mr. MCCORMACK. Surely. I have a few others here, you know.

Mr. HALLECK. What is that?

Mr. MCCORMACK. I have a few others.

Mr. HALLECK. I understand, but on the railroad retirement bill the remarks to which the gentleman refers were made by a gentleman on our side who favored the substitute against the committee bill. If there could be any danger of a veto it was with respect to the substitute and not the committee bill. If the gentleman would read all the remarks he would discover that the gentleman who made those remarks which the gentleman read was speaking about amendments that might be offered to the committee bill if the substitute were not adopted, and that it would be highly speculative as to what amendments to the committee bill might have been adopted. He refers to the snarl that would ensue. I suggest to anyone looking at the RECORD, read the whole record of the speech made by the gentleman and I do not think he would reach the conclusion that there was any threat of a veto.

Mr. MCCORMACK. I called the attention of the gentleman from Indiana to the RECORD the other day and gave him advance notice. I say that anybody can read the RECORD and form his own interpretation of just what was said.

Mr. POFF. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I did not even mention the gentleman's name.

Mr. POFF. I did not say the gentleman did, but I asked the gentleman if he would yield?

Mr. MCCORMACK. Certainly I yield.

Mr. POFF. I would like to say for the benefit of the membership, especially if they will read the page of the RECORD to which the majority leader has referred, that in no respect did the gentleman from Virginia intend to convey the thought that a veto had been threatened or possibly would be threatened.

What the gentleman from Virginia intended to say was exactly what he did say, and any person who reads those remarks objectively cannot fail to agree that I had reference to those amendments which might be offered and adopted in the event the substitute was not previously adopted, and unquestionably if such amendments had been adopted in such manner the bill would have been killed entirely.

Mr. MCCORMACK. I will accept the gentleman's clarification and apology.

Now, in relation to the housing bill, if any Members are interested they can obtain the RECORD of May 19 and on page 8486 they will see where one of my dear and beloved Republican friends, one whom I admire very, very much said:

> And without quoting the President, let me say this: I am convinced in my own mind, from things that have been said to me, and from conversations I have had with others, that if the so-called Rains bill is adopted as is, with a public housing provision which will cost some $3.5 billion over the next 45 years, the bill will not become law.

If Members are interested to go back, let them get the RECORD of May 20 and look at page 8658—and again notice I do not mention at any time the names of any of my Republican colleagues because I respect them and I have too much decency to do so. They will find on page 8658 a statement made by a distinguished Member of this body close to and who has the ear of the President, in which he said:

> I do not believe the committee bill can ever become law.

He also says:

> I am convinced that the substitute bill can become law and can become law quickly.

Well, I do not know what construction you will place on that, but clearly that is the threat of a veto.

Again we come to the Federal airport bill, and if any Member is interested he may look at the RECORD of March 19 and turn to page 4653 where the remarks of one of my Republican friends appears in which he said:

> I personally am convinced that the committee bill will not meet with the President's approval and, therefore, cannot become law.

I think I am capable of understanding and interpreting language and words that are said. I just simply take the floor to have the record clear, particularly when my dear friend and Republican leader took the floor and said that there is nothing in the railroad retirement debate to that effect. I have shown what was in there, coming from a Republican source.

As a result of the friendly colloquy we had the other day and the impersonal remarks I am making on this occasion, I hope that on any bill coming up in the House for the remainder of this session and for the next session we will not from any responsible Member on the Republican side—and they are all responsible in my opinion—hear the threat of a veto in the event of the bill before the House passing the House and being enacted

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into law by both branches and going to the President.

The atmosphere of the House is clarified and cleansed to that extent.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, in view of the exchange between the gentleman from Virginia [Mr. SMITH] and the gentleman from Ohio [Mr. BROWN], in respect to remaining speakers and the time that would be used, and in view of what I understood to be the statement of the gentleman from Ohio that he would have only one further speaker or that he did not have any, may I ask, Is the gentleman from Ohio precluded at this point from yielding to me?

The SPEAKER. The gentleman from Ohio said, as the Chair understood him, that he did not have anyone else to yield to. Whether he said "at that time" or not, the Chair does not know.

Mr. BROWN of Ohio. I said I had no requests at that time.

The SPEAKER. The Chair accepts what the gentleman from Ohio states, and if the gentleman desires to yield, the Chair will recognize him to do so.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding any other statements heretofore made—and I do not remember what they were—that the gentleman from Ohio [Mr. BROWN] may yield.

The SPEAKER. The Chair has just stated that the gentleman from Ohio may yield some time.

Mr. BROWN of Ohio. Mr. Speaker, I yield the remainder of the time on this side to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the gentleman from Massachusetts said that this was all friendly, and it is.

I got into the matter the other day not because of any general statements that were made, although I might have been motivated by some remarks that were made and because some pretty harsh language was used about threats of a veto and attempts to blackmail the Congress and intimidate the Congress. I got into it only because I was quite sure that no threat of a veto had been made in respect to the railroad retirement bill, and I particularly wanted to keep that record clear, because there was very definitely an implication, if not a direct statement, that a determination which had been made to veto the bill was subsequently abandoned because there were not enough votes to sustain a veto. Not only was this not the case, but as I pointed out to the House on a previous occasion, I personally told the President that if he decided to veto the railroad retirement bill, in my judgment, there were enough votes in the House to sustain such a veto.

I did have the RECORD checked. The statement to which the majority leader refers came from the gentleman from Virginia, and if you will read it all you will see he was for the substitute bill and he wanted it adopted. He did not want the committee bill adopted. The argument that he was making simply was "if you do not accept the substitute," and, of course, we did adopt the substitute, the Committee immediately rose, and that was the bill. The argument he made was—and I have heard it made by many Members here—that if you started with a long series of amendments on the committee bill, it probably would wind up in a snarl—and I think he used the word "snarl"—that would result in no legislation at all. Now, I did not read any threat of a veto, and the gentleman from Virginia says he undertook to make no threat of a veto because he wanted the substitute adopted as against the committee bill, and would have been the last person in the world to suggest the possibility of a veto.

Now, in respect to vetoes, let me say that once upon a time I was called to the White House by a former President, along with other leaders here, and was told directly that if a bill was passed here, it would be vetoed. Now, I did not resent that. I think it is important that we fully understand what our obligation is. The veto is provided for in the Constitution of the United States. It is a part of the legislative process. It is a part of our system of checks and balances that has worked so well throughout all of the history of the Republic.

Now, a veto can be overridden by a two-thirds vote. In the 80th Congress we overrode two of President Truman's vetoes, the Taft-Hartley Act and the tax reduction bill, and we did not have too many Members then. I did not resent the fact that those bills were vetoed. That was the President's right. I well recall that during the years the people on the right-hand side of the aisle have presented from time to time measures that were not considered proper or right by the administration. Now, I do not think there is anything wrong about that. I do not believe it ought to be a matter of dictation. And, may I say to you that I do not believe the veto should be used just to be vetoing things, because that is not right. It ought to be used as sparingly as possible, and because it ought to be so used there ought to be a great burden on the Congress of the United States to see that legislation is kept reasonably in line so that it will not be necessary to exercise a veto. As a matter of fact, after the state of the Union message comes down, various other messages are received from the President of the United States and recommendations are made by the departments which state the President's position. That has always been done. Certainly that carries with it, I suppose, some implication that if the legislation is passed to which objection is made, it will not be satisfactory and the veto might be exercised. Well, do we not always legislate in the light of that indication of the position of the Executive? And, I do not see anything wrong about that. I would say certainly no threat of veto should be loosely thrown around here on the floor to try to intimidate anybody. It is the job of the Congress of the United States to legislate the way it sees fit, and I grant that to the majority and the minority as well. But, at the same time, as we legislate, since we must recognize that the Chief Executive is a part of the legislative process under the Constitution of the United States, there is nothing wrong in undertaking to find out what may transpire. As far as our President is concerned, he has never announced, so far as I know, a definite commitment as to what he would do in respect to a veto, and I think that is the way it ought to be.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. The gentleman from Massachusetts [Mr. McCORMACK], the majority leader, in referring to a statement made in connection with the consideration of the rule on the housing bill, I think was quoting from that which I said. Now, the gentleman from Massachusetts is noted for his fairness and his impartiality, and I am sure he would not want to give the wrong impression to the House, in commenting on the statement I made, because he read at the very beginning where I stated that I did not speak for the President and did not know what action would be taken, but from conversations that I had I was convinced that this bill could not become law, that is, the housing bill, with the public housing feature in it. Now, I was expressing my own conviction. And, when we reach the point in the Congress of the United States that a Member elected by the people cannot rise in this forum and express his own convictions on a bill without having them misinterpreted, we have indeed reached a sorry and a sad state. Now, let me say that I am still convinced and I still have the conviction that the housing bill as it passed the House, with the public housing feature in it, should be, and I hope will be, vetoed by the President of the United States.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7246, with Mr. EVINS in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, I think perhaps every man and woman in this House realizes the importance of the subject which we are now about to discuss. Our Government now has invested in wheat approximately $3 billion. We have given to the Secretary of Agriculture every authority

he has requested us to confer upon him, and we have given him all the money and manpower that he needs to dispose of our vast stores of wheat if, indeed, this can be done. We have authorized him to sell this wheat for dollars in the markets of the world. We have authorized him to sell it in foreign countries for foreign currencies. We have authorized him to barter it away in exchange for strategic materials needed in our own economy. And we have authorized him to give it away to needy people in the world. And yet our problem is constantly being aggravated. We are piling surplus upon surplus and there seems to be no end in sight.

Unfortunately the Secretary has not been able to sell the commodity nor has he been able to give it away notwithstanding the fact that we have starvation rampant in many parts of the free world. We seem to regard starvation and hunger as something that is alien to America and to the free world, something that is found only behind the Iron Curtain. As a matter of fact we are told that even tonight millions of people on our side of the Iron Curtain are going to bed hungry.

We have encountered a multitude of obstacles in the carrying out of this program. I am certainly not attaching all of the blame to Mr. Benson. Several times recently the President of the United States has called upon Congress to do something about the wheat program. As chairman of the Committee on Agriculture I appointed a very diligent and distinguished subcommittee, headed by the gentleman from Oklahoma [Mr. ALBERT]. For 6 long months, from January to June, this subcommittee of ours has worked long, hard, and faithfully, conducted extensive hearings and given consideration to every proposition that has been submitted to it. Even last year the gentleman from Oklahoma [Mr. ALBERT] led the subcommittee and they worked at that time in an effort to solve the problems that are involved in this great program.

The President in one of his messages—unfortunately I do not have it before me, but it is a recent message—pointed out alternative routes which we might take in dealing with the wheat problem. One route would permit liberal planting privileges with lower price supports which the Secretary of Agriculture thinks will tend to decrease production. That is one road that the President opened up as a possibility. But all of us who have been in Congress and have watched these programs in operation know that the solution to the wheat problem will not be found merely by giving the farmers of America back their freedom to plant unlimited acreage of wheat, nor will the problem be solved by lower price supports. Invariably, when farmers have been given lower price supports and lower prices in the marketplaces they have increased their volume of production, thereby aggravating the surplus situation.

We hear a lot of talk about giving the farmers their freedom. I look forward to the time when the farmers of America can go forth in the spring and plant freely and harvest abundantly and market profitably. But I know that freedom for the farmers now would be only freedom to bury themselves beneath the huge surpluses that have already been accumulated.

Freedom would mean only freedom to produce themselves into bankruptcy. The other road opened up to us by the President is strict control—regimentation, if you please. And he suggests that this route might have merit in making an emergency adjustment. Now, that is what we have. We have an emergency and we need to make an emergency adjustment. That is what this committee bill does. It is a bill that will be in operation only for 2 years. It does provide strict control. But, it also provides some inducement, which might persuade the farmers of America to reduce their acreage. Without going into the details, I do commend to your consideration the brief statement and analysis contained in our report. I hope also that every Member of the House will listen carefully to the gentleman from Oklahoma [Mr. ALBERT], the distinguished chairman of the wheat committee who has worked so long and so hard trying to bring before this House legislation which we believe will do the job that needs to be done—to do the job that must be done or else this farm program will collapse of its own weight and plunge agriculture and the Nation into an economic depression, the magnitude of which we have never before seen in America.

Mr. HOEVEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all let me pay my respects to my very good friends and colleagues, the gentleman from Oklahoma [Mr. ALBERT] and the gentleman from Oklahoma [Mr. BELCHER], who have worked long in trying to help solve a very aggravating situation. I am one of those who have said I do not think there is a real solution of the wheat surplus problem. So we enter this debate with not much background except realizing that we do have a problem and we have been groping for a solution. I have here an item from the ticker tape as follows:

> The Agricultural Department today estimated the 1959 wheat crop will total 1,181,596,000 bushels.

That would mean a carryover of from 130 million to 150 million bushels.

Following that announcement, here is another item from the ticker tape stating that India has just announced their wheat production for this year will be much higher than was estimated. So this is a most controversial piece of legislation. The minority report indicates that this is controversial. Of the 12 minority members, 11 signed the minority report in one form or another. I think we set up two criteria in trying to express our views. First, that any new legislation in this field should be in the direction of cutting down the wheat surplus and, secondly, the proposed new program should cost less than the present program. In the estimation and in the judgment of the minority, the bill before us does not meet either one of these standards.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield for a question?

Mr. HOEVEN. I yield to the gentleman for a short question.

Mr. JONES of Missouri. Does the report of the majority indicate that both of those requirements have been met?

Mr. HOEVEN. Well, that would naturally follow. That is why we are in disagreement.

Mr. JONES of Missouri. In other words, the majority felt that we had met both requirements.

Mr. HOEVEN. I am talking about the minority views.

No one seems to be for this bill. The chairman of the subcommittee, my very good friend the gentleman from Oklahoma [Mr. ALBERT], has frankly said publicly that he does not think this is a good bill, and he does not think the wheat farmers are going to approve of it.

There is no clamor for this legislation; there is no one standing on our doorsteps insisting that we enact this legislation.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. ALBERT. My friend is being a little liberal in his interpretation of what I said.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. EDMONDSON. Did the gentleman say there was nobody clamoring to the committee that something should be done with the wheat surplus?

Mr. HOEVEN. Certainly they were clamoring about what should be done with the wheat surplus.

Reference has been made here to the President's messages to the Congress on other occasions, and that is true. The President realizes that we have a very grave situation and he has called upon the Congress to do something about it. But let me refer to the last message, that of May 13, 1959, where the President said:

> I have frequently requested legislation to deliver our farmers and taxpayers everywhere from the mounting failures and staggering excesses of the mandatory farm price support and production control program. Unless this pressing issue is squarely met and resolutely dealt with, the next few years will see the surplus problem, because of its staggering cost to increasingly frustrated and impatient taxpayers, crash of its own weight, carrying with it all that is sound and good in the support of agriculture by the Federal Government.

So in creating a program we have got to meet it squarely and resolutely and not present legislation here which does not meet the problem.

The farm organizations are not clamoring for this legislation, with one exception I believe. The American Farm Bureau is not for this legislation. I do not find the Grange very vociferous. The Farmers Union has expressed some interest in the legislation.

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The wheatgrowers of this land are not clamoring for the legislation. They are very much in disagreement. They cannot agree amongst themselves. And so we are considering a bill which is being presented because a request has been made that the Congress do something about it.

Mr. Chairman, the wheat problem facing us today is one of tremendous magnitude. The President has emphasized its gravity. Our present carryover of wheat is approximately 1.3 billion bushels. This huge wheat carryover will rise to almost 1.5 billion bushels by June 30, 1960. This gigantic surplus is about three times greater than the annual U.S. consumption as food. By June 30 of next year the total CCC investment in wheat will be about $3.5 billion. It is estimated that we are now spending nearly $400 million in fiscal 1959 on storage, interest, and transportation costs for wheat alone—over a million dollars a day. Unless something is done, we will spend almost half a billion dollars on wheat storage, interest, and transportation in fiscal 1960. During the fiscal years 1954–58, the next realized cost for wheat amounted to over $2½ billion. This is about 30 percent of the cost for all commodities although wheat represents only 6 percent of cash receipts from sales of all agricultural products. If no change is made in the present program, these high costs and added surplus—at a rate of about 200 million bushels per year—can be expected to continue.

Under present law, if marketing quotas are approved in the national referendum, price support on wheat will be made available in 1960 to cooperators—that is, those farmers who stay within their assigned acreage—at not more than 90 percent of parity nor less than 75 percent of parity, according to the relationship of the total supply of wheat to the normal supply. If producers turn down marketing quotas, the level of support drops to 50 percent of parity. In States outside the commercial wheat-producing areas, the level of support for cooperators is 75 percent of the level to cooperators in the commercial area. The current level of support in the commercial area is 75 percent of the July 1, 1958, parity or $1.81 per bushel. Next year it will be about $1.78 per bushel. The minimum national acreage allotment is established at 55 million acres under the Agricultural Adjustment Act of 1938, as amended. There are two exemptions in the present law. The first is a marketing quota of 15 acres and the second is a wheat-for-feed exemption of 30 acres. The owners and operators on farms which are under these exemptions are not eligible to vote in the national referendum. The penalty for overplanting at present is based on the normal yield of the farm marketing excess times 45 percent of parity.

In order for us to begin to solve the wheat problem, three criteria must be met. First, will the proposed legislation reduce the surplus? Second, will it cost less than the present program? And third, will it be of ultimate benefit to farmers?

I contend that H.R. 7246 fails to meet these essential criteria and therefore it should be defeated. If I may, I would like to examine this bill on the basis of its effectiveness, its cost, and its ultimate harm to farmers.

This bill has come to us today with very little, if any, enthusiastic support. There is no clamor for its enactment. Just about everybody can find some basis to oppose it. It is not a solution for either the farmer or the taxpayer.

In the first place, the bill is not effective. It attempts to decrease the production of wheat by cutting back on the acreage wheat farmers are allowed to grow. Our agricultural history points out most clearly that a cut in acreage simply does not result in a proportionate cut in production. Even the most optimistic proponents of this bill contend that a 25 percent cut in acreage would result in only a 20 percent cut in production. The Department of Agriculture conservatively estimates the reduction in wheat output would probably be less than 15 percent. Other experts predict only a 7 percent cut in wheat output under this bill. Of course, no one knows what the reduced output would be. A change in the weather could make any of these expert estimators look extremely wise or extremely foolish. However, commonsense and experience should tell us that when you raise the support price—and this bill raises the support price to 90 percent of parity—that you are creating an incentive price which encourages the flow of new capital and stimulates new technology in the art and science of raising wheat. At $2.13 per bushel, which is 90 percent of parity, every farmer who is eligible to do so will raise all the wheat he can. Farmers are the shrewdest business men in the world, bar none. Their outstanding record of production proves it. Under this bill the acreage left in wheat production will be that of above average potential. Farmers will not cut their best acreage. Under the high rigid support price, farmers will strive for higher per acre yields. We have already seen dramatic results in this area. In 1938 the average yield per acre of wheat was 13.3 bushels. The yield per acre during each of the 10 years 1947 to 1956 averaged 17.7 bushels. In 1957 it was 21.7 bushels per acre and in 1958 it was 27.3 bushels per acre. It is quite true that 1958 was an exceptional year for wheat production, but it can be readily seen that the upward trend in yields is steady.

There are some scientific explorations going on that will go beyond that figure. Can you imagine what kind of a wheat surplus we will have when we get into that kind of production and it is disclosed that farmers through their initiative and through their know-how can produce more wheat on less acres than ever before?

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Kansas.

Mr. AVERY. The gentleman from Ohio is discussing one of the key points of this bill, and I think maybe we ought to elaborate upon that at this time. Overall we are providing here an option to decrease the wheat acreage by 25 percent. Did I understand the gentleman to say that despite that 25 percent proposed reduction it was the opinion of the committee or possibly the subcommittee that actually we may have as much as a 20 percent reduction under comparable conditions in 1960?

Mr. HOEVEN. Twenty percent, and some estimate it might be less than that.

Mr. AVERY. That is the important thing. To me that is an extremely optimistic figure. If by a reduction of 25 percent we can get production of 20 percent, I could generate a little enthusiasm about this bill, but it is my opinion we ought to be talking about 10 percent.

Mr. HOEVEN. There are many experts who predict only 7 percent.

Mr. AVERY. Did the Department of Agriculture offer a suggested actual realized reduction in wheat production?

Mr. HOEVEN. We have information on that, and when I conclude my statement the gentleman from Oklahoma [Mr. BELCHER], will take care of the details.

Mr. AVERY. I appreciate the gentleman yielding.

Mr. HOEVEN. Now, if I may continue, our wheat scientists have been instrumental in these increased yields and they are now experimenting with a variety of wheat which has yielded up to 100 bushels per acre. Some varieties yielding up to 60 bushels per acre are now being used. With the incentive level that this bill provides, who is to say that these new varieties will not be used. It is true we had some testimony to that effect in the hearings, but these dynamic varieties of wheat could very easily appear sooner than some people might think. Another factor which can disrupt the efforts of H.R. 7246 to cut production of wheat is increased irrigation in dry lands where wheat yields can be doubled and tripled when water is added to the soil. And let us not forget the increased use of fertilizer. On page 10 of the hearings held by the Wheat Subcommittee, Dr. Reitz, of the Agricultural Research Service, commented on the use of wheat fertilizer as follows:

> There has been during the last several years a considerable increase in use of fertilizer on wheat. This has, according to some experts, about reached a saturation point for many of the major areas. One of the limitations in further use of fertilizer is the inability of present varieties to respond favorably to higher rates of fertilization. There are some prospects in the future for this limitation in varieties to be removed with the expectation that fertilizer response might then be greater than it has been.

In other words, Mr. Chairman, the potential for increased fertilization is a real and significant factor and cannot be lightly dismissed.

There are several other facets of this legislation which make it ineffective. These unsound and unfair provisions include the section on payments in kind, which in my judgment, is administratively impossible, and the section dealing with the right to vote in the national referendum. I am sure that these and other defects will be thoroughly dis-

cussed during this debate by the distinguished Members of the minority, so I will not go into each of them. I would, however, like to draw to the attention of my colleagues the effect that this bill will have on America's most important crop, corn. H.R. 7246 purports to control the acreage diverted from wheat under the required 25-percent acreage allotment cut. Some persons erroneously describe this provision in the bill as cross-compliance.

Mr. Chairman, there is neither cross-compliance nor effective control of these diverted wheat acres in H.R. 7246. If this bill is passed, we will simply be replacing wheat acreage with corn and feed grains. The only sanction or method in this bill for preventing a wheat farmer from raising all the corn or other price-supported crop is to deny him price support on his wheat. If he plants a price-supported crop, he would not even lose his price support on that price-supported crop. This loophole is a serious one, Mr. Chairman. It is especially dramatic when we consider the effect of the recent $50,000 limitation on CCC loans adopted by the House. The big wheat farmer is not going to comply with this provision of the bill. He is going to pass up the price-support loan on his wheat and sell his wheat in the open market which will be at a high level because of the 90 percent of parity support price. The market price would probably be around 95 percent of parity, because CCC cannot release its stocks for less than 5 percent above the current support price plus reasonable carrying charges. The final result would be many more acres of corn and feed grains would be harvested at a time when our feed grain stocks are in substantial surplus and we are facing the prospect of a 4-billion bushel corn crop in 1959.

In short, this bill just will not do the necessary job. By trying to travel in too many directions at the same time, this legislation is self-defeating. The bill fails miserably to meet the first criterion. Will it reduce surpluses? No.

The second issue of this bill is cost. The advocates of the bill claim it will save $264 million a year. As pointed out in the minority report, we feel it will cost an additional $110 million in the first year alone. We obtained our estimate from the Department of Agriculture. I understand the proponents of this bill obtained their estimate from the Library of Congress. Perhaps this accounts for the discrepency. Personally, I feel that the professional and technical experts of the Department of Agriculture are better qualified and have broader experience than that enjoyed by the personnel of any other agency of the Government, bar none. I have the utmost respect and confidence in the ability of these dedicated servants of agriculture and the Nation and I will stand by them in their honest estimate of the cost of this legislation.

Mr. Chairman, here is why this bill will cost at least $110 million a year more than the present wheat program:

First. The United States pays an export subsidy on every bushel of wheat that is sent overseas. This export subsidy represents the difference between the world price and the market price and at present is being paid in kind in wheat. As the support price rises, the market price rises. The increase in the export subsidy under H.R. 7246 would be about $200 million. With the reduced production, it is likely that the export subsidy would average about 45 cents a bushel higher than in 1958–59. On the basis of exports of 450 million bushels, this would amount to about $200 million.

Second. H.R. 7246 calls for payments-in-kind in wheat to farmers who cut down their wheat acreage by 25 percent. There is a cost here, first in the value of the wheat given away by CCC and second in administrative expenses incidental to such a program. The payment-in-kind program based on one-third the normal yield on 12½ million acres would mean the distribution of about 85.3 million bushels. These bushels will be sold in the free market and an equivalent amount will be acquired by the CCC at the support rate of $2.13 a bushel. This will increase costs by about $180 million.

Third. The previous costs incurred would be offset to some extent by decreased production of wheat. It is estimated that under this proposal production will decrease by 150 million bushels. If we assume that the support price in the absence of this legislation would be $1.80, the decreased cost will be $270 million.

Thus when we add the increased export subsidy of $200 million plus the cost of payment-in-kind of $130 million, we arrive at a gross cost of $380 million. After subtracting the estimated savings of $270 million due to decreased production, the taxpayer is left holding the bag for at least another $110 million. Since the parity formula is expected to rise, this cost would be even higher in the second year.

Fourth. Just under the previous items, the increase in the costs would be about $110 million. In addition, there will be increased costs of an unknown quantity—possibly $30 million—due to the diversion of about 1½ million acres of crops which would have been in wheat under the 15-acre exemption or other overplanting which will be diverted to other crops.

There are two main areas of cost where we disagree with the proponents of this bill. Advocates of this legislation are first of all assuming a greater cut in wheat production than seems probable. Second, they are placing a much lower value of the payments in kind. Personally, I feel that the Department's analysis is sound. It has been made by people who are qualified to do so. In short, this bill again fails to meet the second necessary criterion. Will it reduce costs? No.

The last, and most certainly not the least, standard we should examine is the effect of this bill on the wheat farmer. Is it good for him? If 90 percent of parity is good for the wheat farmer, why is it not good for the tobacco farmer? Just a few short hours ago we listened to some of the same people who are advocating this legislation ask the House to abandon 90 percent of parity for tobacco by creating, for all practical purposes, a 5-year ceiling price on tobacco price supports. The tobacco farmer is losing exports and he is facing another acreage cut under 90 percent of parity. Now we are told that the same bitter medicine should be applied to wheat farmers. How inconsistent can you get? In summary, Mr. Speaker, H.R. 7246 should be defeated because it fails to meet squarely and forthrightly the problem we are facing. It does not alleviate surpluses, it does not reduce costs and it is not in the long-range interest of the wheat farmer or of all agriculture. H.R. 7246 should be defeated.

Mr. COOLEY. Mr. Chairman, I yield 7 minutes to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Chairman, when I think of wheat, I think of a lifetime of wheat production. When I first started hauling bundles of wheat with a team of horses to a threshing machine in 1915, of the tending and preparation of land with horses and horse-drawn machinery, I think of the First World War when I was too young to enter the service and I remember how the farmers of America were called upon to produce wheat and more wheat to feed ourselves and our allies.

I remember the twenties and the depression and loss of prices which we suffered in the early twenties. Then I too remember the good years of the twenties and then the collapse of our stock market in the fall of 1929. I also vividly recall the year of 1931, when we were doing most of the farming with modern machinery. Machinery that was bought on the basis of $1 per bushel of wheat and wheat at that time selling for as low as 21 cents per bushel.

I remember very well the beginning of the farm programs and the saving of many farmers from complete bankruptcy. Then too, about this time began the drought years and no production, and 7 long years of no production even though the prices had become much better. I remember trying to raise my family of two sons and I had to do everything in the way of employment in order to find enough money to buy groceries to feed that family. Most of the farmers in my county went broke in the 1930's and had to leave and go to a city or somewhere where they could get groceries to feed the family. Too, I recall the clouds of dust that filled the skies for days at a time. No livestock was left. There were no crops.

Then later in 1940 the rains came, and close following came the last World War. The country that for many long years had been a desert now had turned into the garden spot of the world. Everything that was planted in the soil yielded a return in crops of some nature.

I remember well when the call to arms to defend the freedom-loving countries of this earth was announced, and in the following 2 years 16 young men left my ranch in Morton County, Kans., and went into the armed services, including my own 2 sons.

I remember well when Mrs. Breeding and I talked it all over and decided that we were not doing enough to help win

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the war, and in 1943 we went to our draft board and volunteered both our services for the Army. And do you know what the draft board's answer was? "Go on back home, Mr. and Mrs. Breeding, and grow wheat. This world needs more wheat and you can do more to help win this war growing wheat than anything else." So we did, and because of the shortage of labor we had to use every imaginary device we could think of to help produce. Therefore, because of necessity, we learned how to produce more with less help. We began to use more modern and up-to-date inventions and machinery. Prices were good, the costs of operation were moderate, taxes were not nearly as high as now, and profits were good.

Today, since the Korean war, things have changed. Costs of production have gotten higher and higher. Prices of equipment have skyrocketed until today the prices of machinery are nearly twice as high as at the close of the Korean war, and wheat is cheaper.

The lessons that we learned because of war production have now made farming so efficient that we can produce more per man than ever before in history. We have continued to store our excess production in warehouses financed by CCC, until the whole farm program is doomed to collapse unless we do something to either find new uses and more uses of our excess. I am sure that we cannot afford to completely abolish our farm program, or many of our farmers will face bankruptcy. I am sure that more production at cheaper prices is not the answer.

I really believe that this bill, with tighter controls and increased price, will come nearer to solving our problems.

I doubt that many farmers, if left to choose between this bill and the present law, would choose this bill over the present law of 75 percent of parity and 55 million acres, but I also believe if they will stop to think, most of them will go along with this bill of lesser production if they can hold their income near its present level which this bill will do if adopted without any crippling amendments. It seems to me that in this bill the farmer is sacrificing part of his farm for 2 years—which no farmer wants to do—to help right a serious situation.

It also seems to me that the taxpayer of America is the one who profits most by this measure, since it saves $528 million in 2 years' time.

I would like to remind the Members in this Congress who represent industry and labor that farmers are important customers of theirs; that farmers and ranchers are among their biggest customers today. For example:

There are 12 million tractors, cars, and trucks on the U.S. farms. Agriculture buys more petroleum than any other industry.

Farmers provide a market for 6½ million tons of finished steel annually.

Rubber used on the farms of America would put tires on nearly 6 million automobiles annually.

Sixteen percent of the gross freight revenue is from agricultural products.

Agriculture consumes 50 million tons of chemicals each year.

Agriculture uses more electric power than Chicago, Detroit, Houston, Baltimore, and Boston combined.

About 10 million persons actually work on the farms of America.

In the total agriculture economy, about 25 million workers are gainfully employed. Thus, approximately 40 percent of our gainfully employed are involved in the production and distribution of food and fiber from the farms of America. Therefore, Mr. Chairman, if agriculture is placed in a bankrupt position it will certainly affect the prosperity of industry and labor as well.

Mr. Chairman and Members, I ask you to give this measure serious consideration.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. BREEDING. I yield.

Mr. AVERY. I would like to compliment my colleague from Kansas on the statement he has made this afternoon. In fact, the gentleman himself is entirely too modest. He is one of the most successful wheat farmers in Kansas, and I know of no other farmer in Kansas who endured greater hardship during the drought in the thirties than did the gentleman in the well addressing the Committee.

I am particularly glad that he called the attention of the Committee to the impact of World War II and the Korean war on the wheat industry.

The reason I make that observation is because I was amazed at the committee report. It goes to great length to try and make a comparison, not a very convincing comparison, but it goes to considerable effort to make a comparison of the wheat industry since 1952 and the condition of that industry for 6 or 8 years prior to 1952, not taking account of the impact of World War II or the impact of the abnormal demand for wheat not only in the United States but all over the world, when the United States was about the only country that was in extensive wheat production.

Mr. BREEDING. I want to thank the distinguished gentleman from Kansas and my colleague for his kind remarks.

Mr. COOLEY. Mr. Chairman, I have but one further speaker this afternoon.

I now yield 5 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, the Subcommittee on Wheat, headed by the distinguished gentleman from Oklahoma [Mr. ALBERT] has done a superb job. They worked long hours over many weeks' duration to bring this badly needed legislation to the floor of the House. They realized that the need for corrective legislation in wheat was critical. They realized that something must be done to reduce the large surplus in the warehouses of the Nation and by so doing cut back on the excessive cost outlays for storage.

The objectives of this legislation are twofold: First, to reduce production beyond the requirements of the domestic economy and for the export trade, and second, to save money on storage charges. In bringing this bill here today it marks a new era in dealing with the urgent need for a sound long-range wheat program. This bill is stopgap legislation for a 2-year period only. The bill drastically reduces acreage of all size wheat farmers—cutting allotments by 25 percent effective with the 1960 crop year. The wheat farmer's acreage had previously been reduced to a considerable extent. He is being called upon to tighten his belt and try and make ends meet with a one-fourth less acreage. The 15-acre wheat man is reduced to 12, or the highest planted acreage on the farm in the immediate past 3 years, whichever is lower. That small wheat grower is taking a tremendous reduction as his contribution to the solving of this difficult problem.

The committee bill provides for 90 percent of parity support for wheat in the crop years of 1960 and 1961. It is necessary that the farmer be given the 90-percent support level for his wheat in order to meet the excessive production costs, as well as fixed charges which includes taxes, interest, and so forth, and in many instances back debts. The excessive cutback in his acreage would mean a considerable reduction in production on the farm. To keep supplies in line with demand is the basic principle upon which the farm program was originally inaugurated. In taking these large acreage reductions, the farmer in turn was to receive at least a fair price for the commodity or commodities grown by him; that is, a fair price in keeping with the things that he has to buy that are essential in the cultivation and harvest of his crop.

There are those who do not agree with the concept upon which the farm program had its inception. They contend that what needs to be done is to consistently cut back all support levels and by doing so the farmer would be discouraged to grow large quantities of commodities and in that way—according to this line of thinking—there would be less surplus of farm commodities. They contend that the farmer would be growing for consumption and not for placing the commodities in the Government loan. This theory has not worked and will not work; the reason being that the farmer, by being given less price support and, as a result, less price for his commodities, has set to work to increase his yield. He would do that in order to pay his debts and excessive production costs. The Belcher substitute is based on this same theory—reduce the price to the farmer and all of our problems will be settled. The Belcher substitute should be defeated. It provides for a vote by all wheat farmers and completely eliminates the 15-acre provision of the present law. That is to say that you have to have an allotment before you can grow wheat should the Belcher amendment be adopted.

This large number of farmers; that is, the 15-acre or less grower of wheat, would no doubt vote in the referendum in opposition to the program since they would be deprived of the right to plant wheat as previously. It is necessary that the wheat farmers approve quotas and acreage allotments by a vote of at least

two-thirds of those eligible to vote in order to put marketing quotas into effect. It has been estimated by the Department of Agriculture that there are 1,815,602 wheat producers. Of this number more than 1 million farmers have an acreage allotment of less than 15 acres. Under the Belcher substitute these small growers would be given the right to participate in the referendum. One-third of this total, or about 605,000, would be sufficient to eliminate marketing quotas and bring about a price support of only 50 percent of parity. Fifty percent of parity on wheat would mean a price of about $1.20 a bushel. The present price support on wheat is about $1.77 a bushel, and the selling price at this time is about $1.80 a bushel. Should the Belcher substitute be written into law and the resultant disapproval of marketing quotas on the part of wheat farmers come about, causing the 50 percent of parity price support to be invoked, it would mean that wheat would be diverted to feed-grain usage and completely upset the whole corn-feed-grain picture.

I trust that the committee bill will be approved and the Belcher substitute defeated.

Mr. COLLIER. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Chairman, this bill provides us with an opportunity to apply realism rather than political emotionalism to the farm surplus and farm subsidy problems. After discussing this problem with many of you in recent weeks, I sense the deep feeling of frustration that prevails in the entire arena of our costly farm subsidy system. The overburdened taxpayer and the unhappy farmer, and the so-called farm legislation experts are equally frustrated by the contradictions and perplexities of the American agricultural policy.

To start with, each farm organization has a different viewpoint on how to best solve the problem of increasing farm surplus and costly price supports. These farm organizations for the most part want their pet programs or none at all. The Secretary of Agriculture, who has the responsibility of administering programs under the present law, is not permitted by Congress to put his choice of program into effect.

The city dweller is rapidly becoming aware of the fact that as a taxpayer he should have a tremendous interest in the growing cost of the farm program, and he is becoming concerned with the possibility that no remedy is in prospect in this year's legislative activity.

Most of the plans offered seem to be unhappy compromises which merely postpone the inevitable day of decision that is now rising on the horizon. This afternoon we are discussing the spending of $110 million a year more than the present program.

It would probably be too much to ask that Congress shed political thinking and attempt to solve the farm problem while thinking of the person most affected by it—the American taxpayer. It would seem to me that the most logical approach to the problem, since everything else has been a failure, would be to abandon all price supports and return to the only plan that has ever worked—a free market.

Thinking along the lines of fundamental common sense, any plan that artificially increases farm income bogs down with the problem of surplus which is produced by artificial means. Any plan tied to production automatically increases output, and, therefore, the subsidy.

Recently a plan was reintroduced to pay farmers directly out of the Treasury in order to guarantee a certain income for them. This is pure socialism, and should be rejected by all farmers, as well as the often forgotten taxpayer.

Mr. Chairman, I do not claim to have the wisdom of Solomon, and certainly do not claim to be an expert in the field of farm legislation, but it seems to me that if we had a free market of farm products, at least for a test period, we could then determine what actually happens when government steps out of its artificial role in farm production. The law of supply and demand has been most adaptable to changing conditions in industry. It would seem to me, thinking naively perhaps, that it could work in the field of farm production, providing for the farmer a sound return on his investment in land and labor, and removing from the backs of the taxpayer the oppressive cost of this artificial farm subsidy program.

In this day and age of advanced humanitarian thinking, the surplus products grown in America could be utilized to help starving peoples throughout the world in a manner that the Creator intended them to be used. To permanently store farm products, and permit them to rot away in storage bins across the country while people throughout the world are in need of food, is in obvious violation of the basic laws of nature and humanity.

Certainly, in conjunction with our State Department and responsible governments of the world, we can in a more practical manner distribute our surplus farm production in those areas of the world where there is a real need for them, and where they can be effectively placed in areas now suffering from famine and undernourishment.

Mr. Chairman, we must take vigorous action in an effort to end this costly and obviously unsuccessful socialistic-type experiment in farm production and farm surpluses. I appeal to the deep-seated concern of the Members of the House that we do away with political expediency and in the interest of all Americans, attempt to solve this problem.

This legislation before us today, and legislation in various other fields of farm price supports, are obviously not solving the problem. We all agree on this point. The closest proposal to a common sense solution of the program was Senator CAPEHART'S amendment to the wheat bill which the Senate turned down with little consideration. I urge the Members of the House, and I reemphasize, to forgo political expediency and concentrate on the real issue, which is the elimination of this $10 billion burden on the taxpaying public. We must have practical, profitable distribution of farm products so that the farmer is permitted discretion and freedom which is no longer his.

I urge the members of the Agriculture Committee, the legislative experts in this field, to accept these principles and give us sound farm legislation.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. EVINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended, had come to no resolution thereon.

OREGON CENTENNIAL FAIR OPENS TODAY

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, the Oregon Centennial Exposition and International Trade Fair opens today in Portland. It will run for 100 days. The closing date is September 17. Everyone is invited.

This year the members of the Oregon delegation have brought our State's 100th birthday to the attention of Members of this House and the other body. We have tried to do this in a variety of ways: By distributing samples of famed Oregon products; by requesting you, Mr. Speaker, and the distinguished Senate majority leader to help us cut Oregon's 100th birthday cake on February 14; by placing in the CONGRESSIONAL RECORD items of special interest about the centennial; and by telling anyone who would listen of the wonders of the Beaver State.

Communities throughout Oregon have planned special celebration. The usual fine events such as the Ashland Shakespearean Festival in my district and the Portland Rose Festival are being held. There are hundreds of other programs scheduled in the State and at least one major event outside Oregon.

At this very moment the On to Oregon Cavalcade is retracing the famed trek over the Oregon Trail. The wagon train, which resembles as nearly as possible the original trains of the 19th century, has traveled many miles since leaving Independence, Mo., the morning of April 19.

A hardy group of Oregonians is making the journey. They have been warmly received along the trail. The interest of today's citizens in the history of yesterday has been tremendous.

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Former President Harry Truman was Honorary Trail Master for this Oregon Centennial Wagon Train. Mr. Truman is an outstanding student of the history of our Nation. I would like to share the following hand-appended excerpt from his June 8, 1959, letter which I received this morning:

Wish I could have gone with them on that trek. My grandfather made it to Sacramento, Calif., and Salt Lake City several times.

So come to Oregon this centennial year. We invite you to swim in the warm Pacific Ocean, to climb the rugged mountains of the Cascades and Wallowas, to catch fish in our mountain streams and lakes, to partake of Oregon berries, melons, pears, and apples, and to see our mighty Douglas-fir and pines. You will be most welcome.

REPUBLIC OF CHINA—WINTER OLYMPICS

Mr. DORN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DORN of New York. Mr. Speaker, I congratulate the State Department on the vigor with which it is fighting the rights of our ally, the Republic of China—the Nationalist Chinese. The question is who represents the athletes of China—the Reds or the anti-Communist Nationalist Chinese, the Republic of China.

Up until now the Republic of China has represented them. If Moscow is to play the tune to which the Olympic Committee dances, then the United States should not permit its athletes to participate in the Olympic games and no true American citizen should support these games actually or financially.

It should be noted, however, that this does not apply to the Winter Olympics at Squaw Valley in which the Republic of China is participating and Red China is not.

The following is an excerpt from the noon briefing of June 9, 1959, held by Mr. Lincoln White of the Department of State:

I have had some questions this morning on the Department's reaction to the statement by Mr. Otto Mayer, Chancellor of the International Olympic Committee, that the Chinese National Olympic Committee's decision to change its name to the Olympic Committee of the Republic of China is unacceptable because the name includes the word China.

Our reaction to this is the Olympic Committee of the Republic of China represents the athletes of the Republic of China. The name is entirely appropriate. Despite Mr. Mayer's objection, the Republic of China is recognized by 45 free world nations. It is absurd to contend that the use of the word China must be reserved for an Olympic committee representing the Chinese Communist regime, a regime recognized by only 22 free world nations.

It is important further to point out that this talk of names is nothing but a smokescreen. The International Olympic Committee has allowed a political issue to be made of the membership of an Olympic committee in good standing which has been a member of the committee for many years. This is a political not an athletic issue.

Furthermore, this majority action of the committee was taken under pressure by a small group of Communist countries which are systematically trying to exclude free China from representation in international organizations of all kinds. It is on this basis that the Department has expressed and is expressing its repugnance for the action.

Mr. Mayer's statement, as reported in the press yesterday afternoon, in which he denies the right of Chinese athletes to participate under the name China underlines the political motivation to which we object.

WEST VIRGINIA IS GETTING SHORTCHANGED

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, during the past week I have been presenting evidence to demonstrate that there is discrimination against West Virginia in the number of defense installations, active duty military personnel and civilian employees of the Department of Defense. I presented figures to show that in contrast to the bordering States of Kentucky, Ohio, Pennsylvania, and Virginia, West Virginia had a disproportionately low number of such installations and employees.

Now today I would like to present even more startling figures on the number of active duty military personnel actually stationed in each of the States. It is even more shocking when reviewing these figures to discover that West Virginia ranks at the absolute bottom of the list with only 583 active duty military personnel within the State and a payroll of $2,183,000 as of December 31, 1958. Lumping together active duty military personnel with civilian employees of the Department of Defense we find that West Virginia has 1,696 for an annual payroll of $8,005,000. This also places West Virginia at the absolute bottom of the list.

What about population, you may ask? West Virginia does have a smaller population than many States—in fact, she ranked 30th in population in the Nation in the 1950 census. Still, West Virginia is far below even those States with smaller populations than she has.

For example, West Virginia has a population 12½ times as large as Nevada; West Virginia has a population of about 2 million and Nevada has a population of about 160,000. Yet Nevada has over 13 times as many active duty military personnel with a payroll nearly 15 times the size of that in West Virginia.

West Virginia has a population three times the size of South Dakota, yet South Dakota has 12 times as many active duty military personnel and a payroll of over 12 times that size.

Mr. Speaker, under unanimous consent I include a table prepared by the Department of Defense showing the number of active duty military personnel within each State as of December 31, 1958 and the estimated annual pay and allowances of these personnel by States:

	Active-duty military personnel within each station	
	Number Dec. 31, 1958	Estimated annual pay and allowances
Alabama	22,309	$82,825,000
Alaska	31,535	118,810,000
Arizona	21,684	84,471,000
Arkansas	17,473	64,867,000
California	210,706	745,206,000
Colorado	31,642	117,795,000
Connecticut	5,013	17,821,000
Delaware	7,320	29,612,000
District of Columbia	23,659	85,538,000
Florida	67,496	259,930,000
Georgia	66,293	240,088,000
Idaho	4,762	19,046,000
Illinois	42,970	159,129,000
Indiana	6,765	25,587,000
Iowa	2,157	8,485,000
Kansas	39,977	149,397,000
Kentucky	42,780	149,057,000
Louisiana	30,754	118,417,000
Maine	12,405	49,584,000
Maryland	49,369	178,253,000
Massachusetts	37,314	141,002,000
Michigan	13,283	51,371,000
Minnesota	4,628	18,061,000
Mississippi	19,682	79,729,000
Missouri	32,879	119,412,000
Montana	5,487	22,192,000
Nebraska	14,323	57,916,000
Nevada	7,729	30,359,000
New Hampshire	8,979	35,385,000
New Jersey	46,926	169,326,000
New Mexico	24,109	93,526,000
New York	40,791	153,751,000
North Carolina	76,874	250,641,000
North Dakota	1,295	5,196,000
Ohio	20,705	81,970,000
Oklahoma	33,132	123,011,000
Oregon	3,892	15,072,000
Pennsylvania	16,953	60,386,000
Rhode Island	8,018	28,336,000
South Carolina	53,496	193,994,000
South Dakota	6,864	27,436,000
Tennessee	16,752	61,069,000
Texas	172,357	658,253,000
Utah	2,870	11,012,000
Vermont	1,686	6,797,000
Virginia	82,035	288,482,000
Washington	50,163	185,254,000
West Virginia	583	2,183,000
Wisconsin	5,189	20,059,000
Wyoming	1,834	7,422,000

Source: Department of Defense.

PRIVATE CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar on June 16 be dispensed with and that it be in order on June 23 to call the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL STUDY OF AGRICULTURAL POLICIES

The SPEAKER. Under previous order of the House, the gentleman from Maine [Mr. COFFIN] is recognized for 10 minutes.

Mr. COFFIN. Mr. Speaker, I speak today only because a sense of frustration forces me to venture into an area where I claim no special competence—that of national agricultural policy.

What gives me courage to make this statement is the daily accumulation of evidence of increasing national irritation at our inability to make headway in developing agricultural policy ideas

worthy of exploration. The battle of fixed positions in agriculture can be compared only with the Foreign Ministers' Conference in Geneva.

Somehow a phobia has isolated agricultural policy from our general attitude that the application of the most vigorous, sustained, and competent intelligence to a problem will eventually yield helpful results. We engage in basic studies of military manpower, defense procurement, outer space, atomic fallout, full employment and price stability, small business, foreign aid, and oceanography, but we have not, Mr. Speaker, tackled that problem which most mocks our ability to govern ourselves sanely.

I shall not try to review the current facts as to the decline of farm income; the exodus from the farms; the price spread between farm and retail market; the frightening surpluses in government storage; the ballooning cost of our agricultural programs; the proliferating agricultural bureaucracy. Others far more versed than I have itemized these in painful detail.

Neither shall I try to point a partisan finger. There is time enough for political crowing after one of the parties develops an approach worth crowing about. At the moment agricultural statesmanship is not a strong suit in either party's hand.

The plain fact is that nobody, in a systematic, comprehensive way is doing any deep probing of the possibilities for a new agricultural program.

The Secretary of Agriculture is wedded to his simple formula of chipping away at price supports and production controls, making vague but rosy promises to both urban consumers and farmer producers about the great advantages of freedom of production.

The research staffs of the Department and of the land grant colleges, for the most part, have avoided studies of national policy issues.

The great national farm organizations have failed to develop a consensus. Failing to achieve any meaningful consensus, they have argued their various positions only to see one sector or one crop played against the other, and the consumer take a jaundiced view of the entire farm economy.

Only the agricultural experiment stations, in a fragmented way, are, by pooling some of their resources, doing some constructive work in the field of basic policy. In 1957 the Joint Economic Committee made a valuable beginning in its hearings on a policy for commercial agriculture, when some 65 experts, mostly agricultural economists, prepared papers on assigned agricultural topics. Nothing, however, has been done to build on this beginning.

Mr. Speaker, I am today introducing a resolution, House Resolution 291, the text of which follows, to authorize and direct the Committee on Agriculture to study our agricultural policies, their economic effect, production trends, the effect of price changes, of technological advancements, and possible alternative policies which might be adopted.

I am mindful that we have already passed House Resolution 93, the regular study resolution for this committee. I have given this close attention, having discussed it with the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY]. That resolution, covering everything from overseas disposal to watershed programs, makes no attempt to focus on the single overshadowing problem in agriculture—the devising of new production and price policies based on a systematic analysis of the effects of existing policies and the probable effects of alternative policies. Moreover, it makes no provision for studying production trends in relation to demand changes, responsiveness of production and utilization to short-range and long-range price changes, and the effects on production and family farming of the new technology and vertical integration.

As I have written to Chairman COOLEY:

The times demand a special effort; and a special effort deserves a special, tailored resolution.

It is my hope, Mr. Speaker, that the Committee on Agriculture will look on this proposal as a useful one. It is my thought that the study begin by collecting the papers already submitted to the Joint Economic Committee, bringing the facts and analyses into focus under the several headings I have suggested. The committee would then, possibly through a special subcommittee appointed for this project, contract with individuals and institutions such as land grant colleges to carry out particular studies as required. A special studies director would be needed, but little or no additional burden on the regular staff would be imposed. The total cost of this investigation, I am informed, would require only a modest addition, if any, to the $50,000 allocated to the committee for studies under its routine study authority, House Resolution 93.

The obvious question, Mr. Speaker, is: Can we afford not to act along these lines?

The following is the text of House Resolution 291:

Resolved, That the Committee on Agriculture, acting as a whole or by subcommittee, is authorized and directed to conduct a full and complete investigation and study of the economic effects on American agriculture of the present agricultural policies of the Federal Government, of technological advancements in the field of agriculture, and of other economic trends affecting the foreign and domestic markets for agricultural products of the United States, to the end that an analysis and summary of the findings resulting from such investigation and study, and the recommendations based thereon, will be available to the House of Representatives in considering agricultural policies of the Federal Government for the future. In the conduct of such investigation and study, particular attention shall be given to—

(1) recent trends in the demand for and the utilization of agricultural products in the United States and abroad, with special emphasis on the extent to which recent trends in agricultural production have been in line with the market demand changes in domestic and world markets;

(2) the responsiveness of the production and utilization of agricultural products to short-range and long-range changes in market prices;

(3) the effects of recent technological advancements in agricultural production, processing, and marketing on the competitive position of family farming, with special emphasis on recent developments with respect to vertical integration in the production and marketing of agricultural products;

(4) the possible alternative agricultural policies which might be followed by the Federal Government for the future, including the probable trends in income for producers of agricultural products under each of these alternatives; the probable effects of these alternatives on the competitive position of family farming, on food prices, on the supplies of food for foreign aid, and on the costs to the Federal Government.

SEC. 2. For the purpose of carrying out this resolution the committee or subcommittee is authorized to sit and act during the present Congress at such times and places within the United States, including any Territory, the committee nor any subcommittee thereof whether the House is in session, has recessed, or has adjourned, and to hold such hearings as it deems necessary; except that neither the committee nor any committee thereof may sit while the House is meeting unless special leave to sit shall have been obtained from the House.

SEC. 3. In the conduct of the investigation and study authorized by this resolution, the committee or subcommittee shall utilize to the maximum extent possible the experience, knowledge, and advice of organizations, colleges, and universities, institutions, and individuals, and for such purpose the committee or subcommittee may enter into contracts. The committee or subcommittee shall also utilize to the maximum extent possible any information, studies, and statistics prepared by executive agencies, and such agencies are requested to give the committee or subcommittee, or any authorized study group of either such assistance as may be required.

SEC. 4. The committee shall report to the House on or before February 1, 1960, the results of its investigation and study, together with such recommendations as it deems advisable. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

PEACEFUL COEXISTENCE

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DIGGS] is recognized for 30 minutes.

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DIGGS. Mr. Speaker, on April 26, 1959, Chairman Paul M. Butler, of the Democratic National Committee, addressed the Ford Hall Forum at Boston, Mass. Mr. Butler spoke concerning a principle which a divided and uncertain world cannot escape embracing as the cornerstone of mankind's peaceful coexistence on this or any other planet or moon. That principle is equal recognition and accord of every person's human rights and every person's human dignity. His address eloquently and lucidly depicts the substance of these rights as they have evolved historically for our Nation; as they must continually be redefined and enlarged upon as our moral consciousness is sharpened and our social fabric changes; and, especially important, as they must exist in actual

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practice and enjoyment for all persons regardless of racial, color, religious, or nationality differences.

Mr. Butler's address is nonpartisan in the challenge it offers to all of us bearing responsibility for national leadership. I commend it to you with enthusiasm:

ADDRESS BY PAUL M. BUTLER, CHAIRMAN, DEMOCRATIC NATIONAL COMMITTEE, BEFORE THE FORD HALL FORUM, BOSTON, MASS., APRIL 26, 1959

I am honored to have this opportunity to appear on the Ford Hall Forum program to discuss with this distinguished audience tonight a subject vital to our country and of central importance not only to our, but to all future generations of Americans. I believe that the proper objective of every citizen, but especially of every man and woman who would become involved in American political life, should be to safeguard, to preserve, and to secure the full enjoyment of all human rights by every American citizen.

Of course, I recognize and respect the nonpartisan character of this organization. But in addressing you this evening, I, of course, do so as an avowed partisan and as the national chairman of one of our two great political parties. I hope, therefore, that you will understand how difficult it is for me to discuss this subject without regard to the political implications involved.

At the outset of this discussion, I consider it important to make clear what is meant by the term "human rights." I believe that the term "human rights" means those rights with which every man and woman has been endowed by virtue of his or her creation as a child of God. They are rights which are founded in the principles of religion and morality.

The recognition of these human rights by the individual and by the state is essential to freedom, justice, and peace in the world.

So said the General Assembly of the United Nations in December of 1948, when, in drawing upon the various religious, cultural, and national backgrounds of its members, it adopted the Universal Declaration of Human Rights. And so thought Thomas Jefferson in 1776, when, in drawing on the various religious and cultural backgrounds of the American colonists, he authored the Declaration of Independence.

The human rights specified in these two great documents were not created out of thin air, for these two great declarations represent the proclamation or codification in different eras of those rights belonging to man for which the struggle for recognition has been going on since the dawn of history. Proclamations such as these are the noblest expressions of the demands which we in our better moments make upon ourselves in order to secure those rights of which men are inherently possessed. The recognition of these rights is the prerequisite of any form of community life in which the dignity of the human being and the sanctity of the human personality are respected.

In fact, a good measure of the progress of a civilization or a society is to observe those human rights to which it affords recognition, for, in a vital, alive, and progressive society, human rights are not conceived of as something static, but as a concept which is constantly expanding as each new generation extends increased recognition to a new aspect of those rights. This has certainly been true of the concept of human rights in the United States.

In 1776, Thomas Jefferson declared in the Declaration of Independence: "Man is endowed by his Creator with certain inalienable rights. Among these are life, liberty, and the pursuit of happiness. To secure these rights governments are instituted among men."

Thus Jefferson established the moral basis upon which our society was to be founded. The whole world watched to see whether American deeds would carry out his noble words.

The process of review and enlargement of what are considered to be fundamental human rights in America began almost immediately after the proclamation of the Declaration. In the next 15 years, the American people produced such documents as the Articles of Confederation, the Constitution and the Bill of Rights, in which were set forth more elaborately and specifically certain rights of citizens deemed appropriate for protection. Among these were included the rights of free speech, free press, free assembly, trial by jury, freedom of conscience, the right of petition, the prohibition of cruel and unusual punishment, etc.—all basic rights which were quite revolutionary in their day, but which most Americans today would include in any list of their concept of fundamental human rights.

Less than a quarter of a century after he had written the Declaration, Thomas Jefferson, ever mindful that the price of liberty is eternal vigilance, by those in public office as well as by the public itself, undertook to secure human rights and enlarge the freedom of the people by his action, among other things, of founding a political party. It was the first political party to concern itself with human rights as well as property rights. Jefferson knew that liberty would flourish best in a society where property, political participation and education were broadly based. He knew that each generation has the responsibility of reinterpreting the rights of man in the light of changing times. He knew that the best way to maintain the freedom of each was to enlarge the liberty of all. These were the purposes then for which Jefferson created the Democratic Party. Its moments of greatness have come when it has lived up fully to the beliefs of its founder.

When the opposition party upon occasion has embued itself with the spirit of Jefferson and his devotion to human rights, on those occasions when it has shown greater concern with people than with property, it has rendered its best service to our Nation.

Since Jefferson's time, the great forces of conscience molded by our Judaic-Christian tradition, the rising level of popular education, and the great proliferation and effectiveness of public and private groups dedicated to strengthening the forces of freedom, working ultimately through the mechanism of our political parties, have wrought changes in our concepts of the relationship between the citizen and the state and the relationships among citizens, which have extended our sights and improved the fabric of our democracy.

Thus, over a little more than a century and a half, the American concept of human rights has grown as the Nation has grown and has been enlarged to include many other rights, some guaranteed by statute, others set forth as noble expressions of ideals to be achieved.

For example, we extended our concept of human rights to include, in the Jacksonian period, such fundamental concepts as universal, white, manhood suffrage, universal and free public education, and the right of fuller access to participation in government; in Lincoln's time, to include the abolition of human slavery and citizenship for newly freed men; in the time of Bryan, Theodore Roosevelt, and Woodrow Wilson, to include the concept of equality of economic opportunity, the dignity of labor, and the right of protection of employees and the public against the ravages of the factory system. Women's suffrage came to be considered a fundamental right in the time of Wilson, as well as the right to the creation of a social and international order in which other human rights could flourish.

The immortal era of Franklin D. Roosevelt provided us with the concept of the right to security against the hazards of old age and unemployment, the right to freedom from want and freedom from fear, the right of free collective bargaining, and the right to employment at decent wages, with provisions for adequate leisure.

These concepts were extended under the farsighted administration of Harry S. Truman to include the right of every family to a decent home, the right of every individual to decent medical care, and the right to an education commensurate with one's abilities.

Many of these rights, especially the latter ones which I have enumerated, are more controversial than others, and many are still in the process of evolution. But this is natural, since we tend to forget that rights which were won by our fathers and their forefathers, while accepted as a matter of course by us, were, generally speaking, bitterly controversial when the battle for them was first waged. And we must remind ourselves once again, as Jefferson did always, that the concept of human rights is an evolving one, constantly establishing new frontiers.

And thus it was that in the past 25 years Presidents Roosevelt and Truman, devoted to Jefferson's idea of the inclusive society, imbued with his concepts of the proper objectives of political parties and governments, opened a whole new chapter in the history of human rights when they pioneered a reexamination of the national conscience to emphasize how wide was the gulf between the promise and the practice of American life for millions of citizens who were enjoying only second-class citizenship because of race, color, creed, or national origin.

Under the vigorous moral leadership of Franklin Roosevelt, Eleanor Roosevelt, and Harry Truman, backed up by political energy and political skill, great strides were made in the field of human rights.

The first great stride was a facing up to the complexity of the problem and to the great areas of neglect which needed to be corrected. Closed consciences were opened to injustices long ignored.

The second great stride was really a series of steps—carried out by Executive orders—dealing with ending discrimination in housing, employment, in Government service, employment on Government contracts, and military service, and appointments made on the basis of ability regardless of color or racial origin.

President Truman was never one to rest on accomplishments until the job was finished. Thus, in the report of his Committee on Civil Rights he listed the defects which existed (some of which he was later able to correct) and charted a future course which is still a valid guide toward the realization of our highest human aspirations.

The most important accomplishment of the Roosevelt and Truman administrations in this field, however, was the creation of a climate of opinion and executive leadership which even without action on the part of Congress made possible later progress in these matters, both in and out of Government.

It would do violence to truth to imply that the Democratic Party was solely responsible for all the progress made during the period I have just mentioned.

Certainly, great progress has been made for which no political party could properly take partisan credit. I am thinking primarily of the momentous court decisions, such as the State forced labor law decision (1944), the white primary case (1944), the railroad firemen discrimination decisions (1944 and 1949), the mail clerk discrimination case (1945), the segregation in interstate transportation case (1946), the restrictive covenant decision (1948), the dining car segregation case (1950), several important

school decisions from 1938 to 1952, and many other decisions affecting human rights. I am thinking, too, of the diligent and highly successful efforts of many private organizations and of civic and religious leaders, and of the voluntary actions of many business and labor organizations in eliminating discriminatory practices.

I am also aware that many individual Republicans and certain Republican leaders approved of and supported many of the efforts to strengthen the protection of human rights, although a careful scrutiny of the record will show that during that period a majority of Republican officeholders generally supported obstructive measures designed to thwart or, at times, to ridicule or to condemn many of the actions to which I have referred.

I am also aware that a sizable, but very distinct, minority of Democrats did not then and do not today support most of these measures.

But I think that the significant thing to remember about the Roosevelt and Truman era is that it was the executive branch of the Government which was setting the pace in this field, which was providing the moral leadership, which was creating a climate of tolerance which was as important as legislation and executive action.

It was the executive branch of the Federal Government which was showing the way to the other branches and rallying the political and moral support necessary to sustain such action and to break down age-old prejudices and barriers. There was no question in any citizen's mind about where the President of the United States, Mr. Roosevelt and later, Mr. Truman, stood on this issue.

This is what I feel is most lacking in the situation today. There has been steady, sustained, and even monumental progress in the human rights field in the last 6 years, but virtually none of it is due to the actions or leadership of the President of the United States or the executive branch of the Government. In fact, much of it has been accomplished without the specific endorsement of the President and in spite of the failure of the President to provide leadership in meeting this problem.

For example, there have been the court decisions in 1953 which have led to the abolition of segregation in places of public accommodation in the District of Columbia, and the monumental decision of the Supreme Court in 1954, outlawing segregation in the public schools. Here historic progress was made with the Supreme Court showing the way. It had nothing to do with partisan politics in spite of the attempts of Mr. NIXON and many other leaders of the opposition party to present these decisions as Republican achievements because they were handed down while a Republican administration was in the White House. By the same logic, I suppose that Democrats could make the same partisan claims by pointing out that both cases were initiated under Democratic administrations.

More recently, there has been the significant action of the Democratic 85th Congress dealing with the protection of voting rights. While this bill fell far short of reasonable objectives, it was the first civil rights bill enacted by Congress since the Reconstruction. It was passed not because of, but largely in spite of, the vacillating leadership of the President, who told a news conference while the bill was under consideration in Congress that he hadn't even read parts of the bill and didn't understand other parts. This bill also demonstrated conclusively that, once we can get the Republicans to support human rights rather than play politics with them, we can pass other bills which are needed.

Finally, there has been considerable progress during the past 6 years in eradicating discrimination at the State and local level, but once again very little, if any, of this progress can be attributed to the leadership of the President or, in fact, of his party, since in a large number of these cases, effective action at the State and local level has been achieved over the opposition of a majority of the President's party.

There have also been many trying situations and several highly unpleasant incidents in the struggles over human rights during the past 6 years. In my opinion, much of it could have been avoided if the President had exhibited the leadership in this area which reasonably was to have been expected of a person in his office.

All too often Mr. Eisenhower has not understood that there is a point beyond which patience, which is commendable, becomes vacillation, which is dangerous.

All too often the President and his administration have relied on others to show the way. All too often he has allowed events to overwhelm him—as in the tragic situation of Little Rock—and has then been forced to resort to drastic action to retrieve a situation which had gotten completely out of hand. In saying this, however, in no way do I mean to gloss over the calamitous and utterly irresponsible policies pursued in this matter by Gov. Orval Faubus.

I think that the most that can be said of President Eisenhower's actions in the area of human rights is that, while he has not rescinded the principal actions of Presidents Roosevelt and Truman, he has shown little inclination to go beyond and to pioneer in new areas. While many would say that we ought to be content with such a course, I believe that it falls far short of what the times demand, both in terms of conscience and of national survival.

So much for the past. It is much easier to be critical of the policies of others than to be constructive in proposing a course of future action. What ought we to do now and in the near future, if the course of human freedom is to be advanced with a minimum of difficulty?

First of all, it seems to me that we must recognize that the problem of prejudice and discrimination, of denial of human rights because of race, color or creed, is not a problem which is limited to one section of our Nation. It is national in scope. Racial strife such as has occurred recently in several Northern States is no less a blot on the national conscience because it occurred in the North. The fact that discrimination in the North and West is more subtle than the codified prejudices which exist in the South, or that the shabby treatment arising from the vicious "gentlemen's agreements" in the North is less publicized than the sensationalized results of the actions taken by certain legislatures in the South, should in no way absolve the North of guilt.

Bigotry, hatred and mob violence know no geographic boundaries.

The South is absolutely right when it says that the North and West have their own ghettoes and their own problems of prejudice in their own backyards.

But this in no way can be used to excuse the degrading practices of State-approved discriminations, the pitiful and irrational policies of massive resistance, the threats made and violence done to peace and order, and the attempted defiance of law which has been manifest in many Southern States in the past few years. Pointing the accusing finger at the other fellow in no way changes the ugly picture which certain unthinking southerners seem perfectly content, indeed zealous, to project to the rest of the Nation and the world as the image of the modern South. We must recognize, both in the North and in the South, that there is a tremendous job to be done in each section, as well as in the Nation as a whole.

Once we make it clear that we are dealing with a national problem, then it should not be deemed antisouthern or anti any other region to talk about how we can go about improving race relations and securing the full rights to which all Americans are entitled.

Second, we must stop thinking of the South as a monolithic region, where everybody has the same attitude and the same interests. Too often the image we see of the South is that drawn by the extremists and those who easily give way to the urgings and the pressures of those who are highly organized, extremely vocal, but least informed.

I am afraid that one of the tragic consequences of some of the more unfortunate incidents which have occurred in the South in the past few years has been the tendency of the rest of the Nation to forget the monumental contributions which the South has made to the enrichment of American life throughout its history and the many fine leaders it has produced and is producing today in so many walks of life. We are generally unmindful, for example, of the many examples of courage shown by a number of Southern leaders who, although they face predominantly white electorates, have refused to join the hue and cry for massive resistance and other doctrines of desperation.

We pay little attention to the fine work which so many Southern Members of Congress are doing in such fields as health, education, foreign affairs, and economic policy which is extending the areas of human rights in these fields to citizens generally. We all too easily forget that five southern Senators with considerable courage voted for the Civil Rights Act of the 85th Congress, and that a number of southern Members of Congress refused to sign the "southern manifesto." We forget also that tremendous progress has been made toward school integration with the support of Governors of a number of formerly segregated border States such as Missouri, Oklahoma, Kentucky, West Virginia, Delaware, and Maryland, and that token integration has taken place, upheld by gubernatorial action, in Tennessee, North Carolina, Texas, and Virginia, and will take place later this year in Florida.

We are often unmindful of the attitudes of a large body of southern white persons—I believe it to be a majority—who, while they do not approve of the Supreme Court decision of 1954, are willing to obey the law. We show an insufficient appreciation for many civic, religious, and youth groups in the South who are working on this problem with considerable skill and courage.

Having realized these things, having understood the necessity for patience, the time necessary for adjustment, and the variation in community feelings and differences, we must make it unmistakably clear that it is the intention of the Government, and the sentiment of the overwhelming majority of the people of the Nation, to see to it that the law is upheld and that the decisions of the courts are respected in the North and in the South, no matter which party controls the executive branch of the Government.

While there may be room for adjustment and accommodation in applying the law, there can be no compromise with ultimate compliance with the law by every citizen of the United States.

In order to accomplish this, I believe that the President of the United States should be asked once again to specifically approve and lend his moral force to the endorsement of the 1954 Supreme Court decision as morally right. I believe that he should be requested once again to use the great prestige of his office to call together the responsible political, religious, educational and other community leaders of both races for discussion as to how the Court's decision might be implemented on a gradual yet firm basis and as to how

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a climate of general acceptance of the legal principle can be created.

I believe that the Congress of the United States should pass appropriate human rights legislation which would include a specific endorsement of the Court's school ruling as the recognized law of the land.

I believe also that the Congress should recognize that the time has come to legislate on the implementation of the Court's school decision. Through our failure to act earlier, we have placed too heavy a burden on the courts and on the elected officials of Southern States, who, after all, must operate under frightful pressures to implement the 1954 decision.

While there is a great deal to be said for the conciliation idea emphasized in the proposal which Senator LYNDON JOHNSON has made dealing with this problem, his proposal, in my opinion, has the great demerit of offering nothing to back up conciliation. I am afraid that there really would be no inducement provided for conciliation, or nothing to conciliate about, if communities would choose to continue to ignore the Court rulings. One must conciliate toward an objective. That objective must be ultimate equal compliance with the law, with reasonable allowance for local adjustments as to time and methods in moving toward that objective.

Consequently, I believe that if the conciliation idea were to be given even greater emphasis and more specific provision in the general approach taken by the bill of Senator DOUGLAS and 16 other Senators to provide technical assistance, financial grants, and other aids to communities willing to desegregate; and if this were backed up, as it is in the Douglas bill, with ultimate authority in the hands of the Secretary of Health, Education, and Welfare to draw up desegregation plans, seeking full advice and assistance of local groups; and if, as the Douglas bill once again provides, adequate authority were placed in the hands of the Attorney General to initiate action to carry out plans so drawn and to initiate proceedings on behalf of those whose rights under the 14th amendment have been infringed or denied, Congress would be meeting its responsibility to find constructive ways by which the law of the land could be carried out.

Another essential ingredient toward providing a climate in which respect for the law is made paramount, is for all responsible citizens, and, especially, responsible public officials and those trained in the law to categorically repudiate the many irresponsible and harmful attacks which have recently been made on the Supreme Court as an institution and on the whole concept of judicial review. Every citizen has a right to disagree with decisions of the Court, which, after all, are human decisions, but this cannot justify some of the scandalous, misguided attacks which many are now leveling on the Court. It is shocking and sad to see the organized bar making its own contribution to the lessening of public respect for law and order by its attacks upon the Court.

In addition to these actions, it seems to me that we should extend the life of the Civil Rights Commission with its vital protections of voting rights, take appropriate Federal action to combat the disgraceful bombings of churches, synagogues, etc., and give consideration to taking appropriate action, both on the Federal and State levels, to eliminate the poll tax as a barrier to voting in those few States where it remains.

At the same time, we should realize that the greatest legislative progress against discrimination in housing, employment, etc., has been made on the local and State levels, so that we must redouble our efforts in those States where there are no such laws now on the statute books.

We must recognize also that the complete answers to the problems of discrimination do not lie in the remedies of the law alone. They are to be found in the heart and conscience of each of us. Here is where all of us should look, and look today, to reexamine our own attitudes and to find out how well our own actions compare with the promise of American life. Let us begin to act against the prejudice in our own lives and our own communities, for the problems here are not so much of law as of mores.

While we are scrutinizing our society, let us politicians look at our own political parties. Let us admit, even as we take great pride in what we have accomplished, just how often and how far short we have fallen down in doing not what we clearly have seen and known to be right, but what we have known to be expedient. All too often we have made pious statements in our platforms, only to fail miserably when we contrasted them with our subsequent political performance. Let us of both parties resolve right now to start giving greater meaning to our platforms and to take seriously our promises.

Let those politicians who try to play both sides of the street, by saying one thing in the North and another in the South, realize what a disservice they are performing to their Nation.

Let them know what a dangerous game they are playing.

One can at least understand, while disagreeing, why the average Southern Congressman or Senator, regardless of party, feels compelled to take a stand against Federal antidiscrimination legislation.

But what possible justification can there be for the politician who takes one line on human rights in the North and another completely different line in the South? What possible explanation can be offered by responsible national officials of a political party who, facing few or none of the problems with which elected southern officials must contend, attempt to say one thing to whites in the South and another thing to the minority groups in the North?

Speaking for my own party, let me say that it is clearly and unmistakably in the finest traditions of the historic mission of the Democratic Party for the national leadership of our party to speak out clearly, humbly, yet very distinctly, in both North and South, on behalf of the cause of human rights whether they be in political, economic, or other areas. It is our challenge and moral responsibility as the Nation's only truly national party, not only to heal wounds, but to right wrongs, not only to bring our Nation and our people closer together, but to give it a new birth of freedom.

In so doing, we must remember that human rights, whether they be in the political, economic, educational, or other areas, are interdependent.

The right of every child to a decent education commensurate with his abilities is as much dependent on the provision for an adequate number of decent classrooms and competent teachers, as it is upon the removal of discrimination in access to education because of race.

The right of every family to a decent home depends as much on an adequate program of public housing and urban renewal as upon the abolition of discrimination in housing policies.

It does only little good to remove discrimination practices in employment policies, if those to whom new job opportunities become available are inadequately trained for the task.

Thus, our party must continue to insist on the progressive and liberal policies of Jefferson, Jackson, Wilson, Roosevelt, and Truman, to throw off all the shackles and remove all the barriers which would prevent men and women from having an equal opportunity to develop their God-given talents to the fullest extent of their abilities, to so enrich our Nation by developing its full resources, and to give every man and woman an opportunity to breathe the air of freedom on the basis of equality with his neighbor.

This we must do, not only because upon our success in achieving such goals may depend our very existence as a nation in a world in which the equation between the performance and the practice of the democratic way of life becomes our principal asset for national survival. This international reason alone should be enough for those who love their country to make every effort to correct the ugly image which incidents involving racial discrimination have created of us abroad.

This we must do, not only because to do otherwise would be to deprive the Nation of the full potential of its human and spiritual and material resources.

But, above all other reasons, this we must do because it is the right thing to do morally, as every great body of organized religion in the United States has repeatedly stated—whether it be the National Council of Churches, the Unitarians, or the Methodist bishops, or the Episcopal bishops or the rabbis of the Jewish religion or the Catholic Hierarchy.

No person in public life can escape the moral obligations of the teachings of the great religions. No politician yet has been able to provide an effective rationale to justify morally the denial of human rights to any citizen because of race, color, origin, creed, or economic circumstances.

The doctrine of the dignity of man is just as true on Monday as it is on Sunday, and this truth applies to politicians as well as to religious leaders.

We in the Democratic Party are proud of our status as the only truly national party of the Nation. We have every intention and determination of remaining so. But I want to serve notice on those who think that it may be necessary to purchase this national status or to achieve political advantage at the price of chiseling on human freedom, and deviating from the platform positions taken by our party in three national conventions, that the responsible leadership of the Democratic Party, nationally and in all sections of our Nation, rejects that sort of compromise. While there may be dissent within our party regarding some of these policies, there will be no wavering from the course of stating clearly to all sections of the Nation what the national policies of our party are and will be.

Under no circumstances will we, or can we, undertake to read anyone out of our party, but we can and will make sure that the morally sound concept of human rights stays in.

Firm in our convictions, recognizing that the protection of human rights is a national problem which affects everyone, let us resolve to move forward to guarantee the same rights to every American regardless of the color of his skin, the place of his birth, his national origin or his religious beliefs.

In the words of President Truman's historic Committee on Civil Rights, let us "remind ourselves that the future of our Nation rests upon the character, the vision, the high principle of our people. Democracy, brotherhood, human rights—these are the practical expressions of the eternal worth of every child of God. With His guidance and help, we can move forward toward a nobler social order in which there will be equal opportunity for all."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GATHINGS, for June 11, 12, and 15, on account of official business.

Mr. O'BRIEN of New York (at the request of Mr. DOLLINGER), on account of illness.

Mr. ANFUSO (at the request of Mr. ADDONIZIO), for the balance of the week, on account of official business.

Mr. WOLF, for the balance of Wednesday, June 10, Thursday, June 11, and Friday, June 12, on account of official committee business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. COFFIN, for 10 minutes, on today, and to revise and extend his remarks.

Mr. DIGGS, for 30 minutes, today.

Mrs. ROGERS of Massachusetts, for 10 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BROOKS of Louisiana.

Mr. ALBERT, to revise and extend his remarks today on the wheat bill, H.R. 7246, and to include extraneous matter.

Mr. FULTON.

Mr. ALGER.

Mr. FEIGHAN.

To the following Members (at the request of Mr. COLLIER) and to include extraneous matter:

Mr. SAYLOR.

Mr. MOELLER (at the request of Mr. LEVERING).

Mr. COOLEY (at the request of Mr. ALBERT), to revise and extend his remarks in general debate on H.R. 7246 and to include extraneous matter.

(At the request of Mr. CARTER, and to include extraneous matter, the following:)

Mr. MULTER.

Mr. WOLF.

Mr. RABAUT.

Mr. EDMONDSON.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on June 9, 1959, present to the President, for his approval, a bill of the House of the following title:

H.R. 7007. An act to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

ADJOURNMENT

Mr. CARTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 57 minutes p.m.) the House adjourned until tomorrow, Thursday, June 11, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1085. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to increase the pay of certain permanent professors at the U.S. Military Academy and the U.S. Air Force Academy"; to the Committee on Armed Services.

1086. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the act entitled 'An act to provide for the better registration of births in the District of Columbia, and for other purposes' "; to the Committee on the District of Columbia.

1087. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend title 28, United States Code, with respect to fees of U.S. marshals, and for other purposes"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on the Ground-Cushion Phenomenon (Rept. No. 521). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. Senate Concurrent Resolution 7. Concurrent resolution extending best wishes of Congress to the American Dental Association on the centennial of its founding; with an amendment (Rept. No. 522). Referred to the House Calendar.

Mr. FORRESTER: Committee on the Judiciary. H.R. 5396. A bill to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims; without amendment (Rept. No. 523). Referred to the House Calendar.

Mr. FORRESTER: Committee on the Judiciary. House Joint Resolution 266. Joint resolution requesting the President to issue a proclamation designating 1959 for the observance of the 350th anniversary of the historic voyages of Hudson and Champlain; without amendment (Rept. No. 524). Referred to the House Calendar.

Mr. DAWSON: Committee on Government Operations. Sixth report on Kings Mills ordnance plant; without amendment (Rept. No. 525). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 293. Resolution for consideration of H.R. 7500, a bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes; without amendment (Rept. No. 526). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 294. Resolution for consideration of H.R. 5752, a bill to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes; without amendment (Rept. No. 527). Referred to the House Calendar.

Mr. BLATNIK: Committee on Public Works. H.R. 2191. A bill to designate a stream in California as the "Petaluma River"; without amendment (Rept. No. 528). Referred to the House Calendar.

Mr. DURHAM: Joint Committee on Atomic Energy. H.R. 7537. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; with an amendment (Rept. No. 529). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUDGE:

H.R. 7643. A bill to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers while in flight; to the Committee on Interstate and Foreign Commerce.

By Mr. BURNS of Hawaii:

H.R. 7644. A bill to promote the foreign relations of the United States by providing for the establishment of a Center for Cultural and Technical Interchange Between East and West in Hawaii; to the Committee on Foreign Affairs.

By Mr. JONES of Alabama:

H.R. 7645. A bill to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; to the Committee on Public Works.

By Mr. WITHROW:

H.R. 7646. A bill to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; to the Committee on Public Works.

By Mr. CRAMER:

H.R. 7647. A bill to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; to the Committee on Public Works.

By Mr. KEOGH:

H.R. 7648. A bill to define service in officers' training camps during World War I for purposes of chapter 67 of title 10, United States Code; to the Committee on Armed Services.

By Mr. KOWALSKI:

H.R. 7649. A bill to provide for the recognition of the Polish Legion of American Veterans by the Secretary of Defense and the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. TEAGUE of Texas:

H.R. 7650. A bill to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children; to the Committee on Veterans' Affairs.

By Mr. LAFORE:

H.R. 7651. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. MORRIS of Oklahoma:

H.R. 7652. A bill to amend title I of the Agricultural Act of 1949 by adding at the end thereof a new section 106 to provide for direct payments to wheat producers and for other purposes; to the Committee on Agriculture.

By Mr. MULTER:

H.R. 7653. A bill to require dogs to be kept under leash when they are in the streets or other public places in the District of Columbia; to the Committee on the District of Columbia.

By Mr. OLIVER:

H.R. 7654. A bill to encourage the prevention of air and water pollution by allowing the cost of treatment works for the abatement of air and stream pollution to be amortized at an accelerated rate for income tax

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purposes; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 7655. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMPSON of New Jersey:

H.R. 7656. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

By Mr. DANIELS:

H.R. 7657. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

By Mr. ELLIOTT:

H.R. 7658. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

By Mr. GIAIMO:

H.R. 7659. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

By Mrs. GREEN of Oregon:

H.R. 7660. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

By Mr. WAINWRIGHT:

H.R. 7661. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

By Mr. WILLIS:

H.R. 7662. A bill to amend paragraph (b) of section 401 of the National Housing Act, as amended; to the Committee on Banking and Currency.

By Mr. KLUCZYNSKI:

H.R. 7663. A bill to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; to the Committee on Public Works.

By Mr. McGINLEY:

H.R. 7664. A bill to provide for the establishment of a soil and water conservation laboratory in the Great Plains area; to the Committee on Agriculture.

By Mr. POWELL:

H.R. 7665. A bill to provide that the people of the Virgin Islands be represented by a Delegate in the House of Representatives of the United States; to the Committee on Interior and Insular Affairs.

By Mr. THOMSON of Wyoming:

H.R. 7666. A bill to amend the Communications Act of 1934, with respect to community antenna television systems; to the Committee on Interstate and Foreign Commerce.

H.R. 7667. A bill to amend sections 318 and 319 of the Communications Act of 1934 to facilitate the construction and operation of stations engaged solely in rebroadcasting signals of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON:

H.J. Res. 421. Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico; to the Committee on Foreign Affairs.

By Mr. MERROW:

H.J. Res. 422. Joint resolution authorizing the President to issue a proclamation designating January 22 of each year as Ukrainian Independence Day; to the Committee on the Judiciary.

By Mr. OLIVER:

H.J. Res. 423. Joint resolution to provide for a special research inquiry into the causes of chronic unemployment in economically depressed areas, and for other purposes; to the Committee on Government Operations.

By Mr. RUTHERFORD:

H.J. Res. 424. Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico; to the Committee on Foreign Affairs.

By Mr. THORNBERRY:

H.J. Res. 425. Joint resolution to amend Public Law 49, 84th Congress, to authorize the State of Texas to lease certain lands to the city of Austin; to the Committee on Armed Services.

By Mr. UTT:

H.J. Res. 426. Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico; to the Committee on Foreign Affairs.

By Mr. COFFIN:

H. Res. 291. Resolution to authorize the Committee on Agriculture to conduct an investigation and study of the effect on American agriculture of the agricultural policies of the United States, of technological advancements in agriculture, and of economic trends affecting the markets for agricultural products; to the Committee on Rules.

By Mr. KOWALSKI:

H. Res. 292. Resolution creating a select committee to conduct an investigation and study of the effect of the levy and collection by the various States of income taxes which apply to the income of business concerns derived from interstate activities; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McFALL:

H.R. 7668. A bill to authorize the award of a medal of honor to Alfred C. Petty, U.S. Army; to the Committee on Armed Services.

By Mr. OLIVER:

H.R. 7669. A bill for the relief of Mrs. Else M. Furstenwalde; to the Committee on the Judiciary.

By Mr. SLACK:

H.R. 7670. A bill for the relief of Edwin A. Haddad; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

210. By Mr. REUSS: Petition of 300 employees of the Eagle Knitting Mills, Inc., of Milwaukee, Wis., urging the enactment of legislation to increase the Federal minimum wage to $1.25 an hour and to extend the minimum wage law's protection to nearly 8 million additional workers in order to eliminate sweatshops, assure a minimum living standard to millions of Americans and strengthen our national economy; to the Committee on Education and Labor.

211. Also, petition of the Milwaukee County, Wis., Board of Supervisors, urging the Congress to seek Federal Aviation Agency approval of a construction grant for an addition to the emergency building at General Mitchell Field in Milwaukee County; to the Committee on Interstate and Foreign Commerce.

212. Also, petition of local 309, UAW, of Milwaukee, Wis., signed by nearly 800 Milwaukee citizens urging Congress to lower the social security retirement age to 60 for both men and women; to the Committee on Ways and Means.

213. By Mrs. ST. GEORGE: Resolution of Newburgh, N.Y., branch of NAACP relative to revival of mob violence in the South; to the Committee on the Judiciary.

214. By the SPEAKER: Petition of the clerk, town of Belleair, Fla., requesting sufficient funds for commencement of construction of the West Coast Intracoastal Waterway from the Caloosahatchee River to the Anclote River, Fla., at the earliest possible time; to the Committee on Appropriations.

215. Also, petition of the municipal secretary, Caguas Municipal Assembly, Caguas, P.R., petitioning consideration of their resolution with reference to requesting passage of Senate bill 2023 and House bill 5926, relating to permanent association between Puerto Rico and the United States; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

To Remove Inequity in Treatment of Our Disabled Veterans, H.R. 4808

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1959

Mr. MULTER. Mr. Speaker, on February 19, 1959, I introduced H.R. 4808 to increase the limitations on the amount of outside income which disabled veterans may receive from the present $1,400 a year for a single veteran or a widow without children and $2,700 for a married veteran with a family or a widow with children. My bill would raise these amounts to $1,800 and $3,000 respectively.

The cost of living has increased since 1952, and while the social security plan and the railroad retirement plan have been adjusted, no adjustment has been made for these disabled veterans and widows and children of decreased veterans.

It was my privilege yesterday to present a statement in support of my bill to the House Veterans' Affairs Committee which is now considering the general subject of veterans pensions. My statement follows:

STATEMENT OF REPRESENTATIVE ABRAHAM J. MULTER, DEMOCRAT, OF NEW YORK, BEFORE THE HOUSE VETERANS' AFFAIRS COMMITTEE RE H.R. 4808, JUNE 9, 1959

Mr. Chairman, may I express my appreciation to the committee for permitting me to appear before you today on behalf of my bill, H.R. 4808, which will amend existing law to increase the annual income limitation affecting pensions paid to veterans of World War I, World War II, and the Korean conflict who are permanently and totally disabled

from non-service-connected causes and the widows and children of deceased veterans.

As you know, present law sets a limitation on other income of $1,400 for a single veteran or a widow without children and $2,700 for a married veteran with a family or a widow with children. My bill would raise these amounts to $1,800 and $3,000, respectively.

As you know, Mr. Chairman, no change has been made in this respect since 1952—a time when the cost of living was considerably less than it is today. In that year the cost of living index (using the 1947–49 cost as 100) stood at 113.5. Today it has climbed to 123.7 using the same measuring rod. In other words, it has risen by at least 10 points. But, while today's dollar has shunken in value, and while today's wages have risen, we are still applying the same income standards with respect to disabled veterans and the widows and children of deceased veterans which were applied in 1952.

I am convinced that we must, therefore, make the same cost-of-living adjustment on their behalf which we have made in connection with other plans governed by Federal law—such as the social security plan and the railroad retirement plan in which cost-of-living adjustments upward have been made on two different occasions since 1952. Likewise, for the same reason, we have increased the salaries of Federal workers and made similar adjustments in other Federal programs. In the face of this record, it is inconceivable to me that we can delay any longer in making a reasonable adjustment regarding the income limitations set for veterans and their families.

We are not concerned here with an increase in the amount of pensions paid—although we might well be, since they currently amount to only about $66.15 a month—or $78.75 a month for veterans who have received such a pension for 10 years or are over 65. At the same time a widow is entitled to $50.40 a month and a widow with a child is entitled to $63 a month, with $7.56 added for each additional child. A surviving child with no mother is granted $27.30 a month, two children $54.60 a month, and for each additional child $7.56. These amounts, in themselves, are certainly not enough to keep body and soul together, let alone provide for the kind of medical attention often required because of a disability. Certainly we can, therefore, liberalize the law so that the veteran or widow who has other income—either in the form of earnings or from any other source—can be allowed to use this income, in addition to the pension payments up to the more reasonable figure of $1,800 a year for the single veteran or widow without children and $3,000 for the married veteran or widow with children. If it is necessary to retain this concept of relative need in the case of such payments, we should certainly be willing to adjust our measure of need to the purchasing power of today's dollars.

Another feature of the present limitation which works a particular hardship at present income-limitation levels, is the fact that when the level is reached, all pension payments for the year are canceled. In this respect this provision is unlike the income limitation in social security which allows earnings of $1,200 a year and then cancels benefits on the basis of monthly income—one benefit being cancelled for each month in which earnings above the $1,200 figure total $80 or a fraction thereof. The result is that an individual loses all of his monthly social security benefits only when he has earned more than $880 in addition to the $1,200, or more than $2,080 in all. Moreover, social security's income limitation applies only to earned income whereas the income limitation for veterans applies both to earned and unearned income.

I feel certain that the committee will give this matter its most earnest consideration. Because I am confident of the merits of this case, I believe you will be convinced that some reasonable adjustment in this matter must be made—and that at an early date.

Driver of the Year Saluted

EXTENSION OF REMARKS
OF
HON. ED EDMONDSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 10, 1959

Mr. EDMONDSON. Mr. Speaker, no thinking American will question the statement that one of the greatest needs in our country at the present moment is safer and more careful driving on our highways. The staggering total of highway fatalities over the past Memorial Day weekend, far surpassing estimates and setting a new high in this tragic waste of lives, certainly indicates the need for careful driving and courtesy on the road.

It was with a great deal of pleasure and pride that this past week I met a man named Carl C. Crim. It was a great pleasure because Mr. Crim has just been named by the American Trucking Associations as the trucking industry's Driver of the Year for 1959, and there was also great pride because he is from my home State of Oklahoma.

The honored truckdriver is from Okmulgee, Okla., and drives a tank truck for the Hugh Breeding, Inc., a petroleum common and contract carrier with headquarters in Tulsa. He was chosen Driver of the Year from the more than 7½ million truckdrivers in the Nation, high praise of his qualifications.

Mr. Speaker, I would like to make mention of the excellent safe driving record of Carl Crim and of several incidents in which he literally risked his life to assist other motorists involved in highway accidents.

Mr. Crim has a 26-year record of accident-free driving, coupled with a long record of administering first aid and assisting at accident scenes, both on and off the highway. He has driven over 1½ million miles during this time, in all types of weather and conditions, without a single mishap. In July 1958, Mr. Crim was the first to arrive at the scene of an automobile accident near Claremore, Okla. He was successful in removing the occupants of one of the vehicles involved in the head-on collision, applied first aid, and helped in handling traffic until assistance arrived and the highway was cleared.

A number of years ago in Tulsa Mr. Crim prevented a certain gasoline explosion which would have taken countless lives had it not been for the quick thinking and heroic action of this truckdriver. While making his usual delivery at a bus terminal in downtown Tulsa to fill a 1,000-gallon-capacity gasoline-storage tank, Mr. Crim had removed the cap from the tank to determine the capacity. At this time a worker in the terminal began using an arc-weld torch on the opposite wall of the building. With the cap of the tank off, fumes began spreading across the area toward the worker. A spark from the torch ignited the fumes and sent a blanket of flames toward the storage tank and Mr. Crim. Quickly covering the area around the opening with a tarpaulin, he managed to screw the cap back on the tank opening—all this while flames were burning around his legs. While the driver suffered only slight singes about his legs, authorities said the entire bus station with several dozen waiting passengers might have been blown to bits except for the driver's alertness and heroic efforts. These are but two of the many such instances in which Mr. Crim has lived up to and been an outstanding example of the gentlemen of the highway.

Named Driver of the Year for Oklahoma, Mr. Crim was selected by a group of judges, consisting of the Under Secretary of Commerce for Transportation, John J. Allen; Brig. Gen. E. Herbert Qualls, Director of the Bureau of Motor Carriers of the Interstate Commerce Commission; Arthur C. Butler, director of the National Highway Users' Conference; and Edward F. Jones, staff director, Subcommittee on Traffic Safety of the House Committee on Interstate and Foreign Commerce. Mr. Crim's record of exploits and his outstanding safe-driving record were selected as the most outstanding of all the entries in the driver competition.

He has been in the employ of Hugh Breeding, Inc., since 1947. Prior to that he drove for other trucking firms in his native State. An Army veteran, Mr. Crim spent 2 years with the Army Engineers in the Pacific theater during World War II driving heavy Army vehicles.

Mr. and Mrs. Crim have two teenage daughters and live at 900 North Griffin, in Okmulgee. As a reward for his selection as Driver of the Year, Mr. and Mrs. Crim were invited to Washington for a week of sightseeing and many radio, television, and newspaper interviews; then to New York City for a week of similar activities.

It is a great honor for me to have met with such a fine citizen of my home State of Oklahoma, for Carl C. Crim is a truly oustanding example of the competent and courteous driver whom all drivers might imitate.

Statement by Hon. Walter H. Moeller, of Ohio

EXTENSION OF REMARKS
OF
HON. WALTER H. MOELLER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 10, 1959

Mr. MOELLER. Mr. Speaker, because of my unavoidable absence from the House yesterday while returning from my duties as a delegate to the Atlantic Congress, I was forced to miss the six rollcall votes which were held on H.R.

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3610, the Federal Water Pollution Control Act, and on H.R. 7509, the public works appropriations bill. I wish now to state for the record the position I would have taken on each of these votes.

On rollcall No. 68, the motion to recommit H.R. 3610, I would have voted "nay."

On rollcall No. 69, final passage of H.R. 3610, I would have voted "yea."

On rollcall No. 70, the Passman amendment to H.R. 7509, I would have voted "nay."

On rollcall No. 71, the Johnson amendment to H.R. 7509, I would have voted "nay."

On rollcall No. 72, the motion to recommit H.R. 7509, I would have voted "nay."

On rollcall No. 73, final passage of H.R. 7509, I would have voted "yea."

Thirty-sixth Congress Slovak League of America

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 10, 1959

Mr. SAYLOR. Mr. Speaker, residents of my home city of Johnstown are preparing to welcome officers and delegates of the Slovak League of America to its 36th Congress on June 14–16. While the influence of the Slovak people is not confined to any geographical area of this Nation, we in Pennsylvania are particularly mindful of the contributions that have come from the Slovak strain through the years.

The Slovaks were a large component of the Europeans who came to Johnstown and its environs to give impetus to America's industrial progress. They suffered with the rest of our community through the tragic flood, and their zeal, determination, and industry helped to rebuild our great city. Throughout western Pennsylvania there are many Slovak churches that give evidence of the devotion of these God-fearing people.

The Slovak League of America was organized on May 26, 1907, with the motto: For God and for the Nation. A cultural and civic organization of Americans of Slovak descent, it is dedicated to the American way of life and assists Slovak emigrants in becoming U.S. citizens. Its numerous other noble objectives include this statement of policy which I believe merits notation in the CONGRESSIONAL RECORD:

The Slovak League of America has always recognized the godless philosophy of materialistic communism for the dread evil and conspiracy against free humanity that it is, as the political system which threatens mankind with utter enslavement and, therefore, has fought resolutely against it in and out of season and, today, is still determined to fight against it with all the means at its command until the dread plague of communism is wiped off the face of the earth. Hence, the league does not subscribe to the policy that doing business with the Soviet Union and its satellites is in the best interests of the United States of America and the peoples concerned.

Mr. Speaker, for many years Americans of Slovak descent have served in the Armed Forces, large numbers of them sacrificing their lives for this Nation. Today the Slovak League of America carries on the battle for liberty and peace. We congratulate this patriotic organization, and may God grant the favors it asks.

The Munitions Lobby

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 10, 1959

Mr. WOLF. Mr. Speaker, under leave to revise and extend my remarks, I wish to insert into the RECORD an article by the distinguished columnist, Roscoe Drummond. Mr. Drummond poses the problem of the munitions lobby as described by President Eisenhower. He suggests that a full scale investigation of the power of these lobbyists both of the military and of the manufacturers should take place. I say "Amen" to this. It is too long that we are letting a silent conspiracy of the military and big business eat away at the very lifeblood of this Nation on the most selfish and narrow grounds; namely, that of more profits and more power to themselves. I hope that the record will be able to show that this Congress was not the servant boy doing the bidding for the military and the munitions manufacturers, but rather the watchdog over these groups in the name of the public interest; and, I might add, in the name of peace.

I would like to give an example of the problem of big business and defense. This is just a small part of the vast problem which must be attended to in this Congress. The Defense Department gives about $5 billion yearly for research in science and scientific matters. The bulk of these research contracts go to big business. Fifty firms receive about 84 percent of the research contracts that are given by the Defense Department. Twenty-five firms receive 65 percent of the research contracts given. Among other things such a concentration in the hands of a few great firms may well put an end to small business in its fight to keep alive during the present technological revolution which American business is presently experiencing.

It should be noted that the Defense Department awards its contracts for research and development under terms which guarantee the contractor a profit on the work done; consequently, such contracts are without risk to the firm. Besides this, the contracts are cost plus fixed fee and upon exhaustion of the funds provided in the contract, the contractor may either abandon the work, or by custom, ask the Department for additional funds. What is even more disturbing in this matter is that the individual contractor is allowed to take out a patent on that which he is working on for the Government. Hence, he receives a monopoly of the particular item that he prepares for the Government at Government expense. This naturally has the effect of keeping the price up when marketed for civilian use, since there is no effective competition because of the patent. Moreover, what happens in many cases is that the person who may have originally conceived the idea for a particular item and worked out all the theoretical aspects to the problem will not receive either the contract when it is awarded or the patent rights. Rather the contract is given to a very big firm which gets to keep the patent.

Besides these difficulties there is another aspect which must be explored. The firms that get these contracts are comprised of what might be called organization scientists. They are not necessarily the ones who will do the most original work because of the bureaucracy which exists in any large institution. Many times these scientists will play it safe and not do the brilliant and daring—a quality which is paramount in scientific discovery. Many times it is the supposed wrong-headed fellow who may be thought to be cracked who is the one that has the true insight into the problems of invention and scientific creation. These men will not be found only in the enormous firm. More likely he may be found in a university, which, by the way, should get more contracts than it does, or the small consulting and research firm. These firms are mushrooming and should be utilized more fully by the Government.

The Defense Department attitude was made clear in a letter to the Small Business Committee. They have stated that the distribution of 95 percent to big business and 5 percent to small business of research contracts let are a fair distribution. They have stated that according to a Harvard Business School survey, only 20 percent of those firms with less than 500 employees have research and development facilities. Another reason given by the Defense Department for not letting more contracts to smaller firms is that "less than 10 percent of the research engineers and scientists in all commercial nonprofit organizations are employed by small business firms." As was pointed out by the 1956 final report of the Small Business Committee, the fact that 20 percent of small firms have adequate personnel and facilities to contribute significantly to the program, and the additional fact that small concerns employ only 10 percent of the research engineers and scientists would hardly indicate that less than 5 percent of the research and development subsidy to such firms represents a wholesome distribution of the research subsidy.

Besides this, it may well be pointed out that many small firms have not hired research personnel and expanded facilities in research for the simple reason that they do not have the available capital to do so. Given the opportunity to share in Government research funds as has been done for the big firms, there is no

question about the fact that small firms would expand their facilities in research and in research staffs. Therefore, it is clear to me that—

First. Patents kept by the individual retard technological advancement in the area that the patent is held.

Second. These patents rightly belong to the Federal Government since it is the money of the Federal Government that is being spent on these projects.

Third. Individuals and small groups in science have, historically, made most of the significant theoretical and practical inventions. Consequently, we may well be suffering technologically by giving the majority of contracts to big firms where the organization-man philosophy controls.

Fourth. We are forcing out small business even further in this technological revolution because we favor the big and give crumbs to the small.

Fifth. It is of importance to ascertain what profits are made by the undertaking of a research contract in which no concrete thing has to be given. I am not quarreling with that aspect, that is, the fact that nothing may be found as a result of research. Rather I am quarreling with the amount of profit that is made from these projects.

Sixth. The analysis of this problem by the appropriate congressional committee is of paramount importance since the level of our scientific achievement is directly effected by how we allocate research contracts, to whom, how much, and for what purpose.

Herein appears the Drummond article which appeared in the June 10 issue of the Washington Post:

THE MUNITIONS LOBBY: WHERE IS PRESSURE BEING EXERTED AND FOR WHAT?

(By Roscoe Drummond)

In talking about the pernicious influence of the munitions lobby, President Eisenhower is raising a cry which will not soon be silenced.

It will not be silenced until the facts are spread on the record—and the sooner the better.

This is a serious complaint—that big defense contractors are bringing improper pressures to bear upon Congress and upon the Pentagon in deciding what weapons ought to be manufactured.

This is the kind of issue which can become very political, very emotional, and very distracting, unless it is responsibly investigated. There will be a tendency to consider everybody guilty until proved innocent.

I am not suggesting that the President's complaint is not a valid one. What I am suggesting is that Congress ought to investigate this matter promptly, calmly, and with all deliberate speed—not drag it out.

The House Armed Services Subcommittee, headed by Representative F. EDWARD HÉBERT, Democrat, of Louisiana, is beginning hearings July 1 on the hiring of retired military leaders by defense contractors. But that is only picking at the problem by investigating a limited aspect of it. He has indicated he may broaden the inquiry. He should. His committee should go into the whole thing so that the full facts can be got out speedily and remedial actions taken, if needed.

One example will show the kind of thing Mr. Eisenhower is warning against. The Pentagon and Congress are right now in the process of deciding whether to go forward with the Nike-Hercules antibomber, antimissile missile, or to rely more heavily on the Bomarc longer range antibomber missile. In the midst of this decision making, the industrial manufacturer of the Bomarc runs large advertisements in the newspapers listing 8,000 subcontractors engaged in the project. The President sees this as irrelevant pressure lobbying, since the issue to be decided is not what firms are making these weapons, but what weapons will best do the job.

It seems to me that here are the questions to which the Hébert subcommittee must get the factual answers:

What obsolete weapons are the big contractors pressuring the services and Congress to build?

In what way and on whom—in the Pentagon and in Congress—are they exerting pressure?

Have the Defense Department and Congress yielded to these pressures?

Have the civilian or military leaders of Army, Navy, or Air Force encouraged these contractors to exert these pressures in behalf of their own favorite projects?

What evidence is there, if any, that retired military and civilian defense officials—and retired Congressmen—have used past connections improperly in serving defense contractors?

Let's get at this munitions lobby whole, and soon.

In Memoriam: Hon. Clarence J. McLeod

EXTENSION OF REMARKS
OF
HON. LOUIS C. RABAUT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 10, 1959

Mr. RABAUT. Mr. Speaker, I want to address myself to the memory of an old and dear friend, the Honorable Clarence J. McLeod. Clarence, as he was familiarly known, as our longtime colleague here in the House. He represented Michigan's 13th District for eight full terms and the better part of a ninth. You will recall, no doubt, that he was labeled the "baby of the Congress" when first elected at the age of 25. You may also recall him as the "mayor of Washington"—an honorary title accompanying his many years as chairman of the House Legislative District Committee.

Clarence McLeod will be remembered for many things—both in Michigan and here in the Nation's Capitol. His strong, unceasing, and articulate opposition to communism will stand in lasting tribute to his fruitful life. His leadership in the 1928 fight over the Reapportionment Act was instrumental in its passage. This gave Michigan four additional seats here in the House. He will be remembered also for the leading role in advocating improvements for the Walter Reed Army Medical Center here in Washington. This hospital has since risen to rank with the finest in the world.

Throughout his career Clarence McLeod was a dedicated public servant. He was an extremely able legislator, a fine lawyer and a respected gentleman. I shall remember him always as a dear and close friend. I commend him to your lasting memory as a longtime colleague of whom this House may always be justly proud. I am sure you will join me in extending deepest sympathy to his wife and family.

The "George Washington," the Nation's First Ballistic Missile Submarine

EXTENSION OF REMARKS
OF
HON. OVERTON BROOKS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 10, 1959

Mr. BROOKS of Louisiana. Mr. Speaker, at 12:40 o'clock on June 9, 1959, history again changed its course with the launching by our Navy of this Nation's first ballistic missile submarine, the *George Washington*.

By the sheer drama of the mighty power and force it will contain in its bowels, this nuclear-powered submarine heralded to the corners of the earth that here was an awesome instrument dedicated from the moment of its conception to the preservation of the free world and its ideologies.

It sounded the death knell for any aggressor, for it will have the almost unbelievable potential to unleash in one quick and terrible blow more devastation than was created by all the bombs dropped in World War II.

The *George Washington* will carry in its firing tubes 16 solid-fueled ballistic missiles each tipped with a thermonuclear warhead. It is the forerunner of nine such mobile missile launching platforms that this Nation has already dedicated to the deterrence of major war in our time.

Here is a great scientific achievement. A marriage, if you please, of the ocean depths to outer space for these great submarines will lurk concealed deep below the ocean surface ready instantly to fire their terrible weapons through space to the target. They will bring within range of direct attack from the sea, virtually all important military targets in the world and their weapons can reach these targets in some 15 minutes from the instant of firing. They can patrol the world's oceans for months at a stretch, move submerged for thousands of miles. They will be almost impossible to locate and trace even by the most advanced methods of surveillance.

The *George Washington* will go to sea with its ominous load of IRBM weapons just next year—in 1960. The very knowledge that this submarine will be at sea ready to launch its missiles of destruction within minutes and that others of its kind will be following shortly in its wake, will exert a strong and constant deterrent influence on any aggressor nation. This is a deterrent that will be effective because of its mobility.

One needs only to glance at a map of the world to see that the majority of the earth's surface is covered by water. This fact, coupled with the mobility of this weapon, means that nearly every spot on the earth is accessible to its destructive power. Equally important is the fact that by this same mobility it acquires a shield of invulnerability. Here is a ship that can launch its weapon of destruction as effectively as any fixed launcher but with the great advantage that it cannot be destroyed in a surprise

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attack, simply because the enemy will never know where it will be. With its mobility and with the developments of recent years it can operate almost as easily beneath the polar icecap as it can in the warm waters of the Tropics. This ship, now joining our great fleet, spread over the seven seas will be an integral part of the Navy. As a part of our seapower it will play its part, and a very effective one, in making anyone with possible dreams of world conquest think twice before attacking this Nation.

Our Navy, and its industrial team, has accomplished a tremendous task in telescoping time and efficiently managing the many facets involved in presenting to this Nation this tremendous weapons system. Their accomplishments with wartime speed in the light of peacetime activity is astonishing. Their firm and principled methods of management have been recognized as outstanding by educators and industrialists both in and out of the defense field. It is refreshing to find in this day and age, serious-minded, responsible, and devoted citizens who dedicate their every effort to the needs of our great Nation and the free world.

I know that it is their hope as well as my own that these horrible weapons that they have developed will serve as a firm steppingstone to lasting peace and in the face of their vast strength and power they will never have to be fired, because all mankind will recognize the utter futility of war.

Oregon's Centennial Exposition and Trade Fair Opens With 100-Gun Salute Today

EXTENSION OF REMARKS
OF
HON. RICHARD L. NEUBERGER
OF OREGON
IN THE SENATE OF THE UNITED STATES
Wednesday, June 10, 1959

Mr. NEUBERGER. Mr. President, today at noon in Portland, the biggest single event of Oregon's centennial year, the Centennial Exposition and International Trade Fair, opens for 100 days with a burst of rocketry and a 100-gun salute.

Mr. President, I do not need to recite again the highlights of this exposition or to remind my colleagues of the scenic grandeur at the end of the old Oregon Trail in my centennial State this year. I take this time only to take official notice of the opening today of the biggest of the centennial events; I am sure I will be joined by many of my colleagues and their constituents in celebrating this 100th birthday in Oregon later this year.

I ask unanimous consent that a news item from the Portland Oregonian of June 6, 1959, entitled "Festivities Kick Off Exposition," together with a telegram which I have just sent to Hon. Anthony Brandenthaler, chairman of the Oregon Centennial Commission, be included with my remarks in the RECORD.

There being no objection, the article and telegram were ordered to be printed in the RECORD, as follows:

[From the Portland Oregonian, June 6, 1959]

FESTIVITIES KICK OFF EXPOSITION—CATTLE DRIVE, PARKROSE FETE START BIG DAYS

The International Trade Fair and Exposition, an event all Oregon has been awaiting is almost at hand, and centennial flavored occasions the next few days point up the fact that the big show is indeed on the road.

Redmond will kick off its historical events with a cattle drive Saturday through the main street, which has been false-fronted frontier style for the celebration, when 100 head of cattle will be driven through the town in all day festivities.

PARKROSE FETE DUE

Simultaneously, Parkrose will open its centennial booth on Northeast 117th Avenue, and Sandy Boulevard, commencing at 1:30 p.m. A covered wagon will be pulled by manpower from 99th and Sandy to the booth through the main section of the suburb.

Monday at 3 p.m., a radio-TV press preview will be held at the exposition, and at 7:30 p.m., will be the dedication of the Hall of Religious History, with Jewish, Catholic, and Protestant participation, remarks by the architect on the building and by Carl Morris, the artist, on his religious murals.

A newspaper press preview of the exposition will be at 3 p.m., Tuesday.

HATFIELD'S ROLE TOLD

The big day will be Wednesday, when at noon the centennial will be opened officially by Gov. Mark O. Hatfield, TV personality Raymond Burr, and dignitaries in a burst of rockets and 100-gun salute.

Opening performance of the Ice Capades will be at 8:15 p.m., Thursday.

HON. ANTHONY BRANDENTHALER,
Chairman, Oregon Centennial Commission, Jackson Tower, Portland, Oreg.:

Congratulations on opening today of Centennial Exposition and International Trade Fair. This is crowning achievement to months of hard work by you and commission colleagues. I am sure exposition's 100 days, brilliantly reflect Oregon's 100 years of statehood. Best wishes for continued success in this wonderful year's activity.

Regards,

DICK NEUBERGER,
U.S. Senator.

Architect of Victory

EXTENSION OF REMARKS
OF
HON. JAMES G. FULTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 10, 1959

Mr. FULTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from Roll Call of June 10, 1959:

ARCHITECT OF VICTORY: SENATOR JOHNSON PAYS TRIBUTE TO GEN. GEORGE C. MARSHALL ON THE ANNIVERSARY OF D-DAY

The phrase "architect of victory" is one often bestowed upon him for his performance in World War II. It is a glittering phrase, a happy generality, until we remember and examine once again the mammoth organization which General Marshall built to crush the most professional armies which ever inhabited this earth.

Even the inexperienced amateur was aware of the awesome size of the man who relentlessly, quietly, and selflessly created the Armies, the Navies, and the Air Forces in so brief a span of time—and then supplied them with the ever-mounting tools of victory.

Mote U.S. Army Reserve Training Center, Parma, Ohio

EXTENSION OF REMARKS
OF
HON. MICHAEL A. FEIGHAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 10, 1959

Mr. FEIGHAN. Mr. Speaker, under leave granted, I insert in the RECORD an address I delivered May 24 at the dedication of the Mote U.S. Army Reserve Training Center, at Parma, Ohio:

It is a privilege to participate in the dedication of the Army Reserve Center, in memory of Lt. Kingston H. Mote. His sacrifice and the sacrifice of others who gave their lives in defense of our beloved country serve as a timeless reminder that the chains of human slavery rest infinitely heavier upon the shoulders of freemen than the wearing of a soldier's gear in defense of our priceless liberties and freedoms.

Eternal vigilance is the price of liberty. To maintain that vigilance, we must have officers and men trained and ready to take up arms in defense of our liberty.

The birth of our Nation marked the most significant step in man's long struggle upward toward a system of government which recognizes the dignity of man as the highest value which can be secured for any people under any form of government. History is replete with many dark chapters of man's inhumanity to man and the degradation visited upon whole civilizations by despotic rulers who saw in other men nothing more than the opportunity for exploitation. The ambitions of these despots led to military campaigns and great human sacrifice as the empires of their dreams were fulfilled. Since recorded history the common man has struggled against the schemes of the tyrant, sometimes successfully and many times unsuccessfully. But always the struggle of the common man has pressed forward toward the forming of a society in which all men would be equal and in which the God-given right to life, liberty, and the pursuit of happiness would be a reality. It was this great ideal, forged upon the anvil of long trial and great sacrifice, which inspired our Founding Fathers to proclaim the Declaration of Independence. Their inspiring charter of high purpose and intent lifted up the hopes of all mankind for a better life, for a better world. That historic document stands today as the only acceptable foundation for the forming of both our domestic and foreign policies. It expresses in clear and unmistakable language the basic human rights that must be enjoyed by all our people and our fervent hopes that these same rights be enjoyed by the people of all nations of the world.

National devotion to these timeless principles has made us a peace-loving nation, a nation which has never coveted either the territory or possessions of any other nation or people, a nation which has sought only justice and security for our own people. It is to our everlasting credit that it can be said with honesty we have never committed any unprovoked acts against any other nation and have been drawn into war only as a

matter of absolute necessity and in our own self-defense.

It is fitting that in these circumstances, we recall to mind those great ideals and human values for which our men and women of the armed services sacrificed and died in the recent wars. They, of our generation, no less than the heroes and martyrs of generations past, fought for those immutable values of individual liberty and freedom without which life becomes a hopeless drudgery. These same ideals caused our Founding Fathers to set forth the inspiring Declaration of Independence. It is dedication to these same ideals and moral values which have made our beloved land the hope and aspiration of people the world over.

It is the destiny of our country ever to remain the citadel of freedom. Each generation of Americans must keep this rendezvous with destiny. Daniel Webster, in his generation, when faced with tasks no less difficult than ours, inspired his contemporaries with these words: "God grants liberty only to those who love it, and are always ready to guard and defend it." We Americans love liberty and it is our heritage to guard and to defend it.

Public Debt Management

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement on public debt management by the Secretary of the Treasury, Robert B. Anderson, was presented June 10, 1959, before the Committee on Ways and Means. I respectfully submit it for the RECORD at this earliest opportunity so that the House membership and our citizens can benefit by its study:

STATEMENT ON PUBLIC DEBT MANAGEMENT BY SECRETARY OF THE TREASURY ROBERT B. ANDERSON BEFORE THE HOUSE WAYS AND MEANS COMMITTEE, 10 A.M., JUNE 10, 1959

I appear this morning to support policies I sincerely believe to be in the best interests of 176 million Americans. I do so in the realization that all thoughtful people share common objectives. We realize there are honest differences of opinion as to the methods by which these objectives may be attained.

Fundamentally, we Americans endeavor to achieve sustainable economic growth in terms of real goods and services. We seek a sustainable rate of growth that would promote maximum job opportunities, continuity of employment, and real earnings. We seek as well to insure that the process of saving, which underlies the growth of this or any other country, is not diminished but encouraged. We seek to protect the welfare of those individuals who now depend for their livelihood on accumulated savings, the proceeds of insurance policies, benefits of retirement systems, the aid of social-security payments, and similar accumulations from a lifetime of effort.

We seek also to insure that those who plan for the education of their children, who guard against adversity, and who provide for their own economic well-being through any process of accumulated savings shall not have the rewards of their diligence and thrift diminished.

We live in a world of tensions and in a world where new nations with new freedoms are seeking to improve their standards of living and their economic well-being, where all eyes are turned toward America. A sound domestic economy is essential if we are to maintain sufficient military strength to preserve freedom and liberty for ourselves and our friends abroad. If we are to witness the growth of better conditions for our neighbors all over the world, we must adopt and stanchly support enduring sound monetary and fiscal policies—the same policies that we have strongly encouraged them to adopt in their own interests.

We must not be unmindful of the lessons to be learned from the financial history of others who have tried methods less demanding and less exacting; nor must we succumb to the belief that real wealth is created by any other means than by the physical and mental labor of human beings working with the physical resources with which each country is blessed.

Mr. Chairman, it is with this belief that we support the proposals which have been laid before you by the President. In a world of economic complexities there is a constant interrelationship between fiscal policy, monetary policy, and the individual and collective actions of all who participate in our economic structure. We cannot isolate one and set it apart as controlling, but we can say that each, in its own sphere, is a sine qua non to the achievement of our total objectives.

It is because of my belief that the people of our country are willing to subscribe to the disciplines which freedom exacts from government and individuals that I have confident faith in the security and well-being of our Nation's future.

I should like now to address myself to one important element of our economic life—the management of our national debt.

OUR DEBT MANAGEMENT ENVIRONMENT

The public debt rose last month to an alltime high of $287.2 billion and is now only slightly below that figure. This represents over $1,600 for each man, woman, and child in America. The Federal Government owes as much money as all of the corporations in the United States put together. Our debt is as large as the debts of all the individual borrowers in the country put together plus the debts of all of our State and local governments.

The U.S. Government, therefore, owes about one-third of all of the debt in the United States and is the largest single borrower. In the calendar year 1958 the Treasury issued $69 billion of new marketable securities—$19 billion for cash and $50 billion in refinancing maturities, quite apart from the continuing rollover of about $22 billion of weekly bill maturities. All of the corporations in America issued slightly under $10 billion of new bonds and notes last year while State and municipal new security issuances amounted to $7½ billion.

In the year ahead the Treasury faces the refinancing of $76 billion of short-term securities that will mature. In some ways the volume of this short-term debt is as important a factor in our financing picture as the size of the total debt. Each time the Treasury goes to the market—either for refunding operations or for new cash borrowing needed to cover seasonal requirements or retirement of other securities—it is a significant event in all financial markets. Both the size of our borrowing requirements and the frequency of our trips to the market tend to interfere with the smooth marketing of new corporate and State and local government securities.

Another problem related to the large size of the debt maturing within 1 year is that such debt is only one step away from money. It should be realized, however, that in this country we have a large active and continuous demand for short-term debt instruments outside of the banking system inasmuch as corporations, State and local governments, foreign accounts and many other investors invest their short-term funds in this manner. Almost 60 percent of our under-1-year debt, therefore, is held outside of the banks—a larger percentage than in any other country we are aware of.

Even though it is preferable to have large amounts of short-term securities in the hands of nonbank investors rather than in commercial banks, we must never lose sight of the fact that a well-balanced debt structure calls for continued offerings of intermediate and longer term securities whenever conditions permit if debt management is to be conducted in a manner consistent with economic growth and stability.

The quest for a balanced structure of the debt is never ending since the passage of time brings more and more of the outstanding debt into the short-term area. The high point of our under-1-year debt was reached at the end of 1953 when the total was $80 billion. The total is now $76 billion, having dropped below $60 billion for short periods in 1955 and 1956.

If the Treasury should be able to do nothing but issue short-term securities to replace maturing issues between now and December 1960, instead of the present $76 billion we would have almost $100 billion of under-1-year debt outstanding at that time.

The Treasury does not intend this to happen. We must, therefore, continue to sell intermediate and longer term bonds whenever appropriate as we try to keep the short-term debt from growing. The only reason we have been able to keep the short-term debt from growing since December 1953 is that since then we have issued $34 billion of 5–10-year bonds, $2 billion of 10–20-year bonds, and $6½ billion of over 20-year bonds.

THE COMPETITION WHICH WE FACE

Let us look at some of the competitive phases of our problems. Federal Government programs to guarantee home mortgages for veterans and to provide FHA insurance on various types of mortgages have contributed to the unprecendented volume of home building in America since World War II. But they have also fostered a marked improvement in the quality of mortgages as investments for the billions of dollars that Americans each year save out of their earnings, savings which they invest directly or which insurance companies, savings banks, savings and loan associations, or pension funds invest in their behalf.

There are a great many other debt obligations outstanding today which our Government also aids in one way or another, including securities issued by many Federal Government agencies, even though those securities are not actually guaranteed by the U.S. Government. While the volume of long-term Government-aided obligations has been growing, the volume of long-term Treasury bonds has been declining. At the end of 1946, for example, there were $117 billion of U.S. Treasury bonds outstanding which originally bore maturities of over 10 years. In contrast, there was $6½ billion of what might be called long-term Government-aided debt outstanding. Twelve years later—December 31, 1958—the $117 billion total of long-term Government bonds had shrunk to $65½ billion, while the $6½ billion Government-aided total had grown to $58½ billion, $55 billion of which is in FHA and VA mortgages alone.

In addition, the continuation of high individual and corporate income tax rates in the postwar period has made the complete exemption from Federal income taxes which is enjoyed by State and local government securities very valuable. State and local debt outstanding has increased from $16 billion in 1946 to $59 billion in 1958. Tax exemption has contributed to the ability of State and local governments to sell their securities, but it has also meant that Federal

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securities are relatively that much less attractive.

Competition for funds available for investment has also been increased in other ways. A high corporate income tax rate has made corporations more inclined to borrow than to issue stock, since interest payments are deductible for income tax purposes, but dividend payments are not. Moreover, from the standpoint of the average small saver, Federal insurance of bank deposits and savings loan shares has practically eliminated any difference in risk between private savings and Government bonds.

The problem of encouraging more long-term investors to buy and hold Treasury securities is also increased by the tendency among some investors to prefer stocks to fixed dollar obligations because of what I believe to be a mistaken conviction that the purchasing power of the dollar will decline further. It is in this environment that the sale of enough long- and intermediate-term Treasury securities sufficient to keep the debt from getting shorter must also compete with large and growing demands for borrowing by State and local governments, by corporations for plant and equipment needs, and by home builders and buyers.

Many investors have also become increasingly confident in the continued growth potentials of our Nation. As this grows the high quality of Government securities becomes relatively less important than in the past and the safest bonds in the world—U.S. Government securities—are more difficult to sell.

In recent years there has been substantial liquidation of long-term Government securities by investors who bought large amounts of such securities during World War II, based on the improvement in the relative attractiveness of other investments.

Long-term Treasury securities are held primarily by three broad classes of private investors other than commercial banks. The first group consists of savings institutions such as insurance companies, mutual savings banks, savings and loan associations, corporate pension funds, and State and local government pension funds. These investors, in the aggregate, held only $31 billion of Government securities in December 1958, as compared with $41½ billion 12 years ago.

When the rapid growth of institutional assets generally is taken into consideration the decline in their holdings of Government securities is even more striking. In 1946 life insurance companies had 45 percent of their assets invested in Government securities; the percentage now is 7 percent, far below the 18 percent level back in 1939. Twelve years ago mutual savings banks had 63 percent of their assets invested in Government securities; that has now been reduced to 19 percent. Savings and loan associations now have only 7 percent of their assets in Governments, although their percentage has never been much higher. Corporate pension funds have 12 percent of their assets in Governments as against 30 percent just a few years ago. Even in State and local pension funds, where statutory requirements are much less favorable to investments outside of Government securities, the percentage invested in Governments has fallen from 54 to 35 percent in the last 6 years alone.

The second group of long-term investors includes principally personal trust accounts and individuals in the upper income brackets. Their holdings of Goverments have also declined substantially in the postwar years—from $34 billion in December 1946 to $21 billion now. It is in this group where competition with tax-exempt State and local obligations becomes most important.

By contrast, there is a third group whose holdings have geen growing. This group includes the millions of small savers who buy and hold series E and H savings bonds. Through the savings bond program they have added substantially to their holdings of Government securities in the postwar period—from $30 billion in 1946 to more than $42½ billion now.

There is also a fourth area of long-term investment demand for Government securities apart from private investors—Federal Government investment accounts. These accounts—social security funds, veterans' life insurance funds, civil service and railroad retirement funds, etc.—added substantially to their holdings during the entire postwar period at an average rate of about $2½ billion a year until last year. During the fiscal year 1959, however, trust-fund expenditures are exceeding receipts, serving to complicate further the Treasury's task of keeping the short-term debt from growing.

We are just completing a fiscal year in which the largest peacetime deficit in the history of our country had to be financed. In contrast, we are looking forward to having sufficient budget receipts next year to cover our expenditures. That fact, in itself, should brighten significantly the opportunities to improve the debt structure. Budgetary soundness has a pervasive effect in improving the environment in which we operate. The confidence which grows out of proving that we can live within our means is contagious.

Our willingness and ability to act soundly in managing our debt and in conducting our fiscal affairs is important also to our friends throughout the free world who have a right to look to the United States as an example of fiscal integrity.

While the gold movements of the past 18 months have been in response to the normal functioning of gold in international exchange, the correction of prior adjustments, and the historical rebuilding of monetary reserves, they should serve as a reminder that the postwar dollar shortage has long since disappeared, although there remains a shortage of capital resources in many of the less-developed countries. These gold movements should remind us that other nations have built strong financial and industrial communities and that we must reorient our thinking in order to perform our full responsibility in the conduct of our internal and international economic affairs.

We have demonstrated the ability of a free economy to come out of an economic recession; it remains for us to demonstrate the willingness to pursue appropriate policies during a period of high and rising business activity. Under current conditions, such policies would include at least a balanced budget and sufficient flexibility for the Treasury to permit sound management of the public debt.

We would be less than frank, however, to suggest that living within our means as a National Government will automatically cure the entire problem of managing the public debt. We would also be less than frank if we suggested that the legislation which you have before you will solve all of our problems. We feel very strongly, however, that the proposed legislation can contribute significantly to a fuller realization of our goals of managing the debt in a way that is consistent with sound economic progress.

The President has already outlined his program to you, incorporating principally improvements in the savings bond program, removing the 4¼ percent ceiling on Treasury bond interest rates, and an increase in the debt limit. Proposed legislation on these three parts of the program is incorporated in sections 1 through 3 of the first of the bills we have placed before you. With your permission I should like to discuss each of these three items with you, and also to take up the second proposed bill.

Sections 4, 5, and 6 of the first proposed bill deal with three somewhat technical matters on which I am submitting a short written statement for the record. These sections would provide a 10-year statute of limitations on the liability of paying agents who in rare instances may redeem savings bonds by erroneous payments; clarify the statute which exempts U.S. obligations from State and local taxes, and authorize the issuance of bonds to the Government's various trust funds at the same prices as bonds are issued from time to time to the public. If there are any questions on these provisions, one of my associates will be glad to answer them later.

IMPROVEMENTS IN THE SAVINGS BOND PROGRAM

The statement on the savings bond program which was attached to my letter to the Speaker of the House of Representatives on June 8, 1959, contains a complete description of our savings bond plans, if the first proposed bill is enacted.

As I pointed out in that statement, the new savings bond program has three major features:

(1) All series E and H bonds sold beginning June 1, 1959, will earn interest of 3¾ percent per annum if held to maturity—one-half of 1 percent more than at present—with lesser improved yields for shorter periods of holding.

(2) All series E and H bonds outstanding will also earn approximately one-half of 1 percent per annum more than they do now, if held to maturity, starting with their first full semiannual interest period which starts on or after June 1, 1959, with lesser improvement if redeemed earlier.

(3) All series E bonds on which an extension has already been promised and which had not yet reached first maturity before June 1, 1959, will be offered an improved extension on which 3¾ percent will be paid if held the full additional 10 years, with lesser yields (starting at 3½ percent) for shorter periods of holding.

The savings bond program is a program that every American has a right to be proud of. It puts more of the public debt in the hands of long-term investors—few people realize that the average dollar invested in these bonds stays with the Treasury approximately 7 years. It also encourages desirable habits of thrift throughout the Nation. Almost half of the current E- and H-bond sales are accounted for by purchases on payroll savings plans by some 8 million Americans throughout industry and Government. Many of these savings grow out of the convenience of the payroll plan, savings which would not be taking place in such volume if it were not for the savings bond program. Corporations throughout America, large and small alike, are administering these payroll savings plans on a voluntary basis because they realize their importance and the benefits to their employees of regular habits of thrift. Similarly thousands of banks and other financial institutions across the country are selling bonds every day without compensation because this is a program they sincerely believe in.

As you know, series E and H bonds are designed particularly for small savers. We have more than $42½ billion of E- and H-bonds outstanding at the present time—$38 billion in the accrual-type series E bonds issued at 75 percent of their face value with the interest reflected in successively higher redemption values each 6 months to maturity—and $4½ billion in series H bonds which pay interest currently by semiannual check to give a sliding scale of investment yields approximating E-bond yields for similar periods of holding. These are the only series of savings bonds which the Treasury has currently on sale, although approximately $8½ billion of the old series F, G, J, and K bonds (sales of which were discontinued 3 years ago) are still outstanding.

There are many reasons why so many millions of Americans buy and hold series E and H savings bonds. I have already mentioned the convenience of buying bonds on the payroll savings plan, and you are famil-

iar with the convenience of savings bonds redemption privileges throughout the country. Owners of savings bonds never need to worry about market fluctuations; their redemption values at all times are known in advance and are guaranteed by the Treasury. Furthermore, unlike savings accounts, where rates may move either up or down from year to year, the Treasury guarantees whatever rate of interest it puts on the bond for the full term of that bond.

Americans also know that savings bonds are perfectly safe; the Treasury has replaced over a million of them which have been lost or destroyed since the program began. These are attributes of savings bonds which have not changed over the years, quite apart from the relative attractiveness of the interest rate.

CURRENT SAVINGS BOND TRENDS

Sales of series E and H bonds improved slightly from 1957 to 1958 but were still behind sales for 1955 and 1956. Redemptions in 1958 declined significantly from the 1957 peak. But the 1959 record to date has not been good. Sales for the first 5 months are 6 percent behind a year ago, with a worsening trend. Similarly, 1959 redemptions through May are 9 percent above a year ago, also with a worsening trend. The amount of E- and H-bonds outstanding (including accumulated interest on E-bonds) declined by $36 million in April and May—a greater decline than in any 2-month period since the autumn of 1950.

Furthermore, on a cash basis, the net drain on the Treasury of an excess of redemptions over sales of E- and H-bonds in the current quarter is expected to amount to approximately $300 million—equal to the cash drain at the low point in the third quarter of 1957. This decline will undoubtedly become much more serious as time goes on unless the present terms of these bonds are improved. Furthermore, we can expect enthusiastic cooperation of financial groups and employers in sponsoring the program only when they can conscientiously recommend savings bonds to themselves, to their customers, and to their employees.

The rate of interest return on E- and H-bonds is now much less favorable in comparison with savings accounts, as well as with other types of securities—both Government and private—than in earlier years.

At the end of World War II series E bonds paid 2.90 percent for a full 10-year term of holding, as compared with 2¼ on long-term maturities of marketable Government securities, an average of 2⅜ percent on savings and loan shares, 1⅜ percent on mutual savings bank accounts, and less than 1 percent on commercial bank savings deposits.

At the present time the rate on E- and H-bonds held to maturity is 3¼ percent as compared with more than 4 percent on long-term Treasury marketable securities, and average rates paid of 3⅜ percent on savings and loan shares, 3¼ percent on mutual savings bank accounts, and 2¼ percent on accounts in commercial banks. Furthermore, the holder of an E-bond has to wait 3 years to get as much as 3 percent on his money, whereas the applicable rates on savings accounts apply to a far shorter period of holding.

This is the principal reason, therefore, that the growth of savings bonds in recent years has been far overshadowed by the rapid expansion of savings in mutual savings banks, commercial banks, and—particularly—savings and loan associations.

The percentage increases during the past 6 years are revealing: 52 percent for commercial bank savings, 50 percent for accounts in mutual savings banks, 150 percent for savings and loan shares, and only 21 percent for E- and H-bonds.

Overall series E savings bond rates were improved from 2.90 to 3 percent in the spring of 1952, and from 3 to 3.25 percent early in 1957. In neither case did the increased rate make up for the increased return on competing savings since the preceding change.

SOME FEATURES OF THE NEW SAVINGS BOND PROGRAM

The Treasury's present plan attempts to correct this situation by bringing the savings bond program back approximately to the same competitive position that it held in 1952. It would, by so doing, contribute both to a greater awareness of the advantages of thrift throughout the country and to a better structure of the public debt.

Two of the three features in the new program—a higher rate on new bonds being sold and an improved extension term for bonds reaching maturity—follow the same pattern as in earlier savings bond revisions. You will note that we would like to make these changes effective as of June 1, 1959—regardless of when the legislation is approved—so that purchasers will know it is unwise to stop buying bonds on the false grounds that by waiting they could buy a better bond.

The other feature of our savings bond program is new and although it is rather completely described in the attachment to which I have been referring, I want to call it particularly to your attention.

We feel quite strongly that the Government has an obligation to the millions of Americans who hold E- and H-bonds to improve the future earnings of bonds already outstanding. We plan no additional interest on holdings of savings bonds for any period in the past. But we do feel that each holder of an outstanding bond is entitled to an increase of approximately one-half of 1 percent per annum on the future earnings of his bond if he holds it to maturity just as we are planning to pay one-half of 1 percent more to the buyers of new bonds.

Thus, present holders of E- or H-bonds would have little or no incentive to cash present bonds and buy new ones. Such switching operations would be costly both to the investor and to the Treasury.

The Treasury has, however, an even more important reason for taking this step, a reason which relates to the equitable treatment of all bondholders. The Treasury has something of a trusteeship function on behalf of millions of individual savers who do not follow interest rate trends closely. They buy bonds and hold bonds with understandable faith that the Government is giving them a square deal.

The new savings bond program is expected to add $30 to $35 million to the savings bond part of the budget cost of interest on the public debt for the fiscal year 1960. Approximately $5 million of this increased cost is attributable to the higher rate on new bond sales and to improved extension terms. The remainder is accounted for by increased interest on outstanding E- and H-bonds.

In assessing the true cost of the new program, however, in terms of overall budget costs of interest on the public debt, allowance should be made for some expectation of increased sales and decreased redemptions as a result of the new program in comparison with a continued deterioration of the savings bond picture if present terms are continued.

The Treasury can borrow more economically through the proposed increase in savings bond terms at the present time than it can by borrowing through marketable securities. We believe, therefore, that the net addition to next year's budget costs for interest on the public debt because of the new savings bond program may be less than $10 million, and could quite conceivably result in no net increase in all. It is realized, of course, that the gross cost on savings bonds will tend to build up in later years, but the saving in comparison with alternative borrowing would very likely continue to be a sizable offset.

The inauguration of the new savings bond program will depend on the favorable consideration by the Congress of section 3 of the first proposed bill. Section 3 will permit the Treasury to pay interest in excess of the present maximum rate of 3.26 percent, to pay increased interest on bonds already outstanding, and to permit future extensions of bonds for more than 10 years (the present limit) beyond their original maturity dates.

BACKGROUND ON THE 4¼ PERCENT INTERIEST RATE CEILING

I should like to consider next the 4¼ percent interest rate ceiling currently applying to all new issues of Treasury bonds, which includes all new Treasury issues maturing in more than 5 years. Section 1 of the first proposed bill would repeal the present limit.

The earliest of all public debt statutes, in 1790, authorized the President to borrow money on the credit of the United States for the specific purposes of payment of the foreign debt, funding of the existing domestic debt, and assumption of the debts of the several States. The President delegated this authority to the Secretary of the Treasury, Alexander Hamilton, and this pattern of responsibility continued in general until the early Civil War period. At that time (1861) the Congress directly authorized the Secretary of the Treasury to conduct the financing of the war through the issuance of bonds, 1-year notes and demand notes.

Prior to World War I, however, the Secretary of the Treasury had little discretion in the actual carrying out of the public debt operations. The acts of Congress authorizing the issuance of U.S. Government obligations usually specified the terms and conditions applicable to each individual issue.

World War I brought a change in this situation. Because of the large amounts of borrowing involved and the expectation that a number of loan operations would be required, Congress departed from its previous policy of specifying the terms and conditions of the obligations to be issued. Instead, in the first and succeeding Liberty Bond acts, Congress gave the Secretary of the Treasury broader authority to determine the terms and conditions of issue, conversion, redemption, maturities, payment, and the rate and time of payment of interest in respect to the several classes of obligations authorized to be issued. Interest rate ceilings on Treasury bonds were still set forth in the statutes, however; the last one was the present 4¼ percent rate ceiling.

In making these changes, Congress proceeded in several steps. In the first of the war financing operations of World War I, authorized by the first Liberty Bond Act in April 1917, Congress departed from its policy of determining the specific terms and conditions of each Treasury issue. The Secretary of the Treasury was authorized, with the approval of the President, to issue securities to the extent of $5 billion at a rate of interest on bonds issued under this authorization not to exceed 3½ percent. The bonds were to be offered at not less than par and no commissions were to be paid; other terms were left to the discretion of the Secretary.

There was an expectation that wartime rates might move higher. It was provided, therefore, that these First Liberty Loan bonds could be converted into bonds bearing a higher rate than 3½ percent, if any subsequent series of bonds should be issued at a higher rate before the termination of the war. It may be noted that the effective return on the new bonds was actually higher than 3½ percent for many owners in comparison with corporate bonds or mortgages, since both principal and interest were exempt from all taxation (Federal, State, and local) except estate and inheritance taxes.

In the same act authorization was given to the Secretary of the Treasury to issue

UNIVERSITY OF MICHIGAN LIBRARIES

up to $2 billion of certificates of indebtedness (1 year or less to maturity). The interest rate ceiling of 3½ percent and the tax exemption privileges provided for the bonds applied also to the certificates.

The Second Liberty Bond Act in September 1917 in effect increased the Treasury's bond issuing authority under both acts to $7.5 billion and increased the interest rate ceiling on bonds to 4 percent. The conversion privilege was retained for the new bonds except that in this instance the privilege was to arise only once instead of each time new bonds were issued at a rate higher than 4 percent. In this act and thereafter, the rate of interest payable on certificates was left to the discretion of the Secretary. Tax exemption was retained under the Second Liberty Bond Act, but to a lesser degree.

By the spring of 1918, when a third Liberty loan was under consideration, the bonds of the previous loans were selling below par and industrial and other securities were yielding a return much in excess of the rate on Government bonds. The Third Liberty Bond Act (April 1918), therefore, authorized the issue of 4¼ percent nonconvertible bonds. The tax exemption status of the new bonds was virtually unchanged from the second liberty loan.

The 4¼ percent interest rate ceiling was retained for the $7 billion of bonds issued under the Fourth Liberty Bond Act (July 1918). In order to make the rate more attractive, however, tax exemption privileges were considerably extended with respect to surtaxes, excess profits taxes and war-profits taxes payable during the war and within a fixed time after the termination of the war.

During the early months of 1919 it became clear that new financing would again be required in the near future. A complicating element in the situation was the fact that the final session of the 65th Congress would terminate on March 4, 1919, considerably before the expected date of the new financing. Carter Glass, then Secretary of the Treasury, wrote to the Chairmen of both the House Committee on Ways and Means and the Senate Committee on Finance and presented a strong case for giving the Treasury greater leeway in setting the terms of new issues. He cited at length the difficulty under conditions then prevailing of fixing the terms of loans considerably in advance of the offering.

In a statement before the Ways and Means Committee on February 13, 1919, the Secretary made a number of specific requests in connection with the forthcoming victory loan, including the request that the interest rate ceiling be removed for notes and for bonds having maturities of less than 10 years. "To withhold from the Secretary of the Treasury the power to issue bonds or notes bearing such rate of interest as may be necessary to make this refunding possible (i. e., refunding the interim certificates issued between the fourth and fifth (victory) loans) might result in a catastrophe," the Secretary stated. He added that: "To specify in the act the maximum amount of interest at a figure sufficient to cover all contingencies would be costly, because the maximum would surely be taken by the public as the minimum." It may be noted that the interest rate on certificates issued in anticipation of the third liberty loan had risen to 4½ percent a year earlier (February 1918) and had remained at that figure on subsequent issues in anticipation of the fourth and victory loans. Certificate rates later rose to 6 percent.

Before its adjournment, Congress responded to the Secretary's appeal in March 1919 with the Victory Liberty Loan Act. This act granted increased discretion to the Secretary of the Treasury to enable him to deal with the situation as it might develop as far as notes were concerned, but his request on bonds was not granted.

A note issue (one of the possibilities previously suggested by the Secretary) was authorized in the amount of $7 billion "containing such terms and conditions and at such rate or rates of interest as the Secretary of the Treasury may prescribe." The notes were to run not less than 1 year nor more than 5 years from the date of issue. In April 1919, the Treasury offered $4½ billion of 4¾ percent 3-4 year gold notes, exempt from State and local taxes (except estate and inheritance) and from normal Federal income taxes, and convertible at the option of the holder into 3¾ percent 3-4 year gold notes exempt from all Federal, State, and local taxes (except estate and inheritance). The 4¼ percent interest rate ceiling on bonds was thus not involved in the final financing of World War I, but only because no bonds were authorized or issued.

THE 4¼ PERCENT CEILING IN OUR CURRENT ENVIRONMENT

Until recently, the trend of interest rates in the past 25 years has made the 4¼ percent ceiling a somewhat academic problem. Except for a short period in the early 1930's, interest rates were low all through the depression. Confidence in the future had been seriously shaken and available savings exceeded the demand for borrowed funds. In World War II interest rates were held down artificially on Federal borrowing and the demands for borrowed funds by State and local governments, businesses and individuals were reduced to a minimum by rationing and other direct controls.

After World War II the demand for funds by non-Federal borrowers began to grow again and interest rates started to rise. This was aided by the fact that the Federal Government has not been able to reduce its debt in the postwar period as a whole. Budget surpluses in the twenties allowed the Federal Government to reduce the public debt by more than one-third (from $26 billion in 1919 to $16 billion in 1930). As a direct result, interest rates declined during a period of general prosperity.

Today, current demand for funds by businesses, home builders, State and local governments, and other borrowers continue to push heavily against a relatively modest volume of savings, and interest rates have risen further. At the present time it is extremely unlikely that the Treasury would be able to issue bonds in any volume at a rate of 4¼ percent or less. This is particularly true of the intermediate term area (5 to 10 years) where the volume of new bonds which the Treasury can sell is usually substantially larger than the more limited market for bonds in the long-term area. By the end of May 1959 a number of bonds with more than 5 years to run were selling in the market with yields above 4¼ percent.

Chart 7 on the market pattern of rates on outstanding bonds reveals that a large part of the market curve is above 4¼ percent. (Chart omitted in the RECORD.) Furthermore, since the market for longer bonds is very thin (very little buying or selling) the market yield curve in the longer area is low as an index of what the Treasury would have to pay for a long bond if one were to be issued today.

To date the Treasury has been able under the 4¼-percent ceiling to sell bonds beyond 5 years to maturity. Last January we sold more than three-quarters of a billion dollars of 21-year bonds to yield 4.07 percent and in March we sold more than half a billion dollars of 4-percent bonds due in 10½ years. But the market has moved down further since these offerings (down in price, up in yield), and with the present level of interest rates the Treasury would be seriously restricted by the present ceiling from taking advantage of reasonable opportunities to improve the structure of the public debt by issuing intermediate and longer term bonds.

It should be mentioned that since March 1942 the Treasury has had the right to offer securities at a discount. It is permissible under present statutory authority, therefore, for the Treasury to issue a bond with a 4¼-percent coupon rate at a price below par to yield any rate of interest to the investor above 4¼ percent which may be required by market conditions. The Treasury has not believed it appropriate, however, to circumvent the 4¼-percent ceiling in this way and is taking the direct approach to the problem by requesting appropriate legislation.

As the President stressed in his message the Treasury borrows at the lowest interest rate at which it can successfully sell the securities it should issue. However, the Treasury must secure its funds in the competitive market for credit as it exists at the time it needs the money. It must sell its securities at rates sufficient to attract buyers who always have the alternative opportunity to buy outstanding securities or new issues of corporate or municipal securities.

These are conditions which are true of both Government and private borrowing. Typically, over recent years the average new highest grade corporate security, for example, has cost the borrower about three-tenths of 1 percent more than the market rate on outstanding issues. The Treasury's pricing of new issues has been even closer to the market pattern of rates on outstanding issues than corporate pricing, in comparison between the new Treasury issue interest cost and the estimated market rates. All borrowers—including the Treasury—try to do their borrowing as cheaply as possible, but each new issue must be attractive or fail.

Interest yields on long-term Government securities are higher today in the United States than at any time since the 1920's except for a very brief period in the early 1930's. They are still, however, among the lowest in the world. Long-term Government bond yields in Canada average approximately 5 percent; long-term yields in the United Kingdom are almost the same, and have been as high as 5½ percent within the past 2 years.

Any comparison between present interest rates in the United States and the rates on Government bonds in 1918, at the time the 4¼ percent rate was originally established, should also recognize that the original 4¼ percent rate was in large part a tax-exempt rate, whereas all Treasury bonds issued since February 1941 have been fully taxable—and at income tax rates which are substantially higher than in 1918.

The request for removal of the limit reflects an honest appraisal of market conditions for what they are—conditions which have now made the 4¼ percent ceiling a barrier to effective debt management. Under current conditions, continuation of the 4¼ percent ceiling would not only deny the Government the opportunity to extend debt, but also could easily increase reliance on short-term financing to such an extent as to result in further imbalance in the debt structure, add to inflationary pressures, and push short-term rates to relatively high levels.

It has been alleged that the removal of the 4¼ percent ceiling would raise interest rates. This is simply not the case. The inflationary aspects of debt management policy under the present ceiling would raise increasing apprehension both here and abroad as to future value of the dollar. Nothing contributes so strongly to forcing interest rates upward as fear of inflation. Those investors who want to invest in fixed-dollar obligations (rather than in stocks) will demand higher interest rates to compensate for their expectation of a shrinking purchasing power of the future repayments of principal and interest.

Those who feel that removing the 4¼ percent ceiling would raise rates need only look to the market for shorter term issues,

where no ceiling applies. Treasury 91-day bill rates in a competitive market have moved up and down with the business cycle—up to almost 2½ percent in 1953, down to five-eighths of 1 percent a year later, up to 3⅝ percent in 1957, down to five-eighths of 1 percent a year ago, and up again to over 3 percent now. Even the 5-year rate has fluctuated from below 2 percent to more than 4 percent within the last business cycle.

The President has requested that the limit be removed, not just raised to a higher figure. If the principle of flexibility has any meaning at all, it is clear that applies here. Any figure selected for a new limit would carry with it the connotation that the Government thought that is where interest rates should properly go. As Secretary Glass said in 1919, such a "maximum would surely be taken by the public as the minimum."

HOW INTEREST RATES OPERATE

Popular discussion of interest rates is often clouded by misunderstanding of their nature in a free market economy. It is often incorrectly stated that the level of rates is determined by actions of the Federal Reserve authorities, or that the Treasury determines general interest rate policy each time it issues a new security. The view is also incorrectly expressed that interest rates somehow are fixed at high levels by large financial institutions.

The rise in interest rates which has occurred since last summer—following a rather sharp decline in the preceding 8 months—has been incorrectly attributed by some to have been the result of Federal Reserve and Treasury policies, and it is said that these policies have, in effect, cost the Treasury large sums in interest payments on the public debt. This view is followed with the suggestion that interest rates are too high and that something must be done to bring them down.

A supplemental statement that I am submitting contains a description of the factors affecting interest rates in our free market economy, a discussion of the forces causing higher interest rates during the current fiscal year, and an analysis of the various courses of action which might be effective in inducing lower rates of interest. I shall simply summarize briefly at this point the major conclusions reached in my supplemental statement.

The interest rate is a price, the price of borrowed money. It responds to forces that operate through demand and supply in free credit markets. This being the case, the primary determinants of interest rates are the actions of millions of individuals and institutions rather than those of the Treasury or the Federal Reserve. The rise in interest rates since the end of World War II has resulted primarily from unprecedented demands for credit on the part of individuals, businesses, and State and local governmental units. In addition, the Federal debt has expanded, rather than contracting as it did during the prosperity of the 1920's.

A major factor contributing to the rise in interest rates since last summer has been the record peacetime Federal budget deficit of approximately $13 billion. During the current fiscal year expansion in several categories of debt—which reflect demand pressures in credit markets—have been moderate in comparison with other recent years. Mortgage debt has increased substantially since last summer, but the total expansion in corporate bonds and notes, State and local government securities, and bank loans has been less than in any fiscal year since 1954. In addition, growth in consumer credit, except for recent months, has been moderate. On the other hand, the rise of almost $9 billion in publicly held Federal securities is in sharp contrast to the moderate increases in fiscal years 1954, 1955, and 1958 and the decrease in 1956 and 1957.

These figures support the judgment that the Federal deficit, rather than debt management or monetary policies, has been an important major factor promoting higher interest rates during this fiscal year, a fact which my supplementary statement treats in detail.

Is there, as some suggest, some practicable way of inducing lower interest rates in this country without causing great harm to our Nation?

The interest burden on the public debt—now about $8 billion per year—is, of course, of deep concern. Of much more concern, however, is the need to maintain freedom and flexibility in our economy and, at the same time, avoid more erosion in the purchasing power of the dollar. The causes of inflation in a highly industrialized, free market economy are many and complex. Consequently, a program of inflation control must be broad-gaged, and cannot rely on monetary and fiscal policy alone.

Nevertheless, monetary and fiscal policy are indispensable instruments in our attempts to protect the value of the dollar. Logic and experience show that attempts to maintain interest rates at artificially low levels—either through creation of high-powered money by the central bank or by legislative attempts to maintain artificially low interest-rate ceilings—foster inflationary pressures. Inflation works its greatest hardships on people of modest means, whose savings are primarily in savings accounts, savings bonds, insurance policies and similar types of fixed-dollars assets. Furthermore, an inflationary upsurge is usually followed by recession—the greatest enemy of sustained, rewarding economic growth.

Therefore, in any attempts to promote lower rates of interest, I would strongly counsel against some suggested techniques (discussed in detail in my supplemental statement) that would rely upon the ability of the Federal Reserve System to create large amounts of high-powered dollars.

This does not mean, however, that we cannot take actions which, although perhaps not leading immediately to lower levels of interest rates, would remove some of the significant pressures in the Government fiscal field that have tended to push rates higher during the past year.

In particular, we must have a clear demonstration of our willingness to maintain fiscal and monetary discipline. A period of high and rising business activity, such as the present, requires a surplus in Federal fiscal operations for debt retirement, and freedom for Federal Reserve authorities to conduct flexible credit policies. A budget surplus in the coming fiscal year can convert the Federal Government from a net borrower in credit markets to a net supplier of funds, through debt retirement. Pressures on interest rates can be considerably less than if the Treasury had to compete strongly with other borrowers for funds to finance a deficit.

As I have said before, the clearly mistaken view that inflation is somehow inevitable has tended to push interest rates higher. Inflationary expectations generate higher rates primarily because borrowers are anxious to obtain funds that they expect to repay in cheaper dollars, whereas many individuals and institutions with funds to invest prefer equities over debt obligations, or will make loans or purchase bonds only if interest rates are high enough to compensate for the expected rise in prices.

Any actions that would let borrowers and lenders know that the value of the dollar will be preserved would remove one of the pressures promoting higher interest rates. This can be done only by means of a broad-gaged attack on all of the forces and practices that stimulate inflationary pressures. I would reemphasize, however, that under current conditions the most important single action would be a clear demonstration of our determination to maintain fiscal and monetary discipline.

Coupled with this demonstration is the need for greater flexibility in debt management, so that a better balance in the debt structure can be achieved, and so that markets will not become unsettled over such matters as in impinging interest-rate ceilings. The removal of the 4¼-percent ceiling on new issues of Treasury bonds would be an important and necessary step in this direction.

The overriding advantage of this approach to reducing pressures on interest rates stems from the fact that the actions would be consistent with the requirements of sustainable economic growth, and would also transmit effects through market forces of demand and supply rather than by means of Government decree or regulation.

By proceeding in this way, the Federal Government would be promoting "maximum employment, production, and purchasing power," as required in the Employment Act of 1946, in a manner consistent with those crucially important but often overlooked words in the act which stipulate that such actions be carried out "in a manner calculated to foster and promote free competitive enterprise and the general welfare."

NEEDED INCREASES IN THE DEBT LIMIT

I turn now to the third part of my discussion of the major elements in our public debt legislative package, namely the President's request for an increase in the public debt limit as provided for in section 2 of the first proposed bill.

The existence of a restrictive debt limit plays an important part in our struggle for fiscal soundness. Unlike my views on the 4¼-percent interest rate ceiling, I believe a specific dollar ceiling on the public debt serves a useful purpose and can be effective in focusing attention in a unique way on the part of the executive departments, the Congress, and the public to the problems of sound Government finance. Such a limit should be restrictive enough to accomplish this purpose, yet not so rigid as to impede the normal operations of the Treasury. The debt limit changes the President has requested meet this test.

Last July the President recommended enactment of legislation to increase the regular (permanent) statutory debt limit from $275 billion to $285 billion and to provide for an additional temporary increase of $3 billion to expire June 30, 1960. Instead, the act of Congress approved September 2, 1958, increased the regular statutory debt limit to $283 billion and the temporary increase of $5 billion for the period ending June 30, 1959, provided for in the Act of February 26, 1958, was allowed to continue in effect. As a result, the statutory debt limit will revert to $283 billion on June 30, 1959, with no provision for any temporary increase in the limitation beyond that time.

On June 30, 1957, after 2 fiscal years of budget surpluses aggregating more than $3 billion, the public debt subject to the statutory debt limitation was $270.2 billion. However, as a result of the recession in late 1957 through early 1958, the Treasury incurred a budget deficit of $2.8 billion in the fiscal year 1958 and will incur a budget deficit of almost $13 billion during the year that will end on June 30, 1959, based on the President's January budget estimates.

The financing of these budget deficits is now expected to bring the public debt subject to limit to approximately $285 billion on June 30, 1959—$2 billion over the present regular ceiling. As a result the President is proposing an increase in the regular statutory limit to $288 billion, an increase equal to the $275 billion debt limit in effect at the beginning of the fiscal year plus the estimated deficit for the current year.

UNIVERSITY OF MICHIGAN LIBRARIES

This will enable the Treasury to conduct its debt operations with a margin of $3 billion to allow for flexibility in debt management operations and contingencies. A $3 billion margin is essential to proper handling of the Government's operations. The Treasury has been operating on an average cash balance of about $4½ billion during each of the last 3 fiscal years. This is relatively small; the average operating cash balance this year has averaged only 69 percent of average monthly budget expenditures—the lowest percentage for any recent year, as is shown on the right side of the chart below.

The Treasury's cash balance is no higher today than it was a decade ago, when budget spending was half its present rate.

The efficient use of cash balances in this way has, however, gone about as far as it can without impairing efficiency of Treasury operations. There are times when a somewhat larger cash balance would have given the Treasury much needed flexibility in timing its borrowing operations so that it could ride out a period of market apathy for new issues, rather than forcing the Treasury to borrow in an unfavorable atmosphere because it was running out of cash.

In addition to maintaining an adequate cash balance the Treasury should also be prepared to sell new issues of securities a week or so in advance of the maturity of old securities if such action would add materially to the success of a particular financing operation. This was true, for example, of the recently completed May 1959 financing. As part of this financing the Treasury sold $2 billion of 11-month Treasury bills with an issue date of May 11 to provide most of the funds necessary to pay off a $2.7 billion Treasury bill issue maturing on May 15. For the intervening 4 days, therefore, there was an increase in debt of $2 billion. This was possible only because the Treasury had some flexibility under the $288 billion temporary ceiling—flexibility which we requested and which the Congress approved last summer.

A third reason for our firm belief that a $3 billion debt leeway is a minimum relates to the possibility which always exists that there may be sudden demands on the Treasury in event of a national emergency, when the Congress might not be in session.

OUR DEBT PROJECTIONS FOR FISCAL 1960

The outlook for the fiscal year beginning July 1, 1959, is for a level of budget receipts sufficient to cover budget expenditures. Even with this improvement in our fiscal outlook, however, there will still be a large seasonal deficit in the first half of the fiscal year, offset by a heavy seasonal surplus next spring.

There is no distinct seasonal pattern in budget expenditures between the two halves of the year which is based on the January budget estimates.

On the other hand budget receipts follow a distinct seasonal pattern. Even when the speed-up in corporate tax collections, growing out of revisions in the Revenue Code of 1954, is completed there will still be a substantial seasonal disparity in tax receipts. As you know, smaller sized corporations will continue to concentrate payments in the spring which, together with the concentration of individuals' declaration and final payments, will still result in relatively high tax receipts in January-June of each year. Again, the January budget estimates provide the basis for these figures.

We expect, therefore, that even with a balance between expenditures and receipts for the fiscal year as a whole expenditures will exceed receipts by approximately $6 billion during the July-December half of the year. The July-December 1959 deficit will be only slightly more than half of the $11 billion deficit in July-December 1958.

At intermediate points, such as December 15 and January 15, the cumulative deficit—and, therefore, borrowing needs—will reach or exceed $7 billion. That is why the President has requested a temporary debt ceiling of $295 billion. We are asking that this temporary limit be provided only through June 30, 1960, although a valid case can be made for a provision that would, for a longer period of time, control the debt at fiscal year ends and yet provide for seasonal requirements within the year. It is entirely appropriate for the Congress to review the debt limit situation each year, however, if it so desires.

Table 1, attached at the end of this statement, indicates in detail our current semimonthly projection of the debt subject to the limit during the fiscal year 1960, assuming a constant $3½ billion operating cash balance.[1] The projections are stated both before and after the allowance for $3 billion flexibility. As you will note from the table and also from chart 16 below, on December 15, for example, even the $295 billion temporary debt limit would appear to be insufficient for a few days but we will be able to operate within that limitation without undue impairment of our flexibility. Chart 16 also indicates the wide fluctuations in the amount of debt outstanding within each month during the fiscal year just ending.

The fiscal 1960 estimates on which the current request for an increase in the debt limitation is based are the same as those contained in the budget which the President submitted to you earlier this year—budget receipts of $77.1 billion and budget expenditures of $77 billion. Those estimates were prepared 6 months ago and as the President indicated in his message on public debt management, it now appears that interest on the public debt during the forthcoming year will amount to about $8½ billion instead of the $8 billion included in the budget.

As I pointed out earlier, only a negligible amount of this half billion dollar increase (perhaps less than $5 million) represents the net additional cost of the new savings bond program. For all practical purposes the entire increase is attributable to the rise in interest rates which has taken place since the earlier estimate was made. The President also made it clear in his public debt message that the strength of our economic recovery beyond earlier expectations has improved the revenue outlook for the fiscal year 1960 sufficiently to offset the increased interest cost.

FACILITATING EXCHANGES OF TREASURY SECURITIES

Before discussion of the remaining sections of the first proposed bill I would like to complete my statement by discussing briefly the provisions of the second proposed bill.

I have already spelled out in some detail the problem of an ever-shortening public debt and the Treasury's determination to issue intermediate and long-term bonds whenever market conditions are appropriate. Typically, new Treasury bond issues arise either from a new issue sold for cash or a new issue offered in exchange to holders of securities which are maturing within a matter of weeks. Many of these maturing securities were originally long-term bonds, bought initially by long-term investors such as individuals, personal trust accounts, life insurance companies, mutual savings banks or pension funds. When the bonds approach maturity, however, most of these longer-term investors have already liquidated their holdings and at maturity the bonds are usually held largely by commercial banks or by nonfinancial corporations or other short-term investors. Therefore, both of the traditional methods of issuing long-term securities which the Treasury uses involve a substantial amount of churning in the market as long-term investors seek to raise the cash to pay for a new cash issue or to buy the maturing issue which gives them to right to exchange the maturing issue for the new one.

There is a third approach, however, to the problem of selling longer-term securities to long-term investors, and it is an approach which we believe would add materially to the Treasury's ability to encourage such investors to maintain investment in long-term securities. This approach may be characterized as "advance refunding." It is a technique which was used in the Canadian conversion loan operation last summer, whereby $6 billion of securities having from 6 months to 8 years yet to run to maturity were exchanged for securities with maturities ranging from 3 to 25 years, an operation involving about 40 percent of that country's national debt.

Because of fundamental differences in the financial systems of the two nations, the U.S. Treasury has no intention of embarking on such an ambitious program in attempting to solve our debt problem. The basic thought behind the Canadian operation should be given careful consideration, however, as to its possible application in the United States in a much more limited way.

One of many possibilities in this direction, when and if market conditions are appropriate at some time in the future, is to offer new long-term bonds to the holders of the large amount of 2½ percent bonds sold immediately before or during World War II. Such a new issue, or issues, would be sold on terms that would be attractive to the present holders and would permit the Treasury to do a substantial amount of debt extension on a straight exchange basis with existing holders, and, therefore, with a minimum of effect on the Government securities and capital markets. These are investors who already hold substantial amounts of Government securities. We want to keep them invested in Governments if we can.

Under present law, however, the exchange of one Federal security for another in any refunding operation requires that the gain or loss from the exchange must be recognized for tax purposes if value of the old security on the books of the investor is above or below the market value of the new issue as of the date of exchange. In practice, this type of advance refunding operation would be expected to establish a loss for tax purposes to most holders because the Treasury would be likely to engage in advance refunding only if the obligations to be exchanged are selling below par in the market The 2½ percent bonds referred to, for example, were selling at prices ranging from $83 to $88 per $100 bond as of end of May. The terms of the new, longer issue would, of course, be set so that it would be worth approximately the same price in the market as the issue being turned in. Whether an investor would accept such an offer or not would be entirely his own decision. No holder can be compelled to give up his present contract rights by taking an exchange issue unless he wants to.

Under these circumstances, the present taxable character of the exchange represents an immediate tax advantage to any taxable holder since he may take a loss which he can employ for tax purposes. If he holds the new issue to maturity or sells at a higher price, he may realize a corresponding gain on the new security. He will then have to pay a tax on this gain, but in the meantime, he has had the benefit of postponing the tax on the loss deduction under present law.

Under the proposed bill postponing the recognition of gain or loss, the reason that an investor may find an exchange more attractive, despite the denial of a tax advantage, is because of his balance sheet and reserve position. So long as gain or loss on the exchange must be recognized for tax

[1] Similar data for the fiscal year 1959 are shown in table 2 at the end of the statement.

purposes many governmental authorities who supervise financial institutions require that the institution record the loss on its books. This means a corresponding reduction in earnings and in surplus, which is understandably distasteful to many investors.

If recognition of gain or loss were to be postponed until the ultimate disposition of the new security, however, it would become possible on the assumption that governmental supervisory authorities approve, for the institutional investor to carry the new securities at the same basis of valuation that he has been carrying the old ones. Thus, removal of the need to accept a book loss would make the exchange more attractive to many investors. Any investor who would benefit, under present law, from taking a tax loss could sell the old security and buy the new issue in the market.

Enactment of the second proposed bill would permit the investor to carry over the valuation basis of the bonds which are directly exchanged for the new bonds in this way. This could be done only under rules which we would prescribe for each exchange of securities so that the recognition of gain or loss for tax purposes could be deferred. There would be no change in present provisions of law where exchanges of obligations other than U.S. Government securities are involved.

I would like to emphasize again that the practical application of this bill at the time of any such exchange—to the extent that the bondholder is a taxpayer in the first place—is to postpone recognition of a tax loss and therefore would tend initially to increase rather than reduce revenues. Actually, the effect on tax revenues will be small because of the character of many of the institutions involved—pension funds, mutual savings banks, savings and loan associations, and charitable organizations.

I thank you for your patience in bearing with me through my long statement. I hope it has given you some insight into our problems and why we feel prompt enactment of both proposed bills is essential.

TABLE 1.—*Forecast of public debt oustanding, fiscal year 1960, based on constant operating cash balance, $3.5 billion (excluding free gold) (based on 1960 budget document)*

[In billions]

	Operating balance, Federal Reserve banks and depositaries (excluding free gold)	Public debt subject to limitation	Allowance to provide flexibility in financing and for contingencies	Total public debt limitation indicated
1959				
July 15	$3.5	$287.1	$3.0	$290.1
July 31	3.5	287.6	3.0	290.6
Aug. 15	3.5	287.5	3.0	290.5
Aug. 31	3.5	288.9	3.0	291.9
Sept. 15	3.5	290.8	3.0	293.8
Sept. 30	3.5	286.7	3.0	289.7
Oct. 15	3.5	289.7	3.0	292.7
Oct. 31	3.5	290.0	3.0	293.0
Nov. 15	3.5	292.5	3.0	295.5
Nov. 30	3.5	290.6	3.0	293.6
Dec. 15	3.5	293.5	3.0	296.5
Dec. 31	3.5	290.2	3.0	293.2
1960				
Jan. 15	3.5	292.6	3.0	295.6
Jan. 31	3.5	290.9	3.0	293.9
Feb. 15	3.5	291.7	3.0	294.7
Feb. 29	3.5	289.8	3.0	292.8
Mar. 15	3.5	291.3	3.0	294.3
Mar. 31	3.5	286.1	3.0	289.1
Apr. 15	3.5	288.9	3.0	291.9
Apr. 30	3.5	288.3	3.0	291.3
May 15	3.5	289.3	3.0	292.3
May 31	3.5	288.3	3.0	291.3
June 15	3.5	290.6	3.0	293.6
June 30	3.5	284.4	3.0	287.4

NOTE.—When the 15th of a month falls on Saturday or Sunday, the figures relate to the following business day.

TABLE 2.—*Actual cash balance and public debt outstanding, July 1958 to May 1959*

[In billions]

	Operating balance, Federal Reserve banks and depositaries (excluding free gold)	Public debt subject to limitation
1958		
Actual—		
July 15	$5.5	$275.2
July 31	3.9	275.1
Aug. 15	5.3	277.8
Aug. 31	5.3	278.2
Sept. 15	1.5	276.3
Sept. 30	3.9	276.4
Oct. 15	4.7	280.0
Oct. 31	3.3	279.9
Nov. 15	2.2	279.9
Nov. 30	5.3	282.7
Dec. 15	2.1	282.2
Dec. 31	3.8	282.6
1959		
Jan. 15	1.7	282.6
Jan. 31	4.5	285.5
Feb. 15	2.8	284.8
Feb. 28	3.9	284.8
Mar. 15	2.1	284.6
Mar. 31	3.2	281.7
Apr. 15	4.2	285.4
Apr. 30	4.4	285.0
May 11	6.1	286.8
May 15	4.2	285.0
May 31	4.7	286.0

NOTE.—From Feb. 26 to Sept. 2, 1958, the statutory debt limitation was $280,000,000,000 including a temporary increase of $5,000,000,000 which was scheduled to expire June 30, 1959. The act approved Sept. 2, 1958, increased the limitation to $288,000,000,000, which will revert to $283,000,000,000 on June 30, 1959.

When the 15th of a month falls on Saturday or Sunday, the figures relate to the following business day.

SUPPLEMENTAL STATEMENT ON PUBLIC DEBT MANAGEMENT BY SECRETARY OF THE TREASURY ROBERT B. ANDERSON BEFORE THE HOUSE WAYS AND MEANS COMMITTEE, 10 A.M., JUNE 10, 1959.

INTEREST RATES IN A FREE MARKET ECONOMY

As I observed in the main portion of my statement before this committee, popular discussion of interest rates is often clouded by misunderstanding of their nature in a free market economy. The purpose of this supplementary statement is to discuss in some detail the nature of interest rates—particularly the factors that cause them to rise or fall—the reasons for the increase in rates since last summer; and several alternative courses of action that might be effective in inducing a lower level of interest rates.

Demand and supply in credit markets

Speaking broadly, the interest rate is nothing more nor less than a price, namely, the price of borrowed money. As a price, the rate reacts to the same sort of influences as other prices in a free market economy—influences that operate through the demand for and supply of funds available in credit markets. Just as an increase in the demand for goods or services tends to increase the prices of these items, so does an increase in the demand for funds tend to increase interest rates. And an increase in the supply of funds available in credit markets has the same basic effect as an increase in the supply of any goods or services in any market; price tends to fall. This is true under our present market arrangements; it will remain true so long as credit markets remain free and borrowers and lenders are permitted to manage their affairs with a minimum of interference and regulation.

From the side of demand, the principal impact on interest rates reflects the actions of four groups of borrowers: Individuals, corporations, State and local governmental units, and the Federal Government. Total indebtedness of these borrowers has almost doubled since 1946.

Individuals, borrowing to finance purchases of a variety of goods and services and to construct or purchase homes, increased their gross indebtedness from $60½ billion to $240 billion between 1946 and 1958. The gross debt of business corporations, which seek credit to finance working capital needs and for longer run purposes in expanding and modernizing plant and equipment, rose from $110½ billion to $298 billion. State and local governmental units, confronted with growing needs for schools, highways, and streets, and a variety of other facilities, have borrowed heavily in the postwar period; their gross debt expanded from $16 billion in 1946 to $59 billion in 1958. The Federal Government, the fourth major borrower in credit markets, seeks funds to meet seasonal needs and to finance a deficit. The public debt increased from $259½ billion in 1946 to $283 billion in December 1958. As of the end of June, the debt is expected to total $285 billion.

The postwar pressure on interest rates arising from the demand for credit is apparent. Concomitant with the large expansion in demand, however, has been a growth in the supply of funds available in credit markets. These funds come ultimately from two sources: Savings or money creation. It makes little difference to the borrower whether the ultimate source is one or the other; dollars flowing out of money creation are fully as spendable as those made available from savings. The ultimate source may be of crucial importance from the standpoint of achieving price stability and sustainable economic growth, however, simply because dollars generated through money creation represent an increase in the total pool of dollars available for spending and, if not matched by a more or less equal increase in output of goods and services, tend to force prices up. It is no accident that consumer and wholesale prices have more than doubled during the past 20 years, in view of the fact that a fourfold increase in the active money supply was only partly matched by an approximate doubling of real production of goods and services.

There is no need to go in detail into the various forms of savings—by individuals, business firms, and governmental units—or to differentiate sharply between funds flowing from current saving and those that represent savings of earlier years that subsequently are made available to borrowers. The really important point relates to the distinction between funds obtained from existing pools of dollars and those generated by money creation.

How does money creation take place? Largely through the lending and investing activities of the more than 13,000 commercial banks in this country. Suppose that John Doe wants funds for use in his business, or to improve his home, or to meet medical or other expenses. And suppose that he applies for a loan from a commercial bank to obtain the funds. If the loan is granted, John Doe simply signs his promissory note and acquires a credit to his deposit account in the bank. This transaction represents no transfer of existing dollars; quite the contrary, John Doe has an extra $100, $1,000, or $10,000, depending on the amount of the loan, but no other individual or institution has any less money. Money creation has indeed taken place. Moreover, not only John Doe, but thousands of business firms, many State and local governmental units, and the Federal Government also borrow, directly or indirectly, from commercial banks. Each bank credit extension of this type which is not offset by a reduction in other bank loans or investments results in an equivalent amount of new money creation.

Do commercial banks have unlimited ability to create money in this fashion? Not

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by any means. People borrow money primarily in order to spend, and the banker who makes such loans knows that within a relatively short period of time the newly created deposit will probably be withdrawn from his bank. This will probably take the form of a transfer to another bank, perhaps in the same city, perhaps somewhere else in the Nation. But, the important point is that the banker must be able to meet a drain of cash out of his bank; and his ability to do so depends on his cash reserve position. In other words, he cannot afford to make large extensions of credit unless he has extra cash on hand (or on deposit with his Federal Reserve bank) to meet the resulting drains, or unless he is in a position to obtain additional cash as the drains take place.

This is where the Federal Reserve System comes into the picture. Through various devices (e.g., discount policy, open market operations, and control over member banks' reserve requirements), Federal Reserve authorities can influence the cost and availability of bank cash reserves. In so doing, the willingness and ability of commercial banks to make new loans and investments—and thus add to the flow of funds available in credit markets—is very much affected.

The resiliency of bank credit expansion and contraction can serve as an important balancing wheel in credit markets—or, it can operate as a serious destabilizing factor in our attempts to achieve a stable price structure and relatively full and efficient use of our economic resources. The critical question is, of course, the rate at which bank deposits come into or go out of existence. During a period of high and rising business activity, when credit demands are especially strong, and when men, machines, and materials are being used at high capacity, an excessive amount of money creation tends to add to inflationary pressures. Spending in the economy as a whole may expand rapidly but, with resources in relatively full use, the volume of goods and services that can be produced can only be increased slowly. Inflation is then the result. And judging by past experience, an inflationary upsurge is likely to be followed by readjustment and recession, so that our end objective of achieving maximum economic growth is actually impeded.

Since recession is a serious deterrent to sustained economic growth, bank credit expansion may be desirable when economic activity is lagging. Under these conditions, the men, machines, and materials necessary to support increases in production are available. Greater spending by consumers and business firms is to be desired.

Consequently, sustained and rewarding economic growth—which requires reasonable price stability and relatively full and efficient use of our economic resources—can be attained only if the aggregate flow of credit is consistent with the ability of the economy to absorb that flow, when translated into spending, at a given time. And, the Federal Reserve System, in fulfilling its statutory obligations, is constrained to employ its monetary powers flexibly. In a free market economy, an inevitable result of the interaction of demand and supply forces in credit markets—including the impact of Federal Reserve actions—is fluctuations in interest rates.

Stated simply, flexible credit policies, attuned to the business situation as it unfolds over time, can be effective only if interest rates are free to respond to the forces of demand and supply in credit markets. But it must be emphasized that the major forces affecting those rates stem from actions of free and independent lenders of funds. The law of supply and demand is a powerful and inescapable economic force; attempts to thwart it in the past have inevitably led to greater difficulties later on.

At times interest rates seem to decline faster than might be expected in view of basic trends in credit demands, savings, and the availability of bank credit. At other times they seem to rise faster than might seem warranted in view of these forces. For example, the sharp decline in rates in late 1957 and early 1958 seemed to outrun basic forces of demand and supply, and the same can be said of the sharp increase in rates in the summer of 1958.

The explanation of such sharp shifts can be found primarily in the impact of expectations on credit markets. In late 1957 it became clear that recessionary forces were gathering strength. The Federal Reserve System, consistent with its responsibility to conduct its operations flexibly, shifted from the restrictive policy of the preceding 2½ years toward a policy of monetary ease. In view of the shift in the business situation, which implied a slackening demand for funds in credit markets, and in view of the reversal of Federal Reserve policy, which implied an increase in availability of bank credit, market participants reasoned that the uptrend in interest rates that had prevailed since 1954 would be reversed, and that the outlook for some time to come was for declining rates.

Declining interest rates are synonymous with rising prices for outstanding Government and other types of bonds. Consequently, individuals and institutions with funds to invest tended to step up purchases of such instruments—the supply of funds available in credit markets expanded sharply; and individuals and institutions with bonds for sale became more reluctant to part with them—the demand for funds subsided, relatively speaking. The result: sharp declines in interest rates (or increases in bond prices), stimulated largely by expectations of lagging business and easy money.

The decline in business activity came to an end much sooner than many observers anticipated. In June 1958, the strengthening business picture gave rise to rumors that Federal Reserve policy might be in the process of shifting away from the aggressively expansive policies of preceding months. Many investors in debt instruments, including Government bonds, became anxious to dispose of the securities before interest rates rose and bond prices declined; potential buyers became less anxious to buy. The result: sharp increases in interest rates, stimulated largely by expectations.

Thus, one type of expectation is related primarily to the swings in business activity and the impact of flexible monetary policies. But at times other types of expectations exert important influences. During the past year, the increase in interest rates has been stimulated partly by a growing—but, in my judgment, mistaken—conviction that inflation is inevitable. Many investors have been reluctant to purchase debt instruments, which carry a fixed interest return and principal payment, as opposed to equities. This reluctance to purchase bonds, and the preference for equities, has contributed to relatively low bond prices (high interest rates) and high stock prices.

It is important to emphasize, however, that effects of expectations are likely to be short-lived, unless later ratified by the expected events. The sharp decline in interest rates in late 1957 and early 1958 could not have been sustained had it not been for the fact that recession did occur, credit demands did subside, and monetary policy did assume a posture of aggressive ease. Again, the sharp rise of last summer was later ratified, in part, by the vigorous expansion of business activity, with the accompanying demands for credit, and the impact of a $13 billion Federal deficit on credit markets. Finally, the impact of inflationary expectations on the level of interest rates can be minimized only when it becomes clear to participants in free credit markets that the integrity of the dollar will be preserved.

In summary, interest rates in a free market economy are influenced by a number of factors which can best be understood in terms of the forces working through demand and supply in credit markets. Of primary importance on the demand side are borrowings by individuals, businesses, State and local governmental units, and the Federal Government. The supply of funds available in credit markets is mainly a reflection of the availability of financial savings, coupled with net changes in commercial bank credit. Federal Reserve policy, by influencing reserve positions of commercial banks, affects the rate of flow of bank funds into credit markets.

Before examining the reasons for the rise in interest rates in this country since last summer, it might be worthwhile to discuss briefly two popularly held views concerning the nature of interest rates that, in my judgment, are mistaken.

One often hears the statement that increases in interest rates are necessarily inflationary, in that interest is a cost of doing business and sellers of goods tend to pass on rate increases in the form of higher prices. The people who hold this view overlook the fact that rising interest rates are indicative of pressures in credit markets growing out of strong demands for funds relative to the supply. Inasmuch as individuals and institutions borrow money primarily to facilitate spending, rising interest rates reflect an inability of all potential borrowers to obtain as much credit as they would like to have. In other words, spending is impeded, and the rise in interest rates is one measure of the degree of restriction on spending. And, under normal circumstances, anything that tends to dampen spending when business activity is high and rising tends to diminish—not to augment—inflationary pressures.

Moreover, available figures indicate clearly that interest, as a cost of doing business, is a decidedly minor expense. In 1957, for example, net interest costs of all manufacturing corporations were only four-tenths of 1 percent of gross sales. Thus, of the cost of an article selling for $100, only 40 cents represented interest cost. Admittedly, interest expenses of wholesalers and retailers, who also must finance some of their operations by borrowing, would add slightly to total interest cost included in items bought by final consumers. Still, however, the contribution of interest expense to total cost would be small.

It has been suggested that public utility rates are influenced significantly by interest costs, since such firms rely heavily on bonded indebtedness. In this case, however, net interest expense is estimated to be less than 4½ percent of gross revenues.

The evidence seems clear that an increase in interest rates exerts only a small direct effect on prices of goods and services, and that this impact is far outweighed by the restrictions on total spending stemming from limited availability of funds in credit markets.

There is also a misconception concerning the identity of the recipients of interest payments on the Federal debt. Some observers appear to believe that large financial institutions are not only the major recipients of such payments, but that their share has increased as interest rates have advanced in the postwar years.

The accompanying table, which presents estimates of the distribution of interest payments on the public debt in 1946 and 1958, indicates clearly that such is not the case. In 1946, the major financial institutions—commercial banks, mutual savings banks, and insurance companies—received an estimated $2.1 billion in interest on holdings of Government securities, or about 45 percent of the total of such payments. By 1958,

the share of these institutions had declined to $2 billion, representing only 26 percent of total payments.

Estimated distribution of the interest on the public debt, fiscal years 1946 and 1958

[In billions of dollars]

Investor classes	Budget expenditures	
	1946	1958
Individuals.		
Savings bonds	0.7	1.5
Other securities	.5	.4
Subtotal	1.2	1.9
Commercial banks	1.4	1.5
Mutual savings banks	.2	.2
Insurance companies	.5	.3
Nonfinancial corporations	.2	.6
State and local governments	.2	.4
Miscellaneous investors	.2	.4
Federal Reserve banks	.1	.8
Government investment accounts	.7	1.5
Total	4.7	7.6

Moreover, a significant portion of the interest income of banks has been passed on to customers in the form of higher rates on time and savings deposits. For example, in 1946 member bank interest payments to depositors were only 20 percent of interest income on their holdings of Treasury securities. Reflecting the sharp increase in rates paid on time and savings deposits in the past few years, member banks in 1958 paid almost 90 percent of their interest income on Governments to depositors.

Other important trends brought out by the table include an $800 million increase in interest payments on savings bonds, held mostly by individuals; a $700 million expansion in payments to Federal Reserve banks, which returned 90 percent of their net earnings to the Treasury; and an $800 million increase in payments to Government investment accounts, which are operated almost wholly for the benefit of individuals.

These figures indicate, therefore, that a substantial portion of payments on the debt accrue directly or indirectly to the benefit of individuals, many of whom are of relatively modest means. Moreover, the increase in interest payments since 1946 reflects increased payments primarily to individuals, Federal Reserve banks, and Government investment accounts, rather than to private financial institutions.

The rise in interest rates since last summer

Trends in interest rates over a period of several years, or of several months, can be understood only in terms of the major demand and supply forces at work. Accordingly, it might be worth while to examine closely the increase in rates that has occurred during the current fiscal year in order to gain an understanding of the factors underlying the advance.

Interest rates on Treasury and other securities have risen considerably from the lows reached during the recession of 1957–58. Yields on long-term Treasury bonds, which averaged 3.12 percent in April 1958, had risen to an average of 4.08 percent in May 1959. Average issuing rates on 3-month Treasury bills, which fell below 1 percent in the spring and summer of 1958, have recently risen above 3 percent. Similarly, rates on commercial paper, bankers' acceptances, prime bank loans, corporate and municipal bonds, and other debt instruments have advanced substantially during the past year.

What factors lie behind this rise in rates? First, let's look at the demand for credit.

The growth of consumer credit in the current fiscal year has been less than in most recent years. Thus, pressure on interest rates from this source has been moderate, except for the past few months, in which demand for consumer credit has risen substantially. Individuals have indeed been active borrowers of funds, primarily in the form of mortgage credit. Total real estate mortgages, consisting largely of individuals' borrowings, are expected to increase $18 billion this fiscal year, a greater rise than in any of the past 5 fiscal years. This increase can be viewed as having contributed to demand pressures in credit markets.

Total corporate bonds and notes, State and local government securities, and bank loans have increased less than in any fiscal year since 1954. Thus, these credit demands have not exerted significant pressures on financial markets.

The demand for credit on the part of the Federal Government, to finance a record peacetime deficit of approximately $13 billion, has been much greater than in any of the preceding 5 fiscal years. The publicly held Federal debt will increase by almost $9 billion in this fiscal year, as contrasted with increases of $3.1 to $3.3 billion in fiscal years 1954, 1955, and 1958, and declines of $4.7 and $3.5 billion, respectively, in 1956 and 1957. (The difference between the $13 billion deficit and the $9 billion increase in Federal debt in this fiscal year results primarily from a reduction in the Treasury's cash balance.)

These figures demonstrate clearly that the more important demand pressures on interest rates during the past year have stemmed from the increase in mortgage debt and the record peacetime Federal deficit. However, the rise in mortgage debt, although substantial, is not much greater than in fiscal years 1955 and 1956. Thus, it appears that a major factor contributing to the sharply rising demand for credit in fiscal 1959 has been the record peacetime Federal deficit. The addition of almost $9 billion in Federal securities to what might be viewed as more or less normal aggregate credit demands could only exert strong pressure on interest rates.

As I noted earlier, however, trends in interest rates are also influenced by forces working through the supply of funds available in credit markets. While data on savings are difficult to interpret in term of impact on credit markets, there appears to be no evidence that a shift in the availability of savings has contributed to the rise in rates during the past year.

As to the timing of the events in the summer of 1958, it is important to note that member bank reserve positions and short-term money market rates reflected a continuation of monetary ease until August—a full 2 months following the reversal of market rates on intermediate—and longer term Government bonds. Thus, the market appears to have led monetary policy and, as stated earlier, the market shift resulted primarily from radical changes in expectations. The shift in expectations resulted, in turn, from: (1) a growing comprehension that the recession had ended and that vigorous recovery was underway, with its consequent impact on demand for credit; (2) a belief that Federal Reserve credit policies, in view of the shift in the business situation, would soon move toward restraint in keeping with the requirements of flexible administration of such policies; (3) a realization that in fiscal year 1959 the Federal Government would be confronted with a deficit of $10 to $15 billion, with its strong impact on demand for credit; and (4) a growing—even if unfounded—conviction on the part of investors that further inflation would probably occur, stemming from the rigidity of prices during the recession, the impact of business recovery, and the inflationary ramifications of a record peacetime deficit during a period of rising business activity. In addition market pressures were increased significantly by liquidation of heavy speculative holdings of Government and other securities, built up earlier in the year and in June, sometimes on relatively thin margins.

It should be emphasized again, however, that the increases in rates arising from expectations could not have been sustained had not the expectations later been ratified. And most of them were indeed ratified. Business activity has expanded vigorously; a $13 billion deficit was confirmed by official sources; and Federal Reserve credit policy did shift away from the strongly expansive policies of early 1958. The expectation of continuing inflation has not been confirmed; whether or not it will be depends in no small measure on the degree of fiscal and monetary discipline that is maintained during this period of high and rising business activity.

Furthermore, the available evidence points only to a mild degree of credit restraint since last summer. For one thing, the strong upward trend in production, employment, and income with, as yet, absence of strong inflationary pressures, indicates that credit has been sufficiently available to meet the needs of the economy. Moreover, monetary growth since last summer, as measured by the annual rate of expansion in the seasonally adjusted money supply, has been at least equal to and perhaps slightly greater than what is usually thought of as a normal rate.

All things considered, it seems to me clear that the major factor contributing to the rise in interest rates during the past year has been the $13 billion Federal deficit. It has exerted a twofold impact: first, by stimulating expectations in the summer of 1958 of strong credit demands and of a further erosion in the value of the dollar; and, second, by adding almost $9 billion in Federal securities to the demand side of credit markets.

Consequences of various proposals to induce lower interest rates

Are there any courses of action, open to Congress, the executive branch, or the Federal Reserve System, which might be successful in inducing lower interest rates? It must be emphasized that any such actions, to be effective without leading to later difficulties, must operate through the basic forces of demand and supply. As I stated earlier, the law of supply and demand is a powerful economic force. Any attempt to hold interest rates to artificially low levels would be doomed to ultimate failure unless appropriate steps were taken to adjust demand and supply forces consistent with the selected level of rates. And even then, later difficulties may well arise. The situation is parallel to attempts to maintain price ceilings on goods and services during national emergencies; prices can be prevented from rising, if inflationary pressures are strong, only through resort to rationing, allocation of materials and labor, and so on. Similarly, interest rates can be kept from responding to the forces of demand and supply only through direct intervention in credit markets and a consequent abridgement of economic freedom. It is therefore assumed that any courses of action to be considered would involve influencing demand and supply.

With this stipulation accepted, six proposals might be mentioned. Several of these proposals, however, would so harm the Nation that responsible people would be unwilling even to consider them. They are presented solely for the purpose of bringing forward issues which apparently are often misunderstood.

(1) One approach would be for the Government, through various means, to promote recessionary pressures in the economy. Interest rates commonly decline during recessions, partly because of a slackening demand for funds on the part of individuals and businesses, partly because of a relative increase in availability of financial savings, and partly because of greater availability

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of bank credit in connection with a flexible shift of monetary policy toward credit ease.

This first alternative is, of course, absurd; no responsible government would attempt to induce recession—with its accompanying loss of production and rise in unemployment—simply to produce lower rates of interest. But the introduction of this alternative highlights the fact that high and rising interest rates are a sign of expanding business. For a responsible government, the choice between high levels of business activity and employment as opposed to low interest rates is actually no choice at all. Stated differently, high interest rates are not an end in themselves; rather they are the usual accompaniment of the active credit demands that characterize expansion in production, employment, and income.

(2) It has been suggested that interest rates could be reduced if the Federal Reserve banks were directed by Congress to purchase all new issues of Government securities; this would tend to reduce pressures on interest rates, since the Federal Reserve banks would in effect create the funds necessary for the purchase of the securities. The actual process would involve credit to the Treasury's deposit balance in Federal Reserve banks in return for the newly issued Government securities.

There are at least two serious objections to this course of action. In the first place, the prohibition of direct sales of securities by the Treasury to the central bank, except under unusual and very limited circumstances, has been an important characteristic of our financial mechanism ever since the establishment of the Federal Reserve System in 1913. As one adjunct to their primary function of influencing the flow of money and credit, the Federal Reserve banks were envisaged, by the framers of the act, as fiscal agents for the Government—to hold Treasury working balances; to clear Treasury checks; to issue, redeem, and pay interest on Government securities; and so on—not as a source of credit to finance the Government's needs. Experience in a number of foreign countries has demonstrated the dangers of easy access to central bank credit on the part of the branch of Government that has the responsibility for financing the Government's requirements. Fiscal discipline is especially difficult to preserve if the exchequer has, in effect, a blank check on the money-creating authority.

A second major objection to sale of new Treasury issues directly to the Federal Reserve banks arises from the fact that the transaction would provide the basis for a highly inflationary expansion of the money supply. The recipients of Treasury checks drawn on the newly created deposits at the Reserve banks would deposit most of the proceeds in Federal Reserve member banks, and the member banks in turn would send the checks to their district reserve banks for payment. Payment would be effected in the usual way, by crediting—or increasing—the reserve balances of the banks on the books of the Reserve banks. Bank reserves would be increased by the amount of the credits; this would provide a basis for additional lending and investing by the banking system by an amount equal to about six times the increase in reserve balances. Growth in the money supply would therefore, be strongly stimulated. Interest rate pressures would have been reinstated only at the cost of highly inflationary increases in bank credit and the money supply. Moreover, as I pointed out in the main portion of my statement, strong inflationary pressures tend to promote even higher levels of interest rates.

Recognizing the objection that large-scale purchases of Government securities by the Federal Reserve banks would be highly inflationary, advocates of this course of action sometimes maintain that the inflationary growth in the money supply could be avoided simply by raising member bank reserve requirements. In other words, the new reserves created by the Federal Reserve purchases would be immobilized immediately by increasing the percentages of idle funds that member banks must hold in relation to deposits.

There is an important practical objection to this proposal. The purchase of, say, $5 billion of new Government securities by the Federal Reserve banks would result in the creation of $5 billion in new bank reserves, but these reserves would flow into the banking system, and be disseminated among individual banks, in accordance with market forces. No one could predict the ultimate distribution of the new reserves in advance. Some banks would receive a large portion, some a smaller portion; the ultimate distribution would depend primarily upon the location of the individuals and institutions who received the Government payments financed by the deficit borrowing.

An increase in member bank reserve requirements, however, affects all banks in a given classification (central reserve city, Reserve city, and country) equally in terms of percentage points of reserve requirements. Consequently, a blanket increase in reserve requirements of the magnitude required to neutralize the reserve-creating impact of large-scale Federal Reserve purchases of governments might well lead to severe dislocations and disturbances in credit markets. Some banks would have ample reserves, others would find themselves severely pinched. It can be argued that market forces would tend to correct these imbalances, and they would—over time. But in the short run, forces might well be set in motion leading to abrupt swings in interest rates and availability of credit; credit droughts in one part of the country and surpluses in another; and so on. And, in any event, the credit market, while highly efficient, by no means operates with complete perfection in transferring funds from areas of plenty to areas of shortage.

To this important practical objection against selling Government securities to the Reserve banks and then offsetting the inflationary impact by raising member bank reserve requirements can be added a more basic objection, if it is assumed that one purpose of the action would be to prevent interest rates from rising. As I noted earlier, purchases of $5 billion of Federal securities by the Reserve banks would result in an equivalent increase in the money supply as the recipients of the checks deposited the proceeds in their commercial banks. In the first instance, then, there would be an important inflationary impact, resulting from the spending of the funds by the Government and the expansion in the money supply.

A large increase in reserve requirements could, indeed, nullify the growth in the money supply, but only by severely restricting the lending and investing activities of commercial banks. This, in turn, would exert pressure on individuals, business firms, and States and local governments, and tend to force interest rates for such borrowers to higher levels. The inflationary impact of the increase in money supply resulting from Treasury borrowing from the Reserve banks can be offset only if credit contraction occurs in other segments of the economy; the $5 billion increase in deposits held by recipients of the Treasury checks must be offset by a $5 billion decline in funds of other individuals and institutions. This can be achieved, in free credit markets, only through credit restriction, which implies additional pressure on interest rates. Thus, during a period of prosperity and a growing demand for credit, the choice is either between a somewhat higher level of interest rates, or stimulation of inflationary pressures through monetary expansion. There are no other choices.

The recommendation that Federal Reserve banks buy all or substantial portions of new issues of Treasury securities involves one other aspect that deserves discussion. Specifically, it has been recommended that the Federal Reserve banks be required to purchase only that portion of a new issue that investors other than commercial banks would not purchase; thus, the Reserve banks, in effect, would replace commercial banks as buyers of Governments. This recommendation is based partly upon the assumption that commercial banks do not perform a necessary service in buying Government obligations. Their ability to create money, it is maintained, permits them to buy these securities; but in fact the authority over money creation is constitutionally vested in Congress. Thus, it is argued that the Government should perform this function, through the Federal Reserve banks, without burdening taxpayers with interest charges.

This argument deserves several comments. In the first place, as noted earlier, purchases of Government securities directly by Federal Reserve banks would be highly inflationary. Secondly, whether or not the commercial banks perform a necessary service in creating money, there is little doubt that they perform an important economic function. Demand deposits in commercial banks have assumed a monetary function simply because people prefer to hold funds and make payments in that form, rather than in the form of currency. Moreover, money is essential to efficient performance of a highly industrialized market economy and, if the commercial banks did not perform the money-creating function, some other institution or agency would have to do so.

Furthermore, commercial banks do indeed perform a useful service in purchasing and holding Government securities. The business of commercial banking, in essence, is that of holding relatively illiquid assets—principally loans and investments—against liabilities that are largely redeemable on demand. This involves risk and, in assuming that risk, stockholders of commercial banks are entitled to a return for a service performed. The fact that an asset is a Government security rather than a commercial loan is not germane; marketable Government securities, while devoid of risk relating to interest and principal payments, do possess risk as to the price at which they can be sold in the market. Because of the nature of their liabilities, banks must be prepared—and at times may be compelled—to liquidate assets in order to meet deposit drains. They are therefore providing an economic service by holding illiquid assets which the public does not desire to hold at the time, and in return furnishing the public with the liquidity—or money—that it desires.

There are at least two important reasons why the money-creating function should not be assigned wholly to the Federal Reserve banks. In the first place, under our institutional arrangements the money-creating function is closely allied with that of granting credit to a wide variety of borrowers. It is a cardinal principle of our type of government that private institutions should dominate credit-granting activities; otherwise, the ability to obtain credit might rest less on credit worthiness and more on noneconomic factors.

Second, lodgment of the money-creating authority wholly in the Federal Reserve banks, along with expanded authority for the Reserve banks to lend directly to the Government, would permit the Government to finance its residual needs through the Reserve banks and thus bypass the market. This would violate the basic principle set forth earlier, namely, that direct entry of

the Government to the central bank for purposes of meeting fiscal requirements should be severely limited.

In many respects, the question of transferring in whole or in part the money-creating function from the commercial banks to the Federal Reserve banks is actually a question of whether the banking system should be nationalized. When it is said that "the commercial banks do not perform a necessary service in purchasing Government securities," it should be realized that there are many other services that the Government could perform for itself. It could, for example, organize its own construction crews to build the interstate highways, rather than encouraging the States to undertake this work through private contractors; it could establish its own transportation network for carrying mail and other Government property; it could set up manufacturing establishments to produce missiles, airplanes, warships, and a variety of items now purchased from private industry; it could, in short, perform many of the economic functions now performed by the private sector of the economy. The crucial question is, of course, whether it could perform those functions as efficiently as private enterprise and, of prime importance, whether the act of doing so would not ultimately destroy economic and political freedom in our Nation.

(3) A third suggestion for inducing lower interest rates would involve a congressional directive forcing the Federal Reserve banks to peg prices of Government securities at some predetermined level, presumably par. Then, if market holders decided to sell Government securities, purchases by the Federal Reserve banks would provide a floor under which bond prices could not fall (interest rates on Governments could not rise).

The unfortunate experience with this technique between the end of World War II and 1951 should convince serious observers of the dangers involved; the Federal Reserve System could indeed be transformed into an engine of inflation rather than a responsible central bank attempting to promote sustainable economic growth. Once market yields on Governments rose to the predetermined levels, the System would be able to operate in only one direction—as a creator of bank reserves, through purchases of the securities, in whatever amounts market holders might desire. Flexible administration of credit policies would be impossible.

The dangers of this course of action, especially during a period of high and rising business activity, are obvious. Nor is it at all certain that, in the long run, the Federal Reserve banks could be successful in keeping interest rates from rising. As inflationary pressures mounted, borrowers of funds would be strongly encouraged to borrow heavily as soon as possible, in order to repay the debts in eroded dollars. Lenders would be encouraged to cut back on lending, realizing that the dollars they received in payment would be worth less in real terms. Consequently, the pressure on interest rates to increase would magnify; borrowers would be willing to pay higher rates, lenders would be willing to lend only at higher rates. In order to stem the tide, the Federal Reserve banks would have to buy more and more Government from market holders, and thus create even more bank reserves and provide a basis for further inflationary credit expansion. The spiral could ultimately come to a halt only as a result of a crisis and subsequent readjustment.

Some observers point to experience in this country in 1947 and 1948, when the Federal Reserve was indeed pegging prices of Government securities at predetermined levels, as an illustration of an instance in which the consequences were not too bad. But it should be recalled that the Federal Government experienced a total cash surplus of almost $14 billion in calendar years 1947 and 1948. The lesson of that experience is that an inflationary monetary policy can be offset in part by large cash surpluses in Federal fiscal operations; but, if the cash surpluses had not existed, inflationary pressures would have been much more severe than they were. A disastrous spiral might well have occurred. Nowadays, advocates of system pegging of Government most often do so because of a desire to facilitate easy Federal financing of deficits. The combination of a large Federal deficit and unbridled creation of bank reserves, in a period of high and rising business activity, could only result in the severest type of inflationary pressures, ultimate reaction and recession, and disruption of the process of economic growth.

(4) A fourth alternative that should perhaps be mentioned in passing relates to the apparent preference of some investors to purchase equities rather than debt instruments. To the extent this preference prevails, stock yields tend to be low and bond yields tend to be high. It might be, therefore, that some action which would contribute to a severe break in the stock market would in turn contribute to a shift from stocks to bonds; interest rates would tend to decline.

To suggest that a break in the stock market be induced either through Federal regulation or otherwise would, of course, be irresponsible. Moreover, to the extent that preference for equities over bonds reflects a fear of inflation, the answer to the problem is to remove the bases of the fear of inflation. As stated earlier, this would require, in part, a clear demonstration of the determination of the Government to maintain fiscal and monetary discipline. Conviction on the part of investors that the value of the dollar will be protected would do more than any other single thing to increase the attractiveness of debt instruments and thereby reduce pressures on interest rates.

(5) Inasmuch as Treasury securities occupy an important position in credit markets, interest rates could perhaps be reduced if significant progress were made in retiring part of the public debt. In this respect, there have been several proposals over the past few months to set aside a specified portion of Government revenues each fiscal year; these funds would be earmarked for debt retirement.

During a period of prosperity, retirement of some portion of our huge public debt is certainly desirable; if we cannot achieve some debt reduction when incomes are high and rising, there is serious question as to whether we shall ever be able to do so. Consequently, all proposals to establish a fixed annual percentage of debt retirement should be given serious consideration.

Many of the proposals, however, fail to drive to the heart of the problem, in that no provision is made for assuring that Government revenues would actually exceed expenditures by an amount large enough to permit the selected percentage of debt retirement. The use of, say, $2.8 billion of tax revenues to effect a 1 percent reduction in the debt would, in the absence of a surplus in the budget, achieve nothing; additional borrowing would be necessary to supplant the tax revenues used for debt retirement. In essence, therefore, the securities retired would be replaced in the market by an equivalent amount of new securities; interest rate pressures would not be reduced. Moreover, total public debt would actually grow, instead of decline, if the revenue-tax relationship continued to reflect an overall deficit. Again, I should like to repeat that these plans are laudable in purpose; but undue attention to them tends to obscure the hard, basic fact that meaningful debt retirement can be effected only by means of an overall surplus of budget receipts over expenditures.

(6) There is a sixth and final alternative for reducing pressures on interest rates, although it must be admitted that success in pursuing this sixth course of action would not necessarily result in lower rates. This is because the basic trends in demand and supply in free credit markets reflect the actions of millions of individuals and institutions, and these actions might work toward higher rates even though some of the more significant pressures were reduced.

The sixth alternative can be summarized quite simply, as follows:

(a) Convert the Federal Government from a net borrower to a supplier of funds in credit markets by achieving a surplus in the budget during periods of high and rising business activity. A net surplus permits the Treasury to retire debt, on balance; consequently Government actions would result in a net supply of funds available for private borrowers, not a subtraction as is the case when the Federal Government borrows to finance a deficit.

(b) Convince investors that the value of the dollar will be protected, thus removing the pressures for higher interest rates stemming from a conviction that further inflation is likely to occur. This can be done only by means of attention to all of the factors and practices that stimulate inflationary pressures. But it should be reemphasized that the most important single action would be a clear demonstration of the Government's determination to maintain fiscal and monetary discipline. During periods of high and rising business activity, fiscal and monetary discipline requires a surplus in the budget, for debt retirement, and freedom for Federal Reserve authorities to pursue flexible monetary policies.

(c) Provide the Treasury with sufficient flexibility for sound management of the public debt, so that a better balance in debt structure can be achieved—including larger amounts of longer-term securities outstanding—and so that bond markets will not become unsettled over such things as an impinging interest-rate ceiling. The Government securities market is understandably sensitive to the existence of an artificial interest-rate ceiling; this is one reason why the President has proposed that the 4¼ percent limit be removed completely, rather than merely raised. An increase in the limit would only act as a signal to investors that the new ceiling is the new normal level as defined by Government action.

As I emphasized in the main portion of my statement, the interest burden on the public debt—now close to $8 billion—is of deep concern to me. But the alternative to sound fiscal and monetary policies—further shrinkage in the purchasing power of the dollar—concerns me even more. In the long run, no one benefits from inflation; by stimulating the excesses that develop in a period of business expansion, and thus sowing the seeds of readjustment and recession, inflation actually hinders the attainment of a high rate of economic growth. Moreover, inflation strikes hardest at those groups in our society least able to protect themselves. The man of modest means, not the rich man or the large business institution, is the primary victim of a shrinking dollar.

The overriding advantage of this sixth and final approach to reducing pressures on interest rates stems from the fact that the actions it requires would not only be directly beneficial in terms of economic growth, but would also transmit effects through market forces of demand and supply rather than by means of Government decree or regulation. And I would like to repeat that, in proceeding in this way, the Federal Government would be promoting "maximum employment, production, and purchasing power," as required

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in the Employment Act of 1946, in a manner consistent with those crucially important but often overlooked words in the act which stipulate that such actions be carried out "in a manner calculated to foster and promote free competitive enterprise and the general welfare."

STATEMENT ON TECHNICAL PHASES OF PROPOSED DEBT MANAGEMENT LEGISLATION BY SECRETARY OF THE TREASURY ROBERT B. ANDERSON BEFORE THE HOUSE WAYS AND MEANS COMMITTEE, 10 A.M., JUNE 10, 1959

Sections 1 through 3 of the first proposed bill have been discussed in the opening statement; this statement reviews sections 4 through 6.

Section 4 of the bill would amend section 22(i) of the Second Liberty Bond Act, as amended (31 U.S.C. 757c(i)), to direct the Secretary of the Treasury to relieve any authorized agent from liability to the United States for a loss incurred in savings bonds redemptions where written notice of liability or potential liability has not been given by the United States to the agent within 10 years after the date of the payment. This limitation would be similar to the limitation upon the time within which the Government may proceed against a person who cashes a Government check upon a forged endorsement. In that case the time limit imposed upon the Government is 6 years.

Presently the law directs the Secretary to relieve an agent from liability only when he can determine that the loss resulted from no fault or negligence on the agent's part, regardless of the length of time between the date of payment and the date the loss is discovered. In some cases the time lapse may be considerable because the owner of the bonds may not discover their loss or theft until their maturity or thereabouts, and would have no reason to expect that they might have been fraudulently negotiated. It should be emphasized that this proposed legislation in no way limits the time within which the real owner may make a claim upon a savings bond which was fraudulently negotiated.

Where there is a long lapse of time between the date of the payment and the date the United States discovers it has, or may have, incurred a loss resulting therefrom, it would be extremely difficult for a paying agent to prove that the loss resulted from no fault or negligence on its part. In view of this, as well as the fact that the risks involved arise from the assumption of a task which was urged upon them by the United States and which was not related to the ordinary course of their business, the Treasury Department believes that so-called qualified paying agents, that is, commercial banks, trust companies, savings and loan associations, building and loan associations, and similar financial institutions, should have some limitation upon the time during which they may be liable.

Because they would have the same problem of proof, and for the sake of uniformity and orderly administration, the proposed legislation would give the same immunity to the Treasurer of the United States, the Federal Reserve banks, and the Post Office Department or the postal service, which are also accountable for losses incurred by the United States in savings bond redemptions.

The proposed legislation excludes cases arising under special regulations issued by the Treasury Department which authorize qualified paying agents to pay savings bonds without obtaining the signatures of the owners on the bonds, if the agents unconditionally assume liability to the United States for any loss resulting from such payments. In making payments under these regulations, which paying agents requested for their own and their customers' convenience, they represent that they have the owners' instructions to redeem the bonds, and guarantee the validity of the transactions.

Section 5 of the bill would amend section 3701 of the Revised Statutes (31 U.S.C. 742) to clarify the exemption it accords to the interest on obligations of the United States from State and local income taxes.

Section 3701 of the Revised Statutes provides that obligations of the United States shall be exempt from taxation by or under State or local authority. The Supreme Court of the United States has held that this provision also exempts the interest on obligations of the United States from taxation by or under State or local authority (*N. J. Realty Title Ins. Co.* v. *Div. of Tax Appeals* (1950), 338 U.S. 665).

In recent years the State of Idaho has taken the position that its income tax law enacted in 1933 has required the inclusion of interest on obligations of the United States in computing gross income (from which taxable net income was determined), and that the Federal statutes have not precluded this requirement. The Idaho statute provided that there shall be levied "upon every individual * * * a tax which shall be according to and measured by his net income." The term "gross income" (from which taxable net income was determined) was defined to include, among other items, "all interest received from Federal, State, municipal, or other bonds." The law elswhere provided, however, that "all income, except * * * income not permitted to be taxed under * * * the Constitution or laws of the United States, shall be included and considered in determining net income of taxpayers."

It has apparently been the position of the State of Idaho not that the Federal Government is without power to exempt the interest on its obligations from State income taxes, but rather that it has not exempted that interest from a tax such as the Idaho tax.

The reasoning of the Idaho authorities appears to have been as follows: The Federal statute has exempted the interest on Federal obligations from State taxation, and the State tax statute excluded income not permitted to be taxed by the Federal exempting statute, but the Idaho statute did not attempt to tax this income. Rather, it carefully provided that there should be levied "upon every individual * * * a tax * * * measured by his net income." Apparently their position has been that this has a different effect from the State statute before 1933, which provided that there should be levied "upon the net income of every individual * * * a tax," which was therefore a tax not permitted under the Federal exempting statute.

The Treasury and the Department of Justice have felt that the position of the State of Idaho rests upon a distinction of words which is without substance. We have not, however, been able to persuade the Idaho authorities to change their position. Since this position does not rest upon a theory of lack of congressional power to exempt interest on Federal obligations from a tax such as Idaho has had, but rather upon the theory that Congress has not exercised its power, the Treasury and the Department of Justice believe that the simplest resolution of the matter would be through congressional action which would clarify the exemption by expressly exempting Federal obligations and the interest on them from every form of State and local income taxes. The proposed provision would accomplish that purpose.

It should be mentioned that on March 20, 1959, the State of Idaho adopted a new income tax law. The new law declares it to be its intent to impose a tax identical as far as possible to the income tax imposed by the Federal Internal Revenue Code. Since the Federal Internal Revenue Code imposes a tax "on the taxable income of every individual" it has been suggested that Idaho may no longer attempt to maintain its position that the Federal exemption statute does not extend to its income tax. We have communicated with responsible State authorities, however, and have been unable to obtain assurances that the State will discontinue requiring the inclusion of interest on obligations of the United States in computing State income taxes.

In these circumstances, we believe it to be highly desirable for the Congress to make the exemption statute more specific at this time. If positions such as Idaho has held are adopted by other States the resulting taxation could have a serious adverse effect on the sale of U.S. savings bonds, which are so widely held by individuals, and could have undesirable effects on Treasury financing operations in general.

Section 6 of the bill would authorize the issuance of obligations of the United States to Government trust funds at the issue price. The Congress has established some 50 Government trust funds. Portions of any of these funds not currently needed may be invested in obligations of the United States. With respect to six of these trust funds, however, the Congress has specified that Government obligations may be acquired on original issue only at par. Thus in the act of August 14, 1935, establishing the unemployment trust fund, it was provided that "such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price." Substantially identical language has been used in four other provisions dealing with five other trust funds. The trust funds and the citations to the pertinent provisions governing them are: Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund (42 U.S.C. 401(d)); the railroad retirement account (45 U.S.C. 228o(b)); the special trust account for the payment of bonds of the Philippines (22 U.S.C. 1393(g)(5)); and the highway trust fund (23 U.S.C. 173(e)(2)). The reason for providing in these relatively few cases that acquisition on original issue must be at par is not known.

When the first of these provisions was enacted in 1935 the Treasury could not issue interest-bearing bonds at a discount In 1942 the law was amended to permit issuance at a discount, but none were issued in this manner before last November. Therefore the requirement that obligations be acquired on original issue only at par has not created a problem until recently. With the possibility of more obligations being issued at a discount or at a premium in the future, however, the requirement that these six trust funds acquire obligations on original issue only at par is highly discriminatory against them. For example, the Treasury recently issued 4 percent bonds of 1980 at 99; the public could subscribe for these bonds at 99 and any of the trust funds other than these six could acquire them at 99, but the law prohibited any of these six trust funds from acquiring them on original issue except at 100. If the Secretary of the Treasury had issued these bonds at par on original issue for account of these funds, they would have earned interest at a lower effective rate than any of the other trust funds or any member of the public acquiring them on original issue.

There does not appear to be any sound reason for this result. It has therefore been recommended that these provisions of law be amended to authorize these trust funds to acquire obligations of the United States on original issue at the issue price, which is the price the other trust funds or the public would pay.

SENATE

THURSDAY, JUNE 11, 1959

Rev. O. B. Langrall, D.D., pastor, St. Luke's Methodist Church, Washington, D.C., offered the following prayer:

O God, the protector of all who put their trust in Thee; without whom nothing is strong, nothing is holy: Increase and multiply upon us Thy mercy. We pray Thee so to order the course of our lives, that while passing through and enjoying the things that are temporal, we lose not sight of things that are eternal.

We thank Thee for calling us to our tasks, trusting us with responsibilities, and giving to us the courage and the wisdom to carry on in Thy name.

To that end, we invoke Thy blessing upon us during this new day, as we gather to transact the business incumbent upon us. Make us channels through which Thy wisdom may flow, touching the lives of those entrusted to our care, so that they, in turn, may become reflectors of Thy truth.

This we ask in the name of Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 10, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller one of his secretaries, and he announced that on June 10, 1959, the President had approved and signed the following acts:

S. 758. An act for the relief of Viktors Neimanis;

S. 947. An act for the relief of Lenora Bent; and

S. 1217. An act to add certain public domain lands in Nevada to the Summit Lake Indian Reservation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House has passed the bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco, with amendments, in which it requested the concurrence of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE DECREASE IN UNEMPLOYMENT

Mr. JOHNSON of Texas. Mr. President, it is gratifying that unemployment has dropped. Every American will rejoice over the fact that people who have been unemployed have been placed upon payrolls.

This rejoicing, however, should not obscure the fact that there are still pockets of unemployment. In the Nation there are still areas where people have been out of work for many months, and where there are no immediate prospects for employment.

The statistics are very good. But statistics will not feed families. I believe we still have an obligation to do something about the spotty areas of depression which still persist.

Mr. President, I am informed that the Committee on Labor and Public Welfare now has a subcommittee which recently has taken action or is about to act in connection with a bill, introduced by the very able senior Senator from Minnesota [Mr. HUMPHREY] creating a Civilian Conservation Corps. I am hopeful that the full committee will give its attention to that measure, and will act upon it at an early date.

The fact that unemployment is not a nationwide issue does not relieve us of our obligations to our fellow-Americans who are not sharing in the good times enjoyed by so many.

Mr. DIRKSEN. Mr. President, the news on the front pages of the newspapers certainly is encouraging and heartening. I am glad the majority leader alludes to it. There has been what might be called a massive upsurge in employment; and I think it is a great testimony to the wisdom and to the restraint of the President of the United States, who, notwithstanding the arguments and contentions which were made some months ago, kept his feet on the ground and constantly reemphasized his confidence and his belief that, through the forces then operating and through the suggestions made by the administration, we would come out of the 1958 doldrums and would meet a new high in the employment field.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the New Jersey Region of the Zionist Organization of America, at Atlantic City, N.J., favoring the inclusion of the State of Israel in the program for grants-in-aid from the United States, which was referred to the Committee on Foreign Relations.

ARTHUR GODFREY URGES CANCER RESEARCH—RESOLUTION OF THE TEXAS SENATE

Mr. JOHNSON of Texas. Mr. President, by his notable fortitude and courage in the face of great adversity, Arthur Godfrey has won the enduring admiration of millions of Americans.

This man, who has devoted his adult life to entertaining and helping others, recently underwent surgery for lung cancer.

But he has not retreated in the face of this universal foe and enemy of humankind. Instead, Arthur Godfrey channeled his talent and energy, his intellect and the physical force of his being, into rallying further support in an expanded offensive against this dread disease.

Conscious that many lives cut short by this terrible malady might be saved through intensified research, he has addressed to Congress a plea for the establishment of a crash program for cancer research.

His efforts constitute a contribution to the future of all mankind, and were so recognized in a resolution recently adopted by the Texas Senate.

Mr. President, the great leader of health programs in this body, the senior Senator from Alabama [Mr. HILL], now has under consideration the testimony of some of the most eminent experts in the Nation. Mrs. Mary Lasker, who has devoted a great deal of her time and her personal funds to attempting to alert and awaken Americans to the necessity of research against this dreaded disease, has been very effective in this program. The Nation can be grateful to Mrs. Lasker, who has carried on, in the great tradition of Florence Nightingale and Clara Barton.

In humble recognition of the faith, courage, determination, and devotion of these good people, and particularly of this good man, Arthur Godfrey, I ask unanimous consent to have printed in the RECORD Resolution No. 70, as adopted on June 5, 1959, by the Senate of Texas.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and, under the rule, ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 70

Whereas Arthur Godfrey who has devoted his life to entertaining and helping others, recently underwent successful surgery for a lung cancer; and

Whereas Arthur Godfrey has made a plea to Congress to establish a crash program for cancer research. He publicized the vital fact that many American lives cut short by this terrible disease might be saved by stepping up our national program of cancer research; and

Whereas the cancer research program has received support of our Congressmen, business leaders, doctors, scientists and President. It is supported by all Americans who have knowledge of this terrible disease; and

Whereas any additional help that can be given Arthur Godfrey and other Americans to discover and eradicate the disease of cancer is a contribution to future mankind: Now, therefore, be it

Resolved, That the Senate of Texas extend wishes for complete recovery to Arthur Godfrey; that he be congratulated for using his fame and influence in behalf of his fellowmen; that copies of this resolution bearing the seal of the Senate of Texas be sent to Arthur Godfrey; and to each Member of the Congress from Texas.

BEN RAMSEY,
President of the Senate.
CHARLES SCHNABEL,
Secretary of the Senate.

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REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. ANDERSON, from the Joint Committee on Atomic Energy, with amendments:

S. 2094. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 386).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MOSS (by request):

S. 2156. A bill to amend the act of September 2, 1958, relating to the exchange of lands between the United States and the Navajo Tribe, to clarify the intent of Congress with respect to certain excepted rights; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG of North Dakota:

S. 2157. A bill to amend section 125 of the Soil Bank Act which prohibits the production of certain crops on Government-owned lands; to the Committee on Agriculture and Forestry.

By Mr. KEATING:

S. 2158. A bill to amend the Immigration and Nationality Act to provide for the registration with certain U.S. consular officers of the birth of those persons born abroad who are citizens at birth, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 2159. A bill for the relief of Athanassios Karatzas; to the Committee on the Judiciary.

By Mr. ERVIN:

S. 2160. A bill for the relief of Dr. Ki Hyuk Pak and is wife, Mrs. Ki Hyuk Pak; to the Committee on the Judiciary.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT, RELATING TO REGISTRATION OF CERTAIN FOREIGN-BORN AMERICAN CITIZENS

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to provide for the registration and the issuance of certificates of citizenship to American children born outside the United States.

At the present time there are over half a million family members of our Armed Forces in overseas areas. In addition, there are thousands of American civilian families in foreign countries throughout the world. Our Government's international activities, the increase in frequency of overseas business operations, and the tremendous surge in overseas tourism, mean that we can expect more Americans to be born in foreign countries than ever before in our history.

Our naturalization laws must be amended to take into account this changing international situation. The outmoded provisions of the present laws were forcefully brought to my attention by a constituent who wrote to me about the experience of his son. His son's two children were born in Germany in 1957 and 1958, while the son, an Army officer, was stationed there on Army duty. Both the son and his wife are native-born Americans. Despite this, the only way certificates of citizenship could be obtained for their children was to wait until they returned to the United States. At that time they would have to file the same kind of form as is used in the case of persons who are aliens at birth and who seek naturalization by reason of the naturalization of their parents. Moreover, the only birth certificates that could be obtained for these American children were those issued by public officials in the locale of the birth, Frankfurt and Garmisch-Partenkirchen, Germany. The present law did not provide for any procedure under which birth certificates could be obtained for these children from the Department of State or any other agency of the U.S. Government.

Under the terms of my bill, any child born outside the United States to American parents would be registered with an American consular officer in the country of birth. Upon such registration, the Secretary of State would be required upon application to issue a certificate of birth for the child. All children to whom such a certificate of birth had been issued would be furnished a certificate of citizenship by the Attorney General.

This modernization of our present naturalization laws is long overdue. It is the least we can do to protect the status of the children of the thousands of Americans who find themselves in foreign lands in the service of their Government. The inconvenience to which these American families are now put to establish the birthrights of their children is intolerable. I hope this bill will lead to a speedy improvement of the situation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2158) to amend the Immigration and Nationality Act to provide for the registration with certain U.S. consular officers of the birth of those persons born abroad who are citizens at birth, and for other purposes, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301 of the Immigration and Nationality Act (8 U.S.C. 1401) is amended by adding at the end thereof the following new subsection:

"(d) Whenever any person is born outside the United States and its outlying possessions, and under paragraph (3), (4), or (7) of subsection (a) such person is a citizen of the United States at birth, the birth of that person may be registered with a consular officer in the country in which that person was born, under such regulations as the Secretary of State may prescribe. Upon application by or on behalf of any person whose birth is registered under this subsection, the Secretary of State shall issue a certificate of birth to such person. No charge shall be made for the first issuance of a certificate to any person under the preceding sentence, but the Secretary may prescribe reasonable fees for the issuance of duplicates of any such certificate."

SEC. 2. Section 341 of the Immigration and Nationality Act (8 U.S.C. 1452) is amended by inserting "(a)" immediately after "SEC. 341.", and by adding at the end thereof the following new subsection:

"(b) Notwithstanding any provision of subsection (a), the Attorney General shall furnish, without charge therefor, a certificate of citizenship to any person who is a citizen of the United States at birth by virtue of the provisions of paragraph (3), (4), or (7) of section 301(a) of this title, whether or not such person is within the United States, if an application by or on behalf of such person is submitted to the Attorney General in the form of a written statement, under oath or affirmation, that the person to whom such certificate is to be furnished is a person whose birth is registered with a consular officer in accordance with the provisions of section 301(d) of this title. No additional proof shall be required from an applicant for a certificate of citizenship under this subsection."

NOTICE OF HEARINGS BEFORE SUBCOMMITTEE ON TRADING WITH THE ENEMY ACT, OF COMMITTEE ON THE JUDICIARY

Mr. JOHNSTON of South Carolina. Mr. President, certain bills now pending before the Subcommittee on Trading With the Enemy Act of the Committee on the Judiciary were scheduled to be considered in hearings starting today. I have talked with the members of the subcommittee, and it was decided to hold hearings 1 week hence, June 18, 1959, in room 6202, New Senate Office Building, for the purpose of receiving testimony on the following bills, and such others as may have been introduced or referred to the subcommittee subsequent to this notice: S. 105, a bill to provide scientific scholarships and fellowships for children of veterans and other individuals from interest resulting from the investment of certain funds obtained under the provisions of the Trading With the Enemy Act, and to provide for the payment from such funds of certain American war claims against Germany and Japan; by Senator SMATHERS.

S. 531, a bill to amend section 32(a)(2)(D) of the Trading With the Enemy Act to permit the return of property to certain individuals who have become U.S. citizens since the vesting of their property by the Alien Property Custodian; by Senator BIBLE.

S. 664, a bill to amend the Trading With the Enemy Act to permit the return of property to certain individuals who have become U.S. citizens since the vesting of their property by the Alien Property Custodian; and to amend the War Claims Act of 1948 to provide for the payment of certain American war damage claims; by Senator LANGER.

S. 672, an amendment in the nature of a substitute to the bill S. 672 to amend the War Claims Act of 1948 and the Trading With the Enemy Act to provide for the payment of certain American war damage claims and the return of vested assets for the value thereof; by Senator JOHNSTON of South Carolina.

S. 744, a bill to amend the Trading With the Enemy Act and the War Claims Act of 1948 to allow, as a matter of grace, the return of certain vested assets, and to provide for the payment of certain

American war damage claims; by Senator YOUNG.

S. 1103, a bill to amend section 9(a) of the Trading With the Enemy Act to permit the sale of vested property which is the subject of litigation; by Senator KEATING.

S. 1963, a bill to authorize the Secretary of Health, Education, and Welfare to make grants from funds obtained under the Trading With the Enemy Act to assist the States and local communities to provide facilities for older persons including the parents of veterans of World War II and the Korean conflict; by Senator HENNINGS.

S. 2205, a bill to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses; by Senator WILEY, by request.

S. 2012, a bill to amend the Trading With the Enemy Act to provide for the divesting of certain interests in estates and trust, and for other purposes; Senator BUSH, for himself and Senator SALTONSTALL.

S. 2093, a bill to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits thereunder to certain Guamanians killed or captured by the Japanese at Wake Island; by Senator CARROLL, for himself and Senator BIBLE.

The limitations with respect to testimony, contained in the notice of May 18, 1959, will apply to the rescheduled hearings.

INCREASE IN THE INTEREST RATE ON GOVERNMENT BONDS

Mr. McCARTHY. Mr. President, I wonder what adjective the Republicans used before they developed the popular term "massive." I suppose it would be proper to refer to what the Secretary of the Treasury is requesting as a massive increase in the interest rate on Government bonds, and also a massive increase in the temporary, as well as in the permanent, debt ceiling of the Nation. And I suppose that if we wished to use the Republican's terminology, we could talk about his asking for a massive extension of the corporate profits and excise taxes, which first were imposed as wartime taxes.

Mr. President, in the course of the past few weeks there have been very able discussions about the economic implications of the administration's request for higher interest rates, particularly on Government bonds. Yesterday the Washington Post published a letter written by Mr. Walter C. Louchheim, Jr., a distinguished financier in the city of Washington; and I think it might be well for Members of the Senate to give some attention to his opinion.

For example, he points out that the postulate upon which this request is made is "that raising the interest rate will broaden the ownership base and lengthen the average maturity of the Government debt."

He also points out:

This is the same postulate upon which Randolph Burgess, with the support of then Secretary George Humphrey, in 1953 offered a Government bond at 3¼ percent at a time when the interest on outstanding Treasuries was below 3 percent, thereby starting the spiral of mounting interest and increasing the annual cost of servicing the debt from $5.3 billion to the now budgeted $8.3 billion.

But instead of widening the base and lengthening the maturity, the policy of increasing the rate of interest on the Government debt has had exactly the opposite effects so that today the Treasury is unable to sell its obligations in volume except to commercial banks at short term, which is the most inflationary procedure for financing the Government.

In the light of this record it is extremely doubtful that another hike in the interest rate alone would restore the Government credit to the level of the pre-Humphrey period, or that it would attract widespread participation by the public in long term bond offerings.

Mr. President, this seems to be an extension into the field of finance of the policy which has been followed by the Department of Agriculture. Although, as we recall, when the nomination of Mr. Benson was before the Senate for confirmation, he said he did not know what he was going to do about the farm commodity price-support program. Soon after he was established in that office he began talking about 80 percent of parity; and he said the farm problem would be solved if he could just get farm commodity price supports down to 80 percent of parity.

Eventually he got to that point. As he did, the farm situation became worse. Surplus increased. Farm income went down. The cost of the program increased. So he said that if he could just get the support price down to 75 percent of parity, everything would be taken care of. So he worked it down to that point. Things got worse. So he asked for 60 percent of parity. He has got support prices down to 60 percent of parity, and conditions continue to get worse.

So in the field of finance and handling the public debt, first the interest rates were increased. Things got worse. So, in order to solve the problem, the administration is proposing further increases in interest rates.

I recall a discussion similar to this in the House of Representatives regarding Mr. Benson, in which the distinguished Representative from Montana [Mr. ANDERSON] said the approach of the administration was like that of the old-time veterinarian who, when he was called in to treat a sick horse or a sick cow, would first recommend bleeding the animal. If the animal got worse, he advised bleeding the animal again. If the animal continued to get worse, he recommended bleeding the animal further. This has certainly been the policy in agriculture. It seems to be the policy being adopted by the Treasury Department.

Mr. President, I ask unanimous consent that following these remarks, the letter of Mr. Walter C. Louchheim be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

RAISING INTEREST RATES

The reported intention of Secretary of the Treasury Anderson to ask the Congress to raise or abolish the present legal ceiling of 4¼ percent on U.S. Government bonds seems to be based upon the postulate that raising the interest rate will broaden the ownership base and lengthen the average maturity of the Government debt.

This is the same postulate upon which Randolph Burgess, with the support of then Secretary George Humphrey, in 1953 offered a Government bond at 3¼ percent at a time when the interest on outstanding Treasuries was below 3 percent, thereby starting the spiral of mounting interest and increasing the annual cost of servicing the debt from $5.3 billion to the new budgeted $8.3 billion.

But instead of widening the base and lengthening the maturity the policy of increasing the rate of interest on the Government debt has had exactly the opposite effects so that today the Treasury is unable to sell its obligations in volume except to commercial banks at short term, which is the most inflationary procedure for financing the Government.

In the light of this record it is extremely doubtful that another hike in the interest rate alone would restore the Government credit to the level of the pre-Humphrey period, or that it would attract widespread participation by the public in long-term bond offerings.

What is required in addition is a method of stabilizing the capital values of Government bonds so that investors would not suffer further devaluation of their assets through the continuous decline in market values caused by rising interest rates and the absence of support from the Federal Reserve System.

A return to the arrangement whereby the Fed assisted the Treasury by contributing to an orderly and reasonably stable Government bond market would seem to be the most feasible approach. Or there may be other measures more acceptable to the present fiscal authorities.

In either event, it does not seem reasonable to expect that the Congress would legalize higher interest rates without some assurance that order and stability would be restored to the Government bond market.

WALTER C. LOUCHHEIM, Jr.

WASHINGTON.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. PROUTY. Mr. President, I do not rise today to defend Admiral Strauss—I merely state that I shall vote to confirm his nomination because I believe the President is entitled to have the man he wants as his Secretary of Commerce unless there is evidence of disloyalty, incompetence, or moral turpitude. While I have not always agreed with his views, I am satisfied that during his service with three administrations, Lewis Strauss has demonstrated loyalty, competence, and integrity of the highest order. If his attitude seems to suggest that he regards Senators as something less than gods, I can only say that in the case of the junior Senator from Vermont, his skepticism is justified.

My purpose is to speak out for common sense.

The hearings before the Interstate and Foreign Commerce Committee stretched out for 16 days during March, April, and May.

The printed record runs 1,128 pages, or roughly 597,800 words. In addition, the debate in the Senate has added several thousand more words, and the end is not yet in sight.

I am opposed at all times to shutting off debate before all the facts are in, but

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I have not heard a new word said or a new fact developed which is pertinent to the business at hand. Everything that can be said has been said. Members of the Senate now know how they will vote. No votes will be changed by the airing of more verbiage. In this instance prolonging the debate just prolongs the agony.

I say "agony" because every statement going into the CONGRESSIONAL RECORD pinches the taxpayer in the pocketbook to the tune of 5¼ cents a word. When thousands of words go into the RECORD, which do not contribute to the enlightenment of Senators or the advancement of the business at hand, the pain can become excruciating.

It would be very interesting indeed if a record were kept of the repetitious words spoken in the Strauss matter so that the taxpayers would know how much all this is costing them.

We ought to vote now, and get on to consideration of major legislative problems.

Last week in Vermont, a farmer asked me how long we were going to waste the taxpayers' money carrying on this controversy. I could not give him an answer. Only the Senate can do that. I hope my friend will get his answer soon. In Vermont we do not believe in wasting money or in wasting words. When we see conspicuous waste, especially of the taxpayers' money, it makes us unhappy. I suspect there are millions of citizens in every part of the country who feel the same way about it.

It is only common sense to close the barn door when the cows are in. The facts are in. The record is plain for all to see. It makes no sense to go on ad nauseum in endless repetition.

Let the Senate vote. Let it vote now.

THE CASE FOR FAIR TRADE

Mr. PROXMIRE. Mr. President, most of the big publishers of this country seem to be opposed to fair trade. I am sure their opposition is sincere. But they are wrong. They are wrong because every editorial attack on fair trade I have read assumes that there is an airtight, prima facie case that fair trade will reduce competition and drive up consumer prices.

Any prudent man who will dig deeply and objectively into the Nation's experience under fair trade and who will study the kind of fair trade legislation that is being proposed in Congress this year may come to a precisely opposite conclusion: That in fact fair trade may preserve and protect competition by keeping the little retailer alive in his unequal struggle against powerful chains, and in doing this provide a long run protection for the consumer against local retail monopolies.

Mr. President, the Cincinnati Enquirer carried a splendid editorial in support of fair trade recently. This editorial makes the case for fair trade eloquently. It also proves that here is a paper that has gone below the glossy surface of economic platitudes to mine the realities of competitive life in America. Mr. President, I ask unanimous consent that this editorial be printed in the RECORD immediately following these remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE CASE FOR FAIR TRADE

Few subjects in our modern economic life have been discussed as vehemently—and with less real comprehension of the underlying principle—as fair trade.

The popular concept is that fair trade laws are enacted to keep people from geting bargains, or to prevent healthful competition, or to make the public pay more for manufactured good than they are worth.

To see what fair trade really means, and how it operates, let's suppose you organize a company. You're going to manufacture electric irons—good electric irons, the best that can be made. You pay for research, to obtain the latest features in your product. You buy expensive machinery, hire skilled craftsmen, organize a merchandising and advertising campaign to create a popular demand for your irons.

Your electric iron is not cheap, but you are convinced that the public will pay a fair price for a really good iron.

First, though, you must sell them to appliance dealers throughout the country—unless you intend to operate thousands of retail stores yourself, which would be uneconomical if not impossible.

The thing that the appliance dealer wants to know is—can he sell them, or will he get stuck with them?

In your case, it being a good iron and properly promoted, he can be convinced of its salability. But he might be stuck with them in another way. Suppose, after he's purchased a good inventory and sold some to his best customers, a discount house or the like around the corner starts selling them at wholesale?

His best customers will accuse the dealer of having gypped them. And if the retailer tries to meet the wholesale price, he is soon out of business. After all, he is renting his store, paying his help and keeping going on the usual traditional spread between wholesale and retail prices.

This doesn't have to happen too often, or too long, before you and your good iron manufacturing company are caught in a deadly vise. Once your product has gone the round of the discount houses and the special sales, how many retailers are going to stock up on your iron? And when you lose the promotion and merchandising support of the ethical retailers, even the discount houses and special sellers will lose interest in you. Or they'll demand special price concessions that would make it impossible for you to continue manufacturing a good iron.

Fair trade, in essence, requires all dealers in your product to observe the suggested price. It is a protection for the independent retailer as well as the manufacturer of trade name wares.

It does not end competition. Non-fair-traded products are subject to any price manipulation. And there always is the compelling factor of rivalry between manufacturers in the various fields.

What is so heinous about permitting a man—you, in the electric iron business—to suggest a retail price that will be adequate to keep you and your retailers in business?

The issue is being threshed out in Congress and the State legislatures. The public, we think, would do well to look at the broad principle involved. The bargains available when fair trade breaks down may be very illusory.

COMPETITIVE BIDDING FOR GOVERNMENT CONTRACTS

Mr. WILLIAMS of Delaware. Mr. President, nearly 3 months ago, I introduced a bill, S. 1383, which I said at the time would, if adopted, save millions of dollars annually for the American taxpayer without in any way jeopardizing either our national defense or any domestic program.

My bill would require that in making its purchases either for national defense or for civilian goods, the Federal Government should advertise for bids and award the contracts for the procurement of all types of goods and services on a strictly competitive basis. There were exceptions in the bill that would make allowances for the purchase of secret defense items or for items that were just new in production. The national security would be adequately guarded by this bill.

At the time I introduced the bill, I called attention to a report that had been issued in January of this year by the Comptroller General which brought to light a glaring example of the waste of the taxpayers' money under the negotiated contract system. This was just one example of many overpriced contracts that have been called to our attention in recent months by the Comptroller General's office.

The report dealt with a contract that had been negotiated by the Navy with the McDonnell Aircraft Corp. of St. Louis. In it, the Comptroller General pointed out that the contractor incurred costs of about $6 million less than the amount contemplated in establishing the price, of which $2,596,900 could have been recognized by Navy contracting officials by an adequate review of cost data available at the time the price was established.

This, then, was an excellent example of a flagrant potential waste of the taxpayers' money because of negotiated contracts. According to the Comptroller General, as a result of this investigation, the contractors offered a price reduction of $3 million. But that offer was a result of the investigation, not a result of businesslike procurement procedures.

Now, 5 months later, the Comptroller General has issued another report—similar in nature, both as to type and company involved.

In this latest report to the Congress, the Comptroller General points out the following, and I ask unanimous consent that the quotation be printed at this point in the RECORD.

There being no objection, the quotation was ordered to be printed in the RECORD, as follows:

Cost estimates, submitted by McDonnell and used in negotiating the target price for contract AF 33(600)-23393, contained estimated subcontract costs for certain purchased equipment which were higher than maximum prices that had been established by McDonnell with its subcontractors before the target-price negotiations. McDonnell's proposal was based on subcontract prices in effect at the time the proposal was submitted, based on purchase orders under the preceding contract. However, prior to the

time of the negotiations, McDonnell had awarded purchase orders to its suppliers at lower prices for items to be used for performance under contract 23393. The Air Force did not obtain and consider the information on the lower subcontract prices at the time of negotiations. As a result of using higher estimated costs in negotiations, the target costs were excessive by about $5,193,000 and the Government will incur excessive costs of about $1,506,000 unless the contract price is adjusted.

Mr. WILLIAMS of Delaware. The Comptroller General in this instance calls attention to the fact that the Government has lost a million and a half dollars under a contract price which was negotiated rather than awarded on a competitive bid basis.

This was another of the Federal Government's fixed-price incentive-type contracts and was awarded to McDonnell Aircraft Corp. on March 4, 1955, for the production of Air Force F-101 Voodoo fighter airplanes.

But for the taxpayer, the important part of this so-called incentive-type contract is that it apparently gives the contractor a very fine incentive for submitting target cost proposals that are far higher than costs the same contractor incurred for the same items before the contract was even negotiated.

Under such an arrangement, there would seem little incentive to save the Government money.

This particular case has been referred to the Department of Justice—as a result the Comptroller General's report. What action will be taken there I do not know. But it should be quite apparent that no action would be necessary if this contract had been put out on competitive bids. Under the terms of S. 1383, that would have been the case.

I cannot emphasize too strongly the need for care in the expenditure of public funds in these days of high defense costs and high budgets in general. I think the American people want to know that the Federal Government is making every possible effort to reduce unnecessary and wasteful spending—whether it be on the defense program or any other. And one way to assure that more care will be exercised in the expenditure of tax money is to adopt S. 1383 and require that bids of this nature be awarded on a competitive basis.

I might add that, in addition to the increasingly obvious need for a system of competitive bidding on Government contracts, this case points out once again the necessity for the inclusion in such contracts of a clause whereby all savings that accrue to a contractor as a result of lower subcontractor costs should revert to the Federal Government. Such a provision would remove the temptation on the part of some contractors to submit over-priced estimates of subcontractors' costs and then later reap a windfall of, in this case, 20 percent of such apparent cost savings.

I strongly urge the procurement divisions of the various armed services to begin immediately to make such a provision in future contracts.

I will add, Mr. President, in connection with the extension of the Renegotiation Act, which is now pending before the Senate Committee on Finance, that there is an amendment which deals with this particular subject which, in the minds of many of us, as included by the House, would further endorse or approve these incentive type contracts under which the Government has been losing millions of dollars. There will be a determined effort made in our committee to have this provision eliminated from the House proposal.

I think the Renegotiation Act must be written with the idea that there will be adequate authority carried in the act to protect the American taxpayers. However, I think the need for many of the renegotiations would be largely eliminated if the Government would exercise the same degree of businss prudence in making purchases that is exercised by private industry; namely, by letting contracts on a competitive bid basis in every case possible.

DISTINGUISHED AWARD TO DR. GEORGE BARNES GALLOWAY

Mr. COTTON. Mr. President, Dr. George Barnes Galloway, senior specialist in American Government and Public Administration in the Legislative Reference Service of the Library of Congress, is well known and highly helpful to many Members of the Senate and House of Representatives.

The alumni association of his alma mater, Wesleyan University, at this year's commencement conferred upon him its Distinguished Alumnus Award in recognition of outstanding achievement and service.

His services to the Congress of the United States, particularly with respect to the research that led to the Legislative Reorganization Act of 1946, are reviewed in the award.

Dr. Galloway and I were undergraduates together at Wesleyan, and it is with pleasure and pride that I ask unanimous consent to have the text of this award printed in the RECORD.

There being no objection, the award was ordered to be printed in the RECORD, as follows:

DISTINGUISHED ALUMNUS AWARD IN RECOGNITION OF OUTSTANDING ACHIEVEMENT AND SERVICE TO GEORGE BARNES GALLOWAY

After graduation with honors in 1920, George Galloway obtained an M.A. from Washington University and a Ph. D. from Brookings Institution in 1926.

His keen interest, broad experience and study of the functioning of Government qualify him as an expert on congressional organization and procedure. As staff director of the Joint Committee on the Organization of Congress, he did much of the research that led to the Legislative Reorganization Act of 1946. Since then he has been with the Legislative Reference Service of the Library of Congress as senior specialist in American Government and Public Administration. His vast knowledge and experience in legislative matters is frequently sought by congressional committees and by individual Members of Congress. He also briefs numerous officials from other countries, as well as student and civic groups, on the work of Congress.

As consultant, lecturer, and author of numerous books and articles, George Galloway has contributed significantly to improved understanding and more efficient functioning of the legislative branch of our Government.

WESLEYAN UNIVERSITY ALUMNI ASSOCIATION.

Mr. KEATING. Mr. President, will the distinguished Senator yield to me?

Mr. COTTON. I yield.

Mr. KEATING. Would the Senator advise the Senate the class at Wesleyan to which he referred?

Mr. COTTON. Dr. Galloway's class, or mine?

Mr. KEATING. I understood the Senator and Dr. Galloway were classmates.

Mr. COTTON. Dr. Galloway's class was 1920, and mine was 1923. If he has reference to our ages, I will remind the distinguished Senator from New York to whom I am addressing my remarks that Dr. Galloway is exactly 1 week older than I.

Mr. KEATING. I remember that. I wanted to say what a distinguished class it must have been if both the Senator from New Hampshire and Dr. Galloway were members; but now I will have to divide the distinction between the two classes.

Mr. COTTON. I thank the Senator.

NOMINATION OF HENRY FRIENDLY TO BE A JUDGE OF THE U.S. COURT OF APPEALS

Mr. JAVITS. Mr. President, I wish to address myself to an editorial published Tuesday, June 9, in the Washington Post and Times Herald entitled "Inexcusable Delay," referring to the nomination of Henry J. Friendly to be a judge of the U.S. Court of Appeals, Second Circuit. The editor named me specifically and said:

Although Mr. Friendly has the recommendation of such respected judges as Learned Hand, as well as the endorsement of lawyers in the New York area, he does not have the support of Senator JACOB K. JAVITS, Republican, of New York, and other New York Republican leaders.

And so on. Mr. President, this simply is not the fact. I think the floor of the Senate is the correct place to say this, and in addition, I have a very high regard for the Washington Post and Times Herald, which has always treated me fairly. Aside from that, I have a high regard for the Washington Post and Times Herald as a paper. However, the assertion made in this Washington Post editorial is utterly without foundation, and in fact, to quote Mr. Friendly, left him "utterly dumbfounded." This is the full text of the telegram he sent me Wednesday:

Have just seen editorial concerning me in yesterday's Washington Post. Am utterly dumbfounded at this. Cannot understand how anyone could attribute delay to you or any other Republican. While I knew nothing about this editorial, as I am sure you realize, nevertheless wish to express my deep regret at this wholly unfair criticism of you and your colleagues.

HENRY J. FRIENDLY.

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I would like to take this opportunity, Mr. President, to set the record straight right now so that it will be based on the facts and not fiction. At a press conference last March which was held after the President nominated Mr. Friendly, I made it quite clear that although both New York Senators and the Republican State Committee had previously supported another candidate for that vacancy—one who had an outstanding record as a judge on the Federal district bench, I considered Mr. Friendly a most distinguished lawyer and well qualified to serve on the bench. During this meeting at which to the best of my knowledge a Washington Post reporter was present, I also said that I hoped there would be no unnecessary delay in acting on the President's nomination since the court calendar in the second circuit is extremely congested, one of the most overcrowded in the country.

In a personal conversation, a few weeks ago, with Senator DODD, who is acting chairman of the Judiciary Subcommittee to which the Friendly nomination has been referred, I again expressed the desire that action on his nomination would be taken as soon as possible. My colleague, Mr. KEATING, who is a member of the Judiciary Committee, stated on the Senate floor yesterday that he has also urged action be taken on this nomination and several others to the Federal bench in the New York area, taking the matter up with his committee chairman, Senator EASTLAND. Finally, an inquiry made by my office with the executive clerk of the Senate has revealed the following fact. The President so far this year has sent over six nominations to vacancies on the Federal circuit bench. One has been confirmed— the first nomination sent to the Senate. Today, the Washington Post reported that the Judiciary Subcommittee yesterday held hearings and approved the second name submitted by the President this session. Hearings on the third nominee are scheduled later this month. Chronologically, the Friendly nomination was the last one made, and I share the serious concern of anyone following the current rate of progress by the Judiciary Committee, that it may be weeks before hearings are completed on remaining nominees and their names presented to the Senate.

All of us who are aware of the situation should therefore continue to do everything in our power to urge speedier consideration by the Senate Judiciary Committee, not only in fairness to a nominee like Mr. Friendly who has fine qualifications, but out of concern for the citizens of New York, Connecticut, and Vermont who live within the second circuit where the vacancy exists.

Whatever the situation, certainly we must all be charitable with the press, which has lots of problems of its own. Sometimes things like this can be misunderstood. I wish to make it crystal clear that I support Mr. Friendly in his nomination, and I urge with every power I have that the nomination be promptly considered and be promptly confirmed.

The PRESIDING OFICER (Mr. MCNAMARA in the chair). Is there further morning business?

ADDRESS BY BASIL DEAN TO WESTERN AIRLINES INAUGURAL BANQUET

Mr. MANSFIELD. Mr. President, on June 2 a celebration was held in Calgary, Alberta, on the occasion of the Western Airlines inaugural of service to that city. Western Airlines for over a decade had been trying to extend its service to Calgary, the hub of the oil and the cattle region in the Province of Alberta, and at long last was successful because of an agreement between the Governments of Canada and of the United States.

At the time this service was inaugurated a celebration was held in Calgary, attended by Terrell Drinkwater, president of Western Airlines; as well as Mr. Jerry Brooder, vice president; Alex Warden, of Great Falls, Mont., a director; and other officials of that company; as well as officials of the State of Montana, of the Government of the United States, of the Province of Alberta, and of the Dominion of Canada.

On that occasion an address of outstanding significance was delivered by Mr. Basil Dean, publisher of the Calgary Herald and president of the Calgary Chamber of Commerce.

Mr. President, I ask unanimous consent that introductory remarks by Mr. James J. Flaherty, president of the Great Falls Paper Co., of Great Falls, Mont., and the address by Mr. Basil Dean be printed in the RECORD.

There being no objection, the introductory remarks and address were ordered to be printed in the RECORD, as follows:

INTRODUCTION OF BASIL DEAN BY JAMES J. FLAHERTY, PRESIDENT, GREAT FALLS PAPER CO., GREAT FALLS, MONT.

Was born in England in 1915 during World War I. He grew up in its aftermath, and absorbed this knowledge.

He was graduated from the University of London, receiving his diploma in journalism in 1936. Next, 2 years of exciting work as a reporter in Fleet Street. From here the big dailies pour out the news in thousands of copies—the Times, Mail, Express, Telegraph, and News Chronicle—rushing their issues to the four corners of the world. His thinking took on a global viewpoint.

He listened to the debates in the House of Commons of the brilliant leaders of that period, including the great Sir Winston. What an experience.

He learned from the great editorial writers and publishers of that era to be factual and objective in his writings. He had great teachers * * * he learned well.

In 1938, when Hitler was on the march, he sensed the excitement of the time. He won a 6-month assignment as an exchange reporter to Canada * * * under the sponsorship of the Empire Press Union. Arriving in Canada, he worked on the Hamilton Ontario Spectator and the Edmonton Journal. His 6-month stint turned into 19 years. He says he has no intention of leaving Canada, the country of his adoption. He is a Canadian by choice.

During the 1941 blitz he was commissioned in the Royal Canadian Air Force * * * as a public relations officer * * * was sent to the Air Force headquarters in London * * * later promoted to the Northwest Air Command at Edmonton. It was at Edmonton that he met and worked with thousands of American officers and men of the U.S. Air Force. He learned to understand, like, and admire these able men.

This work took him to the Great North country—to the gold fields of Yellowknife, many times over the Alaska Highway to the Normal Wells oilfield in the Arctic Circle that supplied crude through a pipeline to Alaska. He learned their problems. He knows and understands the north. Of the huge gigantic stocks of oil and gas under the lands of Alberta—beyond the wildest dreams of man—yet untouched—possibly as great as the Middle East pools.

His next promotion was to the same position in Ottawa, where he learned how the Canadian Government ticks. He met and knew the great Canadian leaders of that time. He received his honorable discharge as a squadron leader in July of 1945.

Then came his assignment as London correspondent of the seven Canadian Southam papers; sent to their London office; served there 4 years. This gave him a postwar background of the problems of the Commonwealth.

In 1949 he joined the Calgary Herald as associate editor. In 1951 he was appointed acting publisher. In 1955 he was appointed vice president and publisher of the Calgary Herald.

From this background it is easy to discern that he is a man in the early summer of life, unusually well trained, capable, and blessed with vision, plus a wide grasp of world affairs, able to give Albertans a continuing great newspaper service.

Do not be fooled by his serene exterior. He has a deep sense of humor; enjoys a good witty story and tells them well.

In 1958 he was elected president of the Calgary Chamber of Commerce, the highest civic office the people of Calgary can bestow.

He is president of the Calgary Broadcasting Co., Ltd. He is director of the YMCA, the Boy Scouts, the Canadian National Institute for the Blind, the Alberta Motor Association, the Woods Christian Homes, and a dozen other important posts connected with worthy causes. The reason he is a leader is because he is a leader.

He is happily married, the father of two Canadian sons, age 8 and 12 years.

In Seattle 6 weeks ago, I asked him, "Basil, how is it you get along so well with Uncle Sam?" "Jim, it's easy. It is simply like sleeping in a tent with a friendly elephant."

Gentlemen, Mr. Basil Dean, president of the Calgary Chamber of Commerce and a distinguished Canadian—Mr. Basil Dean.

ADDRESS TO WESTERN AIRLINES INAUGURAL BANQUET, CALGARY, ALBERTA, JUNE 2, 1959, BY BASIL DEAN, PUBLISHER OF THE CALGARY HERALD, AND PRESIDENT, CALGARY CHAMBER OF COMMERCE

I hope my fellow citizens of Calgary will not object if I address my remarks tonight principally to our very distinguished visitors from across the border. I would like, if I may, to tell them something about the country which is today proud to have them as its guests.

Sometime yesterday afternoon, our visitors flew over one of the most remarkable phenomena in the history of western civilization. I refer, of course, to the 49th parallel, the western boundary between Canada and the United States. It is remarkable because we pay so little attention to it. In many places, it would be almost impossible to find it without a careful survey. At those points where it is marked, it is marked chiefly by the presence of those very friendly officials performing duties on both sides of it, who, it seems to me, spend most of their time making sure that visitors feel welcome when they move from one side of the border to the other. Neither of us has found it necessary to defend this border for almost 150 years. In fact, I am told that it was necessary for the Governments of the two countries to agree to waive the provisions of a treaty well over 100 years old in order to permit the warships of

our respective nations to move up the St. Lawrence Seaway as part of the opening celebrations this summer. These warships are, of course, armed, and our two countries agreed long since that we would not maintain armed vessels on the Great Lakes.

But although by common consent we minimize, as far as possible, the inconveniences which this boundary line might otherwise create, nevertheless, it is there. When our visitors crossed it, they moved into another country—technically a foreign country, although the words "foreign" and "alien" seem quite inappropriate when you are discussing the relationships between Canada and the United States. This is a different country—different in spite of all the manifold similarities—from the one which lies on the other side of the 49th parallel. We are, of course, very much alike. We are probably more alike than any other two nations on earth, and certainly we can boast with some pride that we get along better together than any other two national neighbors. We share the heritage of the English-speaking peoples. Many of the things which are done differently in Canada from the way they are done in England or Australia or New Zealand, can be traced to the influences of the North American environment. We have both contrived to become independent of the British Government, though by rather different means. You dispensed with them in 1776; we, being either less impatient or more slow-witted, waited until 1867, and even then did not go quite as far. That is why the personal representative of Her Majesty the Queen, in the person of His Honor the Lieutenant Governor of Alberta, is sitting in an honored place at this gathering tonight; and that is why he was saluted with the National Anthem when he entered this room. You see, by 1867 King George III had long since gone to his reward, and by that time it was not necesary for us to take quite such drastic steps as you did.

We are thus in our usual situation of being a half-way house between the United Kingdom and the United States. In recent satirical revue called "My Fur Lady" produced by the students of McGill University in Montreal, one of the characters was made to observe that Canadians spend half their time explaining to the Americans that they are not British, and the other half explaining to the British that they are not Americans, and consequently have no time left to be Canadians.

One thing that should be said about Canada is that there is a good deal of it. There is, in fact, over 3,800,000 square miles of it. The province you are now visiting, Alberta, is in itself quite substantial. I hesitate to say this, considering the origins of some of our visitors, but it is necessary for me to point out that Alberta has 366,000 square miles—or almost, and I say this with trepidation, almost 100,000 square miles more than Texas. Later on this week, you will be visiting Edmonton. Down here, in what we in Calgary like to regard as the balmy south, we always think of Edmonton as a northerly city. But there is a great deal more of Alberta lying north of Edmonton than there is lying south of it. And there is a very great deal of Canada, which few of us I am ashamed to say have ever seen, lying north of the Alberta boundary. And when you place alongside these enormous areas our relatively very small population—only about 17 million—you have one of the clues to the national character of Canada. There are only about four of us to every square mile of territory we have. But of course we aren't scattered evenly over our territory. Most of us live in a narrow ribbon running about 200 miles north of the U.S. boundary; in fact, it was once remarked by a cynical observer that Canada is a nation 3,000 miles long and two railway tracks wide, because naturally most of the established settlements lie along the routes of the two main transcontinental railways.

You have about 10 times as many people as we have, and your annual production is about 15 times as great as ours. It is only natural, then, that we sometimes feel dwarfed by our great, and wealthy, and thank God friendly, neighbor. And here is another clue to the national character of Canada. We are the next-door neighbors not only of the most powerful nation on earth, but of the most powerful nation in the history of mankind. Because of our proximity, and because of the wealth of social and personal and political and commercial and economic contacts that we have, we think we know a good deal about you; at least we think we know a good deal more about you than anybody else does. And in our hearts, we know that the fact that we are still here, still masters of our own destiny, still politically independent, still a separate nation, with our own institutions, our own culture and our own society, is perhaps the most striking single example of the sincerity of the American belief in freedom and in friendship.

I would like to remind you of some observations made in India a few years ago by our then Prime Minister, Mr. St. Laurent, who was on a world tour. Some Indians were quizzing him about what they described as American imperialism. He said to them, quite simply, "You must remember that I come from Canada. And the existence of Canada in itself is a sufficient denial that the United States is imperialist in the sense that you are trying to make out." I believe it was generally felt in Washington that these observations had been of considerable assistance to U.S. policy in Southeast Asia at the time.

I said a few moments earlier that one of the clues to the Canadian national character could be found in our consciousness of our proximity to such a powerful neighbor. The effects of this proximity are exceedingly complex; they have been the subject of much learned study, and I do not propose to belabor you with any close examination tonight. However, one of the most obvious of them is the influence of the United States upon the way we live. Our standards of living are for all practical purposes controlled by your standards. In the first place, the state of the American economy has a direct and immediate effect on the state of the Canadian economy. In the second place, we tend to take it for granted that whatever in the way of physical, material benefits and the creature comforts you enjoy, we should enjoy too. A worker in the Chrysler plant at Windsor, Ontario, sees no reason why he should not enjoy precisely the same living standards as his exact counterpart in the Chrysler plant just a mile across the river in Detroit.

Now, obviously, any standard of living is the product of a combination of people, skills, and resources. We have far fewer people. And this yearning of Canadians, accentuated by the fact that we are exposed constantly to all the reflections of your way of life as expressed in television, movies, magazines, and so on, to enjoy the same kind of material comforts that you do, exerts a constant pressure upon us. It always seems to me extraordinary that we come as close as we do to matching the kind of life that citizens of the United States are able to enjoy. As you probably know, our living standards are second only to yours in the whole world.

But this is not so easily achieved as it might appear. We depend, far more than you, on trade with the rest of the world for the living standards which we enjoy. Perhaps a very few figures will illustrate what I mean.

Last year, the gross national product of the United States was $437 billion. Of this, you sold abroad by way of goods and services, just over $22 billion, or near enough 5 percent. You imported under $21 billion worth of goods and services, or again, roughly 5 percent.

But contrast this picture with ours. Our gross national product in 1958 was $32 billion. Our exports of goods and services were slightly under $5 billion, or about 15 percent; our imports were slightly over $5 billion, or again about 15 percent. In other words, exports are three times as important to us as they are to you.

To put it another way, you had to export only $131 worth of goods for every American. We had to export nearly $300 worth of goods for every Canadian. To sustain our standard of living, we had to find the foreign currency, most of it U.S. dollars, to buy $300 worth of imports for every Canadian; you found it necessary to import only $123 worth of goods for every American.

Our trade with the United States alone works out this way: The average American bought $17 worth of Canadian goods last year; the average Canadian bought $210 worth of American goods last year.

The most important consequence of this contrast is that while, to a considerable degree, the economy of the United States can afford to live on the domestic market, ignoring markets in other parts of the world, Canada cannot do any such thing without running the risk of an unprecedented economic disaster; and since our price structure is very closely geared to yours, of necessity, we must always face the problem that while you might price yourselves out of many world markets with only minor economic consequences, the same results imposed on the Canadian economy would spell for us something not far short of ruin. That is the chief reason why economic policies pursued in Washington are invariably viewed from this side of the border with great apprehension. What may often seem to the U.S. Government to be a minor trade measure designed to sustain an American industry from temporary dislocation by surpluses in the market may quite often result in the severest possible consequences to a similar Canadian industry which has been relying for its welfare on exports to the United States. This has happened in the recent past in quite a number of instances, and I, therefore, hope that you will endeavor to be as patient with us as you can when we sometimes seem to you to be making a lot of fuss about nothing.

I think, in all fairness, I should add that many of these problems would be a great deal worse were it not for the unfailing sympathy and understanding with which representations from the Government of Canada on such matters are received by your Government in Washington. Whatever happens, we can always rest assured of one thing—that the United States is not really trying to hurt us, and if we sometimes do get hurt, as we do, it is because that aspect of the matter had never occurred to anyone involved in making a particular decision.

From the beginnings of our history in this country, we have had to face the problems of a curious and inconvenient geography. Many of these problems would disappear if we had more people, but with the number of people we have, they continue to be severe. From the beginnings of Canada's existence as an independent member of the Commonwealth, we have had to make sacrifices in the interests of the political and economic coherence of our country. We have had to endeavor to force our trade into east-west patterns within Canada, because for a variety of reasons, some of them involved with American economic policy, and others involved with our own sense of nationhood, it has not been possible for trade to follow the natural pattern of movement north to

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south and vice versa. In this sense, it is a paradox that Canada exists at all, and it is probably true to say that it exists only because a succession of Canadian statesmen, from our first Prime Minister Sir John A. MacDonald on down, have been determined to make it work, and have been supported in this resolve by the Canadian people.

And although, as I said earlier, in many respects we live very much the way that you do, as you have seen for yourselves, there are some subtle differences in the way we go about things which are important to an understanding of the relationships between us. While, in a very general sense, your political institutions and ours develop from a common root, the British parliamentary system, the course of history has caused them to develop on somewhat different lines. You have a written Constitution, in which the divisions of authority among the three main branches of government are very carefully defined, and you have a Supreme Court whose primary function is to make sure that the dividing lines between the three branches are kept clearly defined. We are not quite so precise in these matters. We have a written Constitution of a sort called the British North America Act. But all it really does is to define the areas in which the Federal Parliament may legislate on the one hand, and the areas in which the provincial legislatures may legislate on the other hand. Within these areas, each legislature is supreme and sovereign, and may enact any laws it chooses without interference by the courts. We have nothing, so far, remotely resembling your Bill of Rights, although the present Government of Canada is endeavoring to enact something of the kind. We think we enjoy pretty much the same degree of freedom that you do, but the difference is that our freedoms aren't spelled out in statutory form as yours are. We enjoy them, in the main, by virtue of precedent and tradition going back into the roots of the Anglo-Saxon heritage which both our countries share.

One of the aspects of this heritage which I am quite sure we have inherited from Great Britain is the talent for muddling through. For example, this British North America Act to which I have just referred, was originally a statute of the Parliament in Westminster establishing the Dominion of Canada. Until a few years ago, if we wanted to amend it, the procedure was for the Canadian Parliament to pass a resolution and then ask the Houses of Parliament in London if they would be good enough to make the necessary amendments. This they invariably did with a good deal of courtly ceremony. Ten years ago, we decided that it did not befit our style and dignity as a sovereign nation to have to go to some other country to get our Constitution amended, so the Canadian Parliament made a declaration that henceforth we intended to amend the Constitution ourselves. What we had unfortunately forgotten was that the British North America Act affects both Federal and provincial rights, and obviously, therefore, the provincial legislatures must have something to say about amendments. For the last 10 years we have never succeeded in working out any machinery for amending our Constitution, and what we would do if it became essential to amend any part of it, nobody knows.

Pretty much the same set of circumstances surrounds the question of a Canadian national flag. For some years after we became a sovereign Dominion we simply used the Union Jack, which, of course, is also the flag of the United Kingdom. Over the succeeding decades, however, a practice grew up of flying the Red Ensign—that is, the red flag with the Union Jack in one corner and the Canadian coat of arms in another corner—as the flag of Canada. A few years ago our Government announced that it would be appropriate to fly this as the Canadian flag until such time as we had designed a proper flag of our own. Ever since that time we have been arguing about what sort of flag we ought to have, and we haven't come anywhere near to settling the argument yet. However, nowadays we all fly the Red Ensign, at least in English-speaking Canada, and no great harm seems to have come of it.

Then, too, we have had a little trouble deciding upon a national anthem. Whatever else Canadians may disagree about, they are all agreed on their loyalty to the Crown, so we sing or play "God Save the Queen" on all ceremonial occasions. We also have another anthem, a sort of semiofficial national anthem, "O Canada," which you have already heard sung. The one drawback to this one is that at the moment it has at least three different sets of words, and we cannot really agree on which set of words is the proper set. However, we don't feel too badly about this, since we understand that it took you until 1931 to declare that "The Star-Spangled Banner" was your official national anthem; and since you had presumably been thinking about this ever since 1776, or at least since 1812, when Francis Scott Key wrote it, we feel we have plenty of time to spare, since we could scarcely have been expected to get started on the problem until 1867, and, on the same basis as yours, this would take us until the year 2040 before it could be argued that there was any real urgency about it.

Now, as you will have observed, this has been a very disjointed and superficial study of just one or two aspects of the country you are visiting and of its relationships with your own country. I have not, for example, even touched on the large and sometimes difficult problem of continental defense, and I have not touched on it for one reason which seems good to me, and that is that in defense there is no doubt in my mind whatever that we stand or fall together and, in the light of the job which the defense forces of our two countries are required to do, any private discussions we may get into about the best way of doing it, or who is to be in charge, are exceedingly insignificant.

The PRESIDING OFFICER. Is there further morning business?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to act on nominations beginning with "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McNAMARA in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. JACKSON. Mr. President, from the Committee on Armed Services, I report favorably 2,702 nominations for the Regular Army, the Marine Corps, and the Navy and Naval Reserve. All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations placed on the Executive Calendar are as follows:

Walter H. Abbott, and sundry other officers, for appointment and promotion in the Regular Army of the United States;

Frank J. Kobes, Jr., for appointment as professor of physical education, U.S. Military Academy;

Donald J. Conlon, and sundry other Reserve officers, for appointment in the Medical Corps of the Navy;

Julian R. Abbott, and sundry other Naval Reserve aviators, to be lieutenants (j.g.) in the Navy;

Allan S. Chrisman and Calvin B. Galloway, officers in the Medical Corps of the U.S. Navy, for permanent promotion to the grade of rear admiral;

Bernard D. Garrett, U.S. Navy, for temporary promotion to the grade of lieutenant;

Robert M. Stanford and William D. Munsey, U.S. Navy, for permanent promotion to the grade of lieutenant (j.g.);

Wayne E. Spainhour, and sundry other officers, for permanent promotion in the Navy; and

Benjamin B. Manchester III, and sundry other officers, for permanent appointment in the Marine Corps.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar, beginning with "New Reports."

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations in the Coast and Geodetic Survey be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

THE STATE OF THE NATION'S ECONOMY

Mr. KEATING. Mr. President, yesterday I called the Senate's attention to the continued economic improvement disclosed by the Labor Department's latest report on employment and unemployment.

This report impressively underscored the strength of the Nation's continuing economic advance. It showed that more Americans are now at work than in any May in our history. It showed that the number of unemployed again dropped. It left no doubt that our country has warded off any danger of an economic setback and is now in the full swing of national prosperity.

The Federal Reserve Board recently rounded up a variety of evidence on the recovery. This summary shows how broad and deep the upturn really is. I ask unanimous consent that this release appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the release may be printed in the RECORD, as requested.

(See exhibit 1.)

THE WRONG DIAGNOSIS OF THE RECESSION

Mr. KEATING. As we note the strength of the economy now, I think we should recall the situation of a year ago. We should remember some of the grim forecasts made then and the panic policies that were called for by men who had little faith in the economy's basic strength.

We do this not in a spirit of recrimination or of "I-told-you-so," but rather so that we may learn some lessons from experience.

One pessimist stated last June:

> It appears that the recession is now beginning to feed upon itself. It is at this stage that the downturn—unless checked by immediate action—could sink deeper and become a prolonged depression.

Even this year, in March, one Senator from the other side of the aisle stated:

> The latest unemployment statistics indicate that we are fast approaching last year's record postwar level.

And again—

> Most facts point to an even further deterioration.

And still again—

> It should be apparent to us now that glowing predictions about recovery do not produce recovery. It takes a reasoned plan of attack on recession to overcome it.

It is perhaps a little uncomfortable for some to recall the forebodings of gloom and doom which were spread around a year ago and even more recently.

Leon H. Keyserling, former Chairman of President Truman's Council of Economic Advisers, stated last year:

> The paralysis of indecision and inaction, in the face of the most serious economic decline in a quarter-century, has even deeper meaning than the statistics themselves.

I repeat, I am recalling these statements of a year and less ago not by way of saying "I-told-you-so," but because I believe we have some important lessons to learn from our experience of the past year. I would like to spell out some of these lessons.

THE WRONG PRESCRIPTION FOR CURING THE RECESSION

The only remedy for the hopeless situation of last year, according to these purveyors of pessimism, was to be found in massive Government intervention to shore up the weakened and demoralized economy. Furthermore, many seemed quite certain that only massive Government action could cope with the crisis.

One Senator stated on the floor:

> We have an economy which is in a decline, and we have the makings, come the fall and winter months, of an even greater unemployment problem.
>
> I feel the month of June is the time to act in order to prevent that kind of ugly reality coming about in December, January, and February.

Another Senator advanced the view that only a major Government stimulus could bring about recovery. He said:

> Mr. President, in order to achieve recovery quickly, we need to stimulate the economy in a major way. At the moment, there is nothing in the picture which would stimulate the economy enough.
>
> We should therefore act, and we should act through a major tax cut.

Some urged a major tax cut. Others proposed an orgy of public-works-type spending—community facilities, area redevelopment, various housing programs and much else.

Some of the all-is-lost set deplored the tendency to consider a major tax cut or a broad job works program as alternatives. They wanted both—despite a deficit of $13 billion already in the works.

Mr. Keyserling urged a tax cut of $6 or $7 billion, but added that this would not be enough, that we would also need to step up spending greatly. He said:

> The immediate injection of several billion dollars into the consumer spending stream through appropriate tax reduction could perform at best only a small part of the task. Large immediate increases in Federal spending are also essential.

Of course, the story about what has happened since then is familiar to all of us.

Gross output has regained all the lost ground and surged on to new highs. Incomes are at record levels. Employment is up. Unemployment is down. Paychecks are higher, while prices are stable.

Furthermore, virtually all the advance in income and output represent real and permanent advance in job-making private industry. The upturn is not artificially stimulated by temporary Government action. The Government adhered to its role of stepping stone and not stumbling block. As a result, the recovery is all the more genuine and meaningful.

THE GOOD NEWS IS GREETED WITH SILENCE

But among those who advocated massive Government action, the good news has not been received with anything like the clamor which greeted the bad. The onset of recession was greeted with alarums and flourishes; the onset of recovery is met with silence.

When information on the March employment pickup was released, there was an extraordinarily ill-timed mass-meeting on unemployment going on. The response to the good news was grunts that times were still bad and we should all stop smiling anyway. One would think that the news of more jobs would be a cause for cheers.

Last month, when almost everyone was so greatly pleased with the April employment results, one Democratic Senator gloomily took the floor here "to sound a very short note of warning"—the theme of which was that things were not really so good as they seemed.

Mr. Roscoe Drummond had a recent article which made some important points about the current economic outlook. He pointed out:

> 1. The fiscal policies of the administration are looking better than ever.
>
> 2. The President's legislative program is going to fare better in Congress.
>
> 3. The strength and resilience of the American economy are enhancing our position abroad as well as giving the lie to the Communist fixation that capitalism just has to curl up and die.

Mr. President, I ask unanimous consent to insert in the RECORD, at the conclusion of these remarks, the full text of Mr. Drummond's column. I also ask to insert a column by Mr. J. A. Livingston, which pointed out that recent statistics "indicate that the 1958–1959 recovery has assumed classical dimensions."

The PRESIDING OFFICER (Mr. Moss in the chair). Without objection, it is so ordered.

(See exhibits 2 and 3.)

THE LESSON TO BE LEARNED

Mr. KEATING. Mr. President, the point of all this is not that the pessimists are poor prophets. The art of business and economic forecasting—art not science—is very tricky. Many of the country's outstanding economists were wrong in calling the turning points of this last recession.

No one is accusing the pessimists of being worse forecasters than the rest of us.

However, there is one important lesson to be learned from our experience of the last year or two. It is that we should never underestimate the internal strength and resilience of a free dynamic economy.

The peddlers of doom last year so much as said plainly that recovery required Government action. Unless the Government intervened massively, they said, we could not hope for more than a sluggish bottoming out.

In fact, of course, vigorous recovery took place primarily in the private sector, consumers, and businessmen. The upturn was helped by a selected list of strategically important but limited Government actions—much less Government action than many spokesmen of

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the Democratic Party said was a minimum necessary to initiate recovery.

The mistake is not one of failure to predict the future.

The mistake is the panic-driven advocacy of unwise public policies, instead of sober recognition that industrial recovery must take place in permanent job-making private industry.

In attempting to appeal to popular opinion, I am convinced that many political leaders too often sell the public short. They too often underestimate the wisdom and maturity of the public.

Only recently the Democratic Advisory Council set up to formulate and enunciate Democratic policy stated bluntly:

> The principal reason for the disgracefully high amount of unemployment is the failure of the Republican administration to use the great power of our Government as an instrument of economic growth.

This statement was made on April 6 of this year.

Government has a role to play—no one is disputing that these days. But there is still a wide gulf between those who see Government as the only source of economic growth and those who see Government as a stimulator of free market economic activity.

There is no question but what the latter view has been vindicated by developments of this last year.

WHAT IS NEEDED TO HELP THE UNEMPLOYED

I think I ought to make one thing quite clear. Nothing in these remarks should be construed as a lack of concern for those Americans who are still out of work.

No one will deny that even temporary, involuntary unemployment, whatever the cause, is a distressing individual and social problem. No one will deny that the Federal Government has important responsibilities in helping to promote high levels of employment and output.

But it is another matter to use these obvious truths to promote public policies which are not likely to solve the problem, but are certain to create serious new problems and even do damage to our system of political and economic freedoms.

There are still too many people unemployed. But let us recognize what the nature of this unemployment, for the most part, is.

In most cases specific situations have created particular jobless problems. There are coal miners in towns where the mines have run out. There are unskilled manual workers in towns where factories have automated and white-collar jobs are available in quantity. There are people who have not been able to adjust to economic change. There are many other specific jobless problems like these.

The important point is that the remedy for this problem must be a selective approach of specific measures geared to specific situations—not the general shotgun of deficit spending.

When we have severe nationwide unemployment all along the line, then Federal budget deficits can stimulate total demand and perhaps speed up recovery. But that generalized approach will not work under today's conditions.

I think we need to give some sober study to finding ways and means of reducing this specialized kind of joblessness—enhancing the flexibility and speed of adjustment of the economy—equipping people with the education and skills needed to eliminate joblessness at its source.

But it is not my purpose at this time to explore that question. That is a different matter altogether from the recession, which stole away leaving so many vocal partisans with their mouths still open and the policy proposals still pouring out.

A CLOSE LOOK AT THE RECORD

This is the second time in 5 years that the strength of the economy has confounded its critics. Let us take a close look at a revealing picture of what happened the last time.

In early 1955, we were recovering from the 1954 recession, as we are now from the 1958 recession.

During the year 1955, we attained full prosperity due to vigorous recovery in the private sector, not due to Government action. Yet in early 1955, the men of little faith, obsessed with the economic death wish, many of them the same as the 1958 beat set, predicted that we could not recover fully without vast Government intervention.

For illustration, consider in detail the blueprints put together then by the Conference on Economic Progress. The CEP is a research organization led by prominent Democrats like Leon H. Keyserling, Thurman Arnold, and others.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing where the economy stood at the end of 1954; the goals for 1955, as set by the Conference on Economic Progress in their program of massive Government intervention; and the levels actually reached in 1955, without that program.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The 1954–55 recovery

[Billions of dollars]

	Actual levels, 4th quarter, 1954	Conference on Economic Progress prescribed goals, 4th quarter, 1955	Levels actually attained, 4th quarter, 1955
Gross national product	370.8	390.0	408.9
Consumption expenditures	243.2	253.4	263.3
Private investment	52.3	55.7	67.6
Government expenditures	73.0	80.5	77.1

Mr. KEATING. Mr. President, from this table, we see now we actually did considerably better than the goals set up as targets by the CEP. Also we see that the increases came in private consumption and private investment. Government spending was actually less than what the CEP prescribed for the lower GNP level.

Also we see that the 1955 boom, like the present one, was achieved without recourse to the many, many Government programs which the CEP prescribed.

Now, Mr. President, let us bring this story up to date.

Last June, this same organization, the Conference on Economic Progress, brought out another elaborate brace of charts and blueprints. These summed the situation up by saying that to have full employment in 1959 we would need to reach an output level of $472.6 billion with an employment level of 64.9 million jobs. The CEP wrung its hands and pointed out that this meant lifting output by $45.5 billion over the first quarter of 1958. This we could never manage, the CEP warned, unless we cut taxes by $6 billion or $7 billion—vastly expanded the spending budget—federalized unemployment compensation—subsidized the farmers even more, and otherwise ran around, as they put it, "doing something."

In point of fact, the record shows that in the first quarter of 1959 alone we are producing at an annual rate of $467 billion. We are already very close to the target level set up by CEP. There is no question that for the year as a whole we will greatly exceed that target.

Most encouraging, the recent employment figures show that there are more than 66 million persons at work already.

This means that we will better the 64.9 million target, even if the recovery ground to a virtual halt for the rest of the year, a most unlikely prospect, as even the most extreme pessimists must by now be ready to concede.

Yet look at how little of the anti-recession crash programs were adopted. We had no major tax cut; we had no vast increases in Federal spending; many specific recommendations were ignored—all of which had been labeled as absolutely essential to recovery.

THE LESSON IS STILL NOT LEARNED

We are riding the crest of a tremendous recovery. Worries about the good health of the economy are fast becoming the exclusive concern of those with a professional, political, or personal stake in keeping things all stirred up.

Ever since the strength of the recovery has been in full view, however, there are those who seem not to have learned the obvious lesson.

Just before the March employment figures were published—after 10 months of recovery—the Democratic Advisory Council issued a blast about the "critical and inexcusable level of unemployment." The blast went on to say:

> This has been tolerated all too long. With unemployment approaching 5 million * * * immediate corrective steps must be taken.

Yet one leading Democratic spokesman on economic affairs, the distinguished senior Senator from Illinois [Mr. DOUGLAS], stated in a book entitled "Economy in the National Government," published in 1952, that deficit financing should not be used when unemployment is below 6 percent of the labor force—which today would mean 4 million people unemployed.

In this book, the distinguished Senator stated:

> I submit as a rough judgment that probably we should not run a governmental deficit unless unemployment exceeds 8 percent and, indeed, possibly slightly more than that.

When unemployment is between 6 and 8 percent, the governmental budget should at least balance and therefore be neutral in its effects. When unemployment is over 8 percent, we should have a deficit; but when it is under 6 percent, there should be a surplus.

In May unemployment was 4.9 percent of the labor force, or 3.4 million persons.

Two months ago, we were asked to set up—on a rush basis—a Commission on Unemployment Problems. This Commission was to make a quick 60-day study and report back to us so we would know what to do about unemployment.

The majority leader told us on April 10:

I am asking that this bill be brought up today because there is a time factor of great urgency.

The Senate passed the bill that very day.

I hope it will not be considered irrelevant or irreverent if I observe that as of today—Thursday, June 11, 1959—exactly 62 days have passed since that time. Nothing has been heard from the House on the 60-day Commission. The job picture continues to improve. In fact, the whole matter of the Commission is shrouded in secrecy.

We are very quickly getting back down to the "frictional" level of unemployment. I hope we shall soon have no excessive unemployment.

Let us recognize and acknowledge the strength of the recovery. Must we have this preaching that doom is still at hand, in the face of all the evidence to the contrary?

What will it take to restore confidence?

Why are we so reluctant to accept and overwhelmingly endorse the good news, when we were so quick to point out and dramatize the bad?

I am not calling anyone a poor prophet. The problem is the lack of faith in the American economy.

To some people, recovery without massive government action seems inconceivable. These people have little faith and less judgment.

Our whole economic history is one of dynamic growth through the free market.

We stand now at the threshold of a half-trillion-dollar economy.

If we have the confidence in our free institutions which the record demonstrates they deserve, we have a tremendous future before us.

We have the opportunity to bring to millions of American families the higher living standards, the greater security, the greater measure of human dignity that are made possible by our expanding productive power and purchasing power.

The times demand policies geared to the strength, not the weakness, of our economy.

EXHIBIT 1

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, NATIONAL SUMMARY OF BUSINESS CONDITIONS

Economic activity continued to increase in April. Industrial production rose further and housing starts remained at an exceptionally high level. Gains in employment were widespread and the decrease in unemployment was considerably more than seasonal. Consumer incomes and buying were at record levels. Commercial bank loans and the seasonally adjusted money supply increased further. Wholesale prices of industrial commodities continued to advance.

INDUSTRIAL PRODUCTION

The Board's seasonally adjusted index of industrial production advanced two points in April to 149 percent of the 1947–49 average. Activity in the durable goods industries rose substantially and equaled the advanced level of early 1957. Output of nondurable manufactures also increased and minerals production continued to show little change. Utility output of electricity and gas increased further to 262 percent of the 1947–49 average.

Gains were widespread among durable goods industries in April. Output of building materials was in record volume. Steel ingot production showed a slight, contraseasonal rise to a new high, and was 93 percent of capacity. Expansion in business equipment output continued, with significant gains in industrial machinery and motortrucks. Production of consumer durable goods—furniture, television, and autos—also advanced. Schedules for May indicate a further rise in auto assemblies.

Output of textile, paper, and chemical products continued to expand in April, but activity in the rubber products industry was curtailed by work stoppages. Production of crude oil and coal changed little while activity increased in other mining industries.

CONSTRUCTION

Private nonfarm housing starts in April were at a seasonally adjusted annual rate of nearly 1.4 million units, unchanged from the advanced rate in March. Total new construction put in place declined somewhat from the record March level, to a seasonally adjusted annual rate of $53.9 billion. Commercial building activity rose further but public highway, private residential, and industrial construction declined.

EMPLOYMENT

Seasonally adjusted nonfarm employment increased 370,000 in April and, at 51.8 million, was 700,000 below the prerecession high in the summer of 1957. While gains in durable goods manufacturing and construction accounted for more than half the April rise, employment also expanded in most other activities. Average weekly earnings of factory workers increased again to a new high as both average weekly hours and hourly earnings continued to rise. Unemployment declined sharply further, to 3.6 million, and the seasonally adjusted rate was 5.3 percent of the civilian labor force compared with 5.8 percent in March.

DISTRIBUTION

Seasonally adjusted retail sales, which had increased 2 percent in March to a record high, changed little in April and were 9 percent above a year earlier. Sales at automotive, furniture, and appliance stores rose further, while sales at most other groups of retail stores were maintained at advanced levels. Total retail inventories at the beginning of April were unchanged from both a month and a year earlier and were somewhat below the high reached at the end of 1957.

COMMODITY PRICES

Wholesale prices of industrial commodities continued to advance in April and early May. Rising business orders and activity were reflected in further increases in prices of lumber, textiles, and rubber. Prices of primary metals changed little, but increases were reported for some fabricated products. Average prices of farm products and foods continued relatively stable.

BANK CREDIT AND RESERVES

Total commercial bank credit increased about $2.5 billion in April. Loan growth accounted for about three-fourths of the rise. The seasonally adjusted money supply—demand deposit and currency holdings of businesses and individuals—increased $700 million further.

Member bank borrowings from the Federal Reserve over the 4 weeks ending May 13 averaged $700 million and excess reserves $465 million, both somewhat higher than in the previous 4 weeks. In the recent period reserves were absorbed mainly by gold and currency outflows, and were supplied principally by Federal Reserve purchases of U.S. Government securities and a reduction in required reserves.

SECURITY MARKETS

Common stock prices declined in early May and then advanced to new highs. Between mid-April and mid-May, bond yields generally rose further while the market rate on 3-month Treasury bills declined—from 3 to 2¾ percent. In early May the Treasury auctioned for cash $3.5 billion of December tax and special April bills. On May 15 it refunded a maturing certificate with a 1-year certificate to yield 4.05 percent.

EXHIBIT 2

[From the Washington Post, May 18, 1959]

U.S. PROSPERITY—RECOVERY AND POLITICS

(By Roscoe Drummond)

The news of the Nation's resounding recovery should not be limited to the financial pages. It has the most far-reaching political importance—at home and overseas, now and into the elections of 1960.

1. The fiscal policies of the administration are looking better than ever. They are being justified by events. There is no better test. The refusal of the President and Secretary of the Treasury Robert Anderson to panic in the face of the recession and to attempt frantically to manipulate the economy by lower taxes and deficit spending is now showing itself demonstrably sound. The whole country can see it.

2. The President's legislative program is going to fare better in Congress. To have been right on the recovery means that the Democratic congressional leaders will not find it easy to refuse the President or override him on other matters. The principal need is not how to deal with the problems of the recession but how to deal with the problems of prosperity—and here it is easiest for the administration to take the initiative.

3. Just as the recession helped to strike down the Republicans in the 1958 election, so the oncoming prosperity will greatly enhance Republican prospects next year in both the congressional and presidential campaigns. The outlook is that by mid-1960 the economy will be producing at the rate of a half-trillion dollars ($500 billion) gross national product. This should enable the President to keep the budget in balance, which his critics said would be impossible, and should pay large political dividends in 1960.

4. The strength and resilience of the American economy are enhancing our position abroad as well as giving the lie to the Communist fixation that capitalism just has to curl up and die. It isn't doing any such thing. And both the raw-material-producing countries and the more industralized nations in the free world are benefiting.

The wisdom of U.S. economic policies is winning new praise. One illustration is this remark from a recent speech by Heathcoat Amory, British Chancellor of the Exchequer:

"I am glad to have this opportunity of paying tribute to the calm and enlightened U.S. policies which did so much to prevent the spread of serious recession throughout the world. U.S. production has now fully recovered and continues to expand beyond previous peaks. In Western Europe, also, the trend is now upward; and indeed the recession in production has never amounted

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to more than what will appear in retrospect as a ripple on the trend."

All this does not mean there will be no deficiencies in the economy despite the high levels of prosperity. There will be. We face the prospect of considerable unemployment—perhaps five percent—in the midst of the Nation's highest employment. This is, in part, a technological unemployment brought about by shifting consumer tastes and new automation. It is visible in Pennsylvania and West Virginia coal towns, in New England textile communities, and some heavy-industry cities. There is also likely to be displeasure among farmers who experience declining hog prices.

Secretary of Labor James Mitchell has been rightly warning his own party not to neglect these valleys of trouble in our prosperity. If they are not neglected, there can be no doubt that the Republicans will go into the 1960 election with the strongest possible domestic argument in their political quiver—unprecedented national prosperity.

EXHIBIT 3

[From the Washington Post, May 17, 1959]

WILL BOND MARKET ABORT RECOVERY?

(By J. A. Livingston)

"Then turn not pale, beloved snail, but come and join the dance,
Will you, won't you, will you, won't you, will you join the dance?
Will you, won't you, will you, won't you, won't you join the dance?"

(Mock Turtle's song, "Alice in Wonderland".)

A year ago, the proposals, panaceas, and pleas to President Eisenhower were loudest: Do something to stop the recession. Suspend the withholding tax. Reduce the income tax. Do away with the automobile excise tax. Spend money on public works. Do something.

Today, as we look back, we can say that the clamor was loudest when the recession had already ended. The latest economic returns—the April statistics—indicate that the 1958–59 recovery has assumed classical dimensions. President Eisenhower and his advisers now look very good for resisting the clamor.

First, housing improved. Then production and retail sales. Personal income hardly dropped at all. The snail was employment. Unemployment stayed stubbornly high, and George Meany, president of the AFL–CIO, accused the administration of indifference. Only last month, spurred by Walter Reuther, head of the United Auto Workers, the AFL–CIO held an unemployment rally in Washington. In that very month, the snail joined the advance.

FIFTY-THREE OUT OF EVERY ONE THOUSAND WORKERS

The 1.2 million March-to-April increase in jobholders (to a total of 65 million) makes Reuther's unemployment rally as anticlimactic and ill timed as the do-something demands 12 months ago. More persons were at work last month than in any April in history. Unemployment dropped by 735,000, to 3.6 million and is now at the lowest level since December 1957. A year ago, 75 out of every thousand workers were out of jobs. That proportion is now down to 53 per thousand.

The unemployment problem, though alleviated, isn't solved. From 1955 to 1957, only 43 workers out of every thousand were jobseekers. We have pockets of distress in Detroit and other auto centers, where the upturn in auto output has not absorbed all available workers; in coalmining areas, which suffer from a long-term decline in demand; in some New England textile areas, which have gradually lost out to the South and synthetics.

This unemployment results from technological changes and economic shifts. It doesn't respond readily to a classical business upturn. Remedies must be specific—either to bring industry to where unemployment is or to persuade the unemployed to move away to where jobs are.

ANNIVERSARY COMPARISONS

The present recovery is now a year old. The Federal Reserve Board's industrial production index, the most sensitive overall indicator of business, has advanced for 12 consecutive months. In April, it rose 2 points to an all-time high. It's 18 percent above a year ago.

Yet, except for autos and housing, this recovery has been more sluggish than the recoveries of 1949–50 and 1945–55. The following table measures year-later gains for eight important indicators:

[In percent]

Indicator	1949–50 [1]	1954–55 [2]	1958–59 [3]
Production	29	14	18
Employment	5	5	3
Manufacturing employment	15	6	5
Unemployment	−47	−31	−29
Personal income	16	8	6
Retail sales	10	11	9
Housing starts	Nil	7	41
Auto output	22	60	80

[1] October to October.
[2] August to August.
[3] April to April.

The advance in business has been duly celebrated in Wall Street. The stock market average has again pushed to a new all-time high. Yet, about as many stocks hit new lows as hit new highs. This is a bull market with reservations.

WATCH GOVERNMENT

The reason for the reservations is the droop, droop, droop in Government bond prices. Today, Secretary Anderson couldn't sell a long-term Government bond issue if he wanted to. Long-term Treasuries sell to yield more than the 4½ percent coupon Congress has authorized.

This affects all bonds—all borrowers. The comptroller of New York State turned down bids for throughway bonds. The 4.3 percent interest cost was too high. Will other States and municipalities defer financing—and spending? Will a mortgage-money shortage hit the housing market?

New dwelling units started during April were at a near record annual rate of 1,390,000. Such a level requires lots of mortgage money. Will insurance companies and savings institutions decide they can do better in bonds than in mortgages?

This is still a young recovery—12 months. The average recovery during the last 100 years has been 30 months. Will the present expansion be aborted by money market conditions? The Government bond market has become a significant business indicator. Watch it.

EXECUTIVE SESSION

Mr. KEATING. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

Mr. KEATING. Mr. President, I suggest tht absence of a quorum.

The PRESIDING OFFICER (Mr. Moss in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAYMENT RECEIVED BY WISCONSIN FARMERS

As in legislative session,

Mr. WILEY. Mr. President, a moment ago I was in the anteroom, where I talked to some of my constituents who are milk farmers. It is strange that under Government milk-marketing orders, farmers living in the areas which adjoin the city of Washington, D.C., can receive as much as $6 a hundred for the milk they produce, whereas Wisconsin farmers who have been shipping milk under orders to Chicago, receive an average of approximately $3.40 a hundred. This matter requires immediate consideration by the Department; and I shall take steps immediately to see what can be done about it.

THE UNIVERSITY AND FOREIGN RELATIONS—ADDRESS BY HON. JOHN MOORE ALLISON, AMBASSADOR TO CZECHOSLOVAKIA

As in legislative session,

Mr. HRUSKA. Mr. President, on Saturday, June 6, the University of Nebraska held its 88th annual commencement.

The speaker for the occasion was John Moore Allison, currently U.S. Ambassador to Czechoslovakia.

Ambassador Allison is an alumnus of the University of Nebraska. Since his graduation there in 1927, he has been in the Foreign Service of the United States, having served in many capacities and in many countries all over the world.

Among his many important assignments were those of being Deputy to Secretary of State John Foster Dulles in negotiation of the Japanese Peace Treaty in 1951; Assistant Secretary of State Far East Affairs 1952–53; Ambassador to Japan 1955–57; Ambassador to Indonesia 1957; Advisor to U.S. Delegation to United Nations Assembly in 1946.

In 1952, his alma mater honored him by a Distinguished Service Award. On the occasion of the exercises held last Saturday, there was conferred upon him an honorary degree of doctor of laws.

The subject of Ambassador Allison's speech was "The University and Foreign Relations."

Mr. President, I ask unanimous consent that its text be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE UNIVERSITY AND FOREIGN RELATIONS

(Address by John Moore Allison)

Chancellor Hardin, members of the class of 1959, fellow Cornhuskers, it is customary for speakers to express pleasure at being asked to address any particular audience and perhaps in most cases those expressionss of pleasure are sincere. As an alumnus of this university I do not believe it necessary for

me to gild the lily in this respect. It seems to me that any graduate of a university would not only be greatly pleased at being invited to give the commencement address at his old school but that he would feel greatly honored that the university should wish him to do so. I am pleased and I do consider it a great honor to be here today. As a member of the class of 1927, I welcome the members of the class of 1959 into the ranks of university graduates. I congratulate you on your achievement and I wish for you not only success, but, more important, satisfaction and happiness in whatever field your future may lie.

I do not intend to talk to you this morning in any manner other than as a fellow graduate who wishes to share with you some of the conclusions he has reached after 32 years in the field of foreign relations, of what contribution the university and you as university graduates can make in this area which has become of such vital importance to the future welfare of our people and the peoples of all the world.

It was not always so. Prof. Robert Ferrell in a recent history of American diplomacy points out that it was not until the middle of the 20th century that foreign relations became "the central problem of the great Republic of the new world." But today it certainly is and it casts its shadow on all other fields of activity which may follow. What will be our situation in another 30 years is difficult to visualize. I know that to you members of the class of 1959, 30 years is a long time to look ahead, but when I look back at what has happened in the 32 years since a lenient faculty turned me loose on the world as a brandnew bachelor of arts, it is difficult to set a limit to what the next 30 years may see.

When I was graduated a tall, blond young man named Lindbergh was still making preparations for a solo, nonstop flight across the Atlantic. Today, seven of our Nation's finest young men are in training for a journeying to outer space and with every expectation of coming back to tell us all about it. My coming from Prague, which I left only little more than a week ago, to talk to you today is considered commonplace. Thirty years ago it would have been something to talk about. When one of you from the class of 1959 comes back in 1989 to give the commencement address, is it unreasonable to suppose he may come from the moon?

Since 1927 we have gone through economic depressions and upheavals, a devastating World War, the advent of the atom as a weapon, and the beginning of its use for peace and the advancement of man instead of for his destruction. We have seen the establishment of the United Nations, which, although sometimes creakily, nevertheless functions and is helping in many diverse ways every kindred and tongue and people to learn to work together for good. During this same period our country has been thrust into the forefront of world affairs with responsibilities, obligations, and opportunities reaching into every corner of the earth. Today it is almost literally true that what you or I do in Lincoln, or North Platte, or Grand Island has a direct effect on what happens in Manila, Djakarta, or Tokyo to say nothing of London, Berlin, and Moscow. And the reverse is also true.

When I left the university in 1927, Dr. Norman Hill had but recently arrived as the first full-time professor of international relations. The only Government agencies then normally considered as being involved in foreign relations were the State Department and the Bureau of Foreign and Domestic Commerce of the Department of Commerce. In 1949, the Hoover Commission reported that of the 59 units in the executive branch of the U.S. Government, 46 were involved in foreign relations. During 1948, in 390 international conferences only 1 official delegate out of 4 was a member of the State Department and 27 percent of all representatives were not members of any Government agency at all. In 1947, some 435,000 Americans traveled abroad, exclusive of Canada and Mexico; in 1957, the number was close to 1,500,000. When I joined the Foreign Service in 1930 there were less than 1,000 full-time Americans serving in it. Today the number is closer to 8,000. In addition to these, there are over 30,000 American civilians serving abroad in other U.S. Government agencies. But Government service is not by any means the only field in which Americans are active abroad. In 1956, there were some 28,000 in missionary organizations, 24,000 in business enterprises, 10,000 students and several thousand teachers, research scholars, officials of international organizations and philanthropic foundations, making a total of over 100,000 Americans working in foreign lands. And this is only heads of families. Their wives and children are not counted. And nothing has been said of the thousands of members of our armed services stationed all around the world. These 100,000 will greatly increase as America becomes more and more conscious of its international responsibilities and opportunities. And it must be the colleges and universities and technical schools which supply them. If this task is not recognized by the universities and full preparation made to meet this growing need our country will suffer. A White House observer has been quoted as saying, "We are not only in the world for keeps, but much of the world is in our keeping." To give sufficient and proper training to the thousands of young Americans who will be needed in the future in the foreign field, is one of the greatest challenges facing our universities today.

And what sort of a world is it in which over 100,000 Americans and their families are toiling outside their own country? It is a tragically divided world. It is a world in which technological progress has so advanced that we can see the possibility of a tremendously finer life for all and yet a world in which political, moral, and spiritual advances have not kept pace. It is a world in which all that the United States stands for in relation to man's purpose in life is challenged by a ruthless, materialistic system whose leaders are convinced that history is on their side and who say with Soviet Prime Minister Khrushchev, "We will bury you." "All the world will come to communism—history does not ask whether you like it or not." This does not mean that he seeks to bury us literally—that we face in the near future an all-out war. I do not believe we do, or that the Soviet leaders want such a war. But they are in deadly earnest about making their way of life succeed and spread throughout the world—by peaceful means if at all possible, but if not, by any means available.

Whether they succeed or whether we can prevent their success without the complete destruction of civilization as we know it depends largely on you and the young men and women coming from our universities over the next few years. It depends not only on how much you have learned in your various specialties, it depends not only on whether we produce more scientists and engineers than the Russians—although that is extremely important—it depends on how firmly convinced we are that our way of life is right, that it offers more hope for the full development of man than any other. It depends upon how willing we are to make sacrifices, how firm and steadfast we can be. It depends upon how understanding we can be of peoples of different backgrounds and races. And, above all, it depends upon how patient we can be. Patience is not easy for Americans, but there is no quick easy road to success in this struggle. There are no easy answers, there are no readily available panaceas. But there is a place and a crying need for enthusiasm in the right, for vision, for imagination, and for all the qualities of mind and spirit which should be the result of your university education.

In his stimulating and sometimes controversial book, "Nuclear Weapons and Foreign Policy," Henry Kissinger says:

"One of the paradoxical lessons of the nuclear age is that at the moment when we have at our disposal an unparalleled degree of power, we are driven to realize that the problems of survival can be solved only in the minds of men."

It is in the universities that the minds of men can best receive that cultivation which enables all of us, whatever our particular job, to understand each other and work together, to appreciate that what is different may yet be good, that what is new is not, of itself, dangerous, that what is old may have beauty and reason and inspiration for us—and, above all, that what we stand for is the dignity of man everywhere, not the dignity of the white man, nor the yellow man, nor the black man, nor the dignity of the man in the front office, nor the man in overalls, but simply and sincerely the dignity of man.

I hope that such cultivation has been your lot here at Nebraska University and that in ever-increasing degree it will be the lot of those who come after you. That esteemed Anglo-American philosopher, Alfred North Whitehead, once said:

"During the school period the student has been mentally bending over his desk; at the university he should stand up and look around."

For 4 years now, and for some of you even longer you have had the opportunity to stand up and look around—don't lose the habit.

Look around you; don't just look at your next-door neighbors, attractive as they may be. Look at the Filipinos, there are some 20 million of them; look at the Japanese, almost 90 million of them; look at the Indonesians, over 70 million; and look at all the newly independent states of Asia and Africa. We are naturally inclined to look mostly at Europe and it is important that we do so, for as Secretary Herter recently reminded us, "twice in this century we have seen that when major war comes to Europe, it comes to all the world." But do not forget these new nations, some already independent, some still on the road. Independence and freedom is coming to these peoples at an increasing pace, in many cases before they are fully prepared for it. But the blame for that lies not only with them, we of the West must share the blame. However, ready or not, independence and self-government is coming to these nations, and we must learn to work with them and lead them to work with us in partnership, or we will be lost. We have much to give them of our wealth, our technical and administrative know-how, our modern health programs, and all those things which will help them to build successful, modern independent states which can stand on their own feet and not be a satellite or a puppet of anyone, neither of the Russians nor of the Americans. Even more, we need to give them sympathetic understanding. We must not be impatient when we discover that their ways are not our ways, that they are suspicious of us and our motives, and that in some cases they will not or cannot at once adopt en bloc our systems of parliamentary democracy and economic private enterprise.

And the 100,000 and more Americans who will be working in foreign countries over the coming years, among whom some of you will undoubtedly be included, must have not only the most thorough intellectual and technical training but must be psychologically equipped for the task. We cannot afford to have any more like those pictures in "The Ugly American," although there never have been as many as our more sensational writers would have us believe. This is one of

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the most challenging tasks facing our universities today and facing each of you also, whether you go into the foreign field or stay at home. For the image of "The Ugly American" sometimes in the minds of people abroad takes the shape of Uncle Sam himself. He bears labels which read "Little Rock," "The Blackboard Jungle," "Hoffa," "McCarthy." These labels make it difficult, and in some cases impossible, for the thousands of good Americans who every day in tropical jungles or in London streets are trying to give a true picture of the America we know and love, to make their voices heard. These labels, which we know tell only a small part of the story, and that a distorted one, nevertheless make it easy for the Communist leaders to charge us with hypocrisy, with decadence, and encourage them in their belief that history is on their side. We must be sure that our own house is clean, that our purposes are pure, and that our deeds, to the greatest degree possible, match our words.

As one who has spent most of his adult life abroad I cannot emphasize too strongly how important to our task is the picture of America which each of you paints and which is the background of all we do. Sometimes over the past years it has seemed that our country had lost some of its old virtues and lacked impetus and conviction. A great American, Adlai Stevenson, dealt with this problem in a speech in Washington, D.C., last January which has special significance for us who are interested in the role of the university in foreign relations. He said:

"If freedom means ease alone, if it means shirking the hard disciplines of learning, if it means evading the rigors and rewards of creative activity, if it means more expenditure on advertising than on education, if it means 'bachelor cooking' and 'life adjustment' courses in the schools, and the steady cult of the trivial and the mediocre, if it means—worst of all—indifference or even contempt for all but athletic excellence, we may keep for a time the forms of free society, but its spirit will be dead."

And Donald K. David, former dean of the Harvard Graduate School of Business Administration and Chairman of the Committee for Economic Development, has said:

"Today, our peril arises not from the power of the Soviet challenge but from the weakness of our own response."

And what should be the nature of our response? I am reminded that when our ancestors built up this great Middle West where we now live and move and have our being in luxury undreamed of by them, that they were confronted by a deadly enemy, the Indians of the plains. But did they spend all their time going out and shooting Indians? No, they had their rifles with them and they knew how to use them when necessary, just as today we have NATO, SEATO, the ANZUS and Baghdad Pacts, and other bilateral agreements for mutual security. But our ancestors devoted most of their time and energy to building homes and schools, planting corn and wheat, going on Sunday with their families to the little log cabin church, and in every possible way causing the desert to bloom. Another great American, Vice President NIXON, in a speech in London last November, might well have been thinking of this lesson from our ancestors when he said of our present problems:

"Let us speak less of the threat of communism and more of the promise of freedom. Let us adopt as our primary objective not the defeat of communism but the victory of plenty over want, of health over disease, of freedom over tyranny."

To achieve this victory of plenty over want, of freedom over tyranny, is the biggest task before us today. It will engage the best efforts of all of us, those who stay at home and those who go abroad. For many years young men and women from the British Isles went in the hundreds and thousands to all corners of the earth and helped to spread civilization as we know it. Today with our mutual security and economic assistance programs, so necessary to our own long-term welfare and the peace of the world, I hope that in increasing numbers the best of our young people will see the challenge and seize the opportunity of service in the foreign field. And I hope that those who stay at home will give those who go abroad the support that can only come from constantly making a better America. Only in that way can we keep the peace. Not long before the tragic death of my good friend and respected former chief John Foster Dulles, he was quoted as saying:

"The quest for peace can be an enthralling adventure. Everyone has a part to play. We have the opportunity to prevent the suicide of humanity."

Members of the class of 1959, I invite you to share in that adventure.

THE BEST ADVICE I EVER HAD—ARTICLE BY SENATOR NEUBERGER

Mrs. SMITH. Mr. President, the June 1959 issue of Reader's Digest contains an article by one of our Members which I believe is worthy of the attention of all of us. It is written by the junior Senator from Oregon [Mr. NEUBERGER], bears the title "The Best Advice I Ever Had," and appears on pages 11 and 12 of the Digest.

Because the article itself is such good advice, I ask unanimous consent that it be printed in the body of the RECORD. It will make Senators pause and think. I am sure that I shall never forget it, not only because it is so characteristic of the junior Senator from Oregon, but also because it will always ring a bell in my mind when in the midst of debate on an issue.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BEST ADVICE I EVER HAD

(By RICHARD L. NEUBERGER, U.S. Senator from Oregon)

I still remember my encounter with a band of silent and forbidding Chipewyan Indians, building longboats in a primitive shipyard along the Athabaska River. They stared at me hostilely until I mentioned that I was a friend of Inspector Denny La Nauze, a member of the Royal Canadian Mounted Police in these northern solitudes. With that, their hospitality knew no bounds. Afterward on the trip, whether at a trapper's lonely bivouac or in a remote mission hospital, the same magical result occurred whenever I mentioned my friendship with La Nauze.

Later, at his home in Calgary, I asked the famous man hunter of the Mounted how he accounted for such affection, rarely given to a man with the stern task of upholding the law. La Nauze looked at me out of pale-blue eyes that had squinted across bleak miles of frozen tundra. "Dick," he replied, "I suppose those people in the North Country still think well of me because I followed a rule that I would recommend in all human relationships. No matter how decisive things seemed to be on my side, I always kept in mind one thought: The other fellow may be right."

Perhaps because of the impressive dignity of the man, his advice has lingered in my memory and guided me. It has given me second thoughts in situations where once I felt all too sure of myself.

Not long after my last visit with La Nauze I spoke to a convocation at Oregon State College. It was during the 1954 senatorial campaign. A member of the faculty asked a question challenging the consistency of a position I had taken on inflation and taxes. Instead of retorting belligerently, as I was tempted to do, I hesitated for a moment, then answered, "I never thought of it that way before. I believe you are right. My stand isn't wholly consistent."

After the election the president of the college, Dr. A. L. Strand, said, "Nothing that happened won you as many votes on our campus as that answer. Too many politicians are certain they are right on every issue. You made your best impression with that simple admission of human fallibility."

This has not invariably been easy advice to put into practice. On one occasion I was debating on the Senate floor with my former colleague, Arthur V. Watkins, of Utah, over a bill proposing a huge storage dam in the Dinosaur National Monument. He had used up his allotment of time; I had about half an hour left. When he asked if I would yield him a little of my time, I obeyed an impulse to press my advantage and replied testily that I thought the Senator had spoken long enough.

From the rustle which went through the Senate Chamber, I knew I had said the wrong thing. I also realized that Watkins might be right in his request. If his argument was so effective that I could not afford to be generous about granting him 10 or 15 minutes more, did I deserve to triumph in the debate?

I wrestled this over in my conscience, and then admitted publicly that I had been wrong and arbitrary in my attitude. Not only did the admission make for me some personal friends out of Senators who had merely been acquaintances before, but it won an invaluable ally in Arthur Watkins. A year later, when the Klamath River watershed in my State needed urgent legislation to protect timber and waterfowl marshes, he gave it strong support.

Denny La Nauze's rule, it seems to me, can benefit almost anyone. How many times in casual conversation are we led into quarrels because we bristle up and stubbornly refuse to admit that the other fellow may have a case? How often a parent confuses a youngster by insisting that father knows best when a textbook has just proved the old man wrong. Whenever I hear some dubious claim arrogantly advanced, I wonder how many humiliations might be avoided and friendships saved if we could always remember the mountie's simple rule. I, for one, have found it far easier and happier to go through life willing to grant that—the other fellow may be right.

IT IS THE LITTLE PEOPLE WHO PAY THE TAXES

Mr. BRIDGES. Mr. President, in these days of fiscal dilemma, when the soak-the-rich philosophy still seems to be the policy of many of our free spenders, it is refreshingly informative to read a candid analysis of the true facts of income taxation, as set forth in the lead editorial of the Saturday Evening Post of June 6, 1959. Mr. L. Robert Driver, who wrote the editorial, is a well-known economic analyst whose figures are unimpeachable. He has performed a valuable public service in making available the true facts to those numerous Americans who read the Saturday Evening Post. I ask unanimous consent that Mr. Driver's editorial be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IT'S THE "LITTLE PEOPLE" WHO PAY THE TAXES

(By L. Robert Driver)

It is a strange American political phenomenon that, although most of the vocal protest against more Government spending and higher taxes comes from the well-to-do, it is actually the small- and middle-income people who pay the taxes. This is true simply because there are so many more people with low incomes. Even if we raised the income tax to 100 percent on all taxable incomes; that is, income, after exemptions and deductions, over $6,000 a year, the extra revenue would not pay the annual interest on the Federal debt, much less take care of the new demands of the spenders.

We are now facing a Presidential budget for the year ending June 30, 1960, of $77 billion and tax receipts estimated at $77,100 million, indicating a surplus of $100 million provided gasoline taxes are increased and other tax rates remain the same. These tax receipts are probably overestimated, and we face the likelihood of another deficit. The deficit for the year ending June 30, 1959, is now estimated at $13 billion. Regardless of this, many Members of Congress are saying that the proposed expenditure of $77 billion is too little in view of human needs.

The same politicians who tell us that we should spend more for defense—and they could be right—also insist on more money for public power and handouts. Going into debt for national defense can be compared to a family's borrowing money to pay doctors' bills, but no prudent family would go further into debt to build a swimming pool in the back yard with more medical bills to be expected.

Not only does the "little fellow" pay the bulk of direct taxes, but as the Federal debt continues to mount he faces the prospect of paying an even crueler tax through the medium of inflation.

If we increase our expenditures, we must increase our taxes. The burden will fall on the lower-income people—because the wealthy could not pay a substantial part of our taxes even if we took all of their income. About 53 percent of our Federal taxes are derived from the personal income tax, but 73 percent of the revenue from the Federal income tax comes from people with annual taxable incomes of $4,000 or less. The revenue from taxable incomes in excess of $4,000 is only 14 percent of the total Federal taxes received.

At present, income tax rates are as high as 91 percent. The Tax Foundation has prepared a table showing that, with a maximum tax of 70 percent, the revenue for the year 1955 would have been reduced by no more than $145 million. This is not enough to operate the Federal Government for one day. But with a 70-percent tax on the highest income, an investor in American industry would find it more worthwhile to put his money into progressive American industry. If this happened, the Treasury would soon get back the $145 million which it lost because of the lower rate.

On the other hand, if the tax should be increased to 100 percent on taxable incomes above $26,000 it would increase the Government's receipts by enough to pay about 1 percent of the total Federal taxes proposed. Hardly enough gain to justify the liquidation of many of our most productive people.

The idea of "soaking the rich" is good campaign material, but the figures show that the rich cannot help us much in paying off our large debt and meeting the costs of Government. Taxes have to be laid where the income is, and that means on the middle class and the lowest-income groups as well as the millions of people who pay no personal income tax.

Federal income taxes from corporations represent 28 percent of the estimated Federal taxes included in the $77,100 million for the next year, and excise and other Federal taxes 19 percent. The public has been led to believe that, since these taxes are paid by corporations, the rest of us need not worry about them. The simple fact is that these taxes are inevitably passed on by the corporations to the purchasers of their goods and services. A corporation which didn't include taxes in its cost structure would collapse.

It is a paradox that those who urge reduction of Government expenditures, which would help the tax-ridden "little fellow," are denounced as reactionaries, while the spenders, whose policies are leading to his ruin, are embraced as his friends.

U.S. AID TO INDONESIA

Mr. BRIDGES. Mr. President, a short time ago I demanded of the State Department the reason for U.S. arms and aid to Indonesia, whose leader, Sukarno, has already written off the capitalist countries of the world, of which the United States is a leading exponent. It seems to me that time and time again we are short on help to our friends until they have gone down the drain, and then we try to make amends by extending aid to the successor regime, invariably Communist, in the hope that there may be some friends in that regime who will bore from within. The first great postwar case in point was that of the Chinese Nationalists, whom we failed to supply in their hour of need. The latest case in point seems to be that of Indonesia, where we now support the Sukarno regime, having failed to aid the anti-Communist rebellion.

Mr. President, although my demand went unheeded by the State Department, it was picked up and given widespread publicity in the lead editorial of a recent issue of the Saturday Evening Post. Because of the wide circulation of the Post, I feel that my demand has served its purpose in alerting a large segment of the American people to the need for continually reviewing and questioning certain aspects of our foreign policy. Increasingly, our citizens must be prepared through thoughtful contemplation to offer constructive expressions of opinion on the many problems which face us.

Mr. President, I ask unanimous consent to have inserted in the body of the RECORD a Saturday Evening Post editorial of May 2, 1959, entitled, "U.S. Arms for Sukarno Looks Like a Very Long Gamble."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

U.S. ARMS FOR SUKARNO LOOKS LIKE A VERY LONG GAMBLE

Eight months have passed since the State Department's startling announcement last August that our Government was about to send small arms, jeeps, and military trucks to supposedly neutralist Indonesia. As far as we know, the Department has made no definitive explanation of its reasons for giving military aid to a country headed by Achmed Sukarno, who only a few short months ago proclaimed capitalism the great enemy and declared that whoever resists the "trend of the times will be destroyed." That, most Americans thought, meant us.

The State Department did explain that the arms were intended to enable the Indonesian Government to protect its internal security and not to make war on its neighbors. However, if the threat to Indonesian security meant a threat to pro-Communist Sukarno, whose ideological kin are in Moscow and Peking, it is difficult to understand why we should feel obliged to come to his rescue. The most logical explanation is that, after the collapse of the rebel movement in Sumatra, a movement which seems to have lacked any semblance of popular support, the State Department concluded that some gesture of friendship toward Sukarno might serve to strengthen anti-Communist elements in his government.

There is in Indonesia a hard core of military officers trained in the United States, and they are understood to hate the Communists. A few of them joined the rebellion, but most of them are still in the Indonesian Government's army and doubtless appreciate such ties with the United States as these shipments of military hardware make possible. Furthermore, Foreign Minister Subandrio has a healthy suspicion of Communist aims for his country. General Nasution, head of the Indonesian Army, has used military force to suppress Communist uprisings in the country.

Despite these faintly hopeful factors, Sukarno has shown that he is in full charge of his government. Aiding a government headed by him would seem to be something like aiding Khrushchev on the ground that some of the men around him might somehow sneak in some action favorable to us. It is difficult not to echo the demand, by Senator STYLES BRIDGES, of New Hampshire, that the State Department give "the reason for U.S. aid to a nation whose leader has already written off the capitalist countries of the world, of which the United States is the leading exponent." It is easy to believe that the State Department is none too happy about the situation, but is attempting to counteract Soviet influence in that economically and politically destitute area.

The tragedy of Indonesia, as far as the West is concerned, is the failure of the anti-Communist rebellion. On the basis of hindsight, its leaders obviously erred in attempting to set up a separate government which influential anti-Communists such as Dr. Mohammed Hatta refused to join. Had they been content to work from the inside, they might have managed to surround Sukarno with a tighter cordon of anti-Reds than the one the State Department appears, somewhat wishfully, to be counting on.

The whole thing looks like one more of those hopeful efforts to wean pro-Communists away from their favorite pap by arming them against anti-Communists. However, just as Nehru appears to be awakening belatedly to his danger, now that the Chinese Reds are operating in Tibet, so it could be that an accumulation of Communist successes in southeast Asia may eventually alarm the nationalistic Indonesians sufficiently to persuade them to get rid of Sukarno and resist the Communists.

Just the same, it might have been wiser to hold up arms for Indonesia until symptoms of awareness of the menace of communism became more definite, reserving the bulk of our aid for leaders who have recognized communism for what it is—and are fighting it.

PROPOSAL TO ADMIT RED CHINA TO OLYMPIC GAMES

Mr. BRIDGES. Mr. President, the May 28 decision of the International Olympic Committee has, in my judgment, created a serious doubt in the

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minds of the American public of the activities of the Olympic Committee. It is unbelievable that an organization which allegedly is nonpolitical can do what a political body, the United Nations, has been unable to do. I refer to the sanctioning of Red China's participation in the Olympic games. The regulations and protocol under which the International Olympic Committee operates is very clear in the field of political consideration. The regulations on this subject, adopted on July 12, 1956, by the International Olympic Committee at its meeting in Lausanne, Switzerland, contain a specific provision that national Olympic committees must be "entirely removed from all political, religious, or commercial influence."

Additionally, there has been a further flagrant disregard of the high ideals and motivation which have characterized the Olympic events since their inception. We now find that the definition of amateur has been changed to coincide with the political philosophy that prevails in the Communist-dominated countries. Is there any doubt in the minds of my colleagues that participants from Communist nations are paid and trained by their respective governments? It is an ironical and a tragic commentary on history that the records of the great James Thorpe have been maligned and discounted because he allegedly did not qualify as an amateur. Yet, only a few decades later, we see wholesale representation by participants who are professionals beyond any degree that Jim Thorpe ever could have contemplated. This is a sad reflection on the principles which have made the Olympic games the shining beacon of clean sportsmanship and moral rectitude which they previously have been.

In connection with this subject, I request unanimous consent that a letter to the editor, which was published in the Manchester Union Leader of June 9, 1959, be incorporated in the body of the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

SHOULD WITHDRAW FROM OLYMPICS

To the EDITORS: The recent decision of the International Olympic Committee which withdraws recognition of the Olympic Committee on Formosa and makes it possible for the Government of Red China to apply for recognition represents a direct violation of the established policies of the IOC. That organization has now given in to political pressures although it is supposed to be nonpolitical.

Perhaps it is more than coincidence that this change in policy has occurred. It is a known fact that the Communists are seeking to control all phases of life. This includes the athletic and educational as well as the military and political aspects. When Communist Governments find it possible to pressure the IOC into changing its policy, then that committee has become a tool of Communist policy.

The U.S. Olympic Committee should refuse to retain membership in the IOC under such conditions. This is tantamount to recognition of Red China as the legitimate representative of the Chinese people.

Entirely aside from the political ramifications is the fact that amateur athletes do not exist in Communist countries as far as international competition is concerned. With this in mind, is it not a very paradoxical position in which the IOC finds itself? The IOC, the international authority of amateur sports, has now made it possible for one more Communist nation to send its professional athletes to compete with amateurs from the West.

The only principled action the U.S. committee can take is to refuse to abide by the decision and to withdraw from the IOC. Cultural exchange proponents will disagree with such actions but those who are familiar with Communist ideology and the methods used to implement that ideology will realize that any other course of action would be to compromise our ideals, both athletic and political.

THOMAS R. AGAN.

LEBANON.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KIRWAN, Mr. NORRELL, Mr. CANNON, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.

THE POLITICS OF LIBERATION AND THE DIPLOMACY OF POLITICAL DETERRENCE

Mr. DODD. Mr. President, we are participating in the current discussions with the Soviets on the question of Berlin against a foreboding background. On the one hand, there is Khrushchev's original ultimatum. Although the Kremlin did abandon its May 27 deadline, the ultimatum per se has never been withdrawn.

On the other hand, there is an unbroken series of threats of military action and nuclear devastation. Whether or not Khrushchev decides to speak softly at any given moment, the negotiations which are now in process and the summit conference, if it takes place, must be carried out under the shadow of all he has said and done up to now.

It is not my purpose in this discussion to examine in detail the conduct of the Geneva Foreign Ministers Conference. The Kremlin has proved as truculent and irrational as we had anticipated, and reports are generally agreed that no worthwhile agreement can result from this 5-week exercise in patience, exasperation and futility.

I wish to speak today about a matter which I consider of great and enduring significance—the new Soviet diplomacy that Prime Minister Khrushchev has been modeling for the intimidation of the world.

The goal of the Communists remains unchanged. That goal is world Communist domination. Their basic strategy also remains unchanged. They still seek, by every conceivable means, to divide the free world, to confuse it, to divert its attention by feinting in many directions, to subvert it directly wherever this is possible, to soften it up where immediate subversion is not possible, to beguile it with soft words when this approach offers the greatest promise, to propose negotiations, including summit meetings, at which they demand everything and concede nothing, and plan to obtain something.

But a new element has been added to Soviet diplomacy. For the first time since the Russian revolution, the Kremlin now talks in terms of ultimatums, and the use of hydrogen missiles. The threats that Khrushchev has recently made are, I am convinced, the forerunners of many more threats and ultimatums that will be addressed to us over the coming years. It is important, therefore, that we evaluate the significance of this new Soviet diplomacy and that we reexamine our own diplomacy in its light. Above all, we must seriously discuss whether some new element cannot be added to our own diplomacy that will further the more effective counter to the Kremlin's new tactics.

The Allied Powers have all stated for the record that they will not be intimidated by such threats, that there will be no retreat at Berlin, and no appeasement. But one is compelled to consider whether the Soviet threats have not had a greater effect on Western thinking than the West is prepared to admit. Specifically, I cannot help questioning whether these threats have not been responsible for an apparent softening of British policy and for the exaggerated nervousness of a portion of the British press over our high altitude flights to Berlin.

The story was told by several correspondents that in one of his conferences with Prime Minister Macmillan, Nikita Khrushchev warned the Prime Minister that the Soviets intended to go through with their ultimatum, that any effort to resist would result in war, and that it would require only a dozen missiles with hydrogen heads to completely destroy the British Isles. According to these reports, Macmillan emerged from this meeting with his face firm, but visibly impressed. Other accounts in the British press stated that he was shaken to the bone.

On May 9—that is, on the very eve of the Geneva conference—Premier Khrushchev warned a group of West German editors that the Soviet Union could put West Germany out of action with eight hydrogen bombs, and that no more would be needed to do the same for the rest of Western Europe. According to the New York Times, Mr. Khrushchev said that, if it comes to war—here I quote his words directly:

The Western Powers will be literally wiped off the face of the earth. And the countries first to suffer will be those in which the Americans are setting up their rocket bases.

I can recall no comparable preface by a head of state to a diplomatic conference ostensibly intended to reduce tensions. Not even Hitler at his most reckless prewar moment rattled the saber as arrogantly as Khrushchev now brandishes his hydrogen missiles. In the light of these remarks, it would almost

appear that in going to Geneva we are attending not a diplomatic conference, but a rendezvous with underworld extortionists.

Notwithstanding Mr. Khrushchev's bluster, it is my belief, Mr. President that in deciding on the course to pursue in our negotiations with the Soviets, we must realistically appraise our own strength and weakness—and the strength and weakness of the Soviet position.

There is an element of the poker game to our competition with the Soviets. Certain cards are on the table, but there are closed cards on each side that the other side is compelled to guess at. Because of our own open society and free press, there are more closed cards on the Soviet side than there are on ours in this game of international poker. We are, therefore, constrained to indulge in far more guessing—while the Soviets are at the same time free to engage in poker bluff to a far greater degree than the West.

Even with the most careful study, political and human behavior cannot be forecast with 100 percent accuracy. One of the first rules of statesmanship is that one must prepare for all contingencies, including the worst. Whether to call the Soviet bluff or to meet their military challenge, we must be prepared for war as the alternative to capitulation.

If we are to plan our strategy intelligently, however, it is important that we try to estimate on the basis of the known facts, whether the Soviets, in forcing the Berlin crisis, are leading from strength or weakness; whether their martial talk and missile-rattling are plain bluff, whether they are something real and serious, or whether bluff and earnestness are so intermixed that the outcome of these threats is impossible to assess.

To answer the first question, I believe that the Soviets may in part be emboldened by their missile lead, by their overwhelming superiority in conventional arms and by the anticipation of Western disunity. On the other hand, I feel that they are motivated, to a very large degree, by a serious weakness in their own position.

The Soviet puppet regime in East Germany is suffering from a chronic social disintegration that the Soviet specialists have found no means of arresting. Although increased production has been achieved in some areas, East Germany, compared with the prosperity and well-being of West Germany, has since the end of the war become an economic wasteland. If the flight of skilled workers, teachers, and professionals from East Germany continues at the rate of the past 10 years, and if the East German population continues to decline, Soviet Germany may within the next decade become a near-desert in the literal sense of the word.

The Communist leaders have apparently decided that this process of attrition must be stopped. To accomplish this, a quadruple operation will be necessary.

First, surgery must be performed on West Berlin to eliminate it as a showcase of democracy in the heartland of Communist Germany and as the No. 1 escape route for East German refugees. Berlin is in the words of Nikita Khrushchev, "a malignant tumor which must be cut out."

Second, the satellite regime in East Germany must be bolstered internationally, and domestic opposition to it must be discouraged, by compelling the Western Powers to grant it recognition.

Third, since the proximity of Western troops—even in the absence of an active liberation policy—must be considered a potential stimulus to the liberation movement, Western Germany must be disarmed and the NATO divisions must be obliged to retire as far to the west as possible.

Finally, to consummate the consolidation of Soviet power over the satellites, the Kremlin proposes a European security pact under which the West would, in effect, guarantee the maintenance of Soviet control of Eastern Europe.

This is an ambitious program—but Khrushchev is apparently of the opinion that he has everything to gain and nothing to lose by demanding a summit conference on these issues.

The next question we must ask ourselves is whether Khrushchev was bluffing or whether he really meant it when he said that once control of the Berlin routes is turned over to the East German forces, any clash between them and NATO troops would automatically result in war.

A factor in the Berlin ultimatum may be Khrushchev's conviction that the development of Soviet nuclear and missile power has already succeeded in canceling out, or will soon be able to cancel out, the deterrent power of American nuclear superiority. Indeed, he may have made his threats and he may be using the present negotiations for the purpose of testing this conviction. I think there may be much wisdom in the observations which Joseph Alsop made in the New York Herald Tribune of May 13. I quote:

> What Andrei Gromyko and his vast Soviet delegation are here to find out, if they can, is whether the Western nations really are ready to fight for Berlin. If they conclude the contrary, as they well may, there will be no end to the concessions which the Soviets will demand. Nothing but the clearest, most decisively proven Western willingness to fight for Berlin will promote the kind of compromise that would be acceptable to the West.

"Western willingness to fight," in the given situation, means our willingness to employ our nuclear and thermonuclear weapons.

Khrushchev may be right in reasoning that the responsible Western leaders will hesitate a long time before hurling the first nuclear bomb and involving the world in a war of mutual devastation. But let him not underestimate the will or courage of the free world if he confronts us with a choice between war or capitulation.

In this connection, I believe that the Gallup poll published last March 29 is most significant. The question asked was:

> Do you think we should keep American forces in Berlin—along with British and French forces—even at the risk of war?

Eighty-one percent of those queried felt that we should remain in Berlin, even at the risk of war; 8 percent had no opinion; and only 11 percent felt that we should not stay in Berlin. The consistency of American public opinion on the question of Berlin is as remarkable as its strength. A Gallup poll in 1948, at the time of the blockade, showed 80 percent of the American people in favor of staying in Berlin and 11 percent opposed. Another Gallup poll in December 1958, just after Khrushchev's ultimatum, showed 78 percent favored remaining in Berlin and, again, only 11 percent opposed.

The American people know that if war should come, it will almost certainly be a nuclear war. And yet, in the face of this, they have given an overwhelming mandate to the administration and to the Congress of the United States to pursue the firm and unyielding policy to which they have committed themselves. Why do they think as they do? Mr. Gallup quoted this typical comment:

> Russia wants to take over all Germany, and and then Europe, and then the world.

Mr. President, I believe that the understanding and fortitude which the American people have always displayed in times of crisis, is an element of national strength which must be weighed heavily in any comparison of American and Communist power.

In coping with Khrushchev's blustering threats we need not—indeed, we must not—rely only on our power of nuclear deterrence.

The fact is that we have in our grasp a deterrent potentially even more effective than our arsenal of atom and hydrogen bombs. It is a deterrent of which, regrettably, we appear almost wholly unaware, and which we have thus far not employed as an instrument of diplomacy, but it is one of whose potential effectiveness the men of the Kremlin have been made painfully aware and which will cause them to shrink from putting us to the test of military action—if the West remains united and firm.

There was a time, perhaps, when the Soviet leaders may have imagined that, given an increase in their nuclear strength, they would possess the potential to wage a war against the West. But the successive events in East Germany, Hungary, and Poland have seriously weakened this potential—and this is something that is perhaps better understood in the Kremlin than it is in the Western capitals. The succession of uprisings in the satellite area, in particular the Hungarian revolution, has demonstrated three things: First, that the satellite divisions are totally unreliable; second, that the Red army itself is dangerously unreliable; third, and most important of all, that the masses of the people under communism share a mortal hatred for the regime which oppresses them.

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If the Soviets were to launch a general war in Europe, the 100 divisions which the Red army maintains in Europe would not be supported by the 75 satellite divisions of the Warsaw Pact.

At best, the Red army would be able to enforce the neutral inactivity of the satellite divisions and exercise a perilous control over the bitterly hostile populations, some 100 million strong, of all the satellite countries. The strength of the Soviet divisions would have to be dissipated in garrisoning the satellite nations, in guarding their routes of communication against nationalist guerrillas, and in policing the satellite divisions to prevent their disaffection.

At worst, the Kremlin would have to contend with a super-Hungary, arising simultaneously throughout their satellite empire.

The passionate desire for liberation that exists in all the satellite countries in itself constitutes a serious deterrent to Soviet military aggression. Even assuming that the Kremlin could count on the loyalty of the Red army divisions, it would make war against the West a very hazardous undertaking. But the 64-ruble question which Khrushchev must ask himself is: Can the Red army be counted on in a war against the free world?

The great triumph of the Hungarian revolution is that it destroyed for all time the myth that Communist regimes can enjoy at least a measure of popular support. Until several months before the revolution, the people of Hungary, like the rest of the peoples in the Soviet empire, gave the impression of passive acceptance of their regime. But underneath this appearance of passive acceptance there lay a smouldering hatred. When the volcano of this hatred erupted, one had to look around and ask: "Where are the Communists?" Most significant of all, the younger generation, the students and workers who had known no other world and who had been indoctrinated since childhood in Marxist dogma—these were in the forefront of the fight against the regime.

The Hungarian revolution has demonstrated, if this needed any further demonstration, that neither one generation nor 3 generations nor 10 generations can produce a breed of men who will accept as natural and proper the complete abrogation of human freedom. There is, in short, no such thing as a Communist generation.

But while it is now a commonplace that communism is unpopular, we in the West still fail to comprehend either the degree or the universality of the hatred which the people who have been subjugated by communism feel for their Communist masters. It is understandable that we should find such comprehension difficult because this hatred is far more intense, far more explosive than anything we of the non-Communist world have ourselves experienced.

During my participation in the Nuremberg war crimes trials, in the postwar period, I learned something of the desperation and hatred and terror of the hundreds of thousands of Russian war prisoners and slave laborers held by the Nazis whom we, through incredible ignorance, returned against their will to the Soviet authorities. My soul is still tormented by the nightmarish accounts of mass suicides in which men slashed their wrists with tin cans and women jumped with their children from upper story windows rather than face a return to Soviet Russia.

Since the end of the war, a whole series of events in many parts of the world have demonstrated that this incredibly intense hatred was not confined to one moment in history or to the specific variety of communism that existed in the Soviet Union under Stalin.

What kind of fear and what kind of hatred was it that induced 4 million North Koreans—one-third of the prewar population of this Communist satellite—to abandon their landholdings and their belongings and seek refuge in South Korea?

What kind of hatred was it that compelled 1 million North Vietnamese to flee from the so-called liberation regime of Ho Chi Minh—most of them under conditions of terrible danger and hardship, racing against the armistice deadline?

What kind of hatred was it that induced 15,000 of the 20,000 Chinese POW's taken in Korea to refuse to return to their homeland—despite the blandishments of the Communist representatives, despite the discouraging attitude of the West, despite the bleak prospects of resettlement elsewhere, and despite the overwhelming importance of family and homeland to Chinese generally?

What kind of hatred and desperation was it that produced the East German and Polish uprisings and the incredible heroism of the Hungarian revolution, in which an unarmed and unorganized citizenry triumphed over both the secret police and the Red army in the first round of battle?

And, within the past few months, what kind of hatred was it that let 2 million Tibetans, virtually without arms, and with no friendly armies on their frontiers, to rise up against the overwhelming might of the Chinese Red army?

In the evolution of hatred of tyranny there is a point where it becomes a blind and all-possessing passion. And no regime in history has been so outstandingly successful in fostering this special-breed of hatred as has the Communist regime in Russia and its satellite regimes in other countries.

In evaluating the present situation, I believe that it would be helpful to us to recapitulate certain established facts of World War II and of the Hungarian revolution.

An entire literature on the subject of Soviet defections in World War II has grown up—Boris Shub's "The Choice," Eugene Lyons' "Our Secret Allies," George Fischer's "Russians Against Stalin," are outstanding in this category. But the memory of man is short, and many of the facts that were so painstakingly set forth have been forgotten.

Contrary to the accounts the Soviet propagandists have put out, when the Reichswehr invaded the Soviet Union in June of 1941, the Red army enjoyed overwhelming superiority in manpower, in aircraft, in tanks, and in artillery. Within the first 8 months of the war, the German Army took 3,600,000 military prisoners and destroyed or captured immense quantities of war material, including more than 16,000 guns and over 17,500 tanks. These are truly colossal figures. By the end of the war the Soviets had only succeeded in rebuilding their tank corps to a total of 13,400 tanks, while the Germans on the Eastern Front opposed them with no more than 3,500.

Wherever the German troops came, the civilian population greeted them as liberators and received them with enthusiasm and with garlands. Nor was it true that this welcome was confined to the Ukraine and to other areas where nationalist feeling ran high. In the streets of Moscow there was spontaneous singing, for the first time since the revolution, when the German Army penetrated to the suburbs and the Government and the NKVD fled to Kuybishev.

The warm greeting accorded the German Army had nothing to do with pro-Nazism. Nor can it be equated with treason, since the great mass of the Soviet peoples regarded themselves as patriots and the Bolsheviks as traitors.

The Wehrmacht officer, Herwarth von Bittenfeld, now, incidentally, the German Ambassador to London, pointed out that the invading Germany Army received as friendly a reception at Smolensky, Viasma, and Bryansk, in Great Russia, as it did elsewhere.

With all the handicaps created by the brutal, senseless Nazi racist policy—

Said Von Bittenfeld—

We raised more than 500,000 soldiers for our side among war prisoners and among the peoples of occupied territory. With an intelligent political policy, we could have won the war in the East simply because the Russian people themselves would have overthrown the regime.

Especially in the first months of the war, surrenders were on a mass scale and were political, not military. At that time I would go out as a cavalry officer on a patrol and would come back with thousands of altogether voluntary prisoners.

Supporting Von Bittenfeld's finding from a civilian point of view was the wartime opinion, recorded in the Nuremberg record, of Dr. Otto Braetigann, official of the Reich Ministry of the East.

Were the war being conducted only for the purpose of smashing Bolshevism, then it would have been decided long ago in our favor, for, as all experiences of this war have confirmed, Bolshevism is hated to the utmost by the Eastern people, above all by the great mass of the peasants. In the Soviet Union, we found on our arrival a population weary of Bolshevism, which waited longingly for new slogans holding out the promise of a better future to them. It was Germany's duty to find such slogans, but they remained unuttered.

The population greeted us with joy as liberators and placed themselves at our disposal willingly and freely with body and life. Wherever Ukrainians, Russians, White Ruthenians and members of the Baltic peoples enlisted in the German Wehrmacht, they proved themselves and fought excellently without exception."

The amazing success that General Vlassov had in raising his "Army of Liberation" from the ranks of Soviet POW's

and forced laborers in Germany is something that no amount of Soviet rationalization can explain. Despite the brutality that the Nazis practiced on Soviet civilians and POW's alike, Vlassov succeeded in a very short time in building up an army of 500,000 men who mistakenly believed that they could fight against Stalin for the liberation of their homeland in the ranks of the German Army.

According to a letter which Eugene Lyons received from a Russian refugee in Germany, the matter of joining the Vlassov army was discussed in one Russion POW camp on November 19, 1944—at a time when it was obvious to everyone that Germany was headed toward disastrous defeat. Only 15 of 200 prisoners did not join. In addition, it is estimated that at the end of the war, Vlassov's enlistment bureau had applications from some 2½ million civilian and POW volunteers.

True, the Red army finally did defeat the Nazi army because of its utterly overwhelmingly superiority in men and equipment. Toward the end of the war, the Russian army on key fronts outnumbered the Germans by almost 8 to 1 in infantry, 7 to 1 in artillery, 10 to 1 in mortars, and 5 to 1 in tanks. But the Red army could not have achieved victory if there had not been a fundamental reversal of attitude on the part of the Russian peoples. It was not any increase in affection for the Bolshevik regime that brought about this change, but, very simply, the brutality of the Nazis.

It is conceivable, I agree, that the Khrushchev regime has succeeded in reducing popular disaffection by curbing some of the worst terroristic practices of the Stalin regime and making some concessions to the Soviet consumer. On the other hand, despite the minor attenuation of terror, the Soviet Union still remains a totalitarian police state. To the growing class of Soviet intellectuals and professors, in particular, the rigid state control of thought must be a constant source of outrage. For example, there is evidence that the overwhelming majority of the Soviet intellectuals were even more indignant than we in the West over the treatment of Boris Pasternak and the suppression of "Dr. Zhivago" in Russia.

Hungary provided the most significant revelation. The divisions that were initially stationed in Budapest had to be withdrawn because in the first round of battle, they proved either reluctant to fight the Hungarian people, or else openly sympathetic to them. The Hungarian freedom radios broadcast repeated messages from Soviet defectors, up to the rank of Colonel, to their comrades in the Red Army. Broadcasting over Radio GYOR on October 28, Red Army Col. Vladimir Novikov said:

> My unit has forcibly overpowered the attacks of the security police. Now the most urgent problem for the Soviet Army is to uphold the good name of the Russians with arms and in the spirit of Russian-Hungarian friendship. We, the Soviet people, have found out by our own lives that it cannot go on like this any more. We see that the Stalinists are hated not only at home but everywhere. We call upon all real Russian patriots, for whom the honor of our nation is dear, to extend a brotherly hand to the Hungarian people and, together with them, to pave the road for a new and better future.

No accurate account may ever be available of the scale of defections from the Soviet forces that were first deployed against the Hungarian people. But certainly it was substantial. This was something on which all Western observers were agreed.

Seymour Freidin reported in the New York Post, November 18, 1956: "I know of three specific cases and obtained reports of countless others where Soviet soldiers came over to the revolutionaries to capitulate with their equipment." Reuters carried the report that 3,000 Soviet troops and 60 Russian tank crews had deserted and fought with the Hungarians. The Hungarian expert of the highly reputable London Sunday Observer on December 15, 1956, estimated the number of Soviet deserters in Hungary at 15,000. Joseph and Stewart Alsop on December 6, 1956, reported that a high percentage of the defections took place from the elite Soviet Second Guards Division—which, they pointed out, "is as though soldiers in the American Marines or the British Guards had gone over to the enemy." As late as December 22, John MacCormick reported in the New York Times that soldiers of the Soviet 83d Motorized Infantry had revolted when ordered to fire into a crowd of demonstrators at Tokaj, that five Russian soldiers had been shot in the fray, and that after the fighting, two entire companies had melted away to join the rebels. When the fighting in Hungary was almost over, the American press carried a report that a large Hungarian training camp has been converted into a prison camp for Red Army defectors. According to Hungarian sources, this camp housed almost 10,000 prisoners.

Perhaps all of these estimates are somewhat exaggerated. But even allowing for a four- or five-fold exaggeration, the defection of several thousand Red army men—defection, to a side that seemed foredoomed to defeat—must be considered symptomatic of the most basic and deeply rooted discontent. It is a matter of common knowledge that the Soviets found it necessary to replace their occupation troops with fresh troops ordered into Hungary from the U.S.S.R. and the surrounding satellites. These were indoctrinated to believe that they were about to fight the American imperialist invaders, either on the Elbe or at Suez. I think it is particularly interesting, too, that for the initial assault on Budapest, the Kremlin saw fit to use some 5,000 tanks unsupported by infantry. Without infantry cover, the tanks were particularly vulnerable in street fighting and the revolutionaries took a heavy toll of them with grenades and Molotov cocktails. In using massed tanks without infantry protection, the Kremlin was violating all of the tactical rules. Why did it do so? One explanation that has been advanced is that they were seeking to intimidate the people of Budapest, as they were able to intimidate the people of Berlin in 1953, by a show of armored strength. Another and more probable explanation is that they feared the possible effect of contact between Red army foot soldiers and the Hungarian people—at least until the back of the revolution had been broken.

Even in their easy war against the Hungarian people, the men of the Kremlin were obviously tormented by the ghost of General Vlassov.

What if it should come to a war with the West? There are certain things that can safely be predicated: We would not wage the war for purposes of imperialist aggrandizement. We would not practice the bestial master race policies of the Nazis. Our political traditions, our code of morality, and the logic of our position would lead us, on the very day that war broke out, to proclaim the restoration of freedom to the peoples of the satellite countries and of the Soviet Union as our only goal and to set up the first cadres of national liberation movements and liberation armies.

I realize that it is not feasible for the Secretary of State or the President to say these things, for the simple reason that they must guide themselves by the etiquette of diplomacy. But there are certain things a Senator may properly say and should say that a head of state may not.

I feel we should let the Soviets know that we are not deceived by the recent bluster of the Warsaw Pact powers; that we are aware of the existence of massive popular discontent in all the satellite countries; that we have not forgotten the questionable performance of the Red army in Finland and in Hungary, and in the early stages of the war against Hitler; that if the Red army provokes war, it would have to devote much of its strength to enforcing the obedience of the satellite peoples; that we are certain that the great majority of the Red army would be demoralized if ordered to wage war on the workers and peasants of other countries; that if war is forced on us, we would wage it from the first day as an all-out war of liberation for the peoples of the Soviet Union as well as for the peoples of the satellite countries.

We should tell them bluntly that, if it comes to a crisis, we know that we shall not have to contend with a monolithic armed force consisting of the 100 Soviet divisions stationed west of Moscow and the 75 divisions maintained by the satellite countries. The 22 divisions which the Red army maintains in East Germany, the 7 divisions in Hungary, the 2 divisions in Rumania, and the 2 divisions in Poland, would have their work cut out performing occupation duties. At the best, only a portion of them would be available for offensive action. And, if the chronic unrest in these countries were again to erupt, the Kremlin might have to augment these divsions with reinforcements drawn from the Red army in Russia.

We can call the Soviet's bluff on the Warsaw Pact. Not in our lifetime will they be able to use against us the 300,000 members of the Polish armed forces, the 250,000 Rumanians, the 200,000 Czechoslovaks, the 160,000 Bulgarians, the 150,000 East Germans, and the 90,000

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Hungarians. On the contrary, there is a much greater chance, if it comes to war, that the armies of the Warsaw Pact will wind up on the side of the free world. Certainly this would be our goal—a very realistic goal.

We should let Khrushchev know, too, that we have studied and digested some of the lessons of the Bolshevik revolution; that we know how effectively—and how fraudulently—the Bolsheviks employed the slogans of "National self-determination" and "Land to the peasants;" that we are convinced these slogans correspond today, as they did in 1917, to the deepest desires of the Soviet peoples and the Soviet peasantry; and that we are confident these slogans—despite their abuse by the Bolsheviks—would enlist the trust and support of the peoples of Russia if they carried the guarantee of the countries of the free West.

In short, we should let the men of the Kremlin know that if they force a war over Berlin, it will be an all-out political war, with no holds barred. And we should perhaps inform them, in some precise detail, of the plans that already exist for the creation of national liberation armies and liberation movements.

If our diplomacy is to be conducted in these terms, we must be prepared to place certain chips on the table. Some of these chips, by the nature of things, will be military. Quietly, and without ostentation or panic, but in a manner that spells business, we must increase the combat-readiness of the NATO forces in Europe. But more important we must devise a carefully thought-out policy that will give encouragement to the liberation movements in all the captive countries, and we must find ways of sharpening our idealogical impact on the enslaved peoples.

Until the time of the Hungarian revolution there were many who scoffed at all talk of liberation. Not very surprisingly, those who had abandoned all hope were inclined to favor military disengagement combined with a guarantee of the status quo in Europe.

Liberation is indeed a pipedream, if the word is used to signify an initiative from without via subversive movements under the aegis of the Western governments. But it is not a pipe dream if one accepts the premise that liberation will have to come from within, that the role of the West must be limited to keeping the spirit of liberation alive through its propaganda and supporting it through its diplomacy, and that it can only be achieved given a highly favorable conjuncture of circumstances.

Such a conjuncture occurred in the months preceding the Hungarian revolution. The Kremlin had been wracked by a series of power struggles; the entire Communist world had been thrown into further disarray by Khrushchev's denunciation of Stalin's crimes at the 21st Congress of the Soviet Communist Party; the weakening at the center had resulted in a weakening of control in the satellites; and the growing evidences of discontent in each of the captive nations communicated themselves like electric impulses to the other captive nations. It is improbable that a similarly favorable conjuncture of circumstances will arise within the next several years.

I know there are those who read a different meaning than I do into the Hungarian revolution, who see in it conclusive proof that liberation is impossible and that the West has no alternative but to accept the status quo. To these I say that the Hungarian revolution was neither a completely foredoomed undertaking nor a tragic defeat.

The Hungarian revolution might have been successful if the United Nations had had the foresight and courage to dispatch a small group of observers the day after the government of Imre Nagy was installed. It might have been successful if the Western alliance had not been rent asunder by the Suez crisis. And, even without moral support from the UN and the West, it still might have been successful.

At the time of the Hungarian revolution, Poland and East Germany stood on the brink; had either one gone over the brink, the chances are that the entire satellite empire would have erupted in the flames of a superrevolution. With such a situation, the Red army would not have been able to cope. The Hungarian revolution was a completely spontaneous national uprising. But, even if it had been organized and calculated, it would have been a justifiable risk from a military and political standpoint.

If we weigh the consequences, the Hungarian revolution, in defeat, ranks as the most significant victory for the forces of freedom since the end of World War II.

From their own history, the Russians know something of the concept of victory in defeat.

Napoleon won the Battle of Borodino. But General Kutuzov, as Tolstoy recounts in "War and Peace," insisted that the battle, in terms of its ultimate consequences, was a decisive victory for Russia. The outcome, as every schoolboy knows, was Napoleon's disastrous retreat from Moscow.

When Hitler invaded Yugoslavia after the revolution of March 27, 1941, he was able to smash the Yugoslav army and capture Belgrade in 12 days. But it was a victory that ultimately cost him the war—for the revolution of March 27 invalidated his dispositions, disrupted his economic hinterland, delayed by more than a month his invasion of the Soviet Union, bogged down his armies in the autumn muds, and deprived him of the capture of Moscow.

Khrushchev was able to crush the Hungarian revolution by massing his armored divisions against the people of Budapest. But the Hungarian revolution, in defeat, exposed the lie of communism for all peoples to see and overnight converted the Warsaw Pact from a diplomatic asset into a military and diplomatic question mark.

So I come back to my basic argument. The most effective deterrent to Communist expansion in Europe at this juncture would be to place basic emphasis in all of our diplomacy on the ultimate freedom of the captive peoples of Europe. If we are not prepared to do so for the sake of the captive peoples, then we must do so in order to save ourselves.

Both political parties in the election of 1952 committed themselves to the liberation of the subjugated nations. But unfortunately the word was used more as an electioneering slogan than as a name for a carefully thought-out foreign policy that is vital to our own national security. Because of this, I am afraid, the word "liberation" is today somewhat compromised in the eyes of the captive peoples and of the millions of their compatriots who are now American citizens.

To use the word again as a slogan, or simply to pay lip service to it, would be the height of irresponsibility. Let us therefore spell out what such a policy means in practice and, if we use the word again, let us do so as a serious act of self-dedication.

"Liberation" does not mean that we confront the Soviets with an ultimatum and launch a war if they refuse. Nor does it mean that we organize subversive movements and ferment revolutions in the captive nations. Either proposal would be irresponsible folly, in addition to running counter to our entire tradition. Liberation, as I have pointed out, will have to come essentially from within. But what we say and what we do can encourage or discourage the spirit of liberation and, in this sense, can exert a decisive influence.

How do we go about encouraging the liberalization movement?

The first step would be to demonstrate the earnestness of our concern by raising the issue of the captive nations at every diplomatic conference and at every session of the United Nations. In enslaving the captive nations, the Soviets were guilty of violating a whole series of international agreements guaranteeing free elections. In imposing their regimes and maintaining them in power, they have used the Red army in the most flagrant manner as an instrument of political intimidation; and when intimidation failed in Germany and in Hungary, they resorted to open military intervention and repression. They have violated the Charter of the United Nations repeatedly and at almost every point.

Let us spread the facts about Soviet imperialism upon the record at every available opportunity. Let us continue to demand that the Soviets respect their obligations and respect the Charter of the United Nations.

To raise the issue of the liberation of the captive peoples in this manner would by itself have a great impact on the other side of the Iron Curtain. But the issue must never be permitted to degenerate into a simple propaganda device. We must, in all earnestness, make liberation a cardinal goal of our diplomacy.

I do not underestimate the difficulty of persuading the Kremlin to liberate its satellite empire. But I can conceive of a situation where a combination of division within the Kremlin and unrest in the satellites and hard bargaining

on the part of the West, will induce the Soviets, in their own interest, to grant freedom to the unyielding, troublesome, hostile captive peoples.

Let us say to Mr. Khrushchev: "You say that you desire peace and that you wish to reduce tensions. No one in the free world wants war, and everyone would be happy to see tensions reduced. But the tensions are the symptom and not the cause. You do not cure pneumonia, Mr. Khrushchev, by placing ice packs on the patient's forehead. You diagnose the disease and you prescribe a remedy in accordance with this diagnosis. What are the causes of the tensions that exist in the world today?

"No one believes, not even you, that the world is tense because the seventeen NATO divisions are planning aggression against the Soviet Union. There is tension, Mr. Khrushchev, because of your ultimatums and blustering threats, because of the massive armed aggressive strength which the Soviet Union and Communist China maintain, because of the subversive activities of the Communist parties in every country, because you have flagrantly violated so many covenants that the world can no longer have any confidence in your pledged word. And there is tension because the Soviet Union has ruthlessly imposed its rule on the peoples of Estonia, Latvia, Lithuania, East Germany, Rumania, Bulgaria, Czechoslovakia, Hungary and Albania.

"Let us remember that armed force has been used only twice in Europe since the end of the war—first by the Red army against the people of East Germany, and the second time, by the Red army against the people of Hungry. Here is the proof of the real source of tension.

"You wish to reduce tensions? If the Soviet Union could have the wisdom to withdraw to its prewar frontiers, tensions would disappear overnight and the whole world would sleep better."

To ease the way for the Communists, we should make it clear in advance that, in exchange for liberation, we would be prepared to make some concessions to Soviet desires in other areas. If Khrushchev truly wants a "reduction of tensions," there is no more effective measure he could take than to negotiate a package agreement with the West in which liberation is exchanged for such concessions as a European security pact, increased East-West trade, partial disarmament, and conceivably, even some long-term credits.

Let me restate my principal argument, in closing. The active commitment to the ultimate liberation of the captive peoples, in addition to endowing our diplomacy with a power of deterrence it does not now possess, would strengthen our position politically because it is in harmony with the right moral principles on which our faith and civilization are based.

Admittedly, the Kremlin would not like it. But only by doing so can we effectually cope with Khrushchev's hydrogen missile diplomacy; only by doing so can we rekindle the flagging faith of our scores of millions of allies behind the Iron Curtain; in the long run, it may not be too much to say, only by doing so can peace be preserved and freedom under the rule of God prevail on earth.

Mr. BUTLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT ON MEETING OF THE ATLANTIC CONGRESS, JUNE 5 TO 10, LONDON, ENGLAND

Mr. JAVITS. Mr. President, I have just returned from London where, with the indulgence of the Senate, I attended the Atlantic Congress which was held from June 5 to 10. There were present 650 parliamentarians and leading civilians of the NATO countries.

Mr. President, I speak today because it is my conviction that powerful backing for the position on Berlin being taken at Geneva by the leading members of the NATO alliance was given at the Atlantic Congress just concluded in London. The resolutions passed by the five main committees of the 650 parliamentarians and leading civilians of these NATO countries and the decisions made on contested questions all backed up the Geneva position of Secretary of State Herter and his colleagues.

Mr. President, as I shall develop in this speech, negotiations at any price, even at a summit meeeting, are not called for—not as I read the signs in London.

The debate in London was very active, and the subjects discussed most important to the free world, as well as to the conduct of the negotiations at Geneva.

Full support for the main pillars of the Western position all emerged from the Congress; first, the support of NATO as an effective defense deterrent to Communist aggression, military or economic; second, the need for a massive partnership attack on the problem of more effective public and private economic aid and technical assistance programs for the less developed areas in Africa, Asia, and Latin America; and third, a renewed determination to articulate and present the free world's policy and position in the cold war.

There were certain straws in the wind in London which showed which way NATO sentiment is going. I should like to analyze them.

First, there was the decision to retain the integrity of NATO military preparations, and not to jeopardize them by assigning a new role on airborne atomic weapons to France under present conditions.

Second, there was the decision to channel any new economic aid directly or through and with United Nations agencies instead of only through and with the United Nations agencies.

Third, there was the decision to maintain the position that the West continues to challenge the legality of the suppression of free institutions, and the denial of free elections in the East European satellites of the Soviet Union.

I should like to analyze each of these points in turn. First, there was the decision to retain the integrity of NATO military preparations and not to jeopardize them by assigning a new role on airborne atomic weapons to France under present conditions. In that regard, the report of the military committee was not satisfactory to the French delegation, and the French delegation, through General Delut, a very distinguished member of that delegation, moved an amendment in order to carry out the reported attitude of the French Government regarding the organization of NATO and the deployment of atomic weapons on the continent of Europe.

After a rather considerable debate the Congress, by a substantial vote, not only rejected that position, but also went further and, upon the motion of Gen. Fred Anderson, of the United States, who was a delegate, adopted the original report of the Military Subcommittee, as recommended to its main committee, which was more precise and vigorous in terms than the report adopted by the main committee, in terms of standing by the present organization of the NATO defense, the present assignment of nuclear weapons, the present way in which nuclear weapons are to be handled, and the present way in which direction for their use is to be given.

The most significant part of that debate, which was spirited and thorough, was that after the rejection of the amendment of the French delegation on European defense carrying out what was advertised to be the French Government's position as we have seen it in the press during the past week, the French delegates nevertheless continued to participate in the Congress most actively and effectively.

That is to be juxtaposed with an experience we had at the NATO Parliamentarians' Conference in November 1958, in Paris, when the French delegation walked out of the Conference after its position had been rejected. This time they did not walk out. They remained. They not only remained, but cooperated.

I deeply believe that this represents a very interesting state of public opinion in France, and is augury that the other NATO powers can get together with France on its defense responsibilities, perhaps through the use of the United States-British model for decision on the use of atomic weapons, which is our situation with Great Britain now, or some new plan as a way out of what now looks like a dilemma.

My conclusion is that the problems between France and the NATO alliance do not at all represent a reason for sapping the will of our negotiators at Geneva. This is what I bring back from London and report to the Senate. I think that is extremely important, because it has been pointed out that the three things which could induce us to yield more than we should at Geneva are: The posture of the Western World in view of French insistence on participation in the storing of

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atomic weapons which are now in the NATO establishment; second; the problems of Adenauer and Erhard in the German Federal Republic; and third, the rumor-story in the London Times to the effect that Selwyn Lloyd, the British Minister, was on his way out.

It seems to me that these are the lightest kind of straws. Everything I saw in London, in connection with the British delegation, the French delegation, and the German delegation, convinced me that the Western World would be untrue to itself if it allowed any such distractions as I have referred to, which occur every day, to deter it from fulfilling its obligations at Geneva.

Far more than reporting on the Atlantic Congress, I wish to affirm, as vigorously as I can, the fact that the Western alliance remains completely unimpaired; that no one will be defeated politically; and that nothing will happen if we decide not to negotiate with the Russians at all, because at present negotiations would be fruitless. That includes a summit meeting. I believe it is high time to make that clear. Negotiations at any price may sometimes be taken by the Russians as an expression of weakness. I am for negotiations, provided negotiations can be conducted with dignity, not on any sellout basis, or any theory that we must have them for political reasons. We do not have to have them unless they will be fruitful, dignified, and have character in terms of security in the Western World. I am here to report that there is security in the Western World, and that there is support for its purposes.

The first decision which was taken was to retain NATO military preparations as they are; that is, with the channelization and the organization which exists today.

The second decision was to continue to channel any new economic aid directly or through and with the United Nations agencies, and not to confine it only to channeling through the United Nations agencies. This was a very important decision. The request for a change originated with certain members of the British delegation. It was spiritedly fought and rejected by an overwhelming vote, including many votes from the British delegation, the determination being that NATO, too, has a character and purpose in the world; that more money could be obtained in that way, through the NATO organization, by bilateral action as well as multilateral action, among NATO countries for economic aid and technical assistance than could be obtained only through the United Nations. It was decided that we were not so scared of our objectives, or what the world might think of them, that we would have to limit ourselves by saying, "We will do this only through the United Nations."

There was testimony to the effect that even the noncommitted nations were not refusing aid because it came from countries in the NATO alliance. India is one of the greatest noncommitted nations—perhaps the largest and most important of them. She was very glad to make a deal with the United States, Japan, and United Kingdom, West Germany, and the International Bank for Reconstruction and Development in order to get help with her 5-year plan. She was not at all bashful or inhibited.

The third point which showed the way the wind was blowing came in the decision that the West should continue to challenge the legality of the suppression of free institutions and the denial of free elections in the East European satellites of the Soviet Union. That decision was on a motion from the floor, which carried by an overwhelming vote. The idea was to show that the West would not, as a price for negotiations, pander to the Russians and their enslavement of the peoples of central Europe, or selling out those peoples.

That does not mean that we would drop arms on Czechoslovakia or Poland or Hungary. On the contrary, the Western people are not going to use force. However, we will not yield on a matter of principle and go to a summit conference, which some persons believe might be politically useful, merely because Khrushchev wants to hold one. That is not intransigence. It is far from intransigence. It is a part of the character of the Western World and of the whole free world.

So I believe that these three positions which were taken, not merely by the parliamentary representatives of the free governments, but also by leading citizens of those countries, after full and free debate, are extremely significant in terms of the basis of the NATO alliance and the fact that the peoples of the free world have backbone, too.

The attitude expressed in London would be perfectly understanding of the fact that fruitful negotiations could not be carried on but may have to be deferred. In short, I do not believe that the West is in a position where it must undertake a summit meeting on Berlin and Germany for political reasons in the NATO alliance, but on the contrary that the peoples of the NATO countries understand that to undertake negotiations for political reasons without a climate of some kind of reasonableness in both negotiating sides is tantamount to an implied willingness to concede some elements of points regarding the occupation status of the presence in Berlin of the three Western allies, which the cause of the free world will just not permit of yielding. I hope therefore that the West's negotiators at Geneva will be encouraged by what took place at the Atlantic Congress to show high morale, both with respect to their negotiations and with respect to a summit conference, and that President Eisenhower's words on that score will be implemented.

The President, on March 25, at his press conference, said:

> I want to make this very clear: That this (desire for peace) doesn't mean that anyone can command anybody else to come to a summit meeting. And you can't bluff them or blackmail them or anything else. This is to be a meeting if there is one, of heads of government who are acting voluntarily and because of their belief in the possibilities with some kind of grounds for such a belief that real measures can be discussed profitably by all of us.

On May 29, 1959, the White House issued a statement in which the following appears:

> The President likewise expressed the hope that on their return to Geneva the foreign ministers would be able to achieve that measure of progress which would make a subsequent meeting of heads of government desirable and useful.

This morning we are reading some tough words by Mr. Gromyko in Geneva. I also understand that Gromyko and our Secretary of State will have a private talk today. The whole purpose of my report to the Senate today, which I prepared quickly, having just returned from London this morning, because I thought it would be most useful to make it now, is to make plain that there is no reason I could find at the Congress in London why Christian Herter, Couve de Murville, Selwyn Lloyd, and the representative of the German Federal Republic have to do anything but stand by their guns of decency and character.

They are willing to negotiate anywhere, at any time, under any conditions, if there is a reasonable prospect of accomplishing something. However, merely to negotiate, to wave a piece of paper in the air, as Chamberlain did after Munich, is not a part of the Western World, and the Congress in London showed that there is no political reason for doing so, so far as the Atlantic alliance is concerned.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I am glad to yield to my colleague.

Mr. KEATING. This is a very important and encouraging report which my colleague has brought back from the Atlantic Congress in London. Following the statement of President Eisenhower, which the Senator had quoted, he will remember there was the suggestion coming from high and respected quarters that failure of the Geneva conference might make it all the more necessary to hold a summit meeting, and all the more desirable that such a summit conference be held.

Such a proposal seems to me to run completely counter to principle. We cannot allow ourselves to be threatened. As an absolute minimum for going to the summit, the Soviets should remove their threat to act unilaterally in Berlin, either now or next month or next year. That is the minimum understanding upon which we should agree to go to a summit conference. It seems to me that what the distinguished Senator from New York has said to us should give the President and our negotiators very forceful backing, and we can only hope that they will continue to stand for the principles to which the people of this country are dedicated.

Mr. JAVITS. I am very grateful to my colleague for his statement. I should like to point out that, while we cannot set the conditions—because, after all, that is a function of the negotiators, particularly as to exactly what they want in the case of Berlin—certainly my colleague and I, and I believe also an overwhelming majority of the American people, know that so long as our legal

status in Berlin is questioned—and that is what Gromyko is doing, because he says we do not belong there—there is nothing which should cause us to go to a summit conference. If we are there by Russian permission or sufferance, what is there to negotiate? There is nothing fruitful to be gained by negotiating something which the Russians want to negotiate if it means conceding a basic principle. That we cannot do.

I am delighted that my colleague has asked me to yield on this point. It is extremely important to note that the Atlantic conference, composed not only of parliamentarians, but of an overwhelming number of leading citizens of the Western nations, backs us up.

Mr. KEATING. Leading citizens also of our allies.

Mr. JAVITS. Yes; that is the point I was making. They are leading citizens of the other NATO countries. They were all represented, except Iceland. For reasons which are internal to Iceland and Great Britain, in connection with the fisheries dispute, the representatives of Iceland did not attend. The other countries all back up this position. I am giving proof of it in this speech.

I should like to make a brief report on the London conference which may be of interest to my colleagues. As I have said, the dates were June 5 to June 10. The Atlantic Congress was opened by Queen Elizabeth and Prime Minister Macmillan. It was actively participated in by the American delegation. The American delegation was very privileged to have in it the Senator from Tennessee [Mr. KEFAUVER], who presided over one of the plenary sessions. He was chairman of one of the main committees, and generally had a very large part in the success of the conference.

I, too, had the honor of being appointed a chairman of one of the main committees, as well as chairman of one of the subcommittees, and participated actively in the conference. The Senator from Indiana [Mr. HARTKE] also was there for as long as he could remain, until he was called back by a situation which required his presence in the United States.

A fine House delegation attended also, led by Representative WAYNE HAYS, of Ohio. It participated in a very distinguished way in the deliberations of the subcommittees and main committees and plenary sessions.

The American civilians were outstanding, particularly Eric Johnston and Lewis Douglas, who were the leaders of the American delegation. They worked in the highest echelons of the Congress. Eric Johnston, as one of two Americans, with Paul Van Zeland, was a member of a group which worked out the final declaration of the Congress.

I think that in every way the high quality and character of the American delegation and its personnel in the Atlantic Congress reflected the greatest credit upon the people of the United States and their participation in NATO activities. I believe so strongly on this score that I am inserting in the CONGRESSIONAL RECORD, as soon as the edited copy is available, a list of the American delegation to the Atlantic Congress, both civilian and parliamentary alike.

Mr. President, the resolutions of the Atlantic Congress agree on the main pillars of the Western position in respect of our struggle with the Communist bloc. These are the essence of the main resolutions which were adopted at the Atlantic Congress:

First, that NATO must be kept effective and viable as a military shield and a deterrent against aggression.

Second, that there is confidence in the atomic deterrent as now deployed.

Third, that nuclear disarmament requires appropriate guarantees of inspection and control under U.N. auspices.

Fourth, that there is a need and duty of the West to help bring about an acceptable rate of economic and social development and political self-determination of peoples of less developed and newly developing areas who accept international responsibilities for human rights and dignities in the community of nations and maintain free institutions.

Fifth, that these aims require the maintenance and support of collective and regional organizations for security and development and of the United Nations and its agencies.

The Atlantic Congress also favored a massive effort to afford an acceptable rate of economic development and of trade for the less developed areas of the free world through partnership action by the countries concerned. Specifically, the Congress favored an International Development Association as suggested by Secretary of the Treasury Anderson of the United States, this association to make international loans to less developed areas by way of public investment, which could be repayable in local currencies.

Mr. President, a similar proposal, one of the same general nature, has been made on the floor of the Senate by the junior Senator from Oklahoma [Mr. MONRONEY]. The theory of the proposal is to have an international agency which would make loans, which would come between the kind of loans which a government makes, such as the United States makes under its economic aid programs, and the kind of loans which are made by the World Bank. They would essentially be repayable in soft currencies. Perhaps, even, the soft currencies of one country could be used to make loans in other countries. This proposal has a tremendous potential, and the Atlantic Congress endorsed it very enthusiastically.

Also, the Atlantic Congress favored the consideration of the idea of a World Development Corporation for massive private investment by free world citizens in the less developed areas. The committee did not go into specifics.

I have introduced a bill (S. 1743) which proposes more specifically the idea of a World Development Corporation, but the Atlantic Congress did not go into specifics; it said only that the idea of providing means for small investors is worth considering, and urged that it be considered.

The Atlantic Congress favored consideration of the idea of a World Development Corporation for massive private investment by free world citizens in the less developed areas. And it favored the reorganization of the Organization for European Economic Cooperation into an Organization for Atlantic Economic Cooperation to facilitate these efforts.

I wish to add a word of description in that regard. The Organization for European Economic Cooperation has been responsible for some very fine achievements, especially in the economic phases of the Marshall plan. Subsequently, it has concerned itself with productivity and also with financing intra-European developments in areas such as southern Italy and other places which have difficulties economically.

The proposal now is to use this agency, expand it, and include the United States and Canada, which are now present as less than full members—as a kind of observer—and to utilize this agency on a partnership basis for the purpose of grouping the North Atlantic countries and enabling them to give economic aid and technical assistance, which a good many of these countries are now able to do. Germany is able to do it; the United Kingdom is able to do it to some extent. Tomorrow it is very likely that France will be in a position to do so. The same is true of other countries in the North Atlantic group. This assistance would be invaluable to the United States in terms of carrying on an adequate foreign aid program. First, it would help us with the obligations we are carrying; second, it would increase the size of the whole program; and an increase in size is urgently needed by reason of the world situation. I regard this as a very important recommendation. I shall detail in a few moments how its implementation may be accomplished.

The Atlantic Congress also determined to seek to counter the dangers to the free world, due to the extreme short-term fluctuations in basic commodity prices, with partnership arrangements to cushion the fluctuations or to finance them through such media as the International Monetary Fund.

Mr. President, here I am dealing with economics. I had the honor to be the head of the Economic Activities Committee, as it functioned under my chairmanship.

I point out that we can give a nation such as Brazil or Chile or Malaya or Ceylon, or any one of a dozen other countries in the world which rely essentially for their economy on one or two commodities, hundreds of millions of dollars worth of aid in the course of a year; but a drastic decline in the price of any of those commodities in the course of an afternoon could wipe out the benefit of all that aid. This is one of the very great challenges to the free world. It is urgently required that we take cooperative means to help to deal with it.

The Atlantic Congress recommended arrangements for that purpose. There are all kinds of arrangements which could be made. One which I have mentioned here is through the International Monetary Fund, which can finance countries which are subject to this kind of

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pressure over a short period of time, so that they do not have to throw their commodities onto the market in order to eat until such time as the commodity market rights itself.

In many other ways, international commodity agreements could be reached in order to accomplish this objective. The Atlantic Congress expressed its desire that this be done.

The Atlantic Congress also determined to seek the establishment of a NATO Economic Council within the existing NATO organization with responsible representatives from each government to counter economic warfare in aid and trade which may be launched against the free world by the Communist bloc, as for example, in recent dumping sales by the Communist bloc of aluminum, flax, residual fuel oil, benzine and other commodities; and to meet the Communist propaganda drive through some coordinated effort on the part of the NATO countries and the free world generally and to consider a new unofficial organization for that purpose.

To allow such dumping on the part of the Communist bloc could wreck the world just as effectively as armed aggression. I consider this to be an extremely important recommendation, coming from nations grouped in the NATO alliance and the rest of the free world. The activities of the Communist bloc countries are far more subtle and very much harder to detect and very much harder to arm against. I think the Atlantic Congress has performed significant service in alerting us to this danger and in showing us how it may be dealt with.

We have considered a new, unofficial organization, which would evangelize, so to speak, and do things which governmental organizations could not do. I see this as a tremendous opportunity for organizations such as the Rotary and Kiwanis Clubs, and also for organizations such as the advertising clubs and associations of the United States. They could do extremely useful work in this area if they set their minds, hearts, and resources to doing it.

Also, there are organizations of the communications media which could help. The newspaper publishers, the magazine editors, the press associations—all of them could be enlisted in such an unofficial organization.

So, Mr. President, I summarize as follows:

I think it may fairly be said that the Atlantic Congress could well have marked a milestone in the development of cooperation among the NATO countries, for it emphasized the recognition that neither bilateral efforts to deal with the economic offensive in aid and trade of the Communist bloc nor international efforts were adequate, but that a partnership effort among the leading industrial nations of the free world, most of which are in NATO, under a new partnership method, had to be marshaled in the economic struggle which lay ahead. This was the most significant development of the Congress, in addition to its fortifying the determination to maintain the dignity and effectiveness of the Western position, which I urge upon our negotiators at Geneva.

Mr. President, a number of us here are intimately concerned with the activities of the NATO parliamentarians organization which will meet in Washington in November of this year; and many of us are concerned with other organizations of a cooperative character. Furthermore, the governments which are concerned in NATO will, I am sure, pay very serious attention to the recommendations of the Atlantic Congress.

I, for one, will say that, as Chairman of the Economic Committee of the NATO Parliamentarians, I shall do everything within my power to obtain the cooperation of that Committee and of the organization to implement the decisions made by the Atlantic Congress; and I believe all of us will make every effort, within our individual governments, to have serious attention paid to these resolutions, because it seems to me they have already performed an enormously important service in showing the relative unanimity of opinion which backs up the decisions made at Geneva. They show that there is no need to seek to negotiate with the Russians at any price, for political reasons, so far as they exist within the NATO alliance, while at the same time they support negotiations at any time, under any conditions, that have the remotest reasonableness attached to them.

Finally, Mr. President, it is my hope that the governments concerned, the NATO organization, the NATO parliamentarians, and other organizations will now seek to implement the resolutions of the historic Atlantic Congress, so that we may utilize the tremendous forces which exist within the NATO powers, not only for military defense, which has been its primary purpose, but also to combat the far more insidious and far more dangerous economic aggression to which we are being made subject today by the Communist bloc.

I hope very much that serious consideration will be given to what I have said.

As soon as the definitive resolutions are offered, I shall introduce them into the RECORD.

I am quite confident that if our colleague, the Senator from Tennessee [Mr. KEFAUVER], were with us today, he would make a most effective and most important contribution to this discussion; and I know that I and others will look forward with great interest to his report, as soon as it is prepared.

Mr. President, I yield the floor.

RADIOACTIVE FALLOUT FROM THE TEST SHOT DIABLO

Mr. CHURCH. Mr. President, the problem of radioactive fallout from nuclear testing is, and will continue to be, a source of growing concern as long as accurate information about the intensity and damaging effect of this silent rain continues to elude us.

An important example of how much we still have to learn was contained in a June 7 article by Edward Gamarekian, published in the Washington Post and Times Herald. This article gives some disturbing information about the effects of a few of many atomic explosions that have taken place at the Nevada test site. In tracing the path of a test shot called Diablo on July 15, 1957, the article points out that "winds carried the fission products in a northeasterly direction over parts of Utah, Idaho, Colorado, and North and South Dakota. From there, part of it went on into Canada and part looped southward toward Texas."

A chance rainstorm brought with it a particularly high level of radiation to the small town of Belle Fourche, S. Dak. How many other towns have been similarly afflicted by other tests we do not know.

After surveying the information, the article concludes that "no one really knows where the hot spots are or what doses of fallout have been received by communities throughout the country."

Mr. President, I ask unanimous consent that this article be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SERIOUS FALLOUT CASES UNCOVERED IN MIDDLE WEST

(By Edward Gamarekian)

A number of serious cases of atomic fallout in the Middle West have come to light as a jarring sequel to the congressional hearings on fallout early last month.

The radioactive end-products from atomic weapons exploded at the Nevada test site in 1957 were carried by high altitude winds over States many hundreds of miles away and then were suddenly brought down by local showers. In several parts of the country, unexpectedly high and extraordinarily disturbing levels of external radiation and strontium 90 resulted.

These events were generally unpublicized. In some cases, they were discovered by accident. In other instances, they were not known until long after the event.

NO ACTION TAKEN BY THE COMMITTEE

Several cases were reported to the Joint Congressional Committee on Atomic Energy prior to and during the fallout hearings from May 5 to 8, but there was no discussion or even mention of them. The committee did not inquire during the hearings on what was happening in the Nation's hot spots despite the ominous note in reports to them from scientists in several Midwestern universities.

The reports, together with independent investigation, reveal the following neglected segments of recent fallout history:

The 1957 tests at the Nevada site began on May 28. Part of the radioactive debris from each shot came down close to the test area. Part of it went up into the atmosphere, however, and was carried across the country over various routes. When rainfall happened to coincide with the passage of a radioactive cloud over an area, it usually washed down a substantial amount of the radioactive material.

No one appears to know exactly where the debris from all the tests came down to earth. The Atomic Energy Commission states it has neither the funds nor the manpower to do checking of that sort.

CHANCE DISCOVERY BY PROSPECTOR

By chance, a little was learned about one test shot, which caused considerable alarm. It was a shot called diablo (Spanish for devil), which was set off on July 15, 1957.

Winds carried the fission products in a northeasterly direction over parts of Utah, Idaho, Colorado, and North and South Dakota. From there, part of it went on into

Canada and part looped southward toward Texas.

As far as can be determined, there was little fallout until the airborne material reached the Dakotas on July 16 and 17.

During this period, there was a light rain over the area. No one suspected anything amiss until 6:30 p.m. on May 17, when a uranium prospector in the little town of Belle Fourche, S. Dak., called the county health officer and reported that his geiger counter was clicking furiously.

"I never saw anything like that before," the prospector, E. A. Lindstad, told the Belle Fourche Post.

According to an account in that paper on July 18, Lindstad called Dr. J. H. Davis, the county health officer, who in turn got in touch with State civil defense authorities. They told Dr. Davis that the fallout would be a matter of concern only if the level of radiation persisted for 24 hours.

The news traveled through the surrounding area like wildfire as civil defense technicians began to make a radiation survey.

Newspapers in neighboring towns quoted officials as saying that the local fallout was almost negligible and there was absolutely no danger.

Belle Fourche, a town of 2,500 in the northwestern part of the State, was apparently the hardest hit. There was considerable confusion about the actual level of radiation, however. Levels of 20, 10, and 4 milliroentgens per hour were measured by civil defense officials. One official calculated that a level of 10, considering the normal decay rate, would produce a total dose of over 3 roentgens in the course of a few weeks.

(A roentgen is a unit of radiation energy. A milliroentgen, or mr, is a thousandth of a roentgen.)

This amount of radiation at St. George, Utah, during the 1953 test series led officials to advise townspeople to remain indoors for several hours. This measure was taken primarily because direct contact of fallout particles with the skin could produce serious radiation burns.

The people in Belle Fourche, however, were not advised to remain indoors during the May 1957 episode as far as can be determined.

A total dose of 3 roentgens is normally received from background radiation in about 25 years. A dose of 14 roentgens from all sources—natural, medical and atomic—is considered the permissible limit for the general population during an individual's entire reproductive period (the first 20 to 40 years). The average person receives about 9 roentgens during this period from natural and medical sources alone.

LEVELS QUESTIONED

The radiation levels reported at Belle Fourche were later questioned by State and U.S. Public Health officials who thought the levels were much too high. They stated, however, that they had made no direct measurements themselves during the early part of the period when the radiation would have been the greatest.

During the crucial period, radiation measurements were made by a chemistry professor from the South Dakota School of Mines.

When the radiation failed to diminish during the following few days, as would normally happen unless the fallout was continuing, there began to be some concern. Radiation experts were called in from other parts of the State.

Capt. John M. Jackson, chief of the radiological section at the Ellsworth Air Force Base, informed the Belle Fourche Post that the radiation was persistent.

"Captain Jackson repeated numerous times that the fallout readings in Belle Fourche are in no way dangerous or hazardous," the Belle Fourche Post wrote on July 24, "but inasmuch as the decline or decay has not been normal, the civil defense is continuing a check in the event of accumulation."

STREETS WASHED

At this point, the mayor of the town ordered the streets hosed down. There were no further reports. The radiation apparently diminished to what was considered a safe level but it is not known whether this was due to the hosing or the normal decay of the fallout material.

On July 24 and 25 there were two more atomic tests in Nevada, the radioactive debris from which passed over the Dakotas. There were no reports of unusual fallout.

On August 7, however, a weapon named "Stokes" was detonated and the fission products again traveled to the northeast. This time, it rained at Belle Fourche as the radioactive cloud passed overhead. Radiation levels shot up again to 10 mr per hour, according to John W. Willard, the chemistry professor at the South Dakota School of Mines.

As far as can be determined, no action was taken during this period to reduce the impact of the radiation.

If the total exposure from this fallout were equivalent to that from the Diablo shot, the radiation at Belle Fourche from the two tests must have exceeded the permissible limit set by the AEC for persons in the immediate vicinity of the test site. This limit is 3.9 roentgens per year.

NO RECORD

During the 1957 test series, 15 shots produced radioactive clouds that passed over South Dakota. The AEC says it has no record of any other case of heavy fallout but admits it has not been following the situation closely. AEC officials argue that it would take a tremendous amount of manpower and money to keep a close check on atomic test effects all over the country.

U.S. Public Health officials use the same argument.

State health officials in South Dakota and several other States have made similar statements.

All this leads to the conclusion that no one really knows where the hot spots are or what doses of fallout have been received by communities throughout the country.

AEC maps showing the movement of the clouds of atomic debris after each test reveal that these clouds have traveled over every State in the country. Yet, relatively few instances of unusual fallout have been reported so far.

The radioactive debris from the Diablo shot of July 15, 1957, rained down not only at Belle Fourche, S. Dak., but also at Fargo, N. Dak., 400 miles to the northeast. A few people familiar with the Fargo incident report that town officials considered sending out an alarm advising people to remain indoors for a while and then decided against it.

There has never been an official report by any Federal, State, or local agency on what happened at Fargo. There were no newspaper accounts as far as can be determined.

BELATED DISCOVERY

E. W. Pfeiffer, assistant professor of anatomy at the University of North Dakota, discovered a year later that more strontium 90 rained down on Fargo in 1 day during that period than had come down during the entire year in other parts of the country where measurements were made.

The revelation came as a result of some detective work, by the North Dakota scientist. Pfeiffer noticed several months after the Diablo shot of July 15, 1957, that the AEC had reported peak levels of strontium 90 in milk from Mandan, N. Dak., during the month of August 1957. The milkshed at Mandan was one of the four that was being checked each month by the Commission.

Pfeiffer also recalled that the AEC had a fallout monitoring station at Fargo, N. Dak., about 200 miles away. He went back over the AEC records for that period and discovered that on July 16, enough strontium 90 had come down in the area to give the soil a layer of 24 millicuries per square mile.

NEVER REPORTED

(A millicurie is another unit of radiation. Twenty-four millicuries per square mile is the amount which produces 190 radiation producing disintegrations for every square foot.)

The amount was unbelievable. This much fallout had never been reported to have occurred in this space of time anywhere, either before or since. New York City was the only place in the country where careful measurements of strontium 90 had been made over a long enough period of time to permit a comparison. It took New York almost 2 years to accumulate this amount.

The Fargo figure has never been reported by the AEC.

Pfeiffer published his findings in the autumn 1958 issue of the North Dakota Quarterly. Copies were sent to several Congressmen who passed them on to the AEC and the Senate-House Committee on Atomic Energy. Other copies were sent directly to the committee. A copy was handed personally to a member of the committee during the fallout hearing last month. The committee has never mentioned the matter publicly.

Representatives of the AEC and the U.S. Public Health Service went out to North Dakota to look the situation over after the 1957 Nevada tests. There were rumors that milk from some parts of the State had gone above the permissible limit and might have to be dumped. What actually happened has been kept secret, but later developments and published data gave credence to the rumors.

CITIZENS SHOCKED

During the spring of 1958, the AEC sent a team of scientists to North Dakota to set up a program for checking the strontium 90 in human bone samples. Spot checks of the milk were made in the five areas in the Mandan, N. Dak., milkshed.

On May 13, 1958, 8 months after the tests in Nevada were over, the people in North Dakota finally learned what had been happening. A front page story in the Grand Forks Herald, headlined "High Level Found in North Dakota Milk," shocked the town with the statement that there was more radioactive strontium 90 in the milk at Mandan than anywhere else in the world. At the time, milk was being checked at 30 stations around the globe.

A member of the AEC team disclosed that the concentrations exceeded 20 strontium units, which was four times the world average, but he would not reveal how high the levels had actually gone. It was not until Pfeiffer published his article a year and a half later that the public learned that the strontium 90 concentrations were almost double this amount at North Soo, one of the areas in the Mandan milkshed.

The May 13 statement by AEC was carried by newspapers throughout North Dakota and the surrounding States. The people in the region, panic stricken, swamped public health authorities with calls to find out where they could obtain safe milk. Officials hastened to assure everyone there was no cause for alarm.

STILL NOT DANGEROUS

The North Dakota State Health Director, Willis Van Heuvelen, told reporters, according to a story in the Grand Forks Herald, "there was no reason to shun milk since the concentrations of strontium 90 found by the AEC were not in the dangerous range." He indicated that radiation could not be completely avoided since there was a little radioactivity in all foods and in drinking water as well.

Pfeiffer said in a telephone interview last week that the degree of variation discovered

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from place to place in May 1958, when the average concentration was 19.1 units, shows that the milk in some parts of North Dakota could have easily exceeded the permissible limit the previous August, when the average was 33 units.

The North Dakota scientist disclosed that he and some others had stopped giving their children milk from the local dairies and had switched to powdered milk from an area in California that has had less fallout.

The Herald reported in its May 13, 1958, edition that a member of the AEC team—J. Laurence Kulp, a geochemist at the Lamont Geological Observatory—attributed the high strontium levels to the Russian atomic tests and said they were not likely to have been caused by the American tests in Nevada.

CONFLICT NOTED

Kulp's statement conflicted with internal AEC reports issued months earlier which showed that the Diablo and Stokes shots had produced heavy fallout at Fargo and Belle Fourche.

While the incidents just described were going on in North and South Dakota, a university scientist in Utah also became concerned about the fallout from the Nevada tests. The test site was only 100 miles away from the southwest corner of his State.

Norman Bauer, a chemistry professor at Utah State University, estimated that some 10,000 people in the southern part of the State had been subjected to an external dose of radiation amounting to at least 30 times what most other persons in the United States have had to absorb and said there was the possibility of unusually high strontium 90 concentrations in that group.

In a letter published in the July 4, 1958, issue of the prominent weekly journal Science, Bauer criticized the AEC for setting a permissible exposure level of 3.9 rems per year for those who lived around the test site when 0.5 rems per year was the permissible dose recommended for the general population by the National Committee on Radiation Protection.

"Surely a double standard should not prevail unless the populations concerned are informed and are willing," he wrote.

(A rem is a unit of radiation that is approximately equal to the roentgen.)

Members of the national committee are now using 0.5 rems per year, or, more correctly, 14 rems for the first 30 years, as the permissible limit of radiation from all sources combined—medical X-rays, radioactive sources in the environment, fallout, and atomic wastes.

The committee has not officially announced this limit yet, although the International Commission with which it is affiliated did so recently.

The generally accepted allocation of the 14 rems to 4 rems from sources of radiation normally present in nature and 5 rems from medical X-rays leaves 5 rems in the 30-year radiation exposure budget for fallout, atomic wastes, and other manmade sources.

This means that the 10,000 people in Utah who have received 3 to 4 rems from fallout have just about had their quota for the average reproductive period.

The AEC has estimated that a 30-year dose of 14 rems to the entire population of the United States might lead to as many as 200,000 cases of genetic damage during the first generation and 2 million per generation ultimately.

Bauer complained not only about the external radiation from the fallout, but also about the amount of strontium 90 that has come down.

He estimated that the concentration of this bone-seeking element in southern Utah soil was probably high enough to lead to the accumulation of the maximum permissible limit of strontium 90 in the bodies of those who lived on food grown in the area.

If this happened, it might lead to a 10- to 20-percent increase in leukemia, some scientists estimate, as well as an increase in the number of bone tumors.

During the fallout hearing in Washington last month, some figures submitted in a report showed that the soil at St. George, Utah, contained the highest concentration of strontium 90 ever reported in the world—406 strontium units.

(A strontium unit is measure of the strontium-calcium ratio. It is this ratio, and not the total strontium content, which determines how much strontium 90 finds its way into foods.)

There have been reports of other incidents in sections of Minnesota, Missouri, Washington State, California, Nevada, New York State, and Arkansas.

None of these cases were originally reported by either the Atomic Energy Commission or the U.S. Public Health Service, the two Federal agencies with the greatest knowledge of the situation.

INTRODUCTION OF MODERN WEAPONS INTO NATO DEFENSES—MESSAGE FROM THE PRESIDENT

Mr. JOHNSON of Texas. Mr. President, I am advised that the message received from the President today, relating to the introduction of modern weapons into NATO defenses, has been read in the House of Representatives. I ask unanimous consent that the message be referred to the Joint Committee on Atomic Energy and printed in the RECORD, without reading.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair) laid before the Senate the following message from the President of the United States, which, with the accompanying papers, was referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

In December 1957 the heads of government of the nations members of the North Atlantic Treaty Organization reached agreement in principle on the desirability of achieving the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques. In enunciating this agreement in principle the heads of government made it clear that this decision was the result of the fact that the Soviet leaders, while preventing a general disarmament agreement, had left no doubt that the most modern and destructive weapons of all kinds were being introduced into the Soviet armed forces. The introduction of modern weapons into NATO forces should be no cause for concern on the part of other countries, since NATO is purely a defensive alliance.

It is our conviction and the conviction of our NATO allies that the introduction into NATO defenses of the most modern weapons available is essential in maintaining the strength necessary to the alliance. Any alliance depends in the last analysis upon the sense of shared mutual interests among its members, and by sharing with our allies certain training information we are demonstrating concretely our sense of partnership in NATO's defensive planning. Failure on our part to contribute to the improvement of the state of operational readiness of the forces of other members of NATO will only encourage the Soviet Union to believe that it can eventually succeed in its goal of destroying NATO's effectiveness.

To facilitate the necessary cooperation on our part legislation amending the Atomic Energy Act of 1954 was enacted during the last session of the Congress. Pursuant to that legislation agreements for cooperation were recently concluded with three of our NATO partners and submitted to the Congress on May 26. A similar agreement was also recently concluded with our NATO ally, the Kingdom of Greece. All of these agreements are designed to implement in important respects the agreed NATO program. This agreement with the Kingdom of Greece will enable the United States to cooperate effectively in mutual defense planning with Greece and in the training of Greek NATO forces in order that, if an attack on NATO should occur, under the direction of the Supreme Allied Commander for Europe Greek forces could effectively use nuclear weapons in their defense.

These agreements previously submitted and this Greek agreement represent only a portion of the work necessary for complete implementation of the decision taken by the North Atlantic Treaty Organization in December 1957. I anticipate the conclusion of similar agreements for cooperation with certain other NATO nations as the alliance's defensive planning continues.

Pursuant to the Atomic Energy Act of 1954, as amended I am submitting to each House of the Congress an authoritative copy of an agreement with the Kingdom of Greece. I am also transmitting a copy of the Acting Secretary of State's letter accompanying authoritative copies of the signed agreement, a copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of this document and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 11, 1959.*

(Enclosures: (1) Agreement with the Kingdom of Greece, (2) copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission to the President, (3) copy of the President's memorandum recording his approval.)

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. BUTLER. Mr. President, on June 9, during the debate on Admiral Strauss' nomination, the junior Senator from Wyoming [Mr. MCGEE], criticized Admiral Strauss, as Chairman of the Atomic Energy Commission, for his alleged failure to call the Joint Committee's attention to a letter from the Attorney General to the Defense Department as to the legality of the transfer to Great Britain of information pertaining to the construction of nuclear-powered submarines. At that time I asked the following question:

Was it not the duty of the Department of Defense, which was vitally interested in this

matter and which had received a copy of this letter, to make that information known to the Joint Committee?

Senator McGEE yielded to Senator ANDERSON, for a reply, and the latter stated:

I think it would be proper to inquire what language in the Atomic Energy Act made it necessary for the Department of Defense to submit to the Atomic Energy Commission any information regarding treaties. The law is very plain.

This is an example, again, of what we went through. The law says the Department of Defense shall inform the Joint Committee with reference to certain things. I can get a copy of the actual law. It had nothing to do with treaties. That is why the Attorney General sent a copy to the Chairman of the Atomic Energy Commission and said it should be communicated to the Joint Committee on Atomic Energy, because the Commission is the only group having duties in conjunction with the Joint Committee on Atomic Energy when it comes to treaties or matters of that nature.

I believe that the Senate will be interested in the language of the Atomic Energy Act of 1954 as referred to. Section 202 of this statute provides, in pertinent part, as follows:

The Commission shall keep the Joint Committee fully and currently informed with respect to all of the Commission's activities. The Department of Defense shall keep the Joint Committee fully and currently informed with respect to all matters within the Department of Defense relating to the development, utilization, or application of atomic energy.

As Senator ANDERSON suggested, the duty of the Department of Defense, as outlined in this statute, does not specifically refer to matters pertaining to treaties or, for that matter, bilateral agreement of any kind. However, it is difficult to understand how the language of the statute can be so narrowly construed so as to exclude any responsibility on the part of the Department of Defense to report to the committee, simply because the matter involved ultimately would be a matter relating to a treaty or bilateral agreement. The transfer of this information to Great Britain obviously related to the development, utilization, or application of atomic energy, and was of the greatest importance to the Department of Defense. To single out Admiral Strauss, as Chairman of the Atomic Energy Commission, and magnify the importance of this letter and the responsibility he had to call it to the attention of the Committee, and, in the same breath, to minimize the responsibility of the Department of Defense, which under the statute in many ways had a comparable responsibility, is neither reasonable nor fair.

ONE HUNDRED AND EIGHTY-FOURTH ANNIVERSARY OF ESTABLISHMENT OF U.S. ARMY

Mr. THURMOND. Mr. President, this Sunday, June 14, commemorates the 184th anniversary of the establishment of the U.S. Army by authority of the Continental Congress. From the date of its establishment in 1775 through the years, the relationship which has existed between the legislative branch of the Government and the Army has been a close one. The action of the Continental Congress in 1775 enabled the freedom-loving people of the Thirteen Original Colonies to wage war successfully for their independence and to set an example for the entire world. The action of the Congress in strongly supporting our Army is the symbol of its high respect for the Army and the fine job it has done over the years, and is now doing. It must be consoling to the citizens of the United States and of the free world to know that Congress realizes the great importance of a strong Army and solidly backs it. As capable as our Army is today, the Congress must be always on guard to see that it is maintained modern, efficient, and ready to strike rapidly in event of aggression.

I would like to remind the Senators of the colorful program honoring Congress, to be held at Fort Myer, Va., at 4 o'clock this Sunday afternoon. There will be a review by the Battle Group at Fort Myer. More important to Members of Congress, the Army Band will play for the first time in public the "Congressional Honors March," written by Lt. Col. Donald T. Kellett, of the Army Legislative Liaison Office, and which is being dedicated to the Congress by the Hon. Wilber M. Brucker, the able Secretary of the Army. During the ceremonies, Secretary Brucker will make some dedicatory remarks.

I hope that all Members of the Congress, and as many members of their staffs as possible, will accept the Army's kind invitation to attend the ceremonies at Fort Myer. I know that I speak for every Member of Congress in thanking Secretary Brucker, Colonel Kellett, and the Army for this high honor and recognition they are bestowing on the Congress as an institution, on the 184th anniversary of the beginning of a wonderful and successful relationship.

I would also like to ask that an informative article entitled "In 1775 Congress 'Adopted' the Army," by Maj. Frederic S. Otis, appearing in the June issue of the Army Reservist, be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN 1775 CONGRESS "ADOPTED" THE ARMY

(By Maj. Frederic S. Otis, Inf.-USAR)

Scattered up and down and across the land are monuments, markers, and plaques attesting to actions of historic significance that have taken place at the indicated spot. Many of these recall to our generation heroic actions of the U.S. Army. But strange as it may seem, no marker indicates the birthplace of the Army. Perhaps that is because so many other historic actions took place there. The suggestion is respectfully made, however, that there is room at Independence Hall for mention of the fact that here was created the U.S. Army.

June 14, 1775, is the official birthday of the U.S. Army.

Independence Hall in Philadelphia is the birthplace.

History reveals, however, that what Congress actually did was adopt an Army that was already in being and actually engaged in fighting a war. The Second Continental Congress assembled on the 10th of May 1775 at what was then known as the State House in Philadelphia. George Washington was a Delegate from Virginia and came dressed in his uniform as an officer of the Virginia Militia. On the same day the intrepid Allen led his Green Mountain Boys against the powerful fortress Ticonderoga at the base of the Adirondacks and won a victory from the British.

The first mention of a military force in the Journal of the Second Continental Congress appears under the date of Thursday, May 25. Congress resolved on that date "that the militia of New York be armed and trained and in constant readiness to act at a moment's warning, and that a number of men be immediately embodied and kept in that city and so disposed of as to give protection to the inhabitants * * *." On the same day they also resolved "that it be further recommended to the Provincial Congress aforesaid that the troops be enlisted to serve until the last day of December next unless this Congress shall direct that they be sooner disbanded."'

Thus the Delegates to the Continental Congress passed the responsibility to raise the troops to the New York officials but kept the authority to disband the troops to themselves.

NO LEGAL POWER

Actually the Second Continental Congress was an illegal organization, had no legal right to pass an order, and certainly no power to execute it. The Colonies looked to the delegates to produce a change in a perplexing situation, so their powers may have been illegal but they were able to meet, to consult, and to agree on an action. And since a majority of the citizens of the Colonies were willing to accept their authority, the end result was the same as if their acts were based on established laws.

On the 31st of May the Congress resolved "that the Governor of Connecticut be requested immediately to send a strong reinforcement to the garrison of Crown Point and Ticonderoga."

The following Saturday the budget problem first raised its ugly head in Army matters. On that day, June 3, Congress "upon motion resolved that a committee be appointed for the purpose of borrowing the sum of 6,000 pounds for the use of America, for the repayment of which with interest, the Congress will make full and ample provision, and that the said committee apply the said sum of money to the purchase of gunpowder for the use of the Continental Army."

FIRST STEP IN ADOPTION

This is the first mention in the Journal of the Continental Army. It was the first step in the adoption proceedings. Having provided their new Army with the wherewithal for gunpowder, on the following Friday, June 9, the delegates "*Resolved*, That the Provincial Convention of New York be requested to convey as soon as possible in Providence in Rhode Island or any port in the government of Massachusetts Bay, 5,000 barrels of flour for the use of the Continental Army."

On Wednesday, June 14, 1 month and 4 days after they first assembled, and 3 days before the Battle of Bunker Hill, Congress took the action that is officially credited with being the creation of the Army. Under that date the Journal reads as follows:

"Agreeable to the standing order of the day, the Congress resolved itself into a Committee of the Whole, to take into consideration the state of America; and after some time spent thereon, the President resumed the chair, and Mr. Ward reported that the Committee had come to certain resolutions, which he was ordered to report; but not having come to a conclusion, they desired him to move for leave to sit again.

RAISE MORE TROOPS

"The resolutions being read were agreed to as follows:

"*Resolved*, That six companies of expert riflemen be immediately raised in Pennsylvania, two in Maryland, and two in Virginia; that each company consist of a captain,

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3 lieutenants, 4 sergeants, 4 corporals, a drummer or trumpeter, and 68 privates.

"That each company as soon as completed, march and join the army near Boston, to be there employed as light infantry, under the command of the chief officer in the army.

"That the pay of the officers and privates be as follows: Viz, a captain $20 a month; a lieutenant $13⅓ per month; a sergeant, $8 per month; a corporal, $7⅓ per month; a drummer or trumpeter the same; private, $6⅔ per month; to find their own arms and clothes.

"That the form of the enlistment be in the following words: 'I ------ have, this day voluntarily enlisted myself as a soldier, in the American Continental Army, for 1 year, unless sooner discharged. And I do bind myself to conform, in all instances, to such rules and regulations as are, or shall be established for the government of the said army.' Upon motion, resolved that a committee of five be appointed to prepare rules and regulations for the government of the army.

"The following persons were chosen to compose that committee: Mr. Washington, Mr. Schuyler, Mr. Deane, Mr. Cushing, and Mr. Hewes."

SELECT WASHINGTON

The following day George Washington was chosen to be commander in chief. Some historians credit the suggestion to John Adams. Others say it was a gesture by a committee made to obtain the cooperation of the southern colonies, and in view of the fact that Washington was the only delegate to the Congress who had appeared at the meetings in uniform, reminding them of his military experience. Henry William Elson, in his "History of the United States" describes the selection of Washington in these words:

"George Washington, at the suggestion of John Adams, was chosen to be commander of the army. As Adams described, in an elaborate speech, the high qualifications necessary to the position, and reserved mentioning the name of his choice to the close, Washington sat near and watched his face intently, and hearing his own name mentioned, perhaps without any expectation of it, he quickly arose and went into an adjoining room."

Having provided manpower, gunpowder, flour, and a commander for the army, Congress waited more than a year, until July 4, 1776, to declare their independence from England their Army was engaged in fighting. On that day the Liberty Bell rang out, giving notice of their declaration. The Philadelphia State House became the first Capitol of the Independent United Colonies, and from that day the birthplace of the Army and of the Nation was known as Independence Hall.

ECONOMIC GROWTH

Mr. BENNETT. Mr. President, yesterday the distinguished senior Senator from Minnesota [Mr. HUMPHREY] discussed at some length the threat posed by the economy of the Soviet Union, and stressed the differences in the growth rates of that country and our own.

While I think Senator HUMPHREY is to be commended for calling our attention to this threat—and it is a very real one—I think the true picture is considerably different from the one he painted, both with respect to the Soviet economy and our own. And I particularly would like to discuss the implication that we must double our present economic growth rate in order to meet the Russian threat.

In my opinion, this idea is not only erroneous, but actually dangerous. In a moment, I shall try to explain why.

But, first, in order to understand the problem we face, we must understand what economic growth involves. Today, there seems to be a sharply increased interest in the growth of our economy; and this is encouraging. For too long, now, too many of us have been more interested in sharing the wealth created in the past than in creating sound growth for the future. Unfortunately, some of this current sudden interest in growth seems just a little frantic and fear-inspired; and this is disturbing. If our goal is no deeper than the temporary satisfaction of quick statistics to cover up our chagrin over the disappointments of our recent economic recession, or over the somewhat greater current progress of the Soviet Union, we may be led to accept ideas that will either create the illusion of growth, or force it for today and weaken it for the future.

The most tempting of these ideas for quick growth is inflation. Nothing grows faster than a child's balloon. No cells in the human body multiply as fast as those of cancer. Those who clamor for a faster rate of growth—5 percent, instead of our productive and historic 120-year average of 3.7 percent[1]—are often the same people who think a little inflation is desirable or even necessary, and they also seem to think that the Federal Government holds the keys to economic growth and could easily guarantee it, if it only would.

As a first step in putting this desirable goal of economic growth into perspective, let us stop long enough to reorient our thinking about the essential elements of growing.

Obviously, to grow means to increase—in size, in strength, in numbers, in variety, in complexity—in fact, in any quantitative or qualitative manner. But it has deeper and more significant meanings than this. Essentially, it refers to a development natural to a living organism. Growth connotes a dynamic expansion produced from within by inherent and internal forces—not a passive enlargement resulting from actions by an outside force, as in the case of the child's balloon.

But is all growth internal? Can we not do something from outside? Of course we can. The verb "to grow" has two forms—intransitive and transitive. The intransitive form, which represents the idea of expansion from within, contains the essential concept. But we also use the transitive form as a synonym for the word "to cultivate" or "to help to grow." We can say of a farmer, "He grows wheat," or of his wife, "She grows flowers." But this is only possible because wheat and flower seeds have within them the essential germ of life, with its capacity to reproduce plant, flower, and seed through a life process. Essentially, the farmer and his wife cannot cause growth; they can only work to create the environment in which the plants' inherent capacity for growth will either be limited or allowed to function at its best. These observations about growth in general are simple and obvious. But in our type of society they are essential to our discussion of economic growth, because the capacity for production of ideas, skills, capital, tools, products, and distribution systems, which are the seeds of our economic growth, are vital and living capacities of individuals, not of governments.

Growth can be sound, healthy, and productive, or it can be unsound, infirm, and sterile. When we have sound growth, each new development is a step forward in a continuing process that promises further increase in the future. Healthy economic growth never destroys the many vital and delicate balances that give hopeful assurance of a fruitful future. These include the balance between today's consumption and tomorrow's security, between production for use and production of seed capital from which future production can grow. Sound growth is never temporary or terminal, passive or purposeless, whimsical or wasteful. It never sacrifices the future for the present.

WHERE WE STAND

Looking back over our history, we Americans can be well satisfied with our achievements which, in about two centuries, have brought us from a tiny dependent colony to the richest Nation in history. Yet suddenly we are fearful of the future. Why? Like a man who drives a modern car which he does not understand, have we begun to sense that something might be wrong which we do not quite know how to fix? Are the economic gages on our economic instrument panel signaling trouble?

I think the gage that records inflation has finally caught our national eye and set us worrying. And, in our post-sputnik preoccupation with Russian industrial progress, we suddenly fear that they may be overtaking us in the race for economic world leadership. Essentially, this concern is healthy, and will be of priceless value if it spurs us to correct those of our policies which weaken or inhibit our own growth. Fortunately, this is a field in which a vast body of fairly accurate data is available.

Before we try to measure where we are going, and how fast, let us find out where we are today. The simple answer is that we are the richest Nation on the earth today and in the world's history, though we have never been the largest in size or population. We have about 6 percent of the world's population and occupy about the same percentage of its land area. But in terms of economic progress and productive might, these small figures are replaced by giant ones. We produce and consume one-third of the world's goods and services. One-half of the world's manufactured goods comes from American factories. Two-thirds of its automobiles are registered in the United States, one for every 2½ persons, which is 10 times the world average and 24 times the Russian average. We produce half the world's oil, 40 percent of its electricity, and have one-fourth of the world's railroad mileage.[2]

[1] Actually 3.66 percent, based on 120-year trend. From the testimony of Raymond W. Goldsmith before the Joint Economic Committee Apr. 7, 1959.

[2] Twentieth Century Fund Survey, "U.S.A. in New Dimensions; Automobile Facts and Figures, 1958," and National Republic Organization.

The aggregate real income of 177 million Americans is approximately the same as the combined income of the 600 million people living in Europe, including the people in European Russia, and far surpasses the total income of the more than 1 billion inhabitants of Asia.[3]

How did we get this far so fast? During the past century our rate of output has risen so rapidly that the average American worker today produces nearly 8½ times as much in an hour of work as his great-grandfather did in 1850. Measured in 1958 purchasing power, an average hour's work in 1850 yielded 41 cents worth of goods and services, while an average hour's work in 1958 produced an estimated $3.45 in goods and services.[4]

And even today, American productivity, meaning the average output per hour of work, is continuing to increase at such a pace that in another century, if present rates continue, we shall be able to produce as much in one 7-hour day as we now produce in a 40-hour week.[5]

We could even step up this rate if we wished, but significantly, we have chosen to grow more slowly than we might have done in order that our people might have more time for other and equally important satisfactions. While American productivity has steadily gone up, working hours have steadily gone down, from an average of about 70 hours[6] per week in 1850 to the 40-hour week of today.

Leisure time for recreation for the average employed American has nearly doubled since 1900, and seems likely to increase still further. Figures indicate that since 1910, as our national productivity has increased, we have tended to take about two-thirds of the possible gain in the form of goods and services, and one-third in shorter working hours and increased leisure. Average weekly hours are down 30 percent from 1909—56.8 hours to 40 hours.

Before we can discuss economic growth in detail, we must pause to set up our standards for measuring it.

HOW DO WE MEASURE GROWTH?

Though there are many different means of measuring specific and limited areas of growth, when we refer to the total economic growth of the whole economy, we generally measure it in relation to the real gross national product, using figures which have been adjusted to eliminate the statistical influence of price changes due to inflation or deflation. Since population increases can change the significance of total gross national product growth, we also look at gross national product on a per capita basis.

[3] Revised from earlier estimate by Twentieth Century Fund Survey, "U.S.A. in New Dimensions, 1957," p. 4. Based on "America's Needs and Resources: A New Survey," Frederick Duvhurst and Associates.

[4] The 1850 figure is from an earlier estimate by the Twentieth Century Fund adjusted to 1958 prices. The 1958 estimate is from the Bureau of Labor Statistics, Division of Productivity and Technological Developments, U.S. Department of Labor. The figure represents real private conduct per man-hour. It excludes government.

[5] Twentieth Century Fund Survey, "U.S.A. in New Dimensions, 1957," p. 2.

[6] Ibid, p. 4.

Gross national product can be defined simply as the dollar value of all finished goods and services produced by a nation in a year's time. Economists are careful to point out that this means the unduplicated output of an economy. For instance, the sale of a cake by the grocery store to the housewife is counted as part of the value of gross national product, while the sale of the cake by the bakery to the store, the sale of flour by the mill to the bakery, the sale of wheat by the farmer to the elevator, are all excluded from gross national product.

This definition considers gross national product from the output side and discusses how gross national product is generated. Looking at gross national product from the expenditure or use side, the usual presentation is to group gross national product into four components—personal consumption, gross private domestic investment, Government purchases of goods and services, and net foreign purchases. This latter component—net foreign purchases—is the dollar difference in our export and import volume. These separate components of gross national product do not, of course, always change in the same direction at the same time, or grow at the same rate. In a well ordered world at peace, expenditures for national security would be almost nil; but in today's circumstances, we must keep this figure consistent with our defense needs. Today, and as an average for the 13 postwar years, our defense expenditures have been running about 10 percent of gross national product. I ask unanimous consent to have printed in the RECORD a table showing these figures.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Purchases for national defense and personal consumption, percentages of gross national product, 1946–58*

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	Average, 1946–58
Gross national product	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal purchases for national defense	8.9	4.8	4.5	5.3	5.0	10.3	13.4	13.5	11.3	9.8	9.6	10.1	10.1	9.0
Personal consumption expenditures	69.8	70.6	68.7	70.2	68.5	63.8	63.3	63.7	65.6	64.6	64.3	64.6	66.4	66.5
All other	21.3	24.6	26.8	24.5	26.5	25.9	23.3	22.8	23.1	25.6	26.1	25.3	23.5	24.5

Source: U.S. Department of Commerce, Office of Business Economics.

Mr. BENNETT. Mr. President, this table shows that two-thirds of our gross national product goes for personal consumption expenditures. Although gross national product is the most comprehensive indicator of national product, the "personal expenditures" component of gross national product is a better reflection of personal welfare.

LONG-TERM GROWTH TRENDS IN THE UNITED STATES

Over the past half century, our gross national product in constant dollars has increased fourfold. Over this same period our population has doubled. Thus each person in our growing population has twice as much in goods and services as each American had 50 years ago.

At this point I ask unanimous consent to have printed in the RECORD a table showing our economic growth over the past 50 years, 1909–59. The data in this table and the basis for some of the commentary regarding it were prepared at my request by the Department of Labor, Bureau of Labor Statistics.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Fifty years of economic growth in the United States*

[Constant 1957 dollars]

	Gross national product (billions of 1957 dollars)	Population (millions)	Gross national product per capita (1957 dollars)
1909	112.2	90.5	1,240
1919	144.0	104.5	1,378
1929	196.3	121.8	1,612
1939	203.7	131.0	1,555
1949	316.4	149.2	2,121
1950	343.4	151.7	2,264
1951	370.7	154.4	2,401
1952	384.1	157.0	2,446
1953	401.5	159.6	2,516
1954	393.9	162.4	2,425
1955	425.5	165.3	2,574
1956	436.0	168.2	2,592
1957	440.3	171.2	2,572
1958	427.2	174.0	2,455
1959	[1] 470.0	[1] 177.0	[1] 2,655
PERCENTAGE INCREASES, 1909–59			
Total increase 1909–59	319.0	96.0	114.0
Average annual increase [2]	3.0	1.4	1.6

[1] 1959 figures estimated.

[2] Calculated from values in 1st and last year of period. These figures may vary some from other computations using different years.

Sources: (1) Office of Business Economics and Bureau of the Census, U.S. Department of Commerce. (2) Bureau of Labor Statistics, U.S. Department of Labor.

Mr. BENNETT. Mr. President, the estimated gross national output of $470 billion for 1959 in terms of 1957 prices compares with an aggregate of $196 billion at the end of the 1920's—the last prewar period of generally prosperous conditions—and with $112 billion in 1909, these earlier figures also being stated in 1957 prices. This rise represents an average annual growth of about 3 percent thus far this century. The increase in per capita output over the

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same period has been at the rate of 1.6 percent per year.

The number of workers holding jobs has expanded by about 1½ percent per year over the past 50 years, but the average length of the workweek has declined as the population has chosen to take some of the improvement in its living standards in the form of shorter working hours. As a result, aggregate man-hours worked have increased by only about 1 percent per year since 1909.

The average annual growth rate of 3 percent in total output over the past half century has been made possible by the 1-percent increase in aggregate hours worked, plus an average gain of about 2 percent annually in output per man-hour worked. The latter is popularly known as the increase in "productivity." This gain in productivity has come from technological and managerial progress, a high rate of capital formation, the development of natural resources, and constant advances in the education and skills of the working population. I shall discuss these in greater detail later.

The 3-percent growth rate, based on the figure in table II, should not be taken as a final estimate of our long-term growth trend. It is not so intended here, though it is probably the most popular figure quoted today. Other expert studies, looking at other time periods, have placed the rate somewhat above 3 percent. Seldom is the figure placed below that. Since most calculations are made from values in the first and last year of the period chosen, as they are in table II, the rates can vary considerably, depending on the years taken. The longer the time period the less chance for deviations from the actual trend.

Mr. Raymond W. Goldsmith, in a testimony before the Joint Economic Committee on April 7, 1959, traced our growth rates over a 120-year period dating back to 1839. According to his calculations, the U.S. gross national product has grown over this period at the rate of 3.66 percent per year. On a per capita basis, the 120-year rate is 1.64 percent per year. Mr. Goldsmith, in a lengthy qualifying discussion, gave reason to believe that, if anything, his long-term rates are low.

I ask unanimous consent to have printed in the RECORD a table from Mr. Goldsmith's testimony showing these long-term trends. Mr. Goldsmith also divided his 120-year figures into various subgroups. The influence of the depression of the 1930's can be seen in the trend since 1919 as well as in the 50-year figures discussed earlier.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—*Trend of gross national product and personal consumption, 1839–1959—Percent increase per year* [1]

	Entire period, 1839–1959	60-year subperiods		40-year subperiods		
		1839–99	1899–1959	1839–79	1879–1919	1919–59
	(1)	(2)	(3)	(4)	(5)	(6)
	A. Gross national product					
1. Aggregate, current prices	4.85	4.13	5.59	4.48	5.69	4.40
2. Price level	1.15	−.10	2.42	.16	1.91	1.40
3. Aggregate, constant prices	3.66	4.23	3.09	4.31	3.72	2.97
4. Population	1.97	2.50	1.45	2.71	1.91	1.30
5. Per head, constant prices	1.64	1.67	1.62	1.55	1.76	1.64
	B. Personal consumption					
6. Aggregate, current prices			5.48		5.27	4.49
7. Prices			2.18		1.53	1.28
8. Aggregate, constant prices			3.22		3.68	3.17
9. Consumers (equivalent adult males)			1.46		2.01	1.30
10. Per full consumer, constant prices			1.74		1.64	1.85

[1] Calculated from values in 1st and last year of period.

Source: Testimony of Raymond W. Goldsmith before the Joint Economic Committee Apr. 7, 1959.

Mr. BENNETT. Mr. President, if we look at the recent postwar years, we find that our growth rate has steepened in the past decade. The gross national product grew 3.7 percent per year over the decade 1948–57. The per capita rate was 2 percent. Though the total output fell 3 percent in 1958, recent announcements indicate that the 1959 gross national product figure will be nearly 10 percent above 1958, demonstrating not only a healthy recovery from last year's recession, but also that our economy, under certain circumstances can produce growth rates in excess of the Russian rates.

U.S. AND U.S.S.R. GROWTH RATE COMPARISONS

In the face of these figures, the recent rapid rates of increase in Russian industrial production and gross national product may seem startling. For his statistics the Senator from Minnesota [Mr. HUMPHREY] leans heavily on articles by Mr. Herbert S. Levine, who until recently was associated with Harvard University's Russian Research Center. Mr. Levine's latest article appeared in the New Leader of June 1, 1959, and is the second of a series. The figures I shall use were obtained from our State Department, the Office of Research and Analysis for the Sino-Soviet bloc. If there are conflicts in the data, it may be due to the different bases used.

In some comparisons, for instance, the Senator from Minnesota used 1958 figures as the base, and 1958 was a recession year for us.

But, irrespective of the basic data, I will certainly want to put a different interpretation on the figures from the interpretation suggested by the Senator from Minnesota.

Although many Soviet data are unreliable and in need of reinterpretation by our own statisticians, we must recognize that Russia has had a more rapid rate of growth in recent years than we have. Allen W. Dulles, head of the CIA, in a speech on April 8, 1959, recognized the Soviet Union as the second largest industrial economy in the world, and placed its 1951–58 industrial growth, not gross national product, but industrial growth rate at 9½ percent per year as compared with our own average industrial growth rate over the period 1950–57 of 3.6 percent.

Though industrial output figures have important implications, gross national product figures provide a more complete economic comparison of the two countries. Some rough approximations of Soviet gross national product can be computed from data furnished by the Department of State, Office of Research and Analysis, for the Sino-Soviet bloc. Based on these data, Soviet gross national product has grown at an annual rate of roughly 6¼ percent over the 7 years 1950–57. Per capita gross national product over the same period in Russia grew at an annual rate of 4½ percent.

In comparison, the U.S. gross national product grew at an annual rate of 3¾ percent over the 7 years 1950–57, and per capita gross national product increased at an annual rate of 1⅞ percent.

But before we become alarmed by these comparisons, let us take them apart and understand them better.

A careful analysis of United States of America and Soviet gross national product figures places the United States of America still far ahead of the U.S.S.R. now and for many decades to come. I ask unanimous consent to have printed in the RECORD a table which was prepared by the State Department, Office of Research and Analysis for the Sino-Soviet bloc. The table gives a comparison of United States and Soviet gross national product over the period 1950–58 with estimates to 1970.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE IV.—*Comparison of United States and Soviet gross national product, 1950–70*

	1950	1955	1957	1958	[1] 1965	[1] 1970
Soviet gross national product (in billion 1957 dollars)	115	155	175	186	280	370
U.S. gross national product (in billion 1957 dollars)	343	426	440	427	614	708
Ratio U.S.S.R.–U.S. (in percent)	34	36	40	44	46	48
Soviet population (in millions)	182	198	204	207	233	260
U.S. population (in millions)	152	165	171	174	196	214
Soviet gross national product per capita (in 1957 dollars)	632	783	858	899	[2] 1,202	[2] 1,480
U.S. gross national product per capita [2] (in 1957 dollars)	2,264	2,574	2,572	2,455	[2] 3,133	[2] 3,575
Ratio U.S.S.R.–United States (in percent)	28	30	33	37	38	41

[1] U.S. estimates for 1965 and 1970 by National Planning Association.

[2] U.S. per capita gross national product figures are from table II and may not exactly agree with what might be computed from this table, due to rounding.

Source: Department of State, Office of Research and Analysis for the Sino-Soviet bloc.

Mr. BENNETT. Mr. President, between 1950 and 1957 the Soviet real gross national product increased by a value of 60 billion American dollars, in terms of 1957 prices. Ours increased $97 billion, two-thirds again as much as theirs. Looking at ratios of Russian gross national product to U.S. gross national product the Soviets increased their size relative to ours from 40 to 44 percent during the recession year 1958. But, based on anticipated growth rates over the next decade, Russia's gross national product will still likely be less than half of ours by 1970. The absolute gap was $241 billion in 1958, but it will grow to $395 billion in 1970. On a per capita basis Russia's gross national product will still be 40 percent only of ours by 1970.

If the U.S.S.R. should continue to expand by, say, 6 percent per year and the United States by 4 percent, Soviet gross national product would catch up with U.S. gross national product sometime in the next century. But such mechanical extrapolation into a distant future with unknown technological, social, and political circumstances is meaningless.

Turning to industrial production, Mr. Khrushchev has boasted that Russia will advance to first place in the world in absolute volume and per capita industrial production by 1970. However, this boast assumes that U.S. industrial production will grow at about 2 percent a year, and it assumes a Russian growth of approximately 9 percent per year. Both of these assumptions are absurd.

A 2-percent rate of industrial output is well below the U.S. experience over the decade 1948–57 of 3.6 percent per year. It is expected to exceed 4 percent during the decade of the 1960's. On the other hand there is already evidence that the Russian growth rates are declining.

I ask unanimous consent that a table based on official Soviet statistics be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V.—*U.S.S.R. economic growth rates, actual and planned, 1951–65*

	Average year 1951–55 (actual)	Average year 1956–60 (abandoned plan)	Average year 1957–58 (actual)	7-year plan 1959–65
National income	11.3	10.0	7.5	7.1–7.4
Gross industrial output	13.2	10.5	10.0	8.6–8.8
Steel output	10.7	8.6	6.3	6.6–7.5
Railroad freight turnover	10.0	7.3	9.5	4.9–5.5

Source: Official Soviet sources.

Mr. BENNETT. For the benefit of occupants of the galleries, the Soviet national income has dropped from a rate of 11.3 percent in the period 1951–55 to 7.5 percent in 1958, and it is expected to go down to 7.1 during the 7-year plan. Other figures have dropped at about the same rate.

This table traces Russian growth rates as planned and achieved over the period 1951–58, and the new 7-year plan, 1959–65. These figures show a steady decline in Russian growth rates over the recent past and anticipated future through 1965, it should be noted that according to our statistical experts Soviet national income and industrial output's figures have an upward bias. In addition, Russia's national income concept is not comparable to ours since it includes only material production and excludes most of the services. Thus, these Soviet figures are higher than what our statisticians would accept. But even using this data, there is a clear downward trend in Soviet growth rates.

To put the Russian growth prospects in perspective, it should be emphasized that the Soviet long-term gross national product growth rate dating back to 1913 is roughly 3 percent,[7] about the same as ours.

One economic indicator which has caught the public eye in United States-Russian comparisons is electrical energy output. Our colleague, the Senator from Massachusetts [Mr. KENNEDY] is reported in the News and Observer of Raleigh, N.C., of February 12, 1959, to have said:

> The Eisenhower administration power policies are permitting the Soviet Union to move dangerously ahead of the United States in developing electric generating capacity.

Yesterday in his statement on the floor our colleague from Minnesota [Mr. HUMPHREY], quoting from Mr. Levine, read the following:

> By 1965, the Soviet Union will be producing about 70 percent of U.S. 1957 output of electrical power and fuel energy.

If we read that quickly, we get the impression that the Soviets are producing at the rate of 70 percent of what we are producing in this country. Reading it slowly, it says that by 1965 they expect to produce 70 percent of what we produced 2 years ago. Actually, in 1957 they produced 40 percent of what we produced.

This, again, is based on the legerdemain of percentages and bases. If one shifts his bases enough, he can come up with percentages on any pattern he wishes.

It should first be noted that Russian electrical output figures are overstated relative to those of the United States. We do not include some small generators which are included in the Soviet data. But more important, the Soviet figures are inclusive of station consumption, that is, electrical energy generated and used in the operation of the generating station. Ours are not. The inclusion of this consumption boosts the Russian output figures by approximately 7 percent.

Keeping in mind this qualification, the Edison Electric Institute reported in the New York Times of April 6 that the U.S.S.R. power ministry has put Russia's 1957 generating capacity at 48 million kilowatts with a goal of 108 million for 1965—a projected increase of 60 million kilowatts. In 1957 our capacity was 146 million, nearly half again as large as Russia's 1965 goal, and our estimated increase by 1965 will be 104 million, little less than twice theirs. If both countries meet their goals, the Russians will have raised their electricity output from one-third of ours to 40 percent of ours. But in absolute figures we will have increased our lead over Russia from an advantage of 98 million kilowatts in 1957 to a greater advantage of 142 million kilowatts in 1965.

LIVING STANDARDS

In his speech yesterday, the Senator from Minnesota [Mr. HUMPHREY] pointed out that the Russians can concentrate on heavy industry, without having to worry too much about consumer convenience. Thus, as he pointed out, the Soviet Union has a shortage of Yo-yos and hula hoops. But the shortage extends also to such items as bread, butter, and houses as well, and here the gap is closing with maddening slowness. Although Mr. Khrushchev has, as Senator HUMPHREY noted, ordered an increase in consumer goods production, he has a long way to go before he will even be in the same league as Western Europe or the United States.

I ask unanimous consent to insert in the RECORD at this point a table of figures furnished me by the Division of Foreign Conditions of the Bureau of Labor Statistics, which shows the comparative working times required to buy certain necessities in New York and Moscow as of April 1, 1958.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE VI.—*Comparative working times to buy certain necessities in the United States and Russia (as of Apr. 1, 1958)*

	New York	Moscow
Foods:		
1 pound potatoes	2 minutes	6 minutes.
1 pound bread	6 minutes	9 minutes.
1 pound beef	22 minutes	98 minutes.
1 pound butter	21 minutes	208 minutes.
1 pound sugar	3 minutes	70 minutes.
1 quart milk	8 minutes	36 minutes.
1 dozen eggs	21 minutes	144 minutes.
1 ounce tea	5 minutes	46 minutes.
Men's wear:		
Suit, wool	3 days	39 workdays.
Pair shoes, black calf	1 day	10 workdays.
Cotton shirt	1 hour	19 hours.

[7] Department of State, Office of Research and Analysis for the Sino-Soviet bloc.

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TABLE VI.—*Comparative working times to buy certain necessities in the United States and Russia (as of Apr. 1, 1958)*—Continued

	New York	Moscow
Women's wear:		
Pair shoes, leather	5 hours	57 hours.
Cotton house dress	2 hours	15 hours.
Other: 3½-ounce cake of soap	3 minutes	20 minutes.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Division of Foreign Conditions.

Mr. BENNETT. I believe perhaps the occupants of the galleries would be interested in some of these figures. To buy a pound of potatoes in New York the typical New Yorker worked for 2 minutes. To buy a pound in Moscow his counterpart worked for 6 minutes. To buy a dozen eggs the New York worker worked 21 minutes; the Moscow worker 144 minutes. To buy a man's suit the New Yorker worked 3 days. The worker in Moscow worked for 39 days. To buy a pair of women's leather shoes the New Yorker worked 5 hours. His counterpart in Moscow worked 57 hours.

Let us look at this same situation from another angle.

The United States spends 67 percent of gross national product on consumption, the U.S.S.R. roughly 60 percent. Applied to gross national product in 1957 of $440 billion in the United States and $175 billion in the U.S.S.R., and using population figures of 171 million—1957—and 204 million, respectively, the United States-Soviet consumption ratio per capita is about 3 to 1 in favor of the Americans. Actually it is at least 4 to 1. Soviet agriculture and consumers' goods industries, as is well known, are notably inefficient. As a result, the U.S.S.R. uses up a relatively large amount of resources and still produces most unsatisfactory consumer living standards. One cannot compare an American shoe and a Russian shoe.

An example of poor living standards is the housing situation in Russia. Some figures from official Soviet sources [3] will illustrate the difficulties imposed on Russian citizens by totalitarian economic decisions. The Russian housing situation is public record by now. Said Molotov in a speech broadcast by Radio Moscow on January 19, 1957:

> We are lagging—and badly—in housebuilding. We are justly reminded of this by the workers.

Using official Soviet figures, it appears that total urban dwelling space was 180 million square meters at the end of 1913, and 640 million at the end of 1955. This is a three and one-half fold increase, assuming the figures are correct. The well-known economist in the Soviet field, Naum Jasny, feels that the 1913 figure is understated, and thus the improvement is less than stated by these figures. At the same time the urban population, in corresponding boundaries, rose from 24.7 million to approximately 85 million over the same period, also three and one-half fold. This means that the space per head was as low in 1955 as in 1913 and urban housing in Czarist Russia was inferior to that of other European countries, to say nothing about the United States.

In absolute figures the dwelling space per head was 7.3 square meters in 1913 and 7.5 in 1955. This space—dubbed "total living space"—includes utility space such as staircases, hallways, storerooms, kitchens, and lavatories, for joint use, and so forth. However, this total space is 160 to 170 percent of the actual living space proper. In other words, it is overstated to that extent. In 1958 the living space concept was suddenly, without public notice, abandoned for the concept "general living space" in order to make housing appear larger than it really was, perhaps because it might have been embarrassing to continue to do so. Dwelling space proper was therefore in 1955 at best 4½ square meters. This is even below the individual cell space allotted to the inmates of Federal prisons in the United States, namely, 60 square feet or 5.6 meters.

More recent preliminary figures, from the new Soviet census for 1959, indicate an even higher urban population than that quoted above. Thus the urban housing situation may be even worse than outlined here, but we must wait for more detailed figures before arriving at a final judgment.

To briefly sum up my impressions of United States-Soviet economic comparisons, our growth rate, which has been substantially greater than Russia's over the long run, has reflected a healthy balance among the various components of gross national product, including regard for the important "king" of our society—the consumer. Ours has not been a forced growth. It has been soundy based on increases in the labor force and a sustainable increase in productivity, and has achieved these increases despite reductions in the hours which our people work.

Moreover, there is room for shifts in our expenditure patterns for an all-out defense effort if necessary. On the other hand, in light of recent forced growth rates, it is doubtful that the Soviet Union has many gears left to use, particularly if she insists on clinging to her recent gains at the expense of consumer welfare; and if Soviet consumers are moved by the same basic economic desires that motivate our citizens, as I think they are.

By cutting the Soviet economic threat down to size, I am not closing my eyes to the political effects of even modest Soviet gains. Present indications are that the U.S.S.R. growth rate will exceed ours over the next decade. This means that the world at large will have at least an image of Soviet vitality and efficiency. Even if Soviet output is only half of ours by 1970, this ratio, coupled with the usual "expansion effects" of Soviet propaganda, will put the Soviet Union "in the same league" with the United States in their eyes. If our information services are not on their toes, this could have serious effects on the attitudes of the nations of the free world, particularly those which are trying to follow a policy of neutralism. Thus, I am not lightly or casually dismissing Soviet economic statistics. Though we stay ahead of the Soviet Union in absolute terms for decades, or centuries, or even forever, as I sincerely believe we will, still we must not be lulled into a false sense of security founded on our present wealth and economic advantage. We must be vigilant in our efforts to sustain and increase economic growth. But as I have indicated earlier, this does not mean pushing the panic button of socialism and central planning. On the contrary, it means reinforming ourselves regarding the economic and political foundations which have brought us to our commanding position in the world today. And it means reinforcing the use of these time-tested principles.

WHAT PRODUCES ECONOMIC GROWTH?

Let us now turn to the question of what produces economic growth.

In his speech yesterday, the Senator from Minnesota noted that the Soviet economy is an administered economy, a forced-draft economy, and he seemed to imply that because of this fact, growth is stimulated. He said:

> The leaders in the Kremlin have the power to slice the national income pie any way they wish, within the limits set by hard economic facts and the patience of the long-suffering Soviet people. They determine how much the population will be permitted to consume. Then they plow back into the economy the unconsumed resources in the form of capital necessary to guarantee the maximum economic development consistent with their ambitious national objectives.

But growth is not quite so simple. Fundamentally, growth of gross national product may be said to depend on four factors, which in turn involve a number of other factors. Thus, we may say that the rate of output depends on, first, size of the labor force; second, the percent of the labor force employed; third, annual hours of work per employee; and fourth, man-hour productivity—output per employee-hour. Growth will be achieved if any one of these factors increases, all others remaining fixed or also increasing.

Traditionally, we have experienced significant gains in labor force and productivity; and hours of work have tended to decline as I said earlier, but without offsetting the increases in labor force and productivity. I ask unanimous consent to have printed in the RECORD a table which summarizes these elements of our growth over the past 50 years.

[3] This material is based on the following sources:

(a) Central Statistical Administration, "The National Economy of the U.S.S.R., Moscow, 1956."

(b) "The Soviet 1956 Statistical Handbook: A Commentary, 1957."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE VII.—*Elements of economic growth*

	Employed labor force (millions)	Average workweek (manufacturing industries) (hours)	Index of output per man-hour (1947–49=100)
1909	36.7	56.8	47.7
1919	42.0	52.3	53.8
1929	47.6	44.2	66.9
1939	45.8	37.7	81.9
1949	58.7	39.2	103.1
1950	60.0	40.5	110.4
1951	61.0	40.7	113.2
1952	61.3	40.7	115.7
1953	62.2	40.5	120.4
1954	61.2	39.4	122.6
1955	63.2	40.7	128.0
1956	65.0	40.4	128.8
1957	65.0	39.8	132.3
1958	64.0	39.2	133.4
1959 (estimated)	[1] 65.0	[2] 40.0	
PERCENTAGE CHANGES			
Total change 1909–59	+77.0	−30.0	[3] +180.0
Average annual change [4]	[5] 1.2 / [6] (1.5)	−.7	[3] 2.1

[1] April 1959.
[2] Average over 1st quarter 1959.
[3] Through 1958.
[4] Calculated from values in 1st and last year of period.
[5] The 1.2 percent increase is based on calculations from the terminal years in the table. Another estimate by the Department of Labor puts the figure at 1.5 percent per year.

Sources: (1) U.S. Department of Labor, Bureau of Labor Statistics. (2) Legislative Reference, Library of Congress. (3) "Productivity, Prices, and Incomes," Joint Economic Committee print, p. 80; 1949–58 data on productivity from prepared testimony of Ewan Clague before the Joint Economic Committee, Jan. 29, 1959.

Mr. BENNETT. Mr. President, looking specifically at each of the factors, we find much to encourage us.

Growth of the labor force depends on population growth, and ours is increasing steadily and is expected to continue to do so. However, growth of the labor force is not an automatic source of output unless that labor force is employed. During the past 12 postwar years, which include three recessions, our unemployment has averaged 4.46 percent of the labor force. This figure fits in with the 3 to 5 percent frictional unemployment range cited by most economists. Most forecasts of growth over the next decade assume an average unemployment rate of 3 to 4 percent.

The second factor in growth, the hourly workweek, has been the only declining element in our growth statistics over the years. By choice, we have consistently reduced the number of hours worked per week. Our citizens have chosen to take some of the improvement in living standards in the form of shorter working hours for more leisure and personal development. Our hourly workweek in manufacturing has decreased 30 percent over the past 50 years from 56.8 hours in 1909 to 40 hours in 1959. Over the past century the workweek has dropped 43 percent from the 70-hour week of the 1850's.

PRODUCTIVITY IS KEY TO GROWTH

The final element of growth, man-hour productivity, is the real key to our growth, past and future. This has risen at a rate of 2 percent per year over the past 50 years. From even a cursory review of American economic history, it is obvious that a substantial rise in output per man-hour has been the basis for the remarkable growth of output per capita that makes the American standard of living so unique.

In the eight decades since the 1870's, national product—in constant prices—has increased approximately twelvefold, while the population has tripled in size, so that product per capita quadrupled. Average hours per worker have been rerduced, and the ratio of the labor force to the total population has varied only slightly over these 80 years. Clearly, the fourfold increase in output per man-hour has been the source of the great increase in America's per capita output.[9]

FACTORS INCREASING PRODUCTIVITY

Because of the importance of this final growth factor, I will devote some detail to it.

SKILL AND ATTITUDE OF WORKERS

The skill and education of our workers must constantly improve as our productive facilities become more complex. This is reflected both in individual improvement and in redistributions of the labor force. While unskilled and service occupations will decline relatively, skilled and professional occupations will increase. The trend toward automation will substitute scientists, engineers, computer programers, administrators, and typists, and so forth, for men on the production line, clerical workers, and common laborers. Each new crop of workers must be more advanced in skills than the last.

From the standpoint of the individual, sustainable, high rates of productivity can only thrive in an atmosphere of freedom that permits attainment of desirable personal satisfactions as well as economic rewards.

MOBILITY AND FLEXIBILITY OF LABOR AND OTHER RESOURCES

Another source of increasing productivity, only truly effective in a free economy such as ours, is the mobility and flexibility with which individuals can operate as workers, managers, and suppliers of capital.

Productivity may be increased by external shifts of labor and other resources from companies and industries with low output per man-hour to companies and industries with high output per man-hour. This in itself will bring no improvement in productivity within companies and industries, but it will raise national productivity. Or, as in the approach in most of our discussion, productivity may rise because of real increases in output per man-hour within companies and industries.

Economic growth, like plant growth, is subject to variations in climate and environment. The economic climate varies from time to time and from one segment of the economy to another. It is thus inevitable that we should find first one segment and then another forging ahead under favorable stimuli, only to run into periods of diminished growth at other times. Slack periods in particular industries may signal the need and provide the opportunity to shift resources to other occupations. From time to time there is a general slackening of demand. While we all want to keep those slack periods to a minimum, we must recognize that some are the inevitable concomitant of growth and change and that they provide opportunities and incentives to overhaul the economic machine and improve its efficiency.

If growth requires change, it also facilitates change. It stimulates the search for new and better ways of doing things and makes it easier for labor and capital to shift from one product or occupation to another by creating new employment and investment opportunities. Often desirable adjustments can take place in a growing economy simply through more rapid growth in one industry than another. Thus, growth and change interact on each other.

Attempts to withstand the inexorable pressures of progress rarely prevent the gradual decline of those segments which fail to adapt to the tide of change. Workers and businessmen in a particular industry frequently seem to think that the erection of barriers to change will improve or at least protect their relative position. This may be true for the moment. They will usually fare better in the long run by directing their efforts toward strengthening their competitive position or, failing this, by moving into another field. Otherwise, they may, for a time, deprive the community of the full fruits of increased productivity of which it is capable. But, ultimately, they drive the consumer of their goods or services into the arms of their more efficient competitor or even into the use of an alternative product or service.

A BALANCE BETWEEN FREEDOM AND SECURITY

To preserve this mobility requires the existence of an atmosphere of confidence which is a dynamic blending of freedom and security. While these two concepts may seem to be mutually antagonistic, neither can be effective in our practical everyday lives without the presence of the other. Freedom is the more vital of the two, because without it, all the great wealth of human spiritual resources is vitiated and men became mere economic cogs. And yet there must be a balancing security in our system which can provide the assurance that the risks of change will not be unbearable. The American business and industrial communities of capital, management, and labor are fast developing this balance, and must be constantly alert to redress it when necessary.

IMPROVED MANAGEMENT METHODS

Management can increase productivity by the development of more productive patterns in time and motion and in the rate and direction of the flow of process.

[9] Leon Greenberg, Chief, Bureau of Labor Statistics, Division of Productivity and Technological Development, in a speech before the third conference on manufacturing automation, Purdue University, Mar. 29, 1959.

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Businessmen are constantly learning and relearning that speed alone is not enough. This can be wasteful and destructive. Coordinated relationships of time and place can be much more effective. All this is the responsibility of modern, effective management.

RESEARCH AND DEVELOPMENT

In a free world, growth is never uniform in rate or in pattern. This is partly true because one vital element of growth can never be applied steadily or uniformly. This is the element of new ideas that come from inspiration and experience as well as from orderly programs of research and development. This, too, is a great force that reaches its greatest power in an atmosphere of freedom.

When we look for examples of growth, built on new ideas, we are inclined to look for huge, dramatic innovations. Important and striking examples can be cited in our development to date. But probably more important is a continuous flow of inventions, even though they be minor in scope. As our economy grows, each new invention is relatively less important in the total picture anyway, but the flow must be sustained.

Of course, there have been great single new developments which have brought great changes in their turn—among these, in the past 100 years, were the railroads, the electrical industry, and the automotive industry. George Terborgh, research director of the Machinery and Allied Products Institute, in his excellent book, "The Bogey of Economic Maturity," discusses the impact of these three industries on capital formation. But he puts them in perspective by emphasizing the need for the continuous flow of technological development as opposed to concentrated innovation. He then points up the need for high levels of research. I quote from Mr. Terborgh:

> There is thus no evidence that investment in major innovations as a class, including the young and old ones alike, has had any higher growth rate than investment in minor innovations as a class. There is no evidence that one great new industry is any more dynamic in its impact on capital formation than 10 small new industries.
>
> The important thing is the total flow of technological development, not its degree of concentration. Given an abundance of rising industries like aviation, mechanical refrigeration, air conditioning, radio, television, rayon, plastics, quick freezing, prefabricated housing, light metals, powdered metals, high octane gasoline, gas turbines, jet propulsion, spun glass, cotton pickers, combined harvesters, electronics—to name only a few at random—the total volume of direct and induced investment can be tremendous.[10]
>
> In our judgment it is possible today to obtain a flow of innovation so vigorous and so diffused as to exceed, in its stimulus to capital formation, the best achievements of the past, regardless of the appearance of some great new industry comparable to those so nostalgically regarded by the stagnationists. When we recall the expenditures for industrial research had reached a level before the war 3 times 1929 and 12 times 1920, we must acknowledge that we have a new and potent engine for creating investment opportunity on a wholesale basis, the possibilities of which we have just begun to tap. No reason appears why the rate of technological advance should not continue to accelerate.[11]

In fact, this is just what has been happening. A look at the rate of expenditures for research and development in the United States shows this dramatically.

Mr. President, I ask unanimous consent to have table VIII printed at this point in the RECORD.

There being no objection, table VIII was ordered to be printed in the RECORD, as follows:

TABLE VIII.—*Research and development expenditures (industry, Government, university totals)*

Year:	*Billions (current dollars)*
Prewar, well below	1.0
1945	1.5
1950	2.9
1951	3.4
1952	3.8
1953	[1] 4.0
1954	[1] 4.1
1955	5.4
1956	6.5
1957	[2] 8.2
1958	([2])

[1] The National Science Foundation estimates research for fiscal year 1953–54 at $5.4 billion.

[2] The National Science Foundation estimates research for fiscal year 1957–58 at $10 billion.

Source: "Statistical Abstract of the United States, 1958," table 626, p. 500.

Mr. BENNETT. Mr. President, the effect of this change is demonstrated by the next table, which lists 16 classifications of American industry and the percentage of their 1960 sales which will be represented by products that did not exist in their present form as recently as 1956.

Mr. President, I ask unanimous consent to have table IX printed at this point in the RECORD.

There being no objection, table IX was ordered to be printed in the RECORD, as follows:

TABLE IX.—*How much of 1960 sales will be in new products?—Base year 1956*

	New products[1] percent of sales
All manufacturing	10
Iron and steel	5
Nonferrous metals	5
Machinery	19
Electrical machinery	18
Autos, trucks, and parts	10
Transportation equipment (aircraft, ships, railroad equipment)	37
Other metalworking	14
Chemicals	16
Paper and pulp	9
Rubber	5
Stone, clay, and glass	8
Petroleum refining	2
Food and beverages	7
Textiles	12
Miscellaneous manufacturing	6

[1] New products are defined as products "not produced in 1956 or products sufficiently changed to be reasonably considered as new products."

Source: The American Economy, Prospects for Growth to 1965 and 1975, McGraw-Hill, Department of Economics.

Mr. BENNETT. Mr. President, to sum up this statement of the value of research and development in insuring constantly increasing rates of productivity, let me quote from the testimony of Dr. Alan T. Waterman, Director of the National Science Foundation, given on February 2, 1959, to the Joint Economic Committee:

> It is recognized that research and development creates new products, and in turn new demands and new capital expenditures. Increased productivity is brought about by improved processes, and this serves to enlarge per capita income and to counteract inflationary effects in the economy by bringing about a lower cost per unit of production.
>
> Organized labor is actively, and quite properly, concerned lest automation and the growth of mechanized processes result in widespread unemployment. We cannot say that such fears are groundless, but the overwhelming evidence of history is that new labor-saving devices utimately create new industries, new investment opportunities, and new employment. Organized labor realizes that the industry of discovery leads to new products, and will, in many cases, open up new employment opportunities. If the period of transition to these new jobs is managed wisely, there is little reason to fear technological unemployment.
>
> Research and development has the added virtue of producing a leavening effect. Thus, the results of research in one industry may help to increase production not only within its own ranks but in other industries as well. A good example of this is the electronic computer. Since World War II, its uses have grown and multiplied until now, in addition to its use as a research tool, it is also to be found in a wide variety of industrial and commercial uses.
>
> It is significant that industries with a high growth factor are in most cases the highest in relation to the percentage of total expenditures devoted to research. Although it is obvious that research and development * * * bears a direct relationship to the growth of individual companies, explicit data to support this conclusion are lacking. The Foundation is, therefore, sponsoring a detailed study of this subject, being carried on by the Case Institute of Technology.
>
> The beneficial effects of research and development upon the economy are such that even the millions of dollars expended annually on military research and development ultimately have an impact on the civilian economy. One may cite as the most obvious examples some of the fruits of World War II research, such as the immense electronics industry, the rapidly developing use of jet aircraft for civilian travel, and such important medical discoveries as penicillin and DDT.

In another part of his testimony, Dr. Waterman spoke of research competition between Nations. His words have so much meaning in the context of this present talk that I shall quote them:

> What is true of research competition in business is also true of Nations. We have already had evidence, as well as flat statements of the fact that the Soviet Union considers itself in an all-out scientific and technological race with the United States. Premier Khrushchev's remarks at the opening of the Soviet Communist Party Congress last week, together with the proposed new 7-year plan and other public statements, suggest that the Russians consider themselves in an economic race as well. Actually, economic progress is too closely tied in with the research and development effort to be considered separately.

[10] Terborgh, George, "The Bogey of Economic Maturity," Machinery & Allied Products Institute, p. 89.

[11] Ibid., p. 90.

What they appear to overlook is that we are starting from two entirely different bases. The Soviet Union is determinedly striving to achieve the standards of living which we in the United States have been enjoying for years. As the New York Times (January 29, 1959, page 26) commented editorially:

"The economic competition Premier Khrushchev speaks about so often is one we have always welcomed if what is meant is competition in giving people decent standards of living. On that basis it is simple truth to note that we still have a long lead. Even making the questionable assumption that Khrushchev's latest plans are all fulfilled on schedule, it will be a long time before the Soviet people are as well fed, well clothed, and as well housed as is the average American today."

The real point is that we are competing with the Soviet Union for the future. As I said in the beginning, the economic implications of research and development are of a long-range nature. What we do now in planning our research and development effort, in giving it adequate support, may determine not only our own future but the future of the world as well.

POWER AND MACHINES—KEY TO PRODUCTIVITY

We could bring many other examples of the impact research and development has upon productivity, but we must move on to the last element in my list, and in pure economic terms, the most significant. I refer to the constantly increasing role which power and machines play in increasing productivity. For years we in America accepted this as an axiomatic and desirable achievement. But today, when we describe it with the current term "automation," it suddenly becomes a potential evil.

Actually, an increasing and progressively more effective use of power and machines is an outgrowth of the same searching and adventurous spirit which vitalizes research and development.

The most energetic and skillful shoemaker working long hours under the ablest supervision, but with the hand tools of a century ago, could not remotely approach the productivity of today's semiskilled operator, working with the aid of modern power-driven machinery.

In 1850 approximately one-eighth of all our work was done by human beings and one-half by horses, mules, and oxen. Muscle power of animals and humans thus accounted for almost two-thirds of the work; and inanimate sources—steam, wind power, falling water, and the like—for a little more than a third. By 1900 the work-animal share had dropped to 22 percent of the total and that of human workers to 5 percent. Today nearly 99 percent of the total useful work-energy of the country comes from machines.[12]

Table X illustrates the percentage share of animate and inanimate sources of energy in total work output during the past hundred years, and emphasizes the importance of machines in our productivity advances.

Mr. President, I ask unanimous consent to have table X printed at this point in the RECORD.

[12] 20th Century Fund Survey, "U.S.A. in New Dimensions, 1957," p. 5.

There being no objection, table X was ordered to be printed in the RECORD, as follows:

TABLE X.—*Changes in percentage share of work energy, 1850–1950*

	1850	1900	1950
Human	13.0	5.3	0.9
Animal	52.4	21.5	.6
Inanimate	34.6	73.2	98.5

Source: The 20th Century Fund, "America's Needs and Resources: A New Survey," Frederic Dewhurst & Associates, New York, 1955, p. 908.

Mr. BENNETT. Mr. President, a dynamic technology which improves productivity through better materials, better methods, and the increased use of mechanical power in place of human labor requires imaginative leadership and a willingness to experiment. Large expenditures for new plant and equipment, automation, rising outlays for research, the steady flow of new products and processes, and the widespread use of the suggestion box in our factories and offices all attest to the presence of these valuable qualities in our country.

There are, however, particular industries in which technological change has sometimes been resisted. For example, our railroads, fighting a competitive battle for their existence, complain that they are constantly handicapped by the feather-bedding rules demanded by labor in an effort to perpetuate jobs for which there is no longer any economic justification. We find another illustration in restrictive building regulations which prevent that industry from availing itself of many cost-reducing methods and materials that have been developed. Such resistance to technological advance within particular industries can have a significant bearing on our growth rates of the future.

Finally, I remind Senators that while machines have taken over 99 percent of our workload compared to 35 percent a century ago, our employed civilian labor force has increased from 8 million to 65 million. This should set at rest the idea that automation, as such, destroys jobs.

Before we move on to discuss what growth we can hope for in the next decade, let us stop to summarize the keys of growth we have been discussing. They are:

A. A growing population, with a growing labor force, effectively and substantially employed. Perhaps we should say "fully employed," if we accept the idea that from 3 percent to 5 percent unemployment is factual, and should be expected.

B. A constantly increasing rate of productivity per man-hour worked. This hope for increasing productivity in turn rests, like Rome, on seven hills—seven indispensable ingredients: First increased skill of workers; second, effective worker attitudes based on freedom; third, mobility and flexibility of labor and enterprise; fourth, a balance between freedom and security; fifth, effective management of time, space, and process flow; sixth, new ideas, based on research and development; and, seventh, an ever-increasing availability of more productive power and machines.

This, then, is the framework of our development to date, and the basis for our future growth.

U.S. GROWTH PROSPECTS TO 1970

Having considered the basic elements of growth, I should like to turn briefly to a consideration of U.S. growth prospects over the next decade. Although projections of the future are hazardous today the majority opinion among economists is that the decade of the 1960's will see an increase in our growth rate, and that a 50 percent increase in national output is well within our grasp.

Although the actual future growth rate is a subject of discussion and disagreement among economists, I should like to present my own forecasts, which I think answer the fear that our economy is heading for economic stagnation. I think they are reasonable estimates.

Starting with the first basic element in our growth—the labor force—the Bureau of Labor Statistics of the U.S. Department of Labor has furnished figures which indicate that our work force will expand to 87.1 million by 1970. Deducting a cautious 4 percent for frictional unemployment over this period, the anticipated number of employed workers will be 83.6 million by 1970. I am assuming that the 4 percent unemployment rate will hold as an average over the decade. It is in keeping with the 4.46 percent average during the postwar period, 1947 to 1958, which included three recessions. I hope we have none of those in the 1960's. It is the same as the figure used in a low growth estimate by the National Planning Association, and is more conservative than the association's judgment model, which is based on a 3½ percent average unemployment.

The total employed labor force by 1970—83.6 million—represents an average annual increase of nearly 1.8 percent per year. It reflects the large number of "war babies" who will enter the labor force during the 1960's, and represents one of our key advantages over the Soviet Union during that decade. While our population stepped up during the war years, Russia's rate of increase slowed down. A tight labor force is one factor which will slow down the Soviet growth rates in the near future.

Looking at productivity, our long-term trend is at a rate of roughly 2 percent a year. It is reasonable to assume that this rate will be a minimum estimate for the next decade.

On the other hand, Fortune magazine, in its March 1959 issue, predicted that the productivity rate during the 1960's will probably equal the postwar average of 3 percent a year.

Putting these two productivity estimates together, and assuming that Americans are not likely to take more than an annual decrease of three-tenths percent in hours worked per week, which is the rate of decline in the work week over the previous decade—and the decline in the work week has slowed up in recent decades; so this is probably a maximum estimate—we can expect a

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growth in the gross national product of between 3.5 and 4.5 percent a year. Picking an average of 4 percent would mean a gross national product of about $755 billion in 1970, based on 1959 prices. This would average about $3,500 per capita. If the lower rate of 3.5 percent prevails, our gross national product would total approximately $710 billion, approximately $3,300 per capita in 1959 prices.

The Russian Communist leaders habitually think in terms of economic goals and 5-year plans and 7-year plans. Confronted with their current high rate of growth, and assuming that they can sustain it indefinitely—which I do not believe—there are some economic theoreticians who think we should adopt a specific rate of at least 5 percent a year and make its maintenance an official goal of national policy. This new expression of the planned economy school of liberals ignores the realities of life and human nature, and also sound economics. We have had short periods when our rate of national growth exceeded 10 percent a year. A recent example is the period 1933 to 1937, when we were recovering from a recession. And based on current trends, our 1959 gross national product will be 10 percent higher than our 1958 gross national product.

During the decade 1878 to 1887, our index of industrial and commercial production doubled.[13] In the eighties, steel production was increasing by 15 percent a year, and by 1900 it was still increasing at the very high rate of 10 percent a year. By 1910, it was growing at a 7 percent clip.[14]

Some industries have had periods when output more than doubled in just a year or two. But these were temporary spurts within the long-term national pattern—sprints in a "marathon" race, which it would be unrealistic to accept as an expected norm; and if we use the same figure of speech, I think we shall find that in that marathon race the Russian runners will continue to slow down to their long-term average.

A CONFLICT OF PHILOSOPHIES

We must make sure that we have an adequate rate of long-term growth, because in this race our stake in victory is very high. The United States-Soviet competition in rate of growth is only one facet of the more fundamental contest between these two essentially opposite economic and political philosophies. All of the newly created nations and many of the older ones are watching to see which is the stronger and the more productive—our system of free enterprise, based on private capital; or the Russian particular brand of State socialism. Indeed, the current success of the Russians raises this basic question, even in our own country: Would greater Government intervention tend to increase or retard our growth rate?

Let us look at this from a specific point of view.

How much long-term capital shall we need between now and 1970, and can Government intervention make it easier to raise it? Of course, it is difficult to forecast the amounts of new invested capital that will be needed by 1970—probably as difficult as to predict the curve of the rate of growth. But we know approximately how much capital per worker is now invested in American industry, and that this amount per job has been rising slowly as we have increased the power and complexity of our machines. Therefore, we can make some projections. One estimate of future capital needs comes from the National Planning Association. It begins with the base year 1955, and forecasts to 1970.

According to this estimate, our total stock of plant and equipment in 1955 was about $590 billion. By 1970, it will have to total $935 billion—an increase of $345 billion in 1955 prices—in order to take care of our increased labor force, plus an annual increment of 1½ percent per year in capital stock per worker. This estimate excludes the additional amount of capital facilities required for Government functions, since it is based only on the private labor force.

Translating these figures into 1959 costs, as based on the commercial and factory building index of E. H. Beck & Associates, the additional capital requirements total nearly $400 billion over the 15-year period. In terms of 1959 costs, the plant and equipment per private worker totaled $11,100 in 1955, and will rise to $14,100 in 1970, not allowing for price increases over the next decade. The private labor force, again excluding Government workers, was 60 million in 1955. It is expected to rise to 76 million by 1970.

Making the assumption that we have by this year met one-fourth of the total 15-year—1955–70—requirements, we shall need $300 billion in new capital over the next 11 years, in order to employ our anticipated new labor force and to sustain a healthy growth. This is a conservative portion of the total, since 1957 and 1958 capital expansion was at a slow pace, and the requirements step up as we approach 1970.

If our traditional economic system is to continue, this capital must come from private savings accumulated under the twin incentives of the ownership of property and the reaping of profits from that ownership.

Can the Government provide capital without weakening the ability of its own citizens to do so? The answer of the record is clearly in the negative. Whenever Government intervenes in the economic process, it destroys the vigor of free market decisions, introduces rigidities and distortions into the market, and inhibits growth. Government funds cannot be invested in equities without destroying private management of the resources developed with those equities. Government can be a lender, on a short-term to a private borrower, but as such it is an undesirable creditor because its terms are rigidly fixed by law.

Government is in fact a borrower, competing for private savings. When it intervenes to set interest rates, it tends to set them as low as possible to reduce its own cost, and thus weakens the private incentive to save and invest. When Government taxes business for social reasons, it tends to penalize capital accumulation. And when it sets up artificial price and wage controls, it destroys profits and worker incentives. All these activities tend to weaken both ownership and incentive and diminish rather than increase the flow of needed capital into the stream of growth.

But there is one factor in our own growth that is more important than all the others and more difficult to measure. This is the human factor. This is the richest resource of all, the very heart of our capacity for growth. It flowers best in an economic climate in which personal liberty and security are in an optimum balance, with liberty at its greatest practical maximum and security at its lowest safe level. In such a climate the individual and the Government can be effective partners for growth.

To this partnership the individual can bring his capacity for imagination and creative effort, his ingenuity and resourcefulness, and his spiritual powers for severe sacrifice and faith. From these he develops his sense of economic values, and, in freedom, expresses them in an infinite variety of products and services. In the process he gets the satisfactions that come from risks taken, consequences faced, and rewards earned, including the very tangible rewards of private ownership, profit, and progress.

GOVERNMENT'S ROLE IN GROWTH

Of course, these desirable functions of private decision cannot take place in a lawless vacuum. Most economic decisions are composite and complex, and reflect both private and public policy. In such a partnership only the Government can contribute the essential security of peace, possession, equality before the law, and freedom from want and disaster.

In a more direct and personal partnership it can help provide education to sharpen our mental and spiritual resources. It is the most efficient institution for supplying roads and postal service and other national needs. Through tax-provided capital, it can develop and maintain national natural resources. It can keep open free channels of communication and travel.

Government can play a great and indispensible role in research—both in terms of basic scientific research, of which industry at its own expense can make practical applications to fit its particular needs, and in terms of basic economic and social statistics. The work of the Department of Commerce and the Bureau of Labor Statistics in the Department of Labor is invaluable, and should be adequately supported and constantly improved. There are many

[13] Frickey, Edwin, "Production in the United States, 1860–1914," Harvard University Press, 1947, p. 127.

[14] Snyder, Carl, "Business Cycles and Business Measurements," the Macmillan Co., 1927, p. 37.

other accepted services it can supply, including a sound and stable currency by which we transact our business and measure our growth.

But when the balance shifts and the power of the Government rises at the expense of the freedom of the individual, private growth, healthy growth, is retarded. When Government tries to impose an official standard of values and substitute planned programs for free markets, this tends to produce dull mediocrity, and tends to perpetuate under- and over-production of certain goods and services, and rigid resistance to change. And growth depends on change.

The Senator from Minnesota noted yesterday that the Russians have adopted more and more of the production techniques of capitalism. They have paid us the very sincere compliment of imitation, and have soaked up like a sponge the tangible helps to growth which we have given them, sold to them, or which they have stolen from us. And now if there is any shift in their social balance, it will have to be toward more individual economic freedom, thus giving them an additional vital aid to growth. It would be tragic if we shifted the other way in order to try to outdo them.

Can we set a course for our needed goals of growth and hope to reach them? Can we keep our standard of living rising steadily so that generations of Americans will be better off than we are? At the same time, can we grow fast enough to overmatch the threat of Communist economic competition? All the figures and their applications testify that we can, if we will continue to develop with wisdom the great human spiritual resources which the Communists deny themselves—the inherent instincts and capacities of free men to grow through self-development. This is a seed of growth for whose product Government can supply a healthful atmosphere, but for which Government has no substitute.

If we realize this truth, and apply it, we cannot fail.

Mr. President, I yield the floor.

ORDER FOR CALL OF THE CALENDAR TOMORROW

During the delivery of Mr. BENNETT'S remarks,

Mr. JOHNSON of Texas. Mr. President, will my delightful friend from Utah yield to me so that I may make a unanimous-consent request?

Mr. BENNETT. I am happy to yield to the majority leader.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that tomorrow, at the conclusion of routine morning business, there be a call of the measures on the calendar to which there is no objection, beginning with Calendar No. 265.

I have asked the attachés of the legislative review committee on this side of the aisle to notify their counterparts on the minority side, and if they are all agreeable to this, and are ready, I should like to have the calendar called immediately after routine morning business. I think it should not take more than 15 or 20 minutes. I would like to have all Senators who have measures on the calendar to be informed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I thank my friend.

Mr. BENNETT. I am very happy to accommodate the majority leader.

UTILIZATION OF SURPLUS FOOD

Mr. HART. Mr. President, one of the anomalies that disturbs all of us, I am sure, is the existence in this country of hungry people and the presence of bursting granaries with surplus food.

In recent weeks a subcommittee of the Committee on Agriculture and Forestry has been considering a number of bills which would in some cases supplement distribution of surplus food, and in other cases, in addition, establish a food stamp program.

I ask unanimous consent that the RECORD reflect a resolution adopted by the common council of the city of Detroit urging the adoption—which of course, would require favorable action by the Committee on Agriculture and Forestry—of a program which would be broad in scope.

I also ask unanimous consent to have printed in the RECORD an article by James M. Haswell, Washington correspondent of the Detroit Free Press, which appeared in that newspaper on the 9th day of this month.

I also ask unanimous consent to have printed in the RECORD a statement by Daniel J. Ryan, general superintendent of the Department of Public Welfare, before the Subcommittee on Production, Marketing, and Stabilization of the Committee on Agriculture and Forestry.

Mr. President, I am hopeful that favorable action by the committee will occur, and that the majority of Members of this body will recognize that until we have a basic solution of the pressing problem of food surpluses, the best place for much of that food is in the stomachs of hungry Americans.

There being no objection, the resolution, article, and statement were ordered to be printed in the RECORD, as follows:

Whereas the city of Detroit, since January 1955, has been engaged in distributing surplus food commodities to needy citizens, including not only families receiving public assistance but other needy individuals; and

Whereas in the month of April 1959 the city distributed 490 tons of surplus foods to 46,530 families, representing 164,419 persons; and

Whereas it is reported that approximately 12½ percent of the labor force of the Detroit area is still unemployed, evidencing the continuing acute need among our citizens; and

Whereas this common council has adopted resolutions urging the expansion of the distribution of foods to needy persons and urging the reactivation of the so-called food stamp plan, similar to the plan in effect in the years 1939–43, which would eliminate the present complicated, cumbersome, and costly plan of distribution: Therefore be it

Resolved, That this common council urges the adoption of a program which would provide for (1) the transfer of this activity from the Department of Agriculture to the Department of Health, Education, and Welfare; (2) the expansion of food distribution to the needy; and (3) the distribution of surplus food commodities through the normal channels of business through the medium of a food stamp or coupon plan; and further

Resolved, That copies of this resolution be sent to members of the Agricultural Committees of the U.S. Senate and the House of Representatives, and the members of the Michigan delegation to Congress.

Adopted as follows:

Yeas: Councilmen Carey, Connor, Lincoln, Patrick, Rogell, Smith, VanAntwerp, Wise, and President Beck—nine.

Nays: None.

Adopted June 2, 1959.

[From the Detroit Free Press, June 9, 1959]

DETROIT OFFERS TO TEST SURPLUS FOOD STAMPS—GROCERS HERE BACK PROPOSAL—SAY IT WILL WORK BETTER THAN DEPOTS

(By James M. Haswell)

WASHINGTON.—The grocers of Detroit will be glad to act as guinea pigs if Congress wants to try out a plan for distributing surplus food to needy persons by issuing stamps or coupons. Grocers would exchange the stamps for surplus commodities.

W. E. Fitzgerald, executive secretary of the Food Industry Committee of Detroit, told a Senate subcommittee that Detroit's 3,000 grocers will demonstrate that a stamp plan will work better than the welfare department's present food depot program.

Detroit welfare superintendent, Daniel J. Ryan, agreed with Fitzgerald.

They told Chairman HUBERT HUMPHREY, Democrat, of Minnesota, that the Agriculture Department's present rules force them to use a clumsy and expensive system, and deprive at least 22,000 Detroiters of food which city and State welfare authorities would like to see them receive.

In April 164,000 Detroiters received surplus food, Ryan said.

Ryan and Fitzgerald made their sixth appearance since 1955 before a congressional committee in support of a food stamp plan. Last year at the urging of Representative MARTHA W. GRIFFITHS, Democrat, of Michigan, and others, the House passed such a bill.

Senator HUMPHREY heads a subcommittee which is considering an array of bills proposing greater distribution of surplus foods to hungry and malnourished Americans. Among the 30-odd sponsors of the bills are three Democratic presidential hopefuls—Senators KENNEDY, SYMINGTON, and HUMPHREY—and GOP liberals.

Not all the bills would use food stamps. Several propose to buy supplemental foods such as milk, shortening, and poultry, to improve the diet of persons forced to live largely on surplus foods.

Many of the bills would transfer the food distribution job from the Agriculture to the Welfare Department. Most of them would write Federal eligibility standards.

Detroit pioneered large scale distribution of surplus foods in 1955 and today 44 States and 4 Territories distribute them to 5.3 million persons. Estimates are 17 million Americans need more food than they are getting.

Senator HUMPHREY threatened Monday to offer a food stamp bill as an amendment to the foreign aid bill when it reaches the Senate floor. "We'll call it the domestic aid bill," he said.

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He would prefer, however, to have the agriculture committee approve and report out the bill his subcommittee will draft.

Emil Mazey, UAW secretary-treasurer, drew some sharp contrasts Monday.

"Can there be a greater disaster than Americans going hungry in the midst of plenty?" he asked. "Can America be the moral leader of free men and refuse to help those who suffer from not having enough to eat?"

When blizzards isolate large sections of the Nation, the Government comes to the aid of stranded cattle by parachuting food to the animals. Can we do less for fellow human beings stranded by unemployment, age, or physical disability, and who are thus prevented from sharing in the abundance which is ours?"

Congress, he said, has a duty to banish hunger from the Nation. Other AFL–CIO supporters include Joseph A. Bierne, chairman of the community services committee, and Albert Whitehouse, director of the industrial union department.

Spokesmen for the Agriculture Department and the Health, Education, and Welfare Department oppose all the food bills. Assistant Agriculture Secretary Clarence L. Miller said surplus foods should be sold and not given away and that placing a floor under family food consumption levels is not a proper function for the Federal Government. Social Security Commissioner W. L. Mitchell said money, and not food, is the proper thing to give needy persons.

STATEMENT OF DANIEL J. RYAN, GENERAL SUPERINTENDENT, DEPARTMENT OF PUBLIC WELFARE, BEFORE THE SUBCOMMITTEE ON PRODUCTION, MARKETING, AND STABILIZATION OF THE SENATE AGRICULTURAL COMMITTEE

Mr. Chairman and members of the committee, I appreciate the opportunity to testify before your committee and to speak in behalf of several bills now pending in the Senate of the United States. I refer to bills which would provide adequate food and diet to those in need.

While the primary purpose of such proposed legislation is designed to help the needy and undernourished, it would appear that there are several other purposes, among which are the following: (1) To reduce the large inventory of food commodities in the farm price support program; (2) to benefit farmers by disposing of these surpluses and by increasing farm income; (3) to increase rural purchasing power; (4) to save taxpayers millions of dollars now being spent for the storage and handling of surplus foods. All of these purposes have our complete support.

During the years 1939–43, and more recently since January of 1955, the city of Detroit, through its department of public welfare, has been engaged in the distribution of surplus food commodities to its needy citizens. These needy include not only those receiving general relief, for whom the welfare department is responsible, but likewise persons eligible for and receiving old-age assistance, aid to dependent children, aid to the blind, and aid to the disabled, whose needs are administered by a State agency, the Wayne County Bureau of Social Aid. In addition, other needy eligible persons who are not receiving public assistance are certified by us and include those receiving unemployment compensation benefits, other forms of social security and retirement benefits, the temporarily unemployed, part-time employed, and low-income families.

Since January 1955, we have distributed 28,548,900 pounds, or 14,275 tons of food valued at $10,042,639.07. Details supporting these figures are contained in schedule No. 1 attached.

During the calendar year 1958, we distributed 12,005,812 pounds, or 6,003 tons of food valued at $3,361,094.07, detailed as follows:

Commodity	Pounds	USDA market value
Butter	1,667,425	$1,033,803.50
Cheese	2,858,432½	1,257,710.30
Dry milk	2,281,126½	638,715.42
Rice	1,895,025	208,452.75
Beans	488	48.80
Corn meal	2,531,205	151,872.30
White flour	604,110	60,411.00
Whole wheat flour	168,000	10,080.00
Total	[1] 12,005,812	3,361,094.07

[1] 6,003 tons.

In the month of April 1959 surplus foods were distributed to 46,530 families, representing 164,419 persons.

A summary statement of our cost for distribution of surplus food commodities during the calendar year 1958 is as follows:

Annual summary of distribution costs—accrual basis January 1958 through December 1958

Direct labor	$79,886.76
Supplies, rental, and other expenses	27,797.80
Printing	2,617.56
Distributors' fees [1]	219,060.11
Retail outlet fees [2]	63,085.78
Total	392,448.01

[1] Rates paid: January–September: Flat rate of $2.25 per hundred pounds handled. October–December 1958: Flat rate of $1.90 per hundred pounds handled of all commodities except flour and cornmeal at $1 per hundred pounds.

[2] Rates paid: January–March 1958: $0.10 per case serviced per month. April–December 1958: $0.15 per case serviced per month.

When we undertook the distribution of surplus foods in 1955, we were not at all satisfied with the program available to us. After 4 years' experience with the present plan, we are even less enthusiastic. The city of Detroit entered into the program because of a desire to make surplus foods available to those in need and in the honest belief that one of the several so-called stamp plans then under the consideration of Congress would be adopted.

The Common Council of the City of Detroit, the legislative body of the city, has adopted a resolution urging the Congress of the United States to adopt legislation to provide for (1) the transfer of the administration of the surplus food commodity program from the Department of Agriculture to the Department of Health, Education and Welfare; (2) the expansion of food distribution to the needy; and (3) the distribution of surplus food commodities through the normal channels of business through the medium of a food-stamp or coupon plan. Copy of this resolution is attached.

The present distribution system available to us is a most complicated and cumbersome one. It is inefficient, ineffective, and unnecessarily costly. The plan puts the Department of Public Welfare in the food business and removes the activity from the normal channels of business. This is the direct opposite of what we think the case should be.

At present the Department of Agriculture delivers commodities, free of cost, in carload lots to our distribution warehouse center. We determine eligibility of recipients for these foods and take full responsibility for all distribution. Our responsibility includes the provision of storage space, refrigeration, repackaging, establishment of retail outlets, and delivery of commodities to the same. The clerical duties involved are complex and totally unwarranted. In order to handle the number of persons involved, we have, through the splendid cooperation of the food industry of Detroit, utilized as many as 155 grocery stores located throughout the city. In addition, the Department of Public Welfare operates a large food distribution depot. Each individual participating in the plan must be identified specifically with one of these stores at which point the commodities are picked up on one or two days each month. The depot, however, operates each working day. This procedure, it will be noted, directs persons away from their normal source of supply and to one of our choice. We are, for obvious reasons, opposed to a continuance of the present arrangement. Our position in this matter has the strong support of the Food Industry Committee of Detroit. This will be attested to before your committee by Mr. W. E. Fitzgerald, the executive secretary of the committee.

Several years ago, in the distribution of surplus food commodities, the Federal Government engaged in a program involving the use of a so-called food stamp plan. Under this plan relief agencies, such as ours, were permitted to distribute negotiable stamps to eligible individuals who, in turn, exchanged the stamps at any authorized retail outlet of their choice. Subsequently, the stamps were redeemed by the Federal Government. In this program the relief agency was relieved of the needless duplication of established food distribution systems and the unnecessary costly expense involved. When we last used this plan, practically every retail outlet in the community participated. Our experience with this plan was most satisfactory.

Some of the programs under consideration today by your committee provide all of the favorable elements embodied in the previous stamp plan, and provide for the warehousing and distribution of foods through the normal food-industry channels, where we believe this activity rightfully belongs.

A substantial number of cities are not today participating in the distribution of surplus foods because of the problems involved in the present distribution plan. We are convinced that if the food stamp plan is approved, practically every welfare agency in the Nation will take advantage of the additional food made available, thus eventually reducing to a very substantial degree the tremendous stocks of food in expensive storage.

It is our considered opinion that the most intelligent means of distributing surplus food commodities is for the Federal Government to reestablish a food stamp plan, and we urge your committee to give favorable consideration to such a program.

We are particularly impressed with the provisions of S. 1884 which provides for the transfer of surplus food commodity distribution to the needy from the Department of Agriculture to the Department of Health, Education, and Welfare. This provision is particularly significant to us inasmuch as the normal channels of communication presently exist between the Department of Health, Education, and Welfare and the various welfare organizations throughout the country, and we see in this proposal other definite advantages. We likewise are impressed that this particular measure proposes for the expansion of the distribution of food to needy persons. As a matter of fact, this proposed measure would have our complete approval if it were amended to provide for the distribution of surplus foods through a food stamp or coupon plan to which we have referred above.

SCHEDULE No. 1

CITY OF DETROIT, DEPARTMENT OF PUBLIC WELFARE

Summary of USDA surplus commodities distribution program

	1955	1956	1957	1958	January-April 1959
Number of retail outlets used	1,329	1,476	1,553	1,775	612
Number of cases certified	249,440	322,254	297,805	566,476	223,343
Number of cases participating:					
Unemployed, low income		15,823	22,471	110,931	43,899
Unemployment compensation	4,926	25,544	8,671	111,012	44,675
Social security and other retirement benefits	34,230	36,942	29,957	42,161	18,234
Workmen's compensation, accident and sick benefits	625	940	1,203	2,774	984
Servicemen's or veterans benefits	2,038	5,040	5,688	8,680	3,233
Old-age assistance	60,531	73,340	57,906	61,387	21,270
Aid to dependent children	68,516	84,170	72,866	88,322	33,653
Aid to blind	2,441	3,020	2,490	2,700	999
Aid to disabled	1,668	2,246	1,826	2,543	1,159
Welfare relief	31,012	38,675	37,652	76,652	34,287
General assistance, nonsettle	3,632	6,568	6,877	7,701	3,066
Total cases participating	209,619	292,308	247,607	514,863	205,462
Number of persons participating	533,891	870,466	795,776	1,895,074	740,853
Commodities disbursed, pounds:					
Butter (1-pound prints)	775,341	1,128,631	109,432	1,667,425	740,848
Cheese (1¼-, 2½-, and 5-pound loaves)	588,504¼	917,201¼	886,459½	2,858,432½	82,270
Dry milk (4½-pound packages)	678,910	1,066,221	949,617	2,281,126½	879,624
Dry beans (1-, 2-, and 5-pound bags)	533,984	762,247	482,974	488	
Shortening (3-pound cans)	457,554	498,438	84		
Rice (1-, 2-, and 5-pound bags)	511,270	870,465	795,776	1,895,025	740,740
Pork luncheon meat issued only June 1956		170,232			
Flour (10-pound bags)				772,110	782,290
Corn meal (5-pound bags)				2,531,205	1,133,975
Total pounds disbursed	3,545,563¼	5,413,435¼	3,224,342½	12,005,812	4,359,747
Estimated value at retail	$1,376,483	$2,286,250	$1,211,373	$3,361,094	$1,807,437
Gross cost of distribution:					
Direct labor	$35,057.77	$35,117.40	$32,607.44	$79,886.76	$39,548.30
Supplies and expenses	5,025.37	4,734.45	3,364.14	30,415.36	10,267.12
Wholesale distributors fees	104,976.58	122,466.09	72,643.90	219,060.11	65,571.32
Retail outlet fees	27,340.35	43,846.20	37,133.55	63,085.78	22,982.82
Total cost of distribution	172,400.07	206,164.14	145,749.03	392,448.01	138,369.56

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The Senate, in executive session, resumed the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. ANDERSON obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I am happy to yield to the majority leader.

Mr. JOHNSON of Texas. Mr. President, we have been discussing the nomination of Mr. Strauss in the Senate, either in committee or on the floor, since March. Some Senators are inquiring of me about when I expect the Senate to vote on the nomination. That is a matter over which I do not have much control, because I do not expect to ask the Senate to vote until every Member of the Senate has had an adequate opportunity to express himself. However, I have conferred with the chairman of the committee and the Senator from New Mexico, as well as the ranking minority member of the committee, the Senator from Kansas [Mr. SCHOEPPEL], and the distinguished minority leader, and I am of the opinion that with the schedule of speeches to be made, it is reasonable to assume that there is no possibility of a vote being had on the nomination during this week. Does the Senator from Illinois agree?

Mr. DIRKSEN. I fully concur in that statement.

Mr. JOHNSON of Texas. I should like to attempt to work out some arrangement, if possible, so that all Senators could prepare their speeches and make them, and enable the Senate to vote on this question at the earliest possible date. Therefore I should like to ask the Senator from New Mexico to give consideration to this thought; that perhaps on Monday we propose a unanimous-consent agreement, to be effective after the morning hour on Tuesday and that we allow a reasonable number of hours for debate to each side.

I should like to have the minority leader and the Senator from Kansas [Mr. SCHOEPPEL], and the chairman of the committee, the Senator from Washington [Mr. MAGNUSON] to consider that possibility. I shall counsel with them again on Monday when our colleagues are here, and we can then make some reasonable attempt to work out an agreement. I should like to have their judgment and the judgment of any other Senators and other members of the committee as to what the Senate could expect.

I would submit the request now, but I am informed that there are a number of Senators who desire to speak. The hour is late, and I am told that it would be impossible to obtain a unanimous-consent agreement tomorrow. I have no desire to infringe upon any Senator's right, but I do want all Senators to be on notice of the possibility of arriving at some definite time for a vote.

We will have several appropriation bills reported to the Senate next week. It will probably be necessary to adopt continuing resolutions, because we will not be able to get all the appropriation bills out of conference—we never do—by June 30, or at least not all of them. Nevertheless, we are anxious to get as many passed and into conference as possible before June 30. We will not be able to do that unless we can conclude action on the nomination of Mr. Strauss; unless, of course, we set it aside temporarily to take up the appropriation bills, which we will do if it is a matter of urgency.

Will the Senator from New Mexico give some thought to the possibility of entering into a unanimous-consent agreement, either Monday or Tuesday, and setting aside a reasonable number of hours of debate on each side, and give me his judgment sometime over the weekend?

Mr. ANDERSON. Yes. I would say that I would be glad to do that. I may say, however, that at least two Senators are away from the city who have asked to be present when a unanimous-consent request is proposed. The Senator from Wyoming [Mr. MCGEE] has a speaking engagement in his State. He is one of the Senators. He is somewhat new to the ways of the Senate, and he asked me if it was possible for a unanimous-consent agreement to be proposed in his absence. I suggested that it was certain that the majority leader would not do that without ample notice.

The notice which the leader has now given is sufficient. I think there is a possibility of discussing this matter completely on Monday.

Since the distinguished minority leader is also present on the floor of the Senate with the majority leader, I should like to say that the authorization bill for the Atomic Energy Commission has been reported favorably to the Senate, and that the report was filed in the Senate today. The report was filed in the House yesterday. The House leadership, as I understand the situation, has given consent for a suspension of the rules on Monday to consider that proposed legislation. I hope the Senate may also consider the possibility of doing so, because the report is unanimous. It is not a technical matter this time. There is no controversy about the bill, so far as I know. I would hope that consideration of the bill might be completed in a very few minutes. If it were not possible to do so, I, of course, would consent to the leadership indicating that fact, and to have it go over until later. However, the able chairman of the Committee on Appropriations of the House, Mr. CANNON, is anxious to start hearings just as soon as the bill is passed, and I think he will start hearings as soon as it passes the House.

Mr. JOHNSON of Texas. Mr. President, does the Senator anticipate a yea-and-nay vote on that bill?

Mr. ANDERSON. I do not anticipate it.

Mr. JOHNSON of Texas. Would the Senator be willing to enter into a unanimous-consent agreement to take it up tomorrow, with the understanding that if a yea-and-nay vote is demanded, we will conclude discussion of the bill

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tomorrow, but have the yea-and-nay vote go over until next week?

Mr. ANDERSON. I might say that if the Senator will consult the ranking minority member of the joint committee, the Senator from Iowa [Mr. HICKENLOOPER], I believe he will find that it will be agreeable to the Senator from Iowa. It is certainly agreeable to me. I say frankly to the majority leader that I would be very happy to have the bill out of the road.

Mr. JOHNSON of Texas. I will give my friend, the minority leader, an opportunity to consult his colleagues. So far as the Senator from Texas is concerned, I would be very happy to take the bill up tomorrow after the morning hour, if it will take only a brief time, and consider it and act on it tomorrow, provided we can act on it with a voice vote. If it is necessary to have a yea-and-nay vote, I would like to have it go over until Monday.

Mr. ANDERSON. Of course the majority leader understands that I do not know whether any Senator will object. I only say that, so far as I am concerned, and the Senator from Rhode Island [Mr. PASTORE], and the Senator from Tennessee [Mr. GORE], and the Senator from Washington [Mr. JACKSON], and the Senator from Georgia [Mr. RUSSELL], we at least are satisfied. I believe that the Senator from Iowa [Mr. HICKENLOOPER] and his associates on the other side would also agree that the bill might be brought up and disposed of.

Mr. JOHNSON of Texas. Was the bill reported unanimously?

Mr. ANDERSON. It was reported unanimously. It was completely unanimous, not only as to the Senate Members, but also as to the House Members.

Mr. JOHNSON of Texas. Is it recommended by the Atomic Energy Commission?

Mr. ANDERSON. The Senator puts me in a rather difficult position. There are items which are not recommended by the Bureau of the Budget. If the minority leader would consult the Chairman of the Atomic Energy Commission he would find that no serious objection would be interposed by the Atomic Energy Commission.

Mr. JOHNSON of Texas. I give notice that tomorrow, following the morning hour, if the minority leader is agreeable to it, and if the ranking minority member of the committee is also agreeable, I will attempt to propose a unanimous consent agreement that the AEC authorization bill be taken up, and that we expect to dispose of it; however, if a yea and nay vote is ordered, we will carry the yea and nay vote over until next week. If my friend from Illinois, the minority leader, will pursue the possibility of a unanimous consent agreement on the Strauss nomination, we will attempt to make progress on it on our return on Monday.

Mr. ANDERSON. I should like to interpose to say that the printed hearings on the bill will not be available tomorrow. They will not be available until the first of the week.

Mr. JOHNSON of Texas. Then, I withdraw my suggestion that the Atomic Energy authorization bill be taken up tomorrow. I thought the Senator from New Mexico said the report had been filed.

Mr. ANDERSON. The report has been filed, but the printing of the hearings has been delayed at the Printing Office.

Mr. JOHNSON of Texas. Then, we will take up that bill sometime next week, whenever the Senator from New Mexico informs me that it can be considered.

In the meantime, I ask the Senator if he will counsel with his colleagues and on Monday try to outline a schedule which will be satisfactory to the Senate.

Mr. DIRKSEN. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield to the Senator from Illinois.

Mr. DIRKSEN. I gather, then, that probably on Monday or Tuesday a unanimous consent request will be proposed, to see how it will fare in the Senate to meet a time schedule. I appreciate the fact that some Senators on this side of the aisle are away, delivering commencement addresses and taking care of other matters back home. I think probably the matter can be worked out.

I ask the majority leader now whether it is his present intention to have the calendar called tomorrow? I had understood that that was his intention.

Mr. JOHNSON of Texas. An order for the call of the calendar was entered earlier today by unanimous consent. I had thought that if the Atomic Energy authorization bill were noncontroversial and in accordance with the President's program, and if it were reported unanimously by the committee and hearings were available, it could be taken up by the Senate and acted upon in a short time, because the House Committee on Appropriations is waiting for its passage. But since the printed hearings are not available, we shall have to wait.

But tomorrow there will be a call of the calendar, and Senators who desire to do so may make speeches. Then the Senate will go over until Monday. After a conference with as many Senators as possible on Monday, we shall try to determine the course of action to follow.

I thank the Senator from New Mexico for his indulgence. I apologize for having interrupted him.

I believe all Senators will now have a better idea of how to plan for next week and the next weekend. I hope the nomination of Mr. Strauss will be disposed of at the earliest possible date.

Mr. ANDERSON. Mr. President——

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The Senator from New Mexico.

Mr. HART. Mr. President, will the Senator yield?

Mr. ANDERSON. Yes; I am happy to yield.

Mr. HART. I should like to suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. ANDERSON. I will yield for that purpose, with the understanding that I do not thereby lose the floor.

Mr. HART. With that understanding, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, earlier in the day the able Senator from Maryland [Mr. BUTLER] was about to make a statement on the floor, and I tried my best to be present and available when the Senator made his statement. I wish to say that the Senator from Maryland was most courteous. He showed me a copy of his statement before he made it, because he wanted me to know what he was about to say.

Similarly, I would like to have the Senator from Maryland present this afternoon when I make my remarks, and I asked the roll be called only for the purpose of trying to locate the Senator, so that he might in turn hear what I have to say.

These are difficult days for all of us, and I regret that the Senator from Maryland is not present.

Earlier in the afternoon the able Senator from Maryland dealt with the subject of the responsibility of the former Chairman of the Atomic Energy Commission, Admiral Strauss, to bring to the attention of the Joint Committee on Atomic Energy the contents of a letter from the Attorney General of the United States relating to the legality of the transfer of information to Great Britain, and the Senator quoted from the floor discussion which took place a day or two ago, in which he asked if it were not the duty of the Department of Defense, which was vitally interested in the matter, to make the information available to the Joint Committee. The able Senator from Wyoming [Mr. MCGEE] yielded to the junior Senator from New Mexico, so that I could say it was not the responsibility of the Department of Defense, but that I regarded it to be the responsibility solely of the Atomic Energy Commission. The Senator from Maryland then pointed out that the transfer of information to Great Britain—and I now quote his words—"obviously related to the development, utilization, or application of atomic energy, and was of the greatest importance to the Department of Defense. To single out," says the Senator, "Admiral Strauss, as Chairman of the Atomic Energy Commission, and magnify the importance of this letter and the responsibility he had to call it to the attention of the committee, and, in the same breath, to minimize the responsibilities of the Department of Defense, which under the statute in many ways had a comparable responsibility, is neither reasonable nor fair."

I had been planning to comment on those remarks, and I shall do so.

I suggest to the Senator from Maryland that he check the law, because he is a very good lawyer. In the discussions in the Committee on Finance, in which I have participated with the Senator many times, I have found him to be a competent lawyer.

There are two questions I desire to ask and to have answered.

First. Did the Atomic Energy Commission, during the negotiations from January to June 1956, leading to the communication by the United States to the United Kingdom of nuclear submarine information, comply with section 202 of the Atomic Energy Act of 1954 which requires the AEC to keep the Joint Committee fully and currently informed?

Second. Did the responsibility under section 202 to inform the Joint Committee of negotiations during that period rest upon the Department of Defense or upon the Atomic Energy Commission?

The salient facts may be listed somewhat as follows:

During 1955 the executive branch considered the possibility of communicating to the United Kingdom restricted data on the design of nuclear submarines. It was recognized that substantial questions were presented as to the legality of such communication under the Atomic Energy Act. There were differences of opinion within the executive branch, and it was recognized that objections might be raised by the Joint Committee on behalf of the Congress.

I digress to say that the counsel for the Atomic Energy Commission had been requested to give an opinion, and he gave an opinion that the transfer would not be legal. Not satisfied with the opinion of the counsel for the Atomic Energy Commission, the Department of Defense referred the matter to the Attorney General, and the Attorney General stated that in his opinion restricted data pertaining to nuclear submarine propulsion could be communicated to the United Kingdom under the authority of section 1444(a) of the Atomic Energy Act. The Attorney General recommended however, as was brought out repeatedly during the hearings, that "the matter should be discussed with the Joint Committee before the agreements are entered into."

On January 27 the Attorney General's letter was circulated for the information of the Commission.

On February 2, 1956, the Attorney General's opinion was discussed at a Commission meeting attended by the Chairman, Mr. Strauss. Senators will find in the record of hearings a letter dated May 11, 1959, addressed to the junior Senator from New Mexico by the present Chairman of the Atomic Energy Commission, Mr. McCone, published at page 1029 of the printed hearings with regard to the nomination of Mr. Strauss.

By letter of February 14, 1956, the Deputy Secretary of Defense advised the AEC that he believed it was desirable for the Department of Defense and the AEC to make a joint presentation to the Joint Committee, but this was not done at that time. That comes from the testimony of Mr. Strauss himself, pages 689 and following of the record of hearings.

During February, March, April, and May 1956, the negotiations continued with the United Kingdom on this subject, but the Joint Committee was not informed until June 8, 1956. By this date all the essential terms and conditions had already been decided by representatives of the United Kingdom and the United States, and the agreement had in fact been submitted to the President.[1] At a hearing on June 8, 1956, the negotiations and the terms of the proposed agreement were explained to the Joint Committee for the first time. Similarly the Committee was informed of the Attorney General's letter for the first time, and a copy was requested. On June 13, 1956, the President approved the proposed agreement, and it was executed by representatives of the United States and the United Kingdom on the same day. On June 15, 1956, a copy was forwarded to the Joint Committee for the 30-day waiting period required by subsection 123(c) of the act.[2]

LEGAL ANALYSIS

Section 202 of the Atomic Energy Act of 1954 provides, in part, as follows:

> The Commission shall keep the joint committee fully and currently informed with respect to all of the Commission's activities. The Department of Defense shall keep the joint committee fully and currently informed with respect to all matters within the Department of Defense relating to the development, utilization, or application of atomic energy.[3]

Section 144 of the Atomic Energy Act of 1954 is the applicable section authorizing communication of restricted data to foreign nations under certain conditions. In 1956, section 144 contained only two subsections (a) and (b). The Attorney General's opinion of January 26, 1956, indicated that, in his opinion, communication of the information might be made under subsection (a) of section 144. Section 144(a) commences as follows:

> The President may authorize the Commission to cooperate with another nation and to communicate to that nation restricted data on * * *[4]

Subsection (b) of section 144 commences as follows:

> The President may authorize the Department of Defense, with the assistance of the Commission, to cooperate with another nation * * * and to communicate * * * restricted data * * *[5]

If the communication with the United Kingdom had been contemplated under subsection 144(b), it might have been argued with some merit that the Department of Defense had primary responsibility under the agreement, and thus the responsibility for keeping the Joint Committee informed of the negotiations. However, since the agreement was contemplated under subsection 144(a), it is clear that the AEC had primary responsibility, and the responsibility for keeping the Joint Committee fully and currently informed.

It might be argued that the State Department had the responsibility to inform the Joint Committee of the negotiations. However, the State Department is required to inform the Joint Committee only upon request, and does not have the same affirmative requirement as the AEC does under section 202. Moreover, the State Department was, in effect, only the diplomatic agent of the Commission during these negotiations, and the actual restricted data would originate from the AEC, not the Department of State. Subsection (a) provides that the cooperation and communication will be done by the Commission. It is understood that this would be carried out through normal diplomatic channels provided by the Department of State, but the Department would not be primarily responsible.

It might be argued that the Commission's responsibility under subsection 144(a) commenced only after the agreement was in effect and communication commenced. This argument would be clearly fallacious, in my opinion, because the Commission was required to evaluate the merit and the legality of the cooperation at the very beginning of the negotiations, and it was at this point that the Joint Committee should have been informed.

The legislative history of section 202 indicates clearly that Congress intended that the Joint Committee should receive full information from the Commission on atomic energy matters in order to be able to report and make recommendations to the Congress.[6] Moreover, under section 202 it was intended that the Commission should inform the committee "while matters are pending, rather than after action has been taken."[7]

The obligations of the Commission under section 202 become particularly important in cases where restricted data is involved and the Congress as a whole would not be informed. Moreover, under the 30-day waiting period of subsection 123(c), Congress had entrusted special responsibilities to the Joint Committee in the important field of international agreements for cooperation, and the Joint Committee must be informed to carry out these important responsibilities.

Finally, in view of the specific warning in the Attorney General's letter of January 26, 1956, to consult with the committee, and the reported willingness of the Defense Department by letter of February 16, 1956, to make a joint presentation to the Joint Committee, it seems

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[1] See Chronology, hearings, note 1, supra, at page 706.

[2] See Chronology, hearings, note 1, supra, at pages 706–707.

[3] Public Law 83–703. See Joint Committee print "Atomic Energy Legislation Through 85th Congress, 2d session," at pp. 67–68.

[4] See Joint Committee print, note 7, supra, at page 38. As indicated by footnote 38 on page 38, the word "civilian" was inserted by amendment in 1958 before the words "reactor development" in clause (2) of subsection 144(a), to prevent any further data on military reactors being communicated thenceforth under authority of subsection 144(a). A new subsection 144(c) was added for this purpose, subject to the more stringent requirements of new subsection 123(d) including possible disapproval by Congress by a concurrent resolution.

[5] See Joint Committee print, note 7, supra, at page 39. Subsection (b) was amended in 1958, but the subsection as it read in 1956 is reprinted in footnote 39 an page 39.

[6] Some of the legislative history was summarized by Senator ANDERSON during the hearings, note 1, supra, at pp. 509–510.

[7] Senate Report No. 1699, 83d Congress, 2d session. See hearings, note 1, supra, at p. 510.

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clear that the Atomic Energy Commission failed completely during the months of February, March, April, and May of 1956 to meet its obligations under section 202 of the Atomic Energy Act to inform the committee of this important matter.

Based upon a review of the facts and an analysis of the law as summarized, the two questions which have been asked can and should be answered, in my opinion, as follows:

First. The Atomic Energy Commission did not comply with section 202 of the Atomic Energy Act of 1954 when it failed to keep the Joint Committee informed from January to June 1956, of the negotiations to communicate to the United Kingdom nuclear submarine information. Because of the sensitive nature of the information, the substantial question as to the legality of the cooperation, the known possible opposition of the Joint Committee, the suggestion of the Attorney General, and the special responsibilities of the Joint Committee to the Congress under sections 123(c) and 202 of the act, a situation was presented where the Commission clearly was required to inform the Joint Committee by February 1, 1956, at the very latest.

By way of contrast, the Commission is keeping the Joint Committee fully informed of all developments in the exchange with the United Kingdom of atomic weapons information under Public Law 85–479 enacted by Congress in 1958.

Second. Since the negotiations from January to June of 1956 were proceeding under an agreement contemplated under subsection 144(a) of the Atomic Energy Act of 1954, the responsibility for informing the Joint Committee rested upon the AEC, not the Department of Defense.

Mr. President, on June 9, after the able Senator from Wyoming [Mr. McGEE] had discussed the nomination of Admiral Strauss to be Secretary of Commerce, the Senator from Maryland [Mr. BUTLER] stated—and this appears in the CONGRESSIONAL RECORD on page 10282, column 1:

> Mr. BUTLER. I know that the Senator remembers the Senator from Wyoming [Mr. McGEE] holding the transcript in his hand and saying that he had the exact transcript in this Chamber to prove that it had not been altered. If the Senator will refer to page 978 of the record, he will see that the nominee himself said:
>
> "Secretary STRAUSS. No; I don't deny that what you read is correct as printed but not correct as attributed."
>
> What the Secretary was saying in that answer, and what he said before our committee, was, in effect, "I made the statement that was attributed to me. I do not claim that it was doctored in any way. I do not claim that that statement was molded in any way, but it attributed a meaning to me that I did not intend to convey."
>
> Then, to my complete satisfaction, he explained what he meant.

Mr. President, the fact is that the nominee made no such statement, and the Senator from Maryland did not say he did, except that he thought this was what Mr. Strauss meant to say. Mr. Strauss' statements are as follows, as they appear on page 978 of the printed hearings on his nomination, paragraphs 4, 6, 8, and 10:

> Secretary STRAUSS. Senator, I submit that this record is not an accurate record and the members of the committee, the 15 members of the committee, stated that it had been molded. This [indicating]——

And I recall Secretary Strauss pointing to the very paragraph—

> is not what I said. I did not ask to have the letter prepared. I did not know what the letter contained. I did assume responsibility for it.
>
> The CHAIRMAN. Are you saying this record is not correct?
>
> Secretary STRAUSS. I say that I did not say what I am here [indicating] quoted as saying.
>
> The CHAIRMAN. The portion I read to you is not correct?
>
> Secretary STRAUSS. No, I don't deny that what you read is correct as printed but not correct as attributed.
>
> The CHAIRMAN. In other words you say you did not say what it says you said here?
>
> Secretary STRAUSS. No, and you can bring down Dr. Libby and Mr. Mitchell and ask them whether I ordered the letter prepared. They will testify I did not, I could not have.

Mr. President, this is the sort of thing which, in my opinion, got the Acting Secretary of Commerce into trouble with the committee. The actual fact is that Representative CANNON made it very clear that Secretary Strauss did say what the record showed him to say. The Senator from California [Mr. ENGLE] presented copies of the reports and a copy of the printed hearings, and asked about these things.

The chairman of the committee, the Senator from Washington [Mr. MAGNUSON], raised the direct question whether Admiral Strauss had been misquoted. The admiral said the statement in the record was not a correct record.

Yet the Senator from Maryland [Mr. BUTLER] keeps saying that Admiral Strauss said he made the statement which was attributed to him; that he did not claim it was doctored in any way. But Admiral Strauss, before the committee, claimed the statement was doctored. What made him change his tune? Or why is the tune changed? It is because the chairman of the House Committee on Appropriations was able to locate the official reporter who took down the language, and bring him to Washington. He had him find his original notes and retranscribe them. Those notes showed that Admiral Strauss said exactly what the report quoted him as saying. There was nothing molded in his answer. His answer was not changed in any way at any time.

The only thing which happened was that when the hearing was finished, there was a strong report, and some members of the committee were offended by it.

But when the printed hearing text was submitted to the Atomic Energy Commission for correction, corrections were made in this particular section, but there was not a single correction of the words in question.

I simply suggest to Senators that if the reporter was able to identify the language of Admiral Strauss—and all of us have had much experience with official reporters—and if Admiral Strauss identified it and knew he had been quoted incorrectly in the the hearings; and if the transcript was then submitted to the Atomic Energy Commission and was corrected, and if the Chairman himself had the opportunity to examine it, and if he was incensed over the whole situation, but did not change this original paragraph, the probabilities are that he said what the record said he said.

Yet when he testified in the hearings, as shown on page 978, he said:

> This is not what I said. I did not ask to have the letter prepared. I did not know what the letter contained.

He was asked by the chairman, the Senator from Washington [Mr. MAGNUSON]:

> Are you saying this record is not correct?

Secretary Strauss replied:

> I say that I did not say what I am here—

And he put his finger down on the paragraph which the Senator from California [Mr. ENGLE] had pointed out originally—

> I say that I did not say what I am here quoted as saying.

I only suggest that that is one of the things which got the Secretary into a great deal of trouble with members of the committee. It would have been just as easy to have told the actual facts, and in my opinion it would have done considerably more good to have told the actual facts. But the matter rested otherwise.

Mr. President, a day or two ago there was a broadcast by a very able and amiable and, I think fine commentator named Ned Brooks, which was made on the "Three-Star Extra." A number of persons telephoned me, and wanted to know whether what Mr. Brooks had said was correct. Frankly, at that time I was rather busy, and I did not—hear the broadcast. So I asked Mr. Brooks to supply me with the text of the broadcast—which he very graciously did.

In the course of the text—which I shall now quote—he referred to United Mine Workers President John L. Lewis and the Strauss nomination and said:

> We learn that Lewis decided to enter the fight after an unpublicized conference with Strauss about 10 days ago at the union's headquarters here in Washington. Lewis came away from the conference convinced that Strauss' policies would be beneficial both to the coal industry and the union.
>
> Several Senators confirmed that the Mine Workers have become active in the Senate's biggest battle of the year. West Virginia Senator JENNINGS RANDOLPH told us he has discussed the Strauss case with union representatives and coal operators, who also favor confirmation.
>
> * * *
>
> Associates of John L. Lewis explained that Strauss sees eye-to-eye with the union on two policies of vital concern to the miners. He has supported the move to reduce imports of so-called residual oil which has become a strong competitor of coal in the fuel markets.

Mr. President, I hope the advocates of Admiral Strauss are playing both sides of the street, and not only one of them, because the fact remains that the question of residual oil was a rather

hot question in some of the New England States.

There are those of us who are very anxious to help on the question of the oil situation in the country; and a group of Senators—and a very fine group it is—made some representations to the President, and addressed the following letter to him:

MARCH 5, 1959.

THE PRESIDENT,
The White House,
Washington, D.C.

MR. PRESIDENT: We, the undersigned Senators of the New England delegation, wish to bring to your attention our very serious concern over the proposal which has been made to you to restrict crude oil and residual fuel oil imports.

The Northeastern United States is heavily dependent upon imported fuel oil and its availability has serious economic implications for New England. The voluntary quotas which have been established for crude oil imports have necessarily restricted the growth of oil-using industry in New England. Not only do such quotas impede industrial growth but they add very heavily to the burdens of homeowners who use fuel oil for heating.

We understand that a much more drastic plan than the voluntary quotas now in effect has been presented to you; it would apply mandatory restrictions on the import of crude oil and its principal derivatives, the latter phrase including oil for home consumption as well as residual fuel used principally for industry, apartment heating, and especially the electrical industry. Such restrictions would adversely affect New England's industrial growth, its competitive economic position and the welfare of its citizens.

The cost of living is relatively high in New England. We concur fully in your efforts to stabilize the cost of living and to prevent further inflationary aggravations. Mandatory restrictions would hamper full and free competition in the sale and distribution of fuel oils in New England and thus add to the living costs of our citizens.

We understand that the State Department is gravely concerned over the reaction such a step would have on our relations with Venezuela and other oil producing countries.

May we particularly emphasize this point: New England is located so far from producing areas in this country that its sources of oil are restricted by competition to the gulf coast and foreign sources. This is a different situation from the remainder of the country, so much of which is located equidistant from three or more sources.

At minimum we urge that residual fuel be left out of the definition of principal derivatives. It is a byproduct of refining, used by our electrical industry. Many industries and buildings are wholly dependent upon it for heat, power, and some cases raw materials. In addition we urge that the import quotas, which are to be distributed on the basis of refinery runs, be so allocated that the Northeastern part of the country is either granted the largest quota or exempted from the restriction entirely.

Respectfully,

STYLES BRIDGES, U.S. Senator, THEODORE FRANCIS GREEN, U.S. Senator; GEORGE D. AIKEN, U.S. Senator; LEVERETT SALTONSTALL, U.S. Senator; MARGARET CHASE SMITH, U.S. Senator; JOHN O. PASTORE, U.S. Senator; PRESCOTT BUSH, U.S. Senator; JOHN F. KENNEDY, U.S. Senator; NORRIS COTTON, U.S. Senator; EDMUND S. MUSKIE, U.S. Senator; WINSTON L. PROUTY, U.S. Senator; THOMAS J. DODD, U.S. Senator.

Mr. President, I ask unanimous consent that an article published in the Providence Journal of April 16, 1959, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW ENGLAND SENATORS PRESS FIGHT ON OIL QUOTAS

(By Edward J. Milne)

WASHINGTON.—New England Senators renewed yesterday their assault on President Eisenhower's mandatory quotas on oil imports.

Senator NORRIS COTTON, Republican of New Hampshire, filed a bill to rescind the March 10 order and forbid the President to issue future orders like it without the consent of Congress.

Senators JOHN O. PASTORE and THEODORE FRANCIS GREEN were among the cosponsors, but Senator PASTORE said frankly he had "no illusions that this bill will ever be enacted." The Senate Finance Committee, its likely manager, will probably bury it deep.

Senator PASTORE said that, while presentation of the bill may emphasize objections he and others have raised on the Senate floor, his main hope still is that the President himself will take remedial steps by exempting Western Hemisphere countries from the provisions of his order.

Long before the Easter recess a chorus of complaint in the Senate greeted the March 10 order. Filling his bill yesterday, Senator COTTON said:

"Some of our worst fears were confirmed recently during the Easter recess of the Congress when the specific quotas on residual oil imports were announced. The quota was set at 347,311 barrels a day for the next 3 months. This is a cutback of more than 27 percent when compared to average daily imports of 476,000 barrels in 1957 and 1958.

"A reduction of this magnitude will almost inevitably have the most serious results, especially for New England and the east coast, which uses 50 percent of the residual oil consumed in the Nation."

At the time the President announced his restrictions, Capt. Matthew V. Carson, administrator of the quota program, said it would have very little effect on residual fuel oil imports, which are largely used by industry and other big consumers. He said imports should run about 480,000 barrels a day, or only 6,000 to 8,000 less than they had been running.

Senator COTTON had less hope than Senator PASTORE of Presidential relief.

"New England Senators and others have vainly implored the President to reconsider and revoke his order," he said. "The only means of protest now left open to us is the outright step of proposing that Congress rescind the proclamation. I believe the facts fully warrant the use of this remedy, the last at our disposal."

Mr. ANDERSON. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an article from the Washington Post.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AIKEN LEADS ASSAULT ON IKE'S OIL CONTROLS, SEES INFLATION DANGER—THREE DEMOCRATS BACK SENATOR'S CRITICISM OF IMPORT QUOTAS

(By Carroll Kilpatrick)

An attack on President Eisenhower's order imposing oil import quotas broke out in the Senate yesterday with Senators claiming that it would lead to more inflation.

A Republican, Senator GEORGE D. AIKEN, of Vermont, led the attack. He urged the President to "countermand the dangerous order * * * before irrevocable damage shall have been done to our economic and political system."

AIKEN told the Senate that you cannot control inflation and promote it at the same time. He said further increases in fuel oil prices and the cost of living are bound to come from the President's order.

Three Democrats—Senators WAYNE MORSE, of Oregon; SPESSARD L. HOLLAND, of Florida; and JOHN O. PASTORE, of Rhode Island—applauded AIKEN's speech. Senate Republican Leader EVERETT M. DIRKSEN, of Illinois, replied that the President had not made a summary judgment but had gone into every aspect of the matter very thoroughly before issuing the order designed to reduce oil imports.

BACKED BY TEXANS

The President's order had the support of many independent oil producers and the political support of the powerful Texas Democratic team of Speaker of the House SAM RAYBURN and Senate Majority Leader JOHNSON if prices rise and the President acts as he suggested he might.

HOLLAND called the order, which he said would seriously damage Florida industry, "ill considered, ill advised, and selfish in the extreme."

He complained that he had made three unsuccessful attempts to see Leo A. Hoegh, Director of the Office of Civil and Defense Mobilization, before the order was issued last week.

PASTORE took the floor after AIKEN concluded. He said their speeches had not been coordinated, but he was glad to repeat much of what the Vermonter had said.

"The order is nothing less than tragic for our New England area," PASTORE said.

When DIRKSEN said that a precedent was set for oil quotas when lead and zinc quotas were imposed last year, PASTORE said "three sacred cows"—mineral, oil, and agricultural producers—benefit from current import restrictions.

"Who represented the consumers of America when this order was drawn?" the Rhode Island Senator asked.

AIKEN said the new restrictions are:

Discriminatory to a populous region of the United States which has no natural fuels.

A major contribution to inflation.

Conducive to unemployment.

Harmful to this country's relations with other oil-producing nations.

Certain to place American industry at a further competitive disadvantage in the world markets.

Weakening our national security because they will tend to exhaust the American oil supply at a faster rate.

Destined to contribute to the growing domination of Government bureaucracy over industry and people.

"You cannot stop with controls over one factor of our industrial and domestic economy alone," AIKEN said. "We may be headed straight for a system of price and wage controls for everyone."

Mr. ANDERSON. Mr. President, apparently it was all right to let those Senators protest and send their letter to the White House. But when it comes to making an effort to garner a few extra votes for Strauss, there is a story that, somehow or other, Admiral Strauss, in his position as Secretary of Commerce, will be strong enough to accomplish what a great many of us have never been able to accomplish—namely, to bring the oil picture into some sort of balance.

I am surprised that such an effort is made before the vote on this important issue is taken; but I only say that the New England Senators may find themselves in a strange situation, as a result of that poll.

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On page 678 of the nomination hearings, Mr. Strauss provided a rebuttal to my charge that he withheld from the Joint Committee and his fellow commissioners information concerning the proposed Philadelphia Electric-General Dynamics project. This private project was intended to supplant the project, sponsored by the Joint Committee and the Atomic Energy Commission, for AEC construction of a prototype, known as the Kaiser-ACF project.

Mr. Strauss' statement is a good example of the half-truths and misleading information he supplied the Senate Committee on Interstate and Foreign Commerce, and reflects the pattern of his conduct with the Joint Committee on Atomic Energy.

At this point, I should like to insert a part of the colloquy, beginning on page 678 and ending on page 679:

Mr. STRAUSS. Yesterday there was a question of me concerning a paragraph in Senator ANDERSON'S prepared statement at the bottom of page 20 of that statement, in which he said:

"In June of 1958, Mr. Strauss in his farewell appearance before the Joint Committee casually gave the committee its first notice of the proposed Philadelphia Electric-General Dynamics gas-cooled reactor project, which had been developed to supplant the Kaiser-ACF project authorized by the Joint Committee and the Congress."

I was not very responsive to Senator MONRONEY'S questions because I didn't remember anything about this.

At the hearing yesterday I had no recollection of this meeting, but I have been able to obtain some facts overnight. I did attend a meeting of the Joint Committee. It was on June 24, 1958, 6 days before the expiration of my term of office, and it was my last meeting with the committee. I tried—it was an emotional occasion for me—I tried to give them a general accounting of my stewardship. During the meeting, and in the course of a discussion about gas-cooled reactors, Congressman HOLIFIELD commented that industry had shown little interest in this type of reactor. The meeting was in executive session, and Senator ANDERSON, I would like to ask your consent as chairman of the Joint Committee that I may quote my response to Mr. HOLIFIELD.

Senator ANDERSON. Surely; if you allow me to take the rest of it, you may take that out.

Mr. STRAUSS. My response to Mr. HOLIFIELD'S inquiry as to why—as to his comment that industry had shown little interest in this type of reactor is as follows:

"Mr. HOLIFIELD, industry has shown some interest. I believe the committee is aware of the fact that Mr. Pace's firm, General Dynamics, has approached one or two utility companies with a proposal to join with them in the construction of such a plant. I have not seen the proposals, but I know of their existence."

I find no mention in the rest of the testimony of Philadelphia Electric, and I am informed that there was no such proposal at that time. Indeed, the record shows that on September 22, 1958, nearly 3 months after I left the Commission, an invitation was issued by the Commission for cooperative agreement and construction of a gas-cooled reactor.

The Philadelphia Electric-General Dynamics proposal, however, was not submitted to the Commission until November 21, 1958, and I had ceased to be a member of the Commission nearly 5 months earlier.

I am unable to see how the reference made to it on June 24, 1958, could have been other than casual under the circumstances of my response to Congressman HOLIFIELD, since there was no such proposal, and I do not even know that there had been at that time—and I am inclined to think there had not been—any approach by General Dynamics to Philadelphia Electric.

I sincerely hope that this will lay at rest at least one of the allegations which has been leveled against me; and as I said, Senator MONRONEY, I hope that you will find that it answers your question of yesterday.

The example I wish to go into is Mr. Strauss' statement concerning the nature of the Joint Committee meeting and his appearance before it. He stated that he had obtained some facts on this meeting, and continued:

It was on June 24, 1958, 6 days before the expiration of my term of office, and it was my last meeting with the committee. I tried—it was an emotional occasion for me—I tried to give them a general account of my stewardship.

Mr. President, let us see what the whole facts concerning this June 24 meeting were.

In the first place, that meeting was called by Chairman DURHAM to receive AEC comments on revisions proposed by the Joint Committee to the AEC authorization bill. Let me quote in full, Mr. DURHAM'S opening statement:

Chairman DURHAM. The committee will be in order.

This afternoon the Joint Committee on Atomic Energy is meeting in executive session in order to receive testimony from the AEC Commissioners and staff concerning proposed revisions to H.R. 12459 and S. 3788, the AEC authorization bills for fiscal year 1959.

Last week the Subcommittee on Legislation met and recommended to report the bill to the full committee with certain additions and modifications to the bill. Mr. HOLIFIELD, the chairman of the subcommittee, instructed the staff to meet with the AEC staff as soon as possible and to receive comments from the AEC staff concerning the proposed revisions to the bill.

Accordingly, the staff had printed by the Government Printing Office a committee print which is dated June 20, 1958, and which incorporates the changes approved by the Subcommittee on Legislation. Fifteen copies of this committee print were forwarded to the Commission on Friday morning, June 20, as soon as they were received by the committee from the Government Printing Office.

Accordingly, on Saturday, June 21, 1958, the Joint Committee staff met with AEC General Manager Fields and members of the AEC staff and discussed the proposed revisions to the bill. In accordance with the instructions of Mr. HOLIFIELD, the Joint Committee staff then had reprinted the committee print, entitled "Committee Print No. 2," dated June 24, 1958, which reflected some of the recommendations made by the AEC staff and certain other changes as a result of the committee staff and members.

This morning the full committee met and reported out H.R. 12457 (S. 3786), a bill to increase funds for project Sherwood plant and the particle accelerator program; but before proceeding further with H.R. 12459 and the proposed revisions thereto, the committee felt it would be advisable to hear direct from the Commission concerning the proposed revisions.

Therefore, in accordance with my instructions, Mr. Ramey, the executive director, telephoned Commissioner Vance and invited him and the other Commissioners and appropriate staff to be with us this afternoon.

We are glad to note that Chairman Strauss could attend the meeting as well as General Fields. This will undoubtedly be your last appearance before the committee in your current capacity. I should like to take this opportunity to repeat on behalf of the committee that we wish you the best of luck and good wishes in your new endeavors.

I do not know who will present the Commission's comments. Since Mr. HOLIFIELD here did discuss these with Commissioner Vance and, I believe, Commissioner Graham, I would like to know what points are in disagreement.

So we see that the meeting was not scheduled for Mr. Strauss to give a general accounting of his stewardship. As I recall, Mr. Strauss had had little contact with the committee during June, and we were surprised that he came to that meeting. You will note, Mr. President, that Mr. DURHAM, as a fine gentleman, did speak a kind word concerning Mr. Strauss, but it was clear that that was not intended to be the place for commendatory speeches.

Following Mr. DURHAM'S opening remarks, Mr. Strauss immediately responded, and plunged into a discussion concerning the authorization bills, as follows:

Mr. STRAUSS. First, let me thank you for your kind expression, Mr. Chairman. I have enjoyed my association with you and members of your committee.

The Commission has not had an opportunity to consider these revisions as a Commission. You state that they have been in our hands since Friday, but the Commission has not had a meeting since that time and, as a matter of fact, I was away and Mr. Floberg was abroad and has just returned, apparently, within the hour. He has been in Italy looking at our exhibit there.

We can, therefore, Mr. Chairman, only comment on this revised bill as individuals. That we will be glad to do to the extent that we can, but we cannot give you a considered Commission judgment at this meeting.

Chairman DURHAM commented somewhat testily in the immediately following exchange:

Chairman DURHAM. Mr. Chairman, of course you realize we have been working on this bill about 2 months and have put a lot of effort and time into it, and time is growing very short here.

Mr. STRAUSS. That is true, sir. The changes, however, only came to the attention of most of us on yesterday morning. Certainly I had not seen them until yesterday.

So, Mr. President, you can see that, once more, Mr. Strauss was beginning to hassle with the Joint Committee. Chairman DURHAM and Mr. HOLIFIELD attempted to get the history of the Joint Committee's consideration of the bill and its cooperation with the AEC, with which Mr. Strauss seemed to be unaware, in the following exchange:

Representative HOLIFIELD. Mr. Chairman?

Chairman DURHAM. Since Mr. HOLIFIELD did discuss these points, I yield to him.

Representative HOLIFIELD. As chairman of the subcommittee, I think maybe I owe a little word of explanation.

We met last week and the subcommittee passed out unanimously the committee print under date of June 20, and I was instructed to bring it to the attention of the full committee.

Following our previous custom, working together with the staff of the Commission, I instructed Mr. Ramey to check the bill as reported out by the subcommittee with the Commission staff for any kind of technical changes.

Now several technical changes were suggested by the staff of the Commission in the nature of language in different places which I think are good and should be accepted.

There were some substantive changes suggested, and on those substantive changes, because this meeting had already been set for this morning and it was impossible over the weekend to get the full committee together, or even a working quorum of the committee, I told Mr. Ramey to have printed a Committee Print No. 2 which I intended to bring before the committee this morning for discussion, not as reported out by the subcommittee but for discussion.

In the meantime, in addition to the discussions which Mr. Ramey had with Mr. Fields and his staff, Mr. VAN ZANDT and I also had some discussions with Mr. Vance and Mr. Graham, and they brought certain things to our attention which they thought should be changed in the bill, and I also had those things incorporated in Committee Print No. 2, again for discussion only.

I had not anticipated having the Commission before us on this, but the action taken by the full committee this morning brings the Commission before us.

I think the way to proceed would be to ask the members of the Commission if they wish to comment upon two or three points which were matters of conference between the mutual staffs and also between Mr. VAN ZANDT and me and Mr. Vance and Mr. Graham.

I will bring up the first item—

And so we started out talking about a particle accelerator proposal and research reactor proposal. Mr. Strauss jumped in, to point out that the AEC had never recommended them to the Budget Bureau, although they had been recommended by the AEC Research Division:

Mr. STRAUSS. I think the record should show these two items were never even proposed by the Commission to the Bureau of the Budget. In other words, these were screened in the course of the formal screening the Commission gives to the projects that come up from its division directors. We have never asked for this money.

Then we came to the Joint Committee-AEC sponsored project for an AEC built gas-cooled reactor prototype, the construction of which is now being started. It was here that Mr. Strauss let the cat out of the bag on the General Dynamics project. Many of us on the Joint Committee had wondered why Mr. Strauss had permitted the AEC to go along with a proposed Government-built reactor. And now we knew, for the AEC had proposed a time period to get alternative proposals from private industry. Now we knew who had been picked to carry the ball to supplant the Government-built reactor prototype. Quotations on this discussion are already in the hearings, and I will have more to say on it at a later date.

Suffice it to say that Mr. Strauss in his rebuttal made much of the fact that I called the project the Philadelphia Electric-General Dynamics project, as it is now known. At that time it was known as the General Dynamics-California Edison project. At page 27 of the Joint Committee hearing on June 24, 1958, I inquired as follows:

Senator ANDERSON. Could we find out who the companies are outside of General Dynamics and California Edison?

Mr. STRAUSS. I was told, Senator, and since I am not certain as to the name, I would rather not introduce them into the record; but I do not think it is a secret. I think I could find out and supply them.

Then we proceeded to other matters.

I ask unanimous consent that the next item be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. STRAUSS. You have asked for all of our views, Mr. HOLIFIELD. Mine would have to be expressed in this way, sir: that I believe when the budget was submitted, when our request for authorization was submitted to your committee that it was adequate, that it fitted not only the atomic energy program but took its proper place in the overall program which the Government will have to finance. And for that reason my own view, if the Commission were meeting on this, would be to oppose any increase in the budget for any of these items and to request the restoration of the two items in which cuts were made.

This would mean that I would also oppose project 59–a–5, which is item 5 on page 2. That is the largest item, the production reactor for special nuclear materials, of $145 million.

Senator ANDERSON. Which one?

Mr. STRAUSS. 59–a–5 on page 2. And my reason for doing so is one with which your committee is well familiar; namely, that we have no military requirement at the present time for this material, although we have, as you know, been in constant touch with the Department of Defense on this subject.

Mr. ANDERSON. That statement refers to our large plutonium reactor now being built at Hanford on the west coast. Mr. Strauss had just finished saying what his reason was for opposing the reactor, in these words:

With which your committee is well familiar; namely, that we have no military requirement at the present time for this material, although we have, as you know, been in constant touch with the Department of Defense on this subject.

At this point my colleague the Senator from Washington [Mr. JACKSON] jumped in to inquire as to whether AEC had not originally requested a production reactor. Several pages were covered on this point. Finally Senator JACKSON stated as follows:

I am flabbergasted by this testimony. I must say that most of the committee members are.

This, we have been told, was a lovely, sweet, sentimental occasion. I repeat, the Senator from Washington [Mr. JACKSON] said:

I am flabbergasted by this testimony. I must say that most of the committee members are.

Mr. DURHAM, after analyzing our needs for plutonium and the situation at Hanford stated:

I am not willing to let the Bureau of the Budget run the defense of my country, and I want that on the record.

Mr. President, it was this convertible plutonium reactor which the Joint Committee recommended and Congress authorized over Mr. Strauss' objections. Chairman McCone of AEC, after some study, has gone ahead with the construction of this reactor.

Then the committee considered the Puerto Rico reactor and the MURA accelerator project. And that was all. No farewell statements. No speeches.

I repeat Mr. Strauss' statement before the Senate Committee on Interstate and Foreign Commerce on May 7, 1959 concerning our meeting on June 24, 1958:

It was my last meeting with the Joint Committee. I tried—it was an emotional occasion for me—I tried to give them a general account of my stewardship.

Where was the "general account of my stewardship" by Mr. Strauss? There was none.

But in a sense it was a general commentary on his stewardship in AEC. For he was fighting Congress and the Joint Committee down to the bitter end. It may have been an "emotional occasion" for Mr. Strauss, but not of the type he implied.

I picked up a news column the other day, headed, "The Lynching of Strauss." It is an interesting column, describing how the man was to be lynched, and it ended up with this paragraph, which I now read:

Perhaps Senator ANDERSON, who is Admiral Strauss' particular opponent, can explain the motivation for this charge or perhaps he can explain why, with so many pages of vituperative testimony, there is nothing in the record which really upholds this charge.

That was the charge that Admiral Strauss had sometimes been a little careless with the truth.

So let me take up some of them.

The first one on this statement appears on page 827 of the nomination hearings, by Admiral Strauss.

I have never asked for anything on Mr. Inglis in my life.

The letter from John McCone, the Atomic Energy Commission Chairman, on pages 884 and 885 of the same hearings, says Strauss did ask for information on Inglis, and did it on April 20 of this year.

Admiral Strauss then said he inquired about Inglis—and I refer to page 842 of the same hearings—after an article by Drew Pearson was published on May 5. But the letter from Mr. McCone says Strauss inquired on April 20.

These are two pieces of evidence that could help the writer of that article.

As it appears on page 44 of the nomination hearings, Admiral Strauss said there was "absolutely no difference" between the State Department and the Commerce Department on the shipment of 30-inch pipe to Russia.

The New York Times article, from which many of us got information, and which appears on page 1068 of the hearings, and the State Department memorandum, which appears on page 1074 of the hearings, state otherwise. So also does Mr. Strauss' letter to the Senator from Washington [Mr. MAGNUSON], which appears on page 1073 of the record of hearings. By the time he wrote that letter, Strauss had to admit the situation was different.

Strauss said, on page 695 of the nomination hearings, that he had not seen the Attorney General's letter on the exchange of secrets with respect to the *Nautilus*.

I come back once more and quote from page 1073 of the same hearings, the letter of Lewis Strauss under date of May 19 to the Senator from Washington [Mr. MAGNUSON]:

While there was a difference of opinion on this issue in the Operating Committee, the Department of State at the policymaking level did not feel that the reasons for the difference were sufficient to appeal the majority views of the Operating Committee to the Advisory Committee on Export Policy.

Yet we have his statement on page 44 of the hearings that there was absolutely no difference between the State Department and the Commerce Department.

I turn now to what the Department of State said. This memorandum is dated March 3, 1959. I ask unanimous consent that the entire item which is from page 1074 of the Strauss nomination hearings, appear in the RECORD at this point.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

MARCH 3, 1959.

To: Chairman, Operating Committee.
From: Department of State member.
Subject: Proposed export of line pipe to U.S.S.R.

The Department, during the Operating Committee discussions with respect to the security rating for steel line pipe, considered that this item should not be included in the group of items subject to a presumption for denial when intended for a Soviet bloc country. The Department's position was based on the absence of any international control over this item, a situation which would enable the bloc to obtain the pipe without restriction from free world sources outside the United States, and which therefore would render United States unilateral control ineffective. (It may be noted that line pipe had previously been available to the Soviet bloc from free world sources on the basis of International List II (quantitative limitation).)

The Department, therefore, consistent with this position on listing, originally reserved its position and subsequently objected to the recommendation of the Chairman of the Operating Committee to deny an application to export line pipe to the U.S.S.R. The grounds for the Department's objection are, first, that denial will not be effective in preventing the Soviet Union from continuing its pipeline projects since the available evidence indicates that other producing countries have no legal basis to embargo line pipe and therefore will not hesitate to supply Soviet import needs for this item; and second, that in those instances in which U.S. unilateral controls would not be effective, it would be inadvisable on balance to take unilateral actions more restrictive than those taken by other COCOM cooperating countries, either individually or multilaterally.

In the case in question, information which has become available since the review of U.S. export controls strengthens the Department's belief that the United States cannot exercise an effective unilateral control over this item, and that denial of export licenses for the pipe in question will not have a significant adverse effect on Soviet bloc war potential. As the Department has previously stated to Secretary Weeks it does not perceive any advantage to be gained from maintaining under a presumption of denial items which cannot be effectively unilaterally controlled by the United States.

While the foregoing views represent the Department's considered opinion, it is not proposed to appeal to the Advisory Committee on Export Policy the recommendation of the Chairman of the Operating Committee. This memorandum is submitted in order that the Department's views may be a matter of record with the Operating Committee.

Mr. ANDERSON. This is the significant paragraph:

The Department, therefore, consistent with this position on listing, originally reserved its position and subsequently objected to the recommendation of the Chairman of the Operating Committee to deny an application to export line pipe to the U.S.S.R. The grounds for the Department's objection are—

Then it went on with a list of the objections. Yet the Admiral would have us believe there was absolutely no difference between the State Department and the Department of Commerce.

I recommend the reading of that matter to the columnist who thought there was no evidence anywhere of anything of that kind.

I turn now to the statement that Mr. Strauss had not seen the Attorney General's letter on the *Nautilus* secrets exchange, which appears on page 695 of the nomination hearings. The fact is that he attended on February 2, 1956, a meeting at which the letter was discussed, and he himself transmitted a copy of the letter to the Joint Committee, over his own signature, on June 29, 1956.

Yet he stated he had never seen it until 1959. But I said he sent it to the Joint Committee on Atomic Energy and signed the transmittal letter—and I exhibited the letter to the members of the committee—with his own signature, which he would not have been in a position to refute.

Next I refer the columnist to the item that Admiral Strauss stated his testimony was "molded" by the House. Chairman CANNON refuted that.

Mr. Strauss denied that he said the record was inaccurate, as appears on page 978 of the nomination hearings. The Senator from Washington [Mr. MAGNUSON] challenged Strauss on that statement. Why did he do so? The Senator from Washington [Mr. MAGNUSON] has been a Member of Congress for a long time. When I first came to Congress in 1941, he was not a new Member. He has been a Member, steadily, ever since. He has held many positions of responsibility, most of them dealing with defense and interstate and foreign commerce. In all that time he has had opportunity after opportunity to examine the accuracy of the reporting done by the reporters who take down the testimony. He also knows it is customary to circulate to those who have testified a copy of their testimony for corrections. He knew that, if inaccurate, the testimony would be corrected. Now that the accuracy of the record had been brought into question, the reporter came down and transcribed his notes again, and found he had reported them correctly. I think that should be enough evidence.

The item I next want to discuss I shall mention only briefly.

In regard to the *Nautilus* secrets exchange, Admiral Strauss said on page 688, paragraph 10 of the nomination hearings:

The supposition that I have, after talking with the staff of the Atomic Energy Commission, is that this fell between two stools.

I submit if a Member of Congress goes carefully into the matters which I have put into the RECORD he will find the responsibility under section 144(a) is solely the responsibility of the Commission and is not the responsibility of the Department of Defense. It did not fall between two stools.

The admiral testified before the Joint Committee in 1958 that the decision on a change in uranium policy was reached only 3 days before the public announcement. That is shown on pages 75 and 76 of the section 202 hearings of the Joint Committee for February 20, 1958. Jesse Johnson, when called, and he was in charge of that matter—said the decision was reached several weeks earlier. Many people felt that it was, and that the uranium industry in the United States should have been told about it.

I am not again going to go into the question of the Norwegian isotopes. That is a long and very interesting story. I only suggest that when somebody claims the law proscribed the shipment of isotopes, when the Commission itself took the opposite view, when the attorney for the Commission took the opposite view, and when the author of the act took the opposite view, it is a pretty serious thing to claim that the law was otherwise. Mr. Strauss said he had the advice of counsel. What counsel? It was not the counsel of the Atomic Energy Commision. It was no counsel we know anything about. The language is just tossed into the record and left there without any attempt whatever to bring in the individual who might have given advice on the matter.

I say, Mr. President, these are some of the things which are disturbing members of the committee.

I suggest also if some of the individuals who write the sort of columns which have been quoted, which indicate there is not a bit of evidence in the testimony, really believe that to be so, they might consult some of the members of the Committee on Interstate and Foreign Commerce, because it strikes me as a remarkable thing that eight members of the committee could come to the conclusion they did, since many if not all of them had very open minds at the start of the hearings.

We heard the statement of the Senator from Wyoming [Mr. MCGEE], who was waiting to be persuaded. These hearings were what I think persuaded him. Testimony after testimony was offered, which he found to be such that he could not rely upon the statements.

I therefore believe, Mr. President, the Members of the Senate need to read the hearings and need to make their own analyses of what is in them. If they do, I am confident how the vote will be cast.

ORDER FOR ADJOURNMENT

As in legislative session,

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until 12 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPPOSITION TO THE DUMPING OF RADIOACTIVE WASTES IN THE GULF OF MEXICO

Mr. YARBOROUGH. Mr. President, on May 15, 1959, I made a statement on the floor of the Senate opposing the dumping of radioactive waste materials in the Gulf of Mexico only 150 miles offshore from the Texas coast.

A hearing was held in Houston, Tex., in January 1959, by a representative of the Atomic Energy Commission on the application of the Industrial Waste Disposal Corp. for a license to dispose of radioactive waste materials in the Gulf of Mexico. No decision had been announced by the examiner at the time of my statement to the Senate on May 15.

Following my statement, two Atomic Energy Commission staff members called at my office on May 18, 1959, and stated to me in substance that there was either no danger or little danger from the disposal of a small amount of radioactive waste from the city of Houston. They promised to send to my office reports on the problem for my study. I told them I would make no additional statement on the subject until the reports had been received. They assured me no action would be taken by the Atomic Energy Commission on the Houston application until I had the reports on the Houston situation.

Thereafter, on May 29, before any reports were furnished to me, the Atomic Energy Commission announced a decision by its examiner ordering the granting of a license on June 20 to dump the radioactive wastes in the Gulf of Mexico 150 miles from the Texas shore.

This was in direct violation of the promises made to me by the representatives of the Atomic Energy Commission to take no action on the Houston application until I could study the reports. These reports were not furnished to me until June 4, 5 days after the issuance of the intermediate order. This was a breach of faith, and it quite naturally impairs my trust and confidence in the representatives of the Atomic Energy Commission.

Why this inordinate haste? If the dumping of radioactive wastes at the site selected was safe, why did the Commission's representatives act so duplicitous about it?

After the AEC had issued its order of May 29, it finally forwarded to me, on June 4, certain materials under a cover letter as follows:

U.S. Atomic Energy Commission,
Washington, D.C., June 4, 1959.

Hon. RALPH YARBOROUGH,
U.S. Senate.

DEAR SENATOR YARBOROUGH: During a discussion with AEC staff member on May 18, you requested certain reports on the subject of ocean disposal of radioactive wastes.

Enclosed herewith are the reports in question with the exception of certain reports of the National Academy of Sciences which will be forwarded as soon as they are received.

Sincerely yours,

RICHARD X. DONOVAN,
Special Assistant to the General Manager (Congressional).

(Enclosures: As indicated above.)

Mr. President, the materials forwarded included abstracts of some of the testimony taken at the Houston hearings in January of 1959 but withheld and not furnished before the order was entered, as they had promised to furnish it.

Mr. President, in long distance telephone conversations I have had with representatives of the Sportsmen's Clubs of Texas, excerpts of the evidence have been quoted to me which indicate the unsafety and the highly undesirable nature of the processing and dumping for which the AEC license opens the door.

The growing knowledge in Texas of what is about to happen to our gulf waters is illustrated by a letter I received from the Texas Shrimp Association, dated June 6, 1959, which reads as follows:

TEXAS SHRIMP ASSOCIATION,
Brownsville, Tex., June 6, 1959.

The Honorable RALPH YARBOROUGH,
U.S. Senate, Washington, D.C.

DEAR SENATOR YARBOROUGH: The shrimp industry of Texas has viewed with considerable alarm the issuance of a license by AEC for the disposal of atomic waste in the gulf. Although purported to be harmless by AEC scientists, we feel their basis for such conclusion to be scientific hypothesis rather than actual experience. I have been reading of your activity concerning this matter and wish to commend you on the stand you are taking. I know that everyone in the shrimp industry appreciates your position in this matter, and wish to state that we are in wholehearted accordance.

Respectfully yours,

J. E. BARR,
Executive Secretary,
Texas Shrimp Association.

In addition, I have received a resolution from the board of directors of the Texas Ornithological Society opposing this dumping of radioactive waste into the gulf, which was passed by unanimous vote at Tyler, Tex., May 2, 1959, and reads as follows:

"RESOLUTION OF TEXAS ORNITHOLOGICAL SOCIETY OPPOSING RADIOACTIVE WASTE DISPOSAL IN THE GULF OF MEXICO

"Whereas Texas Ornithological Society is an organization founded upon the firm belief that the biological resources of Texas, and of the United States and the Gulf of Mexico have an economic, educational, recreational, and social value which should be protected, conserved and perpetuated for ourselves and for our posterity; and

"Whereas this organization believes that the Gulf of Mexico, and all of the bays and tidal waters, connected therewith constitute a very important part of the marine and wildlife resources of the United States and of Texas, and that the Gulf of Mexico and the bays and tidal waters connected therewith have great economic, recreational, and social value not only to the people of the State of Texas, but to the people of all of the United States; and

"Whereas this organization is accordingly dedicated to the conservation and protection of said waters and the marine life contained therein; and

"Whereas the Industrial Waste Disposal Corp. has made application to the U.S. Atomic Energy Commission under docket No. 27-9 for permission to dispose of radioactive waste material into the Gulf of Mexico: Now, therefore, be it

"Resolved by the board of directors of Texas Ornithological Society at its directors meeting in Tyler, Tex., on May 2, 1959—

"(1) That the proposed plan of Industrial Waste Disposal Corp. and the U.S. Atomic Energy Commission for sea disposal in the Gulf of Mexico of radioactive waste material, constitutes a serious threat to and will adversely affect the marine life of the Gulf of Mexico and all bays and tidal waters connected therewith, and that said proposed plan if allowed to go into effect will seriously affect if not destroy the economic and recreational value of said waters;

"(2) That the sea is one of the few remaining natural resources that still remains virtually unspoiled and uncontaminated, and from which is produced a great part of our food supply and which will in all probability produce an even greater amount of our food in the future, together with the unlimited recreational facilities of the waters and beaches thereof, and its purity should not be jeopardized without absolute safeguards and extreme emergency;

"(3) That in the interest of conservation and in the health, welfare, and benefit of the people of the State of Texas and of the United States, it accordingly be made known to each U.S. Senator and each Member of the U.S. House of Representatives from Texas, that Texas Ornithological Societies oppose the proposed plan of the Industrial Waste Disposal Corp., the U.S. Atomic Energy Commission and all others who may now or later entertain desires of sea disposal of radioactive waste material in the Gulf of Mexico;

"(4) That the secretary of the Texas Ornithological Society be instructed to furnish a copy of this resolution to each U.S. Senator and each Member of the U.S. House of Representatives from the State of Texas."

I, secretary of Texas Ornithological Society, do hereby certify that the foregoing resolution was adopted by unanimous vote of the board of directors of said organization at its regular meeting on May 2, 1959, at Tyler, Tex.

Mrs. RUTH S. MOORMAN,
Secretary, Texas Ornithological Society.

After my statement on the floor of the Senate, and the action of the Commission examiner on May 29 in entering the order, despite the pledge of the representatives of the Commission that no such order would be entered until we could study the reports, the Commission representatives seem to have had an uneasy feeling about the matter. They attacked my statement of May 15, by their statement printed in the Dallas Morning News of Sunday, May 31, 1959, 2 days after they entered the order they promised they would not enter, under the heading "Atomic Dump Ground in Gulf Fought."

The Dallas News statement contains the following:

An AEC scientist said YARBOROUGH was in error. The Gulf Stream, he stated, doesn't originate in the Gulf of Mexico, but in the tropical waters of the Atlantic, coming along the Florida coast on the Atlantic side and well away from any part of the gulf.

In my statement on the 15th of May on the floor of the Senate I pointed out that the Gulf Stream flows out of the Gulf of Mexico, flows up the Atlantic seacoast, and warms the waters of the eastern Atlantic seaboard, goes past the Grand Banks, and there is met by the western limit of the iceberg area. The Gulf Stream warms the particles of fish food which are in suspension and carries them up to the Grand Banks, which is one of the great fishing areas of the world.

Then the Gulf Stream crosses the Atlantic, warms Europe, and turns parts of northern Europe into a warm, pleasant land, while to the west Labrador, in the same latitude, is generally too cold for human beings to thrive in.

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In an effort to discredit my statement, the Dallas Morning News quotes the Atomic Energy Commission scientist, who says that the Gulf Stream originates in the tropical waters of the Atlantic, coming along the Florida coast on the Atlantic side, and well away from any part of the gulf. When the Atomic Energy Commission scientist claims that the Gulf Stream stays well away from any part of the gulf, he causes us to wonder what kind of a scientist he is. Any fifth-grade schoolboy knows that the Gulf Stream flows through the Gulf of Mexico.

It starts in the South Atlantic, but it picks up velocity when it comes through the Caribbean and the Gulf of Mexico. It comes out of the Gulf of Mexico between Cuba and Florida at a speed of from 4 to 5 miles an hour, or more than 100 miles a day.

The Gulf Stream splits into two parts in the Gulf of Mexico as it comes past Cuba and Yucatan. The eastern branch flows around the western end of Cuba. The western branch flows around the shores of Mexico and the coast of Texas. It then joins the other part of the current. The middle part of the current is relatively quiet.

It is the western current which the Atomic Energy Commission proposes to make the principal dumping ground for radioactive waste material. The two branches of the current join and come out of the gulf between Cuba and Florida, with a velocity, as I have said, of 4 or 5 miles an hour, or more than 100 miles a day. The Gulf Stream is one of the greatest currents in the oceans of the earth. It passes between Cuba and Florida and flows up to the Grand Banks of Newfoundland, then across to Europe, whose climate it warms in winter, and whose beaches it bathes.

The person, the Dallas News says, is a scientist for the Atomic Energy Commission is hard put when, in an effort to justify this hastily granted order to dump radioactive waste materials in the Gulf of Mexico, he tries to tell the people of Texas that the Gulf Stream bypasses the gulf.

Mr. ANDERSON. Mr. President, will the Senator yield at that point?

Mr. YARBOROUGH. I am glad to yield to the distinguished Senator from New Mexico.

Mr. ANDERSON. Would it make any real difference? After all, what the Senator is protesting is the making of a dumping ground out of his backyard. Suppose the Gulf Stream turned around and flowed up the coast of Africa? Would that make it any more desirable to make a dumping ground out of the Senator's backyard?

Mr. YARBOROUGH. I thank the distinguished Senator from New Mexico. As chairman of the Joint Committee on Atomic Energy, I believe he knows more about the atomic energy program than any other American, except perhaps some of our scientists. I pause to pay tribute to his leadership in the Strauss hearings. As a member of the Senate Committee on Interstate and Foreign Commerce I heard his testimony. I have never listened to any witness before any committee of this body whose patent truth shone out all over him like a light, to a greater extent than was the case when the distinguished Senator from New Mexico gave the Senate Committee on Interstate and Foreign Commerce the facts. In the Strauss hearings he performed an outstanding service for the Senate, for the Government, and for the people of the United States, and I pay tribute to him.

In answer to the inquiry of the Senator from New Mexico, I will say that it would not make any difference whether there was any Gulf Stream or not. But this order shows the kind of practice in which the Commission is indulging. It causes me to wonder whether the leadership and the practices of Mr. Strauss have lingered on in the Atomic Energy Commission.

The Dallas News says a scientist from the Atomic Energy Commission stated that the Gulf Stream does not come through the Gulf of Mexico, but that it starts in the southwest, in the tropical waters of the Atlantic, and comes by the shore of Florida, entirely away from the gulf. As was aptly pointed out by the distinguished Senator from New Mexico, it would not make any difference where the Gulf Stream flowed, or whether there was any Gulf Stream. I merely cite that statement of the so-called scientist to show how extreme the Commission has become in its efforts to discredit anyone who fails to agree with it.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I am glad to yield to the Senator from California.

Mr. ENGLE. I compliment the Senator from Texas on the very fine statement he is making. He is undertaking to protect his people from operations off the coast of his State which would cause the shrimp and everything else to become radioactive. In addition, as I understand the Senator, the Gulf Stream flows up to the Grand Banks, the great fishing area in the northern part of the world. Is not that correct?

Mr. YARBOROUGH. The Senator is correct.

Mr. ENGLE. We are likely to end up with radioactive fish, in addition to the radioactive shrimp and everything else in the Gulf of Mexico. When the Gulf Stream goes up to the north the fish caught there are likely to be radioactive. We have radioactive milk and radioactive bread. Are we to have radioactive shrimp and fish in addition?

Mr. YARBOROUGH. The question by the distinguished Senator points up a very important fact in this entire problem. I shall come to it a little later.

Mr. ENGLE. I am intrigued by references to swimmers on the fine coast lines. We are likely to have radioactive swimmers on the coast line of Monte Carlo and other places on the French coast, are we not?

Mr. YARBOROUGH. We might well have, but I point out to the distinguished Senator, in answer to his question, that the great fishing areas in the North Atlantic which have been referred to, furnish a large portion of the fish which reaches American and European tables.

Another point I have in mind is that when the radioactive material gets into the water, it does not remain in suspension. It concentrates very rapidly in marine life, in plant life, and in fish life, and in such animal life as is in the ocean. It concentrates very fast, and therefore it is possible, in water which has very low radioactivity to catch fish which are very highly radioactive.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. ENGLE. Since the distinguished Chairman of the Joint Committee on Atomic Energy is in the Chamber, I should like to say that the problem of the disposal of atomic waste material is a very serious one. Questions have been raised regarding the prevalence of this radioactive material in the atmosphere. Apparently now we are going to get it in the ocean as well. Would it not be much more intelligent—and I ask this question because the distinguished Senator from New Mexico is present—to put this material underground some place? No one knows how long the radioactive characteristic continues. Would it not be more intelligent, therefore, to find a place underground to dump it, where at least it would not permeate the atmosphere or the ocean?

I again compliment the distinguished Senator from Texas on his vigor and alertness in trying to protect the people of his State.

Mr. YARBOROUGH. I thank the distinguished Senator from California for the interest he has shown in the House and now in the Senate in this matter, as well as for his alertness to so many other problems. He, too, is a member of the Committee on Interstate and Foreign Commerce, and he has shown great awareness of problems around the world.

In response to the specific inquiry of the distinguished Senator from California, I must say to him that I am not a scientist and I am not an expert. I do not know of the safest way to dispose of atomic wastes. Some scientists say they should be disposed of deep in the bowels of the earth. Perhaps it would be best to bury them in an abandoned mine shaft or perhaps in dry holes where there is no oil underneath the ground. I am not an expert, as I say, and I am not attempting to usurp the functions of scientists or experts. All we ask is for some time to study the problem, and so that we may have an opportunity to protest, and an opportunity to employ scientists to study the problem. We do not want to be misled again. When we made our request, we were misled, and an order was issued when we were promised that none would be issued.

To show how ridiculous this situation is but without trying to labor the point, I have displayed in the Chamber a National Geographic Society map of the Atlantic Ocean, printed in Washington in December 1955. That is the map to which I have alluded during my remarks. It has red arrows printed on it, showing where the Gulf Stream originates and where it flows.

All that the so-called scientists would have to do to ascertain where the Gulf

Stream flows would be to look at the red arrows printed on the map. They would not have to read any books. All they would have to do would be to look at the red arrows printed on the National Geographic Society map of the Atlantic Ocean. That shows the Gulf Stream. If the scientists for the AEC who said the Gulf Stream stayed "well away from any part of the gulf" would look at the map, he would see the red arrows depicting the course of the Gulf Stream, and he could read, printed on the map in the Gulf of Mexico the words "here the gulf streams runs north at a speed of 4 to 5 miles per hour." This is printed on the map, Mr. President, in a location in the eastern part of the Gulf of Mexico.

I refer the AEC representative to a fine text on the Gulf Stream written by Hans Leip, published in Germany in 1957 under the title "Der Grosse Fluss Im Meer," in England under the title "The Gulf Stream Story," and in the United States in 1950 under the title "The River in the Sea." I also refer to "The Ocean River," by Henry Chapin and F. L. Walton Smith, published by Charles Scribner's Sons in 1952. If time does not permit the AEC representative to peruse a book, I recommend that he just look in Webster's Unabridged Dictionary where he will find that the Gulf Stream is defined as flowing through the Gulf of Mexico. It seems that everybody knows where the Gulf Stream is except the representative of the AEC who was trying to uphold the action of the Commission in granting permission for the dumping of the radioactive waste off the Texas coast. Or, perhaps, that AEC representative did know, but put a higher value on false propaganda than he did on scientific truth.

If it seeks to mislead the public about the geographic location of the Gulf Stream, how can the AEC expect the public to have confidence in the statements it makes about the dangers from radioactive fallout, or from dumping radioactive materials in the Gulf of Mexico—matters of far greater complexity, in a field where knowledge is uncertain at best?

Mr. ANDERSON. Mr. President, will the Senator yield again?

Mr. YARBOROUGH. I am happy to yield to the Senator from New Mexico.

Mr. ANDERSON. May I say to the Senator from Texas that I do not believe we need to wait until all the opinions of the experts or scientists are in. There is as much disagreement among experts as there is among laymen. It is not necessary to wait until all that time to know what to do with radioactive waste.

The statement made by the Senator from California [Mr. ENGLE] needs to be taken at far greater value than perhaps it might be as a casual comment. It is entirely possible that the best place for disposing of radioactive material may be in an abandoned salt mine.

For that reason I say to the able Senator from Texas that when he came to me with this problem, I was particularly interested in it, because no one else has a solution to it. Many persons have theories about it. The theory of the Senator from Texas and the theory of the Senator from California may in the final analysis be far more important than the theories of some of the scientists at this time. Of course we know the story of the Greek scientist who developed the strong focusing principle, and submitted it to large laboratories. They filed it away. They said, "This fellow is crazy. He does not know what he is talking about. It could not possibly be of any value because he is not a good enough physicist." Finally, a long time later, we found that he had exactly the right slant, and it was a magnificent thing.

Therefore, some casual comments made here during the course of the remarks of the Senator from Texas may prove to be very valuable, indeed, in the long run. I should like to give the Senator from Texas a little more comfort than I have been able to do thus far. This matter is in what might be termed a quasi-judicial stage. He knows the impropriety of my trying to interfere in it while it is in such a status. It is before the Commission. When the Senator brought the matter to me, I thought it was a very important subject. It was taken up in the so-called Holifield hearings when they were held before the Joint Committee on Atomic Energy. I thought at that time there would be sufficient discussion of it to be of great benefit to the situation which the Senator from Texas had outlined to me.

I can only say to him that I too, thought as he thought, that he had a pledge that this thing would not happen. I am sorry if the pledge was broken.

I should say to the Senator also that if he objects to it, and keeps on objecting, after the pledge has been broken, he will get in the same category in which the junior Senator from New Mexico finds himself, who is regarded as being quarrelsome. Some persons think that when a man stands up for his rights, he should swallow this and that and like it; otherwise, he is quarrelsome. I hope the Senator from Texas will continue to stand up for his rights. I assure him that the Senator from New Mexico will do everything he can to help him.

As to the time schedule as to when I might help him, I have been trying to see when I might be able to do some of these things. I announced this afternoon that the authorization bill for the Atomic Energy Commission for the next fiscal year is now ready and will be taken up in the House, according to the statement of the majority and minority leaders sometime next week. That has taken 2 months of our time. Therefore we could not undertake any substantial investigation of the point the Senator from Texas has raised. Once we have finished with the authorization bill, we have to start—and we did start today—on discussions with regard to agreements for cooperation. We have them with France and West Germany and Greece and Turkey and Canada, plus a substantial one with the NATO nations. The discussions are going to take some time. The discussion today barely got off the ground. We are in the middle of a problem as to what France will do. I wish to make this pledge to the able Senator from Texas, for I think his cause is just and his zeal is commendable, that at the first opportunity, consistent with the fact that this may be in a quasi-judicial stage, the Joint Committee will try to make an investigation or conduct hearings, to bring this matter forcibly before the American people.

Mr. YARBOROUGH. I thank the distinguished Senator from New Mexico for his outstanding leadership in this field in an effort to protect the American people. I am very grateful to him for his statement today, because I know of the great duties which have been cast upon him. We sought counsel from his committee, but we have not attempted to put any additional burden upon them because of all the work they are now doing. To be perfectly candid, we did not think it was necessary to do so, because representatives of the Atomic Energy Commission had promised that nothing would be done about the proposed dumping until the record could be studied, and we had conferred with them about the record, because we had received conflicting reports about what was in it. We received one report from the representatives of the Atomic Energy Commission. We received other and very sharply conflicting statements from persons who had participated in the matter in Texas.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the Senator from Alaska.

Mr. BARTLETT. The Senator from Texas is to be congratulated, commended, and praised for calling to the attention of the Senate and the country the situation to which he is now referring. It is, of course, an effort primarily in behalf of the people of Texas, as is right and proper, but the implications are broader and more important than that, in my opinion, and extend to the entire country.

I, for one, was happy to learn that, so soon, his remarks had been heard by the Chairman of the Joint Committee on Atomic Energy, who has promised early action looking toward a proper solution of the problem to which he has alluded.

I know that the Senator from Texas realizes, as I do, that in some instances the departments of government are getting pretty large, and that sometimes the right hand does not know what the left hand is doing. Not long ago I had some experience on this subject. A witness before the Joint Committee had not been informed about the existence of an experimental project in Alaska, and said it had been canceled. That turned out not to be the case. Nevertheless, when one has been given positive assurances, as was the distinguished junior Senator from Texas in this case, those promises ought to be lived up to. I know that the people of Texas will be grateful to him for his intercession and his interest in the matter. I, as a Member of the Senate, certainly am also.

Mr. YARBOROUGH. I thank the distinguished Senator from Alaska for his informed remarks and for his kindness.

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He has had great legislative experience, having represented Alaska in the House of Representatives for many years before coming to the Senate. Like the present Presiding Officer, the distinguished junior Senator from West Virginia [Mr. BYRD], the Senator from Alaska had previous legislative experience in the U.S. Congress before coming to this body.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I wish to join other Senators in commendation of the junior Senator from Texas for what he has said about the Atomic Energy Commission and those in authority in that Commission, whoever they are, concerning the disposal of atomic wastes in the Gulf of Mexico. It is very interesting to me to hear what the Senator from Texas is pointing out. The Senator might or might not know that I have had drawn to my attention an alarming situation in Kansas similar to that which alarms the Senator from Texas with respect to the Gulf of Mexico.

Reference was made a moment ago to the probable disposal of atomic wastes in the bowels of the earth. Several months ago, I drew the attention of the people of my State to the fact that some experiments were taking place in salt mines in Kansas. The nature of those experiments was not completely disclosed.

It was assumed by some laymen that the salt mines would be utilized for the disposal of atomic wastes, which are highly radioactive. I am alarmed, and shall watch with great interest the extent to which the pilot plants in the salt mines in Kansas will be utilized for the further dumping of radioactive atomic wastes in salt mines in Kansas.

Like the Senator from Texas, I am of course concerned about what the effects of such dumping will be upon in the areas in which the atomic wastes are placed, and in the probable contamination which can flow therefrom. I think it is most important that this matter be drawn to the attention of the country. Like the Senator from Texas, I am indeed concerned about having the reports before, rather than after, some of the effects take place, effects which might have disastrous results. The Senator from Texas is pointing out something which is very important in the field of radioactive waste.

Mr. YARBOROUGH. I thank the distinguished senior Senator from Kansas for pointing out the other dangers which might exist with respect to radioactive wastes. I have not taken the position that there should be no disposal of radioactive waste materials in the oceans. I did not do so in the statement I made on May 15. I do say that such waste materials should not be dumped so close inshore—150 miles offshore—in waters which are shallow. They should be taken far out and dumped in parts of the ocean where there are no currents. The oceanographers know where those areas are. Such wastes should be dumped in the still, deep parts of the ocean, and in containers which will retain them for longer periods of time. They should be dumped where the scientific evidence shows that such dumping would be much safer than it would be closer inshore.

The Senate of the State of Texas, alarmed at what is about to happen to the Gulf of Mexico, one of the virgin, virtually untapped fisheries of the world, last week, by resolution, unanimously condemned the action of the Atomic Energy Commission in issuing its order for the dumping of wastes in the Gulf of Mexico.

One of the few things which all scientists agree upon concerning radioactivity is that more needs to be known about it, just as has been pointed out by the distinguished Senator from Kansas [Mr. SCHOEPPEL]. We need to know more about where to dump the wastes and how to make dumping safe. But all agree, too, that when radioactive waste materials are free in water, they tend to concentrate in very high degree in fish and marine plantlife.

Scientists disagree on how much radioactive materials the human body may safely absorb. A short time ago Lauriston S. Taylor, head of the National Committee on Radiation Protection, said the current levels of permissible radiation exposure levels—the amount of radiation which the human body can safely receive—may be too high if the entire population is involved.

The people closest to the scene—the residents of the gulf coast—feel, and I feel, that the licensing of this dumping of radioactive wastes in the gulf is a dangerous move which could cause harm to animal, marine, and human life not only now but in the future.

The license would be for 2 years, and a great deal of radioactive material can be dumped into the gulf in that period, no matter how small the amount at any one time.

The danger of this proposed dumping is brought sharply into focus by scientists' statements that more and more of our future food supply will come from the sea. Wide use is now being made of the Gulf of Mexico for pleasure, fishing, and recreation purposes. And with more usage coming in the future, the addition of radioactive materials—low-level or otherwise—seems to me to be questionable.

With the Texas State Senate, many nonprofit organizations in Texas interested in fish and wildlife conservation, and other interested persons opposing the pollution of the gulf, I think the Atomic Energy Commission should cease and desist on its June 20th order, until a further investigation has been made.

Mr. President, I call upon the Atomic Energy Commission to withhold granting the radioactive waste Gulf of Mexico-Texas shore dumping license, until a fuller investigation can be made, and until means of checking compliance can be established. In my opinion, if the license is to be granted it should require dumping further out at sea, in much deeper water, in order to protect the marine and plant life of the warm shallow waters of the gulf, and human health along its shores.

Mr. President, I should like to point out that as a result of research done at Columbia University and elsewhere on the plant life in the sea, it is the belief of scientists that within 100 years a great portion of the world's food supply will come from the sea—that plants will be grown in the sea in much the same way that today we plant and grow corn on the land. Today, experiments are being conducted by our Government, the Russian Government, and two or three other governments in regard to the planting of crops and the growing of crops in the sea; and it is stated that, within two or three generations, it will be possible to sail out to sea and cut off the equivalent of beef steaks from growing sea plants, much in the way that today a steak is cut from the carcass of a steer, and that the food thus obtained from plants growing in the sea will be high in protein value.

Mr. President, the two greatest areas in the world for use in that connection are the Gulf of Mexico and the Great Barrier Reef off the east coast of Australia. In both of those areas, the waters are warm and shallow.

Therefore, Mr. President, in connection with this situation, the Atomic Energy Commission should move slowly and carefully before it permits such pollution of the Gulf of Mexico. We say that the Atomic Energy Commission is not moving carefully when it issues such misleading statements to cover up what it has done.

ADJOURNMENT

Mr. SCHOEPPEL. Mr. President, if there is no further business to come before the Senate at this time, I move, in accordance with the previous order, that the Senate now adjourn.

The motion was agreed to; and (at 6 o'clock and 2 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, June 12, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 11, 1959:

U.S. PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

1. FOR APPOINTMENT

To be surgeon

George Moore

To be senior assistant surgeon

Donald C. Reifel

To be senior sanitary engineer

Harry P. Kramer

To be senior assistant therapist

Norma J. Ewan

POSTMASTERS

I nominate the following-named persons to be postmasters:

ARKANSAS

Lee R. Orsburn, Okolona, Ark., in place of C. A. Hill, deceased.

CALIFORNIA

Elmer E. Keltz, El Centro, Calif., in place of H. B. Woodbury, retired.

Thomas J. Dale, Montrose, Calif., in place of L. R. Burkhart, deceased.

Olliemae F. Hayes, Penryn, Calif., in place of A. E. Flint, retired.

Charles N. Havens, Simi, Calif., in place of C. R. Havens, retired.

COLORADO

Walter H. Wyss, Fort Collins, Colo., in place of W. D. Pinkerton, retired.

Richard W. Nielsen, Monte Vista, Colo., in place of A. L. Pearsall, resigned.

CONNECTICUT

Evelyn G. Sheridan, Hazardville, Conn., in place of B. W. Henry, resigned.

Salvatore J. Puglisi, Middletown, Conn., in place of R. J. Wamester, deceased.

DISTRICT OF COLUMBIA

Carlton G. Beall, Washington, D.C., in place of R. M. North, retired.

GEORGIA

Henry B. Hearn, Jr., Eatonton, Ga., in place of R. E. Nelson, retired.

IDAHO

Fay L. Emerson, Idaho City, Idaho, in place of Anne Peck, retired.

Leland T. Knott, Post Falls, Idaho, in place of K. A. Reynolds, retired.

INDIANA

Charles H. Drew, Washington, Ind., in place of P. G. Smiley, deceased.

IOWA

Robert W. Nible, Norwalk, Iowa, in place of J. E. Muliane, retired.

Foss M. Gracey, Truro, Iowa, in place of L. E. Mease, retired.

KANSAS

Clara M. Bott, Alexander, Kans., in place of L. I. Mills, removed.

Fred D. Beard, Haysville, Kans., in place of Goldie Life, retired.

Dorothy M. Gardner, Plevna, Kans., in place of Blanche Gardner, deceased.

KENTUCKY

Sally M. Conniff, Clermont, Ky., in place of C. B. Riley, retired.

James G. Dismuke, Salvisa, Ky., in place of N. M. Ramsdell, retired.

LOUISIANA

Edward A. Vercher, Cloutierville, La., in place of C. W. Charleville, retired.

Heulette C. Fontenot, Livingston, La., in place of F. E. Bennett, resigned.

MASSACHUSETTS

Marion A. McIntire, Charlton City, Mass., in place of J. T. Wilkinson, retired.

MICHIGAN

Loraine W. Gardner, Hartland, Mich., in place of W. W. Gardner, retired.

Stanley A. Grendel, Taylor, Mich., office established October 4, 1958.

MINNESOTA

John P. De Greeff, Chandler, Minn., in place of C. C. Moret, retired.

Frank M. Thompson, Maynard, Minn., in place of W. L. Hubel, retired.

Marie I. Ecklund, Ormsby, Minn., in place of I. B. Mattson, retired.

William Vedders, Jr., Pease, Minn., in place of F. R. Greenfield, deceased.

MISSISSIPPI

Merle B. McMinn, Mathiston, Miss., in place of J. I. Smith, retired.

Elmo G. Allen, Petal, Miss., in place of T. V. Brogan, retired.

MISSOURI

William J. Brick, Laredo, Mo., in place of M. L. Warren, retired.

Willard R. Mohns, Lee's Summit, Mo., in place of J. F. Stevenson, retired.

Harold E. Williams, Waynesville, Mo., in place of V. V. Long, retired.

MONTANA

Martha H. Hayes, Ashland, Mont., in place of Ruby Dunning, deceased.

Elson E. Wortman, Gallatin Gateway, Mont., in place of R. M. Atkins, deceased.

NEBRASKA

Harold M. Runyon, Scottsbluff, Nebr., in place of B. M. Diers, deceased.

NEW JERSEY

William T. Minkoff, Blackwood, N.J., in place of J. A. Beetle, resigned.

Marie J. Holloway, Magnolia, N.J., in place of J. M. Schmidt, retired.

A. Robert Deter, Woodbridge, N.J., in place of L. E. McElroy, deceased.

NEW YORK

Herman A. Lewin, Aquebogue, N.Y., in place of K. L. Downs, retired.

Harry H. Beebe, Big Flats, N.Y., in place of Madeline Andrews, resigned.

Hilda A. Smith, Diamond Point, N.Y., in place of M. M. Woods, deceased.

Raymond Michael Kiskis, Fort Hunter, N.Y., in place of H. R. Sievert, deceased.

Earl J. Sardeson, Fredonia, N.Y., in place of A. D. Toomey, deceased.

John F. Morgan, Gainesville, N.Y., in place of R. G. Sullivan, transferred.

John C. Mosher, Macedon, N.Y., in place of R. G. Blyth, retired.

Edwin C. Fellows, Newport, N.Y., in place of E. J. Butler, retired.

NORTH CAROLINA

Walter E. Berry, Aurora, N.C., in place of J. A. Bonner, deceased.

William V. Langley, Staley, N.C., in place of M. I. Siler, retired.

NORTH DAKOTA

Raymond F. Pfeifer, Buffalo, N. Dak., in place of J. U. Pavlik, deceased.

Wayne R. Bergan, McHenry, N. Dak., in place of E. N. Swanson, transferred.

OHIO

Elizabeth M. Domer, Hartville, Ohio, in place of E. L. Merkle, retired.

Paul F. Thomas, Millersport, Ohio, in place of H. D. Bowers, retired.

James F. Austen, Shreve, Ohio, in place of G. V. Wise, retired.

OKLAHOMA

Lowell E. Kelley, Rocky, Okla., in place of W. W. Sanders, resigned.

OREGON

Verda Walker, Culver, Oreg., in place of Wannie Osborn, retired.

Lloyd L. Ferschweiler, Gervais, Oreg., in place of C. G. Colby, deceased.

PENNSYLVANIA

Walter H. Grier, Sr., Beaver Brook, Pa., in place of J. D. McNelis, retired.

Samuel R. Brenneman, Boiling Springs, Pa., in place of B. C. Peffer, retired.

Walter P. Rhine, Canonsburg, Pa., in place of S. J. Bondi, removed.

Lyle T. Streeter, Easton, Pa., in place of H. C. Schultz, retired.

Jacob G. Appler, Gettysburg, Pa., in place of L. E. Oyler, deceased.

Margaret Jane Knight, Industry, Pa., in place of A. W. Ewing, retired.

Peter P. Roth, Limerick, Pa., in place of P. T. Kline, retired.

George E. Palko, Loyalhanna, Pa., in place of T. S. Walter, resigned.

Charles V. Jones, Marysville, Pa., in place of J. S. Raisner, removed.

Cloyd B. Hicks, Newton Hamilton, Pa., in place of R. B. Fields, retired.

Mabie E. Puterbaugh, Shawanese, Pa., in place of W. S. Puterbaugh, retired.

John M. Holland, Starrucca, Pa., in place of H. S. Glover, deceased.

Robert P. Tredway, Stewartstown, Pa., in place of S. C. Zellers, retired.

Harry S. Anderson, Waynesburg, Pa., in place of E. O. Clayton, retired.

Carl F. Hynek, Jr., Willow Grove, Pa., in place of H. T. McEvoy, removed.

TENNESSEE

Elmer J. Atkinson, Clarkrange, Tenn., in place of E. M. Peters, retired.

W. Onnie Cox, Mosheim, Tenn., in place of L. F. Robinette, resigned.

TEXAS

Lewis R. Marvin, Duncanville, Tex., in place of Ethel Barker, retired.

Samuel J. West, Farmersville, Tex., in place of A. E. Petty, deceased.

Georgie L. Henderson, Hart, Tex., in place of Herbert Williams, resigned.

Virginia Blair Taylor, Ponder, Tex., in place of J. L. Riggs, resigned.

WASHINGTON

Elizabeth A. Kautz, Joyce, Wash., in place of L. A. Wallace, resigned.

WEST VIRGINIA

Ernest M. Townsend, Madison, W. Va., in place of A. T. Miller, retired.

WISCONSIN

James R. Schroeder, Combined Locks, Wis., in place of Emma Heesakker, retired.

Harley L. Prell, New Richmond, Wis., in place of L. N. Hughes, retired.

WYOMING

Lance R. Holbrook, Cheyenne, Wyo., in place of A. M. Ries, deceased.

M. Everett Knapp, Gillette, Wyo., in place of E. A. Littleton, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 11, 1959:

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following nominations for permanent appointment to the grades indicated in the Coast and Geodetic Survey:

TO BE LIEUTENANT (JUNIOR GRADE)

Philip L. Rotondo.

TO BE ENSIGNS

John D. Bossler	Billy M. Keltner
Ernest E. Brown	James G. LaBastie
Anthony J. De Luzio	James S. Lawson
David F. S. Galloway III	William C. Linn, Jr.
	John T. Maldari
Thomas Ganard	Clifford W. Randall
James S. Gragg	Thomas R. Rutila
Thomas F. Humphrey	Melvin J. Umbach

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 11, 1959

The House met at 12 o'clock noon.

Rev. Jerry W. Trexler, D.D., the Congregational Church of San Mateo, Calif., offered the following prayer:

In Thy providence, O Lord, Thou hast brought forth this Nation, nurtured its people in their growth, and guided us into our present place in the destiny of mankind. Age after age have the living sought Thee, and found that of Thy goodness there is no end.

With thankfulness for days gone by, with expectancy for the days ahead, and with constant awareness that we are Thy children, we ask Thy guidance and blessing upon this House, that the decisions made here might be as born of, and for Thy purpose for the betterment of mankind in all of time. May the words of our mouths and the mediations of our

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hearts, be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4245) entitled "An act relating to the taxation of the income of life insurance companies."

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL, 1960

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. KIRWAN, NORRELL, CANNON, JENSEN, and TABER.

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight Friday to file a conference report on the bill H.R. 5915.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON VETERANS' AFFAIRS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REVIEW IN HONOR OF ARMY VETERANS IN CONGRESS—"THE CONGRESSIONAL HONORS MARCH"

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I have been requested to make the following announcement which I do with pleasure. On Sunday, June 14, at 4 o'clock p.m. at Fort Meyer, Va., the U.S. Army is dedicating at a regimental review the "Congressional Honors March," a musical selection written especially for the Congress of the United States. The occasion is a review in honor of Army veterans in the Congress. The Secretary of the Army, Hon. Wilber M. Brucker, cordially invites every Member of the Congress to attend. Members of the United States Army are distributing to each Member of the Congress a copy of the "Congressional Honors March." I sincerely hope all Members will attend. In any event, Mr. Speaker, I urge as many Members as their schedules permit to attend this review on Sunday, thus indicating our appreciation for this signal honor.

MODERN WEAPONS FOR GREECE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States which was read, and together with the accompanying papers, referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

In December 1957 the heads of government of the nations members of the North Atlantic Treaty Organization reached agreement in principle on the desirability of achieving the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques. In enunciating this agreement in principle the heads of government made it clear that this decision was the result of the fact that the Soviet leaders, while preventing a general disarmament agreement, had left no doubt that the most modern and destructive weapons of all kinds were being introduced into the Soviet armed forces. The introduction of modern weapons into NATO forces should be no cause for concern on the part of other countries, since NATO is purely a defensive alliance.

It is our conviction and the conviction of our NATO allies that the introduction into NATO defenses of the most modern weapons available is essential in maintaining the strength necessary to the alliance. Any alliance depends in the last analysis upon the sense of shared mutual interests among its members, and by sharing with our allies certain training information we are demonstrating concretely our sense of partnership in NATO's defensive planning. Failure on our part to contribute to the improvement of the state of operational readiness of the forces of other members of NATO will only encourage the Soviet Union to believe that it can eventually succeed in its goal of destroying NATO's effectiveness.

To facilitate the necessary cooperation on our part legislation amending the Atomic Energy Act of 1954 was enacted during the last session of the Congress. Pursuant to that legislation agreements for cooperation were recently concluded with three of our NATO partners and submitted to the Congress on May 26. A similar agreement was also recently concluded with our NATO ally, the Kingdom of Greece. All of these agreements are designed to implement in important respects the agreed NATO program. This agreement with the Kingdom of Greece will enable the United States to cooperate effectively in mutual defense planning with Greece and in the training of Greek NATO forces in order that, if an attack on NATO should occur, under the direction of the Supreme Allied Commander for Europe Greek forces could effectively use nuclear weapons in their defense.

These agreements previously submitted and this Greek agreement represent only a portion of the work necessary for complete implementation of the decision taken by the North Atlantic Treaty Organization in December 1957. I anticipate the conclusion of similar agreements for cooperation with certain other NATO nations as the alliance's defensive planning continues.

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of an agreement with the Kingdom of Greece. I am also transmitting a copy of the Acting Secretary of State's letter accompanying authoritative copies of the signed agreement, a copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of this document, and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 11, 1959.*

(Enclosures: (1) Agreement with the Kingdom of Greece; (2) copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission to the President; and (3) copy of the President's memorandum recording his approval.)

CALL OF THE HOUSE

Mr. JONES of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

By unanimous consent a call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 77]

Ashley	Gathings	Pillion
Barr	Gialmo	Powell
Barry	Gubser	Preston
Bolling	Healey	Reece, Tenn.
Buckley	Holifield	Scott
Canfield	Johnson, Md.	Smith, Va.
Casey	Kasem	Spence
Celler	Kearns	Tollefson
Coffin	Kilburn	Whitener
Davis, Tenn.	Mailliard	Whitten
Dixon	Meader	Withrow
Downing	Miller, George P.	Wolf
Garmatz		

The SPEAKER. On this rollcall 395 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

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SUBCOMMITTEE ON TRANSPORTATION OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE—PERMISSION TO SIT DURING GENERAL DEBATE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Transportation of the Committee on Interstate and Foreign Commerce may have permission to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

COMMITTEE ON EDUCATION AND LABOR—PERMISSION TO SIT DURING GENERAL DEBATE

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have permission to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

WHEAT PROGRAM FOR 1960–61

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7246) to amend the Agricultural Act of 1939, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of H.R. 7246, with Mr. EVINS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I take this time to urge the membership of the House to remain on the floor at least for the next few minutes to the end that you may have an opportunity to hear an intelligent discussion of this great problem. We are now dealing with American agriculture's problem No. 1. We now have invested in wheat, as I said yesterday, more than $3 billion—wheat that we cannot sell and that we cannot give away. As we know, unless something is done, our problem will be aggravated.

The President of the United States on six or seven occasions has urged the Congress to do something, and our subcommittee on wheat under the gentleman from Oklahoma [Mr. ALBERT] has labored for 6 long months, and we are bringing this bill to the floor and presenting it to you, not as perfect legislation by any means—it is highly controversial. Only by listening to the debate will you be able to vote with any degree of intelligence. The gentleman from Oklahoma [Mr. ALBERT] will present the bill. Our colleague the gentleman from Oklahoma [Mr. BELCHER] has a proposition which he will submit to the Committee in due time. I think it would be well for all Members to hear the discussion. I have no preconceived ideas about the legislation, but I do know it deals with a problem of paramount importance to the people of America and, of course, to all of us here on the floor of the House. I hope you will listen to the gentleman from Oklahoma [Mr. ALBERT].

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I want to concur in what Chairman COOLEY has said about the gravity of the situation as it pertains to the wheat surplus. I do hope the membership will remain on the floor to listen to two experts in this field. I think if you will listen to the gentleman from Oklahoma [Mr. ALBERT], the chairman of the Subcommittee on Wheat of the Committee on Agriculture and the gentleman from Oklahoma [Mr. BELCHER], the ranking Republican on the subcommittee on wheat, you will get a good picture of the many problems involved.

Mr. COOLEY. Mr. Chairman, I now yield to the gentleman from Oklahoma [Mr. ALBERT] 10 minutes.

Mr. ALBERT. Mr. Chairman, the Committee on Agriculture submits for your consideration a wheat adjustment bill which, though certainly not perfect and not altogether acceptable to any organization or group which has appeared before our committee, represents a genuine attempt to meet a problem which the President of the United States has repeatedly been saying should be met ever since the 86th Congress convened.

There is no easy or fully acceptable way to deal with the problem.

All members of our committee know this.

The distinguished gentleman from Iowa [Mr. HOEVEN], ranking minority member of the committee, knows this.

He and I have discussed this matter many times.

All members of the Subcommittee on Wheat know that this is no easy problem.

They have all been working on this problem for months.

All of us have tried, I think, to reach a solution to this problem that would be free of partisan politics.

With staggering surpluses on hand and with a substantial crop in prospect for the present year there is no soft or gentle way to attack this problem—no way which will be pleasing to everybody.

But the difficulty of the task is not the criterion.

We have a problem on our hands which is directly and fundamentally the responsibility of the Congress of the United States, and we must act in some degree of unison, in some spirit of compromise, in an effort to make some contribution to the solution of the problem.

Time is running out, and we must act now.

The Department of Agriculture estimates that total wheat supplies for the 1958–59 marketing year are currently at 2.353 billion bushels which is about 12 percent above the previous peak reached 2 years ago.

This is enough wheat to supply all of our domestic requirements and exports for more than 2 years.

If we did not harvest one acre of wheat this year we would still have as much as 300 million bushels more than we need from current supplies to carry us through until the 1960 crop was harvested.

The truth of the matter is that we have built up surpluses of wheat in the hands of the Commodity Credit Corporation which the Department of Agriculture estimates will soon represent a Government investment of $3.5 billion dollars.

The storage, interest, and transportation costs of handling the wheat program now total more than $1 million per day.

It is beginning to look as though this surplus will increase from 100 million to 400 million bushels per year, year in and year out as long as the present program remains in effect.

New warehouses are going up all the time.

A new group, the warehouse lobby, is coming into existence to reap the harvest of the wheat program now in effect.

Mr. Chairman, we are producing 100 million to 400 million more bushels of wheat than we can sell or give away at home or abroad.

The Department of Agriculture has come up with no suggestion as to how we can get rid of the extra wheat which we are now producing except to feed it to livestock thereby increasing the problems of the feed grain-livestock producers.

We are channeling wheat into school lunch programs at home and abroad.

We are selling it at subsidies averaging 55 cents per bushel on foreign markets, and this includes all sales for dollars and sales under Public Law 480, in addition to foreign giveaways.

The subcommittee on wheat has been dealing with this problem since January.

We have held hearing after hearing.

We have heard from every farm organization and wheat organization and every Member of Congress and individual who wanted to be heard.

We have heard from representatives of every branch of the Department of Agriculture that has anything to do with wheat.

We have found no solution to this problem that would be satisfactory to everyone.

The farm organizations and wheat growers organizations are in almost complete disagreement as to how the problem should be approached.

Our subcommittee reported a bill which was changed in many particulars by the full committee.

Neither of these bills was perfect, but both the subcommittee and the full committee have kept in mind at all times two major objectives: first, that we must stop piling up wheat on top of wheat for which we have no earthly use, at the expense of the taxpayer and certainly against the long-time interests of the wheat producers of the country; and,

second, that we should do this in a manner which will not destroy the economy of either the wheat farmers or the feed grain-livestock producers of our country.

These are the objectives of this bill.

These objectives this bill will meet.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 10 additional minutes.

Our committee has considered every proposition that has come before it, but we have found no way to get production of wheat below the disappearance of wheat without reducing the acreage planted to wheat. We have not only recommended a 25-percent cut in acreage allotments but we have tightened up loopholes which have accounted for a part of the overproduction in the past. In making these cuts we have also undertaken to do what producers of no other commodity have been required to do, and that is to invoke cross compliance so far as price supported crops are concerned. We have tried to avoid opening up one loophole while pluggging another. We have tried to say to the wheat farmer that while he cuts his production in wheat he cannot turn around and put the acreage into some other supported crop already in oversupply. We have also undertaken by a payment-in-kind equal to one-third of the production on the land taken out of production, to encourage farmers not to plant the acreage in any other crop for harvest or to graze it. To offset the terrific loss in income due to a 25-percent cut in allotments, we have raised the level of price supports from 75 to 90 percent of parity. This is the only provision of this bill to which the Department of Agriculture really makes substantial objection.

The Department has recommended, whether we go the control route or whether we go the so-called free route, that we cut the support level or change it to a percentage of the market price during a recent period of years. A 20 to 25 percent cut in allotments is essential to get production below current disappearance, and the farmers cannot stand such a reduction in their acreage with a price cut in prospect at the same time. It may be that in the long pull stable price supports and acreage allotments are not the answer to the wheat problem, but they are essential if we are going to cut production to an extent that will enable us really to begin to get rid of these surpluses and not bankrupt the wheat farmers of this country in doing it.

In order to plug loopholes which have aggravated the overproduction problem in wheat, your committee has recommended penalties which, in our opinion, will really stop overplanting. One of the big loopholes in existing law has been the ease with which noncompliers could take advantage of the program. The law now provides that penalties shall be at 45 percent of parity and that they shall be based upon normal yields. In recent years actual yields have been running about double normal yields. The result has been that many large farmers have been out of compliance continually, and in the last 4 years such noncomplying producers have added more than 90 million bushels to the surplus. The committee has increased the penalty rate from 45 to 65 percent and has based penalties upon actual yields instead of upon normal yields. These increased penalties will stop the practice of overplanting allotments. Another loophole in the law which has been pointed out by the Department of Agriculture has been the so-called 15-acre exemption. The big difficulty here has not been the size of the exemption but the increase in the number of farmers taking advantage of the exemption year after year. Figures given our subcommittee by the Department of Agriculture show that 15-acre farms have been increasing at an average rate of about 100,000 farms per year. According to Department estimates, this loophole has added 475 million bushels to the carryover supplies in the last 4 years. If the 15-acre exemption in its present form should remain in effect under the bill now under consideration, with commercial wheat producers being required to reduce their acreage by 25 percent and with price supports being increased, there would undoubtedly be at least 250,000 new 15-acre farms next year.

The 15-acre exemption has presented a difficult problem. The Department of Agriculture and the President of the United States have recommended that it be eliminated. Many Members feel we should abolish it. Others have insisted that it must not be disturbed. Your committee has brought forth a reasonable compromise.

It has cut the 15-acre exemption to 12 acres or to the highest planting during the years 1957, 1958 or 1959, whichever is lower. We do not think it is fair to come in at this late date and say that you cannot have a 15-acre exemption. I am going to say to those of you who are going to support the proposition offered by my friend, the gentleman from Oklahoma [Mr. BELCHER] who comes from an area where for the most part producers are relatively large, that if you adopt his amendment, you write off the wheat areas of this country east of the Mississippi River. If you adopt his proposition, you will practically write off all Soft Red Winter wheat areas.

We feel that this compromise is fair in view of the fact that commercial wheat producers have already cut their production from nearly 84 million to less than 55 million acres and are now being asked to cut nearly 14 million acres more. We feel, on the other hand, that it would be unfair at this late date entirely to abolish the 15-acre exemption, because such action would upset the rotation practices of many farmers and would just about take some wheat areas and some types of wheat completely out of production.

While reducing the 15-acre exemption this legislation contains an offsetting provision in that it has entirely removed the 30-acre limitation on the production of wheat to be consumed on the farm. There has been long an increasing demand on the part of many farmers and many Members of Congress for the removal of restrictions against growing wheat for feed on the farm on which it is produced. Enactment of this legislation will remove such restriction and will give your farmers the right to grow all the wheat they want to grow for feed or food on their own farms without penalty of any kind.

Your committee has recommended that this bill remain in effect for a period of 2 years to meet an emergency situation with the hope that permanent legislation which will deal effectively with the problem in the long run may be worked out during the life of this act.

This bill will cut the production of wheat, and there is not any question about that, and it will cut it below present consumption. The increased penalties for overplanting and the reduction in the 15-acre exemption will cut the production of wheat at least 5 percent a year. In my judgment, with the penalty provisions that have been placed in this bill and with the adjustment of the 15-acre exemption, along with a 25 percent cut which all commercial wheat farmers must take, we have a right to expect a greater reduction in production than the most optimistic estimates that have been made up to this time.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I am delighted to yield to my chairman.

Mr. COOLEY. Will the gentleman explain his expression "the highest planted"?

Mr. ALBERT. The highest planted acreage means that if a farmer has planted on his land any wheat during the last 3 years—that is, 1957, 1958, and 1959—but the amount planted during any one of those years is less than 12 acres, he will get the highest planted during any one of those years.

This bill could well result in a full 25-percent cut in wheat production or even more. Some spokesmen for the Department of Agriculture have been putting out propaganda that these cuts would be offset by increased incentives due to increased price supports. This argument is a myth. Our subcommittee had before us the top scientific and technical experts from the Department. They made no substantial claims of this kind. On page 10 of the hearings, Dr. Louis P. Reitz, of the Agricultural Research Service, Crop Research Division, states:

> There has been, during the last several years, a considerable increase in use of fertilizer on wheat. This has, according to some experts, about reached a saturation point for many of the major areas. One of the limitations in further use of fertilizer is the inability of present varieties to respond favorably to higher rates of fertilization.

While there may be prospects in the future for varieties which will better respond to fertilization, I have not been able to find any responsible authority who has the remotest idea that such varieties will be developed with seed available to farmers, within the 2-year life of this bill. The truth of the matter is that under 75-percent supports farmers have used fertilization to the limit and they will continue to do so.

They will grow every bushel of wheat they can grow under the present program. They may take their poorer than average wheatlands out of production as allotments are cut still further, but again they would do this whether the support

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levels were 75 percent of the previous 3-year market average or 90 percent of parity as we recommend.

They will grow much less wheat if they are required to reduce their plantings by 25 percent and we will begin to draw down our surplus stocks. Mark this, this bill not only represents a 25-percent cut in all allotments of wheat but it stops overproduction on acreage beyond allotments, and it stops this eternal adding at the rate of 100,000 farms per year of 15-acre farms which have further aggravated the problem. In my opinion, this bill will cut wheat production a full 25 percent and then some. This bill will not only cut acreage—it will reduce Government costs.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to my chairman.

Mr. COOLEY. I just wonder if the gentleman will comment on the eligibility for voting. Some question was brought up yesterday to the effect that certain farmers will not be permitted to vote in the current year but only vote 2 years hence. Does the gentleman intend to offer an amendment to that section? I would like him to discuss it.

Mr. ALBERT. I do. That happened because of the parliamentary way by which this bill came to the floor. Certainly anybody who is subject to marketing quotas ought to be eligible to vote. There is not any argument on that.

Mr. COOLEY. The gentleman is going to propose such an amendment?

Mr. ALBERT. I shall propose an amendment, if somebody else does not offer one.

We have asked Mr. Walter Wilcox, of the Library of Congress, to give us some estimates of savings in Government costs for the wheat price-support program under H.R. 7246, compared with continuation of existing legislation.

Under leave to extend my remarks, the statement of Dr. Wilcox to the chairman of our committee is as follows:

In response to your request, the following are my estimates of savings in Government costs for the wheat price-support program under H.R. 7246, as compared with a continuation of existing legislation:

	Million bushels
Estimated annual production under the present program	1,200
Domestic utilization plus exports	1,050
Annual increase in CCC stocks	150
Estimated annual production under H.R. 7246, with 25 percent reduction in allotments, a reduction in the 15-acre limitation, and an increase in penalties for overplanting (20 percent reduction in production)	960
Domestic utilization plus exports	1,050
Annual reduction in CCC stocks	90

Savings to Government under H.R. 7246

	Million
150,000,000 bushels taken over by CCC at $1.75 per bushel	$275.5
Storage and interest on 240,000,000 bushels, 150,000,000 reduction in annual takeover plus, 90,000,000 reduction in stocks at 30 cents per bushel	72
Total annual gross savings	347.5

Export subsidies are now paid wheat exporters in the form of wheat taken out of Commodity Credit Corporation stocks. Because of the increased subsidies required under H.R. 7246, an estimated additional 45 million bushels will be withdrawn from CCC stocks to pay the exporters.

Since withdrawals for these two purposes total 125 million bushels or 35 million more than the 90 million bushel difference between estimated production under H.R. 7246 and utilization, the Commodity Credit Corporation will have returned to it approximately 35 million bushels as a result of these payments in kind at $2.10 per bushel (the estimated support level under H.R. 7246). This will require a Government outlay of $73.5 million which should be deducted from the annual gross savings:

	Million
Annual gross savings	$337.5
Less value of wheat returned to CCC stocks because of payments in kind in excess of net reductions in CCC stocks	73.5
Estimated annual savings in Government outlays or costs	264.0

The minority report undertakes to show that this program will cost more than the present program. On page 28 of the report it is stated that the Department estimates that a savings due to 25 percent reduction in allotments will amount to $270 million but that an additional $200 million for increased export subsidies and $180 million to cover the cost of payments in kind, will cause an increase in the cost of $110 million per year over the present program.

This simply is not true. In the first place, the minority report estimates that a reduction in wheat output probably would be less than 15 percent. It entirely omits consideration of the increased penalties for overplanting and the reduction in the 15 acre exemption which alone would account for one-third this amount. In addition it makes unfounded assumptions that great increases will result from increased fertilization and new techniques. It fails altogether to take into account the decreases resulting from adjusting the 15 acre exemption and stopping expansion of the 15 acre farms and in plugging up the loopholes with respect to larger producers. I doubt that any unbiased wheat experts can be found who will support the position that this bill would only reduce wheat production 15 percent as compared with eixsting legislation. The estimates by Dr. Walter Wilcox, of the Library of Congress, are impartial estimates. They are conservative estimates based upon an assumption that this bill will cut production only 20 percent. This is far too conservative in the light of the facts as they exist; but more than this, if everything the minority report says about this bill is true and if everything the Department of Agriculture says is true, and admitting as we must that export subsidies will be increased, there is no question but what this bill will reduce Government costs.

Dr. Wilcox is a neutral authority. He is an expert in this field. He has estimated the savings will be $264 million a year. Somebody said we should take the Department's estimates. The only trouble with taking the Department's estimates is that the Department is playing politics with this thing. I understand the Secretary of Agriculture has been over here, but has not consulted with the chairman of the Subcommittee on Wheat. He has been consulting with Republican Members. Now I am not accusing my friends on the Republican side or the Secretary of doing anything wrong, but I understand they have been huddling on this matter. I think the Committee has tried to handle this problem as it should be handled—in a nonpartisan way.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. HOEVEN. The gentleman from Oklahoma is certainly not contending that the Department is putting out false figures relating to the costs.

Mr. ALBERT. Well, I am just contending that figures can be juggled. I would like to say to the gentleman, we did not get any figures of the kind that we are hearing about from the Department of Agriculture when we had Department representatives before our committee. We asked them to tell the whole truth and gave them all the time they needed to tell the whole truth. Does the gentleman deny that the Secretary and the Assistant Secretary have been consulting with Republican Members and not with Democratic Members during the consideration of this matter?

Mr. HOEVEN. Well, I would not know about that, whether they have been consulting with Democratic Members or not, but I will say, frankly, I have consulted with him and with members of the Department with reference to the legislation in an effort to work out something that would be acceptable.

Mr. ALBERT. I have told the Secretary of Agriculture several times that I wanted to work out this problem. The gentleman from Iowa knows full well how much I respect him and how much I admire him. The gentleman knows that when he and I were trying to work out a compromise the President was issuing press releases giving the Congress fits for not getting out a wheat bill. I ask the gentleman—is that not correct?

Mr. HOEVEN. Mr. Chairman, will the gentleman yield further?

Mr. ALBERT. I yield.

Mr. HOEVEN. Was the Secretary of Agriculture invited to testify on the bill which was reported out of the committee?

Mr. ALBERT. No, because the testimony was all in at that time.

Mr. HOEVEN. Why was he not invited?

Mr. ALBERT. Was he invited to testify on the substitute bill?

Mr. HOEVEN. Well, I am asking the chairman of the wheat subcommittee whether or not the department was invited to testify.

Mr. ALBERT. I might say when we reported out the original bill, I said to every Member, Democratic and Republican, on the subcommittee, "This is the best I can do but I am willing to take any Republican's bill or anybody's bill, if you have anything else to offer." And there was nothing forthcoming when we

concluded our work in the subcommittee. But that has nothing to do with the merits of the case because I am just trying to point out the facts with respect to the argument that we should take only the figures of the Department of Agriculture.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. COOLEY. Is it not a fact that you had before your subcommittee officials of the United States Department of Agriculture for a solid week and the Secretary of Agriculture was accorded the privilege of coming before the committee?

Mr. ALBERT. The gentleman is correct and the Secretary did appear before the full committee. There is no argument about that.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. KITCHIN. The gentleman from from Oklahoma, the chairman of the Subcommittee on Wheat, has brought up a point which I think emphasizes the confusion of Members of both sides of the aisle and those of us who do not know much about wheat, and I consider myself as being in that category. He has brought out the point that there is a difference of some three-quarter billion dollars in the estimates made by the gentleman from Iowa and the statement that has just been made by the gentleman from Oklahoma. The gentleman from Iowa said yesterday, if he is correctly quoted in the RECORD, that this would cost an additional $140 million to the taxpayers. The statement has been made here by the gentleman from Kansas [Mr. BREEDING] yesterday and by the gentleman now occupying the well, the gentleman from Oklahoma [Mr. ALBERT], to the effect that this would be a saving of $528 million over a 2-year period to the taxpayers. Now this difference of some three-quarter billion dollars, I think, should be clarified and someone should be able to furnish a reasonably accurate statement for the benefit of the House. I think there should be some justification of these figures.

Mr. ALBERT. If I have the time, I will try to justify the figures. Now here is the situation. The minority report, and that is the same language that the gentleman refers to, estimates the reduction in wheat output probably would be less than 15 percent, but it entirely omits consideration of increased penalties for overplanting or the reduction of the 15 acre exemption, which alone would account for one-third of this amount. In addition, it makes the assumption that great increases will result from increased fertilization and new techniques. Now, will we get a big breakthrough in fertilization? The experts do not say so, and you have to assume that, if we are going to reach the conclusion that they reach. The experts did not say so. But, I say to my friend, the gentleman from North Carolina, that if we do get a big breakthrough in fertilization, it will not make any difference whether wheat is supported at 75 percent or 95 percent, we will still be paying more than the Government can afford. Once you get another big breakthrough, all price support programs on wheat are finished. There is no question about that.

Here is the important point, the point they overlook, I personally think this bill will cut production 25 percent. This is not just a layman's opinion; I have talked to wheat men all over the country. But here is the point, even the minority report, even the Department admits that this 25 percent cut, this tightening up, is going to get disappearance below production and that is the important thing. If the farmers offered to give their wheat to the Government, the Government could not afford to take it in view of carrying charges.

The thing that is running up the cost of the program is not the initial investment, but the mounting costs of surpluses which have already gone and which are continuing to go into the warehouses of the Commodity Credit Corporation.

This bill will stop the accumulation of surpluses and, in stopping them, will stop the continuing year after year cost to the Government on the same wheat over and over again.

This bill will get wheat out of Government warehouses and in the end will be of benefit to both the farmer and the taxpayer.

The minority assertion that this bill will result in $200 million increased export subsidy costs is simply fantastic.

Export subsidies on wheat are now paid in kind.

It will take about 45 million additional bushels of wheat to pay the increased export subsidies under this bill.

If this wheat were valued at market price the increased export subsidy cost would be less than $90 million.

But this payment in kind using surplus wheat for which there is no market and on which storage and handling charges exceed 20 cents a bushel a year represents no additional Government outlay whatsoever.

The same logic applies to the statement in the minority report that payments in kind to producers for not harvesting a crop on their diverted wheatlands would increase Government costs $180 million a year.

These payments do not increase Government outlays since the wheat is already on hand. The minority has simply been misinformed by the administration which hopes to discredit all proposals except its own. This bill will reduce wheat production below current disappearance. It will reduce Government costs substantially. It will also protect wheatgrowers' incomes and the interest of feed grain-livestock producers.

For these reasons we believe this bill merits broad support.

Now, there has been a lot of talk recently about vetoes. I do not know whether anybody here today has an advance message from the White House whether this bill will be vetoed or not. I know that so far as I am concerned the President of the United States has his responsibilities. I have mine. I know also that if the President signs this bill the responsibility for failure to decrease mounting wheat surpluses in this country will not be his alone. I know further that if Congress enacts and the President signs this bill, the responsibility for the failure of the law, if it does fail, will rest on the Congress of the United States, and I will be willing to assume that responsibility.

I know also, and the President of the United States knows, that if he vetoes this bill the responsibility will be his. I know further that if the President of the United States vetoes this bill he will veto a lot of legislative reforms, so far as the wheat law is concerned, reforms that he himself has requested.

In his message to the Congress on January 29, the President sent up his recommendations in which he mentioned that two routes were open to the Members of Congress in dealing with the wheat problem: The first he called the relaxation of controls route and which he recommended in the longtime interests of wheat farmers. The second he called the control route and with respect to which he said:

> The control aspect of this approach is drastic regimentation which Congress has not been willing to impose. While this approach might have merit for an emergency adjustment period, it would not be in the best longtime interest of wheatgrowers and agriculture generally.

Mark you, that the President has said that the control route might have merit for an emergency adjustment period.

Now, Mr. Chairman, if ever an emergency adjustment period was upon us that emergency adjustment period is upon us now.

The President of the United States said in his message of January 29 that if the emergency concept is to be retained then certain things should be done and here are some of the things he mentioned:

First, the President said we should eliminate the provision allowing any farmer to produce up to 15 acres of wheat. Well, your committee has not seen fit to eliminate the provision but it has plugged a big loophole by not permitting new farms to come in at the rate of 100,000 per year and by reducing the 15-acre exemption to 12 or the highest planted in the last 3 years. It has taken substantial action to give effect to this recommendation of the President.

The President has asked that we increase the penalty rate for overplanting to the point that will stop the practice. This we have done beyond any question of doubt.

The President has told us we should base penalties for overplanting on actual overproduction rather than upon normal yields per acre. This we have done practically as recommended by the President of the United States.

The President of the United States has said we should eliminate the 55-million-acre minimum. For the life of this bill, we have cut that minimum by one-quarter.

The only thing that the President of the United States recommended, that was of any substantial importance and that

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is not in this bill, was that we base price supports on a percentage of the average market price of the immediately preceding years or, if the present standard is retained, give the Secretary the same discretion he has for most other commodities. Now we are not willing to cut the allotments of the wheat farmers of this country by 25 percent and at the same time reduce support prices to an amount that will be the equivalent of 40 cents per bushel the first year and probably an additional 15 cents or 20 cents the second year. Nor are we willing to turn over to the Secretary of Agriculture the discretion as to what wheat farmers will receive in the way of price supports from our Government.

This is not an arbitrary law. If 34 percent of the wheat farmers of this country do not like the control features of this bill they may turn them down. In that event wheat farmers will be permitted to grow all the wheat they want to grow and to receive for it 50 percent of parity. This will be pretty close to the world price, and does anybody here think that wheat farmers or any other farmers should be permitted to have unlimited production and receive at the same time a guarantee substantially above the world price?

The farmers have a choice. They have a choice that they do not have under the present law, a choice on the one hand of giving themselves a right to unlimited production if they want it and at the same time to get an across-the-board guaranteed minimum price support, or on the other hand, 90 percent supports and controlled production. Under present law the Secretary of Agriculture is obligated to support wheat prices in the event marketing quotas are defeated in referendum only to those growers who comply with their allotments.

This bill is not a handout for agriculture. The wheat farmers certainly in the short run would much prefer to have the present program, to keep present allotments and to receive a guaranteed price of around $1.80 per bushel. They can do pretty well under this program, but in the longtime interest of the wheat farmers of this country and in the immediate interest of the taxpayers and consumers of this country, and in the name of commonsense, the time has come for Congress to enact some kind of law which will stop this business of paying farmers to grow things for which we have no present or prospective need. It would be much better to subsidize farmers outright—to pay them not to plant—than to pay them to go through the work and motion of planting and producing something, while depleting our soil—something that we cannot eat, sell, or give away at home or abroad.

This bill is an effort, a hard effort, on the part of this committee to deal with the problem responsibility. It is not a bill that is designed to bring popularity to those who sponsor it, but it is a bill designed honestly and after long consideration to do a job that only the Congress can do and to do it now.

Mr. HOEVEN. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. BELCHER], ranking minority member of the Subcommittee on Wheat of the Committee on Agriculture.

Mr. BELCHER. Mr. Chairman, this is one of the most unique occasions I have ever experienced since I have been a Member of Congress. I am the ranking minority member of the Wheat Subcommittee, and my good friend the gentleman from Oklahoma [Mr. ALBERT] is chairman of the Wheat Subcommittee. This is one of the very few times that we have ever differed on nearly anything. He is a Methodist and I am a Methodist; a great Methodist university conferred an honorary doctor of laws degree upon both of us at the same time last year because they did not want to show partiality. He and I are bridge partners occasionally in bridge tournaments. He and I are both backers of the University of Oklahoma which we both attended.

I think he is one of the most objective-minded and one of the finest Members that has ever been sent to this Congress from any State.

Mr. ALBERT. If the gentleman will yield, the gentleman knows my personal affection for him, and he knows I never have been able to understand why a man who was such a good Methodist, such a good Oklahoman, could be so wrong in his politics.

Mr. BELCHER. I can readily understand why he would say that, when he comes from a State that last year caused the greatest landslide in the history of the United States and threatened such a prairie fire that to this very moment I do not know how I got through it without being burned. In addition to that, I want to congratulate the majority side of this House for elevating my good friend to a position of leadership. I do not think you could have done better. I appreciate your action and I am grateful for this elevation of a friend of mine.

Mr. Chairman, I will say in connection with the wheat bill that never in the history of this Congress has a man more earnestly and sincerely attempted to come up with a wheat bill than the chairman of this subcommittee. He heard everybody who wanted to be heard, and he heard most of them several times, and then if they had any rebuttal he brought them back and let them testify again. At the end of the hearings he introduced a wheat bill known as the Albert bill. It came before our subcommittee and was passed by the subcommittee. It went to the full committee and was promptly rejected by the full committee.

After the full committee had decided to reject all of the efforts and all of the information that had been collected by the subcommittee, then, and after they had written another bill and that bill had not been introduced by any member of the subcommittee and no member of the subcommittee seemed to want to introduce it, although one or two were requested in open meeting to introduce it, a tobacco farmer from North Carolina finally introduced a bill, and the bill before you is the bill introduced by the chairman of our committee. He is the man who, through this bill, is seeking to raise the price support on wheat to 90 percent, the same man who every single day of this session of Congress has been putting forth his efforts to reduce the price support on the commodity that he raises from 90 percent, because 90 percent is ruining the market for his farmers. Just yesterday that bill reducing the price supports on tobacco below 90 percent, a commodity that has never been in trouble, a commodity whose program has always worked perfectly, and if you don't believe that I can say I have the authority of one of the best tobacco raisers and one of the greatest agricultural experts of this House, the chairman of the Agriculture Committee himself.

He has made the statement many times that the tobacco program is the one perfect program that has been brought about. Yet he said that 90 percent is ruinous today, and because he does not have anything to do with wheat he brings on the floor of the House a wheat bill putting it in the 90-percent bracket.

Mr. Chairman, I am going to offer a substitute, and I think at this point it would be a good idea to explain the terms of both of these bills. A lot of general statements have been made, but the exact details of the committee bill have never been presented to the House, and I think it might be a good plan to present that bill and present the bill I intend to offer as a substitute.

The committee bill raises the price support from 75 to 90 percent. It cuts wheat allotments by 25 percent. It tightens up the controls on overproduction. It reduces the 15-acre minimum to 12 acres. As I said before, it requires that 25 percent of the wheat allotment shall be laid out during these 2 years.

Now, to pay the farmer for laying out the 25 percent, if he does not use these acres for any other crop, and very few of the farmers of my district can use it for any other crop, he is paid a bonus out of the wheat surplus that is now owned by the U.S. Government of one-third of the average yield on the acres that he lays out. That goes as a bonus for the reduction of 25 percent.

In the discussion of the cost of the program, and in the discussion of the reduction of production, that has not been mentioned up to now. A third of the normal yield that is delivered to the farmer in kind of a U.S. warehouse will in turn be sold by the farmer in the open cash market to break the cash market for the price-support wheat, and in turn will cause him to go out and buy price-supported wheat; and in the process we delivered wheat that has been bought in at the 75 percent level, we put that in competition with the 90-percent wheat, then we take the taxpayers' money and go back and buy that wheat for 90 percent.

Mr. Chairman, as far as my bill is concerned, it leaves price supports exactly the same, exactly where it is today, it leaves wheat acreage allotments exactly where they are. It does eliminate the 15-acre exemption. My bill for the first time in the history of wheat legislation

puts every wheat raiser in the United States on exactly the same basis.

There might be something wrong with not treating big farmers and little farmers alike, I do not know, but you hear a lot of talk about big farmers and little farmers. I am not for big farmers or for little farmers. I have a few big farmers and a lot of little ones in my district, and I have never on the floor of the House or as a Member of Congress taken the part of the big man or the little man. I think big men are Americans and I think little men are Americans. If you are going to give a vote to the wheat raisers, you cannot say, If you raise 14 acres you cannot vote; if you raise 16 acres you can vote. I believe in giving every wheat raiser in America the same voice and vote in the program. I believe in putting them all under the same price level. If you are going to support one you should support the other. I believe that in determining allotments for little fellows they should be determined on the same basis that you determine the allotments for big fellows. If a 6-acre farmer overproduces, he should pay the same penalty as a 16-acre farmer that overproduces. All farmers in America should be treated alike, in my opinion. That is all my bill does. My bill retains a provision in the committee bill that tightens up control so that those fellows who plant excess acres, overproduce and break the market for those fellows who do comply, will pay a 65-percent penalty on the actual bushels they plant in excess.

The gentleman from Oklahoma says, of course, that I represent the big wheat farmers. I will have you know, first, there are 85,000 wheat farmers in Oklahoma. Seventy-three thousand of them have less than an allotment of 100 acres. Here is a letter from one of the big wheat farmers I represent. This gentleman is a war veteran. He was a member of the executive committee of the American Legion, of which I was post commander. That is how we became so well acquainted.

Here is a letter I just received from him a few days ago, but after the Albert bill was reported out of the subcommittee and before it was junked and the new committee bill came out. This is his letter to me:

DEAR PAGE: I am writing you in regard to the new wheat law that the Agriculture Committee thinks is O.K.

PAGE, if you will just think this out I am sure that you will be and should be against it.

Now a 20 percent cut in acreage allotment even with your 10 percent raise in parity will not let us small farmers remain on the farm.

Now if you are for the big farmers getting bigger, then there is no need for me to say more, but here is the situation.

On our home place we have only a 60 acre (59.4) allotment. Now 20 percent of that is 12 acres so that would be a cut to 48 acres. You know about our production record here in Garfield County, and you see we could not make a living on that, and oats, barley, etc., is not a sure enough crop, and oats even with a good crop sell for around 50 cents per bushel, so it's not much of a cash crop so we are limited as you know to wheat.

* * * * *

PAGE, things for the small farmer are getting serious. You must think out a way for us to have enough acreage of wheat or we must go to town which will make more men for the jobs that are available which will lead to more unemployment.

* * * * *

There is an old saying, "If you can't whip 'em, join 'em" so if you Congressmen can't give us a better break we will have to have you find us jobs, so you see the small farmer's situation so please do what you can for us or there won't be any of us left.

Yours sincerely,

PAUL DICKERSON,
Enid, Okla.

Now, this is one of the big wheat farmers, and that is typical of the wheat farmer, I might say, in my district. A lot have bigger allotments, but a lot do not. Why does this war veteran have to be cut to 48 acres? Simply because we have permitted wheat to move out of that area all over the United States, and the 15-acre minimum has made it possible for a fellow who never raised wheat before to take that on as a sideline, as a little extra nest egg in addition to his other farm income. It is just like the man with a permanent job who mows lawns after supper to make a few extra dollars. My wheat farmers depend on wheat for a living, because that is all they can raise. Their allotments are down below the minimum at this time. The elimination of the 15-acre allotment will not work a hardship on anybody. It puts everybody on the same level and certain farmers will not be eliminated from the wheat program. But, my amendment provides, if he is a wheat raiser, he will be under the program, he will have the same number of acres that he always planted. If every one of my farmers was raising as much wheat as they always have raised, there would not be any 15-acre limitation. I have nothing against the 15-acre farmer or farm of any size. I would like to have them all put in the same buggy; all given the same treatment.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Ohio.

Mr. LATTA. Did I understand the gentleman to say that the wheat farmers in Oklahoma have been cut and that the 15-acre fellows have thereby gained?

Mr. BELCHER. I made the statement that the wheat grown in Oklahoma has been cut by 40 percent on account of wheat allotments and that the 15-acre farmer has not been cut at all. His wheat acreage has been raised up to 15 acres.

Mr. LATTA. Well, the figures I have show that in 1939 the State of Oklahoma had 3,783,954 acres wheat allotment; in 1959 they had 4,874,312, or an actual gain in the State of Oklahoma of 1,090,358, or a net percentage gain of 28.8; while the State of Ohio has been reduced by 48 percent.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BELCHER. Just a moment. I can readily explain that to you. Here you find one Member from Oklahoma on that side and one on this side. Wheat acreage has been taken out of my district and the fellows over in Mr. ALBERT'S district have started planting it.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Michigan.

Mr. FORD. Under your bill, do you have a provision permitting a farmer to grow wheat on his farm and feed it to poultry, for example?

Mr. BELCHER. That is correct, and the reason I have not more thoroughly discussed that is because it is in either bill. The same provision as far as raising wheat for feed on the farm is concerned is both in H.R. 7246 and also in my bill. You can raise all the wheat you want to on your farm and consume it on the farm under either bill.

Mr. ALBERT. On this matter of the 15-acre exemption, I think the House should thoroughly understand it. The 15-acre exemption has been in the law for many, many years. The gentleman knows that. It has undoubtedly caused some shifts in acreage. It has built up certain crop practices, so that there are 15-acre farmers who depend on this exemption, and this will prevent them from getting it.

I want to say this to my friend, and I think he will agree, that the big difficulty with the 15-acre proposition has not been so much the 15-acre exemption as it was originally given but the fact that every year about 100,000 new 15-acre farms have been coming along. The committee bill will stop that as well as reduce the exemption. The committee bill goes a long way in compromising.

The really big loophole has not been the 15-acre exemption per se but the fact that it has been there and every time you have a cut in the commercial area, 15-acre farms have increased. That is what has been going on year after year. The committee bill will remedy that situation.

Mr. BELCHER. I agree with the gentleman that it has been the continual increase in that practice which has increased the number almost 1 million. And it was testified to by the Department of Agriculture that 600 million bushels of the present surplus has been created as a result of the 15-acre minimum. The removal of the 15-acre minimum is not going to take very much away from any farmer in America. But the removal is going to permit the veteran whose letter I have just read—and those farmers are down to rockbottom in those wheat areas—it is going to permit that wheat area to still be in the wheat business, but it will prevent the fellow who joined the wheat program under the 15-acre exemption to go back and raise the crop that he raised before that.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman.

Mr. HORAN. I think the gentleman brought out plainly this imbalance that has been brought about and that needs to be corrected. We are now producing 600 million bushels on land that probably is not fitted for millable wheat. Would the gentleman like to comment

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on the high moisture climate where some of this wheat is produced and produced in rather large bushelage?

Mr. BELCHER. I agree with my colleague from Oklahoma that most of the 15 acres have been planted in the past few years and that there has been about a 100,000 increase each year. Every single one of those fellows that has come in under this exemption is one who did not feel that it was profitable to grow wheat until we made that exemption. Ever since the country was opened, they have grown some other crop and they only joined the wheat program when it became more profitable to sell wheat under the umbrella held over their heads by the actual wheat raiser. So I do not think you are going to work so much of a hardship on the 15-acre boy because all of his life he has raised something else anyway, until he had a chance to get in the wheat program. He can go back and plant the same thing that he planted before that.

Mr. Chairman, I want to discuss one part of this bill that is going to interest those people who represent the great consumer areas of this country. As a man who represents one of the great wheat districts of this country, and a great agricultural section of the United States, I have always been deeply grateful for the generosity that has been displayed by those Congressmen who represent strictly taxpayers and consumers. Year after year when these farm bills have come before the House, the great majority leader on this side whose constituents do not get a dime's worth of benefit directly out of a farm program—although I want to assure him that even his constituents do get some indirect benefits, because a prosperous agriculture certainly tends to a prosperous America and if everybody is prosperous, the people in his district are prosperous, too—he has stood on the floor of this House and has backed programs that did not bring any direct benefits to his people. For that I have been extremely grateful as a member of the Committee on Agriculture. But I think that we members of the Committee on Agriculture owe a duty to these people who have voted all these years for our programs, not to embarrass them any more than is possible. When we go into the next campaign and some unscrupulous candidate for Congress raises the issue that, "You voted for 90 percent parity at the very time that there were 1,400 million bushels of wheat"—and 65 million pounds of it stored in my home town—it might be a little hard for you to explain. They might also ask you, How come you voted for $2.13 a bushel for the wheat that goes into the bread and pastries and cookies that his family eats? I know that members of the Committee on Agriculture can explain that. But I also want to tell you that you might run up against some thickheaded constituent up there who could not understand how you could pay $2.13 for wheat and have bread cheaper than paying $1.81.

You might not have all fellows who understand the agricultural problem like the gentleman from Texas or the gentleman from North Carolina who introduced this bill. But, when the campaign is on, and of course I know a lot of you fellows over on that side are in a unique position, a lot more unique than mine, it is only necessary for some of you to follow the party. Well, out in Oklahoma when I represent 600,000 of the hardest headed, clearest thinking, independent Americans, and I cannot go back and say, "The reason I voted for a certain bill against your interest is because I was following the party." That is not a good answer in my district and especially in view of the 70,000 majority that struck me right in the face last year and this prairie fire I just got out of. I am going to have to have a good explanation for those taxpayers. When I go and talk to my farmers and say, "Yes, I voted to up the price of wheat from $1.81 to $2.13 to save you money." They are going to say, "How much money would you have saved if you had not raised the price of wheat?" I am not going to have Members on this side of the Committee on Agriculture go around there to help me explain it. Maybe some of those things sound all right in the committee, but I would have to go out to some of these farmers that I have and sit on the wagon tongue all afternoon to explain that. I do not have that kind of time. Are you gentlemen representing the city districts going to have the time to sit down in the kitchen of every single one of your housewives and explain to them that you raised the price of wheat from $1.81 to $2.13 so that they could buy bread cheaper and buy flour cheaper and save them money? Are you going to be able to go out in the farm areas and say, "I cut your acreage so low that you cannot make any money no matter what the price is?"

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield.

Mr. BASS of Tennessee. The gentleman seems to have the political situation well in hand. Will the gentleman tell me how I can explain to my Tennessee farmers how I could vote for the Belcher amendment which would eliminate the 15-acre exemption?

Mr. BELCHER. Well, I would go back to those farmers and say, "Listen I think you farmers here in Tennessee that I represent"——

Mr. BASS of Tennessee. I hope the gentleman will not try to make a defeated candidate out of me. Let us talk politics.

Mr. BELCHER. I am giving you your answer to your Tennessee farmers. You should go back to your district and say to your Tennessee farmers, "I thought I represented the finest citizens in America. I did not think I represented a group of citizens who wanted an advantage over any other group in the gentleman's district."

Mr. BASS of Tennessee. I would remind the gentleman that the official reporter is taking this down and I am going to quote him.

Mr. BELCHER. Then the gentleman from Tennessee should say, "For that reason I voted to give you the same privileges that the wheat farmers in Oklahoma have. You have the same vote and the same price support and the same penalties and the same method of getting an allotment."

Mr. BASS of Tennessee. But, you would take it away.

Mr. BELCHER. If the gentleman will wait just a moment and let me finish. Does the gentleman from Tennessee not think that he is representing a citizenship that is honorable and honest and fair-minded enough to want to be treated just like all other farmers are treated?

Mr. BASS of Tennessee. They are as honorable and honest but they are just as greedy as your constituents and they want all that they can get.

Mr. BELCHER. Well, I am telling you. Maybe this sounds funny, but if the gentleman from Tennessee would listen just 1 minute. If you are talking about being greedy, I have an opportunity here today to get 90 percent of parity for these farmers out there in Oklahoma, if I just wanted to be greedy. I could accept the committee bill and go back to them and say, "Do you know what I did? I upped your price supports." But, I am not going to be that greedy because I know it is not good for them. I know it is not good for America. I know it is not good for the State of Tennessee.

Mr. BASS of Tennessee. It is not good for the State of Oklahoma, the State of Tennessee or for America to have 2½ billion bushels of wheat in surplus, now is it, may I ask the gentleman from Oklahoma?

Mr. BELCHER. That is right. I want to reduce that surplus without wrecking the farm economy or the taxpayers, either, in the same process.

Mr. BASS of Tennessee. How are you going to reduce it unless you have a drought or cut the acreage?

Mr. BELCHER. This elimination of the 15 acre exemption will eliminate enough of it to balance the production without increasing the costs.

Mr. BASS of Tennessee. In other words, you just want to destroy the little farmers and say to the big farmers that they can continue to plant all they want.

Mr. BELCHER. This big 40-acre farmer that I have here, I want that poor devil to live on that 40-acre farm just the same as your farmer that raises 100 acres of corn lives.

Mr. BASS of Tennessee. Well, be they devil or saint, I know of very few wheat producers in your area that produce as little as 40 acres of wheat. I had the privilege of driving through your beautiful home town of Enid a couple of years ago. There I saw a wide expanse of country in wheat production. I thought to myself then, "Well, certainly these people are doing well. They are selling their wheat at high prices and are being supported at a comparatively high level and at the same time they are able to produce and grow a crop on all the land that they can afford." But, we want to have just a little bit of wheat to take up the slack as we have been doing for a hundred years in the State of Tennessee.

Mr. BELCHER. Well, now, does the gentleman want to give all my people in the State of Oklahoma, in my area, the

right to raise 15 acres of cotton and let us take it out of your allotment?

Mr. BASS of Tennessee. If they ever raised cotton in their lives out there, they are raising it today.

Mr. BELCHER. They are raising less cotton in the State of Oklahoma than they ever did.

Mr. BASS of Tennessee. My farmers have been cut just like your farmers have been cut in cotton.

Mr. BELCHER. But not one single acre went to farmers in the State of Oklahoma under any kind of exemption. We have been treated just like you have been treated in the cotton program. You treat every farmer I know just the same under the tobacco program.

Mr. BASS of Tennessee. Four years ago when tobacco was in the same situation as wheat is now, we came on the floor of this House and asked the farmers to take a 25-percent cut at one time and a 10-percent cut the next year. They took it.

I will say to the gentleman that price control leads to greater production unless there is effective crop control, whether the support price is 90, 50, or some other percentage.

Mr. BELCHER. Just one minute. Do not take over 5 minutes of my time.

Now let me get back to controlling production. Let me say to the gentleman from Tennessee and to the gentlemen from these other 15-acre States, you are not controlling any production unless you are willing to control yourselves. If you are willing to control your production it will work.

Mr. BASS of Tennessee. The committee bill would, if it gave my 15-acre men the same as yours gets, and under exemption only the 15-acre farmer gets hurt. I am saying for my people they cannot do it.

Mr. BELCHER. It is just like me saying I will take $15 from you and I will give you $3 back, so look what we are doing for you. You take 15 acres away from us and then give 3 acres back and tell us how you are being cut.

Mr. BASS of Tennessee. I am not even saying that to my farmers in Tennessee. I do not see how there can be any new 15-acre farmers. What am I to say to those who expect this year to plant 15 acres next year and be able to sell it on the market?

Mr. HAGEN. You ask the gentleman if he supported what the Congress provided on tobacco the other day.

Mr. BELCHER. There is quite a difference between the two bills.

Mr. BASS of Tennessee. I will say to the gentleman that most of the tobacco producers in my district grow their tobacco on a very small acreage. Were they to increase the acreage to 2 acres they would produce more tobacco than could be sold in the entire world, let alone the United States.

Mr. BELCHER. If you were to give 2 acres to every farmer in Oklahoma, you know what would happen. But I cannot yield further to the gentleman. Why does he not get a little time on his side?

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HOEVEN. Mr. Chairman, I ask unanimous consent to yield 3 additional minutes to the gentleman from Oklahoma [Mr. BELCHER].

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BELCHER. Another thing, I just want to say that if you get the opportunity, whether you represent one section of the country or the other you have got to justify the cost to your taxpayers; and, after all, every single wheat farmer is a taxpayer. You will not under my bill have to go to him and justify a price rise from $1.81 to $2.13 a bushel. But remember at the same time every increase in the cost of wheat is reflected in the cost of bread. The cost of bread has been going up over the years and is still rising. With wheat at $2.13 a bushel when somebody next year says the price of bread went up 2 cents a loaf because you got $2.13 instead of $1.81 a bushel for your wheat, how are you going to explain that to your taxpayers? I am not asking you to do that. I am not asking you to raise price supports.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield.

Mr. O'HARA of Illinois. I am one of those city fellows who need advice. Will the gentleman clarify what he is advising us to do? Are we to vote according to political expediency?

Mr. BELCHER. I can tell you how you can vote according to the welfare of the country and political expediency at the same time.

Mr. O'HARA of Illinois. I am afraid the gentleman did not understand my question. Is the gentleman advising me to vote from political advantage or disadvantage, or to vote according to the welfare of my own people and my own conscience?

Mr. BELCHER. I want to say to every Member of this Congress that during the 9 years I have been here I have not questioned the motives of any man and I do not intend to do so today. I hope that no friend in this House votes for this bill because he is a friend of mine, and if I have any enemies I hope that none vote against it for that reason. I advise the gentleman to select between the two bills, use the best intelligence and judgment that the good Lord gave you and let your conscience be your guide. If it says my amendment is better, then you should vote for it. If it does not, then vote for the committee bill.

Mr. O'HARA of Illinois. I wish to get the gentleman's advice clearly. Remember, I am a city fellow and need guidance in how I should vote. If I vote to help the farmer would I be doing a foolish thing for a man coming from the city? Is that what the gentleman is telling me?

Mr. BELCHER. I cannot understand the gentleman.

Mr. BASS of Tennessee. The gentleman from Oklahoma knows that the price of wheat by the bushel has no more effect on the price of a loaf of bread than the price of cotton has on a silk suit.

Mr. BELCHER. The gentleman might have a thickheaded taxpayer in his district that cannot understand how you can pay $2.13——

Mr. BASS of Tennessee. I do not have any in my district, sir.

Mr. BELCHER. I wish the gentleman on my time would at least listen to my answer.

Mr. BASS of Tennessee. I will.

Mr. BELCHER. I tried to be courteous to every one of you and yielded to all of you. You took about two-thirds of my time.

Mr. BASS of Tennessee. I will listen.

Mr. BELCHER. I may say to the gentleman regardless of what you want to do as far as this bill is concerned, what you do is O.K. with me. I say to every Member of this House: Vote your own conscience, use your own judgment. Whether you vote for me or not is all right with me. I have presented what I sincerely and conscientiously believe, after living in the wheat area for 60 years, to be good for the entire country. I have sought to treat every wheat farmer alike, I have sought to treat all taxpayers alike. I brought in what I think is a fair bill, and I hope you will vote for it. If you do not think it is a good bill, vote for the committee bill.

Mr. BASS of Tennessee. I certainly concur in the gentleman's sincerity.

Mr. COOLEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, the question of high parity supports causing the consumer to pay more in the marketplace cannot be proved by the facts.

Here are the facts: In 1948 the farmers were getting $2.81 per bushel for their wheat. A pound loaf of bread cost 13.8 cents.

In 1955 the farmers were getting $2.14 per bushel for their wheat. A pound loaf of bread cost 17.5 cents.

In 1957 the farmers were getting $2 a bushel for their wheat. A loaf of bread cost 18.8 cents.

Between 1948 and 1957 wheat prices dropped 29 percent to the farmer but the prices to the consumer increased 38 percent.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I requested this time to keep the record straight. I am not going to give you any statistics, because I do not think you can analyze them during this short time. I am not a wheatgrower, I am not a farmer, I have no financial interest other than as a taxpayer in this bill. I was a member of the Wheat Subcommittee and attended practically all the hearings. From that standpoint I can give you some information as to why you should support the committee bill.

The chairman of the subcommittee has told you we could bring out no bill that any two farm organizations would agree on. We have brought out a bill which does three things. It will cut production, it will reduce that great abundance of wheat that we have, and it will cost less than the present program. That is important over what we have.

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With reference to the gentleman from Oklahoma [Mr. BELCHER] and his amendment, he says he wants to treat all people alike. On many occasions we do not treat everyone alike. I do not know whether the Member from Oklahoma feels that we should have an income tax based on the same rate for all people. That would be treating us all alike. The present law and the committee wheat bill do not treat everybody alike. They both do give preferences to the small wheatgrower. In other words, it will not hurt him. But there is one thing Mr. BELCHER's amendment would do, which I think is important. It is in that area where the 15 acres operate now that most all of the Soft Red wheat is grown.

I have a telegram here addressed to the chairman of the Wheat Subcommittee, and I think other Members have this, reading:

CHICAGO, ILL., *June 11, 1959.*

Hon. CARL ALBERT,
U.S. House of Representatives, Washington, D.C.:

With reference to our wire of June 10 we wish to emphasize that we must oppose the Belcher bill as it presently stands or any bill which would eliminate the small farm exemption from quotas. Soft wheat largely comes from small acreages and elimination of this exemption would work irreparable harm to soft wheat production at a time when every bushel is needed.

NATIONAL SOFT WHEAT MILLERS ASSOCIATION GRAIN COMMITTEE.
J. E. SKIDMORE, *Chairman.*
R. M. HUFFMAN, *Secretary.*

There are all kinds of wheat. But there is no surplus of the Soft Red wheat which is grown in the areas where the 15-acre farmer produces wheat.

He will not be contributing to any surplus. This reduction of 25 percent will reduce wheat production in the areas where the surplus has built up. That is why this committee bill is needed. The Belcher bill would permit a continuation of the build-up of those types of wheat for which there has been no great demand and which has consequently brought about this great storage problem that we have.

Now, there was a lot said here yesterday and probably there will be more said about this privilege of voting today. The gentleman from Ohio yesterday kept talking about the disenfranchisement of people because the man in the 15-acre bracket did not have a vote. He does not have a vote now. He does not want to vote. When there is a vote on wheat referendums under present law today, approximately 20 percent of all the growers throughout the Nation vote. There is no demand to vote. The farmer who produces wheat under the 15-acre exemption realizes that he does have a participation in the program; that he does get the benefit of the overall program; that he does get the benefit of the support price, and therefore he is not asking to vote on this. I will say this, that anyone who wants to destroy the entire farm program should vote for the Belcher bill, and if you vote for that type of administration, you will soon be rid of all of the farm program we have.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. SHORT].

Mr. SHORT. Mr. Chairman, probably no legislation that will come before this body in this session or any other session will be of more importance to more people in my State than the legislation we are considering here today. I certainly hope that we can lay aside some of the political aspects of this type of legislation. I certainly hope that we can consider this thing dispassionately in an attempt to try to come up with some answers to a problem that I think has to be answered by this Congress.

As one of only two Representatives from a State that produces roughly 10 percent of the total wheat produced in the Nation and as a Representative from a State that has on at least one occasion produced more wheat than any other in the entire Nation, I feel I have a great interest and responsibility in the consideration of this wheat bill, H.R. 7246. As an individual, I am a wheat farmer and cattle rancher. I have spent my entire life as an operating farmer and rancher and have had a great deal of experience living with the ups and downs of agricultural commodity prices. I know what it means to enjoy the prosperity that favorable prices can provide for anyone deriving his living from agriculture. I know what it means to suffer the hardship that inevitably must accompany price adversity. I do not believe the only solution to the farm problem is lowering the price. I do not claim to be anything of an expert on farm problems. I do not claim to know the answer to the basic problem of stabilizing the farmer's income. I do know and I believe most people realize that there is a problem and it is the responsibility of the Congress to take steps to correct the situation. Congress got farmers into this situation by not taking steps it should have.

Right here I believe I should remind you that the so-called farm or agricultural problem is nothing new or something that has just developed recently. For endless generations there has been a recognition that farmers, for some reason, did not enjoy quite the same stability of operation or the same level of income as other segments of our economy. Probably a major part of the concern of society over the welfare of the farmer stems from the fact that other segments of our economy are adversely affected when the farmers' purchasing power and ability to spend is reduced. Probably no other single industry plays as large a part in the welfare of our economy as agriculture. When farmers are hard up, almost everyone suffers to some degree. Some form of agricultural operation is carried on in almost every county in this entire Nation. Perhaps this fact that farmers are so numerous and widespread is the greatest single reason why farm production and the consumptive capacity of the Nation is and always has been continually getting out of balance. There is too great a difference between individual farmers and growing conditions throughout the Nation for the farmer himself to do much about regulating the amount of any commodity produced on a national basis. This is particularly true of wheat grown in nearly every State. In some instances of a specialty crop grown on a localized basis, farmers have been able to control the amount of a commodity moving to market and thus maintain a fairly stable and satisfactory price. It is most certainly a peculiar twist of fate and a blessing often overlooked these days by the nearly 90 percent of our population who are not farmers that the problem of agricultural prosperity stems from having too much of the basic food and fiber necessities of life rather than too little. This Nation is beyond any question of a doubt the best clothed and best fed of any nation since the dawn of history, and certainly in the world today.

There are many degrees of thinking regarding the end objective of obtaining for farmers a proper balance pricewise between farm income and farm expenses. In the form of legislation, suggestions range from the one extreme of abandoning all Federal price support programs entirely to the opposite extreme of regulating every last item of farm production and the application of a parity price for what the farmer was allowed to produce.

Both approaches, I feel, must be given the benefit of recognizing the sincerity with which the sponsors of the suggested legislation have introduced their ideas.

Those who would abandon the price support approach must be given credit for believing that the American free enterprise system will, if given a chance, bring about a fair return for producing a needed product. We have, as examples to justify this contention, many agricultural products which have had no support program and which are in a more favorable position as to price than most of the commodities which have had programs for many years. In North Dakota, the best examples of the results of these two approaches are cattle and wheat—cattle with no Government program are in a more favorable price position than wheat which has had a program since the early thirties. The basic difference here is that the supply and demand factor has been allowed to function in the instance of cattle—when too much beef was being produced, the price went down and resulted in increased consumption and discouraged production. Cattle producers have severely felt these adjustments from time to time, but the end result has been that no great surpluses have been accumulated and the price quickly recovered.

The story with wheat is somewhat different, of course. During the war years, in fairness to farmers, an incentive was provided by a high support price to justify a farmer's all-out production of a vital strategic material—wheat. When the war ended, however, the price was maintained in fairness to the farmer as a producer of a commodity that had been needed for winning the war. This was only a reasonable consideration of wheat farmers, as compared to other industry, as most industrial operations were given tax writeoffs and numerous other considerations to compensate them for adjusting back to a peacetime economy. For the wheat farmer, however, the adjustment was somewhat difficult. During the war years the transition to farm mechanization made

greater strides than ever before, saddling the farmer with higher fixed costs than he had ever before experienced. The attractive war prices had encouraged thousands of farmers to begin raising wheat who had never raised wheat before, and countless thousands of acres of new land were put into wheat production. The end result was that we had built up a production machine in agriculture somewhat beyond the consumptive capacity of the Nation. As the farmers' future welfare was analyzed by thoughtful people, it was concluded that a very large part of our whole economy was directly or indirectly dependent upon the farmers' prosperity and buying power. Recognizing that if prices were to be maintained at satisfactory levels production would have to be cut back, farmers and people interested in the welfare of farmers began looking for some means of delaying the day of reckoning. The device of continuing the high price support program was hit upon as a mean of stabilizing the farmers' income, with a hope that some market would develop for the excess production. There was always the possibility that foreign markets could be expanded to absorb what we produced beyond our domestic needs.

A vast divergence of opinion has developed among farmers and farm organizations regarding the responsibility of the Federal Government in maintaining farm commodity prices—the complete control and high guaranteed price proponents on one side, and the complete freedom crowd on the other.

The rank and file operating farmer was usually somewhere in between. He was aware that prices of things he had to buy were going up faster than the things he sold. He was also aware that he was competing in a field where labor prices were somewhat fixed by law and where industry could control production to fit the demand. The average farmer, regardless of his inclinations politically or philosophically, recognized that he was at a disadvantage in competing for his just share of the consumer dollar. He had no way to control his production, since the weather is the big factor in influencing production. Due to his great numbers and vast area of operation there was little possibility of effectively controlling the marketing of his products on a national basis. Farmers do not believe that the only solution to this problem is a reduction in prices. Recognizing their imperfections and inequities, but for the simple lack of anything better, a majority of the farmers were inclined to go along with price support programs.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. McGOVERN].

Mr. McGOVERN. Mr. Chairman, the legislation before us was drafted in the national interest. The basic question which it asks us to resolve here today is this: In the face of mounting wheat surpluses and rising storage costs, do we want wheat farmers to plant 55 million acres of wheat in 1960 and again in 1961, or 41 million acres?

If the legislation before us is defeated, farmers will again plant 55 million acres to wheat.

If the legislation is approved, farmers will cut back production by 14 million acres to a total of 41 million acres.

This is not the kind of a bill that is easy for wheat producers to accept.

Why then, do we ask them to make such a drastic cut in production?

Because to continue at the present level of production is to flood Government grain bins that are already overflowing.

We have 1½ billion bushels of wheat under storage now and the taxpayers are paying out 18 cents a bushel every year to store it.

The bill before us will cut wheat production by 480 million bushels.

Instead of adding 150 million surplus bushels to Government stocks in 1960 and again in 1961, it will end surplus production and use up 90 million bushels already in storage.

The net result is a saving of $528 million for the 2-year life of the bill. In voting for this bill you are establishing an economy record that is worth half a billion dollars to the American people.

If you vote against this legislation you will have the responsibility of explaining to your constituents that you wasted half a billion dollars of their money for the purpose of piling up wheat that we do not need and on which we will be paying 18 cents a bushel storage annually for as long as it is held.

Some gentlemen have said that farmers will step up their efforts to grow more wheat by adding fertilizer to their reduced acreage.

This would be true whether we pass the bill or not.

But the expert testimony before our subcommittee established that at least for the time being, farmers have reached the maximum use of fertilizer as an aid to greater production.

It is true, as estimated by the Library of Congress researchers, that the 25 percent reduction in acreage will actually produce only a 20 percent cut in bushel production.

But the point is that this 20 percent reduction gives us 480 million fewer bushels of wheat, and saves the taxpayers $528 million, during the next 2 years.

Nor does this bill hurt the wheat farmer. By assuring him 90 percent of a fair price and giving him surplus wheat stocks from Government bins equal to one-third of his average production on the 25 percent of his acres taken out of production, we hold farm income from dropping further.

At the proper stage of our consideration of the bill, I intend to offer an amendment limiting wheat price support loans for any one producer to a total of $35,000.

There are those who argue that assuring farmers 90 percent of a fair price on their wheat will raise the price of bread. This is a myth.

There is only 2 cents worth of wheat in a loaf of bread. Even if the farmers gave their wheat away, it would not change the price of bread 1 cent. The average wheat price paid to farmers in 1952 was $2.09 a bushel and a 1 pound loaf of bread sold for 16 cents. Last year the average price for wheat had fallen to $1.72, and bread was up to 19.3 cents.

Other gentlemen have contended that they are indifferent toward the bill before us because it relates only to wheat. I personally wish that we were now ready to move on a comprehensive new farm program relating to the whole range of farm production—a program which would balance the needs of farmers, consumers, and taxpayers. Such legislation has been introduced by several Members of the Congress including myself and we have been assured by the able gentleman from North Carolina [Mr. COOLEY] that the Committee on Agriculture will begin hearings on these bills on June 16. Both the 84th and 85th Congresses passed comprehensive farm legislation only to have it killed by Presidential veto. This, however, does not absolve us our continuing legislative responsibility to try again for desperately needed comprehensive legislation designed to meet the mounting crisis in agriculture.

But neither does the need for sweeping farm legislation provide us with an excuse for rejecting the solution now before us relating to the acute emergency in wheat. This is legislation in the national interest and deserves the support of both farm and city.

Since coming to the Congress 2½ years ago, I have consistently voted for legislation that did not directly benefit the farmers of my district because I believed such legislation to be in the national interest.

I say to my city friends in the Congress that if you want those of us from the wheat States to be voting with you in the next Congress, you will support this bill.

I say that not because we would be so shortsighted as to vote against the public welfare out of spite, but because of the blunt fact that if this democratically controlled Congress permits constructive farm legislation to be sabotaged, a good many of us from the rural heartland of the Nation will not be around after 1960 to help you on needed urban legislation.

Let me read you the national platform of the Democratic Party in 1956—a platform drafted under the chairmanship of our great majority leader—a man from a city district who has always had the broad vision and warm heart to know that farm and city are interdependent. This is the platform that the American people had in mind when they entrusted our party with the control of Congress in 1954, 1956, and 1958.

It reads:

> The Democratic Party pledges * * * to regain the full 100 percent of parity the farmers received under the Democratic administrations. We will achieve this by means of supports on basic commodities at 90 percent of parity.

I plead with my colleagues on this side of the aisle who control this Congress not to betray that sacred platform pledge.

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I plead with you not to desert those of us who have stood with you in support of vital welfare measures.

I plead with you in the interest of economy in Government to reduce these mounting surpluses and Federal storage costs that are wrecking our farm program and penalizing our taxpayers.

I plead with you in the interest of the men and women and boys and girls who till the soil in long hours of sweat and toil.

I ask that you support this legislation in the national interest.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. ANDERSEN of Minnesota. I think the gentleman has hit on the real difference as to what should be considered between these two proposals. I am trying to determine in my own mind under which proposal we will have the less production. Our big problem is overproduction today and to me it is senseless to continue to mine our soils to produce wheat only for storage and deterioration.

Mr. McGOVERN. May I say to the gentleman from Minnesota that I know he is an informed Member on agricultural issues. It seems that any reasonable person would agree that if we could take 14 million acres of wheat out of production, we are going to have substantially reduced volume of wheat production. The gentleman from Oklahoma [Mr. BELCHER] has a proposal that would doubtless win the support of a certain number of our wheatgrowers, but he still permits 55 million acres of wheat to be planted under the allotment program in 1960 and 1961.

Mr. ANDERSEN of Minnesota. May I ask the gentleman: Are these figures which you are quoting fairly well verified in the hearings?

Mr. McGOVERN. These are figures that were supplied by the Legislative Reference Service of the Library of Congress. They are figures that are contained in the majority report of the committee. I think they are conservative figures. The Library of Congress says that instead of a 25-percent cut in wheat production, we will actually get only a 20-percent reduction under the committee bill. But the point is that with the 20-percent reduction we will get 480 million bushels of wheat out of our present level of wheat production and we will save $528 million in tax funds in operating the program.

Mr. ANDERSEN of Minnesota. The gentleman has given some very worthwhile information. Can the gentleman answer one further question that has come to my mind since I have been listening to this debate. Under which proposal will the good of the program in the future be most accentuated? In other words, if we accept the proposal of the committee will we assume that the price support program has every opportunity to continue? Or if we accept the proposal of the gentleman from Oklahoma [Mr. BELCHER] is that the beginning of the end—similar to what we have in the corn program today?

Mr. McGOVERN. I know the gentleman from Oklahoma [Mr. BELCHER] has offered his proposal in good faith, but my great fear and the fear of my wheatgrowers is that it will result in voting out the entire wheat program. I think that would be disastrous to all concerned.

Mr. ANDERSEN of Minnesota. I thank the gentleman for his courtesy. He comes from a surplus producing area as I do and in the problems affecting agriculture we are very much in accord.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. SMITH of Kansas. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. SMITH of Kansas. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas.

There was no objection.

Mr. SMITH of Kansas. Mr. Chairman, the present bill under consideration today is the result of several months of cobbling exercise by the House Committee on Agriculture. Any cobbling or patching-up effort on any project is just a temporary repair and eventually just has to be scrapped. When we patch a tire, we are just putting off the day when a new tire will have to be purchased.

That is the position we are in today. This measure is only for 2 years. Eventually the Congress will have to buy new tires for this wheat program or else just junk the wheat vehicle.

The chant against the so-called farm program has been particularly loud and long in the city press and over the TV and radio. They all have a lot of statistics and figures supplied by the farmer's own U.S. Department of Agriculture as to the increasing costs of our surplus stored stocks of surplus grains. All these comments try to infer that the farmers got themselves into this mess so the only solution is to give them back to the Indians. This is not going to happen, but many would apparently like to see this come about. There is no one else in the economic life of our Nation who has to live by the law of the jungle, and the farmer is not going to be compelled to do so.

We, who have spent some time over the years on this complex farm problem, fully realize that for any program to be made to work must have a sympathetic administrator, which we have not had for the past 5 years. But anyone who is familiar with the legislative progress of Federal programs fully realizes that no program is ever perfect, but it helps if the Administrator is sympathetic with its purpose.

The biggest handicap we have in trying to write a farm program is due to this fact—you just cannot hide excess bushels of wheat, corn, or a bale of cotton—they must be stored. When we pass tax laws, social security benefits, unemployment taxes, and a thousand tax gadgets to get more money in the till they are all cleverly hidden and concealed from general public view. Not so with surplus crops; they are in the public showcase.

Over the past 5 years thousands of editorials have been written and countless speeches have been made about the enormous cost of storing our surplus wheat. Every paper from the New York Times to the lowest provincial weekly always starts off by showing how much Uncle Sam is paying for these storage charges.

There is probably no field of general human interest where there is such a diversity of opinion, as to causes, as in the discussion of the so-called surplus farm food problem. The basic facts involved are little understood by the average person. But, as is the case when some spectacular crime is flashed all over our newspaper headlines, everyone seems to know "whodunit" and is certain "so and so" is the one who caused it all. Those with the least experience and who have the fewest facts are the loudest for their own theory in the solution of this surplus. In this so-called tragedy of surplus crops those who know the least about the facts are the most certain that they know just where to find the guilty party—and strangely enough the Hawkshaws and Ellery Queens who claim they have the solution to the farm problem live in the large cities, and most of these city experts would not know the difference between a Holstein and a Plymouth Rock. These experts always come up with about the same answer, which is this, "The guilty party is that grasping, greedy farmer riding around in a Cadillac with both hands in Uncle Sam's pockets."

We are all familiar with doctors and their modern methods of diagnosis. If after a diagnosis the patient fails to respond, to the modern doctor it would indicate a wrong diagnosis, and the doctor instead of just giving aspirin or anacin would attempt to make a new diagnosis. But in this case of wheat we do not have to make another diagnosis, it is simply overproduction. What we must search for is a remedy for our overproduction or the surplus of wheat at present in Government warehouses. The doctor will tell you when he has made the correct diagnosis his basic problem is solved, because modern medicine can work miracles, except when the disease is cancerous. From 10 years of effort it may be that the "wheat surplus disease" is almost cancerous because so far no one has come up with a solution.

But to those who want to know more and who desire to be fair and are willing to listen in regard to farm surpluses, here are some facts not derived from Benson fairy tales or from the Brannan plan.

In 1933, after Roosevelt was elected, Congress, listening to the siren songs of the panacea peddlers came up with a brand new idea that would solve the growing of surplus farm crops. They said it was a new concept, although the Code of Hammurabi told the same story on clay tablets 5,000 years old.

This new panacea was called the Agriculture Adjustment Act of 1933. This act provided that certain agencies were to investigate conditions of overproduction. The drought years of 1935–36 eliminated the surplus just as the droughts eliminated surplus back in Joseph's day in Egypt. Then some good weather, and a little more know-how

again started the legislative wheels to rolling and the Agricultural Adjustment Act of 1938 was enacted by Congress, but this time the legislation read, "This act is to protect the farmer in drought years as well as lean years."

This act of 1938 is still the basic agricultural law. For the past 20 years, through World War II and the Korean police action, the Congress has tampered, tinkered, patched, and cobbled on this 1938 coat of many colors, all in the guise of helping the farmer. It seems to be the certain definite mark of all farm legislation to go on repeating the mistakes of the past. You do not change principles by calling them new names or putting on a gaudy patch to cover up some old well-worn hole in the seat of the garment. There has only been one stated objective in all so-called farm programs and that was to stop overproduction and give the farmer his fair share of the economic wealth of this Nation. The basic cause why these programs have not benefited the farmer in the long run is that the patchers, the tamperers, and the meddlers in patching up this old frazzled 1938 act could not see that their program was off the economic road and headed for the swamps and morass made up of Government bins and warehouses. The political expediency experts could not see that; all they were doing or trying to do was to defy the economic law of supply and demand. These political expediency panacea experts could have just as profitably spent their time in trying to invent a perpetual motion machine. They would have been just as successful with a perpetual motion machine; in fact, it would have been much better because they would have saved billions of dollars to the American taxpayer.

Figures are generally not well received because many times their accuracy is questioned, because it certainly is not an easy task to compile them from so many sources. However, we must assume the Department of Agriculture certainly has access to the proper source for farm products statistics.

The Commodity Credit Corporation says that as of January 1 it owned 60 percent of all the wheat in the United States, 8 percent of the oats, 40 percent of the barley, 37 percent of the rye, 35 percent of the corn, 65 percent of grain sorghum, and 23 percent of the soybeans. The above figures expressed in bushels is 8,108,000,000 and of these bushels the Commodity Credit Corporation owned 3,279,000,000, or 40 percent. It is stated that Commodity Credit Corporation stocks have increased 26 percent over a year ago. The tragedy of all this surplus grain in simple terms means that if we dumped all these bushels on a free market, as many advocate, we would break and bankrupt every farmer, grain farm elevator operator in the United States, and seriously interfere with the whole economic life of the United States.

I am well aware that there have been hidden hands pushing these so-called farm programs down the socialistic road to a blueprint planned welfare State. The speaker is not willing to throw all farm programs out of the window for reasons stated above, but any farm legislation that does not have as its basic objective a start to get rid of our Government-owned surplus grains in elevators is not a step in the right direction. We have had enough of tinkering and grand experiments. Let us start to realize that this surplus program cannot be solved by more of the same patching, cobbling techniques. The only goals we should have is to gradually get rid of our surplus; then start toward a free market, free prices, and freedom of the American farmer.

But this ideal is hard to obtain, for the simple reason that there have been many patchers, tinkerers, and panacea peddlers in other economic fields. The so-called foreign aid program has brought us nothing but competition in the world markets for our excess farm products. It is fairly easy to prove we have lost at least 300 million bushels of export grain by our benevolent giveaway programs. Anyone with any degree of intelligence will have to admit that minimum wage laws are a subsidy. All tariff laws are subsidized as well as perhaps 10 or 12 more industries who have had and still have their hands in Uncle Sam's pocket, to the tune of billions.

Every farmer knows, except one who does not want to work—and there are some who seemingly want to stay in this slough of Government controls—that the ultimate solution to the American farm problem is to beat back to the free market concept. But in the U.S. economy today the farmer is the only one whose income is going down while his costs are going up. Mr. American Farmer just knows that he cannot be the only rugged individualist in our American economy.

Perhaps the most complex of all our surplus food problems is how to get rid of the 1 billion bushels of surplus wheat now on hand. If you are interested in the basic cause of this surplus wheat remember these facts.

Today in America you cannot increase the consumption of wheat by lowering the price, because wheat is essentially a human food. Our dietitians have helped to decrease the amount of bread Americans eat. The consumption of wheat 50 years ago was 6 bushels per capita. Today we eat less than 3 bushels per capita. Potatoes and bread—longtime basic foods—are sliding downward yearly in the annual consumption per capita. If we ate 6 bushels per capita today in America there would be a shortage of wheat for human consumption. Last year—greatest wheat production on record—we only produced about a billion bushels. Today there is a population in the United States of 173 million. Multiply this by 6 and you get 1,038 million bushels that would be needed to feed just the American people, let alone any export wheat.

The farmer buys in a market of administered prices; that is, prices that are determined in a large degree by governmental actions. Certainly the minimum wage laws directly affect the price of what a farmer pays for a tractor. Certainly the policy of guaranteeing remunerative contracts to the producers of missiles, atomic weapons, et cetera, adds to the farmer's taxes. Certainly the railroad retirement system adds to the freight bill on everything that the farmer buys, as well as everything that he sells, and he pays the freight both ways. The average income of people on farms is today only $1,027, while the average income of people not living on the farms is $2,040. In other words the average person on the farm is making just one-half as much as the person not on the farm and one-third of all of the income of people on the farms comes from nonfarm sources.

To deliberately adopt a policy that would still further decrease this pitifully small farm income, while holding nonfarm income to its present levels, is so contrary to my feeling of right and wrong that I cannot seriously consider going back to the freedom of 1932.

It seems quite apparent to most persons who try to analyze the present farm problem that they cannot agree with Secretary Benson's basic policy—whose philosophy is: We must have no controls or price supports. In fact, Secretary Benson, President Eisenhower, and the president of the American Farm Bureau—have all advocated lower prices and less acres for the wheat farmer, in order to get rid of our surplus.

Everyone knows that the cost of storing Government wheat has been too high. The figures generally given as the annual fee for storage of various grains are: wheat 21½ cents, corn 19 cents, and 14½ cents for oats. Why such exorbitant fees? Because the elevators have been efficient lobbyists. There are many others besides the terminal elevators who have labored arduously to get overproduction because they would be financially benefited. Some of the biggest "farmer's friends organizations" have been the loudest in trying to keep the present programs.

Here is what one authority outside of Government had to say about this storage racket:

> Wheat in the Southwest is a notorious case in point. Elevators store wheat for the Government at usurious rates. They are responsible for grade. But weight and grade are not frequently checked. And grade is not the sole measure of quality. Elevators take CCC wheat, take out the high protein wheat and the best milling wheats and replace it with their own low quality wheat. The Government and farmer-owned wheat is put through a continuous culling process that enables the elevators to sell premium wheats and leaves the storing public with grain fit only for feed. Just how much milling quality wheat does the Government really own?

It has always been my belief that any so-called wheat bill which does not have as its basic objective—cutting down on the storage charges and getting rid of our excess bushels of wheat—is a bad bill. That is why I have always advocated a bushel allotment plan with the proviso, if the farmer raised excess bushels over his allotment he must store it at his own expense on his own farm and at his own risk. To compel him to store this surplus wheat in his bins would save millions for the taxpayer, because we already have been told today and will be told again and again the United States is paying in excess of $1 million a day in storage charges.

This bill contains, in my opinion, three vital provisions; namely, first, it will cut

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down bushels in storage; second, reduce production and at the same time, third, not reduce the price to the farmer. This bill cannot solve all the inherent problems of wheat production, because we must remember there are 1,816,000 farms in America that produce wheat. Almost every one of these wheat farms has a peculiar individual aspect that will be readily apparent when the farm goes under the rule of law. One of the basic objections to most of the past farm laws was—it was impossible to make allowances for the types of soil, climate, rainfall, and so forth, that are found throughout the United States.

Fifteen acres of wheat in the rich blackland, high-rainfall area of the upper Mississippi Valley will produce more wheat over a 5-year period than will 80 acres in the high plains area of Kansas, Oklahoma, Nebraska, or South Dakota because of climate, drought, and insect damage. Yet allotments are always the same in all areas. It has always seemed a bit unfair to allow the man with Government irrigation facilities to have the same allotment by law as the man who has to depend on nature for his moisture.

We all know that the farmer for the first 150 years of this country was an independent operator free to plant, grow, and sell, but after the 1930 era of depression and overproduction Congress started out to try and solve the economic problems of supply and demand by regulating production.

A great many people, including some farmers, believe the only solution to the present farm problem is return to a free market—if it were possible for the farmer to buy on a free market, without any Government regulation, minimum wages, price floors, or many other compulsions that affect the price the farmer must pay to survive. Not only do these compulsory price raisers come from the Federal Government—but from the States attempt to raise additional revenue to use for all the social services devised by our modern society.

Recently in discussing this aspect of the farm problem and why the farmer cannot be expected to be the only rugged individualist in our economy, Assistant Chairman POAGE of the House Agriculture committee said:

> Many city people can't understand why their food costs rise—and the farmer can't understand why the price he gets goes down. Of course, there are reasons and it is hoped this article will help to point some causes. The farmer thinks he is being imposed upon by his Government and society in general. The farmer knows that people not engaged in farming are just as much dependent on farming as they were 100 years ago—when one farmer could produce enough for himself and three other people—today a farmer can produce enough food for 20 others—and probably this figure will continue to grow.

Let us examine a few basic reasons for these high food prices. Last year 60 cents of your every food dollar went to the people who bought, handled, sold, processed, transported and packaged these food products; less than 40 cents went to the farmer. Let us take another look at another aspect of this food cost. In 1946 an average American family spent $767 for food; of that sum, the farmer got $397. In 1957 this same family spent $1,010 and the farmer only received $3 more, or $400. The farmer's share went up $3 and the cost to consumer went up $240.

Let us take a look at another view of these food costs. From 1952 to 1957 the farm prices decreased 20 percent. In 1952 farmers got an estimated income of $15.1 billion. In 1956 this income dropped to $12.1 and last year it was down to $10.8 billion.

What would have happened to consumer food prices if these farm-produced foods would have gone up like all other costs? We would have paid 25 percent more for food. It is a bit difficult to put across, but it can very readily be proven to those who wish to be fair—that in strict reality the farmer has been subsidizing the food buyer.

The farmers now make up only 12 percent of our total population yet they only got 4 percent of total income. Last year farmers' tools cost $4 billion more than they would have cost in 1952. In 1950—25,058,000 lived on farms. Now in 1958, though the U.S. population is increasing rapidly, there are 5 million fewer farmers, and most significant one-third of the net farm income came from nonfarm jobs.

In any grocery store or almost in any Congressman's mail you will find this statement: "If they want to keep within the budget—why not quit subsidizing the farmer?"

Please remember this: Just name one business that does not receive some type of Government aid. It may not be readily apparent, but on careful search Government help will show up. In the last 50 years for every $1,000 this country has spent on subsidies the American farmer only got $5.

Many forget and do not seem to care for the truth as to what is actually spent on farm supports—there are many items charged to the Department of Agriculture that are not farm supports. Should farmers be charged with meat inspection? Should the farm program be charged with 872 million pounds of food given to the school lunch program? One million four hundred thousand pounds of food for people needing help in national disasters? Should the farmers be charged with all the foods that have been given away under the Marshall plan?

The farmer gets a bigger share out of each food dollar that is spent for poultry and eggs than any other dollar, 65 cents. But the farmer only gets 48 cents for dairy products and 22 cents for grain products and the big bulk of the farmer's income is derived from grain.

In any discussion of what the farmer gets we must always remember that the farmer is the only person in our economy who has to say, "How much am I offered?" The farmer is simply a price taker not a price setter. There is also another factor our city critic cannot quite understand: A farmer has a partner in all his food production; this partner is stubborn, undependable, erratic, unpredictable, and most often uncooperative. Who is this partner? "Old Man Weather." He can rob a farmer's pocket quicker than 10 pickpockets.

The above factors are all controlling and must be considered by every successful farmer, but no one sitting in the Department of Agriculture bureaucracy ever seems to think of these factors when they start their planning for farmers. These planners are always insisting a cotton farmer in the uplands of Georgia is entitled to some same base acreage allotments as the farmer who irrigates on the fertile soils of Texas and California.

Another factor our city consumer does not realize is this: If farmers produced today with the same methods they used in 1940 the consumers food bill would be $13 billion a year more. The consumers seem to think because we have stored up some 3 or 4 billion dollars of excess food that this is an extravagant waste of tax money. But this 3 or 4 billion is saving the food consumer some 13 or 14 billion in increased food prices.

Today the farmer must withstand the hard knocks from low prices, reduction of acres, and a rising cost of living for the things he must purchase. The farm program theory of Secretary Benson has been "reduce the price support and you will get rid of the surplus." This theory should be thrown out the window. It has not worked in the past and it will not work in the future; because the farmer will simply put more effort, more fertilizer, and with good weather produce more crops. The farmer must have dollars, so he goes after volume because with enough volume even at a lower price he can get more dollars.

The farm problems and surplus crops are not one for the farmers alone. Our population increases 8,000 every day. It is estimated that by 1975 we will probably have 235 million people to feed and clothe. No one advocates that we eat our way out of this surplus. Most important thing to remember is that the American people are eating more meat, more fresh vegetables, more milk, and more cheese. The staple, old-fashioned foods such as bread, beans, and potatoes are off a lot of peoples' diets. When you go to the big supermarkets and see hundreds of food items on the shelves from all over the world and then when you buy a complete frozen meal that you prepare in 20 minutes, do not blame the farmer for the cost of this food. And do not forget the producer of food today is just as important a person to you as the producer who got the food for your great-grandfather by using a gun, sickle, and a hoe. Modern civilization and our standard of living is simply the result of someone producing food by using soil and water.

The average citizen of our high-plains area who thinks of the falling farm prices while things he buys goes on in the upward spiral, must recognize certain forces as to why we continually build up our surplus food products.

In 75 percent of the letters that are written to me in regard to the United States surplus of food products, this idea or thought will appear: "Let us give these excess products to the needy people of the world and quit paying storage on them." That is a fine Christian concept but it is not that simple. Let us take a little closer look. Each foreign nation is sovereign and has the right to control its own people and affairs just

as we do in the United States. You cannot load a shipload of wheat, rice, lard, cheese, and milk products in the United States and sail to a foreign country and unload the ship and say to the citizens of that country: "Come and get it." The foreign country will not permit it because they will simply say, "These are our citizens. We have farmers and storekeepers and you cannot drive them out of business by dumping your products on us." Then again, some of these countries will say, "You cannot make paupers out of our people. We will take the products you offer and distribute these as we deem just and equitable." Which means selling it through their regular trade channels. I am sure that we would not permit some nation to distribute its excess products, free of charge, to our people, thus depriving our own farmers and businessmen their right to their normal profits. That is basically why foreign governments will not permit us to give away our excess farm products. Even when church groups distribute these excess products the countries still strictly control the distribution.

Let us also look at some more barriers and reasons why it is difficult to dispose of our excess products in foreign countries.

Each foreign country has a quota system, permitting only so much of a product to be imported. Belgium has a requirement that all bakeries must use 90 percent Belgian flour made of wheat grown in Belgium. Other countries have similar requirements. Even if there were no import restrictions on these food products, there is the question of money exchange, which, of course, means how to pay for these products. Most foreign countries will not permit their currency to leave the country; in other words, buyers of U.S. products have to get permission to pay for their U.S. products with their own currency. Many times there are no dollars to exchange. This currency shortage is a most difficult barrier.

A few years ago Congress passed a law so that the United States could barter our excess food products for some commodities that a country wanted to trade us. There again we ran into difficulty because not many countries had products with which to trade that were not already in plentiful supply in this country. There were, however, certain countries where we could trade cotton and wheat for strategic minerals. As a result we have huge mineral stockpiles now on hand.

Another factor that restricts the export of livestock products in excess of our own needs is that these livestock products are regarded by many countries as luxury goods, and hence will not permit these meat products to be imported. In other words, they refuse to use their scarce dollars for what they consider luxury items. France, Italy, and Britain are good examples of this. France could consume a great deal more of pork products except for this factor. There is also another factor which retards the exportation of our meat products. Our prices are higher, much higher, than the same products from Argentina, Uruguay, Australia, New Zealand, and Canada.

Perhaps the greatest of all handicaps of getting rid of our surplus wheat is the fact that we, the United States, have been a party to the International Wheat Treaty, by which we agreed to a world price for so many million bushels of wheat.

We have to live up to this treaty. Then the other wheat-exporting countries like Canada, Argentina, Australia, Turkey, and so forth, say, "The United States is dumping their excess wheat on our prospective markets." This, of course, causes these countries to point their finger at Uncle Sam, and say, "Is this what you mean by a good-neighbor policy?"

The above statements are pointed out to show how complex is this whole matter of disposal of excess farm products abroad. Our State Department has the final say so on all such transactions. We have agricultural experts in all foreign countries. Who do they work under? The Secretary of Agriculture? No, the Secretary of State.

In all these transactions of trying to get rid of our excess food products we are always confronted with foreign nations' attitude, whether it be by gift, barter, or sale. These foreign countries through necessity must try to maintain a balance between their own consumers and their own producers.

No one will deny that through our foreign-aid programs we have assisted most foreign nations to increase their production of food. We taught them our methods, gave them tractors, experts with the know-how, fertilizers, insecticides, and so forth. We encouraged them with our tax dollars to produce, and they did. Consequently, look at our own exports; they are going down, down, down.

Many countries, through regulations, do not permit many of our meat products to be imported. Canada will not permit the United States to export fresh, frozen, or cured pork for sanitary reasons.

Another factor that has to do with our own U.S. policy is this: We are the world's biggest producer of meat products. The largest importer of meats in the world is Great Britain, and strangely enough the United States is second largest importer. We import, according to the U.S. Department of Agriculture, 524 million pounds per year. This includes beef, veal, pork, mutton, lamb, goat and horse meat on carcass weight basis.

Payments received by farmers for food products in 1948 was 19.2 billions, but payments to farmers for food products in 1957 was 19.5 billion. The retail value of this 1957 food was 50.5 billion. That is what the consumer paid. The retail price of the 1948 food sold by farmers was 39.0 billion. The marketing charges rose over the 10 years to $11.4 billion. The figures apply only to foods produced and sold off the farms and purchased at retail by consumers. For feeding a population of 146 million in 1948, the farmers received a sum of $19.2 billion, but in 1947 received $19.5 billion for feeding 172 million persons.

Most of the loud voiced panacea peddlers, who always are pointing out that farmers are getting rich at the expense of the consumer, are just cheap prattlers of silly songs, trying to get votes in the large cities.

The facts are very apparent to anyone who wants to really know, but there are even people in the Department of Agriculture who seem to think it is their duty to always be talking about the necessity of lowering the price of farm products in order to protect the interests of the consumers in the large city areas.

The farmer today gets lower prices for basic farm products than he did in 1952. Take butter as an example; in 1952 the wholesale price of butter in Chicago was 72.2 cents per pound, today it is 58.7 cents. Most retail food prices increased 30 percent from 1950 to 1957. Butter prices increased less than 2 percent.

What causes the increase in food costs to consumers? Labor, transportation, additional costs of packaging, freezing and the preparation of precooked foods. One of the biggest items in the increased cost is taxes; and, of course, throughout history the tax gatherers and tax leviers have been trying to conceal the taxes levied. The best tax in the eyes of the taxmakers is one that is the most cleverly concealed. Certainly the taxes on the processing of food is a good example of concealed taxes.

The farmer's contribution to the consumers' food bill has not increased in the past 10 years. Incomes of persons who are not farmers have increased steadily during the past 10 years. The cost of goods and services the farmer must have has increased steadily. The cash income of farmers has not increased.

There is also a vociferous group seeking consumer votes who are always saying the price support program for farmers increases the cost of food to the consumer. This is not true. The figures and data included herein take into account so-called price supports.

Not long ago I received a postal card with 3 bright new pennies attached. The message on the card said: "Lower the price of bread by getting rid of price supports." This was an admission that there is about 3 cents worth of wheat in a 24 cent loaf of bread.

Let us take a little closer look at what goes into the cost of a 24 cent loaf of bread that a few years ago cost 10 cents.

Wheat today sells on the market for about $1.73 a bushel. By the time this bushel of wheat is made into 66 loaves of bread, it costs the consumer $15.84—quite a spread.

The grocer who sold this bread at a profit got about 3 cents on a 24-cent loaf. He had to pay out of his 3 cents a portion for taxes, social security, unemployment, electricity, telephone, rent, investment charges, delivery charges, gasoline taxes, income taxes, and so forth. All these taxes must be paid or go out of business. In addition to these hidden taxes and fixed charges for doing business, there are the constantly increasing labor costs of his employees. Mr. Hoffa's teamsters do not work for nothing. So it would seem with all these charges—3 cents profit per loaf is not an exorbitant profit.

The mill that ground the flour paid 2½ cents for the wheat in a loaf of bread, but when he sold the flour for this loaf he got 5 cents. This flour milling company has seven Federal taxes to pay as

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well as seven State taxes to pay. The railroads or trucklines that hauled the flour also had about the same number of hidden taxes to pay.

Let us take a look at other factors of cost in this loaf of bread. There is sugar in it. Sugar has had a very stable price over the past 10 years. You can get about as much sugar for a dollar today as you could 10 years ago, maybe more.

So the sugar cost in a loaf of bread has not increased. Neither has the cost of shortening increased, nor the price of salt. It was recently pointed out by well-informed sources that with all these charges a loaf of bread could be sold for 12 cents.

But upon closer look we find more hidden charges. It is estimated there are 206 separate transactions in getting a quart of milk from the pasture to the bakery.

It is reliably estimated there are 151 separate taxes on this 24-cent loaf of bread.

In final analysis we are paying in hidden taxes—12 cents on each loaf of bread.

What conclusion have you reached in regard to these figures? I believe there is only one conclusion you can come to and it is this: The grocer, the baker, the miller, the railroads, the trucker—involved in this loaf of bread—does not pay these hidden taxes, you pay the taxes—you the consumer pay—because all these people or corporations just pass the tax charges on to you.

It can safely be said the people who eat this 24-cent loaf of bread pay all the taxes.

The farmer who received the 2½ cents for his wheat also paid taxes.

And while thinking of taxes please remember whenever you hear about Congress voting a billion dollars to India, Tito, Communist Poland it costs every American family $25 for each billion spent. Do not think because you do not pay this $25 directly you do not pay it.

For the average citizen these hidden taxes are more costly than a direct income tax.

And here is a question for you to answer, "If every family had to send in their $25 to pay their share of the billions aid program to Communist Poland and Tito, how much do you think Poland and Tito would get?"

As I said in the beginning, I realize this bill is a patched-up affair; but it is a start, and in my opinion will start reducing the surplus of wheat and not break the farmer in so doing. This bill is only for 2 years.

Its basic provisions are:

Reduces the 15-acre exemption to the smaller of 12 acres, or the highest planted acreage in 1957, 1958, or 1959, and permanently repeals the 200-bushel exemption, which is now inoperative.

Removes the ceiling of 30 acres on the wheat-for-feed exemption, and allows unlimited production for on-the-farm use.

Provides price supports at 90 percent of parity, but requires producers to reduce their acreage allotments by 25 percent. This land in the 25-percent reduction is not eligible for the soil bank or for planting to any crop subject to price support under the Agricultural Act of 1949.

But farmers could plant sorghum, corn, oats, and rye, which he could sell on the open market. He could plant crops for ensilage on this 25 percent land.

If the farmer will agree not to plant any crops or use for pasture any of this 25 percent land, he would receive a bonus for this 25 percent land of a payment in kind in wheat on one-third of the actual average wheat production during preceding 3 years. As payment he would receive a certificate that he could take to the Government stored grain bin and get wheat or sell his certificate in bushels of wheat at market price.

For the 2 years this bill is in effect it increases the present penalty for overplanting to 65 percent of parity, and bases computations on double the normal yield or the actual yield, whichever is lower.

Provides automatic history preservation.

Wheat farmers would be given an opportunity to vote on this if the bill becomes law. If two-thirds fail to vote for it there would be unlimited production of wheat at 50 percent of parity.

I shall support this bill because in my opinion it is the only chance we have of getting any so-called wheat legislation.

Mr. QUIE. Mr. Chairman, I notice by the comments of the gentleman from South Dakota who preceded me that the Democratic national platform contains a statement that agricultural products be supported at 90 percent of parity, yet we saw them go against their platform in their bill yesterday when they asked to have tobacco supports cut back below 90 percent of parity; in fact, they wanted it cut back to 88 or 87 percent this year and continually cut back through the years for another 5 years to 71 to 75 percent of parity on Fluecured and burley tobacco.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. JENNINGS. Had all basic commodities remained at 90 percent of parity it would not have been necessary for the tobacco producer to come in and ask that their support price be figured on the old or the new parity, whichever was the lower. It was sliding scale of parity prices on other commodities that were not controlled that caused tobacco to go up and caused the tobacco growers to want to have it lowered in order to keep some semblance of supply and demand.

Mr. QUIE. The gentleman is right in one point only there, that was one of the reasons why 90 percent parity caused the price to go up. The other reason that caused it to go up was that you did a good job of controlling tobacco production. That is the second reason it happened.

Mr. JENNINGS. I agree with the gentleman and that is exactly why we were opposed to the amendment that the gentleman supported which would freeze this price for 3 years. In addition to that we were supporting 90 percent of the old provision, 90 percent support price, 90 percent of the old parity which gave them a lower price.

Mr. QUIE. But the reason for going back to old parity is really to hide the fact that the price support is frozen.

There are three reasons why we are in difficulty on the wheat program. We allowed wheat farmers to overproduce by not imposing a penalty which would prevent overproduction. This bill it is true goes a step in that direction by increasing the penalty; but to do a good job, I would say that the bill should put a penalty on planted acres and not on harvested acres.

The second reason why we are in difficulty is because we have the 15-acre exemptions. Farmers who never planted wheat before are now harvesting up to 15 acres on their farms. In 1941, when the exemption became law, 28,000 farms raised less than 15 acres. Now, because of a guaranteed price, 1,225,000 farms are raising up to 15 acres.

I shall vote for the Belcher amendment because it will get at one of the reasons why the past wheat program has failed. His amendment would put all wheat farmers under quota no matter what size of allotement they have. If we are going to support the price of wheat at a higher rate than its normal market value, it is recognized by all that controls must be imposed. This amendment will affect the farmers in my district since most of them raise less than 15 acres of wheat and hundreds of them have elected to raise wheat in late years. The only way a control program will work is if all farmers who raise wheat are involved in the program and the Belcher amendment will be necessary to bring this about. My farmers are not greedy like the gentleman from Tennessee said his were. I believe they recognize the principle involved and those who traditionally raise wheat would like the opportunity to vote.

The third reason why the program has not worked is that Congress put a 55-million-acre minimum allotment for the whole country. On that 55 million acres we grow more wheat than we can use in this country, and export without great subsidy. We ought to be able to reduce wheat acreage below that. The 55-million-acre minimum should be reduced. The committee bill goes in that direction but acres would need to be reduced at least 30 percent to do the job at 90 percent of parity.

I went along with you when you wanted a support at less than 90 percent of parity in the tobacco bill because you found you were pricing yourselves out of the tobacco market. Now I ask you, Is there not a similar danger in this wheat bill?

Mr. COOLEY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. QUIE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Did I understand the gentleman to say most of his wheat farmers were small farmers?

Mr. QUIE. Most of my farmers raise less than 15 acres of wheat.

Mr. COOLEY. If the gentleman votes for the Belcher amendment, he is going to vote them out of business.

Mr. QUIE. Why should they be allowed to come in and ruin this wheat program?

Mr. COOLEY. But if the gentleman votes for the Belcher amendment, he will do so knowing that he will put all of the 15-acre farmers out of business.

Mr. QUIE. This amendment puts them in the wheat program. If they want to raise wheat, they should come under the program and have an opportunity to vote on it. The raising of wheat is a very small part of this total enterprise and would in no way put them out of business.

Mr. COOLEY. Yes. Then, if the Belcher amendment is adopted, they can go out and grow corn, soybean or any crop they want to grow in competition with the crops of Iowa and the great commercial corn area of America.

Mr. QUIE. We are in the corn area, and that is what these farmers were growing all of these years.

Mr. COOLEY. Does the gentleman think that the farmers of Iowa want your farmers to abandon the growing of wheat and go into the corn-producing business when we have the largest corn crop in our history in the current year?

Mr. QUIE. These people are corn farmers, and that is a problem we will have to take care of in the corn bill. They are harming the wheat program—should stay within their allotments and most of them recognize that.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HAGEN].

Mr. HAGEN. Mr. Chairman, I want to say at the outset that I support the Belcher amendment as I hope it will be amended by an amendment I will offer, because I think it does something permanent to a very bad wheat law.

I heard a joke on television the other night about the tree surgeon who fell out of his patient and broke his leg. It reminds me of the Congress. We have been climbing up that tree and falling out of the tree; the tree gets bigger and the fall becomes harder all the time. It is time we do something about curing the disease.

I want to say something about the role of the whole Congress in this agricultural situation. We had a very unique argument made here the other day that seemed to indicate if one did not grow wheat, corn or tobacco, he was not qualified to really think about the problems of these programs. I am in a rather unique position. I represent an agricultural area. But I do not own a farm. But it is time that you people in the cities become alerted and do not turn the determination of these programs over to the wheatgrowers or the cottongrowers or the tobacco growers. You have a stake in this whole program. I never heard anyone assert that the urban city dweller should be given a carte blanche on a housing program or that the representatives of labor should be given carte blanche on a labor bill.

So let us play it both ways and exercise judgment with respect to this farm program.

Let me say that if this kind of legislation continues much longer we might as well screw the dome off the Capitol and give it to these various commodity groups, because their demands are insatiable unless they are tempered by the good judgment of Congress and by those Representatives who do not have a vested interest in their vote.

I was at one time an advocate of 90 percent of parity. I no longer am. I feel these programs have created a situation where we are advancing to a condition of corporate farms at one end and a peasantry like we have in Europe at the other end. If these programs are not reasonably altered ultimately we are going to proceed to the condition where we have nothing but an impoverished peasantry existing on a subsistence basis.

What is wrong with the wheat program? The wheat farmers have enjoyed too high a price support. Experts will tell you that by any reasonable standard of parity the level of support has been 110 to 115 percent of parity, a wartime price for wheat. A 75 percent of parity perhaps is too high. I understand that a reasonably efficient wheat grower on good ground in a good producing wheat area can grow wheat for about 80 cents a bushel. The proposal offered by the committee would peg that price support at $2.13 a bushel. The prospect of profits is tremendous. True, the committee bill makes a gesture in the direction of reduced acreage. But what is accomplished when you provide this high incentive price at the same time? You guarantee that the farmers are going to take out their worst acres, they are going to farm the devil out of the acres remaining, and your total yield is going to be approximately the same.

Remember also that this is only a 2-year program. We are merely putting a patch on a very smelly situation, and it is going to start smelling again in a subsequent Congress and that Congress will have the same pistol pointed at its head as this one, with mountainous surplus and a big bill to the taxpayer. On the other hand, the Belcher amendment does something permanent to the wheat law, which, in its present form, does not go far enough, but will with amendments I will offer. It will result in a considerable reduction in wheat acreage. Furthermore, it will maintain a lower support level which will not provide the incentive for this mass intensive farming to detract from a reduction of the lowest producing acres. And, I am certain, further, that there will be many acres that will not be planted by farmers who might plant under the 90 percent program. That is the advantage of the Belcher amendment.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. I would like to commend the gentleman on his statement and to assure him that a lot of our folks from the cities are going to support this reduction, and I think one of the best evidences of it is the fact that there were 149 votes yesterday against the tobacco bill, mostly as a protest against what is going on.

Mr. HAGEN. Those persons who argue that by lowering price support you do not increase production overlook the fact that farming has changed in this country. We have farmers—and they are the best farmers—who exercise a business judgment about their production, and if by reason of the contemplated market price, they cannot reap the profit they seek, they will not plant. The argument that there will be no planting reduction by reason of the lowing in support level is completely fallacious. True, some farmers do not follow that course of procedure, but there are a number of them who do, and under the Belcher amendment you will find a substantial lessening of production.

The pending wheat bill, H.R. 7246, is a grossly inadequate response to our most pressing farm problem, to wit, reduction of our present oversupply of wheat, which, by date of July 1, 1960, will reach a quantity of 1½ billion bushels—an amount adequate to supply annual U.S. food needs for 3 years—an amount of Government-held grain that will cost over $1 million a day to store and to meet the cost of interest attributable to the amount of money invested in it.

The wheat bill provisions amount to an effort to place a 2-year bandage on a festering sore to keep it from smelling and a subsequent Congress will meet confronted with the same necessities of changing a basically bad permanent wheat law with costs increased by a temporary expedient and little or no reduction in Government surpluses.

Our actions should be governed by public policy criteria and not by a partisan concern for the wheat grower. The present problem stems from the misdirected effort of past Congresses to kill the wheat grower with kindness through exorbitant gratuities. The blame for the present situation lies directly with past Congresses and if H.R. 7246 passes in its present form we will share that blame.

There is no logic in the inconsistencies of the various commodity support laws, and the wheat law has been the loosest, as a critical examination of it will reveal.

A. SUPPORT LEVEL

The support level has been too high. By reason of the mechanization of production and increases in yields—without equivalent increase in cost—the cost of production per bushel has greatly fallen in a fashion not reflected in parity formulas, which have held support prices at a level calculated by experts to represent 110 to 115 percent of a realistic parity. The American Farm Bureau Federation estimates that wheat can be grown in reasonably efficient production areas for a cost of about 80 cents a bushel, whereas recent support prices deemed to represent 90 percent of parity or less have topped the $2 per bushel figure. This high price has worked against the interest of efficient growing States by inviting in more marginal competition.

B. PRODUCTION CONTROLS

Production controls, on the other hand, have been almost constantly loosened at the expense of the American taxpayer. Remember this fact, because a high price support program can only work in a framework of tight production controls.

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To illustrate my charge of loose controls, let us take the example of wheatgrower John Doe.

The Congress generously afforded to him and his colleagues a minimum national farm acreage allotment to cut up which would invariably produce a wheat surplus even with the existence of a juicy export subsidy program. The high national minimums established—currently 55 million acres—tightened the belt of the taxpayer but did little to tighten the belt of the wheatgrower.

To compound its misdirected generosity in the form of support levels and minimum national allotments the Congress then made it easy for the individual farmer to slip out of the noose of controls. For example, efficient farmer John Doe was given the opportunity and the incentive to violate his quotas.

With the certain knowledge that a sufficient number of his less efficient neighbors would, in effect, sell their wheat to the Government to maintain the support price as the market price, the law made it easy for him to illegally violate his quotas.

First the penalty for overplanted wheat was too low. With an 80-cent-a-bushel cost of production and a price in excess of $2 he could profitably afford to pay an approximate 80-cents-a-bushel penalty. Moreover he did not pay the penalty on all of his illegal bushels because the Congress said that it would be paid only on an estimated normal yield and he could consistently grow more than that normal yield, which might have been arrived at in connivance with local farmer committees.

Moreover, until recently, he could acquire crop history for his illegal acres and the following year could plant them legally in competition with other wheat growers—a most valuable privilege like that exercised by a bootlegger in investing his ill-gotten gains in a legal business.

However, the Congress did not reckon this pie was rich enough. It thought that John Doe should have a second look at the consequences of his illegal act of overplanting. It provided that his compliance with quotas would be measured—not on the basis of planted acres but rather—on the basis of harvested acres. With this "last clear chance" John Doe could bring himself into compliance, after violating the intent of the law, if the wind and the weather had not cooperated with him as he desired and produced an overall bumper crop. He could simply plow under those illegal acres which an act of nature had made unprofitable. This privilege was of double benefit because he was thus able to select his best acres as compliance acres after the fact of violation—one of the few cases in life in which hindsight was permitted to operate in a business transaction.

Even this cumulative generosity was insufficient for at least a segment of our lawmakers. They decided to give John Doe a backdoor form of crop insurance without the usual justifications that Government insurance must meet.

If John farmed in an area of uncertain weather from year to year he was permitted to store his illegal grain, without paying a penalty, and if his allotted crop failed the next year, he could declare that illegal grain as that year's production and sell it without penalty.

Now, we, as citizens, may sympathize with the victim of bad weather but we must keep in mind the fact that these bad weather possibilities are reflected in lower land costs, lower tax assessments, and a variety of other ascertainable benefits. Furthermore we must remember that these objects of our sympathy have re-created the Dust Bowl problems of the midthirties in a large section of our country, and have made money by such actions, at least in the short run.

C. EXPORT SUBSIDY

Past law has not only given the wheat growers the advantage of high support levels and loose controls but also has given them a dump export subsidy program unmatched by that of any other crop. For some reason difficult to understand this aspect of the program has relieved political pressures on other aspects of the program.

This export subsidy—which infuriates our friends abroad such as Canada—currently amounts to about 70 cents a bushel. It dates back to the midthirties in a single form. But the demand for foreign sales to relieve the pressures on our elevators became so great that it now has multiple forms. The original subsidy has been supplemented by the International Wheat Agreement and inclusion of wheat in the benefits of Public Law 480.

D. THE PAINFUL CONCLUSION

The Farm Bureau estimates that the various guises of the wheat program have cost the taxpayers over $5 billion through 1958 and excluded from that figure are large areas of administrative costs and amounts of Government paid for wheat values disposed of through UNRAA, famine relief, and lend lease.

On the basis of these facts I will seek to amend H.R. 7246 to accomplish some needed permanent changes in the basic wheat law and I hope that you will support me in my effort.

I will seek to reduce the 55 million national acreage allotment minimum to a figure of 40 million.

I will seek to require evaluation of compliance with acreage allotments on the basis of planted acres rather than harvested acres. This change of standard will not only reduce surplus production but reduce some of the temptation for the wheat grower to become a law violator. Furthermore it will have an impact on the operation of the "back-door crop insurance program" which I have mentioned.

I will seek to make these same amendments to the substitute to the committee bill to be offered by Congressman PAGE BELCHER. Parenthetically I should state that I will support the Belcher substitute as an improvement over the committee proposal.

I would also like to read into the RECORD an analysis of the relative cost of H.R. 7246 and other aspects of the committee bill, prepared by someone in the American Farm Bureau Federation. Whether this analysis has the complete approval of the President and directors of the American Farm Bureau Federation I do not know. I do know, however, that the organization officially opposes H.R. 7246 on a variety of grounds. The said analysis reads as follows, quote:

COMMENTS ON REPORT NO. 384 DATED MAY 25, 1959, OF THE HOUSE AGRICULTURE COMMITTEE CONCERNING H.R. 7246, PROPOSING A WHEAT PROGRAM FOR 1960–61

The explanation starts out by saying that "This bill * * * would reduce the production of wheat during the 2 years by approximately 480 million bushels; it would lower the cost of the wheat program during this period by an estimated $528 million." The report does not explain how such optimistic estimates can be substantiated. As a matter of fact, the following is a much more realistic appraisal of what probably will happen.

First, production might be reduced somewhat, but the carryover of wheat stocks by the Government would probably increase. The reasons for this are set out below. With respect to the estimated savings, this is strictly without foundation, and probably the new bill would cost more money rather than less. This also is set out below.

REDUCTION OF PRODUCTION

This bill might reduce production somewhat but not necessarily carryover stocks in each of the next 2 years. It would, however, stimulate efforts to increase yields through irrigation, new varieties, use of fertilizer, etc. This plus the improvement in productive capacity that is to be expected in the land diverted from wheat production would set the stage for very material expansion of wheat production in the future; $2.13 is such an incentive price to encourage production that it is illogical to assume that production will be curtailed to any appreciable extent, particularly when it is realized that in many areas wheat can be produced for 80 cents a bushel or less. The reduction in production which might result from the bill would not be proportionate to the proposed acreage cut.

1. Producers would retire less productive acres.

2. Some immediate increase—and perhaps a sizable increase in average yields inevitably would result from the proposed 25 percent cut in allotments—even in the short run, the effect would be greater a few years from now.

3. The combination of increased price supports and reduced allotments would stimulate a fuller use of the allotted acreage and quota exemptions, thereby offsetting, at least in part, the effect of provisions lowering marketing quota exemptions and tightening the rules on compliance.

4. Since in excess of 5 million acres have been allotted to producers growing 15 acres or less, a sizable acreage would not be subject to any reduction in allotment.

5. Experience in the past with acreage reduction proves that the reduction is in the neighborhood of less than 25 percent of the proportionate acreage cut.

DOMESTIC USE OF WHEAT WOULD BE REDUCED

1. Seed requirements probably would be reduced from 66 million bushels in 1958 to about 48 million bushels. This allows for some increase in the seeding of wheat under the proposed expansion of the feed wheat exemption.

2. The use of wheat produced on allotted acres, or within the marketing quota exemption for feed, probably would be reduced at least 30 million bushels.

3. Although the demand for wheat for human food is inelastic, it is probable that a higher support price would reduce the domestic consumption for human food by as much as 15 to 20 million bushels whereas, an increase of 5 to 10 million bushels might take place if there were no change in the support price. Thus, the proposed increase in the support price could reduce the do-

mestic consumption of wheat by as much as 60 million bushels—perhaps more.

EXPORTS

While it may appear that subsidy programs would prevent the proposed program from reducing wheat exports, the probabilities are that some reduction in exports would result for the following reasons:

1. The increase in export subsidies required to maintain our export position would stimulate increased foreign opposition to U.S. export policy and this would tend to cause U.S. officials to ease up on their efforts to maintain maximum wheat exports.

2. The return of the United States to 90 percent of parity price supports for wheat would set an example which would encourage other countries to raise their own support prices and thereby increase world wheat production.

PROBABLE PRODUCTION

The probable production under the present law would amount to about 1,265 million bushels.

Since the export subsidy would cost an additional $157 million, the obligation in 1960 would amount to at least $1 million more per year without otherwise taking into account the additional impact of further intensifying production on the agricultural plant. Also, this does not take into account the proposed subsidy of making payments in kind for withholding the acreage from other production. This would add considerable additional cost depending upon the extent of participation.

The bill does not really call for strict compliance. The provision that the acreage taken out of wheat cannot be put into price supported crops appears to be tight, but actually does not have the effect that might appear at first glance. A farmer could refrain from taking price support on wheat because the wheat market was supported by many other compliers and thereby qualify for price support on the diverted acres, even though they might be used for other price supported crops.

A comparison of the present program and the proposed House bill is as follows:

	Present program	House bill
Support price (per bushel)	$1.78	$2.13
Estimated export subsidy (per bushel) [1]	$0.55	$0.90
National allotment (millions of acres)	55	[2] 42.5
Harvested acreage (millions of acres)	57½	44.5
Yield (bushels per acre)	22	[3] 27½
Production (millions of bushels)	1,265	1,224
Production eligible for price support (3×5) (millions of bushels)	1,210	1,167
Government price support obligation (1×7) (millions)	$2,154	$2,486
Excess obligation (millions)		$332
Additional export subsidy cost (millions)		$157
Total direct additional Government obligation (9×10) (millions) exclusive of additional costs of making payments in kind		$489
Domestic consumption (food in millions of bushels)	493	480
Feed (millions of bushels)	60	25
Seed (millions of bushels)	66	48
Exports (millions of bushels)	450	400
Total disappearance (millions of bushels)	1,069	953
The indicated change in carryover (millions of bushels)	+199	+271

[1] Based on prices under International Wheat Agreement—actual cost much greater in both cases.

[2] It is inaccurate to assume a 25-percent reduction from the minimum national allotment of 55,000,000 acres since many farms are exempt from any reduction. In 1958 USDA estimates 5½ million acres were allotted to exempt farms with 15 acres or less. Accordingly, the 25-percent reduction would apply to only slightly less than 50,000,000 acres after taking the 5½ million acres into account and also the lowering of the exemption from 15 to 12 acres.

[3] Increased price support of 35 cents per bushel would result in an estimated 25-percent increase in yields due to the profitability of applying more fertilizer, irrigating more acres, a higher percentage of the remaining acres harvested being in humid areas, use of better land, etc.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Michigan.

Mr. BENTLEY. Mr. Chairman, I ask unanimous consent to insert my remarks in the RECORD following the remarks of the gentleman from Ohio and to include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LATTA. Mr. Chairman, at the outset of my remarks I want to pay tribute to the gentleman from Oklahoma [Mr. ALBERT], who has worked hard and long during this session in an attempt to resolve the wheat problem facing the Nation. Another gentleman from Oklahoma [Mr. BELCHER], the ranking minority member of the Wheat Subcommittee, has likewise worked diligently and conscientiously with this problem. Mr. ALBERT, as chairman of the Wheat Subcommittee, of which I am privileged to be a member, has patiently heard out every witness who desired to be heard on this subject with the faint hope that a solution to this gigantic problem might be forthcoming. He listened to the various farm orgizations in the presentation of their plans which they sincerely believed would be workable and acceptable. The many hours of labor of this subcommittee, headed by Mr. ALBERT, has helped materially to focus attention on this problem and as a result has already made a significant contribution to the country.

Everyone in the Congress recognizes the fact that we are fast approaching a crisis in wheat—a crisis resulting from an old Government program that has not worked. Everyone is in agreement that something must be done about it—and fast. There is, to say the least, considerable disagreement as to how to attempt to solve the problem. There are those who maintain that we can cure the patient by giving him an overdose of the same kind of medicine that has kept him from getting well. There are those who say that we should eliminate the medicine and let the patient recover. With this costly program hanging over the heads of the taxpayer, there are those who say we should reduce or eliminate the production of the farmer who has not been costing the Government one thin dime in price supports. I have reference to the small, 15-acre farmer. There are those, and I am one of them, who believe that if we sincerely want to reduce the terrific cost of this program, that we should reduce the production of the larger farmer who has been receiving the real benefit of the taxpayers' dollars under this program. There are those among us, and I am one of them, who believe if we are to continue a wheat program that it should recognize that we grow several different classes or types of wheat, that they are used for different purposes, and that all of them are not in great surplus.

Everyone is aware of the tremendous cost of the present program and everyone is aware of the fact that the present program has not worked, that it has encouraged over-production to such an extent that the storage charges alone are now costing the taxpayers of the Nation $1 million per day. Everyone in the Congress, including the distinguished gentleman from Oklahoma [Mr. ALBERT], knows that the bill before the Committee today is not the answer to this problem but is only an emergency, 2-year, stopgap piece of legislation and is only postponing the day of reckoning with the problem. Every member of the Agriculture Committee is aware that our distinguished chairman, Mr. COOLEY, holds no pride of authorship in this bill even though it bears his name. In fact, H.R. 7246 has been truly labeled as the bill that no one wants. Notwithstanding this fact, however, we find it before this committee today for consideration. Why is that no one wants H.R. 7246? I believe it is because this bill seeks to continue the high price support—strict control principle which has proven to be such a costly and colossal failure. It provides for imposing the strictest control over the American farmer that he has ever been asked to accept. At a time when the American farmer is generally asking for more freedom from Government, I believe it is grossly unfair to saddle him with stricter controls and high price supports. Recently I conducted a poll in my district, the Fifth District of Ohio, on this very subject. The farmers of my district responding to the question, "Do you agree that the farmer generally wants fewer controls and more freedom from Government interference even though it may mean a temporary period of price adjustment?", voted 90.4 percent in the affirmative. Recently the Farm Journal magazine polled its readers in 48 States and learned that 8 out of 10 of its readers wanted lower price supports and fewer controls instead of high price support and strict controls.

The Department of Agriculture has estimated that H.R. 7246 will cost the taxpayers of this Nation an additional $110 million. In view of this increased cost, I believe it is incumbent upon every Member of Congress to ask himself whether we can conscientiously go to the taxpayers once more and ask them to absorb this increase in view of the costs and failure of the present program. In considering any revision of the present wheat program at this time, I believe it is not only important but imperative that we take a look at some of the factors which the present agricultural act provides should be taken into consideration in determining whether a price support operation is to be undertaken for a particular crop and the level of price support for such crop. Section 401 (B) of the Agricultural Act of 1949 provides eight factors which should be taken into consideration in fixing price supports. The first factor provides that the supply of a commodity shall be considered in relation to the demand therefor. With a 2½ years' supply of wheat in Government warehouses, we certainly would not be following the theory of the law we are seeking to amend, by increasing the

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support payments as provided for in H.R. 7246. The sixth factor listed in this subsection deals with the ability of the Government to dispose of stocks acquired through a price support operation. The huge wheat surplus is sufficient evidence that we have been unable to dispose of this commodity's surplus. The eighth factor which the law provides to be taken into consideration is the ability and willingness of the producers of the commodity to keep supplies in line with demand. No one can dispute the fact that the producers of the concerned commodity have not kept the supply in line with the demand. It is, therefore, evident that H.R. 7246 is a radical departure from the terms and conditions set forth in the Agriculture Act itself for fixing price supports.

H.R. 7246, as written, is certainly unfair to the farmers who have been producing a variety or class of wheat which has not been added significantly to the surplus. I have particular reference to the producers of wheat east of the Mississippi-Missouri Rivers who have been raising Soft Red Winter wheat used in the making of cakes, pastries, and crackers. The Department of Agriculture estimates that the July 1, 1959, carryover of Hard Red Winter wheat, which is generally raised west of the Mississippi-Missouri Rivers and used for the making of bread, will be 946 million bushels as compared to an estimated carryover of Soft Red Winter wheat of 16 million bushels. In other words, the anticipated carryover of Soft Red Winter wheat is less than a month's supply and any further reduction in the supply of this type wheat could easily result in a very serious shortage of the type wheat used in the making of cakes, pastries and crackers—James Skidmore, chairman, Grain Committee of the National Soft Wheat Millers' Association—notwithstanding this fact, H.R. 7246 proposes to further restrict the production of the small farmer who is the major producer of this class of wheat by reducing the present 15-acre exemption to the smaller of 12 acres or the highest planted acreage in 1957, 1958, and 1959. Consequently, if this bill became law, we would be reducing the supply of a class of wheat in which there is no great surplus. Should this result—and this is a hidden danger in this bill—the millers using the Soft Red Winter wheat would be forced from a lack of supply to change their milling processes in order to use hard varieties with a resulting loss of markets to the producers of Soft Red Winter wheat which could become permanent. I know that statements will be made here that the export of Soft Red Winter wheat has been subsidized, which is in my opinion no argument at all, as other varieties of wheat have likewise been subsidized for export.

As I stated in my minority views on this bill, H.R. 7246 seeks to continue in effect the undemocratic principle of denying the right to vote at a wheat referendum to 1,225,101 of the 1,815,602 wheat farm operators in the United States. In other words, 67.5 percent of the wheat producers of the United States are still denied the right to vote under the provisions of this bill in a wheat referendum. In my own State of Ohio, for example, there are 157,516 wheat farms, of which 127,916 are denied the right to vote under the present law and under provisions of H.R. 7246. Believe it or not, this means that 81.2 percent of all the wheat producers in the State of Ohio are denied the right to vote in a wheat referendum. This bill should be amended to allow all wheat growers or at the least, all farmers with an allotment to exercise the right to vote as they are all restricted and affected by it.

One cannot but conclude that this bill is designed with the large producers in mind. To illustrate this fact and in no way to endorse the principle of payment in kind, H.R. 7246 provides a one-third payment in kind to the producer above the 15-acre minimum but denies this small producer a similar payment in kind for his 3-acre reduction under this bill. I cannot voice my objections too strongly to this payment in kind, administrative monstrosity. Its adoption certainly would heap further ridicule upon the farm program by requiring the Federal Government to return stored wheat to the same producers who helped create the surplus.

H.R. 7246 does have one commendable feature. It permits a farmer unlimited production for on-the-farm use by removing the present ridiculous 30-acre ceiling.

In conclusion, Mr. Chairman, I cannot urge too strongly that H.R. 7246 be defeated for the reasons I have outlined in these remarks or amended as I have indicated.

Mr. LEVERING. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. LEVERING. As the gentleman knows, I am privileged to represent a congressional district, the 17th, of the State of Ohio. The gentleman is correct that the Soft Red Winter wheat grown in Ohio is not in surplus. It is a very high quality wheat, and I should like to associate myself with the gentleman in saying that there ought to be some separate consideration given to that type of wheat. I should like to ask the gentleman if it is not a fact that the Department of Agriculture very firmly opposes any such classification and separate consideration.

Mr. LATTA. They have so indicated.

Mr. LEVERING. I thank the gentleman.

Mr. BENTLEY. Mr. Chairman, the question of wheat legislation is of extreme importance to the farmers of my State of Michigan, where more than 118,000 farmers produce wheat. I have heard from the Michigan Farm Bureau Federation, the largest farm organization in Michigan, and am including at this point in my remarks a copy of a telegram from that organization dated June 9, and setting forth its views on H.R. 7264 as well as the Belcher substitute version:

LANSING, MICH., *June 9, 1959.*

Hon. ALVIN M. BENTLEY,
House Office Building,
Washington, D.C.:

Present form of wheat bill, H.R. 7264, would not solve the problem. We understand Congressman BELCHER will offer amendment to permit all farmers who grew wheat in 1958 to vote in a referendum covering 1960 and following crops. The choice would be between: (1) An acreage control program with supports at 75 to 90 percent, with increased penalty to apply to all wheatgrowers, except if all is used on farm where grown; or (2) no acreage allotments and supports at 50 percent. We believe Belcher amendment should be changed to make support under (No. 2) 55 percent and to put compliance on planted rather than harvested acreage.

MICHIGAN FARM BUREAU,
DAN E. REED.

On January 26, 1959, I introduced a bill, H.R. 3275, which, assuming that more stringent controls would be desirable for the wheat program, would have offered several improvements in this direction. For example, it would have changed the allotment system for wheat from acres to bushels, a step which I have long believed to be wholly desirable in the event strict controls are felt to be necessary. It would also have provided for an annual reduction of 5 million acres a year of the national acreage allotment until the total of 35 million had been reached. My bill would have excluded from this reduction all wheat which was consumed on the farm and would have eliminated the present exemption of 15 acres or 200 bushels for marketing quota provisions. I feel that my legislation meets the question of controls on a realistic basis and, as a matter of interest, am including in my remarks at this point a copy of a letter dated April 24, 1959, from the Department of Agriculture in comment thereon:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 24, 1959.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to your request for a report on H.R. 3275, a bill "To amend the provisions of the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and related legislation with respect to price support and marketing quotas on wheat."

While this bill is a step in the direction of a better balance between supply and demand of wheat if Congress decides on a more stringent control program, we do not favor enactment in its present form. In some respects it is an improvement over present legislation but does not go far enough.

This bill would amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, to provide that the marketing quota on any farm would be the number of bushels equal to the normal production of the allotted acres (plus the bushels on hand from previous years which could have been marketed without penalty). The maximum number of bushels eligible for price support in any year would be the normal production of the allotted acres. The bill provides for reducing the minimum national acreage allotment, beginning in 1961, by 5 million acres a year, until the minimum reaches 35 million acres. It further provides for changing the definition of "market" to exclude the feeding of wheat, and places a penalty of 45 percent of parity on the quantity marketed in excess of the quota. The bill would also repeal Public Law 74, 77th Congress, as amended, and section 335(d) of the act of 1938, thereby eliminating the 15-acre and 200-bushel exemptions from the marketing quota provisions.

The provision for limiting the quantity of wheat eligible for price support would place

an effective ceiling on CCC obligations each year. The gradual reduction in the minimum national acreage allotment would provide an orderly means of reducing the acreage seeded to wheat to a level whereby production could be more nearly brought into balance with utilization. However, we believe the standards for establishing the national marketing quota for wheat, which we recommended to the wheat subcommittee, would be preferable to any arbitrary reduction of 5 million acres per year. Permitting the unlimited production of wheat for feed on the farm where grown would offer to a feeder the free choice of growing the feed grain most desirable for his individual operations. The elimination of the 15-acre and 200-bushel exemptions would remove the unfair advantage the small wheat producers have had during the past few years to market their excess production under the umbrella effect created by the higher price resulting from the price supports available to complying wheat producers.

If the Congress decides on a more stringent control program, we recommend the following changes in the bill: (1) Repeal the 55-million acre minimum national allotment provision and provide (a) that whenever the carryover is more than 500 million bushels the national allotment would be based on the estimated domestic consumption for the marketing year for the crop for which such allotment is proclaimed, plus the estimated export for dollars for the marketing year in which such allotment is proclaimed, and (b) that whenever the carryover is less than 500 million bushels the national allotment would be based on normal supply; (2) raise the rate of penalty to the level of the support price and change the penalty provision to provide that the farm marketing excess on which penalty would be paid would be initially determined on double the normal yield per acre of the excess acres rather than the normal yield per acre. If, however, the producer establishes the actual yield on the farm, the penalty would be paid on the number of bushels by which the actual production on the farm exceeded the actual production of the farm acreage allotment. Wheat mixtures containing less than 25 percent wheat would not be counted as wheat; (3) limit the privilege of disposing of overplanted acreage to 3 acres or 10 percent, whichever is the smaller; and (4) amend the Agricultural Act of 1949 by adding at the end thereof the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this act, beginning with the 1960 crop, the level of price support to cooperators for each crop of wheat, if producers have not disapproved marketing quotas, shall be 90 per centum of the average price received by farmers during the 3 marketing years immediately preceding the marketing year for such crop. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101(d) (3) and (5). The Secretary shall determine and announce the support price for each crop of wheat in advance of the planting season on the basis of the statistics and other information available at that time, and such support price shall be final."

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Prior to that time, however, I had the opportunity to testify before the Wheat Subcommittee of the House Committee on Agriculture on March 12 and am including in my remarks at this time a copy of my testimony before that subcommittee:

TESTIMONY OF CONGRESSMAN ALVIN M. BENTLEY BEFORE WHEAT SUBCOMMITTEE, MARCH 12, 1959

Mr. Chairman and members of the subcommittee, it is a pleasure to appear before you this morning in connection with my bill, H.R. 3275, a bill to amend existing agricultural legislation with respect to price supports and marketing quotas on wheat. I should like to mention that I have also introduced two other bills, H.R. 3273 and H.R. 3274 which also have to do with wheat. The first would exempt certain wheat producers from liability where all the wheat crop is fed or used for seed or food on the farm. The other would broaden the exemption from wheat marketing quota penalties where all the wheat crop is similarly disposed of. I sometimes call these the two Stanley Yankus bills. I further understand that reports have been requested from the Department of Agriculture on all three bills but that none have yet been received.

Before discussing my bill, H.R. 3275, Mr. Chairman, I would like briefly to summarize our wheat production situation as I see it today. As of November 30, 1958, our Government had the following investment under the price support program: Under loan 467,515,973 bushels with a total value of $853,171,354 and in inventory—786,101,564 bushels with a total value of $2,205,872,246. As for storage costs involved in wheat in the price support program inventory (which includes the cost of storage in the ships of the Maritime Reserve Fleet), the total storage costs incurred during fiscal 1958 were $152,314,604. As of October 31, 1958, we had in fleet storage 48,954,411 bushels of inventory and our fleet storage costs incurred during October alone were $544,372. As of October 31 we had in commercial storage 748,433,806 bushels and our commercial storage costs during October alone were $13,408,192.

Production-wise, our latest estimate for the 1958 crop of wheat is 1,462,218,000 bushels for all wheat as compared with a 1957 crop yield of 950,662,000 bushels. I suppose there are two basic explanations: Our seeded acreage increased nearly 7 million acres and our yield per seeded acre went up from 19.1 bushels to 25.9 bushels. Incidentally, my State of Michigan rose from seventh to first in the Nation in per acre yield with a 1958 yield per acre of 38 bushels.

In the accounts of the Commodity Credit Corporation the wheat and wheat flour programs showed the following losses: The price support program, including the cost of donations, showed a loss for fiscal 1958 of $126,722,853 and for the 5-month period through October of 1958 a loss of $38,322,076.73. The commodity export program, which represents export differential on non-International Wheat Agreement shipments paid by the CCC in cash or in kind, showed a loss for fiscal 1958 of $84,999,924.74 and for the 5-month period through October of 1958 a loss of $15,880,899.10.

According to the February issue of the Wheat Situation, published by the Department of Agriculture, stocks of wheat in all positions on January 1, 1958, totaled 1,816 million bushels, the largest of record for that date, almost a third larger than a year earlier and 59 percent above average. Stocks of CCC wheat included in total January 1 stocks amounted to 774 million bushels. Quantities outstanding under the price support program on January 31 totaled about 554 million bushels.

The same publication goes on to state "assuming a domestic disappearance of about 625 million bushels, slightly above the estimate for the current year to allow for further increase in total food use, and allowing 400 million bushels for export, an increase in the carryover of almost 200 million bushels would be indicated for July 1, 1960." With this forecast for the 1959 wheat harvest at roughly 1.2 billion bushels and the addition of 200 million bushels to the record 1.3 billion bushels of wheat carryover expected this coming July 1, it seems proper to ask, Mr. Chairman, where is it all going to end?

When President Eisenhower sent his agricultural message to Congress on January 20, he included the text of a memorandum from the Secretary of Agriculture dated January 19. This memorandum offered two alternatives for consideration regarding our wheat problem, the one being relaxation of controls and the other being the so-called control route.

I will now try to explain briefly the provisions of H.R. 3275 which is intended to give the Government greater control over the marketing of wheat and still give the farmer more freedom of production for use as feed on his own farm. (H.R. 3273 and 3274 should logically also be considered in this particular connection. My bill, H.R. 3275, by which at least some of the Secretary's recommendations would be put into practice, would reduce the national acreage allotment of 55 million acres by 5 million acres per year beginning in 1961 until a national allotment of 35 million acres is reached in 1964.) Allotments for individual farmers would be converted from their present acreage allotments to a bushel allotment equal to the present acre allotment multiplied by the farm's normal yield. Furthermore, the penalty for marketing in excess of the quota would be set at 45 percent of the parity price.

I feel very strongly, Mr. Chairman, that we have reached an impossible situation in our farm program and especially with respect to wheat. To quote what a friend of mine said the other day: "I have never seen a Government program which cost so much and still made so many persons mad."

I have always felt that we have two basic alternatives in our farm program: either to remove all controls and supports, give our farmers complete freedom to produce and throw them entirely on the mercy of the market; or to keep supports at a reasonably high level and take drastic steps to curtail production. With our farm surpluses now at an all-time high, the first step would not be possible. The second alternative, therefore, at the moment seems to offer the only approach provided that controls on production are enforced. That is why my bill contains a provision for progressively reducing the national wheat acreage and other provision to put individual farm allotments on a bushelage basis. The remarkable skill of the American farmer in increasing his wheat production per acre has made the present system of acreage allotments relatively useless. I therefore believe that drastic changes in the program are required.

I again remind the committee members, Mr. Chairman, of the increase in seeded wheat acres in 1958 over 1957 and of the substantial yield per seeded acre. It seems to me that these two factors are largely responsible for the tremendous crop yield and especially for the substantial carryover. I believe that H.R. 3275 would go far toward meeting these two problems and I therefore request sympathetic consideration of it by your subcommittee.

I fully recognize, Mr. Chairman, the gravity of the present wheat situation as concerns our entire country. In Michigan, our 118,000 wheat farmers last year had an average yield per acre of 38 bushels which brought us from seventh to

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first in the Nation in per acreage yield. Since, in Michigan, 85 percent of our wheat farmers plant 15 acres or less, it shows what can be done with a large number of small producers and I assume the same is true in other Midwestern States.

I think, Mr. Chairman, that, overall, our farm program has reached almost an impossible point. Frankly, I have never seen a program that costs so much and still makes people so mad. With respect to the wheat problem, I believe we have basically two alternatives: either to give our farmers complete freedom and throw them entirely on the mercy of the market or to keep our supports at a high level and adopt drastic controls. With the expected carryover of 1.3 billion bushels of wheat by July 1, 1959, a removal of all controls would really send wheat prices down to a very low level indeed. To be realistic the only choice is to continue the program but adopt steps which would control production much more drastically than is now the case. Also, I think that serious consideration should be given to fixing different support levels for different classes of wheat, thus recognizing the obvious fact that certain classes move into commercial channels more readily than others and that of the expected carryover as of July 1, nearly 75 percent is expected to be in Hard Red Winter wheat.

However, we are faced at the present time with a choice of H.R. 7264 or the Belcher substitute, neither of which I regard as wholly desirable from the standpoint of wheat legislation. I cannot support the committee bill because of its reversion to high support levels even though I do approve of the individual acreage cuts. I also disagree with the committee's provision that forbids the vote in the wheat referendum for those who have an exemption of 15 acres or less. Of the two bills presently before us, I must say that I prefer the Belcher substitute because it does extend the vote to all wheat producers. I recognize the fact that the repeal of the 15-acre exemption will work for a hardship on many small Michigan farmers who are dependent on wheat for their rotation programs and for a cash crop. However, the fact that the passage of this bill would give all wheat producers the right to vote in a wheat referendum on the question of approval or disapproval of marketing quotas does seem to me to have considerable attraction. In summary, I do not like either the Belcher substitute or the committee bill but, if forced to make a choice, I would prefer the Belcher substitute in spite of the hardship that I know many small wheat farmers will be faced with by the loss of the 15-acre exemption.

Mr. PELLY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Chairman, I am no friend of price supports and consistently vote against legislation to continue costly and ineffective programs such as are provided in this wheat bill. Frankly I feel Secretary of Agriculture Benson has the right idea in trying to get Congress to adopt a policy of gradual Government withdrawal from agricultural acreage allotments, subsidies, and high farm price supports.

The farm bloc, however, has stuck together and resisted attempts to eliminate wartime emergency policies designed to increase production. Congress has tied Mr. Benson's hands and the consumers and taxpayers of this country are footing the bill. No special group has ever had such a boondoggle as the peanut, tobacco, cotton, wheat, corn, and rice agricultural commodity support program and this has been in the face of polls which show the majority of farmers are opposed to these Government control programs. The wheat program alone has cost the taxpayers $5 billion.

Recently, certain Members of the House who have city districts openly appealed to rural Members of the House to support public housing, slum clearance, and subsidy programs for big cities. Reciprocal support on measures for the farmer such as this wheat bill was promised. Some back scratching arrangements are not in the public interest and, for one, I will not have any part in them.

The fundamental question before us today, it seems to me, is this: Are Members of Congress going to continue burdening the Federal Government, the taxpayer, and the consumer with a vast program of farm subsidies that continue to grow? Do we support a wheat policy which channels 80 percent of the benefits into the bank accounts of some 1,700,000 prosperous farm proprietors or one-fourth the total of all farmers?

The cost of purchasing and storing commodities is staggering. I have read that a mechanized farm operator produces wheat for as little as 60 cents a bushel. The way things are going the Government will be absorbing millions of bushels of this wheat at $2.13 a bushel as against $1.81 now. Already the Commodity Credit Corporation has one and a half billion bushels of wheat valued at $3.5 billion in storage. Our rental bill for this storage runs about $400 million a year—more than $1 million a day.

Mr. Chairman, I read the other day that farm co-ops and the farmers themselves are in the storage business. The profits on this storage are unconscionably huge.

One organization in Minneapolis was cited recently as receiving nearly $3.5 million a year for grain storage from the Government. One-fourth of this association's profits came from the Government. It spent $2 million on a propaganda program seeking higher price supports and in election of candidates favorable to its views. As a cooperative, as against a private corporation, this organization had a tremendous tax advantage.

Mr. Chairman, I believe that our agriculture cannot benefit under policics that have created huge surpluses. We must come to grips with the problem and instead of temporizing and dealing with wheat quotas and price supports as in H.R. 7246, we must come up with a permanent answer. We must free the farmer from Government planned security and high-level wartime price guarantees. I trust we can get back to the law of supply and demand with farmers running their own business operations.

The economy of our farmers is important to the Nation, but the Government is paying out about $1,000 per farmer, and the consumer and farmer alike will be ruined if we go on as we have been doing.

I will vote against H.R. 7246, the wheat price support bill now under consideration.

Mr. POAGE. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Chairman, I would like at this time to point out that in the committee bill, H.R. 7246, there is proposed a partially new adventure as far as farm programs are concerned. The aspect of payment in kind is an aspect which is at least partially new. It was in the old Soil Bank Act. In that act there was a provision whereby under certain arrangements payment in kind could be made. But under the provisions of this bill, payment in kind is a very definite aspect and part of the program. I believe it is one of the items that is most favorable as far as this bill is concerned. The reason why I say it is because here and now for the first time, the Congress of the United States is laying it upon the line saying, "Now we are going to make the surplus help pay its own way out."

By passing this feature of the bill we can quit talking about the bugaboo of the surpluses and saying that they always and forever depress prices. Instead of having a surplus of dollars, which we do not have in the Treasury of the United States, we can use the surplus of the bushels of wheat that we have and say, "Here, Mr. Farmer, we are going to pay you these bushels for not planting grain." This is a part of the real and true aspect of this bill. It can be totally defended. This means the farmer gets one-third the normal yield on his farm on those acres which he has laid out of production. This is geared to the farming unit on which the farmer operates. The farmer knows what his last 3-year average yield has been. He knows what he can depend upon.

He is taking a 25-percent reduction or cut in his acreage and this one-third payment in kind is fundamentally a pittance to be given him. This cross-compliance payment in kind measure is by far better than laws we have passed in previous years saying that we are going to reduce the acreage of a commodity only to let that same farmer plant those same reduction acres to every other commodity under the sun. This is a cutback and it is saying, "You cannot produce any supported item—

you cannot produce any commodity that is under price supports by the Federal Government." Here is the real way to get a reduction in these surpluses of wheat and make the surplus pay its own way out. Let us lay it on the line. Let us keep cross-compliance payment in kind in this bill.

Mr. POAGE. Mr. Chairman, I yield 4 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, since 1952 there has been a build-up of stocks of wheat which is estimated to reach 1.5 billion bushels by July 1. During the same period, the Secretary of Agriculture has been steadily reducing the price supports for farmers. In other words, as price supports declined, surpluses increased.

Various Republican spokesmen have maintained that high price supports were an incentive to produce more. History and records prove quite the contrary. The lower the price, the greater the incentive to produce more bushels to make up for loss of income. So today we are faced with this problem of surplus, with storage charges on Commodity Credit wheat in the amount of approximately $1 million a day.

Regardless of whose fault it is, the situation demands the attention of Congress.

Mr. Chairman, this bill is in the national interest. To cut production 25 percent in North Dakota, which is composed principally of family and moderate sized farmers, is a drastic cut. It will cause a great deal of hardship. But I think most farmers believe production must be cut in the national interest. Ninety percent of parity on the 75 percent of production remaining, and the payment in kind, is provided to compensate the farmer to some degree for the drastic cut in production.

Extravagant statements have been made about large farmers. The average wheat allotment in North Dakota is 99 acres. Average per capita farm income in the Nation is $1,027, about half the national average income per person.

What we have here is emergency stopgap legislation. It is designed to decrease production and reduce surplus. It will cut wheat acres from 55 million to 41 million.

Many of my colleagues may have different ideas about a farm program. This is not the farm program I have proposed. But the simple fact is, that today we have this choice and this choice only. Do we continue the present legislation into 1960 and 1961 or do we adopt this legislation and cut production down from 55 million to 41 million acres in 1960 and 1961? Do we continue to add to our surplus stock, or do we begin to cut it down? If we continue the present program, more surplus will accumulate and more storage charges will result. This bill will stop the accumulation of surplus and at the same time reduce present Government stocks at the rate of 90 million bushels a year.

To restore supports to 90 percent of parity is a minimum necessity if we are to preserve historic American agriculture. You can imagine the dire results in the cities if workers received a cut of 25 percent in wages, or if businessmen received a cut of 25 percent in business. Such a cut in wheat production, without a corresponding increase in price, will, in my opinion, bankrupt thousands of farmers across the length and breath of this land. When agriculture, the basic industry of this Nation, is prostrate, it will trigger a national depression that will make the 1930's look insignificant.

To some of my colleagues from the cities who have said that farm legislation is not important to them, let me say that you do have a vital interest. The original wealth created from the soil provides purchasing power. This purchasing power in turn stimulates business and provides jobs. Just as I support measures directly affecting the urban areas as being in the national interest, I ask my city friends to support this legislation in the national interest.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. ANDERSON].

Mr. ANDERSON of Montana. Mr. Chairman, I am glad that I do not have the responsibility of defending the wheat legislation that is presently the law of the land or the present situation with respect to wheat. I am supporting the committee bill, and I would remind those on the other side of the aisle who are opposing the committee bill that, if they oppose this bill it is their obligation to defend our present situation with respect to wheat. It is your obligation, my Republican colleagues, in the first place because the program has been under the administration and management of your Secretary of Agriculture during the time that we have gotten into our present deplorable situation. In the second place it is your responsibility to defend the existing law, because when today is over we will have made a choice between the committee bill and the existing law. As we are operating under present legislation today, surpluses are continually building up. Under the committee bill we will be taking a step in the right direction, that of reducing the surpluses and the staggering storage costs accumulating under our present wheat program.

Mr. Chairman, there are 4,810,000 farm families and 5,178,000 farm households in the United States. They have $186.7 billion invested in their farms and equipment, an average of $32,000 investment per household. Farm income in 1958, Mr. Chairman, according to the Bureau of Census, was $2,490 per family, and the nonfarm family income in the same period was $5,232 per family. In other words, on an average then, a farmer puts up $32,000 in capital in order to buy his job; he gets no return on his investment; and then for his own work and that of his family he gets less than half as much income as the average nonfarm family. The fact of the matter is, Mr. Chairman, that the farmer is not receiving his fair share of the national income. When we get a new administration we can write some legislation to redress the great injustices that exist. In the meantime, I trust that my colleagues will accept the committee's very effective start on one of the biggest problems of all, the mounting surplus of wheat.

I represent one of the largest wheat districts in the United States and I want to say that this bill does not mean more money in 1960 and 1961 for the wheat farmers. If the Congress turns down this bill my farmers may well make more money next year than they will if you accept the committee bill.

We from wheat areas support the committee bill because we realize we are going to have to quit producing for surplus and produce wheat in amounts that can be consumed. This bill makes the necessary adjustment without undue hardship on the wheat farmers.

We are going to vote for the committee bill because it will in effect start eliminating our production for surplus and start reducing stocks of surplus already on hand. The Library of Congress estimates that this committee bill will reduce Government costs by $528 million in the 2-year life of the bill. The taxpayer will receive other indirect benefits such as that due to the appreciation in value of Government stocks of wheat.

The arguments I will have to take back to my people in Montana when I go back to report to them on the committee bill is that it may mean less money for them next year than they would have if we turned down the committee bill, but at least we are doing our best to meet the demand of the taxpayers for lessened cost of support programs, and we are willing to take our part of the monetary sacrifices in the interest of the taxpayers and in the interest of a long-term satisfactory program for agriculture. In the long run, both the farmers and the taxpayers will come out ahead.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Montana. I yield.

Mr. HOEVEN. I was interested in the gentleman's comments with respect to responsibility for the surplus situation as it exists today. Let me remind the gentleman that through 13 of my 17 years in this House the Democrats have been in complete control of Congress. Why, then, have not the many Democrat Congresses worked out a satisfactory program? Furthermore, the gentleman made no reference to two wars that intervened which were largely responsible for the accumulation of the surplus in the first place.

Mr. ANDERSON of Montana. I would reply to my friend from Iowa that the situation has grown to its present difficulty since we had our present Secretary of Agriculture, and that the surpluses have been built up almost entirely during the maladministration of the program by the present Secretary of Agriculture and since the two wars to which the gentleman refers. All of the farm programs together from 1932 to 1952, a period of 20 years cost less

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than Mr. Benson spends every single year. The wheat program showed an actual profit to the Government for the years before Mr. Benson took over.

As to the gentleman's query as to why the Democratic Congress has not corrected the situation during the past 6 years I would say there are two reasons. In the first place the Secretary is determined, by maladministration and misadministration, to make sure the program does not work, and I will say to the gentleman that it is almost impossible to write legislation that cannot be nullified when the President and the Cabinet officer in charge of the program are determined to make it fail. In the second place, notwithstanding the protestations of the minority leader to the contrary, it is pretty hard to write good legislation with the constant threat of a Benson veto to be rubberstamped by the President. Most of us are convinced that any good constructive farm legislation passed by the Congress between now and November 1960 will be vetoed by Benson-Eisenhower.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Montana. I yield to the gentleman from Kansas.

Mr. AVERY. I do not believe there is any use to further debate the merit or lack of merit of the Secretary of Agriculture. I would like to ask the gentleman for his opinion, because I respect him as an authority on wheat production, particularly in the Western States. Assuming the committee bill is to be accepted by this body and by the other body, how much of an actual reduction in wheat production does the gentleman from Montana anticipate might occur?

Mr. ANDERSON of Montana. The best estimate, it seems to me, is the one made by the Library of Congress, which is something like 480 million bushels of reduction in the biennium.

Since the gentleman from Kansas raises the question, let me speak about the discrepancy which exists between the estimates on the part of the Secretary of Agriculture and the Library of Congress. The Department of Agriculture and the gentleman from the other side of the aisle have generally based their argument on the claim that by putting on more fertilizer and by writing off the acres that are less productive, we will continue to up our production per acre. The point has already been made that we have gone just about as far as we can in that direction and further large increases in yields, except those arising from unusually favorable weather conditions, are unlikely. In addition the penalty provisions are made much more strict so that we will not have the wanton overseeding which has contributed so much to our surpluses in the past.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Chairman, I want to earnestly request my colleagues to vote for this wheat bill, H.R. 7246.

H.R. 7246 can rightfully be termed emergency legislation to meet emergency conditions. There can be no doubt that wheat is in serious difficulty. From the standpoint of the wheat producer, there is the growing danger, should the present situation continue without change, that the people will demand an end to the entire price support program. It takes very little knowledge of agriculture to understand what such a step would mean. Prices would drop to a point that would bring bankruptcy to farmers throughout the wheat producing areas.

H.R. 7246 offers a two-year program. It is not a panacea, but it does offer the means whereby we can fight our way out of the present difficulties.

Stated simply, H.R. 7246 will do two important things: First, it will reduce production of wheat to a point where some of the surplus will have to be taken out of CCC stocks to meet the demands at home and abroad; and, second, it will maintain the income of wheat farmers at a level high enough to keep him in business.

The first point is vitally important, Mr. Chairman. Wheat farmers are among the first to acknowledge that present surpluses are entirely too large. They realize that production will have to be reduced or new uses found to bring supplies more in line with demand.

I am convinced that a vast majority of commercial wheat farmers will accept the rather painful formula contained in H.R. 7246 for achieving a substantial reduction in production. The bill provides for a reduction in each farm allotment—based on a national allotment of 55 million acres—of 25 percent. That, Mr. Chairman, would remove 13,750,000 million acres of good wheat land from production. The best estimates available to the Committee on Agriculture place the reduction in production at 240 million bushels annually.

This bill also, Mr. Chairman, recognizes that a real economic problem is involved in such a drastic reduction in acreage—particularly in view of the fact that wheat allotments have declined from 84 million acres in 1949–50 to 55 million acres today. Wheat farmers, along with all other farmers, are going through a painful cost-price squeeze. I seriously doubt—and I speak from my experience as a wheat farmer—that wheat farmers could stand such a severe acreage reduction without some compensation in the form of higher price supports.

In this bill we have provided that as acreage is cut back 25 percent, the support level will be adjusted upwards to 90 percent. I have heard the complaints from some Members of this House to the effect that we are going back to a discredited system of high, rigid price supports. But I urge you to look upon this legislation—and the problems of the wheat farmer—with an open mind.

If the wheat farmer is willing to assume further reductions in acreage in an effort to get at what he realizes is a difficult national problem, should not other segments of the national economy be willing to ease the burden for him a little? Does any Member of this House really believe that you could cut back wheat acreage another 25 percent, while maintaining support levels at 75 percent of parity, without bankrupting the wheat farmer? Of course, you do not believe such a thing. Therefore, I urge you not to close your mind to a 90-percent support level. This is emergency legisaltion. We are acting here to meet a serious, specific problem—we are not legislating for agriculture as a whole.

Let me point this out, too. The bill specifically states that this 25-percent reduction would not be eligible for the soil bank or for planting to any crop subject to price supports. That, my friends, is cross-compliance. The fact that the bill does provide that growers who do not grow any crops and do not graze the land would be eligible for payments in kind—equivalent to one-third of the annual production for the last 3 years—does not hide the fact that the bill calls for tougher controls than those presently imposed on any crop.

I also earnestly request Members of this House to consider the fact that wheat producers have always faced a much tougher situation than producers of other crops under control. Anyone has been able to raise wheat for the commercial market. The 15-acre exemption has enabled farmers who specialize in some other controlled crop to earn a cash income from wheat.

It is a fact, Mr. Chairman, that a large portion of the present wheat surplus was produced in noncommercial wheat areas. About 100,000 new farmers have planted wheat each year under the 15-acre exemption. This is not wheat produced for use on the farm, but wheat produced for the commercial market and marketed without regard to laws which govern wheat farmers.

I would remind you that a wheat farmer in my area could not plant cotton or peanuts. For example, his penalties would be so high as to make production uneconomical. I remember once that a farmer in my district planted some of his diverted wheat lands to peanuts. After long involved negotiations he was told he would have to post, in cash, a penalty of $8 per ton on the peanuts before he could harvest them. The market price was $10. The farmer plowed under the peanuts.

I cite these facts, Mr. Chairman, merely to point out that all of the present wheat problems are not the fault of greedy wheat farmers. Sources outside the historic wheat-producing areas have contributed materially to the present wheat surplus.

I am not going into a section-by-section analysis of H.R. 7246. The committee chairman, Mr. Cooley, Mr. Albert and other members of the committee have thoroughly acquainted you with details of the bill.

But I do want to stress that this legislation would reduce the cost of the wheat program to the taxpayers by $528 million during the 2 years it is in effect. I hope that members who represent urban areas will remember this fact.

There is widespread concern among taxpayers over the cost of agricultural

programs. Unfortunately, these people are given a diet of information consisting more of fiction than fact. They are told that direct subsidies to the farmers amount to several billion each year. This is simply not true. Every expenditure of the Department of Agriculture, including those of research and education, are classified as subsidies. It is regretable that so much misinformation is spread about the farm programs. The problem is difficult enough without being complicated by misstatements and misinformation which serve only to turn the consumer against the farmer.

I realize, Mr. Chairman, that anyone appearing in the well of this House to plead for farm legislation is facing a difficult job. But I urge you, I plead with you, to consider this wheat bill with an open mind. Read the committee report. Study it.

If you do, I believe you will agree that H.R. 7246 is sound interim legislation adequate to meet a specific emergency need. I would like to remind you that this legislation will enable us to make a significant start on reducing present surpluses of wheat. It does this by cutting acreage back more sharply than ever before in the history of this program. It would bring about substantial savings in the cost of the program and it would protect wheat farmers from undue hardship during this transition period.

This is not perfect legislation. It is not the final answer to the wheat problem, but it is workable legislation. It will meet a pressing need, and, Mr. Chairman, I am convinced that it will be accepted by wheat farmers as the price they must pay in getting their own house in order.

I sincerely trust that Members of the House will support this legislation.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I want to say that it seems to me the time has come when we should start talking about things other than political considerations. That seems to be about half of what we have heard on this floor this afternoon. The time has come when, as the chairman of the Wheat Subcommittee said, the House should exercise its responsibility in this field.

Let us look at the agricultural economics involved. It is very simple. Either you set a price that will give a reasonable profit per bushel and keep your supply in line with that price or you do not have a balanced market and let overproduction bring low prices and high fluctuations in price. Go one way or the other.

The gentleman from Oklahoma [Mr. BELCHER] tinkers not only with one end, he tinkers with both ends of the spectrum. He fails to keep production lower than consumption. And that is not enough: "He would keep the price low enough so you cannot make a reasonable profit per bushel."

You cannot operate under that theory and be within the necessary criteria to have sound agricultural economics. That is no way to do it.

As to the 15-acre limitation, there has been a lot of tears shed here about that, as if someone is stealing something. I want to mention to you that the feed grain farmer is the man who has been forgotten in the debates we have been hearing and under present legislation and administration of that legislation. What happened when acres were taken out of tobacco? They were free to put it into feed grains. What happened when they took acres out of cotton? They were free to put it into feed grains. What happens when they take acres out of wheat, 28 million acres in the last 10 years? They are free to put those acres in feed grains. That is exactly what has happened. Look at the buildup of sorghum grain, barley, and so forth. Do not feel so sorry here about giving the feed grain farmer a 15-acre exemption. I implore you from the feed grain area, stand behind the feed grain farmer until we can get some reasonable and decent feed grain legislation and administration. I am introducing a feed grains bill within the next day or two. I hope each Member of this House will keep in mind the dire need for new feed grain legislation and help secure enactment of the bill I am introducing or a better one.

Mr. WEAVER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. WEAVER. Mr. Chairman, like many others from the midwestern wheat country I was quite disappointed that the wheat stabilization bill which I sponsored, along with many others from our area of the Nation, did not get further than the Agricultural Committee. However, I think at this stage that the important thing is no longer to get the most ideal bill but rather to keep the wheat program alive and well. This can be accomplished by the bill, H.R. 7246. I do not support this bill with the same enthusiasm with which I approached the wheat stabilization program sponsored by midwestern and western wheat farmers and my colleagues in the House, but I do support the present measure.

There are two very basic problems concerning wheat production in this country. One of these is to achieve and maintain an adequate income for the wheat farmers. The second basic problem is to cut production. There is a third major problem—and that involves the disposal of present surplus stocks. This problem would have been handled by the wheat stabilization program which I sponsored and will not, really, be fully solved by this bill. However, this bill does have the advantage that it will in all likelihood not allow new and greater surpluses to be built up.

This wheat bill has a very distinct advantage over many other proposals which have come to the Congress in recent years. It will cut production sharply, while at the same time guaranteeing an adequate price for that wheat which is produced. The bill provides for a 30-percent cut in production on most of our wheat land. This in itself is a good idea because we do have an overabundance of this commodity in bins. However, I think the 30-percent cut is a bit too steep and will, in effect, cut the income of the average wheat farmer despite the high guaranteed price support for that which he does produce.

I have long favored the 90 percent of parity support price for wheat. That portion of this bill I consider to be good and to be of real benefit to all wheat growers in the Nation.

I would like to make two more points. One is that this bill does not kill off the little fellow, the man who does not plant vast expanses of wheat. There are certain proposals which will be offered that would in effect eliminate the small producer. This would be disastrous to our national economy.

The second point I would like to make—and here I address myself primarily to my colleagues from the cities, the gentlemen who represent primarily the consumers rather than the producers of this commodity. During the past few years the price of wheat has dropped steadily. The overall decline in wheat prices has been drastic and dangerous. However, while wheat was falling by a dollar a bushel, the price of bread in your corner grocery store has gone up 14 cents a loaf. What has caused this is debatable and controversial. However, I think all consumers should remember this point. The cost of bread is not necessarily based on the price paid for its principal ingredient, wheat. In fact, just the reverse is true. The cost seems to be pegged by some altogether different factor.

For these reasons, then, I have decided to support the wheat bill, H.R. 7246, which is presently before the House. As I said, I cannot find it in my heart to support it as fully as I have the alternate wheat stabilization program; but I do support it and I do recommend it to the sympathetic consideration of my colleagues in the House. I think H.R. 7246 should pass.

Mr. LANGEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. LANGEN. Mr. Chairman, we have before us in debate a bill which deals with the wheat problem and the wheat farmers, but one which, I should hasten to add, has a great significance as well to the taxpayer and the consumer. Because of this magnitude of significance, it is with some reluctance that I offer these observations, for I know that the members of the Agriculture Committee and the Wheat Subcommittee have devoted many hours of very diligent and sincere effort to the drafting of this bill. For their contribution to this difficult and complex problem they are surely to be complimented.

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But I should be remiss in my duties were I not to offer some observations on this measure, for the Red River Valley in my district is one of the great spring wheat producing areas of this Nation, and in addition, this bill concerns a problem with which I as a person have probably been closer associated and have had more experience over the years than any other.

Surely it is not necessary for me to emphasize the need for legislation in this field, for the very fact that the farm income has been constantly dropping and the fact that we today have a wheat surplus amounting to over 1¼ billion bushels, surely emphasizes sufficiently the need. It is with some hesitancy that I support the bill in its present form, for in my humble opinion it does fall short in several instances of offering an adequate solution to the wheat problem. The complexity of the wheat problem, of course, is such that it is most difficult for anyone to come up with a solution that would be adequate in all instances. I should hope, however, that I should find not too much argument were I to say, as I have said on a good many occasions, that the ideal solution would be one which would offer to the wheat farmer for his efforts in the production of wheat, a fair and just return and to do so with the least amount of Government expense and the very least amount of Government regulation.

May I discuss the bill in the light of these objectives. First, the bill provides for a compulsory reduction in the wheat acreage allotment for each farm by 25 percent below that established in accordance with a 55-million-acre national allotment. In return, the wheat farmer will receive an increase in the available price support to 90 percent, or a 25 percent reduction in acres for a 15-percent increase in price. In addition, he will be eligible to receive a small payment in kind under certain regulations. These provisions, however, still amount to a reduced income from the production of wheat for the individual farmer.

I think it is well to point out at this time that the wheat farmer has already made a reduction of 30 percent from his normal production in order to be in compliance with the 55-million acre national allotment and so, in reality, has now made a reduction of over 50 percent from his normal seeded acreage. This, of course, is bound to mean a substantially reduced income from the production of wheat, and when we add this to the reduced income which he is bound to receive from the production of other crops on which price supports have recently been reduced, it, of course, can mean nothing else but a substantial reduction in the total income to the small grain farmer. This he is forced to accept, together with more controls and a substantial increase in the penalty for excess seeding. I am wondering how many more reductions in income the small farmer can stand, together with more controls, and still be able to meet the continuous increase in the cost of production, without being driven out of business entirely.

I think it is well to note at this point that while the wheat problem seems to be a very severe one at the moment, maybe over the years it isn't quite as severe as it may look at first glance. When we look at the record of statistics that have published by the Department of Agriculture, we find that during 3 of the last 5 years the wheat producer produced less wheat than we have disposed of through domestic use and exports. Therefore, weather conditions and other factors beyond the farmers' control play a substantial part in the amount of wheat that is produced each year—factors which are again going to play a part and which will serve to prove that all crops are not going to be as large as the one we experienced in the last year of 1958, which was the largest in our Nation's history. I am wondering if under these circumstances we are justified in compelling the wheat farmer to accept further reductions in his income and stricter controls.

May I call your attention to one other feature of this bill which, in my estimation, is inadequate. It has been said that the bill provides for the farmer a choice of whether he wants to continue to operate under a system of strict controls with a higher price support or whether he would rather want to operate without controls and a low price support. The bill provides for a referendum in which the farmer decides whether we are to have marketing quotas and a reduced acreage together with 90 percent price supports. If this referendum is turned down, he would then be offered no controls and a support price of 50 percent of parity. May I take just a moment to point out the significance of this choice.

If the referendum is turned down and he then is forced to operate under a 50-percent support price and no controls, it would mean that, if he were to receive exactly the same amount of dollars that he would receive under the marketing quota, he would have to increase his production in bushels by at least 75 percent. In addition, he would have added operating expense, and so the final result would still be a reduced net income, even with a 75-percent increase in his production. Now, may I ask what kind of a choice that offers the wheat farmer or what kind of a solution that offers to the wheat problem? For, actually, the farmer is faced with the problem, in the event that the marketing quota is turned down, of having to increase his production of wheat by over 75 percent in order to even maintain his present income. So we can readily see where this would tend to not only further reduce the income but further irritate the surplus problem. I wonder how many of the other segments of our population, whether they be white-collar workers, businessmen, or a segment of our labor force, would be willing to accept a choice like that in these days—a reduced income no matter which choice he makes, while, in comparison, the income to those in other fields of endeavor is constantly increasing.

One of the factors that I find lacking in this bill, which to me is most significant and important in arriving at the adequate and proper solution to the farm problem in general, is that of diverting to the farmer himself a part of the responsibility for the solution of this problem, as well as the opportunity that he so desperately needs to adjust his income to the point of where it will at least compare with the constant increase in the cost of his operations.

Early in the session I did introduce a bill which provided for the incorporation of these factors into wheat legislation. I have since offered comparable legislation applicable to all of the other small-grain crops. These bills have for their purpose the placing of the responsibility to voluntarily reduce the production directly on the farmer himself, and for his contribution provide the opportunity to improve his income. I should express my pleasure at the recognition that these features were given by the Wheat Subcommittee and, more particularly, the recognition that was given to these principles by the other body, in that they have passed a bill which does incorporate these principles but, because of other provisions being left out, still falls far short of the mark. Because of the extent to which these principles have already been recognized, I am not going to offer an amendment to the bill; but it is my hope that, before all the deliberations are over in this House and in this conference, these provisions might be adopted.

It is not my purpose to plead the cause of the American farmer in the sense that he becomes even more dependent upon Government for his existence, but it is rather my purpose to plead that he might be given the opportunity to shoulder his responsibility with a just return for his efforts. I have a great deal of confidence in the ability of the American farmer to do so if he is given the opportunity—an opportunity that he has been promised a good many times over the past several years.

In conclusion may I say that my support of this bill is generated only because of the real need that something ought to be done to relieve the situation that presently confronts the wheat farmer and this Nation. It is my hope that Congress may continue to seek to find a more favorable and adequate solution that will bring to the American wheat farmer additional opportunity to improve his income to the point where he will receive a just share of the national income and to do so without being further hampered by restrictive Government controls and penalties.

Mr. HENDERSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HENDERSON. Mr. Chairman, the legislation before the House today presents the farmers of southeastern Ohio and their representative with a choice. As I interpret their philosophy on the subject of governmental intervention in farming, they would approve less and less of it, to the point of complete removal of controls, even though

that might mean less monetary benefit to them.

The provisions of existing law, which permit them to raise up to 15 acres of wheat without restriction, as well as without subsidy, pleases them for the reason that, within the limitation of 15 acres they are free to operate as they wish. The committee bill would reduce that exemption to 12 acres. At the present time, they have no voice in the farm subsidy program. Only those larger producers of greater than 15 acres are permitted to vote and because they are the ones who, on a dollars-and-cents basis, are more benefited by the program, historically, the larger farmers who do vote, vote to continue it. The Belcher substitute would eliminate the 15-acre exemption completely but, in giving those smaller producers the right to vote on the program, the smaller producers will gain the numerical majority, which will, in the absence of an improbable congressional action to curtail farm subsidies, eliminate controls entirely.

In one other particular, the committee bill is wholly unacceptable; namely, the provision for payment of subsidies at 90 percent of parity, while reducing acreage allotments by 25 percent. Such a plan will further regiment the farmers of America, while implanting ever deeper into our system of government a perpetual plan of price supports. What is needed is a plan which will reduce the supports and will eventually lead us out of the maze of regimentation and control.

The Belcher substitute is a step in that direction. It provides for a gradual reduction, as well as the right of more universal assertion on the part of those who are affected. Both the committee bill and the substitute include a provision which I have long favored and advocated. That is the provision which will permit unlimited production of wheat where it is used by the producer for feed or seed. Such a provision follows the philosophy of legislation which I introduced in the 84th, 85th, and 86th Congresses. In the 85th Congress a partial step was taken in this direction by providing a limit of 30 acres. The legislation now before us goes all the way and removes the ceiling completely.

Mr. Chairman, the people of the United States have the right to expect this Congress to provide them with a workable farm program and one which will lead to the eventual elimination of the costly, ineffective system of controls which has marred our otherwise progressive economy.

Mr. HOEVEN. Mr. Chairman, I yield the remainder of my time to the gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Chairman, I think we should start at the beginning. First, we must admit there is actually no such thing as a domestic farm problem. The problem is rather a foreign policy problem, which, to solve, we have resorted to forcing our domestic producer into competition with the foreign producer.

Let us take just one product for an example. Let us take wool. You know, or should know, that today we are producing less than one-third of the wool that is actually processed and consumed in this country—and yet, because wool is a commodity that is susceptible to international trade, we are forced to provide a wool support or wool subsidy program in order to provide the domestic wool grower with a cost-of-living price so that he can buy groceries for his family.

Listen, my friends, if there were a protective tariff on wool so that the American farmer could know he would be able to furnish just the domestic market the farm surplus problem would be solved. The acres that are now producing surplus wheat, corn, cotton, and tobacco would be converted to the production of wool and there would be no need for any kind of soil bank program to take acres out of production.

Let us take another example. During the past 10 years we have imported 3,651,000 head of live cattle, the production of which would in itself have taken one-fifth of the basic wheat acres. We have imported over 13 million live hogs. In addition, during the past 10 years we have imported over 2,022 million pounds of beef and veal, almost a billion pounds of pork, and 46 million pounds of lamb and mutton. Since the reciprocal trade extension went into effect last July, beef, lamb, and pork imports have been increased from two to five times the previous rate; if you think we have a farm problem now, wait until these accelerated imports take effect.

If the American farmer had used American acres to produce this meat and meat products, there would be no farm surpluses of anything today and no need for any farm support prices.

Another thing, if the American farmer were permitted to produce just a part of the 39 million short tons of sugar imported annually, it would take up many thousand more of the acres we are worrying about taking out of production.

Let us take another example. When the Department of Agriculture announced reductions in price supports on barley, oats, rye, soybeans, flax, and grain sorghums, which would reduce the cash income of the American farmer in 1959 by 17 percent of $436 million as compared with 1958, figured on an average crop in 1959, our colleague from Minnesota [Mr. LANGEN], introduced a feed grain support bill in Congress.

His research on imports and surpluses of barley and oats disclosed that according to the Department's own figures, the American farmer has produced no surpluses in these two crops in the past 10 years. True, we do have a surplus of 200 million bushels of barley and 275 million bushels of oats, which costs the American taxpayer approximately $26 million a year in storage and which, because of its existence, is depressing the domestic price of these two commodities. On the other side of the ledger, however, we find that in the past 10 years this Nation has imported, mostly from Canada, 224 million bushels of barley and over 344 million bushels of oats. And yet—my friends—the American farmer is being blamed for the surplus and the cost of storage.

Now—just for a short minute—take the monkey off the back of the American farmer and place it where it belongs.

So long as it is the foreign policy of this Nation to trade the products of domestic labor and industry for foreign-produced farm products, then let's be honest enough among ourselves to admit that this is a foreign policy problem and not a domestic farm problem. Let me say this—if through reciprocal trade and reduced tariff policies we continue to dump foreign farm production into this country, then there is no hope for the American farmer except a tax subsidy. If, however—instead of increasing imports we decide to protect American agriculture with tariffs and quotas, then the farm problem is solved in one year and the farmer will be once again returned to his status of a free market and a free opportunity to live as an independent operator in a free enterprise system.

WHEAT

There is no wheat problem. If the program of the National Wheat Producer could be enacted so that the wheat producers of the Nation could raise the wheat that is used in domestic consumption and protect their price for that portion through the sale to those who consume the wheat products, instead of being forced to go to the taxpayers generally—there would be no wheat problem. The wheat growers would gladly handle their own program with very little expense to the taxpayer, but this is not possible because the corn and other feed grain producers of the Nation are fearful of wheat going into competition with their products—so the wheat farmer of the Nation must take what is handed to him.

So far as wheat legislation is concerned, there are as many solutions as there are students of the problem. There are, however, two principal schools of thought. One school of thought is that the program should embrace high supports with strict production controls—the other that there should be no limitation upon production and only a protective floor under the support price.

The committee bill gives the wheat farmers of the Nation the choice between those two philosophies to be determined in a referendum vote. There are features of the committee bill with which I do not agree. For instance, if there is to be a 25 percent reduction in acreage, it should be a 25 percent reduction. The provision permitting the operator to receive wheat "in kind" from the CCC supplies in storage will have a price depression effect if permitted to be dumped on the market.

On the other hand, the substitute bill is even worse, in my judgment. The committee bill limits the referendum vote to the wheat farmers of America. The substitute bill permits all farmers, raising not more than 15 acres to vote on a program which does not, and should not, affect them.

In an effort to reduce production, the legitimate wheat farmers have already

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taken a 30 percent cut in their acreage. The 15-acre free loaders who have become the barnacles clinging to the bottom of the wheat program vessel are today producing 680 million bushels outside the farm program, in other words, just about the amount of the annual wheat surplus production. Why should these 15-acre free loaders write the program for the wheat farmers of the Nation?

The difficulty is that the historic wheat area of the Nation, much of which cannot successfully produce any other cash grain crop, is having its program written for it primarily by farmers who never produced wheat until controls on other crop production forced them into wheat production. If, however, the State Department is going to write this farm program for the American farmer, then possibly the 15-acre freeloaders may as well write the wheat program for the wheat farmers.

The only solution to all of these entangling messes is to give the American farmer the production of American consumption. If that is not possible, then I suppose we have no alternative other than to resort to production subsidies with the taxpayer being called upon to pay the price of our foreign trade policy.

Mr. COOLEY. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, in concluding this debate, which I think has been very interesting, I want to call attention to one communication from the U.S. Department of Agriculture of recent date. The headline is this, and I address the city Members of Congress: "Farmers' prices do not govern bread prices." This is an official statement coming from the Department of Agriculture. Now, here is a chart in a publication issued by our committee on June 1, 1959, on page 3, showing how bread prices in recent years have continually gone up at the very same time that wheat prices to the farmer have continually gone down. So, I do not think any Member representing an urban area has any reason to fear that this bill here now before us would in any way affect his constituents.

Mr. Chairman, I want to conclude by saying again what I said to begin with, that this is the one great problem of American agriculture. The President is disturbed about the wheat situation; the Secretary of Agriculture is disturbed about it; all of us are disturbed about it. The taxpayers have a right to be disturbed about it, because we have over $3 billion invested in wheat.

Wheat, as a commodity in my own congressional district, is not of great importance. But, when I see men, for instance, like the gentleman from Kansas [Mr. BREEDING], the gentleman from Montana [Mr. ANDERSON], the gentleman from Iowa [Mr. COAD], and these other people from the great wheat-growing areas of America willing to accept the terms of this bill, as drastic as it is, certainly I feel inclined tc go along with it and support the program.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. HOEVEN. I hope my good chairman will not include Iowa as one of the great wheat-producing States.

Mr. COOLEY. I will say that Iowa is a great State in many respects. It is best known for its corn crop. I will say to my friend from Iowa if the Belcher amendment is adopted, you will put every little 15-acre man out of business and they will be perfectly free to grow corn in competition with the corn produced in Iowa.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Of course, the Chairman knows there will not be anybody in the 15-acre allotment put out of business if he has been raising wheat. This only puts out of the wheat program that fellow that joined later.

Mr. COOLEY. The committee has reduced the 15-acre allotment to the lower of 12 acres or to the highest planted by the farmer in any one of the most recent 3 years. Those who have a smaller allotment should be affected like those that have a larger allotment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McCORMACK. I think the gentleman's statement was correct a moment ago that the increase in cost of living to the people in the cities is not to be blamed on those who toil in the soil. We ought to know, and certainly I know, that as prices go up to the consumer, the farmer has been getting less.

Mr. COOLEY. The record clearly shows that.

Mr. McCORMACK. We know that it is caused by the middlemen. And certanly that should be thoroughly looked into. Anyone from the cities who votes against any bill because he thinks it is going to increase the cost of living to the consumers in the city is making a very serious mistake.

Mr. COOLEY. Even the Secretary of Agriculture has publicly said that the American consumer today is getting better food and more food at cheaper prices, in relation to individual incomes, than ever before in all history. That is an answer to that argument.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

All time has expired.

The Clerk will read the bill for amendment.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

The was no objection.

The bill is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 90 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 30 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 344 (c)(2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 30 per centum reduction in the farm acreage allotment required under section 344(c)(2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop

normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 30 per centum under section 344(c) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 90 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support shall be made available to cooperators and noncooperators at 50 per centum of parity: *Provided, however,* That for the purpose of section 407 of the Agricultural Act of 1949, as amended, the current support price for wheat shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor."

SEC 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however,* That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secreary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)) is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 12 acres or (2) the highest number of acres planted to wheat on the farm for harvest in the calendar years 1957, 1958, or 1959."

SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)) shall not be applicable with respect to the 1960 and 1961 crops of wheat.

SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 334 is amended by inserting "(1)" after "(c)" and adding a new subparagraph (2) following subparagraph (c) (1) to read as follows:

"(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1960 and 1961 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 30 per centum. In the event notices of farm acreage allotments for the 1960 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable."

(b) Section 334 is further amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

(c) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;".

(d) Section 336 is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25 of the year in which the proclamation is made the Secretary shall conduct a referendum by secret ballot to determine whether farmers favor or oppose such quota. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held on a farm that was not exempted from farm marketing quotas on such crop of wheat under applicable provisions of law. Any acreage considered as being devoted to wheat in establishing future allotments under applicable provisions of law shall be considered as wheat-producing acreage for the purpose of determining eligibility to vote. If the Secretary determines that more than one-third of the farmers voting in the referendum oppose such quota he shall prior to the effective date of such quota by proclamation suspend the operation of the national marketing quotas with respect to wheat".

(e) Section 362 is amended by deleting the second sentence thereof.

SEC. 5. Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, line 10, strike out "30" and insert "25."

Page 2, line 14, strike out "344" and insert "334."

Page 3, line 10, after the word "if", insert "marketing quotas for the particular crop are in effect and."

Page 3, line 13, strike out "30" and insert "25."

Page 3, line 14, strike out "344" and insert "334."

Page 4, line 20, strike out "30" and insert "25."

Page 4, line 21, strike out "344(c)" and insert "334(c)(2)."

Page 9, line 10, strike out "30" and insert "25."

The committee amendments were agreed to.

Mr. McGOVERN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McGOVERN: On page 5, line 2, strike out the period, insert in lieu thereof a colon, and add the following: "*Provided further,* (1) That beginning with the crop of wheat to be planted in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. De-

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partment of Agriculture shall not exceed $35,000; (2) that the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection; (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation; and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation."

Mr. McGOVERN. Mr. Chairman, this amendment is very similar to an amendment that I offered on the floor of the House 2 years ago, when we were debating the corn bill in the spring of 1957. It simply seeks to gear the operation of our Federal farm program primarily to what has been called here many times "the family-size farm." It is an amendment similar to the one that was adopted on tobacco yesterday when that bill was before the House, a measure which came from the other side of the aisle which I was happy to support, just as I supported the amendment offered by the gentleman from Kansas [Mr. AVERY] a few days ago.

Mr. Chairman, I want to make this point in reference to the amendment. It would be a mistake for anyone to assume that because we are offering a limiting amendment that this necessarily implies that most of our present wheat program is now in the hands of huge producers. There has not been any more unjustified myth spread around this country than the notion that most of our farm production is controlled by a few huge operators. The truth of the matter is that this amendment limiting price-support loans on wheat to $35,000 for any one producer will only affect 287 wheat farmers in the entire United States. Last year, according to the figures of the Department of Agriculture, there were 476,000 wheat loans that were granted by the Commodity Credit Corporation. In other words, the amendment I am offering today affects only 6/100th of 1 percent of all the loans that were granted to wheat producers in 1958. The total of the dollars that were loaned to the wheat producers in the category of $35,000 and over represents only a little more than 1 percent of the wheat that was pledged under our price-support program. So I do not offer this amendment because of any conviction on my part that the program has been taken over by the large producers, but because the entire farm program has been given a black eye due to the publicity and the propaganda associated with a handful of large producers. This amendment will take care of that problem.

Mr. ANDERSON of Montana. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. ANDERSON of Montana. As I heard the gentleman's amendment read, the language was "wheat planted in 1960." I wonder if the gentleman really intended to make that discrimination so that the winter wheat people would have the effect of this amendment deferred until the harvest in the fall of 1961 whereas the spring wheat people would have it imposed on crops to be harvested in 1960.

Mr. McGOVERN. The amendment goes into effect on any wheat planted in the 1960 crop year.

Mr. ANDERSON of Montana. As I interpret the wording of the gentleman's amendment, it goes into effect for the spring-wheat farmers a year earlier than it does for the winter-wheat farmers.

Mr. McGOVERN. We have to have a beginning point.

Mr. ANDERSON of Montana. Then should we not say "harvested in 1960" instead of "planted in 1960"? We are talking about two crops here, the crop harvested in 1960 and the crop harvested in 1961.

Mr. McGOVERN. I think the amendment accomplishes what we are after the way it is worded.

Mr. ANDERSON of Montana. No. It does not accomplish what the gentleman is talking about for the crop to be harvested in the winter wheat area in 1960 because most of that crop will be planted in 1959.

Mr. McGOVERN. I have no objection to changing that to take care of that problem.

Mr. ANDERSON of Montana. Could the gentleman be permitted by unanimous consent to so change his amendment?

Mr. SMITH of Iowa. I believe you said planted in the crop year. The crop year is from July 1 to July 1 so there is nothing wrong with your amendment.

Mr. McGOVERN. Does that satisfy the gentleman's complaint about the amendment?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman.

Mr. COOLEY. I just want to add to what the gentleman has said that of the 1,700,000 wheat acreage allotments during 1958, there were only 287 loans in excess of $35,000 which only involved less than 9½ million bushels of wheat and the money involved is slightly more than $16 million as related to $1,011,880,000. The total of 9 million bushels is related to 556,300,000 bushels.

Mr. Chairman, I point that out to show to the Members that it is not necessary for us to kid ourselves into believing that we are accomplishing anything by adopting the gentleman's amendment. The fact is that I oppose the amendment, but I assume the House will probably impose this limitation. But, I just wanted the House to know that we are doing something that is not of great consequence and will not accomplish much when this $35,000 limitation is imposed.

Mr. McGOVERN. Mr. Chairman, in view of the question that has been raised by the gentleman from Montana about the wording of the amendment I have offered, I ask unanimous consent that in the amendment the word "planted" be changed to the word "harvested" so that all of these crops will be treated alike.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. McGOVERN: On page 5, line 2, strike out the period, insert in lieu thereof a colon, and add the following: *"Provided further,* (1) That beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture shall not exceed $35,000; (2) that the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection; (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation; and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation."

Mr. MOORHEAD. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORHEAD to the amendment offered by Mr. McGOVERN: After "legal entity," insert "or any two or more legal entities the beneficial ownership of which is substantially the same or is in members of the same household."

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORHEAD] is recognized in support of his amendment.

Mr. MOORHEAD. Mr. Chairman, I rise in support of my amendment to the amendment proposed by the gentleman from South Dakota.

Let me first say that I think the amendment proposed by the gentleman is a good one, and I am in favor of it. However, I believe that the language of the amendment as now drafted contains a loophole which could possibly be used to destroy the intended effect.

Let us take as an example a man with a wife and two children who owns and operates a wheat farm of 100,000 acres. The purpose of Mr. McGoverns' amendment is to limit the amount of price support which this farmer could receive from

the Commodity Credit Corporation in any one year to $35,000. This farmer by a series of divisions of his acreage could set up 1,000 acres as a partnership with his wife, another 1,000 acres in corporate form with his daughters as stockholders, and various other forms of legal entities, each of which could be used under the present language to entitle him to $35,000. Thus instead of a limit of $35,000, he might actually be able to collect hundreds of thousands of dollars.

The amendment I propose would change the language so that any two or more legal entities having the same beneficial ownership or owned by members of the same household, would constitute only one "person" for purposes of determining the limitation. This would prevent any one family from collecting more than the intended $35,000, by setting up a series of dummy corporations or partnerships.

I also have in mind a similar situation to which I believe my amendment would apply. This is the so-called vertical combine; that is, a supermarketing organization in which is combined the services of the farmer, the middleman, and the distributor. It would be quite possible for such a huge organization to set up several legal entities, but the beneficial ownership would still be in only one corporation. My amendment is intended to prevent such an organization from receiving more than the $35,000 intended under the amendment of the gentleman from South Dakota.

Mr. Chairman, there are no farmers in my district. It is located in the center of the great industrial city of Pittsburgh.

People there are watching farm bills these days more intently than ever before and well they should be.

The factory workers, professional people, and housewives are bearing the cost of this program as consumers and taxpayers.

However, these city dwellers also realize that they benefit from this legislation because the strength of the economies of the cities of America depends, in large measure, upon the strength of the economy of rural America.

There is an interdependence of rural and urban America.

I hope that the representatives of rural America realize that the cities of America are their best customers, and that a healthy rural economy depends upon healthy urban economies. I think they do. Most of them supported the housing bill because they realized that the cities of America had a desperate need for Federal assistance.

Insofar as the small or family farm is concerned, we of the cities recognize that there is also a need for Federal assistance. We recognize that the small farmer is beset by problems completely beyond his control and beyond his financial ability to guard against.

If the small farmer has bad weather, drought, flood, or plague of insects, he loses his crop and possibly his home and source of livelihood. If he has good weather, so do his neighbors and he loses money because the increased supply of his crop drives prices down.

The small farmer has a real need for Federal assistance.

Big corporate farms can weather bad years. They need subsidies about as much as General Motors needs help from the Small Business Administration.

The large farm combines do not—or should not—have the same need as the small farmer.

There is the specter of a growing revolt among city dwellers against continuation of a farm program which is not based upon need.

The Democratic Party has always recognized the problem of need wherever it may occur in any segment of our people.

However, the people of the cities believe that the farm program is too expensive.

They object primarily to the payment of tremendous subsidies to the large or corporate farm where there is no need.

Then why not direct the program away from the huge farm combines who do not need it and limit it to the farms where there is need?

Such a step would immediately save all taxpayers millions of dollars.

I understand that an amendment will be offered to accomplish this purpose. The amendment will place a top limit of $35,000 on the amount of price support to any one person on any year's production of wheat. I am wholeheartedly in support of this amendment.

However, because the amendment may contain a loophole whereby the large farm combines could avoid the effect of the amendment, I propose to offer an amendment which, I believe, would close this loophole.

The $35,000 limit will be a step toward placing our wheat program on a sound, realistic, and more economic basis.

I hope that city and farm will join together to adopt this amendment.

I hope city and farm will join in adopting this amendment as they soon must join in finding an even more fundamental solution to the frustrating problem characterized by the constantly increasing abundance of American wheat and other agricultural products which somehow we have been unable to make available to the world's starving millions who need them.

Today's bill embodies a program of 2 years—2 years in which we should be striving for better ways to use this abundance to strengthen America's position in world trade and forge stronger ties with freedom-loving people throughout the world.

Wheat, which now costs Americans money in taxes, can and should be producing more money instead as a valuable export.

Wheat, the center of a vexing problem of plenty, should, instead, be helping build roads in the underdeveloped areas of the world.

The avenue toward the first goal is through commerce.

Our Departments of State, Agriculture, and Commerce should, during the next 2 years, exert redoubled efforts to reverse the trend of declining sales of American wheat on the world market.

Our salesmen should be busy in potential markets throughout the world.

Russia, for example, has increased her wheat exports 500 percent in the past 2 years.

Why can we not?

In mentioning wheat as a valuable part of our foreign aid program, I mentioned that it can build roads in our underdeveloped areas of the world.

It can, and at the same time, save us valuable dollars.

In many of the world's underdeveloped areas basic public improvements such as roads are needed as a first step toward raising the general level of economy.

In India, for example, hundreds of small villages have not even a single road connecting them with larger centers.

The men who should be providing labor on them are, instead, desperately engaged in a struggle to eke out enough food for their survival.

It has been proposed that, as an economic type of American foreign aid, these native farmers be put to work and paid for their labor in wheat and other American foodstuffs.

In essence, we would be substituting food for dollars in foreign aid programs and, judging from the mounting surplus in many of our commodities, we have more food than dollars.

There is a visionary element, I admit, in both the foreign aid and commercial approaches I have suggested to our surplus wheat problem. But vision and imagination are required if we are to solve it.

Mr. McGOVERN. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield.

Mr. McGOVERN. I have no objection whatsoever to the language the gentleman would like to add to my amendment. I think it may clear up some area of doubt and I hope that it will be accepted.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is insignificant, and it would not accomplish what the author of the amendment seems to think it would accomplish.

In recent weeks the farm program has been held up to ridicule and Members of Congress have been held up to ridicule by a bunch of journalistic, guttersnipe type of people who are trying desperately to bring this farm program into disrepute and ultimately to destroy it.

Why should we be frightened and intimidated by flaming headlines speaking of big operators as if they were some sort of villains, some sort of criminals imposing on the little taxpayer? I have talked to the largest wheatgrowers in this country. They are for this bill as we have presented it. Every wheat district represented in this Congress is for this bill as the committee brings it out to the House.

Why should we deny a loan to a man just because he is a big operator? We

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cannot have a control program controlling the operations of one group of producers alone; we control the operations of all producers. Why should we discriminate against any of those who accept the hardship, the pains and penalties of the law and who stay within their acreage allotment? Why should we deny them a loan?

One man with whom I talked was a very large grower. The Government has not sustained any loss on his loans. He has borrowed millions from the Government and paid back millions to the Government with interest. The only time he did leave his commodity in the loan came when the Government lowered the price support on wheat and he was unable to sell it without a loss.

I hope this amendment will be rejected.

Mr. AVERY. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I find myself in a rather unique position this afternoon in rising to oppose this amendment. This tremendous effort to impose a limitation on the lending authority of the Commodity Credit Corporation seems to emanate from the time I offered an amendment to the agricultural appropriation bill for the fiscal year 1960. After it was rather overwhelmingly approved by the House, the other body hastened in to put an amendment similar to this one we have before the committee this afternoon on the wheat bill passed by that body. Then yesterday there was a similar amendment attached to the tobacco bill that was before the House. Now we are getting into a whole maze of rather complex situations in which there is no pattern nor consistency.

The reason I am opposing this amendment is not because I have any objection to the principle. I do not agree with the gentleman from North Carolina there is no justification for imposing a limitation. My objection to this amendment is based on the fact we have a limitation on the agricultural appropriation bill passed by the House. The Senate has accepted that limitation on the agricultural appropriation bill. They have amended the language, but the $50,000 limitation remains. We come in here this afternoon seeking to impose a $35,000 limitation on wheat and we are not going to be able to reach the other four basic commodities to put the same $35,000 limitation on them.

It would seem to me, unless the chairman of the Committee on Agriculture wants to rise and tell us he will bring in legislation to the floor to authorize or impose a limitation on all the basic commodities, that we better let this one go by and let the $50,000 limitation prevail that is in the agricultural appropriation bill and was attached to the tobacco bill considered by the Committee and the House on yesterday.

Mr. McGOVERN. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from South Dakota.

Mr. McGOVERN. May I ask the gentleman from Kansas if he rose in opposition to the amendment yesterday to the tobacco bill, very similar to this amendment?

Mr. AVERY. It is my understanding that was a $50,000 amendment.

Mr. McGOVERN. I think it was the same as the amendment that is being offered.

Mr. AVERY. Mr. Chairman, I yield to the gentleman from Illinois to make a contribution.

Mr. MICHEL. Mr. Chairman, I appreciate the gentleman yielding. The reason we offered the amendment in the language we did was for the purpose of getting some sort of uniformity. I must say I subscribe somewhat to the remarks made by the gentleman from Kansas, in that if we continue to set different figures and varying language for every set of commodities, we are getting into a very untenable position. I would be willing to withdraw from the position I took yesterday, if we could get some assurance from the distinguished chairman that the legislative committee will take this matter in hand and come up with something that is uniform for everybody, something that we can all understand, without this haphazard method of legislating.

Mr. COOLEY. The gentleman's amendment was for $50,000?

Mr. AVERY. Yes.

Mr. COOLEY. To the tobacco bill?

Mr. AVERY. Yes.

Mr. COOLEY. I did not oppose it because actually I was advised that the amendment would have affected in the entire life of the tobacco program only four loans. We are about to do the absurd thing of pretending to the country we are doing something of great importance when the amendment offered by the gentleman would only be applicable to loans totaling $16 million against total loans in the wheat program of over $1 billion in the last year. It is not too important, but I assure the gentleman that just as soon as circumstances will permit our committee will go into this very thing and try to bring about some uniformity.

I want to say to the House that we expect to start on some long range farm programs when time will permit. But we are doing something vain and foolish by adopting this loan limitation amendment.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

(By unanimous consent (at the request of Mr. AVERY) he was allowed to proceed for 1 additional minute.)

Mr. AVERY. Mr. Chairman, I find myself in agreement on this particular issue with the chairman of the Committee on Agriculture. I do not see how we can justify a $35,000 limitation on wheat and a $50,000 limitation on all the other commodities. I do not quite understand here today how we could have any assurances of seeking or imposing a limitation on the four commodities that very possibly will not be before the Congress this year. So let us not adopt this amendment, let the $50,000 limitation in the appropriation bill apply for 1960; then we can take this matter up with the legislative committee where it rightfully belongs for the crop year 1961.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

There must be good reason for the enactment of this amendment. The chairman of the Committee on Agriculture at first said this was inconsequential, this amendment offered by the gentleman from South Dakota, but it seems to me it has developed into a pretty good argument. I notice the distinguished chairman of the Committee on Agriculture is now making quite a fight against it despite the fact that it was not supposed to affect anybody or do anything. That seems to me to be a argument for the adoption of the amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. COOLEY. It would have affected 287 people last year out of a total of 476,000. Why should we discriminate against 287 loans?

Mr. GROSS. I am in favor of putting this limitation on every bill just as fast as they come in here.

Mr. COOLEY. I say if you put it on every bill, even if you put a $35,000 limitation on it, but you are not accomplishing anything. That is my point.

Mr. GROSS. Oh, yes, you are accomplishing something.

Mr. COOLEY. You are knocking these 287 people out of a loan.

Mr. GROSS. Would not the gentleman say that is some accomplishment?

Mr. COOLEY. No.

Mr. GROSS. The gentleman from Iowa thinks it is and feels that we ought to put a similar limitation on every bill that comes in.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN to the amendment: Strike out the sum "$35,000" and replace the sum with the sum "$50,000."

Mr. BALDWIN. Mr. Chairman, this amendment is simply to bring the wheat limitation in line with the limitation adopted yesterday for tobacco and the amendment adopted in the appropriation bill a couple of weeks ago for other price-supported commodities. I hope the House will accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BALDWIN] to the amendment as amended.

The question was taken; and on a division (demanded by Mr. BALDWIN) there were—ayes 33, noes 76.

So the amendment to the amendment as amended was rejected.

The CHAIRMAN. The question is on the amendment as amended.

The amendment as amended was agreed to.

Mr. LATTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA: On page 10, line 10, strike out all after the word "quota"; and strike out lines 11 through the word "vote", on line 20, and insert in lieu thereof the following: "Farmers eligible to vote in such referendum shall be those farmers on farms to which a wheat acreage allotment was established in the calendar year immediately preceding the calendar year in which the referendum is held."

Mr. LATTA. Mr. Chairman, we have heard much discussion here this afternoon about giving the small farmer the right to vote in a wheat referendum. I propose by this amendment to give all farmers the right to vote who had an acreage allotment the preceding year. It would not give the right to vote to farmers who did not have any acreage allotment.

I am particularly concerned with the large number of farmers who have between one-tenth of an acre and 15 acres in the United States, in wheat, who are not permitted to vote in a wheat referendum even though they are affected indirectly by such a program.

For example, in the State of Ohio we have 45,026 farmers who have acreage allotments of from one-tenth of an acre to 5.9 acres who are now denied the right to vote in a wheat referendum, and 44,201 farmers who have an acreage allotment of between 6 acres and 10.9 acres; and we have 21,980 farmers who are not permitted to vote who have between 11 and 15 acres of land in wheat.

For example, in the 48 States, those who have between one-tenth of an acre and 5.9 acres number 488,619 who are not permitted to vote. In the category of 6 acres to 10.9 acres we have 263,985 who are not entitled to participate in this program.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. SHORT. I am in accord with the objective the gentleman is trying to achieve through his amendment. But I think I should point out to him that the statistics he was quoting a few moments ago also include 355,950 farmers who have an acreage allotment of zero up to one-tenth of an acre and under the provisions of the law, if amended as he suggests, would also be able to vote.

Mr. LATTA. The gentleman is absolutely incorrect. I did not read those figures to which he referred. To be exact and to be correct the number in Ohio with an allotment of zero happens to be 19,598. The total number in the United States is 355,956. And, as I pointed out to the Committee at the beginning of my remarks, this amendment would not include those individuals because they do not now have an allotment.

Mr. LEVERING. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. LEVERING. Mr. Chairman, I rise in favor of the amendment and I hope it will be adopted.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman.

Mr. BELCHER. Do I understand that under the gentleman's amendment he is giving everybody with a wheat allotment regardless of size the privilege to vote?

Mr. LATTA. That is correct.

Mr. BELCHER. That means that a farmer who has an allotment under 15 acres will have the privilege of voting in a program under which he does not come; in other words, he can vote in a program under which he does not suffer any of the penalties of marketing quotas. Is that correct?

Mr. LATTA. Mr. Chairman, I would like to say to the gentleman notwithstanding the correctness of his statement, those individual farmers to which this amendment will have reference are indirectly affected by this program. They are restricted by the very law to 15 acres or under in their production. So they are indirectly affected by the program and I, therefore, maintain they should be permitted to have the right to vote.

Mr. ALBERT. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. ALBERT as a substitute for the amendment offered by Mr. LATTA of Ohio: On page 10, beginning after the period on line 10, strike out through the period on line 20 and insert: "Farmers eligible to vote in such referendum shall be producers on farms with respect to which a wheat allotment has been established pursuant to the provisions of this act for the crop of wheat normally harvested in the calendar year in which the referendum is held and who have complied with such acreage allotment."

Mr. ALBERT. Mr. Chairman, this amendment seeks to do two things; first, to take care of an omission that resulted when the bill was redrawn, and to make sure that everyone subject to marketing quotas is permitted to vote.

Secondly—and I would like to address this remark to the gentleman from Oklahoma [Mr. BELCHER], who raised the question with the gentleman from Ohio [Mr. LATTA]. This amendment enfranchises everyone who is subject to marketing penalties, and that is all that any marketing penalty law for any crop does, so far as I have been able to find out. It goes further and says to those who are within the exemption if they have an acreage allotment and planted the allotment and no more, they will be eligible to vote.

Mr. BELCHER. Does that put any restriction on them as to whether or not they can vote with the 15 acres? Do I understand if they had a 3-acre allotment this year, they could vote in the program to put marketing quotas on everyone else and then they could go ahead and plant 12 acres of wheat?

Mr. ALBERT. No; this will only authorize certain ones to vote. This will authorize that individual to vote who has an allotment of less than 12 acres but who lives within his allotment. He has a choice between taking the exemption and living within the program with everybody else and voting like everybody else.

Mr. BELCHER. In other words, if he votes he must live within the program.

Mr. ALBERT. That is right. That is all there is to it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. HALLECK. And if he does not live within his allotment, then he has no right to vote?

Mr. ALBERT. That is right because he is not subject to the law up to the point of his exemption.

Mr. HALLECK. In other words, in the committee bill, as I understand it, there is a 12 acre exemption.

Mr. ALBERT. That is right.

Mr. HALLECK. If a man did not have a 12 acre allotment and did plant 12 acres of wheat, he would have no right to vote.

Mr. ALBERT. That is right. But, he has the right under the exemption to live within his allotment and vote or plant more and not vote.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. SHORT. I hope and I am sure the distinguished chairman of our wheat subcommittee understands the amendment he has introduced here, but I am wondering if the language is quite clear. The law provides that you shall not be eligible to vote if you are not subject to quotas. The law we are considering limits this to those who plant 12 acres of land. I think there is possibly the need for clarification of the language in the exemption.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that the amendment be again reported by the Clerk.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk again reported the substitute amendment.

Mr. ALBERT. This adds, I will say to the gentleman, or I will say it is intended to add to those eligible under the law another group, to wit, those who live within their allotment but are not subject to marketing penalties.

Mr. SHORT. The only question that came to my mind, I will say, is as to whether or not there is a conflict between the provisions of the law which says that those who are not subject to quotas shall not be eligible to vote and the provisions of this amendment. That is the only question I have and, perhaps, it is getting pretty technical.

Mr. ALBERT. I think so far as this class is concerned, it certainly would modify existing law. That is the intention.

Mr. LATTA. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, in order that we all know the facts as to the substitute amendment offered by the gentleman from Oklahoma, I would like to point out that we are not getting much under the gentleman's proposed amendment. For example, if we were to pass this bill,

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H.R. 7246, and reduce the 15 acre-farmer to 12 acres, a person having only a 2 acre allotment would have to choose between growing 12 acres of wheat and not voting or growing 2 acres of wheat and voting—a difference of 10 acres. In our State of Ohio, the farmer will net $50 an acre for growing wheat. When you multiply $50 by 10 it means that he is paying $500 to vote in a wheat referendum, and I say the price is too high, and I think the amendment should be defeated.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. JONES of Missouri. Can the gentleman tell us what percentage of large and small wheat producers vote in these farm referendums?

Mr. LATTA. In answer to the gentleman's question I may say that in 1958 there were 800,000 eligible voters; 235,039 voted; and if you want to know the percentage who voted "for" I can give it to you.

Mr. JONES of Missouri. I would like to have the figure.

Mr. LATTA. 86.2 percent voted for; 13.8 against.

Mr. JONES of Missouri. A minimum of the people eligible to vote voted. For the entire United States it was 20 percent.

Mr. LATTA. Very nearly; I would say it would be a little over 20 percent.

Mr. JONES of Missouri. For the whole United States 20 percent.

Mr. LATTA. Yes.

Mr. JONES of Missouri. So is it not a case of making a mountain out of a molehill, this matter of the vote?

Mr. LATTA. It may be making a mountain out of a molehill, but the people should have the right to vote.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I shall be pleased to yield to my distinguished chairman.

Mr. ALBERT. The gentleman recognizes now that my amendment will take care of every grower who desires to be a part of the program, and that it will not in any way take away the exemption of those who do not care to be in the wheat program. Is that true?

Mr. LATTA. I agree with the gentleman's statement, but I do not think we should mislead anybody into believing that they are getting much by virtue of the amendment to the amendment, as the individual himself must choose between his allotment and the 12 acres. He can still plant his 12 acres, but he cannot if he takes his allotment.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. HOFFMAN of Michigan. What percentage of those who grow wheat throughout the country cannot vote?

Mr. LATTA. I do not have those figures. It is a very small percentage.

Mr. HOFFMAN of Michigan. It is far more than half, is it not? You do not claim that 50 percent of the wheat growers of the country vote.

Mr. LATTA. No.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Michigan.

Mr. BENTLEY. I would like to ask the gentleman if the Albert substitute provides that if after the referendum everybody who participated in the referendum would be subject to marketing quotas?

Mr. ALBERT. No, that is not correct.

Mr. BENTLEY. Only those in excess of 12 acres.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to take this time simply to say that this thing has cleared up pretty well. The question is simply whether you want to let people vote in a referendum which will not affect them. In other words, should the citizens of Texas vote to select the mayor of New York? That is just about how this works, because if you adopt the Latta amendment you allow a substantial group of people who are not affected by any controls to vote controls on others.

If, on the other hand, you adopt the Albert substitute you let every wheat-grower in the United States who is subject to marketing quotas and who abides by them to vote in determining whether or not we have these marketing quotas.

If a wheat grower does not want to abide by his quotas he can grow 12 acres under the Albert bill. He can grow 12 acres without any compliance on his part whatever. On the other hand the Latta amendment would let him vote to impose a limitation upon his neighbor.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. BENTLEY. The gentleman said that the Albert substitute would let everybody now subject to marketing quotas vote.

Mr. POAGE. No, that is not what I said. I said everybody who is subject to marketing quotas and abides by them.

Mr. BENTLEY. What about people who are not subject to marketing quotas; can they grow 12 acres?

Mr. POAGE. Anyone can grow up to 12 acres and if they abide by their marketing quotas they can vote under the Albert amendment. It does not take a quota to grow 12 acres, but it takes a quota and compliance with that quota to vote.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Certainly.

Mr. ALBERT. This substitute amendment will do two things: First, all those who are subject to marketing penalties will be eligible to vote. Second, all those not subject to marketing penalties who have allotments and abide by the allotments will also vote.

Mr. BENTLEY. Abide by the allotments and the marketing quotas.

Mr. ALBERT. The gentleman is correct.

Mr. POAGE. The marketing quota is based on the allotment.

Mr. QUIE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask the gentleman from Oklahoma [Mr. ALBERT], if he will yield for a question.

Mr. ALBERT. I yield to the gentleman.

Mr. QUIE. What year would the gentleman take into consideration, under his amendment to the amendment, in the first referendum, which is coming up this year? Would that mean that if in 1959 he stays within his allotment that then he would be able to vote in 1959 on 1960 quotas?

Mr. ALBERT. The gentleman is right.

Mr. QUIE. Like on my part if I had a 7-acre allotment, and if I stayed below that I would be able to vote in 1959?

Mr. ALBERT. After consulting counsel, I am advised it is based upon his performance this year. That is correct.

Mr. QUIE. This year?

Mr. ALBERT. Yes.

Mr. QUIE. So if I have an allotment of this year of 7 acres and I raise less than 7 acres of wheat, I would be able to vote this year in the forthcoming referendum?

Mr. ALBERT. That is correct.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. If you stay within the allotment this year, you can vote on next year's allotment, is that correct?

Mr. ALBERT. You can vote in the referendum to be held in July of next year.

Mr. BELCHER. You would be under no obligation to stay within that allotment when you planted your wheat this fall?

Mr. ALBERT. No. It depends on your performance. There would be no other way of doing it.

Mr. BELCHER. A man is obligated to live up to the way he votes?

Mr. ALBERT. He has earned his eligibility by his performance, I may say to the gentleman.

Mr. BELCHER. He can then grow 12 acres of wheat without penalty.

Mr. QUIE. Mr. Chairman, the situation, before the offering of the Belcher amendment is such that I think this is a good amendment to the amendment and I plan to support the amendment to the amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, if I grow wheat but do not participate in any way in the program, may I vote?

Mr. ALBERT. The gentleman is eligible to vote under two circumstances. One, if he is subject to marketing penalties; and that means anyone who plants more than 12 acres or has an allotment of over 12 acres; or, two, if he has an allotment, small or large, and he lives within that allotment, he automatically is eligible to vote.

Mr. HOFFMAN of Michigan. That is not my question. What I asked is this: I grow wheat, maybe 1 acre, maybe a

hundred acres, but do not participate in the program. May I vote?

Mr. ALBERT. Yes, because you would get an allotment if you are a wheat grower.

Mr. HOFFMAN of Michigan. Whether I want it or not?

Mr. ALBERT. Yes.

Mr. HOFFMAN of Michigan. And I do not vote?

Mr. ALBERT. No.

Mr. HOFFMAN of Michigan. And cannot?

Mr. ALBERT. You cannot vote.

Mr. HOFFMAN of Michigan. What percentage of the farmers in the United States who grow wheat cannot vote?

Mr. ALBERT. A considerable number.

Mr. HOFFMAN of Michigan. How many? What percentage?

Mr. ALBERT. I do not have that percentage. I am sorry.

Mr. HOFFMAN of Michigan. Those who participate and get something out of it will vote for it, and nobody else?

Mr. ALBERT. Those who desire to participate in the program.

Mr. HOFFMAN of Michigan. Those who participate and get something can vote. Nobody else can vote.

Mr. ALBERT. If the gentleman will yield, they all can vote for their Congressman.

Mr. HOFFMAN of Michigan. But they have to be a party to it?

Mr. ALBERT. What was the question?

Mr. HOFFMAN of Michigan. The question is, If I do not participate——

Mr. ALBERT. You cannot vote.

Mr. HOFFMAN of Michigan. Even though I grow wheat, I cannot vote?

Mr. ALBERT. That is right.

Mr. HOFFMAN of Michigan. So that everybody who votes for it is eligible to get something out of it?

Mr. ALBERT. No. The gentleman is correct in this: Everyone subject to marketing penalties or who complies with an allotment is permitted to vote.

Mr. HOFFMAN of Michigan. If you do not get anything out of it you cannot vote?

Mr. ALBERT. I cannot answer that.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Oklahoma to the amendment offered by the gentleman from Ohio.

The substitute to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment, as amended by the substitute.

The amendment as amended was agreed to.

Mr. BELCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BELCHER: Strike out all after the enacting clause and insert "That title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"'SEC. 106. Notwithstanding the provisions of section 101 of this Act, if marketing quotas are disapproved for the 1960 crop of wheat, the level of price support to cooperators and noncooperators for the 1960 crop and each subsequent crop of wheat shall be 50 per centum of the parity price of wheat: *Provided*, That if price support at 50 per centum of the parity price is in effect under this section, the current price support for wheat, for the purposes of section 407 of the Agricultural Act of 1949, as amended, shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor.'

"SEC. 2. (a) Item (1) of Public Law 74, Seventy-seventh Congress, as amended, is amended to read as follows:

"'(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however*, That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary.'

"(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (2)), the rate of penalty on wheat of the 1960 and subsequent crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

"(c) Item (3) of Public Law 74, Seventy-seventh Congress, as amended, is amended effective beginning with the 1960 crop of wheat to read as follows:

"'(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.'

"(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)) is repealed effective beginning with the 1960 crop of wheat.

"SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (12)) is repealed effective beginning with the 1960 crop of wheat.

"SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(a) Section 334 is amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"'(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty.'

"(b) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding 'and shall not apply to other farms with respect to the 1960 and subsequent crops;'.

"(c) Section 362 is amended by deleting the second sentence thereof.

"SEC. 5. Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

"SEC. 6. (a) Subsection (f) of section 335 of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the last sentence thereof.

"(b) Section 336 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"'SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, to determine whether farmers are in favor of or opposed to such quotas. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat.'"

Mr. ALBERT. Mr. Chairman, would the gentleman yield so that we might secure some idea as to time?

Mr. HOEVEN. I have no way of knowing how many want to speak on this amendment. I suggest we let the matter run along for a bit and see what arrangements we can make.

Mr. ALBERT. Very well.

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Mr. BELCHER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BELCHER. Mr. Chairman, I am going to try to be just as brief as I can. We thoroughly discussed this matter awhile ago, and I would just like to point out to the House what this substitute actually does. It is a substitute bill. However, the reason it is offered as a substitute is for the purpose of clarity. It adopts a lot of the provisions of the committee bill, but I thought it would be more easily understood if I offered it as a clean substitute bill rather than have to go along and amend 6, or 8, or 10 different spots in the bill. For that reason I will just try to point out what the present law is and what this substitute will do.

Of course, the present law is permanent. Under the committee bill it applies to 1960 and 1961 only. My bill is permanent.

There is a 55 million acre minimum allotment at the present time. My bill keeps the same 55 million acre allotment. The committee bill keeps the same 55 million acre allotment but requires for the first 2 years that the bill is in effect a reduction of 25 percent.

Marketing quotas: At the present time up to 15 acres there are no marketing quotas and no penalties.

The committee bill provides for 12 acres or the highest amount planted within the last 3 years. My bill completely repeals the 15-acre exemption.

Price supports: The present price support is from 75 percent to 90 percent of parity. My bill retains that provision. The committee bill provides for 90 percent of parity. Penalty for overproduction at the present time is 45 percent of parity times the normal yield of marketing excess. Both my bill and the committee bill provide for 65 percent of parity penalty for double the normal yield or the actual yield, whichever is the lesser.

At the present time a noncooperator is not eligible for price supports if marketing quotas are not in effect. Both under the committee bill and my bill, if marketing quotas are voted down, there shall be a 50-percent price support for cooperators and noncooperators. In other words, there will be a 50-percent price-support program for everybody that cares to raise wheat, whether he has an allotment or stays within his quota or not, there being absolutely no control, and 50-percent price support. The committee bill reduces the wheat allotment by 25 percent but pays a bonus of one-third of the average yield if the farmer does not use that land for any other purpose, even including pasture. My bill retains the present law, because there is no reduction.

The wheat history is preserved under both the committee bill and my bill. All farmers who grow wheat are eligible to vote under my bill. Under the committee bill only those that are subject to marketing quotas in accordance with the amendment that was just agreed to are able to vote.

Under both bills the 30-acre ceiling upon the amount of wheat that can be planted and raised on the farm is eliminated, which means that any farmer can raise any amount of wheat that he desires as long as he consumes the entire amount on the farm.

As has been stated, the committee bill is stop-gap legislation. It applies only to the 1960 and 1961 crop. The thought occurs to me that at that time we are going to be in almost the same position that we are in now; we are still going to have a surplus of wheat. We will have spent a lot of money on the wheat program and in addition to that we will have a 90 percent price support established. Now, everyone knows that listened to the debate at all yesterday that when you establish a 90 percent price support for any commodity, it is very difficult to lower it. The tobacco people had that experience all during this session of the Congress of how to get below the 90 percent without permitting the farmer to find out that they were actually going to go below the 90 percent. And, we will be in that same position with wheat in 2 years if we cannot reduce the 90 percent.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from Kansas.

Mr. AVERY. Will the gentleman tell us again what his bill will do with respect to the 15-acre farmer?

Mr. BELCHER. The 15-acre farmer will be put under the program just exactly the same as any other program. This treats every farmer alike. If he has an allotment, he can raise up to the allotment and he can get price support on all the wheat raised up to his quota, but he will pay a penalty for any wheat that is raised above the quota.

In addition to that, everyone that is a wheat raiser in this country, whether, as the gentleman from Michigan says, he is going to get anything out of the program or not, will have an opportunity to vote whether marketing quotas shall be invoked.

In other words, under my bill, as I stated in general debate, this is the first bill that pertains to wheat or that has put every wheat farmer in the country absolutely under the same program, with the same price supports, with the same vote, with the same penalty, and having his allotment determined entirely on the same basis. The largest farm organization in America, the American Farm Bureau, that represents more wheat raisers than anybody in the country, has endorsed this program. Undoubtedly all other Members got the same telegram that I got. There are two amendments they would prefer to this bill. One would provide for 55 percent of parity in case marketing quotas were voted down. The other would be to change the penalty law to apply to planted acres and not harvested acres.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield.

Mr. HAYS. Suppose a farmer in my State has an allotment of 2 acres, but has been able to find 8 or 10 or 12 acres as a cover crop to use with his 2 acres. What happens to him?

Mr. BELCHER. He cannot only raise 8 or 10 acres, but he can plant another 100 acres along with it and use every single bushel of it, if he uses it on his farm.

Mr. HAYS. As long as he uses it on his farm he is exempt from the penalty?

Mr. BELCHER. As long as he uses it on the farm he is exempt from every kind of penalty.

Mr. COOLEY. That could be done under the committee bill, but I believe not under the gentleman's amendment.

Mr. HAYS. That is what I was trying to find out.

Mr. COOLEY. Does the gentleman make any provision that permits the use of wheat grown on the farm for feed?

Mr. BELCHER. Certainly; if the gentleman had been listening, I covered that just a few moments ago. You can raise any amount of wheat you want to, as long as you consume it on the farm.

Mr. COOLEY. The result of the gentleman's proposal is to do away with the 15-acre exemption?

Mr. BELCHER. That is correct.

Mr. COOLEY. I wanted to make that perfectly clear.

Mr. BELCHER. It does away with the 30-acre limitation, too. You can plant any amount of wheat you want to if you use it on the farm.

Mr. COOLEY. But the committee bill does the same thing.

Mr. BELCHER. That is right. I said both bills provide that you can raise any amount and feed it on the farm. Both bills take care of the Yankus case.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield.

Mr. GROSS. How does the gentleman's bill cut production?

Mr. BELCHER. By the elimination of excess production that has been grown, by the difference between the wheat allotment of 5, 6, 7 acres and 15 acres that they are able to grow in excess of allotments.

Mr. GROSS. Does the gentleman contend that his bill is going to cut production?

Mr. BELCHER. Yes, sir; and the statistics will show it.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. Yes.

Mr. JENNINGS. Under the provisions of the gentleman's bill, what is the minimum acreage allotment for the entire Nation?

Mr. BELCHER. Fifty-five million acres.

Mr. JENNINGS. The same as in the present law today?

Mr. BELCHER. Yes, sir.

Mr. JENNINGS. Then as I understand, the only reduction the gentleman is recommending would come from the 15-acre producer. He is not recommending any cut from the producers of the 55 million acres or the larger producers; is that correct?

Mr. BELCHER. I am saying that anybody who produces excess wheat, whether he is a little or big producer, is

going to have to go back to his allotment. That applies to big producers as well as little producers.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 40 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. HOEVEN. Mr. Chairman, reserving the right to object, this is the most important amendment to the bill; will the gentleman amend his request to make it 1 hour?

Mr. COOLEY. Mr. Chairman, I am willing to make it 55 minutes, which would come at 5 o'clock.

Mr. MORRIS of Oklahoma. Mr. Chairman, reserving the right to object, I have an amendment to offer, but I would like to be assured I will have at least 5 minutes to discuss it.

Mr. COOLEY. The gentleman will have a chance to discuss it. He will get some time; I do not know how much.

Mr. MORRIS of Oklahoma. I do not know whether I will or not.

The CHAIRMAN. Is there objection to the unanimous-consent request of the gentleman from North Carolina that all debate on the pending amendment and amendments thereto close in 55 minutes?

Mr. MORRIS of Oklahoma. Mr. Chairman, I am constrained to object.

Mr. COOLEY. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 55 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Mr. JONES of Missouri. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is only one thing I think people ought to realize about this Belcher amendment and that is that it provides that all the reduction in acreage would be taken away from the small farmer, the farmer who is growing less than 15 acres of wheat. That is No. 1 and make no mistake about it. All of the reduction in the production of wheat would be made by farmers who are producing 1, 2, 3, 4, and up to 15 acres of wheat. There would be no reduction of acreage for the fellow who is producing 100 or 200, 500, 2,000, or 25,000 acres of wheat—there would not be 1 acre of reduction. Is that fair? That is what this means. There are 1,250,000 farmers who have been growing 15 acres of wheat or less. There are 1,250,000 small farmers who would have to bear the burden of all this reduction and it would not touch a single large wheat producer. Now those are the facts. If that is the way you want to legislate, go to it. The gentleman says he wants to treat everybody alike. I presume he would like to see the income tax changed and tax everybody at 10 or 20 percent and then we would all be treated alike. If you want to follow that conclusion, then let us vote for this Belcher amendment and treat everybody alike. The gentleman said we are going to take a loaf of bread away from everybody. If a fellow had one loaf of bread he would lose that. If a fellow had 10 or 25 loaves of bread plus a big roast turkey on his table, he would lose 1 loaf of bread. But, that would not mean anything to that fellow, of course. The fellow who has the large acreage would not be touched by this amendment; it is a phony. This should be remembered too. Any representative coming from any area that produces Soft Red Winter wheat which is in demand and of which there is no surplus will be doing a grave injustice not only to the small farmer who is producing that type of wheat, but he will be creating a shortage of a type of wheat that is needed and he would not be making a reduction of one iota in the wheats that are in surplus today.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. BROWN of Missouri. The gentleman from Missouri is striking right at the heart of this problem; is it not true that we have had a 15-acre exemption in the law in this country since 1942 and for 16 years these people have been allowed the exemption to produce 15 acres of wheat?

Mr. JONES of Missouri. The gentleman is right. Another thing I want to say is this. The so-called small farmer who produces under 15 acres does not give a snap of his finger for the right to vote. They want to grow that 15 acres of wheat so that they can make a little money and try to create some income out of that small farm. That is all that we are asking for here today. The person who is interested in destroying the entire farm program and who wants to bring in a million so-called voters, and most of these people are in areas where they would rather have no farm program at all, and if we are going to let those people control the farm program, then I do not think we are doing any service to the other farmers of the country. But as I was saying the small producer cannot produce wheat as efficiently as the big producer with his big equipment, and he cannot take that small reduction. He will be wiped out entirely.

Mr. Chairman, I want to repeat again—if you want to be fair to the small farmer—if you want to hurt these 1,280,000 small farmers who will take all of the reduction, then just vote for this Belcher amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. ALBERT] is recognized.

Mr. ALBERT. Mr. Chairman, following what the gentleman from Missouri [Mr. JONES] has said, I would like also to emphasize that not only does this bill take the entire cut in production out on those who have less than 15 acres, but also it preserves as permanent law a 55 million minimum acreage allotment for the commercial producers of this country.

Are we ready at this time to make that kind of permanent decision? The committee has brought out a bill which will cut the commercial producer by about 14 million acres for a two-year period. In that time a lot of things could happen. We are going to learn a lot about new varieties; we are going to learn a lot of things about feed grain problems. These things have to be coordinated; there is no question about that. But I doubt as a matter of policy at this late date that we should endorse in a new permanent law a 55 million acre minimum national allotment.

One of the things the President stressed in the message he sent to the Congress on January 29 was the elimination of the 55 million acre minimum allotment, adjusting the acreage to the amount of wheat that can be sold for dollars under the support price that prevails.

We have cut that minimum to 41 million acres for the life of the bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. COOLEY. Is not that the very thing Secretary Benson has been complaining about all along, that we have a 55 million acre limit?

Mr. ALBERT. That is one of the big items.

Mr. COOLEY. Our bill reduces that by 14 million acres.

Mr. ALBERT. The gentleman is correct.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MORRIS] is recognized.

Mr. MORRIS of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRIS of Oklahoma as a substitute for the amendment of Mr. BELCHER: Strike out all after the enacting clause and insert in lieu thereof the following: "That title I of the Agricultural Act of 1949 is amended by adding at the end thereof the following new section:

"'PRICE SUPPORT (WHEAT)

"'SEC. 106. (a) Notwithstanding the provisions of section 101, price supports shall be made available for each of the 1960 and 1961 crops of wheat as provided in this section. The Secretary shall, subject to the provisions of subsection (b), make a payment respect to wheat marketed by a wheat producer, in good faith, in the normal and usual manner at the prevailing market price. In the event a producer is unable to market his wheat, after attempting to do so, by reason of a lack of a market or for any other reason beyond his control, the Secretary shall, through the facilities of the Commodity Credit Corporation, purchase wheat from him in the amounts and at the prices provided in subsection (b).

"'(b) (1) The payment with respect to the marketing of wheat from any farm shall be equal to the difference between the sales price and—

"'(A) 100 per centum of the parity price, to the extent of $2,000 in payments,

"'(B) 75 per centum of the parity price, to the extent of the next $8,000 in payments, and

"'(C) 50 per centum of the parity price, to the extent of the next $30,000 in payments.

"'(2) Where the Secretary purchases wheat under this section, his payments with respect to such wheat shall not exceed an amount which he determines will provide the same return to the producer as he would have received had he marketed such wheat

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and received a payment at the rate provided in paragraph (1).

"'(c) The Secretary shall provide by regulation (1) for dividing any payment made under this section among producers on a fair and equitable basis where there is more than one producer on a farm, and (2) which will prevent a producer from receiving payments greater than those provided for in subsection (b), by reason of his operation of more than one farm.

"'(d) The Secretary shall determine the amount of payments made under this section on the basis of such reports and records as he may by regulation require, and for such purpose he may utilize information contained in returns filed by producers under the Internal Revenue Code of 1954.

"'(e) The Secretary shall have, in carrying out this section, the same authority as he has, under section 373 of the Agricultural Adjustment Act of 1938, with respect to carrying out title III of that Act.'

"SEC. 2. (a) Section 301(b)(6)(A) of the Agricultural Adjustment Act of 1938 is amended (1) by striking out 'rice, tobacco, and wheat' and inserting in lieu thereof 'rice, and tobacco', and (2) by striking out 'in the case of corn and wheat' and inserting in lieu thereof 'in the case of corn'.

"(b) Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, and the joint resolution of May 26, 1941, are hereby repealed."

The CHAIRMAN. Does the gentleman offer his amendment as a substitute for the Belcher amendment?

Mr. MORRIS of Oklahoma. Yes.

The CHAIRMAN. The gentleman from Oklahoma is recognized.

Mr. MORRIS of Oklahoma. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MORRIS of Oklahoma. For what period of time?

The CHAIRMAN. For approximately 2 minutes.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. MORRIS of Oklahoma. I yield.

Mr. HOEVEN. As I understand, this substitute provides a system of direct payments to farmers, the discredited Brannan plan about which we have heard so much today.

Mr. MORRIS of Oklahoma. I would not call it the discredited Brannan plan. It is not exactly the Brannan plan. It is similar to it. It is a plan for direct payments.

I cannot yield further, Mr. Chairman; I have only 2 minutes.

Some day we will adopt, at least in substance, this plan, but frankly, I do not know whether the temper of the House is such as to adopt it now.

Some day we will come to it because it is the answer to our agricultural problem, in my judgment. My substitute will permit the law of supply and demand to have complete and free operation. There will be no controls, but it will guarantee to the small farmer and even larger ones that they will receive a fair price for the wheat that they raise. It is on a graduated scale. If for instance a farmer makes as much as $2,000 worth of wheat measured by full parity up to $2,000 worth but when he sells it he does not receive that much for his wheat, then the Government will make up the difference; and in a similar manner a farmer is guaranteed 75 percent of parity up to $8,000 additional and 50 percent of parity for a still additional $30,000 worth.

It is like supporting the manufacturers in this country with a tariff, the railroads and the shipping industry, and many others with direct subsidies which as long as they are reasonable, I do not oppose. Of course, we are using now something similar to this on wool. Yes, we will come to this program as set out in my amendment eventually. We will not have to continuously carry on with great expense for storage. My amendment will eventually do away with storage, in my judgment. The expense as provided in my amendment will be infinitesimal compared to what it is now. Yes, we really will come to this sometime, and it will bring about voluntarily reduction of wheat especially as to the big, big business farmer.

I wish I had the time to go into it and really analyze the matter fully. I will say, however, that from 1910 to the present time the farm population has been going down, down, down. In 1910 the population of our country on the farms in America was 34.9 percent of our entire population. It is now a little less than 12 percent.

Mr. Chairman, is this not obvious that something is wrong? We have used a lot of figures heretofore showing that the farmer actually receives a very small amount of subsidy compared to others. For instance, I have heretofore put in the record the fact that from 1932 to 1952 the manufacturers in this country received a subsidy, in the nature of the tariff, of $40.8 billion while the farmer, during the same period of time, received only $1.2 billion as a subsidy for price supports. So you see the taxpayer gave to the manufacturer, to support his price, about 40 times as much as he gave to the farmers during the same period of time. This is definitely unfair to the farmer. The farmer, and especially the small farmer, has really taken it on the chin. A farmer's life is a good life and a happy one if he can make a living for himself and family. Millions of our people would like to live on farms if they could make a reasonably good living on the farm. But they cannot unless they receive a good, fair price for their products. The fact that they cannot make a good living on the farm is the reason so many of them have been moving off the farm. This is not good for our country and is creating unemployment in our beloved Nation. Let us put more people back on the farm, where they want to be, by providing them a fair, reasonable price for their labors and products.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, in the short time I have, I would like to say why I support the Belcher substitute. The committee proposal misleads the farmer. It dangles in front of him 90-percent support with a reduction of 25 percent in acreage and one-third payment in kind, thinking in that way they can get his vote for a program that is bound to fail.

But this is not going to solve the problem. At best it is only suggested that it will reduce the cost of the program to the taxpayer, not eliminate it. The better reasoning and authority is that it will actually raise the cost of the program.

What happens after 2 years? The temporary program is kicked out and things are in worse shape than they are at the present time.

When the in-kind payment in wheat for the acres representing the 25-percent cut provided in this bill is understood, it will be recognized that it is even more objectionable than a cash payment, and the taxpayers of the Nation will not tolerate it. This is what happens: An estimate is made of what these acres taken out of production would have produced, by taking the actual average yield for the past 3 years on the farm in question, and the farmer is given one-third of that amount out of the surplus wheat now in storage. He sells that on the market. There is nothing in this bill to increase consumption or use. Therefore, the same number of bushels will be taken from the crop currently produced and placed in surplus storage, at $2.13 per bushel.

The proponents of the committee bill have contended that it favors the small farmer, and criticize the Belcher substitute as being against the small farmer. There is absolutely nothing to this argument. There is nothing that substantiates that a farmer, one who plants 15 acres or less, is a small farmer. A farmer who is producing wheat under the 15-acre exemption may have extensive acreage devoted to other production, may be raising other price-supported crops on which he receives large payments, and may be a very well-to-do farmer. As a matter of fact, they often are. The small farmer who is really being hurt by this 15-acre exemption is the small farmer in the historic wheat-producing areas. They have had imposed upon them a 40-percent reduction in the amount of wheat which they can grow on the land from which they have for many years made a livelihood by the production of wheat. More often than not, they cannot diversify to produce other crops. They are the small farmers that have been hurt, and if the committee bill is adopted they will be put out of business.

As long as there is an unrealistic price acting as an umbrella and distorting the market, there is no determining where the surplus wheat is produced. The only way of determining the source of the surplus would be to know the production that would be eliminated if the regular forces of cost of production and price were in operation. Wheat should be grown in the area where the economics of production are best.

The committee report correctly states that wheat is the No. 1 problem. So far as I know, it is uniformly agreed that to really get to this problem, there must be some price adjustment. The chairman of the subcommittee, the gentleman from Oklahoma [Mr. ALBERT], in speaking before the Rules Committee, stated, "In

the long run, the price must come down." Yet this bill which the majority of the committee proposes moves in exactly the opposite direction. Prices are increased, with the incentive to further increase production.

I think the best feature about either the committtee bill or the substitute is that provision which does give the farmer a choice by referendum. Heretofore, he has had a choice only of high price supports and controls, or low price supports and controls. This, of course, is no choice at all. I prefer the Belcher substitute, because it gives him a realistic choice on a permanent basis. It does not mislead the farmer by dangling 90-percent supports and cash payments before him, which at best would only be temporary as the expense to the other taxpayers was made known. It does not offer incentive for further overproduction and shifts of production. The wheat farmer would be permitted to vote on whether he wanted price supports at the present rate with tighter controls, or support at 50 percent of parity with no controls. I personally think that the 50 percent is lower than need be. It would provide a support at about $1.20. It is generally agreed that $1.30 would be a sufficiently low price to bring about necessary adjustments in production. As a matter of fact, it is not believed by those best qualified to judge that premium wheats would ever reach that low a price. I would prefer to see the alternative be 55 percent of parity for the next 3 years, and thereafter, 90 percent of the 3-year average market price. This would give to the farmer a realistic support price, which would be a floor rather than a ceiling. It would provide for orderly marketing conditions and protect him from unjustified drops in the market, particularly in years of unusually high production due to weather or other factors.

I believe that given a realistic choice by referendum the wheat farmers themselves will most likely choose the lower supports and no controls. All polls recently taken of farmers would bear this out. A recent poll taken by the Farm Journal in April 1959 showed that of the wheat farmers themselves throughout the United States, 61 percent favored either no supports and no controls or emergency supports, such as 50 percent of parity, and no controls. When the Committee rises, I will ask to have included at the end of my remarks the tabulation at the end of this poll.

I think that the wheat farmers are entitled to a realistic choice by referendum. I hope that the Belcher substitute is adoped so that this opportunity may be afforded to them.

[From the Farm Journal, April 1959]

THE FARM PLAN YOU VOTED FOR—FROM EVERY CORNER OF THE COUNTRY THE BALLOTS CAME, SHOWING, STATE BY STATE, WHAT READERS WANT—COMPARE YOUR OWN CHOICE WITH OTHER KINDS OF FARMERS

(By Claude W. Gifford, economics editor)

Eight out of ten Farm Journal readers want lower price supports and fewer controls in the future—instead of higher price supports and strict controls.

And more than half (55 percent) want the Government to get clear out.

That's the way farmers voted who mailed in ballots printed on page 41 in the February issue. The article accompanying the ballot sized up the situation this way:

Farm productive capacity is racing ahead faster than the growth in population and demand. This tightens the squeeze on farm prices. At the same time, support programs are piling up Government surpluses at an alarming rate. So the article asked, Which of five general directions do you think future Government price-support policy should take?

Results from the first 10,000 ballots mailed by farmers show that 78 percent favor the first 3 choices—each of which calls for less support and more freedom than past or present support programs. By all odds, the most popular choice is to chuck all supports and get the Government clear out—let farmers' own decisions and management ability determine who'd produce what.

This poll reveals that the South's Farm Journal readers are no longer the "high price support and strict control" advocates they were once assumed to be. Midwestern States gave high price supports a larger vote than the other three regions—but still only one Midwestern farmer out of five favors 90 percent to 100 percent of parity. It may surprise you that Iowans, who are often held up as typical of all farmers, are less inclined to "kick the Government out" than farmers in any other State.

Among the different commodities, farmers specializing in either poultry, beef, or fruit and vegetables are the most inclined to chuck supports. Wheatgrowers and feed grain producers are least disposed to do this—although nearly half of them think it's the thing to do.

How dependable are these figures? Statisticians say, "they're sound." The ballot tabulations were checked in these ways:

Tentative percentages were figured after the first 2,000 ballots were counted. These "percentages" proved highly accurate when 10,000 had been tabulated.

Farm Journal statisticians say that counting several thousand more ballots wouldn't change the regional and national percentage figures except possibly by one or two points here and there. Percentage figures from the small States with fewer farms have the best possibility of being nonrepresentative.

The results are a pretty good barometer of farm thinking across the Nation for these reasons:

Farm Journal's circulation—a whopping 3.1 million—covers all parts of the country.

The number of ballots mailed is amazingly close to the proportion of circulation in each State—there was no "run on the ballot box" from one State or region to upset the final percentages.

When the vote of readers is adjusted for the actual number of farms in each region (1954 census figures), the final percentages are almost identical to the ones from our sample. The difference: 2 percent more in favor of the "no support" choice, and 1 percent fewer in favor of "high supports."

As a further check, a 14-State survey was made among fathers of vocational agriculture students—some Farm Journal readers, and some not. Eight out of 10 (82 percent) favored the first three choices (compared with 78 percent by mail).

This poll also checks closely with a survey made in the December 1957 Farm Journal when 50 percent of the readers responding voted that the Government should get clear out of farming.

Age makes little difference in the attitude of the readers voting. The slight difference is that young farmers in the 20- to 30-year-old bracket and farmers 60 and over are slightly more in favor of lower supports and fewer controls.

Two ballots were returned from Alaska—one by a haygrower and one by a potato-grower—both voted for no supports. One Illinois corngrower mailed his ballot from Canada. The oldest voter was an Idaho wheatgrower at an even 100 years. Five said their most important farm product is children.

HOW THE UNITED STATES VOTED ON THE FIVE CHOICES

No supports: No controls, no floors, free market prices, get the Government clear out—55 percent.

Emergency supports: To prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price; no controls—15 percent.

Adjustment supports: Such as 90 percent of the average 3-year market price; permits gradual adjustment to normal markets; moderate production control when necessary to ease adjustments—8 percent.

High price supports: 90 to 100 percent of parity; cross-compliance and tight production controls to restrict output to available markets; bushel-and-pound allotments to limit what you could sell—14 percent.

Production payments: Let markets fall, then pay farmers in cash to make up the difference between the market price and the support level; extend supports to perishables, such as beef, pork, eggs, and fruit; strict bushel-and-pound controls to hold down costs of the program—8 percent.

	No supports	Emergency	Adjustment	High supports	Production payments
	Percent	Percent	Percent	Percent	Percent
Connecticut	50	25	5	0	20
Delaware	91	5	0	4	0
Maine	71	9	5	4	11
Maryland	70	19	8	2	1
Massachusetts	77	18	5	0	0
New Hampshire	62	33	5	0	0
New Jersey	84	7	1	3	5
New York	78	12	5	2	3
Pennsylvania	80	13	3	2	2
Rhode Island	57	43	0	0	0
Vermont	72	28	0	0	0
West Virginia	75	17	6	0	2
Eastern States	77	14	4	2	3
Illinois	44	20	7	20	9
Indiana	57	13	8	12	10
Iowa	24	17	13	33	13
Kansas	46	20	10	19	5
Michigan	66	14	8	5	7
Minnesota	30	15	13	25	17
Missouri	52	15	7	15	11
Nebraska	38	15	13	25	9
North Dakota	34	14	11	31	10
Ohio	71	12	4	8	5
South Dakota	39	16	9	26	10
Wisconsin	45	12	13	14	16
Central States	47	16	9	18	10
Alabama	61	15	9	8	7
Arkansas	56	18	9	9	8
Florida	79	9	2	8	2
Georgia	62	3	16	11	8
Kentucky	51	6	22	16	5
Louisiana	51	17	20	5	7
Mississippi	57	14	14	12	3
North Carolina	61	4	6	23	6
Oklahoma	53	22	5	14	6
South Carolina	71	17	7	5	0
Tennessee	65	8	7	11	9
Texas	54	12	10	13	11
Virginia	72	15	2	10	1
Southern States	59	13	9	12	7
Arizona	48	21	24	4	3
California	73	13	6	3	5
Colorado	58	11	5	18	8
Idaho	51	15	9	16	9
Montana	55	17	5	18	5
Nevada	90	5	5	0	0
New Mexico	55	21	13	6	5
Oregon	63	12	7	6	12
Utah	71	9	9	6	5
Washington	70	15	6	6	3
Wyoming	53	18	8	18	3
Western States	63	14	7	10	6

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What different commodity groups want

CENTRAL

[In percent]

Kind of farmers	No supports		Emergency		Adjustment		High supports		Production payments	
	United States	Central	United States	Central	United States	Central	United States	Central	United States	Central
Beef	69	59	14	15	6	8	7	11	4	7
Dairy	59	50	14	13	8	9	9	13	10	15
Feed grains	50	44	14	15	7	8	20	22	9	11
Fruit and vegetables	69	63	12	15	6	8	5	8	8	6
General	66	55	12	12	7	10	9	16	6	7
Hogs	44	40	19	19	11	12	14	16	12	13
Poultry	77	73	14	14	1	2	3	5	5	6
Sheep	64	42	14	29	6	3	6	13	10	13
Wheat	43	41	18	16	9	11	24	25	6	7

EAST

Kind of farmers	United States	East	United States	East	United States	East	United States	East	United States	East
Beef	69	76	14	22	6	2	7	0	4	0
Dairy	59	68	14	19	8	7	9	2	10	4
Feed grains	50	87	14	6	7	2	20	4	9	1
Fruit and vegetables	69	80	12	8	6	5	5	2	8	5
General	66	86	12	12	7	2	9	0	6	0
Hogs	44	88	19	6	11	0	14	0	12	6
Poultry	77	80	14	14	1	1	3	3	5	2
Sheep	64	81	14	8	6	4	6	0	10	7
Wheat	43	78	18	17	9	5	24	0	6	0

WEST

Kind of farmers	United States	West	United States	West	United States	West	United States	West	United States	West
Beef	69	77	14	11	6	5	7	3	4	4
Cotton	41	33	17	33	16	21	15	9	11	4
Dairy	59	62	14	15	8	7	9	7	10	9
Feed grains	50	68	14	12	7	3	20	11	9	6
Fruit and vegetables	69	65	12	14	6	6	5	6	8	9
General	66	68	12	12	7	8	9	7	6	5
Poultry	77	76	14	12	1	3	3	0	5	9
Sheep	64	70	14	10	6	8	6	5	10	7
Wheat	43	44	18	20	9	8	24	23	6	5

SOUTH

Kind of farmers	United States	South	United States	South	United States	South	United States	South	United States	South
Beef	69	78	14	13	6	5	7	2	4	2
Cotton	41	43	17	13	16	15	15	15	11	14
Dairy	59	72	14	14	8	3	9	8	10	3
Feed grains	50	68	14	11	7	5	20	10	9	6
General	66	64	12	8	7	9	9	6	6	13
Peanuts and rice	42	39	21	18	21	23	12	16	4	4
Poultry	77	74	14	17	1	2	3	2	5	5
Tobacco	60	51	2	2	16	19	21	26	1	2
Wheat	43	49	18	22	9	4	24	21	6	4

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Missouri, to the amendment offered by Mr. BELCHER: Strike out all the first paragraph in section 106 beginning with the words "Notwithstanding the provisions of * * *" and insert in lieu thereof the following: "Notwithstanding the provisions of section 101 of this act, if marketing quotas are disapproved for the 1960 crop of wheat, no price support shall be available for the 1960 crop and each subsequent crop of wheat."

Mr. BROWN of Missouri. Mr. Chairman, I am opposed to the Belcher amendment, but in case it might be adopted, I propose this amendment: We are asking the wheat farmers of America to face up to the fact that they are producing too much wheat. We are asking them to cut their acreage 25 percent. I am asking the Congress to face up to a reality, also. If you are going to have a price support program you have to have production discipline. What kind of silliness is this business of providing price support, whether it is 50 percent of parity, or whatever it is, to noncooperators? Actually both of these bills, the committee bill and the Belcher amendment, offer price supports to noncooperators. Now, you cannot have a program like that. There has to be production discipline if you are going to support prices, even at 50 percent of parity. With unlimited production, Government acquires more surplus. It costs just as much to store a bushel of wheat that the Government purchases at $1.18 as it does one that Government purchases at $2.12. The storage cost is the same.

Surely, the Benson corn fiasco has taught us a lesson.

Let us give farmers a chance to vote on the clear-cut choice of whether they want production discipline and price support or unlimited production and no price support. You cannot have one without the other. If they vote for production controls, they will get price supports, and if they do not vote for production controls, they do not get any price support. And on that clear-cut basis, let us see what the farmers want.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Missouri. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would just like to inquire of the gentleman why he is proposing his amendment as an amendment to the Belcher amendment.

Mr. BROWN of Missouri. Because the provision is in both the Belcher amendment and the committee bill. I hope to propose it to the committee bill, too.

Mr. COOLEY. It still would be germane to offer it at a later date after the Belcher amendment is defeated. You are just attaching yourself to a very unpopular amendment.

Mr. BROWN of Missouri. I am not. I just want to make sure it is in the Belcher amendment if it happens to be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, I rise in support of the Belcher amendment.

Any of you gentlemen who think you are going to put the little farmer, the fellow who will have less than 15 acres of wheat, out of business so that he cannot raise wheat any more, are plain mistaken. Practically everyone who is raising wheat has some kind of allotment. And, if we are going to have a control mechanism for handling the wheat situation, we have to close this loophole which has caused over 100,000 new farmers to go into the production of wheat each year.

As I pointed out earlier, there are three reasons why the wheat program has failed, and this is one of them, that we exempt people who raise up to 15 acres. According to the bill, it will be up to 12 acres, which could be higher than their allotment. If we continue that, this program is doomed to fail, as it is failing now. One other reason is that farmers do plant more than they are allotted. Then they plow up their poorest acres and come within a harvested allotment. Now, an amendment, I understand, will be offered which will change the Belcher amendment so that the penalty will be on planted acres rather than harvested acres. And, if you think that this bill does not do anything to the big farmer out in the West, this amendment will. There are many big wheat farmers out west who plant much more than their allotment, then they plow it under and get rid of their poorest acres. This is another one of the big reasons why we have this big

wheat surplus, and that amendment will remedy it.

Mr. Chairman, I think this is an important amendment, because it would actually get at the three reasons why this legislation has failed in the past, and it would not do what the committee bill might tend to do, price the wheat out of the market, as we have seen happen in other crops, where they have to come in and ask for a reduction in price supports. I plan to offer an amendment so that when the farmers voted in the referendum it would specify not less than 50 percent, because that is too low for the farmer to receive even if he should plant all he wanted.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I would just like to point out that one of the principal objectives of this legislation at this time is to reduce production. That has got to be a principal objective. Let us take a look at these 15-acre exemptions. The vast majority of these 15-acre farmers are feeding the wheat they raise. You can cut all of them out, and you are not going to cut off 14 million acres of wheat that is sold in the market. The only way you are going to reduce the wheat produced and sold on these 14 million acres of wheat presently in production is to reduce the production of those that have the big acreages. You have to reduce that production from big wheat farms in order to reduce the production of wheat that would be sold in the normal course. The 55 million acres minimum and equitable price supports provided should have been reduced some time ago, and we cannot alleviate the situation by leaving the 55 million acres in production and at the same time reducing price support. I urge you to oppose the Belcher amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Chairman, we have heard a lot today as we have heard for the past several years about the attempt on the part of the Secretary of Agriculture to get freedom for our American farmers. I have done a little bit of investigating in the last few weeks since the opening of the St. Lawrence Seaway. I checked with the Canadian Embassy and I have a statement from the Canadian Embassy that the Canadian Wheat Board—and if anybody is familiar with the Canadian Wheat Board, he is familiar with the fact that there is not freedom for the Canadian farmer to market beyond his quota. And there is not freedom on price. It is about $1.25 per bushel. There is not freedom for production nor for price in Canada. But the Canadian Wheat Board is turning back the saving derived from shipping by the St. Lawrence Seaway to the producer.

What kind of an effort is being made by our Department of Agriculture to get the amount that is saved from using the St. Lawrence Seaway back to our producers? According to the reply to my inquiries at the Department there is no program to make any return to our grain producers.

How much money is the freedom that our Secretary of Agriculture is giving to our farmers putting in his pocket? I think the real, substantial part of any program, by what we vote or do, either in the Department or in our committees, should be geared to trying to hold up the income of our farmers at the same time limiting production. That is not guaranteed by the Belcher amendment, but it is substantially guaranteed in the committee bill. I should like to be on record as being against the Belcher amendment, and as being in support of the committee bill.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I cannot say that I am terribly enthusiastic about either the committee bill or the Belcher version as far as really meeting and solving this wheat problem is concerned, principally for two reasons. In the first place, both of them, I think, overlook the fact that acreage controls by themselves have been found to be insufficient to control wheat production, thanks to the genius of the American farmer in being able to increase his yield per acre for reasons known to all of us. Until we get a system at least of combined acreage allotments and bushelage allotments on this wheat production, I do not think acreage controls of and by themselves are going to offer any answer at all to our wheat problem.

Secondly, the reason I am not too enthusiastic about either one of these versions is because I think they overlook the fact that as long as we have different types of wheat in this country, as long as certain types of wheat contribute the vast majority of the wheat that is going into Government storage at the present time, as long as we have different production costs for growing wheat in various parts of the country, I think it only makes good sense to try to work out some system that will provide varying levels of price support, depending upon which type of wheat one is going to produce and which types of wheat are moved into commercial channels, and which types of wheat go into Government storage.

When we consider that we have Soft Red Winter wheat, and White wheat that together is estimated only to represent 54 million bushels of carryover beginning on July 1, 1958, out of a total of 1,283 million bushels carryover of which by far the largest part is Hard Red Winter wheat and Hard Red Spring wheat, and when we compare production costs for the soft wheats and the hard wheats, I think it only makes good sense to try to work out something to provide varying levels of price supports depending upon these individual factors.

I am disappointed that members of the committee on either side of the aisle have not taken these two factors into consideration, factors which, I believe, would really be helpful in controlling our wheat production.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I have an amendment that I wanted to offer to the substitute to the Belcher amendment.

The CHAIRMAN. The gentleman may speak on his amendment, but no amendments may be offered at this time.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry. Would it be possible to dispose of some of these amendments at this time?

The CHAIRMAN. It would be if there were no objection. The time for debate on the pending amendments has been limited.

Mr. PELLY. Mr. Chairman, I am sorry the parliamentary situation is such that I cannot enter an amendment to H.R. 7246, similar to the amendment I offered to the tobacco price support bill. It would have prohibited employees of the Department of Agriculture or the legislative branch of Government, including Members of Congress, from benefiting under the wheat support program. In this case, however, I added a clarifying sentence to exempt any members of local agricultural committees from the provisions of this section. This was because objection was raised in connection with the tobacco bill to its possibly covering members of ASC committees who are elected by the farmers of the various communities, people who themselves are in fact farmers.

The purpose of my amendment was to establish a standard of ethics similar to the principle contained in rule VIII of the House Rules which calls for abstention in voting on measures in which a Member has a direct pecuniary interest. I have long advocated and indeed introduced legislation to set up a code of ethics for Federal employees and those in public service.

In the last session of Congress, there was much talk about the need for laws to clearly set forth such a set of standards and to eliminate conflicts of interest. However, that talk has all died down and it appears that no such legislation or ethics bill will ever reach the floor of this House.

Accordingly, my amendment would allow members to vote on a measure of this character piecemeal by the introduction of amendments to various bills to prohibit benefiting from programs by those who originate and administer the laws.

Mr. Chairman, a recent newspaper survey stated that 35 Members of Congress have shared in farm subsidies. I am not pointing the finger at any of these Members and wish to say that under existing conditions these individuals are exercising the same privilege as any other citizens and there is certainly nothing wrong about that. However, as previously mentioned, I feel that in the field of ethics one is expected to avoid any possible basis of criticism even though one has to make a personal sacrifice in order to enter public service.

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It would be preferable to have a code of ethics covering conflicts of interest and ethics generally. I would like to see strong penalties written into that law. Meanwhile, since we cannot seem to get this in one piece, I am trying to accomplish the job piecemeal.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I think it is time we got down to the meat of this program and separated the wheat from the chaff. First of all, we are talking in the Belcher amendment about a group of farmers that the gentleman wants to take all the cut, the little 15-acre farmer. Just bear in mind, first of all, that they are all east of the Mississippi River. I sat on this committee for some 5 years. It was with great reluctance that I agreed that these 15-acre farmers should take any cut whatsoever because wheat fits into the rotation of their crops. They might grow corn one year and then grow wheat the next year and seed it to small grain next year and so forth. However, I realize if we are going to get at the real source of this wheat program and get the supply in line with demand, it is necessary that we take some cuts. In this committee bill, we are taking a cut from 55 million acres down to 41 million acres. All of us are taking a cut of 25 percent, but let me tell you what would happen under the Belcher amendment. Every single reduction comes from the little 15-acre farmer and not one reduction comes from the big farmer because the 55 million acre minimum stays in effect. Of course, he says if they overplant, they are going to take some little reduction. Furthermore, these little 15-acre farmers that I am talking about, in the State of Virginia we have 44,987 of these little wheat farmers out of a total of 48,892 wheat farmers, or 92 percent who would be affected by this amendment and they all grow the Red Winter bread type wheat which is not in surplus.

I am opposed to the Belcher amendment and ask for its defeat in the interest of our small wheat farmers which I am privileged to represent.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. LATTA].

Mr. HALLECK. Mr. Chairman, will the gentleman yield for a brief observation?

Mr. LATTA. I yield.

Mr. HALLECK. Mr. Chairman, the chairman of the Committee on Agriculture said this wheat situation is the most critical problem involved in the whole farm program. I agree with that. I would like to say at this point that it is an expensive program that has continued to pile up surplus after surplus under rules that might have been changed had this Congress so desired, a Congress, may I say, that has been Democratic for the last 4 or 5 years.

I would just like to make this brief observation: The committee bill, in my considered judgment, will not solve either the problem of surpluses or the continuing increased cost to the taxpayers of the country.

The Belcher substitute will do something in that direction and do it fairly and equitably, effectively and well. So, as far as I am concerned, I am going to support the Belcher substitute, and I would just like to say to my friends on the other side of the aisle: If you do not support it and vote through the committee bill—and, of course, you have the votes to do it—you will have a program that is going to continue to pile up surpluses and cost untold sums of money, and you will have to take the responsibility for it.

I thank the gentleman from Ohio.

Mr. LATTA. I may say that at the proper time I expect to offer an amendment which will reinsert the 15-acre provision which the gentleman on my left talked about.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I wish to make just this brief observation. I can understand the feeling of my colleagues who come from historical nonwheat-producing States with regard to this 15-acre proposa', and I hope those people can understand our feelings on this matter. If we had the climate and other conditions that were necessary, if we could get into the production of tobacco, and other things that historically belong to the Southern States, it would affect your markets and your economy and we would be taking away from you something that historically belongs to you.

So it is with regard to the wheat-producing area in the Middle West.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, in view of the parliamentary situation I am precluded from offering my amendment at this time, but I shall offer it at the proper time, but I take this opportunity to explain exactly what it will do.

It is the same amendment I offered to the tobacco bill yesterday except that the word "wheat" is substituted for the word "tobacco."

I do this because I am confident that the Belcher substitute will prevail. If the amendment is not made to the substitute and the substitute does prevail we will be without any limitation on this amount whatsoever.

Now, if I may, I will take a moment to address myself to the reference made relative to how we are discriminating against the poor little wheat farmers who grow less than 15 acres.

The Belcher substitute addresses itself to this discrepancy in the whole program through the years, and that applies in my own district where people have been growing 15 acres of wheat who did not have any business growing wheat in a corn and soybean area. They never grew it in years past, but now with the 15-acre exemption they do.

When I was a kid and rode a plow behind a set of mules I never saw an acre of wheat; now everybody is growing 15 acres.

When I go out to Kansas I expect to see great wheat farms. When I go down to Mississippi I expect to see great cotton and peanut plantations, and that is as it should be. I do not expect to see corn, yet a Member of the other body offered an amendment to an appropriation bill for $100,000 to start a corn research laboratory down in Mississippi. Now I suppose you want to grow corn in addition to your cotton and your peanuts.

That is what is wrong with the whole program throughout the length and breadth of the country. The wrongs can only be righted by action taken here in the Congress.

The debate here today is vivid evidence that the wheat problem is one of the most serious situations facing the Congress. The magnitude of the wheat problem emphasizes the need for us to act courageously and decisively after a careful study of all the facts.

The wheat problem stands at the door of Congress like an unwelcome bill collector. Congress is being presented with a multi-million-dollar bill which no one wants to accept. There has been considerable discussion here as to who is responsible for the tremendous bill.

Now certainly there is some value in determining what and who is responsible for the outmoded obsolete wheat programs that have brought us to our present difficulties. But the important thing here today is for this Congress to pass reasonable, realistic, and beneficial wheat legislation so that the unwanted bill collector does not keep coming back to our collective congressional door year after year after year.

There are apparently some persons in this Chamber who wish to ignore the experience of history and also erroneously believe our unwanted annual visitor—the wheat problem—will go away if we but ignore it.

Nothing could be further from the truth. The fact is, that unless Congress acts wisely with sound wheat legislation our unwanted bill collector will return with regularity. The only difference will be that the bill presented will grow larger and more difficult to pay.

I wish to vigorously oppose H.R. 7246, the Cooley bill, because if enacted into law it would help neither farmers nor consumers.

By increasing price supports on wheat and reducing acreage, it will encourage increased production on the remaining acres and decrease consumption. The effect is obvious. It will further build up the wheat carryover and increase Government costs.

This bill would perpetuate most of the mistakes so evident in existing wheat programs. It would be a repetition of programs that experience has proven to be ineffective.

It would be somewhat analogous to a football coach ordering his quarterback to keep repeating a particular play even

though every time they tried it the team lost yardage. After several setbacks the coach and the quarterback both would know enough to try another play.

With existing wheat legislation we are suffering setback after setback. Congress has a responsibility to set the general policies and give the Department of Agriculture a workable realistic program. One of the favorite indoor sports in Washington now days is the attempt by some Members of Congress to blame a dedicated and capable Secretary of Agriculture, Ezra Taft Benson, for farm problems.

I would remind my colleagues that Congress, like a good football coach, has the responsibility to establish basic policies for the Department of Agriculture team to follow. Secretary Benson is doing an outstanding job of quarterbacking the team, but he cannot be expected to make headway unless Congress gives him an opportunity to try some other plans than the ones that have consistently provided setbacks in recent years.

Secretary Benson and the administration are striving to change the obsolete wheat laws. In essence, Congress is being asked to provide a new set of plays so we can make some headway against the very formidable opponent of mounting wheat surpluses.

There is no need for me to repeat some of the statistics that have been repeated today by the leadership on both sides of the aisle. Let me only say that the carryover as of July 1, 1959, will be about 1⅓ billion bushels—equal to nearly 2 years domestic requirements. This tremendous surplus of wheat now bursting Government financed storage bins is costing taxpayers the incredible sum of nearly a million dollars a day in storage and interest just to store it.

We must not continue the folly of the old wheat program. We must instill common sense into wheat legislation for the benefit of both farmers and consumers.

The President and the administration have recommended a reasonable, realistic, and beneficial wheat program that should be passed immediately.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAGEN].

Mr. HAGEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HAGEN. I have had an amendment at the Clerk's desk for some time. When may it be offered?

The CHAIRMAN. It cannot be offered until the pending amendment is disposed of. The gentleman may proceed.

Mr. HAGEN. Mr. Chairman, I want to say to you people from the urban areas who feel a little uncertain and confused about this whole issue, that I do not blame you. We studied this bill in our committee for months and months, and heard and reheard witnesses, and then the bill went in and out of the committee three times, like a yo-yo, before finally being argued before the Rules Committee.

Examine the Federal budget and you have to turn far to find any expenditure that is of urban orientation, but you do not have to look very far to find something that is of rural orientation. I would like to comment further on the subject of consistency. I have learned on the Committee on Agriculture that consistency is not a virtue. We have the same Members up here today advocating giving everybody 15 acres of wheat who yesterday opposed giving everybody 2 acreas of tobacco.

The Belcher amendment, as I have indicated before, will provide some permanent improvement in the wheat program. The committee bill does nothing permanent, it does nothing even temporarily, to greatly reduce this surplus. It increases the price tag on wheat from $1.81 per bushel to $2.13 per bushel, and it is going to cost the taxpayers a great deal more money than the current situation.

At the proper time I will offer an amendment to the Belcher bill which I feel will make it accomplish much more in the way of reduction of production than it does currently, and I hope it will be accepted. I understand the author of the Belcher amendment will accept it.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I may say to the gentleman from California [Mr. HAGEN] regarding his amendment relating to the basis of planted acres rather than harvested acres, that I for one will accept such an amendment.

Mr. Chairman, in my general remarks on the bill on yesterday I laid down two criteria if we are to have effective legislation. The first is that legislation must actually bring about a reduction in the surplus of wheat and, secondly, it must be shown that any new proposal must cost less money than the present program.

The Belcher substitute will reduce production. It will reduce production from 150 million to 175 million bushels a year.

Now as to cost, and you are all interested in cost, may I present the following tables:

Estimated cost to CCC under Belcher amendment assuming marketing quotas are approved

I. PRICE SUPPORT ACTIVITIES

Allotted acres	55,000,000
Estimated harvested acres (allowing for normal abandonment and underplanting of allotment and conservation reserve)	48,500,000
Estimated yield (bushels per acre)	22.5
Estimated production (bushels)	1,090,000,000
Estimated utilization (500,000,000 bushels of food, 120,000,000 bushels of feed and seed, 450,000,000 bushels of exports), total bushels	1,070,000,000
Estimated net increase in CCC stocks (bushels)	20,000,000
Estimated cost to CCC in increased inventory at $2 per bushel	$40,000,000
Increased cost to CCC from other grains acquired	140,000,000
Export subsidy on wheat (450,000,000 bushels, at 50 cents)	225,000,000
Total	405,000,000

II. PRESENT PROGRAM

CCC acquisition costs (130,000,000 bushels, at $2)	260,000,000
Export subsidy (450,000,000 bushels, at 50 cents)	225,000,000
Total	485,000,000
Savings in cash outlay to CCC	80,000,000

Estimated savings in cash outlay by CCC under Belcher amendment assuming marketing quotas are voted out

Price support operations:	
Estimated acres seeded	79,000,000
Estimated acres harvested (11 percent abandonment)	70,000,000
Estimated harvested yield (bushels per acre)	21
Estimated production (bushels)	1,470,000,000
Estimated disappearance (bushels)	1,230,000,000
Estimated net increase in CCC inventory (bushels)	240,000,000
Estimated acquisition cost, at $1.40 per bushel (includes price support at $1.18 plus normal costs of handling incident to acquisition)	$335,000,000
Savings from less CCC acquisition of other grains	200,000,000
Net cost to CCC of additional wheat	135,000,000
Present wheat program:	
CCC acquisition costs (130,000,000 bushels, at $2)	260,000,000
Export subsidy (450,000,000 bushels, at 50 cents)	225,000,000
Total	485,000,000
Savings in cash outlay by CCC	350,000,000

If marketing quotas are approved under the Belcher amendment, there will be a saving of $80 million. If marketing quotas are voted out, there will be a saving of $350 million. That "ain't" hay.

Mr. Chairman, the Belcher substitute should be adopted. It has the approval of the Department of Agriculture, the American Farm Bureau, and all those who want sound wheat legislation. It is our best hope if you really want wheat legislation enacted into law at this session of the Congress.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Chairman, I rise in opposition to H.R. 7264, the wheat program for 1960 and 1961, and substitute proposals.

The farm program has become a national disgrace. I think that we ought to kill this multibillion dollar wheat scheme entirely. It appears that this is the only way in which the American taxpayer can bring the farming industry to realize that the American public is fed up with a continuance of this scandalous program.

The United States now has more than a 2-year supply of wheat on hand in storage bins. It has cost the Government over $3 billion of the taxpayers money to purchase the grain and for storage. Despite this oversupply, we are asked today to approve alternate programs which will not reduce the wheat supply nor cut the cost to the taxpayers.

Wheat is being produced today for as little as 60 cents a bushel and Uncle Sam is being asked to pay the farmer $1.90 a bushel for his surplus. This is an unrealistic program which is making the prosperous farm proprietors richer and bigger.

Mr. Chairman, we will never come to grips with this problem until we kill the present program with its unconscionable incentives that add fuel and fan the flames of the farm conflagration

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that continues to grow and spread. There must be, there has to be, a better way to tackle the problem. We just cannot go on compounding this problem as the legislative proposals before us would do.

There is so much wheat now stacked up in Government warehouses that we could kill this program today and not grow another bushel, and we will still have enough wheat to take care of our American and foreign needs.

Mr. Chairman, I have said this before and I repeat it now. The consumers of my district have a real stake in seeing that the abuses in this program are corrected on a reasonable basis, instead of permitting a perpetuation of the current scandal.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I have listened attentively to the debate, which has been on a very high plane. One thing is certain: Everybody recognizes that something has got to be done. Everybody recognizes that in the national interest and the best interest of our country some legislation must pass in order to assure the wheat-producing areas of our agricultural community an opportunity to live and to survive.

Now, under the committee bill there is going to be a reduction of 25 percent or about 14 million acres of wheat, which is a matter of vital importance. Under the Belcher amendment there is no assurance of any such reduction, because the result of the Belcher amendment will be to assure high production.

Under the committee bill the small farmer is protected, and under the Belcher amendment he is not protected. The Belcher amendment, as usual, coming from the Republican side, protects the big fellow. The committee bill, coming from the Democratic side, is in the interest of the small fellow as well as not being discriminatory against the big producer.

Now, my friend, the gentleman from Oklahoma [Mr. BELCHER], referred to the gentleman from Oklahoma [Mr. ALBERT]. There is no more dedicated Member of the Congress than the gentleman from Oklahoma [Mr. ALBERT]. He sits here as a Democrat, but he is a great American. He is the chairman of this subcommittee, and for 6 months under his chairmanship this subcommittee has devoted itself assiduously to this most important and responsible task. You heard his speech earlier today. Did you ever hear a more sincere and dedicated legislator speaking than my friend the gentleman from Oklahoma [Mr. ALBERT]; a man thinking in the interest of the farmer in a fair way and thinking of the interest of the country? With all due respect to my friend the gentleman from Oklahoma [Mr. BELCHER], if I had to select between him and the gentleman from Oklahoma [Mr. ALBERT], I am willing to follow CARL ALBERT's leadership.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY] to close debate.

Mr. COOLEY. Mr. Chairman, I would like to conclude debate on the Belcher amendment by pointing out to the House, particularly to those gentleman on the other side of the aisle, that the Belcher amendment repudiates, in fact, one of the great recommendations made by the President of the United States. In his message on January 29, the President said this in making his recommendations: Eliminate the 55-million-acre minimum to allow adjusting acreage to the amount of wheat that can be sold for dollars under the price support that prevails. Now, that has been completely ignored by the gentleman from Oklahoma [Mr. BELCHER]. And, he admits on the floor of the House that all we will have accomplished by his amendment is to eliminate the small wheat producer whose acreage is under 15 acres. In other words, the Belcher amendment proposes to plow under for ever and ever all of the little wheat producers of America.

Now, some years ago we had a lot to say about plowing under crops and about plowing under little pigs, but as the Department of Agriculture now is operating, we are plowing the farmers under at the rate of about 1 million a year. Now, in addition to the 4 million that have been plowed under since 1953, the proposal is that we plow under all other little wheatgrowers.

I want it clearly understood that if the Belcher amendment prevails, the wheat problem will be aggravated and the more than $3 billion we now have invested in wheat will be substantially increased in the next year, and finally the wheat program will break down the whole farm program, which I think is vital to the welfare and the happiness of all of our people.

So, I hope, Mr. Chairman, that the Belcher amendment and all amendments thereto will be defeated and then we will move on to the consideration of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. BROWN] to the Belcher amendment.

The question was taken; and on a division (demanded by Mr. BROWN of Missouri) there were—ayes 35, noes 92.

So the amendment to the amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE to the amendment offered by Mr. BELCHER: On page 1, line 9, strike out "50" and insert in lieu thereof the words "not less than 50."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. HAGEN. Mr. Chairman, I offer an amendment to the Belcher amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEN to the amendment offered by Mr. BELCHER: On page 7 add the following new section:

"SEC. 7. Subsection (c) of section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended effective with respect to the 1960 and subsequent crops of wheat by adding at the end thereof the following: 'The provisions of this subsection (c) shall not apply to the acreage planted to wheat if such acreage exceeds the applicable farm wheat acreage allotment by more than 3 percent or 3 acres, whichever is greater. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, except—

"'(1) Any acreage of self-seeded (volunteer) wheat that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary;

"'(2) Any acreage of wheat which is planted for cover crop in counties designated by the Secretary as counties where wheat is normally used as cover crop and which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary; and acreage devoted solely to wheat for pasturage in accordance with regulations prescribed by the Secretary; and

"'(3) Any acreage of wheat planted with other grain which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary or with respect to which the producer establishes to the satisfaction of the Secretary in accordance with regulations prescribed by the Secretary that the quantity of wheat planted in the mixture did not exceed 25 percent of the seeded mixture by weight and the actual production of the acreage planted to the mixture did not contain more than 25 percent of wheat by weight.'"

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HAGEN].

The question was taken; and on a division (demanded by Mr. HALLECK) there were—ayes 97, noes 132.

So the amendment was rejected.

Mr. MICHEL. Mr. Chairman, I offer an amendment to the Belcher amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL, to the amendment offered by Mr. BELCHER: Page 2, line 5, after the word "therefor" strike out the period, insert a colon, and add the following: "*Provided further*, That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of $50,000 would be extended through loans or purchases made or made available by Commodity Credit Corporation to any person on the 1960 production of wheat. For the purposes of this proviso, the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof. In the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to persons through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation. Such limitation shall not apply to price support on wheat extended by purchase of wheat from, or by loans on wheat to, persons other than the producers of wheat if the Secretary of Agriculture determines that it is impracticable to apply such limitation. The Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL] to the

amendment offered by the gentleman from Oklahoma [Mr. BELCHER].

The question was taken; and on a division (demanded by Mr. MICHEL), there were—ayes 99, noes 136.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Oklahoma [Mr. MORRIS] to the amendment offered by the gentleman from Oklahoma [Mr. BELCHER].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. BELCHER].

Mr. COOLEY. Mr. Chairman, in the interest of time, I ask for tellers on this vote.

Tellers were ordered, and the Chairman appointed as tellers Mr. ALBERT and Mr. BELCHER.

The Committee divided; and the tellers reported that there were—ayes 114, noes 168.

So the substitute was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 3, line 14, strike out "equal" and insert "in addition to."

On page 3, line 18, strike out "thereon";

On page 3, line 19, after the word "harvested" insert: "on any acreage diverted from the production of wheat."

Mr. QUIE. Mr. Chairman, I am sorry the Belcher amendment lost because it would have meant more money for the wheat farmers at less cost to the taxpayers. But if we are going to accept this committee bill there are a number of changes that ought to be made to actually do the job.

There are two directions we can go in any agricultural legislation: One is to vote high price supports with controls, and we really need controls to make it work as has been proven time and again. That is what has been done in tobacco in the past. The other way we can go is to allow the farmers to raise all they want to and only give them a very low price support.

One of the ways the farmers are going to be compensated for reducing their acreage by 25 percent is to give them 90 percent of parity for their crop. The other way of compensating them for cutting back 25 percent on acreage is to pay them in kind one-third of their normal production or their actual production for the last 3 years. I believe they are compensated in sufficient amount by guaranteeing them 90 percent of parity. I think the payment-in-kind provision should be used for a further reduction in acreage. The 25 percent reduction will not be sufficient to cut back on the amount that is in surplus to the degree necessary. I do not believe it will cut back on the amount of surplus at all unless weather did it.

If we do allow for payment-in-kind, it should be used only to encourage further reduction below the 25 percent provided in this bill. This would be a good use of that payment-in-kind and would be an advantage to the price support program and would be an advantage to the taxpayers because it would cut down the cost to the Federal Government.

Mr. Chairman, this payment-in-kind provision could be used, so the farmer would further reduce his acres and he would be repaid one-third from the Federal surplus stocks. This would mean that the farmer would not be producing three-thirds of his normal production on specific acres, but he would be putting one-third of his production into the market from his payment-in-kind and it would actually cut back on the amount of wheat laying in surplus.

Mr. Chairman, in explanation of my amendment, it would require a producer to take a 25-percent reduction in wheat acres without any payment-in-kind. If the producers should voluntarily reduce their acres of wheat by more than the required amount, they would be eligible to receive payments-in-kind for the wheat acres they retired in addition to the required amount. In other words, each farmer would be required to take a 25-percent cut in wheat acres without compensation other than an increase in price supports by 15 percent, but he would be eligible for payments-in-kind for voluntary cuts in addition thereto.

Mr. Chairman, I urge the adoption of this amendment.

Mr. COOLEY. Mr. Chairman, the gentleman is a member of the House Committee on Agriculture, and he has attended the hearings, but he did not submit this proposal to the House Committee on Agriculture. I do not know what the purpose of the amendment is.

Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto, and on the bill, do now close.

The question was taken; and the Chair being in doubt, the committee divided and there were—ayes 145, noes 99.

So the motion was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Under the circumstances is not action of that kind coercion?

The CHAIRMAN. The Chair will state that that is not a parliamentary inquiry.

The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. QUIE. This means that there is no more chance of amending the bill?

The CHAIRMAN. Oh, no. That was limiting debate on the gentleman's amendment.

Mr. COOLEY. And all amendments thereto.

The CHAIRMAN. The Chair advises the gentleman that additional amendments can be offered, but they will not be debatable.

Mr. QUIE. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. QUIE. In other words, this means that I can offer my amendments but cannot say a word about the amendments; is that right?

The CHAIRMAN. The amendments will be reported by the Clerk and be voted upon.

Mr. QUIE. Well, there seems to be no use doing that, because I will not have an opportunity to explain the amendments.

The CHAIRMAN. Does the gentleman have an amendment he desires to offer?

Mr. QUIE. Yes; I have a number of amendments, but I do not care to just offer them and not speak on them.

Mr. HAGEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEN: On page 11 add the following new section:

"SEC. 6. Subsection (c) of section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended effective with respect to the 1960 and subsequent crops of wheat by adding at the end thereof the following:

"'The provisions of this subsection (c) shall not apply to the acreage planted to wheat if such acreage exceeds the applicable farm wheat acreage allotment by more than 3 per centum or three acres, whichever is greater. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, except—

"'(1) Any acreage of self-seeded (volunteer) wheat that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary;

"'(2) Any acreage of wheat which is planted for cover crop in counties designated by the Secretary as counties where wheat is normally used as cover crop and which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary; and

"'(3) Any acreage of wheat planted with other grain which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary or with respect to which the producer establishes to the satisfaction of the Secretary in accordance with regulations prescribed by the Secretary that the quantity of wheat planted in the mixture did not exceed 25 per centum of the seeded mixture by weight and the actual production of the acreage planted to the mixture did not contain more than 25 per centum of wheat by weight.'"

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HAGEN].

The question was taken; and on a division (demanded by Mr. HAGEN) there were—ayes 105, noes 148.

So the amendment was rejected.

PROGRAM FOR THE BALANCE OF THE WEEK AND THE WEEK OF JUNE 15

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

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Mr. HALLECK. Is there any way by which I can be recognized for the purpose of inquiring of the majority leader as to the program for tomorrow and possibly for Monday of next week?

The CHAIRMAN. The gentleman may make a unanimous-consent request to proceed for that purpose.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to address the House.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, I asked for this time, as I have already indicated, in order to inquire of the majority leader concerning the program for tomorrow and, although I realize it is a little early, give us some information as to what the situation will be on Monday next.

Mr. McCORMACK. I am very happy to. With the conclusion of this bill today, on tomorrow there will be the research bill in connection with coal. That will be all. In the event there is a rollcall on that, because a number of Members are going away to attend a meeting of the Shriners at the Great Lakes, which is taking place in Peoria, Ill., on Friday and Saturday, any rollcall will go over.

On Monday there are six suspensions.

H.R. 3608, a bill to authorize the Secretary of the Navy to acquire certain land in the island of Guam.

H.R. 7650, to modify the pension program for veterans of World War I, World War II, and the Korean conflict and their widows and children.

H.R. 7537, to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954.

House Joint Resolution 280, extension of interstate compacts on oil and gas.

H.R. 4049, relating to airline pass privileges.

H.R. 7062, providing for payment of annuities to widows and dependent children of comptroller generals.

After that, I can announce definitely, there will come up the mutual assistance authorization bill.

Mr. HALLECK. Am I to understand that if there are votes on Monday they will be called on Monday?

Mr. McCORMACK. Any rollcall votes on Monday will be called.

Mr. HALLECK. I thank the gentleman.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 2, line 10; page 3, line 14; page 4, line 21; page 9, line 10; strike out "25" and insert "30."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 3, line 9 after the word "acreage" insert the following: "*Provided further*, That the farm wheat acreage allotment shall be adjusted to zero and no crop produced for harvest on the farm in 1960 or 1961 shall be eligible for price support if any crop whatsoever is harvested or grazed on that percentage of reduction of the farm wheat acreage allotment designated by section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended."

Mr. JENNINGS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENNINGS. Would it be in order to ask that the gentleman's amendments be read and voted on en bloc?

The CHAIRMAN. The gentleman proposing the amendments would have to make that request himself.

The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 8, line 11, strike the words "amended to" and strike out lines 12 through 21 and insert in lieu thereof "repealed effective beginning with the 1960 crop of wheat."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 11, line 7, add the following new section:

"SEC. 6. The Secretary shall, after making such study as may be necessary, devise a program for the control of wheat production on the basis of restrictions on the quantity produced or marketed rather than on the basis of restrictions on acreage planted as in effect under part III of subtitle B of title III of the Agricultural Adjustment Act of 1938.

"The Secretary shall submit to the Senate and House of Representatives a report containing a detailed description of such program, a draft of the legislation necessary to put it into effect, and his recommendations with respect to the advisability of adopting such program. Such report shall be submitted as soon as practicable, but in no event later than January 1, 1960."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Chairman, I am truly appalled by this gag rule being imposed on any further amendments to H.R. 7246. Wheat is the No. 1 agricultural problem facing our Nation. If we are to have a sound program which will be of lasting benefit, we should carefully debate and consider all amendments. Several Members of this body beside myself have amendments of substance and importance which ought to be considered. Everybody knows that the mere reading of an amendment by the Clerk is in no way explanatory of the effect of such an amendment. I object most strenuously to the denial of the opportunity to even explain the effect of, and the reasons for, my amendments to this important bill. I will at a later date insert into the RECORD a full explanation of my various amendments, if the majority Members who voted for this arbitrary abuse of free speech are interested.

Mr. LATTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA: On page 8, line 16, strike out lines 16 through 21.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: Amend section 106 by striking the period following the word "certificate" in line 8, page 4, and inserting the following: "*Provided, however*, That in such cases as the Secretary deems advisable to avoid administrative, transportation, and other costs, or to avoid loss from untimely marketing, or to provide a more balanced market in compliance with the objectives of this act, the Commodity Credit Corporation shall redeem such certificates in cash, in lieu of wheat, upon presentation by the producer, or by any holder in due course, in accordance with regulations prescribed by the Secretary."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. SMITH].

The amendment was rejected.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Chairman, I offer this amendment in an attempt to make the payment-in-kind provision in this bill less objectionable. Under the provisions of this bill, it is estimated by the Library of Congress that production in normal years will be 960 million bushels. Domestic consumption and exports are expected to exceed imports by 1,050 million bushels. That means that in a normal year the production will be 90 million bushels less than the disappearance. Under normal circumstances the Commodity Credit Corporation would then have a market for 90 million bushels of the wheat that is now in storage; but in this bill is a provision for distributing as a "payment in kind" of at least 125 million bushels. In years when the market is already glutted and the price is lower, more bushels would be distributed. The worse the problem, the more the payment-in-kind provision would aggravate it. This clearly would throw the market out of balance and defeat to a great extent the purpose of the act. That excess wheat would either move into the feed-grain market and

wreck the whole wheat and feed-grain market worse or, in the alternative, it might be replaced in the Government bin with new wheat. To the extent that it is replaced with new wheat, the Government would incur charges for moving wheat out, moving wheat in, and duplicate costs for storage. This would be an unnecessary duplication of expenses. This amendment would permit the Secretary to avoid this ridiculous situation to the extent that additional expense would be required to produce nothing.

Under this bill, a scalper will buy the wheat certificates and may demand payment in New Orleans or anywhere, whether the Commodity Credit Corporation has wheat there or not. The scalper would certainly be able to buy the certificates at less than the value of the grain because a farmer is not going to go through all the red tape necessary to get a few bushels of wheat if he can sell his certificate for perhaps even 75 percent of face value. This means that for each $1 worth of wheat distributed, the farmer would receive only 75 cents and then the Government has the cost of redeeming the certificate with wheat wherever the scalper or dealer demanded. It may very conceivably cause the Government to ship and incur the expense of transporting wheat thousands of miles. Under this amendment, the Secretary of Agriculture could avoid these costly and ridiculous situations. He has standing authority under section 407 to sell wheat and under these circumstances he could under this amendment sell wheat where it happens to be located and pay off the certificates with the money instead of shipping the wheat all over the country at great expense to the taxpayer with no benefit to the farmer.

Payment in kind as written in this bill is nothing less than the most expensive way possible to pay the farmer for land taken out of production and with the maximum amount of red tape. If the feeling of this House is that the wheat farmer should have some additional income in addition to the increase in support rate in this bill, then it would be far cheaper for the Secretary of Agriculture to sell the amount of wheat involved to the highest bidder at the bin site and distribute the money instead of going to all of the expense and red tape involved in distributing certificates to be sold at a discount which requires the Government to later distribute wheat to the holder of the certificate.

There was a payment in kind provision in the soil bank act which made it permissive for farmers to receive a commodity at a bargain price in lieu of cash. A total of only two-tenths of 1 percent chose to take payment in kind and 99.8 percent rejected it. This bill requires farmers to hurdle all that costly redtape that 99.8 percent have shown they do not prefer and with a loss to the Government in comparison to the alternative authorized under the amendment.

Mr. Chairman, the payment in kind provision in this bill is not only a costly provision but it is also an illusion that would in its operation go far toward defeating the objectives and the good provisions of the bill. This amendment would make it less objectionable and give the Secretary the tool with which he could avoid some ridiculous situations that are bound to arise which will be derogatory to the reputation of the wheat program. Although I realize there is a probability that the payment in kind gimmick as it is now written will be taken out in conference anyway, I feel that the facts should be presented to the House and I hope the amendment will be adopted instead of waiting on the conference to either eliminate or improve this situation.

Mr. ULLMAN. Mr. Chairman, it has been said here today that the committee bill is special legislation sponsored by the wheatgrowers of the Nation. Nothing could be further from the truth. This bill, which the committee has brought to the floor, represents a most sincere and responsible approach to a solution of a critical wheat problem. It is accepted by most of the wheat ranchers because they are willing to face up to their responsibilities toward getting production in line with consumption by realistically accepting the necessity of curtailing production.

Do you think my wheat ranchers like the idea of a 25-percent cut in their wheat allotment? They do not. Let us look at a typical 500-acre family farm in my district. Because half of the acreage must lie fallow each year, this farmer has 250 acres available for production. Under the present program, he has already been subjected to severe acreage restrictions. His wheat allotment today is 150 acres. Another 25-percent cut would reduce his wheat planting to 112½ acres which is less than 45 percent of his production capacity.

Some question has been raised as to the need of 90 percent of parity. I want to make it clear here that this family farmer cannot stay in business with such sharply curtailed acreage if he receives less than 90 percent of parity. As a matter of fact, these will be lean years under the program offered today.

This is responsible legislation. It will meet head on the critical problem of mounting surpluses. Wheat acreage will be cut from 55 million acres to 41 million acres. It will be necessary to dip into our surplus to meet annual requirements. Wheat will be taken out of storage, relieving the taxpayers of burdensome warehouse costs. The committee has worked hard and long on this bill. They admit it is not perfect but it is the soundest approach we can make to a most difficult problem. I urge my colleagues to vote for the committee bill.

Mr. HORAN. Mr. Chairman, I am well aware of how difficult it becomes to write a piece of Federal legislation affecting a commodity which can be produced in every State in the Union. I appreciate the work which the Committee on Agriculture has done by trying to find some basis of agreement regarding a wheat bill. And, I am also appreciative of the opportunity to listen and to participate in this debate. I realize also the conflicts that arise when any adjustments are attempted to be made in the area which involves the entire field of feed grains, since, of course, anything that we might do to alleviate the wheat surplus must take cognizance of the permission to feed grain to livestock.

However, the bill before us does not fit my disrtict at all. Most of the wheat farmers in my disrtict are commercial producers of wheat. They are important producers and they farm reasonably large acreages. My district has a high percentage of self-owned farms and they produce sizable bushelages on their farms. It is worthy of note that very few wheat producers in my disrtict exceed the $50,000 limitation and most of those are just barely over that proposal which we passed when we had the agriculture appropriations bill before us.

One thing about this bill which disturbs me is that a high percentage of the wheatgrowers in my district practice summer fallow, meaning that they farm one-half of their acreages each year and cultivate the other half so in the dry climate they can have water conserved over a full year for the next year's crop. It is meaningful then to me that any reduction in the half that is farmed, places a tremendous burden on the wheatgrowers in my area. This bill does not reach their needs.

Another item that bothers me and which I feel needs some clarification—I do trust that I am correct in my observation regarding it—is the matter of the 15-acre wheat producer. I believe that this privilege extended to 1¼ million farms has had the effect of moving the center of wheat production out of the commercial areas and into those areas where 15 acres of wheat, subject to price support, becomes little more than a money crop and contributes greatly to our surpluses. I have heard the figure "600 million bushels" used and, of course, this figure would explain our wheat surplus eloquently. Moreover, much of this wheat is produced in areas of comparatively high rainfall and its milling qualities are very, very poor.

I take note of the fact that it is proposed here to reduce the 15 acres to 12 and it is said that this reduction will add nearly 100,000 wheat producers to those subject to penalty. However, as far as I can analyze this, it is the reduction of 15 to 12 that aids these hundred thousand wheat producers and, if this is true, it merely adds to the imbalance of wheat production in the United States and solves nothing. It complicates the problem still further.

There are some who feel, "Well, let us pass a bill and send it to conference." As for that, I can only observe that if we cannot write a good bill in committee, we have a small chance of writing an acceptable bill in conference. Bear in mind that all we have to vote on are the proposals which will come before this Committee of the Whole House and consequently, any judgments which we may make, have to be predicated upon the bill before us.

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In conclusion, I would like to refer to an editorial published May 21 in the Odessa Record in my district. This fine country paper is published in the heart of the Wheat Belt in my district. Odessa has no other industry other than wheat. The Odessa Record comments that this week's announcement of proposed farm price legislation causes local farmers to believe they have been led to go along with a losing scheme. Although the farm program has been far from satisfactory in recent years, the farmers have given it their vote and support. They have theorized that a sensible plan will be forthcoming. They continue in the editorial to state that if the present program should pass Congress, as announced, the only hope is that a Presidential veto will follow. They further state that in the meantime farmers are trying to answer the challenge that faces them and if a vote were to be taken this week, there would be a surprising vote against the entire program. And, the Odessa Record continues to editorialize that farm-supported groups such as the Grange and similar organizations have studied the Nation's need and they came up with what they considered sound programs, but have failed to get their ideas considered in national policy levels. The editorial concludes that like the tax revolt in our State of Washington, it is now up to the farmer to stage his own revolt and write to Congress in a way of not condemning but rather carry suggestions from the farm level to change congressional thinking.

Of course in this editorial they are referring to the domestic parity program which originated in Washington and Oregon and which has been largely endorsed by the National Association of Wheat Growers and the National Grange. All over the United States where editors and analysts observe the imbalance of wheat production, the cry goes out to, at least, give the domestic parity program a chance to be tried.

Mr. DIXON. Mr. Chairman, in reading the majority statement on H.R. 7246, I am struck by one thing. The only part of the majority statement to which I can subscribe in full is the first sentence, "Wheat is the Nation's No. 1 farm problem." Let us review together each of the major points made by this statement and point out the half truths therein.

The majority view as stated in the committee report is that the U.S. exports of wheat since 1953 have declined in comparison with the previous 6 years. Now, the period which the majority report is talking about is the period from 1947 to 1952. This was both a postwar reconstruction period and a war period. During this war-dominated era in excess of 1,100 million bushels of wheat were purchased by the Federal Government for military procurement and for export under the Marshall plan. Certainly I would agree that the wheat purchased for the military and to feed war-ravaged peoples was essential. However, to use actions taken under the exigencies of war and the insatiable demands of war as proof of the fine job done during his period in marketing wheat is as phony as a $3 bill. Certainly no one would expect the majority to claim credit for the war. Similarly, the majority should not boast about war-related export actions entirely paid for by the taxpayer.

This majority statement also states that during the 1947–52 period U.S. exports amounted to 43 percent of the total world movement of wheat. As I pointed out earlier about one-half of our exports were made for military procurement and under the Marshall plan. Also, when the productivity of the war-ravaged world was restored the ability of other countries to export was greatly increased. During this period production of wheat outside the United States increased by 2.8 billion bushels or over 60 percent. Of course, some of this went into export.

It is rather interesting that this statement also refers to supplies of wheat and makes a comparison between 1952 and 1958. I well recall that Secretary Brannan, prior to his departure from office, announced 90 percent of parity price supports with unlimited production for the 1952–53 crops of wheat. This was really playing fast and loose with the American taxpayer. By June 30, 1954, the carryover from the Brannan announced 1953 and earlier crops had increased to 933 million bushels—up 700 million bushels in 2 years. This was Brannan's folly. But the CCC had to pick up the tab to the tune of $1.8 billion. Half truths, half truths, what foolishness is uttered in thy name.

Another half truth which the majority is attempting to foist on this body is the fact that Russian exports have increased by 500 percent in 2 years. Now the statistics are accurate. They come from official Government sources. Those same sources also show that 82 percent of these Russian exports went to Iron Curtain captive nations. I am not sure just what the majority statement is implying by these glowing statistics. I ask the Chairman, what is the purpose of including these statistics when 82 percent of these exports go to captive countries? Does the United States have captive countries upon which it can impose its wheat surpluses?

It is hard to see how proponents of the bill could argue that its provisions meet the major objectives of the wheat program recommended by the President.

The most glaring shortcoming in H.R. 7246 is that it would increase mandatorily the support level of wheat from 75 to 90 percent of parity at a time when surplus supplies are at an alltime high and there is little outlook for improvement. There is no reasonable basis for this kind of proposal.

Advocates of the bill indicate that other provisions will effectively control the size of the wheat crop, and because of this, there is no validity in the contention that the higher support level will encourage extra and unwanted production. But this is not the real story. We recognize that other aspects of the bill would provide some control on wheat production but this alone does not justify the case for 90 percent of parity. We all recognize—or should recognize—that such an unrealistically high support level would provide additional incentive for producers to intensify their production effort and practices—this leads inevitably to even higher yields and thus offsets any advantage resulting from the acreage reduction contemplated. Simply stated, high support prices have cost us markets in the past, and they will continue to do so in the future.

Just how much reduction in supply is likely to result from this bill which would establish support levels at 90 percent of parity for both the 1960 and 1961 wheat crops? Let us take a close look at this: wheat acreage would be reduced by perhaps 25 percent, if everyone participates, but the acreage still in production at yields which are continually trending upward will produce about as much as we are likely to require—in fact it will produce more than we can dispose of domestically, and export for dollars. But the bill also provides for making payments in kind, that is from CCC's surplus wheat stocks, to producers who comply with the program. This wheat representing payments in kind, while not eligible for price support, is freely available for marketing without penalty and thus becomes a part of the free supply. The quantity involved may be well over 100 million bushels.

Costs of the bill would be very high when one considers the combined effect resulting from the 90-percent price-support provision, coupled with payments in wheat for reducing wheat allotments below 55 million acres, and added to higher export subsidy costs which clearly would result. Subsidy costs are bound to increase: When the mandatory support level is raised from 75 percent to 90 percent of parity, the wheat price per bushel in the market is increased by about 45 cents, based on the current calculation. If we make strenuous efforts, as we should, to maintain traditional wheat export markets, and are "fortunate" enough as to export as much as 450 million bushels, extra costs of the wheat export subsidy alone would amount to around $200 million annually.

The bill also makes a change in the 15-acre wheat marketing quota exemption; this seems to be largely window dressing. It does not eliminate the provision, as the President recommended if the control route is to be followed, but the report on H.R. 7246 states that it "deals equitably with the 15-acre wheat farmer." What it actually does is to reduce the exemption to the farmer to 12 acres or the highest planted acreage in 3 years, 1957, 1958, or 1959. There is some reason to believe that this provision was included in an effort to pick up a little more support from those who may be persuaded that the bill is following control route recommendation in its major provisions. Other provisions may have been included for the same purpose, that is, elimination of the 200-bushel marketing quota exemption, and establishing voting eligibility provisions

on the previous year's planting record; but these provisions are likely to have little effect on the overall program. Why is the small family wheat farm discriminated against?

The bill also goes a long way in imposing additional restrictions on farm operations. The 25-percent reduction of wheat acreage would require additional visits and checkups on farms and farming operations. An even closer look would have to be taken if a farmer applied for payments in kind, since eligibility for such payments is contingent upon withholding the acreage involved from all crop production and from grazing. Aside from the additional restrictions on farmers, all these visits, and resulting extra recordkeeping, cost money; administrative expenses of the program are likely to be much higher.

So off we go. Costs are higher; the bureaucracy is greater and the disappointments will be more evident. Let us stop stopgapping. Let us vote this bill down.

Mr. ROBISON. Mr. Chairman, like most of us, I fear, I have been sitting here this afternoon listening to the debate on H.R. 7246—the wheat bill—and only growing more and more confused.

So far as I can figure out, the only point on which there is general agreement is that the existing law has failed, and failed miserably. Here is what this Congress has achieved to date: A year from now our wheat surplus will amount to 1.5 million bushels, an amount three times greater than our annual consumption of wheat and wheat products for food. The total Federal investment in that surplus will be $3.5 billion, and we are already spending over a million dollars a day just for storage, interest, and transportation costs on this mountain of wheat. We almost literally are up to our ears in wheat.

Well, now, it's easy for me to criticize, Mr. Chairman, because all of this started before I joined this august legislative body. I am reminded of the old story of the Sunday school teacher who asked her class of youngsters who stole the gates of the temple. All of her pupils looked at each other blankly, having forgotten their lesson, until one little boy began to cry. The teacher asked him what the trouble was, whereupon he said, through his tears, "Please, teacher, it wasn't me; I only moved to town last week."

But, without seeking to blame anyone for having tried with all sincerity and all the wisdom they possessed to help the wheat farmers of this Nation, isn't it time, Mr. Chairman, to put an end to this madness? I think I know what the farmers of my congressional district want, and that is a return at long last to the sane, healthy, free enterprise, supply and demand basis American agriculture was on prior to the beginning of this uneconomic and endless tinkering which has proved such a hurt to every citizen of the United States. Isn't it time for us to admit that the original diagnosis was wrong, or is at least terribly outdated today, instead of continuing to prescribe one different program after another without seeming to note or care that our patient is dying?

I think it is, and, with the thought in mind of giving all those who feel the same way a rallying point, I am today introducing a bill which, very simply, ends the entire Federal farm price-support program. It may never see the light of day after it is referred to committee, but we have got to start somewhere and I think today is the day.

Mrs. MAY. Mr. Chairman, it is my view that H.R. 7246, which was reported out of the House Committee on Agriculture, is a shortsighted stopgap measure which attempts to go in several directions at once, and does not begin to meet the critical wheat issue. As a member of the Agriculture Committee, I refused to endorse it. This is a grossly inadequate bill which in no way answers our most pressing farm problem, reduction of our present oversupply of wheat. I see little point in adopting this 2-year program that solves nothing, so that in 2 years the Congress will be faced with today's farm problem compounded by our failure to squarely face the problem now.

The Washington and National Association of Wheat Growers and the National Grange have given long study to and generally agree that the permanent program of the wheat stabilization plan is the best solution in attempting to solve the crisis in wheat. Many thinking wheat farmers and others vitally interested in the national problem agree—and I agree with them—that if we are to go the rigid control route, then the wheat stabilization plan is the most desirable direction to take, especially in view of the tremendous surpluses, which, according to the Department of Agriculture, will rise to almost 1.5 billion bushels by June 30, 1960. This huge surplus is about three times greater than the annual U.S. consumption as food. We are now spending over a million dollars a day just on storage, interest, and transportation costs in this surplus. I believe that I can say, without fear of contradiction, that we are all agreed that the solution of this problem takes an A–1 priority.

I am sure that the wheatgrowers in the United States today could not care less about what it was, or who it was, that produced their dilemma; they are just anxious for Congress to help them find a way out. I am interested today only in advocating that it is time we take a fresh new approach to the whole situation and I feel very strongly that the ones who have the most to offer in helping us come up with a sound, reasonable solution to this crisis are those in our farm economy who grow wheat. I believe I may go further and say that I think there is another point upon which we are all agreed and that is that any new program in the field of wheat economy that comes out of this session of the Congress should have certain goals. A very concise summation of these goals can be described as a program that will be less costly than the one under which we are operating; a program that will reduce surpluses rather than build surpluses; a program that will move in the direction of more freedom for the farmer; and will protect the wheatgrower from economic ruin while this program is going into effect.

In testimony before the House Committee on Agriculture in recent months, nearly every individual or organization that appeared before the committee started out by saying that the legislation he presented was not perfect. I believe that this amounts to a tacit admission that so involved and complicated is the problem that there cannot possibly be a perfect legislative solution at this time. Therefore, I believe that the great responsibility for, not only this subcommittee, but all of Congress, is to come up with legislation that is a step in the right direction and I submit that this is what the National Association of Wheat Growers presented to the committee in their Wheat Stabilization Act.

I should just like to reiterate for you the basic points of their legislation which has been developed to stabilize wheat marketing, thereby stabilizing the income of wheat producers and reducing Government stocks of wheat. In their program, they have to the best of their ability presented a plan that will, first stabilize producers income at a reasonable level; second, allow freedom to plant and harvest crops best adapted without Government interference; third, permit producers to carry reserve for short crop years; fourth, prevent wheat prices from reaching disastrously low level; and, fifth, enable wheat producers to market best quality wheat in domestic food and export markets and lower grades in feed markets. I would also like to remind you that the drafters of this bill say that it is estimated that under the present program 200 million bushels will be added to CCC stocks annually. On the other hand, the wheat stabilization program stops the buildup of CCC stocks and provides for the reduction of these stocks by 75 million bushels annually, reduction in export subsidies of an estimated 20 cents per bushel and savings in storage costs on the defense stockpile of approximately 6 cents per bushel.

Finally, I feel that because an organization like the National Association of Wheat Growers, which represents a large number of those who are growing wheat throughout this Nation, have been drafters of this bill, because also they have worked with one of our most powerful and effective farm groups, the National Grange, on this legislation. Certainly with this type of grower representation behind this legislation—which has been introduced by many Members of Congress—the House of Representatives can do no less than to give it sincere and earnest consideration. It goes without saying that if we are to be successful in getting some program to help us out of the present crisis in wheat surplus through this session of the Congress, we must have a unified approach. It is my sincere belief that a very sound place to begin is with this marketing quota and income stabilization plan as presented by the National Association of Wheat Growers.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Chair must inform the gentleman from Michigan that the motion is not debatable.

Mr. HOFFMAN of Michigan. Is this a Senate bill?

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The CHAIRMAN. This is a House bill.

Mr. HOFFMAN of Michigan. This is a Senate bill and the Chair holds that it is not debatable at this time?

The CHAIRMAN. All debate on the bill has been ordered closed.

Mr. HOFFMAN of Michigan. This is not on the bill. This is on a motion to strike out the enacting clause on the ground that the first amendment has been denied to the minority here, the right of free speech in debate, and this being the greatest deliberative body in the world and the accusation having been made the other day that the minority was intimidated, or the majority was being intimidated.

The CHAIRMAN. The gentleman from Michigan is a very beloved and very distinguished and very able parliamentarian, but the majority have ruled and ordered that all debate is concluded at this time.

Mr. HOFFMAN of Michigan. The majority? Thank you.

Mr. McCORMACK. I would just like to make a statement on this question of intimidation that the motion was made to enable some Republicans to get away to the Governor Rockefeller affair tonight.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. EVINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended, pursuant to House Resolution 285, he reported the bill back to the House with sundry amendments adopted by the Committee on the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. HOFFMAN of Michigan. Mr. Speaker, when the time comes for the engrossed copy to be read, I have a request that the engrossed copy of the bill be read.

Mr. BELCHER. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] asks for the reading of the engrossed copy.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, would it be in order to vote on the motion to recommit at this time?

The SPEAKER. It would not be in order until after the reading of the engrossed copy.

Mr. ALBERT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALBERT. Did not the Speaker put the question on the engrossment and third reading of the bill and proceed?

The SPEAKER. The gentleman from Michigan is within his rights and within his time.

Mr. COOLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOLEY. As I understand the situation, the gentleman from Oklahoma [Mr. BELCHER] had submitted a motion to recommit. Why should we not vote on that this afternoon?

The SPEAKER. It is not time to vote on it. We have got to have the engrossed copy of the bill here before the motion to recommit can be offered.

Mr. McCORMACK. Mr. Speaker, my previous announcement was based upon the completion of this bill today. With this demand for a reading of the engrossed copy of the bill, I am very sorry to say that whatever I said before with reference to the program was relative to the completion of this bill. We will have to have a vote on this bill tomorrow. I want that to be understood by the membership.

The SPEAKER. The Chair is certain the Members will understand that.

REDUCING UNNECESSARY BULK OF MATERIAL IN CONGRESSIONAL RECORD

Mr. JONES of Missouri. My Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter, including a bill table.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, some weeks ago, I called attention to some of the abuses which have been made of the privilege Members have of extending their remarks in the CONGRESSIONAL RECORD. Since that time there has been much favorable comment on the suggestion that Congress could save vast sums of money by exercising greater discretion in the selection of material that is printed in the RECORD.

Many Members have expressed their interest in the adoption of rules, or an amendment to the act providing for the printing and binding and the distribution of public documents, which would place some limitation on the frequency of use of this privilege under unanimous consent, and also on the volume of extraneous material which many believe is not of sufficient interest and importance, and certainly in many cases is irrelevant and not pertinent to any legislation under consideration by Congress.

The fact that the cost of printing such material in the CONGRESSIONAL RECORD is approximately $85 a page has caused an estimate to be made that by the exercise of a minimum amount of discretion and a minimum of limitation would result in the savings of not less than several hundreds of thousands of dollars each year.

The further fact that the resolutions adopted by the Joint Committee on Printing in 1953, which resolutions were revised for clarification in February, 1956, have not proven effective and have been difficult of administration, has caused me to consider the adoption of an amendment to the act which would fix certain limitations. Actually the limitations which are suggested in the bill which I have introduced would have no effect on the practices of an overwhelming majority of the Members of Congress—in fact it would offer a measure of relief to many Members who sometimes have difficulty in refusing to request permission for the printing of extraneous material in the Appendix of the daily RECORD which at times has proven embarrassing.

Mr. Speaker, as most of my colleagues know, I have long been interested in bringing about changes which I felt would result in greater economies in the operation of our Congress, and I have spent considerable time in analyzing some of the practices which we follow, and which might be changed with little inconvenience to the Members of Congress, and which on the other hand would result in the greatest savings.

Let me assure you, Mr. Speaker, that I have no desire to take from any Member any privilege which he now has which would in any way prove detrimental either to him, or to his constituency. However, I do feel, that in carrying out the obligations I have as a member of the Committee on House Administration, and more particularly as a member of the Subcommittee on Printing of that committee, I should call to the attention of this body the information that I have caused to be assembled, and to present for your consideration the results of a study which has extended over a period of the past few years. Some of the statistics which this study has developed, are most interesting.

The statistics which I propose to present here are not up to date. In fact they are for the 1st and 2d sessions of the 84th Congress, and the 1st session of the 85th Congress, but they do indicate the extent to which the privilege is used by some and abused by others. I should mention, however, that the situation grows progressively worse each session, and for that reason it would seem that it might be appropriate for Congress to consider this problem before it gets further out of hand.

For instance, up until June 1, 1959, printing of proceedings and debates in the 1st session of the 86th Congress has required 8,446 pages, with an additional 4,580 pages being devoted to the daily Appendix for this same period. Up until June 1, 1957, printing of the proceedings and debates of the 1st session of the 85th Congress required only 7,287 pages, with an additional 4,222 pages being devoted to the daily Appendix. One does not have to be a mathematician to figure that with an increase of 1,517 pages of the printed RECORD and daily Appendix during these two comparable periods, the

increased cost—and I emphasize increased cost—is $128,945 for this 5-month period.

Up until June 1, 1959, the cost of printing the CONGRESSIONAL RECORD, with a total of 13,443 pages, which includes 417 pages of the Digest found in the back of the RECORD each day, computed at approximately $85 a page, totals $1,142,655.

If and when hearings are held on the bill which I have introduced, I am confident that I can show any committee that through the exercise of a minimum of discretion and without depriving the public or the Members of this Congress of any valuable information which is not easily and readily available, we can effect a saving of approximately a half million dollars a year by the adoption of this bill.

While I hesitate to take up the valuable space in the RECORD, I am asking unanimous consent to have printed in connection with these remarks, a short, but rather comprehensive memoranda, including the statistics referred to, prepared by a member of the staff of the Committee on House Administration, and which I believe will be helpful to the Members in determining whether or not it is in order for this House to consider this one means by which we can begin to effect economies in the operation of our own house. I believe such action will be applauded by the public, and I also believe it will have a salutary effect on other departments of Government if they can observe that Congress itself is interested in practicing the economy that it is constantly preaching.

CONGRESSIONAL RECORD, DAILY APPENDIX, AND EXTENSION OF REMARKS

A careful and detailed analysis has been made of that part of the CONGRESSIONAL RECORD which is included in the daily and green-bound copies as the Appendix, as compared with that portion of the case bound, permanent copies called the Extension of Remarks. Beginning with the 2d session of the 83d Congress, as a result of a resolution of the Joint Committee on Printing, certain matter is deleted from the daily Appendix, leaving only specific types of matter to be contained in the permanent Extension of Remarks. A copy of this resolution follows the table below.

The table which follows gives an idea of how much is actually bound in the permanent form and the number of pages which appear once, to be discarded and not available for those who may use the CONGRESSIONAL RECORD for research in later years:

Subject	84th Cong.		85th Cong.	
	1st sess.	2d sess.	1st sess.	2d sess.
Senate:				
Days in session	105	119	133	138.
Time in session	559 hours 41 minutes.	801 hours 42 minutes.	860 hours 44 minutes.	1,014 hours 45 minutes.
House of Representatives:				
Days in session	112	118	141	135.
Time in session	471 hours 19 minutes.	465 hours 57 minutes.	585 hours 19 minutes.	562 hours 12 minutes.
CONGRESSIONAL RECORD:				
Daily Appendix pages	6,314	6,154	7,325	8,375.
Extension of Remarks, bound	−2,096	−1,923	[1]−2,400	[1]−2,775.
Appendix pages not retained in Extension of Remarks	4,216	3,231	4,925	5,600.

[1] Estimated figure, based upon types of material authorized by the Joint Committee on Printing to be included in Extension of Remarks.

RESOLUTION BY THE JOINT COMMITTEE ON PRINTING

(Originally adopted June 22, 1953. Revised for clarification February 6, 1956)

Whereas section 181, title 44, United States Code, provides, in part, that the Joint Committee on Printing shall take all needed action for the reduction of unnecessary bulk in the CONGRESSIONAL RECORD; and

Whereas it is the sense of the Joint Committee on Printing that the printing of extraneous matter in the permanent form of the CONGRESSIONAL RECORD constitutes unnecessary bulk and a waste of public funds: Now, therefore, be it

Resolved, That beginning with the 83d Congress, 2d session, the following rules shall apply in the makeup of the permanent CONGRESSIONAL RECORD:

1. All 1-minute speeches, regardless of length, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be moved to that point in the day's proceedings where permission was granted the Member to address the House for 1 minute and revise and extend his remarks.

2. All remarks by Members of the House on particular legislation under the 5-day rule, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be moved to that point in the day's proceedings of the day permission was granted.

3. All statements prepared by Members inserted in the Appendix of the daily CONGRESSIONAL RECORD shall be moved to the end of the proceedings of the day permission was granted. This shall not be construed to include remarks prepared for the introduction of extraneous material.

4. All remarks of Members in tribute to deceased Members or former Members of Congress, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be moved to that point in the proceedings of the day permission was granted. Such remarks must be submitted to the official reporters not later than 60 days after permission is granted.

5. All extraneous matter including but not limited to newspaper and magazine articles, editorials, addresses, radio programs, commentators' stories, resolutions from organizations and individuals, letters from constituents, etc., together with Members' remarks accompanying same, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be omitted from the permanent form of the CONGRESSIONAL RECORD; however this restriction shall not apply to speeches, addresses, or articles by the President and the members of his Cabinet, the Vice President, or a Member of Congress.

EXTENSION OF REMARKS

Mr. Speaker, a page-by-page review was made of the Appendix to the daily CONGRESSIONAL RECORD for the 1st session of the 85th Congress, using the foregoing resolution of the Joint Committee on Printing and the actual material contained in the Extension of Remarks in the bound copies for the two sessions of the 84th Congress as criteria. Speeches and statements prepared for or by Members of Congress, and remarks by Members of Congress which will be included in the Extension of Remarks for the 1st session of the 85th Congress for the following numbers of individuals are noted for each, as follows:

Senate: 9 Senators had none each; 34 Senators had from 1 to 5 each; 23 Senators had from 6 to 10 each; 10 Senators had from 11 to 15 each; 1 Senator each had 18, 19, 20, 21, 25, 26, 32, 36, 41, 51, and 85, respectively.

House of Representatives: 49 Congressmen had none each; 171 Congressmen had from 1 to 4 each; 65 Congressmen had from 5 to 6 each; 61 Congressmen had from 7 to 10 each; 36 Congressmen had from 11 to 15 each; 17 Congressmen had from 16 to 19 each; 2 Congressmen each had 20 and 21, respectively; 13 Congressmen had from 22 to 23 each; 5 Congressmen had from 25 to 26 each; 2 Congressmen each had 30 and 31, respectively; 1 Congressman each had 27, 28, 32, 34, 35, 40, 43, 46, 53, and 59, respectively.

DAILY APPENDIX MATERIAL NOT INCLUDED IN BOUND COPIES OF RECORD

The same page by page review of the Appendix to the daily CONGRESSIONAL RECORD revealed that the following numbers of Senators and Representatives obtained permission to print editorials, newspaper articles, letters, essays, and so forth, in the number of instances noted by each:

Senate: 4 Senators had none each; 10 Senators had 1 each; 2 Senators had 2 each; 37 Senators had from 3 to 6 each; 15 Senators had from 7 to 15 each; 8 Senators had from 19 to 21 each; 1 Senator each had 16, 22, 23, 27, 30, 31, 36, 37, 38, 39, 40, 41, 43, 61, 63, 65, 71, 89, and 101, respectively.

House of Representatives: 41 Congressmen had none each; 59 Congressmen had 1 each; 109 Congressmen had from 2 to 4 each; 50 Congressmen had from 5 to 6 each; 103 Congressmen had from 7 to 15 each; 28 Congressmen had from 16 to 20 each; 2 Congressmen each had 21, 22, 23, 26, 27, 28, 29, 31, 32, 38, and 39, respectively; 1 Congressman each had 28, 30, 45, 49, 50, 53, 56, 75, 109, 127, 179, and 232, respectively.

GENERAL OBSERVATIONS

The principal common denominator found to exist in the material which appears in both the daily Appendix and the Extension of Remarks is that of inconsistency, generally, as to length and subject matter. The shortest speech noted was only 2½ column inches in length, while others extended to over 30 pages. The general average, however, were ap-

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proximately a column and a half, or a half page.

During periods of time when legislation under consideration was of more than usual national interest, a marked increase in the number of items in the daily Appendix was observed. Members from metropolitan districts appear to use the daily Appendix more frequently than those from rural districts.

The practice of inserting various types of matter, broken up into a number of seriatim articles rather than having it all appear as one long article, has been continued. This eliminates the Joint Committee on Printing regulation which requires that Members of Congress obtain an estimate of cost for printing daily Appendix material exceeding two pages in length, which estimate should be printed along with the material. During the 1st session of the 85th Congress, one individual inserted 31 such seriatim articles on 1 day, comprising almost 14 pages. Other instances were noted of seriatim articles appearing on consecutive days or within a few days of each other. There were many instances of lengthy speeches and articles, the estimate of printing cost not being printed with them.

The types of matter printed in the daily Appendix which would not be printed in the bound Extension of Remarks was varied, consisting principally of editorials, newspaper articles, letters from individuals, essays of students, poetry, resolutions passed by various organizations, recipes, and other kinds. One individual inserted the columns of a well-known humorist almost every day the RECORD was printed.

During the 84th Congress, it appeared that there were varying interpretations of the Joint Committee on Printing regulations with respect to radio broadcasts and newspaper articles and editorials, accompanied by the Members' remarks concerning them being included in the bound Extension of Remarks. Although these types of matter are not to be included in the bound copies, according to the regulations, many of them do appear therein.

PROJECT GRANTS TO SCHOOLS OF PUBLIC HEALTH, NURSING AND ENGINEERING

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROBERTS. Mr. Speaker, on June 8, 9, and 10, the Subcommittee on Health and Safety of the Committee on Interstate and Foreign Commerce, of which I am chairman, held hearings on several bills relating to public health training. At the close of the hearings, Secretary Flemming testified in opposition to H.R. 6871, introduced by Congressman RHODES of Pennsylvania, and submitted as an alternative to Mr. Rhodes' bill, a 4-year program of Federal project grants to schools of public health, nursing, and engineering.

In order to give all persons and organizations interested in public health training, and particularly the schools of public health, nursing, and engineering an opportunity to comment in writing on this proposal, I would like to insert at this point in the RECORD a letter dated June 10, 1959, from Secretary Flemming, addressed to the chairman of the Committee on Interstate and Foreign Commerce, setting forth his opposition to H.R. 6871 and his alternative proposal for a 4-year program of project grants.

The subcommittee will be glad to include any comments on the Secretary's proposal in the hearing record on these bills.

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, June 10, 1959.

Hon. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of May 6, 1959, for a report on H.R. 6871, a bill "To amend the Public Health Service Act to provide for a public health training program, and for other purposes."

The bill would amend the Public Health Service Act by the addition of a new title VIII entitled, "Public Health Training Program." Section 803 under this new title would authorize an extension until June 30, 1964, of the current program of federally financed traineeships for graduate or specialized training of professional health personnel. The present authorization for this program in section 306 of the Public Health Service Act expires June 30, 1959. Section 803 would also require the Surgeon General to appoint an Advisory Committee on Public Health Training to advise him in the administration of the programs which would be authorized by the new title VIII. In addition, this section would require that the Surgeon General call a conference between June 30, 1962, and December 1, 1962, to assist him in evaluating the effectiveness of the programs authorized under title VIII and in considering any modifications which might be desirable in increasing their effectiveness. A report of this conference, including any recommendations by it, would be required to be submitted to the Congress by January 1, 1963.

Section 804 would authorize an appropriation of $6 million annually beginning with the fiscal year ending June 30, 1961, to enable the Surgeon General to make grants-in-aid for the provision of comprehensive professional public health training in schools of public health. Funds appropriated for this purpose would be allocated among the eligible schools in accordance with a formula prescribed by regulation of the Surgeon General after consultation with representatives of such schools.

Section 805 would authorize the appropriation of $5 million for the fiscal year ending June 30, 1960, and such sums as the Congress may determine for the 4 succeeding fiscal years (except that the total appropriations for the 5-year period may not exceed $15 million) to enable the Surgeon General to make grants-in-aid for the construction of facilities at schools of public health. The Surgeon General would be authorized to approve applications for such construction grants submitted by schools of public health upon recommendation of the Advisory Committee on Public Health Training. No grant could be approved in excess of the amount recommended by the advisory committee or 70 percent of the construction cost whichever is least.

Section 806 would authorize an annual appropriation of $1 million beginning with the fiscal year ending June 30, 1960, to enable the Surgeon General to make grants-in-aid for the provision of public health training for nurses in public or nonprofit educational institutions accredited for such training. Funds appropriated for this purpose would be allocated by the Surgeon General among the eligible educational institutions in accordance with regulations developed in consultation with representatives of such institutions.

Section 807 would authorize an annual appropriation of $3 million to enable the Surgeon General to make grants-in-aid to States for the purpose of training personnel for State and local public health work. These funds would be allocated among the States in accordance with regulations which would take into consideration the population, financial need, and extent of the training problem in the several States. Funds granted under this program would be matched by the expenditure of State or local funds in amounts equal to at least one-half the Federal grant.

The President's budget message, transmitted to the Congress on January 19, 1959, recommended continuation of the current traineeship program for graduate or specialized public health training authorized by section 306 of the Public Health Service Act, which would otherwise expire on June 30 of this year. Although this program has proved successful in increasing the number of individuals being trained for public health work and in encouraging the recruitment of personnel, there still remain serious deficiencies in the numbers of adequately trained professional personnel to meet the current and future staffing needs of public health services in the United States. Extension of this program for another 5 years, as proposed by section 803 of H.R. 6871 and by H.R. 6325, on which we reported previously, would facilitate further progress in overcoming these deficiencies. In addition, extension of this traineeship authorization would carry out the first recommendation of the national evaluation conference on public health training called by the Surgeon General last summer in accordance with section 306(e) of the Public Health Service Act.

As we said in our report on H.R. 6325, the only provisions of that bill and of section 803 of the instant bill about which we have some reservation are those that require special program evaluation conferences to be convened between June 30 and December 1 of 1962. In view of the short time span between the last such conferences and those required in the proposed amendments, we question the desirability of including such a mandatory requirement in this extension legislation. Unless major issues of policy should arise, it would seem likely that the question of subsequent program extension or modification could be resolved with less formal or elaborate means of obtaining the views of interested groups and agencies. If such provisions are included in the extension legislation, we believe they should be in the form of an authorization, rather than a mandatory requirement.

Sections 804 and 806 of the bill would authorize programs of grants-in-aid to accredited schools of public health and to schools accredited for public health nursing training to be used by these educational institutions in providing professional public health training services. These two sections would establish a permanent program of Federal subsidization for these two types of schools without legislative safeguards to insure that the funds were used to strengthen or improve training services rather than to replace existing sources of

financial support, and without the usual provision for review and evaluation of applications for funds by an advisory body. Enactment of these sections would thus establish precedents, of potentially far-reaching implications, for general Federal support of institutions of higher education.

In order to overcome these weaknesses and to provide a more satisfactory basis for directing Federal assistance to the highest priority public health training needs, we would propose that, in lieu of the general support grants which these two sections of the bill would authorize, there be authorized a 4-year program of Federal project grants to schools of public health for the primary purpose of strengthening or expanding their public health training activities. We would also propose that eligibility for these project grants be broadened to include those schools of nursing and engineering which provide post-baccalaureate training for public health nurses and engineers. Special emphasis would be placed on stimulating improvement and enrichment of curricula to meet the needs of changing and emerging public health programs; strengthening programs of basic training in public health administration; developing and demonstrating improved training methods and procedures; and enlarging faculties and supporting staff to provide for increased enrollment. Applications for project grants would be subject to review and recommendation by the Advisory Committee on Public Health Training. We would recommend that this new program supersede, effective July 1, 1960, the current provisions of section 314(c)(2) of the Public Health Service Act which authorize general support grants for schools of public health. For the new project grants we would propose annual appropriation authorizations of $2 million for the first year, $3 million for the second year, $3.5 million for the third year, and $4 million for the fourth year of the program.

The question of Federal financial assistance for the construction of public health teaching facilities should, in our judgment, be considered in conjunction with the construction assistance needs of medical and dental schools. Legislative proposals for such construction grants have been submitted by this Department in previous years but have not been approved by the Congress.

Section 807 in H.R. 6871 would establish a new earmarked grant to States for training purposes. Although recognizing that State and local public health agencies should increase and strengthen their training programs to overcome the backlog of training needs and recruit additional trained personnel for new and expanded program operations, we do not consider it necessary or desirable that a new Federal grant-in-aid program be established for this purpose. Grants-in-aid currently available to the States in such fields as general health, maternal and child health, mental health, cancer control, etc., can be and are being used to train personnel. In addition, some States and communities are appropriating funds for this purpose. If additional Federal financial support is considered necessary to stimulate additional training activities by State and local health agencies, it should be provided through the public health grant-in-aid authorizations already established in legislation.

We would therefore recommend against enactment of H.R. 6871, at least in its present form. We would favor instead the enactment of legislation along the lines of H.R. 6325, extending both the nurse traineeship and the public health traineeship programs under sections 306 and 307 of the Public Health Service Act. In addition, we recommend legislation authorizing special project grants to expand and improve graduate public health training as suggested on page 3 of this report. We will be very glad to submit to your committee draft legislative language to carry out our recommendations.

The Bureau of the Budget advises that it perceives no objection to the submission of this report to your committee.

Sincerely yours,

ARTHUR S. FLEMMING,
Secretary.

MUNITIONS LOBBY

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent to address the House for one-half minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SANTANGELO. Mr. Speaker, last week my amendment to bar funds to defense contractors hiring military general officers who had been active members of the Armed Forces of the United States within 5 years of the date of enactment was dramatically defeated by a margin of one vote. My amendment was designed to eliminate the Pentagon influence by retired military officers above the rank of colonel and to reduce the cost of our defense program. Such retired officers have been hired at inflated or premium prices to create immediate or extended business relationships for a corporation in the defense products contract acquisition area.

The decision of defense contract awards by a procurement office should not and must not be coerced into a state of imbalance, due to a former relationship based on prior career subordination or friendship. Decision must be liberated from all parasitic influence and made with an objectivity designed to obtain the most effective product at the most equitable and competitive price.

Undue influence on a procurement officer, created by an historical rapport of any design, but particularly involved when a retired officer is dealing with a former subordinate, associate, or intimate friend, defeats not only the democratic process of free competitive business enterprise, but also subjects the Government and its budget allocated to maintaining defense for preparedness and peace, to a continually compromised state that can only be detrimental to the national security and the national economic health.

The conflict raging as to the choice between the Army Nike-Hercules ballistics missiles and the Air Force Bomarc, may be motivated by industrial pressures without regard to what is best for the country.

I recommend to the Special Investigations Subcommittee of the Armed Forces Committee that it inquire whether industrial pressures, if any, are being exercised in the consideration as to the choice between the Nike-Hercules and the Bomarc.

The President's $77 billion budget is the greatest this country has ever seen. Fifty-nine percent or $45,805 million is allocated to the national security; $13,938 million of the military budget is allocated to procurement, the purchase of aircraft, missiles, ships, and other military equipment. It is in this area that we must eliminate the waste in order to help the taxpayers.

During the consideration of my amendment, I was assured by the chairman of the Defense Subcommittee of the Appropriations Committee that an investigation and inquiry would soon be initiated and be forthcoming by the Armed Forces Committee. Subsequently, Congressman F. EDWARD HÉBERT, chairman of the Special Investigations Subcommittee of the Armed Forces Committee, announced that he would commence hearings within the next few weeks.

Who are the retired military men on the payroll of the defense contractors and what has been the development of these defense contractors, particularly in the aircraft industry? Newspaper disclosures indicated the need of my amendment and the arrogance of defense contractors in the face of a legislative investigation. Public notice has already been directed to the fact that Gen. Clarence S. (Bill) Irvine, who, until a month ago, was the Air Force Deputy Chief of Staff and who advocated greater distribution of the defense contracts among smaller companies, was hired and engaged by Avco Corp. before his retirement. General Irvine had been in charge of Air Force production as Deputy Chief of Staff—Materiel—since 1955. Before that he was deputy commander of the air materiel command which supervises Air Force procurements. Avco Corp. has several major Air Force contracts, but is considered one of the smaller defense contractors.

This announcement should have generated for every concerned public servant, businessman and taxpayer an intense curiosity over the relationship of defense contracts and the pragmatic expediency by large corporations who hire retired military officers for new or more defense contracts. It certainly underscored the dire need for a microscopic examination of the questionable practice that does not serve the broad competitive posture of business or the small pocketbook of the average American taxpayer.

Particular attention is directed to the following companies, such as Aerojet-General Corp., which since 1955 has increased its business by $150 million, mostly defense contracts.

General Motors, since 1952 to 1955, increased its volume of business by $5 billion and between 1952 and 1958 to $2 billion.

General Dynamics Corp., since 1953, has increased its business by $1,350 million and that in the year 1958, its military contracts amounted to $1,383,200,000. The increase in military defense contracts from 1957 to 1958 in General Dynamics Corp. was over $360 million.

Another tremendous increase is seen in the Radio Corp. of America, which since 1954 to 1957, increased its business by $178 million, and in the year 1958, it had defense contracts totaling over $288 million.

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The Bell Aircraft Corp. has seen a tremendous growth since 1952 to 1957, increasing from $128 million to $202 million. Its contracts with the Government in 1957 approximated all its business of 1952 and exceeded the amount of business it conducted prior to 1952.

A smaller company, Piasecki Aircraft Corp., in 2 years from 1956, increased its business from $45,000 to $1,673,192, of which $1,206,000 was in Government defense contracts. I would like the Special Investigations Subcommittee to find out what influence the retired military officers had on the procurement of these defense contracts.

An inspection of the defense contracts obtained by 11 contractors with single source procurement agreements demonstrate the tremendous growth of their defense business:

Company	1957	1958	Total increase	Company	1957	1958	Total increase
Boeing	$907, 400, 000	$2, 131, 000, 000	$1, 223, 600, 000	McDonell	293, 800, 000	352, 000, 000	$58, 200, 000
Douglas	249, 200, 000	513, 400, 000	164, 200, 000	North American	$499, 900, 000	$647, 700, 000	147, 800, 000
General Dynamics	1, 018, 900, 000	1, 383, 200, 000	364, 300, 000	Republic	189, 600, 000	264, 700, 000	77, 100, 000
Hughes	389, 900, 000	472, 600, 000	82, 700, 000	Sperry-Rand	214, 500, 000	370, 100, 000	155, 600, 000
Lockheed	535, 700, 00	755, 100, 000	219, 400, 000	Westinghouse	182, 100, 000	269, 300, 000	87, 200, 000
Martin	366, 000, 000	400, 200, 000	34, 200, 000				

The following information as to the retired military persons connected with defense contractors indicates part of the extent to which retired general officers affiliate themselves with defense contractors and the need to investigate their relationship and the influences. In setting forth these names, I wish to state that I know of no wrongdoing by these retired officers, but assert that the increase in the amount of procurement contracts by the companies with which they are affiliated and the recent criticism by the Comptroller General that a large defense contractor has knowingly overcharged the Government for aircraft production give rise to the conclusion that an investigation should no longer be delayed.

Air Force officers

Name	Company	1958 Volume of defense contracts	Name	Company	1958 Volume of defense contracts
		Thousands			*Thousands*
Gen. Benjamin W. Chidlaw	Thompson Ramo Wooldridge, Inc.	$63. 8	Maj. Gen. Harold L. George	Thompson Ramo Wooldridge, Inc.	$63. 8
Gen. Joseph T. McNarney	General Dynamics Corp	1, 383. 2	Maj. Gen. Haywood S. Hansell	General Electric	783. 4
Lt. Gen. James H. Doolittle	Space Technology Laboratories, Inc.		Maj. Gen. Gordon P. Saville	Thompson Ramo Wooldridge, Inc.	63. 8
Lt. Gen Ira C. Eaker	Douglas Aircraft Co., Inc	513. 4	Maj. Gen. Arthur W. Vanaman	Aerojet-General Corp	95. 8
Maj. Gen. Lucas V. Beau	Consolidated Diesel Electric Corp.	12. 718	Brig. Gen. James F. J. Early	Fairchild Engine	103. 2
Maj. Gen. Albert Boyd	Westinghouse Electric Corp	269. 300	Brig. Gen. William W. Welsh	do	103. 2
			Lt. Col. Ronald Mogford	Napco Industries, Inc	. 668

Army officers

Name	Company	1958 volume of defense contracts	Name	Company	1958 volume of defense contracts
		Thousands			*Thousands*
Gen. Jacob L. Devers	Fairchild Engine	$103. 2	Maj. Gen. Gerald J. Higgins	Piasecki Aircraft Corp	$1. 206
Gen. Douglas MacArthur	Sperry-Rand Corp	370. 1	Maj. Gen. George Olmstead	Bell Aircraft Corp	82. 2
Gen. Frank Pace	General Dynamics Corp	1, 383. 2	Maj. Gen. Harry McK. Roper	General Electric Co	783. 4
Gen. Bedell Smith	Bulova Watch Co	8. 927	Col. D. J. Bailey	Raytheon	237. 0
Gen. Omar Bradley	do	8. 927	Col. W. F. Rockwell	Aero Design & Engineering Co	. 418
Maj. Gen. Frank A. Helleman	Hiller Aircraft Corp	9. 920	Capt. C. W. Gordon	Radio Corp. of America	288. 257

Navy officers

Name	Company	1958 Volume of defense contracts	Name	Company	1958 Volume of defense contracts
		Thousands			*Thousands*
Adm. C. M. Bolster	The General Tire & Rubber Co	$159. 8	Rear Adm. Charles F. Horne	General Dynamics Corp	1, 382. 2
Adm. Robert B. Carney	Fairchild Engine	103. 2	Rear Adm. J. C. Parham	Motorola	29. 8
Adm. William M. Fechteler	General Electric Co	783. 4	Rear Adm. Lawrence B. Richardson.	Hiller Aircraft Corp	9. 920
Adm. T. A. Solberg	Yardney Electric Corp	3. 663	Rear Adm. H. W. Seely	Texas Instruments, Inc	5. 642
Adm. John E. Wood	Kellett Aircraft Corp	. 408	Rear Adm. Ford Taylor	Fairchild	103. 2
Vice Adm. Joseph H. Bolger	Grumman Aircraft Engineering Corp.	245. 2	Capt. D. R. Hull	Raytheon	237.
Vice Adm. William A. Kitts III	General Electric Co	783. 4	Capt. Joseph K. Taussig	do	237.
Rear Adm. T. J. Hedding	General Motors Corp	280. 861			

If we are to reduce the wasteful defense expenditures, we must eliminate the Pentagon influence by former retired general officers upon those who let the contracts. There can be little doubt that the present situation is an unhealthy condition void of proper competitive objectivity in contract awards, and should be changed immediately. It is agreed among high-ranking congressional leaders that lobbying activities have forced defense costs to rise. I, for one, favor and will support, billions for the defense of our country, but I shall not support one cent for manipulations through lobbying and military influence.

The history of renegotiations by the Renegotiations Board demonstrates that the Government has recovered or recouped $1½ billion of excess profits during the past 10 years from defense contractors. It is obvious that the merchants of cold war and defense will continue to make excessive profits. As a consequence, the Government will have to call upon industry to disgorge their excessive profits and will continue to recoup excessive profits voluntarily or involuntarily. While industry has been admirably efficient, we have been shamefully prodigal. So long as the practice of negotiated and leased contracts is continued and so long as defense contracts are let on a cost-plus basis, there will be very little control of defense expenditures. Action is imperative because Government defense appropriations and spending cost accompany the endless cold war at an average rate of $3½ million a day. Our economy will not permit unnecessary expenditures.

PRESERVATION AND EXPANSION OF OUR EDUCATIONAL SYSTEM

The SPEAKER. Under the previous order of the House the gentleman from Michigan [Mr. CHAMBERLAIN] is recognized for 30 minutes.

Mr. CHAMBERLAIN. Mr. Speaker, during the time I have been privileged to serve in the House, I have heard much said about what Congress might do to preserve and expand our educational system. But since I have heard little about the do-it-yourself efforts of individual communities, it has occurred to me that the efforts of the citizens of Flint, Mich., to provide a college for their young people and to develop and enhance their educational facilities generally should be brought to the attention of my colleagues in the Congress.

For two generations the city of Flint, Mich., has—far beyond the proportion of its size—helped meet the transportation needs of America. Indeed, the very name of Flint is almost synonymous with automobile production. The Buick and Chevrolet automobiles manufactured in Flint are familiar names to every person in America.

The talent, the imagination, the intelligent and foresighted direction, which long ago placed Flint among the leading industrial cities of the Nation, have, during the past 13 years, been applied to the problems of education. The result today is that Flint, Mich., has provided a pilot model of what any American city can do to expand and vitalize its educational system. Flint is showing America how local resources, leadership and money can meet the educational challenge of our ever-growing population.

Mr. Speaker, we are born into this world with very little talent. Man, unlike the other creatures of the earth, is born with but two instincts. Everything else of our behavior must be learned. It must be taught.

As man's intelligence has developed, as mankind's behavior has become more sophisticated and more complex, this learning process moved beyond the watch-and-imitate pattern which little children follow. The learning process must be directed carefully and skillfully to higher and ever-higher plateaus of ability and understanding.

The first settlers of America promptly erected a church and a school, with one structure often serving both functions. In Massachusetts each town was required to employ both a minister and a teacher. The church and the school were both deemed essential to man's guidance in this world and his salvation in the next. America has wisely continued that tradition. We have invested money, talent and resources in education for our welfare as individuals and as a Nation. It is a tradition we must and will maintain.

This Congress, like several before, is considering whether and to what extent the Federal Government should undertake the direct financing of our schools. The Federal Government has done this, in limited degree, and in a variety of ways, all the way back to the passage of the Northwest Ordinance Act in 1783, which set aside certain portions of land for the establishment and support of schools.

Included in Michigan's sixth district is Michigan State University, the model for the great land-grant colleges which have for nearly a century enjoyed some degree of financial support from the Federal Government. There is no question that the Federal Government has long, actively and directly supported American education in this manner.

Mr. Speaker, I recognize that there are far too many areas of the United States in urgent need of improved educational facilities, and also that there are far too many areas where our teachers are underpaid. However, I do not mean to argue these issues. Rather, I would like to underscore what can be done on the local level to expand educational facilities and opportunities by showing what has, in fact, been done along these lines by the people of Flint, Mich.

At a dinner meeting in Flint on July 22, 1946, Dr. Alexander G. Ruthven, then president of the University of Michigan, suggested that the best interests of higher education would be served by establishing university undergraduate branches in large cities. This, he said, would relieve the enrollment pressure on the universities while providing young people with the opportunity of obtaining a higher education in their own communities.

In the audience that night was a distinguished citizen—not only of Flint, but of America—Mr. Charles Stewart Mott. Mr. Mott, one of the pioneers of the auto industry, quickly endorsed Dr. Ruthven's idea and requested an immediate survey of the Flint area educational needs. This survey revealed that there were several thousand young people who were unable to bear the cost of living away from home while attending college.

Working through his Mott Foundation, Mr. Mott pledged $1 million for a university building in Flint, provided however that the Flint voters approved a special tax levy asked by the local board of education to finance school facilities at lower levels. The people of Flint approved this special levy. This was a first step in a program of cooperative use of private and public funds. You will note, Mr. Speaker, that is was designed for local needs, impelled by local interest, and supported by local people.

I have mentioned so far merely the first in a series of Mr. Mott's benefactions. He donated $1 million to build the best junior college plant in the State. He deeded a large acreage of his estate to the board of education. Further, he provided an example to others. The Flint automobile pioneer, the late Mr. William S. Ballenger, left a trust fund which has provided buildings and chairs of learning for the junior college.

Many communities would have been content with this achievement, Mr. Speaker. After the immediate needs for higher education facilities were satisfied, they would have considered the job well done. Not so in Flint.

In 1953 a group of inspired and civic-minded men entered the scene actively, intent upon seeing their community blessed with a fine plant for higher education and community development. Robert T. Longway, F. A. Bower, J. E. Burroughs, and the late Michael A. Gorman were leaders in this group. They reached out and drew the support of business, labor, industry, all segments and groups of the community.

A committee of sponsors was formed which developed plans for a $12 million college and cultural center. This initial cost estimate had to be raised and is now a $25 million project.

The committee of sponsors arranged for the creation of a trust fund administered by the board of education. Then the committee made the startling announcement that the minimum contribution it would accept was $25,000. The boldness, the soundness, and realism of this provision captured the public fancy. This unprecedented action, which caused amazement in public philanthropy circles, was aimed to develop not merely donations but sponsorships for an individual, family, or business giving $25,000 or more.

When the plan was first announced, there was understandable skepticism. But this skepticism was dealt a blow when a Flint citizen, Mr. Harlow H. Curtice, then president of the General Motors Corp., announced a $3 million contribution by the corporation in November 1954.

Funds donated by sponsors have been used to purchase land, provide buildings for theater, art, and music as well as a swimming pool and planetarium. Buildings for library, science, and academic areas are either erected or in the building stage. Mr. Mott once again proved his generosity as well as his loyalty to his community by providing $1,200,000 for a building and furnishings for the Flint branch of the University of Michigan. All told, there have been approximately 200 public-spirited citizens who have contributed more than $18 million for this community project.

Proud indeed were Flint citizens on June 14, 1958, when 76 graduates of the Flint College of the University of Michigan received their bachelor of arts degrees. Nearly 80 percent of these graduates received their entire education in Flint, from kindergarten through 2 years at Flint Junior College and 2 years at the senior college. Some 3,900 students are now enrolled in the two institutions.

Mr. Speaker, I know the thought that is running through the minds of those who hear this report. "Ah, how fine it is that Flint, Mich., has the generosity of Mr. Mott and the General Motors Corp. upon which to depend. Just put a division of General Motors in my city and we'll solve our problems, too."

I suggest, Mr. Speaker, that this is a "whipped-before-you-start" form of rationalization. The same kind of resources, in greater or lesser degree, are present in every truly American community in this land. The citizens of your city are just as civic-minded, just as much interested in helping build and improve the community, just as willing to give their time, their effort, and, yes,

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their money in the cause of education. The city of Flint is typically American. The support which the educational system receives from the people of Flint is no accident, Mr. Speaker. In fact, it is the direct result of a second essential aspect of Flint's method of meeting the educational challenge. This is a bold concept of total education which Flint calls community schools.

This is no new concept. In fact, it dates back to a time when the public school was the center of community life in pioneer America. Very simply, this concept calls for public schools to be open to persons of all ages, day and night throughout the year for a wide variety of purposes. This concept is based upon the belief that the school must mean more to people than the place where they were imprisoned during childhood on warm, spring afternoons. It holds that the schools must serve an active function in the lives of all its people. In addition to its basic academic and intellectual responsibilities, the school system must maintain a concern for the health, recreational, and civic needs of all citizens.

From a practical viewpoint, Flint educators believe that public school facilities, built and maintained by taxpayers, belong to and should be available to the people.

Flint school doors are open evenings, Saturdays, and all summer long. The result is that Flint's 35 neighborhood schools serve as centers for adult education, recreation, health, physical fitness, social events, with no duplication of costly facilities for youth and community centers.

The schools have also acted as a clearinghouse for ideas and means of helping and enriching the lives of the children. The enrichment plan includes afterschool, Saturday, and summer classes in things children want and do not have time for in regular class hours. These things range from athletics and arts and crafts to science and foreign language. The school system has more than 13,000 members in its teens clubs, and the board of education, with the help of the Mott Foundation, maintains a large number of community education and youth-serving programs.

The schools provide facilities for many adult neighborhood groups, often very informally organized, and satisfying a variety of interests from roller skating and square dancing to arts and crafts.

Perhaps most impressive of all is the variety and scope of the more than 900 adult education courses, with more than 40,000 enrollments each year. Subjects range from cake decorating to Greek philosophy. Courses are available carrying college, high school and even prehigh school credit. Approximately 150 adults earn high school diplomas each year.

What is the effect of this community school concept? Mr. Speaker, interest and activity cannot be separated. Our activity directs our interest, and our interest makes for understanding and support. As people who have campaigned for public office, we know that the man who works for us and with us will vote for us. It is the same with schools.

The people of Flint—adult taxpayers—using and understanding their schools, recognizing the needs, are quick to vote money to operate the schools properly. In 1957, during an industrial recession, Flint voters approved by a 4 to 1 margin a tax levy to build more community schools including a $4 million high school.

The success of the Flint programs has brought the city nationwide attention. Last year, for example, some 4,000 persons, including high U.S. Government officials, university presidents, and educators from several foreign countries, visited Flint to inspect this bold concept of total education. In the March 1959 issue of the Reader's Digest, in an article entitled, "Flint's Gone Crazy Over Culture," Karl Detzer describes the uplifting and vitalizing effect of the educational program of the people of this great industrial city. I should like to request that this article be printed in its entirety at the conclusion of my remarks.

I sometimes think, Mr. Speaker, that one of the great problems of this age in which we live is the adjustment of people to urban-industrial life. Western man has had centuries to perfect rural living patterns. I daresay that many who were born on a farm grew up with the benefits of that way of life.

As more and more Americans spend their active life in large industrial cities, the question is whether life can be fruitful and satisfying to the spirit, a rich, fulfilling experience rather than a drab routine of living from one paycheck to the next. I believe Flint, Mich., is working toward a positive answer to that question. I would suggest, Mr. Speaker, that this is an answer which each city and community in America must seek for itself. Because of the diversity of our cities and our people, no pat Federal formula will provide it. It must come from the interests, the energies, the aspirations of each locality.

Mr. Speaker, I would suggest that the Flint, Mich., answer to the educational challenge carries important meaning for America's schools. Every community in the land can well note two lessons from Flint's experience.

Flint has demonstrated, first, that our school systems have a tremendous reservoir of public support which has barely been tapped. Flint is singularly fortunate in having Mr. Charles Stewart Mott as one of its citizens. But all of Mr. Mott's donations could be equaled at a cost of about 2 cents per day per taxpayer. Equally valuable has been the enlightened and spirited example which Mr. Mott set for his fellow citizens of Flint. I suggest, Mr. Speaker, that such capacities for leadership, imagination, and enthusiasm are just waiting to be called upon in most American cities. We should use them.

The second lesson we learn from Flint's example is that any school system, to achieve even the basic goals of teaching children to read and write, must have the enthusiastic support of the people. Money—even Federal money—will not buy that kind of support. Open the school doors to all the people and they will enter by the thousands. They will then support the schools, for the schools will be a part of their daily lives.

This, Mr. Speaker, is the answer of Flint, Mich., to the educational challenge and it suggests, I believe, at least part of the answer for the problems of education in America.

[From Reader's Digest, March 1959]

FLINT'S GONE CRAZY OVER CULTURE

(By Karl Detzer)

Twenty-five years ago, Flint, Mich., was an uneasy, unhappy city with more than its share of industrial grime, substandard housing, and petty crime. Big labor and big management were building up tensions that in 1937 would splash Flint into the headlines as a center of the sitdown strike. Thousands of unskilled workers lived shabbily in overcrowded quarters that nearby communities referred to as "Shantytown." Education, particularly at high school or college levels, seemed unimportant. Flint knew nothing of art, music, or literature; it cared even less.

That old Flint has disappeared. Today a lively new town shows the world a proud new face. Dreary slums are giving way to parks and playgrounds; management and labor try to settle their endless differences peaceably. Union leaders and industrialists sit down together to plan ways of making their city a better place in which to live. They still don't love one another, but both love their exciting home town.

Education is riding high. One word that the visitor in Flint hears often is "culture." It has many local meanings, ranging from the appreciation of the classics and participation in good music to the study of arc welding. Everyone in town seems to be studying something.

The city boasts (the word is understatement) a first-class symphony orchestra and several choral and chamber-music groups. A magnificent new art center brings to town a parade of exhibitions of classical and contemporary painting. A bustling new theater serves as a laboratory for Flint's acting amateurs who share its stage with visiting companies of Broadway's professionals.

The people also turn out by the thousands to jam what they insist is the finest planetarium outside the big metropolitan centers. Excited by the big displays of the heavens on its big dome, men and women all over town are grinding lenses and building backyard telescopes.

On the gently rolling 250 acres of the new campus and cultural center, just a few blocks from downtown, are grouped junior and senior high schools, a junior college with 3,600 local students and a new branch of the University of Michigan with 400 of Flint's young people on its rolls. When completed, the campus will include scientific and historical museums, a civic auditorium, an Olympic-size swimming pool, and a music center.

Most of the money for all this is raised by a committee of sponsors representing a cross section of Flint. Contributions ($25,000 is the minimum the committee will accept) are turned over to the board of education, which holds title to the land and buildings, picks the staff, pays most of the salaries and, with the advice of the committee, charts the city's cultural progress. Two hundred individuals, families, business firms, clubs, and labor unions already have given nearly $19 million.

Largest corporate donor, with $3 million, is General Motors, which has Buick and Chevrolet plants in Flint. The largest individual gifts have come from an 83-year-old retired industrialist named Charles Stewart Mott, who founded his fortune with a wheel-and-axle company in which General Motors later bought a half interest.

Last fall when Mott met with a subcommittee to discuss future plans for the campus, the need for a central library to serve the four schools came up.

"Such a building would cost a million dollars," a committeeman estimated. "I'm afraid the library must wait."

Mott pondered briefly. "I'll give you a million for it at once," he said, "so you can start it right away."

The campus is the busiest place in town, its lecture halls, exhibits, and classes visited daily by thousands. But as important to the city is another, older educational experiment that started 24 years ago with a $6,000 donation from Mott. In 41 public schools, Flint operates what is probably the most varied and extensive night school and adult education program of any community of its size in the United States. Last year 42,000 citizens, more than a fifth of the 200,000 population, attended courses, study groups, and discussion panels covering 900 subjects including lathe operation and literature, economics, and baton twirling.

The movement started when Frank J. Manley, physical education director in the public schools, asked Mott for money to open five school buildings in the poorer parts of town as evening recreation centers for boys. Manley stressed that school property used only 8 hours a day, 5 days a week, 9 months a year was an economically unsound investment of the taxpayers' money. Mott was interested and agreed to pay the cost of leadership for the program. Within a few years he set up a foundation to finance evening classes for adults.

The night-school curriculum now ranges from world history to elementary navigation, from creative thinking to square dancing, physics to gift wrapping. Serious students of science, languages, mathematics, and history may go on to advanced courses. Most Flint people go to school to brush up on techniques connected with their jobs, or to make up school courses they missed when they were young. But if as few as half a dozen citizens want to study a subject not on the curriculum, be it the Japanese language, Russian geography, or how to dip chocolates, the Mott Foundation provides funds to the school board for an instructor and classroom.

In its efforts to supply something for everyone, the board of education offers courses in how to combat alcoholism, and in Braille and lip reading. There is one self-help program entitled "Recovery, Inc.," for highly nervous persons and former mental patients.

Flint likes to stress family participation in its community school program. One Polish-born widow enrolled in a class to improve her English. Her son, who at 18 was working on a Chevrolet assembly line and hoping to become an engineering draftsman, took mechanical drawing; a 16-year-old daughter studied cake baking and decoration. At the schoolhouse door they parted, to meet again after classes and drive home together.

Once a week the committee representing the 200 sponsors assembles to plan for the forward march of culture in Flint. A typical meeting brings together bankers, lawyers, salesmen, merchants, auto-plant executives, an architect or editor, a school-board representative—and a retired toolmaker named Merliss Brown.

When Brown arrived in the United States as a young man, his last name was Merliss, and he knew the toolmaker's trade. At the General Motors shops in Flint, he and a friend named Brown applied for work together. Shy Merliss in his sketchy English accepted a job sweeping floors. Brown, brash and confident, talked himself into a toolmaker's post. Brown soon realized that he could not handle his job, so he quitely exchanged names with Merliss and went to sweeping floors, while Merliss began toolmaking. It was not until he was ready for retirement that the man who called himself Merliss Brown confessed his deception to the company.

Unmarried, a man of simple habits, he had put his pay checks in the bank. After retirement, he attended some lectures and exhibitions, found them exciting and decided to help. He told the sponsors' committee he had some savings. "I don't need the money. I live quiet. Flint always was good to me. Now, it's my turn."

Civic leaders recently held a banquet to honor both Merliss Brown, who gave $25,000, and Mott, who has given millions.

The city of Flint has profited by the awakened intellectual curiosity stirred up by the night-school courses and events on the campus. Results of a fast-rising civic pride are visible on every hand. Streets are cleaner; storefronts shine. A glistening new steel-and-glass city hall and modern police, public-health and municipal-court buildings occupy a quadrangle around a smooth, grassy park. Properly staffed playgrounds are scattered all over town.

Last fall the editor of the Bay City, Mich., *Times* went to Flint to see what all the shouting was about. Back home, he splashed his impression under a headline that Flint loved: "Shantytown to Bigtown."

ALASKA OMNIBUS ACT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7120) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with an amendment as follows:

In section 23(a) of the Senate amendment, strike out the word "authorizing" and insert in lieu thereof the word "directing."

The Clerk read the title of the bill.

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, is that a unanimous agreement by the committee?

Mr. ASPINALL. It was a unanimous agreement and it has been cleared with everybody on both sides of the aisle.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert "That this Act may be cited as the 'Alaska Omnibus Act'.

"FEDERAL JURISDICTION

"SEC. 2. (a) Section 4 of the Act of July 7, 1958 (72 Stat. 339), providing for the admission of the State of Alaska into the Union, is amended by striking out the words 'all such lands or other property, belonging to the United States or which may belong to said natives', and inserting in lieu thereof the words 'all such lands or other property (including fishing rights), the right or title to which may be held by said natives or is held by the United States in trust for said natives'.

"(b) Section 6(e) of said Act is amended by striking out the word 'legislative' and inserting in lieu thereof the word 'calendar'.

"TERMINATION OF APPLICATION OF CERTAIN FEDERAL LAWS

"SEC. 3. Any Territorial law, as that term is defined in section 8(d) of the Act of July 7, 1958 (72 Stat. 339, 344), providing for the admission of the State of Alaska into the Union—

"(a) which provides for the regulation of commerce within Alaska by an agency of the United States, and

"(b) the application of which to the State of Alaska is continued solely by reason of such section 8(d), shall cease to apply to the State of Alaska on June 30, 1961, or on the effective date of any law enacted by the Legislature of the State of Alaska which modifies or changes such Territorial law, whichever occurs first.

"SUGAR ACT

"SEC. 4. Section 101 of the Sugar Act of 1948, as amended (7 U.S.C., supp. V, sec. 1101), is further amended by adding thereto a new subsection, to be designated subsection '(o)' and to read as follows:

"'(o) The term "continental United States" means the 49 States and the District of Columbia.'

"SOIL BANK ACT

"SEC. 5. Section 113 of the Soil Bank Act (7 U.S.C., supp. V, sec. 1837), is amended to read as follows: 'This subtitle B shall apply to the continental United States, except Alaska, and, if the Secretary determines it to be in the national interest, to the State of Alaska, the Territory of Hawaii, the Commonwealth of Puerto Rico, and the Virgin Islands, and as used in this subtitle B, the term "State" includes Hawaii, Puerto Rico, and the Virgin Islands.'

"ARMED FORCES

"SEC. 6. (a) Title 10, United States Code, section 101(2), is amended by striking out the words 'Alaska, Hawaii,' and inserting in lieu thereof the word 'Hawaii'.

"(b) Title 10, United States Code, sections 802(11) and 802(12), are each amended by striking out the words 'that part of Alaska east of longitude 172 degrees west,'.

"(c) Title 10, United States Code, section 2662(c), is amended by striking out the word 'Alaska,'.

"NATIONAL BANK ACT

"SEC. 7. Section 5192 of the Revised Statutes, as amended (12 U.S.C. 144), is further amended by striking out the words 'in Alaska or'.

"FEDERAL RESERVE ACT

"SEC. 8. (a) Section 1 of the Federal Reserve Act, as amended (12 U.S.C. 221), is further amended by deleting the period at the end of such section and inserting in lieu thereof the following: '; the term "the continental United States" means the States of the United States and the District of Columbia.'

"(b) Section 19 of the Federal Reserve Act, as amended (12 U.S.C. 466), is further amended by striking the words 'in Alaska or'.

"HOME LOAN BANK BOARD

"SEC. 9. (a) Paragraph (3) of section 2 of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1422(3)), is further amended by striking out the words 'Territories of Alaska and Hawaii' and inserting in lieu thereof the words 'Territory of Hawaii'.

"(b) Section 7 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1466), is further amended by striking out the words 'continental United States, to the Territories of Alaska and Hawaii' and inserting in lieu thereof the words 'continental United States (including Alaska), to the Territory of Hawaii'.

"NATIONAL HOUSING ACT

"SEC. 10. The National Housing Act is amended by—

"(a) striking out the word 'Alaska,' in sections 9, 201(d), 207(a)(7), 601(d), 713(q), and 801(g) (12 U.S.C., secs. 1706d, 1707(d), 1713(a)(7), 1736(d), 1747l(q); supp. V, sec. 1748(g));

"(b) striking out the words 'the Territory of Alaska,' in section 207(c)(2) (12 U.S.C.,

supp. V, sec. 1713(c)(2)), and inserting the word 'Alaska' in lieu thereof;

"(c) by striking out the words 'the Territory of Alaska or in Guam' in section 214 (12 U.S.C., supp. V, sec. 1715d; 48 U.S.C., supp. V, sec. 484d), and inserting the words 'Alaska, Guam,' in lieu thereof; and

"(d) striking out the word 'Territory' in the two places where it appears in section 806 (12 U.S.C., supp. V, sec. 1748e), and inserting the word 'State' in lieu thereof.

"COAST GUARD

"SEC. 11. Title 14, United States Code, section 634(b), is amended by striking out the words 'and for the territory of' in both places where they appear therein.

"SECURITIES AND EXCHANGE COMMISSION

"SEC. 12. (a) Paragraph (6) of section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b(6)), is further amended by striking out the word 'Alaska,'.

"(b) Paragraph (16) of section 3(a) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(16)), is further amended by striking out the word 'Alaska,'.

"(c) Paragraph (18) of section 202(a) of the Investment Advisers Act of 1940, as amended (15 U.S.C. 80b–2(a)(18)), is further amended by striking out the word 'Alaska,'.

"(d) Paragraph (37) of section 2(a) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a–2(a)(37)), is further amended by striking out the word 'Alaska,'.

"(e) Paragraph (1) of secton 6(a) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a–6(a)(1)), is further amended by striking out the word 'Alaska,'.

"SOIL CONSERVATION

"SEC. 13. (a) Section 8(b) of the Soil Conservation and domestic Allotment Act, as amended (16 U.S.C., supp. V, sec. 590h(b)), is further amended by inserting, immediately following the words 'continental United States', the words ', except in Alaska'.

"(b) Section 17(a) of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590q(a)), is further amended by striking out the words 'the United States, the Territories of Alaska and Hawaii' and inserting in lieu thereof the words 'the States, the Territory of Hawaii', and by striking out the word 'Alaska' the second time it appears therein.

"BALD EAGLES

"SEC. 14. Secton 1 of the Act of June 8, 1940 (16 U.S.C. 668), is amended by striking out the words 'except the Territory of Alaska,'.

"WILDLIFE RESTORATION

"SEC. 15. Section 8(a) of the Act of September 2, 1937, as amended (16 U.S.C., supp. V, sec. 669g–1), is further amended by striking out the words 'the Alaska Game Commission,', 'said Territory of Alaska,', 'not exceeding $75,000 for Alaska, and', and 'the Territory of Alaska,'.

"FISH RESTORATION

"SEC. 16. Section 12 of the Act of August 9, 1950, as amended (16 U.S.C., supp. V, sec. 777k), is further amended by striking out the words 'the Alaska Game Commission,', 'said Territory of Alaska,', 'not exceeding $75,000 for Alaska, and', and 'the Territory of Alaska,'.

"CRIMINAL CODE

"SEC. 17. (a) Title 18, United States Code, section 5024, is amended by striking out the words 'other than Alaska' and inserting in lieu thereof the words 'including Alaska'.

"(b) Section 6 of the Act of August 25, 1958 (72 Stat. 845, 847), is amended by striking out the words 'other than Alaska' and inserting in lieu thereof the words 'including Alaska'.

"(c) Subsections (a) and (b) of this section shall be effective on July 7, 1961, or on the date of the Executive order referred to in section 18 of the Act of July 7, 1958 (72 Stat. 339, 350), providing for the admission of the State of Alaska into the Union, whichever occurs first.

"(d) Title 18, United States Code, section 1385, is amended by deleting the last sentence thereof.

"EDUCATION

"SEC. 18. (a)(1) Subsection (a) of section 103 of the National Defense Education Act of 1958 (72 Stat. 1580, 1582), relating to definition of State, is amended by striking out 'Alaska,' each time it appears.

"(2) Paragraph (3)(B) of section 302(a) of such Act (72 Stat. 1580, 1588), relating to definition of continental United States for purposes of allotments for science, mathematics and modern foreign language instruction equipment, is amended by striking out 'does not include Alaska' and inserting in lieu thereof 'includes Alaska'.

"(3) Section 1008 of such Act (72 Stat. 1580, 1605), relating to allotments to territories, is amended by striking out 'Alaska,'.

"(b)(1) Section 4 of the Act of February 23, 1917 (20 U.S.C. 14), relating to allotments for teacher-training, is amended by striking out '$90,000' and inserting in lieu thereof '$98,500'. The proviso in the last paragraph of section 5 of such Act (20 U.S.C. 16) and so much of section 12 of such Act (20 U.S.C. 22) as follows the last semicolon shall not be applicable to Alaska prior to the third fiscal year which begins after the enactment of this Act.

"(2) Paragraph (1) of section 2 of the Vocational Education Act of 1946 (20 U.S.C. 15i), relating to definition of States and Territories, is amended by striking out 'the Territories of Alaska and Hawaii' and inserting in lieu thereof 'the Territory of Hawaii'.

"(3) Subsection (e) of section 210 (20 U.S.C., supp. V, sec. 15jj(e)), and subsection (a) of section 307 of such Act (72 Stat. 1580, 1600), relating to definition of State, are each amended by striking out 'Alaska,'.

"(c) Paragraph (13) of section 15 of the Act of September 23, 1950, as amended (72 Stat. 548, 558), relating to definition of State, is amended by striking out 'Alaska,'.

"(d)(1) The material in the parentheses in the first sentence of subsection (d) of section 3 of the Act of September 30, 1950, as amended, relating to determination of local contribution rate, is amended to read: '(other than a local educational agency in Hawaii, Puerto Rico, Wake Island, Guam, or the Virgin Islands, or in a State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency)'.

"(2) The fourth sentence of such subsection is amended by inserting '(including Alaska)' after 'continental United States' the first time it appears in such sentence. The fifth sentence of such subsection is amended by inserting '(including Alaska)' after 'continental United States' the second time it appears in such sentence.

"(3) The last sentence of such subsection is amended by striking out 'Alaska,' and by inserting after 'the Virgin Islands,' the following: 'or in any State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency,'.

"(4) Paragraph (8) of section 9 of such Act (20 U.S.C., supp. V, sec. 244(8)), relating to definition of State, is amended by striking out 'Alaska,'.

"IMPORTATION OF MILK AND CREAM

"SEC. 19. Subsection (b) of section 9 of the Act of February 15, 1927 (21 U.S.C. 149(b)), is amended by inserting the words ', including Alaska' immediately following the words 'continental United States'.

"OPIUM POPPY CONTROL

"SEC. 20. Section 12 of the Opium Poppy Control Act of 1942 (21 U.S.C. 188k) is amended by deleting therefrom the words 'the Territory of Alaska,'.

"HIGHWAYS

"SEC. 21. (a) The Secretary of Commerce shall transfer to the State of Alaska by appropriate conveyance without compensation, but upon such terms and conditions as he may deem desirable, all lands or interests in lands, including buildings and fixtures, all personal property, including machinery, office equipment, and supplies, and all records pertaining to roads in Alaska, which are owned, held, administered by, or used by the Secretary in connection with the activities of the Bureau of Public Roads in Alaska, (i) except such lands or interests in lands, including buildings and fixtures, personal property, including machinery, office equipment, and supplies, and records as the Secretary may determine are needed for the operations, activities, and functions of the Bureau of Public Roads in Alaska after such transfer, including services or functions performed pursuant to section 44 of this Act; and (ii) except such lands or interests in lands as he or the head of any other Federal agency may determine are needed for continued retention in Federal ownership for purposes other than or in addition to road purposes.

"(b) Notwithstanding any other provision of this section, any contract entered into by the Federal Government in connection with the activities of the Bureau of Public Roads in Alaska which has not been completed on the date of the transfer provided under subsection (a) hereof may be completed according to the terms thereof.

"(c)(1) The State of Alaska shall be responsible for the maintenance of roads, including bridges, tunnels, and ferries, transferred to it under subsection (a) of this section, as long as any such road is needed for highway purposes.

"(2) Federal-aid funds apportioned to Alaska under title 23, United States Code, for fiscal year 1960 and prior fiscal years, and unobligated on the date of enactment of this Act, may be used for maintenance of highways on the Federal-aid systems in Alaska.

"(d) Effective July 1, 1959, the following provisions of law are repealed:

"(1) Title 23, United States Code, section 103(f);

"(2) Title 23, United States Code, section 116(d);

"(3) Title 23, United States Code, section 119;

"(4) Title 23, United States Code, section 120(h), except that the portion of the first sentence thereof relating to the percentage of funds to be contributed by Alaska shall continue to apply to funds apportioned to Alaska for fiscal year 1960 and prior fiscal years;

"(5) Sections 107 (b) and (d) of the Federal-Aid Highway Act of 1956 (70 Stat. 374, 377, 378);

"(6) Section 2 of the Act of January 27, 1905 (33 Stat. 616), as amended (48 U.S.C. 322 and the following); and

"(7) The Act of June 30, 1932 (47 Stat. 446), as amended (48 U.S.C. 321(a) and the following).

"(e) Effective on July 1, 1959, the following provisions of law are amended:

"(1) The definition of the term "State" in title 23, United States Code, section 101 (a), is amended to read as follows:

" "The term "State" means any one of the forty-nine States, the District of Columbia, Hawaii, or Puerto Rico.";

"(2) Title 23, United States Code, section 104(b) is amended by deleting the phrase ', except that only one-third of the area

of Aaska shall be included' where it appears in paragraphs (1) and (2) of said section 104(b):

"(3) Title 23, United States Code, section 116(a), is amended by deleting the phrase 'Except as provided in subsection (d) of this section,' and by capitalizing the word 'it' immediately following such phrase; and

"(4) Title 23, United States Code, section 120(a), is amended by deleting the phrase 'subsections (d) and (h)' and by inserting in lieu thereof the phrase 'subsection (d)'.

"INTERNAL REVENUE

"SEC. 22. (a) Section 2202 of the Internal Revenue Code of 1954 (relating to missionaries in foreign service), and sections 3121(e)(1), 3306(j), 422(d)(4), and 4233(b) of such Code (each relating to a special definition of 'State') are amended by striking out 'Alaska,'

"(b) Section 4262(c)(1) of the Internal Revenue Code of 1954 (definition of 'continental United States') is amended to read as follows:

"'(1) CONTINENTAL UNITED STATES.—The term "continental United States" means the District of Columbia and the States other than Alaska.'

"(c) Section 4502(5) of the Internal Revenue Code of 1954 (relating to definition of 'United States') is amended by striking out 'the Territories of Hawaii and Alaska' and by inserting in lieu thereof 'the Territory of Hawaii'.

"(d) Section 4774 of the Internal Revenue Code of 1954 (relating to territorial extent of law) is amended by striking out 'the Territory of Alaska,'.

"(e) Section 7621(b) of the Internal Revenue Code of 1954 (relating to boundaries of internal revenue districts) is amended to read as follows:

"'(b) BOUNDARIES.—For the purpose mentioned in subsection (a), the President may subdivide any State, Territory, or the District of Columbia, or may unite into one district two or more States or a Territory and one or more States.'

"(f) Section 7653(d) of the Internal Revenue Code of 1954 is amended by striking out 'its Territories or possessions' and inserting in lieu thereof 'its possessions or the Territory of Hawaii'.

"(g) Section 7701(a)(9) of the Internal Revenue Code of 1954 (relating to definition of 'United States') is amended by striking out 'the Territories of Alaska and Hawaii' and inserting in lieu thereof 'the Territory of Hawaii'.

"(h) Section 7701(a)(10) of the Internal Revenue Code of 1954 (relating to definition of State) is amended by striking out 'Territories' and inserting in lieu thereof 'Territory of Hawaii'.

"(i) The amendments contained in subsections (a) through (h) of this section shall be effective as of January 3, 1959.

"COURTS

"SEC. 23. (a) The Judicial Conference of the United States, with the assistance of the Administrative Office of the United States Courts, shall conduct a study, including a field survey, of the Federal judicial business arising in the State of Alaska with a view toward authorizing the United States Court of Appeals for the Ninth Circuit to hold such terms of court in Anchorage or such other Alaskan cities as may be necessary for the prompt and efficient administration of justice.

"(b) Title 28, United States Code, section 81A, is amended by inserting the word 'Ketchikan,' immediately following the word 'Juneau,'.

"(c) Such authority as has been exercised by the Attorney General heretofore, with regard to the Federal court system in Alaska, pursuant to section 30 of the Act of June 6, 1900 (48 U.S.C. 25), shall continue to be exercised by him after the court created by section 12(b) of the Act of July 7, 1958 (72 Stat. 339, 348), providing for the admission of the State of Alaska into the Union, is established.

"(d) All balances of public moneys received by the clerks of each division of the District Court for the Territory of Alaska pursuant to section 10 of the Act of June 6, 1900, as amended (48 U.S.C. 107), which are on hand after all payments ordered by that court and approved by the Administrative Office of the United States Courts shall have been made, shall be covered into the Treasury of the United States as required by law, and the Secretary of the Treasury shall pay the amounts so covered, which are hereby appropriated, to the State of Alaska.

"VOCATIONAL REHABILITATION ACT

"SEC. 24. (a) Subsection (g) of section 11 of the Vocational Rehabilitation Act (29 U.S.C., supp. V, sec. 41(g)), relating to definition of State, is amended by striking out 'Alaska,'.

"(b)(1) Subsection (i) and paragraph (1) of subsection (h) of such section, relating to definition of allotment percentages and Federal shares for purposes of allotment and matching for vocational rehabilitation services, are each amended by striking out '(excluding Alaska)' and inserting in lieu thereof '(including Alaska)'.

"(2) Paragraph (1) of such subsection (h) is further amended by striking out 'Alaska,'.

"(3) Such subsection (i) is further amended by striking out 'Hawaii and Alaska' in clause (B) and inserting in lieu thereof 'Hawaii'.

"GOLD RESERVE ACT

"SEC. 25. Section 15 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 444), is further amended by striking out the words ', the District of Columbia, and the Territory of Alaska' and inserting in lieu thereof the words 'and the District of Columbia'.

"SILVER PURCHASE ACT

"SEC. 26. Section 10 of the Silver Purchase Act of 1934 (31 U.S.C. 448b), is amended by striking out the words ', the District of Columbia, and the Territory of Alaska' and inserting in lieu thereof the words 'and the District of Columbia'.

"NATIONAL GUARD

"SEC. 27. Title 32, United States Code, section 101(1), is amended by striking out the words 'Alaska, Hawaii,' and inserting in lieu thereof the word 'Hawaii'.

"WATER POLLUTION CONTROL ACT

"SEC. 28. (a) Paragraph (1) of section 5 (h) of the Federal Water Pollution Control jAct (33 U.S.C., supp. V, sec. 466d(h)(1)), relating to Federal share for purposes of matching for program operation, is amended by striking out '(excluding Alaska)' and inserting in lieu thereof '(including Alaska)' and by striking out, in clause (B), 'and Alaska'.

"(b) Subsection (d) of section 11 of such Act (33 U.S.C., supp. V, sec. 466j(d)), is amended by striking out 'Alaska,'.

"VETERANS' ADMINISTRATION

"SEC. 29. (a) Title 38, United States Code, section 903(b), is amended by striking out the words ', or to the place of burial within Alaska if the deceased was a resident of Alaska who had been brought to the United States as a beneficiary of the Veterans' Administration for hospital or domiciliary care'; by inserting the word 'continental' immediately before the words 'United States' the second time they appear in such section; and by inserting, immediately following the words 'continental United States' in both places where they appear in such section, the parenthetical phrase '(including Alaska.)'.

"(b) Title 38, United States Code, section 2007(c), is amended by striking out the word 'Alaska,'.

"FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

"SEC. 30. (a) Subsection (f) of section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472(f)), is amended by striking out the words ', Hawaii, Alaska,' and inserting in lieu thereof the words '(including Alaska), Hawaii,'.

"(b) Subsection (a) of section 702 of such Act (40 U.S.C., supp. V, sec. 522(a)), is amended by striking out the words 'Territories of Alaska and Hawaii' and inserting in lieu thereof the words 'Territory of Hawaii'.

"PUBLIC HEALTH SERVICE ACT

"SEC. 31. (a) Subsection (f) of section 2 of the Public Health Service Act (42 U.S.C. 201(f)), relating to definition of State, is amended by striking out 'Hawaii, Alaska,' and inserting in lieu thereof 'Hawaii,' and by striking out ', the District of Columbia, or Alaska and inserting in lieu thereof 'or the District of Columbia'.

"(b)(1) Effective July 1, 1959, section 371 of the Public Health Service Act, as added by the Alaska Mental Health Enabling Act (42 U.S.C., supp. V, sec. 273), is repealed.

"(2) Subsection (a) of section 372 of such Act (42 U.S.C., supp. V, sec. 274(a)), is amended by striking out 'the Territory of'.

"(3) Subsections (b), (c), and (e) of such section are each amended by striking out 'the Territory' each time it appears and inserting in lieu thereof 'Alaska'.

"(4) Such subsection (e) is further amended by striking out 'the Territory's' and inserting in lieu thereof 'Alaska's'.

"(c)(1) Subsection (a) of section 631 of such Act (42 U.S.C., supp. V, sec. 291i(a)), relating to definition of allotment percentage for purposes of allotments for construction, is amended by striking out '(excluding Alaska)' and inserting in lieu thereof '(including Alaska)' and by striking out 'for Alaska and Hawaii shall be 50 per centum each' in clause (2) and inserting in lieu thereof 'for Hawaii shall be 50 per centum'.

"(2) Subsection (d) of such section, relating to definition of State, is amended by striking out 'Alaska,'.

"SOCIAL SECURITY ACT

"SEC. 32. (a) Paragraph (8) of section 1101(a) of the Social Security Act (72 Stat. 1013, 1050), relating to definition of Federal percentage for purposes of matching for public assistance grants, is amended by striking out 'Alaska and' in clause (ii) of subparagraph (A) and by striking out '(excluding Alaska)' in subparagraphs (A) and (B) and inserting in lieu thereof '(including Alaska)'.

"(b)(1) Subsection (a) of section 524 of the Social Security Act (72 Stat. 1013, 1054), relating to definition of allotment percentage for purposes of allotments for child welfare services, is amended by striking out '50 per centum in the case of Alaska and' in clause (B).

"(2) Subsection (b) of such section, relating to definition of Federal share for purposes of matching for child welfare services, is amended by striking out '50 per centum in the case of Alaska and' in clause (2).

"(3) Such subsections (a) and (b), and subsection (c) of such section, relating to promulgation of Federal shares and allotment percentages, are each amended by striking out '(excluding Alaska)' and inserting in lieu thereof '(including Alaska)'.

"(c)(1) The last sentence of section 202(i) of the Social Security Act (42 U.S.C., supp. V, sec. 402(i)), is amended by striking out 'forty-eight' and inserting in lieu thereof 'forty-nine'.

"(2) Subsections (h) and (l) of section 210 of such Act (42 U.S.C. 410(h), (l)), re-

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lating to definitions of State and United States for purposes of old-age, survivors, and disability insurance, are each amended by striking out 'Alaska,'.

"(d)(1) Paragraph (1) of section 1101(a) of the Social Security Act (42 U.S.C., supp. V, sec. 1301(a)(1)), relating to definition of State, is amended by striking out 'Alaska, Hawaii,' and inserting in lieu thereof 'Hawaii'.

"(2) Paragraph (2) of such section (42 U.S.C. 1301(a)(2)), relating to definition of United States, is amended by striking out 'Alaska,'.

"CONGRESSIONAL RECORD

"SEC. 33. Section 73 of the Act of January 12, 1895, as amended (44 U.S.C., supp. V, sec. 183), is further amended by striking out the word 'Alaska,'.

"FEDERAL REGISTER

"SEC. 34. Section 8 of the Federal Register Act (44 U.S.C. 308) is amended by striking out the parenthetical phrase '(not including Alaska)' and inserting in lieu thereof the parenthetical phrase '(including Alaska)'.

"AIRPORTS

"SEC. 35. (a) The Administrator of the Federal Aviation Agency is authorized and directed to transfer to the State of Alaska by appropriate conveyance, and subject to such terms and conditions as he may deem appropriate, all the right, title, and interest of the United States in and to the public airports constructed and operated pursuant to the Act of May 28, 1948, as amended (48 U.S.C. 485 and the following), including all the land, buildings, structures, facilities, equipment, and other personal property appurtenant thereto and necessary for the operation thereof, except for such property, real or personal, as the Administrator may determine is needed for the performance of functions of the United States in Alaska after such transfer. Such transfer shall be without monetary consideration to the United States.

"(b) Notwithstanding any other provisions of this section, any contract entered into by the Federal Aviation Agency in connection with its activities with respect to public airports constructed and operated pursuant to the Act of May 28, 1948, as amended (48 U.S.C. 485 and the following), which has not been completed by the date of enactment of this Act, may be completed according to the terms thereof.

"SELECTIVE SERVICE

"SEC. 36. Section 16(b) of the Universal Military Training and Service Act, as amended (50 U.S.C., app., sec. 466(b)), is further amended by striking out the word 'Alaska,'.

"REAL PROPERTY TRANSACTIONS

"SEC. 37. Section 43(c) of the Act of August 10, 1956 (50 U.S.C., app., supp. V, sec. 2285(c)), is amended by striking out the word 'Alaska,'.

"RECREATION FACILITIES

"SEC. 38. Section 2 of the Act of May 4, 1956 (70 Stat. 130), is hereby repealed. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1960, such sums as may be necessary to complete the construction of facilities described in section 1 of such Act, as amended by the Act of August 30, 1957 (71 Stat. 510), if construction was begun prior to June 30, 1959, and to maintain the facilities pending their transfer pursuant to such section.

"AIRCRAFT LOAN GUARANTEES

"SEC. 39. Section 3 of the Act of September 7, 1957 (71 Stat. 629), is amended by striking out the words 'Territory of Alaska' and inserting in lieu thereof the words 'State of Alaska'.

"DEFENSE BASE ACT

"SEC. 40. (a) Paragraphs (2) and (3) of section 1(a) of the Defense Base Act, as amended (55 Stat. 622; 42 U.S.C. 1651 and the following), are amended by striking out 'Alaska;' in the parenthetical phrase in each paragraph.

"(b) Paragraph (6) of section 1(a) of that Act is amended by striking out 'or in Alaska or the Canal Zone'.

"(c) Section 1(b) of that Act is amended by striking the period at the end of paragraph (3), inserting in lieu thereof a semicolon, and adding the following paragraph: '(4) the term "continental United States" means the States and the District of Columbia.'

"TIMBER REMOVAL

"SEC. 41. The Act of March 3, 1891 (26 Stat. 1093), as amended (16 U.S.C. 607), is further amended by deleting the words 'Territory of Alaska' and the words 'or Territory' where they there appear and by inserting the word 'Alaska' after the words 'In the State of'.

"WAR HAZARDS COMPENSATIONS ACT

"SEC. 42. (a) Paragraphs (2), (3), and (5) of section 101(a) of the War Hazards Compensation Act, as amended (56 Stat. 1028; 42 U.S.C. 1701 and the following), are amended by striking out 'or in Alaska or the Canal Zone'.

"(b) Section 104 of that Act is amended by adding the following new subsection at the end thereof:

"'(c) The provisions of this section shall not apply with respect to benefits on account of any injury or death occurring within any State.'

"(c) Section 201 of that Act is amended by adding the following new subsection at the end thereof:

"'(f) the term "continental United States" means the States and the District of Columbia.'

"BUY AMERICAN ACT

"SEC. 43. Section 1(b) of title III of the Act of March 3, 1933 (41 U.S.C. 10c(b)), is amended by striking out the word 'Alaska,'

"TRANSITIONAL GRANTS

"SEC. 44. (a) In order to assist the State of Alaska in accomplishing an orderly transition from Territorial status to statehood, and in order to facilitate the assumption by the State of Alaska of responsibilities hitherto performed in Alaska by the Federal Government, there are hereby authorized to be appropriated to the President, for the purpose of making transitional grants to the State of Alaska, the sum of $10,500,000 for the fiscal year ending June 30, 1960; the sum of $6,000,000 for each of the fiscal years ending June 30, 1961, and June 30, 1962; and the sum of $3,000,000 for each of the fiscal years ending June 30, 1963, and June 30, 1964.

"(b) The Governor of Alaska may submit to the President a request that a Federal agency continue to provide services or facilities in Alaska for an interim period, pending the provision of such services or facilities by the State of Alaska. Such interim period shall not extend beyond June 30, 1964. In the event of such request, and in the event of the approval thereof by the President, the President may allocate, at his discretion, to such agency the funds necessary to finance the provision of such services or facilities. Such funds shall be allocated from appropriations made pursuant to subsection (a) hereof, and the amount of such funds shall be deducted from the amount of grants available to the State of Alaska pursuant to such subsection.

"(c) After the transfer or conveyance to the State of Alaska of any property or function pursuant to the Act of July 7, 1958 (72 Stat. 339), providing for the admission of the State of Alaska into the Union, or pursuant to this Act or any other law, and until June 30, 1964, the head of the Federal agency having administrative jurisdiction of such property prior to its transfer or conveyance may contract with the State of Alaska for the performance by such agency, on a reimbursable basis, of some or all of the functions authorized to be performed by it in Alaska immediately preceding such conveyance or transfer.

"TRANSFER OF PROPERTY

"SEC. 45. (a) If the President determines that any function performed by the Federal Government in Alaska has been terminated or curtailed by the Federal Government and that performance of such function or substantially the same function has been or will be assumed by the State of Alaska, the President may, until July 1, 1964, in his discretion, transfer and convey to the State of Alaska, without reimbursement, any property or interest in property, real or personal situated in Alaska which is owned or held by the United States in connection with such function, the assumption of which function is pursuant to this Act or the Act of July 7, 1958 (72 Stat. 339).

"(b) Structures and improvements of block 32 of the city of Juneau granted to the State of Alaska by section 6(c) of the Act providing for the admission of Alaska into the Union (72 Stat. 339, 340), shall include all furnishings and equipment in the structure known as the Governor's mansion, or used in the operation or maintenance thereof.

"CLAIMS COMMISSION

"SEC. 46. (a) In the event that any disputes arise between the United States and the State of Alaska prior to January 1, 1965, concerning the transfer, conveyance, or other disposal of property to the State of Alaska pursuant to section 6(e) of the Act of July 7, 1958 (72 Stat. 339, 340), providing for the admission of the State of Alaska into the Union, or pursuant to this Act, the President is authorized (1) to appoint by and with the advice and consent of the Senate a temporary commission of three persons, to consider, ascertain, adjust, determine, and settle such disputes, and (2) to make such rules and regulations as may be necessary to establish such temporary commission or as may be necessary to terminate such temporary commission at the conclusion of its duties. In carrying out its duties under this section, such commission may hold such hearings, take such testimony, sit and act at such times and places, and incur such expenditures as the commission deems necessary. No commission shall be appointed under authority of this subsection after June 30, 1965.

"(b) The commission may, without regard to the civil service laws and the Classification Act of 1949, employ and fix the compensation of such employees as it deems necessary to carry out its duties under this section. The commission is authorized to use the facilities, information, and personnel of the departments, agencies, and establishments of the executive branch of the United States Government which it deems necessary to carry out its duties; and each such department, agency, and instrumentality is authorized to furnish such facilities, information, and personnel to the commission upon request made by the commission. The commission shall reimburse each such department, agency, or instrumentality for the services of any personnel utilized. The commission may establish such procedures, rules, and regulations as may be necessary to carry out it duties under this section.

"(c) No member of such commission shall be an officer or employee of the United States or of the State of Alaska. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission. Each member of the commission shall be paid compensation at the

rate of $50 per day for each day spent in the work of the commission, shall be reimbursed for actual and necessary travel expenses, and shall receive a per diem allowance in accordance with the provisions of the Travel Expense Act of 1949, as amended, when away from his usual place of residence.

"(d) There are hereby authorized to be appropriated such sums as may be necessary to enable the commission to perform its duties under this section.

"EFFECTIVE DATES

"SEC. 47. (a) The amendments made by paragraph (2) of subsection (a) of section 18, by subsection (a) of section 28, by paragraph (1) of subsection (c) of section 31, by subsections (a) and (b) of section 32, and, except as provided in subsection (c) of this section, by subsection (b) of section 24, shall be applicable in the case of promulgations of Federal shares, allotment percentages, allotment ratios, and Federal percentages, as the case may be, made after satisfactory data are available from the Department of Commerce for a full year on the per capita income of Alaska, and for this purpose such promulgations shall, before such data for the full period required by the applicable statutory provision as so amended are available from the Department of Commerce, be based on satisfactory data available from such Department for such one full year or, when such data for a two-year period are available, for such two years.

"(b) The amendments made by paragraphs (1) and (3) of subsection (a) of section 18 shall be applicable, in the case of allotments under section 302(b) or 502 of the National Defense Education Act of 1958, for fiscal years beginning July 1, 1959, and, in the case of allotments under section 302(a) of such Act, in the case of allotments based on allotment ratios, promulgated under such section 302(a), to which the amendment made by paragraph (2) of subsection (a) of section 18 of this Act is applicable.

"(c)(1) The allotment percentage determined for Alaska under section 11(h) of the Vocational Rehabilitation Act, as amended by this Act, for the first, second, third, and fourth years for which the amendments made by this Act are applicable to such section shall be increased by 76 per centum, 64 per centum, 52 per centum, and 28 per centum, respectively, of the difference between such allotment percentage for the year involved and 75 per centum.

"(2) The Federal share for Alaska determined under section 11(1) of the Vocational Rehabilitation Act, as amended by this Act, for the first year for which the amendments made by this Act are applicable to such section shall be increased by 70 per centum of the difference between such Federal share for such year and 60 per centum.

"(3) If such first year for which such amendments made by this Act are applicable in any fiscal year ending prior to July 1, 1962, the adjusted Federal share for Alaska for such year for purposes of section 2(b) of the Vocational Rehabilitation Act shall, notwithstanding the provisions of paragraph (3)(A) of such section 2(b), be the Federal share determined pursuant to paragraph (2) of this subsection.

"(d) The amendments made by paragraphs (2) and (3) of subsection (b), by subsection (c), and by paragraph (4) of subsection (d) of section 18; by subsection (a) of section 24; by subsection (b) of section 28; by subsection (a), by subparagraphs (2), (3), and (4) of subsection (b), and by paragraph (2) of subsection (c) of section 31; by paragraph (2) of subsection (c) and by subsection (d) of section 32; and, except as provided in subsection (b) of this section by paragraph (1) of subsection (a) of section 18, shall be effective on January 3, 1959.

"(e) The amendment made by paragraph (1) of subsection (c) of section 32 shall apply in the case of deaths occurring on or after January 3, 1959.

"(f) The amendments made by paragraph (1) of subsection (b) and paragraphs (1), (2), and (3) of subsection (d) of section 18 shall be applicable for fiscal years beginning July 1, 1959.

"(g) The amendments in sections 40 and 42 shall take effect when enacted: *Provided, however,* That with respect to injuries or deaths occurring on or after January 3, 1959, and prior to the effective date of these amendments, claims filed by employees engaged in the State of Alaska in any of the employments covered by the Defense Base Act (and their dependents) may be adjudicated under the Workmen's Compensation Act of Alaska instead of the Defense Base Act.

"DEFINITION OF 'CONTINENTAL UNITED STATES'

"SEC. 48. Whenever the phrase 'continental United States' is used in any law of the United States enacted after the date of enactment of this Act, it shall mean the 49 States on the North American Continent and the District of Columbia, unless otherwise expressly provided.

"OTHER SUBJECTS

"SEC. 49. The amendment by this Act of certain statutes by deleting therefrom specific references to Alaska or such phrases as 'Territory of Alaska' shall not be construed to affect the applicability or inapplicability in or to Alaska of other statutes not so amended.

"SEPARABILITY

"SEC. 50. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby."

The Senate amendment as amended was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND ON THE WHEAT BILL

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members who spoke on the wheat bill (H.R. 7246) in the Committee of the Whole may revise and extend their remarks, and that all Members may have 5 legislative days in which to extend their remarks on that bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

FEDERAL AIRPORT ACT

Mr. HARRIS submitted a conference report and statement on the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes.

WHEAT LEGISLATION

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, I would like to make some observaticns about the present wheat legislation that wheat farmers are living with and have been living with for the past several years. The statement has been made that present and proposed wheat legislation is devised for large wheat farmers. The legislation we have at present surely can be described as being not only big farmer legislation, but also real small farmer legislation. Under the present law, it has been possible for a big farmer to overseed, pay the penalty and come up with more net dollars per acre than as if he had complied with his allotment. In addition, if he overseeded enough, he could even increase his base acreage, which would result in an increase in his allotment. This increase for the individual who had not complied, under our fixed national allotment, had to be taken away from those who had complied with the program. Also, in some instances, farmers were penalized by having acres taken away from their allotment because they had not planted enough.

On the other hand, present wheat laws have enabled anyone, anywhere, whether or not he had ever raised wheat before or not, to raise up to 15 acres of wheat, just as if he had a 15-acre allotment. The only difference being that he was not eligible for a Commodity Credit loan. Since the loan program effectively pegged the price at the support level, however, this was no hardship on this 15-acre farmer. In 1941, when the 15-acre exemption provision was adopted by Congress, there were not too many farmers raising less than 15 acres of wheat. Everyone is in agreement that the little farmer should be given an extra break. What has happened, however, under the law, as the small farmer took advantage of this provision of the law, and incidentally these people are not all small farmers, wheat raising was expanded by leaps and bounds outside the traditional wheat growing areas. As enough of this expansion took place, new States became eligible for inclusion as commercial wheat States. They were given a State allotment which had to be taken from the total national allotment. In readjusting the national allotment, States such as my State of North Dakota, had to take a cut which was proportionately absorbed by every farmer in the State. These farmers, whose primary means of livelihood stemmed from wheat production, were cut down on their allotments to give people who, in most instances, had never raised a bushel of wheat before in their lives, an opportunity to go into the wheat business.

My State of North Dakota has suffered more than any other major wheat producing State from the workings of these peculiarities in the present law. With the Nation's highest percentage of compliance with allotments, we have lost almost twice the acreage of any other wheat-producing State.

To clarify further, if possible, the picture of who produces wheat and the size of operation under which the great majority of wheat is produced, let me give you a few statistics regarding the size of wheat farms in North Dakota. On the great majority of these farms, wheat is the primary income. We do not have

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a great variety of crops that can be produced on farms in the larger portion of my State. I must say that livestock production could be greatly expanded, but even that has definite limitations.

In North Dakota, the largest group of farmers as to size of wheat allotments, is in the size category between 100 and 200 acres, 19,523. The next largest category is between 50 and 75 acres, where we have 12,744. Below 50 acres in size, we have a total of 23,228, almost one-third of our farms. In the 200- to 300-acre category, we have only 4,731. In the 300- to 400-acre category, 1,542. In the 400- to 500-acre category, 489. In the 500- to 1,000-acre category, 399. Above 1,000 acres, we have only 29 allotments. I might add here that if all these 1,000-acre allotments were added together, they would be some short of the 40,000-acre wheat farm mentioned on the floor here yesterday. So far as my State is concerned, we just don't have any real large wheat farms.

H.R. 7680: THE ROOSEVELT LABOR-MANAGEMENT REFORM BILL

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, Wednesday evening, the Joint Subcommittee of the House Committee on Education and Labor closed the public hearings on proposed management-labor reform bills.

Today, the difficult task of approving legislation for the consideration of the House has begun. In an effort to provide a constructive approach, as the result of the weeks of public hearings, I have today introduced a bill. Under unanimous consent, I include it following these remarks.

It is readily apparent that the bill is drawn from four principal sources: First, the testimony of witnesses; second, the so-called Kennedy-Ervin bill; third, the management-labor reform bill passed by the Legislature of the State of New York and signed by its Governor; and, fourth, the proposal of my colleague, Representative KEARNS, H.R. 7265.

I would invite particular attention to the New York statute. New York, like my own California, is a leading industrial State. Its legislature has strong Republican majorities. Its Governor is a registered Republican. After considerable debate and consideration, it adopted a statement of findings and policy which I have embodied as section 2 of my proposal. This policy is moderate and strikes directly at the abuses of fiduciary responsibility of some labor officials which are the main concern of working men and women and the general public. It does not attempt to embark on a new policy of interference in the internal management of unions. It expressly, as in section 210(b) of my proposal, does not raise or limit further the right to strike, picket or other concerted activities for the purpose of collective bargaining. But I emphasize this omission is not a blanket approval of all such present practices. That there is a need for a thoughtful, constructive reappraisal of these activities is denied by no one. I have heeded the advice and opinions given us only yesterday by Senator JOHN MCCLELLAN before the House subcommittee. My proposal, therefore, calls for a special joint committee of the Congress to make such a study and report by April 1, 1960, in order that its recommendations may be acted on before the end of the 86th Congress.

I have long been a worker for the rights of minorities and individuals, within the framework of the needs of the general welfare. The evidence before us demands, I believe, a workable bill of rights for the protection of union members. This, my proposal contains.

Finally, I would stress the simplicity and directness of the proposed measure. It is offered with no claim of perfection, nor will it achieve the goals of extremists. It is offered because of my firm conviction that reasonable legislation is necessary now, and that proposals for more radical and far-reaching steps need further, but not unlimited, consideration for which I have provided.

H.R. 7680

Bill to provide for certain obligations of officers and agents of labor organizations and of employer organizations, employers, and labor relations consultants; and providing for a study of management-labor problems generally

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Labor and Management Improper Practices Act of 1959."

Declaration of findings, purposes, and policy

SEC. 2. The rights of employees to organize and to bargain collectively through labor organizations of their own choosing have been affirmatively protected by the Federal laws. Encouraged by these laws, a substantial proportion of the employees in the Nation have become members of, and contribute financially to, labor organizations for the purpose of bargaining collectively with their employers concerning wages and other conditions of employment. To the officers and agents of their labor organizations, these employees have entrusted their funds and the power to act in their behalf in achieving the purposes of their labor organizations.

Experience has shown instances where officers and agents of some labor organizations have abused their positions of fiduciary responsibility.

Experience has also shown instances in which some employers, employer organizations, and labor relations consultants have participated in or induced such abuses of fiduciary responsibility by officers and agents of such labor organizations.

Responsible leaders of the labor movement have recognized that union officers and agents have a fiduciary duty to serve the members of the union honestly and faithfully, and these leaders have taken courageous action against those who have violated their trust. Experience, however, has shown that labor's efforts to correct abuses from within need to be aided and supplemented by legislation.

Such abuses have had a harmful effect on the general welfare, health, and safety of employees and the public, and have the tendency or necessary effect of burdening or obstructing commerce by (1) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (2) occurring in the current of commerce; (3) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods into or from the channels of commerce, or the prices of such materials or goods in commerce; or (4) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing into or from the channels of commerce. Accordingly, it is hereby declared to be the public policy of the United States that officers and agents of a labor organization shall be held to a fiduciary obligation in handling the labor organization's assets; that such officers and agents shall not acquire financial interests which interfere or tend to interfere with the faithful performance of their responsibility to the labor organization; and that such officers and agents shall account fully to the members of such labor organizations for all assets and financial transactions. It is hereby further declared to be the public policy of the United States that employers, employer organizations, labor relations consultants, and other persons shall not participate in or induce violations of such fiduciary obligation by officers and agents of labor organizations.

Definitions

SEC. 3. When used in this Act the term—

(1) "Person" includes one or more individuals, partnerships, associations, or corporations, whether acting for themselves or in a representative capacity.

(2) "Labor organization" means any organization of any kind which exists for the purpose, in whole or in part, of representing employees in dealing with employers or employer organizations engaged in an activity or industry affecting commerce concerning terms and conditions of employment, grievances, labor disputes, or other matters incidental to the employment relations, and shall include the parent national or international organization of a labor organization.

(3) "Employer" means any person engaged in an activity or industry affecting commerce employing another includes any person acting as an agent of an employer, directly or indirectly.

(4) "Employer organization" means any organization of any kind which exists for the purpose, in whole or in part, of representing employers in dealing with employees or labor organizations concerning terms and conditions of employment, grievances, labor disputes, or other matters incidental to the employment relationship.

(5) "Labor relations consultant" means any person who, for compensation, advises or represents an employer, employer organization, or labor organization concerning employee organizing, concerted activities, or collective bargaining activities, but shall not include a director, officer, or regular employee of such employer, employer organization, or labor organization, or an attorney engaged in the practice of law.

(6) "Officer" means any person holding or, in fact, performing or authorized to perform the functions of an office named or described in the constitution, charter, articles of incorporation, articles of association, or by-laws of a labor organization or employer organization.

(7) "Agent" means any person, other than an attorney engaged in the practice of law, who represents or is authorized to represent a labor organization or employer organization, alone or with others, in its dealings with employers, employees, members, employer organizations, labor organizations, or other persons, regardless of whether his relationship to the labor organization or employer organization is that of an independent contractor or employee.

(8) "Commerce" means trade, traffic, commerce, transportation, transmission or communication among the several States or between any State and any place outside thereof. For purposes of this sub-section, "State" includes any State of the United States, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (ch. 345, 67 Stat. 462).

(9) An activity or industry "affecting commerce" means any activity or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and includes any activity or industry "affecting commerce" within the meaning of the Labor Management Relations Act of 1947, as amended.

TITLE I—BILL OF RIGHTS

SEC. 101. The constitution, by-laws, or other basic documents of every labor organization, as adopted and approved by its membership, shall include the following—

(1) Rules of order for the conduct of its meetings and conventions;

(2) Provisions for charges, notice and hearing in disciplinary matters, other than fines for non-attendance at union meetings and for failure to pay dues;

(3) Provisions setting forth the right to seek redress against such union in the courts of law or before administrative agencies after exhaustion of remedies within a reasonable period of time, not to exceed six months;

(4) The democratic right to vote on new or additional dues or initiation fees, and to vote on assessments exceeding $12.00 in any one fiscal year;

(5) The democratic right to attend union meetings, participate in union affairs, and participate and vote on nominations and elections of union officers;

(6) The right to express views, arguments, or opinions in all matters directly or indirectly affecting the union:

Provided, That nothing in this section shall be construed to impair the right of a labor organization to make reasonable rules and regulations with respect to the matters herein, including, but not limited to, maintenance of order and decorum at union meetings, and the right to adopt and enforce reasonable rules as to the responsibility of every member toward the organization as an institution and as a collective bargaining agent and to his refraining from conduct that would interfere with the performance of its legal or contractual obligations. Such rules and regulations shall be presumed to be reasonable unless held to the contrary by the court of competent jurisdiction as hereinafter provided.

SEC. 102. Any member who shall feel aggrieved because of the failure of a labor organization to comply with the above, or to comply with its constitution, bylaws, or basic documents relating to the above, shall first exhaust his remedies within such organization. If, after a period of six months, such remedies have not been finally exhausted or the complaint satisfactorily adjusted, such member may then file a sworn complaint with the Federal Mediation and Conciliation Service. The Service shall make an investigation and conduct a hearing if it deems necessary, and if the Federal Mediation and Conciliation Service finds that further extension of time for exhaustion of remedies within such organization is unreasonable. The Service may dismiss the complaint or issue advisory recommendations with respect thereto, but neither the member nor the labor organization shall be required to accept such recommendations. If the member still feels aggrieved after final action of the Service he may bring an action in a district court of the United States for such relief as may be appropriate. Any such action against a labor organization shall be brought in a United States District Court of the district where the alleged violation occurred or where the headquarters of such labor organization is located.

SEC. 103. The Federal Mediation and Conciliation Service shall keep adequate records of the matters presented to it under the procedures set forth herein and shall report its findings and recommendations to the Senate and the House of Representatives by not later than January 31, 1961, and annually thereafter on January 1.

TITLE II—FIDUCIARY OBLIGATIONS; REPORTING

Fiduciary obligations of officers and agents

SEC. 201. No officer or agent of a labor organization shall, directly or indirectly—

(1) have or acquire any pecuniary or personal interest which would conflict with his fiduciary obligation to such organization;

(2) engage in any business or financial transaction which conflicts with his fiduciary obligation; or

(3) act in any way which subordinates the interests of such labor organization to his own pecuniary or personal interests.

Specific prohibited financial interests and transactions

SEC. 202. (a) Without limiting his fiduciary obligation provided in section 201, it shall constitute a violation of his fiduciary obligation for an officer or agent of a labor organization—

(1) to have, directly or indirectly, any financial interest in any business or transaction of either an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining, or an employer who is in the same industry as such an employer;

(2) to have, directly or indirectly, any financial interest in the business or transaction of any person who sells to, buys from, or otherwise deals with (A) an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining, (B) an employer organization which represents such employer, or (C) an employer who is in the same industry as such an employer;

(3) to have, directly or indirectly, any financial interest in the business of any person who sells to, buys from, or otherwise deals with his labor organization;

(4) to have, directly or indirectly, any financial interest in any transaction with his labor organization for the purchase or sale of property or services, except reasonable compensation for services rendered by him to such organization as officer or agent;

(5) to receive, directly or indirectly, any payments, loans, or gifts from (A) an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining (B) an employer organization which represents such employer, or (C) an employer who is in the same industry as such an employer: *Provided,* That such an officer or agent may receive reasonable compensation for services rendered by him as an employee of such employer, or payments required by collective agreement to be made in lieu of wages for time lost from work while engaged in collective bargaining, handling of grievances, or otherwise in the administration of a collective agreement;

(6) to lend any funds of the labor organization, directly or indirectly, to either any officer, agent, or employee of such organization, or any business in which an officer, agent, or employee of such organization has, directly or indirectly, a financial interest: *Provided,* That loans may be made from a loan fund which has been set aside in accordance with a written resolution of the governing board of the labor organization for the specific purpose of making personal loans to its officers, agents, and employees generally, on compliance with established, written rules; or

(7) to lend or invest any funds of the labor organization, directly or indirectly, in any business of an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining, except where the governing board of the labor organization has adopted a written resolution finding and determining that such loan or investment will promote the best interests of the employees and will not adversely affect collective bargaining.

(b) The fact that conduct or acts of an officer or agent of a labor organization have not caused damage to such organization or any of its members, or have been ratified or acquiesced in by such organization or its members, shall not be relevant in determining whether such conduct or acts constitute a violation by such officer or agent of any of the obligations provided in section 201 and in this section.

(c) Nothing contained in this section shall prohibit an officer or agent of a labor organization from—

(1) holding a financial interest acquired as an employee through a regularly established employee benefit plan, including a stock purchase, profit sharing, pension or retirement plan;

(2) holding securities traded on a securities exchange registered as a national exchange under the Securities Exchange Act of 1934, or shares in an investment company registered under the Investment Company Act of 1940, or securities of a public utility holding company registered under the Public Utility Holding Company Act, and all Federal laws amendatory and supplemental to such Acts: *Provided,* That any investment in such securities or shares shall not constitute more than 1 percent of the outstanding securities or shares of the respective class or classes of securities or shares which he holds;

(3) lending to, or investing in, any business owned predominantly by a labor organization or labor organizations; or

(4) receiving gifts, otherwise lawful, from employers whose employees his labor organization represents and from employer organizations which represent such employers, provided the cumulative retail value of such gifts from all such employers and employer organizations does not exceed one hundred dollars in any calendar year.

(d) Nothing contained in this section shall prohibit any labor organization from—

(1) acquiring a nominal number of shares in any corporation for the purpose of qualifying as stockholder in order to obtain financial statements of the corporation; or

(2) lending to, or investing in, any business owned predominantly by a labor organization or labor organizations.

Obligation of employers and others

SEC. 203. No employer, employer organization, labor relations consultant, or other person shall knowingly participate in or induce any conduct or act which violates any of the obligations of any officer or agent of a labor organization provided in section 202.

Enforcement of fiduciary obligations

SEC. 204. (a) Where an officer or agent of a labor organization has violated or is violating any of his obligations provided in sections 201 and 202, such labor organization and the parent organization of such labor organization shall each have the right to bring an action or proceeding in any United States district court for legal or equitable relief to redress such violation of obligation. Any member of such labor organization shall have the right to bring such action or proceeding if (1) after request by any member that such action or proceeding be brought, such organization shall fail to do so, (2) such request would be futile, or (3) such

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organization has failed to prosecute diligently any such action or proceeding which it has brought.

(b) If any such action or proceeding is determined in favor of such organization or any such member, the court may award, in addition to other costs authorized by law, reasonable attorneys' fees and disbursements out of any moneys awarded or funds or assets recovered in such action or proceeding.

(c) Any employer, employer organization, labor relations consultant, or other person who knowingly participated in or induced any conduct or act which violates any of the obligations of an officer or agent of a labor organization provided in sections 201 and 202, shall be subject to the same liabilities and judicial remedies as such officer or agent, including but not limited to joint and several liability with such officer or agent for any losses suffered by the labor organization, or any member thereof, as a result of any such violation of obligation, and joint and several liability to pay over to such labor organization or such member any gains or profits made as a result of such knowingly participation or inducement.

(d) Each willful and knowing violation of any of the provisions of sections 203 and 204 of this Act shall constitute a misdemeanor, punishable by imprisonment for not more than one year, or by a fine of not more than $1,000, or both.

Financial reporting

SEC. 205. (a) Every labor organization and employer organization shall file with the Secretary of Labor within six months after this Act becomes effective and thereafter annually within five months after the end of its fiscal year, a verified report showing the financial condition and financial transactions of the organization during the fiscal year. The president or chief executive officer and the treasurer or chief financial officer of the organization personally shall be responsible for the preparation and filing of the report, and both shall verify such report.

The report shall be in such form and contain such matters as the Secretary of Labor may determine from time to time to be necessary to disclose accurately the organization's financial condition and operations during the preceding fiscal year, including the following—

(1) the name of such organization and the address of its principal place of business;

(2) the names, titles, and compensation, allowances, and expenses of its three principal officers and of any of its other officers or agents whose aggregate compensation, allowances, and expenses for the year exceeded $10,000;

(3) loans of funds or gifts of the labor organization, directly or indirectly, to any officer, agent, or employee of the labor organization where the aggregate of such loans outstanding at any one time during the year exceeds $500 or the aggregate of such gifts during the year exceeds $100 in the case of the particular individual;

(4) loans or investments of funds of the labor organization in any business of an employer whose employees the labor organization represents or seeks to represent for purposes of collective bargaining; and

(5) the amounts and sources of its receipts, the amounts and purposes of its disbursements during the fiscal year, and its assets and liabilities as of the end of the year.

The Secretary of Labor may, to effectuate the purposes of this Act, vary the nature of the report required according to the size and type of the organization.

(b) Every labor organization and employer organization organized after the effective date of this Act shall file a report with the Secretary of Labor within thirty days after the making of its first collective bargaining agreement. The report shall contain such information relating to the organization, operation, and affairs of such organization as may be prescribed by the Secretary of Labor, including, but not limited to, its name and business address, the names of its officers, its affiliation, if any, with any parent organization, and the date on which its fiscal year ends. The president or chief executive officer and the treasurer or chief financial officer of the organization personally shall be responsible for the preparation and filing of the report, and both shall verify such report.

(c) Every employer who employs ten or more regular employees, shall file with the Secretary of Labor, within six months after this Act becomes effective, and thereafter annually within five months after the end of his fiscal year, a verified report, in such form as the Secretary of Labor may from time to time determine, setting forth the following—

(1) the name of the employer, the nature of his business, and the address of his principal place of business;

(2) the name of any employers' organization of which he is a member;

(3) the name of each labor organization which the employer recognizes as a representative of his employees for purposes of collective bargaining, or which has served notice on the employer that it demands recognition as such representative;

(4) payments made directly or indirectly during the preceding fiscal year, to any person for the performance of, or under an arrangement to perform, any acts of:

(A) interference with, or restraint or coercion of, employees in their forming or joining labor organizations;

(B) interference with, or restraint or coercion of, employees in their choice of representatives for purposes of collective bargaining; or

(C) interference with, or restraint or coercion of, employees in their engaging in concerted action for mutual aid and protection.

(5) any financial interest which an officer or agent of a labor organization has, directly or indirectly, in the employer's business or financial transactions;

(6) any payments, loans, or gifts made by the employer, directly or indirectly, to an officer or agent of a labor organization.

Such report or any portion thereof may be required by the Secretary of Labor of any other employer if the Secretary of Labor finds that such report is necessary to effectuate the purposes of this Act.

Nothing in this subsection shall be construed to require an employer to report payments to employees for services rendered in the regular course of employment, or payments required by collective agreement to be made in lieu of wages for time lost from work while engaged in collective bargaining, handling of grievances, or otherwise in the administration of a collective agreement. Nothing contained in paragraph (5) of this subsection shall require an employer, the securities or shares of which are described in paragraph (2) of subsection (c) of section 202 of this Act, to report holdings of such securities or shares by officers or agents of any labor organization other than the labor organization which represents its employees for purposes of collective bargaining.

(d) Every labor relations consultant shall file with the Secretary of Labor within six months after this Act becomes effective, and thereafter annually within five months after the end of his fiscal year, a verified report showing his receipts and disbursements during the preceding fiscal year for, and any agreement or arrangement in which he has participated in any way for the performance of any acts of, interference with, or restraint or coercion of employees in their forming or joining labor organizations, choosing of representatives for purposes of collective bargaining, or engaging in concerted action for mutual aid and protection.

The report shall be in such form and contain such other matters as the Secretary of Labor may determine from time to time to be necessary to disclose accurately the labor relations consultant's activities and effectuate the purposes of this Act.

(e) The Secretary of Labor may, for the purpose of assuring the completeness of any report required to be filed by this section or compliance with such reporting requirements, address to any officer, agent, or employee of a labor organization, employer organization, employer, or labor relations consultant inquiries relating to the financial matters and financial transactions required to be reported by this section, and may require that replies to such inquiries be submitted in writing and verified by such individuals as he designates.

(f) The contents of all reports submitted under paragraphs (1), (2), (3), and (4) of subsections (a) and (c) of this section shall be public information, and such reports shall be available for public inspection under such conditions as the Secretary of Labor shall prescribe. The contents of all reports submitted under subsection (e) of this section shall be made available to the advisory council established under section 209 and to appropriate law enforcement agencies and officials, and the advisory council and the Secretary of Labor may use such contents in the preparation and publication of studies, reports, and surveys.

(g) Every labor organization and employer organization shall make available to each of its members, in such manner as the Secretary of Labor shall prescribe, a copy of its annual financial report or such portions thereof as the Secretary of Labor shall find relevant and appropriate. The officers responsible for the preparation and filing of reports under subsection (a) of this section shall be responsible for providing copies of reports under this subsection.

Accounting requirements

SEC. 206. (a) Every labor organization and employer organization shall maintain detailed and accurate books and records of account in conformity with generally accepted accounting principles and in accordance with standards prescribed by the Secretary of Labor: *Provided*, That the standards prescribed may vary according to the size and type of the organization. Every employer of ten or more employees and every labor relations consultant shall maintain detailed and accurate books and records of account of all matters required to be reported under section 205 of this Act. All books and records of account shall be preserved for a period of five years after the filing of reports based on the information which they contain. The officers required to prepare and file reports under section 205 of this Act, shall be responsible for the maintenance and preservation of books and records of account required by this section.

(b) The Secretary of Labor, when he has reasonable cause to believe that the required accounting standards have not been maintained or that the books and records do not accurately reflect the financial condition and financial transaction of the labor organization or employer organization, may examine the books and records of the organization, subpena witnesses and documents, and make such other investigation as is necessary to enable him to determine the facts relative thereto.

The Secretary of Labor, when he has reasonable cause to believe that the books and records do not accurately reflect the matters required to be reported by the employer or labor relations consultant, may examine the books and records of such employer or labor relations consultant, subpena witnesses and documents, and make such other investigation as is necessary to enable him to determine the facts relative thereto.

(c) For the purpose of any investigation provided for in this Act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary of Labor or any officers designated by him.

Enforcement of financial reporting and accounting duties

SEC. 207. (a) Any officer, agent, or employee of any labor organization or employer organization, or any employer or labor relations consultant who willfully fails or refuses to comply with any provision of sections 205 and 206 of this Act, or who makes or files a report or reply required under these sections knowing that it contains false information, shall be guilty of misdemeanor, punishable by imprisonment for not more than one year, or by a fine of not more than $1,000, or both.

(b) Any officer, agent, or employee of a labor organization or employer organization, or any employer or labor relations consultant who knowingly causes any person to fail or refuse to comply with any provision of sections 205 and 206 of this Act, or who causes any person to make or file a report or reply required under these sections knowing that it contains false information shall be guilty of a misdemeanor, punishable by imprisonment for not more than one year, or by a fine of not more than $1,000, or both.

(c) If any officer, agent, or employee of a labor organization or employer organization, or any employer or labor relations consultant fails or refuses to comply with any provision of sections 205 and 206 of this Act, or causes any person to fail or refuse to comply with the provisions of these sections, the Secretary of Labor may issue an order directing compliance. If the order is not complied with within ten days after issuance, he may institute a proceeding in a United States district court to compel compliance with these sections.

Rules and regulations; extensions of time

SEC. 208. (a) The Secretary of Labor may, from time to time, promulgate, amend and rescind appropriate rules and regulations designed to carry out the express provisions and purposes of this Act.

(b) For good cause shown, the Secretary of Labor may grant reasonable extensions of time for doing any act required by this Act.

Advisory council

SEC. 209. (a) An advisory council is hereby established consisting of three members appointed by the President, by and with the advice and consent of the Senate, one of whom shall be designated as chairman by the President. All members of the advisory council shall be appointed for terms of three years: *Provided*, That of the members first appointed, one shall be appointed for a one-year term, and one shall be appointed for a two-year term. Any member chosen to fill a vacancy created otherwise than by expiration of term shall be appointed for the unexpired term of the member whom he is to succeed.

(b) The advisory council shall keep informed as to current facts and trends relating to ethical practices of labor and management, and shall from time to time make reports to the President and the Congress concerning the operation, administration and enforcement of this Act, together with any recommendations for improvement or revision.

(c) The members of the advisory council shall receive the sum of fifty dollars for each day or part thereof spent in attendance at meetings or otherwise in the work of the council, and, in addition, they shall be allowed actual and necessary traveling expenses.

Construction and saving clause

SEC. 210. (a) Nothing contained in this Act shall be construed to relieve any labor organization, employer organization, or any of its officers, agents, employees, representatives or members, or any employer or labor relations consultant from compliance with any other provision of any other applicable Federal law.

(b) Nothing contained in this Act shall be construed to limit or otherwise affect the right of any person under any statute or rule of law to organize or join labor organizations, to bargain collectively, to picket, strike, or engage in other concerted activities for the purpose of collective bargaining or other mutual aid and protection, or the right of any labor organization under any statute or rule of law to carry on such activities, nor to enlarge or otherwise affect the power of courts to issue injunctions under the provisions of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (29 U.S.C. 101–115).

Separability

SEC. 211. If any provision of this Act or the application of such provision to any person or circumstance shall be held invalid, the remainder of this Act and the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Study of Taft-Hartley Act and other matters related to labor-management relations

SEC. 212. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Labor-Management Relations (hereafter referred to as the "committee"), and to be composed of five Members of the Senate Committee on Labor and Public Welfare, to be appointed by the President pro tempore of the Senate, and five Members of the House of Representatives Committee on Education and Labor, to be appointed by the Speaker of the House of Representatives. Not more than three Members, in each instance, shall be members of the same political party. A vacancy in membership of the committee shall be filled in the same manner as the original selection. The committee shall select a chairman and vice chairman from among its members.

The committee shall make a full and complete investigation and study to determine what legislation may be needed to supplement and support the efforts of responsible trade unionism to assure democratic procedures within labor organizations, and with respect to legislation on management-labor problems generally. The committee shall report its findings and recommendations to the Senate and House of Representatives not later than April 1, 1960.

(b) The committee shall have the power to employ and fix the compensation of such officers, experts, and employees as it deems necessary for the performance of its duties, including consultants who shall receive compensation at a rate not to exceed $50 for each day actually spent by them in the work of the committee, together with their necessary travel and subsistence expenses. The committee is further authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government and may request the governments of the several States, representatives of business, industry, finance, and labor, and such other persons, agencies, organizations, and instrumentalities as it deems appropriate to attend its hearings and to give and present information, advice, and recommendations.

(c) The committee, or any subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eighty-Sixth Congress; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer oaths; to take such testimony; to have such printing and binding done; and to make such expenditures within the amount appropriated therefor; as it deems advisable. Subpenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them.

TITLE III—AMENDMENTS TO THE NATIONAL LABOR RELATIONS ACT OF 1947, AS AMENDED

SEC. 301. Section 14 of the National Labor Relations Act is amended by adding at the end thereof the following new subsection:

"(c)(1) Nothing in this Act shall be construed as to prevent any State or Territorial agency other than a court, from exercising jurisdiction over all cases over which the Board has jurisdiction, but by rule or otherwise, has declined to assert jurisdiction: *Provided*, That where such State or Territorial agency does not exist, the Board cannot decline to assert jurisdiction: *Provided further*, That the State or Territorial agency shall apply and be governed solely by Federal law as set forth in section 8(a) and 8(b), and 9 in this Act, as the case may be, and Board and Federal court rules of decision construing said sections 8(a), 8(b), and 9. Injunctive relief under section 10(j) and 10(l) shall be available to such agency: *Provided further*, That no petition under section 10(j) shall be filed unless it has been expressly approved by the General Counsel of the National Labor Relations Board.

"(c)(2) The State or Territorial agency may petition any district court of the United States within such State or Territory for the enforcement of a final order of such agency and for appropriate temporary relief or restraining order. Such court shall make and enter an order or decree enforcing, modifying, enforcing as so modified, or setting aside in whole or in part the order of such agency.

"(c)(3) Any person aggrieved by a final order of the State or Territorial agency granting or denying in whole or in part the relief sought may obtain a review of such order in a district court of the United States in such State or Territory. Upon such filing, such district court shall proceed in the same manner, and have the same jurisdiction, as in the case of an application for enforcement under section (c)(2)."

SEC. 302. Section 8 of the National Labor Relations Act is amended by adding at the end thereof the following new subsection:

"(e) It shall not be an unfair labor practice under subsections (a) and (b) of this section for an employer engaged primarily in the building and construction industry to make an agreement covering employees engaged (or who, upon their employment, will be engaged) in the building and construction industry with a labor organization of which building and construction employees are members (not established, maintained, or assisted by any action defined in section 8(a) of this Act as an unfair labor practice) because (1) the majority status of such labor organization has not been established under the provisions of section 9 of this Act prior to the making of such agreement, or (2) such agreement requires as a condition of employment, membership in such labor organization after the seventh day following the beginning of such employment or the effective date of the agreement, whichever is later, or (3) such agreement requires the employer to notify such labor organization of opportunities for employment with such employer, or gives such labor organization an opportunity to refer

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qualified applicants for such employment, or (4) such agreement specifies minimum training or experience qualifications for employment or provides for priority in opportunities for employment based upon length of service with such employer, in the industry or in the particular geographical area: *Provided,* That nothing in this subsection shall set aside the final proviso to section 8(a)(3) of this Act: *Provided further,* That any agreement which is valid solely by reason of clause (1) of this subsection, shall not be a bar to a petition filed pursuant to section 9(c) or 9(e)."

(b) Nothing contained in the amendment made by subsection (a) shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

SEC. 303. (a) Sections (9) (f), (g), and (h) of the National Labor Relations Act, as amended, are hereby repealed.

(b) Section (8)(a)(3) of the National Labor Relations Act, as amended, is amended by striking out the following: "and has at the time the agreement was made or within the preceding 12 months received from the Board a notice of compliance with sections 9 (f), (g), and (h)".

Effective date

SEC. 304. This Act shall take effect ninety days after the date of the enactment of this Act, except that section 212 shall take effect immediately.

DEBT MANAGEMENT CAN BE ASSISTED BY A CHANGE IN FEDERAL RESERVE MONEY MANAGEMENT POLICIES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. REUSS. Mr. Speaker, today I testified before the House Committee on Ways and Means, concerning the necessity of a proper congressional directive to the Federal Reserve System on our critical and pressing problem of debt management. My statement follows:

Mr. Chairman, I propose the following amendment to upcoming legislation relating to the public debt:

"It is the sense of Congress that the Federal Reserve System, while pursuing its primary mission of administering a sound monetary policy, should, to the maximum extent consistent therewith, utilize such means as will assist in the economical and efficient management of the public debt; that the system, to the greatest extent possible, should bring about needed future monetary expansion by purchasing U.S. securities, of varying maturities, rather than by further lowering bank reserve requirements; and that the System should promptly and fully explore methods whereby use of the power to raise reserve requirements may become a more usable and effective anti-inflationary tool."

The House Committee on Ways and Means is considering a bill to remove the present interest ceilings on savings bonds and on Treasury bonds, and to raise the public debt limit from $283 billion to $288 billion, with a temporary increase to $295 billion.

The bill to accomplish this is called "a bill to facilitate management of the public debt." It has been brought about by the crisis in our debt management—higher and higher interest rates, lower and lower market prices for U.S. securities, less and less investor interest in the national debt.

If the bill merely removes the ceilings on the interest rate and on the amount of the national debt, it might better be entitled "A bill to facilitate mismanagement of the public debt." For it will encourage our monetary managers to continue on the dead-end course on which they are embarked.

Merely raising the interest paid on the national debt is not going to solve anything. The $8.5 billion carrying charge on the national debt for fiscal 1960 is already the largest single nondefense item in the budget. Further increases in the interest rate are not merely going to increase the burden on the taxpayer. As high interest rates communicate themselves throughout the entire economy, economic activity everywhere, but particularly in housing, local government activities, public utilities, and small business is going to be hurt.

The amendment I propose would express the sense of Congress that the Federal Reserve System should not continue to turn its back on the management of the national debt, as it has been doing for some years. Of course the Federal Reserve's sole mission should be a sound monetary policy. But there is no reason why a sound monetary policy cannot be used to help, rather than to hurt, debt management. The proposed amendment involves no backtracking on the Treasury-Federal Reserve Accord of 1951, no commitments to peg the U.S. security market at par, no support measures at a time when monetary expansion would be inflationary.

The principal directive of the amendment would be that the Federal Reserve "should bring about needed future monetary expansion by purchasing U.S. securities, of varying maturities, rather than by further lowering bank reserve requirements."

Consistently since 1953, the Fed has expanded the money supply, where it has expanded it at all, by lowering reserve requirements of member banks. In the case of central reserve city banks (New York and Chicago), reserve requirements have been lowered from 24 in 1953 to 18 today. In the case of reserve city banks, requirements have been lowered from 20 in 1953 to 16½ today. In the case of country banks, reserve requirements have been lowered from 14 in 1953 to 11 today.

About $4.3 billion of reserves has been added to the banking system by this method—enough to create 6 times as much credit, or almost $26 billion worth.

Never once since 1953 has the Federal Reserve, when it was pursuing anti-inflationary policies, tightened reserve requirements. Instead, it has tightened money solely by raising the rediscount rate and by selling U.S. securities from its portfolio.

What is more, the Federal Reserve System has recently stated very clearly its continuing intention of adding to the money supply by lowering reserve requirements, as opposed to adding to the money supply by purchasing U.S. securities for its portfolio. I recently collected these policy statements from the Federal Reserve System and set them forth in the CONGRESSIONAL RECORD for June 4, 1959, at pages 8963–8964.

The proposed congressional directive to the Federal Reserve to use purchases of U.S. securities as its principal method of expanding the money supply would help the cause of debt management in three major ways:

(1) It would raise somewhat the price of U.S. securities, and thus lower somewhat the going interest rate, not only on U.S. securities, but on all debt, public or private. Cushioning fluctuations on the downward side would make governments more attractive to investors. Even if the additions to the money supply in the future need to be only the modest 3 percent currently recommended by the Federal Reserve (I think 4 or 5 percent would be more like it), this requires an addition to the money supply of close to $6 billion annually, or close to $1 billion in new reserves. If the Federal Reserve achieves this expansion in reserves by purchases of U.S. securities, it will have assured the maximum amount of support for U.S. securities, consistent with sound monetary policy (assuming reserve requirements remain unchanged). It should be noted that the proposed congressional directive to the Federal Reserve speaks of purchasing U.S. securities or varying maturities. The Fed presently restricts itself to a bills only policy which needlessly deprives the U.S. security market of the maximum support per dollar that it ought to have.

(2) It would save many millions of dollars annually for the taxpayers, because the interest charge on the national debt owned by the Fed comes back to the Treasury. For example, if the Fed had purchased $4.3 billion of U.S. securities in recent years, instead of achieving this increase in outstanding reserves by lowering reserve requirements, at current interest rates something in the neighborhood of $160 million would be saved for U.S. taxpayers. For the future, if the Fed's net purchases of U.S. securities average only $1 billion a year, in 10 years this would amount to $10 billion worth of national debt. The savings on this sum could be close to $400 million a year, at current interest rates.

(3) It would at least partially protect the Treasury against the frequent embarrassment of attrition, whereby holders of maturing national debt suddenly elect to take cash, rather than a refunding security. In May, for example, one-third of the holders of a maturing 1-year note suddenly demanded cash, rather than to take another 1-year refunding note.

So far we have been discussing solely decreases in the reserve requirement, and making the point that this method of increasing the money supply does not help in the management of the national debt, as does the method of purchasing, or at least retaining in the Fed's portfolio, U.S. securities. However, there may well be occasions when the Federal Reserve, from the standpoint of both sound monetary policy and sound debt management policy, may wish to, and in fact should, raise reserve requirements. The Fed gives as its reason for not having done so, and for proclaiming its intention of not doing so in the future, that the reserve-raising power is a clumsy weapon, in that it may operate harshly upon certain member banks.

There is strong reason to believe that the Federal Reserve, if it really wanted to smooth off the rough edges of its debt management policy, could do so by a series of very simple amendments. A number of sound and sensible ways of doing this, recommended by the late E. A. Goldenweiser, former director of research for the Federal Reserve System, and published by the Committee for Economic Development, are set forth in my remarks on the floor on June 4, 1959 (CONGRESSIONAL RECORD, p. 8965).

The House Committee on Banking and Currency on May 28, 1959, formally requested the Federal Reserve to explore methods of making the reserve-raising power a usable and effective method. The committee said:

"Your committee firmly believes that the Board's monetary tools must be as efficient as possible. We are concerned over indications that increases in reserve requirements may be considered too blunt a weapon to use effectively. Accordingly, the Federal Reserve Board is requested to give further study to this problem, and to report to the committee as soon as practicable concerning possible

improvements in the techniques of employing reserve requirements as an anti-inflationary tool, together with recommendations for any remedial legislation that may be necessary to put these improvements into effect" (committee report, p. 6).

The entire Congress should express the same wish as did the House Committee on Banking and Currency—that the Fed should refurbish its reserve-raising powers, both to fight inflation when inflation threatens, and to permit a decent Fed participation in the debt management processes without giving rise to inflationary dangers.

Our debt managers need some guidance from Congress. The proposed amendment endeavors to provide this. In the long run, sustained economic growth, increased savings, reasonable price stability, national budgets balanced at full employment and production, are the royal road not only to a healthy economy, but to a well managed national debt. Meanwhile, Congress must give the clearest kind of immediate directive that it can.

PANAMA: BACKGROUND AND FOREGROUND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FLOOD. Mr. Speaker, during the past 3 years I have made a series of addresses on interoceanic canal problems, specializing on the juridical questions of control and jurisdiction of the Panama Canal. In the ensuing discussions, public interest has steadily mounted, with many illuminating articles and editorials in various publications of the Nation.

The most recent to appear is an able discussion in Spotlight, the publication of the Committee for Constitutional Government. Because of its signifiance, under leave granted to extend my remarks, the text is quoted as follows:

PANAMA: BACKGROUND AND FOREGROUND

(Earl Harding was an editor of the New York World, assigned to investigate the events leading to the creation of the Republic of Panama. Among all newspaper editors and lawyers who were active in the legal struggle over the libel suit, Mr. Harding is now the sole survivor. Many of his original findings are disclosed for the first time in this book "The Untold Story of Panama," digested in this Spotlight. Reviewed by Thomas P. McCann in U.S.A., a magazine of fact and opinion published every other week by Alice Widener.)

Most Americans take the Panama Canal for granted, regarding it with only cursory interest. They think of it as something that has always been and will always be. Yet just the opposite is true. The Panama Canal hasn't always existed, it may not always be what it is now, and it is a matter of vital concern to everyone in our country.

Earl Harding points out in "The Untold Story of Panama" that now, more than at any other time in the history of the canal, this lifeline is being threatened by a complex of political, economic, engineering, and defense problems. He believes that before solutions to these problems can be found, it is essential to reappraise realistically, in the light of current events, the facts concerning U.S. relations with the Republic of Panama.

Aspects of the current international situation in relation to the canal were ably described in the March 1957 issue of the Legion magazine by Maurice Ries, who wrote in an article entitled "Let's Look at Our Own Canal—We May Lose It, Thanks to the Internationalists":

"The Panama Canal is our jugular vein, our lifeline. Cut it and the United States dies. Wrest it from our control and in matters of seaborne commerce and naval defense the U.S. east and west coasts again become, as once they were, months instead of days apart.

"Block it and our foreign commerce strangles. Take it away from us and we have no further right to establish defenses so far to the south.

"The result will be that then our hemispheric relations will change, and our foreign policy must change, and no man on earth can say what might happen to this Nation once that chain reaction is set in motion."

What Earl Harding has done in his new book is to trace the chain reaction of events concerning the Panama Canal since the idea of building it was first conceived. He has given us the facts. What is more, he has allowed them to speak for themselves. The result is a solid and well-documented work, which is indeed refreshing in these days of tiresome journalism based on an opinionated "the truth as I see it" kind of writing.

THE EARLY RECORD

Much of the early history of international political and financial intrigue surrounding the canal is shocking and scandalous, involving lobbyists, financiers, press agents, and political figures. Today it would be a mistake to let past misdeeds affect present judgment. Rather, a factual, unemotional review of the past should serve as a means toward better understanding of responsibility among Americans and Panamanians.

All that most of us know about Panama and the canal is that early in this century, after the French had failed in their attempt to build a canal across the Isthmus, the United States acquired a concession to build a canal and succeeded in doing so. What most of us do not know is that at the time the French started their effort, and up until they failed in it, Panama was a part of the Republic of Colombia. During this same period the United States was committed to building a canal through Nicaragua. The French, as failure became imminent, sought to salvage their huge investment and retained a New York lawyer, William Nelson Cromwell, to advise and assist them.

Cromwell's job was not a simple task; he was expected to divert the United States from the Nicaragua route to the Panama route, and thereafter to help the French sell their rights and equipment to the United States. Cromwell did the job and did it well. How he did it is explained in Earl Harding's "The Untold Story of Panama."

As soon as Congress had been induced to reverse its previous judgment by deciding on the Panama route, and had offered the French the sum of $40 million, there arose a new and very difficult problem. The Republic of Colombia demanded a $10 million fee from the French for the privilege of transferring their nontransferable concession rights. Immediately, a few Americans and a handful of Panamanians set wheels in motion to avoid paying this fee and solve other difficulties by creating an independent Panama Republic.

Mr. Harding sets forth the sequence of ensuing events: On November 2, 1903, U.S. Navy warships arrived at the Isthmus; next day, Panama declared herself to be a new and independent nation; by November 7, the United States had extended formal recognition to the Republic of Panama; on November 18, the historic Hay-Bunau-Varilla Treaty was signed, granting the Canal Zone to the United States. The presence of the U.S. Navy assured the Panamanian rebels that Colombian troops would not take measures to put down the revolt.

Mr. Harding relates how a combination of circumstances—the political bragging of an administration in Washington that was "making the dirt fly," and the leakage of information about some of the back-room tactics applied in acquiring the zone, and the romantic aspects of the canal venture itself—kept the matter before the public and open to criticism and investigation for several years.

NO DOUBLE JEOPARDY

Finally, news leaked out that a speculative syndicate in the United States had bought up large blocks of French Canal securities and had sold them at tremendous profit when the canal became U.S. property. Some of the Nation's most distinguished political and financial figures were linked with the syndicate. Soon everyone was asking, "Who got the American taxpayers' $40 million?"

When the Indianapolis News asked this question in an editorial and the New York World reprinted charges made against the syndicate, President Theodore Roosevelt denounced the conduct of Delavan Smith, of the News, Joseph Pulitzer, of the World, and others as "not merely scandalous but infamous." In a special message to Congress President Roosevelt said that these newspapermen had libeled the people and Government of the United States and should be prosecuted as criminals by means of extradition to Washington, D.C., and trial there in the Federal courts, not by trial in the State courts.

On October 15, 1909, in the District of Columbia, Federal Judge Albert B. Anderson handed down the following historic decision[1] which ended the extradition proceedings and rebuked President Roosevelt:

"To my mind, that man has read the history of our institutions to little purpose who does not look with grave apprehension upon the possibility of the success of a proceeding such as this. If the history of liberty means anything, this proceeding must fail.

"If the prosecuting authorities have the authority to select the tribunal, if there be more than one authority to select from; if the Government has that power and can drag citizens from distant States to the capital of the Nation, there to be tried, then as Judge Cooley says, this is a tragic result of a revolution where one of the grievances complained of was the assertion of the right to send parties abroad for trial. The defendants will be discharged."

At the time of these court proceedings, Earl Harding was an editor in the Pulitzer organization, and was assigned to the investigation of events leading to creation of the Republic of Panama. Among all the newspaper editors and lawyers who took active part in the legal struggle over the libel action, Mr. Harding is now the sole survivor. Many of his original findings are disclosed for the first time in "The Untold Story of Panama."

THE RECORD TODAY

In the later chapters of the book, Mr. Harding discusses in depth the dual or overlapping sovereignty in the Canal Zone, showing how it has bred much needless misunderstanding and friction. He points out

[1] EDITOR'S NOTE.—This decision is especially interesting today, because of the present Supreme Court's much criticized recent double-jeopardy decision.

that the United States has little by little relinquished its priceless treaty rights to build defense bases outside the zone. In a most interesting and factual way, he exposes the present-day plot to internationalize the Panama Canal.

In a chapter headed "Just Who Are Backing the Drives to Internationalize, and to Nationalize," Mr. Harding writes:

"Agitation for internationalization of the Panama Canal is not a new, although a little known, story. As far back as 1946, Red lanterns lighted its beginning. The Suez crisis, after a lapse of 10 years, threw new light on that spectrum.

"Twenty days after the Suez seizure, Ralph E. Flanders, then a Republican U.S. Senator of Vermont, stated publicly in Victoria, British Columbia, on August 1, 1956, that internationalization of the Panama Canal could ease the Egyptian crisis.

"Again on September 9, at Swarthmore, Pa., addressing the Society for Social Responsibility in Science, Senator Flanders, as reported in the New York Times of September 10, 1956, said internationalization of the Panama Canal would give Nasser a 'face-saving precedent' for agreeing to internationalization of Suez."

In sharp contrast to those who, like Senator Flanders, are trying to justify a giveaway of the Panama Canal, Representative DANIEL J. FLOOD, of Wilkes-Barre, Pa., has consistently warned Americans of the dangers they face in Panama. Part of what he has to say on the subject is quoted as follows in "The Untold Story of Panama":

"Agitation about the Panama Canal has been insidious and thus obscured to the public view, but now it is in the open. Conforming to the objectives of the Communist conspiracy to place the United States on the defensive, it is aimed at the Panama Canal for the purpose of wresting its ownership from the United States. Thus the situation created by this propaganda is fraught with diplomatic danger and uncertainty to which the United States must be alert."

Earl Harding devotes the final chapter of his book to study of the basic facts concerning construction of a canal via Nicaragua and Costa Rica. Some of the best reasons for such an alternative venture were set forth 2 years ago in the Los Angeles Examiner:

"There has always been good and compelling reasons why a second intercoastal waterway should be built across Nicaragua. * * * A newer problem, which may be more serious in the future than it is now, is that presented by the opportunists in Panama who are taking advantage of the controversy over the Suez Canal to propose nationalization of the Panama waterway. * * *

"Before spending billions to improve the Panama Canal, and still have an inadequate and obsolete waterway on our hands and still face the possibility of a nationalization campaign by unfriendly elements in Panama, a new and long look should be taken once more at the too-long delayed Nicaraguan project."

THE FUTURE

"The Untold Story of Panama," by Earl Harding, is at once a warning and a plea. It is a warning to Americans to wake up to the danger we face in Panama; it is a plea to reasonable and well-intentioned Panamanians to review their own national history, bearing in mind the friendship and help of the United States in the creation of the Republic of Panama.

"Without knowledge of that history," writes Mr. Harding, "neither North Americans nor Panamanians can reach sound and just conclusions as to their rights, responsibilities and obligations when the recurring problems of the Isthmian area demand solution."

As to the future, Mr. Harding concludes, "Successive failure of routine administrative officials in planning acceptable solutions for modernization of the Panama Canal and for protection of U.S. interests in the Isthmian area have been repeatedly criticized by committees of Congress. Adoption of businesslike methods, urged by the Comptroller General of the United States and the Director of the Budget, has been a forward step.

"Finally, congressional leaders, cognizant of the hazards and failures, secured authority, in House resolution 149, adopted February 27, 1957, for a comprehensive inquiry into all aspects of the interoceanic canal problem. Out of this inquiry, by the board of consultants, now only partially completed, U.S. taxpayers hope for a constructive reassessment of Isthmian Canal problems, and a program for their permanent solution which an informed Congress can approve and authorize."

(This Spotlight throws light on a most important question on which Congress and the Nation must now act. The loss or weakening of our complete control of Panama would be a disaster to national defense. Should a second interocean waterway be built across Nicaragua is a question that must be investigated at once. Naturally, Communists are seeking out the weak spots in American defenses, inciting revolution if they can. What we need is men with backbone to assert and uphold American rights. Those weak-kneed leaders who yield to the idea of internationalizing the Panama Canal are rendering a disservice to the Nation. The Comptroller General of the United States and the Director of the Budget have urged that House Resolution 149 of February 27, 1957, for a comprehensive inquiry into all aspects of the interoceanic canal problem be passed. This board of inquiry should present a program for a permanent solution upon which Congress can act.)

STATEMENT OF HON. WRIGHT PATMAN, OF TEXAS, BEFORE THE COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, ON PROPOSALS TO RAISE THE FEDERAL DEBT LIMIT AND REPEAL THE INTEREST RATE CEILING ON TREASURY BONDS

Mr. PATMAN. Mr. Speaker, I am inserting herewith my statement before the Ways and Means Committee today. It is as follows:

Mr. Chairman, it is good of the committee to hear me. I am opposed to increasing the legal debt limit. I am also opposed to repealing, or even raising, the interest rate ceiling which was enacted during Woodrow Wilson's administration, in 1918. I am opposed to increasing interest rates on the series E and H bonds unless, of course, other rates are raised.

THE GOVERNMENT IS NOW HOLDING $25 BILLION OF ITS OWN DEBT OBLIGATIONS, AT LEAST $15 BILLION OF WHICH CAN AND SHOULD BE CANCELED

As to the proposal to raise the debt ceiling, it is unnecessary for this reason: The Federal Government is now holding $25 billion of its own interest-bearing debt obligations. At least $15 billion of these obligations can and should be canceled immediately so as to reduce the present debt by that amount.

The fact is, as you may know, Congress is now considering a bill which will give away to the private banks about $15 billion of these securities, which will be the biggest giveaway in all history. This legislation, the so-called vault-cash bill, was recommended by the administration and by the Federal Reserve Board. It has already passed the Senate; it has been approved by the House Committee on Banking and Currency and by the Rules Committee of the House; and we may expect the House will pass it within the next few days.

The $25 billion of interest-bearing obligations that I refer to are held by the Federal Reserve System. They have been purchased in the open market and paid for with Government funds. They are owned by the Government and not by the private banks. The private banks have no claim to them whatever. In purchasing these securities the Federal Reserve System has not used any reserves deposited by the private banks, or any other funds of the private banks. These statements of mine about the ownership of the $25 billion of obligations are not in dispute. They have been agreed to many times by all authorities, including the present Chairman of the Federal Reserve Board and the past Chairmen of the Federal Reserve Board.

Now as to the question of what amount of these securities the vault-cash bill will give away, this is in dispute. The bill gives the Federal Reserve System authority to reduce bank reserves by about $12 billion immediately, which authority could be used only by either (a) setting off the biggest inflation in history, or (b) transferring ownership of an equal amount of the Fed's securities, without cost to the banks. Some of my colleagues on the Committee on Banking and Currency would no doubt tell you, however, that they are unaware of anything in the legislative history of this bill which indicates the Federal Reserve will use this authority for either of the two purposes for which it could be used. I think the legislative history is clear and unmistakable, but I will not impose on this committee a question which is in dispute. I simply call the committee's attention to the fact that the Federal Reserve Board has reported to Congress that its present holdings of $25 billion of bonds and other interest-bearing obligations of the United States are a great deal more than the needs for all purposes and all possible contingencies.

Consequently, there is no reason why $15 billion of these obligations should not be canceled immediately, and thus remove any need for increasing the debt ceiling. I might add, also, that if $15 billion of these securities are canceled, this will remove any possibility that this amount of securities will be given away. If these securities are given away, the Government will have to pay for them again, when they become due; and in the meantime the Government will have to pay interest on the securities, which interest will go into bank profits. At the present time the interest on these securities is paid back into the Federal Treasury. The Federal Reserve System meets its operating expenses out of these interest payments, sets aside some money in a so-called surplus fund, and returns the balance to the Treasury.

NO DISPUTE ABOUT THIS POINT

There is an added point about which there is also no dispute. The $25 billion of Government securities which the Federal Reserve System is holding have, in the last analysis, been paid for by the issuance of non-interest-bearing obligations, namely, Federal Reserve notes. Federal Reserve notes are, of course, currency in the pockets of individuals and in the cash registers of business firms. They are obligations of the United States, as is plainly stated on the face of them. They are signed by the Secretary of the Treasury, not by the Chairman of the Board of Governors of the Federal Reserve System. They are obligations of the United States, but they are not obligations which are subject to the legal debt limit. They are not expected to be redeemed. They will remain in circulation for the convenience of business and consumers in carrying on trade and commerce.

FEDERAL RESERVE SAYS EARNING ASSETS SHOULD GO TO COMMERCIAL BANKS

Now, let me read from a report which the Board of Governors of the Federal Reserve System submitted to the Committees on Banking and Currency of the Senate and House with reference to the vault-cash bill. This is the Board's position as of April 7, 1959, with reference to the amount of its $25 billion of interest-bearing securities which it feels it needs to keep:

"To the extent necessary to avoid undue credit expansion, reserves released by any reduction in requirements could be absorbed by Federal Reserve sales of securities in the market. This would in effect shift earning assets from Federal Reserve banks to member banks. The present system portfolio is adequate to permit a substantial reduction and still leave enough to provide sufficient earnings to cover necessary expenses, as well as for current purposes of policy.

"Any decrease in requirements, however, should leave the Federal Reserve with a portfolio adequate to cover possible future contingencies, such as a large inflow of gold or economies in the use of currency that might add reserves in excess of appropriate needs." [1]

May I suggest an estimate of the amount which the Federal Reserve would need to keep in its portfolio for the purposes which it has specified? Six billion dollars of securities would provide the Federal Reserve System with an income sufficient to meet expenses. In 1957, which is the latest year for which we have a report, the Fed's interest income on its holdings of Government securities amounted to 3.15 percent. Six billion dollars, yielding an annual interest income of 3.15 percent, would give the Fed an income of $189 million. Its expenses in 1957 came to $169 million, including amounts set aside for various reserves, for its retirement systems, and including some very "plush" luxuries.

As to the amount of securities which the Fed would need to hold, to sell at a later time to meet the contingencies which it has mentioned, actually it does not need any amount. These contingencies could be met by raising reserve requirements. One contingency is a possible large gold inflow from abroad, which would increase bank reserves and which would be inflationary unless offset by Federal Reserve action. The other possible event is a decline in the public's preference for currency, as opposed to bank deposits, in which case bank reserves would also be increased. In either case, the Fed would no doubt prefer, however, to meet such contingencies by selling securities from its portfolio rather than by raising required reserves of the member banks. The experience record of the past 40 years would indicate that $2 billion would cover both of these contingencies. In other words, an $8 billion portfolio of Government securities would be more than adequate to give the Fed a luxurious expense income and leave it in a comfortable position to meet the contingencies it envisions and in the manner in which it would prefer to meet them. But to be extra generous, so there could be no possibility of objection, I have proposed leaving the Fed with a portfolio of $10 billion of Government securities and canceling immediately $15 billion. This will make the proposed increase in the debt ceiling completely unnecessary.

Now, if the committee should wish to cancel any other amounts of unnecessary debt, there are two other suggestions it might consider.

[1] U.S. Congress, House of Representatives, Subcommittee No. 2, Committee on Banking and Currency, hearings, "Member Bank Reserve Requirements," 86th Cong., 1st sess. (1959), p. 28.

ONE BILLION DOLLARS OF FEDERAL RESERVE BANKS SURPLUS SHOULD GO TO U.S. TREASURY NOW

First, the Federal Reserve System is holding approximately $1 billion in a so-called surplus fund, for which no conceivable need could ever arise. If this $1 billion were paid promptly into the Treasury, the present Federal debt could be reduced by that amount.

Second, it is really not necessary, and I cannot imagine by what reasoning it is appropriate, for the Federal Reserve System to hold interest-bearing obligations of the United States for the purposes of having an interest income to meet its expenses. The $6 billion of debt which I have suggested leaving with the Fed for this purpose should be canceled, and the Federal Reserve Board should come to Congress for annual appropriations, just as other Government agencies do. This would reduce the present debt by another $6 billion.

AMENDMENT TO CANCEL $15 BILLION IN BONDS

When the vault-cash bill comes to the floor of the House for debate, I expect to offer an amendment to the bill which will require the Federal Reserve Board to turn over to the Treasury immediately $15 billion of the securities it is holding for cancellation. If the Congress and the President accept this amendment, the administration's proposal to increase the Federal debt by $12 billion will be completely unnecessary.

REMOVING THE 1918 CEILING ON INTEREST RATES IS UNWISE AND UNWARRANTED

I come now to the administration's chronic problem—interest rates.

Like most people today, I accept and believe in the collective bargaining processes. Furthermore, there is no question that when the bankers and moneylenders want a wage increase, they must come to the Government to get it. There is no place else to go. In this I am assuming, of course, that the Federal Reserve System is still in reality a part of the Government. It is true that it has, under this administration, assumed the posture of a fourth non-elected branch of the Government, exercising powers to overrule or reverse economic policies decided upon by Congress and the President through constitutional lawmaking processes. Furthermore, the President has repeatedly ratified this posture so that we would seem to have a super-bankers government sitting over and above the constitutional government. It is hardly reasonable to assume, however, that the President would agree to this independent-government position of the Federal Reserve System if there were any serious policy differences between the administration and the Federal Reserve.

SECRETARY ANDERSON'S ARGUMENTS

We should be fair and open-minded on the question whether there is really any need to give the bankers and moneylenders a larger share of the national income. We should expect, however, that some reasonable argument would be advanced for such a proposal. There is no claim, however, that the moneylenders are entitled to a cost-of-living increase, that their productivity has increased, or that there is a hardship which should be met. Rather the arguments which Secretary Anderson made to the committee yesterday are these:

1. The Federal debt is now at an all-time high, having reached $1,600 for each man, woman, and child in the country.

2. The demand for savings has increased and the Federal Government cannot compete with the demands of State and local governments, private industry, or the stock market; in fact, cannot even compete with itself.

3. The main problem is that interest rates have been pushed up by a growing belief that there will be inflation, an inflation which Secretary Anderson says has not materialized and a belief which he says is mistaken.

4. Monetary policy is an all-controlling factor in times of recession and becomes what is called one of aggressive ease. But at times when interest rates are being raised, all the Government instruments of monetary policy disappear into the thin air of flexibility and interest rates are made by something called a free play of market forces.

5. We have demonstrated the ability of a free economy to come out of an economic recession and the high interest rates have been caused by the $13 billion deficit, which it is suggested to be a product of Congress' fiscal irresponsibility.

6. The same old saw that this administration inherited a short-term Federal debt and wants to lengthen the maturity of the debt.

And finally, Democratic administrations financed the tremendous debt of World War II, while holding the bond rate at 2½ percent, and the consequences were horrible.

Let us give a little examination to these arguments. First, the Federal debt is at an alltime high, and it does average $1,600 for each man, woman, and child in the country. But in past years it has averaged a great deal more when the country was presumably less rich, and when interest rates were a great deal lower. In 1946, the debt was $1,908 per capita, and in 1950 it was $1,650 per capita. In 1954, it was $1,670 per capita, and in 1956 it was $1,622 per capita. In all of these years interest rates were lower than now, so we can hardly blame interest rates on the high per capita debt.

Let us come now to this question of the total demand for savings. If we add up the figures on pages 139 and 157 of the President's Economic Report for 1959, we can see what the total demand for savings have been in the years 1951 through 1958. This includes total private demand, demand of State and local governments, the Federal surplus or deficit, and the net export of capital abroad. We find that the total demand for savings amount to 15.3 percent of the national income in 1951, and 15.4 percent in 1952. In none of the subsequent years has it been as high. It has ranged from 15.2 percent in 1953 down to 14.5 percent in 1958. Why then the increase in interest rates? Let us make some comparisons. In 1953, total demand for savings was a smaller percentage of the gross national product than in either 1951 or 1952. But the rate on 91-day Treasury bills was raised by 25 percent, from 1951. The yield on long-term Government bonds was raised by 14 percent, and the rate on prime commercial paper was raised by 17 percent.

Then, of course, in 1957, we had what the Federal Reserve Board thought was a runaway investment boom. The demand for savings in that year was 15.2 percent of the gross national product. And compared to 1951, interest rates on 91-day Treasury bills were raised by 111 percent. Interest yields on long-term Governments was raised by 27 percent, and the rate on prime commercial paper was raised by 76 percent.

In this span of years, the gross national product was going up, the country was becoming more affluent, and we would normally expect that a larger percentage of the national income would go into savings, since people presumably had more money left over after meeting the cost of food, clothing, and shelter.

Let me make one other point. Since 1951, there have been years of low interest rates, medium interest rates, and extortionate interest rates. But the evidence is that neither the high nor the extortionate interest rates cause people to save any larger percentage of their income. On the contrary, people saved the highest percentage of their disposable personal incomes in 1951, 1952, and 1953, when the interest yields on long-term Governments ranged between 2.57 and 2.9 percent. In 1956 and 1957, interest yields on long-term Governments were 3.08 and 3.47 percent, respectively, yet people saved only

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7.2 and 6.8 percent of their disposable personal incomes in those years.

Now this I admit—the administration does have quite a problem with this belief that inflation is coming and that anyone who puts his savings into fixed-return securities will be repaid with cheap dollars. This has been the subject of one of the greatest propaganda crusades of all times. "Inflation" has been made a household word in every home in the land. Over the past year, particularly, the President has taken to television and to numerous press conferences to carry on a tremendous word battle against the coming inflation which seemed clearly visible to him. The National Advertising Council has cooperated.

Substantially all the big-business firms that profit from high interest rates or from a rising stock market have cooperated—with newspaper ads, and so on. Altogether, $4 billion of new money was poured into the stock market last year, and stock prices were driven up by 25 times that amount, or an increase of 40 percent, within 12 months. The big-money boys on Wall Street have made millions and paid taxes at capital gains rates, and the banks and moneylenders have enjoyed a fat increase in interest rates.

My suggestion for the cure of Secretary Anderson's problem is not to come to Congress to ratify what he calls a mistaken belief in inflation, but to go back to the opinionmakers in his own administration and have them correct the belief which he thinks to be erroneous.

Now on this matter of the Government's monetary policy, I don't believe it is quite fair of the Secretary to try to have it both ways, that monetary policy makes low interest rates to help the people in time of recession, but that monetary policy disappears when interest rates are being raised. The fact of the matter is that somebody in the Government decides every day, and every hour of the day, what the money supply will be and what interest rates will be. We are back into a period of tight money and high interest.

A few years ago there was no such timidity about admitting tight money and high interest policies. They were boasted about and were presented to the public as being a cure-all for all of our problems. In 1955, the money managers instituted tight money and high interest to fight what they thought was a boom in consumer installment purchases. In 1956 and 1957, the money managers squeezed money and raised interest for the purpose of dampening what they thought was a runaway investment boom. They finally choked off the investment boom and brought on a recession. Then they sat back and counseled that we all wait for adjustments to take place in the market, saying they were hopeful that the level of investments would soon increase again and everything would be all right.

Three things pulled us out of the recession: (1) The raising of the debt limit which permitted an increase in defense spending; (2) the retroactive pay increase for Federal employees; and (3) the unusually large farm crops.

Now the Secretary of the Treasury comes forward and says that the reason for the high interest rate is the $13 billion deficit, and the fact of the matter is the deficit came about in the first place because of the recession brought on by the high interest, tight-money policies.

When the administration first embarked on a program to raise interest rates, with its first issue in February 1953, it said then that its purpose was to lengthen the maturity of the debt. That has been said repeatedly since, and it has also been said repeatedly that this administration inherited a debt of short maturity.

The fact is that on December 31, 1952, 70 percent of the debt was in bonds and nonmarketable securities, and it hasn't been as high since, nor has the average maturity of the debt been raised. On June 30, 1952, the marketable debt had an average maturity of 5 years and 8 months. By mid-1953, it had an average maturity of 5 years and 4 months. By mid-1954, it had an average maturity of 5 years and 6 months. By January of this year, it was down to 4 years and 9 months.

It seems to me that after 7 years of hearing about raising interest rates so as to lengthen the maturity of the debt, everybody would be weary of it. We have now had some clear demonstrations on the way to manage the Federal debt and on the way not to manage it.

We financed the unprecedented burden of World War II without having the bond rate go above 2½ percent, and we had the least inflation that any country has ever had as the result of any major war. Maintaining low interest left the Treasury in a good position to make substantial reductions in the national debt after the war. Between 1945 and 1950 the debt, including guaranteed issues, was decreased by $22 billion. Furthermore, the Government was in a good position to make savings in other ways. In 1948, bank profits were high, so the Federal Reserve Board increased its contribution to the money supply and decreased the private banks' contribution, thus acquiring $2 billion of the debt so that the interest payments went back into the Treasury. Interest rates on the obligations were not high then, so the bankers didn't object too much. Today, of course, just the reverse is true. The interest rates are high, and the bankers are demanding a transfer of the Federal Reserve securities over to them.

In contrast, we have seen two disastrous consequences of trying to impose high interest and tight money on the country. Certainly by now everyone should know that these policies will not work.

Now, as to the proposal to raise the interest rates on the series E and H bonds, we have been playing this kind of ring-around-the-rosy for a long time, raising one rate to make it competitive with the others, and at the same time raising the others. This is a fruitless exercise. I am opposed to raising any of them.

May I close with an example we may take from the business firms of the country. In 1956 and 1957, many of the big corporations believed that the high interest rates that had been imposed then could not be sustained. Consequently, instead of going to the bond market for long-term financing at high interest rates, they went to the commercial banks and got temporary short-term financing. Then, in 1958, when there was a change in policy, and interest rates were brought down, the corporations paid off their bank loans and went to the bond market for long-term contracts.

There is no limit to the rate which the Treasury can pay for short-term obligations. I would suggest that in this period of high interest rates, the Government not be committed to any long-term contracts. There could be, in the next administration, another change in policy to low interest rates.

The following tables are self-explanatory:

TABLE 1.—*Gross Federal debt[1] per capita,[2] 1939–58*

June 30:	
1939	$350.63
1940	367.08
1941	414.85
1942	571.02
1943	1,029.82
1944	1,464.17
1945	1,851.70
1946	1,908.79
1947	1,792.67

[1] Includes obligations guaranteed by the U.S. Government.

[2] Based on Bureau of the Census estimated population for continental United States.

TABLE 1.—*Gross Federal debt per capita, 1939–58*—Continued

June 30:	
1948	$1,721.21
1949	1,694.93
1950	1,696.81
1951	1,653.61
1952	1,650.35
1953	1,667.06
1954	1,670.64
1955	1,660.42
1956	1,622.28
1957	1,580.54
1958	[3] 1,588.18

[3] Subject to revision.

Source: Annual Report of the Secretary of the Treasury, 1958.

TABLE 2.—*Demand for private savings as related to gross national product, 1951–58*

[Dollar amounts in billions]

Year	Gross national product	Gross private domestic and net foreign investment	Government surplus or deficit (Federal, State, and local)	Demand for private savings	Demand for private savings as related to gross national product (percent)
1951	$329.0	$56.6	$6.1	$50.5	15.3
1952	347.0	49.7	−3.9	53.6	15.4
1953	365.4	48.3	−7.1	55.4	15.2
1954	363.1	48.5	−6.7	55.2	15.2
1955	397.5	63.4	2.9	60.5	15.2
1956	419.2	69.6	6.3	63.3	15.1
1957	440.3	68.8	1.7	67.1	15.2
1958	437.7	53.6	−10.0	63.6	14.5

Source: Computed from data in Economic Report of the President, 1959, pp. 139, 157.

TABLE 3.—*Rate of personal savings compared with interest rates, 1951–58*

Year	Disposable personal income (billions)	Personal savings as related to disposable personal income (percent)	Average interest rates per year		
			Yield on 3-month Treasury bills (percent)	Yield on taxable U.S. Government bonds (long term) (percent)[1]	Prime commercial paper 4 to 6 months[2]
1951	$227.5	7.8	1.55	2.57	2.16
1952	238.7	7.9	1.77	2.68	2.33
1953	252.5	7.9	1.93	2.94	2.52
1954	256.9	7.3	.95	2.55	1.58
1955	274.4	6.4	1.75	2.84	2.18
1956	290.5	7.2	2.66	3.08	3.31
1957	305.1	6.8	3.27	3.47	3.81
1958	311.6	6.7	1.84	3.43	2.46
June 5, 1959			3.18	4.11	3.38

[1] Series includes: 1951 through March 1952, bonds due or callable after 15 years; April 1952–March 1953, after 12 years; April 1953 to date, 10 years and after.

[2] Averages of daily prevailing rates.

Sources: U.S. Department of Commerce and Federal Reserve Bulletins.

TABLE 4.—*Changes in interest rates compared with changes in rate of personal savings*

Year	Percent change from previous year		
	Interest yield on 91-day Treasury bills	Interest yield on long-term Government bonds	Rate of personal savings
1952	+14	+4	+1
1953	+9	+10	0
1954	−51	−13	−8
1955	+84	+11	−12
1956	+52	+8	+12
1957	+23	+13	−6
1958	−44	−12	−6

TABLE 5.—*Average maturity of marketable interest-bearing public debt*

Year as of June 30:	Average length
1951	6 years, 7 months
1952	5 years, 8 months
1953	5 years, 4 months
1954	5 years, 6 months
1955	5 years, 10 months
1956	5 years, 4 months
1957	4 years, 9 months
1958	5 years, 3 months
1959—January	4 years, 9 months

Source: Treasury Bulletin, March 1959, p. 21.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. COHELAN, from June 12, 1959, to June 23, 1959, on account of official business, U.S. delegate to International Civil Aeronautics Organization.

Mr. MCGINLEY, for balance of week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DENT, for 30 minutes, tomorrow.

Mrs. ROGERS of Massachusetts, for 10 minutes, on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. POAGE and to include extraneous matter.

Mr. ALBERT, his remarks today on the wheat bill and to include extraneous matter.

Mr. BENTLEY, to revise and extend his remarks and include extraneous matter in connection with his remarks made in Committee of the Whole today on H.R. 7246.

Mr. SCHENCK and to include an address by Postmaster Summerfield on the occasion of the sesquicentennial anniversary of Miami University.

Mr. BELCHER, to revise and extend his remarks made in Committee of the Whole today on H.R. 7246 and to include extraneous matter.

Mr. HOEVEN, to revise and extend remarks made by him in Committee of the Whole today on H.R. 7246 and to include extraneous matter.

Mr. THOMSON of Wyoming, to revise and extend the remarks he made in the Committee of the Whole and include extraneous matter.

Mr. REES of Kansas in two instances and to include extraneous matter.

Mr. BOW.

(At the request of Mr. COLLIER, and to include extraneous matter, the following:)

Mr. CHAMBERLAIN in six instances.

(At the request of Mr. ALBERT, and to include extraneous matter, the following:)

Mr. HERLONG.

Mr. ZELENKO.

Mr. RUTHERFORD.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p.m.) the House adjourned until tomorrow, Friday, June 12, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1088. A letter from the Attorney General, transmitting the report of the Attorney General on the administration of the Subversive Activities Control Act of 1950 for the year ending May 1959; to the Committee on Un-American Activities.

1089. A letter from the Secretary of Defense, transmitting the Annual Report of the American National Red Cross for 1958, together with the "Combined Statement of Income and Expenditures of the National Organization for the Year Ending June 30, 1958," pursuant to the act of July 17, 1953 (67 Stat. 173); to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLATNIK: Committee on Public Works. H.R. 5515. A bill to amend the 1956 act authorizing the disposal of certain obsolete locks and dams on the Big Sandy River, Ky.-W. Va., for the purpose of increasing the authorization relating to dam No. 3 on the Big Sandy River, Ky.; without amendment (Rept. No. 536). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 7650. A bill to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children; without amendment (Rept. No. 537). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee of conference. S. 1. An act to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes (Rept. No. 538). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of California: Committee on the Judiciary. H.R. 4243. A bill for the relief of Theodore Orel; with amendment (Rept. No. 530). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 282. Resolution providing for sending the bill H.R. 3958, with accompanying papers, to the U.S. Court of Claims; without amendment (Rept. No. 531). Referred to the Committee of the Whole House.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 5350. A bill for the relief of Mary W. Greene; without amendment (Rept. No. 532). Referred to the Committee of the Whole House.

Mr. HENDERSON: Committee on the Judiciary. H.R. 3094. A bill for the relief of Oakley O. Warren; with amendment (Rept. No. 533). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7038. A bill for the relief of the estate of Oshiro Shoko; without amendment (Rept. No. 534). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 2107. A bill for the relief of Michael D. Ovens; without amendment (Rept. No. 535). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS:

H.R. 7671. A bill to equalize the taxation of insurance companies (other than life insurance companies) and to provide revenue; to the Committee on Ways and Means.

By Mr. BAKER:

H.R. 7672. A bill to equalize the taxation of insurance companies (other than life insurance companies) and to provide revenue; to the Committee on Ways and Means.

By Mr. BENTLEY:

H.R. 7673. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts paid by the United States to certain nonresident alien employees or their beneficiaries; to the Committee on Ways and Means.

By Mr. BRAY:

H.R. 7674. A bill to amend the act of June 4, 1954, to remove certain conditions to the conveyance of certain real property of the United States to the State of Indiana; to the Committee on Government Operations.

By Mr. GEORGE:

H.R. 7675. A bill to amend the Internal Revenue Code of 1954 with respect to the size requirements which a corporation must meet in order to qualify to make the special election as to taxable status which is permitted small business corporations, and to permit a corporation to make such election annually at the close of its taxable year; to the Committee on Ways and Means.

By Mr. JONES of Missouri:

H.R. 7676. A bill to amend the act of January 12, 1895, to regulate and restrict the printing of certain extraneous matter in the CONGRESSIONAL RECORD, and to limit the number of insertions of extraneous matter in the Appendix of the CONGRESSIONAL RECORD; to the Committee on House Administration.

By Mr. LINDSAY:

H.R. 7677. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

By Mr. MOSS:

H.R. 7678. A bill to facilitate the transmission of electric power by the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 7679. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROOSEVELT:

H.R. 7680. A bill to provide for certain obligations of officers and agents of labor organizations and of employer organizations, employers and labor relations consultants; and providing for a study of management-labor problems generally; to the Committee on Education and Labor.

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By Mr. SMITH of Iowa:

H.R. 7681. A bill to enact the provisions of Reorganization Plan No. 1 of 1959 with certain amendments; to the Committee on Government Operations.

By Mr. BLATNIK:

H.R. 7682. A bill to create a Public Works Coordinator to promote long-range planning and coordination of public works, and for other purposes; to the Committee on Public Works.

By Mr. BROYHILL:

H.R. 7683. A bill to provide that the tax exemption heretofore accorded the Veterans of Foreign Wars with respect to certain property in the District of Columbia, formerly owned by such organization but never used for its intended purpose, shall apply instead to other property subsequently acquired and used for that purpose; to the Committee on the District of Columbia.

By Mr. GREEN of Pennsylvania:

H.R. 7684. A bill to provide for the temporary suspension of duties on certain types of limestone; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H.R. 7685. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 7686. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas; to the Committee on Education and Labor.

By Mr. TEAGUE of California:

H.R. 7687. A bill to amend the act of January 12, 1895, to regulate and restrict the printing of certain extraneous matter in the CONGRESSIONAL RECORD, and to limit the number of insertions of extraneous matter in the Appendix to the CONGRESSIONAL RECORD; to the Committee on House Administration.

By Mr. TOLL:

H.R. 7688. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DULSKI:

H.R. 7689. A bill to make an appropriation for the extension and remodeling of the U.S. courthouse at Buffalo, N.Y.; to the Committee on Appropriations.

By Mr. KING of Utah:

H.R. 7690. A bill to amend the act of September 2, 1958, relating to the exchange of lands between the United States and the Navajo Tribe, to clarify the intent of Congress with respect to certain excepted rights; to the Committee on Interior and Insular Affairs.

By Mr. MOORE:

H.R. 7691. A bill to amend the Small Business Investment Act of 1958 and for other purposes; to the Committee on Banking and Currency.

By Mr. ROBISON:

H.R. 7692. A bill to repeal the laws imposing Federal control on agriculture; to the Committee on Agriculture.

By Mr. HARMON:

H.R. 7693. A bill to amend the Internal Revenue Code of 1954 to repeal the tax on toilet preparations; to the Committee on Ways and Means.

By Mr. CLEM MILLER:

H.J. Res. 427. Joint resolution directing the Secretary of Agriculture to carry out a poultry diversion program; to the Committee on Agriculture.

By Mr. RHODES of Arizona:

H.J. Res. 428. Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico; to the Committee on Foreign Affairs.

By Mr. DORN of New York:

H. Con. Res. 200. Concurrent resolution expressing the sense of the Congress with respect to the nonparticipation of representatives of the United States in the Olympic games; to the Committee on Foreign Affairs.

By Mr. SMITH of Iowa:

H. Res. 295. Resolution to disapprove Reorganization Plan No. 1 of 1959; to the Committee on Government Operations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to support the efforts of Senator NEUBERGER to increase Federal funds for cancer research; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Maryland, memorializing the President and the Congress of the United States relative to requesting favorable action on Senate bill 910; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAUMHART:

H.R. 7694. A bill for the relief of Robert H. Point; to the Committee on the Judiciary.

By Mr. BLATNIK:

H.R. 7695. A bill for the relief of Milka Jurisich; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 7696. A bill for the relief of Emma Grund; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 7697. A bill for the relief of Gaetano Talento, Elisa Talento, Gennaro Talento, Aniello Talento, and Adriana Talento; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 7698. A bill for the relief of Amelia Reyes; to the Committee on the Judiciary.

By Mr. RAY:

H.R. 7699. A bill for the relief of Giovanna Massagli; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.J. Res. 429. Joint resolution to authorize the issuance of a gold medal in honor of the late Prof. Robert H. Goddard; to the Committee on Banking and Currency.

By Mr. LANE:

H. Res. 296. Resolution providing for sending the bill H.R. 1717, with accompanying papers, to the U.S. Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

216. Mr. HERLONG presented a petition of the Board of County Commissioners in and for Seminole County and 417 members of the Junior Chamber of Commerce in Seminole and Orange Counties, Fla., petitioning consideration of their resolution with reference to supporting the aim of the U.S. Junior Chamber of Commerce and the Sanford-Seminole County Junior Chamber of Commerce bringing about a much needed tax reform in the operation of the U.S. Government, which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

"Clean Mail" Campaign by Congress Moves Forward

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1959

Mr. REES of Kansas. Mr. Speaker, the growing problem of obscenity sent through the mails is most timely. At no time in our history has there been more urgent need for strong and informed leadership by the Congress of the United States in our efforts to curtail dissemination of filth and smut that should not even be printed, much less transported through the U.S. mails largely at public expense.

I have devoted a large part of my time and attention to the problem of illegal use of the mails during my entire tenure as either chairman or ranking minority member of the Post Office and Civil Service Committee since it was created in 1947. Based on my personal studies in the 80th Congress, I introduced legislation in the 81st Congress to close gaps in the laws which require the Postmaster General to exclude obscenity and pornography from the mails. As the ranking minority member of the Select Committee on Current Pornographic Materials in the 82d Congress, I took a very active part in the development of evidence showing that the selling of vile literature, pictures, and other unfit materials is big business. I cosponsored legislation which became law in the 84th Congress, authorizing the Postmaster General to impound incoming mail of persons found to be sending this material through the mails.

The Congress supplemented this impounding authority by enactment of a stronger venue law, Public Law 85–796, authorizing prosecution at point of delivery of obscene matter, as well as at point of mailing. These two statutes represent major legislative steps to strengthen the hands of the Postmaster General and the Department of Justice in their efforts to prevent illegal use of the mails. Yet even these laws have not served fully to protect the public.

Our committee this year obtained approval of House Resolution 78, including authority to conduct further investigations of use of the U.S. mails for the distribution of salacious matter and other illegal articles. We have found that this revolting traffic has grown to unbelievable proportions.

This committee investigation has one purpose and one purpose only. That purpose is to protect the American public. The Postmaster General testified that the American people are being bilked of nearly a half billion dollars yearly through illegal mail order traffic in obscenity.

I do not mean to imply that the mails represent the only means for distribution of this vicious material. There are, of course, many other avenues but the postal service is the Government instrumentality involved. For this reason, the Postmaster General, almost since the inception of the postal service, have been charged with the duty of preventing use of the mails for illegal or immoral purposes. There is no provision of law which has been enforced to better purpose for all of our people than this legal duty.

When the Postmaster General finds that the mails are being used illegally, he may order mail addressed to the offender to be returned. This cuts off the fruits of the illegal venture. This system has developed into an exact but equitable science. During the past 50 years, out of the many thousands of unlawful orders issued, only five or six have been found in error.

No matter how carefully the laws are drafted, however, and however firm the legislative purpose, we often find that their administration may be quite another thing. Thus it is that, in our continuing committee studies, we find there is need of still further vigorous attack on the age-old problem of protecting the public against dealers in filth. I believe that two vital points for successful attack have been disclosed by our committee studies this year. The first relates to strengthening of the criminal laws. The second relates to public participation.

It is crystal clear to me that the incidence of criminal offenses in use of the mails for immoral purposes is directly related to the moral climate of the particular segment of the public concerned. For example, we find that the bulk of salacious matter moving through the mails originates in a certain few localized sections of the country. Certainly, it is no coincidence that prosecutions in these same localities have resulted in extraordinary light sentences even where a conviction is obtained. This condition bids fair to be corrected, to some extent at least, by the venue law I mentioned. Already, in one case, a court sitting in the jurisdiction where certain obscene matter was delivered through the mails has sentenced the offenders to 10 years' imprisonment. This is the kind of penalty that will make purveyors of filth think twice before starting their business. This sentence points up the absurdity of a recent slap-on-the-wrist penalty handed down by another court—sitting in a jurisdiction from which a great deal of obscene mail flows—which sentenced the offender to only 6 months' imprisonment for mailing matter described by the Postmaster General as "some of the vilest material ever coming to the attention of postal inspectors."

It seems to me, therefore, that we should strive for reasonable uniformity in severity of sentences for criminal uses of the U.S. mails which are equally serious. Legislation to require heavier minimum penalties will have my support.

The second and perhaps most necessary point of attack on the dissemination of filth requires the concentrated and coordinated assistance and cooperation of State and local governments and of the public itself. We have received thousands of letters protesting advertising and solicitation for obscene mailings. These protests come from fathers, mothers, ministers, and priests, teachers, civic associations, and other public-interest organizations. These individuals and organizations are keenly aware of the seriousness of the problem and, I am sure, stand ready and willing to do all in their power. It may be that what they need most is a central point of guidance and leadership to make their efforts more effective. I believe that this guidance and leadership well could be provided by the Congress of the United States. I can assure you that our committee will explore thoroughly into this possibility. It may be that a voluntary, national campaign for decency is the answer.

How Sputniks Made America Rethink Education

EXTENSION OF REMARKS
OF
HON. A. S. HERLONG, JR.
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 11, 1959

Mr. HERLONG. Mr. Speaker, I should like to call your attention to a report which should have deep interest to every American concerned with educational issues. I refer to the content analysis of 82 consecutive issues of the Wall Street Journal prepared by the Center for Practical Politics, located at Rollins College in Winter Park, Fla. The title of this study is "How Sputniks Made America Rethink Education." The report has permanent interest, and I am sure that the center would be glad to provide copies of the whole text to any and all interested persons.

My reason for mentioning this report is that it illuminates a number of fine ideas, and, as Alfred P. Sloan, Jr., once said, one can sometimes substitute an idea for an expenditure. The surprise ascent of the sputniks, as we all know, created sustained anxiety throughout the American educational system. From studying the Center for Practical Politics report, however, I find the ironical conclusion that it is not so much money that is needed as that our leaders sit still and take time to think.

There has been no shortage of Monday morning quarterbacks in dealing with education, Mr. Speaker, but the analysis of this report to which I refer puts in order of rank the items discussed in the Wall Street Journal: solutions first, Federal aid second, and reasons for our educational failure third. Now, Mr. Speaker, I suggest that this itself is representative of much of our thinking these days which puts the cart before the horse. Perhaps the right order is first, reasons, second, solutions, and third, Federal aid. Nevertheless, when it comes to solutions, the proposals, in order, were to first, revise the curriculum, second, increase administrative ingenuity, and third, experiment with new methods, using present talent and facilities more prudently. First, as might be expected in a financial publication such as the Wall Street Journal, the reasons for our educational distress were laid to excessive taxation.

The report points out that whatever one's position on Federal aid may be, two major approaches to the educational problem are: first, fresh educational thinking, and second, a serious study of taxation in relation to education. The report to which I refer points out that a tax deduction on all tuition fees paid to colleges would be like a new bill of rights for the parents, a point which is of particular interest to me, Mr. Speaker, because I have sponsored legislation with a similar purpose. Likewise, a revision of tax policy would encourage the student working his way through college. It may not be necessary to bring money to Washington and then peddle it back to the States. This, at least, is an item raised by the center's report.

Mr. Speaker, I mention this subject because of its general interest and because I am proud of the contribution which the Rollins College Center for Practical Politics is making to the thinking of all good citizens and of sound public opinion.

Record of House and Senate Appropriations Committees

EXTENSION OF REMARKS
OF
HON. FRANK T. BOW
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 11, 1959

Mr. BOW. Mr. Speaker, there appears in the RECORD of June 9, 1959, the remarks of a distinguished Member of the other body which are critical of the House Appropriations Committee.

Mr. Speaker, I am proud of this House and of its Appropriations Committee, of which I am a member.

The critic of the House claims to be, and perhaps he is, a great advocate of economy in Government. I am sure that if the distinguished Member of the other body checks the record, he will find plenty of room for correction on his own side of the Capitol, before he goes so far afield as to attempt to police both Chambers.

Let us look at the record of economy between the two Houses:

First. For the entire 2d session of the 85th Congress, the appropriations bills as passed by the House totaled $70,127,464,022; the same bills passed by the Senate totaled $74,079,765,550; and the

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conference settlement was $72,653,476,248.

Second. So far in the 86th Congress, only five bills have passed the Senate, with figures as follows:

	House	Senate
District of Columbia	$27,218,000	$29,351,000
Treasury-Post Office	4,628,097,000	4,664,027,600
Agriculture	3,939,165,498	3,975,774,848
Interior	472,198,000	487,211,025
2d supplemental, 1959	2,657,402,994	2,843,902,805

Third. At the same time, the Senate has initiated and passed bills tapping the Treasury through the back door so far this year as follows:

Airport Grants	$465,000,000
Housing Act	2,675,000,000
Bretton Woods Agreement	4,550,000,000
Depressed Areas	300,000,000

It will take some doing to hide these billions under the new carpets, however thick they may be.

High School Commencement at West, Tex.

EXTENSION OF REMARKS
OF
HON. W. R. POAGE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 11, 1959

Mr. POAGE. Mr. Speaker, this is the season of the year when high school students are completing their work. It is generally known as commencement season. All over this land high school graduates are receiving their diplomas and are commencing their active contribution to the life of their communities.

On May 28, 1959, the graduates of West High School, at West, Tex., presented a typically American commencement program. This program was, in my opinion, worthy of consideration as being typical of our American way of life. It was, however, more than that. It included a splendid discussion of the subject "What Are America's 10 Greatest Contributions to Civilization?" Five of the students, Olivia Dvoracek, Linda Moseley, Bernard Lednicky, Ollie Helm, and Nell Ruth Kostohryz, presented papers. I wish it were possible to present all of these papers to the Congress but obviously there is no opportunity to include all of these documents. I do, however, want to pay tribute to their authors and to the 55 graduates, and to the high school staff headed by Mr. M. F. Kruse, superintendent; Dr. Albert L. Ford, principal of West High School; and Miss Olga Pazdral, assistant principal. The graduates were:

Jeanette Charlene Adamcik, Lillian Annie Bajer, Wesley Eugene Bankston, Doris Ann Bettge, Doris Jean Bohannan, Elmer Alfred Brem, Thomas Charles Brennan, Rose Marie Cepak, Lillie Marie Chudej, Barbara Doris Davidson, Albina Eleanor Dulak, Olivia June Dvoracek, Barbara Ann Gerik, Lawrence Ludvik Gerik, James Alton Grellhesl, Clara Nell Grier, John Larry Hardwick, Ollie Lee Helm, Clarita Catherine Hennig, Barbara Jean Hessel, Betty Anne Hodde, James Raymond Holacka, Jeannette Josephine Hruska, Julius Joseph Hubik, Jerry Wendell Janek, George Charles Jezek, Roman Anton Kapczynski, James Clement Kolacek, Nell Ruth Kostohryz, Dorothy Kotrla Kucera, Bernard Louis Lednicky, Gordon Otto Leuschner, Katheryn Faye Macha, Betty Carol Mashek, Anita Myrl Melasky, Linda Ann Moseley, Marvin Gene Owens, Rex Bennett Padgett, Milton Nelson Peterson, Betty Jean Pinter, Albina M. Picacek, Dwain Roy Pomykal, Gary Eugene Popp, Jimmie Ray Powell, Millie Ann Pustejovsky, Virgil George Schuetz, Connie Mae Sealey, Barbara Jean Silaff, Edward Joe Soukup, Mildred Regina Soukup, Shirley Elaine Sutton, Henry F. Svrcek, Shirley Ann Webb, Charles Raymond Wedeking, Donald Wayne Wedeking.

I congratulate and greet each one of them and each one of the thousands of high school graduates throughout America. On them depends the future of this country.

The Vital Decisions We Face

EXTENSION OF REMARKS
OF
HON. PAUL F. SCHENCK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 11, 1959

Mr. SCHENCK. Mr. Speaker, Miami University and Oxford, Ohio, in my congressional district have been signally honored this year on the occasion of the 150th anniversary of the establishment of the university. You will recall that this House of Representatives and the Senate extended felicitations to Miami University in House Concurrent Resolution 185.

The Post Office Department has just issued a new regular 12-cent stamp honoring President Benjamin Harrison, who graduated from Miami University in 1852. The Honorable Arthur E. Summerfield, Postmaster General of the United States, spoke at Oxford on June 6, 1959, on the first day of issuance of this new stamp at Oxford.

Later that same day he addressed a convocation at Miami University and was awarded an honorary degree. It was a great pleasure and honor to have the Postmaster General in our Third District of Ohio, and I am happy to present the address he made on this occasion:

THE VITAL DECISIONS WE FACE

(Address by the Honorable Arthur E. Summerfield, Postmaster General of the United States, before the convocation of alumni marking the sesquicentennial year of Miami University, Oxford, Ohio, June 6, 1959)

The honor you have given me today is one I shall cherish all my life.

Like all who know Miami University, I deeply admire this institution which has blended liberal interests, intellectual breadth and conservative practices so well in its teachings.

I am happy to be here on the campus of this university where my able special assistant, L. Rohe Walter, got his undergraduate training.

In its century and a half, Miami has played a profoundly important part in our incredible progress. Its original goals of good education, virtue, religion, and morality, so thoroughly tested by time, enjoy the blessing and respect of all Americans. Backed by a proud record of accomplishment, this university is dedicated to even greater growth and service in the years ahead.

The New Miami, since 1885, has given far more than its quota to the enlightened leadership of our Nation.

And certainly Old Miami made remarkable contributions to the public weal over the early years.

Of the 900 men who became Miami alumni during those years, 10 were to be Civil War generals, 7 U.S. Senators, 16 Congressmen, 8 State governors, 7 ministers to foreign governments, 4 college presidents, 4 newspaper editors—and 1 became President of the United States.

As you know, your Post Office has joined today in honoring that Miami alumnus who became our country's 23d President.

It has been my privilege to authorize a 12-cent regular postage stamp, featuring the likeness of Benjamin Harrison, which has been placed on first-day sale here in Oxford this morning. Next Monday this stamp will be available in all our 36,000 post offices throughout the Nation.

In paying tribute to Benjamin Harrison, we have been conscious of his place in history not only as a great President, but also as a devoted citizen. He was a man who clearly believed in pursuing a deep and active interest in his country's welfare.

As a lawyer and officeholder, he spoke out firmly on matters of concern to the people.

As a soldier, he served with distinction in the Civil War.

As U.S. Senator and as President, he took his stand on the issues of his time, and participated fully in bringing about the solutions he believed to be right.

That kind of participation—that belief in the importance of individual opinion which characterized Benjamin Harrison—is more essential today than ever before. It is essential for every one of us here—as for every American citizen.

We are faced with challenges of great and critical scope. We are faced with crucial decisions.

And, above all, we must remember that not Government alone, or any segment of our society, is responsible for making these decisions. It is rather all the people who must weigh our problems and determine our future.

I should like to discuss these basic problems with you briefly—and then, if I may, I should like to suggest the vital part you can and should play in meeting them.

I want to speak, not only as your Postmaster General, but as a member of President Eisenhower's Cabinet and a member of the President's Committee on Price Stability for Economic Growth.

There are three specific challenges that command our attention. They are:

1. The Communist threat to our national safety.
2. Our battle against inflation.
3. The urgent necessity for tax reform.

All of these, of course, are interrelated.

Our national defense depends upon a strong economy—and our economy is acutely responsive to what we do about inflation, about production costs and prices, and about taxation.

The Communist challenge we face is military, political, spiritual, and economic.

We and our allies have steadfastly maintained our military and political strength. We have rebuffed the Communist threats and at every turn, we have given positive demonstrations of our determination to stand firm.

I have just returned from Europe, and I can tell you that the strength of purpose of our allies is equal to our own.

At the same time, we continue to explore every avenue for justly solving the issues that divide the world.

In the battle of spiritual values, we cannot lose so long as we preserve the freedom and moral strength on which our way of life is built.

We are facing up to the all-out economic war the Soviets have declared—but it is here that they are most confident.

They believe they can defeat us in this war without risking their own total destruction.

They acknowledge that we are well in front. But they intend to overtake and surpass us.

They believe we have not the system or the will to maintain our economic strength and growth. They expect our economy to explode, while theirs continues to grow.

My friends, I think we must agree that we dare not look lightly on their great expectations.

For here, indeed, is involved one of the great decisions we must take.

We are in the process of building a more powerful economy. But, ironically, the very soundness of this economy is threatened by deadly forces that have wrecked other strong nations in the past.

These are the forces of inflation and onerous taxation—and the truth is, we have not fully united, as a people, to overcome them.

I suggest to you that there is urgent reason for us to do so.

There is pressing reason for us to realize what inflation really is—and to act upon this knowledge.

I am sure we all agree on what inflation does for we have had ample opportunity to see it at work.

To most Americans, inflation means higher costs of living. It means more and more struggle to make ends meet as costs go up and the value of the dollar goes down.

Since 1939, our cost of living has more than doubled. The value of the 100-cent dollar of 1939 dropped by 47 cents over the next 15 years, and it has dropped by 5 cents more since 1952.

Inflation feeds on the income and the savings of every individual, every enterprise in America. It robs us of the real value of the dollars we earn. It destroys the will to work and the desire to save.

It makes education increasingly costly, at a time when America's colleges are facing the greatest demands ever placed upon them, and it causes the serious fiscal problems of our educational institutions to multiply.

Now, what are we doing to meet this deadly force? We are waging a battle, led by the President of the United States, which in the past year has succeeded in bringing the rise in the cost of living under control.

We are fighting for the stable dollar we must have to go forward soundly.

We have quickly surmounted the recession of last year and have resumed our economic growth at a record rate, with its expanding opportunity for every citizen.

But maintaining this sound and sensible progress is extremely difficult. We are faced with tremendous pressures for a resumption of the inflationary process.

These are vast pressures for extravagant Government spending, and for sharp new uptrends in the spiral of wages and prices.

The spending pressures are coming from many sources. Some of the most insistent come from some of the leaders of our Congress, and some State administrations. State and local taxes, for example, have trebled since World War II and the rise isn't over yet for the States, counties and cities now spend $1.10 for every $1 they get in income.

These public spenders are practicing government-by-pressure group rather than government for the people. And they will only be dissuaded by public opinion strong enough to impress its will upon them.

Those in our Congress, and out of it, who are committed to excessive spending, and deficit financing, contend that going into heavier debt is no problem, because we can eventually tighten our belt and make it up.

But the hard question is simply this:

If we cannot pay our way as we go and reduce our national debt when our economy is running at an alltime high, when and how could we ever expect to accomplish this goal?

The question also arises: Who is to pay these stupendous debts eventually? We must assume that the intention, in large part, is for the students of today, such as you now on this campus, to bear this burden in due time. It is you who would have to pay most dearly for the victories of the pressure groups now.

We must recognize, too, that great pressure for inflation is generated by what has come to be known as the wage-price spiral.

There is no question but what the legitimate function of every labor leader is to ask for—to negotiate for—higher wages.

This is a rightful purpose of union leadership.

I myself worked at a factory job as a young man—and I know very well that one of my goals was higher wages. I have always been, and will always be, in favor of a responsible union movement.

But union members, with all other Americans, have every reason to insist that their leaders, as well as the leaders in management, exercise a high order of responsible statesmanship.

It is up to union leaders to recognize that if they use their vast economic power to force wage increases and employees benefits too high, they bring about fewer jobs and greater unemployment.

By forcing wage increases which far outrun increases in productivity, they can set the spiral of wage-price inflation going again.

The President has repeatedly emphasized that this matter is of deep concern to all 175 million Americans. And he has said that the American people cannot stand idly by and let the destructive forces of inflation be unleashed again.

We know, too, that more inflation will deprive our industries of adequate earnings to plow back into new products, equipment, and plants.

We must look to the expansion of our production capacity to increase job opportunities in the future. We must take every step to encourage, not sap, the growth power of industry and business.

In doing so, we need to recognize the burden our taxation is placing on the accumulation of capital for investment.

It is the same burden imposed on the personal incentive and earning power of every citizen.

The tax foundation tells us the average earner of $4,500 a year works 22 days each month.

Seven days of this total—nearly one-third of his working time—is taken from his income in taxes.

And as he may succeed in building his income, he can look forward to the tax chunk becoming larger.

We need to relieve this stifling tax load carried by the individual citizen and by our business system.

There are over 100,000 taxing authorities in our country. Their weight can literally crush the ability of business to meet its job-creating capital needs.

Our present tax structure is seriously outdated. It is a set of laws reflecting largely the condition of the past, especially World War II, when the goal was the confiscation of war profits, not the building of a sound peacetime economy.

A sensible, equitable, dynamic tax program is needed in its place. Such a program will keep total revenues up, not by taxing away incentive and means of growth, but by steadily increasing the tax base.

I have stated these problems of communism, inflation and taxation to you briefly. What progress are we making toward their solution?

We are, in fact, making uphill but encouraging progress, both within the Government and in the mobilization of public opinion.

Our Federal administration has set a realistic national budget, and is making a determined effort to keep the costs of Government within this budget.

We are meeting the full needs of our defense program. We are meeting all the legitimate needs of our people.

We are striving to operate the Government on a pay-as-you-go basis, thereby avoiding the fatalistic deficit philosophy so easy to get into but so desperately hard to shed.

And finally, we are taking positive steps to prepare for a program of progressive tax reform.

Because all of these efforts face powerful opposition, they depend of course on public opinion for their ultimate success. Here, too, we have reason for optimism.

In the past 6 months, we have seen a remarkable demonstration of the power of public opinion in this country.

When the 86th Congress convened, the spending philosophy was riding high in its ranks; there was almost no outlook for legislation giving union members and the public the protection they wanted; and there were only a few voices calling for a new look at the problems of taxation.

Today, the growing effects of aroused public opinion are clearly evident. Powerful forces still are bent on excessive Government spending, but strong opposition to them, both in and out of the Congress, is causing some searching reassessments to be made. The likelihood of preserving a balanced budget and holding inflation in check has grown brighter.

Union members throughout the country have made it clear that they are not in accord with the autocratic decisions of the small group of leaders who exercise national power.

Highly responsible newspaper studies and opinion polls make it clear that most union members do not want wage increases which inevitably will bring greater inflation upon them.

Seventy percent or more of the members of some of our leading unions have children in college—a good and significant fact—and they do not want more inflation to push the cost of higher education for their sons and daughters beyond their reach.

They have made it clear they do not want strikes. They have made it clear they want legislation to protect their rights. And the public in general has made increasingly evident its support of these millions of union members.

From throughout the country, we are hearing reports of taxpayer dissatisfaction with pressure-group budgets which result in constantly rising tax rates. There is a mounting ground swell of support for those public officials who make determined effort to set realistic budgets and to keep Government expenses within those budgets.

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All these are trends. But they are still trends. They must be carried forward with firmness and tenacity by the American people if they are to end in real success.

My appeal to you today is to join the battle to meet this challenge.

I am proud of my Midwest heritage, and I know that all of you from this great part of the country feel that same pride.

The Midwest is a cradle of patriotic and progressive action, and of leadership, for the public good. Let us be sure that that heritage is fully upheld in these critical days.

Whether you are student, a faculty member, or an alumnus of Miami, your voice is important. Your help is needed. Your leadership is important.

I urge you to take your place among those who will speak, work, and fight for sound policies and a stronger America in the years before us.

There is, unfortunately, a widespread tendency on the part of the public to "let George do it" insofar as our Government is concerned. We ask and expect the President, the Vice President, the Cabinet, the heads of a few agencies, and the responsible Members of the Congress to carry on the overall management of our Government and protect the public welfare. Too many fail to do their share and far too few citizens take an active interest in, and forcibly support, good government.

Only by universal participation can we be sure that the Government will serve all the people—not some special interest—and assure the greatest opportunities for all our citizens.

My friends, this is the banner of true liberalism.

Advancing under it, we shall meet the Communist economic challenge as surely as we shall meet the military and political challenge.

We shall build the better tomorrow for which the leaders and the faculty of this university are preparing our young people—and into which the students of today and tomorrow can proceed with bright hope.

We shall move forward, in full confidence, into the golden era of unlimited opportunity that lies ahead for every American.

John W. Mahan, Commander in Chief, Veterans of Foreign Wars

EXTENSION OF REMARKS
OF
HON. J. T. RUTHERFORD
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 11, 1959

Mr. RUTHERFORD. Mr. Speaker, for many years, throughout the history of our country, veterans, through their veterans' organizations, have made great contributions to the formulation of our national policies. In so doing our veterans have materially enhanced the greatness of our Nation.

It is indeed a tremendous honor for any veteran to be chosen by his comrades to head one of our great veterans' organizations. The responsibility of serving as the acknowledged leader and spokesman for a large national veterans organization is a heavy responsibility in every sense of the word.

At this time I rise to invite the attention of the Members of the House to the truly outstanding services to veterans and to our Nation which have been performed by Mr. John W. Mahan, the present commander in chief of the VFW. During his tenure as national commander in chief of the VFW, the membership of that organization, composed entirely of oversea veterans, has been steadily, month by month, breaking previous records. Commander in Chief Mahan, through his tireless and vigorous program of visiting VFW and governmental leaders throughout the country, has created in every part of our Nation a new awareness of the indispensable role that the VFW is performing in furthering the interests of our national security and helping shape other vital governmental policies.

Here in Washington the VFW, under Jack Mahan's leadership, has achieved even greater stature and influence. I know, from conversations with other Members of this House, that they share my views with respect to the assistance, advice and understanding which has been accorded to us by this unusually able and sincere VFW commander in chief. Very appropriately, there is never any question but what he has forcefully, astutely, and intelligently fought for the interests of the veterans. One of the reasons he has been so influential is that he possesses an amazing knowledge of veterans problems and their legislative aspects. He meets with us as a fellow citizen, a keen student of veterans affairs, and a man of great objectivity and wisdom.

Undoubtedly one of the reasons why the influence and stature of the VFW is so great at this time is that Commander in Chief Mahan has, during his tenure as commander in chief of the VFW, moved to Washington and temporarily set up residence here at the seat of Government. Consequently, he is available for consultation and advice to members of the House and Senate on short notice whenever a matter concerning veterans legislation or subjects in which they are interested arises. He is probably, as a result of his residency in Washington, better known personally to Members of Congress than any person previously occupying a similar position. Members of Congress and veterans, both individually and as members of their organizations, are indebted to Jack Mahan for the thoroughly conscientious and extremely able manner in which he has represented the VFW in Washington during this session of Congress.

The VFW influence has been marked, not only in matters of vital interest to veterans, but in problems connected with national defense policy, housing, education and practically every major aspect of legislation. There is no doubt in my mind but what the work of Jack Mahan, which was so effective by reason of his actual residency, was largely responsible for the action of the House of Representatives when it recently increased veterans' appropriations above that recommended by the administration.

Seldom has the influence of one person made such a great contribution to such vital legislation. The VFW has long been noted as an organization interested in the Nation's defense and security; it has a heritage of freedom and Commander Mahan will, I know, continue the VFW tradition in this respect.

As a member of the VFW—in which I have held the profound privilege of being the commander of the department of Texas—I share the feeling of my colleagues in Congress who are proud that a great veterans' organization has produced such a patriotic, sincere, and able leader as John W. Mahan.

The New Benefits of the Railroad Retirement Act, Public Law 86–28

EXTENSION OF REMARKS
OF
HON. HERBERT ZELENKO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 11, 1959

Mr. ZELENKO. Mr. Speaker, under leave to extend my remarks and with the unanimous consent of the House, I take this opportunity of expressing satisfaction upon the enactment of Public Law 86–28, known as the Railroad Retirement Act, which I had the pleasure of actively supporting.

This vital legislation was necessary to overcome the economic inequities heretofore existing for thousands of our American citizens who have given many years of their working lives to the railroad industry.

The various railroad unions are at present in the process of informing their members of the benefits accruing under the act.

In response to a great number of inquiries which have been directed to many of my colleagues and myself from railroaders, I take this opportunity of presenting in simple form an explanation of the principal new amendments dealing with the benefit features of the law.

I. NEW RETIREMENT PROVISIONS

A. All retirement and survivor annuities and pensions are increased by 10 percent effective June 1, 1959. The July 1 payment will reflect this increase. There is no need to apply for the increase; it will be granted automatically by the Railroad Retirement Board. The maximum old-age annuity now is $204 a month for a retired employee and $65 for his eligible wife.

B. Beginning June 1, 1959, railroad earnings up to a maximum of $400 a month will be counted in figuring the amount of any retirement or survivor benefits based on the employee's service. Also, the employee and the employer will pay retirement taxes on the employee's earnings up to a maximum of $400 a month. Under the old law the monthly

limit on creditable and taxable earnings was $350.

C. Beginning June 1, 1959, the employee and employer retirement tax rate was increased from 6¼ percent to 6¾ percent each on earnings up to $400 a month. In 1962 this rate will rise again to 7¼ percent.

D. Women employees with less than 30 years of service, and wives of retired employees, may elect to receive a reduced annuity at age 62. The annuity will be reduced by 1/180 for each month they are under age 65. Under the old law they had to wait until age 65 to qualify.

E. An employee under age 65 who is retired on disability may earn up to $1,200 a year without losing his retirement benefit. If he exceeds $1,200 a year he loses 1 month's annuity for each $100 earned over $1,200. Under the old law the disability annuitant lost 1 month's annuity for any month in which his earnings exceeded $100.

F. For veterans drawing non-service-connected disability pensions from the Veterans' Administration, the railroad retirement benefits will no longer be counted as earnings under the income limitations of the Veterans' Administration which are $1,400 a year if the veteran has no dependents and $2,700 a year if he has one or more dependents.

Under the old law a veteran was permitted to waive all or a portion of his railroad retirement benefits in order to come within the income limitations.

II. NEW UNEMPLOYMENT INSURANCE PROVISIONS

A. Benefits payable to unemployed or sick railroad workers will be, on the average, 20 percent higher than under the old law. The new daily benefit rates range from $4.50 to $10.20 a day, depending upon the employee's annual compensation in the preceding calendar year. These new benefit rates are retroactive to July 1, 1958.

B. Extended unemployment benefit periods beyond the maximum of 130 compensable days provided under the old law will be provided as follows:

First. Those with less than 10 years of railroad service who have exhausted their unemployment benefit rights after June 30, 1957, and before April 1, 1959, can receive benefits for an additional 65 days in the period June 19, 1958 through June 30, 1959. This extension is the same as the Congress provided for all other unemployment insurance systems covered under State laws.

Second. Those who have 10 but less than 15 years of railroad service and have exhausted their rights to normal unemployment benefits can draw benefits for as many as 65 additional days in the 3 months following the exhaustion of their benefit rights.

Third. Those who have 15 or more years of railroad service and have exhausted their rights to normal unemployment benefits can draw benefits for as much as 130 additional days in the 6 months following the exhaustion of their benefit rights.

Fourth. Those who have 10 or more years of railroad service and are not currently qualified for unemployment benefits, but will be qualified employees in the next benefit year, can start the next benefit year early, at the beginning of the month in which they were unemployed 14 or more consecutive days.

C. Sundays and holidays could be compensable days of unemployment, just as any other day, whether or not such Sundays and holidays are preceded and succeeded by a day of unemployment. Under the old law Sundays and holidays could not be counted unless they were preceded and succeeded by a day of unemployment.

D. Unemployment benefits are now payable for all days in excess of 4 in the first registration period—consisting of 14 days—in a new benefit year. The old law provided for payments for all days in excess of 7 in the first registration period in a new benefit year.

E. Beginning July 1, 1959, those who become unemployed or sick will need wages of $500 or more—instead of $400 under the old law—in the preceding calendar year in order to qualify for benefits.

F. Beginning June 1, 1959, earnings up to $400 a month will count toward the base year earnings of an employee and the payroll tax—paid by the employer only—will be paid on earnings up to that amount.

G. Beginning June 1, 1959, the payroll tax on railroad employers was increased from 3 percent to 3¾ percent, the new maximum rate provided by the new law.

The increase in the retirement tax rates and the taxable base are now considered to be adequate to pay for the 10-percent increase in benefits and also to eliminate the deficit in the railroad retirement account which amounted to over $200 million annually. There is assurance that the railroad retirement system is now actuarially sound.

It is my sincere hope and prayer that the benefits of Public Law 86-28 will afford adequate security for the railroaders and their families for some time to come.

The Postmaster General Is Commended for Preventing Obscene Matter From Going Through the Mail

EXTENSION OF REMARKS
OF
HON. EDWARD H. REES
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 11, 1959

Mr. REES of Kansas. Mr. Speaker, I join millions of American fathers and mothers in congratulating Postmaster General Summerfield on his forthright and public spirited action in banning this book, called "Lady Chatterley's Lover," from the U.S. mails. This is in the highest tradition of the performances by our Postmasters General of their legal duty to protect the public by closing our great postal communications system to peddlers of smut and filth.

I have devoted much of my time and attention, during my entire service in Congress, to the maintenance of a clean mail postal system. To me, the most significant factor in the Postmaster General's action is his recognition of the underlying principle that the test of obscenity in matters of this kind is whether, in applying "contemporary community standards," the dominant theme as a whole appeals to prurient interests. Few if any Americans would want to acknowledge that the moral standards of their community are such as to condone use of the mails to distribute this type of book. The subject of the Postmaster General's ban is so vile and filthy—so altogether repulsive—as to offend the sense of decency of every right-thinking American. A calculated appeal to immorality of this kind cannot be glossed over and made less lewd by any artistry of rhetoric or prose. It is a misuse of languages toward an end contrary to all the finer ideals and standards of civilized mankind.

The Postmaster General is to be strongly commended for his alert and effective action to protect the public by forestalling this latest effort to open the mails for traffic in obscenity, pornography, and other illegal matter. This book not only should be excluded from the mails; it should be banned from newsstands, stores, and all other places of sale or distribution.

National Safe Boating Week

EXTENSION OF REMARKS
OF
HON. CHARLES E. CHAMBERLAIN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 11, 1959

Mr. CHAMBERLAIN. Mr. Speaker, in the 85th Congress, it was my pleasure to sponsor a joint resolution authorizing the annual observance, by Presidential proclamation, of National Safe Boating Week during the week which contains the Fourth of July. This legislation was approved in time for the first Presidential proclamation to be issued last year.

I am happy to report that the 1958 National Safe Boating Week was an unqualified success in its objective of focusing attention upon the potential dangers—and the need for safe boating practices—in this fast growing recreational field.

On Saturday, June 27, this year's National Safe Boating Week will get underway. It is estimated that since the 1958 week some 9 million more Americans in a million more boats have taken up the sport. That rate of increase is showing few signs of diminishing, and only emphasizes the growing importance of boating safety work by numerous boating and yachting clubs, marine manu-

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facturers and dealers, and safety associations.

Coordinating these activities are the U.S. Coast Guard and its civilian arm, the Coast Guard Auxiliary, the voluntary organization which was authorized by act of Congress some 20 years ago for the purpose of promoting safety in the small boating field.

These organizations, I should emphasize, work the year around to make boating a safer recreation. The auxiliary, which is open to all citizens over 17 years old and own a 25 percent interest in a boat, plane or amateur radio station, now numbers nearly 17,000 members from the Atlantic coast to Hawaii, including Alaska.

I was privileged recently to attend the May 6 opening day of the Coast Guard Auxiliary's national conference in New York City, where I gained further insight into the valuable work of this organization.

Under leave to extend my remarks in the RECORD, I include the auxiliary's report on the conference from its monthly digest, "Under the Blue Ensign," and also the announcement of the 1959 National Safe Boating Week by Vice Adm. A. C. Richmond, commandant of the U.S. Coast Guard, in which he clearly sets forth the objectives of this special observance, and the President's proclamation, as follows:

UNDER THE BLUE ENSIGN

(Monthly digest of the U.S. Coast Guard Auxiliary)

The annual national conference of the Coast Guard Auxiliary, recently held at the Hotel Astor, New York City, was the largest and one of the most successful held thus far. Members returned to their units throughout the country, Alaska, Hawaii, and Puerto Rico, confident that with the plans for future activities, this, the 20th anniversary of the auxiliary, will be a banner year.

After convening the conference, Capt. Harold B. Roberts, chief director of the auxiliary, turned the presiding gavel over to National Commodore Charles S. Greanoff. The principal speaker for the opening session was Congressman CHARLES E. CHAMBERLAIN, Republican of Michigan, who sponsored the National Safe Boating Week legislation. The Congressman stated that the fine reputation of the Coast Guard and the auxiliary was a tremendous assist in getting congressional approval of the Presidential proclamation. He expressed his availability to further aid in the promotion of safety, feeling that we must arouse a high degree of safety consciousness among boat operators comparable to that which has been done with automobile operators.

At the Commodores' Luncheon, honoring the Commandant of the Coast Guard, Vice Adm. A. C. Richmond recalled that he had helped frame the original regulations for the organization in 1939, and thus took a certain personal pride in now viewing its steady growth and its fine record of accomplishments, especially in recent years. He stated that there is an even greater need for its services in public education and assistance to the Coast Guard. The commandant cautioned that the Boating Act of 1958 will not permit "resting leisurely on the oars"; education not regulation is the primary answer to safey afloat. In addition, the Coast Guard will still enforce the law on Federal waters, although it will coordinate its activities, wherever possible, with States providing adequate enforcement.

Certainly, if a State moves into the law enforcement field and if it is effectively enforcing its own State laws with respect to small boats, the Coast Guard, having limited facilities, will use those facilities in other States that are not enforcing the law or do not have comparable law enforcement provisions. But, this in no way relieves the Coast Guard of the responsibility of discharging the Federal functions.

At the conclusion of the luncheon, the Commandant presented certificates of office to each of the 12 district commodores in an installation ceremony.

The 4-day conference concluded with a windup dinner-dance. Assistant Secretary of the Treasury A. Gilmore Flues told the assembled members and guests that the auxiliary, like its parent service the Coast Guard, has a growing responsibility and importance in problems of peacetime activities. Mr. Flues observed that the auxiliary has assisted the boating public immeasurably by the promotion of safe boating through its educational and courtesy motorboat examination programs. He pointed out that if a maximum safety program, through a blending of law, regulation and education is achieved, much of the credit for its success will belong to the Coast Guard Auxiliary. A highlight of the evening was the special honor paid to Capt. and Mrs. H. B. Roberts by the officers of the Auxiliary National Board in behalf of the 17,000 members. The chief director leaves shortly to assume new duties as captain of the port, San Francisco.

This year, for the first time, a press conference was held for reporters and writers representing the newspapers and boating magazines. National Vice Commodore Bliss Woodward presided over the group and introduced Congressman Charles E. Chamberlain; Chief Director Capt. H. B. Roberts; National Public Instruction Officer Joseph V. Day, of Chicago, Ill., and National Publications Officer Robert J. Boyle, of Montrose, Calif., who outlined Auxiliary activities and the educational and courtesy motorboat examination programs. This group also had an opportunity of viewing the posters, publications, and other materials used by the auxiliary.

Also, for the first time, leading training aids and promotional exhibits from various districts were on display, and competed for national honors. First place was awarded to the third district (northern area), New York, with second place to the third district (southern area), Philadelphia, and third place to the second district, St. Louis.

National Educational Research Officer Alan A. Atchison described new developments and projects and presented the latest edition of the public instruction course text, "Basic Seamanship and Small Boat Handling," formerly in eight separate pamphlets, and now combined into one booklet. It will be distributed when the remaining stock of separate pamphlets is exhausted.

Culminating the business meetings were the reelections of National Commodore Charles S. Greanoff, of Cleveland, Ohio, and National Vice Commodore Bliss Woodward, of Mamaroneck, N.Y., by unanimous vote in recognition of their effective leadership during the past year.

Special acknowledgments were made to Rear Adm. H. C. Perkins, U.S. Coast Guard, commander, Third Coast Guard District, and Third District Commodore Lloyd A. Albin, and their respective staffs and committees, for their labors in arranging for the receptions, cruises, and other social events for the participants and guests.

Other honored guests who attended the conference were: Rear Adm. I. E. Eskridge, chief, Office of Operations; Capt. W. P. Hawley, chief of staff, Third Coast Guard District; Capt. Richard Baxter, new chief director; and Chief Comdr. Lester C. Lowe, U.S. Power Squadrons.

U.S. COAST GUARD.

To All Boating Enthusiasts:

I am pleased to announce that National Safe Boating Week will be observed June 27 through July 5 under the direction of the National Safe Boating Week Committee. The committee is composed of representatives of industry, education, and sports groups who, together with the Coast Guard and Coast Guard Auxiliary, are concerned with recreational boating.

Boating has become America's No. 1 family recreation. With some 37 million Americans taking to the water in approximately 7 million pleasure boats of every description, a special effort must be made to focus attention on the growing need to know and observe basic safe boating rules and regulations to maintain boating's outstanding record as one of the safest of all outdoor sports. This was the objective of the Coast Guard and the Auxiliary in originally sponsoring National Safe Boating Week.

This is a tremendous assignment and obviously is beyond the capabilities of any one organization, whether government or private, to carry out alone. If we are to make boating one of the safest outdoor activities, the National Safe Boating Week Committee must have the support and cooperation of the boating public and everyone interested in the safety of our citizens. Therefore, I call upon every boating enthusiast to join in this effort to advance the cause of boating safety.

A. C. RICHMOND,
Vice Admiral, U.S. Coast Guard, Commandant.

THE WHITE HOUSE, *April 24 1959.*

NATIONAL SAFE BOATING WEEK, 1959

(Proclamation by the President of the United States of America)

Whereas the waters of the United States provide recreation for many millions of our citizens during the boating season; and

Whereas safe boating practices contribute to greater enjoyment of the sport by reducing loss of life and damage to property; and

Whereas the Congress, by a joint resolution approved June 4, 1958 (72 Stat. 179), has authorized and requested the President of the United States to proclaim annually the week which includes July 4 as National Safe Boating Week:

Now, therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby designate the week beginning June 28, 1959, as National Safe Boating Week.

I urge all boatmen, boating organizations, the boating industry, State and Federal agencies, and all other groups interested in boating to join in this observance of National Safe Boating Week; and I call upon them to exert greater effort during that week and throughout the boating season to keep boating safe and pleasant.

I also invite the Governors of the States, the Territory of Hawaii, the Commonwealth of Puerto Rico, and the possessions of the United States to provide for the observance of this week to encourage nationwide interest in safe boating practices.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the city of Washington this 24th day of April in the year of our Lord 1959, and of the Independence of the United States of America the 183d.

DWIGHT D. EISENHOWER.

By the President:

CHRISTIAN A. HERTER,
Secretary of State.

SENATE

FRIDAY, JUNE 12, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou Shepherd of the pilgrim days:

In Thy peace our restless spirits are quieted, and by Thy love our baffled hearts are reassured.

The circumstances of our times are so appalling and dismaying to the gaze of our finite minds that the resources of our souls are utterly inadequate unless Thou replenish them by a strength and power not our own.

In this creative hour of human destiny, save us from surrendering to cynicism because of human evil, and of being made men of little faith by human folly.

Open our eyes to see a glory in our common life with all its sordid failures, and in the aspirations of men for better things and for a fairer world, to feel the pull of a resistless power that makes for love and righteousness, more constant than the stars, and which, at last, must burn away every barrier to human brotherhood as Thy Kingdom comes and Thy will is done in all the earth.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 11, 1959, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 7120) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to inform the Senate that as soon as the hearings on the Atomic Energy Commission authorization bill are available, I shall ask the Senate to give unanimous consent to permit us to expedite our action on that bill.

I should like to inform the Senate that next week we expect several appropriation bills to be reported to the Senate. When the reports and the hearings on those bills are available, I shall urge Senators to review them at as early a date as possible, in the hope that next week as many of the appropriation bills as may be available can be brought before the Senate, notwithstanding the rule. If there is objection under the rule, of course, they will go over.

Mr. President——

The PRESIDENT pro tempore. The Senator from Texas.

PROCEDURE IN CONNECTION WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, under the unanimous consent agreement which I had entered yesterday, is the calendar to be called immediately following the morning hour; or will another request be necessary?

The PRESIDENT pro tempore. If the agreement already entered is to be changed, another request will be required.

Mr. JOHNSON of Texas. However, under the order already entered, when is the calendar to be called?

The PRESIDENT pro tempore. At the conclusion of the routine morning business.

Mr. JOHNSON of Texas. That is fine; that is what I had intended.

It was suggested to me that, under the order which has been entered, it might be possible for extended speeches to be made prior to the call of the calendar. However, I understand that that would not be the case, but that only speeches within the 3-minute limitation would be in order at that time.

The PRESIDENT pro tempore. That is correct.

Mr. DIRKSEN. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. I assume that, under the order, the call of the calendar will be limited to the consideration of measures to which there is no objection.

Mr. JOHNSON of Texas. That was my request.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the new reports.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Eugenie Mary Davie, of New York, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service;

O. David Garvin, and sundry other candidates, for personnel action in the Regular Corps of the Public Health Service;

Clarence A. Imboden, Jr., and sundry other candidates, for personnel action in the Regular Corps of the Public Health Service;

George Massengill, and sundry other candidates, for personnel action in the Regular Corps of the Public Health Service;

James C. Allen, and sundry other candidates, for personnel action in the Regular Corps of the Public Health Service; and

George Moore, and sundry other candidates, for personnel action in the Regular Corps of the Public Health Service.

THE REGULAR ARMY, THE MARINE CORPS, THE NAVY, AND THE NAVAL RESERVE

The PRESIDENT pro tempore. The new reports on the Executive Calendar will be stated.

The Chief Clerk proceeded to read 2,702 nominations for the Regular Army, the Marine Corps, and the Navy and Naval Reserve, which had been placed on the Vice President's desk for the information of Senators.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, these nominations, almost 3,000 in number, have been confirmed en bloc. I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

JOINT RESOLUTION OF WISCONSIN LEGISLATURE

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a joint resolution of the Legislature of the State of Wisconsin be printed in the RECORD. This joint resolution makes eminent good sense. The joint resolution requests the Postmaster General to issue commemorative stamps to promote traffic safety and combat the tragic loss of life on our highways. In view of the enor-

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mous attention throughout the Nation that can be won by stamps, this suggestion could very well save lives by inculcating a greater awareness of the life and death importance of safe driving on our highways. I ask that the joint resolution be appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Post Office and Civil Service, and, under the rule, was ordered to be printed in the RECORD, as follows:

JOINT RESOLUTION 42, S

Joint resolution relating to the issuance of a series of commemorative stamps on the theme of traffic safety

Whereas the commemorative postage stamp has been used effectively as a device to focus the attention of the American people on great problems in our Nation; and

Whereas the tragic loss of life and property resulting from traffic accidents is one of the great problems facing the American people; and

Whereas the State Medical Society of Wisconsin has proposed that the Post Office Department issue a series of annual commemorative postage stamps during the next 5 years in an effort to stimulate in the motorists an awareness of the need for improved driving habits by the American people: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Legislature of the State of Wisconsin endorse this proposal of the State Medical Society of Wisconsin; and be it further

Resolved, That copies of this resolution be submitted to the Honorable A. E. Summerfield, Postmaster General of the United States, and to the members of the Wisconsin delegation in Congress.

———,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
GEORGE MOLINARO,
Speaker of the Assembly.
NORMAN C. CLENDENAN,
Chief Clerk of the Assembly.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY:

S. 2161. A bill for the relief of Gerald Waytashek; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina (for himself and Mr. NEUBERGER):

S. 2162. A bill to provide a health benefits program for Government employees; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JOHNSTON of South Carolina when he introduced the above bill, which appear under a separate heading.)

By Mr. O'MAHONEY (for himself and Mr. MCGEE):

S. 2163. A bill for the relief of Royce C. Plume, a member of the Arapahoe Tribe of Indians; to the Committee on the Judiciary.

By Mr. MUSKIE:

S. 2164. A bill for the relief of Osvaldo Riva Coolidge; to the Committee on the Judiciary.

By Mr. CLARK:

S. 2165. A bill for the relief of Erica Barth; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

S. 2166. A bill referring to the U.S. Court of Claims certain matters relative to the War Production Board Limitation Order L-208; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

S.J. Res. 109. Joint resolution to authorize the Secretary of Commerce to apportion the authorized amounts of highway funds for 1961 and 1962, and the Secretary of the Treasury to issue limited interim highway trust fund revenue bonds maturing not later than June 30, 1972; to the Committee on Finance.

(See the remarks of Mr. CASE of South Dakota when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTION

Mr. HUMPHREY submitted a concurrent resolution (S. Con. Res. 48) to promote peace through the reduction of armaments, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when presented by Mr. HUMPHREY, which appears under a separate heading.)

HEALTH BENEFITS PROGRAM FOR GOVERNMENT EMPLOYEES

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of myself and the junior Senator from Oregon [Mr. NEUBERGER], I introduce, for appropriate reference, a bill designed to provide employees in the legislative, executive, and judicial branches of the Federal Government with a system of prepaid health benefits. Such a program would provide Federal employees with invaluable assistance in paying for hospital and medical care for themselves and their families.

I compliment the distinguished Senator from Oregon [Mr. NEUBERGER] for his contribution to this proposed legislation. As chairman of the Subcommittee on Insurance of the Committee on Post Office and Civil Service, the Senator from Oregon conducted public hearings during the month of April on 6 different days on Senate bill 94, the bill introduced on January 9, because of the Senator's very recent personal experiences, I feel he brought an awareness of the importance of this subject matter to the individual employees which contributed materially to the design of this bill. In the course of the hearings, 54 witnesses were heard. The witnesses included spokesmen for the Bureau of the Budget, the Civil Service Commission, the Department of Defense, and the Post Office Department. Interest of employees in the legislation was demonstrated by the large number of employee organizations which asked to be heard and to have statements included in the RECORD.

As sponsor of S. 94, I have reviewed the record of the hearings. I came to the conclusion that it would be preferable to introduce a new bill rather than to have the subcommittee undertake the many revisions that were required to prepare a bill acceptable to all.

I believe the bill being introduced today resolves most, if not all, of the differences of opinion and approach which have delayed congressional consideration of this important legislation in the past. The bill provides for a reasonable degree of employee choice among different kinds of health benefits plans. It permits this choice without creating an administrative burden on payroll offices. It provides for a program of health insurance benefits which would automatically class the Federal Government as an enlightened employer, interested in the health and well-being of its employees and their families. The testimony during the hearings made it plain that up to now the Federal Government has lagged far behind private industry in this respect.

An analysis of the bill has been prepared which fully explains the provisions of the bill. I ask unanimous consent that the analysis be printed in the RECORD at the end of my remarks. It is my hope that the Committee on Post Office and Civil Service will give the proposed legislation its immediate attention so that it will be ready for consideration by the Senate in the near future.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the analysis will be printed in the RECORD.

The bill (S. 2162) to provide a health benefits program for Government employees, introduced by Mr. JOHNSTON of South Carolina (for himself and Mr. NEUBERGER), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The analysis presented by Mr. JOHNSTON of South Carolina is as follows:

ANALYSIS OF HEALTH BENEFITS PROGRAM FOR GOVERNMENT EMPLOYEES

Background: In one form or another, prepaid health benefits now cover 123 million persons in the United States. This is an indication of the value placed on the opportunity to budget medical care expenses by the American people. More than 75 percent of those enrolled in prepaid plans are enrolled through the place they work, clear evidence of the recognition by private employers that participating with their employees in obtaining health insurance contributes to the well-being and efficiency of their workers. In passing this legislation the Congress would be giving Federal employees a fringe benefit second in importance to a pay raise.

As the Nation's largest single employer, the Federal Government has for many years lagged behind private industry in not making it possible for employees to band together and purchase health insurance at group rates.

In the absence of authorization for payroll deductions and the employer contribution common in industry, Federal employees have on their own initiative developed quasi-groups of various kinds. Employees have made arrangements with Blue Cross and Blue Shield or have formed their own benefit and insurance organizations, or as union members purchased group policies. Despite the resultant complications, the Committee has sought to build upon and strengthen these worthy efforts on the part of employees to protect themselves from disastrous medical bills.

Legislative history: Starting in 1947, there have been at least 30 bills introduced in the House and Senate to establish a program for Federal employees providing for (1) payroll deductions for premiums, (2) Federal contribution, (3) latitude to select a health benefits plan that fits the employees' health needs and pocketbook.

The present administration has sponsored several types of proposals in the past three Congresses. All of them called for a Federal contribution. Extensive hearings were held

in May and June of 1956 by the House Post Office and Civil Service Committee. To date no bill has come out of committee in either the House or Senate, largely because there were disagreements about details between and among employee groups, the carriers and the proponents of the bills.

Hearings on S. 94: The Subcommittee on Health Insurance of the Senate Post Office and Civil Service Committee held 6 days of hearings on S. 94. Fifty-four witnesses were heard. In addition, numerous organizations submitted statements and exhibits. The report on the hearings covers 364 pages. This extensive record shows clearly five significant points: (1) all parties earnestly want to see legislation enacted and are determined that past differences of viewpoint will be resolved, (2) there is a marked preference for a program with broad benefits, to the extent possible on a full-service, no-deductible basis, (3) employees should have free choice among several alternative methods of providing health benefits, (4) the contribution by the Government should be at least 50 percent, (5) future annuitants should be included in the program.

THE NEW BILL

After hearing testimony from the Civil Service Commission, the Bureau of the Budget, the Department of Defense, and the Post Office Department, and from 24 employee organizations, and from 7 representatives of carriers and plans, and from interested organizations and citizens, a new bill has been developed which attempts to resolve the differences in viewpoint and to meet criteria that would make the program generally acceptable to all, as follows:

Effective date: The bill would provide health insurance benefits starting July 1, 1960.

Free choice among plans: For most employees there would be a choice among two or possibly three alternative plans—

1. A Blue Cross-Blue Shield and supplemental benefits package with basic benefits on a service basis, a deductible and a fixed ceiling on the amounts of coinsurance paid by the employee.

2. An insurance company package similar to No. 1, but providing cash indemnity benefits.

3. An insurance company policy providing for a deductible and coinsurance and applying to a wide range of services.

Whether both No. 2 and No. 3 would be offered employees will depend on the judgment of the administering agency and the carriers as to the feasibility of offering both. In any event, either No. 2 or No. 3 would be offered.

Employees eligible to join or already members of national employee organizations sponsoring, contracting for and administering, a health benefits plan may select their organization's existing plan as amended to take advantage of the additional resources provided by the bill.

An employee living in an area where a prepaid group practice plan is established may elect such a plan. These plans are currently located in Washington, D.C., New York City, San Diego, Los Angeles, and the bay area in California, and in Seattle and Tacoma, Wash. One will be in operation in Detroit before fiscal 1961.

BROAD FRAMEWORK OF BILL

The bill provides a framework within which the Civil Service Commission can develop specific contracts for benefits. For example, it provides for programs of basic benefits coupled with supplemental benefits (major medical expense) and permits insurance company benefits (of the type referred to as comprehensive), which impose an initial deductible paid by the patient and and invoke coinsurance on the remainder. While no maximum amounts of benefits are specified in the bill, the Civil Service Commission would have authority to establish such maximums. The committee considers it unwise to tie the Civil Service Commission's hands by specifying dollar maximums or to to spell out in detail the specific benefit structures. Further limitations might prove to be unnecessary and undesirable, or some kinds of benefits might, in time, become inordinately expensive in relation to the service received by employees. Furthermore, we recognize that this country may be on the threshold of several major breakthroughs in the field of medicine and in the organization of medical services; we felt it would be unwise for the legislation to freeze the pattern of benefits so that future contracts would be prevented from including new developments. For example, some new diagnostic test for cancer or heart disease might require some prompt revision of the benefit pattern.

BENEFITS

Under the bill, eligible employees and future annuitants could elect one of three generally available types of benefits:

1. Those providing for the hospital and medical costs associated with care in acute general hospitals plus 80 percent of other health service costs above $100 per individual per illness;

2. Those providing for a large percentage of all stated health service costs above an initial deductible amount; and

3. The professional, health center and hospital services offered by group practice prepayment plans.

The details of benefits available to employees under each type of plan, as contracted for by the administering agency, are subject to prior review by the Post Office and Civil Service Committees of both Houses of the Congress and must be described in full to employees to enable them to make an informed choice among plans.

ELIGIBLE PERSONS

Employees in the executive, judicial, or legislative branches of the Federal Government would be eligible to enroll for themselves and members of their families, including children to age 19. Certain short-term appointees, seasonal or intermittent workers and the like may be excluded by regulation.

Annuitants who have been enrolled in a health benefits plan under the act and who, after the effective date, retire on an immediate annuity after 12 or more years of service (or retire for disability) may continue under the plan together with those members of their family covered before they retired.

Survivors of eligible retired employees and of employees who may die in service, after completing 5 or more years of service, would be included.

Employees receiving Federal employee compensation, members of their families and their survivors would be eligible under similar conditions.

ADVISORY COUNCIL

The bill creates an advisory council composed of the chairman of the Senate and House Post Office and Civil Service Committees, four other public officials and five members appointed by the President, including a representative of employee organizations.

CONTRIBUTIONS AND COSTS

A health benefits fund is created for handling the moneys collected from employees and contributed by Government.

The bill specifies maximum contributions to be withheld from employees' salaries and annuitants' annuity checks. It is anticipated that actual contributions may be less than the amounts shown when contracts are negotiated with the carriers.

	Maximum biweekly contribution	
	Employee or annuitant	Government
Individual employee	$1.75	$1.75
Male employee and family (children covered to age 19)	4.25	4.25
Female employee, dependent husband and children (to age 19)	4.25	4.25
Female employee, nondependent husband and children (to age 19)	6.00	2.50

When both husband and wife are employees or annuitants, each may enroll for himself alone but if children are to be included, one spouse and only one must enroll the entire family under a family policy.

ADMINISTRATIVE COSTS

The bill authorizes an appropriation to cover the costs of administering the program during the first fiscal year of its operation. Thereafter, administrative costs would be met from the specified contributions of Government and employees.

AGGREGATE COSTS

Data on the number of married women working for the Government, or the number of instances where husband and wife are both Government employees, does not exist. Hence, the cost estimates that follow assume that (1) 2 million employees will be eligible to participate in the program; (2) 90 percent of them will do so—i.e., 1.8 million employees will elect coverage; (3) 40 percent will enroll as individuals and 60 percent as families; (4) 150,000 women and nondependent husbands will enroll their families; (5) all contracts will be at the maximum biweekly contribution shown. (This assumption results in aggregate costs somewhat above those anticipated.)

On an annual basis, the assumed premiums are $91 for single employees ($45.50 from Government) and $221 for family coverage ($110.50 from Government).

720,000 single employees times $91 equals	$65,520,000
1,080,000 employees with families times $221 equals	238,680,000
Total	304,200,000
Government contribution [1]	145,300,000
Employee contribution	158,900,000

[1] Assumes 150,000 female employees with nondependent husbands enroll and no Government contribution is made on behalf of these husbands.

If premiums proved to be even as little as 10 cents less biweekly on single employees and 25 cents less biweekly on families, the program would cost $9 million less ($4.5 million less for Government).

BUREAU OF RETIREMENT AND INSURANCE

The bill creates in the Civil Service Commission a Bureau of Retirement and Insurance headed by a Director responsible to the Commissioners. The Civil Service Commission is given authority to promulgate necessary regulations under the provisions of the act. The Commission is also charged with the responsibility for making continuing studies of the operation of the act in all its aspects, including the extent to which it meets the needs of employees and annuitants and for reporting its findings to the Congress.

THE ALREADY RETIRED ANNUITANTS

The committee considered carefully the problems faced by the present annuitant group in financing their health needs from

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their retirement incomes. After due consideration the conclusion was reached that their problem was of such a magnitude and complexity that it required separate study and separate legislation. The annuitant group would be expected to have higher utilization than active employees. Since they equal more than 15 percent of the number of active employees, their inclusion in the same program could raise the overall costs of the program by 30 or more percent. The committee intends to devote the necessary time to a study of the problem. It has every expectation of introducing a separate proposal that will, it is hoped, bring to these deserving former civil servants some of the advantages inherent in group purchase of health insurance.

Mr. NEUBERGER. Mr. President, I am happy to join with the distinguished senior Senator from South Carolina [Mr. JOHNSTON] in introducing a new bill to provide a program of prepaid health benefits for employees of the legislative, executive, and judicial branches of the Federal service.

The Subcommittee on Insurance of the Committee on Post Office and Civil Service, of which I am chairman, held extensive hearings on S. 94. In opening these hearings I asked that the invited witnesses and those wishing to be heard from the executive branch direct their testimony to the objectives of the bill and to possible ways of obtaining these objectives. I indicated our feeling that we were not wedded to the precise provisions or specific language of S. 94. I also called attention to the fact that most employees of the Federal Government are not highly paid individuals and that the needs of the vast majority of Federal employees should be kept in the forefront of our thinking in developing this legislation.

In the course of the 6 days of hearings, we heard from some 55 witnesses. The information they brought to our attention increased our understanding of the problems employees face in coping with serious illness and in the less dramatic day-to-day medical needs.

MANY WITNESSES HEARD ON BILL

The witnesses included 24 employee organizations, from representatives of the medical, dental, and other professions, from Blue Shield, Blue Cross, insurance companies, and group practice plans. We also had witnesses from the American Hospital Association, from mental health organizations, and the like. This extensive record of almost 400 pages has been carefully considered.

We heard testimony for and against deductibles and coinsurance and soon came to realize there were at least two schools of thought in these matters. Our new bill I believe will accommodate both approaches to financing health care. The employee will have a choice of four major types of plans: First, a service benefit plan such as offered by Blue Cross and Blue Shield; second, indemnity benefit plan such as offered by insurance companies; third, group practice prepayment plan where available such as is offered in the Washington area by Group Health Association and on the west coast by the Kaiser Foundation health plan; and, fourth, employee organization plan which is sponsored by a national employee organization. I am pleased to report that the able committee staff has spent the last 2 days with representatives of the insurance industry and it is my understanding that the industry is in general approval of this bill. The provisions of the bill are such that our employees will obtain protection aginst a financially crippling illness and assistance with the more routine costs of medical care.

Regretfully, we have bowed to the administration's insistence that the health insurance plan will not take effect until July 1, 1960. We had hoped that such a plan would become operative at least 3 to 4 months earlier than this, but the administration has steadfastly held for the July 1, 1960, operative date solely for budgetary reasons.

The administration, in its testimony on S. 94, argued strongly that Government employees pay two-thirds of the cost of their health coverage. S. 94 provided that the employee pay one-third and the Government two-thirds. From the beginning of the hearings, I made it clear that the administration recommendation with respect to the sharing of the cost was unsatisfactory. Our bill provides a compromise, and the costs are shared equally between the Government and its employees. This is far more fair.

RETIRED FEDERAL EMPLOYEES MUST BE PROTECTED

We considered ways of including the present annuitant group in the coverage. In the interests of having legislation that was acceptable costwise, we have deferred action on a program for the already retired. The administration has opposed providing coverage for the presently retired former Government employees and their dependents and survivors. It is true that the cost of covering this older age group might well run several times the cost of covering active employees. For those of you who are concerned with the health needs of annuitants, let me say I hope to suggest a program particularly for them before long, within the next several weeks. One would be callous, indeed, to overlook the health needs of retired career Government employees. As chairman of the Insurance Subcommittee, I will do everything within my power to make certain that coverage is provided for them.

The bill we are introducing today has been developed through a truly cooperative effort on the part of many people, all of them anxious to see this legislation become law. The bill necessarily represents many compromises between the views of the administration, health organizations, insurance companies, and employee groups. It is my earnest hope that this legislation can be promptly considered by the Congress so that further delay will not be encountered in meeting the health needs of Government employees and their dependents. Private industry has long had health coverage plans for its employees and it is time that the Federal Government, the Nation's largest employer, provide equal benefits in this respect.

In conclusion, I wish to express my gratitude to the distinguished chairman of the full committee for his cooperation; and I desire further to thank the members of the committee staff for their help in developing this very difficult, technical proposal. We all know that providing medical care and health protection for some 2½ million Federal employees and their dependents is not an easy matter. It is a very complicated, technical, complex, and controversial subject.

I believe we have here the basis for excellent legislation. If this bill becomes law, I think it will provide a model for employers and employees throughout the Nation to establish mutual health protection programs.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a telegram I have just received from a spokesman for the insurance industry endorsing the provisions of our health benefits bill. It is important to emphasize that our bill has previously received the support of Federal employee groups, group practice plans, Blue Cross-Blue Shield, the American Hospital Association, and the American Medical Association.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

Hon. RICHARD L. NEUBERGER,
Chairman, Subcommittee on Insurance, Senate Post Office and Civil Service Committee, U.S. Senate, Washington, D.C.:

Based on our conference with your committee staff yesterday and our understanding of the provisions in the bill which you will introduce today, the insurance business believes that under this bill it would have an opportunity to serve Government employees by offering them a modern pattern of health insurance benefits which has found wide public acceptance and which currently protects millions of employees in private industry.

We are of the opinion that the measure provides a practicable basis for the development of a program of health care benefits for Federal Government employees, their families, and dependents. Prior to final enactment, we urge careful consideration of the relationship of benefits and costs under the proposed legislation, because although almost all types of health care are indicated in the bill, the benefits received will necessarily depend upon the actual number of dollars available.

We hope that prompt action will be taken on the bill and stand ready to provide such further technical assistance as may be desired.

AMERICAN LIFE CONVENTION.
HEALTH INSURANCE ASSOCIATION OF AMERICA.
LIFE INSURANCE ASSOCIATION OF AMERICA.

APPORTIONMENT OF AUTHORIZED AMOUNTS OF HIGHWAY FUNDS FOR 1961 AND 1962 AND ISSUANCE OF LIMITED INTERIM HIGHWAY TRUST FUND REVENUE BONDS

Mr. CASE of South Dakota. Mr. President, I introduce, for appropriate reference, a joint resolution which would authorize the Secretary of the Treasury to issue limited interim revenue bonds to keep the huge Interstate Highway program on schedule.

Grants already made to States for the fiscal years 1959 and 1960 have depleted the highway trust fund, which is formed

by highway-user taxes to finance road construction.

This leaves the Secretary of Commerce unable to make State apportionments for 1961 and 1962 unless a new source of funds is found.

Under the joint resolution I am introducing, the Treasury could issue against the highway fund short-term notes totaling not more than $5 billion up to 1972. No more than $2 billion could be borrowed before July 1, 1961, when a special report on the Interstate Highway program cost and progress is due.

The interest on the notes or bonds issued, as well as the notes and bonds themselves, would be repaid from trust fund earnings by 1972, when present highway levies expire.

A pay-as-you-go clause now in Federal law was suspended for the years 1959 and 1960. The House Public Works Committee has recommended that it be suspended again for the fiscal year 1961. But that would throw onto the General Treasury the burden of meeting the contractor bills and would add from $2 billion to $3 billion to Treasury deficits.

Mr. President, that solution, I am afraid, would not receive general acceptance.

The administration has recommended a 1½-cent increase in the Federal gasoline tax. Thus far there has been little congressional support for it.

So I am introducing this joint resolution for interim financing in an effort to find a solution which would secure the necessary acceptance.

Mr. President, I do not know that other Senators will wish to join me at this time in sponsoring the joint resolution. However one or two Senators have indicated some interest in this measure. Therefore I ask unanimous consent that the joint resolution lie at the desk until the conclusion of the session on Tuesday of next week in order that other Senators who may wish to join me in sponsoring the joint resolution may have an opportunity to do so.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will lie at the desk, as requested by the Senator from South Dakota.

The joint resolution (S.J. Res. 109) to authorize the Secretary of Commerce to apportion the authorized amounts of highway funds for 1961 and 1962 and the Secretary of the Treasury to issue limited interim highway trust fund revenue bonds maturing not later than June 30, 1972, introduced by Mr. CASE of South Dakota, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF CERTAIN LAWS RELATING TO THE ADMISSION OF THE STATE OF ALASKA INTO THE UNION

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the House of Representatives which will be stated for the information of the Senate.

The legislative clerk read as follows:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 7120) entitled "An act to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes," and concur therein with an amendment, as follows:

In section 23(a) of the Senate amendment, strike out the word "authorizing" and insert in lieu thereof the word "directing."

Mr. GRUENING. Mr. President, the amendment merely changes the word "authorizing" to "directing" in the proposal of the Administrative Office of U.S. Courts and the Judicial Conference with respect to the desirability of having the U.S. circuit court sit at Anchorage, Alaska. That is the only amendment. I move that the amendment be agreed to.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Alaska state whether this is an amendment to the Alaska omnibus bill?

Mr. GRUENING. It is.

Mr. JOHNSON of Texas. The bill amends various laws in order to facilitate the transition of Alaska from the jurisdiction of Federal laws to the jurisdiction of State laws, does it not?

Mr. GRUENING. That is correct. The bill received the unanimous approval of this body and the other body.

Mr. JOHNSON of Texas. I commend the distinguished Senator from Alaska [Mr. GRUENING] and his colleague [Mr. BARTLETT] for the manner in which they have handled the proposed legislation. I am delighted to know that the bill will be on its way to the White House in a short time.

Mr. GRUENING. My colleague and I are grateful to the Senate and to the other body for their speedy action on the bill.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1959—EXTENSION OF TIME TO HOLD BILL FOR ADDITIONAL COSPONSORS

Mr. BENNETT. Mr. President, my colleague, the Senator from Colorado [Mr. ALLOTT], on June 9, 1959, introduced the bill (S. 2144) to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, and for other purposes, which he asked to have lie on the desk until the close of business tonight, to make it possible for other Senators to add their signatures as cosponsors. At the request of the Senator from Colorado, I ask unanimous consent that the bill be permitted to lie on the desk until Monday night for that same purpose.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. LAUSCHE:

Letter addressed by him to Attorney General William P. Rogers regarding the Parker lynching case in Mississippi.

THE STATE OF CONGRESS

Mr. PROXMIRE. Mr. President, various leading Members of Congress have talked in glowing terms about the accomplishments of the Congress to date. Other commentators have called it a "do nothing," "do little," "won't do," or even an "alibi Ike," or perhaps I should say "Alibi is 'Ike'," Congress.

This morning's New York Times carries an objective and, in my judgment, unusually accurate evaluation of what the Congress has done to date.

The point of the New York Times editorial is that if this Congress is to have an impressive record, its job lies ahead. It has not done the job yet.

Congress has made no real progress with such problems as aid-for-education legislation, a farm program, and civil rights, to mention a few of the more important challenges.

On the other hand, as the New York Times points out, the last 2 months of a session are likely to be its most productive. Furthermore, we are in only the first year of the 2-year 86th Congress.

The Times sympathetically perceives another ironic problem of this Congress. As the editorial puts it:

> The cruelest of all for a relatively liberal Congress. A group of men elected on pledges of clearing slums, building hospitals and providing jobs in distressed areas finds itself asked instead to raise interest rates and curb spending.

Mr. President, I ask unanimous consent that this shrewd analysis of the progress of the Congress to date be printed in the RECORD at this point.

There being no objection, the editorial was ordered printed in the RECORD, as follows:

[From the New York Times, June 12, 1959]

THE STATE OF CONGRESS

Senator LYNDON JOHNSON, the Democratic leader, is justified in his annoyance at charges that the present session of Congress is establishing a "won't do" record. As always, the true portrait of the session will be painted in its last 2 months, and Senator JOHNSON has listed an impressive array of legislation he counts on passing in that time. Although the record to date is not exceptional for accomplishment, neither is it a record of unusual sluggishness. Some important items have already reached the President.

But the final judgment of a Congress must rest more on the quality of what is done than the quantity. What are the major problems confronting the country, and what will Congress do about them?

The major problems are of exceptional difficulty and complexity: Labor union reform; the farm problem; the "mix" in our defenses; civil rights and the Negro problem generally; the national shortage of school classrooms; and, involved in some of the others, the fiscal condition of the Government and the ever-present threat of inflation.

Each of these contains its inherent dilemmas. The last named, the "spending" issue, is in a sense the cruelest of all for a relatively liberal Congress. A group of men elected on pledges of clearing slums, building

hospitals and providing jobs in distressed areas finds itself asked instead to raise interest rates and curb spending—and with solid justification.

Many of these dilemmas have temporarily resolved themselves in delay. The men in charge of farm legislation cannot even agree on a wheat program, let alone a basic change in the disastrous farm program generally. Labor reform is touch-and-go in committee in the House. The housing and airport bills, passed with a flourish by the Senate in its first few weeks, are still mired in conference. Civil rights bills have not even been reported by subcommittees in either House. Aid to education faces the same old impasse.

But the problems will not go away just because they are difficult. The President has presented a program in each of these areas. While Senator JOHNSON and his followers obviously cannot be expected to enact the administration plan in every case, they have the responsibility to produce legislation that both attacks the problems and is not so far from the President's wishes as to invite a veto. Senator JOHNSON and Speaker RAYBURN face a formidable task of reconciliation and compromise, a task that has its hardest days ahead. In the end, the evaluation of this Congress will rest upon how well they succeed in it.

CENTENNIAL OF BIRTH OF THOMAS J. WALSH, OF MONTANA

Mr. MURRAY. Mr. President, I call attention to the fact that today is the centennial of the birth of the late illustrious Thomas J. Walsh, Senator from Montana.

Although he may be remembered longest for the notable service he rendered in the exposé of the fraudulent naval oil leases, there are other issues that brought him inevitably along the road to fame. He had the daring and prophetic vision to recognize industrial potentialities in the Nation's resources. He believed that Americans should not allow the immense waterpower in streams to flow to the seas without benefit to the people. But, as his biographer, Miss Josephine O'Keane, has pointed out, he fought every proposal to divest the Nation of this wealth by giving private interests access to public resources and granting favors to private utility companies and other corporations. His views in defense of public power and water rights covered more than 2,000 pages in a single session of the CONGRESSIONAL RECORD. Few bills in the fields of reclamation-irrigation, agriculture, mining, and Federal highway construction escaped his touch. Much of the reclamation-irrigation program now under way, for instance, stems from his prophetic thinking.

His was the laboring oar in connection with the important legislation which resulted in construction of the St. Lawrence Seaway, the creation of which will have profound impact upon the landlocked Middle West. He saw tremendous economic advantages in that waterway. The last public service Senator Walsh rendered was his plea that brought the Seaway Treaty to the Senate Chamber. The measure carried over into a new administration, where others took up the banner the fallen Senator had dropped. Coincidentally, this summer the first oceangoing vessels are docking in Duluth—1,500 miles from seacoast—and are unloading cargo from the ends of the world.

Senator Walsh, like Jefferson, was always interested in the welfare of the common man. His uncompromising stand for workmen's rights against industrial interests practically made him a legend. Because the postwar unemployment resulted from the cessation of tremendous war expenditures, Senator Walsh contended that it was absolutely necessary that governmental capital should be invested on a large scale to combat the unemployment destitution of 1929. With that end in view, Walsh effectively argued that Congress should formally recognize the maintenance of full employment as a national policy, just as it had decreed as a national policy the right of farmers to parity of income with other groups. He was convinced that nothing contributed more to stable farm prosperity than the maintenance of full employment in the cities and the assurance of adequate purchasing power for both farm and factory products.

The senior Senator from Arizona [Mr. HAYDEN] and the senior Senator from Georgia [Mr. RUSSELL] served with Tom Walsh, and I know that they share the great regard and affection I had for him. The junior Senator from Alaska [Mr. GRUENING] was well acquainted with Tom Walsh. The senior Senator from Wyoming [Mr. O'MAHONEY] served on Senator Kendrick's staff during part of Mr. Walsh's tenure, and recently he called attention to another successful fight led by Tom Walsh. That occurred in 1925, when President Coolidge nominated Charles Beecher Warren, of Michigan, to be Attorney General. Senator Walsh opposed this nomination, not on partisan or personal grounds, but because Mr. Warren was closely associated with the activities of the Sugar Trust. Senator Walsh led the successful fight against confirmation of Mr. Warren's nomination.

Mr. President, in closing I wish to impart one further thought. Earlier this year Montana placed a statue of Charles M. Russell, our great cowboy-artist, in Statuary Hall. Montana is entitled to have one more of its citizens memorialized here in the Capitol. It is up to the State of Montana to decide who the second person shall be. Personally I should be greatly pleased to see the honor go to my distinguished predecessor, Thomas J. Walsh.

Mr. MANSFIELD. Mr. President, it is indeed a privilege and honor to join with my distinguished senior colleague from Montana [Mr. MURRAY] in paying tribute today to the memory of a great statesman, an able legislator, and an outstanding Montanan—Senator Thomas J. Walsh.

Senator Walsh served in the U.S. Senate from 1912 to 1933, and few Members in the history of this legislative body have made such an imprint on the Nation's history and well-being as he did. Only a very few of Senator Walsh's colleagues still serve in the Congress, but the memory of his achievements are very much in evidence.

He is perhaps best known for his determination and persistence in exposing the Teapot Dome scandal. However, Senator Walsh is also a name associated with the very beginning of the movement to construct and open the St. Lawrence Seaway, a project which has only in the past few years actually become a reality. Senator Walsh's life was devoted to the cause of protecting the resources and rights of the American people.

Senator Walsh died at the peak of his career; in fact, he passed away on a train en route back to Washington to accept the appointment as Attorney General in the first administration of President Franklin D. Roosevelt. This happened during the first year I was on the faculty of Montana State University. I had followed his career with keen interest, and found in him the things that one who is interested in public service would aspire to.

He was hard working, quiet, and seemingly aloof, but he was also kind and gentle. He was mild tempered, and did not actively seek headlines. The field of law was obviously his first love, and his legal abilities were recognized around the world.

Senator Walsh was devoted to the Democratic Party, and he was one of its recognized leaders. However, politics at no time overshadowed his obligation to his State and Nation.

Today, June 12, we celebrate the centennial of Senator Walsh's birth. The past 100 years have been eventful years for the United States, and Senator Walsh was very instrumental in forming the path of freedom that we now follow.

Senator Walsh was one of those most seriously considered by the committee which chose five former Senators for special recognition in the Senate reception room. Had the number been seven instead of five, his portrait would now be in that distinguished company.

I am sure that all Montanans will agree with me that Senator Walsh belongs in the ranks of Webster, Clay, Calhoun, La Follette, and Taft.

In closing, I wish to say that I fully support the suggestion made by the senior Senator from Montana that, in addition to the statue of Charles M. Russell, the famous cowboy-artist, which is now in Statuary Hall, the second statue representing Montana, and to which we are entitled, could be of no one held in higher esteem in our State than the late great Senator Thomas J. Walsh.

PROGRAM FOR THE NATIONAL FORESTS

Mr. MURRAY. Mr. President, the Committee on Appropriations in its report on the appropriations bill for the Department of the Interior and related agencies deferred providing additional funds for the Forest Service. This was done because it desired to give the Secretary of Agriculture the opportunity to clear the newly announced program for the national forests within the administration.

This is a reasonable and correct approach. The Assistant Secretary of

Agriculture appeared before the Appropriations Committee on May 18 to present a summary of the program. He told my colleague, Senator MANSFIELD, that the program had been approved by the Secretary of Agriculture and the Bureau of the Budget but the cost estimates had not.

We were told that if money were provided for fiscal year 1960 it could be effectively used. I believe the RECORD clearly shows that all who attended this hearing were impressed. I have given careful study to the goals of this program for the national forests and the estimated costs and benefits.

I, personally, believe we can effectively follow the presently unapproved cost estimates of the Department of Agriculture. I say this because the 12-year costs are at such a figure that even were their use to result in our overinvesting for the first few years the results would be beneficial rather than harmful. Secondly, the 12-year cost estimates are not predicated on completing the total job in that period. The figures represent the basic major investment needs for our national forests.

Finally, as Mr. McArdle, Chief of the Forest Service, told me, if we do not do the things set forth we will not get the benefits this program promises. The compelling need to meet our natural resource needs is such that we cannot afford to delay.

Today 20 Senators joined in sending letters to the Secretary of Agriculture and Director of the Bureau of the Budget endorsing the recommendation of the Committee on Appropriations that a budget request be submitted during this session of Congress to implement the program for the national forests during fiscal year 1960.

I ask unanimous consent that a copy of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 9, 1959.

HON. MAURICE H. STANS,
Director, Executive Office of the President, Bureau of the Budget, Washington, D.C.

DEAR MR. STANS: We endorse the recommendation of the Senate Committee on Appropriations urging that a budget request be submitted to Congress during this session to implement the program for the national forests during fiscal year 1960.

We hope that the suggestion of the Committee on Appropriations will receive your prompt and sympathetic consideration.

Sincerely yours,

JAMES E. MURRAY, CLAIR ENGLE, CLINTON P. ANDERSON, MIKE MANSFIELD, WAYNE MORSE, PHILIP A. HART, RALPH YARBOROUGH, WILLIAM PROXMIRE, JENNINGS RANDOLPH, JOHN A. CARROLL, ALBERT GORE, JOHN STENNIS, J. W. FULBRIGHT, RICHARD L. NEUBERGER, HENRY M. JACKSON, STUART SYMINGTON, FRANK CHURCH, ERNEST GRUENING, FRANK E. MOSS, HUBERT H. HUMPHREY.

OPPORTUNITY AWAITS THE SENATE: ONE FLOOR BELOW

Mr. KEATING. Mr. President, I wish very briefly to again call the attention of the Senate to the special exhibit of American-made scientific teaching equipment which is being held today until 5 p.m. in room F-67 in the Capitol. This is just one floor below the Senate Chamber, and I can assure every Senator, from personal contact, that a real experience awaits all who go there.

Assembled is a variety of scientific apparatus which has been recently developed by American industry. It is not only an interesting exhibit—it is fun to observe and manipulate the various products. In addition, from this laymen's point of view, the variety of equipment effectively rebuts the allegations which have been made that American industry has not produced any new apparatus in recent years.

Yesterday I had the pleasure of a conducted tour through the exhibit, and after I had observed a number of the products, I had the honor to escort the distinguished minority leader the Senator from Illinois [Mr. DIRKSEN], around the room. I took particular relish in subjecting him to a special spark-making machine which, in addition to being a valuable educational tool, also gives one quite a start. I am told my good friend and I both had our hair standing on end as we experimented with this machine—which is quite a feat for either one of us.

However, Mr. President, I do want to emphasize the seriousness of this exhibit and the high stakes involved. An understanding of the excellence of the American products is essential to a full appreciation of the challenge presented by the Russian effort to flood the domestic market with their equipment and thus score a significant propaganda victory. I hope every Member of this body will have an opportunity to stop at room F-67 to get the American side of this vital story.

CENTENNIAL CELEBRATION OF THE ESTABLISHMENT OF LAND-GRANT COLLEGES AND STATE UNIVERSITIES, AND THE U.S. DEPARTMENT OF AGRICULTURE

Mr. WILEY. Mr. President, today on the Senate Calendar there is pending a bill, H.R. 4012, to provide for the centennial celebration of the establishment of land-grant colleges and State universities, as well as the establishment of the Department of Agriculture. The purpose of the bill is to provide funds to mark the centennial celebration of the inauguration of the land-grant program.

As we recall, the Land-Grant Act was signed by President Lincoln on July 2, 1862. This farsighted action opened the way to new educational opportunities for generation after generation of citizens of this great country.

The significance of the land-grant program far exceeds the importance of the legislation itself. During its almost 100-year lifetime, the land-grant program has written itself indelibly into the lives of our people and into the structure of the Nation.

In 1858, Lincoln said:

If we could first know where we are and whether we are tending, we could better judge what to do and how to do it.

Upon this philosophy was established the land-grant system, which through the improvement of our educational system has better enabled our citizens to judge what needed to be done and how this could be accomplished.

Today in my home State, the University of Wisconsin, which ranks among the leading institutions of higher learning in the country, is a better institution, and has written a finer history, because of the land-grant program. Established in 1849, the university—now in its second century—has a total enrollment of nearly 24,000 students.

Although a single land-grant institution, under one board of regents, the university is actually a combination of 10 different major colleges, schools, and divisions, each as large as the average American college. Prevailing over the campus of this great center of learning is a rich spirit that radiates its dedication to high standards of teaching, research, and public service. A cosmopolitan institution, the university has enrolled students from every State in the Union, the District of Columbia, 5 U.S. possessions, and more than 70 foreign countries.

As a host to its students, the university provides dormitories, a union, special medical care, counsel and advising, loans and scholarships, religious centers, lectures, and a tremendous variety of other activities—athletic, musical, dramatic, artistic, and social. As a great center of research, too, the university's accomplishments are legion in such fields as health, business, industry, agriculture, Government relations, and others.

Above all, however, by far the most important accomplishment of the university has been its output of students who, through acquisition of fine training at the university, have gone out into almost all walks of life to make constructive contributions to communities not only in the United States, but around the world.

The enactment of H.R. 4012 is, therefore, I believe, particularly significant in that it will help to pay recognition, through the centennial in 1962, to the tremendous contribution which the land-grant system has made to our educational program.

As a cosponsor of the Senate version of this legislation, Senate Joint Resolution 66, I am hopeful, therefore, that the bill will not be held up too long on the calendar; but rather that this House-passed measure can get early Senate approval so that arrangements for the centennial celebration can get under way.

I request unanimous consent to have printed at this point in the RECORD a brief statement relating to the purpose of the centennial observances.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PURPOSES OF CENTENNIAL OBSERVANCES BY THE LAND-GRANT COLLEGES AND STATE UNIVERSITIES

The Land-Grant Act was signed by President Lincoln on July 2, 1862. It opened the way to equality of opportunity in education; in effect abolished the caste system in American higher education.

A century ago an alarming trend was evident in this country. The proportion of young people going to college was declining. One of every 1,300 went on to college in

1838, for example—but by 1869 the ratio was 1 in 1,900. The Land-Grant Act reaffirmed the American ideal of equal educational opportunity.

The act provided low cost education for the many instead of only the few through Federal grants of land to the States. The proceeds were invested, and income used to establish and endow land-grant colleges. They were to teach agriculture, mechanical arts, and military tactics—without excluding the classical studies and liberal arts.

Today about one-third of college-age people in America are enrolled in some college or university. About 10 of our young men and women go on to college for every 1 in Britain who has that chance. The following figures illustrate the place in the U.S. system of higher education of the 68 land-grant institutions, at least one of them in each State and in Hawaii and Puerto Rico: the land-grant institutions enroll 20 percent of the Nation's college population—award 40 percent of doctorate degrees in all subjects—confer about one-half of all doctorates in the sciences, engineering, and the health professions; all of those in agriculture, and about one-fourth of the total in arts and languages, in business and commerce, and in education, itself, the land-grant institutions train almost one-half of all regular and reserve officers of the Armed Forces through ROTC programs.

Democracy will endure and prosper to the extent that its people learn and understand how to manage their own affairs. Learning and understanding come in large measure through the right of every man to be educated to the limit of his capacity. That is the land-grant idea.

GRADUATION EXERCISES OF FOREIGN SERVICE INSTITUTE, DEPARTMENT OF STATE

Mr. WILEY. Mr. President, this morning it was my privilege to attend the graduation exercises of the Foreign Service Institute of the Department of State. The President of the United States attended the exercises. Although Secretary of State Herter was not there, the Assistant Secretary of State was. The Foreign Service Institute was established by Secretary Dulles a little more than a year ago and is doing outstanding work.

I ask unanimous consent that the program of the exercises be printed at this point in the RECORD.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

PROGRAM OF THE FOREIGN SERVICE INSTITUTE, DEPARTMENT OF STATE, SENIOR OFFICER COURSE GRADUATION EXERCISES, 11:30 A.M., FRIDAY, JUNE 12, 1959, THE FOREIGN SERVICE INSTITUTE, ARLINGTON TOWERS, VA.

Address: Assistant Secretary of State.

Remarks by the President.

Presentation of class: Willard F. Barber, Coordinator, Senior Officer Training.

Awarding of diplomas: Harold B. Hoskins, Director, Foreign Service Institute.

PARTICIPANTS IN THE SENIOR OFFICER COURSE SEPTEMBER 1958–JUNE 1959

Foreign Service officers: William O. Boswell, H. Daniel Brewster, Katherine W. Bracken, Donald B. Calder, Juan de Zengotita, Joseph J. Jova, Thomas B. Larson, S. Houston Lay, Raymond E. Lisle, C. Hoyt Price, Jacques J. Reinstein, Carleton B. Swift, Jr.

Department of Commerce: Eugene Maur Braderman.

Department of Defense: Col. James W. Keene, U.S. Marine Corps; Col. Eugene A. Salet, U.S. Army; Capt. Paul S. Savidge, Jr., U.S. Navy; Col. Robert M. Tuttle, U.S. Air Force.

International Cooperation Administration: Joel Bernstein.

U.S. Information Agency: Frank H. Oram.

GOOD MEN WARNED ABOUT ENTERING GOVERNMENT SERVICE

Mr. MUNDT. Mr. President, it is becoming increasingly evident that this extended character vendetta against Lewis Strauss is having a telling effect on able men across the country who are needed more than ever today to continue the tradition of good government by both career and appointive executives.

A principal concern of the senior Senator from Arkansas and myself in the Government Operations Committee is the matter of incentives for high caliber people to enter Government service. Retirement is already taking a heavy toll of our senior career executives, and personnel officers are witnessing a growing reluctance of young men to come to Washington. One recent survery report shows that about a quarter of our top 750 civil servants are now eligible for retirement with few top-grade people in sight to replace them.

The most precious treasure a man protects and builds in his lifetime is his reputation. Good men are now, however, being justifiably warned against trading not only financial benefits but risking their character and reputation to serve the Nation.

In the process, are such men also willing to face being slandered, insulted, downgraded, and called liars? Are they willing to have their character defamed, their honesty impugned, and their patriotism put to question? One wonders how much a man must endure to serve his country.

Men who have served in the past or would come here for the first time are asking themselves, "Suppose I have said something or done something somewhere along the line which someone down there does not agree with? Is there anything they could pick me apart on? These men of proven success are those who have gotten things done; they are the ones needed, but they cannot be expected to expose their reputations to this ridiculous and grossly unfair Strauss treatment. We must face the fact that good men are being frightened away.

I doubt that many men, Democratic or Republican, are willing to pay the price of reputation that Lewis Strauss is bearing to serve his country today. I feel that we are privileged to have such people in public life today, whether we always agree with them on all issues or not.

I ask unanimous consent to have printed in the body of the RECORD at this point several editorials from various parts of the country reflecting this aspect of our deliberations.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Cedar Rapids (Iowa) Gazette]

WELCOME TO PUBLIC LIFE

"Politics? And take the whipping like that? No siree. Not for me."

That expresses the sentiment of a good many Americans today as they follow the dragged-out process to which Adm. Lewis Strauss is being subjected by a Senate committee whose job is to determine whether he should be confirmed for Secretary of Commerce. It is the same process to which Clare Boothe Luce and other prominent and proved former public servants, as well as private citizens of excellent reputation, have had to submit. As columnist Roscoe Drummond says, when this happens the Government, not the individual, is the loser.

It is small wonder that Presidents find it increasingly difficult to attract new faces into public life when Senate committees continually abuse their power in obvious efforts to embarrass the nominees—and, if they finally are confirmed, to render them almost useless to carry out their assigned duties.

The State senate of Iowa learned a good lesson on this in recent sessions. It found that when it abused its confirmation power by refusing to give the green light to individuals of known high caliber for reasons of personality, it lost prestige with the public. In the recent legislative session the State senate used its confirmation power wisely and, thereby regained much lost prestige.

[From the Petersburg (Va.) Progress-Index, May 15, 1959]

IT'S A WARNING TO OTHER MEN

Although President Eisenhower has a vested interest in his nomination of Lewis L. Strauss as Secretary of Commerce, the treatment which is being given the nomination by Senators opposed to it is as bewildering to many others as it is to him. Like any strong man, Mr. Strauss has enemies, but they are going to extraordinary lengths to express their accumulated hostilities.

Whereas nominations too often are confirmed without sufficient senatorial scrutiny of the qualifications of the nominees, this one is receiving a going over which far surpasses justification. The man's competence and loyalty are beyond question, and even the more valid objections are being given an application which is largely irrelevant.

The formerly held expectation that the nomination would be confirmed after a certain amount of oral horseplay is giving way to doubt. Rejection would be a great political rebuff to the administration.

But the significance of the performance transcends its political possibilities and the consideration of fairness to the nominee. The lack of tenderness on the part of republics to public servants is no new thing.

The effect of the outburst of spite, even if it ends in confirmation, will be to make it more difficult to draw men of Lewis L. Strauss' stature into Government service. The desirability of being able to do so speaks for itself. But now any man who is asked to accept such a responsibility and feels inclined to do so is warned by the sniping and feuding over Mr. Strauss that this could happen to him.

[From the Meadville (Pa.) Tribune, May 16, 1959]

GOOD MEN ARE HARD TO GET

A chronic problem of Government administration is the difficulty of securing able men to accept major executive and administrative positions. Men of proven success in private life sometimes hesitate to trade their security and monetary reward for lower paying Government positions where their job tenure is highly uncertain and they are vulnerable to public criticism.

The U.S. Senate now appears to be setting up another roadblock by subjecting appointees to Government posts to unfair and frequently unnecessary questioning. If vilification is the price men must pay for Government position, they may be less inclined to devote their talents to public service.

A Senate committee had Adm. Lewis Strauss, Secretary of Commerce-designate on the griddle for 17 days with key Democrats opposing his nomination. Much of the criticism appears to reflect personality differences and Strauss' inability to maintain friendly relations with Congress when he was Chairman of the Atomic Energy Commission. The initial reaction to appointment of C. Douglas Dillon as Chief Assistant to the Secretary of State and of Ogden R. Reid as Ambassador to Israel was one of criticism. Dillon's nomination since has cleared committee but may run into opposition in the Senate floor.

The Senate is within its rights in examining the competency of men to administer the offices for which they are nominated. But Senators carry their prerogative too far when they raise questions unrelated to the position or when they engage in personality feuds. They hamstring the President's right to pick and choose men with whom he can work and in whom he has confidence. And Senators need to be reminded that not many men will allow themselves to be pilloried for the privilege of serving the public.

[From the Detroit (Mich.) News, May 10, 1959]

PUBLIC SERVICE NOT FOR SECOND RATERS

Seventy percent of the businessmen recruited by the administration between 1953 and 1956 to hold top Government posts served only a year or less.

This dismal statistic reported by the Harvard Business School Club of Washington, D.C., underlies the increasing difficulty the Federal Government is facing in getting top leadership into the some 1,000 leading Government jobs that are filled by political appointment.

Certainly it takes a man at least a year, or most of it to learn a complex executive job, no matter how brilliant he is. Yet apparently most private citizens who try Government service leave before the public gets any fruit from their efforts.

The Government career service has its problems, too. The Hoover Commission suggested a senior civil service of some 1,500 positions but Congress did nothing to set up such a system or induce people to enter it.

Consequently a quarter of the present top 750 civil servants are already eligible for retirement, with no really top-grade talent in line to replace them.

Or take the Government's troubles in finding new engineers and scientists. The Government is the largest employer of these specialists in the country, and it must have them to administer a $5 billion yearly investment in their fields.

But it is now, by and large, taking the second pickings after private industry drains off the top talent, and many Government jobs in this area are unfilled.

There are many reasons for this situation.

In part, Government salaries do not compete with private salaries.

Also Government regulations require too great a financial sacrifice under the conflict of interest regulations to induce many top men to leave private industry for long.

And if they do leave, the business community, rather than honoring their Government service, too often allows others to take over their jobs.

Then there is the question of prestige.

In some subtle way in this country, a Government jobholder is still slightly second rate. In our thinking, and in our awarding of social prestige, the Government worker is considered by too many people a freeloader, a boondoggler, a bureaucrat.

Add to the financial and prestige problems the fact that Washington politics is a pretty tough mill.

Our congressional methods of confirming a man for a top position, and of criticizing his conduct in office, are more those of the Inquisition and the Roman arena than of effective personnel placement.

Why, too many executive possibilities ask, should I expose myself to the kind of treatment that has landed on a Lewis Strauss?

This is a serious problem in a world where the Government is a huge and complex machine affecting our daily lives more than any other force in the Nation.

Unless we can develop a higher appreciation for public service as a career, and a more scientific and rewarding method of drawing able minds to it, the democratic system will fail to survive.

For it can be no more efficient than the men at its helm.

[From the Sioux City (Iowa) Journal-Tribune, May 19, 1959]

WHY SHOULD PEOPLE SERVE THE NATION?

Many of the men called to help the Nation by any administration would prefer not to answer the call, but they do answer because of their sense of duty. Some of these men are older, are nearing the close of their successful careers in private business, but still have in them years of experienced service to give. Others are younger men, successes also but with marks still to make, who take time from their own careers to give their Nation the help it has asked. Two examples from the Defense Department are Secretary Wilson and Secretary McElroy.

In all cases, administration appointees must go before the proper Senate committee for examination, since the appointment can become effctive only with the Senate's approval. Normally this is a relatively short process during which time the Senators inquire about the appointee's philosophy, his aims for the job he has been asked to take, and try to determine—in theory—how well he is prepared to serve the country. Actually the examination can be very short, as in the case of Secretary Herter, or it can drag out interminably. When that happens, it is usually because one or more Senators are "taking picks" on the appointee because of their dislike of him personally or politically.

This is what has happened in the case of the appointment of Adm. Lewis Strauss to be Secretary of Commerce. Some of Strauss' trouble is his basic conservatism, which put him on the wrong side of the fence in the eyes of nonconservatives in Congress. For exactly the same reasons that Vice President NIXON is attacked for his part in the Hiss Case disclosures, Mr. Strauss is attacked for his part in the Oppenheimer disclosures. That is the source of much of his present opposition. The rest of it comes from public-power advocates, again usually nonconservative. Having exhausted factual bases of their attack on Mr. Strauss, his opponents have most recently been attacking his character and are offering what has deteriorated into a disgraceful exhibition.

This goes a long way toward explaining why successful men and women show increasing reluctance about administrative appointments. Why should they be interested in serving the Nation if, in order to do so, they must accept attacks on their integrity at times and in places where they have no legal recourse? It's a good question, and it is time the remaining statesmen in the Senate answered it in a way that corrects the bad experience so many desirable appointees have had to undergo in order to contribute to the national welfare.

"IT HAPPENED TO JANE"—MOTION PICTURE

Mr. MUNDT. Mr. President, while I have been frequently critical of some of the products of the American motion picture industry, I had the privilege the other evening of seeing a motion picture which I can recommend to my colleagues. It is entitled "It Happened to Jane." It is a motion picture which is unusually interesting and entertaining, and is the kind of movie which tells something of our American way of life. In that sense I suppose it could be termed propaganda. If so, it is the type of propaganda which conveys a message or a point of view, without in any way letting the propaganda become obvious. It portrays the American free enterprise story. It is the kind of picture which I think, with a little revision, would help sell the American concept of freedom in various areas throughout the world.

The motion picture, "It Happened to Jane," depicts the story of a young widow, played by Doris Day, who is intent on going into the lobster business in a small town in Maine. This delightful story is replete with instances of American ingenuity, stick-to-itiveness, and the portrayal of the American free enterprise process as a great way of life, which all of us should, in every way, seek to perpetuate.

As one who has criticized leftwing propaganda coming from the American motion picture industry, when relaxing entertainment such as the motion picture "It Happened to Jane" is being provided, I think I should state that it is a very constructive type of motion picture entertainment.

INDUSTRIAL DEVELOPMENT AT McNARY TOWNSITE IN OREGON DEMONSTRATES VALUE OF SURPLUS PROPERTY DISPOSAL LAW

Mr. NEUBERGER. Mr. President, in the 85th Congress I sponsored legislation to authorize the Administrator of the General Services Administration to transfer to any Indian tribe surplus property at the McNary townsite in Oregon for the purpose of encouraging industrial development and providing job opportunities for Indians in that area. This bill was approved by Congress and signed by the President.

In February of this year, in accordance with the provisions of this law, a contract between S. & S. Steel Products, Inc., manufacturers of home trailers, and the board of trustees of the Umatilla Indian Tribe was approved by the Secretary of the Interior.

Last month the first product of this combination of private capital, Indian labor and surplus property came off the production line. The company, members of the business community in the towns of Umatilla and Hermiston, and the Confederated Tribes of the Umatilla Reservation, sponsored a recognition ceremony. Recently I received a report on that celebration in the form of a copy of a letter from Thomas H. St. Clair, industrial development specialist with the Bureau of Indian Affairs, to Don C. Foster, Portland area director for the Bureau of Indian Affairs. Mr. St. Clair's comments on the success of the McNary townsite program confirm the wisdom of Congress in enacting legislation enabling this happy blend of industrial components. I ask unanimous consent that his observations be printed in the RECORD

at this point for the information of the Senate.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Portland, Oreg., June 1, 1959.

The Honorable RICHARD L. NEUBERGER,
U.S. Senator,
The U.S. Senate, Washington, D.C.

DEAR SENATOR NEUBERGER: Thank you very much for your letter of May 23, 1959, and the interest you expressed in the Bureau of Indian Affairs' industrial development program at McNary.

I would be most happy to have you use my report to Mr. Don C. Foster, Portland area director, in any way you wish. I am convinced the Bureau's industrial program offers many opportunities for Indians and Indian communities and I would like to congratulate you for your part in its development.

Sincerely yours,
THOMAS H. ST. CLAIR,
Industrial Development Specialist.

MAY 18, 1959.

To: Mr. Don C. Foster, area director, Portland area office.

From: Bureau of Indian Affairs (Branch of Industrial Development).

Subject: S. & S. Steel Products. Inc., McNary, Oreg.

On Friday, May 15, 1959, at 10 a.m., S. & S. Steel Products, Inc., presented its first trailer from the McNary production lines to the general public. The company, the Chambers of Commerce of Umatilla and Hermiston, and the Confederated Tribes of the Umatilla Reservation jointly sponsored an appropriate ceremony. Copy of the program is attached.

At the request of the company I assisted in the development of the program and worked with a committee appointed by the interested principals. In addition to the first trailer on the assembly line the company had five other mobile homes in various stages of completion. Members of the production staff, including 14 Indians, were stationed throughout the factory to explain construction techniques to the public. An estimated 400 people took advantage of the open house phase of the program, inspecting the premises and the mobile homes. The company provided a cocktail party and chuckwagon dinner to an invited guest list of 280 people.

It was interesting to note the warm relationship that has been established between the company and the communities of Umatilla and Hermiston. S. & S. Steel Products, Inc., was enthusiastically welcomed initially and it would appear that nothing has occurred in any way to diminish this feeling to date. The company was represented by its president, Mr. William H. Schultz, production superintendent, Mr. Robert Ballard and the townsite manager, Mr. David Wheeler, and all are enthusiastic about the quality of Indian labor provided to date by the Branch of Relocation Services. Statements were made many times that the quality of the workers at McNary is superior to the average worker in the Los Angeles plants of the company.

The company also officially requested that consideration be given to the extension of the training contract for on-the-job training of Indians at its other plants located in Compton and Culver City, Calif. It was agreed that investigation would be made at once to see what could be done to further this idea. The company plans to expand its labor forces as rapidly as possible now that initial problems at McNary have been worked out. It is believed that as many as 200 Indian workers can be on the payroll within a year.

Considerable publicity was given to the dedication ceremonies both by the press and radio, the entire dedication was broadcast throughout the inland area by an on-the-spot broadcast. All major newspapers in that area of Washington and Oregon were represented. Copies of this publicity will be forwarded at a later date. The editor of the official Mobile Homes Manufacturers' publication was present and expressed great interest in the industrial development program of the Bureau of Indian Affairs. He stated that he would give the program official recognition in a forthcoming issue of his magazine.

It is interesting to note that as a direct result of the dedication ceremonies the company received firm orders for mobile homes in excess of a quarter of a million dollars.

THOMAS H. ST. CLAIR,
Industrial Development Specialist.

INTRODUCING VENUS—PROGRAM OF CHAMBERS OF COMMERCE, UMATILLA AND HERMISTON; S & S STEEL PRODUCTS, INC.; CONFEDERATED TRIBES OF THE UMATILLA RESERVATION

Factory building open to the public, 10 a.m. to 1 p.m.

Musical welcome: Umatilla High School Band.

National anthem, 12 noon.

Invocation: Rev. Akira Makino, pastor, Tutuilla Presbyterian Church, Pendleton, Oreg.

Master of ceremonies: Mr. Tom Knight, president, Chamber of Commerce, Hermiston.

State of Oregon: Mr. Julius R. Jensen, director, department of planning and development.

Bureau of Indian Affairs: Mr. Don C. Foster, area director, Portland area office.

Confederated Umatilla Tribes: Mr. David S. Hall, chairman, general council.

S & S Steel Products, Inc.: Mr. Robert Ballard, production superintendent; Mr. William H. Schultz, president.

Benediction: Father Leopold O'Fiordan, Our Lady of Angels Church, Hermiston, Oreg.

PARTICIPATION BY REPRESENTATIVE WALTER NORBLAD IN ATLANTIC CONGRESS MEETING OF THE NORTH ATLANTIC TREATY NATIONS

Mr. NEUBERGER. Mr. President, I made some brief remarks in the Senate on June 9 regarding participation by delegates from the State of Oregon in the great Atlantic Congress meeting of the North Atlantic Treaty Organization countries in London. I then listed Representative Edith S. Green; my wife, Maurine Neuberger, and Palmer Hoyt, formerly of Pendleton and Portland, Oreg.

Mrs. Neuberger and the other delegates have now returned from the conference. She tells me that I inadvertently neglected to list as another delegate from our State, the Honorable WALTER NORBLAD, Member of Congress from the First Oregon District. I apologize for this unintentional omission. I am certain that Representative NORBLAD was an able and worthy participant in the London deliberations of the NATO alliance.

FEDERAL HOUSING ADMINISTRATION'S FIRST QUARTER-CENTURY

Mr. ENGLE. Mr. President, this year the Federal Housing Administration is celebrating its silver anniversary, marking 25 years of progress in the loan insurance field and of service to the people of America.

Throughout these years FHA has continued to increase in stature and to grow in importance as a factor in our economy.

Working not in competition but in partnership with private enterprise toward the common goal of providing good housing at reasonable cost for all Americans, FHA has helped make it possible for nearly 5 million families to become homeowners, nearly 900,000 more families to live in rental or cooperative housing projects, and nearly 22½ million people to improve their properties.

By insuring mortgage loans and property improvement loans which qualified lending institutions make, FHA enables these institutions to give borrowers very favorable loan terms. In addition, the borrower who uses the FHA plan to finance the purchase of a home or the development of a rental or cooperative housing project receives the protection afforded by FHA's analysis of the entire transaction.

One of FHA's most notable accomplishments is the contribution it has made in raising housing standards and bettering living conditons throughout the Nation.

FHA has many different programs but none of them operates out of tax-supplied funds. FHA pays its own way—all the way—out of income derived from fees and premiums received from the people who use its services.

Five years ago, under the Eisenhower administration, FHA repaid to the U.S. Treasury $85.9 million, of which $65.5 million was the full amount originally advanced by the Treasury and $20.4 million was interest.

From 1934 through the end of 1958, the latest date for which tabulated figures are available, FHA's record for my own State of California shows a total loan insurance volume amounting to $7,042,756,000—broken down as follows:

Volume of FHA-insured mortgages and loans, 1934–58

Number	*Amount*
754,918 home mortgages	$5,530,465,000
61,993 project mortgages	534,164,000
2,274,361 property improvement loans	978,127,000
Total	7,042,756,000

For the same period, the national FHA total is nearly $53½ billion.

With the experience gained from a quarter of a century's sound operations, FHA is ready to face the future in the same progressive fashion it has demonstrated throughout its history.

The services of the Federal Housing Administration to the people of America are invaluable.

I know that the entire membership of the U.S. Senate are with me in saluting the FHA and extending best wishes to Commissioner Julian H. Zimmerman and all his employees for the continued success of their agency.

COMMENCEMENT DAY ADDRESSES AT GEORGETOWN UNIVERSITY, JUNE 8, 1959

Mr. GREEN. Mr. President, on Monday, June 8, it was my privilege to participate in the 160th annual commencement exercises at Georgetown University here in Washington, D.C. A total of 1,233 academic degrees were awarded to the graduates. Those present heard two outstanding addresses, the first by Very Rev. Edward B. Bunn, S.J., president of Georgetown University, and the second by the commencement speaker, His Excellency the Most Reverend John J. Wright, D.D., LL. D., bishop of Pittsburgh. I ask unanimous consent to have these two speeches printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

COMMENCEMENT ADDRESS BY VERY REV. EDWARD B. BUNN, S.J., GEORGETOWN UNIVERSITY, JUNE 8, 1959

Your Excellency Archbishop O'Boyle, your Excellency Bishop Wright, distinguished guests, reverend and esteemed members of the faculties, graduates of the class of 1959, honored parents and friends, upon the president of your university is laid the charge and responsibility of conducting the activities of Georgetown along the lines, and for the attainment of the purposes established by the revered founder of this venerable college. On him rests the obligation of preserving in their pristine purity the principles and the ideals which have been operative here for 170 years.

Of course, in the day-to-day administration of Georgetown, in the direction of the great and complex organization into which Georgetown has developed, the president must depend upon and delegate to others a great part of his essential task. Hence, as we come to the close of another academic year, and add a new chapter to the annals of Georgetown, I would like first of all to express my sense of obligation and deep gratitude to all those who have faithfully and loyally labored to add this successful year to Georgetown's history—to the regents and the deans of the several schools, to the directors and chairmen, and heads of departments, to the assistants in formulating and executing university policy, who insure that in being faithful to the past handed down to us we are equally true to the responsibilities of the present, and the opportunities and possibilities of the future.

Not least is my sense of obligation and gratitude toward those who have faithfully engaged in the dedicated daily labors of instructing and forming the students. For it is in the classroom and laboratory and seminar that all the policymaking, and the planning and the ideating reach their term and their fruition. The devoted men and women of our faculties are they who translate the ideals and the principles of Georgetown into realities, and transmit to the sons and the daughters of Georgetown the things which Georgetown has to impart to them, and for which they have been entrusted to us. Certainly, all of our instructors and professors, gathered here to bid farewell to the successful candidates, can look out over the ranks of graduates and take pride and satisfaction in the thought that they have had a share in fruits which Georgetown reaps today.

I have said that upon the president rests an obligation of preserving and enhancing the work of Georgetown. But along with the burden of duty there goes also a great prerogative and privilege; namely, the pleasure of speaking in the name of the university, of its administrators and faculties, in addressing to the graduates Georgetown's word of farewell and godspeed.

This privilege, I now claim. In deference to our distinguished and welcome guest invited to address you as commencement speaker, and in anticipation of the kind of inspiration we have learned to expect from the Most Reverand Bishop Wright, I shall not long delay in these remarks, assuring you that their brevity is no index of their warmth and sincerity.

Casting about in mind for an appropriate word to you from your alma mater, so many things occur that would be fitting, and pleasant. I could spend these few moments in congratulation—but the presence of administration and faculties here on this stage, and the happy concourse of guests whom Georgetown welcomes—of your parents and loved ones and friends, all sufficiently attest the feelings of happiness and joy in your accomplishment which pervade all of us. I could spend the time in enlarging on the kind of a world you are going into—a world of trouble, and confusion and problems; but you are mature young men and women, you are aware that life is not easy, that it is precisely a period of testing, that there is no crown without a cross, and no victory without a struggle. I could urge you to be true to the principles and the lessons you have received here at Georgetown, but the diploma you receive today is already a proof that you have faithfully absorbed those lessons, and in granting you that diploma Georgetown has put upon you the stamp of her approval, and expressed publicly and solemnly her confidence and her faith in you.

So I may sum up these, and so many thoughts which this day suggests, in a brief message from one of the Epistles of St. Paul. How often we turn to him, the great Apostle and theologian of the Church of our forefathers, for the wisdom and guidance of his inspired and undying words. Thus he wrote to the Corinthians, so many centuries ago: "Omnia vestra sunt. * * * vos autem Christi"—"all things are yours, and you are Christ's."

All thing are yours. Yours is the strength and the sinews of youth, to meet with courage and faith whatever lies ahead. Yours is the flaming sword of truth, to light up the shadowy haunts of error, to purge the lurking minions of evil. Yours is the clear and piercing eye, undimmed by time and failure, to envision the right; and the high heart of hope to strive for the right. Yours is the soul, unblemished by time and the world's slow stain, formed to the good, the beautiful and the true, eager to seek these where they may be found, and, having found them, to share them with others. Yours is the dream, and yours is the means to realize your dream, in the success of time and the attainment of eternity.

And you are Christ's. For this has been a major part of your formation and your education at Georgetown. You have not been trained merely as doctors, or as lawyers, or nurses, your classes and your daily lives here and there on the wide campus of Georgetown have not only prepared you in the sciences and in literature and history. You have learned the deeper lessons of life and of its meaning and purpose, you have been taught the ways in which life should be led, in the percepts and in the example of the most perfect Man, who is at once of our flesh and of the eternally Divine. You have been given a philosophy of life—a philosophy of thought and of action, a norm of judgment and a standard of evaluation. It has been Georgetown's concern to give you of her best unstintingly—she has been concerned for you, that you be trained and prepared by the best possible means, for your successful application to a career, a profession, a position in life; she has been equally and more concerned for you, that you be trained for life and living. And there is but One who has truly said "I am the Life."

Graduates of Georgetown, all things are yours, and you are Christ's. As you meet here for the last time as a class, looking forward to tomorrow and the paths to the future that stretch unseen before you, Georgetown hails you, Georgetown salutes you, and Georgetown blesses you. May God, in whose service Georgetown has labored for you, keep you one and all in His loving care and guidance, as worthy sons and daughters of your alma mater.

COMMENCEMENT ADDRESS BY HIS EXCELLENCY, THE MOST REV. JOHN J. WRIGHT, D.D., LL. D., GEORGETOWN UNIVERSITY, JUNE 8, 1959

Most Reverend Archbishop, Reverend Father President, ladies and gentlemen, let me speak for all those honored today by honorary degrees our word of tribute, and congratulations to those who had to earn their degrees.

At about the year when I got myself graduated from Boston College there was a popular song, the lyrics of which promised abiding happiness, unalloyed, to all those who would remember to include in their lives—

"A little kiss each morning, a little kiss each night."

The advice was mildly potty; it held forth the hope—

"We'll be so happy, we'll always sing,
If we'll remember one little thing,
A little kiss each morning,
A little kiss each night."

It was not entirely without realism. It contemplated some of the sterner possibilities of life:

"Who knows if sorrow may cause us tears,
An empty cupboard, a night of fears?
A little kiss each morning,
A little kiss each night."

Alas, the advice left out the problems of a few of us, who have subsequently managed to scrounge out of life a few scraps of happiness without. And undoubtedly for one and all it was a slight oversimplification of the difficulties of existence in the postgraduate world. However, the lyric has been ringing in my brain for these last few days, so I decided that I might well present some small counsel, such as is expected on these occasions, by echoing at least a bit of the phrasing of the lyrics which have returned to haunt me after these almost three decades.

For one and all, whatever the callings or pursuits to which we will henceforth devote ourselves, certain signs and circumstances of the times suggest that one offer some more universally applicable counsel than the lyrics that I have recalled to you. For instance, I beg you, as you set forth to make your first million, to write the great American novel, to save the world from communism or to become the Chief Justice of the United States, I ask you to make early and determined plans to include in your busy and useful lives a little leisure. Before the scramble becomes too intense and too involved, I ask you to reflect on some of the sobering statistics which make very timely the recommendation that you make provision for a little leisure. We are constantly impressed by the citations given out by the junior chambers of commerce, by all manner of organizations in our so intrepid and enthusiastic activist country as to the tremendous numbers of those who make

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their fortunes and arrive at their posts of trust in church and State before they are, oh, say 40.

I ask you to check some of the insurance company statistics with regard to those who have their first coronary before they are 40, and for the same reasons. I suggest that you dig out from the files of the public library an article which appeared in the Saturday Evening Post 3 years ago which paid tribute to the tremendous numbers of American college and university men and women who arrived very early in life and were buried very shortly later. An article under the title, "The Youngest Men in the Cemetery"—a very sobering article—and I suggest that you read it within a few days of graduation week, before you become involved in what may otherwise deprive you, unless you plan carefully, of a little leisure.

"What is this life if, full of care, we have no
time to stand and stare?
No time to stand beneath the boughs and
stare as long as sheep and cows.

"No time to see in broad daylight, streams
full of stars, like skies at night.
No time to turn at beauty's glance, and
watch her feet how they can dance.

"No time to wait till her mouth can enrich
that smile her eyes began.
A poor life this if, full of care, we have not
time to stand and stare."

Closely related to this question of leisure in the good and the truly useful life is the question of the important place of mere nonsense in the life of the educated person. One wonders whether a saving sense of humor would not provide as much as almost anything else, save only the faith, that perspective needed to correct some of these grim extremes of our sometimes overly earnest educational and professional work.

In one of America's large cities, one of the very largest, suicide turns up currently as the eighth most frequent cause of death. And the statistics reflecting the number of suicides among the well educated are exceedingly sobering indeed. They would drive a sensitive educator to suicide himself. Such a situation argues many lacks and many limitations among our American intellectuals, but it argues to me in all probability the tragic absence of a sense of humor in the rest of one's educative program and personal growth.

There is a deadly earnestness surrounding the discussion of the current problem of the intellectual life of America and the intellectual life of the Catholic Church, a deadly earnestness which suggests that knowledge and information may be on the increase and wisdom and understanding on the way out.

Education that leaves no time for nonsense is no education at all. In many books on American education which are flooding the markets presently one common note cuts across all differences of progressivism, conservatism, liberalism, aristocracy, classicism, and scientism. It's the appalling absence of any trace whatever of a sense of humor.

Typical is a high-minded report I have in my hands which is entitled "The Pursuit of Excellence—Education and the Future of America." It is the work of a sober group of serious thinkers who are greatly concerned with the greatness of our Nation, its purpose, its courage, its responsibility, its eminence, to quote the prefatory note, and they amass impressive statistics of the work hours needed and the urge of application required if collegiate and university education is to contribute to these so praiseworthy ends. But one asks, as he turns each page, Why is it all so deadly earnest? What has become of the humanistic touch that used to betray a humane preoccupation and that revealed itself in an occasional trace of a sense of humor?

Two weeks ago there was a TV panel which brought together a half dozen distinguished educators from all over the country, male and female, and they talked specifically about the education of American university women. Someone asked what place sheer amusement played in the lives of their campuses. Two of the distinguished educators missed the point of the question entirely, three had no comment to make, and one spoke of what she called, with a grim expression on her face, "group diversions." Small wonder that happiness drugs, in the absence of a sense of humor, are being sold in such quantities in the drugstores around so many campuses.

I sometimes think that the students of Harvard University who some years ago hoisted a cow into the belfrey learned more in the process of doing so than they had picked up in the lecture halls during their 4 undergraduate years. In any instance, they got something out of their systems—and that's part of education, too. And I secretly suspect that if they avoided the detection of the dean's office they are now on the board of overseers as the ones most likely to contribute by reason of their initiative and sheer intelligence to the stability and the future of the university.

I suggest that we find place in our professional lives for a little nonsense. I ask too that you reflect on the need for a little impatience—a little impatience with the things that we can change for the better, above all ourselves, but also certain aspects of the society to which as people privileged to pursue so many years of study we are so genuinely indebted.

There is a danger that with the status and the success that you will in all probability have there may come complacency with the world around you and a certain smugness with yourself. Nothing could be more deadly. And so I offer you the pearl of a devout Jew for your meditation:

"Open my eyes to visions set with beauty and
with wonder lit,
But let me always see the dirt and all the
spawn that die in it.

"Open my ears to music; let me thrill with
spring's first flutes and drums,
But never let me dare forget the bitter
ballads of the slums.

"From compromise and things half done,
keep me, oh God, with stern and
stubborn pride,
And when at last the fight is won God keep
me still unsatisfied."

And not at all inconsistent with this divine discontent is the further gift I beg you to develop. It is the gift of a little patience—a little patience with the resistance of fallen nature and rebellious history to our benevolent purposes and our sometimes overpat practical solutions for the world's woes. Most of us belong to the revolutionary people, like the Irish, or the warmblooded races, like the Latin, and so we tend to sign up fairly rapidly in any crusades—crusades for economic, political and related changes designed to solve by a speech or two, or a campaign or two, or an election or two, or a war or two, the entrenched problems and accumulated evils of several centuries. We tend to take personal offense at the inertia of the world in the face of our inspiring convictions. This is particularly true when we are confronted by exasperating rejection of or dalliance with the corollaries of a creed which we know to be divinely revealed and to echo God's will for mankind, but which sometimes has rough going against the indifference and the inertia of unregenerate mankind.

Here we do well to have a little bit of God's patience, to offset our generous share of God's wrath. A little patience in the face of what we cannot change, at least alone and overnight, will be helped by reflection on the persevering patience of the church across the centuries, and the silent patience of God in the face of evil, our own included. So too some lines of Coventry Patmore may help a bit:

"Here in this little bay, full of tumultous
life and great repose,
Where twice a day the purposeless glad
ocean comes and goes,
In the high cliffs and far from the huge
town I sit me down.

"For want of me the world's course will not
fail,
When all its work is done the lies shall rot.
The truth is great and shall prevail
When none cares whether it prevail or not."

I merely ask you to develop a little imagination and, together with it, a little humility.

The golden jubilee of those who today receive their degrees will take place, if all goes well, in June 2009. It is too soon to know on which of the planets the class outing will be held. But the odds still favor this earth and even, though less certainly, this continent. These odds have been challenged, however, in recent months. They were challenged by a trip into space successfully accomplished within the fortnight by two monkeys, one named Able and the other named Baker. They were also challenged, and a little more definitely so, by a trip into space by a dog from Russia named Laiki. Both the monkeys, I am happy to say, were Americans. These three historic creatures have as I have suggested already greatly influenced the golden jubilee plans for the year 2009. These same creatures and all the developments of which they are symbols make it pertinent for you to develop a little imagination and a little humility as we face the future.

The new age of science, using telescopes instead of microscopes and gazing out into God's clear space instead of down into mind's murky psychological depths as the recent scientists have tended to do, will let fresh air into scientific, political, economic, academic thinking of every kind in the half century in which you will do your work. In such era it will be easy for the spirit moving where it will to evoke more ready response. An age of astronomy, the prospect of interplanetary studies and even journeys, these are far removed from the introspective broodings and the negative agnosticism which were the frequent but unnecessary by-products of the 19th century scientists. The directions of the age in which you will live will be quite literally toward the heavens, and once again those with a little patience, a little humor, a little leisure for reflection and repose and meditation, a little impatience with the status quo, a little humility and a little imagination will understand better than have generations what the Hebrew Psalmist meant when he wrote:

"I look up at those heavens of Thine, the work of Thy hands, at the moon and the stars which Thou hast set in their places, and I ask, 'What is man that Thou shouldst remember him; what is Adam's breed that it should claim Thy care? And yet Thou hast placed him only a little below the angels, crowning him with glory and honor and bidding him rule over the works of Thy hand'."

Georgetown has prepared you to do some part of that ruling, with a little luck and a little prayer and a little reflection on your gratitude to the university and those who made possible your attendance at it, and

the God who is able to make great things out of little virtues.

God bless you.

CONFERRING OF DEGREE OF DOCTOR OF HUMANE LETTERS UPON SENATOR GREEN, OF RHODE ISLAND

Mr. O'MAHONEY. Mr. President, the University of Georgetown at its commencement exercises on June 8, the 160th annual commencement of that great university at Georgetown, and within the area of the seat of the government of the United States, honored itself by honoring our beloved colleague, Senator THEODORE FRANCIS GREEN, of Rhode Island.

The Senator from Rhode Island, as everybody knows, is a man of advanced years, but no Member of the Senate, and I am sure no Member of the other House of Congress, has ever seen a man carry the burden of more than 90 years so lightly as does the Senator from Rhode Island.

The ability, the knowledge, the skill of the senior Senator from Rhode Island are known to us all. I felt it would be appropriate if I should seek the opportunity in the Senate, which has now been granted to me, to read into the RECORD the citation which was given by the president of Georgetown University, Father Edward B. Bunn, J.J., when he conferred the honorary degree of Doctor of Humane Letters upon our colleague. I read the citation:

To All Who Shall View This Document, Greetings and Peace in the Lord:

Men have ever deemed worthy of deep respect and deserving of peculiar honor those who by Heaven's favor have passed nine fruitful decades in the service of their compatriots and of all humanity. For it is but right to accord to all who excel the due reward of excellence. Respect is always deepened and regard rises to affection when in the prudent counselor, the energetic executive, the sincere patriot, his associates and fellow citizens see a man accessible to all, gentle and kind, loyal to his friends, ever desiring and effectively promoting the interests of his fellow men.

The statesman whom our university is delighted to honor at this commencement continued a long family tradition when he turned early to the practice of law. From court and academic hall he was called to a soldier's duties in the Spanish-American War. Once more, and for the many years to follow, the practice of law offered scope to outstanding talent and crowned tireless effort with conspicuous success. His fellow citizens of Rhode Island shared the fruits of a lengthening experience when they chose him as their representative in the State legislature, when they drew upon his counsel and inspiration during the trying days of World War I, when they twice elected him as Governor of their State. In this office he effectively supported measures designed to alleviate suffering and ameliorate conditions in a particularly trying period. From the highest office of his native State he was called, and called four times over, to the Senate of the United States. By his sponsorship and support of programs of social legislation and adequate national defense, and in particular by his untiring activity as member and as chairman of the Senate Committee on Foreign Relations, he has for over twoscore years served his country well, at home and abroad. By his travels to several continents and his mastery of several languages he has advanced the causes of international amity and world peace.

It is, then, with the earnest desire that he see many more years of service, that he gather in ever more abundant measure the fine fruits of a full life, and that he remain for his juniors a shining example of unremitting toil, steadfast purpose, and unswerving principles, that the president and directors of Georgetown University create and proclaim THEODORE FRANCIS GREEN, Doctor of Humane Letters, honoris causa.

In testimony whereof we have duly issued these letters under our hand and the seal of the university this 8th day of June 1959.

EDWARD B. BUNN, S.J.,
President.
JOSEPH A. SELLINGER, S.J.,
Secretary.

AMENDMENT OF AGRICULTURE ACT OF 1949, TO STABILIZE SUPPORT FOR TOBACCO

The PRESIDING OFFICER (Mr. PROXMIRE in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco, which were, on page 2, lines 14 and 15, strike out *"And provided further,"* and insert *"Provided further,"* and on page 2, line 22, after "used" insert:

And provided further, That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of $50,000 would be extended through loans or purchases made or made available by Commodity Credit Corporation to any person in the 1960 production of tobacco. For the purposes of this proviso, the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof. In the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation. Such limitation shall not apply to price support on tobacco extended by purchases of tobacco from, or by loans on tobacco to, persons other than the producers of tobacco if the Secretary of Agriculture determines that it is impracticable to apply such limitation. The Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation.

Mr. JORDAN. Mr. President, S. 1901, the Tobacco Act, which was passed by the Senate and sent to the House of Representatives, was passed by the House of Representatives with a slight amendment or two. There is a limit of $50,000 on loans to one farmer.

Mr. President, I move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion as agreed to.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business? If not, morning business is closed.

Under the order previously entered, the Senate will proceed to the consideration of measures on the calendar to which there is no objection, beginning with Calendar No. 265. The clerk will state the first measure.

SALE OF CERTAIN LANDS TO THE STATE OF MISSOURI

The bill (S. 692) to authorize the sale of certain lands to the State of Missouri was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is hereby authorized to convey by quitclaim deed to the State of Missouri, for public park and recreational purposes only, such areas within the portion of Table Rock Dam and Reservoir project, Missouri, presently leased to said State for public park and recreational purposes, as he shall deem essential to provide building sites for permanent buildings and other improvements for public park and recreational purposes, but not to exceed fifty acres, at fair value as determined by him, which in no event shall be less than the cost to the Government of acquiring such areas, and under such terms and conditions as he shall deem advisable to assure that the use of said areas by the State will not interfere with the operation of said dam and reservoir project and such additional terms and conditions as he shall deem advisable in the public interest.

The conveyance authorized by this Act shall not pass any right, title, or interest in oil, gas, fissionable materials, or other minerals.

In the event actual construction of the said buildings and improvements has not commenced within five years from the effective date of this Act, or in the event said property shall cease to be used for public park and recreational purposes for a period of two successive years, then title thereto shall immediately revert to the United States.

BILL PASSED OVER

The bill (H.R. 5674) to authorize certain construction at military installations, and for other purposes, was announced as next in order.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. ENGLE. Mr. President, I ask that the bill go over, since it is not properly calendar business.

The PRESIDING OFFICER. The bill will be passed over.

LAURIE DEA HOLLEY AND KARMEN LAEL HOLLEY

The bill (S. 218) for the relief of Laurie Dea Holley and the legal guardian of Karmen Lael Holley, minor child, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Laurie Dea Holley of Cannonville, Utah, the sum of $5,000 and to the legal guardian of Karmen Lael Holley, minor child, $20,000, in full satisfaction, except as provided in section 2 of this Act, of their claim against the United States for the death of their husband and father, Elmer Leroy Holley, who was fatally injured in an accident which occurred on November 29, 1953, while he was engaged in the performance of his duties as an employee of the United States Senate Post Office.

SEC. 2. This Act or any payment made in accordance with its provisions shall not have the effect of destroying or changing any rights to compensation under the provisions of the Federal Employees' Compensation Act resulting from such death.

SEC. 3. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

RESOLUTIONS PASSED OVER

The resolution (S. Res. 115) to authorize studies as to the effectiveness of present governmental organization and procedures for the development and execution of national policy for survival in the contest with world communism, was announced as next in order.

Mr. ENGLE. Mr. President, I ask that the resolution go over, as not properly calendar business.

The PRESIDING OFFICER. The resolution will be passed over.

The joint resolution (S.J. Res. 69) proposing an amendment to the Constitution of the United States relative to the equal rights for men and women, was announced as next in order.

Mr. ENGLE. Mr. President, I ask that the joint resolution go over as not properly calendar business.

The PRESIDING OFFICER. The joint resolution will be passed over.

FURNISHING OF SUPPLIES AND SERVICES TO FOREIGN VESSELS AND AIRCRAFT

The bill (H.R. 3292) to amend title 10, United States Code, to authorize the Secretary of the Navy to furnish supplies and services to foreign vessels and aircraft, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

LOANS OF NAVAL VESSELS TO THE GOVERNMENTS OF ITALY, TURKEY, AND THE REPUBLIC OF CHINA

The bill (H.R. 3366) to authorize the extension of loans of naval vessels to the Governments of Italy, Turkey, and the Republic of China was considered, ordered to a third reading, read the third time, and passed.

SALE OF COLUMBIA BASIN PROJECT LANDS TO STATE OF WASHINGTON

The bill (H.R. 1306) to provide for the sale of Columbia Basin project lands to the State of Washington, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. MORSE subsequently said: Mr. President, I deeply regret that I was not present in the Chamber when the call of the calendar was started. I was in attendance on other official business. Calendar No. 296, House bill 1306, was passed before I reached the Chamber.

Only for the purpose of legislative record I should like to engage in colloquy with the Senator from Washington [Mr. JACKSON] in regard to House bill 1306, a bill to provide for the sale of Columbia Basin project lands to the State of Washington, and for other purposes.

The bill would authorize the sale of not more than 640 acres of irrigable land on the Columbia Basin project to the State of Washington for use by the State College of Washington for agricultural research purposes. It provides that the land so conveyed shall be treated as nonexcess lands, under the Columbia Basin Project Act, insofar as deliveries of water from project works are concerned, so long as they are used for the purposes designated in the bill, namely, agricultural research.

Mr. HOLLAND. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senate will be in order. The Senator from Oregon will suspend until the Senate is in order.

Mr. MORSE. Under the Columbia Basin Project Act, the limitation on the acreage to which water may lawfully be delivered through a reclamation project is applicable to State-owned lands as well as private land. In the absence of this proposed amendment water could be delivered to no more than 160 acres of State-owned land.

It is my feeling that the acreage limitation provision of our Federal reclamation laws was not designed to be applicable to a research project such as this, in which not only residents of the State, but people throughout the Nation will benefit from the results of the research. For this reason, I am inclined to favor the bill. However, in order that we may make clear-cut legislative history on one specific point, and in order that there may be no misunderstanding on the point, I would like to ask the very able junior Senator from Washington [Mr. JACKSON] this question: In the event the State of Washington should cease using the lands in question for agricultural research purposes and should sell the land to a subsequent purchaser, would the acreage limitations—with respect to the delivery of water—of the Columbia Basin Project Act be reinstated with respect to these lands?

Mr. JACKSON. Yes. It appears to me to be the clear intent and purpose of this bill to make an exception to the otherwise applicable acreage limitation law with respect to the delivery of water for the purpose of this proposed conveyance alone, and if the grantee named in this conveyance—the State of Washington—should cease using property for agricultural research and should convey to a subsequent purchaser, it seems quite apparent that the acreage limitation—which applies only to the delivery of water—should again be applicable to the lands. My view in this respect is supported by what is said in Senate Report No. 309 accompanying this bill:

H.R. 1306 as approved by the House and reported favorably by the Senate Committee on Interior and Insular Affairs creates a limited exception to the existing law.

Mr. MORSE. I thank the Senator from Washington for his reassurance. I thank him also for his unfailing cooperation with the Senator from Oregon in connection with all Morse formula problems when the Senator from Oregon can demonstrate that the Morse formula is in fact involved. This bill is not objectionable on any Morse formula grounds, and I support it.

CONVEYANCE OF CERTAIN LANDS ON HUNTLEY RECLAMATION PROJECT, YELLOWSTONE COUNTY, MONT.

The Senate proceeded to consider the bill (S. 53) to amend the acts approved April 16 and July 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley project schools, Yellowstone County, Mont., which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, line 4, after the name "Montana", to insert "and block 15 of the original townsite of Huntley, Montana,", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions, terms, and conditions of any other Act of Congress, the Secretary of the Interior shall cause to be conveyed without restriction, save as hereinafter set forth, to school district numbered 24, Huntley Project Schools, Yellowstone County, Montana, its successors and assigns, the following described land and premises located and situated in Yellowstone County,

Montana: Lot 3 of block 3 of the original townsite of Ballantine, Montana, and block 14 of the original townsite of Pompeys Pillar, Montana, and block 15 of the original townsite of Huntley, Montana, subject to reservation from said land of a right-of-way thereon for ditches and canals constructed by the authority of the United States in accordance with the provisions of the Act of August 30, 1890 (26 Stat. 391), and any and all existing easements on said lands; reserving to the United States, and its assigns, all coal, oil, gas, and other minerals, including, without being limited by enumeration, sand, gravel, stone, clay and similar materials, together with the usual mining rights, powers, and privileges, including the right at any and all times to enter upon said land and use such part of the surface thereof as may be necessary in prospecting for, mining, saving, and removing said minerals and materials, upon payment of damages caused by said surface use to the owner thereof, or upon giving a good and sufficient bond or undertaking in an action instituted in any competent court to ascertain and fix said damages.

SEC. 2. The Secretary of the Interior is hereby authorized and empowered to execute and deliver to school district numbered 24, Huntley Project Schools, Yellowstone County, Montana, any documentary evidence which he may determine to be necessary to carry out the intent of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KENNETH LASHLEY, JR.

The bill (S. 919) for the relief of Kenneth Lashley, Jr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Kenneth Lashley, Junior, shall be held and considered to be the natural-born alien child of Gertrude Beatrice Lashley, a citizen of the United States.

ROSA MARIA MONTENEGRO

The bill (S. 1053) for the relief of Rosa Maria Montenegro was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Rosa Maria Montenegro, shall be held and considered to be the natural-born alien child of Lieutenant Commander Anderson V. Showen, a citizen of the United States.

KATHARINA HOEGER

The bill (S. 1171) for the relief of Katharina Hoeger was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act Katharina Hoeger shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

GERALD M. COOLEY

The bill (H.R. 1758) for the relief of Gerald M. Cooley was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF RICHARD ANTHONY NUNES, JR.

The bill (H.R. 2044) for the relief of the estate of Richard Anthony Nunes, Jr., was considered, ordered to a third reading, read the third time, and passed.

MRS. GERTRUDE E. SHETLER

The bill (H.R. 2289) for the relief of Mrs. Gertrude E. Shetler was considered, ordered to a third reading, read the third time, and passed.

MISS MAME E. HOWELL

The bill (H.R. 2586) for the relief of Miss Mame E. Howell was considered, ordered to a third reading, read the third time, and passed.

TRANSMISSION OF PAPERS BY REFEREE IN BANKRUPTCY CASES

The bill (H.R. 4345) to repeal clause (9) of subdivision (a) of section 39 of the Bankruptcy Act (11 U.S.C. 67a(9)), respecting the transmission of papers by the referee to the clerk of the court was considered, ordered to a third reading, read the third time, and passed.

AUTOMATIC ADJUDICATION AND REFERENCE OF CERTAIN BANKRUPTCY CASES

The bill (H.R. 4692) to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, 1031) to provide for automatic adjudication and reference in certain cases was considered, ordered to a third reading, read the third time, and passed.

Mr. HRUSKA subsequently said: Mr. President, earlier, on the call of the calendar, the Senate passed H.R. 4692, Calendar No. 307, to amend certain sections of the Bankruptcy Act to provide for automatic adjudication and reference in certain cases.

I ask unanimous consent that a statement I have prepared on the bill be printed in the RECORD prior to the passage of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HRUSKA

There is now pending in the Senate a bill (S. Res. 91) calling for a study of the problem of congestion and delay in our Federal court system. With H.R. 4692 now before us, it is appropriate to inquire how much of the problem of court delay may be induced, not by the absence of efficient administrative habits or practices, but by the presence of needless laws imposing useless, though time-consuming, duties upon our judges.

In this connection it is proper to observe that the interests of greater administrative efficiency in our judicial system can be promoted by a continual revision of present laws as well as by the recommendation of additional ones. In such a case, we ought to acknowledge that the solution to the problem of court delays may in part lie beyond the capacity of the courts to achieve and within the exclusive purview of the Congress.

An example of legislative response to the need for improvement in judicial administration can be found in the enactment of H.R. 4692. Prior to the passage of this bill, it was necessary for a district judge to hear voluntary petitions in ordinary bankruptcy proceedings and to make the adjudication upon them. However, the Bankruptcy Act also authorized a judge to refer such cases to a referee. As a practical matter, therefore, the exercise of this power to refer became routine.

Nonetheless, the procedure entailed the entry of an order of reference signed by the judge. H.R. 4692, by providing for the automatic adjudication upon the filing of a voluntary petition and for the reference of all ordinary bankruptcy cases by the clerk of the court (unless the judge directs otherwise), sensibly eliminates one routine step which needlessly consumed the time and attention of the court.

The impact such legislation will have upon the workload of the judges can be appreciated in the realization that more than 90,000 petitions in bankruptcy were filed during the past fiscal year alone. Each of these cases required the performance of the routine duty of entering an order of adjudication of bankruptcy and reference, surely a burdensome task in view of the steady rise in the volume of such cases.

H.R. 4692 does not alter or affect the procedural safeguards provided in the process of adjudication of involuntary cases. Nor is it to be suggested that this bill will itself relieve congestion and delay in our Federal courts. However, it is a step in the right direction.

H.R. 4692 is only one measure of several now pending before the Judiciary Committee regarding bankruptcy administration, all of which are designed to reduce the burdensome and time-consuming duties now imposed by law upon our district judges.

They are welcomed amendments that ought to receive the early and favorable consideration of Congress. By the enactment of such measures, we are able to effect substantial improvements in the efficiency and economy of operations of the courts.

The Administrative Office and the Judicial Conference of the United States are to be commended for proposing and supporting this constructive change in our present law.

KIM FUKATA

The bill (S. 1442) for the relief of Kim Fukata and her minor child was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Kim Fukata, the fiancée of James Chaney, Junior, a citizen of the United States, and her minor child, Michael (Chaney), shall be eligible for visas as nonimmigrant temporary visitors for a period of three months: *Provided,* That the administrative authorities find that the said Kim Fukata is coming to the United States with

a bona fide intention of being married to the said James Chaney, Junior, and that they are found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Kim Fukata and Michael (Chaney), they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Kim Fukata and Michael (Chaney), the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Kim Fukata and Michael (Chaney) as of the date of the payment by them of the required visa fees.

The title was amended, so as to read: "A bill for the relief of Kim Fukata and her minor child, Michael (Chaney)."

NASUBIT MILDRED MILKIE

The Senate proceeded to consider the bill (S. 977) for the relief of Nasubit Mildred Milkie, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 3, after the word "That", to strike out "Nasubit" and insert "Nassibeh", and in line 11, after the word "said", to strike out "Nasubit" and insert "Nassibeh", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Nassibeh Mildred Milkie, who lost United States citizenship under the provisions of section 401(a) of the Nationality Act of 1940, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Nassibeh Mildred Milkie shall have the same citizenship status as that which existed immediately prior to its loss.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Nassibeh Mildred Milkie."

RELIEF OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H.J. Res. 322) for the relief of certain aliens, which had been reported from the Committee on the Judiciary, with amendments, on page 1, at the beginning of line 8, to strike out "require" and insert "required"; on page 4, line 4, after the word "said," to strike out "Moises Garza Barriga,"; in line 5, after the name "Kyriacou," to strike out the comma and "and Francisco Gomez Olvera"; at the beginning of line 14, to insert "and head tax"; and after line 14, to strike out:

SEC. 5. For the purposes of the Immigration and Nationality Act, Lum Sum Git, also known as George Git Lum, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 1, 1932, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this section of this Act, the Secretary of State shall instruct the proper quota control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available.

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

WIDOW OF COL. CLAUD C. SMITH

The Senate proceeded to consider the bill (S. 1667) for the relief of the widow of Col. Claud C. Smith, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 3, after the word "heirs", to insert a colon and *"Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceding $1,000.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the widow of Colonel Claud C. Smith, 7015041, the sum of $6,675. Such sum shall be in full satisfaction of all claims for compensation for a dwelling house which was erected by the said Colonel Claud C. Smith in 1934 and 1935 on the Fort Jackson Military Reservation, South Carolina, and which has been used by the Army since the said Colonel Claud C. Smith was forced to vacate the same on March 9, 1942, no compensation having been received for such house by the said Colonel Claud C. Smith or his heirs: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THREE HUNDRED AND FIFTIETH ANNIVERSARY OF VOYAGES OF HUDSON AND CHAMPLAIN

The joint resolution (S.J. Res. 59) requesting the President to issue a proclamation designating 1959 for the observance of the 350th anniversary of the historic voyages of Hudson and Champlain was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating 1959 as the year of the Hudson-Champlain Celebrations, and calling upon all citizens to join in commemorating the explorations carried out by these heroic men three hundred and fifty years ago.

The preamble was agreed to.

BILL PASSED OVER

The bill (H.R. 4012) to provide for the centennial celebration of the establishment of the land-grant colleges and State universities and the establishment of the Department of Agriculture, and for related purposes, was announced as next in order.

Mr. ENGLE. Mr. President, over, by request.

The PRESIDING OFFICER. The bill will be passed over.

MINIMUM CHARGE ON MAILING OF CERTAIN PIECES

The bill (H.R. 5212) to revise the minimum charge on pieces of mail of odd sizes and shapes was considered, ordered to a third reading, read the third time, and passed.

STRIKING OF MEDALS COMMEMORATING THE SETTLEMENT OF THE STATE OF COLORADO AND THE ESTABLISHMENT OF THE U.S. AIR FORCE ACADEMY

The bill (S. 1991) to provide for the striking of medals in commemoration of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy was announced as next in order.

Mr. ENGLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 319, H.R. 7290, which is an identical House bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7290) to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1991 is indefinitely postponed.

USE OF FUNDS FROM JUDGMENT IN FAVOR OF COEUR D'ALENE TRIBE OF INDIANS

The bill (S. 2045) to authorize the use of funds arising from a judgment in

favor of the Coeur d'Alene Indian Tribe, and for other purposes was considered, ordered to be engrossed for a third reading read the third time, and passed, as follows:

Be it enacted, by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds on deposit in the Treasury of the United States to the credit of the Coeur d'Alene Tribe that were appropriated to pay a judgment by the Indian Claims Commission dated May 6, 1958, and the interest thereon, after payment of attorney fees and expenses may be advanced or expended for any purpose that is authorized by the tribal governing body and approved by the Secretary of the Interior. Any part of such funds that may be distributed per capita to the members of the tribe shall not be subject to Federal and State income tax.

CONVEYANCE OF CERTAIN SCHOOL PROPERTIES TO LOCAL SCHOOL DISTRICTS

The bill (S. 1819) to amend the act of June 4, 1953 (67 Stat. 41), entitled "An act to authorize the Secretary of the Interior, or his authorized representative, to convey certain school properties to local school districts or public agencies" was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 4, 1953 (67 Stat. 41), as amended, is amended by changing the colon after "Indian tribe", the first time the term appears, to a period and by deleting the following language: *"Providing further,* That no more than twenty acres of land shall be transferred under the terms of this Act in connection with any single school property conveyed to State or local governmental agencies or to local school authorities."

PER CAPITA DISTRIBUTION OF FUNDS FROM JUDGMENT IN FAVOR OF QUAPAW TRIBE OF INDIANS

The bill (S. 1903) to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to prepare a roll of the persons whose names appear on the Quapaw membership roll forwarded under date of January 4, 1890, and whose membership in the tribe was then based upon Quapaw blood rather than solely upon adoption, and the descendants of such persons, who are living on the date of this Act. Applications for enrollment must be filed with the area director of the Bureau of Indian Affairs, Muskogee, Oklahoma, on forms prescribed by the Secretary, within six months after the date of this Act. For a period of three months thereafter, the Secretary shall permit the examination of the applications by the Quapaw Tribal Business Committee or by persons having a material interest therein for the purpose of lodging protests against any application. The determination of the Secretary regarding the eligibility of an applicant shall be final.

SEC. 2. The Secretary shall distribute on a pro rata basis to the persons whose names appear on the roll prepared pursuant to section 1 of this Act, or their heirs or legatees, the balance of the funds on deposit in the Treasury of the United States to the credit of the Quapaw Indians that were appropriated by the Act of August 26, 1954 (68 Stat. 801), in satisfaction of a judgment against the United States that was obtained by the tribe in the Indian Claims Commission on May 7, 1954, and accrued interest thereon. The funds so distributed shall not be subject to Federal or State income tax.

SEC. 3. (a) Except as provided in subsection (b) of this section, the Secretary shall distribute a share payable to a living enrollee directly to such enrollee, and the Secretary shall distribute a share payable to a deceased enrollee directly to his next of kin or legatees as determined by the laws of the place of domicile of the decedent, upon proof of death and inheritance satisfactory to the Secretary, whose findings upon such proof shall be final and conclusive.

(b) A share payable to a person under twenty-one years of age or to a person under legal disability shall be paid in accordance with the laws applicable to such person in the place of his domicile, or in the discretion of the Secretary to the natural parent or guardian of such person.

SEC. 4. All costs incurred by the Secretary in the preparation of the roll and in the payment of shares in accordance with the provisions of this Act shall be paid by appropriate withdrawals from the judgment fund, but the cost and expense of any litigation that may arise from the preparation of the roll or the payment of shares shall be paid by the United States.

USE OF FUNDS FROM JUDGMENT IN FAVOR OF CERTAIN TRIBES OF INDIANS

The bill (S. 1904) to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indians of Kansas, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds on deposit in the Treasury of the United States to the credit of the Citizen Band of Potawatomi Indians of Oklahoma and to the credit of the Prairie Band of Potawatomi Indians of Kansas that were appropriated to pay a judgment by the Indian Claims Commission for inadequate compensation for lands ceded under the treaties of November 15, 1861 (12 Stat. 1191), and February 27, 1867 (15 Stat. 531), and the act of July 1, 1862 (12 Stat. 489), and the interest thereon, may be advanced or expended for any purpose that is authorized by the respective tribal governing bodies and approved by the Secretary of the Interior. Any part of such funds that may be distributed per capita to the members of the bands shall not be subject to Federal or State income tax.

DONATION OF CERTAIN LAND TO THE CONFEDERATED TRIBES OF WARM SPRINGS RESERVATION, OREG.

The bill (S. 1818) to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the rights, title, and interest of the United States in the land described below are hereby declared to be held in trust for the Confederated Tribes of the Warm Springs Reservation, Oregon: Commencing at a point 5.38 chains west of center of section 25, township 9 south, range 12 east, north 30 chains, west 17.08 chains, south 20 chains, east 2.50 chains, south 10 chains, east 14.63 chains to point of beginning, containing 48.89 acres more or less, being parts of lots 5, 6, 11, 12, and 14 of section 25, township 9 south, range 12 east, Willamette meridian, Jefferson County, Oregon.

PER CAPITA DISTRIBUTION OF FUNDS FROM JUDGMENT IN FAVOR OF CONFEDERATED TRIBE OF SILETZ INDIANS, OREGON

The bill (S. 2029) to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized and directed to distribute on a pro rata basis, to the persons whose names appear on the final roll approved pursuant to section 3 of the act of August 13, 1954 (68 Stat. 724), or their heirs or legatees, the balance of the funds, after paying approved attorney fees and expenses appropriated by the Supplemental Appropriation Act, 1959, in satisfaction of the judgment against the United States obtained in the Indian Claims Commission in docket Numbered 239, and accrued interest thereon. The funds so distributed shall not be subject to Federal or State income tax.

SEC. 2. (a) Except as provided in subsecsection (b) of this section, the Secretary shall distribute a share payable to a living enrollee directly to such enrollee, and the Secretary shall distribute a share payable to a deceased enrollee directly to his next of kin or legatees as determined by the laws of the place of domicile of the decedent, upon proof of death and inheritance satisfactory to the Secretary, whose findings upon such proof shall be final and conclusive.

(b) A share payable to a person under twenty-one years of age or to a person under legal disability shall be paid in accordance with the laws applicable to such person in the place of his domicile, or in the discretion of the Secretary of the natural parent or guardian of such person.

SEC. 3. All costs incurred by the Secretary in the preparation of the roll and in the payment of shares in accordance with the provision of this Act shall be paid by appropriate withdrawals from the judgment fund.

EXCHANGE OF CERTAIN LAND TO THE YAKIMA TRIBE OF INDIANS

The bill (H.R. 5728) to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in

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exchange therefor, was considered, ordered to a third reading, read the third time, and passed.

SELLING OF SUPPLIES AND FURNISHING SERVICES TO VESSELS AND OTHER WATERCRAFT

The bill (S. 1367) to amend title 14, United States Code, entitled "Coast Guard," to authorize the Coast Guard to sell supplies and furnish services not available from local sources to vessels and other watercraft to meet the necessities of such vessels and watercraft was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 17 of title 14, United States Code, is amended by adding the following new section:

"SEC. 654. The Secretary under such regulations as he may prescribe, may sell to public and commercial vessels and other watercraft, such fuel supplies and furnish such services as may be required to meet the necessities of the vessel or watercraft if such vessel or watercraft is unable—

"(1) to procure the fuel, supplies, or services from other sources at its present location; and

"(2) to proceed to the nearest port where they may be obtained without endangering the safety of the ship, the health and comfort of its personnel, or the safe condition of the property carried aboard.

Sales under this section shall be at such prices as the Secretary considers reasonable. Payment will be made on a cash basis or on such other basis as will reasonably assure prompt payment. Amounts received from such a sale shall, unless otherwise directed by another provision of law, be credited to the current appropriation concerned and are available for the same purposes as that appropriation."

SEC. 2. The analysis of chapter 17 of title 14, United States Code, is amended by adding the following new item:

"654. Public and commercial vessels and other watercraft; sale of fuel, supplies, and services."

SALE OF CERTAIN UTILITIES BY THE U.S. COAST GUARD

The Senate proceeded to consider the bill (S. 577) to amend title 10, United States Code, section 2481, to authorize the U.S. Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available from local sources, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, on page 1, line 9, after the word "or", to strike out "the", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2481 of title 10, United States Code, is amended as follows:

(1) Subsection (a) is amended as follows:

(A) By striking out the words "of a military department" and inserting in place thereof the word "concerned".

(B) By striking out the word "or" immediately following the words "Air Force," and inserting the words "or Coast Guard," immediately following the words "Marine Corps,".

(2) Subsection (c) is amended by striking out the words "of the military department".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to Reorganization Plans transmitted to the Congress at any time before June 1, 1961, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ENGLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

PAYMENTS TO INDIANS FOR DESTRUCTION OF FISHING RIGHTS AT CELILO FALLS

The bill (S. 1976) to make payments to Indians for destruction of fishing rights at Celilo Falls exempt from income tax was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds paid by the United States to Indian tribes, the portion of such funds subsequently distributed to members of the tribes or to trustees for or representatives of such members, and the funds paid by the United States directly to individual Indians, as compensation for the loss of fishing rights due to the construction, operation, and maintenance of the Dalles Dam, Columbia River, Washington and Oregon, shall not be subject to Federal or State income tax.

JANET S. DUNN

The resolution (S. Res. 127) to pay a gratuity to Janet S. Dunn was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Janet S. Dunn, daughter of William M. Dempsey, an employee of the Senate at the time of his death, a sum equal to eight months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

DELEGATION FROM SENATE AND HOUSE OF REPRESENTATIVES TO THE MEETING OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

The concurrent resolution (S. Con. Res. 29) authorizing attendance of delegations from the Senate and House of Representatives at the meeting of the Commonwealth Parliamentary Association was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Vice President and the Speaker of the House of Representatives are authorized to appoint four Members of the Senate and four Members of the House of Representatives, respectively, to attend the next general meeting of the Commonwealth Parliamentary Association, to be held in Australia at the invitation of the Australian branches of the Association, and to designate the chairmen of the delegations from each of the Houses to be present at such a meeting.

SEC. 2. The expenses incurred by the members of the delegations and staff appointed for the purpose of carrying out this concurrent resolution shall not exceed $15,000 for each delegation and shall be paid from the contingent fund of the House of which they are Members, upon submission of vouchers approved by the chairman of the delegation of which they are members.

ATTENDANCE OF DELEGATION FROM SENATE TO MEETING OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

The resolution (S. Res. 114) authorizing attendance of a delegation from the Senate at meeting of Commonwealth Parliamentary Association was considered and agreed to, as follows:

Resolved, That the Vice President is authorized to appoint four Members of the Senate as a delegation to attend the next general meeting of the Commonwealth Parliamentary Association, to be held in Australia at the invitation of the Australian branches of the Association, and to designate the chairman of said delegation.

SEC. 2. The expenses of the delegation including staff members designated by the chairman to assist said delegation shall not exceed $15,000 and shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

ADDITIONAL PRINTING OF SENATE DOCUMENT NO. 22 OF THE 86TH CONGRESS ON LABOR-MANAGEMENT POLICIES

The resolution (S. Res. 122) to print additional copies of Senate Document No. 22 of the 86th Congress, on labor-management policies was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Labor and Public Welfare 10,000 additional copies of Senate Document Numbered 22, 86th Congress, 1st session, entitled "A Collection of Excerpts and a Bibliography Relative to Labor-Management Policies Best Serving the People of the United States."

BILL PASSED OVER

The bill (H.R. 6319) to amend chapter 55 of title 38, United States Code, to establish safeguards relative to the accumulation and final disposition of certain benefits in the case of incompetent veterans was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED TO FOOT OF THE CALENDAR

The bill (S. 6) to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons, was announced as next in order.

Mr. ENGLE. Mr. President, by request I ask that the bill be passed to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be passed to the foot of the calendar.

EXTENSION OF SECTION 17 OF THE BANKHEAD-JONES FARM TENANT ACT FOR 2 YEARS

The bill (S. 1941) to extend section 17 of the Bankhead-Jones Farm Tenant Act for 2 years was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17 of the Bankhead-Jones Farm Tenant Act, as amended, is amended by striking out "June 30, 1959" and inserting "June 30, 1961".

BILL PASSED TO THE FOOT OF THE CALENDAR

The bill (S. 1521) to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938, was announced as next in order.

Mr. ENGLE. Mr. President, by request I ask that the bill be passed to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

BILLS PASSED OVER

The bill (S. 1512) to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ENGLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1513) to clarify the status of the Federal land banks, the Federal intermediate credit banks, and the banks for cooperatives and their officers and employees with respect to certain laws applicable generally to the United States and its officers and employees, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ENGLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 864) to provide greater protection against the introduction and dissemination of diseases of livestock and poultry, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ENGLE. Mr. President, over by request.

The PRESIDING OFFICER. The bill will be passed over.

LUTHER M. CROCKETT

The bill (S. 854) for the relief of Luther M. Crockett was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Luther M. Crockett, Lieutenant, United States Navy, retired, Phoenix, Arizona, is hereby relieved of all liability for repayment to the United States of the sum of $2,838, representing salary paid him in 1957 and 1958 while he was an employee of the Civil Aeronautics Administration, Department of Commerce, in violation of the Act of July 31, 1894 (28 Stat. 162), the said Luther M. Crockett having been erroneously advised by the Department of Commerce prior to his employment with such Department that such Act was not applicable to him.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Luther M. Crockett, the sum of any amounts received or withheld from him on account of the salary payments referred to in the first section of this Act.

MR. AND MRS. FRED A. FLETCHER

The bill (S. 917) for the relief of Mr. and Mrs. Fred A. Fletcher was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Fred A. Fletcher, of Forks, Washington, the sum of $2,650.15, in full satisfaction of their claim against the United States for reimbursement of expenses incurred by them in connection with the eminent-domain proceedings instituted in 1940 by the United States for the purpose of acquiring their property, described in such proceeding as tract J-200, together with other parcels of land, for the Olympic public works project (P.W.A. 723 A and B), the United States having dismissed such tract from such proceedings after a verdict had been rendered in favor of the said Mr. and Mrs. Fred A. Fletcher in the amount of $12,266.15: *Provided,* That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

CITY OF FORT MYERS, FLA., AND LEE COUNTY, FLA.

The bill (S. 1330) to amend the act entitled "An act for the relief of the city of Fort Myers, Fla., and Lee County, Fla.," approved July 22, 1958, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (a) of the first section of the Act entitled "An Act for the relief of the city of Fort Myers, Florida, and Lee County, Florida", approved July 22, 1958 (72 Stat. 401), is amended by striking out "$137,997.64" and inserting in lieu thereof "$141,997.64".

SOFIA N. SARRIS

The bill (S. 1466) for the relief of Sofia N. Sarris was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Sofia N. Sarris, shall be held and considered to be the natural-born alien child of Louis and his wife, Gladys Sarris, citizens of the United States: *Provided,* That no natural parent of the beneficiary, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

ADEODATO FRANCESCO PIAZZA NICOLAI

The bill (S. 1611) for the relief of Adeodato Francesco Piazza Nicolai was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Adeodato Francesco Piazza Nicolai, shall be held and considered to be the natural-born alien child of Antonio Nicolai and Teresa Jezierny Nicolai, citizens of the United States: *Provided,* That the natural parents of Adeodato Francesco Piazza Nicolai shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

COMPUTATION OF GOOD TIME ALLOWANCES FOR PRISONERS

The bill (S. 1645) to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of section 4161 of title 18, United States Code, is amended by striking out the words "to be credited as earned and computed monthly".

TAUFIC DEOUD GEBRAN AND HIS WIFE

The Senate proceeded to consider the bill (S. 1320) for the relief of Taufic Deoud Debran (also known as Taufic G. Dawd) and his wife Hanne Elias Wehby Deoud, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 4, after the word "Act", to strike out "Taufic Deoud Gebran" and insert "Taufic Daoud-Gebran", and in line 6, after the name

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"Wehby", to strike out "Deoud" and insert "Daoud", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Taufic Daoud-Gebran (also known as Taufic G. Dawd) and his wife, Hanne Elias Wehby Daoud, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Taufic Daoud-Gebran (also known as Taufic G. Dawd) and his wife, Hanne Elias Wehby Daoud."

JIM B. HILL

The bill (H.R. 1471) for the relief of Jim B. Hill was considered, ordered to a third reading, read the third time, and passed.

GALVESTON, HOUSTON & HENDERSON RAILROAD CO.

The bill (H.R. 1711) for the relief of the Galveston, Houston & Henderson Railroad Co., was considered, ordered to a third reading, read the third time, and passed.

LEONORA HOLMES MOLA

The bill (H.R. 2011) for the relief of Leonora Holmes Mola was considered, ordered to a third reading, read the third time, and passed.

JOHN F. CARMODY

The bill (H.R. 2100) for the relief of John F. Carmody was considered, ordered to a third reading, read the third time, and passed.

JOSEPH E. GALLANT

The bill (H.R. 2286) for the relief of Joseph E. Gallant was considered, ordered to a third reading, read the third time, and passed.

DR. GORDON D. HOOPLE, DR. DAVID W. BREWER, AND ESTATE OF LATE DR. IRL H. BLAISDELL

The bill (H.R. 3825) for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer and the estate of the late Dr. Irl H. Blaisdell was considered, ordered to a third reading, read the third time, and passed.

PATRICK W. GOWAN ET AL.

The bill (H.R. 3960) for the relief of Patrick W. Gowan, David Dooling, Harlie L. Mize, James H. Blaes, and William L. Perkins was considered, ordered to a third reading, read the third time, and passed.

WAIVING CERTAIN PROVISIONS OF THE IMMIGRATION AND NATIONALITY ACT

The joint resolution (H.J. Res. 324) to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens was considered, ordered to a third reading, read the third time, and passed.

AARON GREEN, JR.

The bill (H.R. 3522) for the relief of Aaron Green, Jr., was considered, ordered to a third reading, read the third time, and passed.

RESOLUTION PASSED OVER

The resolution (S. Res. 131), referring S. 882, a bill for the relief of the heirs of J. B. White, to the Court of Claims was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. KEATING. Mr. President, over, by request.

The PRESIDING OFFICER. The resolution will be passed over.

REVISION OF BOUNDARIES OF EDISON LABORATORY NATIONAL MONUMENT, N.J.

The bill (H.R. 318) to authorize a revision of the boundaries of the Edison Laboratory National Monument, New Jersey, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ACQUISITION OF ADDITIONAL PROPERTY FOR INDEPENDENCE NATIONAL HISTORICAL PARK

The bill (H.R. 2154) to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 2497) to add certain lands located in Idaho to the Boise and Payette National Forests was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KEATING. Mr. President, let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

DISCLAIMER OF INTEREST OF UNITED STATES IN CERTAIN LANDS IN COLORADO

The bill (H.R. 3454) to disclaim any interest on the part of the United States in certain lands in the State of Colorado, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

REVESTED RAILROAD GRANT LANDS IN OREGON AND CALIFORNIA

The bill (H.R. 3495) to direct the Secretary of the Interior to administer certain acquired lands as revested Oregon and California railroad grant lands was considered, ordered to a third reading, read the third time, and passed.

REVISION OF BOUNDARIES OF THE KINGS MOUNTAIN MILITARY PARK, S.C.

The bill (H.R. 3496) to revise the boundaries of the Kings Mountain Military Park, S.C., and to authorize the procurement and exchange of lands; and for other purposes was considered, ordered to a third reading, read the third time, and passed.

LEASING PROVISIONS TO CERTAIN LANDS IN OREGON

The bill (H.R. 4748) to extend the leasing provisions of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869–869–3) to certain lands in Oregon and for other purposes was considered, ordered to a third reading, read the third time, and passed.

REVISION OF BOUNDARIES OF MONTEZUMA CASTLE NATIONAL MONUMENT, ARIZ.

The bill (H.R. 5262) to revise the boundaries of the Montezuma Castle National Monument, Ariz., and for other purposes was considered, ordered to a third reading, read the third time, and passed.

REVISION OF BOUNDARIES OF WRIGHT BROTHERS NATIONAL MEMORIAL, N.C.

The bill (H.R. 5488) to revise the boundaries of Wright Brothers National Memorial, N.C.,and for other purposes was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LANDS IN NAVAJO COUNTY, ARIZ.

The Senate proceeded to consider the bill (S. 220) to direct the Secretary of the Interior to convey certain lands in Navajo County, Ariz., which had been reported from the Committee on Interior and Insular Affairs, with amendments, in line 4, after the word "to", where it appears the second time, to insert "the successors in interest of"; in line 5, after the name "Hansen", to insert "deceased"; and in the same line, after the amendment just above stated, to strike out "and to his successors and assigns,"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to the successors in interest of Neils H. Hansen, deceased, all of the right, title, and interest of the United States in and to the lands conveyed to said Neils S. Hansen by Mrs. C. E. Amos and W. N. Amos, her husband, by a deed dated January 4, 1906, which was recorded on January 10, 1906, on page 265, book 4 of deeds, official records of the county of Navajo, State of Arizona.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AUTHORIZATION OF THE BOY SCOUTS OF AMERICA TO ERECT A MEMORIAL ON PUBLIC GROUNDS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 602) authorizing the Boy Scouts of America to erect a memorial on public grounds in the District of Columbia to honor the members and leaders of such organization, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, line 8, after the word "section", to insert a colon and "*Provided,* That if the site selected on public grounds belonging to or under the jurisdiction of the government of the District of Columbia, the approval of the Board of Commissioners of the District of Columbia shall also be obtained.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Boy Scouts of America, Incorporated, a corporation chartered by the Congress of the United States, is authorized to erect a memorial on public grounds in the District of Columbia, the purpose of which will be to honor the past and present members and leaders of such organization and to commemorate the fifty years of outstanding service to our Nation performed by the members and leaders of such organization.

SEC. 2. (a) The Secretary of the Interior is authorized and directed to select, with the approval of the Commission on Fine Arts and the National Capital Planning Commission, a suitable site on public grounds in the District of Columbia upon which may be erected the memorial authorized in the first section: *Provided,* That if the site selected on public grounds belonging to or under the jurisdiction of the government of the District of Columbia, the approval of the Board of Commissioners of the District of Columbia shall also be obtained.

(b) The design and plans for such memorial shall be subject to the approval of the Secretary of the Interior, the Commission on Fine Arts, and the National Capital Planning Commission. Such memorial shall be erected without expense to the United States.

SEC. 3. The authority granted in the first section of this Act shall cease to exist unless (1) the erection of the memorial authorized by such section is commenced within five years from the date of the enactment of this Act, and (2) the Secretary of the Interior finds that, prior to the commencement of the erection of such memorial, sufficient funds are available to insure its completion.

SEC. 4. The maintenance and care of the memorial erected under the provisions of this Act shall be the responsibility of the Secretary of the Interior.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1214) to amend the act of March 11, 1948 (62 Stat. 78) relating to the establishment of the De Soto National Memorial, in the State of Florida, was announced as next in order.

Mr. HOLLAND. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED TO FOOT OF CALENDAR

The bill (S. 822) to authorize the conveyance of certain property administered as a part of the San Juan National Historic Site to the municipality of San Juan, P.R., in exchange for its development by the municipality in a manner that will enhance the historic site, and for other purposes, was announced as next in order.

Mr. ENGLE. Mr. President, by request I ask that the bill be passed to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be passed to the foot of the calendar.

REVISION OF ELIGIBILITY REQUIREMENTS FOR BURIAL IN NATIONAL CEMETERIES

The bill (S. 825) to revise eligibility requirements for burial in national cemeteries, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of May 14, 1948 (ch. 289, 62 Stat. 234), is amended to read as follows:

"(a) Under such regulations as the Secretary of the Army may, with the approval of the Secretary of Defense, prescribe, the remains of the following persons may be buried in national cemeteries:

"(1) Any member or former member of the Armed Forces who served on active duty (other than for training) and whose last such service terminated honorably.

"(2) Any member of a reserve component of the Armed Forces, and any member of the Army National Guard or the Air National Guard, whose death occurs under honorable conditions while he is—

"(A) on active duty for training, or performing full-time service under section 316, 503, 504, or 505 of title 32, United States Code;

"(B) performing authorized travel to or from that duty or service;

"(C) on authorized inactive duty training, including training performed as a member of the Army National Guard or the Air National Guard;

"(D) hospitalized or undergoing treatment, at the expense of the United States, for injury or disease contracted or incurred under honorable conditions while he is—

"(i) on that duty or service;

"(ii) performing that travel or inactive duty training; or

"(iii) undergoing that hospitalization or treatment at the expense of the United States.

"(3) Any member of the Reserve Officers' Training Corps of the Army, Navy, or Air Force whose death occurs under honorable conditions while he is—

"(A) attending an authorized training camp or on an authorized practice cruise;

"(B) performing authorized travel to or from that camp or cruise; or

"(C) hospitalized or undergoing treatment, at the expense of the United States, for injury or disease contracted or incurred under honorable conditions while he is—

"(i) attending that camp or on that cruise;

"(ii) performing that travel; or

"(iii) undergoing that hospitalization or treatment at the expense of the United States

"(4) Any citizen of the United States who, during any war in which the United States is or has been engaged, served in the armed forces of any government allied with the United States during that war, and whose last such service terminated honorably.

"(5) The wife, husband, surviving spouse, minor child, and, in the discretion of the Secretary of the Army, unmarried adult child of any of the persons listed in clauses (1)–(4).

"(b) The remains of any person listed in subsection (a)(5) may, in the discretion of the Secretary of the Army, be removed from a national cemetery proper and interred in the post section of a national cemetery or in a post cemetery if, upon death, the related person named in subsection (a)(1)–(4) is not buried in the same or an adjoining gravesite. However, the remains of a person listed in subsection (a)(5) may not be removed from a national cemetery proper if the related person is—

"(1) lost or buried at sea;

"(2) officially determined to be permanently absent in a status of missing or missing in action;

"(3) officially determined to be dead for the purpose of terminating his status of missing or missing in action; or

"(4) one whose remains have not been recovered."

PRESERVATION OF HISTORICAL AND ARCHEOLOGICAL DATA

The bill (S. 1185) to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as a result of the construction of a dam was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to further the policy set forth in the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (16 U.S.C. 461–467), by specifically providing for the preservation of historical and archeological data (including relics and specimens) which might otherwise be irreparably lost or destroyed as the result of flooding, the building of access roads, the erection of workmen's communities, the relocation of railroads and highways, and other alterations of the terrain caused by the construction of a dam by any agency of the United States, or by any private person or corporation holding a license issued by any such agency.

SEC. 2. (a) Before any agency of the United States shall undertake the construction of a dam, or issue a license to any private individual or corporation for the construction of a dam, it shall give written notice to the Secretary of the Interior setting forth the site of the proposed dam and

the approximate area to be flooded and otherwise changed if such construction is undertaken.

(b) Upon receipt of any notice, as provided in subsection (a), the Secretary of the Interior (hereinafter referred to as the "Secretary"), shall cause a survey to be made of the area proposed to be flooded to ascertain whether such area contains historical and archeological data (including relics and specimens) which should be preserved in the public interest. Any such survey shall be conducted as expeditiously as possible. If, as a result of any such survey, the Secretary shall determine (1) that such data exists in such area, (2) that such data has exceptional historical or archeological significance, and should be collected and preserved in the public interest, and (3) that it is feasible to collect and preserve such data, he shall cause the necessary work to be performed in such area to collect and preserve such data. All such work shall be performed as expeditiously as possible.

(c) The Secretary shall keep the instigating agency notified at all times of the progress of any survey made under this Act, or of any work undertaken as a result of such survey, in order that there will be as little disruption or delay as possible in the carrying out of the functions of such agency.

(d) A survey similar to that provided for by section (b) of this section and the work required to be performed as a result thereof shall so far as practicable also be undertaken in connection with any dam the construction of which has been heretofore authorized by any agency of the United States, or by any private person or corporation holding a license issued by any such agency.

(e) The Secretary shall consult with any interested Federal and State agencies, educational and scientific organizations, and private institutions and qualified individuals, with a view to determining the ownership of and the most appropriate repository for any relics and specimens recovered as a result of any work performed as provided for in this section.

SEC. 3. In the administration of this Act, the Secretary may—

(1) enter into contracts or make cooperative agreements with any Federal or State agency, any educational or scientific organization, or any institution, corporation, association, or qualified individual; and

(2) procure the temporary or intermittent services of experts or consultants or organizations thereof as provided in section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and

(3) accept and utilize funds made available for salvage archeological purposes by any private person or corporations holding a license issued by an agency of the United States for the construction of a dam or other type of water or power control project.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

PROVISION OF HEADQUARTERS SITE FOR MOUNT RAINIER NATIONAL PARK

The bill (S. 1358) to authorize the Secretary of the Interior to provide a headquarters site for Mount Rainier National Park in the general vicinity of Ashford, Wash., and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to apply the present headquarters site in Mount Rainier National Park to public use for which it is more suitable and to provide an efficient operating base for the park, the Secretary of the Interior is authorized to provide a park headquarters in the general vicinity of Ashford, Washington, and for such purpose to acquire in this vicinity, by such means as he may deem to be in the public interest, not more than three hundred acres of land, or interest therein.

SEC. 2. The headquarters site provided pursuant to this Act shall constitute a part of Mount Rainier National Park and be administered in accordance with the laws applicable thereto.

BILLS PASSED OVER

The bill (S. 990) to authorize the use of Great Lakes vessels on the oceans was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KEATING. Mr. President, over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2094) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KEATING. Mr. President, over.

Mr. ENGLE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN REAL PROPERTY OF THE UNITED STATES TO SOPHRONIA SMILEY DELANEY

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The clerk will state the first measure passed to the foot of the calendar.

The LEGISLATIVE CLERK. A bill (S. 6), to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MORSE. Mr. President, reserving the right to object, I wish to say that S. 6 authorizes the conveyance of certain real property of the United States to Sophronia Delaney and her sons for the consideration of $2,500.

According to the committee report, S. 6 would enable the Government to fulfill its promise to reconvey the land to Mrs. Delaney and her two sons in return for repayment of the full consideration paid by the Government in 1941 which was $2,500. Under threat of condemnation Mrs. Delaney sold the property to the War Department for rifle-range practice.

In 1946 the property was declared surplus to the needs of the Department and in 1947 was transferred to the Department of Agriculture. The Government has made no improvements on the land. According to the Department of Agriculture the tract is estimated to be worth approximately $15,000 at the present time.

A question arises as to whether the Government should benefit from its delay in fulfilling its alleged promise. The Department of Agriculture recommends that the bill not be approved.

I should like to have the bill explained to me. Of course I always want to do equity to any citizen who in any way may have been wronged by our Government or subjected to any advantage taken by our Government. What concerns me about the bill is this: The property was sold to the Government in an outright sale in lieu of the Government going through condemnation proceedings. Title vested in the Government. The Government subsequently, some years later, ceased to have further use for the property and declared it to be surplus. The property in the meantime had developed a great increase in value, from some $2,500 to some $15,000, which increase in value, in my judgment, belongs to all the taxpayers of the country, not to the original seller of the property.

If those are the facts, I find it very difficult to take a piece of property worth $15,000 and sell it back to the original owner for $2,500, which was the price the owner originally received for the property from the Government.

I wish to be reasonable and fair about these matters. Yet at the same time I owe it to every other Senator—if I am going to stand firm on the Morse formula, which I intend to do—to insist that in each case it be demonstrated that the Morse formula is not violated. Failing that, the matter should be put to a vote, and if I should be outvoted, that would end the matter. Therefore, I ask for an explanation of the bill.

Mr. ELLENDER. Mr. President, in compliance with the request of the distinguished senior Senator from Oregon, I will attempt to explain the bill. During the early years of World War II, the Federal Government decided it needed the Delaney homestead as a rifle range. Ever since the conclusion of the war, Mrs. Delaney and her sons have made numerous attempts to regain their property, when it ceased to be of use to the Government as a rifle range. The evidence shows without question that Mrs. Delaney was threatened, as were many others, with court action if she did not sell her land to the Government. Like a good citizen, she decided to sell. The evidence shows conclusively that Mrs. Delaney, although she did not get the statement in writing, was told by the agents who acquired this property for the Government that she would have first preference in getting it back from the Government when it was no longer needed as a rifle range, and that she would not lose anything.

On this property there was an old homestead, which was owned by Mrs. Delaney and her sons. Even the family cemetery is located on the property. What the Government did was to remove from the property the old homestead and other improvements.

I might point out that I do not know how the Department of Agriculture arrives at the estimate of the present value of this property as $15,000. I doubt very seriously that it is worth that much. As

a matter of fact, the Federal Government has done nothing to improve it over the years it has held title to it. There is timber on this property, which has been growing for the past 15 years. However, I might point out that the Federal Government has already marketed some timber from this land. I might also point out that if Mrs. Delaney had been afforded the opportunity of repossessing this property in line with the verbal promise given her, namely, when it was no longer of use to the Army, then there would have been very little growth conveyed to her.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. My good friend from Minnesota is the Senator who held hearings on this matter. I heard part of them. I believe that an appealing case was made by Mrs. Delaney and her sons. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I merely wish to say that actually the Federal Government did injury to the property during its possession in the war years. It removed buildings which depreciated the value of the property. Besides that, it removed timber which was sold by the Government at a profit.

The other point which needs to be stated—and in which I am certain the Senator from Oregon will be very much interested—is that a number of other homeowners or landowners in the area nearby, during the war years, had sold their property to the Government under the duress of war. They were permitted to repossess it at the end of the war. But in this instance, the Department of Agriculture, Forest Service, saw a piece of land which it could get under the Surplus Property Act, a piece which would be contiguous to other forests. They decided they wanted to hold on to the land.

I have forgotten the name of the Federal forest at the moment.

Mr. ELLENDER. It is the Kisatchie National Forest.

Mr. HUMPHREY. Kisatchie National Forest is not a solid piece of land. Actually, there is another piece within the forest which is privately owned, and some are State owned.

Mr. ELLENDER. The map indicates that in the Kisatchie Forest there are as many as 15 or 20 owners of land similar to that which is claimed by Mrs. Delaney.

Mr. HUMPHREY. So what the matter really boils down to is that the Forest Service—and I can understand their desire—saw a piece of forest land which would fit very neatly into the parcel of the national forest and decided to keep it.

When representatives of the Department of Agriculture appeared before us, I say, most respectfully to them, they made a very poor showing. It was not because they lacked confidence; it was simply that they did not have much of a case.

They really exercised their priority rights under the Surplus Property Disposal Act. They exercised their rights in the instance of the Delaney property, but they did not exercise their rights in the instances of many other pieces of property which they have held on to.

The Delaney family has been pursuing the effort to get hold of this property ever since.

The young man who came to testify, Mrs. Delaney's son, is himself a forester by profession. He assured the committee, as he assured the Department of Agriculture and the Louisiana State Conservation Department, that modern forestry practices would be adhered to in this area. That is a common practice within the entire region where private properties are owned within the domain of a national forest or within the area of a national forest.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSTON of South Carolina. It is true, too, that the Government is getting back the same amount of money which was paid for the land in the original instance.

Mr. HUMPHREY. Plus the timber which has been taken off.

Mr. JOHNSTON of South Carolina. This is one instance in which the Government has lost nothing on the land they purchased. In most instances, there is some loss.

Another thing is that the Government let the other persons from whom they bought at the same time they bought from the Delaney's have their land back in 1947, I believe the record will show that to be so. That was 12 years ago.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. MORSE. Mr. President, because I think we may save time, I ask unanimous consent that we be allowed another 5 minutes.

I think a further discussion will clarify the objections to the bill.

Mr. ELLENDER. Mr. President, I ask unanimous consent that I may be yielded another 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Louisiana is yielded 5 additional minutes.

Mr. MORSE. Will the Senator from Minnesota, the Senator from South Carolina, or the Senator from Louisiana help me on a question of fact? Senators know that for many years I have taken the position that if it can be demonstrated that a piece of property was sold to the Federal Government for a specific governmental use, with the understanding that when the Federal Government no longer needed the property for that use, the property would revert, under certain conditions, to the original owners. The Morse formula would not prevent the return of the property under those circumstances.

This principle has been applied to cases involving veterans' hospitals, where land was given to the United States for veterans' hospital use, and later the land was determined to be surplus to the needs of the Government. The unneeded land could properly be returned to the original donor or seller.

What bothers me in this case is a question of fact, and I have to link it now to the hearings, because I was not present at the hearings.

On page 5 of the committee report is a statement by the Department of Agriculture in the form of a letter, which reads as follows:

> Copies supplied to us of correspondence from the Department of the Army indicate that the records of that Department contained no evidence of any agreement or promise to permit the former owners to repurchase the land after the war.

In other words, this was apparently a fee simple transaction, with no reversionary interest retained by the owners at all. It was an out-and-out sale. If it was an out-and-out sale, then any increase in the value of the property should accrue to the benefit of the people of the country as a whole, and not to the original owners.

Mr. ELLENDER. It is true that there is nothing in writing to substantiate the claim of Mrs. Delaney and her son that they would receive first preference to reacquire their land. But evidence in abundance was presented to the committee by persons who knew that the agent who represented the Government stated specifically that Mrs. Delaney would have the right to repurchase the land when the Government had no more use for it. She took it for granted that the agent's promise was so, and she did not go any further into the matter.

Mrs. Delaney has been trying in vain since 1948 to have the Government comply with the verbal promise which was made. There is no question about it.

Mr. MORSE. Frankly, as a former teacher of the law of real property, I find myself in a quandary. If a person wants to transfer title to real property, he does so by a conveyance. If the property is not transferred subject to a conveyance, he can come before the committees of Congress and make statements explanatory of the situation.

This is a very simple matter, with respect to the original conveyance. If it was not sold under a condition or limitation, the conveyance would have said so as a matter of law. But the conveyance did not say so. If I understand the facts correctly, this was an out-and-out conveyance in fee simple, with no restrictions or limitations attached.

I am in a difficult position with regard to this matter. I do not like to be put in the position of seeming to deny to a widow property she wants to get back upon her claim that certain oral promises were made to her at the time of the original conveyance. But the sad fact is that no conditions were attached to the conveyance. What is going to happen to real property rights in this country if we begin to have them upset in the way the transfer of this property would be upset? It is rather important when the records of a real property transfer show an unconditional transfer of title, that it be recognized as unconditional.

I know what probably will happen if a motion is made in connection with this measure. But not so long ago I received from another Member of the Senate a letter, which was none too kindly, in which he stated that I had

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yielded on the Morse formula in regard to two Indian bills—one in Arizona, I believe, and one in New Mexico. Mr. President, I did not yield on the Morse formula in regard to those two bills. Instead, I said on the floor of the Senate, on the very day when those bills were passed, that the Morse formula did not apply to them; and I showed how it did not apply to them.

I know how closely I am being watched in connection with application of the Morse formula. Many persons would like to show that I make exceptions to it. But, Mr. President, unless it can be shown that this measure constitutes a proper exception to the Morse formula, I shall object to consideration and passage of the bill.

Of course, the proponents of the bill can bring it up on motion; and then we can argue the matter in connection with the motion.

But after the many years of battle by me on the floor of the Senate in connection with application of the Morse formula, which has saved millions of dollars to the taxpayers of the country, I believe it very important that I not let my head yield to my heart in connection with such a matter.

So, Mr. President, unless my colleagues can show me that this property was sold without any such condition or limitation on it, I shall have to oppose the proposed transfer.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER. The time available to the Senator from Oregon, under the rule, has expired.

Is there objection to the present consideration of the bill?

Mr. MORSE. Mr. President, I do not object to consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill? The Chair hears none.

There being no objection, the Senate proceeded to consider the bill (S. 6) to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons.

Mr. HUMPHREY. First of all, Mr. President, let me say that the Senator from Oregon has performed an extremely valuable service for the American people, the Government of the United States, and for equity itself, in his desire and determination to see to it that properties which once were held by the Federal Government not be turned over simply willy-nilly for the private gain of some individual, at a sacrifice of the essential rights and the duties of the Government.

But, Mr. President, this measure is the result of a rather intensive investigation, which was participated in by the Senator from North Dakota [Mr. YOUNG], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. ELLENDER], and myself. I happened to have been the chairman of the subcommittee under the jurisdiction of which this measure came.

We received the testimony of Charles Delaney, the son of Mrs. Delaney. Charles Delaney is a very fine man, and he made an excellent presentation. He testified to the effect that his mother had asked the Quartermaster Corps officers to lease the land, rather than force the sale of the land, but that they refused to do so, and stated that that was impossible because of the War Department procurement policy and regulations. According to Mr. Delaney's testimony, the officer stated that the land "would either be given back or sold back for the original acquisition price less damages." That was the son's testimony.

An affidavit was filed by John D. Hickman, the project manager, and the Government official who handled all of this transaction.

Furthermore, Mrs. Delaney did not have a lawyer. She is just a little old lady out there in the country; and along came the Government officials, who told her, "The Government wants your land." She pleaded with them not to take the land. Her father was buried in the area; it was a family homestead. She said, "If you have to have it for the war, we will lease it to the Government." They said, "No; the Government has to have it; and if you won't sell it, we will go to court and have it condemned, and take it."

The point is that in the same forest, a similar piece of land was taken; and, after the war, a Member of Congress interested himself in the claim of one of his constituents who said the Forest Service insisted on taking the land, rather than permitting him to buy it back—just as the Forest Service did in the case of the Delaney property. That Member of Congress concerned himself with that situation; and the Forest Service said, "Well, I guess we do not need the land," and let the family buy back the land, which had been taken during World War II.

So we find that within a few miles, in the same national forest environment as the Delaney properties, which were taken at the same time as the properties to the north, are now under the control of the Forest Service, under the terms of the Surplus Disposal Act; but in the case of the properties to the north, because that public official interested himself in protecting a constituent, the Forest Service now says, "Well, we can get along without those properties."

So in this case the Forest Service exercised its right, under the law, in connection with one piece of property, but not in connection with the other; and the Army officials who handled the project for the Army has testified under oath that Mrs. Delaney had been assured that the property would be returned to her after the war, if she wanted it.

Mr. KEATING. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. KEATING. In the other case, was the property taken back at the same price?

Mr. HUMPHREY. Yes.

By the way, let me say that I dispute the Forest Service claim of a $15,000 valuation.

First of all, during the war the property was damaged. It was a gunnery range. A forest is not exactly helped by being used as a gunnery range. In the second place, the buildings were removed. In the third place, no improvements were made. In the fourth place, the Government took off a substantial cut of timber, and sold it for a profit.

All that this lady is attempting to do is buy back the property for the price for which she sold it. The land has no buildings on it. The land has not been kept up. The timber has been taken off, and the property was damaged during the war.

Fortunately, Mrs. Delaney has a remarkable son, Mr. Charles Delaney. I was deeply impressed by him. He is a graduate forester, and he gave remarkable testimony.

The PRESIDING OFFICER. The time of the Senator from Minnesota, under the rule, has expired.

PURCHASING PRACTICES OF DEFENSE DEPARTMENT

Mr. WILLIAMS of Delaware. Mr. President, on a reservation of objection, I have a brief statement to make on another subject.

Yesterday I called attention to the Comptroller General's report of May 21, 1959, in which he reported to the Congress a second instance wherein the McDonnell Aircraft Corp., St. Louis, Mo., had made unwarranted charges to the U.S. Government on certain contracts which had been awarded to that company on a negotiated rather than on a competitive bid basis.

Today I call attention to another of the Comptroller General's reports, which was just released this week—June 8, 1959—wherein he refers to another instance in which the taxpayers are losing millions of dollars through the present loose purchasing practices of the Defense Department.

This report deals with the ship overhaul contracting activities administered by Industrial Managers, Bureau of Ships, Department of the Navy.

I quote a portion of one section of this report, found on pages 6 and 7, entitled "Increased Ship Overhaul Costs Result From Laxity of Controls Over Supplemental Work":

> Our tests indicated that additional work, totaling about $16 million annually, authorized after award of the contract, costs at least $2 million more than the same work would have cost if competitive prices had been obtained. The prices negotiated for such work were generally between 115 and 170 percent of competitive prices for the same items.

The full report outlines unnecessary costs of several million dollars resulting from what the Comptroller General described as "lax" practices on the part of the procurement officers. This is but another of the long series of such critical reports that has been made recently by the General Accounting Office.

These reports all emphasize the urgent need for Congress to take action on a bill which will make it mandatory that the Federal Government in all agencies use standard competitive bidding practices to the same extent that they would be used by any sound business establishment.

There has been no stronger argument made in support of S. 1383 which would make such competitive bidding practices mandatory than the statement made by the Comptroller General in this report concerning these unnecessary charges. I quote:

> The prices negotiated for such work were generally between 115 and 170 percent of competitive prices for the same items.

In commenting on these reports I think it is only appropriate that specific mention be made of the excellent job being done for the Congress and the American taxpayers by these auditors in the General Accounting Office. Unquestionably, as a result of their work millions of dollars have been saved, and if Congress now does its duty corrective legislation will be enacted.

CONVEYANCE OF CERTAIN REAL PROPERTY OF THE UNITED STATES TO SOPHRONIA SMILEY DELANEY

The Senate resumed the consideration of the bill (S. 6) to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons.

Mr. MORSE. Mr. President, I ask unanimous consent to speak 3 minutes on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. I should like to have the attention of the Senator from South Carolina and the Senator from Louisiana.

I think the facts are incontrovertible that this is a fee simple transaction. Title was passed without any restriction. The fact that there may have been some misunderstanding on the part of Mrs. Delaney does not change the fact that she signed the deed without any restriction. A deed cannot be changed by subsequent affidavit. Therefore, I do not see how I could possibly be in a defensible position if I let my heart run away from my mind on the equities of this case, when the fact is that complete title to the property was vested in the Federal Government.

Secondly, the Department of Agriculture, up until this moment, I understand, continues to object to this bill, and denies that there were any commitments made to Mrs. Delaney whatsoever. The fact that some Army official in connection with the project now comes forward and, under oath, offers the testimony he gave in the record cannot change the deed. Therefore, so far as the Morse formula is concerned, I must object.

If the Senate wants to follow its procedure of taking this bill up by motion, it has the right to do so. If it thinks the equities are strong enough to act in that way, and overrule the Morse formula, it can do so. I hope it will not do so, but it can.

I must object, and I do object.

The PRESIDING OFFICER. The clerk will call the next bill passed to the foot of the calendar.

The bill (S. 1521) to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938, was announced as next in order.

Mr. MANSFIELD. Mr. President, has the previous bill been passed?

The PRESIDING OFFICER. The previous bill was objected to.

Mr. MANSFIELD. I call for the question.

The PRESIDING OFFICER. The previous bill retains its place on the calendar if it is objected to.

Mr. MORSE. Mr. President, a parliamentary inquiry.

Mr. MANSFIELD. Mr. President, I ask that the Louisiana bill be taken up now and voted on.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFICER. The Senator from Oregon will state it.

Mr. MORSE. Is this a unanimous-consent request?

Mr. MANSFIELD. I make that request in the form of a motion. It is not a unanimous-consent request.

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that a motion is not in order at this time.

Mr. MANSFIELD. Is that because the Senate is still considering calendar business under the unanimous-consent agreement?

The PRESIDING OFFICER. Yes.

DONATION OF CERTAIN LAND TO THE CONFEDERATED TRIBES OF WARM SPRINGS, OREG.

Mr. MANSFIELD. Mr. President, on that basis, I ask unanimous consent that the vote by which Calendar No. 326, Senate bill 1818, to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land was passed earlier in the day be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I move that the Senate Committee on Interior and Insular Affairs be discharged from further consideration of House bill 6914, and that the Senate proceed to consider the House bill.

The PRESIDING OFFICER. The House bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill, H.R. 6914, to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the bill (H.R. 6914) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1818 is indefinitely postponed.

REMOVAL OF RESTRICTION WITH RESPECT TO CERTAIN LAND IN CUMBERLAND COUNTY, TENN.

The PRESIDING OFFICER. The next bill passed to the foot of the calendar will be called.

The Senate proceeded to consider the bill (S. 1521) to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 1, line 8, after the word "the", to strike out "Farm Security Administrator" and insert "Secretary of Agriculture", and on page 2, after line 16, to insert a new section, as follows:

> SEC. 2. The conveyance authorized by this Act shall provide that in the event that the lands cease to be used for public purposes all right, title, and interest therein shall immediately revert to and revest in the United States.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed or other appropriate means to the State of Tennessee all right, title, and interest remaining in the United States in and to the following described tract of land situated in Cumberland County, Tennessee, which is held by such State under a deed executed by the Secretary of Agriculture in 1938:

Beginning at a stake in the center of State Highway Numbered 28 where the lands of Cumberland Homesteads and the lands of Cumberland State Park corner and runs with the centerline of said highway south 45 degrees 12 minutes and 15 seconds east 177.73 feet to a stake; thence continuing with the centerline of said highway south 23 degrees 38 minutes and 30 seconds east 755.40 feet to a stake; thence continuing with the centerline of said highway south 43 degrees 03 minutes and 15 seconds east 155.65 feet to a stake; thence leaving said highway south 44 degrees 13 minutes and 45 seconds west 600 feet to a stake; thence north 29 degrees 54 minutes and 00 seconds west 1,073.90 feet to a stake; thence north 44 degrees 13 minutes and 45 seconds east 600 feet to the beginning; containing 14.36 acres, more or less; being located at the northeast corner of the Cumberland State Park in Cumberland County, Tennessee.

SEC. 2. The conveyance authorized by this Act shall provide that in the event that the lands cease to be used for public purposes all right, title, and interest therein shall immediately revert to and revest in the United States.

Mr. MORSE. Mr. President, I should like to have the attention of Senator from Louisiana [Mr. ELLENDER], who I know must go to a meeting of the Appropriations Committee. I shall be very brief.

Mr. President, S. 1521 authorizes and directs the Secretary of Agriculture to convey to the State of Tennessee all right, title, and interest of the Federal Government to a tract of land consisting of approximately 14.26 acres. This tract is part of 1,299.84 acres conveyed by the Government to the State of Tennessee by quitclaim deed in 1938 for State park and forest purposes only.

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The conveyance is sought to enable the State highway department to construct a garage on the 14.26 acre tract. The remainder will be used for the purposes for which it was conveyed in 1938.

Mr. President, if the bill to authorize conveyance of the 1,299.84 acres were before us in the first instance in 1959, instead of 1938, I would raise a question of the applicability of the Morse formula, and in all likelihood the payment of 50 percent of fair appraised market value would be required. However, that is water over the dam, so to speak.

The question is now presented, should the Morse formula be applicable to a partial removal of the original restriction which limited the use of the land to State park and State forest purposes only?

Mr. President, I should like to ask the distinguished senior Senator from Louisiana, would the 14.26 acres, which S. 1521 seeks to remove from the original restriction, be used for purposes related to the maintenance of the entire tract for State park and State forest purposes? I ask this, because Senate Report No. 348 is not clear on that point.

I assume the garage is needed for the highway department in connection with a highway needed for State park and State forest purposes.

Mr. ELLENDER. That was my impression. We have no direct evidence on the point. The garage is a State garage, and it houses tractors and machinery necessary to maintain the roads in the park and the roads nearby.

Mr. MORSE. Mr. President, with that explanation, I have no objection. Let the RECORD show I have no objection, because the removal of this limitation is for the purpose of building a garage to maintain a road which is necessary to maintain the State park for which the grant was originally made.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD an explanation of S. 1521.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF S. 1521

In 1938 the Government conveyed a tract of 1,299.4 acres in Cumberland County, Tenn., to the State of Tennessee for State park and State forest purposes. The State of Tennessee would now like to use 14.36 acres of this tract for the construction of a garage by the State highway department. The bill would permit the State to use this 14.36 acres for any public purpose. This is consonant with the original conveyance and would permit the State to make the best possible use of this land for the public benefit. The remainder of the tract would continue to be usable only for State park and State forest purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN PROPERTY TO THE MUNICIPALITY OF SAN JUAN, P.R.

The Senate proceeded to consider the bill (S. 822) to authorize the conveyance of certain property administered as a part of the San Juan National Historic Site to the municipality of San Juan, P.R., in exchange for its develeopment by the municipality in a manner that will enhance the historic site, and for other purposes.

Mr. MORSE. Mr. President, Calendar No. 374, S. 822, as I understand, authorizes the conveyance of certain property administered as a part of the San Juan National Historical Site to the municipality of San Juan, P.R., in exchange for its development by the municipality in a manner which will enhance the historic site.

The conveyance consists of one-third of an acre of federally owned land to be used as a city park. All costs are to be borne by the municipality. The land would revert to the United States should it not be used for the purpose contained in the bill.

Puerto Rico is, in effect, a part of the United States. Thus the case is akin to a transfer of land from one department of the Government to another.

As I say, Puerto Rico is virtually a part of the United States, judging from the fact that we still have some Federal interest and jurisdiction rights. In view of that, I think the transfer would be analogous to a transfer from one Federal department to another Federal department in our own country. Therefore, this would not violate the Morse formula; and on the basis of that understanding, I have no objection.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to enhance the setting and to promote the public appreciation and enjoyment of the San Juan National Historic Site, the Secretary of the Interior is authorized, in his discretion, to convey to the municipality of San Juan, Puerto Rico, that certain tract of land described below: *Provided,* That in exchange therefor and in accordance with the requirements hereinafter set forth, the municipality shall develop and thereafter maintain such tract for public recreational purposes only, in accordance with such plans as may be approved by the Secretary which shall complement and enhance the national historic site.

Beginning at point 1 which is at the northwesterly corner of Tetuan and Santo Cristo Streets, thence south 85 degrees 48 minutes west, 56.6 feet to point 2; thence north 6 degrees 46 minutes west, 15.3 feet to point 3; thence north 80 degrees 35 minutes east, 4.0 feet to point 4; thence north 7 degrees 42 minutes west, 22.7 feet to point 5; thence south 81 degrees 07 minutes west, 57.5 feet to point 6; thence south 10 degrees 07 minutes east, 9.5 feet to point 7; thence south 78 degrees 26 minutes west, 149.2 feet to point 8; thence south 78 degrees 26 minutes west, 17.5 feet to a point located 5 feet east of the retaining wall for access road to Conception Bastion; thence south 11 degrees 11 minutes east, 30 feet to a point 0.75 feet north of the north edge of the scarf wall; thence northeasterly in a straight line 260.13 feet, more or less, to a point on the Capilla del Cristo Building 2.0 feet north of the scarf wall; thence along the wall of said building north 4 degrees 06 minutes east, 7.95 feet to a corner of the said Capilla del Cristo Building; thence still along said building north 85 degrees 54 minutes east, 13.6 feet to the westerly line of Santo Cristo Street, produced; thence along the line of said street north 11 degrees 97 minutes west, 18.1 feet to the point or place of beginning, already described, comprising an area of 0.36 acres, more or less, and being a portion of the 0.54-acre tract accepted by the Department of the Interior by transfer from the Secretary of the Army on February 15, 1956.

SEC. 2. The deed effecting the conveyance and exchange authorized by the first section of this Act shall include but need not be limited to the following conditions:

(a) Prohibit use of the premises as an outdoor dinning facility or for any other comparable purpose that, as may be determined by the Secretary of the Interior, would interfere with the use of the area as a public park;

(b) Reserve permanently to the United States, for the purpose of maintaining and preserving the old city wall, a right or rights of access to the said wall through the conveyed property;

(c) Reserve permanently to the United States all right, title, and interest in and to the vaults and tunnels connected to the old city wall and extending in part under the property to be conveyed, together with all rights of ingress and egress thereto; and

(d) Provide that in the event the municipality of San Juan, Puerto Rico, does not proceed with the development of the aforesaid area as a public park and promenade for the benefit and enjoyment of the people in a manner and period of time satisfactory to the Secretary of the Interior, or if the municipality ceases to use the said area for the purposes for which it was conveyed, as determined by the Secretary of the Interior, all or any portion thereof, not so utilized, in its then existing condition, shall, upon a declaration to that effect by the Secretary, revert to the United States.

Mr. MORSE. Mr. President, at this point I think it would be helpful, for future reference, if I had permission to have printed in the RECORD certain statements involving the application of the Morse formula, and I ask unanimous consent that I may do so.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

EXPLANATION OF S. 53, CALENDAR NO. 298

S. 53 authorizes the Secretary of the Interior to convey, without monetary consideration, approximately 2 acres of land to school district No. 24 in Yellowstone County, Mont. Except for a slight perfecting amendment, the bill is the same as S. 1742, which passed the Senate on August 20, 1957.

I am in receipt of a memorandum from Senator MURRAY, the principal sponsor of S. 53, which makes it clear that the purpose of the bill is the same as S. 1742 of the 85th Congress. That being the case, the primary benefits would be for the Indian children. This, together with our overall wardship responsibility to the Indians, makes the bill unobjectionable under the Morse formula. The Federal interest in the land is outweighed by the Federal obligation to provide a school for the Indian students.

S. 53 provides for the reservation of minerals and a right-of-way for ditches and canals.

EXPLANATION OF S. 1819, CALENDAR NO. 323

Under the act of June 4, 1953, the Secretary of the Interior is authorized to convey surplus Indian school property, including land and improvements, to State or local governmental agencies for use for school or other public purposes. The authority of the Secretary is subject to the following limitations:

1. If the land is held in a trust status, the consent of the tribe or individual Indian concerned must be obtained.
2. Mineral interests must be reserved.
3. Provision must be made for use of the property by Indians on a nondiscriminatory basis.
4. Provision must be made for a reversion of title in the event of breach of conditions.
5. Conveyances are limited to 20 acres for any one school property.

S. 1819 would authorize the elimination of the 20-acre limitation, in order to allow the Secretary of the Interior to dispose of surplus property in larger quantity if he deems it desirable.

The law enacted in 1953 is one of general applicability and relates to our wardship responsibilities for our Indians. That being the case, the proposed amendment envisaged by S. 1819 does not violate the Morse formula.

The elimination of the 20-acre limitation will enable the Secretary to make conveyances in a number of cases in which such action is impossible under the present law. This will also constitute a savings to the Government in that the Government will be relieved of the responsibility for continued care and maintenance of the surplus school properties.

EXPLANATION OF S. 1818, CALENDAR NO. 326

S. 1818 would authorize the donation of 48.89 acres of Federal land in my State to the Confederated Tribes of the Warm Springs Reservation. This land will be held in trust for the Indians.

The land was acquired in 1932 for the sum of $1,000 for vocational training purposes in connection with the Indian school program. Because of a lack of interest among the Indians in attending the school, it has been declared surplus to the needs of the Federal Government. According to the committee report, there are no Government improvements on the land.

This bill merely transfers the land to trust status for the Indian tribe. Because of the Federal interest involved, and because of our wardship responsibilities toward the Indians, S. 1818 is not objectionable under the Morse formula.

EXPLANATION OF H.R. 5728, CALENDAR NO. 328

The purposes of H.R. 5728 are to repeal the act of June 24, 1926, which reserved Memaloose Island in the Columbia River for use as an Indian cemetery; to convey the island to the Department of the Army for use in connection with the Dalles Dam project; and transfer an 8.5-acre tract of land to the Secretary of the Interior to be held in trust for the Yakima Indians as a burial ground.

The burial ground on Memaloose Island was granted to the Yakima Indians and Confederated Tribes by an act of Congress in 1926. With the construction of the Dalles Dam it became apparent that the Memaloose Island would be flooded. The Department of the Army with the approval of the Yakima Tribe relocated the remains to the 8.5-acre tract in the State of Washington. The tribal council has agreed to maintain the cemetery.

This transfer, involving in effect, an exchange of land to achieve the purpose of the 1926 burial site reservation, does not violate the Morse formula.

The PRESIDING OFFICER. The call of the measures on the calendar has been completed.

CONVEYANCE OF CERTAIN REAL PROPERTY OF THE UNITED STATES TO SOPHRONIA SMILEY DELANEY

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 339, S. 6.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 6) to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

Mr. MORSE. Mr. President, I am seeking recognition on the motion.

The PRESIDING OFFICER. The Chair will advise the Senator that the motion is not debatable during the morning hour.

Mr. MORSE. Mr. President, is the motion a motion to consider the bill?

The PRESIDING OFFICER. Yes.

Mr. MORSE. I thought it was a motion relating to the merits of the bill.

The PRESIDING OFFICER. The motion is that the Senate proceed to consider the bill. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, the Senate has already heard debate on the bill. In order that all Members will be well acquainted with the merits of the bill, I ask unanimous consent that a written explanation be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF S. 6

This bill would enable the Government to fulfill its promise to reconvey certain land to Mrs. Sophronia Smiley Delaney and her two sons. The Government acquired this land upon its oral promise to reconvey it after the national emergency which gave rise to the Government's need for the land was ended. That promise, being oral, is probably unenforceable. However, there is no doubt that it was made. The testimony before the subcommittee was clear and convincing and was supported by affidavits of many reputable citizens of Louisiana.

The bill provides that the full consideration agreed upon, $2,500, shall be paid for the reconveyance. This is the same price paid by the Government. There was evidence that the value has risen to $15,000. Mrs. Delaney and her family have tried assiduously to regain this property ever since the emergency ended. They should not be penalized by the increase in value during the period in which the Government delayed performance of its promise. The promise was to reconvey for $2,500 and the bill provides that that promise shall be performed exactly as made.

The Government has removed a house and timber from the property, but the bill makes no charge against the Government for this.

The property has been in the family for many years and contains the family cemetery.

Mr. MORSE. Mr. President, I have nothing more to say than the arguments I have already presented. In my judgment, we should stand by the recommendation of the Department of Agriculture in opposition to the bill. The recommendation denies the allegations that there were any commitments made at the time of transfer attaching any reservations whatsoever to the sale of this property.

Assuming that to be correct—and I take it for granted it is correct—then I see no reason why this special benefit should be given to these particular people, unless we are going to apply the same principle to all transfers, large and small.

If we do that, Mr. President, then in my judgment we are going to invite requests for a multitude of real property conveyances which I think would upset a whole body of real property laws.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? [Putting the question.]

Mr. MORSE. Mr. President, I ask for a division.

The PRESIDING OFFICER. A division is requested.

On a division the bill (S. 6) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture shall convey by quitclaim deed to Sophronia Smiley Delaney, Woodworth, Louisiana, and her sons Charles Franklin Delaney, Junior, Jimmie Scott Delaney, and Jack Richard Delaney, upon the payment by them to the United States of the sum of $2,500, all right, title, and interest of the United States in and to the real property described in section 2, which land was acquired by the United States at a cost of $2,500 for use in connection with Camp Claiborne, Louisiana, during World War II.

SEC. 2. The real property referred to in the first section of this Act is more particularly described as follows: South half of northeast quarter and north half of southeast quarter of section 8, township 2 north, range 2 west, Louisiana meridian, containing 160 acres, more or less, Rapides Parish, Louisiana.

STATUS OF APPROPRIATION BILLS

Mr. JOHNSON of Texas. Mr. President, I wish to inform the Senate of the plans of the Committee on Appropriations. It is expected that the committee will mark up the independent offices appropriation bill on June 16; the general Government matters appropriation bill on June 16; the Department of Commerce appropriation bill on June 15; the Departments of State and Justice appropriation bill on June 18; the Department

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of Health, Education, and Welfare appropriation bill on June 18; and the civil functions appropriation bill on July 3. The legislative appropriation bill has been marked up.

Senators who may have an interest in any of these bills will, I am sure, wish to communicate with the chairman or the ranking minority member of the respective subcommittees prior to the marking up of the bills.

Speaking for myself, as chairman of the Departments of State and Justice appropriation bill, I shall be glad to have any Senators who have recommendations to make in any of the fields covered by that bill do so before the committee marks up the bill on June 18.

It is hoped that the Senate can take up these bills shortly after the reports and the hearings are made available to Senators, because it will be necessary for the bills to go to conference after they have passed the Senate. I want all Senators to have as much advance notice of the plans of the committee as they can, so that any representations they may wish to make to the committee can be received. Then we will make the reports and the hearings available, and perhaps ask unanimous consent, whenever we can obtain unanimous consent, to take up the bills as soon after they are reported as possible, in order to get them to conference.

It is the intention of the distinguished junior Senator from New Mexico [Mr. ANDERSON] to have the Senate take up the Atomic Energy Commission authorization bill, which was reported unanimously by the Joint Committee on Atomic Energy, as soon as the printed hearings are available. It is anticipated that the hearings will be available today, so perhaps the bill can be taken up on Monday.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on June 11, 1959, the President had approved and signed the following acts:

S. 1197. An act to amend the Atomic Energy Act of 1954, as amended;

S. 1228. An act to amend Public Law 85-590 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; and

S. 1242. An act to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. PROUTY in the chair) laid before the Senate a message from the President of the United States submitting the nomination of John S. Graham, of North Carolina, to be a member of the Atomic Energy Commission, which was referred to the Joint Committee on Atomic Energy.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF PROPOSAL TO OBTAIN UNANIMOUS CONSENT AGREEMENT ON NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. JOHNSON of Texas. Mr. President, I announce that in the early part of next week, on Monday or Tuesday, I shall ask the Senator from New Mexico [Mr. ANDERSON], the distinguished minority leader, and other Senators for their recommendations in an attempt to obtain unanimous consent to set a time to vote on the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. MANSFIELD obtained the floor.

Mr. CANNON. Mr. President, will the Senator from Montana yield to me.

Mr. MANSFIELD. I yield to the Senator from Nevada.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. CANNON. Mr. President, I shall not attempt today to retrace the legislative or legal precedent for opposing the appointment of Adm. Lewis L. Strauss as Secretary of Commerce. This has been covered, Mr. President, by my colleagues who have preceded me in debate.

Nor will I attempt to retrace the facts concerning Mr. Strauss' role in the Dixon-Yates contract, his failure to cooperate with the Congress, and other subjects on which this honorable body has already received much testimony.

I am most anxious, however, to raise the most strenuous objection I can to Mr. Strauss' dismal record in the development of atomic power for peacetime purposes.

He was the principal architect and was the foremost spokesman when the development of atomic electric power was entrusted for all practical purposes to private utilities in the 1954 Atomic Energy Act. It should be evident to everyone in this country by now that we are years behind in the development of atomic electric energy and in the construction of atomic reactors for the production of commercial quantities of electrical power. This country today has only one installation producing atomic power in any significant quantities, and that is produced at Shippingport, Pa., an installation which was started under the Truman administration and not under the terms of the 1954 act. But at the same time, such second-rate atomic powers as Great Britain, which has 175,000 kilowatts of capacity at the present time and plans for nearly 10 times that amount, and Soviet Russia, from what we know, have moved far ahead of us in this all-important field.

The simple truth, Mr. President, is that private industry is unable or unwilling to take the risks which are involved in effective, widescale developments of this type. I wish this were not so.

I would argue further that the technology developed by the taxpayers at a cost of many, many billions of dollars should be put to work for the taxpayers, and this is not being done, nor will it ever be done in the foreseeable future so long as the policies of the Atomic Energy Commission which were authored by Mr. Strauss are followed. Should a man therefore be rewarded for so poor a record of service to the American taxpayer? I think not.

I want to reemphasize, Mr. President, that there have been all too many proofs that the development of atomic power cannot reach its full potential through privately owned electrical utilities. The record since the 1954 act was enacted supports that conclusion. As a member of the Cabinet and as one who would continue his role as an adviser to the executive branch, I believe Mr. Strauss would continue to exert an influence which would be contrary to the public interest on comparable subjects which would come within his jurisdiction.

The United States has lost many years of progress in its development of atomic powerplants because of these shortsighted policies which Mr. Strauss not only instituted, but persistently adhered to in the light of a record of failure. His entire record of administration in the field of atomic electric power has been proven a miserable, total, and utter failure at a time when this Nation, and particularly the Western States and my own State of Nevada, are developing a crying need for additional power to meet future growth.

In addition, I believe, Mr. President, that this Nation should show to the rest of the world that it is willing to give concrete evidence we are as much interested in the peaceful and beneficial uses of atomic power as we are in atomic defense.

The confirmation of Mr. Strauss to any Cabinet rank would be viewed with alarm by most residents of my State and by the West generally. His irrevocable dedication to private utilities, and not in a venal sense, clearly indicates a view which would retard the appropriate development of the natural resources of my State and the West.

His record of being less than candid in dealing with the Joint Committee on Atomic Energy of the Congress does not, in my judgment, aid his cause at all. And from my discussion with other Senators, many of whom have had committee experience with Mr. Strauss at the Atomic Energy Commission, I feel safe in saying that many of my colleagues share the views that I have expressed here.

I have primarily outlined here where I differ with Mr. Strauss on policy. Of itself the question of policy perhaps would not be sufficient to justify a vote against the confirmation of this man. However, it is but one reason why I could not, in good conscience, view the nomination of Mr. Strauss as a step consistent with the public interest. There are many reasons why Mr. Strauss

should not be confirmed, and most of them can be ascertained in reading the very revealing transcript that has been compiled by the committee.

It has been most surprising to me that the right of the Senate to reject a Presidential appointment has been challenged in some usually responsible quarters. Certainly, it should be apparent that when the Founding Fathers said that such appointments must be "with the advice and consent of the Senate," they did not mean that the Members of this body were to act as a rubber stamp for the executive department. And I feel that Mr. Strauss or any other man recommended to the Senate for confirmation should expect his public record to be a fitting subject for inquiry.

From reading the record, I obtained a proper perspective of Mr. Strauss' general competency, which is one of the key factors in his fitness for this most important appointment. Throughout that record it is apparent that he was evasive, at times deceitful, and demonstrated that he was not going to cooperate with the Congress. The record also is well stocked with illustrations that Mr. Strauss does not appreciate or understand the sensitiveness of conflict of interest involved in his appointment, and his general demeanor, in my opinion, leaves much to be desired concerning his qualification of character and reputation for truth.

Mr. President, I had intended to close my remarks at this point, but I cannot remain silent to the type of lobbying that has been rampant in connection with the confirmation of Mr. Strauss. I had expected that the facts would be presented in a reasonable and dispassionate manner. Instead, I have heard of the most severe and coarse pressures being applied on individual Senators. Speaking from my own personal knowledge, I myself have been lobbied by respected and eminent citizens in my State who normally would have no direct interest in this case. But my inquiries have led me to believe that pressures have been placed on these men from the executive branch. I would not disclose the names of these men because I am sure that it would needlessly embarrass them, and because they are honorable men who did only what they were compelled to do because of outside interference emanating from the executive department.

I wonder how many of my colleagues in this Chamber have experienced the same sort of pressure. I wonder how many of us here have been given direct or indirect ultimatums that they must vote for Mr. Strauss. If my suspicions are correct, I believe that it would not be amiss to have an investigation of the lobbying tactics used here—perhaps to discover why the confirmation of Mr. Strauss is so important to certain special interests.

It should be apparent by now that the Congress cannot expect to conduct normal and legitimate business with Mr. Strauss if he were to be Secretary of Commerce, and his whole appointment has served to create enmity, suspicion, controversy, and disunity throughout all of the divisions of Government with which he has come in contact. The question of whether he actually will, in the future, serve the American people or the limited interests and narrow viewpoints that he has served in the past is equaled by the obvious fact that his usefulness has been compromised, and the confidence of Congress has been shattered.

Mr. President, I urge the Members of this body to judge the record of Mr. Strauss, which I believe to be evidence of his lack of consciousness of public interest, and to refuse to confirm his appointment as Secretary of Commerce.

Mr. MANSFIELD. Mr. President, I yield 10 minutes to the Senator from Minnesota, with the proviso that I do not lose my right to the floor.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Without objection, the Senator from Minnesota is recognized for 10 minutes.

THE BERKNER REPORT

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I issued this morning on the State Department's release of the Berkner report on seismic improvements affecting a test ban control system.

I am pleased that at long last the State Department has made available to the American people, particularly to our media of communications, this very vital report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HUMPHREY ON STATE DEPARTMENT RELEASE OF BERKNER REPORT ON SEISMIC IMPROVEMENTS AFFECTING TEST BAN CONTROL SYSTEM

I am pleased that the Department of State has now released the conclusions and recommendations of the Berkner report regarding the possibilities of improving the detection and identification of underground nuclear explosions. The report contains much evidence both in experimental data and in theory of ways to improve our knowledge of the earth and earth movements, and hence to increase the capabilities of a detection and control system for the cessation of nuclear weapons tests.

Although the report is reassuring in many ways it is also shocking because it shows a lag in research in an area vital to our national security. According to the report, in some aspects of seismology the Soviets "enjoy a position superior in many respects to our own." In one field alone the Soviet budget for research has been estimated to be about $1 million compared to $100,000 for the United States.

Improvements will not be made overnight even with a vigorous research program; still, many fruitful courses to pursue have been uncovered in less than 1 year. Improvements the report mentions specifically include the analysis of surface waves to distinguish between earthquakes and nuclear explosions, increasing the number of seismometers at control posts, adding unmanned seismometers particularly in seismic areas, and placing seismometers deep in the earth to blot our surface noise. The Government should undertake immediately an intensified research program along the lines recommended by the Berkner Panel.

I was particularly pleased to note the recommendation that an effort be made to improve the instrumentation at existing seismograph stations throughout the world. If 100 to 200 of the existing stations were equipped with more sensitive instruments, as called for in the Berkner report, in addition to the 180 new stations called for in the Geneva Conference of Experts, this undoubtedly ought to result in an increased capability in the identification of earth phenomena equivalent to nuclear explosions of low yields.

It is important that the public be aware of aspects of the Berkner report that indicate possible increased difficulties in the detection of nuclear explosions. The report suggests a very plausible theory whereby the seismic signals from a nuclear explosion may be drastically reduced. The project for reducing the seismic signals, and thereby increasing detection problems, however, presents considerable practical difficulties in its implementation. Thus, until the theory is tested, it appears impossible to say whether a determined effort to violate a test ban secretly would be successful and worth the risk. I believe, nevertheless, that it is necessary for the public to be aware that in the midst of the many encouraging conclusions of the Berkner report there exists a statement of a theory on the possibility of concealing an underground test.

My own general conclusion as a result of a careful reading of the Berkner report and as a result of consultations with experts in the field is that the Geneva negotiations for the discontinuance of nuclear weapons tests should definitely proceed. I believe that the report indicates that the establishment of an effective control system, provided it contains the right of on-site inspection of suspicious events, is possible. The representatives of the three nuclear powers should continue their negotiations. I am hopeful that the Soviet representative will see the necessity of improving the control system along the lines recommended by the Berkner Panel. I remain convinced that if the three nuclear powers have the will to resolve their differences a treaty embodying a trustworthy control system can be realized.

MEDICAL CLINIC CARE

Mr. HUMPHREY. Mr. President, I call to the attention of my colleagues an article which appeared in the Wall Street Journal of June 11 entitled "AMA About-Face—Doctor's Group OK's Prepaid Clinic Care; Move May Spur Growth."

At their annual convention voting delegates of AMA approved a policy change to permit AMA to seek means of cooperation and closer liaison with a form of health insurance known as closed panel plans. These are plans under which a subscriber receives medical care from panels or groups of doctors, often organized in clinics.

This vote marked a significant milestone and turning point for AMA because this policy switch will foster increased participation in low cost health insurance programs. According to the article, this vote "softened the AMA's traditional opposition by changing the definition of 'free choice.' Henceforth this will mean not only the patient's right to pick any doctor he wants to care for him but the right also to sign up with a group of doctors enrolled in one of the plans, if he wishes."

Mr. President, this change in the attitude of AMA is commendable because one of our greatest challenges at present is to provide adequate medical facilities for those who need it. I have sought to

meet this challenge in a community health facilities bill (S. 2009) which I introduced recently and which would provide long-term, low interest Federal loans to help equip voluntary nonprofit associations which offer prepaid health service programs.

The purpose of my bill is to encourage people to create for themselves and their communities such health service facilities as will help to make available to them the benefits of modern medical science.

Mr. President, I ask unanimous consent to have inserted in the RECORD following my remarks the article which appeared in the Wall Street Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMA ABOUT-FACE—DOCTORS' GROUP OK'S PREPAID CLINIC CARE; MOVE MAY SPUR GROWTH—VOTE LIFTS BARRIER TO MORE "CLOSED PANEL" INSURANCE BY UNIONS, COMPANIES—HOW KAISER, HIP PLANS WORK

(By Jerry E. Bishop and John Wilford)

ATLANTIC CITY, N.J.—A truce is being declared in one of the medical profession's bitterest controversies—over what constitutes "free choice" of a doctor by a patient. The result may well affect the way thousands of Americans will receive their mdeical care in the future.

Late yesterday afternoon, voting delegates of the American Medical Association's annual convention here approved a policy change to permit the powerful national association for the first time to seek means of cooperation and closer liaison with a form of health insurance known as closed panel plans. These are plans under which a subscriber receives medical care from panels or groups of doctors, often organized in clinics. The plans frequently are administered by unions, industrial employers, or other parties not members of the medical profession themselves.

The decision at Atlantic City removes some important obstacles to the plans' expansion throughout the country. For example, some officials of existing plans believe that more doctors may be willing to join closed panel setups now that the stigma of AMA opposition has been at least partially removed. It may also result in less hesitation by corporations, labor unions, and others who finance health insurance to provide coverage for their employees and members through such organizations. This may result in inroads into Blue Shield's business—and could cause Blue Shield to expand its benefits to compete more effectively with the other plans.

The AMA vote which came after months of pre-convention maneuvering on the part of State medical societies, was labeled by some physicians as the "AMA's most important socio-economic action in years." Up to now, the AMA has adamantly opposed the closed panel plans because of the plans' insistance that their insured members use only certain doctors and certain hospitals. This, it was maintained, is a denial of the principle of free choice of physicians, a long-established cornerstone of AMA philosophy.

CONTRACT WITH BLUE SHIELD

Blue Shield plans, sponsored by the local medical societies that make up the American Medical Association, in contrast allow an insured patient to select any doctor he chooses to treat him. Blue Shield then reimburses the patient in full or in part for the doctor's bill, providing the treatment is a type covered by the insurance contract.

Yesterday's action softened the AMA's traditional opposition by changing the definition of "free choice." Henceforth this will mean not only the patient's right to pick any doctor he wants to care for him but the right also to sign up with a group of doctors enrolled in one of the plans, if he wishes.

The AMA's formal policy switch, though it is likely to lead to the spread of panel plans, may not cause an immediate rush to set up new group clinics and insurance programs in all areas. The stanchest foes of such plans—the State medical societies of New York and Colorado—still are violently opposed.

Opponents of the plans say they have some definite drawbacks. The closed panel doctor, usually on a salaried basis, is assured of his income no matter what quality or care he dispenses, it is argued. The "solo practitioner," on the other hand, must give his patients his best to insure that they'll come back. Critics also contend that the plans encourage overuse of doctors' facilities by some members for trivial ills, which may lower the quality of care received by the others. Another key objection is to the administration of the plans by nonmedical people, who, doctors say, might not have the same professional standards as a group of M.D. administrators.

Backers of the plan, on the other hand, almost unanimously single out low costs as their outstanding advantage. The sharing of fluoroscopes, X-ray equipment and other facilities by the many doctors in a group reduces their overhead and permits lower charges to patients, say group plan administrators. The encouragement often given to plan members to visit the doctor at the first sign of illness, far from adding to total costs, actually reduces it by forestalling costly hospital visits later through preventive medicine, say the plan advocates.

Already there are some 150 prepaid group practice plans in operation, covering about 5.5 million persons. While this is only a fraction of the 123 million persons with some form of voluntary health insurance, it represents almost twice as many persons as were covered by closed panel setups in the mid-1940's.

These plans are the 1-million-member United Mine Workers' welfare and retirement fund, the Kaiser Foundation health plan on the west coast, the Health Insurance Plan of Greater New York, and the company-sponsored Consolidated Edison Employees Mutual Aid Association, Inc., set up by the big New York electric utility.

REUTHER'S PLAN

One new plan known as the Community Health Association is being set up in Detroit. Its principal backers: Walter Reuther's United Auto Workers. The plan so far has not gone into operation. Doctors here reason that it is waiting until the next time Mr. Reuther sits down at the bargaining table with the automakers when, they believe, he'll ask the companies to drop their Blue Shield coverage of the autoworkers and provide a fuller range of coverage under the Community Health Association.

The 1-million-member United Steelworkers Union now is negotiating new wage and fringe benefit contracts, including additional health insurance coverage, and is known to have made an exhaustive study of the prepaid group practice plans such as the Kaiser setup and New York's H.I.P. Whether they'll propose that the steel companies set up such plans for the union is not yet known. However, at present the steelworkers are covered by a Blue Shield type of health insurance.

Actually these plans merely combine two long-established features of medical care. One, of course, is paying for care on the insurance principle. The other is group practice, where several doctors, usually each with a separate specialty, band together in a clinic to offer a full range of medical services under one roof. The Mayo Clinic at Rochester, Minn., is an example of group practice without the insurance feature.

THE KAISER PLAN

One of the most extensive of these plans, and one often held up as an example of a prepaid group practice system at its fullest, is the Kaiser Foundation Health Plan, headquartered in Oakland, Calif. It originally was set up by industrialist Henry J. Kaiser in 1943 for his shipyard workers but in 1945 was opened to the public. The plan operates 40 clinics and 11 hospitals on the west coast and employs some 500 physicians. Its membership has jumped above the 570,000 mark from only 10,000 in 1945. Under the Kaiser setup, members, either alone or jointly with their employer, pay a premium to the plan ranging from $5.90 a month for a bachelor to $13.60 a month for a large family. In return, the member receives his entire medical care from Kaiser clinics and hospitals. The only additional charge is $1 per office visit.

Kaiser includes costs of treatment for such problems as alcoholism, tuberculosis, and dental difficulties. Unless the member is more than 30 miles from a Kaiser facility, however, the plan will pay nothing for any treatment received outside a Kaiser clinic or hospital.

For their part, the doctors are paid nothing by the patient. Instead, they are, in effect, on a salaried basis and paid directly by the plan.

Other plans differ in details. New York's big H.I.P., with more than 500,000 members, provides doctors' services through 32 groups or panels of physicians spread around the Greater New York area. H.I.P., however, does not operate hospitals, and hospitalization insurance for H.I.P. members is provided through the local Blue Cross plans.

The largest of the panel plans, the Mine Workers' fund, operates 10 hospitals of its own and pays for care of miners using other hospitals on the fund's approved list. Physicians' services are provided in much the same way, partly by the fund's own doctors and partly by doctors in private practice who are affiliated with the fund.

FINANCE METHODS VARY

The plans are financed in a variety of ways. H.I.P. and Kaiser are, in effect, consumer financed, in that their income comes from the users. The Mine Workers' fund, on the other hand, is financed through the payment of a royalty by the mining companies on each ton of coal mined. Consolidated Edison, for the most part, splits the cost with the employees. Some fraternal organizations such as the Independent Order of Foresters and the Moose in San Francisco have set up similar plans for their members.

Advocates of prepaid group practice plans claim that such setups can provide a fuller range of medical care at a lower price than other forms of insurance.

"After a long period of doubt, opposition and trial, all are now agreed that medical care can be given most efficiently through teams of family doctors, specialists, laboratory technicians, and other personnel working together," says Dr. David P. Barr, president and medical director of H.I.P.

Instead of trotting from one specialist to another, from doctor's office to X-ray lab in another part of town, an H.I.P. member can get the full range of care at a single clinic. A typical H.I.P. clinic has at least 17 physicians, five of which are general practitioners. The rest are specialists in such fields as ear, nose, and throat surgery, skin diseases, urology, psychiatry and neurology, and obstetrics. In addition, the clinic provides diagnostic tests, X-ray treatments, visiting nurse service, regular physical checkups, and immunization, such as smallpox vaccination.

Since the members have already paid for the use of the clinic there is no hesitation to come in for minor complaints, checkups,

and immunization shots, as there might be if they faced the prospect of paying a $5 office call fee for each visit, say H.I.P. officials. This has led to improved preventive medicine among H.I.P. members, they claim. One survey indicates that H.I.P. participants require 20 percent less hospitalization than persons belonging to Blue Shield.

Another argument of panel plan proponents is that groups of doctors can provide care at a lower cost. For example, the 17 doctors in a single group might have need of only one fluoroscope, while 17 doctors in so-called solo practice would need 17 fluoroscopes. Similarly savings can be made in overhead and other operating expenses.

A QUESTION OF QUALITY

Opponents of the plans say the fact they are administered by nonmedical people, as well as the salaried status of participating doctors, poses serious threats to the quality of care. Although the plans are nonprofit, the administrators must at least keep them on a break-even basis. For this reason, they claim, there is a danger that the nonmedical administrators, for economic reasons instead of medical, might interfere in the treatment of members.

Officials of the plans, themselves, say there is another reason why many doctors oppose them.

"It is strictly a matter of economics," says Dr. Edwin Daily, medical vice president of H.I.P. Doctors in private practice, he claims, fear the competition from the group clinics when these organizations move into their areas.

This is not so, replies an official of the Nassau County, N.Y., Medical Society. "Economics has nothing to do with our opposition," he says. "It is strictly a matter of the quality of medical care."

The fight between the plans and the medical societies has been long and sometimes fierce. In Trinidad, Colo., for example, two doctors handling cases for the Mine Workers' Fund have brought legal suit against the local medical society alleging that the society has denied them membership because of their affiliation with the Mine Workers and that this denial has damaged their professional careers. Since 1943, at least four cases of this type have gone all the way to the Supreme Court.

The Mine Workers in 1957 marked several hundred doctors off their lists of physicians as ineligible to receive payments from the fund after the fund alleged there were instances of doctors charging the fund for unnecessary surgery, hospitalization, and other care. This brought a blast from AMA officials who contended the fund is subordinating the medical interests of the miner to the financial interests of the fund.

The AMA's effort to end such disputes stem from the survey the association made of the closed-panel plans. Launched in 1954, the survey was aimed at finding out what effect the plans are having on the quality of medical care and what relationships the doctors should have with these so-called third party setups. The survey came close to splitting the big medical organization wide open.

The survey committee said that in its study of the closed panel plans it has uniformly observed care of good quality being made available to patients who do not have free choice of physicians in the literal sense of the term. It went on to say that for many low-income groups covered by the plans the plans had resulted in improved quality care. The lack of free choice of doctors, it concluded, does not necessarily result in inferior care.

The vote of the AMA's 208 delegates yesterday approved the findings of this report. This approval, however, does not necessarily mean that all State medical societies, which are semiautonomous bodies, will go along. A few delegations such as those from New York, Kentucky, and Colorado, where the plans and the medical societies have clashed, fought the approval vote down to the wire.

The AMA action is by no means an unqualified endorsement of the closed-panel plans. It still objects to nonmedical administration of the plans, for example. Doctors here interpret the AMA's action as official recognition that the plans do exist and apparently are here to stay. But instead of fighting the plans on general principles such as free choice, doctors now should seek to work with them and try to change them, if necessary, with peaceful methods.

WORLD REFUGEE YEAR

Mr. HUMPHREY. Mr. President, on June 1 the British launched their World Refugee Year in the historic Mansion House, London, with Prime Minister Harold Macmillan declaring, "We must respond to this splendid idea."

In our own country we are planning to launch World Refugee Year on July 1. On May 19 President Eisenhower designated the 12 months beginning July 1 as World Refugee Year in the United States.

In an article in the June 2 issue of the Christian Science Monitor entitled "British Help Launch World Refugee Year," Mr. John Allan May presents a very excellent account of how World Refugee Year got under way in our sister country. I would like to quote one paragraph from this article which I recommend to my colleagues:

> It may not be possible to solve in so few months all the problems of all the refugees, the millions from Communist China, the tens of thousands from Tibet, the many Koreans, the innumerable Arabs, the Hungarians, and all the others, yet the intention is to find the answer to the major part of the problem in the next 12 months and to prove the whole problem can be beaten.

I sincerely hope that this will be the attitude taken by the American people during World Refugee Year. The plight of the refugees constitutes a formidable challenge to Americans and to the entire free world, and this challenge, this blot on our conscience, must be met with forthrightness and with vigor.

This challenge is very dramatically presented by Mr. William Henry Chamberlin in an article entitled "Uprooted Lives" in the June 5 issue of the Wall Street Journal.

Mr. President, I ask unanimous consent that the article by Mr. Chamberlin and the article by Mr. May in the Christian Science Monitor be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 5, 1959]

UPROOTED LIVES—THOUSANDS OF STILL-HOMELESS WARTIME DISPLACED PERSONS HOPE "REFUGEE YEAR" WILL MEAN WANDERING'S END

(By William Henry Chamberlin)

Besides destroying an unprecedented number of human lives, World War II left a tragic legacy in tens of millions of people who were uprooted from their homes and forced to seek refuge in foreign countries.

No one who has traveled in Europe as an inquiring reporter since the end of the war could have failed to meet such exiles. Some were statesmen and prominent political leaders, more were simple, obscure men and women who found themselves on the wrong side of the political fence for national or class reasons.

It is such meetings, many of them quite casual and accidental, that put human flesh and blood on recitals of facts and statistics. One of this writer's most interesting conversations during a trip in Europe shortly after the end of the war was in London with Tomasz Arciszewski, a white-bearded, elderly, dignified man who had escaped from Poland and became the last Prime Minister of the Polish government-in-exile. An old Socialist himself, but a passionate Polish patriot, Arciszewski knew Lenin and other Soviet leaders from international conferences before the World War I.

A WARNING

"Remember one thing above all," were his concluding words. "As long as one free country is left, the men in the Kremlin will never feel safe. They will call it imperialist and warmongering and seek by every means to subvert it."

On a more recent visit to London, the waitress in a modest little restaurant which is a meeting place for Polish refugees had her personal story of tragedy. A native of a town in eastern Poland, she and her young child had been deported to the Soviet Union in 1940. The child died for lack of nourishment; the mother, released after Hitler's invasion of Russia, made her way to England—an experience which she shared with many of her countrymen.

As a result of the war and the Nazi and Communist occupations several hundred thousand Poles, mostly above average in education, are now scattered in foreign lands, the majority in Great Britain, France, the United States and Canada. Few have been inclined to return to Poland, except as temporary visitors.

Russia, from which there was a big wave of emigration at the time of the Bolshevik revolution and the civil war, also supplied a considerable number of the refugees after World War II. The postwar relief organization, UNRRA, was supporting 800,000 displaced persons, or DP's, in 1946; it was generally estimated at that time that there were at least as many more, mostly Soviet citizens, hiding out in Europe for fear of being forcibly repatriated.

The old Bavarian city of Munich became known as the DP capital. During two visits there the writer met an assorted group of Russian refugees, the older and generally more cultivated belonging to the first wave of migration, the younger refugees fleeing from Stalin's tyranny, and also a special group of Ukrainians. Most of these Ukrainians were stanch separatists, who believed that their country should be given an independent existence.

In a suburb of Stuttgart, in southwest Germany, there was a group of Germans who, like their forefathers, had formerly lived in Yugoslavia. They were living in huts under rather primitive conditions, but felt they were luckier than others who suffered the vengeance of Tito's partisans. They were all working hard, their children going to local schools, where there was no language difficulty. It was this group that conveyed the impression that the influx of dispossessed, uprooted refugees from the eastern provinces of Germany, now occupied by Poland, from the Sudetenland area of Czechoslovakia, and more recently from the German Democratic Republic, while a very great tragedy for many of the individuals affected, was actually an asset for a West Germany that could absorb every pair of working hands.

A fellow passenger on a German railway train who spoke German fluently, but with

a marked foreign accent, furnished another sidelight on the refugee problem. He was a nationalist Croat, who had fought in the German Army against the Soviet Union in the war. After the war he was held by the Americans, who debated whether he should be sent back to Yugoslavia, where a firing squad or a concentration camp would have awaited him. Luckily for the Croat, Tito about that time shot down an American plane and the idea of sending back refugees to Tito's Yugoslavia lost favor. Now he was a naturalized German citizen, working as a forester in Bavaria. The number of uprooted Germans and people of German nationality is in the neighborhood of 12 million.

The latest big wave of refugees was from Hungary, after the unsuccessful uprising of 1956. There is still a steady stream of fugitives from the Soviet Zone to West Germany and a sizable trickle from Yugoslavia and Poland. Most of these are not individuals marked for political liquidation, but rather ordinary citizens who feel that pastures would be greener anywhere except in their Communist-ruled homelands.

STRIFE IN ASIA

Asia, like Europe, has its share of uprooted humanity. Some 600,000 Palestinian Arabs fled or were driven from their homes during the fighting which accompanied the establishment of the State of Israel. They have increased to over 900,000 in refugee camps and settlements in Jordan, the Gaza Strip, and other Arab territories. At least a million Chinese have fled from Red rule to overcrowded Hong Kong; a smaller number has sought asylum in Formosa. There has been a big migratory wave from Communist-ruled North Korea and North Vietnam to the southern parts of these countries, which are under non-Communist rule. It is not yet known how many Tibetans may follow the Dalai Lama and escape over high mountain passes into India.

A year beginning this month has been designated as Refugee Year. The Communist-ruled countries which are mainly responsible for creating this vast dislocation will not cooperate in alleviating the misery they have caused. The success of absorption varies from almost 100 percent in Germany to near zero in the case of the Palestinian Arabs.

Most of the refugees, for better or for worse, are now resettled. But those mostly innocent victims of wars and revolutions, who, because of special circumstances, have not found satisfactory resettlement, do have a special claim on the hearts and purses of the free peoples.

It would be especially desirable if Refugee Year could mark the closing of the last of the dreary camps in which tens of thousands of fugitives are housed in Germany and Austria.

[From the Christian Science Monitor, June 2, 1959]

BRITISH HELP LAUNCH WORLD REFUGEE YEAR

(By John Allan May)

LONDON.—World Refugee Year was launched in the historic Mansion House, London, on "the glorious 1st of June," when individuals and business firms joined the British Government in opening a new subscription list for aid to refugees the world over.

But this is more than just a fund-raising effort. Fifty-eight other nations have voted in the United Nations to support the World Refugee Year. Forty of them already have committees preparing to follow Britain's lead.

The aim is, with one great concentrated and united effort, to wipe out this blot upon the record of the 20th century.

The idea of a World Refugee year for such a purpose was proposed by four young Britains, led by Christopher Chataway, Olympic miler. The other three are Timothy Raison, Trevor Philpot, and Colin Jones.

VAST PROBLEMS WAIT

It may not be possible to solve in so few months all the problems of all the refugees, the millions from Communist China, the tens of thousands from Tibet, the many Koreans, the innumerable Arabs, the Hungarians, and all the others, yet the intention is to find the answer to the major part of the problem in the next 12 months and to prove the whole problem can be beaten.

According to the organizers, the last camp in Europe, at least, should be closed and all the 160,000 homeless and stateless people in West Europe should be resettled. By June 1961, it is hoped also to have found an answer to the difficulties of the 1 million Arab refugees who left Palestine in 1948 and to have brought effective relief and new hope to the millions crowding into Hong Kong from Communist China.

Britain's immediate individual target for subscriptions is £2 million ($5,600,000).

At a banquet given by the Lord Mayor of London, Sir Harold Gillett, to start the fund and to unveil Dame Laura Knight's drawing of an outstretched human hand that is to be the symbol of the year, all political parties joined to underwrite this appeal.

SUPPORTED BY LABOR

Prime Minister Harold Macmillan was accompanied by Hugh Gaitskell, Labor leader, and Jo Grimond, leader of the Parliamentary Liberals.

Mr. Macmillan announced that the Government's original contribution of £100,000 would be doubled. Mr. Gaitskell declared that if the Government wanted parliamentary authority to improve further on this sum there would be no opposition from the Labor Party in the House of Commons.

Mr. Macmillan declared: "We cannot pass by on the other side of the road. These people have lost their homes, their livelihood, often their nationality; we cannot leave them indefinitely in their misery * * * we must respond to this splendid idea."

BRITISH ROLE DEFINED

He added that because Britain, a small country, already has accepted so many refugees, it cannot expect to absorb any greatly increased number itself. It will have to help in other ways.

One of the special ways Britain will help, the Prime Minister declared, is in finding homes for those among the refugees who are handicapped.

Mr. Gaitskell clearly hopes the Government will do even more as the year gathers momentum. "We have no reason to regret ever letting in refugees," he said. "They have enriched our lives, our arts, and our sciences over a long period. We must not, by our varying decisions on this matter of entry into this country, do or say anything which can be regarded as an excuse by other countries for not letting refugees in."

The Lord Mayor urged all present: "Take this opportunity to grasp that outstretched hand and lead it, with those it symbolizes, from the dark depths of despair into a world of sunshine and hope, happiness, and security."

PRIVATE GIFTS RECEIVED

Lady Elliot of Harwood, president of the British committee, reported that large private contributions are already rolling in. Five thousand pounds, for instance, from the Bank of England, £10,000 from Lord Heyworth, chairman of Unilever, and £1,000 from Viscount Astor.

A message was read from Mr. Dag Hammarskjold, Secretary General of the U.N.: "I wish to pay tribute on this occasion to the initiative taken by the United Kingdom. This generous idea, launched only a few months ago by three young Englishmen, becomes a reality today. * * * I am sure it will do much to rally support throughout the world. I wish you every success in your humanitarian endeavors."

World Refugee Year is under way.

INTERNATIONAL FOOD FOR PEACE ACT

Mr. HUMPHREY. Mr. President, in April I introduced in Congress my International Food for Peace Act. This act outlined a plan of making wiser use of our agricultural abundance in the establishment of world friendship, through the building of world health, hope, and happiness, for our foreign neighbors abroad.

In response to this presentation, letters of commendation and encouragement have come to me, especially bringing to my attention the numerous activities of service organizations concerned with this effort throughout the world.

These organizations which include the share-our-surplus program of the church world service, a Protestant movement, the Catholic bishop's relief effort, the American Friend's service committee and the Jewish organizations all exemplify the activity of voluntary agencies in the distribution of our surpluses to the needy people abroad.

In a manner of recognition to such institutions, Mr. President, I would like permission to have printed in the RECORD the text of a pamphlet I received from the National Council of Christian Churches, entitled "Share Our Surpluses."

This pamphlet, I feel, exemplifies the concern of Americans for all human beings and their eagerness to share their food fortune as a contribution toward the removal of privation and inequity from our midst and in our time.

There being no objection, the pamphlet was ordered to be printed in the RECORD, as follows:

THE SHARE-OUR-SURPLUS PROGRAM

Major Protestant and eastern Orthodox denominations work together through the share-our-surplus program to distribute foods from America's national abundance of surplus commodities to destitute and hungry men, women, and children overseas.

Free-will offerings of the American people—through churches, religious community observances, and other church-related activities—support this worldwide witness of Christian concern and Christian brotherhood.

In the share-our-surplus program, aid is given on the basis of need alone without question as to race or creed.

Areas scheduled to receive 1959–60 Church World Services surplus shipments include: Austria, Belgian Congo, Chile, Egypt, France, Germany, Ghana, Greece, Haiti, Hong Kong, India, Indonesia, Italy, Jamaica, Japan, Jordan, Korea, Lebanon, Liberia, Malaya, Nigeria, Okinawa, Pakistan, Poland, Taiwan, Yugoslavia.

The share-our-surplus program is made possible by the voluntary contributions of American churchgoers whose gifts pay for distribution costs, administration and transportation not provided by our Government or that of the recipient people. The Church World Services Christian rural overseas program (CROP) which collects foodstuffs, commodities and cash from agricultural communities, works hand in hand with the

American denominations in the nationwide share-our-surplus effort.

The share-our-surplus foods came from the U.S. store of surplus commodities accumulated by the U.S. Commodity Credit Corporation under the agricultural price support activities. They are given without cost to our churches and are distributed through the share-our-surplus program without question of race, color, or creed.

Hungry people in America are cared for first by donations from the U.S. surplus food stocks. Foods for oversea distribution—through share-our-surplus and similar programs of other agencies—are donated from surplus stocks only after the amounts necessary to relieve need in the United States have been provided.

Greatest food relief opportunity in the history of Christian service, the share-our-surplus program provides more than 300 pounds of life giving foods for hungry people abroad for every dollar given through our churches—more than 3 pounds of food for a penny.

In 1959–60, our churches, working together through Church World Services will distribute more than 300 million pounds of food from our national surplus free to nearly 20 million needy persons in more than 25 areas of distress abroad.

Food requirements in oversea lands are determined by Church World Services representatives in the National Christian Councils or other recognized interdemoninational agencies. When these foods are received abroad, they are distributed—almost entirely through the services of volunteers—to the neediest among the hungry. Waste is virtually nonexistent, and costs are kept to a minimum. As a result of the efficiencies that a worldwide network of voluntary agencies gives to the share-our-surplus program, relief dollars are stretched to almost unbelieveable lengths.

Through share-our-surplus, Americans help to sustain life, aid in rehabilitating the famished and ill, and give new hope to suffering people in Asia, Europe, Africa, Latin America and the Caribbean.

Distributed free to hungry people of many lands, these foods—plainly marked as a gift of the people of the United States—bear witness to Christian compassion and tangibly demonstrate the kinship of American church people with their unfortunate brethren overseas.

THE WORLD'S NEEDY PEOPLE

Countless numbers of people overseas—an estimated two-thirds of the world's population—are chronically undernourished, seldom knowing a day without a pang of hunger. To the most needy of these, our brethren, the churches minister through the share-our-surplus program, sharing with them the superabundance with which God has blessed America.

Refugees and the homeless

In India, where the average worker earns less in a year than the average American makes in a week, share-our-surplus feeds refugees from Pakistan and Tibet, together with the flood-stricken who each year are driven to shelter in caves and in improvised roadside huts. Over 1 million hungry refugees from Red China, crowding into Hong Kong, know the ministry of share-our-surplus foods, as do millions of victims of aggression in South Korea who still need help. Share-our-surplus shipments also help to sustain thousands of Arabs in the Middle East, homeless since the 1948 partition.

Disaster victims

Last year, drought paralyzed the island of Haiti and destroyed cattle in Jordan. Fire ravaged cities in Burma, while floods struck Pakistan, Korea, and Poland. Earthquakes rocked Chile, and typhoons devastated parts of Japan. In all these and other disasters, American churches rushed share-our-surplus food to feed the victims.

Widows, orphans, schoolchildren

In orphanages, schools and mothers' homes, share-our-surplus foods supplement low minimum diets and give underprivileged children the calories needed to build sound bodies.

Hospital patients and the aged

Tuberculosis, pellagra, rickets—scourges of malnutrition—are a few of the diseases alleviated by share-our-surplus shipments of milk, flour and cornmeal while old age for many "hard core" refugees is made more tolerable by foods in share-our-surplus shipments.

THE ECONOMIC CRISIS CONFRONTING THE POULTRY INDUSTRY

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution passed by the Northeastern Association of State Departments of Agriculture on May 25, 1959, be inserted at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION PASSED BY NORTHEASTERN ASSOCIATION OF STATE DEPARTMENTS OF AGRICULTURE, EASTON, MD., MAY 25, 1959

Whereas the poultry industry finds itself in its greatest economic crisis in over a quarter of a century; and

Whereas the poultry industry constitutes a major segment of northeastern agriculture; and

Whereas the impracticality of production controls has been demonstrated in other farm commodities: Now, therefore, be it

Resolved, That the Northeastern Association of State Departments of Agriculture, assembled in its annual spring meeting at Easton, Md., May 24, 25, and 26, 1959, go on record requesting the U.S. Department of Agriculture, through its Secretary, Ezra Taft Benson, to immediately inaugurate the following three-point program to alleviate this economic crisis:

1. A vastly stepped-up purchase program of dried eggs;

2. The immediate purchasing of laying fowl, including breeding hens, for school lunch and other programs;

3. The extension after June 30, 1959, of section 17 of the Bankhead-Jones Farm Tenant Act for the refinancing of Farmers Home Administration chattel and unsecured loans to poultry farmers; and be it further

Resolved, That copies of this resolution be forwarded to Secretary Benson and to the members of the Agriculture Committee of Congress.

DISARMAMENT AND PEACEFUL DEVELOPMENT

Mr. HUMPHREY. Mr. President, this year the Congress is being asked to appropriate some $45 billions for national security programs. It is a tremendous amount, yet for most of us the principal question about this staggering sum is not whether it is necessary, but whether it is adequate. As long as the Soviet Union poses a threat to the free world and until we can achieve an effective agreement on the control and reduction of armaments, the foundation of peace will be, as it is today, the strength of the free world. In the present circumstances we must have the armed forces and the military equipment which will convince the Soviet Union that it has nothing to gain either from piecemeal nibbling or from a nuclear assault. Both peace and freedom may well depend upon our determination to maintain our military strength, whatever the cost, as long as necessary.

Just as it is essential that we make this huge defense appropriation this year, it seems to me that it is also essential that we make clear to the peoples of the world our true feelings about this appropriation. The defensive nature of our armed services is apparent to us, but it is not always clear to others. A constant barrage of propaganda from the Soviet Union and Red China seeks to distort our motives and intentions and to convince peoples elsewhere in the world that we are the instigators of the arms race. The Soviets would like the peoples of the world to believe that we enjoy making these defense appropriations and that we are warmongers.

The truth is that we do not like to devote some 60 percent of our national budget to defense. We do not like to spend billions of dollars on weapons which will quickly become obsolescent, which we hope will never be used, and which, if they were used, would ultimately mean great destruction to us as well as to our enemy. We do not like the high taxes which expenditures of this magnitude require. We do not like any aspect of the arms race. The aims of our foreign policy are peace, freedom, and security.

These truths are so obvious to us that it is easy to forget that they may not be understood in other places. It is easy to forget that propaganda masters in the Soviet Union are working day and night to build a false image of the United States in the minds of millions. If we do not want them to succeed, we must take every opportunity to fight back with the truth, to challenge the Soviet Union with constructive proposals which show our devotion to peace, and to demonstrate that we have the interest of others at heart, as well as ourselves. If such proposals are accepted, the foundation of peace will be strengthened. If they are rejected the Soviet Union will be unmasked and its true face will be displayed.

It is with these considerations in mind that I wish to submit a concurrent special resolution today. The purpose of this resolution is again to assure the people of the world of our desire to end the arms race so that more resources can be devoted to constructive works of peace. It would make clear to the world that we appropriate these funds not because we like to do so, not because we want a huge Defense Establishment, not because we have nothing else to do with this money, but solely because the high levels of Soviet armed forces and the constant threat of Communist aggression requires that we do so. It contains our solemn pledge that as soon as the Soviet Union is willing to enter into a reasonable, safeguarded disarmament program, we will take part of the savings which accrue and apply them to the constructive international programs which this Nation already pursues—such as our programs of technical and economic assistance.

As we who appropriate these funds cannot help but know, the cost of mod-

ern weapons is fantastic. By comparison, the works of peace cost almost nothing. According to reports which have appeared in the press, it cost a billion dollars to develop the Minuteman intercontinental ballistic missile. The Aswan Dam, designed to add 2 million acres of cultivable land to Egypt will cost $1.3 billion. The Titan and Atlas missiles have been estimated to cost $10 million each with ground support. That is, once they are in production. One Titan and one Atlas then would pay the budget of the United Nations Children's Fund for more than a year. That is one missile, Mr. President. An atomic submarine capable of carrying 16 Polaris missiles has been estimated to cost $100 million. One of these would buy thousands of new homes for families now living in crowded tenements or dilapidated shacks. The 8½ foot long Genie rocket is reported to cost about $250,000—$7,000 for the rocket and $243,000 for the nuclear warhead. Just one of these would buy thousands of textbooks for people eager to learn to read and write or improve conditions in their own countries.

Again let me emphasize that in the absence of a safeguarded arms control agreement, we must have these weapons if we do not wish to place our country in grave danger. I am not in favor of unilateral disarmament. On the other hand we must not forget, nor allow the other peoples of the world to forget, that we hope the maintenance of a high level of armed forces is only a temporary necessity and that eventually we will have a far more satisfactory security system. Our goal is the achievement of an international arms control agreement which would allow us to devote the major portion of our national budget, not to defense, but to constructive, peaceful pursuits. If we could reduce our defense expenditures by as much as half we could increase our contributions to works of peace throughout the world, increase our efforts to improve public works, welfare and education in our country and still have funds left to permit the tax reduction we all would welcome.

PROPOSAL OF TWO PRESIDENTS

Mr. President, the concurrent resolution embodies the expressed hopes of leaders of both political parties and the aspirations of millions of people in this country.

Two Presidents of the United States have promised to use the savings from disarmament to fight poverty throughout the world.

President Truman said in a speech of October 24, 1950:

> If real disarmament were achieved, the nations of the world, acting through the United Nations, could join in a greatly enlarged program of mutual aid. As the cost of maintaining armaments decreased, every nation could greatly increase its contributions to advancing human welfare. All of us could then pool even greater resources to support the United Nations in its war against want.
>
> In this way, our armaments would be transformed into foods, medicine, tools for use in undeveloped areas, and into other aids for human advancement. The latest discoveries of science could be made available to men all over the globe. Thus we could give real meaning to the old promise that swords shall be beaten into plowshares and that the nations shall not learn war any more.
>
> Then man can turn his great inventiveness, his tremendous energies, and the resources with which he has been blessed to creative efforts. Then we shall be able to realize the kind of world which has been the vision of man for centuries.
>
> This is the goal which we must keep before us—and the vision in which we must never lose faith.

President Eisenhower, in an address on April 16, 1953, pledged:

> We are prepared to reaffirm, with the most concrete evidence, our readiness to help build a world in which all peoples can be productive and prosperous.
>
> This Government is ready to ask its people to join with all nations in devoting a substantial percentage of the savings achieved by disarmament to a fund for world aid and reconstruction. The purposes of this great work would be to help other peoples to develop the undeveloped areas of the world; to stimulate profitable and fair world trade; to assist all peoples to know the blessings of productive freedom.

In a resolution passed on July 29, 1953, the Senate endorsed the disarmament principles spelled out by President Eisenhower—

> To the end that a greater proportion of the world's productive capacity may be used for peaceful purposes and for the well-being of mankind.

In February 1950, the late beloved Senator from Connecticut, Senator Brien McMahon, a dear and beloved friend of mine, made a stirring speech in which he proposed that the major portion of our defense expenditures be used for work of peace. At that time our appropriations were only $15 billion. Senator McMahon said:

> Why not offer to take two-thirds of this sum, or $10 billion, and instead of amassing sterile weapons, use it to foster peace throughout the world for a 5-year period? Why not offer to spread the annual $10 billion over three programs: President Truman's point 4 proposal, development of atomic energy everywhere for peace, and general economic aid and help to all countries, including Russia? Such a global Marshall plan might combine with the marvelous power of peacetime atomic energy to generate universal material progress and a universal cooperative spirit. In exchange for our own contribution of $10 billion annually, which we would save from the military budget, we would ask, first, general acceptance of an effective program for international control of atomic energy, and, second, an agreement by all countries, enforced through inspection, that two-thirds of their present spending upon armaments be devoted toward constructive ends.
>
> Such a proposal, if advanced by our Government, might vividly bring home to all the world's population—in a manner far more successful than we have so far used—the profundity of our desire for peace.

The next year Senator McMahon introduced a resolution calling for the use of the savings from disarmament to be used for the development of underdeveloped countries. The fact that he was not a man who could be accused of being unaware of the necessity for military strength is dramatically illustrated by another resolution introduced simultaneously to the effect that this country was not spending enough on nuclear weapons and that "the United States must go all out in atomic development and production."

Again the bipartisan support for this idea is apparent in a resolution introduced by another beloved former colleague, Senator Ralph Flanders, to the effect that this Government pledge, when the burden of armaments has been lifted, to devote part of the resources released to raise the living standards of people everywhere. Many of us, from both sides of the aisle, joined in the sponsorship of this resolution.

SUPPORT FOR PROPOSAL THROUGHOUT THE WORLD

Proposals that funds now used for armaments be used for peaceful purposes when an arms control agreement permits have not been confined to this country.

Throughout the world hope has been expressed that the economic lot of all peoples might be improved if funds could be released by disarmament. At the Geneva Conference of 1955 France put forth a proposal that states agree to a reduction in the amount of their military expenditures and that the financial resources thus made available should be allocated in whole or in part to international expenditure. The French proposal envisioned the use of military funds for peaceful purposes not only as a result of disarmament but as a method of disarmament. The following session of the United Nations General Assembly called upon the states concerned to study this proposal. In 1957 the General Assembly invited the states concerned "to consider the possibility of devoting, out of the funds made available as a result of disarmament, as and when sufficient progress is made, additional resources to the improvement of living conditions throughout the world and especially in the less developed countries."

The most recent proposal for a vast new war on world poverty was made by Premier Charles de Gaulle at a news conference on March 25 of this year. He stated:

> We, who live between the Atlantic and the Urals, we who are Europe, disposing, with America, her daughter, of the principal sources and resources of ourselves, lodge ourselves, keep ourselves warm, we, who possess mines and factories in full activity, well cultivated countrysides, railways where numerous trains run, roads choked with cars, ports filled with ships, airdromes peopled with aircraft, we, all of whose children learn to read, who build many universities and laboratories, who form armies of engineers and technicians, who can see, hear, read what is of a nature to satisfy the mind, we, who have enough doctors, hospitals, medicaments to ease suffering, to care for the sick, to assure the life of the greater part of the newly born, why do we not establish, all together, the fraternal organization which will lend its hand to the others?
>
> Why should we not put together a percentage of our raw materials, our manufactured goods, our food products, some of our scientists, technologists, economists, some of our trucks, ships, aircraft, to vanquish misery, develop the resources and help the work of less developed peoples?
>
> Let us do this—not that they should be the pawns of our policies, but to improve the chances to life and peace.

It seems to me that this should be a primary subject for the agenda of possible East-West Conferences. In cases of agreement, it would evidently be necessary to draw up a common plan of organization and implementation.

Premier de Gaulle also said that if there were a summit conference later this year, he was ready to speak about this important proposal to the other heads of government. I heartily commend the French President for this courageous and statesmanlike proposal. Our Government should be prepared to join with him in promoting it. And we should be prepared to work for it at the United Nations.

Why do I give my attention to an oft-made proposal which has never been acted upon? The answer is simple. Every year we appropriate billions of dollars for arms. Every year we ought also to clarify our national goals. The statements by President Truman and President Eisenhower, and the earlier Senate resolutions, are now history. Let us make it clear to the world that their offers still stand. Let us accept the challenge of Premier de Gaulle.

NUCLEAR TEST BAN OFFERS STARTING PLACE

The achievement of a disarmament agreement which would be comprehensive enough to permit a substantial reduction in our defense expenditures is going to require many years of hard work. The free world must convince the Soviet Union that it has nothing to gain by the use or threat of military force. There are numerous complex political problems such as the division of Germany, Korea, Indochina, and China, which must be resolved. The international tensions which cause nations to arm themselves and are in turn increased by armaments must be reduced. There are knotty technical problems involved in controlling modern weapons which must be worked out. All of these take time.

We have reason to hope, however, that this year it may be possible to take the first step on the road to disarmament, a suspension of nuclear weapons tests with safeguards, adequate controls, and inspection. We do not yet know whether the Soviet Union will agree to the on-site inspection rights necessary for a total test ban, or whether it will agree to the President's proposal for a ban of atmospheric tests which requires less inspection. Nevertheless, negotiations for this purpose have been going on for 7 months and the door to agreement is still open.

If a first step toward disarmament can be achieved this year, we can use this first step to prove that our offer to use the savings from disarmament for works of peace throughout the world is sincere, and applies now, not in some never-never land of the future. We can do this by saying that, if a test ban is achieved, we are willing to use any savings for peaceful international purposes. Because of the cost of establishing an inspection system, any monetary saving may be slight. However, we can propose that the nuclear powers dismantle those nuclear weapons which would otherwise have been exploded in a test series in some remote location and contribute the fissionable materal in them to the International Atomic Energy Agency. This would speed atomic development in underdeveloped countries, for it would allow the International Agency to sell it to the underdeveloped countries at low prices which they could afford and use the proceeds for training scientists in these countries in nuclear technology. Moreover, it would be a promise of the many more good things which could be done if further steps toward disarmament were possible.

AID TO UNDERDEVELOPED AREAS ESSENTIAL NOW

Let me make it clear that the concurrent resolution is not intended to substitute for works of peace which we should carry on now. We are fortunate to be a rich nation. Our larders are overflowing. Many other nations are not so fortunate. They are hungry, ridden with disease, and lacking in the resources, educational facilities and technology which are necessary to improve their status. At the present time we can afford both to maintain the defenses necessary for our safety and to contribute some of our abundant production, some of our skilled technicians, some of our capital to countries which are now in a stage of economic development through which we have safely passed. If we fail to do this, we can be sure the Communists will fill the vacuum and do everything they can to direct the development of new nations into Communist channels.

No, we cannot defer our works of peace into the future. We must continue and increase our technical and economic assistance and other works of peace even if it should also become necessary to increase our expenditures for defense. However, we can make it clear that we would much rather use some of our financial resources now devoted to defense, for a vast new attack on the enemies of all mankind—hunger, poverty, and disease. We can pledge that if the Soviet Union will join in a realistic program of arms control which will enable nations to reduce their armaments, we are ready to devote a large portion of the resources thereby freed to the good of the world. We can challenge them to do their part in bringing peace and prosperity to the whole world.

Mr. President, I hope that the Members of the Senate will give the concurrent resolution their earnest and favorable consideration.

I ask unanimous consent that the concurrent resolution be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred; and, under the rule, the concurrent resolution will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 48) to promote peace through the reduction of armaments, submitted by Mr. HUMPHREY, was referred to the Committee on Foreign Relations, as follows:

Whereas the people of the United States of America and their Government wish to do everything within their power to bring about a world in which peace is secure and in which all people everywhere have adequate food, shelter, clothing, educational opportunities, medical facilities, and other material requirements for physical and spiritual life and growth; and

Whereas the preservation of peace and security at the present time depend upon the maintenance by the United States of the armaments necessary for defense against possible aggression by heavily armed countries and to deter such aggression; and

Whereas the United States has for 13 years worked for the achievement of a disarmament agreement, with adequate controls and inspection, which would avert the danger of a catastrophic nuclear war and would enable the nations of the world to reduce their burdens of armaments and armed forces without impairing their security; and

Whereas the achievement of such an agreement would result in a substantial savings of money and resources now used for weapons: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States reaffirm that upon the achievement of an agreement on the reduction of armaments, which it fervently desires, the United States is prepared to join with other signatories of the agreement to devote a substantial portion of any resultant savings to expand its works of peace throughout the world; and

That the participating governments should continue and expand the works of peace, such as economic and technical assistance to less developed countries; development of natural resources; international cooperation to combat hunger and disease; scientific, cultural, and educational exchange programs; development of atomic energy for peaceful purposes; and the construction of new schools, universities, hospitals, and other essential facilities; and

That copies of this resolution be transmitted to the President of the United States and the Secretary of State, and that the President make known the sense of this resolution to the heads of all member governments of the United Nations.

AWARD OF HONORARY DEGREE OF DOCTOR OF LAWS BY RIDER COLLEGE TO HON. CLIFFORD P. CASE, OF NEW JERSEY

Mr. KUCHEL. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield to the Senator from California.

Mr. KUCHEL. Mr. President, the distinguished senior Senator from New Jersey [Mr. CASE] was honored, on June 7, by Rider College at its commencement exercises in Trenton, N.J. On that occasion, our able friend was made an honorary doctor of laws and was presented with the degree and a citation by the school. The basis of award reads as follows:

BASIS OF AWARD, HONORARY DEGREE OF DOCTOR OF LAWS (LL.D.), HON. CLIFFORD P. CASE

A forward-looking statesman of scholarly background, he has contributed much to the basic welfare of the American people and particularly that of American youth.

His stanch advocacy of the principles of civil liberty and human dignity have endeared him to the hearts of the millions, while his consistent support of the cause of education has enhanced the future welfare of oncoming generations.

A distinguished alumnus of one of New Jersey's great institutions of learning, he has never failed to imbue his practical efforts with the idealism of the academic approach.

Rider College takes pride in honoring this buoyant, but realistic, apostle of the better life.

I am certain I speak for all my colleagues in the Senate when I say that we take pride in the recognition this great collegiate institution has accorded a distinguished U.S. Senator.

THE DEADLOCK AT GENEVA

Mr. MANSFIELD. Mr. President, after 4 weeks of negotiating in Geneva we have little to show for our efforts. If the usual procedure is followed, we can expect agitation to the effect that we are wasting our time and that our representatives ought to come home. For them to do so at this time, in my opinion, would be a mistake. It has taken 4 weeks to bring to a head the basic business of the Conference. That basic business is Berlin, even though the question of Berlin is related to other questions affecting Germany as a whole and central Europe. However, we must not lose sight of the fact that it was the Berlin crisis which brought the Geneva Conference into being, in the first place, and not the larger questions of German reunification or European security.

In the light of disturbing reports of impending failure at Geneva, I was happy to hear a report on the radio that the Vice President, in California, last night had urged that the Geneva Conference not be broken off. I endorse that position very emphatically.

I should like to recall that just 4 months ago I addressed the Senate on the German situation. In subsequent discussions on the floor other Members analyzed this situation in detail and discussed possibilities for meeting the problems which it posed. I recall, particularly, the observations of the distinguished chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], the remarks of the Senator from Connecticut [Mr. DODD], the bold plan of the Senator from Indiana [Mr. CAPEHART], and the critical and constructive comments of the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. COOPER], the Senator from Minnesota [Mr. HUMPHREY], and other Senators.

When I spoke on the German situation last February, I was moved to do so by one principal consideration. We were committed at that time, as we are now, to stand fast in West Berlin. It seemed to me, however, that we were committed to that position in support of policies which, conceived more than a decade earlier under another administration, had become inadequate, if not obsolete, in the light of current conditions and the current needs of this Nation and other Western states. It seemed to me that those policies no longer held realistic hope of leading towards a stable peace and the greater security of freedom in Germany and Europe. They promised—these inadequate and obsolete policies—at best only a desperate and costly rearguard action to maintain a surface status quo which was becoming ever more separated from the underlying realities of the evolving situation in Germany, Europe, and the world. At worst, those policies promised a disastrous diplomatic retreat or a catastrophic war—limited or unlimited—a war by accident or miscalculation.

These thoughts, Mr. President, were spoken freely in the Senate last February 12, and in four subsequent speeches. They were spoken with the intent of being constructive. They were spoken out of a desire to cooperate responsibly with the administration. They were spoken in the hope of encouraging a wide utilization of the most powerful device of freedom—the device of full and free discussion—in order to recast and to strengthen our policies to meet the impending crisis in Germany.

In that spirit, Mr. President, nine essentials were advanced for a positive Western policy on Germany. These proposals were not, for the most part, original, except in their restatement in the context of my remarks; nor were they set forth in a package, on an all-or-nothing basis. On the contrary, some of them were already implicit in our policies, and all of them were obviously subject to modification and elaboration. Nevertheless, they were set forth, as one Senator's views, as a possible way around the dangerous impasse towards which the world appeared to be headed in Germany.

Let me recall in summary form, at this point, these nine suggested essentials of policy, as they were stated and developed in subsequent speeches.

First. Stand fast in Berlin, not as a slogan, not as an end in itself, but as the basis for a Western initiative for peace in Europe.

Second. Call upon German leaders of the East Berlin and West Berlin communities to begin serious negotiations for unifying the public services and municipal government of that city.

Third. Enlist the conciliatory services of the Secretary General of the United Nations in the effort to bring about the interim unification and neutralization, not only of West Berlin, but of all Berlin; guarantee by United Nations or other international means the free use of the routes of access to the entire city until such time as it became once again the capital of a unified Germany.

Fourth. If this or a similar approach to interim unification and neutralization of all Berlin is not obtained, then continue the Western presence in West Berlin, regardless of whether the Russians chose to leave the other sector of the city.

Fifth. If forced to maintain the Western presence in West Berlin in such circumstances, however, consider seriously withdrawing the garrisons of French, British, and American forces from the city and replacing them with West Germans supported by NATO guarantees.

Sixth. Call upon the Germans in authority in West Germany and East Germany to talk, to talk a great deal, on the whole range of problems involved in harmonizing the political, economic, and military systems of the two zones as an essential preliminary step to the unification of Germany.

Seventh. Call upon the East German Communists and the Russians to permit the exercise, without the threat of terror, of basic political freedoms in the Eastern Zone, as a preliminary to reunification.

Eighth. Seek agreements between the Soviet Union and the Western allies to guarantee for a period of years the kind of unified Germany which might emerge from German discussions, and see to it that a reunited Germany is neither subjected to military pressures by its neighbors nor become a source of aggressive military pressure on them.

Ninth. To that end, consider agreements for the control and limitation of armaments in Germany and central Europe along the lines of the Eden plan, the Rapacki plan, and similar plans, predicating them on the reaching of satisfactory agreements, at the Geneva Conferences, on the prevention of surprise attacks and the suspension of nuclear testing.

Mr. President, when these proposals were advanced initially, there was a great deal of comment on them, both at home and abroad. Some of it was critical, and some of the criticism was little short of an expression of shocked disbelief.

Yet the proposals were not too far removed from the changes which Mr. Dulles was seeking to bring about in Western policy during his last trip abroad, shortly before he was stricken. Since that time, Mr. President, we have, in fact, witnessed a major evolution of United States and Western policy with respect to Germany in the direction of these proposals.

This Nation went into the present Geneva Conference with a general approach which represented a sharp modification of the policies to which we had clung for years. The new approach has made it evident that while we would stand fast in Berlin, we would do so, not as an end in itself, but as the basis for moving toward a reasonable settlement of basic Berlin, German, and European problems. Beyond standing fast, we have suggested at Geneva a specific plan for bringing about negotiations for the reunification of the public services and municipal government of that city. We have called for a phased reunification of all Germany, based upon extensive contact and extensive talk on the part of the German authorities of the East and West, prior to free, all-German elections. We have sought the restoration of the right of open political activity for all Germans, free of terror and legal reprisals, in both zones. We have expressed our willingness to seek agreements between the Soviet Union and the Western nations to guarantee a unified Germany and its neighbors against aggression.

We have noted our willingness to consider limiting the level of armaments in both parts of Germany and a reduction in foreign forces in that country—a position which seems to me to encompass the basic philosophy of the Eden and Rapacki plans.

There is really only one sharp difference, Mr. President, between the proposals which I suggested last February and the proposals which are listed in what has been termed the Western package at Geneva. If anyone is interested

in what the Western package was, in detail, I refer him to the New York Times of Friday, May 15, 1959, which will back up what I have stated just now. We did not see fit to deal initially with Berlin as the most pressing of the German problems; and I am sure Mr. Herter and his associates have had good reasons for proceeding as they have until now. Nor have we—Mr. Hammarskjold apparently concurring—seen fit to call upon the conciliatory services of the United Nations Secretary General to bring about an interim neutralization of all Berlin under international auspices.

One other of the nine essentials of policy listed last February is not embraced in present policy; that is, the possible substitution of West Germans for the British, French, and American garrison in West Berlin. That proposal, however, was obviously not associated with a peace settlement. On the contrary, it was intended as an alternative if the efforts to negotiate a settlement in good faith were to fail.

Mr. President, I have taken the time of the Senate to review in juxtaposition discussions and events that occurred in the past, and have since taken place at Geneva. I have not undertaken this comparison out of any desire to vindicate a position. I have not had occasion to alter that position significantly in the past, and I see no need to justify it now. It was presented, in February, as one Senator's views. It is still one Senator's views.

No, Mr. President, that has not been my purpose. My purpose today, as it was last February, is to contribute constructively to the policies which this administration conducts on behalf of all of us, on behalf of all the people of this Nation—the policies upon which the peace and the well-being of the United States so greatly depend.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am glad to yield.

Mr. COOPER. I remember very well when the distinguished Senator from Montana made his first speech on the Berlin question. I think he will agree with me that it was criticized in some quarters at that time. I am sure the criticism by some persons was based on a so-called stand-firm position on Berlin. At the time I did not interpret the statement as those persons did, without attempting to pass judgment on the merit of all the proposals the Senator made. It was my view that the distinguished Senator from Montana at that time was emphasizing the necessity of keeping open all avenues of possible negotiation between the United States and its allies with the Soviet Union, looking toward an ultimate solution some day of this most difficult problem between our countries and the Soviet Union.

I am glad that since that time, while our country has never varied from the position that these problems must not be settled under threat of force, nevertheless the United States and its allies have advanced negotiable positions and positions which look hopefully towards solution.

I believe that has been the purpose of the distinguished Senator from Montana at all times. I am glad that again he raises this important question, and still insists, I am sure, that all avenues should be kept open.

Mr. MANSFIELD. I thank the distinguished Senator from Kentucky for his kind words. He is always understanding, always able, always considerate. I recall the debate last February in which the Senator from Kentucky participated. I recall also that I learned a great deal because of the intense interest displayed by the Senator over a period of years in the question of Germany, and when he had the honor to represent our country in the United Nations in 1951. So I look upon him as a real authority in this field. I know he understood the context in which I made my remarks, and I assure him that I understood his understanding of them.

Specifically, Mr. President, I wish today to call attention to the fact that when I initially advanced the nine proposals they were not criticized by a man who by the nature of his position has an enormous influence upon the prospects for peace in the world. The Senate may recall that Premier Nikita Khrushchev, of the Soviet Union, commented publicly on the remarks which I made on February 12. I refer, Mr. President, to a news story which appeared in the Washington Star on February 19, 1959.

Mr. Khrushchev is reported in this story as hailing as "worthy of attention" certain of these proposals. He went on to say that:

> One could reach agreement with people who have adopted such sober attitudes.

He went on to say, further:

> Supporters of the cold war are attacking MANSFIELD and accusing him of making concessions to the U.S.S.R. Nobody is making any concessions to us. MANSFIELD is just thinking soberly and sensibly.

It was the recollection of that comment by Mr. Khrushchev which led me to make this statement today, at a moment when the Geneva Conference may be in danger of failure. What I wish to point out is that if the Soviet Premier believed a few months ago that the proposals which I had made were sober and sensible, and if, as I have just noted, proposals of a very similar nature have been introduced at Geneva by the Western delegations, then perhaps Mr. Khrushchev should also regard the latter as sober and sensible.

True, Mr. President, in comparing the statement which I made on February 12 with the Western proposals which were presented in Geneva, one may find that the "i's" are not always dotted in precisely the same way and the "t's" are not always crossed exactly alike. But the intent is very similar. Therefore, if the Soviet Premier believed that a basis for bona fide negotiations resided in my statement, he may rest assured that it is also present in the Western proposals. Unless he has changed his mind since that time, or unless he has not been adequately informed, I believe Mr. Khrushchev will find that these Western proposals at the conference are equally, if not more so, worthy of attention. I believe he will discover that the Secretary of State, Mr. Herter, has not presented these proposals out of any attempt to secure a hollow propaganda victory, not out of any desire to exacerbate the cold war, but in a sincere effort to express in a practical fashion the desire of the people of the United States to find a secure and equitable settlement of the fundamental problems of a divided Berlin, a divided Germany, and a divided Europe. At the least, I respectfully suggest to Mr. Khrushchev that these proposals are worthy of a more careful treatment at the hands of the Soviet Premier than they received at the hands of the Soviet delegation which tended to dismiss them as completely unacceptable or too involved or too complex.

Mr. President, I call the attention of the Soviet Premier to these matters in the hope that, as he recognizes that the larger interests of the Russian people, the people of the United States, and all peoples require peace, no less will he recognize that the wish for peace must be translated into the acts of peace. Specifically, it must be translated into agreements. What is done in this connection at Geneva is essential to what may come later at a summit.

If the West were to go to the summit, or, indeed, if the Soviet Union were to go to the summit with the two positions as far apart as they now are, as a realist, Mr. Khrushchev must know that little, if anything, would be accomplished. That is why I hope the Soviet Premier himself will consider the Western proposals. I hope he will study them. I hope, on the basis of his personal study, he will be specific, he will instruct his aides at Geneva in terms of "this we can accept and this we must talk about further." It seems to me, in the light of President Eisenhower's desire and effort to be reasonable, in the light of the new approach which the Western nations have pursued at Geneva, some such action on Mr. Krushchev's part is essential at this point to advance the cause of peace.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. GORE. I am impressed by the able statement by the distinguished junior Senator from Montana. I am prompted to rise by the statement the Senator from Montana made a moment ago that he hoped the Russian dictator would give specific instructions to his representative at Geneva, Mr. Gromyko. This calls to mind the fact that recently there was in circulation in the United States a statement and a thought that there must be a summit conference, because in the Russian hierarchy only Mr. Khrushchev can speak with authority.

The question I should like to ask is this: What authority does Mr. Herter have except that which stems from the President of the United States? Secondly, is there any reason why Mr. Khrushchev could not make a delegation of authority to Mr. Gromyko, specifically and generally, in the manner President Eisenhower delegates authority to his Secretary of State, Mr. Herter?

Mr. MANSFIELD. If Mr. Khrushchev wanted to, he could, but I am afraid

there is more flexibility, if I may use that word, in the relationship between the Secretary of State, Mr. Herter, and President Eisenhower, than there is between Mr. Gromyko and the Premier of the Soviet Union, Mr. Khrushchev.

Mr. GORE. What does the Senator mean by "flexibility"?

Mr. MANSFIELD. I mean that there is more of an accord between our Secretary of State and the President, who have worked out a plan and policy which they discuss daily. They know what the procedure will be.

I think that at times Mr. Gromyko is solidified, so to speak, and has to wait for clear and unmistakable policy decisions from Moscow, which I assume he is doing at the present time, on the basis of the ultimatum he presented to the Western representatives at Geneva a few days ago, and in turn which Mr. Herter and his colleagues, and rightly so, refused to consider.

Mr. GORE. But the ultimate power of decision is with the heads of state.

Mr. MANSFIELD. It is with the heads of state.

Mr. GORE. In the case of the United States a treaty is subject to Senate ratification.

Mr. MANSFIELD. The Senator is correct.

Mr. GORE. Whereas the Soviet Union has no such constitutional requirement.

Mr. MANSFIELD. The Senator is absolutely correct.

Mr. GORE. The matter which I rose to challenge, prompted by the statement the Senator made, was that there must be a summit conference because Mr. Khrushchev is the sole man in the Soviet Union who speaks with authority on foreign policy. In whom does the Constitution of the United States vest authority to be spokesman in foreign affairs?

Mr. MANSFIELD. I am afraid I would have to disagree with my distinguished friend from Tennessee, because frankly I am personally opposed to a summit conference. I do not see what could be achieved by such a conference, on the basis of the results of the negotiations at the ambassadorial or foreign minister level. However, the President has indicated that if progress is made at the foreign minister level he will attend a summit meeting. On that basis, we have no choice but to give the President our full and complete support.

As I shall try to indicate later in the course of my remarks, the President has reiterated time and time again the postulate that real progress must be achieved at the Geneva meeting, and that he is prepared to define "progress" somewhat liberally.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. GORE. I think the Senator must have misunderstood my statement, or attributed an implication to my remarks which I had not intended. I had not intended to convey either an endorsement of or opposition to a possible summit conference, nor did I intend to indicate any lack of support for Presidential objectives in case such a conference is held.

Mr. MANSFIELD. Neither of those thoughts was implied in the statement, or assumed by me. I understood the Senator to say he thought there should be a summit meeting.

Mr. GORE. I did not intend so to state.

The one point I wished to flag was the statement regarding authority. As a matter of fact, I think the President at a press conference made the statement that one reason for a submit conference was that only Mr. Khrushchev could speak with authority. The point I am trying to make is that Mr. Khrushchev could delegate authority to Mr. Gromyko, the same as President Eisenhower can delegate authority to the Secretary of State, Mr. Herter.

Mr. MANSFIELD. The Senator is correct.

Mr. GORE. Whether there should or should not be a summit conference is another point, but there should not be one based on the fallacious argument that only Mr. Khrushchev can speak with authority. If Mr. Khrushchev can speak with authority, then he can specifically delegate authority as the Senator has just urged that he do.

Mr. MANSFIELD. The Senator is absolutely correct. I am delighted we have had this colloquy, because I think we have been able to straighten out what might have been a slight misunderstanding, and I agree with the Senator thoroughly.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CLARK. I have been very much interested in the colloquy, by reason of something I learned only the other day, which is that Mr. Gromyko is not a member of the Presidium, nor is he, I believe, a member of the Politburo. Mr. Gromyko occupies a far lower position in the Russian hierarchy than Mr. Herter occupies in ours. Is that correct, according to the Senator's information?

Mr. MANSFIELD. That is correct.

Mr. CLARK. That leads me to make inquiry of the Senator as to whether he has any reaction to what seemed to be a very sensible suggestion made by Mr. James Reston in the New York Times this morning. Mr. Reston pointed out, I think, that for a little over half the time since Mr. Herter has been Secretary of State he had been engaged in either preparations for or actual participation in this Conference at Geneva, in which he has been dealing really with an underling, Mr. Gromyko, who presumably has very little authority, and this mades it very difficult for Mr. Herter to do the job of conducting the affairs of the State Department, attending to his duties as the leading member of a coalition, and doing a good deal of reorganization work which I personally think is required in the State Department.

Mr. Reston made the suggestion that perhaps we should have a special ambassador in charge of negotiations with the Russians, and he thought possibly former Ambassador Bohlen, who, as Mr. Reston said, was playing golf in Manila——

Mr. MANSFIELD. Who was improving his golf.

Mr. CLARK. Who was improving his golf game in Manila, might be an excellent choice for that task. At least Mr. Bohlen, who speaks Russian and who has had wide experience in Moscow, could fail to come to an agreement with Mr. Gromyko just as well as Mr. Herter; but, if Mr. Bohlen were charged with the task, that would release Mr. Herter, for whom I have the highest regard and the greatest respect, to spend his time on matters of perhaps equal importance to that of disagreeing with the Russians. I wonder what my friend from Montana thinks of the suggestion.

Mr. MANSFIELD. I will say to the distinguished Senator from Pennsylvania there is much that is meritorious in the story by Mr. Reston. However, I point out that Mr. Herter is going through the kind of ordeal which any modern Secretary of State must anticipate in these days of the cold war.

I point out that we should consider Mr. Gromyko in the light in which Mr. Khrushchev wants him to be considered, because, after all, he has been delegated the position of representative of the U.S.S.R. at the Geneva Conference. The representatives of the Governments of France and Great Britain have similarly been delegated as representatives of their respective countries.

I have expressed the hope, rather than to see these Conferences fail, rather than to see Mr. Herter continually kept occupied at Geneva, that if there is no possibility of settlement in the fairly near future, one of his assistants, Mr. Dillon, Mr. Murphy, or Mr. Henderson, might take over. I assume that the other powers their represented would likewise descend that much in the scale. But even though Mr. Gromyko, in our opinion, is not the equal in prestige or position of Mr. Herter, Mr. Couve de Murville, or Mr. Selwyn Lloyd, nevertheless, I think we must observe the amenities in a conference of the kind now going on.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GORE. Is there any reason why, regardless of whether Mr. Gromyko is a member of the Praesidium or not, as spokesman for the U.S.S.R., the head of state could not delegate to Mr. Gromyko whatever position or authority the head of state desired to delegate?

Mr. MANSFIELD. Yes; and he undoubtedly does.

Mr. GORE. There is another Conference under way at Geneva, at which we are represented, not by our Secretary of State, but by Ambassador Wadsworth.

Mr. MANSFIELD. And probably the most important Conference of all, in its implications.

Mr. GORE. It probably considerably overshadows in importance the other Conference under way, to which the most attention is directed.

The question I wish to pose is this: Though Ambassador Wadsworth does not hold a position in the Cabinet of the President of the United States, does not this Government delegate the power to Mr. Wadsworth to make specific proposals and commitments? Indeed, 17

articles of a proposed treaty have already been agreed to with Mr. Wadsworth as the spokesman of the United States. So the principle of delegation of authority is not necessarily hindered by the rank of the delegate. The extent of the delegation is the important thing.

With respect to the Russian dictator, Mr. Khrushchev, the able Senator said:

> I hope the Soviet Premier himself will consider the Western proposals. I hope he will study them. I hope, on the basis of his personal study, he will be specific, he will instruct his aides at Geneva in terms of "this we can accept and this we must talk about further."

In other words, the Senator is expressing the wish that the head of state of the U.S.S.R. will delegate authority to his representative at Geneva in a manner comparable to the delegation to Secretary Herter by President Eisenhower.

Mr. MANSFIELD. The Senator is exactly correct; and if Premier Khrushchev will show the same degree of trust, confidence, and flexibility with respect to Mr. Gromyko that President Eisenhower has shown—and justly so—with respect to Secretary Herter, I think there may be a possibility of achieving something in the way of success.

Mr. GORE. As further attesting to the desire of the U.S. Government, I invite the attention of the able Senator to the fact that just before Secretary Herter's departure as the representative of the U.S. Government at the Geneva Conference, the question of confirmation of his nomination came before this body, and he received the unanimous endorsement of the Senate.

Mr. MANSFIELD. Yes. That was a rare event, an event which, of course, indicated our full and complete support of the new Secretary of State. The vote was 93 to 0, and the 5 absent Senators were recorded as being in favor of the confirmation of his nomination. It was an unusual demonstration in behalf of Mr. Herter; and I, for one, am glad the Senate lived up to its responsibilities on that occasion and gave Mr. Herter a unanimous vote of confidence.

Mr. GORE. So, not only has the President of the United States sent to the Geneva Conference the highest ranking Cabinet officer, the man who, at Cabinet meetings, sits at the President's right hand; but the Secretary of State has gone with the unanimous support and vote of confidence of the U.S. Senate.

Mr. MANSFIELD. The Senator is correct.

In my experience—I have been in Congress 17 years, and the Senator has been here longer—I do not recall a similar expression of confidence to the one which the Senate—and I believe rightly—gave Mr. Herter when his nomination was befor it for confirmation. He is a good man. I think he is representing us ably and well. If the Conference breaks down, it will not be the fault of Secretary Herter.

Mr. CLARK. Mr. President, will the Senator yield for one further comment?

Mr. MANSFIELD. Certainly.

Mr. CLARK. I agree with everything the Senator has said about Secretary Herter. The question arises as to "Who is keeping the store?" Is it not important that the store should be kept by the chief storekeeper? I happen to have the greatest admiration for Douglas Dillon. I heard him make a brilliant and able speech at Harvard University yesterday afternoon, in which he advocated policies respecting foreign aid with which I am in complete accord. I am not at all sure that the President of the United States and the Secretary of the Treasury are in accord.

Mr. Dillon has a terrific job on the economic side of the State Department, as does Mr. Murphy. Mr. Murphy is a trained diplomatist. His experience has been largely as a troubleshooter.

Mr. Murphy also received a degree at Harvard, which I think was well merited. I think my university did well by the State Department.

However, it seems to me that the problems confronting the Secretary of State all over the world and at home are such that some serious thought should be given to making some arrangement whereby he could spend more of his time on his duties here, in directly advising the President, and less of his time in what must be a very frustrating experience, sitting across the table from the Russian delegates and hearing the word "nyet," coming across the table every 15 minutes.

Mr. MANSFIELD. The Senator is absolutely correct in his statement; and I anticipate that once the Conference is out of the way we may see a change, in that the Secretary of State will remain at home for longer periods of time, going abroad only on special occasions. This, of course, was a special occasion, and there was nothing Secretary Herter could do about it.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GORE. I agree with the observation just made by the distinguished senior Senator from Pennsylvania. I again express the view that the President of the United States should not permit himself to be impelled into a summit conference, if otherwise it appears inadvisable, by reason of the fact that Mr. Khrushchev refers to the Conference at Geneva as being a conference of underlings. There is no reason why he could not delegate to the representative of his country the same degree of dignity and authority with which our representative has been speaking.

Mr. MANSFIELD. The Senator is right.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KEATING. The suggestion that if these talks break down there should be a summit conference anyway, and that that is all the more reason for a summit conference, has not come from the President of the United States.

Mr. MANSFIELD. I agree.

Mr. KEATING. The President of the United States has made his position very clear—that there must be evidence of progress at the Foreign Ministers Conference before he will go to the summit.

I express the hope that he will stick to that position, that there will be no summit conference under duress or under threats to do something tomorrow or to do something a year from tomorrow or to do something a month from now, or at any other time.

Mr. GORE. I trust the Senator did not understand that I had made the suggestion that such a thought had come from the President.

Mr. KEATING. I felt there was an implication to that effect. That is why I rose to say what I have said.

Mr. MANSFIELD. I did not interpret what the Senator from Tennessee said in that fashion, because I am quite sure that, so far as we are concerned, we are behind the President in his oft-repeated statement that he will not go to the summit unless there is progress made at Geneva. A week ago Wednesday he said that he would define progress very liberally. How far can one go? How much more can be done? The President acted magnificently. I believe Mr. Herter has, too. We have done everything we could possibly do, and I think it is now time for the other side to come forth with something in the realm of real possibility.

Mr. KEATING. I agree emphatically with the views of the distinguished Senator from Montana.

Mr. MANSFIELD. I thank the Senator.

Mr. Khrushchev can do much to clarify the areas of agreement which already exist and to delineate the areas of disagreement which must be reconciled by direct talks of heads of states. Unless this is done now, what, indeed, can we or the Russians expect to achieve by a meeting of a few days duration at the summit? If there is, in fact, something else to be achieved, then it would be helpful if the Soviet Premier made clear what it is.

I urge this course, in all sincerity, on the Soviet Premier. I urge him to take it before positions solidify into the brittle crusts of propaganda, before decisions are made that cannot be revoked. In this connection let me say that it may not be possible to stop the Soviet Union from making a separate peace treaty with East Germany if that is its intention. Nor can that nation be stopped from withdrawing its forces from Berlin, if it so desires, before a broad settlement is reached. If either of these irrevocable steps is taken, however, the tasks of peacemaking will be infinitely compounded. The breach may no longer be closable in this generation or the next. The seeds of inevitable war may well be implanted.

The moment calls for patience, not impetuosity. It calls for forebearance. This is not the time for the West or for the Soviet Union to entertain the idea of picking up their respective marbles and going home.

We have stated and we will continue to reiterate, as the President and Secretary Herter have on so many occasions, that there will be no summit meeting unless a degree of progress is achieved. The President noted on June 3 that he would be prepared to define liberally what he meant by progress. I commend him for his willingness to stay in the

game, and for his statesmanship in giving every possible encouragement to our Secretary of State in the difficult negotiations now being conducted in Geneva.

If we are firmly convinced that there is no basis for a settlement, then we should be prepared to break off the conference, cleanly, honestly, and without futile recriminations. We should not do so, however, until every possible facet is explored and every possible move is made. I am certain that it is the intent of the President and Secretary Herter and his colleagues to strive to arrive at equitable agreements. I am likewise certain that if and when the time arrives when the representatives of the West are convinced that there is no point in continuing the talks at Geneva, that they will make their decision known and return to their respective countries. Certainly, however, that point has not yet been reached. Let us be in no hurry. Let us be patient and let us explore every reasonable and honorable channel in the hope that an agreement is still possible and that the deepest desire of mankind can, at least in part, be realized. No nation at this critical time has the right to be more interested in saving face than in safeguarding civilization.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the following matters: An editorial written by William Randolph Hearst, Jr., and published in the Hearst newspapers on June 7, 1959; a speech which I delivered in the Senate on February 12, 1959, entitled "The Coming Crisis in Germany"; a speech I delivered in the Senate on February 26, 1959, on the German question; a speech I delivered at the annual dinner of the Alumni Association of the Law School of New York University on April 8, 1959; a speech I delivered at the Bicentennial World Affairs Forum of the Foreign Policy Association, at Pittsburgh, Pa.; and a commencement address delivered by me at Gonzaga University, Spokane, Wash., on May 24, 1959.

There being no objection, the editorial and addresses were ordered to be printed in the RECORD, as follows:

[From the June 7, 1959, issue of Hearst newspapers]

EDITOR'S REPORT

(By William Randolph Hearst, Jr.)

Back in 1955, when the Hearst task force interviewed Soviet Bossman Nikita Khrushchev, he bragged that the Communist system could compete with ours in the economic sphere and thereby overcome us without war.

The Russian leaders have spouted that line continuously since then. But it seems to me that their recent actions in international diplomacy indicate they don't really believe their own claims.

Everybody in his right mind, in any country, knows that war would be devastating to both sides. Everybody also knows that the heavy armament burdens of the cold war, with peace always hanging by a thread, prevent any nation from achieving its full economic potential.

Yet when the Russians have a chance to relax the tensions that divide their world from ours, which would benefit everybody, they remain rigidly frozen in hostility.

The proposals by the Western allies at the Geneva Foreign Ministers Conference offer Khrushchev basically what he has always claimed to want.

He has said he wants the East Germans talking directly with the West Germans on equal terms. The West's plan for arranging German reunification provides that.

He has said he wants German armament limited. The West's plan provides that.

He has clamored for withdrawal of foreign troops from central Europe. The West's plan provides for that.

To get what he says he wants, Mr. K. would just have to agree to one important condition—free elections for the German people. In brief, the opportunity for peaceful coexistence. He must realize he can't postpone that forever.

Such a settlement in central Europe would insure peace in the greatest zone of tension in the cold war, and everybody would be more free to concentrate on economic gains.

You'd think the Russians would leap at this chance if they really thought their Red system could beat our free enterprise system.

Peaceful coexistence is what Mr. K. always claims he wants and which he says would show the superiority of the Communist system over capitalism.

Well, it exists in Berlin, and Red East Berlin doesn't look so good side by side with free West Berlin. So now, when we offer peaceful coexistence for all Germany, it's not surprising that he dodges it.

[From the CONGRESSIONAL RECORD, Feb. 12, 1959]

THE COMING CRISIS IN GERMANY

ILLNESS OF SECRETARY OF STATE DULLES

Mr. MANSFIELD. Mr. President, before I proceed to the remarks which I intend to make on the German situation. I wish to say that I am deeply distressed by the news of the illness of the Secretary of State.

The duties of the Secretary of State are just about the most exacting and strenuous in the Government, not excluding the Presidency. The intellectual demands of the job are enormous. The physical demands are appalling. For years, Secretary Dulles has borne up under them without complaint. His stamina and durability have been little short of incredible. However, in the Secretary, as in other men, there is a physical limit. His total personal dedication to the service of the Nation has taken its toll of his health. As one doctor put it, the Secretary is worn out. It is a shame, Mr. President, that the Nation has required so much of one man. And it is to the Nation's detriment, moreover, that he has had to push himself beyond the limit.

We can ill afford to lose his services at any time. We can spare them least at this moment. Secretary Dulles is needed as never before to complete the very delicate negotiations on Berlin and Germany which he has just begun so auspiciously.

Mr. Dulles has capable associates in the Department of State. With all due respect to them, however, the Secretary will be sorely missed in the weeks ahead. The Nation needs his great experience, his balance, his strength, his ability to decide.

I share with the President and the Nation the feeling of distress which the Secretary's illness brings. I know the Senate joins with me in wishing Mr. Dulles a full recovery and a prompt return to his key role in the search for a secure peace.

Mr. SPARKMAN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. SPARKMAN. I endorse everything that has been said by the distinguished Senator from Montana concerning the illness of Secretary of State Dulles and the work which he has been doing. I have often marveled, as I am certain many other persons have, at his stamina. I recall reading in the press recently that during the time Mr. Dulles has been Secretary of State, he has traveled more than 500,000 miles. He has made many long journeys, and often after his return, perhaps within a day or two, he would be off on another long trip.

I first knew Mr. Dulles when he served for a short time in the U.S. Senate. But I came to know him better when I served with him in the United Nations as a delegate in 1950 and, subsequent to that time, for the ensuing 12 months.

On September 8, 1950, at about 12 o'clock noon, President Truman called Mr. Dulles to the White House. Mr. Dulles at that time was an assistant in the Department of State under the then Secretary of State Acheson. President Truman asked Mr. Dulles on that day if he would be willing to assume the responsibility of formulating the Japanese Peace Treaty, and in getting the two score or more nations which would be parties to the conference to agree to its general terms.

If an assignment can be imagined which was more difficult and more complex than that of bringing together some 40 nations of the world which were greatly concerned about the terms of the Japanese peace treaty, I cannot conceive of it. But Mr. Dulles undertook to do the job. Mr. Dulles told me later that President Truman asked him at the time how long it would take. Mr. Dulles replied that he thought it would take a year. Mr. Truman then said, "I will give you 1 year in which to finish the job."

At that time I was the chairman of the Subcommittee on Far Eastern Affairs of the Committee on Foreign Relations. I became a member of the committee in January 1951. Naturally, I had a close relationship with Mr. Dulles in his work during the entire year 1951. I was in conference frequently with him, because this was a Far Eastern question. The subcommittee and our assistants met with Mr. Dulles at all times of the day, sometimes in the morning, sometimes at lunch, sometimes in the afternoons or evenings. I feel quite certain that during the time the treaty was being formulated, the Subcommittee on Far Eastern Affairs, Mr. Dulles and his associates had probably 100 different meetings. I have often said it was one of the most remarkable jobs I ever saw any man perform. It was not easy to bring together the British, on one hand, and the Nationalist Chinese, on the other. It was not easy to bring together the southeast Asia nations and the central European nations. But gradually Mr. Dulles wove a plan under which all nations were at least willing to attend a conference.

The Conference was held in the San Francisco Opera House. It ended on September 8, 1951. Just before we left the opera house, I said to Mr. Dulles, "This is the anniversary of the day you undertook to do this work. At what time of the day did President Truman assign it to you?" Mr. Dulles replied that it was at 12 o'clock noon. I looked at my watch, and, making allowance for the difference in time between Washington and California, I said to him, "You have 8 minutes to spare." In other words, the time lacked 8 minutes of being 1 year from the time Mr. Dulles had undertaken to do the work.

Following the Conference, former Senator Smith, of New Jersey; Mr. Dulles, acting for Mr. Truman, and Secretary of State Acheson and I visited a number of the Far Eastern countries. We spent several weeks in Japan working with the different groups there in arriving at understandings, as best we could, and working on the rather difficult problem involving Nationalist China, particularly, and the whole China problem, as well.

It was then that I came to admire Mr. Dulles. I admired his tenacity, his power of intellect, and his skill in negotiating. One of the great services he has performed as Secretary of State has been in the field of negotiating between nations which had differences and problems which were most difficult to solve.

I share the feeling which has been expressed by my good friend, the Senator from Montana, as to the need for Mr. Dulles at present to deal with the particular problem about which the Senator from Montana will speak to us today. I am delighted to know that since Mr. Dulles' physical condition is such that his doctors advise his taking leave and entering a hospital, he has acted on that advice. I hope he will remain away from his work for as much time as will be necessary to result in a complete restoration of his health, which I am confident will take place, because I know something of the physical stamina of the man.

I wish him a speedy recovery and a return to his position as Secretary of State just as soon as he is able to do so. I feel certain that his influence will be felt in the negotiations in the various conferences which will be held in the future. I know that his assistants in the Department of State who have worked with him for so long and so well will be able to carry on. I am sure they will support Mr. Dulles, and that his negotiating ability will be felt in the conferences, and will continue to be helpful even in his absence.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. AIKEN. I have been very happy to hear the expressions of good will toward Secretary Dulles which have been spoken today. I wish to join in them.

I have been a member of the Committee on Foreign Relations only 4 years, and have not been so closely associated with the work of Mr. Dulles as has the Senator from Alabama [Mr. SPARKMAN], for instance, who has just concluded his very fine statement.

I think few men in public life have given so much of their time during so many years of their lives to the formulation and administration of foreign policy as has Secretary Dulles. I know the Nation is grateful to him for his accomplishments. I know ours is a bipartisan gratefulness, also, as the Senator from Alabama has well expressed.

I do not suppose that all of Mr. Dulles' plans have materialized as he hoped they would. But we must recall that he has been serving as Secretary of State and as adviser to the Secretary of State during one of the most critical periods of history, and many of the most difficult problems the world has faced have come before him for solution. We have seen the solution of some situations which were considered virtually insoluble—for instance, the situation in Trieste. I know all of us are happy to learn that there are prospects of permanent peace and harmony in the island of Cyprus, where the Turks and the Greeks have come to an agreement.

I believe the whole world owes a considerable debt to Mr. Dulles. I wish to join my colleagues in hoping that Mr. Dulles will have a speedy recovery, following his trip to the hospital, and soon will again be back at work. Even though everything may not have gone as he hoped it would, yet I know of no one who could have achieved a larger percentage of success than he has over these troublesome years.

Mr. MANSFIELD. I thank the Senator from Vermont.

Mr. CARLSON. Mr. President, will the Senator from Montana yield to me?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Kansas?

Mr. MANSFIELD. I yield.

Mr. CARLSON. I appreciate very much the opportunity to associate myself with the remarks of the acting majority leader [Mr. MANSFIELD], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Vermont [Mr. AIKEN], in regard to the Secretary of State, Mr. Dulles.

It seems to me that at this time, which seems to be one of our greatest international crises, our Nation and the other nations of the world can ill afford to spare the services of this most able man.

Secretary Dulles has demonstrated not only his ability, but, it seems to me, a peculiar temperament for working in this field. I think he gets that temperament and that background from being a great Christian layman. His interests are in people. I believe that is what we need during this period in the world's history. I think that one of our problems at the present time is to learn how to live with other people. Our generation has not done so well; as a matter of fact, we have fought about three wars in one generation. Somehow, in some way, our young people, the coming generation, must learn how to live with other people. When we learn to do that, I believe we shall be able to accomplish much in bringing about the peace and the economic conditions that all of us are praying and hoping for.

I wish for the Secretary of State a most speedy recovery. We need him. I know he will receive the best of care that doctors and medical skill can provide. So we look forward to his return to service.

Mr. MANSFIELD. I thank the Senator from Kansas.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a radio commentary by Jack Jurey on February 10, 1959, the evening of the announcement of the leave of absence for the Secretary of State.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"This is Jack Jurey with the WTOP comment for tonight.

"The newest illness of Secretary of State Dulles should cause us all to join President Eisenhower in extending best wishes to this dedicated official who, however much one may disagree with his policies, has worked so tirelessly on behalf of the United States.

"We long ago lost track of the total mileage logged by Mr. Dulles in his peripatetic quest for peace, or the number of stops he has made, or the number of officials to whom he has talked in virtually all quarters of the globe.

"But we do know this: that John Foster Dulles since 1953 has expended his energies and health at a reckless rate, at a time of life when most of us would be resigned to settling down with pipe and slippers. Especially since his operation for cancer, he has displayed an uncommon devotion to duty.

"This newsman recalls particularly that after his next-to-last illness, a bout with diverticulitus, Mr. Dulles apologized to a news conference for not having seen reporters for a period of several weeks. Such an apology was not only unusual in an administration which sometimes seems to take a lackadaisical attitude toward newsmen, but was expressive of the inner stuff of this unusually gifted man. In many respects he is a far better public servant than some of his critics would have us believe.

"Speaking of critics, it seems an appropriate time to mention that many Americans may not comprehend what has happened in the last decade to the office which Mr. Dulles holds.

"For well over a century and a half, a Secretary of State was, for the most part a Cabinet official subjected only to comparatively minor strains, for the reason that the United States considered itself (and was, for the most part) a remote island in the vast sea of international troubles. In the occasional period when the Nation was confronted by brutal world realities, it was often the President himself who bore the brunt: Jefferson, Madison, Lincoln, Wilson, Franklin Roosevelt.

"The post-World War II years, however, have seen an evolution and elevation of the Secretary of State's duties, to the point where this single man whether he be George Marshall, Dean Acheson, or Dulles, has day-to-day responsibilities unparalleled in American history.

"The reason, of course, is this country's reluctant emergence as a massive world power, with all the trials and tribulations that such a status implies. The world struggle with communism, conducted on multidimensional levels, is enough to strain the strength, patience, and resources of any man, and certainly one who, like Secretary Dulles must carry with him the burdens of advanced age and the demands of an active, Christian conscience.

"We are among those who believe that, on occasion, Mr. Dulles has been mistaken. We consider, for example, that in some respects he has failed to demonstrate the resiliency of mind that new circumstances demand, although this criticism does not, for a moment deny the intellectual qualifications that he brings to his task.

"We who criticize, of course, could be wrong: only history will tell. But the fact that we demur on occasion does not diminish our respect for the man himself, one who carries a very heavy load indeed.

"Nor does criticism obscure the undeniable fact that in this moment of history, with the Reds pounding on the door of West Berlin, Secretary Dulles is very nearly an indispensable man to his country. It would be a matter of great concern should he not regain his health and not be able to resume his duties at the State Department.

"For both personal and national reasons we express the hope that Secretary Dulles will have a quick recuperation and will be able soon again to shoulder the full weight of his office.

"And that's that. It's WTOP comment. This is Jack Jurey."

THE COMING CRISIS IN GERMANY

Mr. MANSFIELD. Mr. Persident, let me preface my remarks with this assurance to the Senate: I am not an alarmist. I measure most carefully the words I am about to speak. In that context, I express to the Senate my belief that just ahead lies the most critical period which the United States will have had to face since the conflict in Korea.

The crisis, Mr. President, is coming in Germany. Specifically, it is coming in Berlin. Indeed, it may have already begun. For years now, the seeds of that crisis have lain dormant in a divided Germany. They have been held in check only by a kind of mutual acquiescence. The Western Powers have not wished to disturb the seeming stability in Germany. Since the Berlin blockade, the Soviet Union has not seriously threatened it. A few years ago, uprisings of East Germans shook the stability, but did not break it.

Those who have thought at all about the German situation have known for a long time that the surface calm would not last. The existence of two German authorities in what is one Germany has been, from the end of World War II, a makeshift arrangement. The Western Powers have recognized it. The Soviet Union has acknowledged it. The German leaders know it.

The key question has never been, Will Germany be unified? The question has long been, When and how will Germany be unified? Those of us who have urged an initiative in American policy with respect to Germany have been aware of this distinction. When I addressed myself to this subject in the Senate in May 1958, I had the distinction very much in mind. Because I

did, I tried to deal in the specifics of an American initiative. In suggesting, last May, alternatives to present policy, my thought was that when the status quo gave way, as surely it must, the changes ought at least to hold promise of leading to the strengthening of freedom in a peaceful Germany.

Mr. CHURCH. Mr. President will the Senator from Montana yield to me?

Mr. MANSFIELD. Mr. President, I am delighted to yield to my distinguished friend from Idaho.

Mr. CHURCH. I wish to apologize for interrupting so soon the remarks of the Senator from Montana, because I believe that the address he is delivering will be a most significant one. But I wish to say that, characteristically, in his opening remarks the Senator from Montana has pierced to the nub of the issue. Conditions in Germany are going to change. Germany will not indefinitely remain divided against itself. Germany will not indefinitely continue to be garrisoned by foreign troops.

It seems to me that those who say our foreign policy must be inflexible overlook the fact that ours is not a static world.

Therefore, Mr. President, I think the Senator from Montana rendered us a service when, a year ago, he emphasized the fact that conditions in Germany would be changing, and that we must be prepared to face up to those changes if we are to cope effectively with them. Flexibility in our foreign policy is a must. A steel blade bends. Pig iron breaks.

I wish to thank the Senator from Montana for coming forward at this stage in the developing Berlin crisis with a speech which will be helpful in giving guidance to all of us, to the President, and to the Secretary of State, in our common effort to solve that crisis for the benefit of the free world.

Mr. MANSFIELD. I thank my friend from Idaho.

Mr. CLARK. Mr. President, at this point will the Senator from Montana yield briefly to me?

Mr. MANSFIELD. I am delighted to yield.

Mr. CLARK. Mr. President, we have just returned to this Chamber from a most impressive joint session with the other body, in connection with the celebration of the 150th anniversary of the birth of Abraham Lincoln. At the joint session, during a brilliant address by the great writer and poet, Carl Sandburg, he had occasion to quote a sentence from Abraham Lincoln, which I believe is pertinent today in connection with the splendid address which my friend, the Senator from Montana, is making on the German question. Lincoln said:

"The dogmas of the quiet past are inadequate for the stormy present."

I wish to congratulate my friend, the Senator from Montana, for the fine address he is making on the German problem.

However, I would not be true to myself if I did not register a slight dissent from some of the comments which have been made with respect to the Secretary of State.

It is unpleasant and unrewarding to say unkind things about a man who is in physical pain, who has shown great physical courage, who is unquestionably a patriot, who is a man of great dedication to the public interest; but I would feel untrue to myself if I did not register on the floor of the Senate a dissent to the statement that he is indispensable to the conduct of our foreign policy in the immediate future. I call attention to what I have said on other occasions with respect to this matter.

I hope that these comments will be taken in good part, and that it will be understood that I make them only because I cannot remain silent when it might be indicated that I was in accord with what has been said.

I thank the Senator for yielding.

Mr. MANSFIELD. I appreciate what the distinguished Senator from Pennsylvania has just said. I commend him for his honesty and his integrity. Of course, I recognize that it is not a new viewpoint on his part, but that he has been consistent in his views in this respect for some time. I would point out, however, that the immediate danger, as I see it, is the Berlin and the German situation. No one knows more about those situations at the present time or is better prepared to lead the allies in meeting them than is the Secretary of State. On that basis, as well as on other bases, I wish him well. I wish him a speedy recovery. I anticipate that in the not too distant future he will resume his duties, and will act, not as his own agent, but as the agent of the President of the United States, in conducting foreign policy.

Mr. CLARK. Obviously, I do not wish to engage in a colloquy of extended duration with my colleague at this time. I should like to be recorded as very much hoping and praying for Mr. Dulles' immediate recovery; but I cannot agree that there are not in the State Department others as well or better qualified than the Secretary to carry on the German negotiations. I appreciate that this is a situation on which the distinguished Senator from Montana and I disagree. I shall desist from further comment on this particular phase.

Mr. MANSFIELD. I shall desist, also.

Mr. President, I repeat, in suggesting, last May, alternatives to present policy, my thought was that when the status quo gave way, as surely it must, the changes ought at least to hold promise of leading to the strengthening of freedom in a peaceful Germany.

We did nothing, Mr. President. We took no initiative. We went on in the familiar vacuousness, in the familiar patterns of policy patterns devised years ago, in another setting, under another administration. We did not face the fact that that policy was adequate to maintain a semblance of stability in Germany only so long as all directly concerned acquiesced in the continued division of that nation.

That is water under the bridge. We did not choose to act in a positive fashion to change the status quo. Now, the Russians have chosen to break it. They have chosen to make the break at Berlin. They have said, in effect, that, after the spring of 1959, the situation will no longer be as it has been in that city. They are quite right, Mr. President. Things will no longer be the same in Berlin or anywhere in Germany. If there is any certainty, it is that the situation in Germany at the close of 1959 will be far different from the present situation. We are approaching the beginning of the end, the beginning of the end of two Berlins and of two Germanys.

The question, as I have already observed, was never, would Germany be unified? It was, when and how would Germany be unified? We may now have begun to comprehend the when; the actual process of unification is likely to begin this year. Only one question remains: How is Germany to be unified? Will it be by conflict, by negotiation, or by some mixture of the two? That is the question which is impelling us and the rest of the world toward the coming crisis in Germany.

CONSTITUTIONAL RESPONSIBILITIES IN THE GERMAN CRISIS

The responsibility for establishing binding foreign policies to deal with the impending crisis, the coming change in Germany, rests with the President and his Secretary of State. Let there be no doubt on that score, in this body, at home, in the executive branch, or abroad. It is not for the Senate to direct the President in this matter. The President will have to make his own decisions, with the assistance of the vast resources of the executive branch. When he speaks officially on Germany, however, he will be speaking for all of us, whether or not we agree with what he says. There is no other way under the constitutional system of the United States.

To say that is not to constrain upon the Senate a silence in these matters. On the contrary, since we shall be bound, since the people of the United States shall be bound, by what the President and his Secretary of State do or fail to do in the coming crisis, the obligation of the Senate to debate, to discuss, and to advise is real and it is compelling.

The Senate of the 86th Congress was not constituted so that it might ignore pressing domestic questions. How much less then, can we remain silent on the life-and-death matters of foreign policy? The President and the Secretary of State have given no indication that they would have this body turn its back on the crisis in Germany. On the contrary, I note that the Secretary of State has already sought the counsel of the distinguished chairman of the Committee on Foreign Relations [Mr. FULBRIGHT]. I commend the Secretary for his initiative. The brilliant chairman of the committee has much to contribute to the development of policy for the situation in Germany.

If the Senate is to meet its responsibilities, Mr. President, we must form, through debate and discussion, an understanding of the situation as it is, and as it is evolving in Germany. We must also discern clearly the stakes of the people of the United States and of freedom in that situation. We must advance, finally, ideas for consideration in formulating the foreign policies which are to safeguard the vital interests of our people.

These are the thoughts which have led me to these remarks on the coming crisis in Germany. I make them in the spirit of responsible Democratic cooperation with a Republican administration in a matter of vital concern to all the people of the United States.

TWO GERMAN AUTHORITIES IN ONE GERMANY

Let me begin by exploring the significant realities in Germany, as I see them. The basic reality, Mr. President, is that there are two political authorities in one Germany. That is a contradiction which cannot and will not stand. There is one Germany. And there are compelling historic and practical reasons which require that the unity of that nation begin to emerge without delay if there is to be peace in Europe and in the world.

I stress the point, Mr. President, that when we speak of the two Germanies we are really speaking not of two nations but of two political authorities. Each of these authorities presumes that it is the wave of the future in all Germany. Each seeks to draw the whole of the German people into its orbit.

To be sure, there are profound differences between the West German Government in Bonn and the East German Communist regime in Pankow. The Bonn government is based upon principles and practices of democracy which are consonant with those of other Western nations and are expressly supported by the inhabitants of West Germany. The Pankow regime exists by the methods of authoritarianism which come from the East. Its source of authority lies in the will to power of those who wield the authority and the acquiescence—however sullen—of the repressed people of East Germany. Its survival depends, to a far greater degree than anything we know in the Western democracies, on military and police power—its own and the Soviet Union.

The West German democratic government exists. It is there at Bonn, and the Communists are not going to wish it away or subvert it away. It is going to stay as long as the people in that zone sustain it and as long as the Western nations remain committed

to its protection against military aggression from the East. We cannot ignore the fact, however, that the East German regime also exists. It is there at Pankow, and German Communists run it, even though Russians may pull the strings from behind the curtain. Unfortunately, I see no evidence that the Western nations are going to wish away or subvert away that East German political authority in the practicable future.

If neither side can be wished away, or subverted away, how then is the division of Germany going to be made to disappear? How is a unified Germany, this essential Germany, this inevitable Germany, going to emerge? There was a time, perhaps, when it might have been reasonable to hope that the Russians and German Communists would soon find it too costly to maintain their control in East Germany. For years, we have waited for this promised development. We have waited for the Russians and their camp followers to fold their tents and steal away.

What we must ask ourselves now is whether there is any realistic basis for hoping that this development will come about in the practicable future. I regret to say that such public indications as there are suggest that the Pankow regime, with Soviet support, is consolidating its position, that its authoritarian hold on East Germany is, if anything, more secure today than it was a few years ago.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. With respect to the last thought expressed, the Senator from Montana has stated that the authoritarian hold on East Germany is now greater than it was before. Will the Senator deal a little more in detail with that, and state whether the hold is the result of the power of the Communists, or whether it is the will of the people that they be held by the Communists?

Mr. MANSFIELD. I should be delighted to try to answer my distinguished friend from Ohio. I can say, of course, without equivocation that the present status is not the desire or the will of the people. The source of my statement is the U.S. News & World Report, the issue of February 13, 1959.

I read from page 67, at the bottom:

"East Germany's Communist Government has just published official figures on its planned expenditures for 1959."

Before I read further I wish to say that all the information I have in my presentation has appeared in the public print. There is nothing secret or official about what I am saying, and it simply represents one Senator's opinion as to what I think is the most difficult and dangerous question of today.

I continue with the quotation from the U.S. News & World Report:

West German financial experts, looking into the Reds' figures, in the budget and out of it, made a startling discovery.

"Military spending by the East German Reds in 1959 is to be 30 percent higher than military spending planned by West Germany. Yet the Reds say that West Germany is threatening the peace of the world."

That is what I mean when I say that the Pankow regime is more secure, not in a political sense but in a military sense. They have been strengthening themselves on a military and paramilitary basis. Of course, the 22 to 28 Soviet divisions are still in East Germany.

Mr. LAUSCHE. I agree with the Senator. My inclination would be to believe that the people of East Germany, if they had the opportunity, would unshackle themselves of the hold which the Soviet has upon them.

Mr. MANSFIELD. The Senator is absolutely correct. I have been told that the figure would run as high as 95 to 96 percent of the East Germans who, if they had the opportunity to vote, would vote against the present Ulbricht regime.

Mr. LAUSCHE. But the fact is that the Soviets and those of East Berlin who agree with the Soviets are applying constantly heavier pressure in the development of the military?

Mr. MANSFIELD. The Senator is correct.

Mr. LAUSCHE. I thank the Senator very much.

Mr. MANSFIELD. Mr. President, it is all very well to hope, as a general principle, for the disappearance of totalitarianism. We have held that principle for decades, but we have also had to live in a world which has contained since its beginning and still contains many totalitarian regimes.

No, Mr. President, a valid policy on Germany, now, must be built on more than the hope of the eventual disappearance of German totalitarianism. It can only be built on the premise that Germany, in one way or another, is going to unify and it is going to begin to unify soon. Further, it can only be built on the premise that that unity in Germany, if it is to come in peace, is likely to fall short of the ultimate goals set for it by both the Communist nations and the free nations—the goal, on the one hand, of a Communist totalitarian Germany, and the goal, on the other, of a fully representative democracy in all Germany.

Until a few months ago there might have been a possibility of evading that reality for a while longer by assuming that the status quo of division in Germany might go on indefinitely. But the prospect of evasion is now narrowing rapidly in the wake of Mr. Khrushchev's announcement of the coming Soviet withdrawal from Berlin. The blunt fact is that soon either negotiations leading to German unification in peace shall begin in earnest or there shall begin in earnest the use of force to that end.

BERLIN—THE CORE OF THE COMING CRISIS

This brings me to a second matter which we must explore, Mr. President, if we are to see our way clearly in the impending crisis. That is the question of Berlin. It is at Berlin, divided Berlin, and along the western routes of access to the city, that the first indications of the conflict leading to war or the success of negotiations leading to stable peace are likely to appear in the coming months.

I shall not take the time of the Senate to review the historic circumstances surrounding the present difficulties of the western position in Berlin. It is simple enough to find fault with what was done or not done by political and military leaders years ago. It is as easy, as it is pompous, to pass angry judgments on others, with the prop of hindsight. That process will serve no useful purpose in this situation.

Nor shall I take the time of the Senate to review the legal status of our position in Berlin. Some may find solace for our difficulties in legalism. Even the Russians sought justification for their actions in it. But legalism is at best a dubious way to deal with an explosive situation, when there are, as there are in this situation, two opposing judges, two opposing judgments, and two opposing instruments of mass destruction for enforcing the judgments.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. I wish the Senator from Montana would discuss in a little greater detail the element of legalism being introduced. I have my own understanding of it. I think we are advocating the proposition that there are certain legal obligations rooted in agreements which we have made in the past, and that in making our demands we insist upon adherence to those obligations. Does the Senator mind discussing that question?

Mr. MANSFIELD. The Senator from Ohio is correct. References have been made to the agreements made at Potsdam relative to the occupation of Berlin.

References have been made to the agreement entered into by Gen. Lucius Clay, at that time commander of our forces in Germany, with the Soviet authorities, by means of which we were guaranteed by the Soviet authorities access by rail, by road, and by air, from the western zones in Germany into the western sectors of Berlin.

Then, as I recall—and I believe the Senator will corroborate me on this—some sort of agreement was made by Mr. Phillip Jessup and a Russian representative whose name I cannot recall at the moment, which agreement Mayor Willy Brandt brought to our attention at the luncheon held in the Foreign Relations Committee room the other day. If I remember correctly, he stated that out of these Jessup-Russian consultations and agreements, which brought an end to the need for the allied airlift into Berlin, also came an agreement that we be allowed continued access. He suggested that we look into the agreement to which he referred as the agreement of 1949. Unfortunately, I have not had an opportunity to do so yet.

But there are these agreements, or alleged agreements, which give us the right to go in and to maintain access between the western zones and the west sector of Berlin.

The Russians predicate their claims on similar agreements, which they say were made at Potsdam and elsewhere.

Mr. LAUSCHE. It is the position of the Senator from Montana, then, that the problem is more involved and far graver in its possible consequences to world peace than mere adherence to those agreements would justify. We must go beyond that.

Mr. MANSFIELD. The Senator is absolutely correct, because in my opinion the potentials involved in this situation are terrible and tremendous.

Mr. LAUSCHE. I thank the Senator.

Mr. MANSFIELD. It does not much matter now how we got to Berlin, or why the Russians have no legal right to ask us to leave. What does matter, Mr. President, is why we need to stay in Berlin, as stay there we must. We are, bluntly, in a highly difficult and dangerous position in Berlin. Great sacrifices may be entailed in remaining. We had better understand clearly now the significance of maintaining our position there. We had better understand now what is vital and what is not vital in that position to the people of the United States and to freedom.

The administration has responded to the Russian proposals on Berlin by reiterating a long-standing view of the Nation. It has said, as the Democratic administration before it said, that we will not be driven from the city. The position of this Government, to stand firm in Berlin, has been endorsed by the North Atlantic Treaty Organization. It is supported by Democrats and Republicans alike in the Senate.

It is a sound position. Only it is not enough. It is not enough to say, Mr. President, that we are standing fast in Berlin. That is a slogan, not a policy. Nor is it enough, Mr. President, to stand fast merely to demonstrate our determination to maintain our legal interpretation of the situation as against the Soviet Union's.

Nor is it enough to say that we stand fast in Berlin so that we may continue to demonstrate in the heart of Communist Germany the material superiority of freedom or free enterprise over Communist collectivism. To be sure, there is a striking contrast between West Berlin and East Berlin, but I doubt very much that the people of the United States will countenance the sacrifice of a single human life for the purposes of propagandistic demonstrations in Berlin. And before this year is out many lives may have been spent in Berlin.

No, Mr. President, it is not for reasons of legalism or propaganda that we stand fast in

Berlin. The Western nations are in Berlin because Berlin belongs neither to East Germany nor West Germany; it belongs to all the German people. We are in Berlin because some Germans may now look to Bonn and others to Pankow for leadership, but all Germans will soon look to Berlin. We are in Berlin to see to it that when that city is once again the capital of all Germany, as it surely will be, the concept of freedom in peace will not be absent from the scene. If that concept were to disappear from Berlin, the citadel of German nationalism, sooner or later it would disappear from all Germany. Then, sooner or later, the torch would be lit in Germany, whether by German hands or some others, to set Europe and the world aflame once again. That torch was lit twice in Berlin in the past, and twice the world has paid an enormous human price. To see that it is not lit again is in the essential, the vital interest of this generation and future generations of the people of the United States.

That, Mr. President, is the reason which beyond all others, justifies the taking of the great risks which we may soon be called upon to take at Berlin and along the western routes to the city. We are in Berlin in order to get out, but to get out only on condition that the German political forces which stand for freedom in peace have a sure footing and equal chance to survive and to grow on their merits in the future capital of all Germany.

I support fully the position of this administration on the necessity of standing fast in Berlin. I question, however, the adequacy with which we have related that position to the changing situation in Germany. I question a policy which provides that not only do we stand fast in Berlin, but also implores or demands that the Russians stand fast. After years of trying to get the Russians out of the innumerable places into which they sprawled after World War II, it is indeed strange to hear that we are insisting that the Russians must not indeed, cannot, leave Berlin. That is a most peculiar position to say the least; and the Russians obviously have no intention of obliging us by remaining.

It is clear what is afoot there. In a few months hence, the Russians will leave East Berlin despite our demands or urgings to the contrary. East Berlin will then be, once again, a German city—Communist, to be sure—but nevertheless German. By contrast, West Berlin will retain the appearance it now has, the appearance of a Western enclave in the heart of Germany, for there are thousands of Allied officials and military personnel in the area. The contrast will not be lost on German nationalists in East or West Germany.

Further, Mr. President, if we are to hold this enclave without struggle, it will be at the sufferance of the East German Communist authorities. If they do not choose to accommodate us, then we shall in all probability have to fight our way through to Berlin, not against Russians, but against Germans. Even if this course does not lead to a great conflict, the repercussions in Germany will be profound. Among Germans, as among others, blood may prove thicker than ideologies.

As I said, there can be no quarrel with the need to stand fast in Berlin. I do question, however, a policy which does not anticipate the developments which I have just outlined and fails to take steps to mitigate them.

I question, too, a policy which presumes as our policy does that the great powers of World War II—the Soviet Union, the United Kingdom, France, and the United States—can bring about German unification. There may have been a time when such a course was possible. If it ever existed, however, it was years ago when Germany lay devastated and prostrate. It was years ago, in the freshness of the common sacrifices of World War II and in the measure of mutual respect and tolerance which these sacrifices engendered.

Those years are gone. The time is not today. Today, there is little respect between this Nation and the Soviet Union except the fearful respect which the military power of the one may generate in the other. Today, Germany is neither devastated nor prostrate; it has become once again the most dynamic nation in Western Europe.

No, Mr. President, the erstwhile Allies, the divided Allies of World War II, are not in a position to ordain a unification in peace for a revitalized Germany. At most, they may be able to contribute to that unification by rethinking their own security needs in anticipation of its inevitable development. At most, they may be able to contribute to unification by exercising such influence as they may possess to encourage the Germans themselves to reach a reasonable procedure on unification and by sanctioning that procedure if it is sound. It is the Germans, themselves, however, who will make the decisive decisions on unification, if they are to be made in peace.

FREE ALL-GERMAN ELECTIONS

Further, Mr. President, I question, in present circumstances, a policy which presumes to lead to the peaceful unification of Germany solely on the basis of free, all-German elections. I say now what I said last May on this point, only with more emphasis. Events have moved a long way since this policy was devised and the bell no longer has an altogether recognizable sound when it is rung over and over again in the same fashion. A German political authority has emerged in the West. Another political structure has appeared in the East which is manned by Germans, even if it is not directed by them. Whatever we may think of this structure, there is no reliable indication that it is going to go away peacefully, of its own accord.

There are now military and paramilitary German forces in both East and West Germany. How are these farces to be integrated in peace? Is this a problem that can be solved by free, all-German elections, at least without extensive preparations by the Germans who officered these opposing forces?

There are differing economic and social structures functioning in Western and Eastern Germany. How are these structures to be fused in peace? Can they be harmonized by free, all-German elections, at least without extensive preparations by those Germans who operate them?

I cite these problems as examples. There are no doubt others of a similar nature. A policy which advances no thought on how they are to be met does not begin to meet the realities of the German situation. If the unification of Germany is essential and inevitable and if it is neither our responsibility nor in the interest of this Nation to seek that unity by force, then I submit that a policy which merely clings to an unrealizable slogan of free all-German elections, which does not pursue German unification by other means, is no policy at all. It is a straitjacket. It is an excuse for immobility. It may well lead down the blind alley of an unnecessary conflict or disastrous diplomatic retreat.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. I take it, from what the Senator has stated, that the efforts to procure an overall election of citizens of East and West Germany have thus far proved to be futile.

Mr. MANSFIELD. The Senator is correct.

Mr. LAUSCHE. The East Germans will not consent to have an election under which their people can give expression to the type of government they want. Based upon the fact that that objective is an unrealizable objective, an overall free election, the Senator from Montana suggests that other means should be explored to procure a solution of the problem. I wish the Senator would comment on that point.

Mr. MANSFIELD. I believe that the position of the Western Powers on the question of all-German elections is one which stands no possibility in the immediate future, and perhaps in the indefinite future, of achieving any degree of success. Therefore we should try to work out other means.

As I shall indicate in the course of my speech, there are contacts in existence between the East German Government and the West German Government. These contacts are made on an interzonal basis, and are tied up with commercial intercourse and trade commitments. I would hope that in considering the idea of elections, we might be able to explore, perhaps, ideas other than all-German elections, even though they are the most desirable, and I should like to see them come to pass, and we might try to break it down—and the sooner the better—so that the East Germans could express themselves at the polls, perhaps just in East Germany, and declare to the world where they want to go. In that way they might get out from under the yoke the Ulbricht government, which is exercising despotic and complete control over 17 million Germans in East Germany.

Mr. LAUSCHE. The Senator from Montana clarifies my mind on the subject. In other words, all of us want a free election under which the people themselves would decide the type of government they desire to have.

Mr. MANSFIELD. Absolutely.

Mr. LAUSCHE. However, every effort in that direction has been rebuffed, and it is therefore necessary to find other means of trying to reach an agreement.

Mr. MANSFIELD. That is the idea. The Senator is correct. Every effort to achieve an all-German election has failed because of the insistent and dogmatic "nyet" of the Soviet Union.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SPARKMAN. Do I understand correctly the position of the Senator from Montana to be that, while he adheres to what we have advocated so long, that is, free elections for all of Germany, and the idea of a unified Germany, he recognizes the very practical difficulty of having that under present conditions? Therefore he says that perhaps we ought to make ourselves more flexible and start exploring some other way, and that there might be held a separate election in East Germany and a separate election in West Germany, and thus perhaps there could be agreement upon some kind of independent government in each of the two areas, with the idea that eventually, as he says, because blood is thicker than water, with teamwork the two temporary Germanys will combine themselves into one overall united Germany some time in the future, even though we know not how far in the future.

Mr. MANSFIELD. The purpose of my speech today is to suggest, respectfully and constructively, some possible alternative which may be of value to the Department of State, or out of which may come ideas which would be worthwhile toward the bringing about of a solution to this most difficult problem.

Mr. SPARKMAN. I should like to propound a question to the Senator from Montana. He spoke about the rigidity of our position in the past. Undoubtedly it has been rather rigid, so rigid that perhaps our country, as well as a great part of the world, was rather shocked recently when Secretary Dulles suggested there might be more flexibility than we have given to the idea, and when he suggested there might be methods other than free elections for the solution of the problem. Is it not true, and would not the

Senator agree with me in this, that perhaps we have oversimplified the matter in assuming that a reunification could be easily brought about between the two Germanys?

I may say that about 3 years ago I had the pleasure of attending an international conference at Garmisch in Germany. The conference was made up of people from all the NATO countries, representatives of governments, officials, business people, economists, members of Parliament, and so on, and one of the German Ministers with whom I had quite a long talk made the point to me, the first time I had ever heard it mentioned, that reunification is not a simple matter. As has been pointed out by the Senator from Montana, it might have been a relatively simple matter several years ago, right after the war. But since that time the two Germanys have grown away from the conditions which the Senator has so well described in his speech. They have grown away from some of the incentives which might have pushed them together.

Furthermore, different enactments have taken place. For instance, the Minister of the Bonn government said to me, "This may sound strange, coming from me, but East Germany has a social security system which in many respects is better than ours."

Mr. MANSFIELD. It also antedates our own.

Mr. SPARKMAN. Yes. Although I was speaking of the social security of West Germany, it is also true that theirs antedates ours, too.

East Germany has a system which is in many respects better than that in West Germany, so the East Germans could not be asked to give up their system of social security, workmen's compensation, and land reform.

The Senator from Montana, I believe, heard me ask the mayor of West Berlin the other day that very question, and he heard the mayor's comments, to the effect that to bring the two Germanys together, whenever it may be done, will necessitate the resolving of differences and the making of allowances between the two governments. As I understand, that is exactly what the Senator is talking about. He is speaking of the necessity on the part of those concerned to be ready to consider and to negotiate with reference to all the changes which have taken place throughout the years.

Mr. MANSFIELD. The Senator is correct.

Mr. SPARKMAN. I commend the Senator from Montana for making this very able speech and calling to our attention a matter which is not only of tremendous importance but also of great timeliness. After all, the ultimatum will expire on May 28, which is not far off. It has been suggested since the ultimatum was made that perhaps there will not be absolute adherence to that exact date. Nevertheless, we are approaching the day when Russia will leave Berlin.

I think the Senator is correct in saying that Russia will leave, and that the United States will be placed in a rather ridiculous position if we try to keep Russia there, when, as a matter of fact, we have been saying to the world for many years that she should get out of the different countries which she occupies.

Mr. MANSFIELD. As a matter of fact, the Soviet Union has already withdrawn some of its troops and a considerable number of the dependents of those troops. So it does not appear that Russia was fooling when it delivered its ultimatum. I hope that the United States will do, as I feel certain we are doing, everything possible to develop alternatives and to consider ways and means to meet the situation, if and when it arises, when the deadline occurs, as the Senator from Alabama has pointed out, on May 27.

Mr. SPARKMAN. I think the Senator from Montana is exactly correct. Certainly we should be exploring all the alternatives. I think the Senator will agree with me that we ought not simply, easily, and quickly reject any proposal which is made, but that we should be willing to let the world know that we are willing to sit down and negotiate concerning every proposal which may come from either side.

Mr. MANSFIELD. Yes. I hope both the Soviet Union and the United States will get away from the automatic reactions of the proposals which one country makes to the other. Usually the answer is an automatic "No." Once in a while a "maybe" or a "perhaps" and occasionally a "yes" would be useful. I think in that way we might begin, at least on the marginal level, to do away with some of the differences. If we can do that, perhaps we can work our way upward to an eventual solution of the bigger problems.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. The other day, in the talk with the mayor of West Berlin, I was greatly encouraged by his reasonableness in wanting to explore every avenue which might lead us out of darkness into the light and to an assured peace for those people. May I ask the Senator from Montana if he has given any consideration to the ability of the Soviet Union, after it has once withdrawn its troops, to jump in again because of its closeness to this area of East Berlin?

Mr. MANSFIELD. I have indeed. If the Senator will bear with me, I shall discuss that subject briefly when I come to the ninth point in my recommendation.

Mr. LAUSCHE. I thank the Senator from Montana.

MILITARY WITHDRAWAL IN GERMANY AND CENTRAL EUROPE

Mr. MANSFIELD. Finally, Mr. President, I question a policy which appears to regard as sacrosanct present military arrangements in Germany and Central Europe. I can understand, I can accept, I can support the concept that Western Germany's ties with Western Europe are essential to the peace of Europe and they must not be broken. Within that concept, however, I cannot comprehend a view which seems to hold inflexibly to the present form and extent of German rearmament. We have accepted and even encouraged rises in the German military contribution to NATO in certain circumstances in the past. I do not see that we cannot accept and encourage declines in that contribution in other circumstances in the future.

Security needs are ever-changing needs. Western Germany rearmament is not an end in itself. It is for the purpose of the defense of German freedom in common with the defense of the freedom of the Western community. It is not for the purpose of keeping rigid the tables of organization and the projections of presumed needs by the military command of NATO. These projections, in any event, have not been met for years and the world has not yet come to an end.

The nature and extent of German rearmament and of non-German armaments on German soil, in short, is one area of the problem of unification in which reasonable proposals for negotiation, wherever they may originate, ought not to be rejected out of hand. That is especially the case if these proposals are related to the reduction of military power throughout Central Europe. I know full well that the Russians may have no intention of withdrawing from the Eastern European states in any circumstances. Nevertheless, I can see no reason to make it easier for them to justify their remaining by a seeming intransigence on our part. I cannot see that the road to the eventual freedom of the states like Poland and Czechoslovakia is made easier by such a process.

RUSSIAN ROLE IN THE COMING CRISIS

Mr. President, let me turn now to the question of Russian intentions in the coming crisis in Germany. In this matter there is only one certain course. Whatever they may do, we must assume that the Russians are acting to enhance the position of the Soviet Union and that of totalitarian communism throughout Germany and Europe. We must also assume that they will use whatever methods they believe will lead to these ends, not excluding aggressive war. The Russians may blow hot or they may blow cold. They may down a plane on their border one day. They may release a blocked convoy the next. We cannot know with certainty why they act as they act at any given moment.

We cannot know with certainty the purport of Mr. Mikoyan's recent visit to the United States. We cannot know with certainty the meaning of Mr. Khrushchev's comments on a thaw in the cold war. They may be meant to provide a setting for successful negotiations. They may be meant simply to confuse or beguile.

If they do confuse, if they do beguile, however, we shall have no one to blame but ourselves. We ought to be able by this time, years after the ill-fated Geneva Conference of 1955, to distinguish between the conciliatory gesture and the act of conciliation. Those of us who come from the cold country have learned through bitter experience that winter thaws can be followed by summer frosts. The promise of spring in February is not the same as the coming of spring in May.

There is, as I say, no way of knowing with certainty what some particular Soviet gesture or other signifies. What we can know, Mr. President, is that they are all good or bad, peripheral to the crisis which is coming in Germany. Mr. Mikoyan's visit is not going to free us from that crisis. Mr. Khrushchev's thaws will not do it. Increased Soviet-American trade has little relation to it.

If we are to be prepared to face this crisis in Germany it will be best not to become distracted or obsessed by the twists and turns of Soviet behavior. It will be best to keep our eyes on Germany. The fundamental question of policy for us is not so much what the Russians are looking for in Germany. We know what they are looking for; and they may very well seize it while we amuse or fascinate ourselves by trying to interpret the charades of Russian behavior.

No, Mr. President; more important, far more important, to us is to know what we ourselves are seeking in Germany. We must bring to this crisis not only courage, but also conviction. We must bring to it a positive and understandable policy which meets our essential national needs and the essential needs of freedom.

THE ESSENTIALS OF A WESTERN POLICY IN THE COMING CRISIS

As I noted earlier in my remarks, it is not for the Senate to direct the President and the Sercetary of State in the conduct of the foreign relations of the United States. But it is a responsibility of Senators to try to contribute constructively—and I wish to repeat the word "constructively"—to the policies which govern those relations. It is in that sense, Mr. President, that I seek, in these final comments, to express the thoughts which this exploration suggests—thoughts on the essentials of a sound Western policy for the coming crisis in Germany. I have no crystal ball. I have no secret information. I have not been coached by anyone, nor have I been asked by anyone to deliver this speech. What I suggest may not be valid in the light of the greater understanding of others. It is one Senator's views, based upon what he has read, what he has heard, what he has tried to reason. It is, in short, the course which suggests itself to me on the basis of the understanding which I have been able to draw out of the confusion and complexity of the German situation. I can be—and may well be—wrong; and I stand ready to accept a better

illumination of the problem through discussion and debate in the Senate. For whatever they may be worth, however, I outline the following points as essentials of a sound Western policy on Germany.

First. It is essential, Mr. President, that forces representing the concept of freedom in peace not be driven out of Berlin. They need, at the least, to remain on a basis of equality with the forces of totalitarian communism in the future capital of Germany. If those forces are to have a chance to remain in peace, a Western initiative for peace is essential.

Second. It is time to call upon German leaders of the two Berlin communities—East and West—to begin serious efforts to unify the municipal government and public services of that city.

Third. To that end, Mr. President, it would be helpful to enlist the conciliatory services of the Secretary General of the United Nations. If agreement can be reached by East Germany and West Gerthen it will be desirable to replace both Soviet and Allied forces with a United Nations interim police force composed of contingents from nations not directly involved. That force might supervise the agreement, and might see to it that all the routes of access to the city remain open until Berlin once again becomes the capital of a peaceful, unified Germany. It may be that in the Berlin microcosm there may evolve patterns of unification which will be applicable to the larger problem of all-German unification.

Fourth. If this approach or some such approach to a unified, neutralized Berlin fails, Mr. President, then it is essential that the forces representing the concept of freedom in peace in Berlin remain in Berlin, regardless of whether the Russians leave. Let them go, if they will. I would not wish to see this country a party to any insistence that they stay.

Fifth. At the same time, however, the forces representing freedom in Berlin must be Germanized as rapidly as possible. It is time to think seriously of replacing the thousands of allied military personnel in Berlin with German militia, fully supported by NATO guarantees.

Sixth. Some may regard discussions between Germans of the West and Germans of the East as tantamount to recognition of the East German Communist regime. Some who regard as appeasement not only talk, but even thought, which apparently is alien to them, on the serious problems of the nation, may even go so far as to label with this stamp of political chicanery any proposals of meetings between East and West Germans. Let them do it, Mr. President; it is their privilege.

But let me say this: If talk constitutes recognition or appeasement, then we have appeased and recognized Communist China, because a representative of this Government has been talking on its behalf, on and off, for years, with a Chinese Communist representative in Geneva and Warsaw. If talk constitutes recognition or appeasement, then the West Germans have recognized and appeased Pankow for years. The fact is that East Germans and West Germans have worked out practical agreements of various kinds between the two zones of Germany. As early as 1957, West Germany's exports to East Germany for the year totaled $201 million. During the first half of 1958, $125 million in trade moved in each direction. That kind of trade, Mr. President, does not take place without talk.

I do not know what the theory of international law may be. I do not know whether talk is tantamount to recognition. I do know that, as a practical matter, we have talked with, but have not recognized, Communist China. West Germans have talked with and traded with, but have not recognized, Pankow. What is involved in the coming crisis in Germany is not a classroom problem on the theory of international law. It is the life or death problem of peace or war. The stake is the lives of tens of millions of human beings, Americans included.

I cannot see that there is going to be any peaceful solution of this problem without a great deal of talk—between Germans who are in authority in the Federal Republic and Germans who purport to be in authority in the Eastern zone. It seems to me essential, moreover, that this talk cover the whole range of problems of unification of the two zones, the whole range of problems involving the harmonizing of the political, economic, and military systems of the two zones.

Seventh. There is a point beyond which the search for peace can lead to the jeopardizing of freedom. Regardless of whatever agreements emerge, it seems to me essential that the people of East Germany have some genuine choice in the form of control which is exercised over them. There must be provision for the protection of the rights of all peaceful political forces in all Germany. All-German elections may not be essential, although I think them highly desirable, but at least there must be a chance for men and women of Eastern Germany, as well as those of Western Germany, to express themselves and their political preferences and to participate in political affairs without the threat of terror.

Whatever may be the details of the fusion of the two zones, they are best left to the Germany of the two zones. The Germans are likely to know better than anyone else what will suit them and what is possible among them. Furthermore, it is inconceivable that at this late date the erstwhile allies of World War II can work out these details on their behalf.

Eighth. The contribution which the Western allies, as well as the Soviet Union, need to make, if there is to be peace, is to guarantee, for a period of time, the kind of unified Germany which may emerge from discussions among the Germans. What the former allies need to do is to see to it that a unified Germany neither is subjected to military pressures from its neighbors, nor becomes a source of military pressure to its neighbors.

Ninth. To that end, Mr. President, it is essential to include within the scope of our policy the search for agreements which, while they do not compel a severance of West Germany's numerous ties with Western Europe, may lead to limitations of armaments throughout Germany and central Europe. Also needed are agreements which will pull back the so-called ultimate weapons and the armed forces of both East and West from the points of imminent contact in Germany and in central Europe. In short, Mr. President, it seems to me essential that our policy, NATO's politicies, do not exclude a careful consideration of the Rapacki Plan, the Eden Plan for a demilitarized zone in middle Europe, or similar proposals in connection with the unification of Germany. Perhaps the best way to consider these matters would be to predicate them on reasonable agreements which may emerge from the Geneva Conferences on Surprise Attacks and the Suspension of Nuclear Tests.

Now getting back to what the distinguished senior Senator from Ohio [Mr. LAUSCHE] mentioned a while ago, he asked, I believe, if I recognized the significance of a pullback and how it would benefit the Soviet Union. I do recognize that in some kinds of pullback the Western Powers would receive the worst of it, but I think we ought to recognize also that if there is to be any possibility of peace, we shall have to make some concessions; this might be one of them. We need to recogniez that in so doing, if a withdrawal, based on a reasonable solution were brought about, we would be the ones who would take a loss in position, since the Soviet divisions, in going back to the heartland, would be in striking distance and would be better prepared than we would be to carry on any military activity in that area. But we have to develop give and take by starting from the bottom and working upward. If we do not get out of the position of rigidity, I believe the situation in Berlin and in Germany will become worse, and the bases on which there can be peace will become fewer and fewer.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Ohio.

Mr. LAUSCHE. I agree with the statement of the Senator. In my opinion, there is a condition existing in which, if the Soviet Government continues to dictate to the Government of East Berlin, it will be impossible to bring about a reconciliation of East and West Berlin. Soviet Russia will not tolerate it. Based upon the adamant position of Soviet Russia, and based upon the rigidity of the situation as described by the Senator from Montana, while the matters about which I have spoken are highly desirable, I agree we should look for other avenues to escape the great holocaust which seems to be threatening us in the future. I, for one—and I believe confirmation has been given to this view by the mayor of West Berlin—would want every avenue explored, talks had, continued talks, in the hope that some solution may be found.

Mr. MANSFIELD. The Senator is correct.

Mr. President, I have taken a great deal of the Senate's time today. I have tried not to take it lightly. I have done so because it is clear that this administration, following the example of its predecessor, has committed the Nation to stand fast at Berlin.

It is a resolve well taken. Since we cannot yet perceive to what extremity of sacrifice it may lead in the months ahead, I have felt it essential to try to set forth for the consideration of the Senate my understanding of what is involved in the coming crisis in Germany. I am grateful that in this crucial time the Senate's principal Member in these matters, the outstanding Senator from Arkansas [Mr. FULBRIGHT] is a man with such a deep understanding and intelligent grasp of the international forces that play on the Nation. I hope that he will make his voice heard; I am sure that the President and the Secretary of State will listen most carefully. I would hope, further, that between them will evolve a policy that all of us, as Americans, will be glad to support.

Most important, Mr. President, I hope that the President of the United States, his Secretary of State, and the Congress will fortify the resolve to stand fast in Berlin with the conviction which only a positive policy for peace can give it. The Secretary of State has spoken of mutual concessions. Those are calm and wise words for this moment in time, with the clouds of radioactive death waiting to envelop the earth. I hope, deeply, that they will lead to a positive policy for peace. It is that kind of a policy for which rational men everywhere are waiting. It is that kind of a policy which they will be able to comprehend and to which, if need be, they will be able willingly to consecrate their lives.

The policy has yet to be formed. It needs to be formed soon. If it is formed, the concept of freedom in peace will not perish in Berlin, in Germany, or in the world.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JOHNSON of Texas. It has been a treat to be privileged to hear an excellent speech, such as the one which has just been concluded by a great man. The distinguished Senator from Montana has made many contributions to the cause of peace in the world,

but none more important than his forceful statement today. Always responsible, always constructive, we his colleagues in the Senate take great pride in serving with him.

On behalf of the State which I represent, I wish to say to the State from which he comes that the world is a better world because of MIKE MANSFIELD, and that the suggestions he has made today, predicated upon the great philosophy of Isaiah's advice, "Come now, let us reason together," should be heard around the world.

I thank the Senator for his constructive contribution. I feel very humble to be able to sit in his presence.

Mr. MANSFIELD. I thank the distinguished Senator from Texas.

Mr. President, I yield the floor.

[From the CONGRESSIONAL RECORD, Feb. 26, 1959]

POLICIES RESPECTING GERMANY

Mr. MANSFIELD. Mr. President, I too, wish to speak on the German question. I am sorry that I did not complete the preparation of my speech in time to give copies to my colleagues, to the Official Reporters, or to the press.

I am grateful to the Senator from Connecticut for showing me and others of his colleagues—if not all of them—the courtesy of sending to us copies of the magnificent speech which he has just completed. I commend him most highly, because I think he has made a real contribution to the public understanding of this most important problem. I believe that in emphasizing the difficulties which will face our country and the free world on or before May 27, he has rendered a service which should be appreciated by all.

He minced no words in his speech. I shall mince no words in mine. As a U.S. Senator from the State of Montana, like the U.S. Senator from the State of Connecticut or any other State, I have a duty and a responsibility to call my shots as I see them, to let the cards fall where they may.

So with this apology to my colleagues, the Official Reporters of Debates, and the press for not having a prepared copy of my speech, and with my public commendation and congratulations to the distinguished Senator from Connecticut for making an excellent speech and laying it on the line, I wish to say thanks because he has rendered a public service. I hope other Senators, in addition to the Senator from Connecticut and the Senator from New York, will likewise take the floor and try to let the people of this country and the world know just what the American position is, and to emphasize that, regardless of any differences as to how we shall achieve our objective, there are no differences so far as our desire and our determination to remain in West Berlin are concerned.

Some days ago, I discussed in the Senate the coming crisis in Germany. Other Members have since contributed to the discussion of this critical matter. That is all to the good. I am persuaded that out of this turmoil of thought will come a firm and positive policy, a policy which even if it does not yield a rapid resolution of the German situation, will at least unite and steel the Nation for the dangerous days which lie ahead.

THE PROSPECTS IN GERMANY

Let there be no mistake about what does lie ahead. This is no diplomatic lark on which the world is about to embark at Berlin. This is no child's play of blind man's buff.

When I addressed the Senate on February 12, Mr. President, I made a deletion from my remarks just a few moments before I delivered them. I did so because I did not wish to be unduly alarmist. Now the same thought has been expressed by the Prime Minister of the United Kingdom. It has been recognized by Members of this body such as the distinguished Senator from Kentucky [Mr. COOPER] and increasingly by the press. It is at least beginning to sink home that the world is entering into a situation in Germany in which the lives of tens of millions of people—Americans included—may well balance on the avoidance of a single significant error.

The British Prime Minister warned, the other day, of a suicidal war by "miscalculation." As the distinguished Senator from Kentucky [Mr. MORTON], a former Assistant Secretary of State, has said this afternoon, the British Prime Minister also used the word "muddling."

I can say now with greater assurance what I intended to say but deleted from my remarks on February 12: "I express to the Senate my belief that just ahead lies a period which may well see the Nation and the rest of the world miss a devastating war by a very narrow margin. Indeed, it is a period which may see us in war, limited war or unlimited war, war by accident or war by design, war by childish stubbornness or bravado."

THE RESPONSIBILITY OF SENATORS IN THE IMPENDING CRISIS

If that is the case, Mr. President, what are the Members of this body to do? Are they to guard their silence when conscience compels them to speak? Are they to ignore their responsibilities to their States and our country as they see those responsibilities? Are they to accept as all-pervasive the undoubted wisdom of the President and the executive branch of the Government? Or are they to think for themselves and speak for themselves?

Are they to be more concerned with how words will sound abroad, and so hold their peace? Or must they, even more, seek to dispel any uncertainties of the people of the Nation as to the course which this Government is pursuing, and to seek to do so by examining the issues which underlie that course? Are they to wait until they hear what the Department of State has to say on the matter and then parrot agreement? Are they to wait to hear what Mr. Khrushchev has to say, so that they may be sure that what they subsequently say will be in disagreement?

I do not know what others may contend in this matter. I can speak only for myself. For myself, Mr. President, I can say only that when conscience compels me to speak, I owe it to the people of my State and our country to speak out. For myself, Mr. President, I hold that the most important matter is not how people abroad may interpret my words. Important as that may be, it is more important that the people of my State and our country understand fully what is at stake in this situation.

More important is the need of the people of the United States to be satisfied that the course to which they are committed by their Government is a sound one. If they are to be asked to give their lives, as well they may be, then the course of this Government must represent the outgrowth of policies which reflect the deepest needs of the people of the United States. They must be policies which are, in fact, the best that can be devised by this Government to safeguard the Nation and freedom, and to do so, if possible, in peace.

Mr. President, to those who say we may upset people abroad by our discussions, I can only reply that we do not fool anyone abroad if we fool ourselves at home. The unity of the slogan may well be no unity at all. It may well be merely the facade of unity; the Communist, the totalitarian concept of unity.

The unity of free men needs to rest on firmer ground. For the grim days which lie ahead in Germany, this Nation needs the unity which can come only from an understanding of where we stand, where it is we are headed, and why. To stand fast in Germany, as indeed we must, we need to think carefully, to think deeply, and we need to do it now. We need to speak out seriously, soberly, and we need to do it now. The time to examine policies is before, not after, their consequences are upon us. I emphasize that point—before, not after—as in Korea a few years ago.

POSITION ON MR. DULLES

Mr. President, I yield to no one in my appreciation of the enormous burdens of the Secretary of State and his Department, charged, as they are, with primary responsibility, under the President, for the Nation's policies. I believe the record of my position in this matter is very clear. I regard Mr. Dulles, as I have since I have known him, as an able and a dedicated civil servant. I have endorsed many of the policies which have been pursued since he took office. I have worked with him closely, very closely, on several of these matters. I have never felt, however, that this constrained upon me a silence when I disagreed; nor, I am sure, did he. I favor the continuance of Mr. Dulles in office now, not out of any sentimentality, but because I believe that if his health permits, Mr. Dulles is capable of making an extremely significant contribution to the security of the Nation and to the search for peace, particularly at this time.

I do not believe in the concept of the indispensable man. However, I do believe that there are times when a man may become virtually indispensable. Because of what Mr. Dulles has done over the past several months, especially during the past several weeks, in going to Western Europe and discussing the Berlin and German matters with our allies, and because of his great capacity, his great knowledge, his great ability, and the leadership which he has displayed, insofar as the Berlin and German situations are concerned, he is in a very large sense indispensable.

I hope that any conferences covering these two questions—because they are interrelated—will be held in Washington, where we can make use of Mr. Dulles' capacities and abilites, to advise and lead the West.

In the last analysis, whether his health will permit him to make that contribution is for the President, the Secretary, and his doctors to decide, as the President so cogently pointed out in his press conference of February 25, 1959.

Let me emphasize, however, that because Mr. Dulles is ill is no reason for declaring a moratorium on a frank and full discussion of the Nation's policies in the light of the critical situation in Germany. If I know Mr. Dulles at all, he would be the first to recognize the need for this discussion to continue. He would be the first to denounce any ghoulish political profiteering on his illness in order to silence this discussion.

There are those who have expressed confusion as to how I can support Mr. Dulles' continuance in office and still criticize some of the policies executed under his name. I can only say that it is not the first time, and I hope it is not the last. We shall have reached a very low point, indeed, in the practice of free and responsible government when a Senator has no choice but to agree 100 percent with a Secretary of State or to hang him in effigy.

I intend to go on as I have in this matter. I shall endorse the foreign policies of this administration when I believe they are sound policies. I shall try to contribute constructively to their reshaping when I believe that they are not—I repeat the word "constructively," because I have always tried to operate constructively. That is a position, Mr. President, which I have maintained since I entered this body, and also during the 10 years prior thereto when I served as a

member of the Committee on Foreign Affairs of the House of Representatives. It is the position I propose to maintain so long as I am in the Senate. I shall maintain it regardless of the party which is responsible for the administration of the Nation's affairs.

ATTITUDE ON MR. KHRUSHCHEV

Further, I propose to say what I have to say when I have to say it, irrespective of Mr. Khrushchev's threats or blandishments. It is, to me, a matter of indifference whether Mr. Khrushchev agrees or disagrees with me. I hope this Government, Mr. President, will never, out of a timorous feeling that Mr. Khrushchev may disapprove, fail to stand for what it must stand for. Equally, Mr. President, I hope that this Government will never fail to act as it must act out of an even more timorous feeling that Mr. Khrushchev may approve. What I said on this point on February 12 I believe bears repeating. I said then, and I say again today:

"If we are to be prepared to face this crisis in Germany, it will be best not to become distracted or obsessed by the twists and turns of Soviet behavior. The fundamental question of policy for us is not so much what the Russians are looking for in Germany. We know what they are looking for and they may very well seize it while we amuse or fascinate ourselves by trying to interpret the charades of Russian behavior."

No, Mr. President, it is more important to us, far more important, to know what we ourselves are seeking in Germany. We must bring to this crisis not only courage, but also conviction. We must bring to it a positive and understandable policy which meets our essential national needs and the essential needs of freedom, and, if possible, meets them in peace.

It was that thought, Mr. President, which prompted me to list nine points for exploration in a search for a positive policy on Germany last February 12. Some of these points were then, or at least have since become, a part of the present official policy of the United States. Others are not a part of that policy. They represent what, to me, seem rational approaches to various aspects of the problem of Germany. In great measure, they are not original except in their restatement, as my inserts in the CONGRESSIONAL RECORD of February 16, 1959, will show. But for their restatement in the context of the speech, I wish to make it clear that I claim full responsibility.

RECAPITULATION OF THE NINE POINTS

Mr. President, I should now like to review the nine points and to discuss their status in official policy at the present time, as well as certain of the comments which have been made upon them. On February 12 I said:

"I can be wrong, and I stand ready to accept a better illumination of the problem through discussion and debate in the Senate."

I say that again. I may add, however, that little which has since transpired or has since been said prompts me to modify these points in any significant degree.

Point 1: There must be no retreat of the forces of freedom at Berlin. Mr. President, I said that, not once, but at least six times during the course of my remarks on February 12. Weeks before that date, I had publicly endorsed a draft Senate resolution which would have upheld the position of the administration to stand fast. That, I may add, is the only resolution on the German situation which I have endorsed so far.

So far as I know, there has not been any significant difference among Democrats and Republicans, or between the Senate and the executive branch of the Government, on the need to stand fast at Berlin. Certainly there never has been on my part.

Point 2: The German leaders of the two Berlin communities should be urged to begin serious efforts to unify the public services and municipal government of that city. I know, Mr. President, that there are those who will say this approach is illusory and unrealistic; that the East Germans cannot be expected to agree even on a common sewage system, let alone on a common municipal government. I would point out in reply, however, that if Berlin does not have a common sewage system, it does have a common subway system. If the German leaders of East and West Berlin can agree on that, as they have, is it beyond the realm of the possible that they may agree on other common public services, particularly if they mean to have peace; or that they may reach a series of agreements which might ultimately lead to a single municipal government for the city? I must ask: What stands in the way of an initiative of this kind? What will be lost by trying to bring about this progress toward municipal unity in Berlin? If we mean to have peace, I believe the effort should be made. It should be made not only to ease the danger of war at this most critical point in Germany; it should be made, too, because if it is successful, out of the microcosm of Berlin could emerge patterns of unification for all of Germany.

Berlin, of course, is an aspect of the whole problem of German unification but it is also the most pressing and compelling aspect. It is at Berlin and along the routes of access to that city that the danger of conflict is greatest. In that sense it requires the most immediate attention, even if solution to its problem of unification may be merely by means of interim solutions, pending the outcome of the whole problem of German unification. So far as I know, Mr. President, at present we are doing nothing, in an official sense, to bring about an attempt at municipal unity in Berlin.

Point 3: The conciliatory services of the United Nations and, particularly, of its Secretary General, should be enlisted, to try to develop an all-Berlin government. If such a government does emerge in the municipality, then a United Nations emergency force should replace both Communist and Allied forces in maintaining free access to the city from all directions, pending a general settlement of the German problem.

So far as I know, Mr. President, no official steps have been taken in this direction. There are hints, Mr. President, that if trouble does develop at Berlin, then the matter will be taken to the United Nations. I would deem it a welcome change, Mr. President, for once to bring the United Nations into an international puzzle before, not after, the pieces have been hopelessly scattered.

Those in the Senate who saw fit to comment on many parts of my last statement generally refrained from comment on this point. I am not prepared to conclude, however, that in Germany at this time there is no possible constructive role for the United Nations and the Secretary General. I believe that there is something to be said for an attempt to bring the United Nations into the situation, now, in the role of fire-prevention, not merely later, in the role of firefighting. For my part I would much prefer to see the whole city of Berlin neutralized on an interim basis, under United Nations auspices, if that can be obtained, rather than to have East German agents of the Soviet Union stamping the permits of Western allied transports to West Berlin. We cannot know whether such an arrangement can be obtained until we try to obtain it. And even if we cannot, what shall we have sacrificed by trying?

Points 4 and 5: Unless a unified, neutralized Berlin under United Nations' auspices is established as an interim measure, then Western forces must remain in Berlin, regardless of whether the Russians leave. It is time to think seriously, however, of replacing as rapidly as possible the thousands of non-German allied military personnel in Berlin with West German militia.

Here, again, Mr. President, I find in present policy nothing comparable to this suggestion. Present policy says, in effect, that the Russians must stay in Berlin—in spirit, if not in body. Apart from the fact that I see no practicable way to make them stay in either body or spirit if they wish to go, I am most reluctant to go along with a policy that seeks to require the Russians to stay anywhere westward, if they propose to take even a few steps backward—eastward.

I am fully aware that their going may complicate our remaining in Berlin. We shall be face to face, then, with East Germans. They will be Communists, to be sure—but, nevertheless, Germans, not Russians. The allied forces may well be compelled, in the last analysis, to face them, if we mean to stay in Berlin at all costs.

It was an awareness of this probability, Mr. President, which prompted me to suggest that it is time to think seriously of replacing the thousands of allied military personnel in West Berlin with West German militia. If there is to be a loss of life among East Germans, in order to preserve what is, in the last analysis, a West German position even more than an allied position in Berlin, then it seems to me best that the allied forces move as quickly as possible to the reserve, even as the Russians intend to do on the other side. This is not a matter of "passing the buck." It is a matter of recognizing that among Germans, as among others, blood may well prove thicker than ideologies.

It will be a tragedy if men must die in this situation in any event. It will hurt the cause of freedom in Germany even more, however, if the Germans who may lose their lives in a limited conflict for access to Berlin lose them by the action of foreign forces.

I know, Mr. President, that there are grave risks in using West German forces in this fashion. Once injected into the situation at Berlin, it is difficult to foresee the contingencies which may subsequently arise. That is why I said it is time to think seriously of using them, not that it is time to use them. The risks must be weighed in the light of all the information and estimates available to the Executive. They must be weighed against the countless risks of trying to preserve, with allied forces, a status quo in a situation which will change, inevitably, once the Russians have left Berlin. There may be sound reasons for not taking this course of substituting West Germans for the allied forces at West Berlin. There are no sound reasons, however, for not exploring fully its implications within our own Government and with allied governments, or for failing to do so promptly.

Point 6: There must be a great deal of talk between Germans who are in authority in the Federal Republic and Germans who purport to be in authority in the Eastern zone.

This is the point, Mr. President, of which much has been made in comments on my remarks of February 12. It seems to me that a monumental issue has been generated here, although, in fact, no substantial issue exists.

The administration—the Western allies—have proposed talks with the Russians, at which each side might have German observers. In other words, East Germans and West Germans are both to be admitted to these talks on Germany, if the Russians accept the Western proposal.

Now, Mr. President, does anyone believe that in talks on the German problem, these Germans—East and West Germans—are going to do nothing but observe? No, Mr. President; they are obviously going to talk, the West Germans through the allied nations, the East Germans through the Soviet Union. If there is a difference between official policy and what I suggested in this respect, it is certainly a minor one. If I may

draw an analogy, perhaps I can make the difference clear. I suggested, in effect, that the Germans—East and West—go off into another room and try to come up with concrete proposals on the problem of German unification, which they would then lay before the Allied Powers and the Soviet Union, for approval and for guarantee.

Many of those who have commented on this proposal have said in effect: "No. That is a dangerous procedure." They have said—those who endorse present official policy on this point—that the West Germans must whisper in the ear of the allies what they think should be done about unification and the East Germans must whisper in the ear of the Soviet Union. Then, the Western allies and the Soviet Union will add their own thoughts and try, out of the conglomeration, to reach an agreement.

Mr. President, either way is agreeable to me. Out of my own limited experience at international conferences, however, I have my own views as to which way is likely to offer greater prospect for success. Those who now conduct foreign policy have theirs. I am more than willing to try their way if they believe it will work. I have a feeling, however, that before we are done with this matter of whispering in ears and the friction of no contact between the Germans, we shall be more than willing to try others.

Point 7: All-German elections may not be essential to peace and to freedom, but there must be some opportunity for the people of East Germany, as there is in West Germany, to express their political preferences and to participate in political affairs without terror. Unless there is, the search for peace can lead to the jeopardizing of freedom.

Here again, Mr. President, I do not believe there is a basic difference between the present policies of this Government and the view which I stated. The Secretary of State made clear, long before my speech of February 12, that all-German elections need not be essential as a first step in German unification. I do not know at what stage they would become essential, nor, with all due respect, do I believe anyone else does at this time.

The Secretary has recognized that reality, and I applaud his recognition of it. I say further, however, that unless the hand of political terror begins to lift in East Germany there is a danger to freedom in any form of unification which may be tried. While this point has not been explicitly stated by the Secretary, I am sure that those who are responsible for the conduct of foreign policy are not unaware of it.

Point 8: The Western allies and the Soviet Union must guarantee for a period of time the unified Germany which may emerge from discussions among the Germans. They must see to it that Germany is neither subjected to military pressures from its neighbors nor becomes a source of military pressures to its neighbors.

Again, Mr. President, there is no disagreement on this obvious point. It has long been a part of the policy of this Government to recognize that a peace treaty for Germany, which provides for the reasonable security needs of its neighbors, including the Soviet Union, is an essential of peace. One may differ with the way this objective has been pursued, but there are few differences as to its essentiality.

Point 9: It is essential that our policy, NATO's policies, do not exclude a careful consideration—may I repeat that word, "consideration"—of the Rapacki plan, the Eden plan for a demilitarized zone in middle Europe, or similar proposals in connection with the unification of Germany, predicated—may I repeat that word, "predicated"—or contingent upon the outcome of the conferences on surprise attack, and suspension of nuclear tests now going on in Geneva.

The Western Powers have indicated an interest in negotiating a European security pact. We are now seeking an agreement, at Geneva, on the problem of nuclear testing and the prevention of surprise attack.

Further, I am given to understand that it is the policy of this Government to recognize that agreement is possible to exclude missile bases from all German soil. Similarly, that it is possible to thin out foreign forces in West Germany in return for a thinning out of Soviet forces in East Germany.

If that is the case, Mr. President, there is no basic incompatibility between the essentials that I listed and what official policy is prepared—I repeat that word, "prepared"—to do. The objective is the same. I reserve the right, however, to examine subsequently the way we are going about trying to reach it.

SIMILARITIES BETWEEN OFFICIAL POLICY AND NINE POINTS

The differences between what we are doing, as a matter of official policy, and what I suggested as the essentials of a positive Western policy on Germany, are not numerous. In official policy—without a shadow of a doubt on the part of anyone, either Democrat or Republican—we are committed to stand fast at Berlin. We are committed to the participation of Germans of both zones in the discussion of the problems of German unity. We are committed to explore ways other than all-German elections, at least as a beginning of the solution to the problem of German unity. We are prepared to consider proposals which seek to limit certain types of weapons and the alien military forces in both parts of Germany within the framework of all-European security arrangements. With these essentials, Mr. President, I expressed substantial agreement in my remarks of February 12, although I may differ in particulars with respect to the way they are being presently pursued.

DIFFERENCES WITH OFFICIAL POLICY

The basic points at which I diverge from what is present official policy, I believe, are these:

First. Official policy, in effect, says that the Russians cannot leave Berlin or the routes of access to the city from the West; certainly, that they cannot leave in spirit and, perhaps, not even in body. For my part, I would have no particular desire to see them stay, in body or in spirit, even if they could be persuaded from going, which I doubt.

Second. Official policy does not seek actively to try to bring about a unification of the municipal services and government of the two Berlins at the present time. I believe that effort should be made.

Third. Official policy does not seek to enlist the United Nations in the Berlin crisis at this time. For my part, I believe it is high time that this be done; particularly, that the conciliatory services of the Secretary General be sought.

Fourth. Official policy gives no evidence of considering replacing the thousands of Allied forces in Berlin with West Germany. If we are not going to move or cannot move in the direction of trying to bring about the unity and interim neutralization of all Berlin through U.N. conciliation, then, I believe, for the reason I have already stated, we must give serious consideration to making this replacement.

CONCLUDING COMMENTS

Finally, Mr. President, I must bring to the attention of the Senate the testimony of Gen. Maxwell D. Taylor, the Chief of Staff of the Army before the Senate Disarmament Subcommittee on February 2, testimony which was released only last weekend. The general said, in effect, that there must be total mobilization of this Nation if we are to resist force in Berlin. I must ask: What is being done to bring about this total mobilization, or are we to assume that it will not be necessary?

I hope deeply, Mr. President, that force will not be brought into play at Berlin but there is no certain promise in present circumstances that it will not be. I reiterate my belief that if there is to be a chance to avoid its use, "a Western initiative for peace is essential."

The points which I raised in my remarks on February 12 were designed to indicate a possible direction for that initiative.

Of equal importance with the desire for peace, Mr. President, is the energy and forbearance with which this Government pursues this great need and desire of mankind. Of greatest importance is a national leadership which acts positively for peace.

If the President leads in that fashion, he will find the people of this Nation and the people of the free world will be solidly behind him.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. FULBRIGHT. I should like to take this opportunity to express my appreciation, and I know the appreciation of the Senate, for the very fine job the Senator from Montana has done in bringing this question before this body and the country and in developing it in such a logical and effective way as he did today and as he did on the previous occasion. I regret very much that illness prevented me from being here on the occasion of the previous speech on this subject by the Senator from Montana. The Senator has already inspired a great deal of very fruitful discussion of this issue, and I think the country and the Senate will benefit immeasurably from the efforts of the Senator from Montana. I wish to join all the other Senators who have complimented the Senator from Montana for his efforts, which have contributed so much to better understanding of this problem.

Mr. MANSFIELD. I thank the distinguished chairman of the Committee on Foreign Relations. I recall to the Senator's memory that we came to the Congress together in 1943, and since that time we have had a fairly close relationship in the foreign-policy field. Of course, I am indebted to the Senator from Arkansas, the chairman of the Committee on Foreign Relations, for his kind words, for his unfailing understanding, and for his tolerance and strength over the years gone by.

Mr. President, I now wish to turn to another subject.

The PRESIDING OFFICER. The Senator from Montana has the floor.

PROSPECTS IN GERMANY

(Speech of Senator MIKE MANSFIELD, of Montana, delivered at annual dinner of Alumni Association of Law School, New York University, New York City, held at Waldorf-Astoria Hotel, New York City, Wednesday evening, April 8, 1959)

In a few weeks a conference on Germany will be held in Geneva. It will be a conference of the foreign ministers of the Western Nations and the Soviet Union. Free Germans of the West and Communist Germans of the East will be present. This conference is likely to be followed by another in the summer—a conference of President Eisenhower and other Western heads of state and Mr. Khrushchev.

We may expect that these two principal conferences will be supplemented by a great deal of diplomatic exchange and other contacts at all levels and in various combinations. There will be meetings among representatives of the Communist nations. There will be meetings among representatives of the free nations. There will be meetings between the free and the Communist. In short, we are in for talk, a great deal of talk in the days ahead.

PROCEDURES AND THE COMING CONFERENCES

We may anticipate that there will be disagreements—serious disagreements—even before the stage of negotiating the problems of peace is reached. There will be arguments over who should talk and who should not; whether talk should begin at the summit and echo down to the base or begin at the base and rise up to the summit. Some of these arguments, indeed, have already taken place. There will be others.

Let me say that I appreciate the importance of these preliminaries. The manner in which they are dealt with will have an effect on the prospects for peace. It is important that procedural questions be discussed fully. It is equally important, however, that they be discussed with one object in view—the facilitating of sound agreements for peace. Procedural questions are not or ought not to be wrangled over for the purposes of face saving, propaganda, or the evasion of responsibilities. Let us recognize, by all means, that procedural questions are important. But let us recognize, too, that the basic procedural problem which confronts us is not who talks with whom and when. Rather it is: What kind of talk is likely to produce meaningful agreement?

I believe it is reasonable to say that decent men and women—in Russia or in Poland no less than in the United States or the United Kingdom are not interested in propaganda conferences or face-saving conferences. They are not interested in conferences which merely restate platitudes on the virtues of peace. They are interested in conferences which will get on with the business of peacemaking. They will expect of those who participate in these conferences less concern with the problem of saving face and more with the problem of saving civilization. They will pray for the success of these conferences wherever they meet, whoever may participate in them, whenever they are held.

OBJECT OF THE COMING CONFERENCES

When we speak of praying for the success of these conferences, we ought to have clearly in mind some concept of what we mean by success. Do we mean the kind of success which characterized the Geneva Conference in 1955? That Conference produced pleasant generalizations on the virtues of peace. A year later, however, we were back to business as usual, to the business of propaganda war and cold war. Now, 4 years after Geneva, we are without tangible achievements for peace. On the contrary, we are entering the most critical period of international relations since the Korean conflict.

Nor can we mean, when we pray for the success of these impending conferences, peace at any price. I do not believe the people of this Nation are prepared to sacrifice the future of their children in freedom for a moment of surcease from the pressures and tensions of life today on the brink of war.

No, I do not think we mean either of these alternatives when we say that we pray for the success of these conferences. I believe that we mean we hope for progress toward sensible agreements which will permit us to live and to let live, which will substitute competition in the realm of ideas and human achievement for competition on the battlefields, which will reduce the dangers of hostility among nations now glaring at each other across the black and bottomless pit of nuclear war. In short, we hope for agreements which promise some measure of stability for all mankind. We hope for agreements which will reduce the likelihood of armed conflict not only for today but for tomorrow and tomorrow. We hope for agreements which at least will begin to remove the residual injustices of World War II and its chaotic aftermath—injustices which, almost 15 years later, still press upon the backs of the peoples of many lands.

It is one thing to hope, in these terms, for the success of the coming conferences. It will be another to bring the hope to fruition. In international aspirations as in human aspirations, there is, inevitably, a gap between what we would like to do and what we are likely to be able to do.

The best chance of closing this gap, I believe, lies in approaching the impending conference with neither an excess of expectation nor with a cynical disbelief in their prospects of yielding anything constructive. What we need most in the days and weeks of talk which lie ahead is a clear and a specific understanding of what it is that we want to bring about by these talks. We need a positive purpose which is adjusted to the realities of the existing situation in the world. We need ideas, new ideas, realistic ideas, which may help us to realize this purpose. It is important to remember in this connection that in the realm of international negotiation, the search for all is likely to yield nothing. The intelligent pursuit of what is reasonable may lead to more than we dared hope for.

THE NEED FOR THE CONFERENCES

Before we can clarify our purposes in the impending conferences, it is essential to appreciate the origins of these conferences. Why, we may well ask ourselves, is it necessary to talk with the Russians at all at this time, about Germany or any other subject for that matter? Has Mr. Khrushchev compelled the West to meet? Are we merely responding, reluctantly, reticently, to a changing whim in Soviet policy? Are we going into these conferences as though they were some evil Communist brew which we have no choice but to drink?

If that is our concept, if we see the origins of the conferences in these terms, then I say, in all seriousness, that it is preferable not to go into them. We do not have to drink of the cup that is proffered. If we can conceive of our participation in these conferences as nothing more than a submission to Soviet threats or an entrapment by Soviet blandishments then I say again it is better not to go into them; it is better, not to delude ourselves.

Seen in these terms, the conferences will yield nothing worth the having. They may produce propaganda. They may produce platitudes. They may save faces. They will not produce a worthwhile basis for durable peace in Germany and Europe or anywhere else. On the contrary, they may rot even further the shabby platform which now supports the present dangerous international dance on the edge of destruction.

I want to suggest, however, that we need not appraise these coming conferences as merely a Western jump to the snap of the Soviet diplomatic whip. There is another way of looking at them. Some of us have looked at them in this other fashion for a long time, long before Mr. Khrushchev's recent maneuvers at Berlin. In this other light, the origins of these conferences are seen to lie in very different soil. Seen in this other light, the need for these talks is a need that has long existed. For some of us who have advocated an American initiative for peace, it is a source of regret that we of the West have appeared to wait for a prompting from the East to begin these talks.

For us, the origins of these talks do not rest in Mr. Khrushchev's recent statements. The need arises elsewhere. It arises from the vast changes which have taken place in the world during the past decade; more particularly the changes which have taken place on the European Continent; specifically, the changes which have taken place in Germany.

Let me point out some of these changes. Think for a moment of the monumental revolution in technology alone. In scarcely a decade, this technological revolution has reposed in the hands of men, at once, the power to light new stars in the heavens and to put out the lights of civilization on earth. That change alone has a profound significance for all humanity and endless implications for the foreign policies of every nation.

There have been other changes of not much less significance. We have witnessed in Russia in the space of a decade the passing of the era of Stalin; the recovery from the devastation of invasion, and the rapid development of an advanced science and technology. We have witnessed, during this decade, vast upheavals within China and great transitions in the belt of nations—old nations and new—stretching half way round the world, from one end of the Afro-Asian world to the other. A billion and a half people have been torn loose from ancient moorings. These changes, too, have a profound significance for us, for the Russians, for the entire world.

In Europe, we have witnessed the comeback of a continent. Its people, in the West, at least, are no longer the stunned, war-numbed masses, which the liberating Allied armies found wandering in bewildered impotence, in the midst of the rubble and overwhelming devastation of World War II. The Europeans have revitalized themselves, their economies, their political life. What is true of all Western Europe is emphatically true of Western Germany. An old generation has recovered. A new generation has come of age, charged with new vigor, new ideas, seeking new and constructive directions.

Can we suppose for a moment that these changes—these vast, unmeasurable changes and others do not compel changes in the relationships among nations? It is obvious that they do; they alter the facts of the situation with which the policies of this Nation, of all nations, must deal if there is to be peace. Obviously, policies devised years ago, in another setting, cannot serve in the new situation which is evolving.

It is true that there have been some adjustments in the policies of all the principal nations to these changes. The question is: Are these adjustments sufficient; are they coming in good time? Unless they are, not only is there little likelihood of a genuine peace being achieved but even the unspoken truces which have, heretofore, cushioned the principal points of friction in the world, are endangered. In the light of the worldwide transition of the past decade these unstable truces must either be altered by reason, by negotiation, sufficiently and in time, or, sooner or later, they will give way in conflict.

One of these points of friction, of possible conflict, exists in Germany. In fact, it extends throughout Central Europe. It is in this region that the military power of the two nations capable of ultimate war—the United States and the Soviet Union—are in the closest of contact. It is in this region, too, that most of the residual injustices of World War II are to be found.

For years now an unspoken agreement, an unstable truce, has existed in this region. The shaky peace has rested on the avoidance of military incidents which go beyond the point of no return. It has rested on the acquiescence of the Germans, no less than the Western Powers and the Soviet Union in a divided Germany and a divided Berlin. It has rested upon the acquiescence of ourselves and the peoples of Eastern Europe in Soviet military domination of that region.

For years this has been the reality, despite talk of unification of Germany, despite talk of liberation of Eastern Europe, despite Soviet threats and blandishments.

It has been a tolerable, if not, exactly, a comfortable arrangement. What we have failed to reckon with, however, or at least

to reckon with adequately, is that the pressures of change in the world and, particularly, in Europe and Germany itself, have been building around this point whether we have realized it or not, whether or not we and the Russians chose to look at this reality. We have waited a long time to face this fact. I deeply hope that we are prepared to face it now and that it is not too late to face it now, in peace.

This, then, is the perspective in which the coming conferences ought to be seen. I repeat they may be worse than useless if they are regarded merely as an unavoidable Western response to a Soviet initiative. They can be a godsend if they are recognized by all concerned as an opportunity to begin to replace the outmoded truce in Germany and central Europe with something more durable, something better for all concerned.

If the beginnings of a stable peace in Germany and central Europe are to be drawn from the impending conferences, there will have to be a rethinking of many aspects of the policies which the Soviet Union has pursued in that region, which the nations of the West have pursued. There will have to be give and take, a quid pro quo, concession to match concession. We cannot, at this point, see the details of agreements but the signposts along the road to a rational settlement are beginning to emerge.

1. At Berlin, for example, we can see that there can be no one-sided withdrawal of the forces of freedom from the Western part of the city. That does not mean, however, that there can be no change in the status of that city. It means only that any change in the status of that city must be a total change, which leaves freedom in no less an advantageous position than communism. Perhaps this total change can be brought about through the interim neutralization of both free and Communist Berlin with the help of the United Nations and under its supervision, with free access to the city by all routes guaranteed by that body until Berlin becomes once again the capital of a united Germany.

2. There needs to be at least the beginnings of the beginning on the problem of German unification, with Germans of east and west contributing more, much more, than they now are doing to the solution of the problems of unification.

3. There must be some evidence of a willingness on the part of the Communists in control of the eastern part of Germany to accept and to extend the principles of the United Nations Declaration on Human Rights. In particular, there must be a beginning of the restoration of political rights to all in that zone, rights which can be exercised freely and not under the threat of terror.

4. There must be a willingness to accept the reality that Germany's peaceful ties with Western Europe cannot be ended except by the will of the German people themselves.

5. There must be an equal willingness, however, to accept the premise that the extent and nature of German rearmament is not sacrosanct, that it can be limited or altered in the interests of the security of all nations.

6. There must be a willingness to accept the premise that the numbers of foreign troops, and the nature of their armaments in Germany and in central Europe is subject to negotiation on a give-and-take basis. To this end, the Eden and Gaitskill plans and the Rapacki plan all merit the closest consideration, provided, I repeat, provided that there are reasonable agreements in the Geneva conferences on the control of nuclear testing and the prevention of surprise attack.

May I say that the points which I have just enumerated are not new. Others have alluded to them. I believe that in part at least they represent the direction in which the Secretary of State was trying to lead the Western nations when he was stricken. I reiterate tonight what I have said many times, that his illness represents a most serious loss to the cause of freedom and of peace and that I hope deeply that he will recover in time to make his advice, his leadership, and his guidance available.

May I say, too, that the points which I have just enumerated as signposts of peace are drawn from the same nine points which I made in a speech in the Senate 2 months ago and have repeated in whole or in part on several occasions since that time. I have not altered those points in any significant way because I believed them and I believe now that they indicate the way in which the search for a more durable peace—a worthwhile peace—is likely to prove most fruitful. The discussion which has followed my remarks in the Senate and elsewhere has been very useful. It has helped to clarify and to elaborate. Most of all, it has helped, I believe, to break the moratorium on new thought on this critical problem of the Nation. This thought in connection with the German crisis is coming before, not as in Korea, after the crisis was upon us.

STRENGTHENING THE PROSPECTS FOR PEACE

Let me consider, in conclusion, the prospects for peace in Germany and what can be done to strengthen them. I think it is essential to emphasize that peace in Germany depends not on us alone, not on the Western nations alone but on the Soviet Union as well. If the Soviet Union does not seek peace then there will not be peace. It does not follow, however, that even if the Soviet Union does seek a durable settlement in Germany and central Europe that one will automatically emerge. Peace is a two-way street and we are on one side of it.

We will endanger our own position and the prospects of peace if we becomes obsessed with the fascinating game of interpreting the ever-changing charades of Soviet policy. These charades may mean peace. They may mean war. They may mean neither peace nor war. We can only assume as certainty that at any given time they can mean any of these possibilities and that we must be prepared to face any of them. What we can do, beyond this, if we would increase the prospects of peace, is to get clear in our own minds why it is that we stand firm in Germany, as indeed we must. We stand firm, not as an end in itself. We stand firm in order to go forward toward a durable peace. If there is to be peace, we, no less than the Russians, shall have to put aside the dangerous toys of the propaganda war, and the chips on the shoulders of the cold war. We shall have to put aside both the grins and the frowns. We shall have to examine and to examine deeply the problems of peace and see what it is possible to do with them in the light of the new realities of the situation which confronts us. We shall have to apply to these altered problems, new ideas. We shall have to bring to these problems a renewed determination to respond to the deepest desire of our own people and of all mankind, a new dedication to the search for progress toward a durable peace.

THE PROBLEM IN GERMANY

(Speech of Senator MIKE MANSFIELD, of Montana, at the bicentennial world affairs forum of the Foreign Policy Association, held at the Hotel Penn Sheraton, Pittsburgh, Pa., May 1, 1959)

The problem which confronts us in Germany is a segment of the worldwide problem of establishing equitable, rational, and evolving, conditions of peace. Today the crisis looms in a divided Germany and a divided Berlin. Tomorrow the scene of principal danger may shift to the Middle East. The day after it could be in the Far East that the clouds of conflict gather.

Since the end of the Second War we have lived with a succession of international crises in these and other regions of the globe. It is as though the world were a vast and dangerous mine. We have rushed from one point of imminent or actual cave-in to another in a never-ending struggle to shore up the sagging roof of peace. We have timbered with a Berlin airlift, with a military defense of South Korea, with vast aid programs in Europe, Asia and elsewhere, with troops in Lebanon and with naval power and other measures in the Formosan Straits.

These costly and strenuous improvisations represent our efforts to prevent a complete collapse of peace. It is doubtful, however, that what these measures have produced in the principal zones of danger—in Germany and central Europe, in the Middle East and in Asia—this patchwork of timbering on which the fate of civilization rests—would meet a minimum safety code. The fact is that a dangerous world, no less than a dangerous mine, is not made safer, in any permanent sense, by patchwork. Improvisations may be unavoidable, as interim measures, as desperate measures. They ought not to be confused, however, with peace. On the contrary, improvisations may conceal an encroaching danger to ourselves and to the rest of the world by creating the illusion of stability, by permitting the postponement of essential, fundamental changes until it becomes perilously late to make them.

Something of that sort, I believe, lies at the root of the present problem in Germany. For years now, there has existed in that nation a kind of surface stability.

This is the appearance of that stability. In Western Germany, which houses about 50 million Germans, the responsible, representative government of the Federal Republic, its capital in the city of Bonn, functions with a high degree of effectiveness. West Germany has one of the most productive and dynamic industrial economies in the world. It also has the substantial beginnings of a powerful German military establishment. Beside this establishment, there are garrisoned over 275,000 other NATO troops—French, British, and American—many with their dependents.

To the east of the Federal Republic is a Communist-held German territory, much smaller in area and with a population of only 17 million. Many Germans regard this region not as East Germany but as Central Germany, having in mind the Polish-annexed territories beyond the Oder-Neisse as the true, the unredeemed east. For our purposes tonight, however, I shall speak of the region as East Germany or Communist Germany. In this sector of the divided nation, there is poverty, stagnation, and oppression from which vast numbers have fled to the West in recent years. Increasingly, however, we hear reports of plans, if not the beginning, of an economic revival in the East.

There is Communist rule in Eastern Germany. A German totalitarian regime exists there by virtue of its own and Soviet power and the acquiescence, however sullen, of the East German people. As in the West, a German military establishment has been reconstituted in the East, under Communist control. It is supplemented by many divisions of Soviet Russian troops.

This brief sketch of a divided Germany also fits in microcosm, with some variations, the present situation in a divided Berlin. A principal difference is that Allied and Soviet Russian forces still retain tangible, visible responsibility for what happens, respectively, in the Western and Eastern sectors of the city. Garrisons of both are present and the Russians control the routes through East Germany over which French, British and American forces must pass, from

their bases in West Germany to their outpost in Berlin.

Under the ultimate control of the Allies, West Berlin has its own municipal government with Willie Brandt as its able outspoken mayor. Under Soviet control, a sector of East Berlin—Pankow—serves as the seat of the Communist East German regime.

Among Germans of the two zones of the divided nation and the two parts of Berlin there is a considerable contact, official and unofficial, in trade and in other matters. There is no formal recognition, however, of the one by the other. In fact, of all the principal countries involved in the German situation only the Soviet Union recognizes both the West and East German governments.

That, in brief, is the look of stability in Germany. The arrangements which underpin this stability are those which evolved at the end of World War II. They were designed originally for the temporary occupation of a defeated Germany. But what began as an expedient took on a kind of permanence with the breakdown in relations between the Soviet Union and the Western nations.

All around the rim of Germany changes have taken place. Within West Germany and East Germany, respectively, changes have also taken place. But between the divisions, the arrangements for stability have not changed in essentials for years.

All of the nations involved have recognized at one time or another that these arrangements are inadequate. We and other Western nations have said, in effect, that they must be changed. The Soviet Union has admitted that they should be changed. The German leaders—East and West—know that sooner or later they will be changed. All involved have paid at least lipservice to the basic requirements of change, that is, to the need for reunification of Germany and of its capital of Berlin and to the need for a final liquidation of World War II.

However, no nation has really moved from the position it assumed years ago on how these admittedly necessary changes should be brought about. The Western position has been based, at least until recently, on the contention that there should be free all-German elections as the prerequisite to reunification and a peace settlement. The Russians have been vague on this matter but it is apparent that even if they use the same language as we do, they do not mean the same things. They clearly do not accept a unification of Germany by free all-German elections, if it means, as it would at this time, the obliteration of German Communist political influence in East Germany. It may be that they are not really prepared to accept unification under any circumstances unless it means the domination of all of Germany by communism.

In the meantime, all have managed to live with the existing arrangements, with a divided Germany and Berlin, part free and part Communist, with a Germany no longer at war but not yet fully at peace. On only two occasions have these arrangements been seriously challenged. They were hit by the Stalin-imposed blockade of Berlin in 1948. Then, in 1953, the Communist political structure in East Germany was shaken by worker uprisings. Both attempts, as you know, failed. The Western nations committed enormous resources in the Berlin airlift and in the supply and reconstruction of West Berlin. Finally, Stalin was persuaded to abandon his attempt to force us from the city and to unify it under Communist control. The East German revolt which we supported with very articulate enthusiasm was suppressed by Soviet military power and the hope of a spontaneous unification of all Germany under freedom, in that fashion, was set back.

Since 1953, the status quo has not again been subjected to a major test anywhere in Germany. To be sure, there have been incidents which have sent tremors through the stability but they did not upset it. Just last November, for example, Mr. Khrushchev warned that he would change the status quo at Berlin. He did not schedule the execution of the change, however, until this month. Now, aparently, it has been postponed, pending the results of the coming conferences.

In short, the German situation is still held together by the same provisional, improvised arranagements which have held it together for years. These arrangements are tied to certain basic conditions, conditions which must prevail if the stability in Germany, in its present form, is to continue. We must see clearly what these conditions are if we are to measure the scope of the problem which confronts us. Let me, therefore, outline them at this point.

First, the present stability in Germany depends upon the absence of decisive accidents of provocations between the military forces of the West and the Soviet Union. It is conceivable that there may be hostile or threatening contact between these forces, as indeed there has been, without a collapse. This contact, however, cannot go too far. At some undetermined point, military accidents or provocations are likely to set off a chain reaction which will engage in a decisive fashion the prestige—the face, so to speak—of the principal powers. At that point the irrevocable slide or plunge into the abyss of war will have begun.

That, then, is one condition of the continuance of the status quo in Germany, of the present stability which is neither peace nor war. There must be an absence of hostile accidents or provocations between the military forces in Germany which go beyond the point of no return.

The second condition is German acquiescence, the acquiescence of the people of the East as well as the West in the systems under which they now live. Let me say, parenthetically at this point that I do not suggest that this is desirable. I merely say that it is one of the factors which underlie the existing stability.

As a part of acquiescence, Germans must be willing to accept the continued division of their country, the continued presence of foreign troops in great numbers in their land and the military arrangements which join one segment of the nation to NATO for protection and subordinate the other to the Warsaw Pact.

The third basic condition of the status quo is that the Western Powers and the Soviet Union must also tolerate the existing division of Germany and the present arrangements for occupation of a divided Berlin. In short, if the German people must accept the status quo, the Western Powers and the Soviet Union must not challenge it; at least they must not challenge it with anything much stronger than words. Further, the peoples of the West must be prepared, as must the people of the Communist bloc to pay the ever-increasing costs of defense establishments and the instruments of cold war which are made necessary in part by the existing arrangements for keeping the status quo in Germany.

In stating these conditions, I emphasize again that I do not advocate them or subscribe to their desirability. I merely note them as underlying the present situation in Germany, as the conditions precedent to its continuance. These conditions are not the foundations of an equitable, rational, and evolving peace in Germany and central Europe. They are the patchwork timbering of an improvised truce. Nevertheless, they are the conditions on which the lives of the German people, the people of Europe and, in a larger sense, the survival of a recognizable human civilization now depend.

If one of these conditions is changed in any significant fashion, I cannot see that the present situation in Germany is likely to persist. It seems to me that it must either evolve into something more durable, or it will collapse in the chaos of war, limited or unlimited.

Putting aside for a moment Mr. Khrushchev's announcement that he proposes to alter one of the conditions of the present stability, that is, the arrangement at Berlin, what of others? Can these others, in any event, be counted upon to support indefinitely the existing situation? I do not see how they can be. I believe that these other conditions have already changed markedly beneath the surface calm, that they are continuing to change and that they cannot change much more before the churning shall break through the surface.

In that sense, I am persuaded that the present stability in Germany was in the process of erosion long before Mr. Khrushchev's announcement last November. Indeed, I said so in the Senate many months prior to that time.

Let us look for a moment at the present state of these conditions of stability, these basic conditions which must prevail if there is to be no change in the German situation. Take the first—that there must be no military accident or provocation in Germany which goes beyond the point of no return. It is obvious that none, so far, has done so. But there have been grave near misses. The Berlin blockade was a massive near miss. Since that time there have been other incidents, provocations. I need not catalog them. You have seen reference to them time and again, to the buzzed transports, to the challenged convoys, to the downed planes, and the detained soldiers. I do not know which of these incidents may have been prompted by higher Soviet headquarters and which may have come about by the whim of some local commander. Given a conducive set of circumstances, however, it is far from inconceivable that any incident of this kind might go out of control.

Apart from deliberate provocation, there still remains the very real danger of military accident, if not on our part, then on theirs. The chances of accident multiply when forces are poised—as they are in Germany—at swordspoint and are keyed tight by the electrified atmosphere of cold war, of propaganda war. They multiply again as the countdowns of the new weapons quicken and their delivery times shorten. They multiply still again as these devices of incredible devastation find their way into more and more hands. In this sense, then, a basic precondition of the status quo in Germany has indeed changed, quite apart from any recent change in Soviet policy with respect to Berlin. It has changed in the sense that the margin for military error or provocation has narrowed. The prospects are, moreover, that the margin will narrow still further as time goes on.

I believe, too, that it is reasonable to suggest that the acquiescence of the Germans—East and West—the second basic condition on which the status quo rests, has also changed significantly and will continue to change. It is, of course, difficult to document the sentiment of a whole people. We are informed, however, that there is great unexpressed discontent in East Germany. We know, moreover, that there are movements for reunification and neutralization in Western Germany, even if we cannot measure their strength. We must assume that currents of a similar and probably stronger kind flow through East Germany even though Mr. Gallup has yet to conduct a poll in that region.

It is obvious that the defeated Germany, the disarmed Germany, the shattered, starving Germany for which the present improvised arrangements of stability were devised, no longer exists. As I noted earlier in my remarks, at least in one zone—in the West—there is a revitalized nation. Furtheremore, in both zones, there now exist German military forces and political structures manned by Germans, even if, in the East, they may not be controlled ultimately by Germans. In both zones, finally, a new generation is coming into its own—a generation which was young in the days of defeat but which, now and in the years immediately ahead, will inevitably rise to leadership in Germany. In these circumstances, it would be unrealistic in the extreme to believe that the arrangements for stability which exist in Germany—devised in another hour and for another setting and modified only within each zone separately—will continue to serve for the indefinite future. In short, we must face the likelihood that the second condition of the status quo—the continued acquiescence of the German people in division and quasi-occupation may well be drawing to an end. We must reckon with the strong possibility that, increasingly, Germans will seek their unity and national equality by whatever means may be available if constructive machinery to facilitate it in peace and order does not exist.

As for the third basic condition on which the present stability in Germany rests, I have already noted that if we are to go on as we are, the Western nations and the Soviet Union must not challenge the existing arrangements with anything much stronger than words. In fact, except for occasional dangerous but limited military incidents and provocations, neither has challenged it, in any other fashion in recent years. Further I said that both the people of the Western nations and the Soviet Union must be willing to pay the ever-increasing costs of defense establishments and the instruments of cold war to keep a rough equilibrium of force not only in Germany but throughout the world. That, too, has been done until now, although I would be less than honest if I did not express my deep concern over continuing reports that the Soviet effort in this respect is greater than our own. I am not in a position to evaluate those reports. The official secrecy—necessary and unnecessary—which engulfs this question cannot be easily penetrated by Members of Congress. The disquieting reports, however, come from highly qualified and competent sources and they do not augur well for the future. They certainly raise doubts about the likelihood of maintaining the present stability in Germany or anywhere else for that matter.

Finally, the third condition of the status quo also depends upon the maintenance of the present arrangements at Berlin. We now know that these arrangements have been challenged. Mr. Khrushchev has assailed the Western position in Berlin and demanded that it change. He has done so, however, only in words and, in that respect, his challenge is not new.

What is new, what does threaten the status quo, is the strange action by which Mr. Khrushchev proposes to bring about this change. He proposes to withdraw himself from Berlin, that is, he says that he will remove Soviet forces from the city and from the routes of access to it. Our official answer has been equally strange. We have said, in effect, that the Russians cannot leave the city and the routes of access, that they certainly cannot leave it in spirit and perhaps not even in body. After trying for many years to get the Russians out of the areas into which they sprawled after World War II, here is one place that we do not wish them to leave.

The reason for this is clear. If the Russians do quit Berlin, they will turn over the instruments of control to East German Communists. That opens, for the Soviet Union, a large field of maneuver in the war of nerves. But in a more fundamental sense, the action will also work a change in the underlying conditions of the status quo in Germany. It will increase the strains and stresses on the essential military restraints which are a part of the present stability. It will do the same to German acquiescence which is also a part of it. In short, the entire German situation will move into a period of grave instability out of which is likely to emerge either a new status quo or conflict.

There has been a great deal of speculation on why Mr. Khrushchev has threatened to take this step. One may assume, of course, that Mr. Khrushchev has been motivated by what he believes will be ultimately to the advantage of the Soviet Union and world communism. I would hope that we are equally motivated by what we believe to be to the advantage of the United States and to world freedom.

What is significant at this moment, is not so much the ultimate aims of Soviet communism. We know what they are and it is of little value to intone them again and again as though this litany will somehow protect us from them. More significant is the question of how Mr. Khrushchev purposes to serve Communist interests through Soviet policies at a moment in history when the transcendent interests of civilization, and of the human species itself, rest in delicate balance between survival and nuclear obliteration.

No one who is not privy to the operations of Mr. Khrushchev's mind and the inner working of the machinery of Soviet communism can be certain of what lies beneath the Soviet maneuver at Berlin. The move could have been motivated by a combination of any of a score of reasons, some logical, some illogical, some groping toward peace, some stumbling toward war.

The interpretation of the charades of Soviet policy may be a fascinating game. As I have already noted, however, this game is essentially speculative. What seems to me most important at this point is not to guess at the obscure contents of the Soviet mind but rather to get clearly in our own minds what it is that we—the Western nations—seek in this situation. What is most important is to make certain that what we seek is reasonably related to the situation that exists in Germany today, not to one which we would like to exist or one which may have existed years ago and no longer exists.

If the interests of this Nation, of freedom and of human civilization lay only in maintaining existing arrangements in Germany, if Mr. Khrushchev's maneuver at Berlin were the only threat to these arrangements then, indeed, it would be sufficient to counter that maneuver merely by standing firm.

Is that, however, the case? I think it is clear that Mr. Khrushchev's maneuver at Berlin is not the only danger to the status quo in Germany. Further, I question whether an effort to maintain that status quo indefinitely is, in fact, in accord with the interests of this Nation, freedom, and human civilization.

To be sure, we shall stand firm at Berlin and in Germany. I know of no responsible person in the Government of this Nation who holds otherwise. I certainly do not hold otherwise. Moreover, I know of no statesman in the Western World who holds otherwise. We shall stand firm because to permit the forces of freedom to be frightened, cajoled, or driven from Berlin—the future capital of all Germany—will be to remove one of the props of the present stability in that country before another firmer support is in place. Let us not, however, confuse the necessity for standing firm in that sense with a mere maintenance of present arrangements in Germany for the indefinite future.

I am not persuaded that the interests of this Nation, of freedom and of human civilization lie in an indefinite continuance of the present military situation in Berlin and in Germany, a situation which, increasingly, will permit an accident or an irresponsible local provocation to precipitate the suicide of civilization. I am not persuaded that these interests are served by perpetuating arrangements in Germany which offer little prospect of progress toward peaceful unification to the German people. I am not persuaded that these interests are served by the ever-mounting costs of the arms rivalry of the cold war, and the propaganda war—costs which are occasioned in great part by the existing situation in Germany.

What I am trying to suggest, in short, is that it is not enough, in our own interests, merely to stand fast in Germany, as an end in itself. It is not enough merely to seek to sustain an existing situation which is ceasing to be adequate for minimum stability in Germany and central Europe. Rather, we must stand fast in order to go forward, in order to establish more equitable, rational and evolving conditions of peace.

That is the challenge of the impending conferences on Germany. We must strive in them, it seems to me, to create a less volatile situation in Berlin, not merely by changing the Western position in that city as the Russians have suggested but perhaps by altering the status of the entire city, by internationalizing all Berlin under United Nations or other satisfactory international auspices as an interim arrangement. We must seek a readjustment of the military situation in all of Germany and central Europe in a fashion which promises to reduce the danger of war by accident or provocation. We must seek, finally, a beginning on the spread of full political freedom throughout Germany and on German unification and, to that end, we must enlist in far greater measure than heretofore, the participation of the Germans themselves—East and West.

I realize, fully, that we shall not get anywhere with negotiations to these ends if the Russians are not of a mind, in their own interest, to move in a similar direction. As I have said, I do not presume to know the contents of the Soviet mind at this time, nor do I know of anyone who does. I do know that regardless of Russian intentions we shall not begin to move toward these ends unless we ourselves are clear as to where it is we want to go. We require at this point in time, beyond all else, a frank recognition of the importance of a change in Germany, a change not in the manner expounded by the Russians and not necessarily in the manner first projected by ourselves years ago. Rather, we need a change which conforms to the realities of the present, a change brought about by concessions which match concessions. To this task, we—all the Western nations—must bring a new dedication, a new determination to develop equitable, durable and evolving conditions of peace.

ADDRESS OF SENATOR MIKE MANSFIELD, OF MONTANA, COMMENCEMENT EXERCISES, GONZAGA UNIVERSITY, SPOKANE, WASH., SUNDAY, MAY 24, 1959

INTRODUCTORY

I am very grateful for the honor which you have bestowed upon me today. As a former college teacher I have a deep respect for degrees. I know something of the mental energy, indeed, the agony which is involved in obtaining these academic distinctions. Moreover, having started my formal education somewhat late in life, I have never lost a certain sense of awe in the presence of those who are entitled to be called

doctors. To have had this honor given to me, today, without completing the necessary points, writing a satisfactory thesis, or passing the comprehensives, is like receiving an unexpected bonus. I am overwhelmed and thankful, more than I can say.

Another reason why I feel honored to participate in this commencement is because of the close collaboration, understanding, and friendship which has existed for so many years between my State of Montana and your university. It is my understanding that outside of the State of Washington, more of your student body comes from Montana than any other State. Many of your graduates of Gonzaga are close personal friends of mine and they have uniformly contributed greatly to the welfare and development of my State, our region, and the Nation as a whole. It is my sincere hope that this close relationship, which has existed so long between Montana and Gonzaga, will continue on the same basis and with the same results in the years, the decades, and centuries ahead.

I am also happy to have this occasion to deliver certain remarks to you on the international situation. You know, Spokane is just about the same distance from Peking, China, and Moscow. Since so many of our international difficulties in recent years have been associated with the emanations from these two cities, I think it most appropriate that we contemplate them from the detachment which a distance of something over 5,000 miles in either direction permits us.

Before I do so, however, it is with a sense of deep loss that I must inform you that the State Department has notified me of the passing of a great man and a close, personal friend, John Foster Dulles. History may judge a man's achievements but his contemporaries will know his worth as a fellow human being. John Foster Dulles was a man of wisdom, dedication, and patriotism. He was a good man, a good friend, and a great public servant. We are all better off for having known him. And our country and the free world are thankful and grateful that he served us so unselfishly and unsparingly. May his soul rest in peace.

THE GERMAN CONFERENCES AND PEACE

As you know, there is a Conference of Foreign Ministers in progress in Geneva. This Conference is likely to be followed in the summer by a meeting of heads of states. In short, we are embarked on what may prove to be extended negotiations in an effort to untangle the problems of peace which have accumulated in the wake of World War II. It is important to remember in this connection that in the realm of international negotiation the search for all is likely to yield nothing. The intelligent pursuit of what is reasonable may lead to more than we dared hope for.

We cannot foresee how long this process of negotiation may go on. Nor can we predict what it is likely to produce in the end. It is sufficient to the moment, however, if the negotiations represent a serious effort to make a start in cutting through the jungle of sterile slogans in which the problems of Germany and central Europe have been so long enmeshed. It is sufficient if a serious effort is made to find in this jungle the clearings of reason, the areas of adjustment of bona fide interests.

Negotiations on an international issue are never a simple process, and the problem of Germany is most complex. Sometimes, as we discovered at the opening of the Geneva Conference, it is even difficult to decide whether the negotiators are to sit at a round table, a square table, or at separate tables. Some of the issues which must still be dealt with are going to be, I can assure you, a lot more perplexing than that. At stake in the current negotiations may well be the future of many nations, the freedom of Europe, and the peace of the world.

The task which confronts our new Secretary of State in these negotiations, therefore, is one of the most demanding which can fall to any man in public life.

I have no wish to add to his burdens by anything that I may say here today or, indeed, at any time. Let me stress that I have every confidence in the ability, the experience and the patriotism of Secretary Christian Herter. This sentiment, I may add, is shared by the entire Senate. Just a few weeks ago we confirmed his appointment by a vote of 93 to 0, and the 5 absent Members were recorded in his favor.

When Secretary Herter, as the representative of the President, speaks in Geneva, he is speaking for all of us. Let there be no doubt on that score either abroad or at home. Under the Constitution, it is the President and his designated representatives who conduct the foreign policy of the United States. The Senate advises in this process and, in the last analysis, it must consent. It is the President, however, directly or through his representatives, who must speak and act on behalf of the rest of us.

That does not mean that Senators do not have, in their individual capacities or as a body, any concern in matters of foreign policy. On the contrary they have a responsibility to consider any problem which affects—as foreign policy does—the fortunes, the happiness, the very survival of the people of the United States. Senators have an obligation to inform, to debate, to try to make a constructive contribution to the solution of such problems. They have a clear-cut duty to speak out on these problems when conscience and reason compels, to speak out notwithstanding the fear of censure or the political attractions of silence.

May I say that many Members of the Senate have spoken out on the German situation in recent months and the impact of their words, I believe, has been felt in a constructive fashion in the basic policies from which we are now negotiating in Geneva.

I, myself, had occasion to advance certain ideas on Germany last February in the Senate. I did so because I was persuaded, then, that we were drifting dangerously into crisis through a reluctance to face changes in the German situation and a reticence to make adjustments in our policies to meet these changes. I have discussed German problems on several occasions since that time. I propose to speak of them again today. I do so because these problems are of special concern to you graduates. It is your generation which will bear the heaviest consequences of any failure of my generation to deal competently with them.

BACKGROUND OF THE GERMAN CONFERENCES

Let me point out at the outset that in present circumstances, there are several regions of the world in which there exists a serious potential of conflict. War can begin in the Far East. It can begin in the Middle East. It can begin in Germany and Central Europe, the area which I propose to discuss with you now.

I put this fact—this grim fact—to you bluntly. I do so because I am satisfied that as mature and responsible Americans you do not need to be spoon-fed on reassurances that all is right with the world. I do so, too, because I believe the tragedy of war is best prevented by facing its possibilities in a realistic fashion, by weighing these possibilities carefully, by acting on them honestly and in good time.

I will not hold out to you the comforting thought that nuclear war, being too terrible to contemplate is therefore too destructive to be fought. As a former teacher of history I find this thought—despite its considerable currency—completely illusory. It is unsupported by the historic experience of mankind.

War can come today as it has come many times in the past. It can come by the design of madness and aggression. It can come by accident or miscalculation, despite a basic desire of all to avoid it. It can be a limited conflict, as in Korea, or it can be of an extent which will reduce to radioactive ruin the legacy of several thousand years of human civilization.

It is against this background, it seems to me, that the present conference in Geneva and any others on Germany which may follow must be seen. The danger of conflict in the German situation is real. It will not be dissolved by ignoring the reality. It will not be dissolved by a breast-beating bravado. Nor will it be dissolved by protestations of peace on all sides, while the clouds of conflict continue to gather.

One cannot say at this time with any certainty whether it will be possible to end or even to reduce significantly the danger of war in Germany and central Europe. To find out the chances for doing so is, after all, the underlying purpose of the present conference.

It seems to me, however, that if there is to be a valid hope for a more durable peace, it is to be found in an accurate identification of the sources from whence the danger of war arises. Then, if the will to peace is present in all, or, to put it another way, if there exists a sincere desire on the part of all to continue to live in a recognizable civilization, there will be a common effort to abate, control or eliminate these sources. That common effort will take the form of frank and honest negotiations, negotiations which can produce conditions of peace through mutual restraint, through concessions which match concessions.

SOURCES OF CONFLICT IN GERMANY

Let me try first to describe for you the principal sources of potential conflict in Germany. It is a dangerous over-simplification, it seems to me, to see the danger of war in that country solely in terms of the diabolical doings of our opponents. That is a child-like or, if you will, a propagandistic interpretation of the facts of international life. To be sure the Soviet Union is ruthless in the way it strives to expel freedom from all of Germany. Indeed, the Russian rulers will leave, unturned, no stone which they can lift—not only in Germany but anywhere in the world in order to undermine freedom. In recognizing that, however, let us not overlook in all honesty our own desire to terminate Soviet influence in Germany and our own antipathy to communism wherever it may exist in the world.

To conclude that the Russians are the sole cause of the problem in Germany is to ape the practices of Soviet propaganda which have held that the problem is due solely to the machinations of the United States and other Western nations. A mutual finger-pointing of this kind may relieve feelings. It may fill both sides with self-righteousness. It does not abate the danger in Germany and Central Europe. The threat of war remains and it is a threat not only to the well-being of Russians but of Americans as well and, indeed, of all humanity.

We shall get closer to the reality if we see the problem not as a one-sided matter but, in part, as a mutual repulsion between freedom and communism, a repulsion which has led to a cold war fought largely without Marquis of Queensberry rules. That cold war, acting as it does, to keep a high state of tension in Germany is, indeed, one of the major sources of the potential conflict.

But let us go on from there. Let us recognize, too, that the danger of war also derives from the close and unstable contact of hostile and ever-more powerfully armed military forces—Western and Communist—in a divided Germany and, particularly, in a divided Berlin. The contact,

at any time, can produce as it has, local military incidents or clashes. It is far from inconceivable that such incidents, in this day of quickening countdowns, can precipitate a war of prestige, a war of accident which no nation really wants. It is risk enough when a war of annihilation can be set in motion by a calculated word from Moscow. It is risk beyond reason when it can be set off by the madness or misjudgment of any one of the many military commanders scattered through Germany.

Let us recognize, finally, that the danger of war in Germany derives in major part from still a third cause. It derives from the festering of a large collection of unsolved political problems in and around that nation. Principal among them is the continued division of Germany, 15 years after the war, and the continuance of a status for that nation which while it is no longer one of war is not yet one of peace.

These unsolved problems are related to the ideological struggle between freedom and communism. They are related to the present juxtaposition of the armed forces of West and East. Perhaps most important, however, they stem from nationalist fears, rivalries, hopes, and presumptions which have characterized international relations within Europe for generations.

All of these sources, then, contribute to the danger of war in and around Germany. Further, they pour their poisons into the relations among Europeans—East and West—heightening the estrangement between the two segments of the Continent and acting to perpetuate the injustice suffered by millions who are still denied genuine national equality and basic political rights in Eastern Europe. Finally in the world at large, they conspire with other sources in the Middle East and in the Far East to keep the human race continuously on the edge of disaster.

ATTITUDE TOWARD CONFERENCES

It is with these sources of conflict in and around Germany—all three of them—that the present conference and those which may follow must come to grips. Unless they do so they will serve little useful purpose. On the contrary they can do much harm.

As I have already noted the period of negotiation on which we are now embarked may end quickly or it may go on for a long time. It may produce results in terms of a more durable peace or it may fail to do so. I daresay that the people of the world will understand and appreciate an honest try at achieving agreement even though its success may be limited. They will not understand, they will not appreciate a distortion of these conferences which turns the deepest of human hopes, the hope for a secure peace, into a finger-pointing exercise in self-righteousness, into a search for the hollow victories of propaganda war.

I believe our Secretary of State is off to an excellent start in Geneva. His remarks have been temperate and restrained. They indicate clearly our earnest desire for fruitful negotiations. I wish that I could say the same for the attitude manifested by the Soviet delegate.

Nevertheless, it will be well to reserve judgment on current negotiations until all the results are in. That course seems to me best calculated to support the efforts of those who represent us at Geneva. That course is best calculated to aid in bringing about sensible agreements for peace.

POSSIBLE RESULTS OF THE CONFERENCES

Without straying from that course I believe it is possible to indicate to you the various directions in which these conferences can lead.

1. These conferences can lead—again, let me be blunt—they can lead to a dead end. There is no built-in guarantee of their success. They will certainly lead to a dead end if propaganda advantage takes precedence over peace as the objective of any nation. They will certainly lead to that end if the words of conciliation are not encased in the acts of accommodation.

These conferences can fail, they will fail, if any nation seeks a unilateral victory in them. The fact of the matter is that either all will win, in the sense that they will strengthen their highest common interest in the survival of a recognizable civilization, or all will lose.

We will do well to recognize now the meaning of a failure of these conferences to us and to others. It does not follow that war will come the day after, a month after, a year after. It does follow that there is likely to be an increase in the tension in and around Germany, as well as elsewhere in the world. It does follow that the cost to all of us and to others of cold war and of armaments will rise. It does follow that an ever-increasing segment of the material and manpower resources of all nations will be diverted to military purposes. I may note in this connection that 61 cents out of every one of our tax dollars that was spent by the Federal Government in 1958 went to maintain the defenses of the Nation, and the fiscal experience of other leading countries is similar. It does follow, too, that if these conferences fail, the brink of war on which the world now walks is likely to become ever more narrow as the pressures of potential conflict, unrelieved, continue to pound relentlessly at the remaining footholds of peace.

2. These conferences can lead in a second direction. If they follow this path they will appear not to have failed. They might even appear to have succeeded and yet they will not succeed. To put it another way, they may follow the pattern of the Geneva conferences of heads of state in 1955. You will recall that meeting and its consequences. It produced what seemed to be solutions but what, in fact, turned out to be generalizations on peace. It produced a momentary abatement in the cold water and with it, a grave readiness on the part of free peoples to accept the illusion of peace as the actuality of peace. The real sources of conflict, scarcely touched at Geneva, continued to operate. And in the ensuing years we came very close to war in Suez, Lebanon, and the offshore islands of China. The cold war was resumed. The arms race intensified, with the West disadvantaged by its own laxity.

We shall repeat the pattern of Geneva-1955 in these current conferences only at the peril of heightening the danger of war in the future. We shall repeat it if we assume that the only threat to peace in the current crisis is Soviet pressure. The Russians may relax that pressure on Berlin for a month, 6 months, indeed, indefinitely. But if that is all that is produced by these conferences, the danger of war will not really be lifted. For as I tried to indicate at the outset the international problem in and around Germany is fed, not by Soviet diplomatic maneuvering alone but by multiple sources.

3. This suggests, then, the final direction in which these conferences can go. If the will to peace is genuine, if the negotiations are honest, however hard the bargaining, they need not end in failure. Nor need they end in an illusion of accord which masks a reality of discord. They can produce a pattern of evolving peace in and around Germany.

If you will recall the sources of conflict which I suggested earlier in my remarks, I believe you will see, readily, the nature of this pattern. There will be, not merely a momentary easing of Soviet pressure on West Berlin but a new interim status for the entire city of Berlin with a United Nations or some other form of international guarantee of its security until it is once again the capital of all Germany. There will be arrangements which will provide for the progressive unification of Germany and a progressive equalization of the public rights and duties of all Germans—East and West. There will be a progressive easement of the danger of war which now arises from the close contact of Communist and free forces in Germany and from the accumulating power of the armaments—East and West, German and non-German in that region. There will be a progressive healing in all the relationships of the nations—East and West—of the divided continent of Europe.

May I say in this connection that I hope that the participation in the present meetings will continue to be limited to Russia, France, Britain, and the United States and the Germans of both East and West. This limited membership seems to me the best way to progress, at this time, on the immediate problems of Germany, and I believe Secretary Herter is quite correct in insisting upon maintaining the limitation.

However, I do not think it is too soon to begin planning for a larger all-European conference. It is in such conference that the representatives of Poland, Czechoslovakia, of Italy, Belgium, Netherlands, Denmark, indeed of all the European countries can make their voices heard on the problems of peace of Europe and, on other issues of primary interest to the people of that continent. I would hope, moreover, that in such a conference both the United States and the Soviet Union would remain in the background rather than in the foreground.

To return to the matter of the German conferences, I should like to emphasize that we cannot, alone, govern their outcome. We cannot, alone assure that they will move in a constructive direction. What the Russians do or do not do obviously will have a profound influence upon them. What the European nations, east and west, and the Germans, east and west, contribute to or detract from them—directly or indirectly—will have a profound influence on their outcome.

When that has been said, however, let us recognize that no single influence in these conferences will be greater than that of our country. Let us recognize that fact, not with arrogant pride but with a deep sense of humility, with a full awareness of the grave responsibility which it places upon us. It will rest heavily with those who speak for the Nation in these conferences—the President and the Secretary of State, to work with dedication to prevent these conferences from ending in failure. It will rest heavily with them to avoid creating the illusion of settlement when, in fact, there is no settlement. It will rest heavily with them to lead this Nation in concert with others toward agreements for an equitable and evolving peace in Germany. It will rest heavily with them to be less concerned with the problem of saving face and more concerned with the problem of saving civilization. If they do so lead they will not lack for support at home or from decent men and women throughout the world.

Mr. MANSFIELD. Mr. President, my purpose in asking that the addresses be printed in the RECORD is to gather together the series of speeches which I made on the German situation since last February 12. I appreciate the consent which has just been given me by the Senate for that purpose.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. GORE. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The Senate resumed the consideration of the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce.

Mr. MONRONEY. Mr. President, the Senate is presently engaged in a proceeding which I believe is an unpleasant one for most of us—certainly it is for me. No one looks forward to a debate which must involve comment on the character and qualifications of an individual, rather than upon a public issue which can be discussed impersonally. Unfortunately, the nature of the confirmation process is such that we cannot avoid such comment. We can only hope for the understanding that anything that is said which is derogatory to Mr. Strauss is said out of a sincere belief that it is required in the discharge of the duty which the Constitution places upon the Senate, and which the Senate has assigned in part to its committees.

I regret the repeated charge that those of us who voted in the committee against the confirmation of the nomination of Mr. Strauss did so for political reasons. I challenge anyone to demonstrate any political advantage which we gained. We have been subject to a constant barrage of criticism and ridicule on the editorial pages of a large segment of the Nation's press, and have had attributed to us every variety of improper motive. While most of us are hardened to such comment, to suggest that it is to our political advantage to incur it is rather absurd. I suggest that the political pressure which has been exerted in connection with this nomination has been in Mr. Strauss' behalf, not in opposition to him.

The Committee on Interstate and Foreign Commerce did not create the controversy over Mr. Strauss. It has existed for years. Its existence was known to Mr. Strauss and to the President, who nominated him, long before the nomination was submitted, and has been considered one of the factors which led the President not to reappoint him to the Atomic Energy Commission. We likewise did not determine the nature of the charges made against Mr. Strauss before the committee. If Mr. Strauss brought to the hearings a distinguished record of public service, so also did several of the witnesses who appeared in opposition to his confirmation, and the charges were theirs.

The members of our committee did have the responsibility to hear the testimony for and against the confirmation of Mr. Strauss, and to report to the Senate their best judgment as to its significance. This is neither an easy nor a pleasant task, but the hearings were conducted by the chairman, and in his absence by the ranking member, with courtesy and fairness. Every effort was made to schedule hearings so as to accommodate Mr. Strauss. He was represented throughout the hearings and was personally present at most of them. Transcripts were made available to him as soon as they were available to the committee. He requested, and was given, the opportunity to reply at the conclusion of the testimony of each adverse witness—an unusual procedure. I do not recall a single question which was not asked in what appeared to be a sincere effort to gain information, rather than to embarrass him. I cannot say the same for some of the questions addressed to witnesses against him.

On the basis of the hearings, which were long, involved, and tedious, individual members of the committee have reached different conclusions. I can assure the Senate that the case was not prejudged, and that I believe every member of the committee entered upon the hearings prepared to indulge every presumption in favor of confirmation. I am certain that in the early stages of the hearings the sentiment for confirmation was overwhelming. Now that the testimony has been received, and the time approaches when the Senate must vote, we can all wisely say with the Senator from Rhode Island [Mr. PASTORE]:

> It is possible that I do not share the reasoning of any other individual on this committee. I vote my own conscience alone.

I cannot agree that there is something unsavory about a lengthy hearing on a nominee for a Cabinet post, or that it is a cause for shame should the Senate finally reject the nomination. It has been argued that the President has the right—and this is the precise term which has been most frequently used: "the right"—to select the members of his immediate official family. This is perfectly true. He has the right to select. He does not have the right to appoint, unless with the Senate's advice and consent. The authors of the Constitution thought the distinction was a vital one.

After discussing the advantages of lodging the power of appointment, and thus the responsibility for appointment, in the Chief Executive, Alexander Hamilton wrote in No. 76 of "The Federalist" papers:

> The truth of the principles here advanced seems to have been felt by the most intelligent of those who have found fault with the provision made, in this respect, by the convention. They contend that the President ought solely to have been authorized to make the appointments under the Federal Government. But it is easy to show, that every advantage to be expected from such an arrangement would, in substance, be derived from the power of nomination, which is proposed to be conferred upon him; while several disadvantages which might attend the absolute power of appointment in the hands of that officer would be avoided. In the act of nomination, his judgment alone would be exercised; and as it would be his sole duty to point out the man who, with the approbation of the Senate, should fill an office, his responsibility would be as complete as if he were to make the final appointment. There can, in this view, be no difference between nominating and appointing. The same motives which would influence a proper discharge of his duty in one case, would exist in the other. And as no man could be appointed but on his previous nomination, every man who might be appointed would be, in fact, his choice.
>
> But might not his nomination be overruled? I grant it might, yet this could only be to make place for another nomination by himself. The person ultimately appointed must be the object of his preference, though perhaps not in the first degree.

Nor is there any doubt, from the statements of the framers of the Constitution, that the Senate's participation in the appointive process was not intended to be a mere formality, but a serious responsibility. Thus Hamilton also wrote:

> If an ill appointment should be made, the Executive for nominating, and the Senate for approving, would participate, though in different degrees, in the opprobrium.

Is this responsibility to be less in the case of a Cabinet officer, because his very importance in our system of government makes him a confidant of the President? I think it is significant that it is specifically inferior officers which the Constitution suggests the President may be left to appoint without the Senate's concurrence. The more powerful the office for which a nominee is being considered, the more solemn is the Senate's obligation—an obligation which is as basic to our form of government as its similar responsibility to advise and consent to treaties negotiated by the same Executive.

An effort has been made to convince the Senate that to reject this nomination would be to depart from a long and unbroken Senate tradition. The only evidence of such a tradition which is offered is the fact that the Senate has seldom refused its consent to a Presidential nomination. I submit that while this demonstrates that the Senate has exercised its power with restraint, it is no argument for failure to act when the need arises.

The authors of the Constitution anticipated that the Senate's consent would usually be given. In the same number of "The Federalist" papers, Hamilton wrote:

> It is also not very probable that his nomination would often be overruled. The Senate could not be tempted, by the preference they might feel to another, to reject the one proposed; because they could not assure themselves, that the person they might wish would be brought forward by a second or by any subsequent nomination. They could not even be certain, that a future nomination would present a candidate in any degree more acceptable to them; and as their dissent might cast a kind of stigma upon the individual rejected, and might have the appearance of a reflection upon the judgment of the chief magistrate, it is not likely that their sanction would often be refused, where there were not special and strong reasons for the refusal.
>
> To what purpose then require the cooperation of the Senate? I answer, that the necessity of their concurrence would have a powerful, though, in general, a silent operation.

However, even admitting that the Senate does not often withhold consent, the infrequency of such cases has been greatly exaggerated. Of the last five Presidents, Mr. Eisenhower is the first not to have a nomination to a major post in the Government rejected by the Senate. President Coolidge was refused consent to the appointment of his Attorney General, President Hoover to the appointment of a Justice of the Supreme Court, President Roosevelt to five major appointments, and President Truman to six.

Another aspect in the history of the Senate's exercise of its constitutional power of advice and consent is often overlooked. In only 18 Congresses of the 86 Congresses since our Nation began has the political party of the President failed to have clear control of the Senate. Except for President Coolidge's nominee for Attorney General, every rejection of a nominee for a Cabinet post has come in such divided periods. As I commented in my separate statement of views:

The Senate's consent to an appointment has seldom been refused, largely because of the wise resort to its advice, even in advance of a nomination. In the rather rare periods when different parties control the executive and legislative branches, the Senate has much less opportunity to exercise the advisory function and can only discharge its constitutional obligation by granting or withholding consent.

Stated otherwise, it is in these periods that Hamilton's "silent operation" of the need for the Senate's concurrence is most likely to prove inadequate. It is not unusual that its audible operation may sound strange, being seldom heard.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Does the Senator from Oklahoma yield to the Senator from Pennsylvania?

Mr. MONRONEY. I yield.

Mr. CLARK. Would the Senator from Oklahoma prefer to finish his speech before he yields for questions?

Mr. MONRONEY. I shall be glad to yield for questions; but I prefer to keep my prepared remarks in context. At the conclusion of their presentation, I shall be glad to yield.

Mr. CLARK. Very well.

Mr. MONRONEY. Mr. President, the Senate then is presented with the President's nomination of Mr. Strauss for a Cabinet post. The question properly before us is whether, in Hamilton's phrase, there are "special and strong reasons for the refusal" to consent to his appointment. On the basis solely of the record before our committee, I have concluded that there are, and that the Senate's consent should be withheld.

I have said that at the beginning of our hearings I was inclined to vote for confirmation of Mr. Strauss. During those hearings his testimony assumed a pattern which finally convinced me that I could not do so in good conscience. Time after time after time I found that I had been misled as to the facts about which he testified, or diverted by his testimony from lines of inquiry which might have led to the facts. This was true of his testimony on his role in the development of a system of long-range detection of nuclear explosions and of the hydrogen bomb, on his attitude toward the export of radioactive isotopes for medical research, on whether he had asked for information on a hostile witness.

Some of this testimony related to events of the past, and only indirectly to his duties as Secretary of Commerce. However, one area of his testimony, which I believe is fairly representative of his conduct before our committee, related directly to recent action, taken since he has been Acting Secretary of Commerce, in a field in which our committee has a direct responsibility. It is this testimony which I should like to discuss fully for the information of other Members of the Senate.

THE STEEL PIPE CASE

This testimony relates to an action taken by Mr. Strauss, as Secretary of Commerce, under the Export Control Act of 1949, to deny an application for a license to export some 12,000 tons of large-bore steel pipe to the Soviet Union. During the appearance of Mr. Strauss before our committee on Wednesday, March 18, 1959, the Senator from Rhode Island [Mr. PASTORE] stated to the nominee:

An editorial appeared in the Providence Evening Bulletin of last night, which is somewhat critical of you, and I think I should like to read it out now, and then have you comment later.

I am going to leave the editorial with you; I think in fairness you ought to answer it, for the purpose of the record, because I think it touches quite importantly on the matters that we discussed here yesterday. (Hearings, p. 43.)

Senator PASTORE then proceeded to read the entire editorial, the first four paragraphs of which were, as follows:

In announcing recently his third rejection of an American exporter's application to sell 12,000 tons of 28- and 30-inch pipe to the Soviet Union, Secretary of Commerce Strauss implied the action had State Department sanction.

The fact is that the State Department, which is charged with primary responsibility in foreign policy, not only had not recommended rejection of the special permit required by law but rather had observed that "no useful purpose" would be served by denying the license.

Moreover, the State Department felt moved to correct for the record the implication of Secretary Strauss' announcement, although not quarreling with the Commerce Department's right under the law to make the final decision on licensing exports to the Soviet Union.

The reason for the State Department demurrer is clear. It is the Department's way of saying that it refuses to permit Admiral Strauss to commit it to his insistent views on cold war strategy. (Hearings, p. 43.)

It is my impression that this editorial, which had appeared the previous evening, was the only information which the committee had at that time on this incident. I know that I had no further information on it or knowledge of it. It will be noted that Senator PASTORE had indicated that he intended to give the editorial to the nominee, so that he could comment on it later for the record, because he thought it touched quite importantly on matter which Mr. Strauss had previously discussed with the committee.

However, rather than commenting later for the record, as had been suggested, Mr. Strauss replied immediately, as follows:

Mr. STRAUSS. Senator, I couldn't be more grateful to you for having raised this matter. Let me tell you what happened, because this gives me an opportunity to put on the record a rather extraordinary circumstance.

That editorial is based upon a story which appeared in the press several days ago, and it in effect quotes from that story. The story quoted an unnamed spokesman in the State Department to this effect: That I had acted unilaterally, that the State Department thought this was unwise. The day that it appeared, it was Friday of last week, the Acting Secretary of State called me and told me that they regretted this, that it was completely unauthorized, and that the State Department press officer would issue a clarifying statement, which I believe was done. I have not seen it in the press.

There was absolutely no difference between the State Department and the Department of Commerce on this. The final determination is the determination of the Secretary of Commerce, but there was no unilateral action in the sense that this was not done in consultation with the State Department and with its complete concurrence.

As a matter of fact, 28- and 30-inch pipes have been on the proscribed list for long before my time, and were they not on the list when I came into office, they would be now. (Hearings, p. 44.)

After a further comment by the Senator from Rhode Island [Mr. PASTORE], Mr. Strauss continued:

Mr. STRAUSS. Well, I would like to supply, Senator, Mr. Chairman, for the record, a statement of the procedural steps. But with reference to this particular instance, this application for the export of 12,227 tons of 28- and 30-inch pipe had been considered on two previous occasions, had been rejected on those two previous occasions, and was reinstated, that is to say, the application was reinstated before me. It was considered by a committee on which the State Department and the Department of Defense were both represented, another agency of the Government, and there was no objection to the course of action which I recommended, which was the denial of the application.

And the story was incorrect and the editorial, while I am grateful for the complimentary part of it, was based upon an inaccurate statement and I will, with your permission, if you will let me have it, write to the editor and send him the State Department's clarifying and amplifying statement. (Hearings, p. 44.)

Based on this testimony by the nominee, I had the following impressions as to the facts in connection with this incident—impressions which I have been advised were shared by other members of the committee:

First. That a newspaper story had stated that the Secretary "acted unilaterally" and "that the State Department thought this was unwise."

Second. That the action of the Secretary was in fact taken after consultation with the State Department and "with its complete concurrence."

Third. That this consultation and concurrence took place when the matter was considered by a committee in which "there was no objection to the course

of action" which Mr. Strauss had recommended.

Fourth. That "the story was incorrect and the editorial was," therefore, "based upon an inaccurate statement," and thus also incorrect.

Fifth. That the newspaper story which was the cause of the criticism had subsequently been denied by the State Department.

I leave to the individual judgment of other Members of the Senate as to whether they would have reached the same conclusons from the testimony of Mr. Strauss. I believe these are the conclusions which would reasonably be drawn, but I can only state positively to the Senate that they are the conclusions which I did draw.

Subsequently, further inquiry into this matter was made by a member of the staff of the committee—not at my request, for Mr. Strauss' testimony had given me no reason for further interest in the matter. Several weeks later I learned for the first time that the original story, to which the nominee had referred, had appeared in the New York Times on March 13, 1959. While it is rather long, I think it is important to read the entire story for the information of the Senate:

[From the New York Times, Mar. 13, 1959]

U.S. AIDS QUERY SOVIET TRADE BAN—STATE DEPARTMENT ADVISED STRAUSS TO LICENSE THE EXPORT OF STEEL PIPE

WASHINGTON, March 12.—The State Department saw no useful purpose in denying an export license for the sale of steel pipe to the Soviet Union, and so advised the Commerce Department, officials said today.

Yesterday Lewis L. Strauss, Secretary of Commerce, announced that he had rejected for the third time, a U.S. trader's application for a license to export 12,227 tons of 28-inch and 30-inch pipe to the Soviet Union.

State Department officials made clear today that Secretary Strauss was fully within his rights in denying the application, for he is assigned this responsibility under the Export Control Act.

STATEMENT DENIED

However, these officials took exception to the language used by Mr. Strauss in his announcement. He had said:

"The turndown, announced following an intensive review by an interdepartmental committee which recommended rejection, was made on the grounds that approval of the application would not be in the national interest as defined in the Export Control Act."

The interdepartmental committee mentioned was a working group of the Advisory Committee for Export Policies.

State Department officials said the committee had not recommended rejection. According to these informants, the application was discussed, with some agencies counseling rejection and others approval.

At the conclusion of the discussion, the Chairman, an official of the Commerce Department, recommended rejection to Mr. Strauss, it was said.

State Department officials said the chairman was authorized to ignore the views of other departments in making his recommendation.

The discussions of the committee are secret, and it is customary for the Secretary of Commerce to make no mention of its deliberations in announcing his decision on an application. Since Mr. Strauss departed from this custom yesterday, State Department officials took the position that he should have recorded the dissenting views of the State Department and some other agencies.

AMOUNT CALLED SMALL

In the committee discussions, the State Department representative questioned the effectiveness of forbidding the export of the pipe in view of the fact that it would amount to only 30 to 46 miles of the thousands of miles of oil pipeline called for in the Soviet Union's 7-year plan.

One official said the Department thought there was "no useful purpose in controls unless they registered an impact on the Soviet bloc." To apply controls where they will have no large impact on military potential, the Department holds, only gives the Soviet Union a propaganda opportunity.

The Soviet Union has been purchasing 24-inch pipe in East Germany and presumably could purchase it freely here, also, for pipe of that diameter and less is not on the so-called positive list. Items on the positive list require an individually validated export license. Pipe of 28-inch diameter and above is on the positive list.

It is within the discretion of the Secretary of Commerce to call in the interdepartmental advisory committee where the positive list is concerned. Mr. Strauss had not consulted the committee when he previously denied the export license for the steel pipe.

Departments and agencies represented on the advisory committee are Commerce, State, Defense, Interior, Agriculture, International Cooperation Administration, and the Central Intelligence Agency.

Officials refused to say today how many of these agencies opposed rejection of the license, but they indicated they were a minority of the committee. (Hearings, pp. 1068–69.)

From reading the Times story it became apparent that the first impression which I had gained from the testimony of Mr. Strauss was incorrect. The burden of the story was not that Mr. Strauss had acted unilaterally. The story affirmatively stated that the matter had been considered by an interdepartmental committee. The burden of the story was rather that the State Department had not approved of his action, and that some officials of that Department had taken exception to his attributing the action to the interdepartmental committee without noting that its recommendation had not been unanimous. As a matter of fact, the story was rather precisely summarized by the original editorial in the Providence Evening Bulletin.

Following a report of an interview with an official of the State Department concerning the Times story by a member of the committee staff (see page 1067 of the hearings), the chairman of the Commerce Committee wrote on April 15, 1959, to the Honorable C. Douglas Dillon, Under Secretary of State for Economic Affairs, pointing out the apparent conflict between Mr. Strauss' testimony and the Times story, and indicating that the committee wished the attitude taken by the State Department made clear for the record. He asked for a copy of the Department's position paper for the advisory committee and a transcript of whatever minutes were kept of the conference on this application.

In a reply dated May 6, 1959, Mr. William B. Macomber, Assistant Secretary of State, advised the chairman that—

The papers and transcript of the committee's record of discussion, which you have requested, are a part of the Department of Commerce files and in any event fall within the category of discussions and communications of an advisory nature among the officials and employees of the executive branch which I am not privileged to release to you.

At a later point in his letter, Mr. Macomber commented on the particular case as follows:

In the particular case about which you inquire, the Secretary of Commerce made his decision following consultation with the Department of State and other interested departments and agencies. The consideration of the steel pipe case was conducted on the interdepartmental working level. Although procedures exist within the Department of Commerce committee structure for higher level review of controversial recommendations, these procedures were not invoked by any agency in the case in question.

This exchange of letters appears at page 1074 of the hearings. I ask unanimous consent that they be printed in full at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 15, 1959.

Hon. C. DOUGLAS DILLON,
Deputy Under Secretary of State for Economic Affairs, Department of State, Washington, D.C.

DEAR MR. DILLON: As you may know, the committee is currently considering the nomination of Lewis Strauss as Secretary of Commerce. During our public hearings of March 18, 1959, on this nomination a question was raised as to the Commerce Department's rejection, under the Export Control Act, of a recent application for licensing a shipment to the Soviet Union of 12,227 tons of 28- and 30-inch steel pipe. Mr. Strauss advised the committee that his decision to deny the license was taken after consultation with the interdepartmental Advisory Committee for Export Policies of which the State Department is a member. He testified that this group supported his decision, and that it was made with the complete concurrence of the State Department.

Subsequent to this testimony the committee's attention has been called to certain newspaper reports—particularly one appearing in the March 13, 1959, issue of the New York Times—indicating that the State Department had in fact questioned the wisdom of rejecting this export license. According to the Times report, your Department's representative in the advisory committee advised that a withholding of the amount of pipe involved would produce little or no adverse impact on the Soviet economy or military potential; thus, a denial of the shipment would only provide the Soviet with a propaganda advantage.

In view of these seemingly contradictory expressions the committee believes that the attitude taken by the State Department in this matter should be made entirely clear for the record. I would therefore appreciate receiving a copy of your Department's position paper for the advisory committee conference, as well as a transcription of whatever minutes may have been kept at the conference itself.

As we hope to be resuming hearings on Mr. Strauss' nomination in the near future, I would appreciate as prompt a response as possible.

Thank you for your cooperation in this matter.

Sincerely yours,

WARREN G. MAGNUSON,
Chairman.

DEPARTMENT OF STATE,
Washington, May 6, 1959.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate.

DEAR SENATOR MAGNUSON: In your letter to Mr. Dillon of April 15, 1959, which was received in the Department on April 20 and acknowledged by telephone on April 21, you have raised a question as to the Department's attitude toward the recent rejection of an export license to ship 12,227 tons of 28- and 30-inch steel pipe to the Soviet Union.

I am sure you will recognize that the papers and transcript of the committee's record of discussion, which you have requested, are a part of the Department of Commerce files and in any event fall within the category of discussions and communications of an advisory nature among the officials and employees of the executive branch which I am not privileged to release to you. The responsibility for administering U.S. export controls under the Export Control Act of 1949, as amended, has been placed in the hands of the Secretary of Commerce. In accordance with section 4 of that act, the Secretary of Commerce seeks information and advice from the Department of State and other executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports. The decisions taken by the Secretary of Commerce on individual export license applications following consultation with other agencies are the decisions of the U.S. Government in such matters.

In the particular case about which you inquire, the Secretary of Commerce made his decision following consultation with the Department of State and other interested departments and agencies. The consideration of the steel pipe case was conducted on the interdepartmental working level. Although procedures exist within the Department of Commerce committee structure for higher level review of controversial recommendations, these procedures were not invoked by any agency in the case in question.

If I can be of further assistance to you, please do not hesitate to call upon me.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

Mr. MONRONEY. While this letter from Mr. Macomber appeared to confirm the statement by Mr. Strauss, the chairman wrote again to Mr. Macomber on May 11, 1959, renewing his request for a copy of the State Department position paper, and citing a comment made by President Eisenhower in 1955 to support the propriety of the request. The document requested was finally forwarded to the committee with a letter from Mr. Macomber dated May 19, 1959. These letters appear on pages 1072 and 1073 of the hearings, and I ask unanimous consent that they be printed in full at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 11, 1959.

Hon. WILLIAM B. MACOMBER, Jr.,
Assistant Secretary, Department of State, Washington, D.C.

DEAR MR. SECRETARY: This is to acknowledge and thank you for your letter of May 6, 1959, in which you advised us that the transcript and record of discussion having to do with an export license to ship 12,227 tons of 28- and 30-inch steelpipe to the Soviet Union was part of the files of the Department of Commerce and that in any event you were not privileged to release the record to the committee.

What the committee is interested in is the State Department's position paper prepared for the conference as well as a transcript or minutes, if they were kept. It would seem to me that the position paper would be in the possesion of your Department.

I take the liberty of drawing your attention to part of the remarks made by President Eisenhower at a press conference on July 6, 1955, when he stated:

"If anybody in an official position of this Government does anything which is an official act, and submits it either in the form of recommendation or anything else, that is properly a matter for investigation if Congress so chooses, provided the national security is not involved."

It would seem to me that the material I requested falls within the type of information referred to by the President.

I would greatly appreciate your prompt answer since the hearings on the nomination of Secretary Strauss should be finished this week.

Sincerely yours,
WARREN G. MAGNUSON,
Chairman.

DEPARTMENT OF STATE,
Washington, May 19, 1959.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate.

DEAR MR. CHAIRMAN: In your letter dated May 11, 1959, you referred to the discussion relating to the rejection of an export license to ship 12,227 tons of 28- and 30-inch steelpipe to the Soviet Union. You requested a copy of the State Department's position paper prepared for use in connection with the discussion.

Subsequent to the discussion in the operating committee, the Department of State member forwarded a memorandum, classified "Confidential," to the chairman of that committee explaining the views of the Department. A copy of that memorandum, dated March 3, 1959, is enclosed.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary,
(For the Acting Secretary of State).

Mr. MONRONEY. I should like to read the last paragraph of Mr. Macomber's letter of May 19th, for the information of the Senate:

Subsequent to the discussion in the operating committee, the Department of State member forwarded a memorandum classified "Confidential," to the chairman of that committee explaining the views of the Department. A copy of that memorandum, dated March 3, 1959, is enclosed.

Here, then, the veil of "Executive privilege" having been pierced, were the views of the Department of State on the nominee's decision to deny a license, which he had represented to our committee had been done "with its complete concurrence." Here was the document by which the Department of State had presumably conveyed to the operating committee the information that, in Mr. Strauss' phrase "there was no objection to the course of action" which he had recommended. I should like to read this position paper in full.

MARCH 3, 1959.

To: Chairman, Operating Committee.
From: Department of State member.
Subject: Proposed export of line pipe to U.S.S.R.

The Department, during the operating committee discussions with respect to the security rating for steel line pipe, considered that this item should not be included in the group of items subject to a presumption for denial when intended for a Soviet bloc country. The Department's position was based on the absence of any international control over this item, a situation which would enable the bloc to obtain the pipe without restriction from free world sources outside the United States, and which therefore would render United States unilateral control ineffective. It may be noted that line pipe had previously been available to the Soviet bloc from free world sources on the basis of International List II (quantitative limitation).

The Department, therefore, consistent with this position on listing, originally reserved its position and subsequently objected to the recommendation of the chairman of the operating committee to deny an application to export line pipe to the U.S.S.R. The grounds for the Department's objection are, first, that denial will not be effective in preventing the Soviet Union from continuing its pipeline projects since the available evidence indicates that other producing countries have no legal basis to embargo line pipe and therefore will not hesitate to supply Soviet import needs for this item; and second, that in those instances in which U.S. unilateral controls would not be effective, it would be inadvisable on balance to take unilateral actions more restrictive than those taken by other COCOM cooperating countries, either individually or multilaterally.

In the case in question, information which has become available since the review of U.S. export controls strengthens the Department's belief that the United States cannot exercise an effective unilateral control over this item, and that denial of export licenses for the pipe in question will not have a significant adverse effect on Soviet bloc war potential. As the Department has previously stated to Secretary Weeks it does not perceive any advantage to be gained from maintaining under a presumption of denial items which cannot be effectively unilaterally controlled by the United States.

While the foregoing views represent the Department's considered opinion, it is not proposed to appeal to the Advisory Committee on Export Policy the recommendation of the Chairman of the Operating Committee. This memorandum is submitted in order that the Department's views may be a matter of record with the Operating Committee.

And so the basic assertion of Mr. Strauss in his testimony before the committee also proves false. Again I was misled; his action was taken, not with the "complete concurrence" of the State Department, after a meeting in which there was "no objection to the course of action which (he) recommended," but over the stated objections of that Department, both in the meeting and in a formal memorandum for the record.

A comparison of the New York Times story with the position paper of the State Department will indicate that the impression which I had gained from Mr. Strauss, that the story was incorrect, was also false. The Times story was an exceptionally accurate piece of reporting, and it was completely accurate information on which the Bulletin editorial was based.

Only one impression which I had gained from the testimony of Mr. Strauss remains to be accounted for: Was the Times story denied by the State Department? I ask the further patience of the Senate while I read the excerpts

from the State Department press briefing of March 13, 1959, which bear on this question. This is a direct shorthand transcript of the State Department press briefing:

Mr. WHITE. You will recall that yesterday I was asked about this question of steel pipe and have since looked into it.

I would simply like to say that the Department of State did not object to the decision by the Department of Commerce to deny this license. The decision was taken by the Secretary of Commerce after consulting his Advisory Committee on Export policy, of which the State Department is a member.

Question. Did the State Department member on this advisory body approve the decision?

Answer. I will revert to what I said yesterday on that, that the decision has been taken and we don't object to it.

Question. But you won't say whether the Department approved it?

Answer. No, there are certain procedures, if you wish to go that far, that are available to you. We did not take those procedures.

Question. What was that? What are the procedures, Link?

Answer. An appeal. If you feel strongly enough on this Committee, there are procedures for the presentation of an appeal.

Question. To whom, the President?

Answer. No, no. The Secretary of Commerce is charged by law with administration and to make decisions on this. He has an advisory committee.

Question. Link, you say we did not go that far. This implies you didn't approve the decision even though you didn't have any objection.

Answer. I will leave it where it is.

Question. Could you explain, is this an advisory committee that either makes an objection or doesn't say anything at all?

Answer. No, you express your views and the decision is made. If you object to the decision taken you appeal.

Question. Do you know where the appeal lies, to whom the appeal is made?

Answer. I suppose it boils back up through the Committee to the Secretary of Commerce.

Question. In other words, objection in the context of this procedure has a rather precise technical meaning.

Answer. I think I will chop 'er off.

Question. Do you know, Link, what other departments are represented on the Committee?

Answer. I better not go into it because I am not precise on it.

Question. Link, there is a published report that the State Department advised the Commerce Department, probably through this procedure, that to refuse to supply the steel pipe would serve no good purpose. Can you comment on that?

Answer. No, sir.

Question. You don't deny the report. You simply have no comment.

Answer. I am neither denying nor confirming.

Mr. President, I conclude that I was totally misled by the testimony of Mr. Strauss. Not a single impression which he left by that testimony was correct. The concealment of the true facts, or my diversion from their discovery, was remarkably complete.

The question, of course, remains as to whether Mr. Strauss knew of the State Department's position or was ignorant of it. I think in fairness to Mr. Strauss I should place in the RECORD at this point a letter from Mr. Strauss to the chairman of our committee, dated May 19, 1959. The letter is as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., May 19, 1959.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: This is in reply to your letter of May 11 requesting to be supplied with such information as may exist in our files with respect to the State Department's position on an export application to ship a quantity of large diameter steel line pipe to the Soviet Union which application recently was rejected by this Department.

Since receiving your letter, I have been advised that the State Department is making available to your committee certain information confirming the position of that Department which was expressed during the interdepartmental discussions on this application. In this connection, however, I should like to point out that the advice of the State Department in this case did not constitute a conflict in basic overall U.S. objectives among those responsible for the final determination of policy in either Department. While there was a difference of opinion on this issue in the Operating Committee, the Department of State at the policymaking level did not feel that the reasons for the difference were sufficient to appeal the majority views of the Operating Committee to the Advisory Committee on Export Policy. The State Department's considered advice at the policymaking level to this application was not in opposition to the majority views of the interdepartmental committee in which this Department concurred.

The State Department is providing your committee with the requested information. I take advantage of this opportunity to repeat our desire to cooperate fully with your committee.

Sincerely yours,

LEWIS L. STRAUSS,
Secretary of Commerce.

I will not presume to advise other Members of the Senate as to whether Mr. Strauss deliberately misled the committee on this occasion. I have formed my own opinion from this record and my experience in Government. Each Senator is certainly able to do the same.

It should be remembered that when this matter was originally raised it was suggested that Mr. Strauss might wish to comment later for the record, as the matter was an important one. Instead he chose to comment unequivocally and at once. If in fact he did not know the State Department's views, then his testimony was irresponsible. Even if he did not deliberately mislead the committee, his conduct demonstrates a contempt for the committee's right to the truth.

Let me make absolutely clear, so that my position will not be misconstrued, that I am not criticizing the action of Mr. Strauss in denying the particular license which was involved in this incident. It should also be noted that his action had not been criticized in the committee. This incident involved his exercise of an authority and a responsibility which was clearly his under the Export Control Act of 1949. He was not under obligation to refer the matter to the Advisory Committee on Export Policy or to follow the recommendations of the Department of State. He was under an obligations to tell the committee the truth about it.

Why do I take so much of the Senate's time to discuss this incident of misrepresentation by Mr. Strauss? A score of other incidents detailed day after day before our committee amply illustrate the nominee's disrespect and irreverence for the right of the Congress and the people to know what goes on in their Government. But this incident is a fresh, clear, and perfectly documented proof of this philosophy of secrecy. It involved the attempted use of executive privilege for face-saving purposes, the use of massive blur to conceal clear fact, and the resort to a half answer which misrepresents and obfuscates.

Is this consistent pattern demonstrated day after day by Admiral Strauss before our committee to be excused, explained away, or brushed aside as unimportant in relation to the constitutional duty of the Congress to confirm executive appointments?

My answer is that to accept this pattern on the basis that the President has nominated this man and that the Congress must not question his fitness in this important area would be to endorse the infringement of the peoples' right to know and to encourage it throughout all departments of Government.

Our system of government has largely withstood the abuse of executive excesses, of tyrannies over the individual, of sharp practices or favored treatment for the few because the peoples' channel of information from their Government has been kept open against all odds.

Government in the twilight of secrecy is an epidemic disease. Once tolerated in the highest of Government offices, the virus of concealment quickly spreads even to the lowest.

Far more patience and work are required for the countless explanations to the Congress, the press, and the people when the public business is transacted in the broad daylight of free-flowing factual information.

Shortcuts by star-chamber consultations—clothed with labels of "confidential" or "secret" or "executive privilege"—make the task of the official easier. They offer the illusory hope of a beeline to his desired goal. Thus public criticism can be avoided in the infancy of executive action. The danger of modification, correction, or dissent by the troublesome Congress, the press, or the public, through full and complete disclosure is avoided, until, in full-blown maturity, a smartly tailored gem is offered to the Nation with all the artistry of government promotion behind it.

But this shortcut is not the American way. The right of the people to know, with its assurance of public decisions and determinations openly arrived at, has stood as a bulwark to our constitutional freedoms for more than 180 years. Infringement of this right will lead to tyranny. Hence, we rightfully and zealously guard the built-in security which the searchlight of knowledge provides for in our system.

Officials, too, could learn from the experience of history that full disclosure,

step by step, is the best procedure for them as well as for the public. Efforts to hide or to deceive have usually been exposed at some later point to the discredit of the officer and of the program. Full disclosure during formation of programs leads to correction of minor details and usually results in successful culmination of the plan. Concealment often precedes scandals and abuses which are magnified because of their twilight origin.

In this case Admiral Strauss' difficulties with his fellow members of the Atomic Energy Commission, with its parent committee, the Joint Committee on Atomic Energy, and now with the Senate Interstate and Foreign Commerce Committee arise directly from misstatement of fact, concealment of the full story, and from the massive blur.

Confirmation of Admiral Strauss—after ample testimony from men I consider to be competent witnesses—would put the stamp of approval upon these practices. Their use in government is obnoxious to the clear intent of the Constitution, our statutory laws and the rules of the Senate governing legislative oversight.

Rather than approve these practices and their damaging effect upon the flow of legitimate news and information about public business, I must decline to support his confirmation.

This is neither a quick nor an easy decision for me I do not propose to tell any other Senator how he should vote on this matter. Each of us has the responsibility and the duty under the Constitution to decide to approve or to disapprove.

Regardless of party lines or political belief, our constitutional duty is to examine, to inquire, and to determine his fitness. This individual responsibility cannot be discharged by declaring that the higher the office in the Government the more limited is our responsibility to make this determination.

Thus, as I declared in my individual minority views:

> I conceive it to be basic to democratic government that the people, and their elected representatives in the Congress, are entitled to receive from the officials of the executive branch, not merely literal truth, but full information freely given without design to soothe, to confuse, or to divert. Because I am convinced that this cannot be expected of Mr. Strauss, I do not believe that it is in the public interest that he be confirmed as Secretary of Commerce.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to the Senator from Pennsylvania, and I appreciate very much the Senator's permitting me to complete my statement before questioning me.

Mr. CLARK. I thank my friend for yielding. The Senator, earlier in his most interesting and, I must say, convincing speech, referred to the very small number of rejections by the Senate of nominations sent to it by various Presidents. It is my understanding that, in addition to outright rejection of nominations, there has been somewhat of a custom, where substantial opposition to a nomination appeared, for the President to withdraw the nomination. I have been in the Senate less than 3 years. I wonder whether the Senator from Oklahoma has information which is the same as mine, namely, that at least during that period the Senate has not rejected any nomination.

Mr. MONRONEY. That is correct. During the Eisenhower administration of the past 6 years, six withdrawals have occurred, including appointments which were not renewed after they had failed to receive confirmation before the expiration of the Congress.

Mr. CLARK. I thank my friend from Oklahoma. I recall the withdrawal of a nomination with which my friend from Oklahoma and I are familiar. It involved an individual who had made some 54 false statements in official documents closely connected with the office to which he was nominated. The Senator recalls that he and I were instrumental in helping bring about that withdrawal. I do not recall any other withdrawal during the past 3 years. I wonder whether the Senator recalls any.

Mr. MONRONEY. During the 6 years of the Eisenhower administration there have been six withdrawals.

I have only the last names of the nominees. They are Lyon, Whitfield, Holmes, and Flanagan, whose nominations were withdrawn; and Wood and D'Ewart, who were not confirmed or renamed—in other words, the Senate left those two nominations hanging on the calendar. So there were six nominations withdrawn or allowed to lapse during the 6 years of the Eisenhower administration.

President Truman had six outright rejections; President Roosevelt had five.

Mr. CLARK. I agree with the Senator that it cannot be successfully contended that the Democratic Senate has been rough or difficult with President Eisenhower in connection with his nominations.

Mr. MONRONEY. Our research shows that 563 nominations to major positions have been confirmed from 1953 to 1958. Nineteen yea-and-nay votes were required; and on most of the yea-and-nay votes the results were not even close.

This number of nominations does not include the thousands upon thousands of nominations of postmasters or promotions in the armed services. Five hundred and sixty-three major nominations were confirmed during the 6 years.

Mr. CLARK. I think the figures are quite significant.

Let me turn, so that I may ask a question, to the incident affecting the exportation of certain pipe. I have been trying to make up my mind whether to support the nomination. Frankly, I have had much trouble with it. I studied the record with some care in connection with the pipe matter. I wonder if the Senator would mind turning to page 48 of the printed hearings, to a passage which, in my judgment, at least buttresses the position which the Senator from Oklahoma has taken with respect to the pipe matter. Shortly after the testimony of Mr. Strauss on page 44, which the Senator from Oklahoma quoted, Mr. Strauss made another statement before the committee, which appears on page 48. With the Senator's approval I should like to read it into the RECORD. I point out that this statement was made only a few minutes after the colloquy with respect to the pipe, to which the Senator from Oklahoma referred in his speech. Apparently, Mr. Strauss left the room for a while and then came back. He said:

> I have, since your question was put to me, telephoned over to the State Department and received the following statement. This is dated March 13 and is a statement by their press officer. He said on that date:
>
> "I have had a couple of questions on the steel pipe matter and have since looked into it. I would simply like to say that the Department of State did not object to the decision of the Department of Commerce to deny this license. The decision was taken by the Secretary of Commerce after consulting his Advisory Committee of Export Policy, of which the State Department is a member. The Secretary of Commerce is charged with decisions on this."
>
> I think that disposes of this article.

Does the Senator not think that this additional quotation tends to buttress his view that Admiral Strauss was not being candid with the committee?

Mr. MONRONEY. I feel that Admiral Strauss not only failed to be candid, he misrepresented the State Department's position, of which he purported to be informed. He did not need to pull the State Department into the discussion. But he was so desirous, apparently, of bolstering his position by association with the State Department that he declared—and the record, in my opinion, is crystal clear on this point—that his decision was with the complete concurrence of the State Department. Only after much searching by the committee staff and the chairman were we able to come up with the truth.

But, worse than this, we find even the State Department becoming involved in this obfuscation and claiming executive privileges, and in order to save face for the Secretary of Commerce, asserting that this document giving the State Department's position on a small item relating to pipe was clothed with the secrecy of interdepartmental executive relationship, commonly called executive privilege.

So the idea of hiding, of concealment, in one department, spreads like an epidemic through other departments to other members of the team. They expect others to protect them, as the State Department apparently did in this case, until the chairman quoted the President's admonition to let Congress have public documents unless there is military security involved. That broke loose the confidential classification.

Mr. CLARK. I read the testimony with respect to the State Department's attitude on this matter and came to the same conclusion as did the Senator from Oklahoma. It was really like trying to pull teeth without an anesthetic, to get anything at all out of the State Department on this subject. This was long after the President had made his comments about bringing matters out into the open.

I suppose there is a natural tendency in any organization to try to be loyal to someone within the organization who is under attack.

I know, as I am certain the Senator from Oklahoma knows, that, in another aspect of this matter, the Department of Justice has been something less than cooperative with the Senator from Tennessee and with the members of the committee in making available information which seems to me, at least, to be pertinent in this regard. One of the things which concern me in trying to make up my mind on how to vote on the nomination is what appears to be a rather calculated philosophy on the part of the nominee—an attitude, one might say, of "daddy knows best." Here is a man who does not wish to share with the Senate any more information than he absolutely has to, and who is prepared to move unilaterally, without making available the necessary information which certainly, so far as the Joint Committee on Atomic Energy is concerned, is required to be made available. I wonder if the Senator from Oklahoma, perhaps, has some views in that regard.

Mr. MONRONEY. I certainly have. Throughout the hearings, the Senator from New Mexico [Mr. ANDERSON], the chairman of the Joint Committee on Atomic Energy, related his difficulties over the years with respect to the withholding of information or the supplying of half facts. These occurrences seem to fit into a general mosaic. Under the Constitution, Congress has a right to be informed; and with particular reference to the Atomic Energy Act, the Commission, by law, is specifically charged with the duty of keeping the Joint Congressional Committee informed on all matters. Yet Admiral Strauss was repeatedly contemptuous of the statutory requirement, the constitutional requirement, and the Senate rules of legislative oversight.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. McCARTHY. The Senator from Oklahoma has touched on a vital point. The withholding of information from the Joint Committee on Atomic Energy is in a different category from the withholding of information by other agencies from other committees of Congress. In the statute creating the Atomic Energy Commission there is a specific provision in which Congress, with the approval of the President, set forth that this particular problem was one which had such great economic, political, and even moral significance that Congress was to be included in any basic decisions regarding atomic energy.

Mr. MONRONEY. The Senator from Minnesota is exactly correct. It is a most important provision. Apparently, Mr. Strauss had withheld considerable information at various times, to the point where, on June 3, 1954, as appears in the printed hearings before the Committee on Interstate and Foreign Commerce at page 509, Chairman Cole, who is listed as one of the prominent endorsers of Mr. Strauss for the position of Secretary of Commerce, had this exchange with him:

Chairman COLE. Mr. Strauss, I wanted to ask you with reference to a section of existing law. Section 15 of the present law, subparagraph B, says:

"The Commission"—meaning the Atomic Energy Commission—"shall keep the joint committee fully and currently informed with respect to the Commission's activities."

My interpretation of that sentence and that responsibility imposed on the Commission is all-inclusive with respect to the Commission's activities, with the possible exception of those areas where the Commission's activities may be related or connected in some way with national defense war plans. In all other lesser areas, it is my view that is a statutory obligation of the Commission to keep this committee informed on all of its activities.

Mr. STRAUSS. That is the view of the witness, and any respect in which I have failed to do so—that would be dereliction.

Chairman COLE. You will agree there have been instances recently in which the word "promptly" has certainly been violated.

I will express it differently. You will agree there have been recent instances where that principle has been resisted, where the Commission has resisted informing the committee on matters which the committee requested of the Commission?

Now, my purpose in bringing that out is at this time to write into the bill language which may be even stronger than what is in there now, and I do not know what stronger language could be used than to say it is the duty of the Commission to keep the Joint Committee fully and currently informed on all the Commission's activities.

Mr. STRAUSS. Would you accept the change in wording, Mr. Chairman, that instead of resisting, it has been delayed? I do not believe there is anything which the Joint Committee had requested that the Commission has failed to comply with. Nor in respect to such information as crosses the desk of the Chairman has there been any delay in furnishing, as a matter of fact.

Chairman COLE. It may not be in your memory, but it certainly is within mine, that for the first time within the history of this committee it was necessary for the committee to adopt a formal resolution to get information from the Commission.

Mr. STRAUSS. I am aware of that.

Chairman COLE. You may not call that resistance, but I do.

Mr. President, Admiral Strauss' memory failed him when the neglect to supply that information was brought out; but Republican Chairman Cole remembered the circumstances. He recalled that the committee had to adopt a resolution to get it when it was not forthcoming.

Then, when I questioned Admiral Strauss about the fact that Congress had passed an act to require him to give to the committee all the information—the previous act had provided only that the committee should be supplied with "information of its activities"; but because the Atomic Energy Commission, under the leadership of Admiral Strauss, had failed to do so, the law was amended by the insertion of the words "all of its activities"—Admiral Strauss repeatedly stated, as the hearings bear out, that he could not remember anything about such an amendment of the law. However, Mr. President, it seems absolutely unthinkable that after the Congress had directed a law at one man—and that law was directed at Mr. Strauss, the Chairman of the Commission—that man would not remember that such a law had been passed.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Oklahoma yield to the Senator from Pennsylvania?

Mr. MONRONEY. I am happy to yield.

Mr. CLARK. Mr. President, I see across the aisle my friend the junior Senator from California [Mr. KUCHEL]. If I may address myself to him for a moment, let me say that I understand that later today he will make a speech in support of confirmation of the nomination of Mr. Strauss. Is that correct?

Mr. KUCHEL. No, Mr. President; my friend the Senator from Pennsylvania is mistaken.

I shall vote for confirmation of the nomination of Mr. Strauss. Perhaps I shall speak on the subject next week; but I have no plan to speak on it this evening.

Mr. CLARK. Then, Mr. President, I withdraw my suggestion.

Mr. MONRONEY. Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1968) to strengthen the wheat marketing quota and price support program, with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its amendment to the bill; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. GRANT, Mr. ALBERT, Mr. HOEVEN, Mr. DAGUE, and Mr. BELCHER were appointed managers on the part of the House at the conference.

STRENGTHENING OF WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM

Mr. ELLENDER. As in legislative session, I ask unanimous consent that the Chair lay before the Senate the amendment of the House to S. 1968.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1968) to strengthen the wheat marketing quota and price support program, which was, to strike out all after the enacting clause and insert:

That title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 90 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural

DEPARTMENT OF STATE,
Washington, May 6, 1959.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate.

DEAR SENATOR MAGNUSON: In your letter to Mr. Dillon of April 15, 1959, which was received in the Department on April 20 and acknowledged by telephone on April 21, you have raised a question as to the Department's attitude toward the recent rejection of an export license to ship 12,227 tons of 28- and 30-inch steel pipe to the Soviet Union.

I am sure you will recognize that the papers and transcript of the committee's record of discussion, which you have requested, are a part of the Department of Commerce files and in any event fall within the category of discussions and communications of an advisory nature among the officials and employees of the executive branch which I am not privileged to release to you. The responsibility for administering U.S. export controls under the Export Control Act of 1949, as amended, has been placed in the hands of the Secretary of Commerce. In accordance with section 4 of that act, the Secretary of Commerce seeks information and advice from the Department of State and other executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports. The decisions taken by the Secretary of Commerce on individual export license applications following consultation with other agencies are the decisions of the U.S. Government in such matters.

In the particular case about which you inquire, the Secretary of Commerce made his decision following consultation with the Department of State and other interested departments and agencies. The consideration of the steel pipe case was conducted on the interdepartmental working level. Although procedures exist within the Department of Commerce committee structure for higher level review of controversial recommendations, these procedures were not invoked by any agency in the case in question.

If I can be of further assistance to you, please do not hesitate to call upon me.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

Mr. MONRONEY. While this letter from Mr. Macomber appeared to confirm the statement by Mr. Strauss, the chairman wrote again to Mr. Macomber on May 11, 1959, renewing his request for a copy of the State Department position paper, and citing a comment made by President Eisenhower in 1955 to support the propriety of the request. The document requested was finally forwarded to the committee with a letter from Mr. Macomber dated May 19, 1959. These letters appear on pages 1072 and 1073 of the hearings, and I ask unanimous consent that they be printed in full at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 11, 1959.

Hon. WILLIAM B. MACOMBER, Jr.,
Assistant Secretary, Department of State, Washington, D.C.

DEAR MR. SECRETARY: This is to acknowledge and thank you for your letter of May 6, 1959, in which you advised us that the transcript and record of discussion having to do with an export license to ship 12,227 tons of 28- and 30-inch steelpipe to the Soviet Union was part of the files of the Department of Commerce and that in any event you were not privileged to release the record to the committee.

What the committee is interested in is the State Department's position paper prepared for the conference as well as a transcript or minutes, if they were kept. It would seem to me that the position paper would be in the possesion of your Department.

I take the liberty of drawing your attention to part of the remarks made by President Eisenhower at a press conference on July 6, 1955, when he stated:

"If anybody in an official position of this Government does anything which is an official act, and submits it either in the form of recommendation or anything else, that is properly a matter for investigation if Congress so chooses, provided the national security is not involved."

It would seem to me that the material I requested falls within the type of information referred to by the President.

I would greatly appreciate your prompt answer since the hearings on the nomination of Secretary Strauss should be finished this week.

Sincerely yours,

WARREN G. MAGNUSON,
Chairman.

DEPARTMENT OF STATE,
Washington, May 19, 1959.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate.

DEAR MR. CHAIRMAN: In your letter dated May 11, 1959, you referred to the discussion relating to the rejection of an export license to ship 12,227 tons of 28- and 30-inch steelpipe to the Soviet Union. You requested a copy of the State Department's position paper prepared for use in connection with the discussion.

Subsequent to the discussion in the operating committee, the Department of State member forwarded a memorandum, classified "Confidential," to the chairman of that committee explaining the views of the Department. A copy of that memorandum, dated March 3, 1959, is enclosed.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary,
(For the Acting Secretary of State).

Mr. MONRONEY. I should like to read the last paragraph of Mr. Macomber's letter of May 19th, for the information of the Senate:

Subsequent to the discussion in the operating committee, the Department of State member forwarded a memorandum classified "Confidential," to the chairman of that committee explaining the views of the Department. A copy of that memorandum, dated March 3, 1959, is enclosed.

Here, then, the veil of "Executive privilege" having been pierced, were the views of the Department of State on the nominee's decision to deny a license, which he had represented to our committee had been done "with its complete concurrence." Here was the document by which the Department of State had presumably conveyed to the operating committee the information that, in Mr. Strauss' phrase "there was no objection to the course of action" which he had recommended. I should like to read this position paper in full.

MARCH 3, 1959.

To: Chairman, Operating Committee.
From: Department of State member.
Subject: Proposed export of line pipe to U.S.S.R.

The Department, during the operating committee discussions with respect to the security rating for steel line pipe, considered that this item should not be included in the group of items subject to a presumption for denial when intended for a Soviet bloc country. The Department's position was based on the absence of any international control over this item, a situation which would enable the bloc to obtain the pipe without restriction from free world sources outside the United States, and which therefore would render United States unilateral control ineffective. It may be noted that line pipe had previously been available to the Soviet bloc from free world sources on the basis of International List II (quantitative limitation).

The Department, therefore, consistent with this position on listing, originally reserved its position and subsequently objected to the recommendation of the chairman of the operating committee to deny an application to export line pipe to the U.S.S.R. The grounds for the Department's objection are, first, that denial will not be effective in preventing the Soviet Union from continuing its pipeline projects since the available evidence indicates that other producing countries have no legal basis to embargo line pipe and therefore will not hesitate to supply Soviet import needs for this item; and second, that in those instances in which U.S. unilateral controls would not be effective, it would be inadvisable on balance to take unilateral actions more restrictive than those taken by other COCOM cooperating countries, either individually or multilaterally.

In the case in question, information which has become available since the review of U.S. export controls strengthens the Department's belief that the United States cannot exercise an effective unilateral control over this item, and that denial of export licenses for the pipe in question will not have a significant adverse effect on Soviet bloc war potential. As the Department has previously stated to Secretary Weeks it does not perceive any advantage to be gained from maintaining under a presumption of denial items which cannot be effectively unilaterally controlled by the United States.

While the foregoing views represent the Department's considered opinion, it is not proposed to appeal to the Advisory Committee on Export Policy the recommendation of the Chairman of the Operating Committee. This memorandum is submitted in order that the Department's views may be a matter of record with the Operating Committee.

And so the basic assertion of Mr. Strauss in his testimony before the committee also proves false. Again I was misled; his action was taken, not with the "complete concurrence" of the State Department, after a meeting in which there was "no objection to the course of action which (he) recommended," but over the stated objections of that Department, both in the meeting and in a formal memorandum for the record.

A comparison of the New York Times story with the position paper of the State Department will indicate that the impression which I had gained from Mr. Strauss, that the story was incorrect, was also false. The Times story was an exceptionally accurate piece of reporting, and it was completely accurate information on which the Bulletin editorial was based.

Only one impression which I had gained from the testimony of Mr. Strauss remains to be accounted for: Was the Times story denied by the State Department? I ask the further patience of the Senate while I read the excerpts

from the State Department press briefing of March 13, 1959, which bear on this question. This is a direct shorthand transcript of the State Department press briefing:

Mr. WHITE. You will recall that yesterday I was asked about this question of steel pipe and have since looked into it.

I would simply like to say that the Department of State did not object to the decision by the Department of Commerce to deny this license. The decision was taken by the Secretary of Commerce after consulting his Advisory Committee on Export policy, of which the State Department is a member.

Question. Did the State Department member on this advisory body approve the decision?

Answer. I will revert to what I said yesterday on that, that the decision has been taken and we don't object to it.

Question. But you won't say whether the Department approved it?

Answer. No, there are certain procedures, if you wish to go that far, that are available to you. We did not take those procedures.

Question. What was that? What are the procedures, Link?

Answer. An appeal. If you feel strongly enough on this Committee, there are procedures for the presentation of an appeal.

Question. To whom, the President?

Answer. No, no. The Secretary of Commerce is charged by law with administration and to make decisions on this. He has an advisory committee.

Question. Link, you say we did not go that far. This implies you didn't approve the decision even though you didn't have any objection.

Answer. I will leave it where it is.

Question. Could you explain, is this an advisory committee that either makes an objection or doesn't say anything at all?

Answer. No, you express your views and the decision is made. If you object to the decision taken you appeal.

Question. Do you know where the appeal lies, to whom the appeal is made?

Answer. I suppose it boils back up through the Committee to the Secretary of Commerce.

Question. In other words, objection in the context of this procedure has a rather precise technical meaning.

Answer. I think I will chop 'er off.

Question. Do you know, Link, what other departments are represented on the Committee?

Answer. I better not go into it because I am not precise on it.

Question. Link, there is a published report that the State Department advised the Commerce Department, probably through this procedure, that to refuse to supply the steel pipe would serve no good purpose. Can you comment on that?

Answer. No, sir.

Question. You don't deny the report. You simply have no comment.

Answer. I am neither denying nor confirming.

Mr. President, I conclude that I was totally misled by the testimony of Mr. Strauss. Not a single impression which he left by that testimony was correct. The concealment of the true facts, or my diversion from their discovery, was remarkably complete.

The question, of course, remains as to whether Mr. Strauss knew of the State Department's position or was ignorant of it. I think in fairness to Mr. Strauss I should place in the RECORD at this point a letter from Mr. Strauss to the chairman of our committee, dated May 19, 1959. The letter is as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., May 19, 1959.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: This is in reply to your letter of May 11 requesting to be supplied with such information as may exist in our files with respect to the State Department's position on an export application to ship a quantity of large diameter steel line pipe to the Soviet Union which application recently was rejected by this Department.

Since receiving your letter, I have been advised that the State Department is making available to your committee certain information confirming the position of that Department which was expressed during the interdepartmental discussions on this application. In this connection, however, I should like to point out that the advice of the State Department in this case did not constitute a conflict in basic overall U.S. objectives among those responsible for the final determination of policy in either Department. While there was a difference of opinion on this issue in the Operating Committee, the Department of State at the policymaking level did not feel that the reasons for the difference were sufficient to appeal the majority views of the Operating Committee to the Advisory Committee on Export Policy. The State Department's considered advice at the policymaking level to this application was not in opposition to the majority views of the interdepartmental committee in which this Department concurred.

The State Department is providing your committee with the requested information. I take advantage of this opportunity to repeat our desire to cooperate fully with your committee.

Sincerely yours,

LEWIS L. STRAUSS,
Secretary of Commerce.

I will not presume to advise other Members of the Senate as to whether Mr. Strauss deliberately misled the committee on this occasion. I have formed my own opinion from this record and my experience in Government. Each Senator is certainly able to do the same.

It should be remembered that when this matter was originally raised it was suggested that Mr. Strauss might wish to comment later for the record, as the matter was an important one. Instead he chose to comment unequivocally and at once. If in fact he did not know the State Department's views, then his testimony was irresponsible. Even if he did not deliberately mislead the committee, his conduct demonstrates a contempt for the committee's right to the truth.

Let me make absolutely clear, so that my position will not be misconstrued, that I am not criticizing the action of Mr. Strauss in denying the particular license which was involved in this incident. It should also be noted that his action had not been criticized in the committee. This incident involved his exercise of an authority and a responsibility which was clearly his under the Export Control Act of 1949. He was not under obligation to refer the matter to the Advisory Committee on Export Policy or to follow the recommendations of the Department of State. He was under an obligations to tell the committee the truth about it.

Why do I take so much of the Senate's time to discuss this incident of misrepresentation by Mr. Strauss? A score of other incidents detailed day after day before our committee amply illustrate the nominee's disrespect and irreverence for the right of the Congress and the people to know what goes on in their Government. But this incident is a fresh, clear, and perfectly documented proof of this philosophy of secrecy. It involved the attempted use of executive privilege for face-saving purposes, the use of massive blur to conceal clear fact, and the resort to a half answer which misrepresents and obfuscates.

Is this consistent pattern demonstrated day after day by Admiral Strauss before our committee to be excused, explained away, or brushed aside as unimportant in relation to the constitutional duty of the Congress to confirm executive appointments?

My answer is that to accept this pattern on the basis that the President has nominated this man and that the Congress must not question his fitness in this important area would be to endorse the infringement of the peoples' right to know and to encourage it throughout all departments of Government.

Our system of government has largely withstood the abuse of executive excesses, of tyrannies over the individual, of sharp practices or favored treatment for the few because the peoples' channel of information from their Government has been kept open against all odds.

Government in the twilight of secrecy is an epidemic disease. Once tolerated in the highest of Government offices, the virus of concealment quickly spreads even to the lowest.

Far more patience and work are required for the countless explanations to the Congress, the press, and the people when the public business is transacted in the broad daylight of free-flowing factual information.

Shortcuts by star-chamber consultations—clothed with labels of "confidential" or "secret" or "executive privilege"—make the task of the official easier. They offer the illusory hope of a beeline to his desired goal. Thus public criticism can be avoided in the infancy of executive action. The danger of modification, correction, or dissent by the troublesome Congress, the press, or the public, through full and complete disclosure is avoided, until, in full-blown maturity, a smartly tailored gem is offered to the Nation with all the artistry of government promotion behind it.

But this shortcut is not the American way. The right of the people to know, with its assurance of public decisions and determinations openly arrived at, has stood as a bulwark to our constitutional freedoms for more than 180 years. Infringement of this right will lead to tyranny. Hence, we rightfully and zealously guard the built-in security which the searchlight of knowledge provides for in our system.

Officials, too, could learn from the experience of history that full disclosure,

step by step, is the best procedure for them as well as for the public. Efforts to hide or to deceive have usually been exposed at some later point to the discredit of the officer and of the program. Full disclosure during formation of programs leads to correction of minor details and usually results in successful culmination of the plan. Concealment often precedes scandals and abuses which are magnified because of their twilight origin.

In this case Admiral Strauss' difficulties with his fellow members of the Atomic Energy Commission, with its parent committee, the Joint Committee on Atomic Energy, and now with the Senate Interstate and Foreign Commerce Committee arise directly from misstatement of fact, concealment of the full story, and from the massive blur.

Confirmation of Admiral Strauss—after ample testimony from men I consider to be competent witnesses—would put the stamp of approval upon these practices. Their use in government is obnoxious to the clear intent of the Constitution, our statutory laws and the rules of the Senate governing legislative oversight.

Rather than approve these practices and their damaging effect upon the flow of legitimate news and information about public business, I must decline to support his confirmation.

This is neither a quick nor an easy decision for me I do not propose to tell any other Senator how he should vote on this matter. Each of us has the responsibility and the duty under the Constitution to decide to approve or to disapprove.

Regardless of party lines or political belief, our constitutional duty is to examine, to inquire, and to determine his fitness. This individual responsibility cannot be discharged by declaring that the higher the office in the Government the more limited is our responsibility to make this determination.

Thus, as I declared in my individual minority views:

I conceive it to be basic to democratic government that the people, and their elected representatives in the Congress, are entitled to receive from the officials of the executive branch, not merely literal truth, but full information freely given without design to soothe, to confuse, or to divert. Because I am convinced that this cannot be expected of Mr. Strauss, I do not believe that it is in the public interest that he be confirmed as Secretary of Commerce.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to the Senator from Pennsylvania, and I appreciate very much the Senator's permitting me to complete my statement before questioning me.

Mr. CLARK. I thank my friend for yielding. The Senator, earlier in his most interesting and, I must say, convincing speech, referred to the very small number of rejections by the Senate of nominations sent to it by various Presidents. It is my understanding that, in addition to outright rejection of nominations, there has been somewhat of a custom, where substantial opposition to a nomination appeared, for the President to withdraw the nomination. I have been in the Senate less than 3 years. I wonder whether the Senator from Oklahoma has information which is the same as mine, namely, that at least during that period the Senate has not rejected any nomination.

Mr. MONRONEY. That is correct. During the Eisenhower administration of the past 6 years, six withdrawals have occurred, including appointments which were not renewed after they had failed to receive confirmation before the expiration of the Congress.

Mr. CLARK. I thank my friend from Oklahoma. I recall the withdrawal of a nomination with which my friend from Oklahoma and I are familiar. It involved an individual who had made some 54 false statements in official documents closely connected with the office to which he was nominated. The Senator recalls that he and I were instrumental in helping bring about that withdrawal. I do not recall any other withdrawal during the past 3 years. I wonder whether the Senator recalls any.

Mr. MONRONEY. During the 6 years of the Eisenhower administration there have been six withdrawals.

I have only the last names of the nominees. They are Lyon, Whitfield, Holmes, and Flanagan, whose nominations were withdrawn; and Wood and D'Ewart, who were not confirmed or renamed—in other words, the Senate left those two nominations hanging on the calendar. So there were six nominations withdrawn or allowed to lapse during the 6 years of the Eisenhower administration.

President Truman had six outright rejections; President Roosevelt had five.

Mr. CLARK. I agree with the Senator that it cannot be successfully contended that the Democratic Senate has been rough or difficult with President Eisenhower in connection with his nominations.

Mr. MONRONEY. Our research shows that 563 nominations to major positions have been confirmed from 1953 to 1958. Nineteen yea-and-nay votes were required; and on most of the yea-and-nay votes the results were not even close.

This number of nominations does not include the thousands upon thousands of nominations of postmasters or promotions in the armed services. Five hundred and sixty-three major nominations were confirmed during the 6 years.

Mr. CLARK. I think the figures are quite significant.

Let me turn, so that I may ask a question, to the incident affecting the exportation of certain pipe. I have been trying to make up my mind whether to support the nomination. Frankly, I have had much trouble with it. I studied the record with some care in connection with the pipe matter. I wonder if the Senator would mind turning to page 48 of the printed hearings, to a passage which, in my judgment, at least buttresses the position which the Senator from Oklahoma has taken with respect to the pipe matter. Shortly after the testimony of Mr. Strauss on page 44, which the Senator from Oklahoma quoted, Mr. Strauss made another statement before the committee, which appears on page 48. With the Senator's approval I should like to read it into the RECORD. I point out that this statement was made only a few minutes after the colloquy with respect to the pipe, to which the Senator from Oklahoma referred in his speech. Apparently, Mr. Strauss left the room for a while and then came back. He said:

I have, since your question was put to me, telephoned over to the State Department and received the following statement. This is dated March 13 and is a statement by their press officer. He said on that date:

"I have had a couple of questions on the steel pipe matter and have since looked into it. I would simply like to say that the Department of State did not object to the decision of the Department of Commerce to deny this license. The decision was taken by the Secretary of Commerce after consulting his Advisory Committee of Export Policy, of which the State Department is a member. The Secretary of Commerce is charged with decisions on this."

I think that disposes of this article.

Does the Senator not think that this additional quotation tends to buttress his view that Admiral Strauss was not being candid with the committee?

Mr. MONRONEY. I feel that Admiral Strauss not only failed to be candid, he misrepresented the State Department's position, of which he purported to be informed. He did not need to pull the State Department into the discussion. But he was so desirous, apparently, of bolstering his position by association with the State Department that he declared—and the record, in my opinion, is crystal clear on this point—that his decision was with the complete concurrence of the State Department. Only after much searching by the committee staff and the chairman were we able to come up with the truth.

But, worse than this, we find even the State Department becoming involved in this obfuscation and claiming executive privileges, and in order to save face for the Secretary of Commerce, asserting that this document giving the State Department's position on a small item relating to pipe was clothed with the secrecy of interdepartmental executive relationship, commonly called executive privilege.

So the idea of hiding, of concealment, in one department, spreads like an epidemic through other departments to other members of the team. They expect others to protect them, as the State Department apparently did in this case, until the chairman quoted the President's admonition to let Congress have public documents unless there is military security involved. That broke loose the confidential classification.

Mr. CLARK. I read the testimony with respect to the State Department's attitude on this matter and came to the same conclusion as did the Senator from Oklahoma. It was really like trying to pull teeth without an anesthetic, to get anything at all out of the State Department on this subject. This was long after the President had made his comments about bringing matters out into the open.

I suppose there is a natural tendency in any organization to try to be loyal to someone within the organization who is under attack.

I know, as I am certain the Senator from Oklahoma knows, that, in another aspect of this matter, the Department of Justice has been something less than cooperative with the Senator from Tennessee and with the members of the committee in making available information which seems to me, at least, to be pertinent in this regard. One of the things which concern me in trying to make up my mind on how to vote on the nomination is what appears to be a rather calculated philosophy on the part of the nominee—an attitude, one might say, of "daddy knows best." Here is a man who does not wish to share with the Senate any more information than he absolutely has to, and who is prepared to move unilaterally, without making available the necessary information which certainly, so far as the Joint Committee on Atomic Energy is concerned, is required to be made available. I wonder if the Senator from Oklahoma, perhaps, has some views in that regard.

Mr. MONRONEY. I certainly have. Throughout the hearings, the Senator from New Mexico [Mr. ANDERSON], the chairman of the Joint Committee on Atomic Energy, related his difficulties over the years with respect to the withholding of information or the supplying of half facts. These occurrences seem to fit into a general mosaic. Under the Constitution, Congress has a right to be informed; and with particular reference to the Atomic Energy Act, the Commission, by law, is specifically charged with the duty of keeping the Joint Congressional Committee informed on all matters. Yet Admiral Strauss was repeatedly contemptuous of the statutory requirement, the constitutional requirement, and the Senate rules of legislative oversight.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. McCARTHY. The Senator from Oklahoma has touched on a vital point. The withholding of information from the Joint Committee on Atomic Energy is in a different category from the withholding of information by other agencies from other committees of Congress. In the statute creating the Atomic Energy Commission there is a specific provision in which Congress, with the approval of the President, set forth that this particular problem was one which had such great economic, political, and even moral significance that Congress was to be included in any basic decisions regarding atomic energy.

Mr. MONRONEY. The Senator from Minnesota is exactly correct. It is a most important provision. Apparently, Mr. Strauss had withheld considerable information at various times, to the point where, on June 3, 1954, as appears in the printed hearings before the Committee on Interstate and Foreign Commerce at page 509, Chairman Cole, who is listed as one of the prominent endorsers of Mr. Strauss for the position of Secretary of Commerce, had this exchange with him:

Chairman COLE. Mr. Strauss, I wanted to ask you with reference to a section of existing law. Section 15 of the present law, subparagraph B, says:

"The Commission"—meaning the Atomic Energy Commission—"shall keep the joint committee fully and currently informed with respect to the Commission's activities."

My interpretation of that sentence and that responsibility imposed on the Commission is all-inclusive with respect to the Commission's activities, with the possible exception of those areas where the Commission's activities may be related or connected in some way with national defense war plans. In all other lesser areas, it is my view that is a statutory obligation of the Commission to keep this committee informed on all of its activities.

Mr. STRAUSS. That is the view of the witness, and any respect in which I have failed to do so—that would be dereliction.

Chairman COLE. You will agree there have been instances recently in which the word "promptly" has certainly been violated.

I will express it differently. You will agree there have been recent instances where that principle has been resisted, where the Commission has resisted informing the committee on matters which the committee requested of the Commission?

Now, my purpose in bringing that out is at this time to write into the bill language which may be even stronger than what is in there now, and I do not know what stronger language could be used than to say it is the duty of the Commission to keep the Joint Committee fully and currently informed on all the Commission's activities.

Mr. STRAUSS. Would you accept the change in wording, Mr. Chairman, that instead of resisting, it has been delayed? I do not believe there is anything which the Joint Committee had requested that the Commission has failed to comply with. Nor in respect to such information as crosses the desk of the Chairman has there been any delay in furnishing, as a matter of fact.

Chairman COLE. It may not be in your memory, but it certainly is within mine, that for the first time within the history of this committee it was necessary for the committee to adopt a formal resolution to get information from the Commission.

Mr. STRAUSS. I am aware of that.

Chairman COLE. You may not call that resistance, but I do.

Mr. President, Admiral Strauss' memory failed him when the neglect to supply that information was brought out; but Republican Chairman Cole remembered the circumstances. He recalled that the committee had to adopt a resolution to get it when it was not forthcoming.

Then, when I questioned Admiral Strauss about the fact that Congress had passed an act to require him to give to the committee all the information—the previous act had provided only that the committee should be supplied with "information of its activities"; but because the Atomic Energy Commission, under the leadership of Admiral Strauss, had failed to do so, the law was amended by the insertion of the words "all of its activities"—Admiral Strauss repeatedly stated, as the hearings bear out, that he could not remember anything about such an amendment of the law. However, Mr. President, it seems absolutely unthinkable that after the Congress had directed a law at one man—and that law was directed at Mr. Strauss, the Chairman of the Commission—that man would not remember that such a law had been passed.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Oklahoma yield to the Senator from Pennsylvania?

Mr. MONRONEY. I am happy to yield.

Mr. CLARK. Mr. President, I see across the aisle my friend the junior Senator from California [Mr. KUCHEL]. If I may address myself to him for a moment, let me say that I understand that later today he will make a speech in support of confirmation of the nomination of Mr. Strauss. Is that correct?

Mr. KUCHEL. No, Mr. President; my friend the Senator from Pennsylvania is mistaken.

I shall vote for confirmation of the nomination of Mr. Strauss. Perhaps I shall speak on the subject next week; but I have no plan to speak on it this evening.

Mr. CLARK. Then, Mr. President, I withdraw my suggestion.

Mr. MONRONEY. Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1968) to strengthen the wheat marketing quota and price support program, with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its amendment to the bill; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. GRANT, Mr. ALBERT, Mr. HOEVEN, Mr. DAGUE, and Mr. BELCHER were appointed managers on the part of the House at the conference.

STRENGTHENING OF WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM

Mr. ELLENDER. As in legislative session, I ask unanimous consent that the Chair lay before the Senate the amendment of the House to S. 1968.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1968) to strengthen the wheat marketing quota and price support program, which was, to strike out all after the enacting clause and insert:

That title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 90 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural

Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 25 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if marketing quotas for the particular crop are in effect and the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 25 per centum reduction in the farm acreage allotment required under section 334(c)(2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 25 per centum under section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 90 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop: *Provided further,* (1) That beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture shall not exceed $35,000, (2) That the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or any two or more legal entities the beneficial ownership of which is substantially the same or is in members of the same household, or a State, political subdivision of a State, or any agency thereof, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection, (3) That in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) That the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation. In case marketing quotas are disapproved, price support shall be made available to cooperators and noncooperators at 50 percentum of parity: *Provided, however,* That for the purpose of section 407 of the Agricultural Act of 1949, as amended, the current support price for wheat shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor."

SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however,* That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)) is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 12 acres or (2) the highest number of acres planted to wheat on the farm for harvest in the calendar years 1957, 1958, or 1959."

SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)) shall not be applicable with respect to the 1960 and 1961 crops of wheat.

SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 334 is amended by inserting "(1)" after "(c)" and adding a new subparagraph (2) following subparagraph (c)(1) to read as follows:

"(2) Notwithstanding any other provision of law, each old or new farm acreage allot-

ment for the 1960 and 1961 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 25 per centum. In the event notices of farm acreage allotments for the 1960 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable."

(b) Section 334 is further amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

(c) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;".

(d) Section 336 is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25 of the year in which the proclamation is made the Secretary shall conduct a referendum by secret ballot to determine whether farmers favor or oppose such quota. Farmers eligible to vote in such referendum shall be producers on farms with respect to which a wheat allotment has been established pursuant to the provisions of this Act for the crop of wheat normally harvested in the calendar year in which the referendum is held and who have complied with such acreage allotment. If the Secretary determines that more than one-third of the farmers voting in the referendum oppose such quota he shall prior to the effective date of such quota by proclamation suspend the operation of the national marketing quotas with respect to wheat."

(e) Section 362 is amended by deleting the second sentence thereof.

SEC. 5. Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

Mr. ELLENDER. Mr. President, I move that the Senate disagree to the amendment of the House, agree to the request of the House for a conference, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. HUMPHREY, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

THE WHEAT BILL

During the delivery of Mr. MONRONEY's remarks,

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. MONRONEY. Mr. President, I ask unanimous consent that I may yield to my distinguished colleague without losing my right to the floor, with the understanding that his remarks will be printed in the RECORD following mine.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, the message just received by the Senate advises us that the House of Representatives passed the so-called wheat bill. I should like to have my colleagues in the Senate note that the Members of the House by a vote of 188 to 177 adopted a bill which will do four things which are certainly needed, in the light of the present circumstances relating to agriculture and the current agricultural program.

First, the House passed a bill which will reestablish the yardstick of 90 percent of parity for agricultural products, in the instance of wheat, thereby assuring the farm producer of wheat a fair price on his production. This will give the farmer a fair income.

Second, the House provided for a cutback of production by passing the bill. In other words, if the bill passed by the other body is made law it will have a definite effect in cutting back the tremendous production of wheat. The bill passed by the other body provides 90 percent of parity, if a farmer takes a 25-percent decrease or cut in allotted acreage. This will mean a reduction in production.

Third, enactment of the bill will reduce surpluses, which hang heavily over the market today with a price depressing effect, because with the 25-percent acreage cut there will be a one-third payment in kind from the Commodity Credit Corporation stocks to the farmers who cooperate under the tremendous acreage reduction. That one-third payment in kind will come from the surplus wheat which has been accumulated in Government storage bins. This will tend to reduce the storage costs by feeding the wheat back onto the farms, for use by the farmer in feeding his livestock or feeding his poultry and fowl.

Fourth, the bill, if enacted into law, will provide savings for the taxpayer. It will result in savings because there will be less wheat going into storage. It will result in savings because the storage costs will be cut down on the already accumulated surpluses. It will result in savings because it will provide either no further increase or only a limited increase in the accumulation of new supplies.

Mr. President, I think we owe a debt of gratitude to men such as Representative ALBERT, for his leadership in this effort; Representative GEORGE MCGOVERN, of South Dakota, who I understand took a very effective leadership part; Representative ANDERSON, of Montana; Representative BURDICK, of North Dakota; and Representative BREEDING, of Kansas, to mention only a few.

These are Members of Congress with vision and with courage, who were willing to fight the good fight to give farmers a fair chance in the marketplace and to protect the interests of the taxpayers, by reducing the tremendous flow of production to manageable proportions.

I am hopeful the Senate conferees, if we go to conference on the bill, will find it possible to agree with the House action. I shall do my best to encourage such a conclusion.

If we do not go to conference and if there is to be independent action in the Senate on the bill passed by the House, I hope we will adopt those provisions. There are minor adjustments which can be made. There were certain provisions in the Senate bill which were very good, such as the cutting off of support prices and supports for noncompliance producers, those who do not comply with the regulations.

I am hopeful that some of the other limitations of the Senate bill will be agreed to.

This is a great day for agriculture, Mr. President, if we will follow the general pattern and direction laid down by the action of the other House. I, for one, want to compliment the majority in that House for its action.

I thank the Senator from Oklahoma, who I know is keenly interested in the entire farm problem, because of tremendous farm production of the great State of Oklahoma, for yielding to me.

Mr. MONRONEY. I thank my distinguished colleague.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The Senate resumed the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. MCCARTHY. Mr. President, I should like to make it clear at the beginning of my address that my primary concern is not so much with the personal qualifications of Mr. Strauss, but, rather, with the larger question of the responsibility of the Senate in passing upon nominations for Cabinet officers and other important administrative positions.

Some of the reactions in the press and also among the people of the country as a result of the rather prolonged hearings on the nomination of Admiral Strauss are evidence of the need for a repeated, clear statement of the Senate's responsibility, under the constitutional instruction regarding advice and consent.

The assumption has arisen that the President has an almost exclusive responsibility in regard to administrative appointments, and that failure, upon the part of the Senate, to support the nominations by confirmation is an affront to the President.

That assumption is not warranted by a careful reading of the Constitution. It is not warranted by a careful reading of the debate which preceded the adoption of this particular section of the Constitution. Certainly it is not warranted by the traditions and practices which have developed since the Constitution was adopted.

Withholding consent should not be considered an affront to the President any more than veto action by the President should be considered an affront to the Congress. The President has a right to veto legislation which has been passed by the Congress, and if he determines that it should be done, he has a duty to do so. In the same way, the Senate has a positive duty to give its assent to nominations if it feels they are in the

public interest. It has the right and the duty to withhold such approval if the facts justify such action.

Mr. CLARK. Mr. President, will the Senator yield briefly?

Mr. McCARTHY. I yield to the Senator from Pennsylvania.

Mr. CLARK. I am much interested in the point the Senator is making. In the course of trying to make up my mind as to how to vote on this question, I have listened to distinguished Senators who take the position that if this nominee is rejected, it will be a body blow to the President at a time when our international relations are in some difficulty, when the President needs all the prestige he can get, when everybody ought to rally around the President, in view of the happenings at Geneva and the possibility of a summit conference.

I wonder if my friend will elaborate a little on the view that rejection of this nomination, if it should come, would have little, if any, effect on the President's stature, not only as our Commander in Chief, but as our Chief Executive in charge of the day-to-day conduct of foreign relations.

Mr. McCARTHY. May I say to the distinguished Senator from Pennsylvania that the action taken by the Senate in confirming the nomination of Christian Herter to be Secretary of State did involve, I think, this very point; but, wisely, the President sent to the Senate the name of a man in whom the Senate had confidence and one on whom we counted and trusted to carry out properly the duties of the Office of the Secretary of State.

In terms of the President's prestige at a summit conference, assuming there will be one, I would say there is about as much significance in suggesting that the President will suffer as a result of the rejection of the nomination, as there is that the Department of Defense will collapse if the Senate supports the Senator from Maine [Mrs. SMITH] in her opposition to the promotion of General "Rosie" O'Donnell. I think the cases are roughly comparable as far as influence on the summit goes.

If those who are concerned about the loss of prestige of the President will look at the record, they will find that the Senate has never been particularly sensitive on this score in other administrations. I would say the members of the opposition party have a very special kind of responsibility in this area, although, of course, the responsibility rests upon the whole Senate. If in the past the Senate has sometimes used its power in an arbitrary manner, or in a partisan manner, it is to be regretted, just as arbitrary vetoes on the part of the President are to be regretted. The fact that there have been arbitrary vetoes is no argument for withholding the veto power or for withdrawing it from the President.

Mr. President, the growth of Government and the changes within Government have resulted in new problems, new relationships, and corresponding new responsibilities which were quite unknown in 1787. The present controversy has been accepted by some as simply the inevitable conflict between the legislative branch and the executive. Certainly this is one aspect of the problem, but more important, I believe, is the changing role of Cabinet officers and high administrative officials, especially those in the independent, regulatory commissions.

Cabinet officers have become much more than advisers to the President and administrators of clearly stated laws of limited application. This has been especially true under the present administration. They have been delegated powers by the Congress and by the President which provide for discretionary authority in the use and interpretation of the laws. They do exercise executive power, but also a great measure of legislative and even judicial power.

It is therefore vitally important that the men in charge of these high offices be responsive to the will of the Congress, as well as to the intent of the President, as they interpret and apply the law, taking into account not only the position of the administration in power, but also that of the Congress which passed the laws which they are charged with executing or enforcing.

The veto power is to be exercised only at the time a bill is before the President for signature. We do not give each new President the right to veto laws which have been passed by previous Congresses and approved by previous Presidents.

The qualifications of administrative officials must therefore include much more than good character, good intentions, intellectual capacity for the office, and loyalty to the President.

In the course of this debate one is almost forced to conclude that if the President sends to the Senate the name of a man who has FBI clearance and a medical certificate the Senate ought to approve the nomination at once. Certainly much more than that is called for.

It is vitally important that administrative officials also understand their relationship to the Congress; that they be aware of the changes which have taken place in our Government; that they be concerned to make government truly representative and responsible; that they show a willingness and determination to cooperate with the Congress, and, to the best of their ability and understanding, to carry out the intent of Congress in order that the purpose of representative government may be achieved in the fullest possible measure.

It is this new role of Cabinet officers which requires careful and, if necessary, prolonged inquiry on the part of Senators who must judge the qualifications of nominees of the President. The official actions of these officers of Departments such as Agriculture and Commerce have direct and significant effects upon the rights and welfare of citizens of the United States. In many cases the livelihood of citizens, their economic well-being, depends upon the exercise of the discretionary power of these officers in interpreting and applying the laws.

Mr. President, much has been said about separation of powers in relation to the current hearings on the appointment of Ambassadors and in the proposed appointment of Lewis Strauss to be Secretary of Commerce. Actually, the controversy is not over separation of powers, at all. When the executive branch of the Government is carrying out its truly executive functions, it is rarely, if ever, in conflict with Congress, because neither the Congress nor the courts have the personnel or institutions for the administration of the laws of the country.

The real question is not separation of powers, but balance of powers between Congress and the President in the field of policymaking. In part the difficulty is institutional, the result of historic changes which have taken place particularly within the last 50 years, and in part it is the result of the particular kind of administration which now controls the executive branch of our Government.

Often the administration's decisions have involved questions of policy of either a legislative or judicial character.

Mr. President, the dual position of members of the Cabinet is well expressed and described by Prof. Richard Neustadt, now an associate professor of government at Columbia University and at one time on the White House staff during President Truman's administration. In the current issue of the Reporter, June 11, 1959, Mr. Neustadt reviews a new book, "The President's Cabinet," by Richard Fenno. In the review he observes:

> The Constitutional Convention is supposed to have established a government of separated powers. It did nothing of the sort. Rather, it created a government of separated institutions sharing powers. President and Congress were made independent of each other, and their separateness has been maintained from then to now by their reliance upon differing electorates. But by deliberate plan, both Capitol and White House were to share—and do share—the governmental powers of the other. And chief among the powers shared has been control of the executive departments.

A few lines later, Mr. Neustadt states:

> The Constitution, on its face, gives Congress no less power than the President to supervise administration, and the power has been used as opportunity afforded. From 1789, when the first executive departments were created by act of the First Congress, authority to organize departments and to legislate what they should do, to furnish funds to do it, to investigate its doing, and to confirm appointees has made Congress a partner with the President—and sometimes the senior partner—in controlling his executive establishment.
>
> Department heads who sit in Cabinet with the President are compelled, constitutionally, to serve two masters; he is only one of them.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Pennsylvania.

Mr. CLARK. I am interested in the point the Senator is making. I wonder whether the thought that Cabinet officers serve two masters could not, perhaps, be pushed a little too far. Is it not true that the primary loyalty of a Cabinet officer should be to the President, who appoints him, rather than to the Congress, since the House has nothing to do with the confirmation of his nomination and the Senate simply gives its advice and consent?

In other words, to rephrase the question, Does the Congress have any legitimate control over the philosophy of a member of the Cabinet? I happen to disagree violently with practically the entire political philosophy of Admiral Strauss, but it does not seem to me this is a justification for voting against the confirmation of his nomination. I wonder what my friend would say to say?

Mr. McCARTHY. If Admiral Strauss as Secretary of Commerce were to be called upon simply to carry out and to administer the laws as interpreted by the President, in other words, to be an executive officer for the President, I would say his political philosophy would have little bearing upon whether the nomination should be confirmed. The point is that, as Secretary of Commerce, he will be called upon to make many decisions of policy, first of all because of the very nature of the job itself, and, secondly, because, as I said, under this administration, I think, there has been more delegation of powers and responsibilities on the part of the President than there has been under any recent previous administration. As one man observed, "The President does not delegate, he just turns it loose."

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. McCARTHY. I yield.

Mr. CLARK. The Senator will understand that the inquiries I make are in the most friendly possible background and that I am really seeking information.

The Senator and I happen to agree pretty thoroughly—I observe the Senator from Oklahoma [Mr. MONRONEY] is present on the floor, and I think he also agrees—that the present high interest rate policy of the Secretary of the Treasury is not only wrong but it is pretty nearly catastrophic to the economy. I voted to confirm the nomination of the present Secretary of the Treasury, knowing full well that he was a conservative who espoused economic views which I consider obsolete, and one who looked at the American economy with a view which I thought did not give the true picture.

And yet it seemed to me then that I was pretty much duty bound to vote for the confirmation of his nomination. Perhaps my vote was due to the fact that the Secretary of the Treasury is a very likable and attractive gentleman, a very candid gentleman, a gentleman who, so far as I know—although I disagree with him rather thoroughly—has never attempted to hold back information from the Congress. Would the Senator from Minnesota go so far as to say, in view of his views and mine, that if Mr. Anderson's nomination were before the Senate for confirmation today, feeling as we do about his economic views, we should vote against confirmation?

Mr. McCARTHY. No; I would not, and for several reasons. In the first place, I have been a member of committees before which Secretary Anderson has testified. There was never any question that he was telling us what to do. He was answering the questions we put to him. So far as I know, he has never invoked the privilege of executive secrecy, and he has never spoken about this subject in the way which Admiral Strauss has spoken. As will be noted from a reading of the testimony, Mr. Strauss went so far as to say, in one instance when he was being pressed for information, that even though the Attorney General told him that he had no basis for executive privilege, he would himself reserve judgment as to whether information should be revealed to the committee.

Also, with regard to the Dixon-Yates contract, after the President had said, "This is an open book," Mr. Strauss evidently concluded that this statement did not apply to him. At least, he did not open the book.

Mr. CLARK. I, too, was gravely concerned by that passage in the hearings. I happened to read it only this morning, and I wondered what manner of man this was, who, having no particular competence in the law, who, having not attended any higher educational institution—and this, of course, I do not hold against him at all, because many fine men have risen to high positions in the Government without the benefit of a college education; but at least Mr. Strauss had no formal education which would particularly qualify him to express opinions and act on judgments with respect to the meaning of the Constitution of the United States—should follow the course of action referred to by the Senator from Minnesota.

Yet here was a man who not only was entirely willing to put his own interpretation on the Constitution of the United States with respect to the questions of separation of powers and executive secrecy, but who actually said before the committee that if the Attorney General or other competent counsel advised him that he could take a particular course, he would nonetheless tend to follow his own judgment, which seems to me to be a judgment not based upon very much competence.

Mr. McCARTHY. At a later point in the hearings he declined to answer on the ground that he was not a lawyer.

Mr. CLARK. I thank my friend from Minnesota.

Mr. McCARTHY. I make one further point with regard to the Secretary of the Treasury. I am quite certain that in cases in which Congress had clearly established a policy and enacted it into law, we could count upon him to carry out the intent of Congress. So far as I know, he has never by his actions supported the position which Admiral Strauss indicated is his, as developed in the hearings, namely, that he believed that in the area of the peaceful use of atomic energy the administration and not the Congress was the policymaking body.

Mr. CLARK. Is it not clear from the Senator's knowledge of the Constitution that the Legislature is very clearly the maker of policy, and the executive is the branch which carries policy into effect?

Mr. McCARTHY. The distinction is not quite that clear. Insofar as the President has the right to exercise the veto power, he can, by indirection and by a kind of drag on the Legislature, force acceptance, in part, of his policy position.

Mr. CLARK. But once a law is enacted by Congress and is signed by the President, it is the duty of the President to carry out the policy laid down by the law enacted by the Legislature.

Mr. McCARTHY. It is the duty of the President and all his Cabinet members.

Mr. CLARK. This would be true also of legislation enacted over his veto.

Mr. McCARTHY. Yes; it would. It would be true even of legislation enacted in a preceding administration; no matter how much he might object to the legislation, his obligation to enforce it would be clear.

Mr. President, this inquiry into the qualifications of a prospective department head is his public scrutiny. Congressmen and the President himself are tested for many months in political campaigns. Men holding these high administrative posts, whose decisions directly affect the welfare of citizens, must also be tested. It seems to me to be a proper construction of the Senate's advice and consent obligation to ask appointees to explain and to clarify their positions on policy and their concept of their office before they are approved; also, at this time of flux in Government relations, to explain their understanding of their relationships with and their obligations to the Congress itself.

If we review the conflicts and frustrations of the Congress with the administration in the past few years we find the origins, not in an irresponsible or aggressive Congress, but in an administration some of whose leaders generally lack a nicety of understanding of their responsibility to the policymaking power and decisions of Congress. Too often the situation has been one of administrative heads acting as though they were still the top management of corporations or the high officers of the Military Establishment. They set the policy and administer it largely on their own initiative. Their decisions, backed up by estimates of the Bureau of the Budget, are presented to the Congress with the authority of law, and Congress is charged with being reckless and irresponsible when it makes judgments that vary from the decrees of the supreme command.

I would not say that all the fault is on the part of the administration, but the disposition has been to obstruct and oppose what the Congress has proposed. I suggest that, in part, this may be the result of the fact that most of the persons in high office in this administration have been drawn chiefly from two fields—either from the military or from big business. Neither of those institutions is particularly democratic in its organization or in its processes. Rather, they are chain-of-command organizations, in which policy is determined by one or two, and is carried on down without much discussion or debate.

I have never been one who felt as Senator Lodge once said he felt in speaking of the role of the opposition party, that the opposition party should be the conscience of the majority party. It is my opinion that each party should have its own conscience. There is not much

profit in being the conscience of other persons, but there is much profit in being one's own conscience. I do believe that the opposition party, or the minority party, whichever the case may be, has the responsibility of serving as a kind of memory for the other party, especially when its memory seems to be defective.

I should like to read into the RECORD statements made by some of the leading Republicans of this body in former years on the question of the responsibility of the Senate to confirm or reject.

This statement was made by the Senator from New Hampshire [Mr. BRIDGES] on January 5, 1939, when he was speaking in opposition to confirmation of the nomination of Harry Hopkins to be Secretary of Commerce. The Senator from New Hampshire said:

I think the appointments of the President to his Cabinet are the concern of every man, woman, and child in the United States. Ordinarily, I believe a President should have wide latitude in the selection of his personal Cabinet unless there is some outstanding reason why that should not be so. I believe that the committee to which his nomination is referred may well take into account the characteristics of the gentleman, his past history, his past career.

On January 20, 1939, Senator BRIDGES said:

I cannot quite understand the philosophy of the Senator from Iowa, Mr. GILLETTE, when he comes here and stands before this body condemning Mr. Hopkins, and then states that he is going to vote for his confirmation. Cabinet members * * * are subject, under the Constitution, to confirmation or rejection by the Senate. True, the President should have a wide latitude in making his selections, but the Senate, under the Constitution, has a right to confirm or reject all appointments.

The Senate of the United States has had no compunctions about turning down other men who have been nominated for Cabinet positions by the Presidents of the United States and I do not believe we should have any compunctions at this time.

The Hopkins nomination was confirmed by a vote of 58 to 27. There were 23 Republicans in the Senate at that time and 21 voted against confirmation. Among those voting against confirmation were the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. WILEY].

Mr. President, I ask unanimous consent to have printed in the RECORD another quotation from statements made about the same time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Senator James J. Davis, Republican, of Pennsylvania, said, on January 19:

"During my years in the Senate I have never opposed a Cabinet appointment by the President. I dislike to take a contrary position at this time. I know the close relationship which has existed between the President and Mr. Hopkins for many years, reaching back to their work together in New York State. The identity of their interests and the mutual bond of their viewpoints have been thoroughly well established since they have been in Washington together during the past 6 years. I believe that nothing I shall say will prevent the confirmation of Mr. Hopkins. However, I should be recreant in my duty, unrepresentative of my constituents, and false to my own beliefs if I voted to confirm him."

Mr. McCARTHY. Mr. President, I wish now to quote from the late Senator Taft, who was leader of the Republicans while he was in the Senate. Speaking in 1945 relative to the proposed confirmation or rejection of the nomination of Henry Wallace as Secretary of Commerce, Senator Taft said:

There is, of course, no doubt about the power of the Senate to refuse to confirm a Cabinet officer (Feb. 19, 1945, CONGRESSIONAL RECORD, vol. 91, pt. 1, p. 1230).

He then took issue with a position advanced by Walter Lippmann and went on to say:

Mr. Lippmann says that we cannot refuse confirmation because we have a government based on the separation of powers, requiring that the executive and the legislature be independent of each other. Of course we have a government based on separation of powers but with regard to the appointment of officers the Constitution deliberately imposes a portion of the executive power on the Senate and makes it part of the executive for that purpose.

In the same way in conferring on the President a veto power over legislation passed by Congress the Constitution makes the President for that purpose part of the legislative arm of the Government. If the Senate cannot refuse to confirm Cabinet officers, then the President cannot veto a bill. As a matter of fact, the Constitution actually contemplates that the Senate shall be consulted before the appointment is made, in the provision that all officers, including Cabinet officers, shall be appointed with the advice of the Senate.

I suggest that if that is the proper interpretation, it would be hard to find many Democratic Senators whose advice has been sought on the nomination of Admiral Strauss.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MONRONEY. I am very much impressed by what the distinguished Senator from Minnesota is saying in this respect. It has been repeated almost as a credo that there have been rare times in our history when Congress has not confirmed the nomination of a Cabinet officer. Does the Senator from Minnesota not think that this has generally been because in only 18 out of 86 Congresses the Senate had been in the control of the party of the opposite political faith of that of the President, and therefore the advice portion of the advice and consent provision has generally been taken care of by consultation between the President and his majority Members of the Senate?

Mr. McCARTHY. Certainly. The record which I have just cited with regard to the confirmation of Harry Hopkins, in connection with which 21 of the 23 Republican Senators voted against confirmation, would not indicate that they had accepted generally the obligation to vote for the man who was recommended by the President.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CLARK. I am very much interested in the constitutional point the Senator from Minnesota has raised, with reference to the proper interpretation of the word "advice," as distinguished from "consent."

Mr. McCARTHY. I was quoting Senator Taft in that regard.

Mr. CLARK. I understand. Is the Senator not in accord with the general philosophy enunciated by Senator Taft?

Mr. McCARTHY. Yes. That tends to sustain the position which the Senator from Oklahoma has just stated.

Mr. CLARK. I agree with the Senator. How would the Senator have the advice operate in the Senate, which now consists of 98 Members, and will soon consist of 100 Members? I assume that the advice could not be by individual consultation with each Member of the Senate. That would be far too unwieldy and impractical. Would it not be perhaps the part of wisdom, when the Senate is controlled so heavily by the opposite party to that of the President, for the President at least to consult with the majority leader and the chairman of the committee and perhaps one of the senior members of the committee, as a minimum?

Mr. McCARTHY. I should say that that would be the minimum, certainly.

Mr. CLARK. I hope some member of the White House will read the RECORD, with perhaps the happy result of the adoption of a suggestion such as this one, and that a similar situation will not occur again between now and January 1, 1961.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MONRONEY. Is it not a fact that during the 80th Congress, which was heavily controlled in the Senate, and to a lesser degree in the House, by the Republican Party, President Truman, having had experience in the Senate, made every effort to follow the advice and consent provision of the Constitution? I remember in particular the case of Paul Hoffman, whom the President wished to appoint to head the great Marshall plan. I know that Paul Hoffman's name was cleared with Senator Vandenberg and Senator Taft before his name was even seriously considered for transmittal to the Senate.

Other lesser appointments followed the same procedure. Some were accepted by Senator Taft and Senator Vandenberg, and some, I know personally, were refused to be accepted, and were never even sent to the Senate by President Truman. Therefore the advice and consent worked in this instance, although to all intents and purposes a very hostile relationship existed on many domestic issues between the then Democratic President and the Republican Congress. It is possible to make the thing work if the President will only take the trouble to discuss and advise, as the Constitution provides, even when the Senate is controlled by a party opposite in political faith to that of the President's.

Mr. McCARTHY. I would say to the Senator from Oklahoma that the Democratic leadership in Congress has been

more than cooperative. I might observe that if more advice had been sought, and sooner, there would have been less difficulty in the Senate.

I might make one other point on this matter. Early in the Eisenhower administration, the nomination of Charles Bohlen to be Ambassador to the Soviet Union proved to be controversial. Although he was finally approved, seven Republican Members who are still in the Senate voted against confirmation. They were Senators BRIDGES, DIRKSEN, DWORSHAK, GOLDWATER, HICKENLOOPER, MUNDT, and SCHOEPPEL.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MONRONEY. I can well remember when a distinguished member of our party, a former Chief of the Office of Price Administration, a man who had served with great credit as Governor of the State of Connecticut, was nominated by President Truman to be Ambassador to India. Later I shall get for the RECORD the yea and nay vote on that nomination. It involved a man who now serves in the House of Representatives. He was subjected to some of the most bitter attacks I have ever heard made on the floor against any man. The President sought to send Representative BOWLES, then Governor BOWLES, to India as our Ambassador. History will show that he made one of the most distinguished records as a citizen Ambassador which has ever been made in recent years. The people of India loved him because he was a working Ambassador and he sought to help the people of India to understand the great heart of America.

Mr. McCARTHY. I thank the Senator from Oklahoma for his most worthwhile contribution.

Another general question which should be answered has to do with the record of Admiral Strauss, particularly as Chairman of the Atomic Energy Commission. This question has been discussed by other Members of the Senate, and I am sure will be discussed a great deal more before the end of the debate.

I wish to move on to consider certain other issues and charges which have been raised during the debate.

Several Republican spokesmen and columnists have argued that the opposition to Mr. Strauss is a harassment by Democrats for political gain. The Senator from Oklahoma, in his statement earlier today, has pointed out how ridiculous that charge is, since there can be no possible political gain for us in this extensive debate over the appointment of Admiral Strauss.

I might also make the point that, since we have been charged with being partisan, we might look at the record. In the committee itself six Republican members voted for Admiral Strauss. This would seem to be strong partisan support. On the other side, there were 11 Democrats, and of the 11, three voted to report favorably the nomination of Admiral Strauss. I understand that in the Senate today, as a whole, according to newspaper reports, there is only one Republican, the Senator from North Dakota [Mr. LANGER]—who has announced his opposition to the nomination. We do not know how many Democrats are in favor of the confirmation of the nomination or how many are opposed, but the vote will be divided. It seems clear that the Republicans are more partisan, with a 100 percent record in committee, and a nearly 100 percent record on the floor of the Senate.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CLARK. I believe it has been very clearly pointed out by the majority leader of our party that he does not wish any Democrat to make his determination on how he will vote on the nomination on a partisan basis. In fact, he has urged each Senator to discard all partisanship in connection with it. I believe that is sound advice. I have tried to follow it in making up my mind, which is not entirely closed.

Mr. McCARTHY. The majority leader has made the point that it is an obligation in conscience on the part of every Member of the Senate. I would say this is the first consideration and should be a continuing consideration.

The second consideration is that this should not be a party matter, or one based on partisanship. The determination should be made based on the integrity of the U.S. Senate, that is, on whether we will fulfill adequately the constitutional obligations which have been placed upon us.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MONRONEY. While the majority leader has announced that he will not make up his mind until he has completed his study of the record, and has urged the Democrats to study the record and make up their own minds accordingly, have we not found the minority leader of the Senate, day after day, jumping up to heckle and to lead the cheers for the straight partisan position that all loyal Republicans must blindly come to the aid of their nominee?

I have never seen a more partisan demonstration in my life than that which has taken place on the floor of the Senate. I witnessed the same kind of action for some 3 weeks before our committee. The Republican position, in unified action, was to complain daily about unfairness and about the slowness of the progress of the hearings, and in general to show a partisan spirit, when such a position was not evidenced at all by the questions or the activities of the Democratic members of the Committee on Interstate and Foreign Commerce.

Mr. McCARTHY. The Senator from Oklahoma is correct. The partisan feeling was injected by the ranking minority member of the committee. But the charge of partisanship is one of the more pleasant charges made against the Democrats. We have been charged, more recently, with anti-Semitism and with giving comfort to the Communists.

The fact that the Republican supporters of Mr. Strauss have gone to such extremes is, it seems to me, an indication of their unwillingness to debate the question of the confirmation of the nomination on the facts and on the merits.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CLARK. I recall one individual making comments similar to those to which the Senator has just noted. He referred to a couple of witnesses who appeared against Admiral Strauss as mad scientists.

I have received a large amount of mail on the subject of the confirmation of the nomination, much of it from distinguished members of the scientific community. With great earnestness, they spoke of their grave concern about the effect of this development upon science if the nomination should be confirmed.

I share the view of the Senator from Minnesota that some very intemperate language has been used by our friends across the aisle in their efforts to defend Mr. Strauss, language which, I suspect, will be pretty hard to justify in the eyes of history.

Mr. McCARTHY. I agree with the Senator from Pennsylvania that much of the language used has been unwarranted. Generally, after the implication has been made that the Communists will take great aid and comfort from the defeat or rejection of Admiral Strauss, a qualifying statement is always added, such as one I read in the RECORD, to the effect, "I admit that the Communists are not in any way directly responsible for the opposition to this nomination in the Senate." That is supposed to take care of the insinuation.

Mr. CLARK. The comparison made by one of our colleagues of the case of Admiral Strauss with the Dreyfus case has resulted in the sending of a large number of letters to me from distinguished and eminent Jews in the Commonwealth of Pennsylvania, protesting strongly about the issue of anti-Semitism being dragged in by the heels, and indicating that, today, strong members of the Jewish faith are very much opposed to the confirmation of the nomination.

Mr. McCARTHY. A number of editorials relating to that particular issue have already been placed in the RECORD, particularly by the distinguished senior Senator from New York [Mr. JAVITS], who has been especially disturbed over the injection of the issue into the debate.

While we are on this subject, even the Washington Evening Star, which has established a rather good reputation as a conservative, respected, and honorable newspaper, has moved over into this area. Of course, all of us are accustomed to the columns written by Gould Lincoln, Constantine Brown, and David Lawrence. We expect them to take the conservative position. They have taken it for many years. Their flags are up.

Mr. CLARK. Not to mention George Sokolsky in the Washington Post.

Mr. McCARTHY. I was thinking only of the Star. Mr. Sokolsky's flag is up, too. We know what to expect of him, also.

But so long as the Star continues to retain on its reporting staff such writers as Doris Fleeson, Mary McGrory, Jerry O'Leary, and their other fine reporters, we cannot complain too much.

I am inclined to believe that possibly the move by the Evening Star to their new quarters may have upset them somewhat, because they have now moved the discussion of the Strauss nomination over to the editorial page proper, to the mailbag, and also to the cartoons.

I am certain most Senators will recall the publication in the Star about 2 weeks ago, of a cartoon which clearly was not according to the testimony. It happened that an excited person in the committee room got up and made some charges against Admiral Strauss. This incident was taken up by the cartoonist, who showed the Senator from Tennessee [Mr. KEFAUVER] at a desk, and the Senator from New Mexico [Mr. ANDERSON] coming in with the item in his hand, saying, "Why didn't we think of this ourselves?"

In the mailbag, there have been at least two letters, one of which made some reference to the Senator from Oklahoma. The writer interpreted opposition by Democratic Senators to the confirmation of Mr. Strauss as proof that the Communist conspiracy was not altogether dead. But I think most Senators, on both sides of the aisle, know the reputation of the Senator from Oklahoma and also that of the Senator from New Mexico.

Most of us, I believe, discount this kind of letter to the editor. I do not know, though, that we can really excuse the editors themselves for publishing this sort of thing.

A recent "letter to the editor" of the Evening Star carried an interesting qualification. This was the letter written by Mr. Eric Cox, who discussed some of the charges made, not by any Senators, regarding Admiral Strauss and the question of atomic fallout and the possible effects of fallout upon the next generation. But the editor added this note:

> The statements in Mr. Cox's letter are typical of the free-wheeling, unsupported attack on Mr. Strauss. Not even the dissenting Senators have accused him of the "hateful crime" for which he is indicted by Mr. Cox.

Finally, the issue has reached the editorial column proper, as is indicated by the editorial entitled "Everybody's Doing It." The editorial was provoked by the information that Tass, the Soviet news agency, had given some attention to the testimony of the scientists who had appeared before the committee. After giving a report on what was said in Russia, the Star very kindly said this:

> We would like to be entirely clear about one thing. There is no suggestion here that those Senators who are opposing Mr. Strauss are making cause with the Russian propagandists, or that anyone should support Mr. Strauss simply because the Russians are against him.

That is a part of the editorial. I hope that any Members who may be challenged on this ground will resort to the editorial published in the Star, in order to defend themselves.

Mr. President, in addition the old charges of "liberal" or "conservative" have been used. I think most of us have had to face such labeling and branding before, and I believe we shall be able to take care of ourselves.

Mr. President, the judgment which we are called upon to make is a difficult and a complex one. It would be convenient to select some one statement or case, some clear-cut example, on which to base one's decision; but it would be irresponsible to do so.

It seems to me that the judgment we must make in this case is similar to that of the conscientious voter in an election. He finds some good and some imperfection in each party and in each candidate, but he casts his vote for the total record and the habitual pattern of action which he thinks will best serve the general welfare.

I would suggest to my colleagues in the Senate—both Republicans and Democrats—that as they approach the vote on the question of confirmation of the nomination of Admiral Strauss, they keep in mind the words of the late Senator Taft, who said that the matter of confirmation of the nominations of Cabinet members and other high officials was, for a U.S. Senator, a solemn duty.

PERSONAL STATEMENT BY SENATOR MORSE

Mr. MORSE. Mr. President, I wish to make a brief statement in connection with the insertion of certain material in the RECORD.

It will be recalled that some weeks ago I cross-examined Secretary of State Herter in a public hearing of the Foreign Relations Committee, at the time when the question of confirmation of his nomination was pending. I was a strong supporter of confirmation of his nomination.

At that time, I asked Secretary Herter a series of hypothetical questions in regard to the Berlin crisis and what America's course of action might be if certain eventualities developed in connection with the Berlin crisis—such as, for example, if the Russians were to shoot down an American plane over Berlin. I asked those questions in order to clear up a very confused record which Secretary Herter, when he was Under Secretary of State, had left, in my opinion, in an executive session of the Foreign Relations Committee of the Senate.

Mr. President, other members of the Foreign Relations Committee will confirm that I was not the only one who was perplexed and concerned about some of the statements Secretary Herter had made, in the executive session, in regard to what America's course of action might be over the Berlin crisis.

The fact is that he left some of us very much concerned as to whether the United States might use the Berlin crisis for the starting of a nuclear war, prior to exhausting all peaceful procedures available to us under the United Nations Charter, in case Soviet Russia might make a grave mistake over the Berlin crisis—by shooting down an American plane, for example.

There happen to be some of us who are of the opinion that—dastardly though such an action on the part of Soviet Russia would be—we still should do everything we could within honor to make use of the peaceful procedures of the United Nations, to try to hold Russia to an accounting, without starting a nuclear war over it.

So, Mr. President, I asked a series of questions of Secretary Herter in a public hearing, because I thought it very important that he be given opportunity, before the vote was taken on the question of confirmation of his nomination; to clarify the record. And he did clarify it; and the transcript of that public hearing shows that I commended him for his testimony in answer to my questions.

The Christian Science Monitor, without knowing the facts, proceeded to publish a story attacking my motives for the examination of Mr. Herter. The story was completely wrong—as one usually is wrong if he seeks to pass judgment upon the motives of others, particularly when he does not have more facts than the Christian Science Monitor had when it published that story. In the midst of the story, the reporter who wrote it stated that in an attempt by me to trap and embarrass Secretary Herter, I had brought my own recording device into that public hearing, to record the testimony of Secretary Herter in answer to my questions, apparently in the hope that I might be able to embarrass him and then make some subsequent use of the recording.

Of course, that was a complete falsehood on the part of the Christian Science Monitor; there was not a scintilla of fact to support a statement of either the use of a recorder or the reason for my questions.

The article published in the Christian Science Monitor was made use of in Oregon, by the press in opposition to the senior Senator from Oregon, particularly by the Pendleton East Oregonian, in an editorial which sought to reflect upon the senior Senator from Oregon. Mr. President, if I had been guilty of bringing my own recording device into the public hearing of the Foreign Relations Comittee, I would have considered it a highly improper course of action on my part and, in my book of ethics, a highly unethical course of conduct.

So I called the attention of the editor of the Christian Science Monitor and the editor of the Pendleton East Oregonian to the falsity of their statements, and I requested of them that they proceed with a retraction thereof, pending which I would hold in reservation my decision as to what legal action I would take for the damage their false stories had done to me.

On May 15, I placed in the CONGRESSIONAL RECORD the original story from the Christian Science Monitor, and the correspondence I had had with Mr. Canham and Mr. Bud Forester, editor of the Pendleton East Oregonian, about it.

At the close of my remarks, I shall ask that the further correspondence I have had with them be inserted in the CONGRESSIONAL RECORD.

The explanation of the editor of the Christian Science Monitor was that his correspondent had relied upon a statement which had been made to him by another Senator on the Foreign Relations Committee—although that Senator was never designated by the Christian Science Monitor; and the subsequent action taken unanimously by the Foreign Relations Committee demonstrates very well, I believe, why no Member of the Senate was so designated.

As I stated in my wire to Mr. Canham of May 27, his correspondent could have cleared up the whole matter at the time by asking me the simple question of whether I was making a recording, and if so why. I was the best witness; and if he was interested in reporting the truth, he certainly should have asked a question or two of me about it.

Well, Mr. President, I am pleased today to ask unanimous consent to have published in the RECORD the Christian Science Monitor's retraction of the false charge contained in the Christian Science Monitor's story to which I referred.

I try to be fair with my critics when my critics extend to me the fairness that the editor of the Christian Science Monitor has proffered.

So I ask unanimous consent that I be allowed to insert in the RECORD certain correspondence bearing upon this matter, including the article the Christian Science Monitor published retracting its charge that I had used a recorder of mine in the hearing.

The investigation of the Christian Science Monitor disclosed what I told them in the first instance, that if there was any recording taken in the hearing, it was done by the radio and television networks, without any participation in the recording by the senior Senator from Oregon.

The investigation by the Foreign Relations Committee staff showed that the networks represented at that hearing recorded the entire proceedings, including the statements made by the chairman of the Foreign Relations Committee, and all the rest of us on the committee, as they do, Mr. President, as every Senator in this body knows, at most hearings in which they feel there is an exceptional public interest.

I also ask unanimous consent that there be published in the CONGRESSIONAL RECORD a letter I received from the chairman of the Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT], a copy of which has been sent to the editor of the Christian Science Monitor and to the editor of the Pendleton East Oregonian, calling attention to the fact that the Foreign Relations Committee, by unanimous vote, was to notify the Senate that there was no basis for any charge that I had used any recorder of my own at the Herter hearings, or was a party to any such tactic.

Mr. President, I also ask unanimous consent that an article published in the Pendleton East Oregonian on May 28, calling attention to the Christian Science Monitor correction of its mistaken story, be published. This is accepted by me, in a spirit of generosity and great charity, as a retraction by the Pendleton East Oregonian, painful as I know it was to the editor. I try to be more forthright in admitting my mistakes, but at least the admission contained in the story is a recognition that they relied upon the Christian Science Monitor, they believed the story was correct, they published the story upon the basis of that belief, and, as will be seen when the story is read, they had no intention to do an injury to the senior Senator from Oregon.

I ask unanimous permission that these materials be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BOSTON, MASS., *May 20, 1959.*

The Honorable WAYNE MORSE,
U.S. Senate, Washington, D.C.:

Thanks for your wire and letter. I had asked Mr. Stanford last Friday to get in touch with you at once, but unhappily you have been tied up. He is leaving at your office this morning a proposed item of correction to be published on our editorial page, where we ran the original piece. I hope the correction is satisfactory. If not, do let Mr. Stanford know what you think should be said. We are awfully sorry at this unfortunate misunderstanding on our part. Our reporter appears simply to have been misinformed by distinguished informants.

ERWIN D. CANHAM,
Editor, the Christian Science Monitor.

BOSTON, MASS., *May 22, 1959.*

The Honorable WAYNE MORSE,
U.S. Senate, Washington, D.C.:

Your letter to Stanford crossed my wire to you. Our only purpose in seeking an appointment for Stanford was to try to convey his and the Monitor's good faith in accepting information which we now find to be incorrect. Of course we are glad to print the correction. We are expanding it to include all the material of which you complain. Is there anything you wish added to it?

ERWIN D. CANHAM,
Editor, the Christian Science Monitor.

WASHINGTON, D.C., *May 27, 1959.*

Mr. ERWIN CANHAM,
Editor, Christian Science Monitor,
Boston, Mass.

DEAR MR. CANHAM: The story given me by your reporter is an obvious effort by him to play down the snide and untruthful story he wrote about me in connection with the Herter hearings. He compounds it by trying to blame others for his failure to make any effort to find out the truth before committing a libelous statement to print.

At no time did Mr. Stanford speak to me, to any member of my staff, or to the staff of the Foreign Relations Committee to ascertain whether I used recording equipment. Nor did he ever speak to me or any member of my staff about my reasons for questioning Mr. Herter as I did, nor did he make any effort to learn what my views were on the Herter nomination. Instead, he attributed my entire series of questions to the evil motives of trying to "trap" and "embarrass" Mr. Herter, when the exact opposite was actually the case.

If you do print any correction of his story, please quote the entire language about me used by Mr. Stanford.

I believe it should also be made clear to your readers that he never sought any confirmation from me or from my office on anything he said about me in the April 25 story.

It does not seem to me that I should have to spend time and effort going around the country trying to catch up with the unfounded and untruthful statements of newspaper correspondents, who are so ready and anxious to discredit everything I say or do that they accept as gospel whatever gossip they may pick up from my political opposition. I am especially sorry to find that even the reporting of the Christian Science Monitor has fallen to this low state.

You may be interested in knowing that yesterday, May 26, the Foreign Relations Committee by unanimous vote passed a motion which stated that there is no basis in fact for the Christian Science Monitor story that I had hooked up my own wire recording device to take down my exchange with Mr. Herter.

My further action in regard to your paper's libel of me will depend upon the journalistic course of action you follow in trying to correct this wrong.

Sincerely yours,

WAYNE MORSE,
U.S. Senator.

[From the Christian Science Monitor, May 26, 1959]

IN FAIRNESS TO SENATOR MORSE

In an intimate message on April 25, in a brief reference to the Senate Foreign Relations Committee hearing on confirmation of Christian A. Herter as Secretary of State, this newspaper said:

"Senator WAYNE MORSE, Capitol gadfly, tried half a dozen ways to trap the prospective Secretary into exhibiting an inadequacy for the top State Department post.

"Mr. Herter nimbly and skillfully avoided them all. He, in fact, wound up by trapping the Senator with his own bait—a situation that so caught Mr. MORSE by surprise that he startled everyone (possibly including himself) by congratulating the Under Secretary on his perspicacity.

"For some unexplained reason, Senator MORSE had hooked up his own wire recording device to take down his fairly frank and forthright exchange with Mr. Herter. But if he hoped to have on tape something that could embarrass the prospective Secretary, he failed totally."

The report that the Senator from Oregon had his own recording device at his desk came from another member of the Senate committee, and at the time was accepted as fact also by other committee members.

It now appears that whatever recording, transcribing, or other mechanical devices there were at the Senator's desk were not his own, but put there by the TV and radio people who cover such hearings.

In a letter of May 15, Senator MORSE says, referring to his motives for closely questioning Mr. Herter:

"My questions were intended to help him clarify some previous testimony which he had given at an executive meeting of the committee which had resulted in considerable confusion and misunderstanding as to his position on the Berlin issue. It was my purpose to give Mr. Herter a public platform from which to state his views on Berlin so his position might be strengthened relative to the many military spokesmen who have come before our committee to say that they were prepared to use military force, including nuclear war, as our primary answer to Soviet ambitions in Berlin."

We wish to thank the senior Senator from Oregon for correcting our information regarding the recording device and for explaining his purposes in questioning Secretary Herter. We regret any unfounded inferences to which our article may have led.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
May 27, 1959.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: It is the purpose of this letter to inform you that the Committee

on Foreign Relations at an executive session on May 26 considered an article which appeared in the Christian Science Monitor on April 25, 1959. Under the byline of Mr. Neil Stanford, it was stated that at the hearing on the nomination of Mr. Herter to be Secretary of State, "For some unexplained reason, Senator MORSE had hooked up his own wire-recording device to take down his own fairly frank and forthright exchange with Mr. Herter, but if he hoped to have something on tape to embarrass the prospective Secretary, he has failed totally."

Members of the committee were at a loss to understand the reason for such a report inasmuch as the meeting under reference was public, a verbatim reporter employed by the committee was present, and the meeting was covered by press, radio, and television services. After discussion of this matter a motion was unanimously adopted stating that there was no basis in fact for the newspaper statement that Senator MORSE had hooked up his own wire recording device to take down Mr. Herter's testimony. If any recording was made it was made by the public radio and television services without any participation in such arrangements by Senator MORSE.

Very truly yours,

J. W. FULBRIGHT,
Chairman.

THE CHRISTIAN SCIENCE MONITOR,
OFFICE OF THE EDITOR,
Boston, Mass., May 28, 1959.

The Honorable WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Not having heard from you following my telegrams of May 21 and 22, we published our correction and regrets on May 26. I hope the correction seems to you to be fair and adequate. In case you have not already seen it, here is a tear sheet of our editorial page.

Let me add again that we are all very sorry about this, and that I personally regret very much that our reporter did not check more adequately. We hope it has been a useful lesson for all the members of our staff.

There is much in your telegram of May 27 with which I might argue, but, of course, there isn't any point in doing that. We certainly have no intention of being defensive, or of trying to "save face." I don't think saving face is of any importance: our deep intent is to try to get the facts straight, and as I have said before, we regret intensely that we didn't do so in this case. Newspaper work is perhaps fuller of pitfalls than most. However regrettable, this has been a useful experience for us—for it will help us to dig harder the next time.

Sincerely yours,

ERWIN D. CANHAM,
Editor.

JUNE 2, 1959.

Mr. ERWIN D. CANHAM,
The Christian Science Monitor,
Boston, Mass.

DEAR MR. CANHAM: Thank you for your letter of May 28. I had delayed replying to your wires because I had taken up Mr. Stanford's story with my colleagues in the Foreign Relations Committee and was awaiting a decision by the Committee on it before responding to you.

The committee has passed a motion disclaiming the allegation that I used any recording device in the Herter hearing; the motion is further described in the enclosed letter about it I have received from Senator FULBRIGHT.

I appreciate that your May 26 correction retracted the false statement about the wire recorder, although I continue to regard it as an effort to minimize as much as possible the original story.

Let me say, Mr. Canham, that I have always had the greatest respect for the journalistic integrity of the Christian Science Monitor, and I certainly am cognizant of the high regard it enjoys throughout the country. But it was because of the high reputation of your paper that Mr. Stanford's story of April 25 was used in Oregon in an effort to cast discredit upon my work in the Senate Foreign Relations Committee.

Had the story appeared in a paper lacking the great prestige of the Monitor, it very likely would not have attracted much notice. That is why I was particularly aggrieved by the whole matter, and why I felt obligated to take the action I did regarding it.

Sincerely,

WAYNE MORSE.

THE CHRISTIAN SCIENCE MONITOR,
OFFICE OF THE MANAGING EDITOR,
Boston, Mass., June 11, 1959.

Hon. WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MORSE: Thank you very much for your letter of June 2. I appreciate the spirit in which it was written.

Erwin Canham is currently in Europe and will not return to this country until the middle of July, when I will put the letter in his hands. I have read your statement to the Senate which was printed in the CONGRESSIONAL RECORD and Senator FULBRIGHT's letter of May 27, and fully understand your position. I'm glad that the mistake has been so conspicuously corrected.

Sincerely yours,

SAVILLE R. DAVIS,
Managing Editor.

[From the Pendleton East Oregonian, May 4, 1959]

IN ANOTHER PERSPECTIVE

Because so much that he does in the U.S. Senate is in the negative rather than the positive the question is asked, again and again, does WAYNE MORSE have a useful purpose in the Senate?

This question cannot be fairly answered, we submit, in the State of Oregon. It cannot because there are so few in Oregon who can take an objective look at the question. In Oregon people are either violently for or violently against WAYNE MORSE. There is no middle ground.

To get a fair answer to the question one must get out of Oregon.

A couple years ago we got an appraisal of Senator MORSE that we considered objective. Irving Dilliard, editor of the editorial page of the St. Louis Post-Dispatch, was delivering the Allen Memorial Lecture at University of Oregon. Mr. Dilliard expressed the opinion that Senator MORSE served constituents all over the United States, that he was "everybody's Senator" because he was unwilling to accept anything for what it seemed to be. Senator MORSE always could be counted upon, Mr. Dillard said, to ask the questions that no other Senator would ask.

It was Mr. Dilliard's opinion that the Senate needed one man who always would ask those questions.

In the wake of the unpleasant exchange between Senator MORSE and Clare Boothe Luce and an earlier exchange between Senator MORSE and the new U.S. Secretary of State, Christian Herter, it seems well to look at MORSE in the Dilliard perspective. We do not say that Mr. Dilliard is right or wrong, but his view of the Senator should be seen, we think, in Oregon.

Let us turn to the Christian Science Monitor for comment by Neal Sanford on the hearing held by the Senate Foreign Relations Committee on Mr. Herter. Mr. Sanford wrote this:

"His performance before the Senate committee was brilliant, for the confidence, composure, understanding, and good nature displayed.

"Senator WAYNE MORSE, Capitol gadfly, tried half a dozen ways to trap the prospective Secretary into exhibiting an inadequacy for the top State Department post.

"Mr. Herter nimbly and skillfully avoided them all. He in fact wound up by trapping the Senator with his own bait—a situation that so caught Mr. MORSE by surprise that he startled everyone (possibly including himself) by congratulating the Under Secretary on his perspicacity.

"For some unexplained reason Senator MORSE had hooked up his own wire recording device to take down his fairly frank and forthright exchange with Mr. Herter. But if he hoped to have on tape something that could embarrass the prospective Secretary, he failed totally. Mr. Herter's replies to various hypothetical questions on the danger of all-out war due to some incident or accident in the Berlin air flights were unprovocative and statesmanlike."

One can dislike the tactics Senator MORSE employed in this case. But one can also say that it was good that Mr. Herter was subjected to the MORSE test and passed it so well.

Nobody but Senator MORSE would have built such a fire under Mrs. Luce when she appeared before the Foreign Affairs Committee as a nominee to an ambassadorship in Brazil. Senator MORSE didn't look good while doing it but in the end neither did Mrs. Luce look good. Some grave doubts were raised as to her qualifications for the position. So, perhaps, Senator MORSE performed a necessary service.

Again, we do not say that Senator MORSE is right or wrong. We merely point out an aspect of the situation that has had little consideration in Oregon.

MAY 27, 1959.

Mr. BUD FORRESTER,
Editor, Pendleton East Oregonian,
Pendleton, Oreg.

DEAR MR. FORRESTER: I am enclosing a copy of a telegram which I have just sent to the editor of the Christian Science Monitor. What I have said to him applies equally to you.

Sincerely yours,

WAYNE MORSE.

[From the Pendleton East Oregonian, May 28, 1959]

MORSE GAINS EXPLANATION BY MONITOR

The Christian Science Monitor on Tuesday printed an explanation of an article which had appeared in its issue of April 25 and to which Senator WAYNE MORSE had objected. Senator MORSE also criticized the East Oregonian for having used a portion of the Monitor's story in an editorial.

Under the heading, "In Fairness to Senator MORSE," the Monitor on Tuesday of this week said:

"In an intimate message on April 25, in a brief reference to the Senate Foreign Relations Committee hearing on confirmation of Christian A. Herter as Secretary of State, this newspaper said:

"Senator WAYNE MORSE, Capitol gadfly, tried half a dozen ways to trap the prospective Secretary of State into exhibiting an inadequacy for the top State Department post. Mr. Herter nimbly and skillfully avoided them all. He in fact wound up by trapping the Senator with his own bait—a situation that so caught Mr. MORSE by surprise that he startled everyone (possibly including himself) by congratulating the Under Secretary on his perspicacity.

"For some unexplained reason Senator MORSE had hooked up his own wire recording device to take down his fairly frank and forthright exchange with Mr. Herter. But if he hoped to have on tape something that could embarrass the prospective Secretary, he failed totally."

"The report that the Senator from Oregon had his own recording device at his desk came from another member of the Senate committee and at the time was accepted as fact also by other committee members. It now appears that whatever recording, transcribing, or other mechanical devices there were at the Senator's desk were not his own but put there by the TV and radio people who cover such hearings. In a letter of May 15 Senator MORSE says, referring to his motives for closely questioning Herter:

" 'My questions were intended to help him clarify some previous testimony which he had given at an executive meeting of the committee which had resulted in considerable confusion and misunderstanding as to his position on the Berlin issue. It was my purpose to give Mr. Herter a public platform from which to state his views on Berlin so his position might be strengthened relative to the many military spokesmen who have come before our committee to say that they were prepared to use military force, including nuclear war, as our primary answer to Soviet ambitions in Berlin.'

"We wish to thank the senior Senator from Oregon for correcting our information regarding the recording device and for explaining his purposes in questioning Secretary Herter. We regret any unfounded inference to which our article may have led."

Upon being informed of this statement issued by the Christian Science Monitor, J. W. Forrester, Jr., editor of the East Oregonian, said, "When the East Oregonian used information from the Christian Science Monitor for editorial comment it had no way of knowing that the material was not entirely accurate. The East Oregonian regrets having inadvertently embarrassed Senator MORSE."

JUNE 12, 1959.

Mr. BUD FORRESTER,
Editor, Pendleton, East Oregonian,
Pendleton, Oreg.

DEAR MR. FORRESTER: Enclosed for your information is a copy of a letter I have received from Chairman FULBRIGHT of the Senate Foreign Relations Committee which I believe will be of interest both to you and to the readers of your paper.

With kindest regards.

Sincerely,

WAYNE MORSE.

THE AIRPORT BILL

Mr. JOHNSON of Texas. Mr. President, for some time I have been attempting to have the Committee on Interstate and Foreign Commerce, which has been engaged in the conference committee on the airport bill, reach an agreement. I understand they have brought the conference report back to the Senate and intend to have it laid before the Senate, and to offer an amendment to the House amendment.

I had hoped the Senate would take action on this matter today. I am informed that several members of the committee are out of town, and that if action is intended, it will have to be postponed until next week.

Of course, I want to accommodate all Senators. I do the best I can to adjust the business of the Senate to their convenience. But I do want to have the Senate take action on this measure. I think it is desirable legislation. I think the majority of the Senate will favor the action we expect to take.

I desire all Senators to be on notice that next week is expected to be a very busy week. We hope to have the airport measure called up the early part of the week. If Senators cannot be present, I hope they will rest in peace and will certainly not spend their time putting out "do nothing" statements, when they are not here to act upon one bill when the Senate is ready to act upon it.

A TRIBUTE TO FLAG DAY

Mr. BYRD of West Virginia. Mr. President, of all emotions experienced by Americans, the most universal, I suspect, is the overwhelming sense of pride accompanying participation in a patriotic ceremony. As a case in point, I should like to quote from a recent magazine article describing the Army's traditional retreat ceremony, from the point of view of a young veteran, who wrote:

> You're all in it together, company commander and private, as the last light leaves the sky. The company is brought to parade rest, the bugles call to the colors, the band strikes up our anthem, and the troops present arms and officers salute, the flag is lowered and caught in the color sergeant's hands so that it never touches the earth. To the rookie, retreat may be the one uplifting moment in a day of grind and homesickness. But I've seen old Army men with tears in their eyes, as if they'd never before seen the flag come home for the night.

Mr. President, although few civilians observe the retreat ceremony with any regularity, there are, nonetheless, other occasions of similar nature with which all of us are amply familiar. Practically everyone has attended athletic events at one time or another, and there has experienced the sudden and impressive hush of thousands of spectators, in anticipation of the playing of "The Star-Spangled Banner"; or has stood silent on the sidewalk, as the flag passes in parade, again amidst a throng of suddenly quiet onlookers, or has participated in the modest, yet ever powerful, flag-salute ceremonies at school.

All such occasions provide an unexplainable sense of drama; and the results, I suspect, are more far reaching than is generally realized.

Of course, Mr. President, there are those who think along different lines—those who determine America's national strength in practical terms, such as manpower, mechanized equipment, and natural resources. Yet, how often I have wondered whether their theorizing is overly inclined toward practical considerations. Judging from the reaction of the average American to his flag, can it not be safely presumed that its energy-giving qualities are, in effect, as vital as the productivity of an industrial center, such as Detroit?

Certainly there have been many to hold similar opinions. As the famed clergyman, Henry Ward Beecher, once said of the flag:

> It is not a painted rag. It is a whole national history, it is the Constitution, it is the Government. It is the free people that stand in the Government on the Constitution.

And as President Woodrow Wilson declared, at a later time of crisis:

> The things that the flag stands for were created by a great people. Everything that it stands for was written by their lives. The flag is the embodiment, not of sentiment, but of history. It represents the experiences made by men and women, the experiences of those who do and live under the flag.

While discounting the traditional exaggeration in such declarations, I nonetheless think we must recognize them as valid. And in view of their validity, we must hail this day—Flag Day, 1959—as a moment of great consequence, for it is now that we honor, not merely a symbol, but a people and a popular will, as well as our historic past and our hope for tomorrow.

Few occasions throughout the year concern so many issues worthy of such consideration, and hope, and prayer, as does Flag Day.

ADJOURNMENT TO MONDAY

Mr. KUCHEL. Mr. President, as in legislative session, and under the order previously entered, I move that the Senate stand adjourned until Monday at noon.

The motion was agreed to; and (at 5 o'clock and 11 minutes p.m.), as in legislative session, the Senate adjourned, under the order previously entered, until Monday, June 15, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 12, 1959:

ATOMIC ENERGY COMMISSION

John S. Graham, of North Carolina, to be a member of the Atomic Energy Commission for the term expiring June 30, 1964. (Reappointment.)

IN THE AIR FORCE

The following officers to be assigned to positions of importance and responsibility designated by the President in the rank of lieutenant general, under the provisions of section 8066, title 10 of the United States Code:

Maj. Gen. Truman Hempel Landon, 93A, Regular Air Force.

Maj. Gen. Emery Scott Wetzel, 464A, Regular Air Force.

Maj. Gen. Mark Edward Bradley, Jr., 552A, Regular Air Force.

Maj. Gen. Walter Campbell Sweeney, Jr., 555A, Regular Air Force.

Maj. Gen. Archie Jordon Old, Jr., 605A, Regular Air Force.

Maj. Gen. John Paul McConnell, 611A, Regular Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 12, 1959:

IN THE ARMY

The nomination of Frank J. Kobes, Jr., for appointment as professor of physical education, U.S. Military Academy, which was received in the Senate on May 19, 1959.

The nominations of Walter H. Abbott and all nominations following thereafter, to and including Albin T. Zukowski, which were received by the Senate on May 19, 1959.

IN THE NAVY

The nominations of Donald J. Conlon and the officers following thereafter, to and including George Sabbag, which were received by the Senate on May 21, 1959.

The nominations of Benjamin B. Manchester III and other officers for permanent appointment in the Marine Corps, which were received by the Senate on May 19, 1959.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 12, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Luke 17: 5: *Lord, increase our faith.*

God of all grace and goodness, Thou hast revealed Thyself in the wonders and splendor of the world of nature, and now we would turn our thoughts to Thee in praise and adoration.

Grant that Thy spirit, which is filling the earth with so much loveliness, may breathe upon us its quickening and regenerating power that our lives shall bud and bloom into the beauty and strength of the more abundant life.

Help us to appreciate more fully that Thou art always ready to give Thyself unto us according to our need and to lead us in our quest for that nobler and higher self which we have not yet attained.

We beseech Thee to deliver us from those fears that cause us to stand trembling in weakness into that joyous faith which inspires us to walk with courage and hope.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

WHEAT PROGRAM FOR 1960–61

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill (H.R. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 90 per centum of the parity price thereof. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 25 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if marketing quotas for the particular crop are in effect and the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 25 per centum reduction in the farm acreage allotment required under section 334(c)(2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 25 per centum under section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 90 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop: *Provided further,* (1) That beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture shall not exceed $35,000, (2) That the term 'person' shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or any two or more legal entities the beneficial ownership of which is substantially the same or is in members of the same household, or a State, political subdivision of a State, or any agency thereof, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection, (3) That in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) That the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation. In case marketing quotas are disapproved, price support shall be made available to cooperators and noncooperators at 50 per centum of parity: *Provided, however,* That for the purpose of section 407 of the Agricultural Act of 1949, as amended, the current support price for wheat shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor."

SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventh-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however,* That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed

by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as hertofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)) is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 12 acres or (2) the highest number of acres planted to wheat on the farm for harvest in the calendar years 1957, 1958, or 1959."

SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)) shall not be applicable with respect to the 1960 and 1961 crops of wheat.

SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 334 is amended by inserting "(1)" after "(c)" and adding a new subparagraph (2) following subparagraph (c)(1) to read as follows:

"(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1960 and 1961 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 25 per centum. In the event notices of farm acreage allotments for the 1960 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable."

(b) Section 334 is further amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

(c) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;".

(d) Section 336 is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25 of the year in which the proclamation is made the Secretary shall conduct a referendum by secret ballot to determine whether farmers favor or oppose such quota. Farmers eligible to vote in such referendum shall be producers on farms with respect to which a wheat allotment has been established pursuant to the the provisions of this Act for the crop of wheat normally harvested in the calendar year in which the referendum is held and who have complied with such acreage allotment. If the Secretary determines that more than one-third of the farmers voting in the referendum oppose such quota he shall prior to the effective date of such quota by proclamation suspend the operation of the national marketing quotas with respect to wheat".

(e) Section 362 is amended by deleting the second sentence thereof.

SEC. 5. Subsections (b) (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

Mr. HALLECK (interrupting the reading of the engrossed copy). Mr. Speaker, I ask unanimous consent that the reading of the engrossed copy be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BELCHER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BELCHER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BELCHER moves to recommit the bill H.R. 7246 to the Committee on Agriculture with instructions to report the same back to the House forthwith with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the following: "That title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"'SEC. 106. Notwithstanding the provisions of section 101 of this Act, if marketing quotas are disapproved for the 1960 crop of wheat, the level of price support to cooperators and noncooperators for the 1960 crop and each subsequent crop of wheat shall be 50 per centum of the parity price of wheat: *Provided,* That if price support at 50 per centum of the parity price is in effect under this section, the current price support for wheat, for the purposes of section 407 of the Agricultural Act of 1949, as amended, shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor.'

"SEC. 2. (a) Item (1) of Public Law 74, Seventy-seventh Congress, as amended, is amended to read as follows:

"'(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however,* That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary.'

"(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and subsequent crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

"(c) Item (3) of Public Law 74, Seventy-seventh Congress, as amended, is amended effective beginning with the 1960 crop of wheat to read as follows:

"'(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to

him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.'

"(d) Item (7) Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)), is repealed effective beginning with the 1960 crop of wheat.

"SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)), is repealed effective beginning with the 1960 crop of wheat.

"SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(a) Section 334 is amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"'(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty.'

"(b) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding 'and shall not apply to other farms with respect to the 1960 and subsequent crops;'.

"(c) Section 362 is amended by deleting the second sentence thereof.

"SEC. 5. Subsection (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

"SEC. 6. (a) Subsection (f) of section 335 of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the last sentence thereof.

"(b) Section 336 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"'SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, to determine whether farmers are in favor of or opposed to such quotas. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat.'"

Mr. BELCHER (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion to recommit be dispensed with, in view of the fact that it includes the Belcher amendment which was offered on the floor and thoroughly discussed yesterday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit offered by the gentleman from Oklahoma.

Mr. BELCHER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 141, nays 224, not voting 69, as follows:

[Roll No. 78]

YEAS—141

Adair	Dixon	Merrow
Addonizio	Dooley	Michel
Alger	Dorn, N.Y.	Milliken
Allen	Dorn, S.C.	Minshall
Arends	Dwyer	Mumma
Auchincloss	Fenton	Nelsen
Avery	Ford	Nix
Ayers	Gallagher	Norblad
Baker	Gavin	O'Brien, N.Y.
Baldwin	Glenn	Osmers
Barrett	Goodell	Ostertag
Barry	Granahan	Pelly
Bass, N.H.	Green, Pa.	Pillion
Bates	Griffin	Poff
Baumhart	Hagen	Powell
Belcher	Halleck	Quie
Bennett, Mich.	Halpern	Ray
Bentley	Henderson	Reece, Tenn.
Berry	Hess	Rees, Kans.
Betts	Hiestand	Reuss
Bolton	Hoeven	Rhodes, Ariz.
Bow	Hoffman, Ill.	Riehlman
Boyle	Holt	Robison
Brewster	Holtzman	Rodino
Broomfield	Horan	Rooney
Brown, Ohio	Hosmer	Schenck
Broyhill	Jackson	Schwengel
Budge	Jarman	Short
Bush	Jensen	Siler
Byrne, Pa.	Johansen	Simpson, Ill.
Byrnes, Wis.	Judd	Simpson, Pa.
Cederberg	Keith	Smith, Calif.
Chamberlain	Kilburn	Springer
Chenoweth	Knox	Stratton
Chiperfield	Lafore	Taber
Church	Laird	Teague, Calif.
Cohelan	Lindsay	Thompson, N.J.
Collier	Lipscomb	Thomson, Wyo.
Conte	McCulloch	Van Pelt
Cunningham	McDonough	Van Zandt
Curtis, Mass.	McIntire	Wallhauser
Daddario	McSween	Walter
Dague	Macdonald	Westland
Daniels	Mack, Wash.	Wharton
Delaney	Martin	Wilson
Derwinski	Mason	Younger
Devine	May	Zablocki

NAYS—224

Abbitt	Davis, Ga.	Hemphill
Abernethy	Davis, Tenn.	Herlong
Albert	Dawson	Hogan
Alexander	Dent	Holifield
Andersen, Minn.	Denton	Holland
	Diggs	Huddleston
Anderson, Mont.	Dingell	Hull
	Donohue	Ikard
Ashley	Dowdy	Irwin
Ashmore	Downing	Jennings
Aspinall	Doyle	Johnson, Calif.
Bailey	Dulski	Johnson, Colo.
Bass, Tenn.	Durham	Johnson, Md.
Beckworth	Edmondson	Johnson, Wis.
Bennett, Fla.	Elliott	Jonas
Blatnik	Everett	Jones, Ala.
Blitch	Evins	Jones, Mo.
Boggs	Fallon	Karsten
Boland	Fascell	Karth
Bonner	Feighan	Kasem
Bowles	Fisher	Kastenmeier
Boykin	Flood	Kee
Brademas	Flynn	Kilday
Bray	Fogarty	Kilgore
Breeding	Foley	King, Calif.
Brock	Forand	King, Utah
Brooks, La.	Forrester	Kirwan
Brooks, Tex.	Fountain	Kitchin
Brown, Ga.	Frazier	Kluczynski
Brown, Mo.	Friedel	Kowalski
Burdick	Fulton	Landrum
Burke, Ky.	Garmatz	Lane
Burke, Mass.	Gary	Langen
Burleson	George	Lankford
Cannon	Grant	Latta
Carnahan	Gray	Lennon
Carter	Green, Oreg.	Lesinski
Casey	Griffiths	Levering
Chelf	Gross	Libonati
Clark	Haley	Loser
Coad	Hardy	McCormack
Coffin	Hargis	McDowell
Colmer	Harris	McFall
Cook	Harrison	McGovern
Cooley	Hays	McMillan
Corbett	Hébert	Machrowicz
Curtin	Hechler	Mack, Ill.
Madden	Passman	Smith, Iowa
Magnuson	Patman	Smith, Kans.
Mahon	Perkins	Smith, Miss.
Marshall	Pfost	Smith, Va.
Matthews	Philbin	Spence
Metcalf	Poage	Staggers
Meyer	Porter	Steed
Miller, Clem	Price	Stubblefield
Mills	Prokop	Sullivan
Mitchell	Pucinski	Teague, Tex.
Monagan	Quigley	Thomas
Montoya	Rains	Thompson, Tex.
Moorhead	Randall	Thornberry
Morgan	Rhodes, Pa.	Trimble
Morris, N. Mex.	Rivers, Alaska	Tuck
Morris, Okla.	Roberts	Udall
Morrison	Rogers, Colo.	Ullman
Moss	Rogers, Fla.	Vanik
Moulder	Rogers, Tex.	Vinson
Murphy	Roosevelt	Wampler
Murray	Rostenkowski	Watts
Natcher	Roush	Weaver
Norrell	Rutherford	Whitener
O'Brien, Ill.	Saund	Wier
O'Hara, Ill.	Saylor	Winstead
O'Hara, Mich.	Selden	Yates
O'Konski	Shipley	Young
O'Neill	Sikes	
Oliver	Sisk	

NOT VOTING—69

Alford	Hall	Santangelo
Andrews	Harmon	Scherer
Anfuso	Healey	Scott
Barden	Hoffman, Mich.	Shelley
Baring	Kearns	Sheppard
Barr	Kelly	Slack
Becker	Keogh	Taylor
Bolling	McGinley	Teller
Bosch	Mailliard	Thompson, La.
Buckley	Meader	Toll
Cahill	Miller, George P.	Tollefson
Canfield	Miller, N.Y.	Utt
Celler	Moeller	Wainwright
Cramer	Moore	Weis
Curtis, Mo.	Multer	Whitten
Derounian	Pilcher	Widnall
Dollinger	Pirnie	Williams
Farbstein	Preston	Willis
Fino	Rabaut	Withrow
Flynt	Riley	Wolf
Frelinghuysen	Rivers, S.C.	Wright
Gathings	Rogers, Mass.	Zelenko
Giaimo	St. George	
Gubser		

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Pirnie for, with Mr. Williams against.

Mr. Hoffman of Michigan for, with Mr. Whitten against.

Mrs. St. George for, with Mr. Moeller against.

Mr. Taylor for, with Mr. Slack against.

Mr. Frelinghuysen for, with Mr. Keogh against.

Mr. Canfield for, with Mr. Anfuso against.

Mr. Miller of New York for, with Mr. Preston against.

Mr. Moore for, with Mr. Pilcher against.

Mr. Becker for, with Mr. Celler against.

Mr. Cahill for, with Mr. Buckley against.

Mr. Derounian for, with Mr. Alford against.

Mr. Baring for, with Mr. Thompson of Louisiana against.

Mr. Barr for, with Mr. Rivers of South Carolina against.

Mr. Gubser for, with Mr. Gathings against.

Mr. Widnall for, with Mr. Rabaut against.

Mr. Scherer for, with Mr. Shelley against.

Mr. Fino for, with Mr. Sheppard against.

Mr. Bosch for, with Mr. Santangelo against.

Mr. Wainwright for, with Mr. Scott of North Carolina against.

Mrs. Weis for, with Mr. Riley against.

Mr. Kearns for, with Mr. Harmon against.

Mr. Mailliard for, with Mr. George P. Miller against.

Mr. Giaimo for, with Mr. Farbstein against.

Mr. Tollefson for, with Mr. Willis against.

Mrs. Rogers of Massachusetts for, with Mr. Teller against.

Mr. Utt for, with Mr. Zelenko against.

Mr. Meader for, with Mr. Wolf against.

Mr. Curtis of Missouri for, with Mr. Toll against.

Mrs. Kelly for, with Mr. Multer against.
Mr. Dollinger for, with Mr. Barden against.
Mr. Healey for, with Mr. Andrews against.

Messrs. DADDARIO, HALPERN, REECE of Tennessee, and GALLAGHER changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. COOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 189, nays 177, not voting 68, as follows:

[Roll No. 79]

YEAS—189

Abernethy	George	Morris, N. Mex.
Albert	Granahan	Morris, Okla.
Alexander	Grant	Morrison
Andersen, Minn.	Gray	Moss
	Green, Oreg.	Moulder
Anderson, Mont.	Griffiths	Murray
	Gross	Natcher
Ashmore	Hardy	Norrell
Aspinall	Hargis	O'Brien, Ill.
Avery	Harris	O'Hara, Ill.
Bailey	Hays	O'Hara, Mich.
Bass, Tenn.	Hébert	O'Konski
Beckworth	Hemphill	Oliver
Bennett, Fla.	Hogan	Passman
Bennett, Mich.	Holifield	Patman
Berry	Holland	Perkins
Blatnik	Huddleston	Pfost
Blitch	Hull	Poage
Boggs	Ikard	Porter
Bonner	Jarman	Price
Bowles	Jennings	Prokop
Boykin	Johnson, Calif.	Rains
Brademas	Johnson, Colo.	Randall
Breeding	Johnson, Wis.	Reuss
Brock	Jones, Ala.	Rivers, Alaska
Brooks, La.	Jones, Mo.	Roberts
Brooks, Tex.	Karsten	Rogers, Colo.
Brown, Ga.	Karth	Rogers, Tex.
Brown, Mo.	Kasem	Roosevelt
Burdick	Kastenmeier	Roush
Burke, Ky.	Kee	Rutherford
Burleson	Kilday	Saund
Cannon	Kilgore	Selden
Carnahan	King, Calif.	Shipley
Carter	King, Utah	Short
Casey	Kitchin	Sikes
Chelf	Kluczynski	Sisk
Chenoweth	Landrum	Smith, Iowa
Coad	Langen	Smith, Kans.
Cohelan	Lennon	Smith, Miss.
Colmer	Lesinki	Spence
Cook	Levering	Springer
Cooley	Libonati	Staggers
Davis, Ga.	Loser	Steed
Davis, Tenn.	McCormack	Stubblefield
Dawson	McDowell	Sullivan
Denton	McFall	Teague, Tex.
Diggs	McGovern	Thomas
Dingell	McMillan	Thompson, La.
Dowdy	McSween	Thompson, Tex.
Doyle	Machrowicz	Thornberry
Durham	Mack, Ill.	Trimble
Edmondson	Madden	Udall
Elliott	Magnuson	Ullman
Everett	Mahon	Vinson
Evins	Marshall	Wampler
Fascell	Matthews	Watts
Fisher	Metcalf	Weaver
Flood	Miller, Clem	Whitener
Flynn	Mills	Wier
Foley	Mitchell	Winstead
Forrester	Montoya	Young
Fountain	Moorhead	Zablocki
Frazier	Morgan	

NAYS—177

Abbitt	Baumhart	Bush
Adair	Belcher	Byrne, Pa.
Addonizio	Bentley	Byrnes, Wis.
Alger	Betts	Cederberg
Allen	Boland	Chamberlain
Arends	Bolton	Chiperfield
Ashley	Bow	Church
Auchincloss	Boyle	Clark
Ayres	Bray	Coffin
Baker	Brewster	Collier
Baldwin	Broomfield	Conte
Barrett	Brown, Ohio	Corbett
Barry	Broyhill	Cunningham
Bass, N.H.	Budge	Curtin
Bates	Burke, Mass.	Curtis, Mass.
Daddario	Holt	Ostertag
Dague	Holtzman	Pelly
Daniels	Horan	Philbin
Delaney	Hosmer	Pillion
Dent	Irwin	Poff
Derwinski	Jackson	Powell
Devine	Jensen	Pucinski
Dixon	Johansen	Quie
Donohue	Johnson, Md.	Quigley
Dooley	Jonas	Ray
Dorn, N.Y.	Judd	Reece, Tenn.
Dorn, S.C.	Keith	Rees, Kans.
Downing	Kilburn	Rhodes, Ariz.
Dulski	Kirwan	Rhodes, Pa.
Dwyer	Knox	Riehlman
Fallon	Kowalski	Robison
Feighan	Lafore	Rodino
Fenton	Laird	Rogers, Fla.
Fogarty	Lane	Rooney
Forand	Lankford	Rostenkowski
Ford	Latta	Saylor
Friedel	Lindsay	Schenck
Fulton	Lipscomb	Schwengel
Gallagher	McCulloch	Siler
Garmatz	McDonough	Simpson, Ill.
Gary	McIntire	Simpson, Pa.
Gavin	Macdonald	Smith, Calif.
Glenn	Mack, Wash.	Smith, Va.
Goodell	Martin	Stratton
Green, Pa.	Mason	Taber
Griffin	May	Teague, Calif.
Hagen	Merrow	Thompson, N.J.
Haley	Meyer	Thomson, Wyo.
Hall	Michel	Tuck
Halleck	Milliken	Vanik
Halpern	Minshall	Van Pelt
Harrison	Monagan	Van Zandt
Hechler	Mumma	Wallhauser
Henderson	Murphy	Walter
Herlong	Nelsen	Westland
Hess	Nix	Wharton
Hiestand	Norblad	Wilson
Hoven	O'Neill	Yates
Hoffman, Ill.	Osmers	Younger

NOT VOTING—68

Alford	Gubser	Rogers, Mass.
Andrews	Harmon	St. George
Anfuso	Healey	Santangelo
Barden	Hoffman, Mich.	Scherer
Baring	Kearns	Scott
Barr	Kelly	Shelley
Becker	Keogh	Sheppard
Bolling	McGinley	Slack
Bosch	Mailliard	Taylor
Buckley	Meader	Teller
Cahill	Miller, George P.	Toll
Canfield		Tollefson
Celler	Miller, N.Y.	Utt
Cramer	Moeller	Wainwright
Curtis, Mo.	Moore	Weis
Derounian	Multer	Whitten
Dollinger	O'Brien, N.Y.	Widnall
Farbstein	Pilcher	Williams
Fino	Pirnie	Willis
Flynt	Preston	Withrow
Frelinghuysen	Rabaut	Wolf
Gathings	Riley	Wright
Giaimo	Rivers, S.C.	Zelenko

So the bill was passed.

The Clerk announced the following pairs:

Mr. Buckley for, with Mr. Barr against.
Mr. Rivers of South Carolina for, with Mrs. Kelly against.
Mr. Preston for, with Mr. Healey against.
Mr. Keogh for, with Mr. Baring against.
Mr. Riley for, with Mr. Dollinger against.
Mr. Rabaut for, with Mr. Fino against.
Mr. Anfuso for, with Mr. Moeller against.
Mr. Harmon for, with Mr. Becker against.
Mr. Santangelo for, with Mr. Taylor against.
Mr. Pilcher for, with Mr. Utt against.
Mr. Farbstein for, with Mr. Hoffman of Michigan against.
Mr. Williams for, with Mr. Frelinghuysen against.
Mr. Celler for, with Mr. Meader against.
Mr. Willis for, with Mr. Pirnie against.
Mr. Multer for, with Mr. Canfield against.
Mr. Whitten for, with Mrs. St. George against.
Mr. Shelley for, with Mr. Widnall against.
Mr. Sheppard for, with Mr. Scherer against.
Mr. George P. Miller for, with Mr. Miller of New York against.
Mr. Alford for, with Mr. Kearns against.
Mr. Andrews for, with Mr. Bosch against.
Mr. Scott for, with Mrs. Rogers of Massachusetts against.
Mr. Zalenko for, with Mr. Curtis of Missouri against.
Mr. Barden for, with Mr. Gubser against.
Mr. O'Brien of New York for, with Mr. Moore against.
Mr. Gathings for, with Mr. Mailliard against.
Mr. Slack for, with Mr. Derounian against.
Mr. Wright for, with Mr. Tollefson against.
Mr. Teller for, with Mr. Wainwright against.
Mr. Toll for, with Mr. Giaimo against.
Mr. Wolf for, with Mrs. Weis against.

Mrs. GRANAHAN and Mr. O'HARA of Illinois changed their vote from "nay" to "yea."

Mr. GLENN and Mr. BENTLEY changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, I have given the matter of the new wheat bill a great deal of thought and study. I have listened to all debates on this subject and have studied the terms of H.R. 7246, a bill by Mr. Cooley providing for a 2-year wheat production program. I have also studied the Belcher amendment and heard Congressman BELCHER discuss this amendment.

I am not satisfied with the committee bill nor am I satisfied with the Belcher amendment. I am not satisfied with either of these bills because they do not hold out to the country hope of early relief from the intolerable load which our Government is carrying in the way of accumulated surplus wheat. A million dollars per day for storage alone is a tremendous item to carry in a budget already "busting out" at its seams. A bill presented should offer earlier and more definite relief than either proposal presents.

In this country normally we should expect shortages of wheat rather than huge and increasing surpluses. Our population is growing at the rate of 3 million people a year. Our consumption of wheat and flour should be increasing yearly. The demand for wheat production should be constantly growing in the United States of America and I think, to be perfectly frank, it is on the increase.

The bad spot in reference to the consumption of wheat surpluses is the export field. In spite of our increasing production and in spite of the more prosperous condition of the economy of many parts of the world, our wheat exports are on the decline. Every indication points to further decline in exports of wheat in the future.

Consumption of wheat in this country has been on the increase but not rapidly enough. We have included flour in the free school lunch program as a surplus commodity. We have provided it as a

surplus commodity for beneficiaries in the social security program, for hospitals and other charitable places generally, and we have included it in the oversea giveaway program. Our State Department would have you believe that it is pushing the sale of wheat in its general activities. In spite of all of these efforts to sell or even give away wheat and flour our surpluses continue to grow and the carrying charges for these surpluses continue to mount.

I can recall just a few years ago when our production of wheat seldom exceeded 1 billion bushels per year, and this included both winter and spring plantings. It seems however now that we practically never produce a yearly crop of wheat which does not exceed a billion bushels. The crop for instance for the current year is estimated at something like 1,200 million bushels. The figures for 1960 will probably be even greater so experts tell me.

With all of these high signs along the road that we have been traveling, it is time to take drastic action in the wheat program. The Government cannot continue to finance a commodity produced as has wheat been produced in the past.

The Belcher amendment has some good points. At the same time, the Belcher amendment would completely eliminate the small man with a 15-acre exemption. The committee bill in this respect would reduce the 15-acre exemption to 12 acres. It seems to me it is utterly unfair to a man who has been producing a few bushels of wheat each year under the 15-acre exemption to prohibit him from growing any wheat whatsoever and thus deny this production to him.

The committee bill reduces acreage by 25 percent. It has been estimated that this 25-percent reduction in acreage will bring about some 15- to 18-percent reduction in the number of bushels grown or harvested. Such a situation would assist in reducing the surpluses to some extent.

All in all the high signals of danger fly all around us. Unless the bill adopted today brings about a sharp immediate curtailment, the agricultural section and the economy of this country are in for an economic storm.

Mr. COFFIN. Mr. Speaker, although I am not an expert in agricultural matters, I want to set forth for the record my position on the agricultural issues faced by us this past week. I am today voting against both the motion of the gentleman from Oklahoma [Mr. BELCHER] to recommit this wheat bill and against final passage. On Wednesday, I took similar action on the tobacco bill.

This I do to signal my deep conviction that neither measure moves far, if at all, toward a tolerable policy. But I have a deeper conviction that we have not done all that we should have done to probe deeply into the entire field of national agricultural policy. When I voted with the committee a year ago for a price freeze, it was upon the commitment that this would give us a year within which to come up with an overall farm program.

Even though the freeze was vetoed, we still had the intervening year in which to take a long look at our future needs, our past mistakes, and the alternative approaches open to us. It seems to me we should have begun by the preparation of a comprehensive agenda, proceeded to accumulate the facts in an orderly manner, and seek out the reasoned opinions of agricultural economists, historians, statisticians, land-grant college experts, and others. This could have been done in an atmosphere free of acrimony over the present issues which divide reasonable men in a climate of unreasonableness.

Building on the foundation of a broad, unimpeachable study of the probable consequences of various policy approaches—which does not exist either in the offices of the executive branch or the Halls of Congress—is it beyond hope that solutions could be reached to which most could agree? I think this is not beyond reach. In any event, the attempt should be made with the utmost determination to reach solutions.

It is with this faith in the orderly mental processes that I have recently introduced House Resolution 291, which calls for such a study.

It is because this type of approach has not been vigorously or imaginatively pursued, that I vote against both wheat proposals as being patchwork gestures, differing only in the degree of their futility.

Mr. Speaker, my simple observation, to adapt a line from "My Fair Lady," is: our brain on grain has been mainly used in vain.

Mr. MORRIS of Oklahoma. Mr. Speaker, on this date, June 12, 1959, I voted for H.R. 7246 the wheat bill, as it was the only real choice I had since my amendment was defeated; but if I could have my way, I would not enact any wheat bill that would cut the price, below at least 90 percent of parity one penny, nor the present acreage one fraction of an acre of the small farmer. I would allow him an ample amount to assure him of a return, as to his wheat raised, of enough to make a good living for himself and family. And I would allow also, sufficient guaranteed price and acreage to even larger farmers and would make the cuts as to price and acreage against the big big business farmer. This would be only fair and just and would help solve the wheat problem.

Mr. NELSEN. Mr. Speaker, relative to the wheat legislation, I might comment that the Second Congressional District is not predominately a wheat area, but we all subscribe to the theory that any segment of our agricultural economy has a direct connection with all of its related commodities.

During the past many years, agricultural programs have become political vehicles to a great extent. Frequently, fundamental economics have been ignored and instead political expediency has become the rule rather than the exception. On June 5, a letter reached my desk relative to the tobacco legislation, and taking from the letter paragraph two:

> If the price of our tobacco is to be stabilized in the world markets, this bill must be enacted at this session. The President and the Secretary of Agriculture have said time and again that under the present system our tobacco is being priced out of the world market. Under the present program, price supports for tobacco will continue to rise, which will be ruinous to our export trade.
>
> Every Member of Congress representing the major tobacco-growing districts and all segments of the tobacco industry, the growers, warehousemen, tobacco dealers, buyers, and exporters agree with the President and the Secretary that price supports on tobacco should be stabilized and favor immediate passage of the Jordan-Cooper bill.

This letter was signed by over 30 Congressmen representing tobacco-growing areas and included the name of HAROLD COOLEY, the chairman of the Committee on Agriculture. When this letter came to my attention, I was encouraged because it expressed a recognition of sound economics and a realization of the fact that in order to enact a sound program, many factors had to be taken into consideration. I listened to the debate on the wheat bill on the floor and again was encouraged by the fine presentation of Congressman ALBERT, in which he called attention to the give and take necessary and also pointed out the wide difference of opinion that existed among farm organizations as to the type of legislation acceptable and effective. Congressman BELCHER presented his point of view in a fair and reasonable manner—both champions recognizing the need of compromise and the possibility that some amendments could with profit be considered.

In my own case, I happen to be a farmer, I am proud of it and I personally would not want to support any program that is unfair. I have never negotiated a commodity loan of any kind on the products from my farm, but I do know that some sort of program is necessary for the stabilization of the agricultural economy and I also know some safeguards are necessary in this field because of the disaster that might befall our entire domestic economy because of a weak link. In this case the weak link could be agriculture. When the session started, a number of us who are not members of the Agriculture Committee did a little research work, had some meetings to discuss ways and means of accomplishing something in the field of agriculture. We studied the committee proposals, the minority reports, and came on the floor with the feeling that there was a chance that some constructive amendments might well be considered in the interest of a wholesome, sound program.

In my own case, I feel that the so-called Belcher amendment did not meet all of the requirements necessary. I also feel that the committee bill was not the measure that could do the most good in the wheat problem that we face. I personally had some amendments that I would like to have offered, as did other Members of the House of Representa-

tives, but all of us were thoroughly disappointed at the action that was taken on the floor by the Democratic majority, when all debate and discussion on amendments that we might wish to offer was cut off.

In the 20 years that I have been associated with Government in the legislative branch I have never witnessed or experienced as helpless a situation as was our misfortune to experience in the Democratic move to cut off debate on this measure.

Those of us who are not members of the Committee on Agriculture listened attentively to the discussions and explanations and the amendments that were offered when the wheat bill came to the full House.

Some of us certainly had in mind that following the discussion we would have an opportunity to suggest improvements to the measure under the established rules of the House if we felt then that improvements were necessary.

We sit in a branch of the most important deliberative body in the world, each of us representing voters in a congressional district.

As Members of Congress we are not paid to come down here for a joyride, or to fish for catfish in the Potomac. We are down here to do something about the problems facing our Nation, and it is tragic and unfair when the Democratic majority can deny us the opportunity to help solve one of the biggest problems facing our Nation, namely the farm problem.

It makes mockery of our legislative process to be told you can submit an amendment, but not say one word in explaining it. To me it seems grossly unfair.

With reference to the Belcher amendment, experience indicates that the 15-acre grower has contributed to a great degree to the national problem of surplus, and I feel there is justification for readjustment in that field, but I would also like to suggest that the larger producer should likewise be asked to cut back in his production acres. Such an amendment would have been very easy to draft.

In the instance of the committee bill, the scale tipped the other way, where, in the case for the purpose of example, a 20-acre producer would be asked to reduce 25 percent, and a 15-acre producer would be asked to reduce 20 percent, and it would seem to me that in this case the requirements went to the opposite extreme.

Relative to the payment in kind, which permitted a producer to collect a third of his normal production on acres reduced, the big grower that we talked so much about would be given a 90 percent of parity price support for complying with reduced acres, and in addition would be paid by a certificate representing in bushels of wheat one-third of the production on the reduced acres. He again in turn could put this certificate on the market, and for the purpose of an extreme example, a producer in the large bracket, of which we may find many who have benefited by a loan of over $200,000, could conceivably be collecting payment in kind in the amount of over 3,000 bushels, worth some $7,500. For all practical purposes the committee bill denied payments in kind on those farms which are affected by the 15-acre exemption.

The only way these small farms would be eligible for the payment in kind under the bill would be if such farms complied with their allotments. As a matter of fact, over 840,000 farms have allotments of less than 5 acres. Very few, if any, of these farms comply with their allotments, since they take full advantage of the exemption. One of my amendments was designed to make payments in kind for the total exemption during a specified period and thus alleviate to a large degree the effect that this exemption has had on the surplus situation in wheat and on the shift of wheat production from the normal wheat-producing areas. My amendment contained a limitation which would have denied a windfall to the large producer while removing by incentive the small farm production which has been one principal factor in the present surplus situation.

Relative to an appraisal of the bill under consideration, I would like to call attention to the minority report in the RECORD, and also to quote in conclusion the additional minority views expressed by my two distinguished colleagues, Congressmen QUIE and SHORT:

ADDITIONAL MINORITY VIEWS

H.R. 7246 does not provide the necessary legislative machinery to either implement an effective control of wheat production or to provide an acceptable choice to wheat farmers. We feel that several fatal defects exist in this bill which purports to offer the choice of strict controls and high price supports or free production and low price supports. These defects are as follows: First: The evidence is clear that a 25-percent reduction in farm wheat acreage allotments, when coupled with payments in kind in wheat, simply will not cut into the excess production of wheat. At least a 30-percent reduction seems necessary to begin to effectively do the job. Second: As pointed out in the minority views, H.R. 7246 does not require strict cross-compliance, a feature which is absolutely essential if there is to be true and effective control of the acreage retired from wheat production so as to prevent an adverse effect on other commodities. Third: Although this bill reduces the 15-acre farm marketing quota exemption, it continues in existence a loophole in the law which has caused an estimated 600 million bushels of wheat to accumulate in Government storage bins. Since the bill imposes strict penalties for overproduction on farmers in the commercial wheat area where wheat is often the best crop which a farmer can raise, it seems only just that the present 15-acre exemption be repealed and thus require all producers to conform to their allotments. Fourth: Agricultural history during the last 25 years has been a sad testimonial to the fact that acreage controls alone are not effective tools in controlling the production of farm commodities. In spite of this experience, H.R. 7246 continues to attempt to control wheat production on the sole basis of acreage allotments. We feel that if legislation is to give the farmer an effective control program it should and must embrace a combination of bushelage and acreage allotments. Fifth: The alternative offered wheat farmers in the referendum means price support at 50 percent of parity or $1.18 per bushel. We feel this is too low and the choice should be more in line with that offered to corn farmers in their referendum held last fall. We also feel that one referendum would be sufficient for the 2 years that H.R. 7246 is to be in effect.

ALBERT H. QUIE.
DON L. SHORT.

WHEAT PROGRAM FOR 1960–61

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1968) to strengthen the wheat marketing quota and price support program and for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 1 of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat, price support shall be made available as provided in this section. The Secretary is authorized and directed to offer the operator of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, a choice of—

"(A) complying with the farm acreage allotment determined pursuant to the Agricultural Adjustment Act of 1938, as amended, with price support at 65 per centum of the parity price therefor, or

"(B) reducing the acreage of wheat below the farm acreage allotment by not less than 10 per centum of such allotment with price support at 75 per centum of the parity price therefor, or

"(C) reducing the acreage of wheat below the farm acreage allotment by not less than 20 per centum of such allotment with price support at 80 per centum of the parity price therefor.

To be eligible for price support, producers who elect choice (B) or choice (C) must not knowingly exceed the wheat acreage for the farm applicable under such choice. Any person operating more than one farm, in order to be eligible for either choice (B) or choice (C), must elect such choice for all farms for which he is the operator. The Secretary shall determine and announce the support price for producers who elect choice (A), choice (B), and choice (C), respectively, in advance of the planting season on the basis of the statistics and other information available at that time, and such support price shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative choices available to him. The operator of each farm, within the time prescribed by the Secretary, shall notify the county committee in writing whether he desires choice (B) or choice (C) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have elected choice (A). The choice elected by the operator shall apply to all the producers on the farm. Price support under this section shall be made available only if producers

have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support to cooperators shall be as provided in section 101(d)(3). Whether marketing quotas are approved or disapproved, price support shall be made available only if acreage allotments under the Agricultural Adjustment Act of 1938, as amended, are in effect for the crop and only to cooperators. No price support for wheat shall be made available to producers outside the commercial wheat-producing area. The acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of wheat in order to be eligible for price support as provided in choice (B) or choice (C) shall be considered acreage devoted to wheat for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended. In applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 2(f) of the Wheat Act of 1959, relating to reduction of the storage amount of wheat, the acreage of wheat determined by the Secretary to have been diverted in order to be eligible for price support as provided in choice (B) or choice (C) shall be regarded as wheat acreage of normal production on the farm. For the purposes of section 407 of the Agricultural Act of 1949 the current support price shall for each of the 1960 and 1961 crops of wheat be deemed to be a price determined on the basis of a level of support of 75 per centum of the parity price as of the beginning of the marketing year."

SEC. 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be a rate per bushel equal to the support price per bushel established for producers electing choice (A) under section 106 of the Agricultural Act of 1949, as amended.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double and normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production, the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended, is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to—

"(i) any farm on which the acreage of wheat exceeds twelve acres;

"(ii) any farm on which any wheat is planted if no wheat was planted on such farm for harvest in the calendar years 1957, 1958, and 1959; and

"(iii) any farm on which any wheat is planted if any of the producers who share in the wheat produced on such farm share in the wheat produced on any other farm."

(e) Item (12) of Public Law 74, Seventy-seventh Congress, as amended, shall not be applicable to the 1960 and 1961 crops of wheat.

(f) In lieu of the provisions of section 326(b) of the Agricultural Adjustment Act of 1938, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(b) If a farm is in compliance with its farm acreage allotment for any crop of wheat and the actual production of such crop of wheat on the farm is less than the normal production of the farm wheat acreage allotment; an amount equal to the deficiency may be marketed without penalty from wheat of previous crops stored by the producers on the farm to postpone the payment of marketing quota penalties."

(g) Section 335(d) of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1960 and 1961 crops of wheat.

(h) Section 335(f) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;".

SEC. 3. Section 101(d) of the Agricultural Act of 1949, as amended, is amended by striking out paragraph (5).

SEC. 4. The Agricultural Act of 1949, as amended, is amended, effective beginning with 1960 production, by inserting after section 420 the following new section:

"SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the United States Department of Agriculture, shall not exceed $35,000. The term 'person' shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State, or any agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation. In the case of any loan to, or purchase from, a cooperative marketing organization the limitation of $35,000 shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation."

SEC. 5. This Act may be cited as the "Wheat Act of 1959".

Mr. COOLEY. Mr. Speaker, I offer an amendment to strike out all after the enacting clause and to substitute the language of H.R. 7246 as passed by the House.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: Strike out all after the enacting clause of S. 1968 and insert the provisions of H.R. 7246 as passed by the House.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar bill, H.R. 7246, was laid on the table.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the bill S. 1968 to strengthen the wheat marketing quota and price support program, request a conference with the Senate, and that the Speaker appoint conferees.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, GRANT, ALBERT, HOEVEN, DAGUE, and BELCHER.

MEMBERS OF THE UNITED STATES DELEGATION OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of Public Law 86-42, the Chair appoints as members of the U.S. delegation of the Canada-United States Interparliamentary Group the following Members on the part of the House: Mrs. KELLY of New York, Chairman; Mr. COOLEY of North Carolina; Mr. ASPINALL of Colorado; Mr. YATES of Illinois; Mr. IKARD of Texas; Mrs. SULLIVAN of Missouri; Mr. COFFIN of Maine; Mr. DULSKI of New York; Mr. MERROW of New Hampshire; Mr. FORD of Michigan; Mr. BUDGE of Idaho.

MUTUAL SECURITY PROGRAM

Mr. JUDD. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file minority views on House Concurrent Resolution 188.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

COAL RESEARCH AND DEVELOPMENT ACT

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 284 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes.

After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. TRIMBLE. I yield to the gentleman from Indiana.

Mr. HALLECK. I take this time for the purpose of inquiring of the majority leader as to the program for next week.

Mr. McCORMACK. Prior to giving the program, if the gentleman will yield, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. I further ask unanimous consent that Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. In response to the inquiry of my friend, as I stated yesterday, on Monday the Consent Calendar will be called and then there are six suspensions: One, relating to the acquisition of land in Guam; another modifying the pension program of veterans; a bill authorizing appropriations for the Atomic Energy Commission; extension of interstate compacts on oil and gas; airline pass privileges; and one providing for payment of annuities to widows and dependent children of Comptrollers General. They may not be brought up in that order. Then after that the Mutual Security Authorization Act of 1954, H.R. 7500, will be brought up. After the disposition of that bill, the following bills will be in order: S. 1120, amending the Federal Reserve Act; H.R. 3, rules of interpretation in relation to State laws; H.R. 4957, a bill relating to the admission of evidence. I think that is in reference to the Mallory decision.

Then there is the usual reservation that any further program will be announced later and that conference reports may be brought up at any time.

Mr. HALLECK. Now, as to the balance of the day, I understand we are to proceed with the bill to create a Commission for Coal Research.

Mr. McCORMACK. Yes.

Mr. HALLECK. Originally, there had been an agreement about no votes today, which, of course, was breached when things developed as they did yesterday, and we all understand that. I have been asked, I might say to the majority leader, what might happen if a record vote should develop in respect to the Coal Commission matter, whether that might go over until Monday.

Mr. McCORMACK. I am sure my friend from Indiana and all Members of the House know that I am only too glad to cooperate even when I might be subject to a little uncomfortable admonition that I do not think I deserve, but I do not apologize for that, but I always like to do everything I can to help the Members of the House. As far as I am concerned, if there is any rollcall on that bill, I am perfectly willing to have it go over until Monday. I cannot give the reason I gave yesterday for no rollcalls today, which was a very perfect and proper one. I can say that there are some Members on both sides who are away on official business, I think attending Kings Point Academy in New York, both Democrats and Republicans, and I think we should have consideration for those Members.

Mr. HALLECK. I might add to that fact that a great part of the business today would not have occurred but for things which developed yesterday. However, that is beside the point.

Mr. McCORMACK. In order to clarify the atmosphere so that we will know, Mr. Speaker, in the event of any rollcall in connection with the research bill on coal, or any rollcall today, I ask unanimous consent that they be postponed until Monday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Reserving the right to object, Mr. Speaker—well, I will just simplify this by objecting.

Mr. McCORMACK. Will the gentleman reserve that?

Mr. GROSS. Yes, I reserve it.

Mr. McCORMACK. The gentleman intends to object?

Mr. GROSS. Yes.

Mr. McCORMACK. I withdraw the request, Mr. Speaker.

COAL RESEARCH AND DEVELOPMENT ACT

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and myself such time as I may consume.

Mr. Speaker, House Resolution 284 provides for the consideration of H.R. 6596, which would encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes. The resolution provides for an open rule with 1 hour of debate.

H.R. 6596, as amended by the Committee on Interior and Insular Affairs, creates a new independent agency to be known as the Coal Research and Development Commission. The Commission will consist of three members appointed by the President with the advice and consent of the Senate for 3-year terms.

The Commission would be directed to carry out a research program to, first, develop new and more effective uses for coal; second, improve and expand existing uses for coal; third, reduce the cost of coal production and distribution; and fourth, emphasize those developments in uses for coal of particular value to small coal producers. The Commission would be authorized, to first, conduct research projects; second, contract for, sponsor, cosponsor, and promote the coordination of research projects carried out by others; and, third, collect and promote the coordination of all available coal research information. The Commission would be prohibited from conducting research projects itself unless it is unable reasonably to contract or otherwise provide for such research by others, and no research would be undertaken or conducted unless all of the information developed therein would become available to the public.

Cooperation to the fullest extent possible with all other research agencies, governmental and nongovernmental, is directed; duplication of research by the Commission is prohibited, and consultation on proposed projects is required. Reports would be submitted by the Commission to the President and Congress semiannually.

The salary of the Chairman would be $20,500 a year and of the Commissioners $20,000 a year. The principal office of the Commission would be in the District of Columbia, and the Commissioners would be selected from persons experienced in industrial-type research activities. The Commissioners must give their full time to the work of the Commission, and they and their employees may have no financial interest in any firm engaged in coal mining or related or competitive businesses. The Commission's employees generally would be appointed and paid in accordance with the civil-service laws and the Classification Act of 1949.

An appropriation of not more than $2 million is authorized by the bill for the fiscal year beginning July 1, 1959. Additional sums as needed for the following years are also authorized.

In the 84th Congress, the Committee on Interior and Insular Affairs took note of the depressed economic condition of the coal industry and conducted a study of the possibilities of a coal research program as authorized by House Resolution 400. The special subcommittee, following conclusion of its hearings in 1956 and 1957, stated that the opportunities

for developing new and more effective uses for coal through research are virtually unlimited, and recommended that the research program be administered through an independent agency.

A strong, healthy coal-mining industry is acknowledged to be essential to the economic welfare and security of the United States. It is because of the Bureau of Mines' exclusion of research and development activities which would aid in promptly improving and strengthening an impoverished industry that the coal-mining industry at large has found it necessary to advocate and urge that an expanded coal research and development program designed to meet its needs be conducted by a new agency of the Federal Government separate and apart from the Bureau of Mines and the Department of the Interior.

H.R. 6596, which has the support of the coal industry, is designed to meet this need; therefore, I urge the adoption of this resolution.

Mr. ALLEN: Mr. Speaker, I am not opposed to this rule or the bill itself, but I feel I should make just a few observations. This bill, of course, if passed, would create a new agency, a new commission. Personally, I do not like to see that happen. I think we have enough commissions and bureaus now. Also on page 6 of the bill there is expressed what I believe to be a new philosophy of government. It says:

> The Commission is authorized to acquire by condemnation, purchase, lease, or otherwise such real property as may be necessary to enable it to carry out its duties under this Act.

That certainly gives them a lot of power. There is no limit to it, except they must come before the Committee on Appropriations. As far as I have been able to learn, the coal operators and the Department of the Interior are now conducting tests. That is a function of the Department of the Interior. I realize the coal industry is in a serious condition. That is also true of the lead and zinc industry. It is true of the copper industry. It is true of the fisheries industry. It is also true of the textile industry. Just recently the textile industry had a commission appointed under the Department of Commerce to look into that industry.

The administration favors the objective of this bill. They appreciate the coal industry is in a bad condition, but they feel, and I think they are justified in so feeling, that this should come under the jurisdiction of the Department of the Interior.

I might add, also, that the Bureau of the Budget is opposed to this bill.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield.

Mr. BROWN of Ohio. I believe the gentleman from Illinois will agree, as will also the gentleman from Arkansas [Mr. TRIMBLE] that this bill, when it was first called before the Committee on Rules, was not reported; but later it was reported after an understanding had been reached that an amendment would be offered by the chairman of the committee having jurisdiction, the Committee on Interior and Insular Affairs, to limit the life of the Commission to 5 years; is that correct?

Mr. ALLEN. That is correct. The chairman of that committee is present and perhaps would care to answer that question.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield?

Mr. ASPINALL. The gentleman's understanding is correct. The chairman of the Committee on Interior and Insular Affairs not only will offer the amendment, but he will fight for it.

Mr. BROWN of Ohio. If the gentleman will yield further, as I understand it, the cost would be $2 million a year for a 5-year period; is that correct?

Mr. ASPINALL. The gentleman is not entirely right. It would be $2 million for the first year, and then it will depend upon the decision made by the Committee on Appropriations, after seeing how moneys are justified before the committee with regard to the second, third, fourth, and fifth years.

Mr. BROWN of Ohio. Any further expenditures above the $2 million for the first year would have to be justified before the Committee on Appropriations?

Mr. ASPINALL. It would have to be justified before the Committee on Appropriations, then recommended by that committee to the House, and then the House would have to vote on it.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Mr. Speaker, the coal industry is one of the major industries of our Nation. It is a basic industry, the cornerstone of the greater part of all industry in the United States. Coal is mined in more than half the States of the Union. Even with the anticipated development of nuclear power, it will require an expansion of at least 50 percent in the next 20 years in the production of bituminous coal to satisfy the energy requirements of the United States. The most effective development of that industry, therefore, is vital in the national interest.

For such development, a major research program on a national scale is essential. H.R. 4927 provides for such a research program, with appropriate agencies for its implementation. The functions and duties of the Commission therein provided are as follows:

First. To develop new and more effective uses for coal.

Second. To improve and expand existing uses for coal.

In my view, these are of outstanding importance and should engage the major attention of the Commission. As our resources of natural gas and petroleum decline, as they inevitably will, and we are more dependent on imported oil, it becomes vital to our national welfare that the best and widest possible utilization of coal be developed.

A strong statement has been made on the need for a Federal research program for coal, by one of the outstanding and progressive business leaders of western Pennsylvania, Mr. William L. Wearly, president of the Joy Manufacturing Co., of Pittsburgh, Pa.:

> As our energy needs expand sharply in the years ahead our national security and welfare will become increasingly dependent upon coal. Further, coal is one of America's great natural resources. Though the coal industry now is investing heavily in the future, a research program sponsored by the Federal Government to expand the utilization of coal seems to be an important element for the ultimate growth of this industry.

The third function of the Commission is to reduce the cost of coal production and distribution. In view of the accomplishments of the industry, there is presently little need for extensive action by the Commission in this field. The job that the coal operators, the manufacturers of coal mining machinery, and the United Mine Workers have done in reducing costs and improving coal mining productivity and safety is without parallel anywhere in the world.

In 1948, according to the U.S. Bureau of Mines, the bituminous coal industry employed 441,631 men. In 1958, that employment had dropped to 188,500. In 1948, output per man per shift was reported by the Bureau at 6.3 tons, but in 1958, it had risen to 11.3 tons. This is the average for all mines, including hundreds of small, local, truck mines, but in the latest developed mines equipped with the newest types of high capacity mining machinery, some of it remote-controlled, the output per man per shift has risen to 40 tons, 50 tons, and even higher outputs per shift for every man on the payroll. In 1948, the average earnings of bituminous coal mine employees were reported by the U.S. Bureau of Labor Statistics to have been $1.90 per hour. Today, those earnings approximate $3.25 per hour. But in spite of these higher wages, the price of coal, f.o.b. the mines, has remained practically stationary. In 1948, the U.S. Bureau of Mines, Bituminous Coal Statistical Bureau, reports the average price realized, f.o.b. their mines, was $4.99 per ton. In 1958, the price realized was $5 per ton, practically the same. Nowhere else in the world do you find any such rise in productivity combined with such an increase in wages. Nowhere else do you find such progress in mine mechanization, such advancement in the techniques of coal mining, with such increases in wages at no higher prices for coal to the consumer.

In view of that record, it is not intended that the Commission shall compete with coal operators in devising better methods of mining coal, with machinery manufacturers in developing safer and more productive machines, nor with the United Mine Workers in the safer and more effective operation of such machines.

It is desired, however, that the Commission provided for in this bill shall have available for coal mine operators, for machinery manufacturers, and for officials of the United Mine Workers, research facilities that can be employed by operators, manufacturers and miners alike for further improvement in coal production and distribution.

The fourth function of the Commission is "to emphasize those developments in uses for coal of particular

value to small coal producers." The need and importance of this provision requires no elaboration on my part.

Another extremely important duty of the Commission will be to collect and promote the coordination of all available research information on the production, preparation, distribution and uses of coal, including but not limited to technical papers. At present there is no agency in this country set up to perform this highly valuable function. Among industrial countries abroad, including Russia, we find such collection and circulation of scientific and research information carried on most effectively by agencies set up for this express purpose. The Commission provided for in this bill would answer this need for the United States.

We are deeply interested in the competitive international situation, especially with regard to the activities in Soviet Russia in this field. In this year of 1959, Russia will become the largest coal-producing nation in the world, relegating the United States to second place. According to Alexander Gakner, East European specialist, U.S. Bureau of Mines, coal research in Russia far exceeds the combined research activities of all agencies, private and public, in this field in the United States.

Look at the contrast when we view Russian coal research. According to engineers of the National Coal Board of Great Britain who have visited Russia by invitation of the Soviet Government, here is a huge program under the Institute of Coal Research, headed by a member of the Russian National Academy of Sciences. Under him are 400 scientists with a scholastic rank of doctor of philosophy or better. They are assisted by 4,000 scientists with the equivalent of our master of arts, bachelor of science, and bachelor of engineering degrees, and they have available also the services of some 6,000 technicians. All coal research agencies in the United States, both public and private combined, do not have a significant fraction of such a staff.

Under the Russian Institute of Bituminous Coal Research, there are at least 10 subsidiary research institutes located in major Russian coal-mining areas. They have carried on extensive research and experimentation in improving the quality of Russian coal for a wide variety of industrial uses, such as superior methods of ash removal, and the desulfurization of metallurgical coal. They have an extensive program for the underground gasification of coal. A similar program in this country has been abandoned. They have carried on scientific studies of roof subsidence and of roof control. They have developed the production of coal direct from the coal seam by the use of pulsating high-pressure water jets, and in September of 1958, at least 50 Russian collieries were completely equipped to mine coal in this manner at a productivity four to five times that obtained in mining by conventional Russian methods. The accomplishments of the Russian research program command the respect of their well-informed competitors in Great Britain, France, Holland, and Germany.

In those countries, too, research programs are carried on in fundamental and in applied research far beyond what is under way in the United States.

If this country is to maintain its position in the face of such international competition, we must have a research program in coal second to none in the world. It is the purpose of this bill to provide such a program and to make available facilities in this country that will accomplish that purpose.

Mr. ALLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I take this time to call to the attention of my colleagues the widespread public support for enactment of legislation to require full disclosure of expenditures of Government and counterpart funds by Members of Congress traveling in oversea areas.

Unfortunately, there seems to be all too little support for the proposal where it counts—in Congress. For more than 3 months now a full disclosure bill, of which I am the author, has been gathering dust in the Accounts Subcommittee of the Committee on House Administration. If there is some logical explanation for the failure of the committee to report out the bill, H.R. 5401, I would be interested in hearing it.

Or is it true, as stated in the press, that my bill is the least likely to succeed in this Congress? Or could it possibly be true, as expressed in some circles, that I am treading on sacred ground; that I have committed some crime in daring to ask that a public accounting be made of this spending?

I would ask each of my colleagues to obtain a copy of H.R. 5401, look it over, and then ask yourself, On what possible grounds can it be argued that the public does not have a right to know how much Members spend on trips abroad and the purpose of their expenditures?

What does the bill provide? Under its terms, a Member of Congress must file, within 30 days after returning to the United States, an itemized statement of expenses. That statement must be filed, as the case may be, with the Committee on Rules and Administration of the other body or the Committee on House Administration.

It is also provided that such statement shall include an accounting of so-called counterpart funds used for his or her expenses, information as to the number and identity of persons in the accompanying party, including any wife or husband and any relative and any of their expenses paid from Government or counterpart funds, and the services, if any, performed by any such persons for the Government.

The measure further provides that it shall be the duty of the committee chairman to cause such statement or statements to be printed in the CONGRESSIONAL RECORD within 5 days after receipt if Congress is in session and within 5 days after the reconvening of Congress if the statement is rendered during an adjournment or recess.

Simply stated, that is all the bill provides. Am I wrong in asking that the American taxpayers be permitted to scrutinize the spending of their money by Members of Congress? If anyone cares to respond to that question, Mr. Speaker, I will be happy to yield at this point.

It is wholly unnecessary for me to point out that certain highly publicized practices have cast a shadow over the entire Congress. This has created an atmosphere in which all spending by Members, no matter how legitimate, is viewed with suspicion by a substantial number of our citizens. The very fact that Congress seems to prefer secrecy in some aspects of its fiscal operations is taken as evidence that legislators are getting away with expenditures which will not stand the light of public scrutiny.

To those of you who would protest that such an assumption is unfair, I would ask: What other conclusion can be reached when we refuse to make a full public accounting of our spending?

Here we have an opportunity, it seems to me, to at least partially clear the air by enactment of legislation such as I have proposed.

After all, we as legislators have the responsibility of leading the way in elimination of secrecy in Government. How, I ask, can we criticize representatives of the executive branch for withholding legitimate information from the American people and at the same time withhold facts on the spending of taxpayer funds by Members of Congress? To be sure, there is every reason to be critical of secrecy in various departments and agencies, but let us be consistent. Would not our criticism be more effective if we first put our own house in order?

Make no mistake about it; there is widespread demand for full disclosure of congressional expenditures. Of this I am convinced by the letters and newspaper editorials reaching my desk. For example, support for the bill I have introduced has been expressed by Mr. V. M. Newton, Jr., of Tampa, Fla., chairman of the National Freedom of Information Committee of Sigma Delta Chi, the professional journalistic fraternity which has 20,000 publishers, editors, and newsmen as members. Here is what Mr. Newton has had to say:

> These Government funds and counterpart funds spent by Members of Congress on junkets overseas, of course, are taxpayer funds, and the American taxpayers are certainly entitled to a prompt and public accounting.

And an Iowa businessman expresses support for my bill with these comments:

> I thought that you might be interested in the strong editorial support which the [Des Moines] Register gave this morning to your efforts to disclose to shareholders in our Government the expense accounts of those whom we trust to attend to our business.
>
> Your efforts are only those followed in any well-run private enterprise. Besides, in view of recent disclosures, the opening of

expense accounts to public scrutiny could have a wholesome and sobering effect on everyone; it would raise the esteem of our Government a notch or two.

While I appreciate the courtesy of the gentleman from Maryland [Mr. FRIEDEL], chairman of the Accounts Subcommittee, in permitting me to appear before the committee on May 21 in support of H.R. 5401, I regret that it has been impossible thus far to obtain action on the bill.

Frankly, it is difficult for me to understand why a Member would object to full disclosure of his expenditures from public funds for any purpose, but if there is such objection, let it be expressed in open hearing. Surely the public interest is not being served by the obvious reluctance of this body to even consider H.R. 5401.

Certainly I am in no position to dictate to the Accounts Subcommittee or the full Committee on House Administration, but I respectfully submit that there is sufficient interest in the bill to warrant action.

Mr. Speaker, in support of my contention, I desire to include as part of my remarks editorials from four newspapers and a column from the New York Daily News:

[From the Waterloo (Iowa) Daily Courier, Mar. 13, 1959]

ALL CONGRESSIONAL EXPENDITURES SHOULD BE AVAILABLE TO PUBLIC

Once again the public is being told that how its tax money is spent is none of its business.

The august U.S. Senate has formally taken the position that the salary paid to Members of each Senator's staff is a secret.

The U.S. Congress with a great show of candor last year voted to require all subcommittees traveling abroad on junkets to file detailed reports with the Senate Appropriations Committee and the House Administration Committee. These detailed reports were to be consolidated by the chairmen who were then required to publish reports "showing the total itemized expenditures of the committee and each subcommittee thereof."

But the House Administration Committee this week filed a report which merely totaled expenditures by each committee and ignored entirely the legal requirement that subcommittee expenditures be itemized. In other words, the chairmen hoped that the report would be lost in the maze of Washington publications and that evasion of the publicity features of the law would not be noticed.

Representative H. R. GROSS of Waterloo, however, has filed a full disclosure bill in the House which would require each Congressman traveling on a junket abroad to file a full, public, detailed report on expenditure of public or counterpart funds within 30 days after his return. "Surely the public has a right to know how much Members of Congress, and persons accompanying them, spent on oversea junkets and the purpose of these expenditures," GROSS says.

Perhaps it is prejudicial to use the term "junkets" in connection with these trips since many of them are legitimate investigations by sincere and hardworking Congressmen. Since every Congressman knows that officials in the executive departments spend tax money on luxury travel without public criticism, they resent the publicity which is sometimes given to legitimate travel by legislators.

But, as in any other similar problem, the only solution is to open the books to public examination and let the voter decide. The very fact that Congress prefers secrecy on some aspects of its fiscal operations is a sign that some legislators are getting away with expenditures which will not stand the light of public examination. It is unfortunately true that a legislature at times tends to become a kind of mutual protection club in which the Members conspire to do collectively what none of them would dare to do individually. Thus the Senate protects its individual Members by refusing to disclose staff salaries.

We think each individual Member of Congress ought to stand up and be counted on this issue. Representative GROSS has taken his stand by filing the full public disclosure bill.

[From the St. Louis (Mo.) Post-Dispatch, Mar. 15, 1959]

A WAY TO CURB JUNKETERS

Representative GROSS of Iowa, is to be commended for introducing a bill to strip away the secrecy surrounding the Federal and counterpart funds which Congressmen spend in foreign trips. As he said, a law passed last year providing for filing consolidated reports on foreign currency expenditures by each committee in Congress is practically meaningless. What is needed is a filing of individual reports which would be open to public inspection. Many such measures have been defeated in the past. That has made it easy for the small minority of free-spending junketers to continue practices which cast a shadow over all the Congress.

[From the Des Moines (Iowa) Register, Mar. 17, 1959]

CONGRESSIONAL TRIP ACCOUNTS

Representative H. R. GROSS, of Iowa, has introduced a bill to require all Congressmen who travel abroad at public expense to file a public report of their expenses within 30 days of their return to this country. Representative GROSS calls the present law on reporting expenses "practically meaningless."

The present law is altogether meaningless. It requires Congressmen to file itemized statements of travel expenses with their committees. The committees are supposed to consolidate all the reports and report only the figures on total spending. The law appears to require some breakdown on spending by subcommittee, but Congress declines even to release these figures. There is no way to pinpoint any individual expenditures.

Some 159 Congressmen traveled abroad last year at public expense. A number of them went on trips after they had been defeated for reelection or had announced their retirement. Congressional Quarterly reports nearly a half million dollars in counterpart funds were spent last year on congressional travel.

Counterpart funds are funds set aside in local currency by countries that receive U.S. aid. Congressional Quarterly reports that counterpart funds "account for only a fraction of the total cost" of foreign travel by Congressmen.

The figures show that Congressmen who traveled abroad last year spent an average of $3,000 each of counterpart funds alone. The bill introduced by Representative GROSS would require Congressmen to file individual statements showing their spending both of counterpart funds and American dollars. "Surely the public has a right to know how much Members of Congress, and persons accompanying them, spend on oversea junkets and the purpose of their expenditures," says GROSS.

We agree.

[From the New York Daily News, May 3, 1959]

D.C. WASH

(By Gwen Gibson)

WASHINGTON, May 22.—The bill least likely to succeed in this Congress is one to require an accounting by Congressmen for the tax money they spend traveling abroad. This is particularly sad since our lawmakers apparently are out to set a new foreign junketing record this year.

Already—a spot check shows—with the session less than 5 months old, more than 60 Members have shown a fondness for faraway places. Nine members of the House Armed Services Committee have toured all Army bases in Europe. Five Senators and two Representatives have been in Bogotá, Colombia, for a conference on "How To Develop Markets for Farm Crops"; two Representatives have been to Pakistan to look at irrigation projects; two have been to Berlin to study conditions there, and several, with their wives, have been to Geneva, for a conference on health problems.

CALL IT COUNTERPART BUT IT IS STILL DOUGH

Many such congressional trips are legitimate and serve important purposes. But suspicion is cast on all junketing because Congressmen refuse to account for the Government and "counterpart" money they get. Counterpart funds are local currencies deposited by countries getting U.S. aid and any way you look at it they're still bought by U.S. taxpayers.

Fighting a one-man battle to clear up the junketing picture is Representative H. R. GROSS, Republican, of Waterloo, Iowa, a slight, outspoken and sometimes gruff gent who shuns foreign travel and, incidentally, the Washington cocktail circuit. Tuxedos, he believes, are "too darn fancy."

GROSS has in a bill to require Members of the Senate and House to file a public statement of expenses incurred in travel outside the United States.

ALSO, WHAT'S THE TAB FOR THE TAG-ALONGS

The Gross bill also would require a rundown on counterpart funds used by a Member for his or her expenses and "information as to the number and identity of persons in the accompanying party, including any wife or husband or relative and any of their expenses paid from Government funds."

GROSS introduced his bill March 9 and it was referred to the House Administration Committee where it's been rotting since.

In a closed session this week before the committee, the 60-year-old GROSS made a logical plea for some action on his measure.

"The very fact that Congress seems to prefer secrecy in some aspects of its fiscal operations," GROSS told his colleagues, "is taken as evidence that legislators are getting away with expenditures which will not stand the light of public scrutiny."

NOT EVEN THE AUTHOR HAS VERY HIGH HOPES

He added: "It cannot be argued with the slightest degree of justification that the public does not have a right to know how much Members spend abroad and the purpose of their expenditures."

GROSS told the News today, however, that he will be "very surprised" if his measure gets to first base this Congress.

A similar bill last session by former Representative William A. Dawson, Republican, of Utah, was passed by the House and Senate, then watered down in a House-Senate conference until it was meaningless.

Reports of foreign travel are now filed each year on a committee by committee basis and published scattershot in the CONGRESSIONAL RECORD.

Since no individual figures are given, there's nothing to dispute the persistent rumors from the executive branch that some

Congressmen make lavish use of counterpart funds and that some have received as much as $200 a day for "pocket" money.

The biggest year, so far, for congressional travelers was 1957 (like 1959, a nonelection year) when an estimated 220 left the country.

But by this time in 1957 only some 30 lawmakers had been abroad, less than half the number officially counted this year.

The big exodus of junketeers comes after the summer congressional recess. Big travel plans already are shaping up for Members of the 86th.

For example, there's a meeting in Warsaw of the Interparliamentary Union beginning August 27 which an estimated 18 Senators and Representatives will attend.

Members of the new House Space Committee have some broad travel itineraries in mind with one subcommittee even thinking of a mission to Moscow.

OUTSIDE INTERESTS OF THE INTERIOR BOYS

You can count on the members of the House and Senate Armed Services and Foreign Affairs Committees to add a hearty total to the travel figure.

An interesting sidelight is the fact that the House Committee on Interior Affairs has requested appropriations to travel overseas. It's for certain that the committee will visit such U.S. possessions as Puerto Rico, the Virgin Islands, and Hawaii and all other U.S. possessions in the Pacific.

[From the Waterloo (Iowa) Sunday Courier, May 24, 1959]

SECRECY ON LEGISLATIVE JUNKET COSTS VIOLATES BASIC PRINCIPLE

In this day of enlightened democracy it is almost incredible that the elected representatives of the people would refuse to open the books on the spending of the public's money. But it is a fact that Congress still refuses to give a detailed accounting of junket spending abroad and that the Senate still refuses to make its payroll public.

Representative H. R. GROSS, of Waterloo, has introduced a bill which would require each legislator to file an itemized expense statement within 30 days following return from a trip abroad. The report would show how much in governmental and counterpart funds was spent and for what purpose. (Counterpart funds are those American credits abroad in foreign currencies accumulated as a result of the foreign aid program.)

"The very fact that Congress seems to prefer secrecy in some aspects of its fiscal operation," GROSS declared in testimony last week before the House Administration Subcommittee, "is taken as evidence that legislators are getting away with expenditures which will not stand the light of public scrutiny."

The total amount of money involved in all this foreign junketing is trivial in comparison to the Federal budget and the extent of the abuses is probably even more trivial. But the principle involved is nevertheless as basic in democratic government as the right to vote. The principle is that without compelling security reasons for secrecy, the public business shall be conducted in public. If Congress can defy public opinion on the amount of money spent by individual legislators for junkets, there is no reason why it could not also vote secret bonus payments and other secret privileges for all Members.

Furthermore, Congress from time to time has its own difficulties obtaining information from the executive branch of Government. A Congressman is in a poor position to pound the table and demand the end to a cover-up in an administrative agency when his own branch of Government is refusing to open the books on travel expenses.

Wholesale decay often spreads from a little spot of rot. The secrecy on congressional junkets is a symptom of an attitude which should be vigorously and decisively rooted out. Few Congressmen would dare to vote against GROSS' bill if it comes to a formal rollcall. It will be interesting to see if it is allowed to get that far.

[From the Charleston (W. Va.) Gazette, May 28, 1959]

IOWA CONGRESSMAN DEFLATES POPULARITY WITH BILL TO DISCLOSE TRAVEL EXPENSES

It's impossible to know for certain, of course, but our guess would be that Representative H. R. GROSS, Republican, of Iowa, is the most unpopular lawmaker in Congress among his colleagues.

His crime is the introduction of a bill to make public the amount of money each Congressman spends on travel abroad at taxpayer expense. Today no one knows on an individual basis, although respective committees do release total figures spent by committee members.

Opponents of the GROSS measure claim that making congressional travels part of the official record on an individual basis would, for fear of outraging voters who foot the travel bills, prevent some solons from going abroad—thus denying to themselves knowledge needed to assist them with their legislative duties.

GROSS, and rightly so we believe, refutes this argument by pointing out that until such expenditures are open to the public wasteful junketing won't be stopped.

It's high time Members of Congress started realizing that they are in office to serve their Nation and the people paying their salaries and assorted fringe benefits. Theirs is no divine right to hold office, and where taxpayer money is concerned their responsibility is to spend it wisely and well. The only way the public can know if they are spending it properly is to make their expenditures public.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PHILBIN. Does the gentleman from Iowa have any evidence on that point with reference to expenditures that would not bear public scrutiny.

Mr. GROSS. The gentleman is well aware of some of the practices that are being carried on. I do not intend now, nor did I when I appeared before the House Accounts Committee, to name names because I cannot defend people who provide me with information.

Mr. PHILBIN. If the gentleman has evidence regarding any irregularities or any conditions that are not in accordance with law or that are irregular in any way, I think he might bring the evidence before the House.

Mr. GROSS. Does the gentleman think that these practices do not exist?

Mr. PHILBIN. I think there are good and valid reasons why Members of Congress should travel overseas.

Mr. GROSS. I am asking the gentleman, Does he think these practices do not exist?

Mr. PHILBIN. I do not have any evidence of such practices to which the gentleman from Iowa refers. My only point is—if the gentleman from Iowa has evidence, and if he is going to make statements, I would like to see him present the evidence on which he bases his statements.

Mr. GROSS. Then let me give you an example that is on record. The chairman of a committee of the Congress ordered out a plane the other day to take a planeload of junketeers over to London and it was completely unofficial business.

Mr. PHILBIN. Does the gentleman from Iowa think when Members of Congress have valid, official business overseas that they should go overseas?

Mr. GROSS. But this was not official business and the gentleman knows it was not because there has been no resolution passed by the Congress recognizing the Atlantic Congress and no money has been appropriated for the purpose of sending people over to London or reimbursing MATS for the use of this plane.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. BASS of New Hampshire. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for another 2 minutes.

The SPEAKER. The time is under the control of the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, no Members of this House are more conscious of the problems of the coal industry and its need for an overall research program than my West Virginia colleagues and myself. Coal is our leading industry in West Virginia, our greatest natural resource. We are the greatest coal-producing State. When coal suffers, West Virginia suffers. When production is down, our mine workers are laid off, many of our railroad workers are furloughed, our merchants feel this slack in their business, our tax collections drop.

It is with all these things in mind that I rise in full support of H.R. 6596 which would establish an independent Coal Research and Development Commission to promote and coordinate research in coal. Yet this bill will benefit more than just West Virginia. It will benefit more than the coal-producing areas of our country, in addition to the 14 States in which coal is extensively mined. It will benefit our whole Nation, for it will lead to the fuller and more economical use of our greatest source of energy. Support of this bill should not be confined to coal-producing areas. Texas and Louisiana and California have a stake in this bill also.

Mr. Speaker, the coal industry has a great potential. America is using four to five hundred million tons of bituminous coal a year. This consumption of coal can increase rapidly, because America's population is growing, and everyone of us is using more and more energy. But the coal industry must have research in order to fill this future need. It is already conducting research to the best of its ability—but that ability is limited by the great number of coal commodities—about 5,000 of them—and their small margin of profit.

Therefore, a Federal program is the best solution to enable this industry to keep fit for the future. This bill purposes an agency which would conduct or promote and coordinate research into

better and more economical ways of producing coal. It will seek ways to use more coal. It will seek to expand present uses. And, quite importantly, it will lay special stress on projects which will be of benefit to the small producers. There are many small companies in the coal industry. They cannot set up million-dollar laboratories. Yet they need to survive. They must survive if America is to have the coal it will need.

Mr. Speaker, this bill provides that the research program be placed under an independent agency. This is a controversial provision, but to my mind a most important one. In my years in Washington I have seen—as I am sure everyone in this House by now has seen—how the huge Government departments expand. Their intentions may be good, but within each department a towering mountain of bureaucracy stands amid a blizzard of paper work. A good idea has to go through channels and be approved by so many people in so many offices that it is quite likely to die on the journey. It is a natural tendency in established agencies to keep on doing what they have done before. There is a reluctance to try new approaches. There is a resistance to new ideas. In these circumstances there is a tendency for a mighty Government agency, particularly one with diverse and sometimes conflicting responsibilities, to stand musclebound.

I believe that an independent agency which is created for one purpose, given one responsibility, can be much more effective. Having only one job, there is no reason to let its attention wander. Being small and concentrated, it is mobile and effective.

Mr. Speaker, that is the sort of agency required for this job. If the task of finding fresh approaches to coal research, of promoting a really effective program, is assigned to one of the huge established Government agencies, it simply takes its place on a long list of responsibilities. What the coal industry needs is an agency wholeheartedly and singlemindedly devoted to its betterment.

There is unemployment today in the coalfields. The only practical solution is to mine and consume more coal. This must not be done like the WPA—simply to put men to work. The coal industry does not want to go on relief. It wants a chance, a helping hand, to produce its product more efficiently, to develop new markets, to expand existing markets and to assume the role cast for it as the real muscle in the industrial might of this Nation.

Mr. Speaker, H.R. 6596 offers us a means to do this. I urge its enactment.

Mr. HECHLER. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to my colleague from West Virginia.

Mr. HECHLER. I ask my esteemed colleague if it is not true that many very splendid research programs are already carried out in independent agencies such as the Atomic Energy Commission, the National Science Foundation, the National Astronautics and Space Administration? So there is a firm precedent for having such research carried on by independent agencies.

Mr. BAILEY. My answer to my distinguished colleague is that there are numerous commissions of this kind. We are not setting any precedent here; we are simply asking for special attention for the whole industry.

Mr. TRIMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Speaker, I urge that the resolution be adopted making H.R. 6596 in order for consideration. For several years I have been interested in legislation creating a Coal Research and Development Commission and have introduced legislation for an independent commission several times in the past. I wish to congratulate the special Subcommittee on Coal Research and the members of the Interior Committee for bringing this legislation before the House today.

Mr. Speaker, this legislation is many years overdue. Perhaps the coal industry has suffered more from the lack of research than any other industry in this country. We are spending less than $17 million annually for coal research and the Federal Government is spending less than $5 million annually on coal research. Compare this figure with the chemical industry. The chemical industry is spending more than $361 million annually; for research on rubber products, more than $54 million is being spent annually.

What has happened to the coal industry in the last 10 years? Do we have less operations today than we had 10 years ago? The records of the Bureau of Mines disclose that we have more than 700 less than we had 10 years ago. In fact, 10 years ago we had 8,700 coal operations in this country. In 1958 we find that we have less than 8,000. In my home State of Kentucky alone we have 443 less coal operations today than we had 10 years ago.

Perhaps no other industry has as much unemployment at the present time as the coal industry. Ten years ago we had more than 500,000 coal miners employed in the industry. Today we have approximately 225,000. We were producing more than 500 million tons of bituminous coal annually 10 years ago, and for the calendar year 1958 we produced only 410 million tons of bituminous coal. Experts in the coal industry, when I came to Congress, were telling me that we would be producing more than 750 million tons by 1958 and 1959 because of the increased demand of electrical utilities, and so forth.

We have in this country today instances where the Government agencies, for instance, could be consuming coal much cheaper than they could purchase natural gas but they prefer to purchase natural gas for heating purposes. The special subcommittee on coal research, in their report published during the 85th Congress, specifically pointed out that coal is mined only 2½ miles from the new Air Force Academy in Colorado Springs, Colo., and that higher cost natural gas from nearby States has been selected for use as the primary heating fuel.

The record discloses that an annual saving of $33,800 in fuel costs could have been realized in using coal at the Air Force Academy instead of natural gas. There are many other similar situations. All of this points up the need for this legislation.

One of the good effects that will flow from the passage of this legislation, in my judgment, will be the expansion of present coal markets. You can go through any coal-producing district in this country and all you have to do is to talk to a small operator and he will tell you that his primary trouble at the present time is finding where to market his coal. Coordination in research certainly will provide for an expansion of these markets.

When we consider some of the problems of the coal industry, everything points to the need for a coordinated research program. It is true that there is research being carried on. This bill does not contemplate the duplication of any research in this country. It contemplates the orderly coordination of research which other industries have to a great degree, and which the coal industry does not have.

Mr. Speaker, coal in all probability will be a major fuel for a long time to come. The industry is entitled to equitable treatment from the Government insofar as carrying out an effective research program. The profits of the coal industry at the present time, and over a period of years, clearly demonstrate that the industry is unable to carry on the necessary research.

Mr. Speaker, I urge that this rule be adopted and the passage of the legislation.

Mr. ALLEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, the importance of coal to our national economy now and in the future has been set forth in congressional hearings on the measures calling for establishment of a coal research commission by the American Mining Congress, a highly respected national organization of the entire mining industry. It has pointed out that in the next 25 years coal will carry a very much larger energy burden and that these increasing demands upon it as a fuel justify the Government in providing greatly increased funds for coal research.

The Mining Congress has also emphasized that at the present time governmental funds are not available to the coal industry or related industries for financing research in industry mines or laboratories. This organization has pointed to the research programs conducted by the Atomic Energy Commission, the National Advisory Council for Aeronautics and the National Science Foundation as examples of effectively conducted research. It is the belief of the American Mining Congress that one of the best and most effective means for advancing coal technology would be initiation of a program similar to those aforementioned.

In advocating the establishment of an independent coal research commission, the American Mining Congress has made it quite clear that the need for increased coal research is not only great but is essential to our defense needs. It has said that the industry itself has conducted limited research but that because of the low margin of profits and the large number of small units in the industry there is a definite limitation as to the extent of research which is financially possible. Should we face a national emergency, the coal industry would be called upon for a sudden and great rise in output to meet the flood of demands from defense industry. The industry must be prepared to meet this challenge just as it has been able to meet the challenges thrust upon it during World War II and the Korean conflict. The coal research and development program proposed under the pending bill would do much to stabilize the industry under all conditions.

I want to call special attention to the statement of Julian D. Conover, executive vice president, American Mining Congress, to the Senate Interior and Insular Affairs Committee, June 1959, in re coal research:

We greatly appreciate the interest of this committee in developing a broad research program for the coal industry. We sincerely hope that as a result of these hearings that the committee will act favorably on S. 49 which would create an independent coal research commission to encourage and stimulate production and conservation of coal through a comprehensive research and development program.

THE COAL INDUSTRY AND RESEARCH

The coal industry is in serious need of increased research. Practically every phase of the operations can be improved by well directed and executed research effort. This includes the location and determination of reserves, mining and preparation, and utilization for all purposes.

The Bureau of Mines[1] shows that about $17 million was spent on all forms of coal research in 1955. About $5 million of this came from Federal and State sources and the rest from industry. This total is very small when compared with the petroleum industry's expenditures of about $146 million and the chemical industry at $361 million.

The coal industry is sometimes criticized for not spending more on research. On the basis of total selling price for coal it would appear that more money should be available. On the other hand, the margin of profit for practically all the industry has been very narrow, and it is of course from this margin that research must be financed. In addition, research effort today can be frittered away with little or no result unless it is well organized under competent direction and with adequate equipment. Very few coal companies are large enough to conduct research on a scale which is most productive of results.

One answer to this latter problem is industrywide cooperative research. With increased coal production it is possible that contributions to such work can be increased. At the same time, however, individual companies should carry out their own programs since this insures the competitive drive created by the benefits to be derived by a single company when its research effort is outstandingly successful.

The coal industry, like the petroleum industry and the chemical industry, is hardheaded and will only spend a limited amount on fundamental research. Neither will it spend money on visionary, long-range projects that will not be successful business enterprises within a measurable number of years. Yet, given projects in which it can sink its teeth, like the reduction of mining, handling, and preparation costs, it comes up with effective answers.

There are dangers in a competitive approach to research with too narrow a viewpoint. For engineers and scientists to make progress they must have basic facts. Mining engineers must know the geology and physical properties of coal in the ground and of the overlying strata. Preparation engineers need facts and figures on the physical and chemical properties of coal, ash, and rock; combustion engineers need data on ignition and burning characteristics and the properties of the ash; and chemical engineers, considering coal for gasification, liquefaction, or petrochemical process, need information on the exact details of its chemical composition and the reactions it undergoes. From this viewpoint it is evident that we must continue to collect and expand the basic data on coal. It is in this field that Government research can be particularly helpful, for it is often difficult for industry to justify expenditures for work that promotes returns only in the long-range future.

From the industry viewpoint the broad fields for coal research may be listed as follows:

(1) Estimation, location, and characteristic of reserves.
(2) Mining, preparation, and marketing of coal.
(3) Transportation.
(4) Utilization for combustion purposes.
(5) Production of coke and byproducts.
(6) Utilization for liquid fuels and gas.
(7) Utilization for chemicals.
(8) Coal statistics.

The first of these fields concerning the estimation and determination of the general characteristics of reserves in the broad sense has always been a governmental function and should continue as such. The coal industry, of course, uses its own geologists and mining engineers to study those factors which have a direct effect on mining and production costs.

The second item concerned with mining, preparation and marketing of coal is, in all its phases, the special province of the industry and those are not fields in which the Government can work effectively, or in which it should attempt to work.

The third item, the transportation of coal, involves problems for the coal industry, the coal consumer and the transportation agencies. In many instances the cost of transportation is a major factor in the price paid by the consumer. Also, in recent years these costs have been rising faster than the cost of mining coal. Attacks have been made on this problem by the industry to develop cheaper methods. The consumer, as represented by the utility industry, has located plants at the mine mouth and transmitted electric energy instead of coal to reduce transportation costs. This is a problem that is the concern of the industries involved as well as the Government.

The combustion of coal is a problem that is intimately concerned with the equipment used for this purpose. The industry could not hope to investigate all types of combustion equipment. It can and does furnish useful fundamental data. Concerns manufacturing combustion equipment in the larger sizes have been outstandingly successful in the development of entirely automatic combustion equipment, including the utilization of pulverized coal. Steam boiler and furnace manufacturers have demonstrated their competence and progressive attitude in this field.

The fifth item, the production of coke and byproducts, is a specialized field with the properties of the product directly related to their final use. Much of the development work in this field has been carried on by organizations manufacturing coke ovens and by the metallurgical industries. Their ability to recognize and meet their special problems is attested by the rapid expansion of many of these industries in the postwar period.

The coal industry has always taken an active part in supplying the best possible product for coking purposes. This includes the mining and preparation of coal with particularly desirable coking properties. Developments in the field of metallurgical coke have resulted in many instances from cooperation between the coal and metallurgical industries.

The sixth item, the production of liquid fuels and gases from coal, is not now of direct commercial interest in the United States. Research in this field is often too long range and too expensive for the industry to undertake and it is, therefore, a proper field for the Government. This is particularly true because of the general desirability to shift some of the energy burden from oil and gas to coal and because of the strategic importance of liquid fuel supplies.

Certain phases of the problems involved in the production of liquid fuels are of more immediate importance to the coal industry. These include the gasification of coal and some features of the hydrogenation processes.

It is desirable to develop direct cooperation between industry and the Government in these fields.

The utilization of coal for chemicals is a field of great potential importance. The most profitable part of this operation will be in producing and marketing the chemicals, rather than producing the coal. The actual amount of coal that would be used for even some of the largest volume chemicals is still not a very great annual tonnage. There is, of course, no reason why organizations in the coal industry cannot enter into the chemical field and indeed this has already been the case in some instances. Chemical companies are also undertaking coal mining operations. This is another field in which the coal industry can render assistance in a fundamental way. It is not in a position to compete with the chemical industry in research in this field. Its best line of endeavor would be to encourage work on coal that would lead to increased utilization.

The eighth item listed, that is, coal statistics, is properly a governmental function and one that has been well handled by the Bureau of Mines.

FUNDS FOR RESEARCH

The previous discussion has outlined the research in the coal industry and has indicated how the various industries, over the years, have assumed the responsibility for development in certain fields. In the main the division of these responsibilities is exceedingly logical and all phases are making good progress.

It is obvious that there is always room for more and faster progress. In my opinion this can be done best by increased effort within the logical research pattern which has already been developed. Various fields of endeavor have been outlined in which the Government, the coal industry, and the other related industries can function effectively and with maximum return for the money expended. These fields should be respected.

The coal industry has not been able and cannot now supply all the funds necessary or desirable for research on this great energy

[1] Outlook and Research Possibilities for Bituminous Coal. Bureau of Mines Information Circular 7754. May 1956.

reserve. This has long been recognized and the Government, both Federal and State, has assisted in this effort in a very limited way.

In the next 25 years coal will carry a very much larger energy burden. In this period there is no evidence that atomic power will be able to contribute more than a small percentage to our energy needs because of economic, safety and technical considerations. As a national measure, therefore, the Government would be thoroughly justified in providing greatly increased funds for coal research.

At the present time governmental funds are not available to the coal industry or related industries for financing research in industry mines or laboratories. Such programs as conducted by the Atomic Energy Commission, the National Advisory Committee for Aeronautics, and the National Science Foundation have proven highly effective. We believe that one of the best and most effective means for advancing coal technology would be a program of this type devoted to coal.

We respectfully urge your committee to approve legislation creating an independent coal research commission.

I want to read into the RECORD the following excellent letter:

BITUMINOUS COAL RESEARCH, INC.,
Pittsburgh, Pa., June 9, 1959.

The Honorable JAMES G. FULTON,
U.S. Congressman,
Federal Building, Pittsburgh, Pa.

DEAR MR. FULTON: We greatly appreciate your thoughtfulness in sending us the copy of the report of the Committee on Interior and Insular Affairs on the Coal Research and Development Act.

We have just received the Annual Report of the Department of Mines and Mineral Industries of the Commonwealth of Pennsylvania for 1958, and note on pages 8 and 9 that the total production of bituminous coal in Pennsylvania in 1958 was the lowest in 60 years, namely, since the year 1898. The low coal production in 1958 was of course due in large part to the general recession, including the fact that metallurgical coke output nationally was down 30 percent from the preceding year. However, the fact that Pennsylvania bituminous coal production was the lowest in 60 years, and the fact that Pennsylvania anthracite production in 1958 was the lowest in more than 60 years, should add much emphasis to the support of Pennsylvania Congressmen to this measure.

Sincerely yours,

H. J. ROSE,
Vice President and Consultant.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore [Mr. FORAND]. The question is on the resolution.

The resolution was agreed to.

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6596, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ASPINALL. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the legislation which now comes before the committee has received the approval of the Committee on Interior and Insular Affairs and, as far as I know, its unanimous support. The natural resource for which there is a research and development program contemplated in this legislation is one of the most valuable resources in our Nation and one upon which this Nation presently depends for much of its heat and its power and many of its necessary commercial items which come from such resource.

Now, many of the questions that will be asked about the legislation which is now before us will be based upon this kind of an argument: "Well, you are doing it for this industry, why can you not do it for other industries?" And they will bring into the debate the question of research and development on textile programs, upon timber and wood programs, and many other programs. Please keep in mind that this is an industry that we have had with us throughout our Nation's history, and even before we became an independent Nation, and a resource which we have been using at all times as economically to the consumer as it has been possible to obtain the product.

We come now to this period when the industry is in a sick and depressed condition and the industry itself is not able to pay from its own moneys the necessary expenses of effective research and development programs, especially so when it is in competition with other power- and energy-giving natural resources.

This matter has been discussed and considered in our committee for three Congresses. In the 84th Congress the matter was considered of such importance that the then chairman of the Committee on Interior and Insular Affairs, Mr. ENGLE, now Senator from California, appointed a special committee, and that special committee was headed by the gentleman from Oklahoma [Mr. EDMONDSON], who will give the history of the work done by that committee and the findings during those hearings. In the 85th Congress we brought it far enough along to have a bill ready for presentation, but it was too late in the session. Early in this session we made up our minds that we would have a bill before the House for its consideration.

The remarks made by the Members who have spoken during the consideration of the rule have given, to a more or less detailed extent, the provisions of the bill. There are, I may say, three points of controversy in this measure. These points of controversy have been considered by the committee, and we have resolved, as far as our committee is concerned, the controversies in the bill as we recommend it to you.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Virginia.

Mr. JENNINGS. Mr. Chairman, I want to commend the committee for the detailed manner in which they have gone into the study of this problem and permitting us to discuss this legislation today. I ask unanimous consent that I might extend my own remarks immediately following those of the gentleman from Colorado, the chairman of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Utah.

Mr. DIXON. No one in the Congress knows better the situation of our sick coal mining industry in the West than the gentleman from Colorado [Mr. ASPINALL], our chairman. He knows it from the ground up. As a representative of the State of Utah, I wish to express appreciation to him for the work he is doing, also the Edmondson subcommittee for the fine work they have done, and support the bill.

Mr. ASPINALL. In the 84th Congress, the Committee on Interior and Insular Affairs took particular note of the depressed economic condition of the coal industry, and the committee was authorized by a House resolution to study the possibility of an expanded coal research program as one means of alleviating that condition. The Special Subcommittee appointed to study the matter was chairmaned by our colleague from Oklahoma [Mr. EDMONDSON].

After extensive study, including field hearings, the Edmondson subcommittee concluded that opportunities for new and more effective uses for coal to be developed through research are virtually unlimited. However, they found that progress was unduly slow since the existing research program of the Bureau of Mines is concentrated in another direction. Its main direction is toward the long-range problems of utilizing solid fuels. In other words, when research results begin to show chances of near-term practical results, the Bureau of Mines withdraws from that field of activity, and leaves it up to the research activities of individual firms or groups to produce short-range results.

Accordingly, the Edmondson subcommittee recommended that the expanded research be conducted through an independent agency. Pertinent extracts from the findings and recommendations of the special subcommittee are printed in the report on H.R. 6596 which is before you.

Following the release of the Edmondson subcommittee's report, several bills were introduced in the 85th Congress providing for an independent coal research and development commission. These bills were essentially the same as the present measure. A bill similar to one of the House bills passed the Senate. A House bill, H.R. 9460, was favorably reported by the Committee on Interior and Insular Affairs but reached the floor too late for action.

In the present Congress our committee resumed its consideration of this proposal and held further hearings. All of the witnesses, both from the Government and from the industries affected, recommended the expansion of governmental

coal research. No one opposed such expansion. All of the witnesses representing the coal industry requested that this expansion be through a new independent coal research commission. The Department of the Interior and the Bureau of the Budget preferred that the additional work be done through the Bureau of Mines.

Mr. Chairman, this bill will establish a new independent agency to be known as the Coal Research and Development Commission. The principal office will be in the District of Columbia. There will be three members serving for 3-year terms. Salaries of the members will conform to the provisions of the Federal Executive Pay Act of 1956. The Commissioners will be persons experienced in industrial-type research. They must give their full time to the Commission's work. Neither they nor their employees may have a financial interest in any coal-mining firm or a firm in a competing type of business.

The Commission will conduct, sponsor, cosponsor, and encourage coal research. It will cooperate fully with the Bureau of Mines and all other research organizations to avoid duplication of effort. Most of the research will be accomplished through contracts with Government agencies, institutions of higher learning, and industrial research organizations. Advisory committees are authorized and will operate under standards set forth in the bill.

The Commission's employees generally will be appointed under the civil service laws and will be paid in accordance with the provisions of the Classification Act. However, the research director's salary may be as high as $19,000, and up to 10 other positions may be excepted from the Classification Act at salaries from $12,500 to $19,000.

The sum of $2 million is authorized to be appropriated for the coming fiscal year. This initial level forms a base for expanded research in the years to come.

Mr. Chairman, the research to be conducted by this new agency will not duplicate that of the Bureau of Mines, nor will worthwhile research projects of the Bureau of Mines be prejudiced in any way. Instead, the new agency will complement the work of the Bureau of Mines and fill the gap that is now existing.

The committee has carefully noted the commendable program of research undertaken by the coal industry itself and by State agencies, as well as that of the Bureau of Mines, but the testimony has indicated that these efforts are far too small in relation to current problems. They do not by any means exhaust the possibility of benefits through research for the immediate needs of the coal-mining industry.

Specifically, the research to be conducted by the new Commission will be designed to meet the short-range needs of the industry; to provide for lower costs, newer uses, and other developments that will improve as soon as possible the economic position of the industry at large and also benefit consumers of coal, coal mine workers, distressed coal mining communities, and the general public.

Mr. Chairman, our colleagues are aware, I am sure, of the weakened position of our coal mining industry. Our smaller producers have not recovered from the impact caused by the displacement of coal by oil and gas in several major markets. At least 95 percent of our coal producers are small operators. These firms generally are unable to spend large sums for research and development. The Small Business Administrator reports that the economic position of small mining firms is fairly described as "critical."

The amount of coal research in the country has been inadequate. It is very small in comparison with that of other industries. In 1955 the total annual research and development expenditures for coal by all agencies and firms was about $17 million. In comparison, annual research expenditures a few years ago in the petroleum field exceeded $145 million; in the textile industry, $280 million; in rubber, $53 million; and in chemicals, $361 million. My colleagues are well aware of the huge Government expenditures for research and development by the Atomic Energy Commission, part of which is to try to develop commercial reactors which will produce electrical energy cheaper than by burning coal.

A short-range federally sponsored research and development program as contemplated by this bill is essential if the economic position of the coal mining industry, especially that of the small and medium-size producers, is to be improved or is to keep pace with the general growth of our economy.

With all due respect to the Bureau of Mines and its accomplishments in the areas of coal research, the committee is convinced that the expanded research contemplated would be far less effective if administered by the Bureau of Mines than if administered by an independent coal research and development commission.

Mr. Chairman, the bill provides an authorization of $2 million for the first year's work of the Commission, to remain available until expended. There is no estimate at this time of budgetary needs thereafter. Presumably the budgetary needs will expand after the Commission's first year.

The bill as reported carries with it no termination date. However, I am prepared to offer an amendment requiring the submission of an evaluation report to Congress at the end of the fourth year, and terminating the Commission at the end of 5 years, unless sooner extended.

Mr. Chairman, the departments of the Government have joined with industry spokesmen in seeking expanded coal research to provide for the short-range needs of the coal industry. The committee understands the desire of the Department of the Interior to retain control of the new research and appreciates the feeling of the Bureau of the Budget that an existing agency should be utilized. However, the need for expansion and redirection has existed for many years. The Department's policy of avoiding research activity that points toward prompt practical ends has prevailed for many years.

Only through legislation such as this—legislation which establishes a new agency with single purpose and a fresh start—will we have a program conducted by men with vision, enthusiasm, and a positive approach that will achieve the results we all desire.

Mr. JENNINGS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. JENNINGS. Mr. Chairman, I rise in support of H.R. 6596, the bill to expand and improve research into new uses and new market possibilities for coal.

I urge that this measure be approved.

H.R. 6596 is similar to a bill that I sponsored in the 85th Congress, H.R. 9662, and to the first bill introduced in this session of the 86th Congress on this important subject, my bill, H.R. 104.

As pointed out in the House Interior and Insular Affairs Committee's report on the bill, several bills have been introduced in this body during the last Congress, and again this year, to bring about this much needed program of coal research and development.

My remarks on this legislation are going to be fairly brief. There has been enough talk on this bill already over the past 3 years; what we need today is speedy passage so that the other body can concur in the House action and get this proposed program under way at the earliest practicable date.

It was my privilege to speak here in June of 1956 in support of a resolution to authorize a special study into the need for coal research. This resolution, House Resolution 400, was adopted, and the Coal Research Subcommittee that was subsequently established undertook a comprehensive and thorough review of the needs of the coal industry.

This subcommittee held field hearings, including a hearing at Abingdon in the Virginia 9th Congressional District. Following these hearings, and further hearings in Washington, the subcommittee published a comprehensive report—House Report No. 1263, of the 85th Congress.

Copies of this report are still available and I commend it to the reading of my colleagues here today.

The subcommittee recommended that a research and development program be undertaken, and that an independent commission be established to carry out this expanded and coordinated program of coal research.

Subsequent to the subcommittee's report, several bills, including my own, were introduced in the second session of the 85th Congress. Favorable reports were made in both Houses, and the Senate passed a bill; the House was unable to act on its bill because it did not reach the floor until the final hours of the 85th Congress.

Bills were introduced again this year, including my bill, H.R. 104. Hearings were again held, H.R. 6596 was reported, and we have today the first opportunity to vote on this proposal in the House.

There seems to be three principal reasons for this legislation:

First. Coal reserves of the United States are our Nation's greatest mineral resource available for immediate development and use.

Second. An economic stimulant is needed to reduce unemployment in coal producing areas.

Third. There is a compelling need from the standpoint of the coal industry's economy and the Nation's future fuel requirements, for an expanded coal research program.

We have made some progress in winning greater recognition of coal's needs—of the Nation's needs—in the recent months. The removal of the transportation tax on coal in the last Congress was one of these; restrictions on residual oil imports this year is another. This legislation to begin this improved research program certainly is most important to the continued recognition of the long-ignored needs in this vital national industry.

Mr. Chairman, I quote from the committee report on H.R. 6596, to outline the work of this proposed coal research and development commission:

> The Commission would be directed to carry out a research program to (1) develop new and more effective uses for coal, (2) improve and expand existing uses for coal, (3) reduce the cost of coal production and distribution, and (4) emphasize those developments in uses for coal of particular value to small coal producers. The Commission would be authorized to (1) conduct research projects, (2) contract for, sponsor, cosponsor, and promote the coordination of research projects carried out by others, and (3) collect and promote the coordination of all available coal research information. The Commission would be prohibited from conducting research projects itself unless it is unable reasonably to contract or otherwise provide for such research by others. No research would be undertaken or conducted unless all of the information developed therein would become available to the public.
>
> Cooperation to the fullest extent possible with all other research agencies, governmental and nongovernmental, is directed, duplication of research by the Commission is prohibited, and consultation on proposed projects is required.

It is my privilege to represent the Virginia area that produces practically all of Virginia's coal. This production comes, principally, from the six counties of Buchanan, Dickenson, Lee, Russell, Tazewell, and Wise; all of the production is bituminous.

Virginia, as the Nation's sixth ranking coal producer, has a great interest in the future of the coal industry. Coal is our most important natural resource. We had the Nation's first coal mine in 1750, but it was not until 1883 that the first trainload of high quality coal was hauled from southwest Virginia—where the bulk of the production is now located.

However, Virginia production has fluctuated in the last decade as the national production picture has changed with each loss or gain in markets. The 1957 Virginia production of 29,506,000 tons dropped in 1958 by 2,306,000 tons to 27,200,000 tons—estimated. At the same time, national production dropped from 493 million tons in 1957 to an estimated 405 million tons in 1958.

This production loss, with the corresponding job loss is not only the coal but related industries, illustrates clearly the need for this Coal Research and Development Commission.

Mr. Chairman, much has been said on this floor regarding the distress in our Nation's coalfields. I will not dwell on this. Let me simply urge that this legislation be treated as emergency, and assure my colleagues that it is of great importance to many thousands of persons in the coal-production areas.

I do not propose this legislation as a cure-all for the ills of the coal industry. It is, however, abundantly clear that expanded, coordinated, and well-conceived coal-research projects can be of both immediate and long-range benefit to the coal producers, the many coal industry employees, the coal-hauling railroads, the electric utilities, and the many other important segments of the national economy that depend on coal as a fuel and a raw material.

The coal and related industries are already devoting much time and considerable funds to research, which would tie into the program proposed under this legislation.

Mr. Chairman, may I reiterate, also, that the research would be for the benefit of both small and large producers.

The National Coal Association had the following to say about research in its recent statement of policy.

> Scientific research has made an immeasurable contribution to the economic growth which has made the United States preeminent among the nations of the world. Research should be broadened and intensified to assure further expansion of the Nation's economy and the maintenance of the United States leadership. Private industry should continue to play a substantial role in research and make every feasible contribution to the Nation's continued progress. The ultimate in research is beyond the economic capability of some segments of the economy. In furtherance of the national interest and the public welfare, it is incumbent upon the Federal Government to encourage and participate actively in appropriate research in the field of energy resources. An independent Federal agency composed of representatives of industry and Government should be established to aid in developing, coordinating, supervising and financing an appropriate research program for the extraction, utilization and consumption of bituminous coal. The program should rely upon existing research facilities to the greatest feasible extent, giving impetus and direction to present research efforts.

The creation of a coal research and development program for coal is essential for America's security; for the improvement of the economy in the coal-producing regions; for a guarantee that our coal industry will be able to meet the demands on it in future years; and for the simple reason that we have a responsibility to see that proper and efficient utilization programs are carried out as a means of conserving this natural resource.

I again urge that H.R. 6590 be approved.

Mr. SAYLOR. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, first of all I would like to commend the chairman of the committee [Mr. POWELL], who handled this matter before the Special Committee on Mines and Mining of the House Committee on Interior and Insular Affairs. Mr. POWELL very frankly admitted when he organized the committee that he was not familiar with the problems of mines and mining, but he intended to make himself familiar with it. And, he has done a tremendous job in familiarizing himself with the problems of the entire mining industry and in asking searching questions of every witness that appeared, not only on this bill but on every other piece of legislation that our committee has considered.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I think the gentleman from Pennsylvania will agree that the gentleman from New York has had considerable experience with subway labor.

Mr. SAYLOR. Well Mr. POWELL was frank to admit, that was as far underground as he had ever gotten, but he expects to get a great deal further underground with this committee and fully investigate the problems of the U.S. minerals industry.

Mr. Chairman, I wish to present my views concerning the establishment of a coal research and development commission. As you know, my interest in coal is not an academic one, but is based on the fact that my district and my State have one of the largest coal deposits in the Nation and that a great deal of our industry is based on mining and using coal. I have, therefore, a deep concern for all legislation that affects the coal industry.

Since the introduction of House Resolution 400, which set up the Special Subcommittee on Coal Research in the Interior and Insular Affairs Committee, I have taken an active part and interest in this legislation. At the hearings conducted in 1956 and 1957, I was greatly impressed by the sincere testimony that was given both here and in Pennsylvania, Virginia, Oklahoma, and Colorado, by coal operators, representatives of the United Mine Workers of America, and public and private persons who live in the many communities that are so adversely affected by the depressed economic status of the coal industry generally. I was very pleased to see in March of this year the formation of the National Coal Policy Conference whereby officials of the coal, railroad, union, and transportation groups, together with other energy groups, will be able to formulate matters of policy affecting their respective industries. This Conference is concerned with the plight of the coal industry, a situation that must be corrected if this country is to remain economically and militarily strong.

All of us here are concerned with the difficult straits in which the coal industry finds itself, and we are trying hard to find means that will assist that industry in the solution of some of its most perplexing problems. Careful reading of the transcript of the hearings

indicates clearly that increased emphasis on coal research and development is highly desirable and necessary at this time. The many witnesses who represented the coal industry, the United Mine Workers of America, the railroads, the State and branches of the Federal Government, men from universities, from power companies, community representatives, people from research institutions, and private individuals all agreed that now is the time for a greatly expanded effort on finding new uses and new markets for coal, and that a significant expansion in research and development efforts is a logical first step to alleviate some of the ills of the coal industry.

A cooperative study made by Government and representatives of industry showed that coal research expenditures in 1955 amounted to a little over $17 million, and it is unlikely that a major change has occurred since the study was made. This figure may seem large to some, but it is quite small compared with the amount of money that goes into research to support other segments of our national economy. Let me just mention for comparative purposes that petroleum is spending about 10 times as much money on research as is coal. As a result of these efforts, there are new markets for petroleum now that either did not exist 10 and 15 years ago or were served by coal. Similarly, about half of the sales income of the drug industry comes from products that are the results of its research efforts. Many of the products were undreamed of just a short time ago. These are only two examples to show that research and development are useful and that they do pay off in terms of bigger markets and a stronger and healthier industry, one that has the financial ability to support ever expanding research and development activities.

In the coal industry, too, we have some indications of what research can do for us. The Curtiss-Wright Corporation has announced a new material made from coal that shows superior properties as a road surfacing material. The people in the anthracite area in Pennsylvania were happy to learn that plans are under way to gasify some of the anthracite culm and convert it into high-grade chemicals of various kinds. These are examples to show that research and development can create new and profitable markets for the coal. They are isolated cases—little brooks—that ought to be brought together into a broad stream of research to flow with full force for the benefit of our great coal industry.

On the other hand, let us be realistic and recognize that even a greatly expanded research effort is not going to cure all the ills of the coal industry overnight. Since the annual production of coal is measured in hundreds of millions of tons, new uses—to be felt on any scale at all—must require large amounts of coal before their benefits are available to the coal industry generally. These new large markets for coal are not going to be discovered quickly, but will require extensive research efforts.

To return to the research possibilities that exist for coal, I noted in a Bureau of Mines report submitted in evidence during hearings before the Special Committee on Coal Research a listing of 209 possibilities for coal research. Just recently, I learned that the Bureau of Mines has started work on the development of a coal-fired gas turbine for large-scale stationary use. There is also some very fine research work being done now on coal mining, coal preparation, and coal utilization problems; there are some new developments in the storage and loading of coal, and worthwhile efforts are being made by industry, academic institutions, and State and Federal Governments to establish a sound low-temperature coal-carbonization industry.

These constructive research efforts are being made by competent research organizations now in existence, however, it is the general feeling that these groups may be working in circles, duplicating needlessly the research efforts of each other. Close scientific ties with each other is needed so that there will not be an unnecessary duplication of research effort and wasteful spending of precious research dollars so badly needed by the coal industry.

Federal funds must be used if we want a more forceful research program undertaken, because the coal industry is not in a position economically to finance major additional research. Therefore, if we want a more comprehensive program on development of new uses for coal, and if we want it to be carried out within the framework of the Federal Government, it would seem appropriate to support and enact this measure, so as to shoulder the broader functions concomitant with a much enlarged coal research program. This would be an effective means of avoiding duplicate administrative channels and duplicate research efforts. It would conserve dollars and channel them into the most desirable and promising projects that must be undertaken to develop greater use, larger markets, and new outlets for coal.

I, therefore, recommend that a coal research bill be enacted into law, and will welcome your support.

Mr. ASPINALL. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. POWELL].

Mr. ASPINALL. Mr. Chairman, will the gentleman yield to me?

Mr. POWELL. I yield to the chairman of the committee.

Mr. ASPINALL. Mr. Chairman, I wish to commend the gentleman from New York [Mr. POWELL] for the fine way he has taken hold of his duties as chairman of the Subcommittee on Mines and Mining. He has been most industrious; he has been in attendance at all of the meetings and has given of his many talents. He has learned the work, I believe, as well as any person could possibly learn it who had not been acquainted with it any more than he had up to the time he took over the subcommittee chairmanship.

Mr. POWELL. Mr. Chairman, I thank our distinguished chairman for those remarks because, as the gentleman from Pennsylvania [Mr. FLOOD] said, the closest I had been to a mine was the New York City subways. But I have been so ably directed by the distinguished chairman of the full committee, the gentleman from Colorado, and supported by the 18 members of the subcommittee that it has been a great education to me. I would like to say, however, that the gentleman from Oklahoma [Mr. EDMONDSON] is the one who has done the greatest work in this field, along with the distinguished ranking Member on the minority side, the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. Chairman, I have been shocked, as the chairman of the Subcommittee on Mines and Mining, at the callous disregard by nearly every segment of our Government and American life of the mines, mining, and mineral resources of our country. And, as I have peeled away layer after layer, I am getting down to the place where I feel that the absolute security of our country is in danger.

Here we have before us this bill, the coal and research bill, which is long overdue. As the gentleman from Pennsylvania [Mr. FLOOD] testified before our committee, the coal supply of America is now 25 percent below the danger point, meaning that in the event of war we are 25 percent below the danger point. It is further shocking that we are not stockpiling anthracite coal.

Our oil and gas reserves represent only about 4 percent of the fuels of our country while coal represents 84 percent. It has been argued that there should not be an independent commission and, yet, every single Member who presented bills—and there were some 21—every representative of management, and every representative of labor under quesitoning by me and by my colleagues said the independent commission was the only solution.

Finally, Mr. Chairman, I would like to point out that the head of the Bureau of Mines, Mr. Ankeny, under questioning by me, when I said, "If an independent commission is passed, what will the Bureau of Mines do then as regards research?" he replied, "We will increase our research in the field of coal." I think this is the one clinching argument for passage of an independent commission which is long overdue and sorely needed so that these islands of suffering in our country in Kentucky, in Pennsylvania, in West Virginia, and in Alabama and elsewhere shall become a part of this continent and receive the just rights that they should have.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, I am happy to rise in support of this legislation. A similar bill was reported out of our committee last year and had my full support at that time. It is unfortunate that this legislation was not approved last year, and we are starting a year late in this important field.

Mr. Chairman, I want to commend the chairman of our committee, the gentleman from Colorado [Mr. ASPINALL] on the splendid manner in which he has handled this legislation. I also want to commend the chairman of the subcommittee, the gentleman from New York [Mr. POWELL]. It has been a great

pleasure for me to serve both on the subcommittee and on the full committee. I also want to commend our colleague, the gentleman from Pennsylvania [Mr. SAYLOR], on being the original sponsor of this proposal.

I also want to mention the gentleman from Oklahoma [Mr. EDMONDSON] who was chairman of the Special Coal Research Committee during the 84th and 85th Congresses. I was happy to be a member of that committee. The committee, under the able direction of Mr. EDMONDSON, did a splendid job. We visited a number of coalfields in several States and heard the story first hand as to just what was wrong with the coal mining industry. I was very much surprised, I might say, to find a general feeling of optimism in the coal mining industry regarding the future of coal. There is a feeling among coal mine operators, and others, that coal is coming back, not in the immediate future, but perhaps within the next 10 years. The problem of the industry is to find a way to stay in business and continue operations until this time arrives.

The purpose of this bill is to find new uses for coal, and to stimulate the production of coal at this time.

I think everyone agrees that more research in coal is desirable. I observed during the hearings held by the Special Coal Research Committee that there has been a great deal of interest in coal research, and I do not mean to imply that this field has been completely neglected. I feel that the Bureau of Mines has done a good job, and also the industry itself. However, it appears that a more extensive effort in research should be made at the earliest possible moment, and the passage of this bill will accomplish that objective.

I represent the largest coal producing field in Colorado. I recall in my home county some years ago we had, perhaps, 35 or 40 large coal mines. Some of these were large mines which employed several hundred coal miners. Now, we have two mines left in Los Animas County. These mines belong to the Colorado Fuel & Iron Corp. which must have this coal to produce steel in their Pueblo, Colo., plant. I want to do everything that I can to encourage and stimulate the production of coal in this country. It is obvious that the loss of our coal markets has resulted in much distress and suffering in many of our coalfields. There are those who have devoted their entire lives to the coal mining industry and it is now very difficult, and in many cases impossible, for them to make an adjustment late in life and find other employment. Our committee visited several coalfields where the unemployment situation was very acute, and there was no work available for the many miners who had worked in the coal mines for many years. Mr. Chairman, I feel personally very optimistic about the future of the coal industry. I think the time is coming, and I hope it will come within the very near future, when we are going to see a much larger demand for coal than we have seen in some years. I believe we are going to see coal again take its place at the top, or very close to the top, of the producers of energy in this country. Every indication seems to point in this direction. We can do our part by passing this bill today, and thereby stimulate the production of coal in this country.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to my friend from Iowa.

Mr. GROSS. If the gentleman is so optimistic about the future of the industry, why do we have this bill before us today?

Mr. CHENOWETH. I would say the coal industry needs assistance at this time in developing new fields for the use of coal and in providing new techniques for the development of byproducts from coal. I am sure the gentleman from Iowa will agree with me that other industries have large and extensive research programs.

While coal has also had a research program, there is the general feeling that it has not been adequate to meet the situation. So I feel this is money well spent and that the production of coal will be increased.

Mr. GROSS. Can the gentleman tell us how much money is presently being expended each year for research in coal?

Mr. CHENOWETH. As a member of the Special Coal Research Committee I took special pains to try to ascertain that figure. It was something in the neighborhood of $17 million. I feel that the industry deserves great credit for what it has done in the field of research, and is doing now, but it is the general feeling that this has not been enough.

Mr. Chairman, I hope that this bill will pass, so that an expanded research program for coal can begin without further delay.

Mr. ASPINALL. Mr. Chairman, I yield to the gentleman from Kentucky [Mr. NATCHER] to extend his remarks.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Chairman, on January 7, 1959, I introduced the bill, H.R. 1047, which provides for the creation of a National Coal Research Commission. This is a similar bill to the bill now under consideration, H.R. 6596.

Notwithstanding the fact that we all recognize coal as one of the country's top energy resources, we are presently confronted with many difficulties in our coal-producing sections of this country. In Kentucky we produced 84,241,000 tons of coal in 1947, and in 1957 only 75,846,000 tons of coal was produced. The figures for 1958 will, in my opinion, show still less production for Kentucky. Seventy-one thousand two hundred and sixty men were employed in the coal fields in Kentucky in the year 1950, and in 1956 only 37,039 were employed. We have more coal mines than any other State in the Nation. Two-thirds of the 2,000 mines in Kentucky produce less than 10,000 tons of coal a year, while more than one-half of our production comes from about 80 large mines. Underground mines produce more than 76 percent of Kentucky's coal and strip mines produce approximately 22 percent, with the balance coming from auger mines. Eastern Kentucky's coal production in 1957 totaled 49,800,000, and western Kentucky's output was 26,738,000 tons.

In the coal-producing sections of Kentucky we are suffering from loss of population and we have a number of chronic labor surplus area sections. Some 32 counties are in an emergency category with surplus food and supplies furnished to the people who are unemployed. Our leaders in the field of atomic power all realize that it will be some time before atomic electric power will be competitive with electricity produced by conventional fuels. It is imperative that we establish a Coal Research Commission which will result in the development of new uses for our coal and will improve and expand existing uses. In addition, production and distribution can be studied with more effective methods resulting. Creation of a Commission will be invaluable in connecting existing research programs and the results accomplished will bring great relief to our people.

Mr. Chairman, I rise in support of the bill H.R. 6596, and ask for its immediate passage.

Mr. ASPINALL. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, I feel certain that the Committee will develop the arguments in support of the bill, but for the purpose of emphasis I want to add these words in connection with the great anthracite industry. You are going to hear a world of information and arguments about the soft coal industry, but I want to point out to you that in the anthracite fields of Pennsylvania we have collie dogs that with their hind legs can scratch bigger holes in the ground than they have any place in the soft coal fields, and we want you to know that there is an anthracite coal industry. Actually we are close friends and work hand and glove together.

I want to be sure that if and when this bill becomes law, as I am sure it will, the administration becomes concerned in its administration and execution of the law to give proper and careful attention and scrutiny to the great anthracite coal industry.

I want you to know that 90 percent of the anthracite coal reserves lie in my district and that of the gentleman from Pennsylvania [Mr. FENTON].

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield.

Mr SAYLOR. I want to be sure that the gentleman does not leave the impression that all the miners in the anthracite coal field are collie dogs.

Mr. FLOOD. As I said earlier you will hear quite a bit about bituminous coal. I am speaking about this fine type of fuel that lies underground in these areas of Pennsylvania known as anthracite or hard coal.

In connection with this bill there are three points we should consider: The first is that this is the Nation's greatest

remaining natural mineral resource, coal. Secondly, this will serve in a great measure to strike at the chronic and growing unemployment problems in these coal mining areas in some 20 States; and, finally, the future of our economy and of national defense is intimately involved here. If and when, God forbid, there should be an outbreak of hostilities, liquid and gaseous fuels probably would be sequestered for defense purposes, and the Nation's great industrial potential would be forced to rely upon coal as its principal fuel.

Keep in mind that 90 percent of our fuel potential lies in the various coalfields throughout this Nation.

Mr. Chairman, the creation of a coal research and development program is needed for America's security, for the economy of our coal-producing regions, and for a guarantee that our national resources will be able to meet the demands of future generations.

One factor which would be considered in the case for establishment of a coal research program is the unpleasant reality that, should a national emergency result from present or future world crises, our country would be in immediate need of large, dependable energy supplies. A supreme effort would be required of America's fuel industries and the enactment of a coal research and development program now would help make certain that our Nation's coal industry would be ready for such a supreme effort.

One great need is for research and study in the field of more economical distribution of coal, be it by pipeline, conveyor belt, improved and less expensive car loading and unloading, and the cost of coal car construction improvements at less cost per unit; means and methods of reducing the transportation cost on foreign shipments of coal.

Such a commission could look into the means of improving the processes of thawing frozen coal; study the means of obtaining more equitable freight rates; research to increase the quantity of anthracite used in coke manufacturing and blast furnace production of steel; research to increase the industrial use of anthracite in steel production and in the metallurgical field; research is needed in the design and construction of coal-fueled gas turbined engines; further research could be made by such a commission into domestic and industrial coal-burning equipment and ash disposal methods, research into improved methods of producing electric power through the use of turbines; improved techniques of mining to reduce production costs.

Advancements made in the various fields which I have mentioned will aid immeasurably in improving the economy of the hard hit coal industry, an industry that has served this country well in all past emergencies.

Mr. Chairman, there is a compelling need, from the standpoint of the coal industry's economy and the Nation's future fuel requirements, for a coal research program. An economic stimulant is needed, and needed badly, to reduce unemployment in the coal areas. It is important to point out, also, that the coal reserves of the United States are the Nation's greatest mineral resource available for immediate development and use.

From the consumer's point of view, there are numerous other factors involved in a coal research program. Coal is already the basis of countless chemical products. By capturing the gases and tars in metallurgical ovens, for example, the coke and chemical industries have been able to develop explosives, plastics, fertilizers, nylons, and a thousand and one other commodities. These are the things, Mr. Chairman, that can be done, and have been done, through the processes of research and the possibilities for greater discoveries and uses for coal are unlimited—but the means must be provided to do this job and through the establishment of a coal research and development program I am confident that impressive strides will be made in behalf of the coal industry and in the public welfare.

Congressional recognition of the need for improving conditions in coal areas through a vigorous research effort will be welcomed enthusiastically in all coal regions—such as the one I represent, Luzerne County, Pa., where thousands of men have been out of work for a long time because of the depressed state of the coal industry.

Mr. Chairman, the establishment of a coal research and development commission as proposed in this bill will serve to strengthen the coal industry, support our national defense program, and shore up the economy of the great number of coal areas in this country where the only salvation remaining is for the Federal Government to step in and assist these chronically distressed regions.

Mr. Chairman, make no mistake about it, you are the most important man on the committee. You represent the great consuming area for anthracite coal, and I am very delighted to see you and your consuming interests indicated here in behalf of the coal industry and, of course, more especially the anthracite coal industry.

The thing that excites me about this proposal is the tremendous scope that is envisioned in this legislation. I see our stalwart to your right, the gentleman from Pennsylvania [Mr. SAYLOR], who has been with us in this from the very beginning and who has been plugging at it, and I know of his tremendous concern.

I have introduced this legislation which is identical with Mr. SAYLOR's bill and other bills of members of the subcommittee, and from both sides of the aisle in the House. I just want to deal with that one phase. There will be so much done here. I repeat for the purpose of emphasis that it is overwhelming to see the breadth, the magnitude, the purpose, the horizons that have been indicated as the purpose of this commission and this legislation.

It is not merely a question of going into the mines and digging out X tons of coal; that is, of course, the basic problem. But beyond that there are so many, many, many related and ancillary problems that you are looking at here which make this one of the most important pieces of fuel legislation I have ever seen in the 15 years I have been here.

Now, of course, my heart has been bleeding for years for my brothers from the oil-producing areas. And you and I know that this entire Capitol is covered with a film of oil, I do not know how thick. Everything you taste, touch, feel, or breathe has oil in it. We have no brief against them, but we would like to exist up to the point of reason and I know that they will shoulder this wheel with all of us to help us out.

Let me just indicate to you what you are doing. By the way let me say this: I was interested in your introductory statement and I hope and pray we do not go into the field with any more of the subcommittee hearings. I know how exciting it is for new members on committees and subcommittees to take a committee of distinguished colleagues into his hometown and have a hearing at the courthouse. It is a wonderful thing and I am for it, because that is exactly what I did 2 years ago with your subcommittee. However, now that that has all been done, I would like to see the bill reported out as soon as possible.

I am grateful to you people and I know the gentleman from Pennsylvania [Mr. SAYLOR], the gentleman from Oklahoma [Mr. EDMONDSON], and the distinguished chairman of the full committee, the gentleman from Colorado [Mr. ASPINALL], and others were in my hometown of Wilkes-Barre, Pa., on the hard-coal phase of this after they had left Mr. SAYLOR's hometown, Johnstown.

So there were two hearings held in our State and you would be delighted to know the tremendous outpouring of labor-management men to represent every phase of the entire hard coal economy voluntarily coming to these hearings and testifying at great length supporting this proposed legislation.

Now look at what you are doing. You are talking about you realize the need for research, of course, and study, but you are interested in the distribution of coal, you are talking about pipelining it, you are talking about conveyor belts, you are talking about the improvement of the type and kind of transport car, not only the great railroad gondola, but types and kinds of new models, and improved models of the small mine car in both fields of coal—soft coal and hard. And I have introduced legislation; so have others of my colleagues, looking toward the problems of the great mass transportation industry of railroads and the sick economy they are in. Because we admittedly are a sick man in the American industrial economy, and so is the railroad. And my friend has alluded to them in his testimony. Because the minute my coal mines go down, the minute the soft coal goes down, so many of my railroaders are laid off automatically. They do not go back to work until coal is produced.

Into my area of Pennsylvania I can get a ton of coal in there on a dozen railroads any hour of the day or night. There are more railroads going into Wyoming Valley than to any place in the United States, except Kansas City.

Imagine that. Ten or twelve great railroads go in there. I can take a ton of coal out of there any hour of the day or night, but I cannot get you in there more than once a day as passenger on any railroad. So we have these problems when the railroads are affected by the loss of coal production and the loss of coal markets—the great allied and related serious economic cancer.

I want to see the railroads receive Government research aid and monetary aid and subsidies for the production of these freight cars, gondolas. These railroads cannot offer to build and buy these things. They are going to need help in the research and development for the type, nature, and kind of construction of coal transport trains and cars and vehicles, and they may need Government subsidies by a loan over a long period of time, to be worked out by experts, to permit these cars to be produced. It is a great burden and they obviously just cannot meet it. Something must be done about that.

You are going to look at that. Imagine in a coal bill looking at a thing like that. This is one of the exciting things that makes this so important, and the commission approach paramount, rather than burdening existing agencies with these unrelated problems to their purpose.

You have the improvement for the thawing of coal. Coal country is pretty generally cold country, and in my mountains it gets plenty cold—10°, 15°, 20° below zero—with these great coal masses on the surface and in the cars and in stockyards, because where coal is consumed for domestic heating purposes, as most of mine is—mine is primarily a domestic consumption, heating fuel, rather than industrial, although you are going to examine the industrial potential. Why is hard coal not used for more industrial purposes? That is one of your great objectives and targets.

So your coal freezes. We use water for its cleaning. It freezes just by assimilation because of temperature. It is a tremendous problem in utilization and in transportation, and you are going to look into that in various ways.

Allied with the transportation problem is the problem of differentials in zones, geographically and by instability through the tariff and ICC problems on freight rates. That is a chronic and historical problem here in all phases of our economy, but it is also as important to coal as it is to wheat or to steel.

The differentials in the zones on tariff rates on coal transportation is a vital problem to coal and has never been adequately examined. You are going to look at that.

I have the extremely interesting and exciting possibility of going back to steel production.

Now just outside of my hometown are the remainders of the great open hearths where steel was first reduced from iron ore, and the fuel was not coke, bituminous or metallurgicals, but was anthracite coal. The first fuel used in the reduction of steel of high quality from the ores in the north were in my area and residuals of the physical properties are still there, which we come and look at, and students and engineers come and examine.

There has been a tremendous renaissance of interest by metallurgical engineers and steel technicians by generally utilizing it in some way. What way, what combination of ways can we use hard coal?

There are sintering programs which are being utilizing in the last few years in the reduction areas. Great steel reduction areas are considering the sintering process. Coke is very expensive, especially metallurgical coke is extremely expensive. Steel is concerned with cost reduction. They are examining, and you are going to help them examine, of their own motion this unlimited horizon to generally bring about a rebirth of the use of anthracite coal in this fantastic economy of steel production.

Generally there are related metallurgical potentials in the vast school and market of the metallurgical industry.

There, too, if one can be done, why cannot the other?

And so these acute and delicate refinements of metallurgical fuels, are they going to bring, through your bill and this committee, this possibility which means so much to us?

Then I, with most of the men from the hard and soft coal fields, over a period of years have had legislation before the Congress for the stockpiling of coal, for the stockpiling of the fuel. Particularly is that important to the anthracite coal industry.

We have worked with the Department of Labor and industry for years on this. We have tried to utilize it by how this will contribute to man-hours of work. We have gone back to the beginning—how many hours of work produce a ton of coal?

If so many hours will produce so many tons, how many man hours of work will it produce.

Do not forget in all of these things you are doing, you are going to put men to work in the most distressed economic areas of this Nation where unemployment is not seasonal, where it is not underemployment, but where it is actually a cancer, chronic, acute unemployment. Not seasonal, not industrial in the sense of the geography, not controlled by markets or the fluctuating economy, but a basic fundamental cancer upon the economic body of the coal producing areas, gnawing at its vitals, destroying it, growing progressively worse.

We do not know what can be done. We do not know if this cancer can be stayed or eradicated. We do not know. You are going to do the one big thing with this broad attack to really strike at the heart of a vicious, vicious economic evil, and we think a stockpiling program should be examined.

There is some evidence on this in hearings before this very subcommittee in the last several years.

How many thousands of tons, what kind of a marketing problem do you have, what kind of a storage problem do you have when you store coal, if you stockpile it? How will that affect the price condition of the market if you stockpile it? How can you control prices?

All of these dozens of problems are related to a stockpiling program.

We feel it is essential to stockpile and produce for national defense, for emergency conditions of weather in your great metropolitan consuming areas. This is a program in itself that you could devote much of your combined effort to. You are going to look into that.

So you see how far you are going. You are going to ask engineers, designers, theoreticians in mechanics to create new types of hardware to mine the coal. You are going to ask another school of technical and mechanical theoreticians to create and develop turbines in which we can use gas born from coal to produce energy.

You are going into all of that as well as the things I have just indicated.

This will include coal-burning equipment. You are going to take out of the cellars of the consumer these gigantic octopuses which have their arms all over your cellar. When we put a coal furnace in the bottom of a man's cellar, its arms reach out like octopuses and take up the whole place. It is ridiculous, it is archaic, it is obsolete, it is not good, it is bad in every sense of the word. You do not like that, so you are trying to figure out how small of a package can you create in research beyond what the industry is doing. And they are not doing enough, they have never done enough.

One of the great criticisms of the anthracite industry is that they have never borne their share of the burden of setting aside funds in research and development like the oil people have done, like all other industries have done. The anthracite industry has never done what it should have done in the last 50 years with its own money in research and development. They can be criticized for it, and you have properly done so, but they are seeing the light of reason now and they are joining you, late as it is.

So you are doing that. You are going to be able to put in madam's boudoir a furnace, pink or blue, where no residuals of any kind—that is what you are thinking about, and that is extremely important.

I was in Germany 2 years ago, and spent 3 weeks in the great Ruhr Valley. I visited the Essen mines of production in the Dusseldorf area, and there I spent 4 days at a tremendous plant of Ruhrgas, which is a great gas producing and distribution combine in the Ruhr Valley, and its gas and fuel grids cover all of the middle and northeastern section of the West German Republic.

We sent 2,000 tons of coal from the coal regions over to these people because of the vast experience and know-how they have had in gasifying coal. They have been gasifying coal for years.

You know that the great German Army in World War II ran its vehicles on gas reduced from coal, and much of it hard coal.

We have been doing some timid experiments along that line—starved for money, starved for lack of interest at the department levels. I do not blame In-

terior and the Bureau of Mines. It is because there was no interest, no concern. Congress never gave them enough money, we never gave them enough people. It was sort of a parenthesis of their operation.

You heard what happened to the oil reduction element at St. Louis. I can tell you of a mine in Alabama, soft coal, where we spent money to seal off and gasify, as the Russians and Germans have been and are doing, where they seal off a mine, ignite the coal and draw off the gas. You can break down gasified coal, anthracite or bituminous, and make anything out of it except babies, and I am against babies being made except in the traditional way. The minute they begin to make babies out of coal, then I am against coal. That is going too far.

The Russians insist that for years they are commercially operational in the gasification of coal. We do not know as a fact whether they are or not, but they say so and a lot of other people on our side of the Iron Curtain say so.

The Germans have done it. In the Ruhr Valley, at the peak seasons of the year and at the peak hours of the day of those peak seasons of the year, when there is a tremendous demand for gas, the Germans have a single industrial gasification plant set up and operational, and at a certain hour of every day they cut into their gas grid.

Now, they use manufactured gas as the basis for the great Ruhr gas fuel and light, but when the demand is too heavy on the peak hours of the peak days of the peak seasons of the year they throw into their vast gas grid, gas made from coal, which mixes with the manufactured gases and other gases and produces the very best kind. And it is part of the German gas economy, it is part of the German fuel economy. It has been for years. It will happen at 4 o'clock this afternoon.

So, this is no long-haired, flat-heeled, university dream, this is a practical commercial operational thing, except in the United States of America where, because of balancing budget or because of dollars or because of lack of interest or because of the influence of other fuels, this has never had a chance until your subcommittee takes it by the throat and is going to make something come out of this.

We think this one thing may be the savior of the anthracite production market. Gasification may be it.

Many of our individual private gas companies are interested in this and have been cooperating in it and are working on it. These things we know.

There are some other things. I will not touch upon the improved techniques of the actual physical mining. That is the first thing you are going to look at—what can be done inside? How can you help the miner? How can you help the coal companies reduce the cost, which is very expensive. Deep mining, gentlemen, is a very costly, expensive thing. Some mines are more expensive than others in ratio to dozens and dozens of related problems. And that is the first thing you are going to look at—how can we help you people get a ton of coal to the surface at practicable cost.

Our worst enemy is water—the worst enemy of the hard coal mines is water—not subterranean streams but surface water. You people in Harlem might think I mean underground water. No, I do not. We can handle that pretty much by a brattice dam, a wood dam, not concrete. Cheveaux de bois—structure of wood to block off. A technical term.

We use concrete for certain purposes, because that is not always desirable because of earth movement. And we get hydrostatic pressures increased behind concrete that may burst the vessels. So we use brattice.

We have all those problems underground, mechanical things.

What are you going to do to help us with mechanical things to make it easier for the miner, to make it less expensive for the company?

Your technicians will, first, I believe, examine the technical and mechanical problems which are not yet fully explored. In the last 20 years it has been tremendous. And you will find the United Mine Workers of America, contrary to the attitude of labor in the industrial revolution in Britain and down through the years in other areas—the United Mine Workers of America joined hand in hand with industry in developing automation and mechanization to produce coal. It is not opposed by mine labor or the unions—they help, they encourage it.

Strange as it may seem, that is the history of this industry—cooperation between labor and management for the development of new mechanical processes.

This is the first time we ever heard of it in American labor-management relations, heard of this kind of thing.

Finally, let me indicate to you the importance of the mine drainage program. Many of my colleagues and I have introduced legislation that became law through the cooperation and intelligence of this committee. You gave us the mine drainage bill. We must keep the water from surfacing into our mines.

Our problem is surface water. The geological structure of our whole area is such that the surface looks like the windshield of your car if you hit it with a rock. And if somebody spills a glass of water, it runs down into the mine.

We have denuded our forests through shocking, disastrous, negligence, and bad forest planning, and you cannot control surface water without forestation. We have denuded our forests, we have raped the forests of this Nation even in our coalfields. And so, if somebody knocks over a pitcher of water at the top of a mountain, it runs down into the mines. Nothing will stop it, do you not see?

You are going to help us with mine drainage. We have limited funds. When these are spent we hope you will extend the program, that you will develop it to permit mine drainage, not done by the Federal Government, executed by the State, through their own mining bureau.

We are opposed to the Federal Government running these things. We want the State and local people to do this. It is a home-rule operation. But we need your guidance and we need some of your money. We are matching you dollar for dollar in the drainage program. It is no handout, nor giveaway, and we are badly pressed for money, but we are matching you dollar for dollar. We will match you again dollar for dollar. We need three or four times the money you are giving us, and Bureau of Mines could not do better than they are doing technically in the last 2 years.

So, Mr. Chairman, that is the dramatic scope, that is the potential, and it can only be done by this concept that you have in your bill, and in which I join you in mine, of a commission which will be fresh on this, will be dedicated to it and devoted to America's basic and greatest fuel potential.

I know that the bituminous people, because of the size of their industry, their great market, their great values, has done much, much more. As a matter of fact, chemically, I am advised that the potential within the bitumite are superior because of its chemical composition to those in the anthracite, and that would be one reason why the bitumite people have done much, much more even themselves. But even they have not done what they should have done through the last 50 years, and certainly anthracite has not done almost what it should have done in all of these years, and that is why we come to you, hat in hand, and we apologize. We should have done more, but we cannot debate that.

We thought we had an export business, and one of the things I am asking you to go into is the examination of my request for charter parties of the mothballed commercial transportation fleet to give me direct charters from Philadelphia to Belgium ports and British Isle ports with hard coal and not tramping, coming in ballast.

There I have the State Department in my mustache because they say that is discriminatory against two nations, and you have to do it for the whole world and continuously do it for coal ships to two or three countries. That is nonsense and utterly ridiculous.

What happened to the corporation of the United Mine Workers that was going to ship coal?

It was frustrated by the inability to do what I am telling you now. The State Department has got in our way. Not only this attempt by the United Mine Workers to buy ships, to finance its own fleet, but I had meetings with representatives at Antwerp and Liverpool. I met at Antwerp with a committee of 26 of the great wholesale and retail coal producers of Belgium and the Low Countries, I met in Liverpool with the British and Welsh, and they want American hard coal. But we cannot put it down on the dockheads at Antwerp or Liverpool competitively, unless we get charter parties with our own ships dedicated to just that purpose, not to compete with the tramp merchant marine. We will go from Philadelphia to Antwerp or Liverpool and come back in ballast and run ships just that way. And we will meet all the American shipping and working requirements. We do not want Panamanian flag or Liberian flag. We will use American

crews, American ships, and American men, and would not compete with anybody. But the State Department says, "Do not do that. If you do, we will have to do that with all the countries in the world." What in the world difference does that make?

We got the shipment to New York and got one launched, and then we ran into these objections from all the nations in the world that we were discriminating on this one industry and this one product, and they wanted to take out the entire merchant fleet.

Let me tell you what else we did. We said, "We do not want your best ships. Do not give us the good ones. Do not give us the good Liberties. We will take the old coal-burning, 9-knot Victory ships up in the James River, and nobody wants them; you cannot give them away. We will spend our own money to put modern machinery in to sail these ships."

And we said, "We will; it does not make any difference. Nobody wants these crates. We will recondition them, take out old coal-burning furnaces, and put in—God save the mark—even oil to make them go."

And the State Department said, "You cannot do that. We will get in trouble with Persia or someplace."

Who cares? I could not care less about Persia on this problem.

Vast horizons of export markets were working up, there was going to be export of coal.

What happened? We signed the reciprocal trade agreement with Italy, Germany, France. What are the French doing?

You cannot get a ton of American coal into France. Why? Because our great allies, under this reciprocal trade agreement, which is going to save the world for America and the French and the Persians, not any coal people—the French are bartering French coal with Communist Russia for electrical equipment today. You cannot get a ton of coal, hard or soft, in France, because they are doing business through the back door with the Russians for Polish coal. The Russians are stealing this from the Poles, shipping it at a market-breaking barter cost into France, and getting back electrical hardware from the French.

You cannot get a ton of American coal into Italy, because the Italians, under the operation of the last 2 years, have set up price and market controls in Italy against America. They do not say it is against American coal, but our coal is the target.

At the request of the American coal people, I met in Milan, 14 months ago, with the Italians and the Americans, and we could not get any place with the Italians in Milan on the basis of the prohibitory price preferential structures they are giving to European markets.

You have the coal under the steel-coal combine set up under the Economic Committees in Western Europe, which now includes the British Isles. And that combination—Italians, French, the Benelux nations—has embargoed American imports into France and into Italy.

Do you know what happened in Germany in the last 60 days? Germany was the great market that we thought of 2 years ago, when you were talking to the coal people, and when we had this optimism within 10 years. Much of it was based upon this vast export market which we were beginning to feel, especially my soft-coal friends. They had a wonderful vista. That is destroyed. Germany has embargoed the coal.

They say, "We cannot take your coal in because it is putting our own coal miners out of work. We cannot produce any coal. We are closing down our mines. Why should we take your coal?"

This shows you the fallacy, the Achilles heel, of the reciprocal trade program.

It is all right theoretically. It was like the League of Nations—sound in theory, but it did not work. Philosophically, I agreed. As a matter of political economics, I embrace the whole theory of reciprocal trade. For many, many years since I first came here I voted for it and spoke for it, until I came up against this flat discrimination, with no attempt or no interest on the part of this Government, Democratic or Republican administration, to do anything for the hard- or soft-coal people the minute we are embargoed. And they never have, up until 10 o'clock this morning.

I will not touch upon the residual fuel problems. You know all about that. And that has gotten worse this last 30 days.

Do you know there were Rumanian tankers in New York with residual fuel oil last month? Rumanian Communist Red tankers with residual fuel oil in New York a month ago?

Now, those are the problems.

Mrs. KEE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from West Virginia?

There was no objection.

Mrs. KEE. Mr. Chairman, as the Representative of one of the largest coal producing districts in the world, I am delighted that H.R. 6596 is before the House for consideration. I am strongly supporting legislation to establish a Coal Research and Development Commission.

The purpose of this legislation is fourfold. It calls for a program to, one, develop new and effective uses for coal; two, improve and expand existing uses for coal; three, reduce the cost of coal production and distribution; and four, emphasize those developments in consumption of coal of particular value to small coal producers.

There is no question but that this new program for coal is urgently needed. Coal production and consumption have leveled off to a degree that is far below the capacity of the great coal industry to produce. As a result, many miners are now unemployed. It is believed and hoped that the development of new and expanded uses for coal, under the direction of this new commission, will go a long way toward alleviating existing conditions of serious unemployment which are general throughout the coal producing areas.

But let me emphasize, Mr. Chairman, that this is not emergency legislation designed to combat current unemployment. I regard this legislation as a constructive move toward putting the coal industry on a permanent sound footing that will enable it to expand and prosper in the years ahead.

Coal is one of our most important basic fuels. We could not have made the great industrial strides which have given this Nation the world's highest standard of living without abundant and low-cost coal.

Other fuels have been developed and perhaps even newer fuels will come upon the scene in the years ahead. But it should be pointed out that coal, with its inexhaustible reserves, will always play a vital role in the Nation's economy. For too long, this basic natural resource has been neglected. It has been the official Government policy to create a climate which encourages the growth and development of the newer fuels, many times to the detriment of coal.

The legislation before us today offers an opportunity to balance the scales more evenly in behalf of coal. What is asked is not a Government subsidy nor financial aid in any form. Rather, this is a program that will help the coal industry to help itself.

Many individual coal companies are conducting vigorous research programs of their own. But the problem is entirely too large ever to be solved by such an approach. It seems to me that the Federal Government is the only agency which can provide the broad, overall direction that is so urgently needed. I am confident, Mr. Chairman, that with a research and development program such as outlined in this legislation, the coal industry, working hand in hand with the Government, can make tremendous strides in the years ahead.

In conclusion, Mr. Chairman, I want to thank the Committee on Interior and Insular Affairs, on behalf of the thousands of people in my district who are dependent upon coal for a livelihood, for the manner in which it has handled this legislation. The chairman and members of the committee have given sympathetic consideration to the problems of our coal areas. They have indicated a willingness to help these great sections of our Nation to help themselves.

I want to assure them that residents of coal producing areas are deeply appreciative of their cooperation and understanding.

Mr. SAYLOR. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I would like to commend the House Committee on Interior and Insular Affairs for reporting out H.R. 6596. This bill will result in the establishment of an extensive research and development program, under Government sponsorship, to revive the coal industry by finding new uses for coal, expanding existing uses and reducing production and distribution costs.

In my own State of Utah one of the most depressed areas is the coal producing area. Unless new uses are soon found for coal, thousands of small mines will be put out of business. Following World War II, many users of coal changed over to oil and gas in a number of important areas, and the struggle for existence will be even more difficult as coal faces the competition of atomic energy.

While the coal industry has been doing some research of its own, at least 95 percent of the 8,000 companies engaged in the mining of bituminous coal and lignite are small companies who do not have the excess funds available for research.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, H.R. 6596, which embodies recommendations contained in legislation I introduced over the past several years, provides an opportunity for Congress to set a positive course in one important phase of the Nation's energy panorama.

Within a relatively short time a national fuels policy is going to be established. Of that I am confident. With population increasing rapidly and requirements for mechanical and electric power rising constantly, there can be no escaping the fuels issue.

Nature has provided us with several sources of energy. Those which we have utilized this far are exhaustible. Eventually we may develop a source about whose sufficiency there need be absolutely no concern.

Between 1800 through 1950, bituminous coal was a source of 46.1 percent of the heat and mechanical energy produced in the United States. Fuel wood was second with 18.6 percent, followed by crude petroleum at 16.6 percent, anthracite 18.8 percent, natural gas 6.3 percent, and water power 3.6 percent.

There have already been some shifts in the standings, and a new listing has been reserved for atomic power. The chances are that, at least through this century, bituminous coal's position will not be challenged, and only a sensational and unexpected development in the field of nuclear fission will threaten coal's leadership for many decades to come. At a recent convention of the National Coal Association, H. C. Anderson, of the General Electric Atomic Power Division, said that coal faces only negligible competition from nuclear fuel as a source of electric power in the next decade.

With reserves of bituminous coal amounting to more than 90 percent of our natural energy stockpile, as compared to less than 1 percent for oil and gas combined, it would be foolhardy to neglect a single opportunity to expand development of coal's productive processes and its uses.

To emphasize the enormity of coal reserves, I should like to point out that total production from our earliest records to the present time amounts to approximately 35 billion tons of anthracite and bituminous coal combined.

Despite this fact, there are almost a trillion tons of minable coal reserves remaining—or approximately 25 times all of the coal that we have extracted in the last two centuries.

It is of interest to state that our new State of Alaska contains 2 percent of the estimated world coal reserves, bringing to 38.1 percent the total U.S. share.

While I am confident that deeper drilling and new discoveries will continue to provide ample supplies of natural gas and oil for a long time to come, we must nevertheless recognize that there is a limit to what can be expected of these fuels.

Mr. W. M. Elmer, president of the Texas Gas Transmission Corp., was refreshingly frank in his address to the National Coal Association convention last week. He said that the present 22-year life index for natural gas is no indication of future reserves available, but at the same time he was emphatic in observing that he did not want to leave the impression that we have an inexhaustible gas supply.

He spoke of the development of a synthetic industry in the oil shale region of Colorado, where supplies will originate and be distributed over the present natural gas lines. As for petroleum, there is certainly no shortage in sight, yet it is true that we are depending more and more upon foreign sources for this fuel.

There is no doubt but that the time has come when we must look to coal to take care of a rising portion of future energy demands. Oil companies have already indicated a very definite interest in the establishment of a commercial synthetic fuels industry in coal regions. Thus coal as a base of gaseous and liquid fuels production is one important factor in a research program.

H.R. 6596 is designed to provide an independent Coal Research Commission to provide impetus and an overall direction to the research program. This legislation not only brightens the energy supply picture, but it also offers improved mining methods.

The coal industry has made remarkable strides in production through mechanization of its mines. At the same time there has been a noticeable improvement in industry's safety record. In neither case, however, should we be satisfied that further progress is not necessary.

By more intense application of science and engineering, additional achievements in coal production are inevitable. As for safety, there is considerable research that must be undertaken, beginning with geological problems.

A review of the testimony presented to the subcommittee studying the feasibility of research legislation reveals that industries allied with coal strongly advocate this program.

It is also supported by the electric utilities, coal's No. 1 customer. The electric power industry has a magnificent performance record, but the public stands to be recipient of increased benefits by the extended use of electricity as a household servant.

Some utilities are in the midst of a project to make electric home heat available at reasonable cost in the many houses that will be constructed in the months and years ahead in various sections of the country.

In addition, an increasing number of families are finding it possible to install air-conditioning units in their homes. Coal will continue as the principal source of power behind electric power, and anything that can be accomplished in the way of increasing the efficiency of these two industries will accrue to the advantage of the general public.

Mr. Chairman, I need not dwell at length on coal's role in the mobilization base. In World War II America's production objectives could not have been realized without the coal industry's ability to accelerate production by 75 percent in a 6-year period.

Production of steel, aluminum, electric power, chemicals, and the finished materials of offense and defense will meet schedules in our present era of uncertainty only if fuel supply keeps pace with demand.

Coal is vital in peace and war. We must not neglect it from a standpoint of production, transportation, or utilization. The research program envisioned in H.R. 6596 is necessary to the welfare of this Nation and to its individual components.

CALL OF THE HOUSE

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 80]

Alexander	Gathings	Rabaut
Alford	Giaimo	Riehlman
Arends	Glenn	Riley
Ashley	Goodell	Rivers, S.C.
Ashmore	Gray	Rogers, Mass.
Barden	Gubser	St. George
Baring	Harmon	Santangelo
Barr	Healey	Scherer
Barrett	Herlong	Scott
Bates	Hoffman, Mich.	Shelley
Becker	Kearns	Sheppard
Bentley	Kelly	Slack
Blatnik	Keogh	Smith, Miss.
Bolling	Lankford	Smith, Va.
Brown, Mo.	McDowell	Taylor
Buckley	McGinley	Teller
Budge	Macdonald	Toll
Byrnes, Wis.	Machrowicz	Tollefson
Cahill	Mack, Ill.	Tuck
Canfield	Magnuson	Utt
Casey	Mailliard	Wainwright
Celler	Meader	Weis
Cohelan	Merrow	Whitten
Cramer	Miller, George P.	Widnall
Curtis, Mo.	Miller, N.Y.	Williams
Dawson	Moeller	Willis
Derounian	Monagan	Winstead
Diggs	Moore	Withrow
Dollinger	Multer	Wolf
Dorn, S.C.	O'Brien, N.Y.	Wright
Durham	Pelly	Yates
Farbstein	Pilcher	Younger
Flynt, Ga.	Pirnie	Zelenko
Fogarty	Preston	
Frelinghuysen		

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MCCORMACK, having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6596, and finding itself without a quorum, he had directed the roll to be

called, when 330 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I think the debate thus far has demonstrated several things that are beyond contradiction about this matter which we are discussing today. One of the first is that this is not an overnight problem, nor is it an overnight solution that has been brought to the floor.

This House recognized by a resolution adopted in the 84th Congress, back in 1956, that there was a need for some special attention to this problem by the House of Representatives. Under the special directive of that resolution, a special subcommittee studied this problem at considerable length and in several of the States of this Union. We heard representatives of seven Governors on the subject; we listened to representatives of the greatest organization of miners in the United States, the United Mine Workers, and of the National Coal Association, and of many other representative organizations across the country.

Most of us who were on that subcommittee that made the study went into the study with open minds insofar as the problem was concerned and insofar as the solution was concerned.

There has been some talk here already on the floor about the fact that some people object to the establishment of a special agency rather than administration under the Department of the Interior. I will say to this House very frankly that when I began my own study of this problem and took over the chairmanship of the special study committee my own disposition was to see a research program expanded under the Bureau of Mines. I have a very high regard for the career personnel in the Department of the Interior. I think they have done a splendid job on many aspects of the mining industry and its problems. The progress they have made in solving them has been historic.

But as we held these hearings across the country in our talks with representatives of the mining industry and of the different mining organizations we reached the conclusion that there was pretty clearly a need for a new approach, that there was pretty clearly and definitely a need for the concentration of effort; that there was very clearly and definitely a need for a development of this effort above the research efforts of competing industries. For all of these reasons this committee after objective study reached the conclusion that there should be an independent agency established to do the job.

Let me emphasize several facts about this research commission and its importance to your constituents and to this country. The problem of coal and what happens to coal in the future is not a local problem; it is not a regional problem. We have three great coal reserve belts extending across the country. Out in the West there is the great belt of coal reserves extending from the Canadian border down into Mexico on the south. Through the Midwest there is a great coal belt which runs from Illinois in the north country down into the State of Texas; and over in the East beginning in Pennsylvania the belt goes clear down the eastern seaboard into the State of Alabama.

Coal is a national wealth; it is also at this time a national problem. Twenty-seven States produce significant amounts of coal in this country; practically every State in the Union has some coal producing potential, and the problem of what is happening in the coal industry and what is happening to employment in that industry; and, more important than that, of what is happening to our fuel reserves and to this Nation's ability to produce its fuel is a very important problem in terms of our national security and in terms of this Nation's competition and successful competition with the Iron Curtain countries in the future.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Maryland.

Mr. FOLEY. I want to associate myself with the remarks of the gentleman from Oklahoma. The State of Maryland is one of the 27 coal producing States and most of the coalfields are in Allegany and Garrett Counties of the Sixth District of Maryland which I have the honor to represent. In the past decades, the coal mining industry in my district has shrunken and increasing numbers of miners rendered unemployed.

But we still have coal. H.R. 6596 will stimulate and encourage the production and conservation of coal. It is the long overdue means—the only means—to discover new uses of coal. Only by this means will the industry be revived. I strongly support this bill and commend the gentleman for his statement.

Mr. EDMONDSON. I appreciate very much the gentleman's comments.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. ASPINALL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. EDMONDSON. Mr. Chairman, something else needs to be emphasized about the coal problem. This is not just the problem of a few big producers. As a matter of fact, these big producers in the coal industry are not nearly so much in need of this legislation as are the small producers. We have over 4,000 companies in the United States producing coal at this time, that is, bituminous coal, and over 800 anthracite producers. More than 1½ million men have been employed at various times in the coal industry. The present employment in the coal industry in the United States has dwindled down to a figure of approximately 200,000 in the bituminous coal industry and less than 40,000 in the anthracite coal industry. But the remarkable thing about this industry is that we have been able in the industry to greatly increase the productivity of the individual miner and by reason of that production to compete effectively for many foreign markets in the coal field.

I said a minute ago this is significant with regard to our fuel energy capacity for the future. Mention was made a few moments ago by the able chairman of the Mines and Mining Subcommittee, the gentleman from New York [Mr. POWELL], of the fact that 84 percent of the total fuel reserves in the United States was coal fuel reserves. If the predictions are correct that we are going to exhaust our fuel reserves in somewhere between 75 and 200 years in this country, it is of vital importance to our future that we make the best use of the coal reserves which we do have, that we do not dissipate or waste these coal reserves through uneconomical uses and uneconomical processes.

Mr. Chairman, of the many problems confronting the coal industry, it is generally agreed by all who studied the problem that the need for research is the No. 1 problem. The comparative research programs in the chemical industry, the textile industry, and the petroleum industry have already been referred to.

Consider for just a moment, if you will, what has been done in the research field in some of the other countries of the world in the field of coal.

Our committee found that not more than 1,000 professional people were engaged in coal research in the United States, that more than twice and possibly three times this number were employed in coal research in England, France, Germany, and Holland combined. We also found that Russia was employing about five times the number of professional people in coal research as are similarly engaged in the United States. It was this factor that impelled us to the conclusion that our Nation needed something significant to be done in its coal research activity if we were to keep pace with the other countries of the world and if we were properly to husband and conserve these vital and precious resources.

The subcommittee and committee reached this finding about coal:

> The history of the coal industry since the end of World War I has been one of erratic production, declining and uncertain markets, and at least 35 years of either net losses or exceedingly low net income.

We reached this further conclusion:

> Consideration of these factors leads the subcommittee to conclude that the future of coal and of the domestic coal mining industry as we know it today may depend primarily upon the progress that is made through coal and allied research and development.

We bring to you here today the modest beginning of a program to give to our coal industry the research and development which it needs for the future, a program that will mean, I think, a great deal in literally hundreds of communities across the Nation and in at least 27 States, a program that could mean a great deal in determining this Nation's capacity to meet the Soviet challenge in the future.

I hope that this House, when it has completed its consideration of the bill

and of the amendments that are being proposed in regard to it, will conclude with the committee which studied it that this is an industry which needs and even demands attention at this time; that this House, having given careful study to the problem for a period of more than 3 years, will take this action to see that we do solve this problem and raise once again the production and the employment of our coal industry to a level that will promote the general welfare of the United States and promote also its security.

Mr. SAYLOR. Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia [Mr. MOORE] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MOORE. Mr. Chairman, I strongly support H.R. 6596 which we are considering today. In fact, I am so thoroughly convinced that a Coal Commission is desirable that I introduced an identical bill, H.R. 13694, in the 85th Congress. Moreover, I urge that all Members of the House of Representatives give their support to the present legislative measure which would bulwark our American economy by "encouraging the production and conservation of coal in the United States by creating a Coal Research and Development Commission."

I stand foursquare behind H.R. 6596 because I am a West Virginian. Mine is one of the greatest coal-producing States in our Republic. The prosperity of the First Congressional District of West Virginia is tightly joined to the prosperity of the coal industry. The corner grocery store and the multiacred steel mill depend on coal. The crossroads community and the teeming metropolitan areas look to coal as their very lifeblood of growth and progress.

I stand firmly behind H.R. 6596 because I am an American. Coal is a major factor in defense production. That is not a subject which can be disputed. Coal is a major factor in American industrial advancement, whether that advancement comes in Vermont or Arizona. Coal is an arm of our foreign policy since it holds out the promise that currently undeveloped countries can—with coal—bring about their own development.

Research in the coal industry, productive of new uses, new products, and new methods, will bolster the basic economy of my State and my country.

Since this is my belief, I stand for the passage of H.R. 6596 in the 86th Congress.

It is a wise bill, a good bill. Once it is enacted into law, I am confident that it will inure to the benefit of the citizens of my State and will in turn give strength to the economy of these United States.

Mr. SAYLOR. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, this bill will do very little for the 16th Congressional District of Ohio. It will add to our tax burden. However, I am convinced that it is a good bill, and I am sure that the people of the 16th Congressional District of Ohio would want me to support it, because it may provide some help to a fine group of Americans who are in utter poverty in certain areas of our county—a condition we should not tolerate. And, I am sure they will want me to support it in the hope that it will be helpful to some of the people in Pennsylvania, West Virginia, and Kentucky. To me this is a bill to help America and Americans, and I shall support it.

Mr. SAYLOR. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, I am glad to support this legislation which would establish a Coal Research and Development Commission. I am not certain whether this research and development should be by a separate commission or under the Department of the Interior. However, since it is this bill that is before us, I am supporting it. Coming from one of the coal areas of the Nation I am familiar with the problems of the industry which make such research essential, and also with the great potentials of coal which make such an enterprise assured of success.

We are a Nation rich in resources—and one of our greatest mineral assets is coal. We have untapped reservoirs of this valuable source of energy and chemicals. The last century of industrial progress in America, which thrust us into a position of world leadership, would not have been possible without coal. We cannot begin to imagine a substitute for it.

I predict that the next century of progress will be just as dependent on coal as the previous one, although the varieties of its uses will be greatly expanded.

We can count on coal to supply us with our energy needs, by generating electricity, for the foreseeable future. Without subsidy, it has produced vast amounts of energy and is ready to do an ever-greater job. Whether atomic power will ever be a practical source of electrical energy is an unanswered question; for the present we know that it is several times more expensive to produce and, even with a Government subsidy, cannot be considered a practical power source.

Coal has kept millions of American homes warm through the coldest winters and can be counted on indefinitely in the future.

But in much more indirect ways coal waits upon the American public. It is used in synthetic fabrics, in dyes, and in the production of steel, aluminum, and cement. Byproducts include such unseeming derivatives as the following: vitamins, insecticides, aspirin, drugs, phonograph records, paints, weedkillers, cleaning fluids, fertilizer, film—and many others.

Yet most of this development has been accomplished on a relatively small amount of research. The Bureau of Mines has engaged in worthwhile projects, mostly designed to find long-range programs of development. Bituminous Coal Research, Inc., and the Anthracite Institute have done well with limited means. But the industry is spread out among many small producers; it is geographically and economically diffused. And its economic ups and downs of the last few years have prevented adequate research to keep the level of coal utilization up to its remarkable potential.

The petroleum industry, in which concentration and a variety of other circumstances makes concentrated efforts more possible, spend eight times as much each year for research. Sixteen times as much was spent on textile research as went for coal, and 21 times more went for studies of chemical developments.

We are dependent on coal. Many are directly dependent upon a thriving coal industry for their own economic well-being. We are all, as a nation, relying on our coal resources as one of our greatest strengths. It is a great arm of strength in emergency; an arm of utility in time of peace.

The coal industry needs encouragement and the revitalization of new challenges and opportunities. Yet we seek this research opportunity not at all in desperation, but in confidence. The possibilities of developing new and more effective uses for coal are virtually unlimited. A short-range program of coal research and development can do much to strengthen and make prosperous our vital coal industry.

I earnestly urge the favorable consideration of this measure.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, if I felt that this bill would do away with poverty in the coal fields of this Nation, I would support it. But, I labor under no such illusion. The gentleman from Oklahoma [Mr. EDMONDSON] said that this was a modest beginning. I say to him that I would hate to see an immodest beginning if this is modest. This bill provides, no matter how thin you slice it, for a brand new commission in Government, and we are already surfeited with them. It provides for three commissioners, each paid $20,000 a year, one of them $20,500. It provides for a staff, as I read it, and if I am wrong about this, I will be pleased to have somebody correct me. It provides for a staff of some 10 scientific and professional employees, their salaries ranging from $12,500 to $19,000 per annum. It provides $19,000 a year for a research director and, of course, it will require a staff of secretarial and clerical employees on top of that.

I have read the report in connection with this bill, and I fail to find any support from any agency of Government. If I am wrong, I will be glad to be corrected. Is there support anywhere from any agency of the Government for this bill?

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to my friend from Colorado.

Mr. ASPINALL. If the gentleman will read the report closely enough, he

will find that the agencies of Government which appeared before our committee are in support of the bill. It is true that one agency of Government desires to have the right to administer it, but there is no agency that reported upon this but what does not favor the program as contemplated.

Mr. GROSS. But they do not favor the creation of a brandnew independent agency of Government.

Mr. ASPINALL. There is one agency that does.

Mr. GROSS. One agency.

Mr. ASPINALL. And that is the Department of the Interior under which the work would be done.

Mr. GROSS. Now I would like to address a question, if I may, to the chairman of the committee that I addressed to the gentleman from Colorado awhile ago. How much money is presently being spent on research and development in the coal industry?

Mr. ASPINALL. About $17 million annually.

Mr. GROSS. $17 million?

Mr. ASPINALL. As compared with about $150 million by one of its competitors.

Mr. GROSS. This would provide, then, another $2 million in perpetuity, apparently.

Mr. ASPINALL. No; the gentleman is mistaken on that. We do not know what the cost will be after the first year, but as far as expenditures are concerned at the present time, there is not a great amount of money being expended, because the Department of Interior does not receive large sums for such purpose. The $17 million is what the industry spends annually for such project.

Mr. GROSS. There is no limitation contained in this bill, as I understand it.

Mr. ASPINALL. The only limitation on this bill is that the Congress, in its wisdom, can, through its Committee on Appropriations, look over the justification that has been made and make its determination as to whether or not the program is too large and whether or not it is working effectively and efficiently.

Mr. GROSS. But dollarwise you provide $2 million for the next year?

Mr. ASPINALL. The gentleman is correct.

Mr. GROSS. But you do not provide any limitation in this bill.

Mr. ASPINALL. Please, wait until I finish my sentence, in order that I may answer in full.

Mr. GROSS. Go right ahead.

Mr. ASPINALL. We provide $2 million, because all of the evidence that was brought before us led us to believe that that would be a modest sum to get the program under way; that they would not blow up the program and make it a larger program than was necessary, and yet they would be able to determine upon a program that would be effective.

Mr. GROSS. The gentleman has not answered the question as to the limitation. There is no limitation in this bill as to the life of this Commission, is there?

Mr. ASPINALL. No. During the consideration of the rule, the gentleman was advised by the chairman of the Committee on Interior and Insular Affairs that he would propose an amendment which would limit it to 5 years and that he would fight for it.

Mr. GROSS. A limitation of 5 years?

Mr. ASPINALL. Yes.

Mr. GROSS. That is, the gentleman from Colorado will propose an amendment?

Mr. ASPINALL. The gentleman from Colorado, representing the Fourth Congressional District.

Mr. GROSS. Now I would like to ask the gentleman the meaning of this provision on page 6, beginning on line 16:

> The Commission is authorized to acquire by condemnation, purchase, lease, or otherwise such real property as may be necessary to enable it to carry out its duties under this Act.

What is contemplated here?

Mr. ASPINALL. It is the usual provision when you create a commission and you wish to make it so that it will be effective. This is not an example of a trespass upon the usual and regular procedure.

Mr. GROSS. In other words, this could be a foot in the door to the construction of an office building to house this Commission and its high-priced staff.

Mr. ASPINALL. I am sure that the Committee on Appropriations will take care of that and advise us.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, we in Pennsylvania know that coal is one of our vital and basic necessities in this country. It is a vital and basic necessity for our U.S. security that we have a successful coal industry. It is not only a material problem; it is a human problem. I believe everybody in the country knows about the depressed areas around these coal fields throughout the whole Nation. These areas have been badly and chronically depressed.

Mr. Chairman, this is not a subsidy bill. This is a bill to give these coal operators and employees a chance to have basic and applied research in order to obtain new uses for coal; yes, and to have better and more efficient uses of coal.

I believe in trying to help an industry to help itself. As for the remarks of the gentleman from Iowa [Mr. GROSS] I think we must be fair in our approach. I would point out the gentleman from Iowa [Mr. GROSS] voted for the Hoeven amendment for Federal aid to the tobacco growers on June 10 last. Likewise, the gentleman from Iowa [Mr. GROSS] voted for the passage of the bill to give subsidies to the tobacco people, when there was a whopping vote of 254 for, with 149 against.

That means that we must be fair among ourselves. We must not infer that there are going to be exorbitant salaries and waste, when there is no such evidence on the record. If anyone has read the hearings he will find that they make out a very good case for this Coal Research Commission. The bill itself came out of the committee unanimously, all members endorsing the proposed legislation. The subject has been given careful research and study.

As a member of the House Committee on Science and Astronautics I firmly believe research is essential to the continued security of this Nation. It is likewise important to the ability of our Nation's most available fuel source to supply our Nation's energy needs in times of uneasy peace or all out emergency.

I rise in support of H.R. 6596, a bill to establish a Coal Research and Development Commission as an independent agency of Federal Government. It is my conviction, that only through government support of research efforts in the coal mining industry will we be able to provide the necessary flexibility in that segment of our economy which will enable it to have the economic advantages which will permit planning on such scale as to care for any security threat and to supply the growing and vital power needs of our country.

Monday morning, June 8, the Small Business Administration issued a statement on the importance of research in small business operation. The SBA brochure, "Research Relations Between Engineering Educational Institutions and Industrial Organizations" reports that recent figures compiled by National Research Foundation indicates that in the 1957–58 period nation-wide expenditures for research will approach $10 billion. This is compared to a figure of $345 to $500 million in 1940 and $5.3 billion in 1953–54. The report continues to say that if research were considered as an industry today it would rank with the chemical, electrical equipment and petroleum industries.

One of the more significant statements in the SBA publication has this to say:

> The research function is a comparatively recent addition to our economic order. It influences the competitive strength of industrial organization, is an important factor in the instructional program of higher education, and is also an important factor in maintaining our Nation's security.

I emphasize two of the points made herein, namely reference to the influencing of competitive strength and maintaining our Nation's security. In these two respects, a Coal Research and Development act definitely qualifies. The economic condition of the coal industry makes necessary some substantive effort to improve its position if when we need accelerated coal production, as we have in three previous military conflicts, it is readily available. Unless there is provision to make the coal industry something volatile and flexible, it will not be able to accomplish its emergency responsibilities.

In one other respect the Small Business Administration pamphlet makes an important observation. It indicates that "strengthening existing liaison between academic and commercial groups in this field," is one of the aims of the SBA effort. Such is the intention of the legislation before us today. H.R. 6596 would establish a Commission, which would coordinate such activities and encourage greater participation on the part of educational institutions, as well

as commercial groups. It would fulfill a long felt need and would serve a most useful purpose.

In emphasizing the immediate need for a coal resource program, I can best underline its importance by quoting the warning contained in the SBA booklet previously referred to. The book says:

An essential element in today's economy is technological progress, and manufacturers—both large and small—who fail to recognize this fact are headed for trouble.

The coal industry is imminently aware of this threat. They have, through National Coal Association, adopted a policy on research, which policy was approved unanimously by its board of directors, and reads as follows:

Scientific research has made an immeasurable contribution to the economic growth which has made the United States preeminent among the nations of the world. Research should be broadened and intensified to assure further expansion of the Nation's economy and the maintenance of the U.S. leadership. Private industry should continue to play a substantial role in research and make every feasible contribution to the Nation's continued progress. The ultimate in research is beyond the economic capability of some segments of the economy. In furtherance of the national interest and the public welfare, it is incumbent upon the Federal Government to encourage and participate actively in appropriate research in the field of energy resources. An independent Federal agency composed of representatives of industry and Government should be established to aid in developing, coordinating, supervising, and financing an appropriate research program for the extraction, utilization, and consumption of bituminous coal. The program should rely upon existing research facilities to the greatest feasible extent, giving impetus and direction to present research efforts.

I want to quote the statements of two outstanding leaders in the coal industry, in both management and labor.

John L. Lewis, president, United Mine Workers of America:

Coal is America's most valuable resource. Coal will continue to be one of our most economical sources of energy for generations to come. The United Mine Workers will continue to encourage efficient production to the end that the coal industry will remain our strongest bulwark in the struggle of the free world against tyranny.

L. C. Campbell, of Pittsburgh, Pa., former president of National Coal Association, and prominent executive and consultant:

We face the future with a stout heart and conviction that better days for coal are ahead, and that the American coal industry will continue to maintain its world leadership in the output of a primary natural resource as vital to modern civilization as air and water.

I want to quote outstanding legislative leaders on the importance of coal to our U.S. economy, and the need of research and development programs for coal.

Edward Martin, former Senator, Pennsylvania:

Coal lies at the core of our basic national defense program. Coal will always be, in peace or war, the solid fuel on which we place reliance. We need a national fuels policy. The coal industry must be maintained at a proper economic level.

JOHN SHERMAN COOPER, Senator, Kentucky:

The coal industry's contribution to the industrial development and national defense is recognized by every American. We must maintain the usefulness of this great natural resource in the expanding economy of our Nation.

Hon. Alben W. Barkley, late Senator, Kentucky:

We should formulate a constructive fuel policy coordinating coal, oil, and gas natural resources in such a way as to protect and preserve them. In two wars we have relied upon coal for the production of war materials.

EVERETT MCKINLEY DIRKSEN, Senator, Illinois:

Coal as a resource has been too long neglected. What is needed is a continuing research program, development of new uses, an intensive effort to break coal down into component parts for more diffused use in our economy.

PAUL H. DOUGLAS, Senator, Illinois:

One of the most important sources of our great strength is our tremendous supply of coal. We need a constructive fuels policy that will permit coal to make its maximum contribution to the national welfare.

HARRY F. BYRD, Senator, Virginia:

Coal is essential in steel production; generates the major portion of our power, and growing chemical industries use progressively more. These industries will continue to draw upon our vast reserves of this economically mineable mineral.

HOMER E. CAPEHART, Senator, Indiana:

The coal mining industry is one of the basics of our Indiana economy and of the economy of the entire Nation. We believe in coal and hope for it a healthy growth in the years to come.

WILLIAM H. NATCHER, Congressman, Second District, Kentucky:

As markets expand, so will demand for shipments of coal into the South, keeping in force an industry which is a necessity in national emergency. Our coal reserves are one of our greatest resources, and should be protected and utilized to the utmost.

MELVIN PRICE, Congressman, 24th District, Illinois:

Coal has been, is now, and shall continue to be essential to our economy. It is the backbone of industry. Its importance to Illinois and the Nation cannot be overestimated. When coal is most abundant, industry is the healthiest and most progressive.

IVOR D. FENTON, Congressman, 12th District, Pennsylvania:

Coal, both anthracite and bituminous, is of invaluable importance to our welfare and defense. It is dangerous to assume that when coal is needed it will be available. We must act quickly to insure continued availability of our great coal reserves.

THOMAS E. MORGAN, Congressman, 26th District, Pennsylvania:

Coal is still among our most important minerals. It has been of great value to my State and to the Nation. Coal is necessary to maintain our industries and our national defense and the coal industry can look forward to a brighter future.

JOHN SPARKMAN, Senator, Alabama:

Over the centuries coal has made possible civilized man's progress. Without coal, civilization as we know it could not endure. Coal's usefulness in the future is unlimited. For the welfare of the Nation, its potential should be fully developed.

ESTES KEFAUVER, Senator, Tennessee:

We have always recognized the part coal has played in the welfare of our State. Yet of this, I am sure, its increasing usefulness in the home and industry will write for it an even more glorious future.

ALBERT GORE, Senator, Tennessee:

There is every reason for confidence in the future of coal. We should look ahead toward expansion of the industry through new uses, and by capturing new markets. Prosperity of coal is vital to our Nation.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. DENTON].

Mr. DENTON. Mr. Chairman, I rise in support of H.R. 6596, the bill to encourage and stimulate the production and conservation of coal in this country through research and development and by creating a Coal Research and Development Commission, and for other purposes.

At the present time there is great unemployment in the Nation's coalfields. Perhaps no other industry has been so hard hit. Despite the fact that coal is our country's greatest remaining natural mineral resource, we have seen a great decline in its use in the past 10 years. A decade ago, more than 500,000 coal miners were employed by the industry; today, we have approximately 225,000. Last year we only mined 410 million tons of bituminous coal, in contrast to the more than 500 million tons of coal produced 10 years ago.

Not only does the situation in the coal industry weaken our national economy, but it also endangers the security of our country. Should there ever be an outbreak of war, this Nation would be forced to rely on coal as its principal fuel. For that reason alone, it is essential that the Federal Government see that our Nation's coal industry is able to supply the great quantities of coal which would be needed for national defense.

The bill which is under consideration today would be beneficial to the entire Nation, and not just to the coal-producing areas alone. By setting up a research program into better and more economical ways of producing and using coal, this bill will provide for lower coal costs, newer uses, and other developments that will improve the economic position of the industry at large and also benefit consumers of coal, coal mine workers, distressed coal mining communities, and the general public.

Creation of this coal research and development program for coal will also aid our national security by insuring that our coal industry will be able to meet the demands on it in future years, and by finding ways to better utilize coal; thereby conserving this natural resource.

The Coal Research and Development Commission provided for in this bill will conduct, sponsor, cosponsor, and encourage coal research, and will cooperate fully with all other research agencies, both governmental and nongovernmental, in order ot prevent duplication of research. At the present time, there is very little coal research being conducted.

The Bureau of Mines is doing some research, but it is mostly of a long-range nature, whereas what is needed is research directed toward assisting the coal industry with its immediate or short-range research and development problems. The coal industry has done the best it can with limited means, but has been able to spend only around $17 million annually on research. By way of comparison, research expenditures by the petroleum industry in 1953 were $145.9 million; textile industries, $280 million; rubber products, $53.6 million; and chemical industry, $361.1 million.

I urge enactment of H.R. 6596, as a measure that would help the coal industry, and industries dependent on it, the consuming public, and our national security.

Mr. ASPINALL. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. HECHLER].

Mr. HECHLER. Mr. Chairman, we have enough reserves of coal in this country to form a path from New York to California a mile wide and as high as the Washington Monument. It is of prime concern to the national economy that we use this great natural resource most effectively.

How big is this reserve? About 1,900 billion tons, half of which, over 900 billion tons, is recoverable. My own home State of West Virginia alone has 52 billion tons of coal reserve.

I believe it would be wasteful if we were not to take advantage of these vast resources by undertaking research in new uses for coal. The technological revolution in this country has reduced the demands of railroads for coal, and new machinery has displaced many miners. So it would be wasteful both from the standpoint of utilizing coal as fuel, and from the standpoint of the unemployed coal miners not to look for new ways to benefit from this great God-given resource.

How would we benefit from the establishment of a Coal Research and Development Commission? It would study new uses for coal, and improve and expand existing uses. I believe that there are vast new research frontiers which can be opened up in the uses of coal. Coal tar already is used in such diverse products as DDT, sulfa drugs, photographic developers, weed killers, refrigerants and detergents—to mention only a few.

I would like to talk a little about the argument over whether this Commission should be independent or under the Bureau of Mines. We already have Government-sponsored research programs in independent agencies such as the National Science Foundation, National Aeronautics and Space Administration, and the Atomic Energy Commission. Then, too, if you put such a research agency under the Department of the Interior you may have some reluctance on the part of private industry to turn over information which will fall into the hands of competitors.

I would suspect that this program will extend throughout several different departments to cover areas of marketing and distribution, transportation, etc., which would mean that the coordination job would actually be easier if within the same independent agency.

The real issue is how the job can best be done. This is a challenging job. When I went to college, some of the professors used to say that Franklin D. Roosevelt was a great President in the ideas he advocated, but he was a poor administrator because he created so many independent boards and commissions which were fighting with each other. I have since concluded, however, that F.D.R. was a brilliant administrator, because, by creating these independent agencies, he gave energy and initiative to a number of different new agencies, and they all did their job in a dynamic, enthusiastic fashion.

Now today we have the modern example of the General Services Administration, a well-coordinated agency on the chart—but I ask my fellow Members if they ever tried to get an answer out of GSA, and have they ever been able to get an answer in anything short of 2 weeks?

So I say, coal research is too important a subject to be buried beneath several layers of Government bureaucrats.

If we want to get the job done, let's give it the independent status where it will be able to do an effective and energetic job.

I urge the adoption of this bill. The expenditure of $2 million is only a modest sum which will prove to be an investment which will yield rich returns to the entire Nation in the future.

Mr. ASPINALL. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. First of all, Mr. Chairman, thank you for giving me an opportunity to say a few words relative to this very important subject to the rest of your colleagues and mine, who are patient enough to listen to me.

First of all, I do not intend to give the Congress any set of statistics, because, I believe, that has been, or will be covered by those who come prepared with that particular phase of this subject.

I want to talk a little about the logic, the need, the reason and the demand for this kind of legislation.

I am not here to speak for my particular bill, and although I have introduced a bill of my own, I added another subject to the bill which made it germane to the rightful propriety of the Ways and Means Committee to take jurisdiction over the bill. I had tried to answer the objection about financing this Commission. And that bill, of course, will have to be dealt with first on the basis of its financial aspect; and then, if it gets consideration from the committee it would probably be referred to this Congress.

However, the thing I want to talk about is an industry that has, through the years, kept abreast of the technical advancement in the production of coal as a fuel.

The discussion here is one that should lead the field insofar as using coal as a fuel. I think it goes into the field of byproducts and the field of other uses that can be found for this very valuable, and in a sense limited mineral.

The gasification of coal is not new. I was a little lad working at the age of 7 as a carrying-in boy in the State of Pennsylvania, before they had child labor laws, in a glass factory that used gasified coal to heat its pots and fire the glory holes in which they made and tempered their gas.

So, the question of gasification of coal is not exactly the whole problem.

But we do know that coal as a mineral has so many important component parts that could be developed with proper research directed solely into the field of studying the technical parts and points of coal itself. And that, of course, is one of the main reasons that most of the proponents of this legislation deem it wise to have an independent organization do the study.

As I said, this industry does not come under Government subsidization and yet it has to fight subsidization in other countries when it comes to selling our coal as an export item.

We all know that Canada has the subvention of coal and right now they pay $5 a ton, which in many instances, is more than we get for coal at the tipple.

Recently, although the coal industry in this country has, as I have said, kept abreast of all of the technical advancements in the methods of mining, in their relationship with their labor, they have been able to compete with any other coal-producing area in the world, and because of this and a demand for coal in Europe we were very successful in getting quite a share of the export total that this country does.

However, just as soon as any country finds it is in a position where the importation of our coal becomes injurious to them on a basis of labor needs—and no other justification has yet been offered for the action taken by Germany and the Coal and Steel Community countries—they impose tariffs.

The imposition of a $4.79 a ton tariff was a terrible blow to the industry in this country because they had been led to believe, over the years by all the arguments that if we could keep our prices within a range competitively on any product that we make in America, or produce in America, that the world markets would be open to us.

And so here is an industry that tried to do that, it tried to keep its price within the level that no other country could produce at. And yet the very countries who are supposed to be giving us their business because of a Reciprocal Trade Agreement and a share and share alike in the world market pool for our requirements are the first ones to deliberately create a barrier that we cannot overcome.

The Coal and Steel Community has already announced its intention to subsidize coal in all of the coal-producing countries within the Community itself to the extent that they will be able to ship and sell coal to themselves and to markets that we now have at a price competitive with what we are selling our coal in those markets.

So when we get to that particular stage of it, we find we are going to have a lessening of coal activity, so the need for research becomes even more, and more important to those of us who repre-

sent areas in which coal has been the backbone of our economy.

Now, we find that there are other angles to this demand and make a demand upon the Government to act wisely in this situation and create this Commission, because as we move along we find that communities that have been depleted of their coal, or of their economically obtained coal, and have moved into other fields of endeavor, and the communities have made sacrifices to create within their communities areas that they could set aside for small industries to come in and take up the slack that was created when coal moved out, or its production was stopped or curtailed.

And we find that these communities now are being crippled by the very thing that cripples coal, in essence the so-called freedom of trade.

As proof of that I have in my hands two bills introduced by so many Senators it takes a full page to cover the listing of the sponsors of the act, and they recognize within their free America, and in the language of the act itself that communities all over this country are going to have to be subsidized when they lose their means of earning a livelihood because of the injury done to them by some phase of our trade act, which means that our coal communities that have tried to pull themselves up by their bootstraps, in a sense, are now finding themselves back where they were 15 years ago and 20 years ago.

It is not a very pleasant thing, Mr. Chairman and Members, to be born into a small community that, in a sense, was prosperous for many years and then, as coal moved out, we felt the pinch of hunger and need and practically starvation in the necessities of life itself, living under conditions that we do not tolerate, or want to tolerate, in this country of ours today.

And then by self-sacrifice of the individual and the community have been able to create some other means of earning a livelihood and all of a sudden that is taken from us, and again we look longingly at the long silent shaft sitting on the hillside with a hope that something will come about, because that is one of the basic things we have there.

If we can find uses for it, if we can find means of putting it back into production, many of these communities will be reactivated and live again.

I come from such a ghost town. I have visited it every now and then and assuredly there is not anything that I as a visitor could do, that I would not do to help to bring back, to breathe life into these dead communities and to the people that live in these communities.

I want to say to you that right now we have in Pennsylvania many communities where the people in them are living on a substandard basis. It is not tolerant with the kind of government that we talk about and that we praise ourselves for having.

I want to say to all of you now that if this industry that has kept abreast of the needs of the industry itself, if it falters along the way because of the action of Congress, then is it not Congress prime duty and bounden duty to do something to revive the industry as such and the people that depend upon it?

I think that this legislation is so important that the question of where the final authority rests can be a secondary consideration. Although I was very much surprised to hear the Director say, when questioned by the chairman what would be the activities of his particular bureau if we created an independent commission, and he said—if I am wrong I want to be corrected—that they would continue and increase their activities.

If we have to pass an act to goad them into increasing their activities, let us pass it if for only that reason. If we do not get anything else, let us pass an independent commission act and maybe they will step into the picture and do a little more work for us.

I think the situation is one that has such a bearing on our total economy that we cannot any longer overlook the need and I call upon you, as reasonable men and women, to proceed with all haste to at least have this legislation before the Congress of the United States in order that we may, if we have sufficient support, pass it.

And then if the President in his wisdom decides his action to be contrary to the wishes of Congress, that we will have sufficient time left upon the calendar to decide whether or not Congress feels it is important enough a subject to gain a vote that would override any threatened veto.

I am very serious in this. I think that although I am no longer working in the coal mines—I would not want to work in them under the conditions today—but something that may interest you. I said I would not give you any figures, but I think these are very important figures. The latest mine that has been opened by the Pittston Co. produces 42 tons of coal per man per day, against a national average of 11 tons of coal per man per day in America, as against a European average of 1½ tons of coal per man per day.

Now, how can anybody say that this industry is coming to us with unclean hands? It is coming to us with an appeal based upon the fact that they have spent their resources, that they have developed themselves into a competitive industry with the right to live. And I think that we just cannot shove it aside by saying if one section or segment of our economy is injured that maybe it is bearable to the whole economy and, therefore, this particular segment can die.

I do not believe that the Constitution allows me, as a Member of Congress, to decide which workingman shall lose his job in order that I can make another workingman work or prosper, or which industry can be denied its right to earn a living so that I can help another industry earn a better living.

I do not believe that that is my prerogative under the Constitution, or any other Member of Congress has that prerogative to select who shall starve and who shall be well fed in a country whose Constitution is supposed to cloak all of us with the same rights and same prerogatives under its broad coverage.

So I leave you with the belief that this Congress will not alone take into account the maze of figures that will be handed to you in the determination as to what to do with this legislation, but will take into consideration the plain logic that is irrefutable by men of good will.

Thank you kindly for the time.

Mr. ASPINALL. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Chairman, I support H.R. 6596, a bill to establish a Coal Research and Development Commission, as an independent agency of Federal Government. I am convinced that such a Commission would be able to provide a well-planned and efficiently administered program of coal research that would prove highly advantageous to the coal industry, to the railroads of our country, and to the consumer.

I am vitally interested in the welfare of the coal and railroad industries. They are both fundamental to the development of my State of Pennsylvania and of the Nation as a whole. They continue to represent an important segment of our economy.

Since the institution of coal mining, more than 8 billion tons of this essential mineral have been removed from the mines of Pennsylvania. Our reserves of coal, according to the estimates of the U.S. Geological Survey, are sufficient for many generations to come. The remaining recoverable reserves of coal in Pennsylvania are listed at 35 billion tons or 4½ times the amount of coal removed from our mines in the last two centuries. From this, you can understand how important to our economy is the welfare of the coal industry.

Production in the mines of our Nation has increased unbelievably over the past years, and through this progress in mechanization of the industry the consumer has benefited, in that the price of coal at the mine is today the same as it was some 10 years ago. If the mining industry and the public are to continue to benefit from such advancement in production methods, we must look to research developments in order to keep stride with the accomplishments to date. I am sure that even greater technical accomplishments are within reach if scientific and research attention is applied to mining problems. On the human side of the ledger, while cooperative efforts of management and mineworkers have produced gains in mine safety, I feel that a dedicated program of research would contribute much to an even further reduction in the number of lives lost in mine accidents.

The railroad industry, too, is important to Pennsylvania. It is the hub of product distribution between New York and Chicago and the Great Lakes and the South. Railroad officials and brotherhood representatives are in support of the coal research program, because they feel that it will result in heavier freight traffic for the rails and ultimately enable them to improve on their service to the public.

From the consumer's viewpoint, the benefits to be derived from expanded research in coal are immeasurable.

The advocacy for a coal research program is not a new one. In February 1955, a Presidentially appointed Commission on Energy Supplies and Resources policy reported as follows on the subject of research:

> We recognize that coal is a great national asset and endorse a cooperative study to determine what research and development could be undertaken.

The conditions in the coal industry in 1954, which generated a national study into the coal problems, are being repeated today. Coal production last year was 405 million tons, only a few tons greater than the production in 1954, when it was 391-plus million tons. If the coal industry is to meet the demands which will be made up on it in times of future emergencies, then the production level must be raised and maintained at not less than 500 million tons annually.

I cannot emphasize too strongly the importance of research in accomplishing a goal of maintaining a vigorous and effective coal mining industry in the interests of our national welfare and security. In two major World Wars and during the lesser Korean conflict, it was the coal industry that was called upon to accelerate its productive machinery almost overnight. And accelerate they did. If we are to make the same demands in the future, then we must look to the welfare of this industry today.

The purpose of H.R. 6596, as outlined in the committee's Report No. 370, which was filed with the House on May 20, 1959, is to develop new and more effective uses for coal, to improve and expand existing uses for coal, and to reduce the cost of coal production and distribution. The legislation would establish a Commission of three members that would contract for, sponsor, cosponsor, and promote the coordination of research projects and collect and promote the cordination of all available research information. The legislation also provides that—

> Cooperation to the fullest extent possible with all other research agencies, governmental and nongovernmental, is directed, duplication of research by the Commission is prohibited, and consultation on proposed projects is required.

For the benefit of those of my colleagues who are interested in helping distressed areas, I would call attention to one section of the report of the House Committee on Interior and Insular Affairs, recommending enactment of H.R. 6596, which reads as follows:

> The committee considers it desirable that a priority in locating of research projects and in the award of research contracts, other things being equal, be granted to localities or areas which are most severely depressed because of shutdown and unemployment in the coal-mining industry.

In summary, I urge support of H.R. 6596 as a proposal that means much to the coal industry, to the railroad industry, to the consuming public, but most of all to our national welfare and security.

Mr. SAYLOR. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee [Mr. BAKER] may extend his remarks at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BAKER. Mr. Chairman, there are thousands of unemployed coal miners and many unemployed coal operators in the district which I represent. This bill will be helpful. I favor its enactment.

Mr. SAYLOR. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, first of all, I would like to thank all of those Members who do not come from coal-producing areas for their remarks here today in support of the Commission which we are talking about creating. I have heard several Members say that they do not come from coal-producing areas and they are going to support the bill. I think that is as it should be in America. Personally, I have voted in the last few days for many things that do not affect my district and things that, perhaps, some of the people in my district may be opposed to, but which I believe to be in the best interests of America. But, I did so because I think the overall program is in the best interests of the country. Yesterday, I voted for the tobacco bill because I believe it to be in the best interests of a great number of people in our country. Today the people from the coal-producing areas of the country are coming before the Congress asking for your consideration to try to help solve a problem that they have to create an agency which will deal with this problem and try to get at the source of the ills of the industry and to correct those ills.

I would like to ask our Chairman a question. In my district in Morgantown, W. Va., the Bureau of Mines at Appalachian Experimental Station is installing a giant turbine for research dealing with coal. There are 12 years of study back of this turbine and over $5,500,000 have been spent in this research. This gas turbine itself cost over $1 million, and is capable of developing 4,200 horsepower. As a result of the research, a great deal of progress has been made. The Union Pacific Railroad has announced that it will build a coal-fired gas turbine locomotive, in view of the success which has already been proved in tests of the turbine. I would like to know if it is not the intention of the committee that the Commission will take into consideration all of these research programs which have already started and cooperate with them and lend their support to these other independent research programs with reference to coal.

Mr. ASPINALL. My colleague is correct in his understanding of the legislation and the chairman would go further and state that there are direct prohibitions against duplicatory efforts in order to keep down the expenses as much as possible. On the other hand, wherever any Federal money is spent either by contract or in research work carried on by the Commission itself whatever is learned from that work and those experiments will be the property of the public.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to my colleague, the gentleman from Virginia.

Mr. JENNINGS. The gentleman would also include in his statement with reference to the facilities that are now in existence those facilities which exist in our various institutions such as the land grant colleges and engineering colleges throughout the various States, would he not?

Mr. STAGGERS. Yes; I would think that they should all be included.

Mr. ASPINALL. Yes; they would all be treated the same.

Mr. STAGGERS. May I urge that the Coal Research and Development Commission be instructed to work with the Bureau of Mines in experimental stations at Morgantown, W. Va., and elsewhere, in stimulating the production and conservation of coal.

Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia [Mr. SLACK] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. SLACK. Mr. Chairman, I rise in support of H.R. 6596 and to express my sincere belief that no single domestic program to be considered by this House is more deserving of our approval than this proposal to establish a Coal Research and Development Commission.

The establishment of such a Commission is not a new proposal. It has been discussed by several previous Congresses. A special Subcommittee on Coal Research of the House Committee on Interior and Insular Affairs of the 85th Congress inquired into the matter and published an excellent report. Anyone who has read this report cannot help but be impressed with the tremendous importance of coal to our national economy—its widespread location, broad range of uses, huge recoverable reserves, and the fact that it is located here on this continent and cannot be denied to us under any conditions.

The report states that the national coal reserves, on a heat-unit basis, are 12 times greater than our petroleum and natural gas reserves combined. The coal industry, in addition, has an impressive record of operations, reflecting ever-increasing efficiency in mining, greater safety quotients in what is certainly a hazardous occupation, courage and vision in planning and experimenting with methods and machines, and a willingness to stand erect in the face of challenges without reliance upon Government assistance.

We have spent millions of dollars to foster experiments with fissionable materials, and I fear some of us have been misled into believing that overnight we would develop a cheap source of electric power. The fact is that an atomic powerplant now in operation generates electricity at a cost eight times that of coal-fired powerplants. We are today spending more millions of dollars to develop the scarce and costly exotic fuels, because we are told they must be made

available to power our probes into outer space. But we have never made a major effort to unlock all of the secrets contained in coal, our No. 1 natural resource.

It is simply a matter of good business to establish a Coal Research and Development Commission. A good businessman exploits his most promising product to the maximum extent possible. A successful professional man concentrates his time and energy on the development of his best talent. We as a nation cannot afford to ignore further the vast unknown quantities of power and performance contained in coal.

For too many years we have paid too little attention to the greatest single source of energy in our national storehouse. We have all known that the supply of coal within our continental limits is almost inexhaustible, so we have accepted the bounty of nature without even the smallest sign of gratitude. Millions of people in foreign lands lack adequate coal reserves, which means they lack adequate steampower and electricity. This is the major factor which condemns them to a low standard of living based on the use of handtools and medieval processes. Our American standard of living sets the pace for the world, and we have become what we are during the years since 1800 largely because we have been blessed with the unlimited energy springing from our coal reserves.

Coal and its byproducts touch the lives of all of us every day, and its very flexibility has proven a handicap to its full utilization. Yet, we must become fully aware of coal's potential strength and resourcefulness. We have a rapidly growing population, and we face a strong challenge to our world economic leadership. To maintain our standard of living in future years, it is stated on good authority that the utilities will increase their coal consumption from the present 153 million tons annually to 205 million tons in 1963. Efficiency of coal use by the utilities is recording progress. In 1920 three pounds of coal were needed to generate one kilowatt of electric power. Last year only 0.91 pound was required to do the same job, and greater improvements in use are in the offing.

The Coal Research and Development Commission will be a major tool in the shaping of our society for tomorrow and the years to come, and we must act now to place this tool in full operation in the public interest.

Mr. SAYLOR. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. HENDERSON].

Mr. HENDERSON. Mr. Chairman, when I was a youngster I lived in the midst of a coal-mining area. Fully half of the wage earners I knew earned their living by mining coal. I have not moved. I still live in Guernsey County, but much of the coal-mining industry has moved away from southeastern Ohio. More of the industry continues to move away from that section of Ohio year by year, first because of the removal of the coal that is most economical to mine but more particularly because the coal which remains—and it is a tremendous resource of coal—is a resource for which there is no ready market. Another large operation was closed not long ago, and others hang on by a slender thread.

Something needs to be done for the coal-mining industry in my district and all other districts throughout the length and breadth of this Nation to find new uses for coal, so that the sleeping, dormant, powerful, coal reserves can add dollars and jobs to our economy.

There are provisions in this bill of which I do not wholly approve; and yet I find within the four corners of the bill a ray of hope for the coal-mining industry. I will, therefore, lend my support and my vote to the bill in the belief that research in coal will lead toward a brighter future for the coal miner, for the coal companies, and for the coal areas of this Nation.

Mr. ASPINALL. Mr. Chairman, I yield 1 minute to the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Chairman, the State of Utah boasts of many individuals who are conservation-minded, including our distinguished Governor, the Honorable George D. Clyde, but they acknowledge the fact that the name of the distinguished gentleman from Colorado [Mr. ASPINALL] heads the list of great men who have, within recent years, contributed, on the national level, to conservation in the West, and we pay tribute to him and express our thanks.

With regard to this bill, it has been said by opponents that we should not flog a dead horse; but may I remind my colleagues that the great coal industry is far from being a dead or dying horse. The great hope of this country, in those days to come, when many of the more glamorous fuels shall have been completely exhausted, will be coal. It is absolutely imperative that the coal industry be kept alive, healthy, flourishing, and prosperous. It is one of our greatest reserves of inexpensive fuels.

In my opinion, this bill will do much to strengthen this industry in which we all have such a great interest and which employs hundreds of thousands of men. I enthusiastically and heartily endorse this coal research and development bill.

Mr. ASPINALL. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. LIBONATI].

Mr. LIBONATI. Mr. Chairman, I thank you for the opportunity to discuss the need of this legislation in the State of Illinois.

The problem of coal in Illinois is primarily the result of an economic situation which dictated to the Illinois Assembly in 1943 to establish a coal commission. That coal commission expended close to $1 million in State moneys to endeavor to ascertain whether the coal industry as such could be saved in Illinois.

The consensus of opinion was that the coal operators themselves can do very little to facilitate or stimulate the use of coal and in many ways were not able to engage in research to promote a derivation of fuels from coal, such as the liquefaction of coal, because of the cost of such a program.

Of course, the assembly was primarily interested in the unfortunate situation in the 16 southern counties of Illinois wherein inferior coal—sulfurous coal—is found, an area where 65 percent of employables were on relief, which added, naturally, to a terrific toll upon the relief funds of the State.

As was noted, the average person in this community, in the environs of Cairo and Carbondale, and in those areas only earned, because of the seasonal nature of the output of coal, from $900 to $1,100 a year. So the ultimate result was, because of the lack of coal orders for its use, the mines were closed.

I was very interested in the provisions in your bill that establish a three-man coal commission to carry out a research program. As to the Bureau of Mines, it was my understanding that the Bureau of Mines' sole purpose in the beginning was to determine in their research, to produce fuels in case of an emergency where oil supplies and fuel supplies were cut off; and to bring about the chemical development of processes to recover oil from other substances, for example, at Rifle, Colo., oil is sweated out of crushed shale.

Of course, the cost of such experiments, as you realize, could not be considered as an ultimate item of importance because of the fact that they were primarily interested in the recovery of oil for national defense in necessitous circumstances when the supply of oil was cut off, thus creating a national emergency.

So they developed various processes, as, for instance, in Louisiana, Mo., where oil was recovered and processed costing 45 cents a gallon of gasoline. The Bureau of Mines seized upon the opportunity to help us in our program and did, which resulted in my trip to Rifle, Colo., where we borrowed from the Bureau $350,000 of machinery.

We erected a pilot plant, a 50-ton-a-day plant, for the liquefication of coal and desulfurization of coal. We were fortunate in having the Edison Co. join us in part of the program. They furnished us all the different coals necessary to carry out the tests in the research program.

They also put in a high line, at the cost of about $50,000, at their expense.

The plant was erected near Republic Steel Co., on land that had a very, very high water table, so as to save some $22,000 in estimates that the engineers determined would be necessary for the operation of the plant, built by Dr. Singh and Joseph Cronin, now deceased, well known to the Bureau.

They carried on the experiment for the period of 6 years. The result was that they succeeded in bringing about the liquefication of coal at low temperature, with a resultant of byproducts that could be used as primary fuels together with free sulfur amounting in a 5- to 7-percent sulfuric coal, to about 86 pounds per ton.

The recovery of kerosene was about 38 gallons per ton and light oils, 2½ gallons per ton. Also 1,200 pounds of smokeless coal, which the Republic Steel people afterward succeeded in developing into a good metallurgical coke presently used there.

In view of the fact that Pocahontas coal supply is exhausted, it had to be replaced by a similar type of coal for the making of coke so necessary to be used in the making of steel.

We also recovered 1,600 cubic feet of gas which tested at 750 British thermal units.

So it follows that research in this field can bring results through the recommendation and cooperation of the Bureau who knows other fuels can be developed from coal.

Really, the public is partly responsible for the unfortunate circumstances engulfing the coal industry in refusing to use coal as a fuel.

The opposition of the oil industry to this legislation would be a natural one. It is a competitive business and they do not feel that public moneys should be used for the development of any competitive process which will result in coal being used as a fuel in the same liquefication state as oil.

In the Illinois experiment we found that the overall profit per ton was $1.05 at the plant. We recovered oil at 5 cents a gallon at the plant; comparatively, the oil industry develops oil at the foot of a well at 11 cents because of the many different costs involved in the production of oil.

Of course, always we must realize that the Bureau of Mines should be consulted in all of these experiments for this reason: They can prevent duplication of effort and give expert advice and guidance.

There is a fundamental issue we are facing. First, you have the competitive nature of the oil companies and the gas companies, who feel you are invading their business field, by the improvement and acceptance of coal as a fuel similar to the use of their own product.

Secondly, you have the competitive nature of the States in the different types of coal—also the inferior coal. So that there must be a local problem to circumvent in order to raise the economy of a State or area by the perfection of a process which will bring about the stability of the economy of that area.

Thirdly, you have protected in this legislation the Bureau of Mines who have their own processes and their own programs, which must not be interfered with or result in a duplication of effort.

I point out to you that the miners of Illinois numbered 220,000 and now number scarcely more than 18,000. So you can understand the direct effect of the pressure of this problem as well as recovery of the business of the individual householder and the plants in their selection of the type of fuel that will satisfy their needs with the least effort and expense in handling, and in carrying off the residue.

Coal must be modernized, and we must help the coal operators accomplish this.

I visited the Pittsburgh Coal Co. plant where they expended $6 million in experimentation and research on coal.

You have made a very thorough study of this legislation and eliminated pitfalls which would strangle this legislation in the offing.

Only through Government control can you securely protect the public moneys you pour into these programs, because much money can be wasted, especially in the selection of processes that have been untried and have, probably in an engineering or theoretical sense, the answer.

So I say to you this is a very precarious undertaking, and only with the guarded influence of this government as initiated under H.R. 6596 can we help the States in remedying the misfortunes of an industry that of itself cannot answer the needs to place a salable product on the market which the public will buy.

So I tell you, your committee is to be admired for the intelligent way you have approached this subject and formulated the provisions incorporated in H.R. 6596 by amendment or otherwise in all of these bills. I am sure that the economy needs a solution of all phases of this problem. Their solution will bring about the stability of the economy in areas where they are most needed.

I want to thank you for giving us this opportunity, and I admire you for your courage in attacking this problem.

Mr. ASPINALL. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. RANDALL].

Mr. RANDALL. Mr. Chairman, I think that an observation of the Administrator of the Small Business Administration should be entered in the RECORD in connection with this bill when he stated that the economic depression currently afflicting the coal industry is "a small-business tragedy."

Now, just a word with respect to the Department of the Interior and its excellent accomplishment in certain areas of coal research. But this committee, the Subcommittee on Mines and Mining believes:

Such an undertaking would not be as effective if administered by the Department of the Interior.

May I say that I came from the Fourth Missouri District where there are only two or three little strip mines. But this bill is not for the Fourth Missouri District, it is not for Pennsylvania or West Virginia, or for Oklahoma, if you please, but for all of these United States in the matter of coal research and coal development, coal being one of the principal sources of energy. If we reach the explosion of population which we anticipate in the sixties, we may need every pound of energy of whatever form, whether it be coal, oil, or from whatever source.

Mr. MOORHEAD. Mr. Chairman, my city of Pittsburgh has often been called the Steel City and properly so. But before there was steel there was coal. The city is a great industrial giant built upon coal.

Thus, it is only natural that I rise in support of legislation establishing a Coal Research Commission.

All of my colleagues in this House, particularly those on the Banking and Currency Committee, have heard of the plight of the unemployed in the distressed coal areas.

This legislation could be supported strongly solely on grounds that it may someday offer new economic hope for these areas.

But it should be supported for far more positive reasons of concern to the entire world.

Coal, Mr. Chairman, is power.

Coal is also plastics, chemicals, and many other products.

As our economy expands and our population increases we will need to develop to the fullest all of our primary power sources.

The need for power will be so great that any competitive jealousy between coal, oil, gas, or atomic energy will become idle. There will be room for all.

A Coal Research Commission will give the Nation a great clearing house—a repository for the latest information on all phases of research on coal and its uses.

In helping to establish such a commission, we take a step which will someday mean more power, more chemicals, more plastics, and more of the things which will make a better life for all of us.

Such research is as important to the American consumer as it is to the miner and his industry.

I urge you to support this bill.

Mr. ELLIOTT. Mr. Chairman, as one of the sponsors of the Coal Research and Development Act, I am happy to join my friends who have spoken in behalf of it this afternoon by saying that the passage of this bill will constitute a long step in the direction of focusing attention upon one of our greatest natural resources. I refer to the billions of tons of unmined coal that lie beneath the surface of America.

This bill at the same time is aimed to stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission for this and other purposes.

My area of Alabama lies partially within the Warrior River Coal Basin, and the people I represent know from first hand the antagonistic effects of a coal industry in depression.

I do not say that the bill now before us will solve all our problems. It will make a start.

The coal industry needs what I would call immediate or short-range research and development, as contrasted to the long-range applied research now being done primarily by the U.S. Bureau of Mines. Both types of research are needed. What I call short-range research and development is of great immediate need and this bill in a practical way, though a very limited way, will encourage that type of research and development to get underway. The two types of research together, both the short-range and the long-range should have the effect of providing us with an answer to coal's problems.

I said in the beginning that coal is one of our greatest natural resources. It is abundant. We know that we have a supply that will last many hundreds of years. We know that research will undoubtedly develop new uses for that coal as the years unfold. This bill will help

protect and keep as one of the strong arms of America's economy—our great coal industry.

I look forward to the time when the research and development done under the auspices of this bill will stabilize the coal industry, and the employment of people who are dependent upon it.

Let us give the industry, both the coal operators and the coal miners, a chance under this bill to see what they can do.

I, for one, will favor a great expansion of the activities under this bill if it turns out in a short while that we have been too meager in this beginning toward what ought to be done.

As one of the original sponsors of the idea of this bill over the period of the 10 years which I have been in Congress, I urge its immediate passage.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Coal Research and Development Act".

DEFINITION

SEC. 2. As used in this Act the term "research" includes scientific, technical, and economic research and the practical application of that research.

COAL RESEARCH AND DEVELOPMENT COMMISSION

SEC. 3. (a) There is hereby created as an independent agency in the executive branch, a Coal Research and Development Commission (hereinafter referred to as the "Commission") to be composed of three Commissioners appointed by the President, by and with the advice and consent of the Senate. Not more than two of such Commissioners shall be members of the same political party. Two Commissioners shall constitute a quorum of the Commission. The President shall designate the Commissioner who shall serve as Chairman of the Commission.

(b) The term of office of each Commissioner shall be three years, except that (1) the terms of office of the Commissioners first taking office shall expire, as designated by the President at the time of appointment, one at the end of one year, one at the end of two years, and one at the end of three years, after the date of enactment of this Act; (2) any Commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; (3) upon the expiration of his term a Commissioner may continue to serve until his successor is appointed and has qualified.

(c) Any Commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office, and for no other cause.

(d) The Chairman of the Commission shall receive compensation at the rate of $20,500 per annum and the other Commissioners shall receive compensation at the rate of $20,000 per annum.

(e) The principal office of the Commission shall be in the District of Columbia, but the Commission may carry out its duties under this Act at any place.

(f) The Commissioners shall be selected by the President from among persons experienced in the management of industrial-type research activities.

FUNCTIONS AND DUTIES OF THE COMMISSION

SEC. 4. (a) The Commission shall formulate and execute an overall research program designed but not limited to (1) develop new and more effective uses for coal, (2) improve and expand existing uses for coal, (3) reduce the cost of coal production and distribution, and (4) emphasize those developments in uses for coal of particular value to small coal producers.

(b) In carrying out its duties under subsection (a) of this section the Commission shall—

(1) conduct research projects;

(2) contract for, sponsor, cosponsor, and promote the coordination of, research projects conducted by industrial associations, educational institutions, qualified nonprofit organizations, qualified private consulting firms, and by other departments, agencies, and independent establishments of the Federal Government; and

(3) collect and promote the coordination of all available research information on the production, preparation, distribution, and uses of coal, including, but not limited to, technical papers.

(c) The Commission shall itself conduct research projects only when it is unable on reasonable terms and conditions to contract or otherwise provide for such research to be conducted by any other qualified organization. No appropriation shall be made to carry out the purpose of this Act for any research project to be conducted by the Commission itself, if such research project has not been approved by resolutions adopted by the Committees on Interior and Insular Affairs of the Senate and House of Representatives, respectively. For the purpose of securing consideration of such approval the Commission shall submit to each such committee a prospectus on each such proposed research project containing, but not limited to, an analysis of, and justification for, such proposed project.

(d) No research shall be carried out, contracted for, sponsored, or cosponsored, or in any other way conducted under authority of this Act, unless all information, uses, products, processes, patents, and other developments, resulting from such research shall be available to the public generally. Whenever in the estimation of the Commission the purposes of this Act would be furthered through the use of patented processes or equipment, the Commission is authorized to enter into such agreements as it deems necessary for the acquisition or use of such patents on reasonable terms and conditions.

(e) The Commission shall, in carrying out its duties under this Act, cooperate to the fullest extent possible with all other departments, agencies, and independent establishments of the Federal Government and of State governments and with all other interested agencies, governmental and nongovernmental. The Commission shall not conduct any research under authority of this Act which duplicates research being conducted by any other department, agency, or independent establishment of the Federal Government or a State government. In order to avoid duplication of effort, the Commission shall, before initiating any research under authority of this Act, consult with such departments, agencies, or independent establishments of the Federal Government and of States governments and such other interested agencies as it deems advisable, and establish that such research is not already being conducted.

(f) The Commission is authorized to acquire by construction, purchase, lease, or otherwise such real property as may be necessary to enable it to carry out its duties under this Act.

ADVISORY COMMITTEES

SEC. 5. (a) The Commission shall create, with the advice of the Attorney General, the Federal Trade Commission, and the Small Business Administration, such advisory committees as the Commission deems necessary to assist it in carrying out its duties under this Act.

(b) The functions of advisory committees established under authority of this section shall be purely advisory.

(c) The members of each advisory committee established under authority of this section shall be selected so as to insure adequate geographic representation, and, in the case of an industrial advisory committee, the members shall be selected so as to insure that an adequate cross section of the industry is represented. No corporation, company, association, or other concern represented on an industrial advisory committee shall control, be controlled by, or be under common control with, any other corporation, company, association, or concern represented on such advisory committee.

(d) Each advisory committee established under authority of this section shall be subject to the following minimum standards:

(1) The agenda for each meeting of such advisory committee shall be formulated or approved by a Commissioner or his designee who shall be a full-time salaried employee of the Commission.

(2) The meetings of such advisory committee shall be at the call of, and under the chairmanship of, a Commissioner or his designee who shall be a full-time salaried employee of the Commission.

(3) Full and complete minutes of each meeting of such advisory committee shall be kept, which shall contain at a minimum, (A) the name of each person attending such meeting, and an identification of the interest he represents, (B) a copy of the agenda, (C) a comprehensive summary of the matters discussed in the meeting stating the viewpoints expressed and identifying the person expressing such viewpoints, (D) the conclusions reached by the advisory committee, together with any minority views, and (E) a record of all votes or polls taken during the meeting.

(e) Copies of the minutes of each advisory committee established under authority of this section, and copies of all reports made by any such committee shall be available upon request, to the public upon payment to the Commission by the person so requesting, of the cost of the United States of furnishing him such copies.

(f) Members of any advisory committee appointed from private life under authority of this section shall each receive $50 per diem when engaged in the actual performance of their duties as a member of such advisory committee. Such members shall also be entitled to travel expenses and per diem in lieu of substance at the rates authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b–2) for all persons employed intermittently as consultants or experts receiving compensation on a per diem basis.

EMPLOYEES

SEC. 6. (a) The Commission is authorized (1) to appoint, subject to civil service laws, such employees as may be necessary to assist the Commission to carry out its duties under this Act and (2) to fix the compensation of such employees in accordance with the Classification Act of 1949, as amended.

(b) The Commission is authorized to establish and fix the compensation for not more than ten scientific or professional positions in the Commission without regard to the Classification Act of 1949, as amended, each such position being established to carry out research and development projects conducted by the Commission itself which require the services of specially qualified scientific or professional personnel. The rates of compensation for positions established pursuant to this subsection shall not

be less than $12,500 per annum nor more than $19,000 per annum and shall be subject to the approval of the Civil Service Commission. Such positions shall be in the classified civil service of the United States, but appointment to such positions shall be made without competitive examination upon the approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose.

(c) There is hereby established a position to be known as the "Research Director". The Research Director shall be appointed by the Commission, and shall receive salary not to exceed $19,000 per annum. The Research Director shall administer all research projects conducted by the Commission itself under authority of this Act.

REPORTS

SEC. 7. The Commission shall submit to Congress, on or before February 15 of each year, beginning with the year 1960, a comprehensive report concerning its activities, including information on all research and development projects conducted, sponsored, or cosponsored by the Commission during the preceding year. In addition, the Commission shall submit to Congress on or before August 15 of each such year an interim progress report on its activities.

APPROPRIATIONS

SEC. 8. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not more than $2,000,000 to be used to carry out the purposes of this Act for the fiscal year beginning July 1, 1959.

(b) There is hereby authorized to be appropriated for each fiscal year beginning after June 30, 1960, such sums as may be necessary to carry out the purposes of this Act.

(c) Such sums as may be appropriated to carry out this Act shall, unless otherwise provided in the appropriation act, remain available until expended.

Mr. ASPINALL (interrupting the reading of the bill). Mr. Chairman, I have no desire to shut off debate, but at this time I ask unanimous consent that the bill be considered as read and open to amendment at any point.

Mr. GROSS. Mr. Chairman, reserving the right to object, it is understood the gentleman does not intend to cut off time?

Mr. ASPINALL. The gentleman is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 2, line 24, and page 3, line 2, strike out all of subsection (c).

Page 3, lines 3 to 6, strike out all of subsection (d) and insert in lieu thereof the following:

"(c) Section 105 of the Federal Executive Pay Act of 1956 (70 Stat. 736) is amended by the addition of the following: '(32) Chairman, Coal Research and Development Commission' and section 106(a) is amended by the addition of the following to item 45: 'Coal Research and Development Commission (2).'"

Page 3, line 7, reletter subsection (e) to read "Subsection (d)."

Page 3, line 10, reletter subsection (f) to read "Subsection (e)."

Page 3, line 12, add the following new language:

"No commissioner shall, during his continuance in office, be engaged in any other business, and each Commissioner shall devote himself to the work of the Commission. No member of the Commission or person in its employ shall be financially interested, directly or indirectly, in any corporation, association, partnership, or other form of enterprise which is engaged in the mining, transportation, distribution, or industrial utilization of coal or in any industry competitive therewith."

Page 4, line 13, strike out the following two sentences: No appropriations shall be made to carry out the purpose of this act for any research project to be conducted by the Commission itself, if such research project has not been approved by resolutions adopted by the Committees on Interior and Insular Affairs of the Senate and House of Representatives, respectively. For the purpose of securing consideration of such approval the Commission shall submit to each such committee a prospectus on each such proposed research project containing, but not limited to, an analysis of, and justification for, such proposed project."

Page 6, lines 4 and 5, strike out the word "construction," and insert in lieu thereof the word "condemnation."

Page 9, line 23, following the word "submit" insert the words "to the President and."

The committee amendments were agreed to.

Mr. FENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am happy to note that the Congress is finally acknowledging the necessity for increased research work on coal. That is not to say that the Bureau of Mines has not done a magnificent job in research and investigation, because they have.

In 1941, during my early days in this House, as one coming from a coal region, I took notice of the fact that four new research laboratories were being established by the Agriculture Department in the United States to find new uses for excess agricultural products. So I thought it no more than reasonable that the anthracite-coal industry, which never had a nickel advanced toward research from our Government, should be recognized in research and development. Accordingly, I introduced a bill establishing an anthracite research laboratory. The war came on, and the construction of the research laboratory was temporarily abandoned until after the war, when President Roosevelt very graciously consented to allow funds to build that laboratory. The laboratory is now in existence in my congressional district and has done a fine job. As I said, not one nickel had been expended by the Government on anthracite research. On the other hand, many millions of dollars were spent on bituminous coal. For that reason, the administration acceded to our plea for a program for the anthracite industry. As I say, I am glad to see that recognition is finally being given to the coal industry, whether it be bituminous or anthracite. However, I feel it is a mistake to establish another Commission, because I think that the Bureau of Mines and the Department of the Interior have done a fine job and have the personnel on hand. They have not stood still, and I remember when the Senator from West Virginia, Hon. JENNINGS RANDOLPH, pioneered and sponsored legislation for research to convert solid fuels to liquid fuels. That great job was done by the people in the Bureau of Mines. They did a fine job, and that research was successful.

Just this past month I have been elated over the fact that through our persistence in research over the years we now find that the anthracite region is going to come into its own. I hold in my hand a newspaper article which says that due to research on anthracite refuse that a $100 million project to aid upState areas is about to be consummated. This was due mainly to the cooperation between industry and the Bureau of Mines in their efforts to find some new uses for coal; not only coal but in this instance the banks of waste that had been thrown out. Now they are going to be utilized.

I shall insert these and other newspaper and magazine articles along with these remarks when we get back in the House.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Colorado.

Mr. ASPINALL. Of course, all the members of the committee join with the gentleman in praising the endeavor and work of the Bureau of Mines. On the other hand, the work of the Bureau of Mines is so often done on short-term programs where the final research work is turned over to some part of the industry, and those who are in trouble now, the smaller ones, get little if any advantage from it.

I here include pertinent material as follows:

[From the Philadelphia Inquirer, May 12, 1959]

ONE HUNDRED MILLION DOLLAR COMPANY TO AID UPSTATE AREA BY USING MINE WASTES

A powerful impetus to the industrial revival of Pennsylvania's anthracite region was provided yesterday by announcement of a proposed $100 million joint corporation effort to develop gases and chemicals from the area's huge reserve of coal mining wastes in the northeastern section of the State.

The Boards of Directors of the Philadelphia & Reading Corp. and the General Dynamics Corp. at their annual meetings in New York yesterday agreed to the formation of a new jointly owned corporation to be known as Dynamics Reading Chemicals, Inc., to handle the undertaking.

FINANCING EXPLAINED

The new company which will be initiated by contributions of equity capital by the two corporations will complete its own financing through the sale of debt and possibly other senior securities, it was explained by Howard Newman, president of the Philadelphia & Reading Corp.

Dynamics Reading Chemicals, Inc., when finally organized will be the only company in the United States producing chemicals from anthracite mining waste.

VARIETY OF PRODUCTS

According to Newman and Frank Page, Jr., chairman of General Dynamics, the new venture has been under consideration by both corporations for many months.

When the plant of the new company begins operations, they said, it will produce hydro-

gen, ammonia, ammonium nitrate, urea, and nitrogen solutions, methanol, calcium carbide, acetylene and vinyl chloride primarily for bulk sales to the chemical and allied industries.

The facilities of the Dynamics Reading Chemicals, Inc., will be located at Pottsville in an area amply supplied with anthracite mining waste that would furnish the basic needs of the enterprise.

Management and sales responsibility of the new company will be under Rex L. Nicholson, president of the Liquid Carbonic Division of General Dynamics. The plant will use the Lurgi process which was successfully employed for years in Germany in the petro-chemical area.

CONSTRUCTION PLANNED

Newman explained the $100 million by which the company will be capitalized would be used over the period of construction, the extent of which has not yet been determined.

The Philadelphia & Reading Corp., the outgrowth of the Philadelphia & Reading Coal & Iron Corp., has control of the mammoth banks of silt, a residue of anthracite mining operations. This reserve largely is the result of the State of Pennsylvania's program restricting the disposal of mine silt in the Commonwealth's rivers and streams.

Philadelphia & Reading Corp. has sold millions of its fine silt to steel companies during the last several years. The latter processed the anthracite fine silt with low grade ore through a powdering process for use in its blast furnaces.

PILOT EXPERIMENT

In 1955, under the direction of Newman the Philadelphia & Reading Corp. conducted an $80,000 pilot experimentation in gasification through the use of silt.

The gasification process was developed by Hydrocarbon Research, Inc., and opened a new vista for the steel and chemical industries as well as for the Philadelphia & Reading Corp.

Newman later was authorized to spend $500,000 for a semi-commercial plant to test the process. Yesterday's agreement between his company and General Dynamics is the result in major part of that testing experiments.

At the time the big-scale testing of the gasification process was approved by the company several years ago, an official of the company said "you can bet the company isn't sinking $500,000 into this project just for the fun of it." Observers at that time estimated that the final sales value of the silt banks at about $10 a ton. Two years ago it was selling for $6 a ton when processed for the steel industry.

Two years ago, it was estimated that Philadelphia and Reading had a reserve of 40 million tons of anthracite silt with a potential sales value of more than $80 million.

The P. & R., a diversified company which produces a variety of manufactured goods from coal to underwear, was reported by Newman in his earlier discussions of the possibility of the gasification project to be ready for development of another company.

POTTSVILLE LEADERS HAIL SILT PLANT PLAN

Agreement of Philadelphia & Reading Corp. and General Dynamics Corp. to organize a $100-million company to produce gas and chemicals by using anthracite fine silt in the Pottsville area and acclaimed last night by industrial, commercial and civic leaders in the area.

The jointly owned corporation, to be known as Dynamics Reading Chemicals, Inc., will erect its plant on the top of Broad Mountain at Morea near Mahoney City, where the St. Nicholas Breaker of Philadelphia & Reading Corp., is located.

When the plant is completed in about 2 years, its facilities are expected to give employment to about 1,400 men.

In the immediate area of the St. Nicholas Breaker on Broad Mountain there are mammoth silt hills which will be available to supply the new plant with all its needs for the next 20 or 30 years.

In the rest of the anthracite region in the northeastern part of the State there is a supply of fine silt that assures continued operation for at least 100 years.

Leaders in the Pottsville area development program envision an influx of new industries in the wake of the chemical plant.

Another pleasing aspect of the new plant development, they said, will be the eventual removal of unsightly coal banks that have marred the landscape in the Pottsville section.

Daniel A. Morris, an organizer of the Greater Pottsville Industrial Development Corp., was enthusiastic.

"It is marvelous to hear of the advancement of the plans of the new project," Morris said. "It will be sure to bring more avenues of employment for our people. There can be no doubt that other industries will follow in its wake just as they did in Bucks County when the Fairless Works was built by U.S. Steel."

"The utilization of coal byproducts in manufacturing processes," Gene MacDonald, managing secretary of the Pottsville Chamber of Commerce, said, "will revitalize our most imporant natural resource."

Edgar Herwig, past president of the Frackville Merchants Association, declared, "This may be the long sought break for the region."

[From the Philadelphia Inquirer, May 13, 1959]

NEW VITALITY IN NORTHEAST PENNSYLVANIA

When two outstanding business enterprises such as the Philadelphia & Reading Corp. and the General Dynamics Corp. plan joint expenditure of $100 million for a new venture, the public may be sure there is good prospect of a long and successful operation. It is no wonder, then, that the people of northeastern Pennsylvania are enthusiastic about the decision of these two corporations to build a plant in the Pottsville area which will utilize waste material from anthracite coal mines in the manufacture of chemicals.

There are several sound reasons to cheer this noteworthy development in the evolution of coal as a servant of man. Of prime importance are the jobs that will be created in a section of the State hard hit by unemployment. The new plant will employ approximately 1,400 men when it is built.

By coincidence, plans for the plant near Pottsville were announced the same day that the Federal Government issued figures showing record high employment in the Nation for April. Improvement of economic conditions in the Pottsville area will help Pennsylvania keep abreast of other States in recovering from the recession.

The 1,400 jobs in the chemical plant should be permanent. Existing supplies of anthracite silt in northeastern Pennsylvania are sufficient to keep the facility in operation 100 years or more.

An attractive sidelight to all this is the fact that removal of unsightly silt banks will enable communities in the anthracite region to embark upon long-range projects for beautification of the landscape.

It is especially significant that new jobs for the people of northeastern Pennsylvania are to be produced by private capital, not public subsidy. Investor dollars spent for research developed new chemical byproducts of coal; additional capital from private investors will build facilities needed to convert mine wastes into chemicals.

Free enterprise will do—at no cost to the taxpayers—a job of economic revitalization in the anthracite fields that should be far more effective than Government handouts.

[From the Sunbury Daily Item, May 13, 1959]

Use of waste materials has seldom held such possibilities as are envisaged in announced plans of the Philadelphia & Reading Coal and Iron Co. and General Dynamics Corp. to form a $100 million corporation to develop gases and chemicals from huge reserves of culm available in Northumberland, Schuylkill, Lackawanna, and Carbon Counties. The first move will be the erection of a large processing plant near the once busy St. Nicholas central breaker in Schuylkill County with its vast accumulations of anthracite silt now valued at $10 a ton in comparison with a market price of $6 2 years ago.

That hydrogen, ammonia, ammonium nitrate, urea and nitrogen solutions, methanol, calcium carbide, acetylene and vinyl chloride can be produced from this proposed plant is the firm conclusion reached after several years of experimentation. And it should not be forgotten that for years research to discover new uses for anthracite has been consistently, even doggedly promoted by Congressman IVOR D. FENTON, representing the Schuylkill-Northumberland district. It was through his farsighted efforts that a Federal laboratory for this purpose was established at Schuylkill Haven. The contribution made by that installation to the development of the major chemical industry now in prospect no doubt was considerable.

The anthracite counties, like Northumberland, which for years have been plagued by the problem of court-mandated depletion allowances to the mining companies, as well as the management of large areas of coal land acquired because of the owners' failure to pay taxes may find their burdens eased by the Dynamics-Reading proposal. In any event, there is reason for Congressman FENTON to feel that his faith in anthracite has been justified and his determined efforts in behalf of his district have paid off.

[From Chemical Week, May 30, 1959]

TECHNOLOGY NEWSLETTER

Behind Dynamics Reading Chemicals' coal-chemicals project at Pottsville, Pa., is a major switch in basic process technology. This fact was revealed by Philadelphia & Reading Corp. this week as the key to its proposed $100-million joint venture with General Dynamics Corp. (CW, May 23, p. 21).

Originally, P. & R., with the aid of Hydrocarbon Research, set out to develop a commercial fluidized-bed technique for producing synthesis gas from anthracite silt—a mixture of coal fines, sand and rock—that contained about 70 percent carbon (CW, Feb. 23, 1957, p. 70). About a year ago, however, the company switched its attention from its 50-million-ton silt research to anthracite refuse—coal-breaker discard containing about 25 percent coal, 75 percent rock—of which it has some 300 million tons.

Underlying Dynamics Reading Chemicals' confidence in the economic and technical feasibility of using anthracite are full-scale tests in the commercial Lurgi gasification facilities of Steinkohlengas, AG (Dorsten, Germany). Although P. & R. has not released cost estimates determined from these tests, comparable figures are available in a Bureau of Mines report (Report of Investigations 5420) covering similar studies conducted for the bureau at the Steinkohlengas plant.

Based on the use of anthracite at $4 per ton, the Bureau estimates, synthesis gas could be produced by the Lurgi process for a total material cost of about 20 cents per 1,000

cubic feet. DRC's material cost may be as low as 8–10 cents per 1,000 cubic feet, since P. & R.'s anthracite refuse can be charged off at little or no cost (upgrading or refuse to eliminate much of the rock yields a sufficient amount of boiler-fuel-quality coal to pay for beneficiation).

Anthracite silt reenters the picture in the companies' plans for acetylene production. Use of silt as boiler fuel will permit production of electric power at considerably below the going 8-mills rate in the Pottsville, Pa., area and less than TVA's selling price of 6 mills per kilowatt-hour. Freshly mined lump coal will be used as the source of carbon for calcium carbide production. DRC's proposed acetylene capacity: "in excess of 50 million pounds per year."

P. & R.'s optimism about the marketability of anthracite-derived chemicals is based on what it feels will be the "lowest-cost synthesis gas, hydrogen and acetylene in northeastern United States." It foresees the Pottsville project as another Calvert City, with large-volume, over-the-fence sales to several other chemical plants in the area. Economic feasibility of translating the Lurgi gasification process to U.S. operating conditions has been guaranteed by Blaw-Knox, says P. & R. And lengthy marketing studies, with the help of Arthur D. Little, Inc., have convinced the companies that they will be able to sign up enough customers to go ahead with the project in the near future.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. EDMONDSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of outlining to the committee a difference that is going to be before you in just a few minutes on the question of a limitation on the life of this Commission. I do not believe there is a committee in the House that has a more able or a more conscientious or a more resourceful chairman than the Committee on Interior and Insular Affairs, and I know when the chairman agreed to present an amendment to limit the life of this Commission to 5 years on the floor, he was in complete good faith when he said it, and he will undoubtedly fight for that amendment. But, I want to advise the members of the committee here that there are some of us on the committee that have handled this problem that believe that a limitation of any kind is a questionable proposition and that if a limitation is to be imposed, this House should at least be realistic in imposing a limitation that will give to this Commission an opportunity to get organized and to get really tooled up to do the job.

The gentleman from Colorado, the chairman of the committee, is going to offer an amendment to limit the life of this Commission to 5 years. Some of us believe that a minimum of 8 years should be provided to this Commission if it is to be limited, to make possible some sort of a broad-scale attack upon the more than 200 different research problems that are in need of attention by the Government. Frankly I do not believe it would be possible to get the caliber of men that we need in this Commission to leave what they are doing and get over into a Government organization that has a 5-year limit placed upon it. So, we hope that you will listen to the debate on this question and weigh carefully the merits of 5 years against 8 years if it is decided to have a limitation on the life of this Commission.

I can say I remember since I came to this body that this House has found it necessary on several occasions to extend the life of commissions that have been created because those commissions simply could not do the job that was assigned to them. A noteworthy example in my State's intimate experience is the example of the Indian Claims Commission which the House created in 1946. It was given a 10-year life. The Indian Claims Commission found it necessary to come in for a 4-year extension just a couple of years ago, and my prediction is that it is going to have to have another extension to get the job done.

Certainly the coal industry with over 250,000 people employed in it and dependent upon it, with thousands and thousands of people across this country dependent upon its life for their well being, is entitled to a lifetime for its Commission on Research that will enable an effective job to be done.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. FULTON. Mr. Chairman, I would like to compliment the gentleman on his statement and associate myself with his position.

Mr. EDMONDSON. I thank the gentleman.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. JENNINGS. There were several bills presented to the subcommittee and to the committee. In any of these bills was there any limitation on the term of this Commission?

Mr. EDMONDSON. I will say, in answer to the gentleman, that I do not know of any bill considered by the committee that had a limitation on the life of the Commission. I do not recall the point even being debated in the committee. I do not recall any testimony being presented to the committee on the subject while we were considering this legislation.

Mr. JENNINGS. Does the gentleman not feel that in an area so important to such a vast segment of our economy that a short term of 5 years might tend to hamper the exact research that we would like to get under way?

Mr. EDMONDSON. I feel that 5 years or 8 years would hamper the Commission, but I believe I know a little bit of the temper of this body on the subject of setting up commissions without some kind of termination date being placed in the law on the subject, and I am trying to recognize that temper.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, I attempted to make it clear when the rule was being considered by our committee, that there would not have been a rule granted, and the bill would not have come to the floor, unless there had been a limitation on the length of life of the Commission, so that the Congress could have the opportunity of taking a look at it within a reasonable time to make sure whether or not it was worth while. That matter was taken up with the coal industry, and as I understand it, they agreed that a 5-year limitation was satisfactory; that within a period of 5 years they could ascertain its value, and that they needed that much time for the experts to do some exploratory work, and to be organized properly. In other words the industry agreed that within the 5-year period it could be ascertained whether the Commission was worth while or not, and if it was not worth while they did not want it. If it was, Congress would, of course, have the right to continue it.

Mr. PRICE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I favor enactment of this legislation to encourage the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission.

Should the programs of such an agency be properly supported the results will, I am certain, improve the economic position of the coal mining industry. Benefits will come to consumers of coal, coal mine workers, distressed coal mining communities, and to the general public.

I have always felt enough was not being done to explore new and more effective uses of coal. This is a problem of national concern, therefore it is appropriate that the Government increase its work in this area. According to the committee's report on H.R. 6596, very little of the coal research conducted by the U.S. Bureau of Mines has been directed toward assisting the coal mining industry with its immediate or short-range research and development problems. This needs to be done and this legislation will fill this gap.

There is immediate need for the research this Commission will sponsor. I urge my colleagues to support this bill.

Mr. ASPINALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 11, line 5, after line 5 insert:

"SEC. 9. The authority contained in this Act shall expire five years from the date of the Commission's organization meeting. The Commission shall present to the President and the Congress as soon as possible after the close of its fourth year of business a full, complete and comprehensive report on its accomplishments up to that time, on the work which it then has in progress, and on the prospects for additional fruitful research projects. No proposal to extend the life of the Commission shall be submitted by it to the Congress until said report has been presented."

Mr. ASPINALL. Mr. Chairman, this is the amendment to set a date of expiration for the Commission, the amendment to which I made reference in my first presentation. It was made in good faith with the understanding that I had with the distinguished gentleman from Virginia [Mr. SMITH], and the distinguished gentleman from Ohio [Mr. BROWN], of the Committee on Rules. I did not know until a few minutes ago that there would be any amendment proposed to this

amendment to extend the time further than the 5 years.

I must say that I was not prompted by a request from the gentleman from Virginia [Mr. SMITH] or the gentleman from Ohio [Mr. BROWN] solely. I have had an experience out in my area with the operation of a research and development program.

There was a considerable amount of money involved in that authorization. In fact, it amounted almost to $80 million before we got through with it. That authority, if I remember correctly, was limited to a 5-year life. It came back to Congress and got an additional 5-year life. I must say that I have not been entirely satisfied with the results obtained from the large expenditures made in that program. Perhaps it is for that reason I lean toward the independent Commission in this particular legislation. While saying that, I must say I have been very well satisfied with the work done on mining shale that was a part of the research program at Rifle, Colo. In other words, I think it was an outstanding job by the Bureau of Mines, but so far as retorting is concerned I have not been very well pleased. Now I envision, and I will be honest, I envision this situation: if the Commission provided by this legislation does the job which I think it can do with the personnel that we are trying to make available to it, it will do a job of sufficient character and caliber that we shall be glad to authorize an extension of the program for a reasonable length of time. But to carry on this kind of research program without once knowing what is going on just leaves the Congress open to criticism as to the expenditure of the taxpayers' money. Whether it should be for 5 years or 7 years or 4 years or 8 years, I do not know. I have not given very much consideration to that. But I am willing to stand on the 5-year period myself.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. JENNINGS. I would like to pose the question to the chairman, and ask the chairman of the subcommittee: Did your committee—and I want to compliment again your committee on doing a very fine and outstanding job and for rendering a real service to the Congress by reporting this bill—but did you at any time consider any limitation either for 5 years or 8 years in your deliberations and hearings on this legislation?

Mr. ASPINALL. I was a member of the select committee from the time it was formed—a ranking member on the majority side—and have served all of the time on the full committee and subcommittee, as the gentleman knows. I know of no discussion that we had so far as the limitation of time was concerned. I doubt if anyone could get up here either in support of my amendment or some other amendment, whether it be for a short or long period of time, and say what is going to be necessary as far as the length of the program is concerned. I would say this, if we make it necessary that the Commission do its work and report back, we are going to get results, in my opinion. I think that that will be true with this program just the same as it is true with the saline-water program that is now being carried on.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. WIER. I would like to remind the gentleman with reference to the expressions of his hopes and feelings about the success of this venture, that perhaps one program that comes immediately to our minds is the desalting of ocean water program that is going on now.

Mr. SAYLOR. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, with due deference to the chairman of our full committee, who has offered this amendment, I think, in accordance with his agreement with the Committee on Rules. I have been a member of the special subcommittee which was authorized by the 84th Congress to study the problems of coal. The hearings that were held by that subcommittee and its findings were filed with the Congress. I attended all of those hearings except the one in the district of the gentleman from Virginia in Abingdon, Va., and I have read all of the testimony that was taken there. There was no testimony ever given with regard to the limitation of time that would be required for the Commission. Last year our committee held hearings in an effort to determine whether or not a similar bill should be reported. Testimony was taken from the operators and from all of the persons interested and no one ever presented any testimony with regard to the time. This year, under the able leadership of the gentleman from New York [Mr. POWELL] many of the same witnesses appeared and reiterated their support of this legislation. Not one of them recommended a limitation on the life of this Commission. This Commission, as it is proposed to be established, must go every year to the Committee on Appropriations of the House, and if they are not doing a job, the House every year will have control of their functions, through the control that the Committee on Appropriations exercises in such matters.

I, for one, have a great deal of respect for the work of the great Appropriations Committee. It looks very carefully, both by way of the subcommittee and the full committee into the appropriation of money. If there is to be any limitation on this Commission it should be through the Appropriations Committee which has the means to limit its life to 5 years.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the distinguished minority leader.

Mr. HALLECK. Is it not true that with regard to Commissions such as this which have been created through the years that a limitation of time is always considered, and that that probably stimulates immediate action and probably if anything can be accomplished it can be accomplished within a reasonable time?

Mr. SAYLOR. There have been some Commissions that have had a time limit on them, but in my experience most have not.

Mr. HALLECK. My recollection is that most of them have; and I might say to the gentleman that there are a great many people who seem concerned about just how helpful this legislation will be. To my mind it would probably be in the interest of some sort of solid accomplishment if the time limitation could be adopted.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to my colleague from Pennsylvania.

Mr. FULTON. I have been a member of the select committee that was working on space in the last Congress last year and I am on this new Science and Astronautics Committee. We have just set up NASA, that is the National Astronautics and Space Agency to do the research in two fields; one, in aeronautics, and the other in space.

That Agency with the approval of the President has been set up without any time limit, and that is an allied field of research for one particular industry, for example, the aeronautics industry of this country.

My feeling is that if we in Congress set up an agency by such authorization we want to test it to see that it does well. If there is an indefinite authorization it could be cut off at any time, while if we put in a definite period of years, 5, for instance, it is an assurance that it will operate for 5 years whether it is good or not. If there is not a limitation it leaves it, as the gentleman from Pennsylvania just said, to the House Appropriations Committee not only as to how much money they are to get but what their functions shall be in carrying out this research and development program.

Mr. EDMONDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDMONDSON to the amendment offered by Mr. ASPINALL: On line 1 of the Aspinall amendment, after the word "expired" strike out "5" and insert "8".

Mr. EDMONDSON. Mr. Chairman, I have already discussed the effect of this amendment. It is to substitute an 8-year limitation for a 5-year limitation.

I have tried to be frank with the members of this committee in stating that I personally would provide no limitation, but that I am very very fearful of how effective this Commission will be if it has only a 5-year limitation from the outset.

I would like to say just one thing with regard to the comments of my good friend the gentleman from Ohio [Mr. BROWN] a few moments ago, who pointed out to the House that this legislation never would have been on the floor of the House if there had not been an agreement for a minimum of a 5-year limitation; and he said at that time that the coal industry had said it was agreeable to that.

I am not greatly persuaded by the arguments of my good friend from Ohio that in order to get it out the chairman of the committee and the coal industry were willing parties to the agreement. I think they were more in a position of someone who had a loaded shotgun pointed at his head and is asked: "Will you agree to such-and-such?" Under

those conditions a lot of us would agree to things we were not enthusiastic about at all, in fact that we were opposed to.

I think that pretty well sums up the situation of the people in the coal industry. I would not say that my distinguished chairman was in that position. I know that he is fighting for his amendment here on this floor, but I do believe that the agreement reached under these circumstances, which followed a turndown of the rule, are a little bit suspect as to the volition involved on the part of the parties to the agreement.

I still hold to the position I took at the outset, a Commission with only a 5-year life is going to have a very difficult time getting tooled up to act effectively on the great number of research projects that are in need of attention with regard to the coal industry.

I sincerely hope that this body will reject the 5-year limitation. I hope you will prefer an 8-year limitation to a 5-year limitation. Frankly, it would not displease me in the least if the House after amending the 5-year limitation thereafter rejected an amendment for any kind of limitation at all.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. For the gentleman's information and for the information of the House, no one approached the coal industry. The coal industry approached some of us who were in Congress, and in a position of responsibility, suggesting the 5-year period as a sufficient length of time to determine whether or not this work would be worth while. They said a shorter time would not be helpful and a longer time would not be necessary. The coal industry itself, or the spokesmen for the coal industry, responsible men I can assure the gentleman, suggested the 5 years—not 8 but 5.

Mr. EDMONDSON. I certainly would not want the gentleman to think for 1 minute I was accusing him of going out looking for coal industry people with a shotgun, but I am in contact with some people in the coal industry, too, and I believe I know what they think of this proposition. I do not find any enthusiasm among my coal people for the 5-year limitation.

Mr. BROWN of Ohio. I do not know the gentleman's coal people. I do know the coal people who came and talked to me, and they represent a great deal of the coal industry of America.

Mr. EDMONDSON. I am satisfied my good friend from Ohio is speaking from the heart on this subject, I am satisfied he means every word he says. But I mean every word I say on this subject, and I believe I have talked to a lot more coal people on this bill than the gentleman from Ohio has.

Mr. BROWN of Ohio. I just wanted to make certain I was not misrepresented and that the position of the coal industry was not misrepresented.

Mr. EDMONDSON. I do not believe the gentleman is the only person who has talked to people in the coal industry.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. I want to point out to the gentleman that obviously the 8-year period is better than 5. But how can you in dealing with research problems put on a time limitation? We are sending men out to explore the unknown, to find out new facts, and just at the moment of a break through they have their work terminated. Obviously, with the requirement of an annual appropriation, any time limitation is unnecessary because it could be cut off automatically. I would rather vote against the whole amendment.

Mr. EDMONDSON. I could not agree with the gentleman more.

Mr. ASPINALL. Mr. Chairman, I rise in opposition to the Edmondson amendment to my amendment, and in doing so I would clear up one thing. I was the one who proposed the 5-year limitation while we were presenting our case before the Committee on Rules. I was interrogated by some of the members and asked why we should not cut it down to a shorter time than the 5-year period. As far as the 5- or 8-year periods are concerned, we have no logical argument to present for 5 or for 8, because we have not gone into that matter as far as the committee is concerned. I will say that this is a new undertaking by the Federal Government and that the Commission so charged can report back to this body within 4 years. It has to make some kind of a report annually. But it can report back in 4 years and present its case for reinstatement if it is doing a good job. I think it is in accordance with all research and development programs I know anything about.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Pennsylvania.

Mr. FULTON. We must look at coal in relation to other fuels. On our committee, which I mentioned a while ago, we have just come in with a very large expansion for the jet propulsion laboratory in California, without any time limitation on it whatever. If they are to have research, development and exploration programs for fuel of a sophisticated nature, they would be competing with coal.

Mr. ASPINALL. May I say to the gentleman that I, too, serve on one of these great committees which has jurisdiction in another field of power, and if I know anything about each one of the committees, the one upon which the gentleman from Pennsylvania serves and the one upon which I serve, they are enjoying a honeymoon. One of these days they are going to have to answer to Congress in more detail, that is all there is to it. That is all I am asking for in requesting support of my 5-year limitation amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. EDMONDSON], to the amendment offered by the gentleman from Colorado [Mr. ASPINALL].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. ASPINALL].

The amendment was agreed to.

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK:

Page 6, line 9, following the word "Government" strike out the period, insert a comma, and add "and no department, agency, or independent establishment of the Federal Government shall conduct any research under the authority of this act which duplicates research being done by the commission."

And on page 6, line 15, after the word "conducted" strike out the period, insert a comma, and add "and before initiating any research under authority of this act, such departments, agencies, or independent establishments shall consult with the commission."

Mr. McCORMACK. Mr. Chairman, the purpose of this amendment is to bring about efficiency and economy. It also places the Commission in a position where it is not subservient to any other agency or department of Government carrying on research in the field covered by this act. If we are going to eliminate duplication one way, we should do it across the board. The whole purpose of my amendment is to see that while the Commission cannot engage in anything of a duplicating nature that some other agency is carrying out, that some other agency should not carry on research in the field where the Commission is engaged in research activities. So I consider my amendment to be a clarifying one and one that gives more dignity to the Commission. Certainly I think this Commission should be given as complete dignity as possible. I have followed the coal situation for many years, because I was one of those who voted for the original Bituminous Coal Commission Act back, I think, in 1933 or 1934, when I was a member of the Committee on Ways and Means.

Mr. ASPINALL. Mr. Chairman, will the distinguished gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Colorado.

Mr. ASPINALL. I have gone over the language that the distinguished gentleman from Massachusetts [Mr. McCORMACK] has offered, and I think that it is in order. I think that it does make it an equitable approach to this matter of duplication. Most certainly those of us who support this legislation want the money that is spent by Uncle Sam to be spent wisely, and we would like to have the rights on one side just the same as the rights on the other. Speaking for myself but not as a member of the committee, I shall be glad to accept the amendment.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I have discussed this matter with the distinguished majority leader, and I am happy to accept the amendment.

Mr. McCORMACK. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. McCORMACK].

The amendment was agreed to.

Mr. PERKINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, with the adoption of the amendment placing a limitation of 5 years on the life of this program, I certainly am hopeful that no amendment will be offered to place this research program in the Department of the Interior. This program, in my judgment, with any limitation on it, is under a great handicap: There is the question of recruitment of personnel, then setting up the Commission and taking it beyond the realm of politics, and staggering the membership who shall constitute this Commission. Personally, I believe I can foresee the need for making this Commission a permanent one. All we need to do is to consider the conditions existing in the coal industry, which I feel points up the need for a permanent Commission. But, be that as it may, there is every reason in the world why this program should not be in the Department of the Interior.

The Special Subcommittee on Coal Research noted that some forecasters predicted a great future for coal based on projections on the growth in energy demands. The same forecasters made similar predictions 10 years ago. It is interesting to note that the subcommittee observed that the future of coal and the coal-mining industry, as it is now constituted, is clouded by a number of unknown factors. Consideration of these factors led the subcommittee to conclude that the future of coal as we know it today may depend primarily on the progress that is made through coal and allied research and development.

The Interior Department is not going to give this subject matter the consideration that it rightfully deserves. It never has in the past and it will not in the future.

We all know that the big oil interests are powerful in this country. I could cite illustrations where research projects undertaken by the Interior Department have not been successful. Both oil and coal deserve equitable treatment. An independent commission is indispensable if this program is to receive the consideration that it rightfully deserves.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman.

Mr. BROOKS of Louisiana. Mr. Chairman, what the gentleman said about making this an independent Commission, I want to endorse. My district is not a coal area, but we have had experience, in a limited way, in the Committee on Science and Astronautics, which indicates clearly that where you have a research and development program, a scientific program of this character, that you should have an independent Commission, and it should be nonpolitical and operate purely on scientific lines. You cannot tell when the breakthrough will come, you cannot tell what the results will be. But if you are going to have worthwhile results you ought to have an entirely independent Commission. So I subscribe to what the gentleman has had to say.

Mr. PERKINS. I thank the gentleman. With an independent Commission we could put this matter in a category where it will be beyond the realm of politics.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield.

Mr. BOW. I wonder if the distinguished gentleman from Kentucky knows about the testimony of the United Mine Workers just yesterday, to the effect that this should go into the Interior Department?

Mr. PERKINS. I do not know about the testimony of the United Mine Workers.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, earlier this afternoon the gentleman from Pennsylvania [Mr. FULTON] saw fit to read a part of my voting record. He said something about my vote on the Hoeven amendment to the tobacco bill. I do not know what reference that could possibly have to this bill. But he read only a small part of my voting record for the short 11 years I have been here. I wish he had read it all, because I am proud of it. And I can say that during those 11 years, unlike the gentleman from Pennsylvania [Mr. FULTON], I have not voted a single dime for those foreign boondoggles he so enthusiastically supports.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. The gentleman from Iowa does not yield to the gentleman from Pennsylvania because a short time ago he refused to yield to me. As a matter of fact, the last two times he has used my name on the floor of the House he has refused to yield to me. Otherwise I would be more charitable to the gentleman, but I cannot yield to him at this time or later until he extends to me the courtesy that he expects me to give him.

Mr. Chairman, no, I have not voted for any of his boondoggles—this business of pouring money out to foreign countries to establish factories to produce, for instance, barbed wire which is then shipped into this country to displace 50 percent of that production in the steel plants of the United States. It is my understanding that coal is used in the production of steel, and both coal and steel are produced in the State of Pennsylvania, from which the gentleman comes. If foreigners were not producing barbed wire and other steel products with our money and shipping them into this country more coal would be mined and used by the steel mills of this country which would help eliminate some of the poverty in the coalfields. We might be taking care of some of the miners in the gentleman's State of Pennsylvania whose jobs are now being taken by the 18-cent-an-hour Japanese labor and the 60-cent-an-hour labor in some of the European countries. So I have no apologies for my voting record, especially on the foreign handout bills.

This bill has been considerably doctored up this afternoon, but the fact still remains that it provides for a brand-new Commission of three members at $20,000 a year each. It provides 10 professional and scientific people up to $19,000 each. It provides for a research director up to $19,000. And what I did not mention a little while ago is the fact that it provides unlimited advisory committees; not just one, but "advisory committees," and these advisers may be paid $50 per diem. So it is proposed this afternoon to add to the Federal bureaucracy a brand new Commission with one of the most expensive outlays for personnel that there is in Government.

I note with interest that the committee offered no amendment to Public Law 313 in order to put on the payroll those 10 scientific and professional employees. We, on the manpower and utilization subcommittee, are trying to ride herd on the number of supergrades and scientific and professional people, yet here we have a bill that provides that 10 of them be put on the payroll without regard to the allocation machinery. We cannot control this thing if Members of the House are going to nullify the provisions of Public Law 313.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa may proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. ANDERSEN of Minnesota. The gentleman mentioned the salary which will be paid to the head research man in connection with this program. The research administrator in the Department of Agriculture, Dr. Byron T. Shaw, only gets $17,500 a year for all of the tremendous organization that he heads up. He is one of the Nation's outstanding research men and his organization has done an outstanding job. Why should we pay or allocate $19,500 to an administrator in a similar position with far less stature?

Mr. GROSS. I have no answer for that. Perhaps someone on the committee can provide the answer.

Mr. ANDERSEN of Minnesota. I have another question I would like to ask. Why should we authorize $2 million for the first year's expenses in connection with this organization when we know it will be difficult for them to even get started during the next 12 months, let alone spending $2 million? I recognize the value of research, but in my opinion that may do a disservice by inviting them to go ahead and load up the organization and not give the careful and thoughtful consideration that they should to doing the right job. It takes time to organize and staff such an organization. So I think we have about $1 million too much in this particular bill.

Mr. GROSS. I will say to the gentleman, as I said before, that if this bill is enacted, it will establish one of the most

expensive Commissions that has ever been set up in the history of the Congress, and I am opposed to it.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. EDMONDSON. With reference to the question of the amount of money to be spent by this Commission, the gentleman from Minnesota sits on the Committee on Appropriations, and I am quite satisfied there will have to be pretty clear and pretty definite justification for any amount up to $2 million that is appropriated for this particular Commission. I would agree with the gentleman that if they cannot present the facts and the proper justification for the $2 million, then the Committee on Appropriations, of which the gentleman is a member, should allow them a lesser sum. But we figure that some figure should be established as a guiding point or a ceiling on the appropriation request.

Mr. GROSS. And I will say you put the ceiling high enough.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. ANDERSEN of Minnesota. Would the gentleman from Oklahoma assure me that there is no intention to commit $2 million for the first year unless there is good reason to believe that the money will be well expended?

Mr. EDMONDSON. I have enough confidence in the Committee on Appropriations, of which the gentleman is a member, to be quite certain that we will not get a chance to vote for a $2 million appropriation unless they do have good justification and I would not want to see them get $2 million, unless they do give proper justification for that amount.

Mr. ANDERSEN of Minnesota. I thank the gentleman.

Mr. GROSS. I would like to suggest to the gentleman from Oklahoma that I have a bill pending in the Congress which, if enacted, might provide more money for research and development in coal, that is a bill to reduce the oil depletion allowance from 27.5 percent to 15 percent. I would like some support for that bill from the gentleman from Oklahoma.

Mr. THOMSON of Wyoming. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this legislation to establish a Coal Research and Development Commission. I think it is agreed by all that research is a proper activity of the Federal Government. This is particularly true when it comes to developing the resources of the Nation.

The research in minerals and fuels has largely been conducted by the Bureau of Mines. I have a great deal of confidence in the Bureau of Mines, and I commend them highly for the job that they have done. Their work has been largely confined to the field of basic research. Applied research on a process or development which is concerned with the economic application of the process or development, or the development of uses and markets, has been ordinarily left to private industry. Generally speaking, that is the way I think it should be.

In the case of coal, however, I believe that there is ample justification for going beyond this normal activity of basic research and for conducting a special program. I need not remind you further of what has happened to the coal industry, the people employed in the industry, and those areas depending upon coal as a principal factor of their economy. Even with the problems confronting the industry, with reduced profits, or even with losses, and with limited resources, the coal industry has made a tremendous effort to support research. The results have been promising, but the resources insufficient.

In the public interest, I think, therefore, that we should make an exception and create this special approach whereby the Commission can go into the field of applied research and other areas, to help take care of this critical situation. The prospects for the development of new uses and new products give promise of great return to the Nation. The provision for sponsoring and promoting research projects carried out by others is particularly important. Much has been done by educational institutions and private agencies in the coal area. The University of Wyoming has had an outstanding research project. The money and resources available have simply been insufficient, however, to provide for the necessary program. This is an area in which I believe we can get a very efficient return on our Federal investment.

Adequate provision has been made to prevent duplication. A limitation has been placed upon the length of life of the Commission, so that Congress will be called upon to review its effectiveness.

This bill has merit, and I urge that you support its passage.

Mr. ASPINALL. Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto close in 10 minutes.

Mr. GAVIN. Mr. Chairman, reserving the right to object, I have been very patient all afternoon. I have sat here and listened. I would expect 5 minutes.

Mr. ASPINALL. I am asking for 10.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS of Oklahoma. Mr. Chairman, I support this bill enthusiastically. I have no coal at all in my district and feel reasonably sure I never will have, but this legislation will strengthen our whole Nation. It will be helpful to a great industry; it will in my judgment eventually result in giving employment to thousands, and perhaps several millions of people; and it will give us assurance here in America of making real progress in the field of power, in the field of fuel. It will be helpful from every standpoint I can think of.

There is just one particular thing in the bill I would like to emphasize, and that is found on page 4 under the section dealing with functions and duties of the Commission, which is section 4. The provision I refer to is the one that provides in substance that the Commission shall formulate and execute an overall research program designed to emphasize those developments in uses for coal of particular value to small coal producers.

I like that. I certainly am not opposed to big business, I never have been; we need big business in America. But I do like for us to give careful consideration to the small farmer in America, to the small business man in America, because it strengthens everybody; it strengthens the big man. It is to his real advantage that we strengthen small business and the small farmer. As we do so we strengthen legitimate big business and we strengthen America.

I like the fact that they have, in writing this bill, emphasized the situation that they give special consideration to the development in uses for coal of particular value to small coal producers. I think that evidences the fact that full and faithful consideration of the subject matter has been given. I think it evidences the fact that the people who had this bill under consideration had not only the coal industry in mind but also had the whole economic welfare of the country in mind.

As to you Members who come from coal producing areas, this bill will directly affect you. It will not directly affect me, but after all I do believe in this, and I am not trying to lecture anybody. I am saying this as much to myself as I am to any Member here, that every day of our lives we ought to rededicate ourselves to the proposition of thinking in terms of all of America, thinking not just in terms alone of what affects us selfishly but what might strengthen our whole Nation. Even though this bill will not affect my particular district directly, it will directly affect the districts of many of you, and God bless you, I am glad to see you get the benefit of it. It will put people to work, it will give help to coal producers, especially the small producers. It will create wealth for America, it will assure all of us strength in the future. No doubt many new uses will be found for coal.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I just want to tell the gentleman from Oklahoma, my very good friend [Mr. MORRIS] that we do have a great deal of coal in our State but we are not producing a very great tonnage at this time. So we are greatly concerned about the coal industry of our State and what can be done to rehabilitate one of the basic resources upon which we have been dependent over a long period of years.

This proposed legislation is a step in the right direction and after this Commission is established, it is my opinion that it would be productive of excellent results and would contribute greatly to the future of this industry which has had such a difficult time over the past few years.

This bill is a small bill, as bills go in this House. We have an $80-billion-a-

year budget. All this proposed legislation is requesting is $2 million.

It is a bill to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes.

Now, I want to call to the attention of my good friends from the agriculture States the fact that we carefully give every consideration to the basic crops of the various States, such as tobacco, corn, wheat, and cotton, but it is seemingly quite difficult to arouse much concern when the plight of the coal industry of Pennsylvania is brought to the attention of the House.

We do not have any basic crops in our State, but coal is one of our basic industries upon which thousands of people in my State are and have been dependent for many years.

My State of Pennsylvania, a great State of 11 million people, a State that sent 1,400,000 men and women into World War II, a State that produced 30 to 35 percent of all the war materials, is having the fight of its life for its very industrial existence in the highly competitive industrial world in which we are living.

One of our basic resources is coal and it contributes much to the economic and industrial life of our State.

Now, I might say, no one seems to get much concerned when a mine in Pennsylvania closes down and five or six hundred people are out of employment or when a number of mines close down, as has occurred in recent years, and thousands upon thousands of miners are out of employment, with no place to go, with no industry in the area to apply to for work. They are just in a very difficult and deplorable state.

These miners are rooted to the areas in which they live, rooted to the soil and the homes in which they have lived all their lives; but there is nothing in the area for them to do.

But let me call to the attention of the House that nobody seemingly gets concerned when community after community in the mining areas of my State find themselves in difficulties.

Let me point out that if we had one State where agriculture area after agriculture area found themselves in a difficult position and town after town with hundreds of people who could not find work, be assured the matter would be given great and immediate consideration.

While we spend many millions of dollars on agriculture programs for research and development, this proposed legislation is requesting only $2 million for coal; so it should meet with the overwhelming support of the Members of the House.

Now, I have great respect and great admiration for my very good and able friends, the gentleman from Iowa [Mr. GROSS] and the gentleman from Minnesota [Mr. ANDERSEN], so I was a bit concerned as to their attitude toward this legislation which would establish a Commission to encourage and stimulate the production and conservation of coal. I know that my good friends from Iowa and Minnesota know the terrific dificulty the coal industry is in and will support this bill.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. The gentleman has made such a persuasive address that I am inclined to vote for the bill.

Mr. GAVIN. I thank the gentleman. I do appreciate the patience of the House, so let us get down to business and pass this legislation, pass it overwhelmingly as a gesture to the coal industry and to the miners of America indicating our great interest to be helpful in solving the problems of the coal industry.

In my opinion, this legislation would develop programs that would put the coal industry back into productivity and the prosperity it once enjoyed. I trust the bill will pass overwhelmingly.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore Mr. MCCORMACK, having assumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes, pursuant to House Resolution 284, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them engross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GROSS. I am, Mr. Speaker, unqualifiedly and unequivocally.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GROSS moves to recommit the bill to the House Interior and Insular Affairs Committee.

Mr. ASPINALL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 251, nays 54, not voting 129 as follows:

[Roll No. 81]

YEAS—251

Abbitt	Fountain	Morgan
Abernethy	Frazier	Morris, N. Mex.
Addonizio	Friedel	Morris, Okla.
Albert	Fulton	Moss
Alger	Gallagher	Moulder
Andersen, Minn.	Garmatz	Murphy
	Gary	Murray
Anderson, Mont.	Gavin	Natcher
	George	Nelsen
Ashley	Granahan	Norrell
Aspinall	Grant	O'Brien, Ill.
Avery	Gray	O'Hara, Ill.
Bailey	Green, Oreg.	O'Hara, Mich.
Baker	Griffin	O'Konski
Baldwin	Griffiths	Oliver
Barry	Hagen	Osmers
Bass, Tenn.	Haley	Passman
Baumhart	Hall	Patman
Beckworth	Halpern	Perkins
Bennett, Fla.	Hardy	Pfost
Berry	Hargis	Philbin
Betts	Harris	Poage
Blitch	Harrison	Poff
Boggs	Hays	Porter
Boland	Hechler	Powell
Bolton	Hemphill	Price
Bow	Henderson	Prokop
Bowles	Hoffman, Ill.	Pucinski
Boyle	Hogan	Quie
Brademas	Holifield	Quigley
Bray	Holland	Rains
Brewster	Holtzman	Randall
Brooks, La.	Horan	Rees, Kans.
Brooks, Tex.	Huddleston	Reuss
Brown, Ga.	Hull	Rhodes, Pa.
Brown, Mo.	Ikard	Rivers, Alaska
Brown, Ohio	Jarman	Roberts
Burdick	Jennings	Rodino
Burke, Ky.	Jensen	Rogers, Colo.
Burke, Mass.	Johnson, Calif.	Rogers, Fla.
Bush	Johnson, Colo.	Rooney
Byrne, Pa.	Johnson, Md.	Roosevelt
Cannon	Johnson, Wis.	Rostenkowski
Carnahan	Jones, Ala.	Roush
Carter	Karsten	Rutherford
Chamberlain	Karth	Saund
Chelf	Kasem	Saylor
Chenoweth	Kastenmeier	Schenck
Chiperfield	Kee	Schwengel
Church	Kilday	Selden
Collier	Kilgore	Shipley
Colmer	King, Calif.	Siler
Cooley	King, Utah	Simpson, Ill.
Corbett	Kowalski	Simpson, Pa.
Curtin	Lafore	Sisk
Daddario	Landrum	Smith, Iowa
Dague	Lane	Smith, Miss.
Daniels	Langen	Spence
Davis, Tenn.	Lankford	Springer
Delaney	Latta	Staggers
Dent	Lennon	Steed
Denton	Lesinski	Stratton
Diggs	Levering	Stubblefield
Dingell	Libonati	Sullivan
Dixon	Loser	Teague, Tex.
Donohue	McCormack	Thomas
Dooley	McCulloch	Thompson, N.J.
Dorn, S.C.	McFall	Thompson, Tex.
Downing	McGovern	Thomson, Wyo.
Doyle	McIntire	Thornberry
Dulski	McSween	Trimble
Durham	Mack, Ill.	Udall
Edmondson	Madden	Ullman
Elliott	Mahon	Vanik
Everett	Marshall	Van Zandt
Fascell	Martin	Vinson
Feighan	Matthews	Wallhauser
Fenton	May	Wampler
Fisher	Metcalf	Watts
Flood	Meyer	Whitener
Flynn	Miller, Clem	Wier
Foley	Milliken	Winstead
Forand	Mills	Young
Ford	Mitchell	
Forrester	Montoya	

NAYS—54

Adair	Halleck	Michel
Allen	Hess	Mumma
Auchincloss	Hiestand	Pillion
Bentley	Hoeven	Ray
Brock	Holt	Rhodes, Ariz.
Broomfield	Hosmer	Robison
Burleson	Johansen	Rogers, Tex.
Casey	Jonas	Short
Coad	Jones, Mo.	Sikes
Conte	Judd	Smith, Calif.
Cunningham	Keith	Smith, Kans.
Curtis, Mass.	Kilburn	Taber
Derwinski	Knox	Teague, Calif.
Devine	Lipscomb	Van Pelt
Dorn, N.Y.	McDonough	Weaver
Dowdy	McMillan	Wharton
Dwyer	Mack, Wash.	Wilson
Gross	Mason	Zablocki

NOT VOTING—129

Alexander	Flynt	O'Brien, N.Y.
Alford	Fogarty	O'Neill
Andrews	Frelinghuysen	Ostertag
Anfuso	Gathings	Pelly
Arends	Giaimo	Pilcher
Ashmore	Glenn	Pirnie
Ayres	Goodell	Preston
Barden	Green, Pa.	Rabaut
Baring	Gubser	Reece, Tenn.
Barr	Harmon	Riehlman
Barrett	Healey	Riley
Bass, N.H.	Hébert	Rivers, S.C.
Bates	Herlong	Rogers, Mass.
Becker	Hoffman, Mich.	St. George
Belcher	Irwin	Santangelo
Bennett, Mich.	Jackson	Scherer
Blatnik	Kearns	Scott
Bolling	Kelly	Shelley
Bonner	Keogh	Sheppard
Bosch	Kirwan	Slack
Boykin	Kitchin	Smith, Va.
Breeding	Kluczynski	Taylor
Broyhill	Laird	Teller
Buckley	Lindsay	Thompson, La.
Budge	McDowell	Toll
Byrnes, Wis.	McGinley	Tollefson
Cahill	Macdonald	Tuck
Canfield	Machrowicz	Utt
Cederberg	Magnuson	Wainwright
Celler	Mailliard	Walter
Clark	Meader	Weis
Coffin	Merrow	Westland
Cohelan	Miller,	Whitten
Cook	George P.	Widnall
Cramer	Miller, N.Y.	Williams
Curtis, Mo.	Minshall	Willis
Davis, Ga.	Moeller	Withrow
Dawson	Monagan	Wolf
Derounian	Moore	Wright
Dollinger	Moorhead	Yates
Evins	Morrison	Younger
Fallon	Multer	Zelenko
Farbstein	Nix	
Fino	Norblad	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Keogh with Mr. Arends.
Mr. Ashmore with Mr. Taylor.
Mr. Kitchin with Mr. Cramer.
Mr. Alexander with Mr. Utt.
Mr. Rivers of South Carolina with Mr. Pirnie.
Mr. Scott with Mrs. Weis.
Mr. Picher with Mrs. St. George.
Mr. Preston with Mr. Bass of New Hampshire.
Mr. Giaimo with Mr. Ayres.
Mr. George P. Miller with Mr. Reece of Tennessee.
Mr. Rabaut with Mr. Scherer.
Mr. Slack with Mr. Norblad.
Mr. Harmon with Mr. Belcher.
Mr. Whitten with Mr. Riehlman.
Mr. Williams with Mr. Lindsay.
Mr. Wolf with Mr. Glenn.
Mr. Baring with Mr. Fino.
Mr. Barr with Mr. Frelinghuysen.
Mr. Gathings with Mr. Derounian.
Mr. Moeller with Mr. Bosch.
Mr. Shelley with Mr. Budge.
Mr. Sheppard with Mr. Canfield.
Mr. Andrews with Mr. Pelly.
Mr. Green of Pennsylvania with Mr. Miller of New York.
Mr. Alford with Mr. Bates.
Mr. Kirwan with Mr. Byrnes of Wisconsin.
Mr. Irwin with Mr. Broyhill.
Mr. Moorhead with Mr. Cederberg.
Mr. Riley with Mr. Meader.
Mr. Walter with Mr. Laird.
Mr. Barden with Mr. Widnall.
Mr. Nix with Mr. Becker.
Mr. Barrett with Mr. Moore.
Mr. Clark with Mr. Ostertag.
Mr. Toll with Mr. Cahill.
Mr. McDowell with Mr. Westland.
Mr. Flynt with Mr. Curtis of Massachusetts.
Mr. Breeding with Mr. Mailliard.
Mr. Fallon with Mr. Hoffman of Michigan.
Mr. Magnuson with Mr. Wainwright.
Mr. Celler with Mr. Withrow.
Mr. Monogan with Mr. Minshall.
Mr. O'Neill with Mr. Merrow.
Mr. McGinley with Mr. Kearns.
Mr. Boykin with Mr. Gubser.
Mr. Coffin with Mr. Jackson.
Mr. Davis of Georgia with Mrs. Rogers of Massachusetts.
Mr. Dawson with Mr. Younger.
Mr. Multer with Mr. Goodell.
Mr. Fogarty with Mr. Bennett of Michigan.

Mr. McDONOUGH changed his vote from "yea" to "nay."

Mr. O'KONSKI changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

GENERAL LEAVE TO EXTEND

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

FIRST POSTMASTER GENERAL COMMEMORATIVE STAMP

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, no one, with the exception of our Presidents, is more deserving of a special commemorative stamp to honor his memory than the first Postmaster General of the United States.

President George Washington appointed Samuel Osgood to that post on September 25, 1789, and was confirmed by the Senate on the following day. He served in that capacity until August 19, 1791. He resigned in order to engage in commercial business in New York. Later on, he was elected a member of the State legislature, and for a time served as supervisor of New York City. In 1802, President Jefferson appointed him to the position of Naval Officer for New York, which he held until his death in 1818.

Sam Osgood was born in the village that has since become the town of North Andover, Mass. After graduating from Harvard, he studied for the ministry, but ill health prevented him from following this vocation, and he turned his attention to merchandizing. As a result of his active interest in public affairs, he served several terms as a member of the Massachusetts Legislature.

Before hostilities broke out, this ardent patriot enrolled in the militia. As captain of a company, he took part in the battles of Lexington and Concord. Later on he was appointed to the staff of General Ward, with the rank of colonel. While holding his rank in the Army he was elected to the Massachusetts House, and subsequently to the Senate.

In 1781, he was sent as a Delegate to the Continental Congress. He was appointed first Commissioner of the Treasury under the Confederation in 1785, and was holding that position at the adoption of the Constitution in 1787. As Commissioner, he proved very efficient in prevailing upon the States to grant funds to Congress.

As a Member of Congress he was alert and capable, serving on many important committees and having a hand in the preparation of numerous constructive measures, particularly those relating to business and finance.

President Washington made a wise choice in selecting Sam Osgood to be the first Postmaster General. He had met and known Osgood during the Revolutionary War, and had great confidence in his executive ability. That confidence was well repaid. Osgood applied himself to the difficult task of organizing the Department, contracting for the carrying of the mails over certain prescribed routes, and preparing rules for the efficient operation of this fundamental service. The postal affairs of the country were in a very chaotic state. By the sheer strength of his administrative talents, Osgood developed a Government department that would benefit the whole people, despite congressional inertia in providing the necessary funds to extend and expedite the postal service.

Samuel Osgood was not only the first Postmaster General; he was one of the first Members of the Continental Congress; was the first Commissioner of the Treasury; and was one of the first to fight for the independence of our country.

Commemorative stamps have been issued in honor of various individuals and events. I think that the time has come for the U.S. Post Office Department to take pride in its own history and achievements by authorizing a special stamp in tribute to Samuel Osgood, who organized the Department and established the high standard of leadership that has been an example and an inspiration to it ever since.

I am confident that the Congress will heartily approve of this honor to Sam Osgood; minuteman of Concord and Lexington, public servant, patriot, and father of our postal service.

FACTS ABOUT AMENDMENTS WHICH WOULD MAKE WHEAT BILL WORKABLE

Mr. COLLIER. Mr. Speaker, I ask unanimous consent that the gentleman

from Minnesota [Mr. QUIE] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. QUIE. Mr. Speaker, if we are to allow wheat farmers to receive a 90 percent of parity price support for their crop, acreage controls on their production must be imposed.

During the debate on this legislation yesterday, I offered a number of amendments which were designed to make H.R. 7246 a workable bill.

Unfortunately, due to a gag rule imposed by the majority, I will be unable to explain my amendments—and thus the amendments were doomed to defeat.

In order that Members of the House and the other body might have the opportunity to learn the facts behind the amendments I offered—and thus understand them—I have extended my remarks in the RECORD.

I hope that the remarks will be read by every Member of Congress in order that better understanding will result from a study of the facts I present.

INVESTMENT BANKER OBJECTS TO REMOVING THE INTEREST-RATE CEILING ON TREASURY BONDS, BECAUSE HE DISAPPROVES OF THE ADMINISTRATION'S POLICY OF CONTINUALLY CUTTING THE PRICE OF ITS BONDS

Mr. JOHNSON of Maryland. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. PATMAN. Mr. Speaker, some of us may have assumed that investment bankers approve of the mess this administration has created in managing the public debt. If so, this seems not to be the case. I have a letter from a prominent investment banker who most emphatically opposes removing the interest-rate ceiling on Treasury bonds—as the administration is asking—because he disapproves of the administration's policy of continually cutting the price of Government bonds.

Shortly after the elections in 1952, Mr. W. Randolph Burgess, who was then chairman of the executive committee of the National City Bank of New York, came to Washington and organized an advisory group that was later to serve under him in his post as President Eisenhower's Deputy Secretary of the Treasury. Mr. Burgess, with this group of advisers, is the architect of this administration's hard-money, high-interest policy, though Mr. Burgess has now left the Treasury. This high-interest, tight-money policy is one of the worst and most devastating features of the trickle-down theory of Government.

On June 12, 1953, in a speech at Rutgers University, Mr. Burgess stated:

We have assured the Reserve System that it is the boss on monetary controls.

It is my belief that this statement, which was made long before President Eisenhower made a similar announcement, was the beginning of the mess the national debt is now in.

President Eisenhower made what I believe to be a serious mistake when he took the position that the Federal Reserve is a separate and independent branch of the Government. According to my interpretation, it is the President's duty, as specified in section 2 of the Constitution, to take care that the laws be faithfully executed. The Federal Reserve Act is a law. It was passed by both Houses of Congress and signed by the President. How President Eisenhower can excuse himself from the obligation to take care that this law be faithfully executed, I am unable to understand.

It happens, however, that the Federal Reserve's policies have been the same as those of the monetary managers in the administration. I wonder if the Federal Reserve would have been given such a prominent and independent status by this administration if the members of the Board had entertained different views?

In any case, whoever is responsible, the result has been that interest rates have been going higher and higher and higher. And by reason of high interest, the budget has been going higher and higher. And by reason of the budget going higher and higher, the Congress has been compelled to raise the national debt limit.

Now, Mr. Martin, Chairman of the Federal Reserve Board, says that the going rate of interest on long-term securities is 4½ to 5 percent. This is, in effect, saying that the present administration has placed our national debt on a basis of cost of interest at more than $13 billion a year. In other words, when all of our national debt is refinanced on the basis of present interest rates—rates raised by deliberate actions of the administration and the Federal Reserve—it will cost the taxpayers over $13 billion a year to carry, which is approximately $5 billion more than the present, excessive, cost.

Congress should take a good look at the Federal Reserve System. It is true that the Federal Reserve System, supported by the commercial banks of the country, has been successful in stopping all proposals for an all-out congressional investigation of their activities. Many of us know why they are opposed to such an investigation. They are going to hide as long as they can from the American people and from Congress the things they are doing.

The letter from the investment banker to which I referred is as follows:

JUNE 9, 1959.

We in the investment banking industry are extremely alarmed at the mechanical procedures currently employed by the Federal Government in the marketing of U.S. Government bonds and obligations.

This morning in the newspaper a rather sensational news release reported that the Federal Government was in the process of not only raising its gross bonded debt limit but was also actively engaged in raising the maximum interest rate which Government bonds might bear. This Government policy of continually cutting the price is as serious a financial problem as the commodity storage problems and all other fiscal problems. Money is a commodity and the U.S. Government is in the business of selling this commodity, not only to its various agencies but to the people of this great country. In the marketing of any commodity the continuous reduction of price can lead only to disaster and the chaotic position wherein the commodity no longer has a retail sales market. It would appear that we are approaching this position in the marketing of Government bonds.

As an example, if the Federal Government was interested in selling wheelbarrows and continually stated that while it was selling wheelbarrows today for $100, it would be selling the same wheelbarrow 3 months from now at $80, I believe it would be obvious that no one would buy at today's price. Everyone would wait until the 3 months had expired and buy at a reduced price. The bond sales procedures are doing exactly the same thing. The Government is advising that while today's bonds carry a 4-percent interest rate that tomorrow's bonds will carry 4¼ percent or higher. We employ a most amateurish procedure in continuously cutting the price in an attempt to sell our product.

Recent figures show that one of the major expenses of Government operation is the interest cost of money borrowed. The continuous increase in this interest cost must stop. It would seem a wise and prudent decision if serious consideration might be given to better packaging the product rather than continually cutting the price.

In the investment banking industry the principal responsibility is the selling of stocks and bonds. If we employed the same attitude in the selling of municipal and corporate bonds as is currently followed by the U.S. Government in selling Government bonds, sales would decline to nothing and public acceptance of securities would cease. The simile is exact.

A better packaging of Government obligations could well be accomplished to the end that Government bonds would be better received without the costly process of increasing interest rates. Good publicity as to the retirement of debt would be a tremendous psychological effect on the future sales of Government bonds. Gross national product is at an alltime high. Gross Federal income from all tax sources will be at a record figure. Careful and designed employment of even a small portion of this national income toward debt retirement would help national bond sales. As a smalltown Kansas banker remarked, "We would at least be servicing our loan."

Better programing of bond maturity schedules would create a better product in national financing. In the investment business the demand details of investment change from month to month insofar as the buying public is concerned. Our Federal program has apparently been based upon a presumed opinion that the bond buying attitude of investing Americans is a static thing and exists without change. This simply is not a fact. As a positive example, a few months ago midwestern and eastern banks were buying reasonably short bond maturities. Currently these same investors are buying 9- and 10-year maturities. The Federal Government might well get the feel of investing Americans and program its bond issuance to satisfy its customers.

The bond situation of the Federal Government is approaching a disastrous status and this status could be eliminated through the employment of more realistic procedures

and by a better feel of the pulse of the average American who has money to invest in Government bonds.

I hesitate to write this long a letter in view of the demands on your time; however, U.S. Government bond sales procedures is being processed in a manner which develops less and less confidence in Government bond investment and which is continuously leading to greater and greater interest costs.

If actual examples and figures on this subject would be of aid to you in pursuing this problem, please let me know. My firm will devote time, thought, and energy toward consolidating facts for your use. We are sincerely, thoroughly, and completely aroused by the bond issuing activities presently pursued by the Treasury Department.

Your thought into this matter will be appreciated. The problem is a national problem. The processing of a solution will require thought and dedicated activity.

NAT WATTS, OF NAPLES, TEX.

Mr. PATMAN. Mr. Speaker, former mayor of Naples, Tex., N. G. Watts, was honored recently by the people of that fine town, who appreciate him as a good, public-spirited, civic-minded, patriotic citizen. I have personally known Nat Watts all my life. He is one of our greatest and most outstanding citizens. He is a great American.

The Naples Monitor, which has been published at Naples, Tex., for the past 73 years, in a front-page editorial immediately after a large picture of Mr. Watts stated:

UNCLE NAT WATTS WILL BE HONORED MAY 14

N. G. Watts, former mayor and longtime supporter of Naples, will be honored with a communitywide party on his birthday May 14.

Mrs. J. M. Lasater originated the idea and the chamber of commerce agreed at its meeting Tuesday night to sponsor it.

An open house will be held from 3 until 5 p.m. on May 14 at the City Cafe. All of his friends, both locally and out of town, will be invited to attend.

The day will be designated by Mayor W. A. Giles as "N. G. Watts Day."

Watts was born in Jefferson and moved to Bolden, now Naples, as an infant.

He attended a one-teacher school here for his only formal education and then went to work for a livery stable at $20 a month. He quit for a job with the Cotton Belt Railroad at the same pay.

An ambitious young man, he began the publication of the Omaha Siftings, the largest paper in Morris County at the time.

He later closed the shop and started out for nowhere in particular and ended up in Boyce, La. He bought a printing plant there and began publication of the Boyce Enterprise, then the smallest publication in the State.

He lasted 4 years and during that time was twice elected mayor.

He left Louisiana and went to St. Louis where he worked for a paper box making plant, a real estate office, and as a carpenter before going back to the printing business, again establishing a publication, the National Business Index.

At St. Louis, he took an examination for a job with the civil service as a printer, received an appointment, but hesitated for some time before accepting because he was not sure he could do the job.

He did well enough that he continued for 35 years, ending his career as instructor of printer apprentices.

During his travels and long absence, Naples was his home and he never let anyone forget it. He returned here when he retired and probably will be here until "the finish," he says.

Watts is now or has been a member of the Methodist Church, Eastern Star, Business Women's Club, Naples Garden Club, PTA, chamber of commerce and its president, a director of the East Texas Chamber of Commerce, the North and East Texas Press Association, Texas Editorial Association, Red River Valley Association, Glass Club Lake, the Brahma Booster Club, and almost every other civic organization open to him.

He was a director of the Broadway of America Association, president of the Highway 77 Association, a member of the Morris County school board and chairman of the Morris County ration board.

He was commissioner of the Texas Centennial of Statehood, a member of the committee which promoted Big Bend National Park, and is a life member of the San Diego Heaven on Earth Club.

He was reemployment committeeman of selective service for Morris County, chairman of Morris County for celebration of the President's Birthday for Infantile Paralysis, a member of the Naples Boots and Saddle Club and of the Texas League of Municipalities.

He has made three trips with good neighbor delegations to Mexico and attended all but one or two State Democratic conventions since returning to Texas.

Watts is a former publisher of the Naples Monitor who kept it alive at one time by making up its losses.

THE PLASTIC BAG DANGER

Mr. JOHNSON of Maryland. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. ADDONIZIO] may extend his remarks at this point in the RECORD, and to include a news article and editorial.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, in a recent editorial, the West Orange Chronicle called attention to the plastic bag danger and stressed the need for safety measures in their use. The same issue of the Chronicle carried an article on the subject, containing a warning from the health department as to the hazard to infants and children from misuse of the bags. I commend the Chronicle for alerting its readers to this menace, and feel that the strongest corrective remedies are in order to prevent further tragedies. It is appalling that more than 20 children have been suffocated, and the danger can no longer be ignored. I have accordingly introduced legislation to prohibit the shipment of these bags in interstate commerce, and I urge its prompt consideration.

The news article and editorial appearing in the June 4 issue of the West Orange Chronicle follows:

PLASTIC BAG TOY IS INFANT KILLER, SAYS HEALTH DEPARTMENT—PARENTS WARNED OF HAZARD—ONE HUNDRED MAY DIE IN 1959

Dr. K. W. Thum, of the health department, warned parents today that the use of plastic bags as playthings has resulted in the death of a number of children in the United States during the past year. He urged West Orange parents to be mindful of the danger.

"When children play with transparent plastic bags, they are tempted to put them over their heads to peer through them," he said.

Perhaps an electrostatic charge is generated. In any event the bag seems to grab tightly around the head of the child and make it impossible for him to breathe. This is followed by panic and suffocation.

"There is some evidence that the same hazard applies to plastic sheets if used as mattress covers on the cribs of infants and to plastic pillow cases," he points out.

The National Safety Council recently issued a statement saying more than 20 children were reported to have suffocated because of the use of plastic sheets, pillow cases, or bags in the first 3 months of 1959. This statement was based on material supplied by State health departments. Plastic sheets were mentioned in seven deaths and plastic pillow cases in three.

"The Journal of the American Medical Association called attention to this hazard in its issue of April 25, 1959," Dr. Thum said.

"The National Safety Council estimates that as many as 100 children may lose their lives from this hazard in 1959 unless parents exercise care. The council (415 North Michigan Avenue, Chicago, Ill.) is serving as a clearinghouse for information on this health hazard.

"In addition to plastic covers for mattresses and pillow cases, plastic bags are used to package foods and coverings for laundered garments. While they may be excellent for the purposes intended, children must be protected against their misuse," Dr. Thum advised.

PLASTIC BAG DANGER

We can't stress enough the need for safety measures in the use of plastic bags. All parents should take every precaution to prevent a possible hazard to the children. Statistics prove their danger. They have caused a number of deaths throughout the country thus far in 1959. The health department has issued its warning and we echo its sentiments.

When a child plays with plastic bags, he is so often tempted to put them over his head to peer through. This act could be dangerous because a possible electrostatic charge could cause the tightening of the bag around the child's head, making it impossible for him to breathe. This is followed by panic and suffocation.

There is some evidence that the same hazard applies to plastic sheets if used as mattress covers on the cribs of infants, and to plastic pillowcases.

More than 20 children in the country were reported to have suffocated because of the wrong use of these items.

Many more children could be added to the list, unless parents exercise care. Be sure to protect your youngsters against the misuse of plastic bags.

LABOR LEGISLATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. DENT] is recognized for 30 minutes.

Mr. DENT. Mr. Speaker, it has often been said that a lie will travel around the world before the truth can button its suspenders.

Having had some little experience in the field of legislative action and the forces that are set in motion when an issue has within it the ingredients of politics, morality, and greed, I can understand the unwillingness of many persons of good will and good intentions to speak out.

We have been wrestling for some 3 months in our Fair Labor Standards Subcommittee of the Committee on Edu-

cation and Labor with the various versions of labor reform legislation. During this time we have heard many witnesses—some for, and some against, and some who appear to give neutral advice and counsel. During all this time the public has been led to believe by the daily communiques and press releases as well as the many lines of press notices that legislation aimed at labor reform has been stubbornly and unequivocally opposed by all of the labor forces of this country. The testimony of our witnesses belies this assumption. It appears that the greatest amount of criticism has been aimed at some of our large unions and their leaders.

Setting aside for the moment the questions of individual morality and individual weaknesses or strengths of the various leaders of labor, I would like to address myself to this single and singular statement—organized labor, as such, is not unanimously or unequivocally opposed to labor legislation.

I submit to the Members of this Congress excerpts from testimony given before our subcommittee wherein definite suggestions and definite offers of legislation which proves beyond a doubt that labor recognizes its weaknesses where they have been shown to be and wants to correct them while at the same time fighting for the existence and growth of their bona fide labor organizations.

I would like then to give you these excerpts, not with the idea in mind of convincing you as to the right or wrong, but to prove the point that there is and has been attempts by men such as Mr. Meany, of the AFL-CIO; Mr. Carey, of the IUE; Mr. Hayes, of the International Association of Machinists; Mr. Zagri and Mr. Previant, general council, of the Teamsters Union, and many others representing labor unions who would welcome legislation that would eliminate from their ranks officers and/or members of questionable character and who have perverted their grave responsibilities to their members for personal gain.

I use the following testimony because it bears on the particular sections of the legislation which have been declared to be a proper part of a general provision of the National Labor Relations Act rather than being contained in a labor reform bill.

I compliment Senator MCCLELLAN who made the outright assertion that he would have no objection to this phase of the legislation being part of a separate and distinct action.

Let it be clearly understood that I stand foursquare with the Members of this Congress on the proposition that the fundamental rights of labor are to be safeguarded and that these rights should be safeguarded against those who would betray them in or out of their own organizations.

Upon review, the following discussions clearly illustrate my point that good reform legislation will find a ready response from many who are condemned as being opposed to any legislation when the record is to the contrary.

Following are a few statements made by Mr. A. J. Hayes, president, of International Association of Machinists, general vice president of the AFL-CIO, and chairman of its ethical practices committee:

I appear here today in my capacity as president of my own organization which represents 850,000 members working under labor-management agreements with more than 15,500 employers. My membership in the organized labor movement dates back to the year 1917, since which date I have been a member of the Machinists Union.

My purpose in appearing before this committee is to present my views with reference to S. 1555 (the Kennedy-Ervin bill) as it passed the Senate and is now before this committee for consideration. As amended on the floor of the Senate, this bill contains provisions which no responsible trade union officer genuinely interested in the welfare of the workers he represents could conceivably support. Lest that statement discourage you—and I make it with sincere conviction, and only after the most careful consideration—let me make one thing perfectly clear. I am not here urging softening amendments or so-called sweetening provisions. And I am not opposed to legislation which will, in fact, eliminate or minimize crime, corruption, or other wrongdoing. But I do have some definite convictions on the legislation passed by the Senate, and in support of presenting those views for your serious consideration I offer my 42 years of experience in the field which is the subject of the legislation.

Frankly, I am a little tired of the propaganda barrage so evident in the current press which labels every suggested change or recommendation of those with practical experience in the labor movement as an attempt to weaken or soften the labor-management reform bill. No matter how honestly intended or how meritorious the proposed deletion or revision, it is branded as a "softener" if it is suggested by a labor official. The theory back of such propaganda seems to be that because this is a labor reform bill, naturally organized labor is opposed to it and its officials will condemn and criticize the bill without real justification. That simply is not so. No matter what the foes of organized labor tell you, we are just as anxious as you to rid the labor movement of any corruption or racketeering or other abuse. Certainly that should be self-evident from the Federation's expulsion of the Teamsters and certain other unions the officials of which did not meet our standards of ethical conduct. Despite the fact that the Congress may conclude that the powers of the Federation are insufficient to fully cope with the problem, obviously such expulsion action proves the good faith intention of organized labor to rid itself of corrupt influences. And if this be so, clearly what we have to recommend with respect to the proposed legislation does not warrant the accusation or suspicion that we are trying to water down effective reform. We are doing no such thing. We are simply trying to tell you, based upon practical experience of many years standing, that much of what is being presented in the name of reforming corruption and abuse will not accomplish that at all but is simply destructive of perfectly legitimate procedures and customs which are necessary to the orderly and responsible functioning of a labor organization.

In previous statements which I have made on pending labor reform legislation I have said that I favored constructive legislation which honestly sought to remedy the abuses disclosed by the McClellan committee. I still stand by that statement. But I will not be a party to supporting punitive provisions which masquerade as reform measures but actually contribute nothing to the elimination of established abuses. Such provisions would only cripple or severely weaken trade unionism by destroying existing rights and privileges of honest, law-abiding union officers and union members. That is why I think it is of the utmost importance that the reasons for my recommendations to you be properly understood and considered.

On the basis of my experience in the labor movement it is my considered judgment that the Senate version of the labor reform legislation would, if enacted, be contrary not only to the welfare and interest of employees, but also to those of management and the general public. From the standpoint of employees and rank-and-file union members, many of the provisions of the Senate bill will actually deprive them of lawful rights and privileges rather than grant them new ones, impose impossible restrictions, incite needless litigation with its attendant drain on the workers' funds, substitute a government by courts for government by the members, produce unwieldy and unnecessary procedures and redtape, and generally result in disillusionment, disappointment, and resentment on the part of the overwhelming majority of union members and officers of reputable trade unions.

On the side of management, the many unnecessary and unjustified restrictions upon well-established and completely lawful union activities will encourage employers to substantially increase their opposition to unions. This combination will, as this combination has in the past, adversely affect harmonious labor-management relations and inevitably increase the incidence and severity of strikes. This is a long step back in what is supposed to be an enlightened era in labor-management relations.

From the standpoint of the public, the provisions which I shall specifically discuss make no real contribution to the elimination or penalization of crookedness or abuse of union office. On the contrary, most of them actually play into the hands of the very element sought to be restrained by the bill by striking down some of the safeguards honest union members have embodied within their governing laws and honest union officials have utilized for many years to thwart or restrain disruption, disorder, and irresponsible action by subversive, dissident, or crackpot groups bent upon destruction of the union.

I believe it is particularly unfortunate that the Senate of the United States has seen fit to enact legislation which, without any question, severely penalizes the innocent majority for the sins of a relatively small minority. Let us not forget that the report of the McClellan committee itself states in part that the misconduct of certain elements in both labor and management is in no way intended to reflect on the overwhelming majority of the labor unions and businessmen of this Nation of whose integrity the committee is firmly convinced.

I use this portion of Mr. Hayes' testimony to clearly point out the willingness for cooperative action by this large international union.

Another leader of labor who has a reputation as a fighter for the rights of all peoples is Mr. James B. Carey, president of the International Union of Electrical, Radio, and Machine Workers, AFL–CIO; a vice president and member of the executive committee and executive council of AFL–CIO; and secretary-treasurer of the industrial union department, AFL–CIO.

He talks of another phase of this legislation which has received too little attention from the agencies responsible for forwarding information to the peoples of this country.

In much of the testimony given, particularly that of Senator GOLDWATER, there appears to be an underlying move to weaken the labor movement politically as well as economically. The assumption is advanced that the unions are too powerful and that they pose a threat to the economy of this country. I, therefore, submit for the consideration of all, portions of the testimony given by Mr. Carey:

Before opening a discussion of the merits of any of the specific bills before you, I should like to make some general observations. It has been very loosely claimed that labor unions now have an assured and impregnable position in our society. It is glibly asserted that unions are too strong and must be shorn of some of their powers. It is argued that they must be more democratic than the New England town councils of old. I think these assertions and assumptions are demonstrably false. Consequently, a brief statement on the status and function of labor unions in our present day free enterprise system seems to be in order.

One cannot properly assay the role of labor unions in this country today without an understanding of the nature and concentration of modern corporate power. A. A. Berle points out, in his study titled "Economic Power and the Free Society," that approximately 50 percent of American manufacturing today is held by about 150 corporations, reckoned on the basis of asset values.

Taking a larger group, it is probable that about two-thirds of the economically productive assets of the United States, excluding agriculture, are owned by a group of not more than 500 corporations. In terms of power, without regard to asset positions, not only do 500 corporations control two-thirds of the nonfarm economy, but within that 500 a still smaller group has the ultimate decision-making power. Berle points out that this is the highest concentration of economic power in recorded history.

The concentration of economic power may also be expressed in terms of individuals. Thus, recently the National Bureau of Economic Research made the following finding:

"In 1953, the wealthiest 1 percent of the population owned about 30 percent of all wealth, at least 90 percent of all common stocks and virtually all State and local government and corporate bonds."

Each corporation is a highly centralized authoritarian institution in which the officers and boards of directors control policy with almost no check or veto from the stockholders. These officers and directors, for all practical purposes, designate their associates and successors on the boards of directors. The result is that a great corporation is an automatic self-perpetuating oligarchy. Such an organization can, of course, act quickly and secretly in the making of policy, and move without delay in executing that policy with massive power. If labor organizations are to have any impact on this type of economic organization, they must be organized in a manner which can cope with authoritarian power of this nature.

John K. Galbraith, certainly one of the most penetrating of American economists, points out that corporate power necessitates comparable union power. He has called it countervailing power, and illustrates it this way:

"Private economic power is held in check by the countervailing power of those who are subject to it. The first begets the second. The long trend toward concentration of industrial enterprise in the hands of a relatively few firms has brought into existence not only strong sellers, as economists have supposed, but also strong buyers as they have failed to see. The two develop together, not in precise step but in such manner that there can be no doubt that the one is in response to the other."

He goes on to say:

"The operation of countervailing power is to be seen with the greatest clarity in the labor market where it is also most fully developed. Because of his comparative immobility, the worker has long been highly vulnerable to private economic power. The customer of any particular steel mill, at the turn of the century, could always take himself elsewhere if he felt he was being overcharged. Or he could exercise his sovereign privilege of not buying steel at all. The worker had no comparable freedom if he felt he was being underpaid. Normally he could not move and he had to have work. Not often has the power of one man over another been used more callously than in the American labor market after the rise of the large corporation. As late as the early twenties, the steel industry worked a 12-hour day and 72-hour week with an incredible 24-hour stint every fortnight when the shift changed.

"No such power is exercised today and for the reason that its earlier exercise stimulated the counteraction that brought it to an end."

Let there be no illusion, however, as to the security of unions today. The struggle to organize unions, and to retain them, is intense and bitter on many sectors of the industrial front. Established unions have to fight for their existence in some industries. A well-known example is the textile industry. Under the law, every union is theoretically subject to extinction when the term of its collective bargaining contract expires and challenge may be made to its continued majority status. While this is only a theory in some instances, it is a painful fact for a very large number of unions. In short, in a very substantial part of American industry, trade unions do not have a secure place.

Such security as they have is under an ever present threat from unorganized industry, which is sizable indeed. Only slightly over 33 percent of approximately 50 million nonprofessional and nonsupervisory employees are in trade unions. It must be remembered, however, that this union membership is not evenly distributed. In fact, about 15 million union members are concentrated among about 31 million nonagricultural workers. Less than 10 percent of the remaining 20 million nonagricultural workers are organized. Of about 13 million clerical and sales workers, only about 18 percent are organized. The number of union members among the 6 million domestic and agricultural workers is infinitesimal.

Speaking generally, the form and the manner of operation of American labor unions are necessitated in large part by the nature of their principal adversary, the modern corporation. The labor union as it exists today in the United States is an inevitable and salutary response to the challenge of concentrated corporate power.

An illuminating analysis of one aspect of this problem appears in the current Harvard Business Review for May–June 1958, in an article titled "Trade Unions: Romance and Reality," by Benamin Selekman.

Selekman states:

"The trade union, then, is a power organization putting pressure on management for advancing wages and working conditions. From its nature as a power center stems the necessity for centralized administration. Since in the final analysis the threat of a shutdown determines the price which a corporation will pay for labor, a union must be able to initiate and conduct strikes, and a well-organized strike is essentially an exercise in military strategy and tactics calling for highly centralized decision making. It is a form of blockade. Hence the weapons that trouble businessmen and the community in general come into play—the picket line and the boycott. But once we grant the legitimacy of a strike as a weapon in the negotiating process, then we must also grant the legitimacy of using the weapons which make the strike effective."

Selekman goes on to say:

"The tendency toward centralization in American trade unions is therefore rooted in their militant origin. From the beginning until well into the 1930's, only by means of a military strategy could the unions make any progress and hold on to any gains they might have made from time to time. Such strategy called for planning from the top—for deploying organizers, throwing up picket lines, establishing commissaries, providing legal assistance, and raising money to finance this widespread military activity. Unions had to crash the gate to force their way into industry."

This tendency to centralization has been equated, by hostile critics, to a lack of democracy. This view ignores the underlying realities, as pointed out by William M. Leiserson in a book written before his death and released last week, titled "American Trade Union Democracy." He discusses the charges which have been made about the dangers to democracy in labor unions.

He points out, however, at page 68, that "the dangers to liberty and democracy in union organizations are basically the same as those that lead to arbitrary rule and suppression of freedom in nations—insecurity, threats of war, fear of attack from the outside, rebellion within. Among American unions the sense of insecurity is pervasive; they seem to live in constant fear for the safety of the organizations. Ever present they see dangers of attack from employers, threats of antiunion laws, court injunctions, jurisdictional wars with competing organizations, internal disorders causing disunity, and the necessity for strikes to protect gains and win improvements."

Time does not allow a more extended analysis. But even this brief discussion provides a perspective essential to any objective consideration of legislation directed toward the control of labor union administration.

I am sure that we can at least make the admission that there is another side to the question after reading Mr. Carey's statement.

I would like now to submit a part of the testimony of the policy of the AFL–CIO as presented by Mr. George Meany, president of the affiliated groups of unions that represent some 13 million American workers. His statement follows:

OUR POSITION ON LABOR-MANAGEMENT REFORM LEGISLATION

We favor some labor-management legislation for two reasons:

In the first place, disclosures before the Senate Select Committee have made it painfully evident that some segments of the labor movement have succumbed to racketeer control, and that a minority of union leaders have engaged in corrupt and other reprehensible activities. That committee has likewise disclosed that certain employers would rather make corrupt deals with dishonest union officials than meet their statutory obligation to bargain collectively in good faith with proper representatives of their employees; and that some employers have also employed various other indefensible methods for frustrating the attempts of their employees to form unions.

In the second place, it is manifest that these abuses cannot be adequately dealt with solely through self-regulation by the groups involved. The AFL–CIO has adopted a drastic self-policing campaign, and in its implementation it has expelled organizations with a membership in excess of 1½ million because these organizations had come under

the domination of corrupt individuals. Yet once the drastic step of expulsion is taken there is not too much more that the AFL–CIO can do to protect workers and the general public against the improper activities of officials of these expelled unions. Again, the AFL–CIO cannot check the unethical and occasionally criminal practices engaged in by certain segments of the business world; and while a voluntary association has in the nature of things only limited effectiveness in policing the ethics of its membership, it cannot be said that any of the business associations has made any effort at all along these lines. For these reasons we believe that some legislation is necessary, as respects both unions and employers.

Mr. Meany goes on to give an analysis of the legislation that we must study and to give detailed and specific suggestions to this Congress. I recommend the complete reading of his testimony.

I now present the views of Mr. Zagri and Mr. Previant, legislative and special labor councils for the International Brotherhood of Teamsters.

Since much of the publicity and many of the charges that have been aired to the public were geared to the Teamsters, I believe that in all fairness, their testimony should be made part of the RECORD.

Their testimony deals more with the labor viewpoint on the controversial subjects contained in amendments to the Taft-Hartley Act. At the outset let it be understood that from an analysis of all the testimony given to our committee, it appears to me that these particular phases of this law are the bones of contention. These provisions deal with the hot cargo, organizational picketing, and secondary boycott sections of our national labor policies and laws.

No less an authority than Senator MCCLELLAN has publically stated in hearings before our subcommittee that these particular phases of labor legislation might be better handled in a separate piece of legislation dealing with the basic labor law. This, of course, makes common sense. It is a makeshift and a haphazard method of operation when certain sections of a law are handled separately without regard to their relationship to other provisions in the law itself. It is therefore, of great importance to all of us to read the following excerpts from this testimony, if for no other reason than to point up the wide difference in the interpretation of these sections by the National Labor Relations Board rulings, Supreme Court decisions, and management and labor interpretations.

These subjects are not placed on a sacred pedestal and are not above the perverseness of this Congress, but they are necessary because of the serious impact they have upon labor-management relations, a proper subject for separate and detailed action by the Congress of the United States.

Following is a partial analysis of these subjects, well outlined by the Teamsters:

My name is David Previant. I am a member of the law firm of Bohlberg, Previant & Cooper of Milwaukee, Wis. Our law firm has specialized in the law of trade unions for over 47 years. I am a member of the Wisconsin and Michigan Bar and the bar of the Supreme Court of the United States. I belong to the Wisconsin, Michigan, and American Bar Associations and have held committee offices in the labor relations sections of those associations.

During the past 24 years I have represented local, regional, and international unions before State and Federal courts, administrative bodies, and legislative bodies.

I am here today as special labor counsel to the International Brotherhood of Teamsters, in which capacity I have represented such union for the past year.

Since Mr. Zagri will cover the proposed legislation as it relates to the internal affairs of labor organizations, I shall direct my remarks principally to the proposals which deal primarily with amendments to the Taft-Hartley Act. And since most of the controversial amendments to the act are those relating to secondary boycott and organizational representational picketing, I should like to direct my remarks principally to those problems.

First, with respect to the secondary boycott and hot cargo problems, our problem can be simply stated. We believe that the present law is already too highly restrictive and that amendments should be directed to liberalization rather than tightening. We believe that such liberalization is required because there just is not a so-called neutral third party in the typical secondary boycott situation.

In order to illustrate this point, and at the risk of perhaps being a little too elementary, let us look first at the typical primary dispute—a strike for better wages and for better conditions of employment.

In such a case, the employer normally has two objectives. First, he wants to avoid, if he can, making any concession which will increase his cost of operation. Secondly, he wants to avoid or at least minimize any interruption of production during the strike.

A picket line at his plant may make continued efficient production impossible. Suppliers and purchasers or their employees may decide to refrain from helping such employer break the strike. They will usually not go through the picket line. The refusal of employees of either suppliers or customers to enter upon the premises of a struck employer is not the type of conduct which Congress intended to outlaw in 1947 or, we are sure, would want to outlaw today.

Aside from the serious constitutional questions involved, such restriction would destroy the most fundamental of all labor's rights, and that is the right to strike.

But now let us look at a common development in that strike. Often an employer whose employees are on strike will try to avoid the consequences of the strike, either by subcontracting his work to another company or by transferring his work to another plant, which the employer owns. If he is able to do either, free from any peaceful efforts on the part of the strikers to follow the subject of their dispute, the right to strike becomes at best an empty privilege.

As a practical matter, such scheme, if successful, obviously means that the strike has been broken.

In situations of the type just described, I think we will all agree there is no so-called neutral. Certainly the employer whose employees are on strike is not a neutral. It is equally plain that the company or plant which takes over the work which the striking employee normally would be performing cannot legitimately claim neutrality.

In such a case peaceful activities at the premises of either the struck plant or the plant doing the struck work should, and must, be permitted if the right to strike is to have any meaning.

Such peaceful activities usually consist of the display of truthful picket signs which set forth the facts or the nature of the dispute.

We think it is clear that an employer who undertakes to perform struck work or to do business with a struck employer necessarily makes an election at that point. If he wishes to avoid becoming a party to the labor dispute, he may protect himself by simply refusing the work. But if he chooses to do the work he should not be permitted to claim the protecton of Federal law as a neutral to the dispute.

The National Labor Relations Act has been so applied in a number of cases by the courts of appeal, but not quite so consistently by the Board itself.

At this point it might be well to observe that while Congressman BARDEN's bill apparently was intended to affirm this principle of following struck work, we believe that it actually imposes a limitation on the present application of the law. This is so, because the Barden bill would permit only strikes or refusals to perform the services which the strikers would have otherwise performed. This would outlaw, then, picketing for such purpose, or for the purpose of advertising the farmed-out work. It would make this limited right dependent upon an express agreement between the struck employer and the second employer and, by implication, it would outlaw the right to refuse to handle the struck goods or services, and we believe this would leave very little freedom for the strikers.

If any amendment is required in this area, it should be one which clearly establishes the right to follow such farmed-out goods or services and to urge that they not be bought, used, or sold.

Under present Board doctrine, however, it is practically impossible to make a simple request by way of an informative factual picket sign.

Let us take the instance of following the struck goods to a retail outlet, to the consumers, a picket sign addressed to the consumers asking them not to purchase or use goods which originated in a strike-bound or unfair plant.

In the Dallas General Drivers case, before the Board, employees of a retailer's co-op grocery warehouse struck for better wages and conditions and in protest of what they considered to be an unfair discharge. They picketed the retail outlets of the warehouse with picket signs which requested the customers of the stores not to purchase the groceries which came from the struck warehouse.

The customers were not asked to stay out of the stores, and they did not. The store's employees were not asked to honor the picket line, and they did not. Persons making deliveries to the store were not asked to stop such deliveries, nor did they stop such deliveries.

Yet the Board held that since this picket line might not induce—nor did induce but might not induce—other employees not to service the store, such picketing constituted an unlawful secondary boycott.

Now, it is against these perversions of the law by the Board that we protest, and it is against such perversions that we believe we should have relief.

Now, we go to another situation which illustrates a basic, primary dispute. That is one in which union standards are being placed in jeopardy because of substandard conditions in the same industry.

The nonunion employer who pays substandard wages, and usually no fringe benefits, such as pensions and group insurance, is in no position to claim immunity from protest. It is an economic fact that our present day industrial, commercial, and transportational organization virtually makes the entire country one vast single market. The policies of a single employer can and often do affect collective-bargaining patterns in the entire Nation. The steel industry negotiation today is an obvious example.

Now, especially in highly competitive industries, such as transportation, wages cannot be increased or even maintained in the

face of nonunion unfair competition within the industry.

A single employer who refuses to pay union wages and benefits can and does threaten the standards of the union and its members. And even though nonunion employers may be in the minority in any given industry, they obviously constitute pressure against both the union and the responsible employers who compete on the merits of their product and not upon labor exploitation.

The U.S. Supreme Court stated, "An elimination of competition based on differences in labor standards is the objective of any national labor organization." That is why they are for them, gentlemen.

Consider, if you will, the case of a nonunion trucking company, which pays its employees 50 cents an hour less than union employees receive. This may sound like an exaggeration. The fact is that in States such as Nebraska, where some employers have been quite successful in crushing organizational activities among their employees, the differential between union and nonunion wages actually exceeds 50 cents an hour in most cases.

Mr. LANDRUM. Would you yield at that point?

Or did you ask us not to yield, Mr. Chairman? I am sorry.

Mr. PREVIANT. Even if such a nonunion employer employs only 10 employees for only 40 hours a week, he has a competitive advantage based solely on substandard wages of $10,000 a year over his competitor who has only 10 union employees, but who is paying union wages.

An elaborate argument should not be necessary to demonstrate that a union employer in such a case will find it exceedingly difficult to survive, and if he cannot last, his union employees cannot either, and that is a situation which we face today in Nebraska and in many other States.

We earnestly submit that the employer who chooses to compete with organized companies on the basis of substandard wages and minimum or no fringe benefits certainly is not a neutral and the union has every moral and legal right to publicize the substandard conditions prevailing at his shop. Such an unfair employer has a clear-cut choice to make. He can avoid the consequences of the labor dispute by simply raising the wages and fringe benefits received by his employees to the standards prevailing in the community. He then would no longer be competing with unionized employers on the basis of substandard wages. However, where an employer chooses to compete with organized employers on the basis of substandard wages and fringe benefits, he must expect and be willing to assume whatever disadvantages may arise as a result of the union advertising those substandard conditions.

Now, from these examples of the usual primary dispute—and we believe both of these instances are classic examples of the primary dispute—we now go to the so-called secondary boycott, which, as we shall show, is nothing more than a more complicated primary strike, and actually does not involve so-called innocent neutrals.

We earnestly submit that an employer who deliberately chooses to do business with another employer whose employees are on strike, or with an employer who pays substandard wages and benefits, necessarily and inevitably makes himself an ally of the struck or nonunion employer. He, too, has the choice of remaining outside the area of the dispute by simply not doing business with the employer involved in the dispute. But if he decides to participate in the dispute by continuing to do business with and thus help the unfair employer, his own employees should and must be protected in the exercise of their rights to refuse to handle or work on the unfair or struck goods. The employees of a unionized employer should not be required to commit economic suicide by handling the goods or products of an employer whose operations directly threaten their very livelihood. They should not be required to be the pallbearers, if you please, at their own funeral. And the affected union and its members should be permitted to tell them so and to solicit their support.

This refusal to handle or patronize unfair goods or hot cargo is a principle followed for centuries in all parts of the world and in all forms of social or economic relationships.

One need only recall in our own history the refusal by the American colonists to buy British tea, the abolitionists' refusal to buy slave-made products, the refusal to purchase Japanese silks in the 1930's, our recent buy-American campaigns. These principles of self-preservaion and mutual protection are fundamental to our Nation's foreign and economic policies.

Thus, we do not do business with such countries as Red China, because we consider their policies to be inimical to our way of life.

Further than that, we use every available device to induce other countries to boycott Red China in the world market, and sometimes use economic coercion in that endeavor, and before World War II, we adopted an official policy of isolating or quarantining the aggressor. We place tariffs upon goods manufactured in European countries because we recognize that foreign producers utilize their low-wage costs to compete with American producers on the American market.

Were it not for these tariffs, the prices of foreign producers would be much lower than those of American producers paying decent wages and benefits.

In short, we have always recognized in our national policies the legitimacy and the necessity for a program designed to protect an employer paying decent wages and benefits from the destructive competition of a company which seeks to capture a market through the use of what unions call scab labor.

By the same token, if unions are to protect the wages and benefits which they have obtained through many years of sacrifice, it is imperative that they be permitted to dispute with any employer whose operations jeopardize their standards in the community or in the State or in the Nation.

History proves the extent to which an industry is unionized directly affects the extent to which the employees in that industry enjoy an improved standard of living. If organized labor is to successfully continue its efforts to improve the lot of the workingmen, then methods such as peaceful picketing and the negotiation of unfair goods contracts should be enacted. Instead, and not surprisingly, the National Association of Manufacturers, the U.S. Chamber of Commerce, and other spokesmen for business and industry ask for more restrictive legislation. They indicate that the present law is too loose. Yet today, as section 8(b)(4)(a) has been applied, unions are ably protected from engaging in protective activities in what they consider and what we believe economically are in fact primary dispute situations.

Unions cannot under present law engage in picketing activities except at the principal place of employment of employees involved, with very rare exceptions, even though the employer and those employees may be doing business and working at many other places. Nor can a union engage in a dispute with the XYZ company, induce the employees of the ABC company to assist their strike, by refusing to service XYZ company, or by refusing to handle the scab goods. Such inducement, of course, is permissible at the point where the Board says the primary dispute has taken place.

The Board has neither been consistent nor fair in its placing of that place of the primary dispute. The employees of ABC may at that point where XYZ is on strike, be induced by the pickets not to go through their line. But such an inducement, the Supreme Court has said, is really the inducement of individuals, and not considered concerted inducement. Yet both Congressman BARDEN's bill and Congressman KEARNS' bill would destroy even this limited right by amending 8(b)(4) to include a prohibition on the inducement of the individuals. This would prohibit even the so-called good or primary boycott, and in many instances completely nullify the right to strike.

Additionally, the Kennedy bill, the Barden and the Kearns bill, would also induce employers in activity which is prohibited today by the Taft-Hartley Act. Such inducement of employers was never considered a secondary boycott, if the employer could not be effectively threatened with economic damage, and I use the word "effectively" for this reason: I know that there has been testimony that some employees have been threatened with work stoppages if they continued to do business with nonunion companies. The fact is that under present law such threats are meaningless. They cannot be carried out. Every employer knows that today. He knows the meaning of section 8(b)(4). He knows the law flatly prohibits such threat by strike or work stoppages. So there has never been in those cases any effective secondary boycott, no matter what you want to call the inducement, whether you call it persuasion, or threat.

On the other hand, there is nothing intrinsically wrong or evil for a workingman or his union to appeal to others not to engage in activities which will hurt him. And if the other person is sympathetic, he should be permitted to enter into an agreement with the workingman that he will not hurt him. Such simple request or agreement is also forbidden by the Kearns and the Barden bill in all circumstances, and by the Kennedy bill in the limited circumstance of the common carrier.

We appreciate that under the Barden and Kearns bills the inducement is couched in the words of threat or coercion, but these are words of such elusive and indefinite content and the line between threat, coerce, persuade, and induce, is such a thin and fine one, that we would feel that the importation of such language into the act would for all practical purposes eliminate any kind of an inducement.

Now, since the Kennedy bill is more limited in its dealing with the so-called "hot cargo" contract, we will discuss it in detail. But our comments will, of course, apply with greater force, and of course with greater emphasis, to the broader provisions of the Kearns and Barden bills, because, as I have stated, they have gone considerably further than the limited prohibition found in the Kennedy bill.

The Kennedy bill makes it an unfair labor practice for any labor organization and any common carrier, subject to part II of the Interstate Commerce Act, to enter into any agreement, expressed or implied, whereby the carrier ceases, or refrains, or agrees to cease, or refrain from handling, using, or transporting any of the products of any other employer or to cease doing business with it.

We believe that to call it a ban on "hot cargo" is a complete misnomer.

This provision goes far beyond any ban on hot cargo. It is actually aimed at the heart of the labor movement. The core of any hot cargo or picket line provision is the agreement that no employee shall be discharged or disciplined for refusing to go through a picket line or refusing to handle unfair goods as a matter of individual choice. However, this ordinary picket line clause,

which, as I have said, prohibits the disciplining of employees of a common carrier, certainly may be construed to be an implied agreement that the carrier will not do business with an employer who is being picketed, or will not handle or transport goods of another employer, if such goods have been declared unfair. For if a common carrier gives up its right to compel its employees to go through a picket line, or compel its employers to handle or transport unfair goods, and if it cannot otherwise discharge its obligations, then certainly it has agreed not to do business with another employer.

This same result would flow if a common carrier grants permission to its employees not to cross a picket line. Because of the giving of such permission, the carrier's failure again to discharge the employees may well be considered an implied agreement on the carrier's part not to do business with the struck employer.

Even if the employees of a common carrier were not sent to or through a picket line, such employees would still be required to break strikes by handling and transporting the unfair goods at points away from the picket line and away from the strike-bound plant. Thus nonunion cartage companies, the trucks of the struck employer, driven by scabs or supervisors, will either transport goods from the plant to the common carrier's dock or to an agreed upon meeting place or pick up goods at the dock of union common carriers to take into the plant.

Today, the union truckdriver and dockworker can refuse to assist in these strikebreaking tactics by refusing to handle such goods away from the strike-bound plant.

Under this law, of course, it is clear that the law even more directly prohibits contracts under which common carriers would agree not to transport goods to or from strike-bound plants or agree not to transport unfair goods or agree not to interline with nonunion truck companies.

It is obvious that the total result of these restrictions on picket line and "hot cargo" contracts is to make the employees of common carrier strikebreakers in every conceivable situation.

Also, the law is applicable in a number of less obvious situations.

For example, it would prohibit a union from agreeing with an employer that only unions and garments with union labels shall be used, since this would be an agreement by the carrier not to use nonunion goods, which are the product of another employer, and not to do business with nonunion garment companies for the same reason a union could not agree with a common carrier that only union-made truck parts and other automotive supplies should be used.

It could not agree with a common carrier that only union labor shall construct its terminals or service its terminals.

Any discharging clause in a contract with a common carrier would be out. The Machinists Union could not enter into an agreement with a common carrier that the work which they are performing in the repair shops shall not during the life of the contract be subcontracted out to a nonunion shop. Any contract clause in which the employer recognizes the jurisdiction of a particular union and agrees not to assign those employees to do work within another jurisdiction could be, under this law, held to be an illegal "hot cargo" contract.

Now, it has been argued that this "hot cargo" ban is not as bad as it seems, because it only does that which the Taft-Hartley Act and the Interstate Commerce Act already provide.

Now, that is not true. Under both laws, a "hot cargo" contract has not been declared illegal. Under the Taft-Hartley Act, the Supreme Court said we could write such a contract, and as long as the employer voluntarily acquiesces in complying with the contract, it was valid. But we could not strike or create a work stoppage in order to enforce that contract if the employer chose to disregard his obligations. And the Interstate Commerce Commission has never said that a "hot cargo" contract was illegal.

It has deliberately refrained from passing on that, saying it was not within its competence to do so. It has, however, approved tariffs which excuse a common carrier from making deliveries where there are picket lines or labor disputes, and in each instance, what it has done is examine the particular circumstance under which the service is not being performed, and it has come to its judgment as it should under the facts of each circumstance, to determine whether or not the common carrier has abridged or violated any duties which it is required to perform under a certificate, because certainly its duties are not absolute.

Now, on organizational and recognition picketing. Again, I will turn to the Kennedy bill first, because again both Congressman BARDEN's bill and Congressman KEARNS' bill seek to achieve the same purpose but in our opinion are more restrictive even than the Kennedy bill.

Now, under the Kennedy bill it has made it an unfair practice to picket any employer, with the object of either forcing or requiring the employer to recognize or bargain with a labor organization or to force or require employees to enforce or select such labor organization.

There are certain exclusions—one, where the employer has recognized another labor organization in accordance with the law, or, two, where a valid election has been conducted during the preceding 9 months and the picketing organization has not since been selected as a majority representative.

Turning first to the recognition picketing, we agree that generally if a bona fide union has been properly selected or designated by a majority of the employees, and has entered into a bona fide contract, there should be no right in another organization to disturb that relationship by picketing for recognition or bargaining until a question concerning representation may be properly raised. And we are pleased to note that one of the exceptions in the act does not apply if the union which the employer has recognized is one that has been created as a result of an unfair labor practice under the act. But that requirement, in our opinion, is inadequate to meet that real problem.

We believe that this provision of the law is an open invitation to the creating of phony or company unions, or to invite dishonest unions into the picture, when a bona fide union is on strike, and/or picketing for recognition.

Let us take a typical situation. Union A represents a majority of the employees of employer X. X refuses to recognize union A. Since union A knows from past experience that X will stall indefinitely by all kinds of subterfuges, and because the Board is notoriously slow in granting relief in representation cases, unon A is compelled to strike for recognition and to picket in support of that strike.

Now comes union B, either created by the employer and a handful of employees who have not gone out on strike, or the so-called racket union, already in existence, and pirating on the good union people.

Employer X signs a contract with union B, the outside union, and immediately files a charge with the Board to restrain union A, the picketing union, from continuing at picketing, because it has recognized and is under contract with union B.

Under the proposed amendment, the Board is required to apply to the Federal district court under section 10L. It is mandatory they do so. At this point, striking union A raises the defense that union B was established by the employer in violation of section 8A. This is a defense which the law purports to give it. But as we read the bill, when the Board goes to the Federal district court for a mandatory injunction against the picketing, the union cannot raise this defense at this time. The bill is specific in saying that it is a defense to a charge, not to the 10L injunction proceedings. There is nothing in the law which would prohibit the issuance of an injunction by the Federal court.

The striking union would then have to wait the one and one half to two years that it has currently taken the Board to process complaint cases. A victory 2 years later, of course, would be meaningless. After 2 years the employer would not be too much concerned whether he won or lost. His immediate purpose with the aid of the Government would have been accomplished.

Now, another problem which arises is the status of economic strikers. It is conceivable that employees who strike for better wages and conditions may, after a short period, find the employer taking the position that the union no longer represents a majority of the employees, because he has hired a sufficient number of strikebreakers and has signed a contract with another union. The economic strike can thus be quickly converted into a strike for bargaining or recognition. The next step is to break the strike by restraining picketing, because the employer has recognized and signed a contract with another union, so that the strike is broken; and I guess the O'Sullivan Heel case is the classic example of that.

Now, much more serious a threat than the ban on recognition picketing is the one that is couched in terms of picketing to force or require an employee to accept or select a labor organization as the bargaining representative. This is a ban on so-called organizational picketing. But notice the semantic technique of referring to peaceful picketing as force.

Is it not strange that when an employer who has the working man's job firmly within his grasp advises or urges a working man not to join a union, this is merely free speech; but when a labor union exercises its right of free speech, by what the Supreme Court says is the working man's means of communication, the picket line, then they are using force and coercion?

And of course once you equate the two terms and use them interchangeably, you have accomplished what you have set out to do. Of course, everybody is against coercion. You do not have to prove it any more.

We note that at least one previous witness has not only used this semantic trap by not only substituting coercion for peaceful picketing, but has also used another type of switch. He tried to subvert the union's right of organizational picketing to an alleged assertion of an "authoritarian and paternal position to decide for employees which union, or if any union, will represent them."

The trade union movement makes no such assertion. It is true often the trade union movement is persuaded that lack of organization does not grow out of any self-determination that organization is no good. We have found over the years that more frequently than not, lack of organization does not flow from indifference, but from fear of reprisal by the employer or by other elements in the community. It also flows from the failure of the procedures of the National Labor Relations Board to provide prompt determination of representation and other issues. It may also result from the free-rider situation, in which the employer keeps pace at least with union rates, in order to discourage unionization.

In any event, picketing the place of employment of nonunion employees is motivated not so much by any missionary obligation toward the nonunion employee as it

is to protect the standards of the union employees in the same area or industry. We are organized to prevent low wage competition, and we will publicize this low wage competition as long as we can. There is no question but that we have a right and we have a need to do so.

Now, at this point, it should be observed that the Kennedy, Barden, and Kearns bills, insofar as they purport to prohibit so-called organizational picketing are also subject to the construction of prohibiting simple informational picketing designed to inform the public that the nonunion employees at a particular place of employment are working for substandard conditions which endanger the wages and conditions of union members or perhaps in protest of unfair labor practices committed by the employer.

The question of what is the object or purpose of particular activities is always a difficult one to answer. Informational picketing may have as its principal or sole purpose the communication of facts to the public in the hope of persuading the public not to give its business to the nonunion establishment. It may also have other effects and may be accompanied by other hopes. Deliveries may or may not be made through the picket line. Other persons sympathetic to the union's cause may stop doing business with the nonunion establishment, or with the nonunion employees. The nonunion employees may decide to join the union. The employer may urge them to join, as he has a right to do.

So even after certification, or if there has been an election with no certification, informational picketing certainly performs a useful and a valid and a legal function.

Now, in the sorting out of all these hopes and results, who is to say whether the picketing is informational, organizational, or representational? Yet it is clear that purely informational picketing is protected by the decisions of the U.S. Supreme Court.

So we say that these purported bans on recognition picketing and organizational picketing directly intrude upon basic rights in a primary dispute.

Finally, in connection with this entire subject of the secondary boycott, recognition picketing, and organizational picketing, we challenge the assertion that limiting these traditional, peaceful, legal, and morally justifiable activities bear any reasonable and immediate relationship to the task of eliminating gangsterism, racketeering, or corruption in the labor movement.

We feel that in the 250 days of testimony before the Senate committee, covering some 40,000 pages of transcript, relating to the activities of over 70,000 local unions, having approximately 15 million members, the instances of use of the picket line or so-called secondary boycott for corrupt, unlawful purposes are so insignificant as to be practically nonexistent.

A few improper instances were recorded. Each such instance was remediable by State or Federal law. A fair appraisal of the testimony does not in our opinion support any claim that the alleged abuses grow out of peaceful picketing and boycott activities.

The testimony of alleged improper picketing and boycotting was not in the context of racketeering or corruption. It was in the context of allegedly unfair use of economic power. It is precisely to that area that debate should be confined. It is decidedly unfair, in our opinion, to play upon the assertions of immorality and dishonesty for the purpose of advancing legislation which should and must be evaluated only in the light of established national policy relating to free collective bargaining. The very fact that some of the proponents of these restrictions on organizational strike activities of labor unions choose to mask their motives by arguing that such restrictions are necessary to cut racketeering or corruption demonstrates their recognition that they cannot win their argument on the merits.

We say they cannot win their argument on the merits, because the real thrust of the argument is that labor unions must be weakened. If they were completely frank, if they were completely honest, the National Association of Manufacturers, the U.S. Chamber of Commerce, would come in here and say to you: "Unions have become too effective. They are doing the economic job for which they were organized. They are eliminating wage competition. This is hurting us. Therefore, since we cannot, at this point in history at least, hit them headon, let's skirmish around the edges. Let's start to eliminate the peaceful traditional methods by which they extend the organization or by which they defend what they have. Once we do that, the rest will be easy."

But of course such an approach could never be sold to the majority of the Congress nor to the people of the country. And that is why we have this oblique approach.

That, gentlemen, is our presentation on the question of the boycott and picketing. Mr. Zagri will now take over on the problems relating to internal matters.

Thank you.

Mr. ZAGRI. For the record, my name is Sidney Zagri, Z-a-g-r-i. I am legislative representative for the International Brotherhood of Teamsters. I have been a member of the Wisconsin Bar since 1941. I have practiced law as a member of the staff of the National Labor Relations Board, the War Labor Board, and as a member of the law firm of Gilbert & Zagri, and for the past 4½ years I have been both community action director for the Teamsters in St. Louis and public relations counsel for the International Brotherhood of Teamsters, and in this connection I have had extensive experience in relation to the internal affairs and operations of at least 22 local labor unions in the St. Louis area. So I feel that I can talk with some degree of confidence with reference to democracy as it exists in the Teamsters' locals in our area, and I think I can talk with some degree of authority on the general question that this particular legislation deals with.

I would like to also say that I am speaking for the officers and the executive board of the International Brotherhood of Teamsters. They are on record supporting the position we are taking here this morning; and also the executive board of 44 joint councils of the International Brotherhood of Teamsters, who have also taken action on this problem.

I would also like to state for the record that we are for legislation in this area of labor reform. We are for a bill. We are for the purported objectives of the Kennedy, the Barden, the Kearns bills. We are for reporting a disclosure. We are for a regulation of the conflicts of interest. We are for a regulation of removal election of officers. We are for regulation of trusteeships, and we are for reasonable enforcement machinery which will be necessary to achieve these objectives.

Now, our difference—and I think the basic issue is the approach to the attainment of these objectives, gentlemen—I think the basic difference is whether or not we should achieve these objectives through governmental top-down control, regulation of the internal affairs, where the Secretary of Labor becomes the principal officer of every labor union in America, or whether the approach is a top-bottom approach which will, through legislation, if you please, implement the democratic procedure so that the rank and file members of our trade union movement can more effectively, through democratic action, realize the legitimate aspirations of the labor movement. And I think it is with reference to the means applied that our discussion this morning is concerned.

I think the top-down regulatory approach by Government is a basic departure from our national policy and certainly from our national labor policy. It was proposed at the time of Taft-Hartley in 1957, and it was rejected. It was something that was relegated for experimentation to the State level. If you gentlemen, if the Members of Congress, should adopt the regulation by Government of the detailed minute internal affairs of a labor union, beyond the general area of reporting and disclosure, which we have today under Taft-Hartley, and beyond the area of simply implementing democratic procedures, we are then establishing a precedent which at least the Congress should be aware of, because this would be the first time that the Congress would have entered onto a new basic policy with reference to basic autonomous organizations in this country.

I think that today it could be labor; tomorrow it could be business. Tomorrow you may have legislation calling for not the regulation of the relationship of members to officers in a union, but regulation of the relationship between stockholders and the corporation.

You may have legislation under a different Congress saying that the member who has one share of General Motors stock can go to the Secretary of Commerce and ask him to investigate the election of the board of directors. You may have a situation where Congress may be asked to pass laws regulating the businesses of this country so that they would have to vote—the stockholders would have to vote—whether or not the union contract should be accepted, whether or not a lockout should be used in a labor dispute, whether or not the contract should be accepted in preference to a strike situation.

It is conceivable, gentlemen, that these things which today are being proposed for the internal affairs of labor unions could be applied to business tomorrow. Just as we have the O'Mahoney bill before Congress today. It is true its initial step is simply to call hearings for the investigation of the ingredients of a price, what composes a reasonable price. Tomorrow it may lead to price fixing. And the day after tomorrow, it may lead to the fixing of wage rates.

I say, gentlemen, when you buy this approach you are going down the road of creeping totalitarianism. I say that what can be done to labor today can be done to business tomorrow. And this is the history. We need only go to Germany, to the totalitarian countries of Europe, and that will show that it was first that labor was incorporated and regulated, and then business was incorporated and regulated.

If the Congress is prepared to buy this approach, that is your business. But at least, I would like to make it clear for the record that this is the approach that you are being asked to buy, by the three bills before you.

Now, with reference to the specific segments of the bill, let me first take up the question of the bill of rights. We are for a bill of rights. We are for the Ten Commandments. We are for the Bill of Rights in our Federal Constitution. I think it has been a bulwark against oppression. It has been a preserver of our liberties. We certainly are for a bill of rights for labor or for any group in our society in the application of these principles.

But when we have a bill of rights in our Federal Constitution, Congress is not asked to codify the thousands of court decisions which enunciate the meaning of this Bill of Rights in terms of due process, because this would be an impossible task. And I think that by the same token, when we try to codify a bill of rights in terms of what

we may have, in terms of thousands and thousands of union constitutions—or may not have in some, and we may have in greater degree in others and in lesser degree in some—but once we would attempt to codify it we would run into essentially the same problem that Congress would be faced with in trying to codify a bill of rights beyond that which we now have in our Constitution.

And I think that the problem we face in any codificiation of a bill of rights is that if it is too broad, we run into the question of violating litigation and entrapping the innocent; because in advance of interpretation, a union officer really does not know what his rights are.

And where you have criminal penalities, such entrapment can be serious, and certainly would be contrary to our basic concept of justice.

Now, if it is too specific, if it is too tight, it can become a straitjacket and become oppressive and negate the very thing that you are trying to accomplish.

And I would like to just briefly discuss the proposals in the Kennedy bill and relate them to the Kearns bill and the Barden bill. And at this stage, I would like to say that Congressman BARDEN has made a distinct contribution in raising this question, because I think that as a principle it should be incorporated in every union constitution in this country. And later in this testimony, we will propose a bill of rights which we think is workable.

Our quarrel is not with the intent. Our quarrel is primarily with the problems that codification creates.

Now, on the problem of equal rights: We see that the Barden bill refers to equal rights to union membership subject "to qualifications uniformly prescribed."

The Kennedy bill defines this or spells it out in more detail and says the right shall be equal to nominate candidates, to vote, to attend membership meetings, to attend and participate in business in such meetings.

Now, in the Barden bill, what qualifications are uniformly imposed? If it is what the American Civil Liberties Union bill provided, it would call for the prohibition of any labor organization from refusing membership or segregating any person on the grounds of race, religion, or citizenship.

We in the Teamsters have a national policy on integration. But we do not think Congress should pass laws in this area. We think this should be evolved in terms of the particular customs and needs at the local level. And I say when you try to pass a law which will cover all situations, you are creating unnecessary rigidity.

Now, the Kennedy bill states that every member shall have the right to attend and to participate in the deliberations of the business of such membership meeting. What constitutes a membership meeting? In some local unions, the entire local may meet in a membership meeting, that is, if it is small enough to do so. In our local in St. Louis, we have 10,000 members. We have approximately 87 or 88 union meetings a month. Now, does it mean that before the contract for the grocery meeting, for example, can be approved, there must be an entire membership meeting of the 10,000 members to approve that contract? Does it mean that warehouse workers must approve contracts for office workers? Does it mean that production workers must approve contracts of maintenance workers?

Yet there is no provision in the law for such reasonable classification.

Now it is true that the law says "subject to certain reasonable rules and regulations." However, this is a question for interpretation of what is a reasonable rule or regulation.

It may be the regulation that only the members of a given unit shall vote on a contract may be considered a reasonable rule, or shall be permitted to vote on a strike may be considered a reasonable rule. But a court may find that since the entire union will contribute toward strike benefits, it therefore would be unreasonable to deny them the right to vote on the question of the strike, even though it affects directly only the members of a given unit. And both interpretations would be reasonable. And under this law, this interpretation of what is reasonable would be subject to 49 State courts, and now 50 State courts, and also the Federal courts. There could be conflicting interpretations.

It seems to me that we are inviting unnecessary litigation. And under these circumstances, especially where we have criminal penalties, we are unduly harassing and being punitive, even though this may not be the intent. This is the intent, gentlemen.

On the question of free speech: We have free speech and assembly. The problem in the Kennedy bill, the problem in the Barden bill, is the question of stating free speech in absolute terms; because in the Kennedy bill you have the right of free speech stated so that it is guaranteed in or off the job. In other words, the first part of the clause refers to an absolute right of free speech; the second with reference to matters before the union meeting.

You gentlemen have already heard testimony that this type of interpretation would create chaos, because it would leave the employer in a position where he could not discipline an employee, for example, who called a wildcat strike. And the union members could not discipline this employee, without running the risk of interfering with his right under the act.

I say that again this type of legislation unnecessarily restricts, unnecessarily straitjackets, both the employer and the union in trying to maintain what we today have, good collective bargaining relationships. This would create opportunities for troublemakers, just to unbalance the good relationships which have developed under the years and under the Wagner Act and Taft-Hartley. I think you gentlemen should consider very carefully any legislation which will tend to unbalance the sound collective bargaining relationships which presently exist between labor and management.

And yet when we establish absolute rights of this type, we are legislating anarchy in certain situations, we are legislating absolutes, without permitting the union or the employer to defend himself or to defend itself from conditions which it should be able to defend under existing union laws and under existing collective bargaining contracts.

You will notice that under section 607B, the thrust of the imposition is not against the union leader alone; it is against any person who interferes. This would apply to the employer, and he would be subject to a 2-year term in jail if he interfered with the right of free speech of an individual who called, say, for a wildcat strike during the noon hour, whether it actually went into effect or not. He would not have the power of discipline.

Now, the problem of membership lists: I think that this requirement is one that is open to great exploitation. It is something that rackets could develop from—selling membership lists to credit firms. If you were in my position, gentlemen, you would know that a number of times a day I turn down people who come in and want our membership lists so that they can mail them some literature, to mail them some crackpot scheme, involve them in some type of installment program. This is the kind of thing you are opening a door to. And also it can be used, be sold or diverted, to subversive groups, to racketeer groups, to rival unions, and it could be used for unstabilizing good stable relationships. In other words, the legitimate use of the list is not denied today, but the illegitimate use could not be prevented once it is put into law.

Now, the question of freedom from arbitrary financial examinations. The only real problem there is where an international union must call a special convention before it may raise dues or assessments.

It seems to me that this is really imposing unnecessary rigidity upon an international union. If an emergency situation requires an increase in assessments, or the levying of assessments, or the increase of dues, it seems to me this is the kind of thing that a convention should be permitted to delegate to the executive board of a union. Under this law, this would not be possible.

And under the Barden bill, this increase could not take place in a local union unless a majority of the eligible members voted for this increase.

Now, if you had to get a majority of the eligible members to vote for a bond issue in your home town, you know you would never get a bond issue; because you would never even get a majority out to vote, let alone a majority of eligible members to pass the bond issue. The same would be true in many other circumstances. It seems to me that we are setting a standard here that is not realistic in terms of our experience in other areas, where democracy functions. And why should we expect a standard which is separate and apart from that which we apply and find in operation in the rest of our society to apply in this particular situation of a labor union?

The question of the protection of the right to sue: Both the Kennedy and the Kearns bill prohibit the right of the union to interfere with the right of the member to bring an administrative or court action. The purpose of this may be a good one. But the whole concept here is a very unrealistic one. It is true that under the Kennedy bill, and I think the Kearns bill, too, there is a 6-month limitation as far as bringing the problem through the internal machinery of the union is concerned. I do not think there is such a limitation in the Barden bill. But this would only apply to matters which were internal in character. This would not apply to such things as collective bargaining machinery.

In other words, it would be perfectly possible for a member to go to court on a matter which, under the collective bargaining contract, he should take up as a grievance, under the grievance machinery. And this would destroy existing collective bargaining machinery, which could be destructive to management just as much as to labor. In fact, I think that every blow at labor here is a blow at management.

Now, as far as the 6-month period on the exhaustion of internal remedies is concerned, in some cases it may be enough and in others it may not be. But why impose this arbitrary limitation?

Now, we notice that on the question of the safeguards against improper disciplinary action, all bills require proper notice for specific charges and a full and fair hearing. Now, the Kearns bill and the Kennedy bill are very general. And here we have the vice of generality, because we do not know what a full and fair hearing means until it is tested in the courts. The Barden bill, on the other hand, is very specific. It states 18 different steps, which I think go even beyond the Administrative Procedures Act or the Federal Code of Civil Procedures; which is excellent and a good expression of the bill-of-rights concept as it applies to government, gentlemen. But how can we realistically expect it to apply to truckdrivers or warehousemen who may have had a fourth- or fifth-grade education? And there may be certain instances where the particular question of discipline involves a very small thing,

possibly a $10 fine, a breach of decorum. And yet are we to feel that in each instance there must be a transcript of record? It seems to me this is imposing costs which labor unions are not prepared to meet, especially small ones.

And the question of appeals, the question of peremptory challenge: I can see the point of peremptory challenges in a jury trial. But when you say six automatic peremptory challenges of the hearing board—it seems to me you are going to eliminate the executive board before you start. And then challenge for cause. And then anyone who may have an interest in the matter is disqualified. Well, I cannot see how a question of, say, violating one of the basic principles of a union constitution could—where you could ever find a board where they did not have an interest in the matter. It is a question of interpretation.

Or if the individual decides he cannot get a fair shake, because he feels someone has an interest, he can then insist on an outside board. Now, this is asking the union to shift its basic responsibility to an outside agency. Would the Congress, say, let the Senate pass on the seating of the Members of the House of Representatives? Or would the Senate, say, let the Supreme Court pass on the question of seating the Members of the Senate? Or would the local medical society go for a letter which would say, "Let the local board of chiropractors pass on whether certain members shall be seated in the local medical society"?

Yet that is what we say when we are saying by law that the members of a local labor union shall be divested of their rights to determine whether or not a person shall be expelled from a local labor union. And it seems to me that we are going too far here in making such a requirement.

Now, on the question of the authorization of strikes under the Kearns bill, this is listed as one of the basic rights in the Kearns bill, and I would like to make a brief comment.

There you have the limitation that a strike vote must be taken by a majority, by a majority present, within 7 days before a strike takes place. And I think the purpose of this, of course, is to curtail strikes. But, gentlemen, from my experience, I can tell you it would have just the opposite purpose; because when a strike vote is taken under the Barden bill, it would be 30 days.

There are strike votes taken, and the right is delegated to the bargaining committee to use it or not to use it in the course of the negotiations. Oftentimes it is used for bargaining purposes. This is just a matter of flexing muscles. But if there was a limitation of 7 days, then the bargaining committee realizes that it is going to have to use it within 7 days or lose it. So what you are really doing is encouraging them to use the right that has been given them, which they ordinarily might inhibit and set in the background. So I do not think you are accomplishing the objective that that particular section seems to desire.

The question of civil and criminal penalties under the bill of rights—and I will just take a moment on that, and then we will go on to the other parts of the bill—the question here of criminal penalties, I think, not only verges on the punitive but is punitive. I think that in an area as uncharted as this area is, in an area as new as this area is, in an area where we are dealing with relatively uneducated men, with reference to an area where even lawyers could not tell them in advance what their rights are, we are going much too far in imposing criminal penalties. If a chairman of a meeting decides that he cannot throw out a man who was out of order, we have rules of order in our constitution that set forth—like the "Robert's Rules of Order"—the particular things that shall govern a meeting, protecting the rights of the individual's free speech and the rights of the group, so that no one can monopolize the meeting but no one is denied a right of expression.

Yet under this bill, a chairman would be reluctant to sit anyone down for fear if he were, say, talking for an hour, he may be subject to a 2-year jail sentence. And this could lead to anarchy. This could lead to minorities taking over unions. Is this the kind of thing that we want to encourage? The basic powers of discipline in the office—delegated to the officers of a union, are just as important as the basic rights of democracy vested in the membership. Both must be preserved. And I think this should be our objective.

Now, in terms of the civil remedies here, a person can go to court if his rights have been denied. Yet there is no limitation in terms of retroactivity. I think there should be some limitation, if we are going to pass any legislation in this field, on causes of action arising after the enactment of this act. And there ought to be some statute of limitations of causes of action, possibly 2 years, so that stale actions cannot be brought up.

In other words, the same type of principle we would apply with reference to actions brought in other cases should apply here.

So, at this time, gentlemen, I would like to propose our bill of rights as an alternative, because I think that we should have a bill of rights in this field. And, incidentally, in each area where we have an objection, we also have a constructive alternative. We are not going to object and not recommend something in its place.

Now, I am not going to read our proposal in detail. I am going to insert it in the record. We have attempted to incorporate the basic rights in the Barden bill and in the Kearns bill and in the Kennedy bill.

As a matter of principle, like one, rules of order for the conduct of conventions, we require that these basic rights which protect the basic democratic rights of free speech and vote and assemblage and all the things that we are talking about, must be incorporated into the constitution and bylaws or other basic documents of every labor organization of this country. That is No. 1.

Mr. WIER. Have you got those proposals of yours included in your presentation?

Mr. ZAGRI. Yes.

Now, No. 2, we are not going to simply incorporate these in the constitution and leave it there as an empty right. We are proposing that any member who feels aggrieved, who feels that his rights have been violated, under the bill of rights, in his constitution, shall have the right to go to the U.S. Conciliation and Mediation Service, and have the right to have an officer of the U.S. Conciliation Service to mediate his right with the officers of the union. And if, after he has done this—and I think in 95 percent of the cases these things can be worked out, after there has been a hearing and an attempt to resolve the differences—he still can go to court, as he can today, and as he could under the Barden bill, the Kearns bill, and the Kennedy bill.

So, I feel that we are giving the individual here an additional right that is not incorporated in any of the additional proposals, and we are approaching this, I think, in a sensible way, because we are entering a new field. And I think after 2 years' experience, we can then look at the evidence and see the number of complaints that occur, the number of cases that came before the Department of Conciliation and Mediation. And on the basis of this experience, this particular amendment calls for a report to Congress, so that Congress then will have facts before it and can make a more intelligent decision than it can today.

But let us not rush into this, gentlemen. This is a new field. It is an uncharted field. And I agree with Congressman KEARNS that the approach in this field should not be the punitive one in terms of criminal penalties. Insofar as he says it should be in the direction of cease and desist orders, unfair labor practices, I think this is on the right track. But I do not think we have to make that decision in this bill. Let us first try conciliation and mediation and see how that works out, before we take this basic right of settling the affairs within labor's own house away from it.

Let us retain that basic right, let us use the process of conciliation and mediation, first, and see what the results are, before more drastic steps are taken.

I apologize to my colleagues for having taken so much time, but since this is a matter of grave concern to the citizens of the United States, I felt compelled to put into the RECORD proof positive that all labor is not opposed to all legislation.

We have had a few people make outright assertions that they are opposed to any legislation. Counted amongst these persons are men who cannot be questioned as to their sincerity, honesty, and purposes for opposition. It appears to me that to any legislation by John L. Lewis and Joseph Curran, of the Maritime Union, was based on a well-grounded fear that this Congress would not be able to pass legislation at this time because of the exposures and publicity given to the months and months of hearings before the McClellan committee. I sincerely believe that in a calmer atmosphere, these men and others would be more than willing to cooperate in the desire to pass remedial and corrective measures. At no time, however, have these labor leaders or any other persons expressed opposition to legislation aimed at ridding the labor movement of self-serving, unscrupulous, and unsavory characters.

All of us recognize that there are instances of misbehavior in both management and labor and that our job is to act in behalf of all the people, and in so doing, we must be careful in not weighting the scales in this economic struggle on either the side of labor or management. This is a presentation to give you a look at the other side.

INDIAN SELF-HELP BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from South Dakota [Mr. BERRY] is recognized for 15 minutes.

Mr. BERRY. Mr. Speaker, I am today filing what I believe is one of the most important proposals on Indian legislation that has been introduced in this Congress in a long time.

It is an Indian self-help bill, patterned after Operation Bootstrap which has been so successful in Puerto Rico. Under unanimous consent, I include in the RECORD a synopsis of the provisions of the bill and a synopsis of Operation Bootstrap as it has functioned in Puerto Rico and as it can function on the Indian reservations. Also, a background of this Indian problem and a copy of the bill.

PROVISIONS OF INDIAN SELF-HELP BILL KNOWN AS OPERATION BOOTSTRAP

Authorizes the tribe upon adoption by a majority vote of tribal members to:

(1) Authorizes establishment of a corporation under Federal law or acceptance by

tribes now operating under Wheeler-Howard corporations.

(2) To take title to property in trust or fee simple where necessary to carry out the intent of this act and to transfer such property in fee simple, subject to approval by Secretary of Interior.

(3) Use tribal funds for incentive to industry, through construction of industrial buildings to be leased or sold to industry, subject to Secretarial approval.

(4) Finance such construction through Federal loan funds or through commercial channels.

(5) Execute contracts with private industry, contract for guaranteed waiver of tribal tax and negotiate with State and local governments concerning creation of further industrial incentives.

(6) Request any further delegation of authority needed from Secretary of Interior.

(7) Requires bonding of tribal officials and complete and accurate financial accounting of tribal properties and funds with annual publication of balance sheets.

(8) Provides that in the absence of State law and order jurisdiction, a court of Indian offenses shall have jurisdiction of criminal offenses not covered by Federal statute, with right of appeal to Federal court system by either party agreed, and provides that the Assimilative Crimes Act shall be applicable to all crimes against an industrial institution locating on the reservation under this act.

(9) Incentive to Industry:

(a) A deduction for 5 years from any Federal tax an amount equal to three times the annual welfare payments paid to an employee prior to employment.

(b) Waive all corporate taxes for a period of 10 years.

(c) Authorize such industries to amortize property eligible for depreciation under Internal Revenue Code, on a 5-year depreciation schedule.

(d) Directs the Secretary to make available existing trades training and on-the-job training to Indians accepting such employment.

(e) Authorizes Secretary to lease at nominal cost or transfer to interested industrial firms any surplus lands and improvements under his jurisdiction.

(f) Authorizes Secretary to provide matching funds to be used in conjunction with tribal funds for industrial use, when rental over a 15-year period equals the original investment.

OPERATION BOOTSTRAP FOR THE INDIAN PEOPLE

Experience has proven that the solution to the Indian problem lies only in providing opportunity to the Indian people themselves. The individual must be unshackled from Federal regulation and controls that he may reach his own bootstraps and pull himself up.

So long as the Federal Government tried to solve the Puerto Rican problem, the situation grew steadily worse until the Puerto Ricans themselves devised a solution by bringing opportunity to the individual citizen through an industrial development program known as "Operation Bootstrap."

Under Operation Bootstrap Puerto Rican version, industry was given:

(1) Firm contracts for plant construction by the Commonwealth government which it leased or sold to the company on a long-term basis.

(2) Complete exemption from all taxes, local, commonwealth, and Federal for 10 years.

(3) Encouragement for high profits.

(4) Complete cooperation with, and full assistance to, all interested industrial organizations.

Result of Puerto Rican Operation Bootstrap: More than 600 factories put into operation created more than 80,000 new jobs, increased gross production from $287 million to $1.2 billion, average family income rose from $660 to $2,400, infant mortality rate cut in half, the life expectancy of the Puerto Rican people rose 50 percent.

Under Operation Bootstrap Indian version, industry will be given:

(1) Firm contracts for plant construction by the tribal organization to be leased or sold to the company on a long-term basis.

(2) Complete exemption from all taxes, local, State, and Federal for 10 years.

(3) Encouragement for high profits, not only through tax exemption but when Indian people are, through employment, taken from relief rolls, a deduction is given of three times the Government welfare loan for 5 years and a 5-year depreciation allowance on buildings and equipment.

(4) Complete cooperation with an assistance to all interested industrial organizations.

(5) Law enforcement through adoption of Assimilative Crimes Act insofar as the industry is concerned, and less bureaucratic regulation and control.

Background of the problem

Since the Indian immigration laws broke down and the white intruder moved in, the Indian has presented a problem to the non-Indian population.

The first problem was that of defending themselves against the Indian who objected to such intrusion. As the white settlers moved west, the Indian people were rounded up and placed in concentration camps, which in those days became known as reservations. Treaties were entered into and broken, reservations were constantly diminished in size in spite of the fact that the Indian population continued to increase.

Mistakes

Because the Indian people were found on the land, the Department of Interior established agricultural programs in an effort to teach the Indian to live from the land. Reservation areas were allotted on the basis of a quarter section to each allottee.

In the West where a quarter section was not sufficient to maintain a non-Indian family, it was not sufficient to maintain an Indian family, and, by and large, the Indians moved from their allotments into the timbered areas along rivers and streams. Houses that the Government had built on these allotted lands were gradually abandoned for log shacks in the more protected areas.

Livestock

The early livestock programs were generally quite successful when the reservations were open range, but as white settlers moved in they fenced up deeded and leased units and the program generally began to wane. Successful Indian livestock operators generally found themselves out of business and dependent upon farm employment as a means of earning a living for their families during the summer months, and depending upon relief during the winter.

With the mechanization of agriculture, farm employment decreased and fewer jobs were available.

From time to time down through the years, Congress has provided funds and the Indian Bureau has attempted to establish rehabilitation programs in the livestock industry. But successful ranching is a highly skilled business enterprise. Although most of them are required to start from scratch with no finances of their own and generally with little training, probably no more than 15 percent have been able to make a success in the cattle business.

This is exceptionally good, however, when it is considered that only 15 percent of the non-Indian people across the Nation are successful in the farming and livestock industry.

The prime problem

The thing that Congress, the Bureau of Indian Affairs, and the Nation generally have forgotten to take into consideration is that they have failed to offer any opportunity to the 85 percent who are not able to successfully make a living from the soil.

Down through the years the only other alternative was in education or some kind of trades training and then to move from the reservation to avail themselves of the trade or profession.

In 1951 or 1952 a program of relocation was instituted in which the Government offered to relocate the family into some city where there was employment, provide employment, provide living costs for the first month or two, some income security for a time, and other assistance.

It was soon discovered that because of their lack of training in industrial work and because of the drastic change in environment, a large percentage of the relocatees were returning to the only home they knew, the reservation.

In 1956 Congress passed a trades training and on-the-job training law which was intended to help bridge this gap. It provided that the head of the household and his family could attend a trades training school at Government expense. While the man learns the trade, the family lives in the non-Indian community. The mother learns how to dress the children, keep them in school, how to manage the conveniences of modern life; and, when the father has completed his trades training course, not only is he equipped to be located in a job but the family is ready to adjust into this new environment. The program has been quite successful, but the annual appropriation for the program has been seriously inadequate.

This tiny dabbling in industrial experience has been generally successful, but probably not more than 5 percent have been able to take advantage of either plan. There are still about 80 percent of the people, most of whom, because of lack of opportunity, are still dependent upon relief for a meager existence.

This is not as serious, however, as is the fact that Indian people, like non-Indians, disintegrate both physically and mentally when they have no opportunity to advance.

Law enforcement on the reservations has broken down because people have nothing productive with which to occupy their idle hands. Tax dollars that are wasted in providing a subsistence for thousands is nothing when compared with the waste of human resources.

By and large, the Indian people want work, they want opportunity, they want to improve their standard of living. All they ask is a chance, an opportunity, a self-help program that will permit them to reach down and lift themselves up by their own bootstraps.

During the WPA days of the 1930's roadbuilding, dam building, and construction was brought to the reservations. Indian boys learned to operate heavy equipment. When that work closed down, many of those boys who had learned to operate such equipment and machinery left the reservations and have since had continuous employment.

It is a serious commentary upon the American people when the only break, the only age of opportunity these people have ever had was in the depression WPA days.

Seeking a solution

It has many times been said that if one uses a crutch too long he forgets how to walk. We have forced the Indian people to use the crutch of Government relief until many have lost their desire to walk by themselves. We have attempted to give them everything except the one thing they need most, and that is opportunity.

This self-help approach is intended to provide that one thing—the opportunity to improve their own conditions.

Looking to a solution of the Indian problem through job opportunity, some of us

turned to the Caribbean where Puerto Rico has demonstrated to a watching world what can be done through imagination, human desire, and human resources when coupled with legal rights, legal authority, and legal protection, and when coupled with industrial tax inducements.

This bill follows a trail that has already been blazed in Puerto Rico—a program that has already proven successful, that has already provided employment for thousands, since the program offered sufficient inducement for industry to look toward this new area and at the same time provided contractual protection.

Operation Bootstrap in Puerto Rico

Only 16 years ago, a Senate committee investigated Puerto Rico and pronounced its problems "unsolvable." Only 13 years ago, Puerto Rico's retiring Gov. Rexford G. Tugwell, chose as the title of his book about the island, "The Stricken Land."

Today this stricken land, this island with unsolvable problems has a per capita income of $443, which is the highest in Latin America with the exception of oil-rich Venezuela. Today, it is a shining example of an experimental colonial policy through a commonwealth government that has proven it can be done with determination and opportunity, even in the short period of 13 years.

It should be added that the Indian people have the same determination—all they lack is an opportunity. The pattern of opportunity in Puerto Rico is briefly this:

Prior to the development program, Puerto Rico was an island refuge smaller than the State of Connecticut with a population of almost 2½ million people. Unemployment ran as high as one-third of the population. Gov. Luis Muñoz-Marín, then only a citizen with vision and determination, termed Puerto Rico "a factory worked by peons, fought over by lawyers, bossed by absent industrialists, and clerked by politicians." (Governor Muñoz was referring to Puerto Rico, not Indian reservations in the United States.)

At that point, Puerto Rico was an island with hungry people jamming its eroded land area—an island without oil, coal, or iron. These were the assets when Muñoz started his program of "fomento" (meaning development), a plan to free the human spirit in Puerto Rico by raising living standards above the animal level through industrialization.

The program worked. Puerto Rico has proven to the world that it can be done. Their Operation Bootstrap has been a success. It can be on the Indian reservation areas also.

Determined to industrialize, Puerto Rico offered every inducement to industry. Their program, based upon an incentive and promotional approach, has given industry the assurance of protection, profits, and guarantees.

The tools devised and marshaled for the job were: (1) tax exemption, (2) unlimited encouragement toward high profits even when based, as at first, on low wages, (3) patient coddling of the fearful and uninformed investor with every kind of assistance. Since Federal income taxes do not apply in Puerto Rico, the island Government offered an unbreakable 10-year island income tax exemption.

This was the formula for Operation Bootstrap. Coupled with courage, perspiration, and desire, the island has lifted itself by its bootstraps until today, with the program still in its infancy, Puerto Rico is an exciting, sunny, busy land of people with desire and vision—an island that has traded its morose disease-swept slums for skyscrapers, paved streets, brick dwellings, and concrete apartments.

Puerto Rico advanced when they were given local self-government, when the Congress could no longer override legislation, when their commonwealth system of Government provided protection and contractual guarantees, when they were able to offer industry firm incentives without political bickering and Federal Government vetoes, redtape, and regulation.

SUMMARY

By and large there is not an Indian reservation in America which does not have the human resources and abilities and as many natural resources as Puerto Rico. Puerto Rico forged ahead when it was unshackled from Federal regulation and control and when its people were given opportunity. The only need of the Indian people is to be unshackled from Federal regulation and control that they may with their own hands reach down and get a firm grip on their own bootstraps in order to, like their Puerto Rican neighbors, pull themselves up.

This Indian self-help bill which has been dubbed "Operation Bootstrap Reservation Style" will do exactly that. It can and will succeed if given a fair trial.

H.R. 7701

A bill to provide a program for an "Operation Bootstrap for the American Indian" in order to improve conditions among Indians on reservations and in other communities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the purpose of this Act is to bring about industrial development and economic advancement within Indian communities in order to aid in bringing Indian economic well-being more nearly to the level of the non-Indian community.

(b) This Act shall be liberally construed to authorize tribal action which will enable Indians to attract and retain new industry within Indian reservations and amongst Indian communities, to promote gainful employment of Indians, and to authorize steps to improve the lot of Indians, including self-help on the part of the Indians and Indian tribes and Indian communities, legislative and corporate action by them which will accord assurances and security to industries availing themselves of the benefits of this Act, and tribal action for self-help notwithstanding regulations or review by the Secretary of the Interior.

SEC. 2. As used in this Act—

(1) The term "tribe" means any Indian tribe, band, or other identifiable group living on one reservation or tract of trust land, and receiving direct services from the Bureau of Indian Affairs on the date of enactment of this Act.

(2) The term "Indian" means any recognized member of a tribe.

SEC. 3. None of the provisions of this Act (except section 4) shall apply with respect to any tribe until the majority of the qualified resident voters of the tribes have voted to accept the provisions of this Act in a referendum (which may be conducted in connection with regular tribal elections or in a special election called for the purpose).

SEC. 4. The Secretary of the Interior shall cause to be drafted a model corporate charter embodying the provisions and intents of this Act which shall be circulated to each tribe, whether or not the tribe has voted to accept the privileges of this Act, and whether or not the tribe is operating under a charter heretofore approved by the Secretary.

SEC. 5. (a) Any Indian tribe which has accepted the provisions of this Act may adopt an approriate constitution and bylaws, or, in the case of a tribe which already has a recognized constitution and bylaws, may adopt amendments thereto, which shall become effective, in accordance with such rules and requirements as the Secretary of the Interior may prescribe, when ratified by a majority vote of the adult members of the tribe, at a special election authorized and called by the Secretary of the Interior under such rules and regulations as he may prescribe. Any such constitution and bylaws may be revoked, in accordance with such rules and requirements as the Secretary of the Interior may prescribe, by a majority vote of the adult members of the tribe in a referendum (which may be conducted in connection with regular tribal elections or in a special election called for the purpose). Amendments to the constitution and bylaws thereafter proposed may be ratified and approved by the tribe in the same manner as is provided in this section for adoption by the tribe of the original constitution and bylaws.

(b) Upon the adoption of a constitution and bylaws, as provided in subsection (a), the tribe shall be a body corporate, with such powers as are prescribed in this Act, and to the extent not inconsistent with this Act or any other law, shall have the powers provided by such constitution and bylaws.

SEC. 6. (a) Each tribe which has accepted the provisions of this Act shall, in addition to any corporate powers which it otherwise may have or may be provided, have authority to purchase, sell, exchange, pledge, mortgage, or hypothecate property of every description, real and personal, in trust or fee status, on such conditions, if any, as to approval of the Secretary of the Interior as the tribe may provide: *Provided,* That if a tribe shall without approval of the Secretary of the Interior mortgage or sell property theretofore held in trust for it by the United States, it shall thereby waive any claim or demand it may otherwise have had against the United States arising out of the sale, exchange, pledge, mortgage, or hypothecation: *And provided further,* That except to the extent that this subsection authorizes the sale, exchange, pledge, mortgage, or hypothecation of property, without Secretarial approval, no provision of this Act shall be regarded as affecting or impairing any claim which the tribe may have against the United States.

(b) Any existing lawful debts of any tribe which has accepted the provisions of this Act shall continue in force, except as such debts may be satisfied or canceled pursuant to law.

(c) The individually owned property of members of any tribe shall not be subject to any corporate debts or liabilities of the tribe without the owner's consent.

(d) The officers of each tribe which has accepted the provisions of this Act shall maintain accurate and complete public accounts of the financial affairs which shall clearly show all credits, debts, pledges, and assignments, and shall furnish an annual balance sheet and report of financial affairs to the Secretary of the Interior. A summary of the balance sheet shall be published in a local paper of general distribution within the area of said community or reservation, within thirty days of compilation.

(e) Each tribe which has accepted the provisions of this Act shall have the following corporate powers, in addition to any corporate powers which it otherwise may have or may be provided:

(1) To appropriate and use any tribal moneys (including those held in trust) as an incentive to the location of new private industry on the reservation occupied by the tribe;

(2) To negotiate and execute contracts with private industry, Federal, State, and local governments;

(3) To extend to new private industry on the reservation occupied by the tribe a binding waiver of tribal taxes for a period which may not, without extension, exceed fifteen years;

(4) To borrow money from any commercial organization or from established programs of the Federal Government, and if de-

sired, to place tribal properties, real and personal, in trust or fee status, as collateral;

(5) To deposit corporate funds, from whatever source derived, in any national or state bank to the extent that such funds are insured by the Federal Deposit Insurance Corporation, or by a surety bond, or other security;

(6) To pledge or assign (for periods not to exceed ten years) chattels or future tribal income due or to become due;

(7) To lend funds from the tribal treasury to any new industrial organization locating on the reservation, or for expansion of private industry operating on the reservation, where such location or expansion will further the economic well-being of the members of the tribe;

(8) to exercise such further incidental powers not inconsistent with law as may be necessary for the conduct of corporate business. The Secretary of the Interior may delegate to such tribe, upon request, such authority as may be needed for the purposes of this Act.

(f) Before any per capita distribution is made by any tribe which has accepted the provision of this Act to its members, not less than sixty days' advance notice must be given to the Secretary of the Interior, who may prohibit such distribution to the extent that he determines, and so notifies the tribe before the expiration of such sixty days, that the sums set aside for per capita payments do not represent income over that necessary to defray corporate obligations to members or other persons; to establish an adequate reserve fund; to construct necessary public works; to cover the costs of public enterprises; to pay the expenses of tribal government; or for other necessary corporate needs. Such notice by the Secretary shall be fully documented to show the tribe why approval was not given.

(g) Any tribe or Indian community which has accepted the provisions of this Act may sue and be sued in courts of competent jurisdiction, State and Federal, in the United States.

(h) All officers of any tribe which has accepted the provisions of this Act, who shall have responsibility for handling money, shall be bonded in such amounts as the Secretary of the Interior may from time to time determine.

(i) In the case of fraud, or overreaching by or through officials of any tribe which has accepted the provisions of this Act, where such fraud or overreaching is at the expense of individual members or the membership of a tribe at large, the Secretary shall have full rights of investigation and review, including authority to set aside any such action, and including the right to seek assistance of courts of competent jurisdiction to that end.

SEC. 7. (a) Any person, firm, corporation, or other business association which hereafter establishes a new industry on any reservation (hereafter referred to as the "investor") shall qualify for the incentives provided by this section, unless the establishment of such new industry is a device whereby operations of an existing industry are transferred from the Indian or non-Indian areas; however, the investor shall not qualify for such incentives for any period during which less than half of the employees of such industry employed on the reservation are Indians.

(b) No tax shall be imposed by chapter 1 of the Internal Revenue Code of 1954 on the income of any investor qualified for the incentives provided by this section, to the extent that such income is attributable to the operation of a new industry established on the reservation, for the ten taxable years ending immediately after such investor first qualifies for the incentives provided by this section.

(c) In the case of any capital investment made by any investor qualified for the incentives provided by this section in any new industry on a reservation, the basis of the property of such investor in such industry shall, for purposes of the Internal Revenue Code of 1954, at the election of the investor, be whichever is the higher, its fair market value at the end of the tenth taxable year after such investor first qualifies for the incentives provided by this section, or its cost. In addition, at the election of the investor, the deduction for depreciation allowed with respect to such property under chapter 1 of such Code may, for the eleventh through the fifteenth taxable year after such investor first qualifies for the incentives provided by this section, be computed at the rate of 20 per centum of the basis of such property.

(d) Where any member of a tribe who is receiving welfare income at the time he is employed in a new industry on a reservation by any investor who has qualified for the incentives provided by this section remains continuously employed in such industry during any taxable year, the investor shall be allowed a deduction from gross income, for the purposes of the Internal Revenue Code of 1954, in addition to any other deductions otherwise allowable, for the first five taxable years beginning after the tenth taxable year after the investor first qualifies for the incentives provided by this section, during any of which such member of the tribe remains continuously employed. Such deduction, for each year in which allowable, shall equal thirty-six times the monthly welfare payment being made to such member of a tribe at the time he was first employed.

SEC. 8. (a) The Secretary of the Interior shall provide services to Indians under the various programs now in operation, including adult education and vocational training, on a priority basis with the view toward cooperating in the training of employable Indians for positions in industries availing themselves of this Act.

(b) The Secretary is authorized to lease for rentals, which may range from a fair market rental downward to nominal or no rentals, depending on the attraction of industry, any surplus or excess Federal lands (including improvements) under his jurisdiction.

(c) The Secretary is authorized in his discretion, to lend Federal funds to be used in conjunction with tribal funds in such ratio as the Secretary may prescribe for construction of buildings and other facilities for investors seeking to qualify, or already qualified for the incentives provided by section 7, but only if the rentals to be paid by the industry over a period not exceeding fifteen years equal the original investment in Federal and tribal funds, plus interest thereon at a rate of 4 per centum per annum.

SEC. 9. (a) Section 13 of title 18, United States Code, shall apply to Indians and non-Indians alike within the area set aside for any industry on a reservation established by an investor who has qualified for the incentives provided by section 7 of this Act.

(b) Chapter 53 of title 18, United States Code, is amended by adding at the end thereof the following:

"§ 1164 Bribes affecting Indians

"Whoever offers, gives, or accepts money or thing of value to, by, or at the direction of an official, agent, or employee of an Indian tribe or community with intent to influence him, or to influence some other tribal official, agent, or employee through him, in his decision or action on any question, matter, cause or proceeding pending before the tribe or any official, agent, or employee thereof, shall be fined not more than three times the amount of such money or value of such thing or imprisoned not more than three years, or both."

(c) The analysis of such chapter 53 is amended by adding at the foot thereof the following new item:

"1164 Bribes affecting Indians."

SEC. 10. (a) Where any tribe has accepted the provisions of this Act, any Indian member of such tribe who thereafter is aggrieved by any final decision of a tribal court and who has exhausted such appellate procedures as are available to him, may appeal such decision to any United States district court for the district in which the reservation on which such tribe is domiciled is located. Such appeals must be taken within one year from the date the decision of the tribal court became final, after exhaustion of administrative and other remedies.

(b) Jurisdiction is hereby conferred on the United States district courts, without regard to the amount in controversy, to render final decisions on cases appealed to them pursuant to this section. The jurisdiction of the courts under this section shall be exclusive, and decisions rendered by such courts under this section shall be final.

(c) The decisions of the tribal courts in any case appealed under this section shall be final, if supported by a preponderance of the evidence, unless contrary to law or tribal custom, as applicable. If the United States district court determines that the decision of the tribal court is not supported by a preponderance of the evidence, or is contrary to law or tribal custom, as applicable, the court shall reverse or modify the decision of the tribal court, or remand the case to the tribal court for further action, or make such other disposition of the case as may be just.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL, 1960

Mr. KIRWAN submitted a conference report on the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RILEY (at the request of Mr. McCORMACK), for today, on account of official business.

Mr. FLYNT (at the request of Mr. BROWN of Georgia), for today, on account of official business.

Mr. ZELENKO (at the request of Mr. HOLTZMAN), for the day, June 12, 1959, on account of official business.

Mr. HARMON (at the request of Mr. McCORMACK), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BAILEY, for 45 minutes, on June 15.

Mr. BERRY, for 15 minutes, today, and to revise and extend his remarks and to include a bill.

Mr. BROCK (at the request of Mr. JOHNSON of Maryland), for 10 minutes, on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL

RECORD, or to revise and extend remarks, was granted to:

Mr. SILER and to include extraneous matter.

Mr. FENTON, the remarks he made in Committee of the Whole today and to include extraneous matter.

Mr. ROGERS of Florida and to include extraneous matter.

(At the request of Mr. COLLIER, and to include extraneous matter, the following:)

Mr. QUIE.

Mr. SHORT.

Mrs. WEIS.

(At the request of Mr. JOHNSON of Maryland, and to include extraneous matter, the following:)

Mr. DENT.

Mr. FOLEY.

ADJOURNMENT

Mr. JOHNSON of Maryland. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 29 minutes p.m.), under its previous order, the House adjourned until Monday, June 15, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1090. A letter from the Assistant Secretary of Agriculture, transmitting the report on the State agricultural experiment stations for 1958, pursuant to section 7 of the Hatch Act, as amended, approved August 11, 1955 (69 Stat. 671); to the Committee on Agriculture.

1091. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "A bill to amend the Foreign Service Act of 1946, as amended, and for other purposes"; to the Committee on Foreign Affairs.

1092. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

1093. A letter from the Chairman, Federal Communications Commission, transmitting the report on backlog of pending applications and hearing cases in the Federal Communications Commission as of April 30, 1959, pursuant to section 5(e) of the Communications Act as amended July 16, 1952, by Public Law 554; to the Committee on Interstate and Foreign Commerce.

1094. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "A bill to amend the joint resolution providing for membership and participation by the United States in the Inter-American Children's Institute, formerly known as the American International Institute for the Protection of Childhood, as amended"; to the Committee on Foreign

1095. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "A bill to repeal section 12 of the act of June 26, 1884, prohibiting a charge or collection of fees by consular officers for official services to American vessels and seamen, and to repeal the provision in the act of June 4, 1920, authorizing the free issuance of passports to seamen"; to the Committee on Foreign Affairs.

1096. A letter from the Postmaster General, transmitting the cost ascertainment report of the Post Office Department for the fiscal year 1958, pursuant to section 826, title 39, United States Code; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Government Operations. H.R. 6263. A bill to amend the Employment Act of 1946 to provide for its more effective administration, and to bring to bear an informed public opinion upon price and wage increases which threaten economic stability; without amendment (Rept. No. 539). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. H.R. 7062. A bill to provide for payment of annuities to widows and dependent children of Comptrollers General; with amendment (Rept. No. 540). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 7634. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; without amendment (Rept. No. 541). Referred to the Committee of the Whole House on the State of the Union.

Mr. SAUND: Committee on Foreign Affairs. House Concurrent Resolution 188. Concurrent resolution expressing the sense of Congress desiring freedom of speech and freedom of press in countries receiving mutual security aid; with amendment (Rept. No. 542). Referred to the House Calendar.

Mr. MORGAN: Committee on Foreign Affairs. H.R. 4538. A bill authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande at or near the city of El Paso, Tex.; without amendment (Rept. No. 543). Referred to the House Calendar.

Mr. KIRWAN: Committee of conference. H.R. 5915. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 545). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H.R. 3117. A bill for the relief of Albert J. Hicks; with amendment (Rept. No. 544). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H.R. 7700. A bill to prohibit the shipment in interstate commerce of certain plastic bags, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Mr. BERRY:

H.R. 7701. A bill to provide a program for an Operation Bootstrap for the American Indian in order to improve conditions among Indians on reservations and in other communities, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FORAND:

H.R. 7702. A bill to provide that the Secretary of the Interior acquire certain real property situated in Newport, R.I., for national park purposes; to the Committee on Interior and Insular Affairs.

By Mr. LAFORE:

H.R. 7703. A bill to liberalize the tariff laws for works of art and other exhibition material, and for other purposes; to the Committee on Ways and Means.

By Mr. McDOWELL:

H.R. 7704. A bill to provide a program of tax adjustment for small business and for persons engaged in small business; to the Committee on Ways and Means.

H.R. 7705. A bill to amend chapter 27 of title 35 of the United States Code with respect to the rights of the United States in certain patents arising out of research and development contracts with the United States; to the Committee on the Judiciary.

H.R. 7706. A bill to amend the Internal Revenue Code of 1954 so as to provide further incentive for assistance to small business concerns by small business investment companies operating under the Small Business Investment Act of 1958; to the Committee on Ways and Means.

By Mr. CLEM MILLER:

H.R. 7707. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from income in the case of amounts withheld from retired pay of members of the uniformed services pursuant to chapter 73 of title 10, United States Code; to the Committee on Ways and Means.

By Mr. MOULDER:

H.R. 7708. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PUCINSKI:

H.R. 7709. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Iowa:

H.R. 7710. A bill to amend the Agricultural Adjustment Act of 1938 to provide a program of acreage allotments and price supports for feed grains, and for other purposes; to the Committee on Agriculture.

By Mr. DANIELS:

H.R. 7711. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MORRISON:

H.R. 7712. A bill to provide a health benefits program for Government employees; to the Committee on Post Office and Civil Service.

By Mr. ROGERS of Colorado:

H.R. 7713. A bill to amend title 28, United States Code, with respect to fees of U.S. marshals, and for other purposes; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 7714. A bill to define, regulate, and license television service contractors, service dealers, television technicians and television apprentices; to protect the public against abuse and fraud in the installation, maintenance, repair, replacement, testing, inspection and modification of television and radio-television receiving apparatus; and for other purposes; to the Committee on the District of Columbia.

By Mr. KOWALSKI:

H.R. 7715. A bill to provide that the several States shall not impose taxes in respect of

income derived from certain interstate activities; to the Committee on Ways and Means.

By Mr. MONAGAN:

H. Res. 297. Resolution to create a select committee to be composed of seven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Memorial of the Rhode Island General Assembly, memorializing Congress and the President of the United States of America to reexamine the merits of the farm support program with a view to aid the consumer and eliminate wasteful and expensive farm surpluses and urging $50,000 ceiling on price support benefits; to the Committee on Agriculture.

Also, memorial of the Rhode Island General Assembly memorializing Congress with respect to incorporating Newport's historic and scenic cliff walk in the National Park System; to the Committee on Interior and Insular Affairs.

Also, memorial of the Rhode Island General Assembly memorializing the Congress of the United States to disapprove H.R. 6432, a bill to modernize the pension programs for certain veterans and their dependents; to the Committee on Veterans' Affairs.

By the SPEAKER: Memorial of the Legislature of the State of Maryland, memorializing the President and the Congress of the United States relative to urging favorable action on Senate bill 910; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact legislation relative to the fourth preference quota; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LIBONATI:

H.R. 7716. A bill to provide for the remuneration of artistic services rendered by Trygve A. Rovelstad in the creation of certain designs for the American Roll of Honor, a memorial book now reposing in the American Memorial Chapel of St. Paul's Cathedral, London, England; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 7717. A bill for the relief of Pasquale Antonucci; to the Committee on the Judiciary.

By Mr. NELSEN:

H.R. 7718. A bill for the relief of Beatrice Ohanessian; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H.R. 7719. A bill for the relief of Helena Bilinska; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

217. The SPEAKER presented a petition of Rosemary Macklem and others, Cleveland, Ohio, relative to a redress of grievance and requesting that American Indians get justice in the way of better living such as: Better food, water, medicine, education, and the right to earn their own living; which was referred to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

A Salute to the City of Rochester

EXTENSION OF REMARKS
OF
HON. JESSICA McC. WEIS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, June 12, 1959

Mrs. WEIS. Mr. Speaker, this week the city of Rochester is celebrating its 125th anniversary, and I should like to take this opportunity to call to the attention of the Members of the House this memorable occasion.

Rochester has been my home for a great many years, and since last January, I have had the rare privilege of representing the people of a portion of the city in this Congress. I am extremely proud of both these facts, for I can think of no better place to live, and there are no finer people anywhere in this world of ours.

The first permanent settlement of Rochester, on the banks of the Genesee Falls, was established in 1812, but the city was not incorporated until 1834, and it is this event which is being celebrated this year.

In the past century and a quarter, the tiny community of 1834 has grown to a bustling metropolitan area, with the population of Greater Rochester now pushing 600,000. During this period the people of our city have prospered beyond the fondest hopes of those courageous early settlers.

The city is today world renowned as a great cultural center, and its colleges and universities are recognized as being among the finest in America. Who, for example, has not heard of the Eastman School of Music, or the University of Rochester School of Medicine?

But not only is Rochester known as a center of education and the arts. It is one of our great industrial areas, with scores of prosperous firms where the highly skilled workers turn out some of the very finest precision equipment. Eastman Kodak and Bausch & Lomb Optical Co. are but two of the many firms whose products are respected throughout the world for their quality craftsmanship.

More important than all of this, however, is the civic spirit which permeates the entire community—a dynamic, unifying spirit which sweeps aside factionalism, petty rivalry, and personal ambition and channels the myriad resources of Rochester and its citizens into the struggle for community progress and prosperity.

It is this spirit which has built the schools, the hospitals, and the beautiful public parks. It is this spirit which last month raised $4½ million for the community chest. It is this spirit, I submit, which indelibly marks Rochester as one of the truly great cities of America.

Mr. Speaker, during this, its 125th anniversary, I ask all of the Members of the House to join with me in saluting the city of Rochester.

The Wheat Bill

EXTENSION OF REMARKS
OF
HON. DON L. SHORT
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 12, 1959

Mr. SHORT. Mr. Speaker, yesterday when the House had under consideration H.R. 7246, I was very disappointed that my colleague the gentleman from Minnesota [Mr. QUIE], a distinguished and able member of the Committee on Agriculture, did not have an opportunity to speak in support of the amendments he offered to the bill. The gentleman from Minnesota [Mr. QUIE] and I had given a great deal of thought to some of the shortcomings of the legislation under consideration and felt very strongly that, while it moved in the right direction, it needed some further revision. I would have spoken in support of the amendments offered by the gentleman from Minnesota [Mr. QUIE] had there been an opportunity. In my opinion, it is indeed unfortunate that adequate time was not given to the consideration of legislation as important to the American farmers as this wheat bill.

Annual Questionnaire

EXTENSION OF REMARKS
OF
HON. PAUL G. ROGERS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 12, 1959

Mr. ROGERS of Florida. Mr. Speaker, each year since first coming to the Congress I have sent out a questionnaire in which I ask the people of the Sixth Congressional District of Florida to let me have their views on some of the matters which will come before the Congress.

This year over 33,000 people took the time to send me their replies to these questions, an increase of 5,000 over last year's total.

The newspapers of the district print the questionnaire, and ask their readers to fill in their answers, clip and mail it to me in Washington. Participation is also encouraged by our radio and TV

stations. In addition to the newspaper copies, some spot mailing is done.

The total of 33,000 responses this year is most encouraging in that it indicates a great interest in national affairs by our people. By letting their officials know how they feel on these vital issues the people may be more properly represented in government.

The results show a good cross section of public opinion, because of the make-up of the Sixth District of Florida. We have a large resort area along the east coast with people from all over the country now living there. There are several large industrial plants in the area, as well as the Indian River citrus area, truck farming, ranching, commercial fishing, and many other segments of the economic makeup of our great country. Rather than just an urban population, or just a rural population, or one of industry or a resort area, we have a portion of each, which makes up the Sixth District of Florida.

The questions and responses are as follows:

1. Do you favor a cut in foreign aid spending? Yes, 81.9 percent; no, 18.1 percent.
2. Should Hawaii be granted statehood? Yes, 89.1 percent; no, 10.9 percent.
3. Do you favor Federal aid for school construction? Yes, 45.2 percent; no, 54.8 percent.
4. Would you support legislation to regulate labor organizations? Yes, 94.8 percent; no, 5.2 percent.

(a) By requiring secret ballot for union elections: Yes, 92 percent; no, 8 percent.

(b) By publication of financial records: Yes, 96.7 percent; no, 3.3 percent.

(c) By restricting secondary boycotts: Yes, 89.8 percent; no, 10.2 percent.

(d) By restricting jurisdictional strikes: Yes, 88.8 percent; no, 11.2 percent.

5. The President has requested an increase in the postal rates and the gasoline tax. Do you favor these tax increases? Yes, 24 percent; no, 76 percent.
6. Do you believe that the earning limitation of $1,200 for social security should be removed? Yes, 74.2 percent; no, 25.4 percent.
7. The Government conducts medical research programs for cancer, heart disease, and allied health problems. Would you favor an increase in these programs? Yes, 78.5 percent; no, 21.5 percent.
8. Would you favor a cut in the Federal farm price support program? Yes, 85.3 percent; no, 14.7 percent.

The Parker Lynching Case

EXTENSION OF REMARKS

OF

HON. FRANK J. LAUSCHE

OF OHIO

IN THE SENATE OF THE UNITED STATES

Friday, June 12, 1959

Mr. LAUSCHE. Mr. President, I have received a copy of a letter from Perry B. Jackson, judge, Cleveland municipal court, addressed to the Attorney General of the United States, in which is raised the subject of jurisdictional authority relative to the Parker lynching case.

As a result of this interchange of correspondence, I have written to the Honorable William P. Rogers, the Attorney General, and quoted from the letter of Judge Jackson.

Mr. President, I ask unanimous consent to have my letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 11, 1959.

The Honorable WILLIAM P. ROGERS,
Attorney General of the United States,
Department of Justice, Washington, D.C.

DEAR MR. ROGERS: On June 6 there came to my office a copy of a letter dated June 4 addressed to you by Perry B. Jackson, a judge of the Cleveland Municipal Court. The subject of the letter is the Parker lynching case in Mississippi.

Judge Jackson discusses an article which appeared in the February 1943 issue of the Washington University Law Quarterly, under the title: "'The Federal Civil Right 'Not To Be Lynched.'" He states that the author of the article was Victor W. Rothnam, who, in February 1943, was the Chief of the Justice Department's Civil Rights Section.

Judge Jackson obviously is of the opinion, based upon the Rothnam article, that the Federal Government does have criminal jurisdiction in the Parker lynching case under section 19 of the United States Criminal Code, which reads as follows:

"If two or more persons conspire to injure, oppress, threaten, or intimidate any citizen in the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States, or because of his having exercised the same, or if two or more persons go in disguise upon the highway, or on the premises of another, with intent to prevent or hinder his free exercise or enjoyment of any right or privilege so secured, they shall be fined not more than $5,000 and imprisoned not more than 10 years, and shall moreover be thereafter ineligible to any office or place of honor, profit, or trust created by the Constitution or laws of the United States."

Applying my knowledge, without the aid of interpretations which might have been made by the Federal courts on the meaning of section 19, my opinion is that there is merit to the suggestion made by Judge Jackson.

It does seem to me that for the good of the Nation, and primarily in furtherance of justice, regardless of what is done by the criminal law-enforcement agencies and by the courts of Mississippi with the perpetrators of Parker's death, there rests with the Department of Justice the solemn responsibility to set into operation the machinery for the enforcement of criminal justice, providing, of course, that the evidence discovered by the Federal Bureau of Investigation establishes the probable identity and guilt of the persons who, in a lynching, took the life of Mr. Parker.

Sincerely yours,

FRANK J. LAUSCHE.

Facts About Amendments Which Would Make Wheat Bill Workable

EXTENSION OF REMARKS

OF

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1959

Mr. QUIE. Mr. Speaker, when H.R. 7246 was before the House, several Members, including myself, were not allowed to present our views on our amendments to this important legislation.

At this time, I would like to explain my amendments, their effect, and the reason behind them.

As a member of the Committee on Agriculture, I have devoted a great deal of thought and effort on the subject of wheat legislation. As the distinguished gentleman from North Dakota [Mr. SHORT] and I pointed out in our additional minority views, this bill does not provide the necessary legislative machinery to either implement an effective control of wheat production or to provide an acceptable choice to wheat farmers in the national referendum. We pointed out what we considered were, and are, defects in this legislation.

These defects were and are:

First. That a 25-percent cut in acreage allotments for wheat, when coupled with payments in kind, simply will not cut into the excess availability of wheat in the marketplace.

Second. That the provision in the bill dealing with the control of acreage diverted from wheat was not effective.

Third. That the 15-acre marketing quota exemption, although reduced by the bill, leaves in effect a loophole which has caused an unwarranted shift of wheat production from the traditional wheat-producing areas to other less efficient areas and has resulted in the accumulation of some 600 million bushels of wheat by the CCC.

Fourth. That our agricultural history has been a sad testimonial to the fact that acreage controls alone are not effective tools in controlling production.

Fifth. That the alternative of 50 percent of parity price supports offered wheat farmers in the referendum was offering a choice of price supports too low for our wheat farmers.

And sixth. That one referendum for the 2-year period would be sufficient.

In order to correct what I sincerely felt were deficiencies in the bill, I prepared a number of amendments, some of which were read by the Clerk and summarily voted down by the House yesterday without the opportunity to be presented on their merits. My amendments were designed to accomplish the following purposes:

First. To change the required amount of reduction in wheat acreage for 1960 and 1961 from 25 percent below the farm acreage allotments computed under present provisions of law to 30 percent. The most optimistic estimate of a 25-percent cut in wheat acreage was a 20-percent cut in wheat output. Some experts predicted only a 7-percent cut in wheat output. The Department of Agriculture predicted that wheat output would be reduced by less than 15 percent. In order to do a really effective job of cutting production, a 30-percent cut seemed absolutely necessary.

Another amendment dealing with the payment-in-kind section was designed to allow a wheat farmer to voluntarily retire all his wheat acreage allotment in return for payments in kind based on one-third of his actual annual production.

However, in my bill, the 25 percent cut required by the bill would not be paid in kind because such payments in kind would only find their way back into the marketplace or into Government stocks. This is true due to the fact that the market can only absorb an estimated 1.08 billion bushels. In spite of reduction of wheat output under H.R. 7246, there would be more wheat available on the market than could be consumed.

Second. To prevent the use of the acreage diverted for wheat for raising other agricultural commodities which would create further problems, the next amendment would impose marketing penalties on the entire wheat production of the farm if any crop is raised on the acreage diverted from wheat production, or if such diverted wheat acreage is used for grazing.

This amendment would deny price supports on any crop produced on the farm in 1960 and 1961, if a wheat farmer grows a price-supported crop on the acreage diverted from wheat production. This would impose strict cross-compliance and prevent the use of former wheat acres for growing other crops.

Third. The next amendment was to repeal the 15 acres marketing quota exemption but allow all farmers the right to vote in the national referendum.

Fourth. Another amendment would direct the Secretary of Agriculture to make a thorough study of bushelage allotment for wheat; to report such findings and recommendations to the Congress by January 1, 1960. At this late date, bushelage controls could not be implemented in this legislation, but a thorough study by the Department of Agriculture seemed to be in order.

Fifth. Lastly, to offer wheat farmers a choice more in line with that offered corn farmers last fall, this amendment would have given the Secretary discretion to set the choice for free production at not less than 55 percent of parity, a level more justly related to feed grains.

In conclusion, I regret that my amendments were not given an opportunity for debate, and I sincerely hope that the other body and the conferees on the bill will give each of them serious consideration.

Uncle Sam and His Workers

EXTENSION OF REMARKS
OF
HON. JOHN R. FOLEY
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Friday, June 12, 1959

Mr. FOLEY. Mr. Speaker, the Government of the United States as the employer of the largest number of persons has a great responsibility to provide the highest and best employment standards for its employees. That the Federal Government should be our country's model employer is a goal accepted by all persons who have thought about this important matter. That the Government is not a model employer is likewise accepted by this same group of persons. The reasons for the Government's failure to achieve this necessary and worthwhile goal are many and complex. Some of the facts which prove that the Government has not attained this goal were set forth clearly and vigorously recently by our colleague, the Honorable GEORGE M. RHODES, U.S. Representative from the 14th District of Pennsylvania. The article appeared in the April 1959 issue of the American Federationist. Because the article is revealing, forceful, and fairminded, I insert it in the CONGRESSIONAL RECORD:

UNCLE SAM AND HIS WORKERS

(By GEORGE M. RHODES, U.S. Representative from Pennsylvania)

Shocking conditions reminiscent of a bygone era in American labor history are the day-to-day experience of thousands of employees of the Federal Government. Labor-management policies and practices which workers in industry now take for granted are still unattained goals of Government employees.

Here are some typical comments on present employee-management relations by Federal employees:

An Army employee: "Coercion and threats are the order of the day."

A postal clerk: "Employees feel they have no rights whatsoever and are merely puppets subject to anyone's whim and fancy."

A public health employee: "Anyone foolish enough to take a grievance to the employee relations office is placed on the blacklist as a troublemaker."

A letter carrier: "Employee morale is floundering."

A poetic Navy employee: "Management plots the course and mans the helm. Employees are the galley slaves."

A departmental employee: "Union members who become effective in presenting grievances and complaints for their fellow workers are either transferred or their jobs are abolished."

A general complaint is that "my agency does not follow established rules and regulations in employee-management matters, but no one dares to speak out because of the fear of reprisal."

I could go on to list hundreds of such statements from Government employees at hearings before congressional committees, in letters to Members of Congress and in personal interviews.

It is easy for those in positions of responsibility to dismiss these statements as those of misfits, cranks, troublemakers or malcontents. My 10 years of study and growing concern over this problem have convinced me, however, that in the main these men and women are the unfortunate victims of harsh and outmoded personnel policies which have seriously undermined their morale and their ability to operate at peak efficiency.

But they are not the only victims. Grave damage is also being done to our career civil service by repeated instances of job injustices. Actually, the complaints from individual Government employees are danger signals, warning us that something basic is wrong with our entire Federal personnel system.

This analysis is confirmed by reports and findings of many Government and non-Government groups which have studied various aspects of the problem.

The civil service system was established by Congress in 1883. The assassination of President Garfield by a disappointed jobseeker dramatically highlighted the evils of the spoils system which had dominated Government hiring practices for generations.

Public demands on Congress for reform of the old system produced the Civil Service Act, which brought into being the competitive merit system in Government employment.

In January of this year there were 2,337,823 civilian Federal employees on the payroll. They work in every State of the Union, every city and county, every Army post, naval and airbase, post office, every veterans' hospital, Federal prison, overseas installation, every regional office, weather bureau, executive department and agency in Washington. Their activities touch directly or indirectly upon the life of each of their fellow citizens.

Generally speaking, Federal Government employees may be placed in three major categories—the white collar or classified employees, the blue collar or wage board employees, and the employees of the postal service. All are chosen from civil service registers, which contain the names of those applicants who have passed examinations in each of the many thousands of classified positions.

The pay scales of classified and postal employees are established by acts of Congress. The pay of blue-collar or wage board employees is based on a determination of the prevailing area wage being paid in private industry for each of the various types of job classifications.

An individual who embarks upon a career in the Federal civil service automatically surrenders certain basic rights and freedoms enjoyed by other American citizens.

The Federal employee is prohibited by law from engaging in a strike against the Government. In this regard an American Bar Association committee stated in a 1955 report:

"Government which denies to its employees the right to strike against the people, no matter how just might be the grievances, owes to the public servants an obligation to provide working conditions and standards of management-employee relationships which would make unnecessary and unwarranted any need for such employees to resort to stoppage of public business."

The Federal employee surrenders certain rights to engage in political activity under restrictions imposed by the Hatch Act. Federal employees can take no part in a local, State, or national political campaign, hold no office in a political club, nor otherwise engage in any partisan political activity.

Upon entry into the Federal service a citizen becomes, in effect, a political eunuch who must depend largely on relatives, friends, and neighbors outside civil service for effective political action to see to it that responsible officials are chosen to represent him at every level of government.

What do civil servants have a right to expect in exchange for their surrender of these basic American rights? Stating the case in its broadest terms, I feel that employees of the Federal Government are at the least entitled to conditions of employment equal in all respects to those accorded to employees in private industry.

The special obligation of Government to guarantee equality in the treatment of its own employees has been recognized by many eminent authorities in the field of personnel management and labor-management relations.

Here is what the American Bar Association committee said:

"A government which imposes upon other employers certain obligations in dealing with their employees may not in good faith refuse to deal with its own public servants on a reasonably similar favorable basis, modified, of course, to meet the exigencies of the public service. It should set the example for industry by being perhaps more considerate than the law requires of private enterprise."

The National Civil Service League, an organization supported by top industrialists and businessmen interested in strengthening the merit system stated in its publication:

"All groups interested in public administration, including the unions themselves, recognize that public employment is different from private employment and that all aspects of collective bargaining cannot be utilized in government. However, a full examination of employee representation and communication policies and techniques is long overdue.

"A constructive program would not only provide democratic assistance to the employee but would also develop a means for management responsibility which industry has long since learned to utilize but which government still lacks."

Similar views have been officially expressed by the Hoover Commission and the House and Senate Post Office and Civil Service Committees, which in past years have favorably reported legislation to establish a uniform system of handling Government employee grievances in the promotion of enlightened employee-management relations in the Federal service. However, these bills have never reached the floor for debate and vote.

The need for formal action to require all Government agencies to recognize employee unions and to establish uniform grievance machinery has also been the subject of discussion by the President's Cabinet. A proposed Executive order to accomplish these modest objectives was actually drafted several years ago, but it was never issued.

In view of this widespread concern over employee-management relationships in the Federal Government, why is it that such shocking conditions continue to exist? This is a question often asked by persons genuinely interested in this important problem.

During the administrations of Theodore Roosevelt and William Howard Taft, Executive orders were issued prohibiting direct communication between Federal employees and Members of Congress, thus denying these citizens the fundamental constitutional right to petition for redress of grievances. As a result of these abuses, Congress in 1912 enacted the Lloyd-La Follette Act.

Considering the violently antilabor sentiment which then existed among private employers, the widespread use of professional strikebreakers, the virtually unrestricted use of injunctions in labor disputes, the "yellow dog" contracts and other antilabor devices, the Lloyd-La Follette Act of 1912 was a reasonable, forward-looking effort to inject justice and sanity into employee-management relations in the Federal service.

It gave recognition to the rights of Federal employees in three main respects.

It provided that no person in the classified civil service could be removed except for cause.

It authorized employees of the Federal Government to organize to improve conditions of employment, wages and hours of work. The right to strike was specifically prohibited.

The right of Federal employees to petition Congress or any Members of Congress was guaranteed. The right to furnish information to either House of Congress or a congressional committee or member thereof was also guaranteed.

Now, 47 years later, this is still the basic law affecting the rights of Federal employees. But in this interim period significant advancements have been made in Federal laws affecting employee-management relations in private industry. These laws are well known—the Railway Labor Act, the Norris-LaGuardia Act, the Davis-Bacon Act, the Wagner Act (amended by Taft-Hartley), the Walsh-Healey Act and the Fair Labor Standards Act.

It is obvious that the Federal Government has lagged far behind in the establishment of enlightened employee-management policies for its own employees. I am convinced that only Congress can furnish the necessary leadership to bring about a long-needed overhaul of the Government's antiquated personnel practices.

There are many aspects to this complex problem, including the lack of uniform grievance procedures throughout the Government, employee morale factors, salary inequities and the threat of transfers or reductions in force because of automation, particularly in the Postal Establishment.

There are also matters of promotion policies, lack of adequate communication between employees and supervisory personnel, poor and unsafe working conditions, autocratic behavior by management officials and the lack of understanding of the techniques of modern employee-management relations.

Experts point out that many of the current problems have resulted from the failure of the Civil Service Commission to carry out its legal responsibilities in administering civil service laws, rules, and regulations. The increasingly large number of Federal employees bringing cases in the courts to test their rights is an indication of its lack of overall effectiveness.

If we are to have an efficient, enlightened personnel structure in the Federal service, Congress must insist that the Commission exert strong leadership to protect the merit system against the continuing pressure of political spoils. At the same time the Commission must adopt enlightened personnel management techniques which have proved successful in private industry in the promotion of efficient, economic and harmonious employee-management relationships.

Political appointments to the Commission have undoubtedly weakened its determination to force executive departments and agencies to comply with existing regulations or to initiate modern personnel practices. There are recent signs which indicate possible improvement in the present chaotic situation. The appointment of Roger W. Jones, a career civil servant in the Bureau of the Budget, to the chairmanship of the Commission is generally viewed as a step in the right direction.

The naming of Rocco Siciliano to the newly created position of special assistant to the President for personnel management has produced efforts to fill the void caused by the lack of Civil Service Commission leadership in this area.

Last June, Siciliano sent a memorandum to the heads of all executive departments and agencies. It called attention to previously established personnel management standards on such matters as grievances, consultations between management and employees, and the protection of employee's right to join a union. Department and agency heads were asked to evaluate their own employee-management policies to make them more in keeping with established standards.

There are indications that the Siciliano memorandum did some good. The Department of the Interior issued a new consolidated labor policy restating the collective bargaining rights of wage board (blue collar) employees and stressing the value of close cooperation with employee organizations. The Civil Service Commission has been officially assigned the task of checking on how well agencies comply with employee-management standards.

The Commerce Department issued an order which "encouraged" its employees to join unions and gave union members the opportunity to collect dues on Government time. However, protests from other agencies forced amendments to the order which toned it down considerably.

In January of this year the American Federation of Government Employees, an AFL-CIO affiliate, sent questionnaires to each of its lodges throughout the country. The object was to get a frank appraisal of employee-management conditions at each installation. Final returns of the survey are still being tabulated, but initial reports released by the union reveal that there is much to be done before personnel relationships in the Federal Government can be brought up to a decent level.

Queried specifically about any improvements noted since the Siciliano memorandum was issued, 38 percent of the AFGE lodges in Defense Establishment which reported employee-management relations as "poor" or "fair" said that there were signs of improvement. Only 16 percent of nondefense establishments reporting poor or fair relations noted any change.

A great number of respondents used such terms as "lipservice" and "window dressing" when commenting on the effect of the White House memorandum in their own agency. Others pointed to the gap between front office "toleration of employee unions" and "antagonistic" relationships with supervisory personnel at the day-to-day working levels.

While a wide range of comments on present labor relations was received, the overwhelming number of the AFGE lodge spokesmen felt that congressional enactment of employee-management legislation was the key to overall improvement in this area.

The Johnston-Rhodes bill now before Congress offers the best hope for the establishment of modern, sound employee-management relations policies in the Federal service.

The measure would not give Government employees the right to strike or to encourage in activities detrimental to their agency or the public interest. It is in harmony with policies previously established by Congress for employees in private industry.

This bill would legally establish several important principles. It would guarantee representatives of employee organizations the right to present grievances in behalf of their members without restraint, coercion, interference, intimidation, or reprisal.

While this right already exists in some U.S. agencies, it is only granted by sufferance, not as a matter of legal right. Moreover, the frequent turnover of personnel in an agency or installation often makes it only of fleeting duration.

The bill would give representatives of employee organizations the opportunity to present views on matters of policy affecting working conditions, safety, inservice training, labor-management cooperation, methods of adjusting grievances, transfers, appeals, granting of leave, promotions, demotions, rates of pay and reductions in force.

In addition, the Johnston-Rhodes bill would establish by law a uniform and workable system of handling unresolved grievances in these specified areas by the use of impartial boards of arbitration.

Various executive departments and agencies and the U.S. Civil Service Commission have repeatedly expressed their vigorous opposition to this legislation. They have generally taken the position that establishment of these rights of Federal employees by statute was unnecessary because adequate machinery already existed in Government agencies to handle grievances, appeals, and other problems in the employee-management field.

Despite these assurances, however, the public record is filled with abundant evidence showing that present employee-management relations in the Federal service are in too many instances the product of 19th century antilabor philosophy and similarly outmoded personnel-management concepts. The antilabor bias of Cabinet members of the Eisenhower administration was shown

most recently when Postmaster General Summerfield attacked unions at the convention of the National Association of Manufacturers in New York.

Enactment of the Johnston-Rhodes bill is urgently needed. This measure would prod narrow, bureaucratic minds into recognition and adoption of 20th century employee-management policies. It is only by this type of shock treatment that we can ever hope to achieve the necessary degree of enlightenment in the Federal civil service to bring about these needed reforms.

The resulting benefits of increased efficiency, more economical administration of Government, improved morale, better working standards and conditions, recruitment of better qualified civil servants and the extension of truly fair and democratic treatment to our loyal and devoted Government employees are well worth the tremendous efforts needed to enact the Johnston-Rhodes employee-management bill.

Flag Day, 1959

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 12, 1959

Mr. DENT. Mr. Speaker, due to the fact that I find it impossible to attend certain Flag Day activities in my home district, I am taking this means to convey my remarks to my constituents.

This day, Flag Day, is dedicated to the glorious symbol of our United States. We meet to honor our flag, and to reaffirm our faith in the Nation and the principles for which it stands.

It is 182 years since Congress authorized the use of a new flag for a new nation. Prior to that time the Continental Army had carrier various banners, from the pine-tree flags of New England to the rattlesnake banners of the South. One of the most persistent designs was the Grand Union, which bore the British Union Jack in the upper left-hand corner, and had 13 alternate red and white stripes. It was hoisted by Gen. George Washington in January 1776, at Cambridge, Mass., as the standard of the Continental Army.

It was not until June 14, 1777, almost a year after the adoption of the Declaration of Independence, that the Continental Congress in Philadelphia passed a simple resolution which read:

Resolved, That the flag of the United States be 13 stripes, alternate red and white; that the union be 13 stars, white in a blue field, representing a new constellation.

The special committee that had been appointed to design the new flag offered this explanation of the proposed designs:

The stars of the flag represent a new constellation rising in the West. The idea is taken from the great constellation Lyra, which in the hands of Orpheus, signifies harmony. The blue in the field is take from the edge of Covenanters' banner of Scotland, significant of the covenant of the United States against oppression. The stars are disposed in a circle, symbolizing the perpetuity of the Union, the ring signifying eternity. The 13 stars show the number of the united Colonies and denote subordination of the States of the Union as well as equality among themselves. The red, the color which in the Roman days was a symbol of defiance, denotes daring, and the white, purity.

The resolution was not promulgated by the Secretary of the Congress until September 3, 1777, and the flag as first carried in battle at Brandywine on September 11. It was first saluted by a foreign power when the *Ranger*, in command of Capt. John Paul Jones, arrived at a French port on February 14, 1778, with the flag flying.

According to legend, the committee, if left to its own devices, would have given us six-pointed stars; But Mrs. John Ross, upholsterer and seamstress, who was to make the flag, preferred a five-pointed star. With a few snips of the scissors she showed the gentlemen how much neater the less bulky stars would appear, especially as their numbers increased. The gentlemen of the committee, Robert Morris, Colonel Ross, and perhaps even George Washington himself, agreed that she was right.

Although Congress formally approved the new flag in 1777, it was 2 or 3 years before the flag was generally adopted. But somehow the idea of a flag with stars and stripes took hold. The feeling of ardor for the flag possibly has never been better expressed than in the lines from the pen of Joseph Rodman Drake, a young poet who grew up with the young flag:

Flag of the free heart's hope and home,
By angel hands to valor given;
The stars have lit the welkin dome,
And all thy hues were born in heaven.
Forever float that standard sheet!
Where breathes the foe but falls before us,
With Freedom's soil beneath our feet,
And Freedom's banner streaming o'er us?

The appearance of a piece of bunting can change the mood of men. The stir of emotion at the sight of the flag is the common sentiment that binds us together spiritually. When men have died fighting in good causes under a flag, that banner is no longer merely a piece of cloth. It takes on a new and solemn beauty.

Since its adoption in 1777 more than 20 changes have been made in our flag. At first the admission of each new State was marked by the addition of a star and a stripe to the flag. In 1818 Congress stipulated that the number of stripes remain 13, in honor of the original States, and that "on the admission of every State into the Union, 1 star be added to the union of the flag; and that such addition shall take effect on the 4th of July next succeeding admission."

Like the flag itself, Flag Day did not attain its final form at once. The popular observance of the anniversary was of slow growth. In 1889 Prof. George Bolch, principal of a free kindergarten for the poor in New York City, decided to hold patriotic exercises on that day. They attracted considerable attention and the State department of education arranged to have the day observed in all the public schools.

In 1897 the Governor of New York issued a proclamation ordering the display of the flag over all the public buildings in the State. This is sometimes called the first official recognition of the day outside the schools. However, 4 years earlier, the mayor of Philadelphia, in response to a resolution of the Society of Colonial Dames of Pennsylvania ordered the display of the flag on the public buildings in that city. The resolution was offered by Mrs. Elizabeth Duane Gillespie, a direct descendant of Benjamin Franklin.

Although the anniversary is not a legal holiday in any of the States except Pennsylvania, it has come to be observed unofficially throughout the whole country. The flag is displayed, special exercises are held in the public schools, and the day is observed by lodges and civic organizations. It is customary to hold a celebration in the Betsy Ross House in Philadelphia, and the patriotic order of the Sons of America are in the habit of placing a wreath on the grave of Betsy Ross in Mount Moriah Cemetery in Philadelphia.

The increasing observance of Flag Day with the passing years has brought about a more lively appreciation of this banner of a free people. More than most peoples, we Americans have become accustomed to pay a very special homage and reverence to our flag. In a mystical way, such as is perhaps the case in on other land, the American flag symbolizes the hopes and ideals, the faith and pride of a Nation. It reminds us of our heritage, of the struggle, the sacrifice, and the triumphs of those who have gone before us. In these days of international tensions it gives assurance to us and hope to the free world. It represents those ideals of democracy, truth, and justice, toward which we must continue to strive, with confidence in the future of America.

Disgraced Dollar

EXTENSION OF REMARKS
OF
HON. EUGENE SILER
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Friday, June 12, 1959

Mr. SILER. Mr. Speaker, last weekend I journeyed to Canada—at my own expense—and I was amazed to find that our dollars are now disgraced and humiliated up there in that great and busy land of the north. Every time I gave some of the Canadians a dollar bill I would get back only 95 cents in Canadian money. They said the discount was 5 percent. Now it used to be the other way around, for if you gave the Canadians a dollar bill in the good old days you would get back a dollar and five cents in Canadian money. But how times have changed. So, now it costs you exactly $1 to get a $20 bill changed when you visit "sound money Canada" for a vacation.

This disgraced dollar of our land has already smacked the daylights out of the real income of millions of Americans from Martha's Vineyard to San Diego.

Its value went below 50 cents compared to 1940 some time ago. And this means we have robbed the widows, orphans, coal miners, pensioners, social security beneficiaries, old-age assistance people, and untold millions of others out of their patrimony or income or standard of living.

This disgrace upon the dollar has now settled like a shameful dunce cap even upon the head of the once respected Government bond so that today it is selling at less than 85 percent of its face value or par value. People apparently no longer have full faith in the Government bonds of our country.

While anyone may entertain his own opinion about the cause of all this disgrace and humiliation, yet I feel that it basically lies in the deficit Government financing we have been practicing in almost every year during the past generation of our recent history. What is deficit financing? Well, it is simply putting out more than you take in. Uncle Bill Provins ran a country store a few miles from my hometown. Some drummer asked him about his markup and his net income. He said, "I don't know nothing about them things but I do know when I buy a hat for $3 and sell it for $5, I ain't lost nothing." Well, I myself am not an economist or financier, but I do know when we put out more than we take in we are doing deficit financing and disgracing the dollar and robbing the widows and workers of our country and all the income receivers, both big and small, throughout the whole land.

One of the easiest and best ways to stop deficits and deficit financing is to stop most of this foreign aid right now. Some high Government officials recently stated that we would have to continue foreign aid indefinitely and maybe for the next 50 years or so. It is the only way, they claim, to stop Russia and prevent the spread of communism. I do not agree at all. But if we are planning to keep on with this foreign aid over an indefinite period, then we should change the motto on all our coins and make that motto "In foreign aid we trust" instead of our present motto, "In God we trust." Where did we ever obtain the insipid notion that America could be sustained or helped or defended by foreign aid? This overall program has already cost the American taxpayers about $70 billion over the past 14 years. It has done nothing for our country but cause disgrace to the dollar, flight from our Government bond, inflation of our grocery bills, robbery of our common people, embezzlement from our pensioners and workers, and continuation of high taxes upon every American that makes his bread in the sweat of his face. While Great Britain and Japan both were reducing taxes in recent times for their own people, we had to continue all of our tax burdens, transportation tax, telephone tax, income tax, gasoline tax, and all the rest, so we could help Great Britain and Japan reduce their own taxes upon their own people. A total of $3 billion of foreign aid money has actually gone to foreign powers so that they could reduce their national debts and balance their budgets, and yet to extend this kind of aid we ourselves had to borrow the money that was needed. We have also given more than $2 billion to foreign governments that were and are unfriendly to the United States, including the Soviet Union, Yugoslavia, and Poland.

Mr. Speaker, paraphrasing the remark of Patrick Henry, I know not what course others may take but as for me, give me something for Albany—Kentucky—ahead of Afghanistan, something for Harlan ahead of Hindustan, and something for London, Ky., ahead of London, England. And, in conclusion, it is now almost the Fourth of July and I wish to say that I do not apologize for being an American instead of an internationalist or for favoring the motto, "In God we trust," over the current song of many, "In foreign aid we trust."

Let us return to sanity and let us lift our pitiable dollar out of disgrace up to a returned respectability. Let us shake off our old sackcloth and ashes and say, "Hurray for America—I am proud to be an American and to stand for Americans as long as the world stands."

SENATE

MONDAY, JUNE 15, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God who dwellest in light unclouded, Thou knowest what is in the darkness; Thou seest that in the murkiness of our fog-shrouded days, we, Thy children, move in a confusion of light and shadows, and that amid encircling gloom we are not certain of the way we should take.

Amid the perplexities of such an hour in human relations, save those who must speak for the people from dealing in agitation without vision, passion without poise, heat without light.

Somehow, Thou God of radiance undimmed, in whom is no darkness at all, we who are pilgrims of the night must find in Thee what we fail to find in the broken lights of man—a clearer understanding of the basic facts and forces of the exploding world about us.

O Thou God of our salvation, who knoweth the end from the beginning, send forth Thy light of truth and love and duty in whose clarity we may walk and in the splendor of which we may labor on, until the evening finds us unashamed and unstained.

We ask it in the holy name of the One whose "I am the Light", steadies our faltering feet. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 15, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 12, 1959, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Morning business is in order.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call of the calendar, under the rule, be dispensed with today.

The PRESIDING OFFICER (Mr. DODD in the chair). Without objection, it is so ordered.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ENTITLED "MUTUAL SECURITY AGT OF 1959"

Mr. JOHNSON of Texas. Mr. President, on behalf of the Senator from Arizona [Mr. HAYDEN], I submit a resolution to provide for the printing of additional copies of part 1 of the hearings entitled "Mutual Security Act of 1959." I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Foreign Relations one thousand eight hundred additional copies of part 1 of the hearings entitled "Mutual Security Act of 1959."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 132) was considered and agreed to.

Mr. JOHNSON of Texas. Mr. President, I also submit a resolution to provide for the printing of additional copies of part 2 of the hearings entitled "Mutual Security Act of 1959." I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Foreign Relations one thousand eight hundred additional copies of part 2 of the hearings entitled "Mutual Security Act of 1959."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 133) was considered and agreed to.

FARM INCOME—RESOLUTION

Mr. CARLSON. Mr. President, the McPherson County Farmers Union at its regular meeting adopted a resolution urging that Congress enact legislation which would give the farmer his fair share of the national income.

I ask unanimous consent that this resolution be printed in the RECORD and referred to the Committee on Agriculture and Forestry.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas the farm price situation has shown no improvement; and

Whereas farm income in relations to nonfarm income is below parity; and

Whereas this not only works a severe hardship on farm families but also on the business firms in farm towns and cities: Therefore be it

Resolved, That the McPherson County Farmers Union in session this 8th day of June 1959 urge the Congress to enact legislation which will increase farm income; and be it further

Resolved, That copies of this resolution be mailed to Senators ANDREW SCHOEPPEL and FRANK CARLSON and Congressman ED REES.

ARVID MATTSON,
President.
ART E. GUSTAFSON,
County Secretary.

REGULATIONS ISSUED BY FEDERAL COMMUNICATIONS COMMISSION—RESOLUTION

Mr. CARLSON. Mr. President, the radio broadcasters of Kansas are greatly concerned over the regulations issued by the Federal Communications Commission in regard to political broadcasts as interpreted by the Commission under section 315 of the Federal Communications Act.

At a recent State meeting of the organization, they adopted a resolution in regard to these regulations, and I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas radio broadcasters have been concerned about the Federal Communications Commission regulations pertaining to political broadcasts and whereas section 315 has caused many broadcasters concern as to what they can and cannot do, the Kansas Association of Radio Broadcasters meeting in its annual convention at Wichita on May 24, 1959, unanimously resolves that the Senators and Representatives from Kansas be urged to support the bill introduced by Senator HARTKE of Indiana pertaining to section 315 of the Federal Communications Commission rules and regulations. The resolutions committee chairman is hereby instructed to so advise the Senators and Representatives from Kansas.

KANSAS ASSOCIATION OF RADIO BROADCASTERS,
THAD M. SANDSTROM,
WIBW, Topeka, Chairman, Resolutions Committee.
JIM MCKENNEY,
KMDO, Fort Scott.
CLEM MORGAN, *KWSK, Pratt.*

PUBLIC POWER NEEDS OF NORTHEASTERN STATES—RESOLUTIONS

Mr. YOUNG of Ohio. Mr. President, the electric power rates in the northeastern region of the United States, including the State of Ohio, are the highest in the Nation. It is time that we take steps to develop the electric power resources of this area as has been done in other regions.

The American Public Power Association representing over 800 local publicly owned electric utilities just recently concluded their annual convention.

This convention adopted two resolutions designed to provide the people of the Northeastern States with low cost electricity.

Mr. President, I ask unanimous consent that these two resolutions, entitled "Northeastern Power Administration" and "Transmission of Niagara Power" be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

NORTHEASTERN POWER ADMINISTRATION

Whereas there are interstate power projects presently existing in Northeastern United States whose responsibility transcends State lines; and

Whereas Corps of Engineers surveys in recent years indicate there are many undeveloped hydroelectric sites feasible of development in this area; and

Whereas there is a vital need for further study and coordination of these projects for maximum development of the region's resources; and

Whereas this area is the only section of the country without a Federal agency for an overall resource study, and electric rates in the area are among the highest in the Nation; and

Whereas the Secretary of the Interior under authority of the Food Control Act of 1944 has created the Southeastern Power Administration and Southwestern Power Administration, and has a similar authority and responsibility with respect to the northeastern region of the United States: Now, therefore, be it

Resolved, That the American Public Power Association urges the Secretary of the Interior to establish a Northeastern Power Administration, similar to the Southeastern and Southwestern Power Administrations, to make a comprehensive study of the region's electric power resources northeast from and including the Ohio River Valley, for maximum orderly development of the region's natural resources in the public interest.

TRANSMISSION OF NIAGARA POWER

Whereas Congress authorized the Federal Power Commission to issue a license for the Niagara Falls powerplant under a mandatory condition that up to 170,000 kilowatts of the power output be made available to public and cooperative electric systems of Ohio and Pennsylvania; and

Whereas no Federal transmission lines exist for transmitting this power into these States; and

Whereas private utilities have indicated that they are not willing to wheel this power; and

Whereas the intent of the Congress will not be carried out unless transmission lines can be provided; and

Whereas the Secretary of the Interior apparently does not have adequate legislative authority to build a transmission line or arrange for wheeling Niagara power: Now, therefore, be it

Resolved, That the American Public Power Association urges that Congress amend the Niagara Act so as to authorize the Secretary of the Interior to build transmission lines or otherwise arrange for the transmission of Niagara power so that the intent of Congress can be carried out.

POLITICAL BROADCASTS—RESOLUTION

Mr. SCHOEPPEL. Mr. President, on May 24, 1959, at Wichita, Kans., the Kansas Association of Radio Broadcasters unanimously adopted a resolution urging support of a bill introduced by the Senator from Indiana [Mr. HARTKE] pertaining to political broadcasts.

Thad M. Sandstrom, the president of the association, has sent the resolution to me, and I present it to the Senate, and ask that it be appropriately referred.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Whereas Radio Broadcasters have been concerned about the Federal Communications Commission regulations pertaining to political broadcasts and whereas section 315 has caused many broadcasters concern as to what they can and cannot do, the Kansas Association of Radio Broadcasters meeting in its annual convention at Wichita on May 24, 1959, unanimously resolves that the Senators and Representatives from Kansas be urged to support the bill introduced by Representative HARTKE of Indiana pertaining to section 315 of the Federal Communications Commission rules and regulations. The resolutions committee chairman is hereby instructed to so advise the Senators and Representatives from Kansas.

KANSAS ASSOCIATION OF RADIO BROADCASTERS.
THAD M. SANDSTROM,
WIBW, Topeka, Chairman, Resolutions Committee.
JIM MCKENNEY,
KMDO, Fort Scott.
CLEM MORGAN,
KWSK, Pratt.

CONTINUED FEDERAL AID FOR VOCATIONAL EDUCATION—RESOLUTION

Mr. PROXMIRE. Mr. President, at a recent convention in Green Bay, Wis., the Wisconsin Association for Vocational and Adult Education adopted a resolution expressing strong opposition to the administration's proposal to discontinue Federal aids for vocational education under the Smith-Hughes and George-Barden acts.

Wisconsin has been extremely proud of the pioneering work that has been done in this field in our State, dating back to 1911. Our State's vocational school program today is one of the strongest in the Nation. Every community of 5,000 or more population maintains a local vocational school, offering programs of vocational education for youngsters who drop out of the academically oriented public high schools, for those who want to take vocational training after graduating from high school, for adults who wish to develop an avocation or hobby, and for those who require vocational rehabilitation after suffering physical disabilities.

In Wisconsin and other States, the Federal aid programs have greatly aided the development of these vocational and adult education programs. This is a fine example of the kind of Federal aid that more than repays its own investment by training the men and women to take more effective parts in the economic development and progress of our Nations.

Mr. President, I therefore ask unanimous consent that the resolution of the Wisconsin Association for Vocational and Adult Education be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the program of vocational education in Wisconsin has had as a primary objective the development of the skills of the working youth and adults of our State; and

Whereas the program of vocational education in Wisconsin has been developed with the assistance of Federal aids allotted to the State under the provisions of the Smith-Hughes and George-Barden Acts; and

Whereas the elimination of Federal aids for vocational education under the Smith-Hughes and George-Barden Acts would result in discontinuance of some established vocational education training programs which are essential to the basic economy of our Nation and would hinder the development of needed new programs; and

Whereas the elimination of Federal aids for vocational education would weaken the industrial, business, and agriculture training structure of our country, the strength of which is so essential to successful competition with the Communist world; and

Whereas President Eisenhower in his 1959 budget message to the U.S. Congress has recommended the elimination of Federal aids for vocational education under the Smith-Hughes and George-Barden Acts beginning on July 1, 1960, and has stated that legislation will be introduced into the 1959 session of Congress to accomplish this objective: Therefore be it

Resolved, That the Wisconsin Association for Vocational and Adult Education conference assembled in Green Bay, Wis., on Friday and Saturday, May 1 and 2, 1959, take action vigorously opposing the recommendations of President Eisenhower for the elimination of Federal aid for vocational education beginning on July 1, 1960; and be it further

Resolved, That a copy of this resolution be sent to the Honorable Dwight Eisenhower, President of the United States, Washington, D.C., to all Wisconsin congressional representatives, and to the Honorable Gaylord A. Nelson, Governor of Wisconsin.

RESOLUTIONS OF VERENDRYE ELECTRIC COOPERATIVE, INC.

Mr. LANGER. Mr. President, I present a series of resolutions adopted at the annual meeting of the Verendrye Electric Cooperative, Inc. I ask unanimous consent that the resolutions be printed in the RECORD.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Agriculture and Forestry:

"RESOLUTION 2

"Whereas for more than 50 years the preference clause in Federal power laws, giving preference to nonprofit and rural electric systems, has been an important influence in insuring the continuation of a healthy competition in the electric industry; and

"Whereas over 400 of the rural electric systems are dependent either directly or indirectly upon Federal power projects for their power supply; and

"Whereas constant attempts are being made to weaken the preference clause by such devices as the Case amendment and the Niagara limitations enacted in the 85th Congress: Now, therefore, be it

"*Resolved*, That we reaffirm our strong support for the preference rights of nonprofit, consumer-owned electric systems and express our complete opposition to any repeal, watering down, or evasion of the preference clause; and be it further

"*Resolved*, That we strongly oppose any and all attempts to weaken or destroy the preference clause and recommend enactment of legislation to remove the effects of the Case amendment to the Rivers, Harbors, and Flood Control Authorization Act of 1958."

"RESOLUTION 6

"Whereas the Verendrye Electric Cooperative, Inc., assembled in annual meeting this 8th day of June 1959, hereby wish to thank Senators LANGER and YOUNG for their support of REA legislation in the past and ask them to continue to do everything in their power to facilitate the program of REA."

"RESOLUTION 7

"Whereas we urge the enactment by the States and the Federal Government of legislation to protect the territory of the rural electric systems and their unrestricted right to serve in that territory: Now, therefore, be it

"*Resolved*, That Verendrye Electric Cooperative of Velva, N. Dak., urge our State and National Government to carry through such legislation."

"RESOLUTION 8

"Whereas the 2 percent REA interest rates are under attack as being a subsidized rate; and

"Whereas there is no basis in fact or theory that this 2 percent rate is a subsidized rate, for over the years the REA has accrued a net income to the U.S. Treasury from lending operation of some 48 million; and

"Whereas the Congress entered into contract with the rural electric cooperatives in 1944 to lend them money at a fixed 2 percent interest charge if the rural electrics would provide complete and continuing area coverage (to serve all new consumers and provide adequate service to existing consumers) which the cooperatives are admittedly doing; and

"Whereas any increase in the REA interest rate would for all practical purposes destroy and eliminate the rural electric cooperative program: Now, therefore, be it

"*Resolved*, That the Verendrye Electric Cooperative oppose any increase in interest rate."

"RESOLUTION 10

"Whereas the Verendrye Electric Cooperative, Inc., duly assembled in annual meeting this 8th day of June 1959 are not satisfied with results of the vote on the Humphrey-Price bill: Therefore be it

"*Resolved*, That we ask reintroduction of the same legislation in the next session of Congress and urge all of our Senators and Representatives to support the bill."

To the Committee on Interior and Insular Affairs:

"RESOLUTION 5

"Whereas the present and future development of the Nations resources will require careful long-range planning and a substantial investment; and

"Whereas the failure to protect and use these resources is resulting in costly floods, loss of valuable top soil and loss of much needed water power; and

"Whereas the Federal Government does not have a long-range program for protecting and using its natural resources; and

"Whereas Senator MANSFIELD and others have introduced Senate Resolution 48 calling for a study of national water resources: Now, therefore, let it be

"*Resolved*, That we commend Senator MANSFIELD and urge the U.S. Senate to adopt Senate Resolution 48."

To the Committee on Public Works:

"RESOLUTION 3

"Whereas the Tennessee Valley Authority which has done a remarkable job of serving their area for a period of 25 years; and

"Whereas it has been proved that they have served their people well under the handicaps of constantly asking for appropriations for enlarging and modernizing their facilities: Now, therefore, let it be

"*Resolved*, That we ask our Senators and Congressmen to support TVA self financing plan as introduced in H.R. 3460 by Congressman JONES, of Alabama, ABERNETHY, of Mississippi (H.R. 3462) and others."

RESOLUTION OF AMERICAN VETERANS COMMITTEE

Mr. LANGER. Mr. President, I present, for appropriate reference, a resolution adopted at the 12th national convention of the American Veterans Committee, favoring the adoption of Senate Resolution No. 17, favoring the establishment of an inter-American regional development bank. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

INTERNATIONAL RESOLUTION 1

Whereas the continued existence of free institutions rests on the unity of the free nations of the West, yet serious division within NATO and the Atlantic Community threatens the peace and security of the West, and such division among the Western democracies is a primary objective of the Soviet foreign policy; and

Whereas the international affairs platform of the American Veterans Committee adopted at its 10th national convention urged that some of the best minds from the Western democracies be assembled for the express

purpose of exploring just how, and to what extent, it might be possible to create the unity which is essential for us all: Now, therefore, be it

Resolved, That we, the 12th national convention of the American Veterans Committee, do endorse Senate Concurrent Resolution 17 (H. Con. Res. 107–108) which resolved:

1. That the legislatures of the other democratic governments of the North Atlantic Treaty Organization shall be invited to name delegates to meet in a convention with delegates from the United States and from such other democracies, wherever situated, as the convention may invite, to explore and to report as to what extent their people might, within the framework of the United Nations and in accord with the basic principles of the Constitution of the United States, achieve more effective and democratic unity in advancing their common economic and political affairs, their joint defense and the aims of world peace and individual freedom.

2. That the convention should be composed of leading representative citizens officially appointed on a nonpartisan basis but free to explore the problem fully as individuals without being officially instructed or able to commit their governments.

Adopted May 17, 1959.

RESOLUTION OF LOCAL 207, NATIONAL FEDERATION OF FEDERAL EMPLOYEES UNION

Mr. LANGER. Mr. President, I present, for appropriate reference, a resolution adopted by Local 207, National Federation of Federal Employees Union, relating to a comprehensive health insurance plan. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Whereas the National Federation of Federal Employees Union, Local 207, is concerned about legislative action pertaining to S. 94, the comprehensive health insurance plan, which was proposed by the Civil Service Commission; and

Whereas local 207 feels that a medical and surgical health plan would be beneficial to both recruitment of new employees and morale of present employees; and

Whereas because of increased costs in health programs and such programs still do not cover all contingencies: Therefore be it

Resolved, That National Federation of Federal Employees, local No. 207, go on record as favoring immediate action by the Senate Insurance Subcommittee of the Senate Post Office and Civil Service Committee on S. 94.

Dated this 11th day of June 1959.

RICHARD R. BAUER,
President, Local No. 207.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 506. A bill for the relief of Borislav Petrovich (Rept. No. 387);

S. 1241. A bill for the relief of Sirvart Kasabian (Rept. No. 388);

S. 1297. A bill for the relief of Salim Menashi Eliahoo Reuben (Rept. No. 389);

S. 1601. A bill for the relief of Mrs. Erika Elfriede Ida Ward (Rept. No. 390);

S. 1613. A bill for the relief of Matilda Kolich (Rept. No. 391); and

S. 1647. A bill to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment (Rept. No. 392).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1369. A bill for the relief of Yukie Arita Hale (Rept. No. 393).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 1430. A bill for the relief of Agostino Aresco (Rept. No. 394);

S. 1533. A bill for the relief of Ho Rim Yoon (Rept. No. 395); and

H.J. Res. 323. Joint resolution to facilitate the admission into the United States of certain aliens (Rept. No. 396).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MANSFIELD (for himself, Mr. COOPER, Mr. MURRAY, and Mr. NEUBERGER):

S. 2167. A bill to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. MANSFIELD when he introduced the above bill, which appear under a separate heading.)

By Mr. FULBRIGHT (for himself, Mr. MCCLELLAN, Mr. BUSH, Mr. CHAVEZ, Mr. EASTLAND, Mr. SPARKMAN, and Mr. THURMOND):

S. 2168. A bill to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine; to the Committee on Armed Services.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (for himself, Mr. ALLOTT, Mr. ANDERSON, Mr. BENNETT, Mr. BIBLE, Mr. CANNON, Mr. CARLSON, Mr. CHAVEZ, Mr. CHURCH, Mr. DWORSHAK, Mr. GOLDWATER, Mr. GRUENING, Mr. JORDAN, Mr. KERR, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MONRONEY, Mr. MOSS, and Mr. SCHOEPPEL):

S. 2169. A bill to amend the Internal Revenue Code relating to adjustment upward of the import duties on lead and zinc; to the Committee on Finance.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER:

S. 2170. A bill to authorize a 10-year program of grants for construction of medical, dental, and public health educational facilities, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 2171. A bill for the relief of Ronald L. Jorgensen;

S. 2172. A bill for the relief of Kenneth G. Boelke; and

S. 2173. A bill for the relief of Mrs. John Slingsby, Lena Slingsby, Alice V. Slingsby, and Harry Slingsby; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 2174. A bill to permit M. Margaretta Van Horne to file application for a patent to certain land in Florida; to the Committee on Interior and Insular Affairs.

By Mr. BUTLER (for himself and Mr. WILLIAMS of Delaware):

S. 2175. A bill to amend the Merchant Marine Act, 1936, in order to eliminate the 6 percent differential applying to certain bids of Pacific coast shipbuilders; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIAMS of New Jersey:

S. 2176. A bill for the relief of Antonio Abele Tarabocchia; and

S. 2177. A bill for the relief of Peter J. Waterton; to the Committee on the Judiciary.

By Mr. DIRKSEN (by request):

S. 2178. A bill to amend titles I, II, and III of the Immigration and Nationality Act, and for other purposes; and

S. 2179. A bill to amend section 1915 of title 28, United States Code, relating to proceedings in forma pauperis; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above bills, which appear under separate headings.)

By Mr. JOHNSON of Texas:

S. 2180. A bill for the relief of Paul Pesthy; to the Committee on the Judiciary.

By Mr. O'MAHONEY:

S. 2181. A bill to amend the Mineral Leasing Act of February 25, 1920; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. O'MAHONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 2182. A bill for the relief of Andrew J. Metcalf; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

Mr. YOUNG of Ohio submitted a concurrent resolution (S. Con. Res. 49) extending greetings to Kent State University on the occasion of the 50th anniversary of its founding, which was referred to the Committee on the Judiciary.

(See the above concurrent resolution printed in full when submitted by Mr. YOUNG of Ohio, which appears under a separate heading.)

RESOLUTIONS

Mr. JOHNSON of Texas submitted the following resolutions, which were considered and agreed to:

S. Res. 132. Resolution to print additional copies of part 1 of the hearing "Mutual Security Act of 1959"; and

S. Res. 133. Resolution to print additional copies of part 2 of the hearing "Mutual Security Act of 1959."

(See the above printed in full when submitted by Mr. JOHNSON of Texas, which appear under a separate heading.)

PROHIBITION OF USE OF AIRCRAFT OR MOTOR VEHICLES TO HUNT CERTAIN WILD HORSES OR BURROS

Mr. MANSFIELD. Mr. President, in the past I have received small bits of information about the inhumane methods used in capturing wild horses and burros which roam certain public lands.

It is not a very pleasant picture. Recently more detailed information has come to my attention, including photographs showing the extreme cruelty being inflicted on these animals which are driven by low-flying planes from their retreats in the high mountains. The most disgraceful means are used, the animals are tortured until they tire and are easily towed away in trucks to canneries where they are made into pet

food. Because of humane considerations and for the protection of a gradually disappearing species something must be done to prevent this sort of thing.

State legislation will not stop this cruelty. The State of Nevada has a law outlawing the pursuit of wild horses and burros with motorized equipment, but the State has no control over these practices on the vast areas of Federal land within the State. This is a situation similar to that in other Western States.

There is a real public demand for legislation to control these practices on Federal lands. Therefore, Mr. President, on behalf of myself, and my distinguished colleagues, Senators COOPER, MURRAY, and NEUBERGER, I am introducing a bill which would prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States. The approval of this proposed legislation would not prevent either capturing or killing by humane means the animals in question when this is really necessary. This proposed legislation is designed to eliminate the unnecessary cruelty to these symbolic animals of the old West.

The Department of the Interior has estimated that no more than 20,000 of these animals are left in the entire West. When I was a boy, in one county in Montana alone there were more than 20,000 horses. Since World War II, in Nevada alone, some 100,000 horses have been butchered by these cruel means.

The nationwide movement to protect the horses has grown from the efforts of Mr. Velma Johnston, of the Double Lazy Heart Ranch in Wadsworth, Nev., and of Nevada animal protective societies and humanitarians who have worked together as a result of first-hand experience.

Legislation is needed on both State and Federal levels if we are to save the mustang, if Congress does not take action soon then they will become extinct.

Mr. President, I ask that this bill lie on the desk for 4 days so that other Senators who may wish to join in sponsoring it will have an opportunity to do so.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Montana.

The bill (S. 2167) to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes, introduced by Mr. MANSFIELD (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

REMOVAL OF RESTRICTIONS ON USE OF MARGARINE BY THE NAVY

Mr. FULBRIGHT. Mr. President, I introduce a bill, for appropriate reference, on behalf of myself, my colleague, the senior Senator from Arkansas [Mr. MCCLELLAN], the Senator from Connecticut [Mr. BUSH], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. SPARKMAN], and the Senator from South Carolina [Mr. THURMOND].

The bill I am introducing will clear up the last direct Federal restriction on margarine, eventually save the taxpayers many millions of dollars, and benefit the Navy.

The bill amends the Navy ration statute to insert the words "margarine" or "oleomargarine." It gives the Navy permissive authority to buy margarine for table use, which authority is not now explicit in the statute.

The Navy Department itself has for some time indicated it wanted this legislation. Butter cannot meet the Navy's needs for a nutritious spread suitable to all of the extremely variant conditions under which our Navy operates throughout the world. The Navy has stated that a saving of some $1 million a year could ensue if it could use margarine as an alternate to butter when needed.

There is no valid reason why the Navy or any other branch of the armed services should not be given simple freedom of choice to buy what foods it needs, within the structure of the present ration statute. The omission of margarine in that statute today is discriminatory and restrictive. Today, more margarine than butter is being used in the United States.

In 1950 the Congress removed the old Federal taxes on margarine, and in 1949 it refused to restrict the Army's purchase of margarine. Surely this principle of freedom of choice should apply to the Navy also.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2168) to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine, introduced by Mr. FULBRIGHT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Armed Services.

ADJUSTMENT OF IMPORT DUTIES ON LEAD AND ZINC

Mr. MURRAY. Mr. President, I introduce, for appropriate reference, a bill to provide for the adjustment upward of the import duties on lead and zinc. Eighteen of my colleagues, namely, Senators ALLOTT, ANDERSON, BENNETT, BIBLE, CANNON, CARLSON, CHAVEZ, CHURCH, DWORSHAK, GOLDWATER, GRUENING, JORDAN, KERR, MAGNUSON, MANSFIELD, MONRONEY, MOSS, and SCHOEPPEL have joined me in the sponsorship of this bill. I call attention to the fact that this sponsorship is bipartisan.

The lead and zinc mining industries of this country are in dire straits as the result of worldwide overproduction of the two minerals. Ores and concentrates produced by foreign miners who, in many countries, are paid a mere pittance, overhang the market in such quantities as to threaten the livelihood of every lead and zinc miner in the United States.

Action taken by the President last September in setting up a schedule of import quotas for lead and zinc has proven to be inadequate to solve the problem of protecting these vital American industries and the workers employed in them from the unfair competition of foreign labor, which in some instances is paid less than one-twelfth as much as the American miner receives.

Industry leaders have advised that if the adjustments in duties provided in this bill are enacted, they, together with the presently operating import quotas, will provide the economic assistance necessary to assure the continuance of these industries and their employees as a part of the American taxpaying community.

Mr. President, I ask unanimous consent that the bill may remain at the desk for 3 days, so that other Senators may have an opportunity to join in sponsoring it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Montana.

The bill (S. 2169) to amend the Internal Revenue Code, relating to adjustment upward of the import duties on lead and zinc, introduced by Mr. MURRAY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

CONSTRUCTION GRANTS FOR MEDICAL SCHOOLS ESSENTIAL TO MEET FUTURE HEALTH CARE AND RESEARCH DEMANDS

Mr. NEUBERGER. Mr. President, I introduce, for appropriate reference, a bill to authorize a 10-year program of grants for construction of medical, dental, and public health educational facilities to assist in insuring our country of a supply of physicians, dentists, teachers, and scientists adequate to meet the health care and medical research need which the United States faces in the decades immediately ahead.

My bill is a companion measure to H.R. 6906, introduced in the House of Representatives by Representative JOHN E. FOGARTY, of Rhode Island, for many years a vigorous leader in the field of medical legislation. I submit Representative FOGARTY's proposal today so that it may receive simultaneous consideration in the Senate.

Mr. President, despite the well-recognized status of our academic institutions as the roots from which medical progress stems, circumstances have been allowed to develop which, if not remedied, may seriously curtail the supply of trained people which must be provided to meet projected demand for medical care, research, and teaching. Funds are urgently needed for construction of medical and health education facilities and incentive programs to encourage entrance by young men and women into training in these fields.

NEW NEEDS PRESS MEDICAL SCHOOLS

Without expanded facilities, our medical schools cannot graduate enough

qualified doctors to maintain the present U.S. ratio of 130 physicians to every 100,000 persons. Broken down, that amounts to 1 doctor for every 750 people. It is clearly not in the public interest for this ratio of physicians and patients to decrease. To maintain it, the output of doctors will have to reach 8,700 by 1970. This would be a 1,900 increase over the present annual graduation rate.

By 1970 there will be 220 million people in the United States. Of those, 110 million will be over 65 or under 20 years old. This group of young and advanced in age will account for nearly three-quarters of the 26 percent population increase in the next 10 years. These are the age groups that are so often victims of the yet to be conquered diseases at which basic research grants are aimed.

With a rising percentage of older people in our population, pressures will continue to mount for increased emphasis on research and treatment in chronic and degenerative diseases. Medical research supported by tax funds is necessarily and properly influenced by such needs. But if we hope to meet these demands, our research facilities must be adequately staffed. It is primarily through our medical school graduates that we can expect to find the key to continued progress in these fields. Research and education are inseparable twins.

EDUCATIONAL DEMAND ALSO RISES

Along with the increased demand for medical care and research, we can expect the demand for medical education and training to grow. By 1970, the Bayne-Jones report suggests that the college age population will jump from its present 15 million to 26 million. Motivated by strong social and economic incentives, at least 6.4 million of these young people can be expected to reach college. This, compared to our 1958 college enrollment of 3.5 million, will surely place added admission burden on the medical schools unless more teaching and lab space is provided. Earlier this year I introduced legislation which would amend the National Defense Education Act of 1958 to permit forgiveness, of up to 50 percent, of loans granted under the program to persons who enter medical research. Success of this program would mean not only an addition to the number of trained researchers but also a larger student load for the Nation's medical schools.

The bill which I am introducing today is based on the premise that the Nation's standard of health and medical research effort is intrinsically interlocked with the ability of our institutions of higher learning to produce trained personnel in the field of medicine. Without provision of adequate facilities, the schools will be unable to support the enlarged medical framework required to meet new needs.

TWO PRINCIPAL PROGRAMS OFFERED

Like all other elements of higher education, the medical schools are finding it increasingly difficult to live on their endowments, State aid, and gifts. If the Federal Government can finance research in cattle disease and crop conditions, it seems only reasonable to believe that equal consideration should be given to helping to educate the men and women who in effect may control our lives.

Mr. President, here is how the proposal which I introduce today would assist in carrying out this goal.

First, it would create a $50 million a year, 5-year program of matching grants for expansion, improvement, and modernization of medical, dentistry, and public health schools already in operation.

Existing facilities can be improved. This is at best a stopgap expedient. Experiments are now in progress involving a shift of teaching responsibilities between universities and medical schools which may help reduce the time required to produce physicians. If these experiments germinate, the basic preclinical courses such as anatomy, biochemistry, microbiology, and pathology could be taught in the universities, thus providing students to fill the existing clinical facilities of the medical schools, which are too often not fully utilized.

By improving existing medical school facilities and teaching methods, we can increase the present output of physicians by about 700 annually.

PROVIDES $100 MILLION FOR NEW FACILITIES

Second, the bill authorizes expenditure of $100 million in a 10-year program of grants for construction and maintenance of new medical schools.

As previously pointed out, 1,900 more physicians than are presently being graduated will be needed in 1970, according to projections made by the authoritative Bayne-Jones report. If existing medical schools can provide only 700 of that number, about 1,200 additional doctors must be produced by new schools of medicine, dentistry, and public health.

The average medical school graduates about 90 students a year; a minimum of 14 and as many as 20 new medical schools will have to be built to maintain present standards of medical excellence.

To meet this need, and with the knowledge that about 10 years typically elapse between the planning of a school and production of its first graduates, it is clear that construction of these new schools will have to begin in the immediate future. Similar reasoning applies in the case of dental and public health training institutions. Moreover, the specialized facilities required for health education must be viewed in the perspective of the much larger total demand for construction of all kinds of facilities for higher education.

A new medical school requires a capital investment of from $35 to $50 million. The total cost of new medical school construction required to sustain today's population-physician ratio would range between $500 million and $1 billion. The $100 million of aid this bill provides is not a panacea, but without it we may face the severe danger of a decline in our medical services.

MAXIMUM HEALTH EFFORT DEMANDED

We are currently competing with a monolithic society where all interests—public and private—are governmentally canalized into a single course of action. The Soviets have oriented their human resources in medicine so that 70 percent of the Soviet doctors are women. By contrast, only 6 percent of the doctors in the United States are women.

The personnel techniques of the Russians may be criticized, but the release of men for other jobs and the utilization of women in a field where their natural proclivity for human kindness can be put to best advantage is a lesson we might well learn.

We need not emulate the Russian's mechanism for accelerating public health programs. But we will be foolhardy and negligent if, with our vast resources of technology and talent, we do not utilize means available to the Federal Government to promote the physical well-being of all our citizens.

Mr. President, I ask unanimous consent that there be printed at the conclusion of my remarks the text of my bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the text of the bill will be printed in the RECORD.

The bill (S. 2170) to authorize a 10-year program of grants for construction of medical, dental, and public health facilities, and for other purposes, introduced by Mr. NEUBERGER, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Health Educational Facilities Construction Act of 1959".

National Advisory Council on Health Educational and Research Facilities

SEC. 2. Paragraph (1) of section 702 of the Public Health Service Act is amended by inserting "Educational and" immediately after "Health".

SEC. 3. (a) The heading of section 703 of the Public Health Service Act is amended by striking out "Research facilities" and inserting in lieu thereof "educational and research facilities".

(b) (1) The first sentence of subsection (a) of such section is amended by striking out "Research Facilities" and inserting in lieu thereof "Educational and Research Facilities", by striking out "the Surgeon General of the Public Health Service who shall be Chairman, and" and inserting in lieu thereof "the Surgeon General, who shall be Chairman, the Commissioner of Education, and", and by striking out "twelve" and inserting in lieu thereof "sixteen".

(2) The second sentence of such subsection is amended by striking out "Four" and inserting in lieu thereof "Six" and by striking out "eight" and inserting in lieu thereof "ten".

(3) Clause (1) of the third sentence of such subsection is amended by inserting "medical or dental schools or" before "institutions". Clause (2) of such sentence is amended by striking out "research" and inserting in lieu thereof "research or teaching".

(c) Paragraphs (1) and (2) of subsection (b) of such section 703 are amended by inserting immediately after "this title", each time it appears, the following: "and title VIII".

Grants for Health Educational Facilities

SEC. 4. The Public Health Service Act (42 U.S.C., chapter 6A) is amended by adding at the end thereof the following new title:

"TITLE VIII—HEALTH EDUCATIONAL FACILITIES CONSTRUCTION PROGRAM

"SEC. 801. The Congress hereby finds and declares that—

"(a) increased demand for health services and health research necessitates the expansion and improvement of existing health educational facilities;

"(b) steadily increasing tuition fees and increasing contributions from private citizens, associations, funds, and foundations and from the health professions themselves have proven insufficient to provide the necessary capital funds required for such expansion and improvement;

"(c) it is, therefore, the policy of the Congress to provide funds for construction of health educational facilities for our public and nonprofit medical, dental, and public health schools, thus insuring the continued production of an adequate number of properly qualified and trained physicians, dentists, teachers, and research scientists.

"Definitions

"SEC. 802. As used in this title—

"(1) The term 'Council' means the National Advisory Council on Health Educational and Research Facilities established by section 703.

"(2) The terms 'construction' and 'cost of construction' include (A) the construction of new buildings and the expansion, remodeling, and alteration of existing buildings, including architects' fees in excess of amounts granted under section 803(c)(3), but not including the cost of acquisition of land or off-site improvements, except in the case of existing structures suitable for use as health educational facilities, and (B) equipping new buildings and existing buildings, whether or not expanded, remodeled, or altered.

"(3) The term 'nonprofit', as applied to a school, means a school owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(4) The term 'medical school' includes two-year schools and means a school providing training leading to the degree of doctor of medicine or osteopathy, approved or accredited by a recognized body or bodies approved by the Surgeon General after he has obtained the advice and recommendation of the Council, except that a new school which (by reason of no, or an insufficient, period of operation) is not, at the time of application for a grant to construct a facility under this title, eligible for accreditation by such a recognized body or bodies, shall be deemed accredited for purposes of this title if the Surgeon General finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school will, upon completion of such facility, meet the accreditation standards of such body or bodies.

"(5) The term 'dental school' means a school which provides training leading to the degree of doctor of dental surgery, or an equivalent degree, approved or accredited by a recognized body or bodies approved by the Surgeon General after he has obtained the advice and recommendation of the Council.

"(6) The term 'public health school' means a school which provides comprehensive professional training, specialized consultative services, and technical assistance in the fields of public health and in the administration of State and local public health programs.

"(7) The term 'health educational facilities' includes educational and related research facilities in medicine, dentistry, and public health.

"Authorization of appropriations

"SEC. 803. (a) To assist in the construction of health educational facilities, as provided in this title, there is hereby authorized to be appropriated—

"(1) $50,000,000 for the fiscal year beginning July 1, 1959, and each of the four succeeding fiscal years for grants for the expansion and improvement of existing schools of medicine, dentistry, and public health; and

"(2) $100,000,000 for the period beginning July 1, 1959, and ending June 30, 1969, for grants for the construction of new schools of medicine, dentistry, or public health.

"(b) Sums appropriated pursuant to this section shall remain available until expended.

"(c) No such grant shall be in excess of 50 per centum of the cost of construction with respect to which it is made, except that—

"(1) in the case of new schools, grants may be made in an amount not to exceed 66⅔ per centum of the cost of construction; and

"(2) in the case of existing schools, grants may be made in an amount not to exceed 66⅔ per centum of that portion of the costs of construction found by the Surgeon General to be reasonably attributable to expanded capacity for freshman enrollment; and

"(3) upon application of any medical, dental, or public health school, a grant of not to exceed $25,000 may be made for the purpose of preparing initial plans with estimates for the proposed new construction.

"(c) In the case of existing schools, no grant or grants shall be made to any one medical school in excess of $3,000,000 or to any one dental or public health school in excess of $1,000,000 for the total five-year program authorized in this section, exclusive of amounts granted under subsection (b)(3) of this section.

"Applications by medical, dental, and public health schools for grants

"SEC. 804. Any new or existing public or nonprofit medical, dental, or public health school desiring a grant under this title may file an application therefor with the Surgeon General for the fiscal year in which such grant is desired. Such application shall contain such information as the Surgeon General may by regulation prescribe and shall contain adequate assurances that the school will be operated as a public or nonprofit institution and comply with all provisions of this title and regulations promulgated pursuant thereto.

"Grants for construction

"SEC. 805. (a) The Surgeon General, in accordance with regulations, and upon the recommendation of the Council, shall determine from time to time the amount to be paid to each medical, dental, or public health school from appropriations under section 803 and shall certify to the Secretary of the Treasury the amounts so determined. Upon receipt of any such certification, the Secretary of the Treasury shall, prior to audit or settlement by the General Accounting Office, pay in accordance with such certification.

"(b) Not to exceed 20 per centum of the amount of any grant for a new school may, at the discretion of the applicant, be allocated to permanent endowment for the cost of maintenance of the new facility.

"Regulations

"SEC. 806. All regulations under this title with respect to payments to medical, dental, or public health schools shall be made only after obtaining the advice and recommendation of the Council.

"General provisions

"SEC. 807. Nothing in this title shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any control over, or prescribe any requirements with respect to, the curriculum or administration of any medical, dental, or public health school, or the admission of applicants thereto."

Technical amendments to Act of July 1, 1944

SEC. 5. (a) The Act of July 1, 1944 (58 Stat. 682), as amended, is hereby further amended by changing the number of title VIII to title IX and by changing the numbers of sections 801 to 814, inclusive, and references thereto, to sections 901 to 914, respectively.

(b) Section 1 of the Public Health Service Act is amended to read as follows:

"SECTION 1. Titles I to VIII, inclusive, of this Act may be cited as the 'Public Health Service Act'."

AMENDMENT OF TITLES I, II, AND III OF IMMIGRATION AND NATIONALITY ACT

Mr. DIRKSEN. Mr. President, by request, I introduce, for appropriate reference, a bill to amend titles I, II, and III of the Immigration and Nationality Act, and for other purposes.

The bill would carry out the recommendations for amending our immigration laws which were made by the President in his budget message to the Congress on January 19, 1959.

It is substantially the same as the administration's bill, introduced in the 85th Congress, by former Senator Watkins of Utah and cosponsored by several other Senators, with the exception that certain provisions which were incorporated in the act of September 11, 1957, have been eliminated.

The measure is discussed in detail in the explanation and section-by-section analysis which I ask unanimous consent to have printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the explanation and section-by-section analysis will be printed in the RECORD.

The bill (S. 2178) to amend titles I, II, and III of the Immigration and Nationality Act, and for other purposes, was received, read twice by its title, and referred to the Committee on the Judiciary.

The explanation and section-by-section analysis presented by Mr. DIRKSEN are as follows:

EXPLANATION AND ANALYSIS OF THE PROVISIONS OF THE BILL "TO AMEND TITLES I, II, AND III OF THE IMMIGRATION AND NATIONALITY ACT, AND FOR OTHER PURPOSES"

SECTIONS 1, 2, AND 3

These sections of the bill would provide moderate revisions in the quota system. The system would be brought up to date. Equitable distribution of additional quotas would be provided. Four regional quota pools would be established to which unused quota numbers would be assigned. Mortgages on quotas would be eliminated. New political entities would be protected against decreases in quota. The ceiling of 2,000 on the quotas within the Asia-Pacific triangle would be removed.

Under the existing law the annual quota of 154,657 is computed by taking one-sixth of 1 percent of the white population in 1920, less Western Hemisphere immigrants and their descendants. If the total population in 1920 had been used for this computation, the quota figure would have consti-

tuted one-seventh of 1 percent. The bill applies the latter percentage to the 1950 total population of the United States as defined in the act. The result is an annual quota of 219,461, or an increase of 64,804.

Under the bill the existing quota of 154,657 would continue to be allocated as at present, but the present maximum subquota allocation of 100 to each colony would be raised to 200. With respect to the allocation of the quota over and above 154,657 the legislation would provide for an increase in the quota for each minimum quota area. This increase would be from the present 100 to 200. With respect to the allocation of the remainder of the increase in the quota authorization the bill would provide an important new feature designed to recognize actual immigration since the quota act of 1924. This would be accomplished by providing for the distribution of the remainder of the increase in the total quota, to the several quota areas so that there will be assigned to each quota area that proportion which the immigration to the United States since July 1, 1924, and up to July 1, 1955, from that area bears to the total immigration from all quota areas.

Another significant change proposed is to provide for utilization of unused quota numbers. Under existing law failure to use in the year all of the quota allocated to a particular area results in its being wiped out. It is not carried forward into the next year. The bill would establish a separate quota pool for each of four regions, Europe, Asia, Africa, and Oceania, as described in the proposal, to which the unused quota numbers of the respective regions would be assigned for redistribution. Quota numbers thus assigned would be available for use only during the period of 1 year following their assignment. Such quota numbers would be made available only for allocation within the respective regions and only to qualified immigrants eligible for a preference status under paragraphs (1), (2), (3), and (4) of section 203(a) of the Immigration and Nationality Act.

The bill further proposes to delete entirely the ceiling of 2,000 imposed on the minimum quotas within the Asia-Pacific triangle. The law now provides that any increase in the number of minimum quota areas above 20 shall result in a proportionate decrease in each minimum quota so that the sum total of all minimum quotas within the Asia-Pacific triangle shall not exceed 2,000. As 20 minimum quotas of 100 each have already been established within the Asia-Pacific triangle, the creation of any additional minimum quotas within the triangle would require a proportionate reduction in the quota of each of these 20 countries. The proposed amendment, by removing the ceiling, would prevent such erosion of the minimum quotas within the triangle.

Looking ahead to probable political changes in the administrative arrangements of several areas, including the West Indies Federation, the bill would also assure to such a new political entity an immigration quota of not less than the total of subquotas or minimum quotas now comprising the area. Upon the recent merger of Syria and Egypt, each of which countries had a minimum quota of 100, the new quota for the larger quota area was reduced to 100 per year. The proposed amendment would prevent such a result.

The bill also would incorporate into the basic statute the provisions of Public Law 85-316 which removed the mortgages imposed on the annual quotas.

SECTIONS 4, 5, AND 6

These provisions of the bill would revise and clarify existing parole authority covering the emergency admission of aliens into the United States. Also, procedures would be provided under which a designated number of aliens who have been paroled into the United States might adjust their immigration status to that of a lawful permanent resident. Aliens paroled into the United States and who are presently here in an indefinite status include aliens admitted for emergency reasons or for reasons of public interest.

Section 4 grants the President power to authorize the parole by the Attorney General into the United States of refugees selected by the Secretary of State. Refugees are defined in the bill to include (1) persons who have been forced to flee from Communist territory or from a country in the Middle East because of persecution or fear of persecution based on race, religion, or political opinion, or (2) victims of war, political upheaval, or natural calamity who are unable to return to their former homes. The number of refugees who could be paroled annually may not, under the proposal, exceed the average number of aliens who have been permitted to come to the United States each year since June 25, 1948, by special acts of Congress (approximately 68,000). Parole would be granted by Presidential proclamation to refugees living in non-Communist countries. The Attorney General would be authorized, in the absence of such proclamation, to parole annually not more than 10,000 such refugees.

Section 5 sets up a procedure whereby the immigration status of parolees may be adjusted to that of a lawful permanent resident. The Attorney General could grant such adjustment of status in his discretion after the alien has been in the United States for 2 years and if the applicant is of good character and if the adjustment would not be contrary to the national interest. A report of the Attorney General's action if favorable would be submitted to the Congress. Unless the Congress disapproved, the alien's entry would be recorded as of the date of the alien's last arrival in the United States. If the Congress did not approve the administrative action, the Attorney General is to require the departure of the alien from the United States.

Section 6 provides that the number of aliens whose status may be adjusted under section 5 shall not exceed in any fiscal year the average number of aliens authorized to be admitted to the United States for permanent residence each fiscal year between June 25, 1948, and July 1, 1957, by any special public acts of Congress enacted during that period.

SECTIONS 7, 8, 9, AND 10

These sections of the bill would provide the necessary administrative authority to take care of hardship cases. The purpose of these provisions is to reduce the need for private immigration legislation which over the years has grown to staggering proportions. The President and Congress would thus be relieved of unnecessary and intolerable burdens in this field. A more suitable means would be provided for the consideration of applications for relief and a basis would be established for the uniform treatment of all cases.

Section 7 of the bill would vest in the Attorney General discretionary power to admit to the United States aliens with close relatives in this country, regardless of a technical statutory ground of inadmissibility. The same benefits are made available to war veterans and to functionaries of religious organizations. However, the bill provides that no relief shall be accorded aliens whose presence here would be dangerous to the safety and security of the United States. Similarly, section 8 of the bill vests discretionary authority in the Attorney General to withhold institution of deportation proceedings, to cancel such proceedings if instituted, and to adjust the status of deportable aliens to that of permanent residents. This discretionary power to grant relief is likewise limited to aliens who have close relatives in this country, war veterans and religious functionaries.

It is further provided that there shall be an annual ceiling of 5,000 on all cases in which the Attorney General may exercise the authority provided by sections 7 and 8, and that in each case there shall be an appropriate charge against the quota.

SECTION 11

Existing law requires that certain aliens who have been excluded or deported from the United States may not reapply for admission unless the Attorney General first grants permission to do so. This is an unnecessary and expensive complication in our immigration procedures and should be eliminated since there are now ample safeguards in the law against the readmission of unqualified aliens. Particularly is this true when consideration is given to the documentary requirements in the statute which contemplate a preliminary screening by a consular officer before the alien receives a travel document. Allied provisions in the statute require prosecution of aliens who have returned to this country without having obtained the necessary permission from the Attorney General. This section of the bill would provide for repeal of these requirements.

SECTION 12

The act contains provisions permitting the Attorney General and the Secretary of State to waive the requirement of travel documents in certain instances on behalf of nonimmigrant aliens. The exercise of this power in individual emergency cases is now limited to those which are "unforeseen." The quoted word is unnecessarily restrictive and should be eliminated. The provisions of this section of the bill would effect this desirable change.

SECTION 13

This section codifies into section 212(d)(7) of the basic Immigration and Nationality Act the effect of the recent statutes, Public Law 85-508, granting statehood to Alaska, and Public Law 86-3, granting statehood to Hawaii.

SECTION 14

In prescribing the procedures for the conduct of hearings before special inquiry officers of the Immigration and Naturalization Service, to determine eligibility of persons to enter the United States (so-called exclusion hearings), existing law provides that such hearings shall be conducted by a special inquiry officer. The law does not specifically provide for the assignment of an additional officer to present evidence at such hearings. In regard to deportation proceedings the existing statute provides for the assignment of an additional officer to present the Government's case. In order to remove any doubt as to the authority of the Attorney General to assign an additional officer to perform the prosecutive functions in exclusion cases, in his discretion, where he deems such procedure to be desirable in particular cases, express statutory authority should be provided. This section of the bill would remove any doubt as to the authority of the Attorney General to make such assignments of examining officers in exclusion cases.

SECTION 15

There has been a tremendous increase in air and surface travel throughout the world and many aliens traveling from one foreign country to another find it necessary to pass through the United States. Under contracts authorized to be entered into between the Attorney General and operators of transportation lines such aliens may be exempted from certain documentary requirements of the Immigration and Nationality Act. However, they must undergo the examination and inspection required of aliens generally,

resulting in some instances in their exclusion or deportation. The enforcement of this requirement has resulted in severe hardship as well as loss of good will and unnecessary expense to both the Government and the operators of transportation lines where the aliens would otherwise pass through this country in direct transit. To alleviate this unfortunate situation authority should be vested in the Attorney General to dispense in his discretion with this requirement in individual cases. Section 15 of the bill would accomplish this purpose. The guarantees entered into by the Attorney General with the aliens and the operators of transportation lines, it is believed, would provide ample safeguards.

SECTION 16

This section would provide that deportation proceedings may be instituted otherwise than by a warrant of arrest. Under a practice of long standing, deportation proceedings have been instituted by a physical arrest of the respondent. Such action has been regarded on occasions as being unduly harsh, particularly when the alien is a child of tender years, or is of advanced age, or for some other reason is not likely to abscond. Although section 242(b) of the present law prescribes the deportation hearing procedure, it does not specify the manner in which such proceedings must be initiated. The Department of Justice has recently adopted the practice of commencing a deportation proceeding with an order to show cause, reserving a physical arrest for those cases in which custody and detention of the alien is regarded as necessary in the public interest or safety. While this procedure is regarded as being entirely within the contemplation of the law, enactment of this section would afford an unmistakable statutory sanction for this less drastic procedure.

SECTION 17

This section would liberalize those provisions of existing law granting special naturalization benefits to alien members of the Armed Forces and to certain alien veterans, and would consolidate and codify a number of related statutes. Existing law grants special benefits in this regard to aliens who have completed at least 3 years' peacetime honorable service in the U.S. Armed Forces. The advantages of the law however, are available only to those who were lawfully admitted to the United States for permanent residence. These requirements have the effect of denying benefits to many worthy soldiers who, because of oversubscribed quotas, or other reasons, are unable to obtain an immigration visa, and to those who, because of service connected disabilities, have been honorably discharged before completing the required 3 years' service. The proposed amendment would eliminate the requirement of lawful admission for permanent residence and would extend the benefits to those who were prevented from completing the necessary 3 years' service because of disabilities received while serving. In recent years the Congress has enacted a number of statutes providing special naturalization benefits for members of the Armed Forces. Separate statutes were enacted extending these special benefits to persons who served honorably in the Armed Forces during the Spanish-American War, during World War I, during World War II, and during the Korean conflict. This section would consolidate these separately enacted statutes and would make uniform the condition for naturalization although based upon service during different conflicts in which the United States may have been involved. Proper safeguards are contained in the proposal to limit the advantages of this new legislation to those who served in an active duty status, and were honorably discharged.

SECTION 18

(a) Under section 316 of the Immigration and Nationality Act, certain aliens who are employed by the U.S. Government or certain American firms or institutions, etc., may go abroad in the course of their employment without losing the residence prerequisites for naturalization. However, no provision is made for their alien spouses or children who wish to go abroad with them, but likewise desire to avoid endangering their eligibility for naturalization because of interruption of their U.S. residence. This causes unnecessary separation of families. It is believed that that if an alien employee of the Government or of an American firm may receive the benefit of retaining his eligibility for naturalization because of the advantage to our national interest derived from his employment abroad, he should be permitted to bring with him his alien wife and children and they should be entitled to the same benefits. A similar provision, in respect to spouses, was contained in a former naturalization law (Act of June 29, 1938, 52 Stat. 1247). This proposal would benefit employees of the State Department and other governmental agencies as well as persons stationed abroad while serving in the Armed Forces. With respect to children, it is deemed appropriate that the benefits should be limited to the period before the child reaches the age of 23 years or it is married. This will result in the receipt of benefits only by those children whose sole purpose in being abroad is to remain in the household of their parent, who leaves the United States because of his employment.

(b) Under existing law a petition for naturalization must be filed in a naturalization court having jurisdiction over the petitioner's residence. This places an undue hardship upon many aliens now being inducted into the Armed Forces for military training. Although they are fully eligible for naturalization, having completed the necessary five years residence in the United States, etc., they find that their military obligations frequently cause them to be stationed in the United States far away from the State where they have their residence. In view of the obligations placed upon them by the Government, it appears equitable that persons actually serving in the Armed Forces of the United States should, while so serving, be exempt from the ordinary requirements as to place of filing a petition for naturalization. This proposal would accomplish that purpose by exempting persons in the Armed Forces from the requirement contained in section 310(a) of the Immigration and Nationality Act as to the location of the naturalization court in which a petition for naturalization must be filed.

(c) Under section 316(a) of the present act a petitioner for naturalization under the general provisions of the law must establish 6 months continuous residence in a particular State immediately preceding the filing of his petition. For the same reasons as are given above in respect to (b), this requirement also places an excessive burden upon aliens now being inducted into the Armed Forces. Their military service makes it impossible for them to remain in any particular State for as long as 6 months in order to meet the general requirements applicable to other petitioners for naturalization, causing delay in their acquiring citizenship. In view of their military obligations, such persons, while actually serving, should be exempted from the ordinary requirement as to the 6 months' residence in a particular State at the time of filing a petition for naturalization. This proposal would accomplish that purpose by exempting them from that requirement contained in section 316(a) of the Immigration and Nationality Act.

SECTION 19

Section 202 of the act deals with the determination of quotas to which immigrants shall be chargeable. This section would revise section 202 so as to grant an Asian spouse the benefit of the quota of an accompanying spouse, and permit the Asian spouse of a native of a Western Hemisphere country to be classified as a nonquota immigrant if accompanying, or following to join, such spouse.

SECTION 20

Section 203 of the act established the bases upon which immigration visas shall be allocated within the quotas. This section of the bill would carry forward the provisions of section 3 of Public Law 85-316 which accorded first preference status to spouses and children following to join as well as accompanying the spouse or parent who received first preference status by virtue of his special skills and abilities under section 203(a)(1)(A). In addition, the quota allocations would be revised by giving the fourth preference category, that is, brothers, sisters, sons, and daughters of citizens, a fixed 10 percent of the quota, in lieu of the present percentage of an undetermined leftover amount of quota numbers which the present statute permits. This change is regarded as desirable to make this preference a reality. Section 203(a)(2) of the act provides that parents of an American citizen are entitled to second preference quota status only if the petitioning citizen is at least 21 years of age. Subsection (a)(4), which affords fourth preference status to brothers, sisters, sons, and daughters of citizens, does not limit that preference status to such kin of citizens who are at least 21 years of age. This section would amend section 203(a)(4) so as to limit its operation to those cases in which the petitioning citizen is likewise at least 21 years of age. It would also amend the section so as to accord the same preference quota status to the spouse and child of such a brother, sister, son, or daughter of a citizen, if such spouse or child is accompanying or following to join the relative.

SECTION 21

The present act permits the Secretary of State to determine the amount of nonimmigrant visa fees on the basis of reciprocity. This section of the bill would vest the Secretary with a desirable discretion to deviate from this rule when politically or otherwise necessary in the national interest. It would also clarify the present statute with respect to the manner of computing the amount of such visa fees.

SECTION 22

Section 212(a)(9) of the act specifies the classes of aliens who shall be excluded from the United States because of criminal involvement. This section would amend section 212(a)(9) so as to clarify and incorporate within the basic act the pertinent provisions of section 4 of Public Law 770, 83d Congress, 68 Stat. 1145, which in effect, but not in form, modified section 212(a)(9) of the Immigration and Nationality Act with respect to aliens who have been convicted of or have admitted the commission of petty offenses.

SECTION 23

Section 221(f) of the act provides in part that an alien crewman may be admitted to the United States if his name appears on a crew list visaed by a consular officer, "until such time as it becomes practicable to issue individual documents." The quoted requirement for individual documents has proved to be most difficult of achievement and unduly burdensome. This section would delete the quoted matter, thus eliminating the requirement that all alien crewmen eventually must be in possession of individual visas.

SECTION 24

Section 222 of the act prescribes the contents of a visa application. Subsection (a) deals with applications for immigrant visas and subsection (c) deals with nonimmigrant visas. Both require information as to race and ethnic classification. This section would eliminate this requirement since the terms are not susceptible of definition and have served no useful purpose in the administration of the Immigration and Nationality Act.

SECTIONS 25 AND 26

Section 352 of the act sets forth circumstances under which naturalized citizens shall lose their citizenship by virtue of residence abroad. Sections 353 and 354 enumerate categories of persons to which section 352 shall not apply. Sections 25 and 26, respectively, of the accompanying bill, would extend to veterans of World War I and II or of the Korean conflict and to their spouses, children, and dependent parents, broader foreign residence privileges. The amendments would extend (1) to veterans of World War II, retroactively, the provisions of section 406(h) of the 1940 act; and (2) restore to veterans of World War I that part of the provisions of section 406(h) of the 1940 act which permitted World War I veterans to reside in the country of nativitiy or former nationality. The proviso to the proposed amendment contained in section 25 is designed to make clear what is thought to be the intent of Congress that the spouse, children, and dependent parents of such a veteran shall enjoy the same foreign residence privileges as does the veteran.

SECTION 27

Section 223 of the act relates to reentry permits. Subsection (b) authorizes the Attorney General to issue reentry permits under certain circumstances. However, such permits shall be valid for not more than 1 year from the date of issuance and may be extended for periods aggregating not more than 1 year. This has resulted in hardships to certain alien spouses and children of servicemen stationed abroad for extended tours of duty. This section would add a proviso to the subsection to provide that "the Attorney General may in his discretion extend the validity of the permit of a spouse or child of a member of the Armed Forces of the United States stationed abroad pursuant to official orders for such period or periods as the Attorney General shall deem appropriate."

SECTIONS 28 AND 29

Under the several methods of review available to them aliens clearly deportable, including many in the criminal classes, have been able to delay unduly their expulsion from this country. The purpose of these sections of the bill is to prevent the abuse of judicial process through the establishment of review procedures having uniformity, providing orderly venue and permitting the expeditious handling of such matters.

Historically, an order for the deportation of an alien could be challenged in the courts solely by habeas corpus proceedings, which were available to the alien only after he had been taken into custody pursuant to the order of deportation. In recent years, it has become possible, as a result of judicial decision, for aliens to obtain judicial review of an order of deportation upon its issuance. An equally divided Supreme Court on January 11, 1954, affirmed per curiam a holding that deportation orders issued under the Immigration and Nationality Act of 1952 are reviewable in actions for declaratory judgment as well as by habeas corps. *Brownell* v. *Rubinstein* (346 U.S. 929 (1954)). Also, in a recent decision the Supreme Court held that deportation orders entered under the Immigration and Nationality Act of 1952 can be judicially reviewed in actions for declaratory and injunctive relief under section 10 of the Administrative Procedure Act. *Shaughnessy* v. *Pedreiro* (349 U.S. 48 (1955)).

These several methods of review lack uniformity and are deficient with respect to such important incidents as the need for expedition, orderly venue and the avoidance of repetitious court proceedings. Legislation is necessary to resolve these problems effectively. It is believed also that such legislation should include a single statutory method of review specifically applicable to aliens subject to orders of deportation but who are not in custody pursuant to such orders.

Section 28 of the proposal would amend the Immigration and Nationality Act of 1952 (66 Stat. 163; 8 U.S.C. 1101), by adding to title II a new section 293. Paragraph (1) of subsection (a) of the new section would permit an alien in custody pursuant to an order of deportation to obtain judicial review of the order solely by means of habeas corpus. With respect to an alien not in custody but who is subject to an order of deportation issued after December 23, 1952, the proposal would provide a special single statutory method of review initiated by the filing of a petition for review in the appropriate U.S. district court.

Paragraph (1) of subsection (a) would further provide that deportation orders shall not be subject to judicial review except as provided in the bill, "Notwithstanding the provisions of the Administrative Procedure Act or any other law, including section 405(a) of this act." The purpose of this language is to insure that the specific provisions of the bill will not be overridden by the general provisions of existing law. It would also provide that a deportation order shall not be reviewed by the courts if the alien has not exhausted the administrative remedies for review available to him.

Paragraph (2) of subsection (a) would provide that "a petition for review may be filed not later than 6 months from the date of the deportation order or from the date of the enactment of this subsection, whichever is the later, except that no such petition or a petition for habeas corpus to review the validity of the order may be filed by an alien during the pendency of a criminal proceeding against such alien for violation of subsections (d) or (e) of section 242 of this act." This time limitation is important. It is proposed for two reasons: By placing pressure upon aliens subject to deportation to obtain judicial review within a reasonable period of time (or undergo the inconvenience of being taken into custody in order to obtain review in habeas corpus proceedings) it is hoped to facilitate the process of removing deportable aliens by reducing the number of last minute judicial proceedings. A further reason for the proposed change stems from section 242(e) of the act which imposes criminal liability upon an alien, in the criminal, subversive or immoral classes "who shall willfully fail or refuse to depart from the United States within a period of 6 months from the date of the final order of deportation under administrative process, or, if judicial review is had, then from the date of the final order of the court * * * whichever is the later."

Paragraph (2) of subsection (a) also deals with the problem of repetitious review proceedings by providing that "No petition for review or for habeas corpus shall be entertained if the validity of the deportation order has been previously determined in any civil or criminal proceeding, unless the petition presents grounds which the court finds could not have been presented in such prior proceeding or the court finds that the remedy provided by such prior proceeding was inadequate or ineffective to test the validity of the order." This provision is designed to insure that an alien shall have only one judicial review of a deportation order, except in unusual circumstances. Cf. 28 U.S.C. 2255 and *United States* v. *Hayman*, 342 U.S. 205, which would seem to remove all doubt as to the validity of such a provision.

Occasionally, an alien subject to an order of deportation, and for whom the Immigration and Naturalization Service has arranged passage on a ship or a plane, will file a petition for a writ of habeas corpus and, when the ship or plane has departed will withdraw the petition. Paragraph (2) of subsection (a) would prevent such abuse of legal process by providing that no petition for review or for habeas corpus may be withdrawn without the consent of the Government and of the court in which it is filed.

Paragraph (3) of subsection (a) would provide that the Immigration and Naturalization Service shall be the named respondent in a review proceeding under the proposed bill. If the Service rather than a named official is designated as respondent, there will be avoided the frustrating issues of abatement and substitution which occur when a named respondent official is replaced by another. It would further provide that a petition for review of a deportation order shall be filed in the judicial district in which the administrative deportation proceeding was conducted. Venue has been defined in these terms rather than in relation to the alien's residence because a recently arrived alien often will not have a residence in the usual sense in any district. Alternative venue in the District of Columbia has been purposely omitted in order to eliminate the possibility of an undue concentration of cases in that district. Moreover, the present concentration of deportation review proceedings in the District Court for the District of Columbia would be diluted by the provision in paragraph (1) of subsection (a) that cases pending, unheard in any district court on the date of the enactment of the bill, shall be transferred for determination to the district court having jurisdiction to entertain a petition for review. The further provision of paragraph (1) of subsection (a) that a deportation order shall not be subject to judicial review if the alien has departed from the United States after the issuance of the deportation order, is intended to prevent an alien who has already been deported, perhaps many years ago, from challenging in the court the order for his deportation.

Paragraph (3) of subsection (a) also would provide for the service of a copy of the petition for review upon certain designated officials and would provide that such service would ordinarily stay the deportation of an alien pending determination of the petition, unless the court otherwise directs. Also, in view of the calendar congestion in some district courts, paragraph (3) of subsection (a) would provide for expedition of review proceedings by stating that "the hearing and dispcsition of a petition for review shall be expedited in the same manner as is required in habeas corpus proceedings." See 28 U.S.C. 2243. This provision recognizes that while every alien is entitled to his day in court, the national interest requires that such cases should be determined promptly.

Paragraph (3) of subsection (a) also would provide that the administrative findings of fact in deportation cases shall be conclusive if supported by reasonable, substantial, and probative evidence on the record considered as a whole. This is essentially the evidentiary standard contained in section 10(e) of the National Labor Relations Act, as amended.

Paragraph (4) of subsection (a) would provide that claims of American nationality

raised in resisting deportation shall be presented to the courts only in review proceedings under this proposal or in habeas corpus proceedings, and that such claims shall not be determined by the courts in any other way, as in proceedings under section 360 of the Immigration and Nationality Act of 1952. The purpose of this provision is to force into a single judicial proceedings all of the issues raised in a deportation proceeding, rather than to permit a claim of citizenship to be raised separately, perhaps for purposes of delay.

Paragraph (5) of subsection (a) would provide that in criminal prosecutions under subsections (d) or (e) of section 242 of the Immigration and Nationality Act the validity of deportation orders may be challenged only by a motion before trial, such motion to be determined by the court without a jury and upon the administrative record, rather than in a judicial trial de novo. (See *Cox* v. *United States*, 332 U.S. 442, under the Selective Training and Service Act.) This motion remedy would be made exclusive. Thus, the motion having been determined by the judge before jeopardy attached, the Government may properly be given a right to appeal from a determination that the deporation order underlying the criminal proceeding is invalid.

Paragraph (6) of subsection (a) would specifically provide that the mere availability of judicial review as distinguished from the actual commencement of review proceedings, will not require the Attorney General to refrain from deporting an alien or release an alien from compliance with the surveillance and departure requirements of subsections (d) and (e) of section 242 of the Immigration and Nationality Act. It would further provide that nothing in the proposed bill shall interfere with the Attorney General's present authority under subsection (c) of section 242 to detain an alien.

Until recently it was thought that an order excluding an alien from admission to the United States could be reviewed in the courts only by habeas corpus. However, the U.S. Supreme Court held on December 17, 1956, in *Brownell* v. *Tom We Shung*, that such orders may be judicially reviewed in actions for declaratory judgments as well as in habeas corpus. It is believed that since an alien who has been excluded is ordinarily held in custody habeas corpus provides a wholly adequate remedy for the judicial review of exclusion orders, and accordingly subsection (b) of the proposed section 293 provides that habeas corpus shall be the exclusive method for judicial review of such orders.

SECTION 30

Section 6 of the act of September 11, 1957 which authorizes the admission of certain immigrants notwithstanding their affliction with tuberculosis will expire on June 30, 1959. The proposed amendment would preserve this authority on a continuing basis subject to such safeguards as the Attorney General may impose after consultation with the Surgeon General of the U.S. Public Health Service.

SECTION 31

This section repeals those provisions of existing law relating to naturalization of soldiers and veterans, made necessary by the restatement and codification of that naturalization law as contained in this bill.

AMENDMENT OF UNITED STATES CODE, RELATING TO PROCEEDINGS IN FORMA PAUPERIS

Mr. DIRKSEN. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 1915(a) of title 28, United States Code, which section relates to proceedings in courts of the United States without prepayment of fees, costs, or security under certain circumstances.

Specifically, section 1915(a) provides that any court of the United States may authorize the commencement, prosecution, or defense of civil or criminal litigation, including appeals, without prepayment of fees, costs, or security by a citizen who makes affidavit that he is unable to pay such costs or give security therefor.

It is the view of the Department of Justice that it would be consonant with the ideals and policies of the United States to afford indigent aliens the same privileges of proceeding in forma pauperis as is now afforded citizens.

This legislative proposal would accomplish this desirable result by changing the word "citizen" to "person."

The Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2179) to amend section 1915 of title 28, United States Code, relating to proceedings in forma pauperis, introduced by Mr. DIRKSEN, by request, was received, read twice by its title, and referred to the Committee on the Judiciary.

MINERAL LEASING ACT AMENDMENTS OF 1959

Mr. O'MAHONEY. Mr. President, I introduce, for appropriate reference, a bill to amend the Mineral Leasing Act by providing a new measure, to be called Mineral Leasing Act Amendments of 1959.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred.

The bill (S. 2181) to amend the Mineral Leasing Act of February 25, 1920, introduced by Mr. O'MAHONEY, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. O'MAHONEY. Mr. President, the recent filing by the Department of the Interior of several contests alleging violations of the limitations on the amount of land any person may hold by way of oil or gas leases or options on the public lands has caused confusion amounting almost to chaos in the exploration and production of oil and gas in the public land States.

The Secretary of the Interior is, of course, right in taking vigorous action to prevent violations of the law, whether committed by fraud or by mistake. The disposition of such cases, however, in administrative and court hearings, requiring, as will be inevitable, months if not years to accomplish, will threaten a severe public loss, for the public land States and their school districts, as well as the Federal Government itself, derive substantial revenues from the royalties paid for production on public lands.

BILL WILL CLARIFY MINERAL LEASING ACT

I am, therefore, introducing a bill today which is designed to clarify the law, to remove roadblocks to the continued development of oil and gas lands, to facilitate the handling of contests by the Department of the Interior, to provide for the relief of persons who, though involved as defendants in the pending contests, are in fact innocent of violations, and at the same time to punish law violators who have knowingly sought to hold more land than Congress intended.

PROCEEDINGS AGAINST ALLEGED VIOLATORS FILED

Three contests have been filed by the Department of the Interior in the Federal land offices at Billings and Cheyenne involving more than 200 parties—some of them individuals, some of them corporations, lease brokers, and operating oil and gas companies—are all involved. It is alleged that the defendant applicants have failed to declare their holdings as required by the law, that some of the applicants were dummies acting for others and thus knowingly participated in an effort to evade the law.

The contests were filed in the local land offices, but defendants have contended that any proceedings leading to cancellation or forfeiture should be filed in the courts. In these circumstances, the determination by the courts of the proper procedure, the taking of depositions, the holding of hearings in the land offices, and the trial of cases in the courts might easily continue for several years before final determination. It thus seems necessary, in the interest of all concerned, to clarify the law so that the pending cases may be concluded as speedily as possible and future violations prevented.

BILL WOULD PROTECT INNOCENT LEASEHOLDERS AND STRENGTHEN ACREAGE LIMITATION

The act I propose will be cited as the Mineral Leasing Act Amendments of 1959. The provisions of the present law which need clarification are contained in sections 17 and 27. These sections, therefore, have been rewritten to preserve as much as possible of the present language while making changes to produce the desired results.

The main proposals are as follows:

First. To make the primary term of all oil and gas leases 10 years and so long thereafter as oil or gas is produced in paying quantities.

Second. To provide that no person, association, or corporation shall hold more than 246,080 acres in any one State by option or lease except in the States of Alaska or Hawaii.

Third. To provide that no option for an oil or gas lease shall extend for more than 3 years without the prior approval of the Secretary, that no person, association or corporation shall hold any such option at any one time on more than 200,000 acres of land in any one State except Alaska and Hawaii, and that, until exercised all options shall be charged to both parties.

Fourth. To require the filing in the local land offices of notice showing the number of acres under option, the names of all parties and their interests and obligations.

Fifth. To provide that violations may be proceeded against by the Secretary in administrative proceedings but that in the event the Secretary has reason to

believe that fraud has been committed, he may request the Attorney General to institute proceedings in the U.S. district court.

Sixth. To authorize the court if fraud is found to declare the violator ineligible thereafter, either permanently or for a lesser period, to hold any lease or other interest in land under the provisions of this act.

Seventh. To give to any party to a contest the right to have the proceedings against him dismissed upon the showing that he acquired his interest in good faith without violation of the law, and

Eighth. Finally, that any person who has been found in any of these proceedings not to have violated the law or to have been guilty of fraud "shall have the right to have his interest extended for a period of time equal to any period during which development rights were suspended with respect to his interest."

FIFTIETH ANNIVERSARY OF KENT STATE UNIVERSITY, OHIO

Mr. YOUNG of Ohio. Mr. President, the year 1960 will mark the 50th anniversary of the founding of Kent State University, a State-supported institution of higher learning in northeastern Ohio.

This great university has, over the years, enabled some 90,000 young people of my State and of other States of the Union to obtain a higher education which, by reason of economic conditions and other factors, they might otherwise have found it impossible to obtain.

Kent State University has dedicated itself, to the fullest possible extent, to the development of our Nation's most priceless heritage, our human resources.

Mr. President, I submit a concurrent resolution felicitating and congratulating Kent State University, of Ohio, on this outstanding achievement, and ask that it be appropriately referred.

The PRESIDING OFFICER (Mr. Moss in the chair). The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 49) was referred to the Committee on the Judiciary, as follows:

Whereas May 19, 1960, marks the fiftieth anniversary of the founding of Kent State University as the State-supported institution of higher learning in northeastern Ohio; and

Whereas during this half-century Kent State University has evolved from a normal school of forty-seven students to a university of more than seven thousand, offering diverse programs in education, the arts and sciences, and business administration on both the graduate and undergraduate levels; and

Whereas Kent State University was a pioneer in the development of extension centers remote from the central campus, thereby reaching thousands of students who might not otherwise have been able to gain advanced training so necessary to the well-being of our society and democratic government; and

Whereas Kent State University has directly educated nearly ninety thousand of the Nation's youth and has indirectly enriched the lives of countless thousands more; and

Whereas the university has dedicated itself to the fullest possible development of our Nation's most priceless heritage, our human resources: Therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby extends its greetings and felicitations to Kent State University on the occasion of the fiftieth anniversary of its founding, and joins with the people of the United States in expressing its recognition and appreciation of the service which Kent State University has rendered to the State of Ohio and to the Nation in making available to Americans in every walk of life the benefits of higher education. The Secretary of the Senate shall prepare a suitable copy of this resolution and present the same to the president of Kent State University.

CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1959—ADDITIONAL COSPONSORS OF BILL

Under authority of the orders of the Senate of June 9, and June 12, 1959, the names of Senators CHAVEZ, YOUNG of North Dakota, MUNDT, BENNETT, LANGER, BRIDGES, LAUSCHE, CARLSON, GOLDWATER, CASE of South Dakota, BEALL, and CAPEHART were added as additional cosponsors of the bill (S. 2144) to simplify, consolidate and improve the authority of the Secretary of Agriculture with respect to loans to farmers and ranchers, and for other purposes, introduced by Mr. ALLOTT on June 9, 1959.

NATIONAL MINERALS POLICY—ADDITIONAL COSPONSORS OF JOINT RESOLUTION

Under authority of the order of the Senate of June 9, 1959, the names of Senators MANSFIELD, CHURCH, and CANNON were added as additional cosponsors of the joint resolution (S.J. Res. 107) expressing the sense of the Congress with respect to a sound national minerals policy, and directing the Secretary of the Interior to take certain action in furtherance of such policy, introduced by Mr. MURRAY on June 9, 1959.

INTERNATIONAL PUBLIC HEALTH AND MEDICAL RESEARCH YEAR—ADDITIONAL COSPONSORS OF RESOLUTION

Under authority of the order of the Senate of June 5, 1959, the names of Senators BARTLETT, CARROLL, CHAVEZ, CHURCH, DOUGLAS, ENGLE, GREEN, GRUENING, HARTKE, HENNINGS, JACKSON, JAVITS, KENNEDY, LANGER, MANSFIELD, MCCARTHY, MCNAMARA, MORSE, MOSS, MURRAY, MUSKIE, NEUBERGER, PROUTY, PROXMIRE, SALTONSTALL, TALMADGE, WILLIAMS of New Jersey, YARBOROUGH, and YOUNG of Ohio were added as additional cosponsors of the resolution (S. Res. 129) favoring continued efforts by all nations to strengthen cooperation in health and research activities submitted by Mr. HUMPHREY on June 5, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KEATING (for Mr. MARTIN):

Statement prepared by Senator MARTIN entitled "American Fair Play: What's Happening to It?"

By Mr. NEUBERGER:

Article entitled "John Foster Dulles: A Profile in Courage," written by Senator KENNEDY, and published in the American Weekly for June 14, 1959.

NOTICE OF HEARINGS ON PROPOSED LEGISLATION RELATING TO SMALL BUSINESS

Mr. PROXMIRE. Mr. President, as chairman of the Subcommittee on Small Business of the Senate Committee on Banking and Currency, I wish to announce the commencement of hearings on proposed legislation now pending before that subcommittee. The proposed legislation consists of the following bills:

S. 1340, introduced by Mr. HUMPHREY, to provide for disaster loans to small business concerns which suffer economic injury due to federally aided highway construction programs.

S. 1351, introduced by Mr. BEALL, to authorize assistance under the Small Business Act of 1953 to certain small business concerns displaced as a result of urban renewal activities under the Housing Act of 1949.

S. 1609, introduced by Mr. JAVITS, to provide assistance to small business concerns to facilitate adjustments made necessary by the foreign trade policy of the United States, and for other purposes.

S. 1666, introduced by Mr. LANGER, for himself and Mr. YOUNG of North Dakota, to amend the Small Business Act of 1953 to include within the definition of a small business concern certain agricultural enterprises.

S. 1777, introduced by Mr. CLARK, for himself and Mr. JAVITS, to authorize assistance under the Small Business Act to small business concerns displaced as a result of urban renewal activities under the Housing Act of 1949.

S. 1879, introduced by Mr. SALTONSTALL, for himself and Mr. SPARKMAN, to amend the Small Business Act, and for other purposes.

S. 2032, introduced by Mr. SPARKMAN, to amend the Small Business Act.

S. 2139, introduced by Mr. SALTONSTALL, to amend the Small Business Investment Act of 1958, and for other purposes.

Hearings will begin on Monday, June 22, 1959, with testimony by the Administrator of the Small Business Administration, Mr. Wendell B. Barnes, and will be followed thereafter by testimony of other witnesses.

All persons who wish to appear and testify at hearings on these bills are requested to notify Mr. J. H. Yingling, chief of staff, Committee on Banking and Currency, room 5300, Senate Office Building, telephone Capitol 4-3121, extension 3921, as soon as possible, and in any event, before the close of business on June 22, 1959.

Mr. President, the New York Times of August 17, 1958, described the record of the 85th Congress on small business

legislation with this headline: "Small Business Hits the Jackpot—New Legislation Goes Long Way in Providing Tax and Financing Relief."

The press, the small business community, financial writers, and many professional observers were generous in their praise of the manner in which the 85th Congress acted to improve the outlook for the Nation's small business concerns.

One of the principal acts of the Congress was the formulation of the programs under the Small Business Investment Act.

Roger Babson's Washington newsletter characterized this act as follows:

> This is a bold step that strikes at the heart of what is perhaps the biggest problem facing small business today: lack of equity capital and difficulty in getting long-term loans.

This legislation was firmly based upon a study by the Federal Reserve Board, at the request of the Senate Committee on Banking and Currency, which disclosed that there was a gap in the existing structure of financial institutions—that there was no organized source to provide long-term money to small concerns.

The act provides, first, for long-term loans and equity-type capital to small businesses, credit which is not available through commercial banks; second, long-term loans to State and local development companies; and, third, grants to State agencies and activities for research and counseling in the management, financing, and operation of small businesses.

The program is administered by the Small Business Administration under an appropriation made this year of $50 million, to be supplemented by further appropriations in the years ahead of up to $200 million.

The principal feature of the act contemplates the formation of new private financial institutions to function as small business investment companies. These companies must receive SBA approval, or licensing, in order to operate under the act. They are also subject to examination. Their licenses depend upon the need for the type of financing they will provide in the proposed area of operation, and such other factors as the character and ability of the proposed management.

Each company must have an initial paid-in capital and surplus of at least $300,000. However, the SBA is authorized to lend them up to $150,000, which amount can be considered as part of the required initial capital. In addition to this initial capital, small business investment companies may borrow funds. SBA can lend an additional amount of up to 50 percent of their capital and surplus. Small business investment companies may supply funds to small businesses in two basic ways: First, by the purchase of debenture bonds convertible into stock of the borrowers at the option of the investment company; and second by long-term loans.

In separate legislation, Congress also gave these companies certain tax benefits. It provided that investors in the companies may treat losses in such companies as ordinary deductions from income, rather than as offsets against capital gains. The companies themselves may treat their losses on convertible debentures or stock of small business concerns in the same way, that is, as an ordinary deduction. The investment companies are also entitled to a 100 percent deduction on dividends received on an investment in a small business concern.

For the past few years, State and local development corporations have been organized and financed by public spirited citizens interested in the industrialization and diversification of their State and local economies. However, the committees of the Congress who have been watching these developments, and the studies which have been made by the various Federal agencies concerned, have shown that their sources of capital were drying up, and that the progress which they had been making in recent years in local development was in danger of coming to a halt. Therefore, the Small Business Investment Act of 1958 provided for loans to these companies which funds, in turn, may be loaned to small business borrowers.

Let me emphasize that both of the features of this act which I have discussed place emphasis on private management of the organizations and local control over the use of the funds provided.

Another feature of this act which holds out hope of great benefits to small business is the provision for grants to State agencies and to colleges and universities for research and counseling in business finance and management. It was pointed out in studies which led up to enactment of this bill that often a small business enterprise is created by a person or a group of persons who may be quite capable in one line of business endeavor, but who have not the time nor the resources to develop all the talents and to acquire all the knowledge necessary to a growing enterprise in a competitive economy. Often financial difficulties of these companies have resulted from a management or technical deficiency which additional funds alone could not solve. While large businesses may overcome these difficulties by hiring executives or obtaining professional advice, small businesses are often not able to do so, and even when able, may not be informed as to the type and accessibility of the assistance which they need. While there are many Federal Government research programs such as those of the Department of Commerce and the Small Business Administration itself, and there is a large amount of information available locally, there is difficulty in bringing this information to bear on a particular business problem at the proper time. Conceivably, this program of research and counseling in small business problems could be as fruitful to this segment of our economy as the program of agricultural research and extension has been to the farm economy. At any rate, it is a very promising step forward.

As I have said, the Small Business Investment Act was hailed as a great step forward in meeting the needs of small business. The program attracted widespread interest on the part of persons and organizations who indicated a desire to form small business investment companies.

Wendell B. Barnes, Administrator of the Small Business Administration, testified on June 3, 1959, that from September 1958 through January 31, 1959, the Small Business Administration answered 13,000 letters and inquiries on the program, and in January alone answered 8,000. Notwithstanding the widespread interest in the act, the record of accomplishment under it is, I think, disappointing. As of June 3, Small Business Administration had received 79 proposals from organized small business investment companies, had given preliminary approval to 38 such proposals, and had actually licensed 13 companies. I do not at this time seek to assess responsibility for this disappointing record.

However, it is my purpose, as chairman of the Subcommittee on Small Business of the Committee on Banking and Currency, to undertake an examination into the operation of this program, as well as the other programs administered by the Small Business Administration, in addition to the specific legislative proposals which I have mentioned.

I take this means publicly to invite the testimony of witnesses who have been interested in the establishment of small business investment companies and who have been either successful or unsuccessful in the formation and operation of such companies.

I hope that the subcommittee can develop from this testimony and from its own deliberations whatever amendments will be required to make the Small Business Investment Act carry out the purposes for which it was intended.

In conclusion let me say a word about the role of small business in our economy. Small firms play a vital role in the maintenance of active competition, upon which our economy is based. They perform great services in the area of innovation and stimulation of the economy by the development of new ideas, new products, and new processes. Perhaps most important of all is that their existence provides opportunities for individualism of the owners and entrepreneurs. In a society which is growing in the direction of great and powerful organizations, it is more and more important that we preserve the opportunity for the individual businessman to develop his own economic future in his own way. Otherwise, the economy and the political scheme in which it operates will tend to centralized uniformity and to the stifling of initiative and autonomy. A healthy small business community helps to provide stability and moderation in the economy, in politics, and in society in general.

I hope that, as chairman of the Subcommittee on Small Business, I can make some contribution to the health of this vital element of our economy.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. I extend to the Senator from Wisconsin every good wish

in undertaking the hearings which he has just informed the Senate he is about to inaugurate. In my opinion such an investigation could provide a very promising program of assistance to small business.

The Senator from Wisconsin will recall that the sponsor of a Senate bill, the senior Senator from Texas [Mr. JOHNSON], and the chairman of the Select Committee on Small Business, the Senator from Alabama [Mr. SPARKMAN], expressed the hope that such legislation would offer assistance to small business in an area where it was most vitally needed, the area of long-term loans and equity financing.

I hope the Senator from Wisconsin will soon be in a position to tell the Senate how this very important, promising program has been working in practice, because, as the Senator has indicated, this is a matter which affects not only one city or State, but really the Nation as a whole.

Again I commend and congratulate the Senator for the announcement which he has just made.

Mr. PROXMIRE. The Senator from Montana is exactly correct. Legislation to assist small business can be of very great benefit to small business, for the simple reason that it is not working as rapidly as most of us had hoped it would. I am delighted that the Senator from Montana has indicated his very real interest in these hearings.

INFORMATIONAL MEDIA GUARANTEE PROGRAM OF THE U.S. INFORMATION AGENCY

Mr. DODD. Mr. President, the time has come for the United States to take more vigorous action to make our life and culture better understood abroad, especially in the new nations of the world. The Soviet Union is becoming ever more effective in this field, with its touring teams of performing artists and its expanding subsidized exports of published materials, not infrequently in the English language.

We are already doing a considerable amount in this field, with the student exchange programs and other activities of the State Department and the U.S. Information Agency. There is one area, however, in which I believe we could greatly increase our effectiveness at very small cost and in a manner which has few of the disadvantages of direct Government action—which frequently is discounted abroad as propaganda. This is the area of facilitating, through normal channels of trade, the export of American published materials and other informational media. American business firms and nonprofit groups are already doing a magnificent job in this field wherever it is possible for them to operate commercially. American book exports have grown from a level, measured in wholesale prices, of less than $5 million a year before World War II to over $60 million, last year. American periodical exports have also greatly increased in the postwar period—especially exports of scientific, technical, and scholarly journals, and the oversea foreign language editions produced locally, such as the international editions of Reader's Digest. American motion picture showings abroad have grown in about the same magnitude as domestic showings.

This is excellent, so far as it goes. These American materials are made available abroad at no cost to the Government; the foreign consumer buys what he has enough interest in to pay for; and there is no tinge of Government propaganda. The drawback is that there are important areas of the world where this private enterprise operation will not function at this time. A good many countries, especially the new and underdeveloped ones, are so short of foreign exchange, especially dollars, needed for economic development purposes that dollars are not available for the import of American books, periodicals, and other informational media.

For some 10 years we have had a device for dealing with this problem—the informational media guarantee program. Under this program, the U.S. Government makes it possible for U.S. materials to be sold in dollar-short countries for local currencies, which, in turn, are purchased by the U.S. Government for its own use in those countries. In this way, over a 10-year period some $150 million—at retail prices abroad—of U.S. exports of informational media have been made possible, at a cost to the U.S. Government of between $10 and $16 million, or about 10 cents on the dollar.

There was an original authorization of $28 million for this program, in a revolving fund. Because of losses, this amount has gradually been reduced to a point where the program cannot function without a replenishment of the revolving fund by new appropriations. The Congress authorized such appropriations last year, and the President recommended an appropriation of $7 million at that time. Unfortunately, the other body cut out this item entirely, and it was only possible for the Senate conferees to salvage $2.5 million in conference. This made possible a program of about $10 million in wholesale export terms during the current fiscal year, which means about three to four times that amount in retail prices abroad. This year the President's budget recommended an appropriation of $3.5 million, which the House has reduced to $2.5 million. This would make possible in the next fiscal year a program considerably smaller than the one in the current year, and probably only about one-third of the size of the export demand for American materials in the 12 countries in which the program now operates: Burma, Chile, Indonesia, Israel, Pakistan, the Philippines, Poland, Spain, Taiwan, Turkey, Vietnam, and Yugoslavia. In addition, there are other countries to which the program ought to be extended, but for which the present revolving fund is totally inadequate.

The appropriation for this program is now before the Senate Committee on Appropriations. I trust that now that it has been reviewed, our committee will authorize an amount which will make it possible for this activity to be carried on in a vigorous way. As the report of a subcommittee of the Senate Committee on Foreign Relations under the chairmanship of the junior Senator from Montana [Mr. MANSFIELD] pointed out last year, this is an exceedingly valuable and useful program which aids a number of foreign-policy objectives. For example, we have a great asset in the English language, which is becoming ever more popular abroad as a second language, and even in some cases a first language. We are helping this development by the English language teaching program of the U.S. Information Agency. We ought to capitalize on it further by making available to these users of the English language in other countries the American books, periodicals, and other materials which they are so eager to be able to purchase and use. It is noteworthy in this connection that an increasing volume of subsidized Soviet publications is being offered in many of these countries in our own language—English.

Without in any way deprecating the importance of many of our other valuable programs in this general area which are being carried on by the State Department and the U.S. Information Agency, I sincerely believe we are overlooking a great opportunity in not making maximum use of the informational media guarantee program which is at the same time so inexpensive and so effective. I do hope that the Congress will take advantage of the opportunity which is open to us to go ahead strongly in this field.

TRIBUTE TO SENATOR JOHNSON OF TEXAS

Mr. MANSFIELD. Mr. President, on June 11, an interesting article by Mr. Richard L. Strout was published in the Christian Science Monitor. It has to do with the many and varied responsibilities which confront the Senate majority leader, the senior Senator from Texas [Mr. JOHNSON]. Mentioned in the article is the citation which was given to the majority leader when he was awarded a well-deserved honorary degree by Brown University in Providence, R.I. It reads as follows:

> When the Executive and the legislature are divided, anything or nothing can happen. As majority leader of the Senate you have used your political strength in the national interest to make it possible for moderates of both parties to join with you to do the possible and to seek the best. Your skill as a politician has been notable, but you have subordinated politics to national interest, the service for which you will be best remembered.

I think this is an appropriate citation, because it indicates the majority leader's position when there is a division between the executive and the legislative branches of the Government. It is well to note and to emphasize the part of the citation which states that the majority leader has used his "political strength in the national interest," and, also "to do the possible and to seek the best."

It is well to note, further, that in the concluding sentence of the citation,

Brown University has this to say of Senator JOHNSON:

You have subordinated politics to national interest, the service for which you will be best remembered.

Here, in brief, is a summation of what the majority leader has been trying to do in a responsible manner in the past three Congresses, as well as in the present Congress. Attacks have been made upon him from time to time, and from various quarters; but the proof of achievement is always in the record made, not in the assumptions which critics make.

There has been, for example, an obvious and premature attempt, in recent weeks, to try to define the values of this Congress on the basis of the amount of legislation passed. In this respect, comparisons have been made with the 80th Congress. The record, I believe, will indicate that a greater quantity of legislation was passed in the first session of the 80th Congress than in the first session of 86th Congress to date. If we are going to judge Congresses by the amount of legislation passed, however, we shall use a wrong and dangerous criterion for measurement. Not the quantity of legislation passed, but the quality of the legislation is what marks the effectiveness of a particular Congress and, for that matter, a particular political party.

If this Congress is to be judged on the basis of the quantity of legislation passed, then I think it only fair for partisans to recognize that not only are they asking for more legislation, but they are also asking for more public expenditures, at a time when they are staking their whole case on their alleged fiscal responsibility and frugality.

Mr. President, I ask unanimous consent that the article by Richard L. Strout be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIGHTENING OF POLITICAL TENSION—AN INTIMATE MESSAGE FROM WASHINGTON

(By Richard L. Strout)

Democratic Majority Leader LYNDON JOHNSON has a lot of critics. Some in his own party in Congress blame him for not making a more direct attack on President Eisenhower. Senator JOHNSON is adamant. "Bob Taft," he says in so many words, "always said you had to attack something. He made his points by attack—Truman, Communists, New Dealers. But that," he adds, "just isn't the way I operate."

Senator JOHNSON is firm. Politically he may be right, he may be wrong. But he has held verbal sniping down to a rather remarkable minimum so far. In and out of season he has told audiences that he believes voters in 1960 will judge his party on its legislative record. They did that in 1958, didn't they? he asks.

Brown University just gave an honorary degree to LYNDON JOHNSON. It is interesting to note the citation. With the exception of what, I have no doubt, is some excellent Latin, it reads as follows:

"When the Executive and the legislature are divided, anything or nothing can happen. As majority leader of the Senate you have used your political strength in the national interest to make it possible for moderates of both parties to join with you to do the possible and to seek the best. Your skill as a politician has been notable, but you have subordinated politics to national interest, the service for which you will be best remembered."

The difficulty of maintaining this posture is great; it may be impossible; it may not even be wise. The Founding Fathers created the dilemma when they left the door open to split government. At Baltimore this week Mr. JOHNSON accused some Republicans in Congress of trying to sabotage the work of Congress to discredit the Democratic majority.

To Mr. JOHNSON it seems plain enough. He is trying to do something that is good for the country—and his party. But to achieve a constructive legislative record he is faced, on one hand, with all sorts of Democratic pressure groups and, on the other, with the threat of a veto. Speaking of some Republican opponents, he charged in Baltimore that "unless they control an institution of government, they will not let that institution work."

It is difficult to maintain balance in such a situation. Mr. Eisenhower tossed Mr. JOHNSON an uncomfortable chore on Monday. The bond market is demoralized; the country faces the biggest peacetime debt in history, and Mr. Eisenhower asked Congress for an emergency increase in the debt ceiling and higher interest rates on long-term Government bonds and on savings certificates.

The chore probably has to be done. But there is always the partisan squabble of who's to blame. Democracy would not be in working order if a situation like this did not create a legislative debate. And debates engender heat.

Mr. JOHNSON's attempt, to quote the Brown University citation, to subordinate "politics to national interest," was not made easier by the juxtaposition of the Republican congressional $100-a-plate dinner on the same evening that the President made his financial request.

Partisan dinners require partisan speeches. There will be more as time passes; indeed the 2d session of the 86th Congress may not do much except deliver them. President Eisenhower's speech was relatively mild. He warned his GOP hearers not to be deceived by declarations that there are "no differences between our parties." The difference he defined as follows:

"Except for the support of some discerning Democrats, it is the Republican Party that fights for responsible, sensible fiscal policy in Government, as urged in the recommendation of the administration."

This statement brought hearty applause and was appropriate enough for the occasion. After all, it acknowledged that there are "some discerning Democrats."

But anybody who senses the present Washington atmosphere notes a tightening of the political tension. It is not certain how much longer moderates of both parties will join with LYNDON JOHNSON "to do the possible."

ENGINEERS AND PUBLIC POLICY—ADDRESS BY SENATOR ANDERSON

Mr. TALMADGE. Mr. President, on last Saturday the able and distinguished junior Senator from New Mexico [Mr. ANDERSON] delivered the principal address at the annual commencement exercises of the Georgia Institute of Technology in Atlanta. Speaking on the topic "Engineers and Public Policy," he made an eloquent and inspiring presentation of the role of the engineer as "our first line of defense in the world race for control and use of nuclear power." He painted a graphic word picture of the problems and challenges of the world of the future which was enthusiastically received by his audience, and I ask unanimous consent, Mr. President, that the text of his remarks be printed herewith in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ENGINEERS AND PUBLIC POLICY

(Commencement address by Senator CLINTON P. ANDERSON at the Georgia Institute of Technology, Atlanta, Ga., June 13, 1959)

President Harrison, members of the board of trustees, members of the faculty, distinguished guests, and members of the graduating class:

I am honored to be here today. I have the greatest respect for the forward-looking work of this school. You are fortunate to have had the fine training available here under the guidance of your able president and faculty. My visit is to urge this school and this class to go forward with good works.

To be sure that my talk here today could not be regarded as political, I have omitted from the advance text three paragraphs which I would be delinquent in my duty if I did not read to you.

Georgia has in the Senate of the United States two of the ablest and finest Senators that any State in the Union can boast. DICK RUSSELL, who is my superior on the Atomic Energy Committee, is as fine a friend and as competent a Senator as that distinguished body knows. He is regarded by all as representative of the finest traditions of the Senate, and he is a model toward which younger Senators can aspire.

HERMAN TALMADGE came in on trial because he replaced a Senator for whom many of us had genuine admiration and affection. I am happy to testify, after a too short an acquaintance with Senator Talmadge, that he has proved to be a man of great talent and ability, of extremely sound judgment and of fine personal characteristics. I predict that his tenure of office in the U.S. Senate will be long and fruitful, and that Georgia will become as proud of him as he is proud of the State which sent him there.

You graduate today into a world of accelerating change.

It is a world in turmoil. In Africa and in Asia man's natural instinct for freedom is being fulfilled—not all at once, and not always peacefully.

It is a world of mounting population. In a short 40 years the earth's population will more than double. That means new pressures in many places.

It is a world of nuclear power. The atom gives us either the power to destroy the world or to build a richer, and a better life.

It is a hungry world. Underdeveloped peoples are struggling to raise themselves out of poverty, disease, and hunger, while our own country struggles to overcome its food surpluses.

It is a competitive world. We are faced with the unrelenting challenge of the Soviet Union.

The challenge is military, of course, but it is also economic, educational, psychological, political, and cultural. Theirs is a total challenge, requiring from us a total response.

In short, this Nation is engaged in the greatest competition ever undertaken by a free country. We are up against the most enormous problems of our history. We must use all our resources and use them wisely. And of all our resources, the richest are the minds and spirits of free men.

We should be putting our best brains to work on the crucial issues of national policy.

The fact is, however, that much of our brightest talent is lost to the national ef-

fort. We do not enlist—as we should—the full help of the scientist in general, and in particular, the engineer.

This situation is not unique to any one administration. My remarks apply to what is a national problem—a national shortcoming.

Since sputnik, we have made some progress in mobilizing our best scientific talent. We now have, at the highest level, a Special Assistant to the President for Science and Technology, and a Science Advisory Committee which is trying to develop a national plan for exploring and expanding the frontiers of science. We have recently established a National Aeronautics and Space Administration.

But progress so far is piecemeal and stopgap. We still have much to do to make effective use of scientific and engineering talent—in the interest of a national policy of survival.

Congress, as well as the executive branch, requires scientific counsel. I now serve on several committees which must utilize the advice of scientists—on finance, on interior, on aeronautical and space sciences, and on atomic energy. But perhaps the Joint Committee on Atomic Energy offers the most instructive examples of how Congress requires the help of the scientist and the engineer.

This committee, composed of nine members of the Senate and nine from the House of Representatives, was established by the Atomic Energy Act of 1946. Its original function was to be a watchdog for Congress and the public over a super-secret operation of great importance to the national defense. Over the years it has also become a creative policymaker both in the military field and more recently in the area of civilian uses of atomic energy. Many of its members have worked in these fields for a longer period of time than most of the members of the Atomic Energy Commission or many of its senior officials.

This reservoir of experience is an enormous advantage.

But of equal significance has been the abiding faith of many members of the Joint Committee in the ability of our scientists and engineers to harness the tremendous energy of the atom for our military defense and peaceful development.

This faith, backed by experience, led the committee to advocate with others the development of the H-bomb, to support the *Nautilus* project for a nuclear-propelled submarine, to recommend acceleration of the civilian atomic power program, and to increase basic research and engineering facilities.

In all its work the committee must rely on advice from experts. Let me suggest four examples:

First, should we now move ahead with a $105 million linear accelerator or a $200 million particle accelerator?

Accelerator development has been keenly competitive in this country. Several years ago a group of midwestern universities got together a group called MURA, which proposed to construct the world's largest accelerator. But Stanford's suggested linear accelerator—to be built in California—has apparently beaten out other types. Should we take Stanford's program—or MURA's—or call a plague on both their houses and have neither? Congress must decide. In that decision, the testimony of physicists and engineers will be indispensable.

Second, should we authorize alterations in the Shippingport reactor to take it up to 150,000 kilowatts in power?

Last week the Joint Committee on Atomic Energy reported out an authorization bill for AEC expenditures. It carried $5 million for additional work at the Shippingport plant of the Duquesne Power & Light Co. The reactor there is owned by the Government, the generating equipment by the distributing company. Adm. H. G. Rickover had proposed that the Government spend $5 million to raise the capacity of that plant from 100,000 kilowatts to 150,000 kilowatts. This expenditure would be over and beyond the budget estimate.

The Government already has $100 million invested in the reactor. Should it spend $5 million more to give us further data on the commercial possibility of a pressurized water reactor in the development of electricity from atomic power? The engineer can help us to an answer.

Third, should the new $125 million reactor at Hanford, Wash., be a single-purpose plutonium reactor or a reactor convertible to electricity?

If the demand for plutonium suddenly drops off because of a disarmament agreement, 300,000 kilowatts or more of electricity might be generated by a converted plant, and fed into the Northwest power grid. Thus part of the cost of the plant would be salvaged. Even if the demand for plutonium should not drop off, the Congress might vote to add the convertible feature in order that the surplus heat might be utilized rather than wasted. The sale of this heat in the form of power might cut the production cost of plutonium by a third, possibly cut it in two.

Do we spend the additional $25 million to make the reactor convertible, or do we save it? To deal with this type of problem Congress must draw on the advice of competent engineers.

Fourth, should a new carrier for the Navy be propelled by conventional or nuclear power?

On the one hand, the designer of the nuclear submarine thinks it would be a waste of money and effort to build the conventionally powered ship. On the other hand, the Navy says that to make it a nuclear carrier would add $120 million to the $260 million the Navy now plans to devote to it. Do you spend this $120 million, or save it? Here again the engineer is the adviser to the Congress, and his judgment is essential.

Granted, the need of advice from scientists and engineers—there are some very real difficulties in practice.

For one thing, scientists and engineers with equal competence, objectivity, and integrity come up with different ideas and conflicting counsel. This has been the case, in all the examples I have just cited. As a result, the politician must constantly choose between divergent scientific advice. To make any sort of sensible decision we ourselves often have to go deeply into the technical aspects of a problem.

Furthermore, the scientist himself may not distinguish clearly between technical judgments and political judgments. There is a crop of what I am compelled to call "political scientists"—some of whom have large reputations and many followers, and are becoming known as "opera stars." I must say, however, that engineers, by and large, by reason of their nature and training, have not put themselves in the "opera star" category.

Our effort to obtain full information on the fallout problem has been plagued by confusion among scientists between technical advice and political judgment.

For example, the General Advisory Committee of the AEC recently issued a report on the atomic fallout problem. This report was submitted in the middle of hearings being conducted by the Special Subcommittee on Radiation of the Joint Committee. You might be interested in reading this report, for its conclusions strike me as unscientific reporting. This report gave no consideration to the extent and effects of the future testing of nuclear weapons. It also minimized the effects of weapons tests to date and ignored the problem "hot spot" areas in our North Central States. I might add that these were among the problems we were tackling in our congressional hearings. The people of America—yes, of the world—have a right to better information on fallout and to have it soon.

Or take the case of our Aircraft Nuclear Propulsion (ANP) program—on which the Government has spent almost a billion dollars. We on the Joint Committee have thought that if this large amount of money is to produce any results, we should at least aim the early flight of an experimental prototype aircraft.

Yet each time the decision is almost reached to move to the prototype state, some new scientific committee set up to review the program gets cold feet.

A classic example occurred in 1958 when a group went to the main ANP laboratory near Cincinnati and spent about 2½ hours reviewing the general progress and problems of the project. As a result of this very brief review, together with an analysis of past reports which were directed to a different objective, the group recommended that the Government should not press forward with the project to the flight prototype stage. The question which we on the Joint Committee asked was: "How can scientists and engineers make such a recommendation with so brief a review of the problem from a first-hand standpoint or even from the standpoint of a review of reports?" I might add that we are still asking this question concerning the ANP program.

Some of the questions I have mentioned concern the pure field of science. Many of them, however, would beckon the engineer to aid in the making of public policy. I have separated—in that sentence—the engineer from the scientist.

Dr. J. R. Killian, Jr., whom I regret to see leave his post as Special Assistant to the President for Science and Technology, first called my attention to the fact that engineers make up a profession separate from science.

"Engineering," Dr. Killian reminded me, "is concerned with applying science to the use and convenience of man. The engineer's work usually has a social and economic objective. The work of the scientist may be directed primarily at increasing our understanding of nature. While scientists and engineers each have separate professional functions to perform, they are increasingly dependent, one upon the other. Modern science requires the great instruments such as radio telescopes and high-energy accelerators which the engineer comes to create, whereas the engineer is increasingly dependent upon the new ideas which flow out of the work of the scientist."

That statement explains better than a thousand words my interest in this graduating class.

You are needed in the service of the Nation.

Take the problem that now presses on us so urgently: nuclear weapons testing. Our country is now observing in the testing of nuclear weapons a 1-year moratorium which will expire this October. Is that moratorium to be modified to apply to future atmospheric tests—or will it be continued from year to year on a temporary basis?

This is in part a political problem—but it is also an engineering one. What we do in the future can depend in no small degree on the work the engineers can do for us—by way of developing, testing and evaluating nuclear detection devices.

I am not satisfied to use as our sole criterion the findings of an underground shot in an isolated area of Nevada. I believe that the nuclear detection devices which may be called upon to measure both surface and underground explosions should be evaluated not by one country but by some

international organization or under an agreement by the three nations which currently comprise the nuclear club.

Lacking the wise handling of this problem, we will probably see the nuclear club expanded in the next few years to include France, Red China, and a half dozen other nations. Then the problems of control will be vastly magnified—and every problem of agreement gravely complicated.

Let me say this in conclusion:

As you move out into your careers you are bound to have many contacts with our National Government.

This is in sharp contrast to college students of my generation. I was only dimly conscious of the existence of a National Government. Washington was worlds away from the Dakota prairies. Our mayor was the biggest man I knew. I was in a church school which raised most of its money by persuasion and prayer. Aid to education meant setting aside part of the proceeds of a wheat crop.

You have only to look at the budget of your own university or of any other university in the land to find that one-third to more than one-half of its expenditures are financed in one way or another by the Federal Government. Many of the engineering and industrial corporations where you may seek and find employment have a substantial part of their operations financed through Government contracts with the Department of Defense, the Atomic Energy Commission, and the new National Aeronautics and Space Administration.

I hope each of you will find your way to some useful form of teamwork—with Government—in the interest of better public policy.

We can do little about some of our problems without awaiting Soviet cooperation, or without relying on friends and allies abroad. But the wise use of our talent is within our own control. This is one thing each of us can do something about without depending on anyone else. Talent is a homegrown product that we can cultivate and use wisely, if we wish.

Today represents one task completed. May it also—for the ultimate welfare of our land—mean a new responsibility assumed—the pursuit of knowledge, not only throughout your lives but throughout the lives of those who dwell beside you in a world that knows discord and dissension but looks hopefully—and ever shall—to a final peace.

HANDOUTS FOR EDUCATION

Mr. LAUSCHE. Mr. President, about a week ago the Cincinnati Board of Education took a course of action which in my opinion is so wholesome, constructive, and unprecedented that it should be brought to the attention of the Members of the Senate. The action taken by the Cincinnati Board of Education was, by a majority vote, to refuse the sum of $110,000 to which it was entitled as a Federal grant under the National Defense Education Act of 1958. The board met in session. A majority of the board voted that Cincinnati would take care of its own school problems and would not accept the Federal aid tendered to it.

I think that course of action is one of such significance that it should be brought to the attention of the Nation. In these days when local and State governmental units, aided by public officials, are expounding the theory that the Federal Treasury is bottomless and that all governmental units, and frequently private enterprises, can turn toward it for financial aid, one ought to find great encouragement in this noble act of the Board of Education of Cincinnati. I think we are going to learn soon that we cannot keep coming to the Federal Treasury without end, unless we finally throw the Federal Treasury into such a state that it will require the combined efforts and sacrifices of the people of our country to reestablish the strength of that Treasury. Constant spending of more money than we have can only lead us to the poorhouse. That principle is applicable to the Federal Government exactly as it is applicable to the State and local governments and to private individuals.

Mr. President, I have in my hand an editorial which was published in the Cincinnati Enquirer of June 5, 1959, and I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HANDOUTS FOR EDUCATION

When a school board majority turns down the offer of a Federal handout, or even a matching fund, it's news. Yet that is the indicated policy of the Cincinnati Board of Education, thanks to the sound judgment of Messrs. Edwin Becker, Stanley McKie, Homer Toms, and Sam Todd, in preferring to sacrifice immediate profit for ultimate gain.

Involved here was participation in a Federal matching fund program which would have made $110,000 in Federal money available to the Cincinnati public schools under the National Defense Education Act of 1958. There would, no doubt, have been an immediate gain in improved mathematics and science teaching equipment, in foreign language "laboratories" and additional guidance counselors, all of which are needed. But the greater purpose is the preservation of local control of public school education. The school board majority is right to be cautious about any Federal foot in that doorway.

Two arguments were made by members who favor the matching arrangement, the school board president, Dr. Fred Heinold, and Charles I. Westheimer. One is that Cincinnatians are going to be taxed anyway for the program so why not get Cincinnati's share? That is, of course, the lure so frequently used, and so frequently ending in outright Federal control. As a matter of fact, Cincinnatians pay Federal taxes for all kinds of things which they never expect to enjoy themselves. Our motorists contribute to building Federal highways across remote States where they never expect to drive. The "get-your-share" argument is a perilous and also a deceptive lure.

The other argument is that Cincinnati accepts Federal aid for school lunchrooms, so why not take it for teaching improvements? There is, however, a great deal of difference in principle between feeding young bodies and feeding young minds in a democracy. To accept Federal aid in school lunchrooms from a Government with colossal food surpluses on hand, and for the benefit of children whose parents cannot afford to pay for proper lunches, is one thing. To accept it for teaching programs, in a community which can pay and always has paid for them, is quite different.

Over the years the Cincinnati taxpayer has responded generously to the requests of our school authorities, with the result that we now have a fine public school educational setup here. But once let that taxpayer get the idea that Uncle Sam is footing the bill, or even half of it, and no tax levy or bond issue would stand a ghost of a chance at the polls.

NOTICE OF INTENTION TO DISCUSS THE NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. O'MAHONEY. Mr. President, I rise to make a brief statement.

In the hope that a quorum of the Senate may be present tomorrow, it is my intention to take the floor, when I can get it, on Tuesday, immediately after the morning business, for the purpose of discussing with my colleagues the pending Strauss case. I have every hope that among those who will gather will be all the Democrats, including the majority leader, who are reading the RECORD to determine what position they will take in this matter, and also all Republicans, because I believe the issues in this case rise above all partisan considerations.

The conflict which has thus far taken place over the confirmation of the nomination of this Presidential nominee to become head of the Department of Commerce and a member of the Cabinet has been mistakenly presented to the public as a petty partisan plan to harass the President or a purely personal conflict of little importance. It is neither of these.

We face a deep constitutional crisis involving the right of the people to know what the Executive is doing in the ordinary processes of managing the Government.

I shall undertake to show by incontrovertible evidence that Admiral Strauss is an exponent of the un-American theory that public affairs should be conducted in secrecy by the executive branch whenever that branch or any part of it feels it is desirable to do so.

I shall undertake to say that a man who entertains the views of executive secrecy which Mr. Strauss has practiced and proclaimed is not qualified, in the public interest, to be the head of the great Department which, under the laws of Congress and the Executive orders of the President, exercises a pervasive influence over the entire scope of domestic and foreign commerce in which the people of this Nation are engaged.

If we place at the head of the Department of Commerce a man who will not tell Congress what he is doing, how shall we protect the people in their right to know what their Government is doing?

I shall undertake to say that Mr. Strauss has been shown by both his private and his public career not to be an advocate of competition, and that he is thus unsuited to be the Secretary of Commerce. If competition is, indeed, the life of trade, then the President should select as his nominee a candidate who is a known advocate of free competitive enterprise. That is not the situation, as I shall show tomorrow, in the case of Mr. Strauss.

U.S. FISCAL POLICY

Mr. WILEY. Mr. President, one of the problems with which we shall be confronted in the very near future, as I understand the majority leader, is the question of extending the debt limit.

We shall also hear the arguments in relation to interest rates.

Already we have been entertained hour after hour on the subject of interest rates. I wish very briefly to read from an analysis which has come to my desk, from the Whaley-Eaton Service, under date of June 13, 1959. I think it points up in very good style the position which at least our friends of the Democratic Party have taken:

The interest rate controversy is developing along the exepected partisan lines. Democrats see an opportunity to make a direct political issue out of the Treasury's request for freedom to price its long-term bond issues at the going open market rate. Their questioning of ANDERSON and MARTIN has brought out the fact, however, that the liberals are split three ways.

One group, ardent advocates of a permanent low interest level, fights to keep the present artificial ceiling at 4¼ percent. Under existing market conditions this would be about as effective in holding down borrowing costs as King Canute's attempt to halt the incoming tides.

Another group demands a revival of the practice, abandoned in 1951, of Federal Reserve purchases of Treasury issues in the open market whenever they dip below par. This would create additional bank reserves without regard to the banking system's need for them and would be directly inflationary. So also would the proposal of a third faction, to require FRB to broaden its operations to buy medium and long terms.

The three embattled liberal groups may cancel themselves out when Congress finally makes its decisions. The confusion over techniques, technicalities, and tactics which they are causing will cool congressional ardor for any radical solution. But there will be ample opportunity for political name calling. It is significant that Senate Majority Leader JOHNSON, apostle of moderation on most other issues, is acting like a liberal on this question. He thus reverts to type as an easy-credit advocate.

The public probably neither understands nor cares much about the intricacies involved in these arguments. But it is aware that taxes are high and that bloated spending—voted by Congress—bars any reductions now.

No drastic changes in Treasury fiscal procedure are likely even when Congress gives it the greater leeway it is after. Investor confidence in long-term bonds will recover slowly. Meantime, new Federal issues will be confined mainly to the short terms, easily sold to banks.

INTERNATIONAL RELATIONS LEAGUE CONFERENCE

Mr. MORSE. Mr. President, this year again some 300 high school students of Oregon and southern Washington met on the University of Oregon campus for the 12th International Relations League Conference and discussed in roundtables U.S. foreign aid policy.

I have received a letter from Miss Irene Blumenthal, an instructor in the College of Liberal Arts of the University of Oregon, department of political science, enclosing a copy of the proceedings of the International Relations League conference conducted by those students.

I ask unanimous consent that the letter and the copy of the proceedings be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter and proceedings were ordered to be printed in the RECORD, as follows:

UNIVERSITY OF OREGON,
COLLEGE OF LIBERAL ARTS,
Eugene, Oreg., June 4, 1959.

The Honorable WAYNE MORSE,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SIR: This year again some 300 high school students from Oregon and southern Washington met on the University of Oregon campus for the 12th International Relations League Conference and discussed in roundtables U.S. foreign aid policy. I thought that you might be interested to know what our junior citizens are thinking about this subject and I am, therefore, including a copy of the IRL Bulletin which has summaries of the roundtable discussions. Next year we are planning to discuss U.S. policy regarding military alliances.

The conference always takes place at the end of February, so that we have not much of an opportunity to invite our Oregon legislators to address these students. Should your business bring you back to Oregon next year during this time, we would hope that you could find the time to attend our 2-day conference tentatively scheduled for February 26–27, 1960.

Respectfully yours,
IRENE BLUMENTHAL,
Instructor.

[From International Relations League Bulletin, May 1959]

HUDSON'S BAY HIGH SCHOOL TAKES FIRST PLACE IN BEST OVERALL PROGRAM CONTEST

The judging of the best overall program contest took place at the executive board meeting, May 9, in Eugene, Oreg. First prize winner was Hudson's Bay High School, Vancouver, Wash.; second prize winner, Lebanon High School, Lebanon, Oreg.; and third prize winner, South Salem High School, Salem, Oreg. The awards, which will be a collection of international relations books for the club's library, will be mailed to the recipients at a later date.

Hudson's Bay High School's participation in international relations activities contained high standards in their programs, outstanding speakers and fine topics. All this reflects a vital interest in international affairs. Their club attended the Southwest Washington Institute of International Affairs, as well as the conference at Eugene. Their specific programs included discussions and speakers on the following topics: "Should Foreign Aid Be Continued," "*Resolved*, That Nuclear Weapons Testing Should Be Outlawed," "Foreign Aid," "The Orient," "England," and "Israel."

Lebanon High School, second prize winner had a well-rounded program accentuated by an impressive scrapbook illustrating their achievements. Unique among contest entries was their own school handbook. Lebanon has developed a strong community-club relationship witnessed by substantial writeups in the local newspapers. Their main event was participation in an American Field Service banquet sponsored by members of the Lebanon community. The purpose of this banquet is to raise funds to send a Lebanon student abroad, and to bring a foreign student to Lebanon for a school year. Other highlights of their program were: a United Nations Day banquet including a speech entitled "The Layman's View of the United Nations": and, a presentation by a former technical assistant from the United States to Iran.

South Salem's IR Club, third prize winners, began their year by writing to every source of material listed in the study guide. They felt that this material aided their study for the conference. It was through their study that this group was prompted to launch the most energetic part of their program which was their preconference meeting. Six clubs were invited to attend. The preconference included roundtables and a speaker from Willamette University. South Salem's IR Club's activities did not end with the conference. They had a progressive dinner with a foreign foods theme. Russian, Chinese, Swedish, and American dishes were served. South Salem also submitted a scrapbook illustrating their activities.

The eight other questionnaires judged also presented interesting and stimulating programs which are briefly summarized as follows:

The Cleveland High School IRC included in their activities: A United Nations Assembly, a combined assembly with foreign students, a speaker from the World Affairs Council, and an international banquet, to which several other clubs were invited.

The Grants Pass IRC sponsored several service projects during the 1958–59 club year. Some of them were: Sending CARE packages to underdeveloped countries, selling UNICEF greeting cards, and sending current informative magazines to parts of Asia—this project was called "Magazines for Friendship." Their program was rounded out by an annual food picnic and several speakers.

One of the highlights in the Medford IRC program was their sponsorship of a young Czechoslovakian apprentice in West Germany through Foster Parents, Inc. The club has weekly meetings with discussion groups and speakers.

Roosevelt High School's IRC was busy raising money to sponsor an American Field Service student. They also participated in a program for a PTA meeting.

Although a new and small IR Club, the group at St. Francis High School in Eugene, Oreg. carried on a fine program. After the Eugene conference, they shared their subject matter with the world history classes at their school by presenting a panel on the conference topic. Their other activities included a speaker on Nigeria and the sponsorship of an IRL breakfast.

The IRC of South Eugene High School included in their activities a UNICEF drive; a foreign student dessert with foreign students at the University of Oregon attending; publication of an IRC newspaper, the Exposé; and the raising of money to sponsor an exchange student.

The OEA-IR executive board agreed that all schools entering the competition should be commended on their fine programs and their interest in international relations. They expressed the hope that more clubs will enter the contest next year, and that all clubs will strive to formulate purposeful programs which will benefit the participants.

The entries from Woodrow Wilson High School and Fort Vancouver High School arrived after the judging had taken place.

C. M.

TIME TO THINK OF NEXT YEAR

Now is the time to start organizing your IRL Club for next fall. The present members can do much to assure continuation of an active international relations club. By organizing and maintaining a scrapbook of material or a good filing system, you will provide much asistance to your successors. The material you save each year will help to plan programs, organize meetings, and prepare delegates for the State conference.

Issues of the Bulletin should also be saved. They provide many suggestions for improving your club's program. The reports in the "Family Tree" offer you ideas tested and proved by other clubs.

The letters and materials you receive from the State office at the University of Oregon should receive your prompt attention if you wish to take fullest advantage of the opportunities offered. To be able to serve you and your fellow clubs, you must first aid us.

Deadlines are most important. This year several clubs found that they had to miss things because of their failure to meet their obligations and deadlines. Don't let this happen next year.

If you select responsible students for your club officers, your IRC will profit much by their leadership and service to you. Likewise, interest your friends in the International Relations Club, for an active and continuing membership is necessary. It's your club—make it a good one. (THE EDITOR.)

UNIVERSITY OF OREGON HOSTS STATE IRL CONFERENCE; GANGE KEYNOTE SPEAKER

Dr. John F. Gange, director for review and development for the Asia Foundation, opened the 12th annual conference of the Oregon High School International Relations League on Friday, February 27, with an address examining "Alternate Policies in American Relations With Underdeveloped Countries." Dr. Gange told the 312 representatives of 39 Oregon and southern Washington high school international relations clubs and guests that the problems of underdeveloped countries were not new nor necessarily overwhelming.

American security depends heavily upon the success or failure in our foreign aid programs, Gange emphasized. To raise the standard of living above merely subsistence means that capital must be available to these areas for more than merely short-term returns for private enterprise. Likewise, development for health advancement means a steep increase in population, resulting in further complications for these areas.

A step in the right direction, Gange advises, would be to educate our administrators, technicians, and diplomats in the culture and geography of the areas to be aided. A better understanding of the way of life of others would lessen frequent resistance met by the administration of U.S. foreign aid in many of the underdeveloped areas.

Following the opening speech, the delegates joined their respective roundtables. The first session for all panel groups was concerned with the main panel topic, "U.S. Foreign Economic Policy and Underdeveloped Lands." At noon the roundtables adjourned for luncheon and a business meeting presided by Reece Bader, IRL State president. A luncheon for advisers was held at the University Faculty Club.

In the afternoon panel discussions were dealing with their particular topics. The 16 roundtables of no more than 20 members met with a "resource person" from among the graduate students of the university.

The banquet in the Erb Memorial Union ballroom was presided over by IRL President Reece Bader. Dr. Robert D. Clark, dean of the College of Liberal Arts, welcomed the delegates in the name of the university. Entertainment was provided by the university singers and members of the Cosmo Club, performing colorful native dances. After the banquet, a mixer sponsored by Cosmo Club was held in the Dad's lounge of the Student Union.

Saturday saw the election of new State officers, following a lively election campaign. After lunch joint reports prepared by the roundtable panel chairmen and secretaries were presented, terminating the conference.

CONFERENCE ROUNDTABLE REPORTS

PANEL 1: THE PROBLEMS OF UNDERDEVELOPED COUNTRIES

The problems of underdeveloped countries presented many economic, political, and social problems for consideration.

After much discussion of what an underdeveloped country is, it was decided that these countries are characterized by a low standard of living, mass poverty, high rate of population increase, lack of food and other essentials, few formal educational opportunities, low life expectancy, little industry, primitive agriculture, and underdeveloped natural resources. Although a country may be underdeveloped socially, politically, and economically, it still can have a highly developed culture.

Problems confronting underdeveloped countries were grouped into three categories: economic, political, and social. Education, both technical and academic, was the most discussed. It was generally agreed that all people should know how to read and write. Training personnel in the use of machines and equipment was also deemed important.

The first big step in educating and training these people is to learn their language, customs, and religions. Our technical advisors must be acquainted with their way of life before they can hope to solve any of these countries' problems. It was the general opinion that needed changes must come gradually.

Other problems discussed were: the need for transportation of goods, the fact that aid seldom reaches the common people, the U.S. tendency to prescribe what a country needs rather than leaving the choice to its people, too much redtape involved in administering aid, expressions of superiority by Americans when living or visiting abroad, and the health and housing problems. Many suggestions for ways to remedy these problems were offered but no definite conclusions were reached.

PANEL 2: OUR STAKE IN THE FATE OF UNDERDEVELOPED COUNTRIES

Our panel decided that stake means interest. Underdeveloped countries are those which have mass poverty not merely as the result of temporary misfortune. Social organization and production methods were found obsolete. We decided that the underdeveloped areas include Africa, South America, the Middle East, southeast Asia, and Eastern Europe.

Our interests in these areas are divided into three main topics: political, economic, and military. These are all interrelated and we concluded that military considerations are the outgrowth of economic and political interests. The purpose of our foreign aid in these areas is to bolster our security, establish a humanitarian reputation for us and to provide us with economic gains by increasing markets for our goods and services while meeting needs for raw materials.

In the area of economic aid, we should help to expand the development of natural resources, industry, and trade. We should further private investment and the exchange of ideas. Stimulating education among the people to develop their resources and capital will result in more educational funds being made available through taxation of the increased productivity.

It is to our advantage to maintain security through the containment of communism while raising the standard of living elsewhere in the world. In order to achieve this, it is necessary to train our foreign service personnel in the history and cultural background of the nation as well as providing them with a speaking knowledge of the local language. It is also necessary to have a knowledge of economics and other social sciences. This will further our understanding between these areas and the United States of America.

The Soviet Union is subtle, when infiltrating a country. Only when successful do the Soviets advertise their accomplishments. However, America enters with a big brass band and declares itself the savior of the country. The Soviet Union gives the people more what they want, while we give what we think they need.

In the military field our purposes are threefold. We wish to fight communism, gain allies, and protect countries from the excesses of their own nationalism. We also find that the United States must often decide between the friendship of the old colonial powers and the rebellious colonies. We should adopt a new policy, that is offensive instead of defensive. It is said that the United States is never interested in an area until the Communists are there. We should work in specific areas instead of chasing the U.S.S.R.

We believe our interests in underdeveloped areas could best be attained by:

1. Adopting a more equitable form of aid.
2. Formulating one program instead of many.
3. Better educating our diplomatic service.
4. Bringing capital to the people of the country.
5. Encouraging private investment in foreign countries.

Submitted by John Aylmer, Dorothee Engle, Sandra Hall, Sally Sloan.

PANEL 3: TECHNICAL ASSISTANCE IN UNDERDEVELOPED COUNTRIES

We decided to view the problem of technical assistance in underdeveloped countries in the light of humanitarian interest rather than in the interests of private enterprise or other concerns.

For the purposes of our discussion, we defined technical assistance as assistance in skills and training; an underdeveloped country is characterized by a lack of industrial growth. We discussed the need for technical assistance and the various technical assistance programs of the U.S. Government agencies and private enterprises abroad.

The Soviet Union likewise engaged in technical assistance programs to underdeveloped countries but these programs are exclusively government administered. We then discussed the means by which technical assistance is given to underdeveloped areas on a multilateral or bilateral basis, between government, private assistance, et cetera.

We discussed economic forces and conflicts as they relate to technical assistance programs in underdeveloped countries. Technical assistance in recent years from the ICA averaged about $150 million annually, while technical assistance from U.S. private investors extended to businesses abroad from $5 to $6 billion in 1958.

Cultural differences exist between U.S. technical assistance administrators and the Asians, Africans, and South Americans whom they serve; whereas, the differences between the Soviet administrators and, at least, the Asian people are not as great. Conflict exists between the interests of the U.S. private investment and our humanitarian concern in the development of the underdeveloped countries. However, it was observed that U.S. private enterprise development in these countries is a part of their historical advancement.

Submitted by Jim Kindler, Shelley Brink, Chuck McFadden, Diane Lewis.

PANEL 4: INVESTMENT AND TRADE

The panel on Investment Trade discussed the various problems connected with this subject: illustrations of the past and present movements and future policy of the United States, possible solutions to the problems, and improvements in our program of investment and trade. In any such program which is undertaken, there should be more advance planning and coordination between the specialized areas of foreign aid. More effective dissemination of information is also needed. Trade should be widespread and include Red China. Disagreement arose as to whether a trade agreement with Red China should be negotiated immediately or be delayed.

These specific proposals were made: (1) common markets should be established where feasible (e.g. Latin America); (2) tariff rates should be lowered; (3) choice should be offered between a military draft

and a foreign aid service draft; (4) private investment through the citizens of the country should be encouraged; (5) investment treaties should be revised; (6) additional investment guarantees should be offered; (7) our tax structure should be revised to avoid conflicts between countries; (8) partnership between public and private investment should be encouraged so that the country's substructure will be more fully developed; (9) Government subsidization to private investors.

We realize that public opinion is a determining factor for the acceptance of proposals, but we feel that these suggestions would create an ideal situation. Furthermore we advocate an administrative body which would coordinate all phases of our foreign aid program, for we realize that unity is a necessity for success.

Submitted by Edith Brown, Carolyn Hansen, Carolyn Mencke, Judy McShatko.

PANEL 5: THE SOVIET UNION IN UNDERDEVELOPED COUNTRIES

The basic aim of U.S. foreign policy towards underdeveloped countries should be to promote the economic well-being of these countries while enabling them to maintain their independent status. The hope that these countries will become our allies in the cold war was discarded as being unrealistic.

In providing foreign aid, the Soviet Union aims at drawing them into the Soviet orbit. Russia carries out these aims by (1) using more technical assistance than direct economic aid, so that the people do not resent their help; (2) much publicity for their aid; (3) offering to help in the form of trade, without immediate stipulation of the terms. It was also decided that Russia would accept these countries' neutrality, if it meant preventing them from becoming allies of the United States.

The form of government of the Soviet Union, their culture and geography give it certain advantages in the technique of dispensing foreign aid. For example, their dictatorial government enables the Soviets to send help almost immediately after the need arises, while the United States must first go through several channels.

It appears that the best way to offset these disadvantages and disclose the true Soviet purposes in giving aid, would be to channel development funds through the United Nations. The United States would profit more from such a move because of the Soviet Union's superiority in bilateral techniques. The principal obstacles to such a policy would be: (1) convincing Congress that such a policy is desirable and that funds for it should be appropriated; (2) to maneuver the Soviet Union into agreeing to channel their funds through the U.N. Perhaps the best way of achieving this would be to challenge them to participate in such a program. If refused, the political motives of Soviet foriegn aid would be exposed and loss of prestige might act as a leverage to influence their policy.

Some doubt was raised whether such a policy would be feasible. In any event we felt that the United States should seize the initiative in an attempt to improve its own program and force Russia to fully expose its own.

Submitted by Sharon Woods, Mary Ann Ragland, Sue Williams, Jackie West.

PANEL 6: U.S. FOREIGN AID PROGRAMS

Our panel members thought that education both in our country and in other countries was our primary concern. We need to train our ambassadors in the language, customs, and religion of those countries we wish to aid. With more education we would be able to reach the common man and get more results with this aid. We also need to educate our own people so that they know what and why we are giving foreign aid. This could be done by television commercials, articles in newspapers, international relatons courses, and easily understood literature.

We also felt that there should be more emphasis placed on technical assistance rather than military aid. A foreign aid program administered by the United Nations was judged to be the best solution. A good foreign trade policy is also important. Of course, the big problem here would be how currency payments would be made. Under the U.N. plan there would be less strings attached. This would bring better feelings of those who accept the aid. And finally, this plan should be a long-range policy, giving the underdeveloped countries time to get more results.

In discussing this topic we did not try to actually solve the problem of our foreign aid programs but rather attempted to point out some improvements that could be effected.

Submitted by Dave Mulder, Irene Daschell, Judy Wolfe, Sandra Thomas.

PANEL 7: ECONOMIC DEVELOPMENT IN AFRICA

During our discussions we found the entire Continent of Africa to be underdeveloped. Nevertheless, we also realized that Africa has a great potential. This area has vast natural resources in addition to an old and diverse culture.

We also found two distinct parallels between Africa's problems and our country's history. First, there is the very apparent and pressing problem of racial discrimination. Africa is the home or host to nearly every known race of man. While the Negroid racial types are both more numerous and by reason of tenure have the best claim to being indigenous, other races have long been identified with the continent.

Three types of racial situations are prevalent in Africa: (1) Relationships among indigenous peoples; (2) relationships between Africans and Europeans; and (3) relationships involving Asian and other ethnic groups. However, we also agreed that Africa's problems are internal and that America should treat them as such. Our support of anticolonial movements will not win African allies for us, as Suez well illustrated. And yet America cannot plead neutrality when South Africa elbows its African majority aside. We can expect nothing better than neutrality in return when we seek to rally the support of Africa's peoples to the free world. Africa remains to be convinced that the American concern for freedom embraces the black man as well as the white.

As our second parallel, we found that Africa is struggling under the yoke of colonialism just as America did. The overall trend has been toward well organized demands for an end to colonialism. Of course, exceptions are evident, such as the Mau Mau of Kenya, the open terrorism in Algeria, and the disturbances in the French Cameroons. Inevitably, however, as more and more African countries secure independence, America is being confronted by a very real dilemma. Can the nationalist governments in weak and underdeveloped states be counted on to maintain stable governments, adequate defenses, and economies which remain open to the West?

The following questions were also discussed by the panels: Why does the United States give aid to Africa? Is it a sincere desire to help the peoples of Africa, or is it only—because if America didn't, Russia would? Many Africans feel that the latter is the case, and they resent it. As we discussed the motives of America's foreign aid programs, we wondered if, perhaps, the Africans are not justified in their belief. The underlying theme of both panels, however, appeared to lie in an area other than just the giving of aid. American aid to Africa invariably took the form of "helping Africans to help themselves."

Submitted by Bill Freck, Nancy Albin, Beverly Killam, Bob Patterson.

PANEL 8: ECONOMIC DEVELOPMENT IN SOUTH AND SOUTHEAST ASIA

American policy in south and southeast Asia must gain the cooperation and understanding of the under-developed nations involved to realize its objectives. We must develop an appreciation of national cultures and philosophies, a tolerance of political objectives, and a realization of the immediate problems of these areas. Culture and philosophies differ from those of the West and even widely among the countries of this region. Enlightened administrative methods must be cognizant of the problems of these countries; they are not the same as those of the West and must, therefore, be met and solved differently. The rise of nationalism and the desire for self-determination must be recognized.

An organization such as the United Nations was thought desirable to administer and distribute aid and investment. Aid from a multilateral body does not insult the pride of nationalism. Political disagreements with the United States must be resolved on this point. The recipients of our aid must be carefully chosen. Prosperity, not arms, give rise to free enterprise. Educated people realize the dangers of communism. The need for and love of their own way of life is stronger than capitalism or communism.

Seeking to make more effective use of our foreign aid in southeast Asia we could (1) improve our diplomatic service and appointment system; (2) improve the general standard of living and thereby halting the spread of communism—not an ultimate aim, but a desirable result; (3) increase the exchange of students and teachers; (4) further public knowledge about and understanding of a country's problems; (5) administer governmental low-interest, long-term loans through a multilateral agency to develop projects of a public nature (i.e., dams, roads, agricultural extensions, etc.) followed by industrial development by private enterprise again distributed through a multilateral, nonpolitical organization.

An increased emphasis on economic aid coupled with our present policy of military assistance is necessary for the mutual welfare of our Nation and the underdeveloped lands of south and southeast Asia.

Submitted by Leigh Hess, Steve Beckham, Bill Koons, and Jim Compton.

OF GENERAL INTEREST

GRANTS PASS HIGH SCHOOL

The Grants Pass chapter of the International Relations League is sponsoring a student tour to the International Exposition Trade Fair to be held in Portland, starting June 10. The tour is open to any Grants Pass High School student who is willing to help raise the money for transportation, lodging, and other expenses. Money-raising projects, such as cake sales, bottle drives, rummage sales, and the selling of Oregon Centennial seals and Reader's Digest subscriptions, have all been planned so that individual expenses will be as low as possible. The students on this tour, which begins June 10, will stay 2 days at the fair.

On March 17 at their last meeting, the I.R.C. featured Miss Jessie Hughes from Portland as guest speaker. Miss Hughes showed slides and told the members of her experiences in a student work camp in the French Cameroons.

ROOSEVELT HIGH SCHOOL, PORTLAND

Roosevelt High School held its annual American Feld Service Assembly on April 2, 1959, for the assembled student body. Each I.R.C. member represented a nation of the world and throughout the day wore the appropriate costume for that nation.

Such countries as Bulgaria, Lithuania, Scotland, Ireland, Germany, Greece, and Italy were represented. Two of the exchange student guests were Damajanti Kartasasmita from Indonesia, who danced for the assembly, and Gursan Cumbus, who wore a Turkish costume and explained differences between the Moslem and Christian religions. After the assembly, a new money-raising project was introduced. The sale of token shares of stock to help finance the trip of an American field service foreign student was explained and set into motion as of that date. The shares of stock are available from any IRC member. $565.65 of the $650 has been received. The remainder of the day was spent in taking the students to classes and helping them get acquainted with Roosevelt High.

SOUTH EUGENE HIGH SCHOOL

South Eugene High School's I.R.C. has been working hard to raise the $650 necessary for an American field service student. Car washes, bake sales, movie ticket sales, and PTA and Rotary Club financial help has brought in $400. Speakers at club meetings have talked to the group about the Union of South Africa, Nepal, and the United Nations. The South Eugene delegates, like many others, expressed their enjoyment of the State I.R.L. conference.

Recently they held a tea to which they invited foreign students from the University of Oregon.

OREGON CITY SENIOR HIGH SCHOOL

The Oregon City I.R.C. three times has sponsored "Guess for a Day"—a program in which an American field service student from another country is invited to the school for an entire day. The student visits classes, goes to lunch with club members, goes to a student's home for dinner, and is the guest speaker at the club meeting in the evening. The club members provide private transportation for the guest. This program has proven to be very satisfactory, because these foreign students seem delighted with the program. Faculty and students enjoy meeting them and exchanging ideas.

The semester's main activity was the I.R.C. variety show, "Varieties of 1959," in which a full evening (April 9) of dancing, singing, instrumental music, and pantomimes was presented. The proceeds go to the foreign student exchange fund.

An excellent idea that shows the club members' eagerness for achievement is a small mimeographed booklet to be used as a guide. It includes the following: the purpose of the club; a list of its officers and members; and a detailed account of meetings, complete with lists of committees for refreshments and programs. An attractive brown and yellow cover encloses this helpful booklet.

JEFFERSON HIGH SCHOOL, PORTLAND

Jefferson's I.R.C. has begun making preparations for next year's club. With prior announcements and invitations, a meeting was held in a member's home on April 2. The club's purposes and activities were explained to prospective members. Included in the evening's program were reports from delegates to the State conference. A meeting is now being planned to form a tentative activity scheduled for the fall term.

Jeff's Miss Oenone Shaw, one of the organizers of Oregon's IRL 12 years ago, has decided to work only in a supervisory capacity with the two new, ambitious advisers, Mr. Robert Henderson, and Mr. Forrest Dalrymple. Miss Shaw deserves special recognition for her outstanding achievement as an IRL adviser.

FORT VANCOUVER HIGH SCHOOL, VANCOUVER, WASH.

The Southwestern Washington Institute of International Affairs held its fifth annual conference at Clark Junior College in Vancouver, Wash., on April 3 and 4. Approximately 150 high school students and 15 foreign students met for the 2 days to discuss technical assistance in Asia. Dr. Warren Tomlinson, of the College of Puget Sound, and Frank Williston, of the University of Washington, were guest speakers.

The Vancouver Council of Student Exchange is sponsoring its annual farewell for the foreign students and the students who will spend a year or a summer abroad. This banquet will be held on May 21.

April 30 the I.R.C. will have a program on Russia. The Reverend John Soltman, a local minister, will present the complete set of slides he took on his recent trip to Russia.

CLEVELAND HIGH SCHOOL, PORTLAND

March 17 was the date of Cleveland's I.R.C.-sponsored American field service assembly. Jean Arnett, who recently returned from Holland, and Jean McCarthy, who spent last summer in Turkey, shared the time showing slides and telling of their experiences.

During April the individual chapters of Cleveland's IRC met. During one meeting a potluck dinner was held with clubs from Roosevelt and Franklin High. Sirrka-Lisa Lankinen, dressed in her provincial Finnish costume, told the gathering of 35 students about her country.

At the other April meeting Mary Mikolavich, a teacher at Cleveland, told the group about her European trip, illustrating her talk with slides.

Since this is my last "family tree," I would like to thank everyone for helping to make my term in office so enjoyable. At the top of my appreciation list are Mr. Birger Brandt, Miss Irene Elumenthal, and the members of the OEA–IRL executive committee. I am also grateful for the cooperation of the clubs sending me information about their activities.

DONNA DEY ROBINSON,
IRL Vice President.

MINUTES OF THE CONFERENCE MEETING

The first business meeting of the 12th annual IRL conference was called to order by Reece Bader, president.

Nomination and acceptance speeches were given for the candidates for IRL State offices. Anne Morse, State IRL historian, introduced the following nominees for historian: Elouise Folles, Corvallis; Linda Lou Kiser, Lake Oswego; and Bill McCord, Hudson's Bay. Kathy Leslie, State IRL secretary, introduced the following candidates for secretary: Dean Lokken, Lebanon; Carolyn Mencke, Medford; and Judy Wolfe, Franklin. Donna Robinson, State IRL vice president, introduced Rick Biles, South Salem, and Pete Steen, Albany, for the office of president. Harvey Berenson, Woodrow Wilson; Doug Nohlgren, North Salem; and Bill Serres, Oregon City, were introduced by Reece Bader for the office of IRL State president.

It was announced that each delegation would be allowed one vote.

The meeting was adjourned at 1:24 p.m.

KATHY LESLIE,
State IRL Secretary.

MORNING MEETING, FEBRUARY 28, 1959

The meeting was opened in the Erb Memorial Ballroom at 8:15 a.m. for the purpose of electing officers for the coming year. The results were: Bill McCord, Hudson's Bay, historian; Carolyn Mencke, Medford, secretary; Pete Steen, Albany, vice president; Doug Nohlgren, North Salem, president.

The 1958–59 State officers thanked the IRL and the executive committee for their help throughout the year.

The meeting was adjourned by the president-elect, Doug Nohlgren.

KATHY LESLIE,
State IRL Secretary.

AFTERNOON MEETING, FEBRUARY 28, 1959

The final meeting of the 12th annual IRL conference was called to order at 12:15 by President-elect Doug Nohlgren.

Reports were given by the discussion leaders summarizing what conclusions were reached at their respective roundtables.

Miss Blumenthal then gave a brief evaluation of the conference. She urged all clubs to cooperate fully with the IRL office at Eugene. She reminded the delegates to submit their scrapbooks so that the contest for the award to the club with the most active year-round-program could be carried out. The discussion leaders were reminded that a full report of their respective groups was due by April 20.

President-elect Doug Nohlgren announced that the topic for next year would deal with the various military alliances and the effectiveness of each.

The meeting was adjourned by the president-elect at 3 p.m.

CAROLYN MENCKE,
State IRL Secretary-elect.

HERE ARE THE NEW OFFICERS

The following new officers were elected for the next school year at the recent IRL conference in Eugene. Best of luck in your term next year.

President: Doug Nohlgren, 260 North 13th Street, Salem, Oreg.

Vice president: Pete Steen, Route No. 2, Box 741, Albany, Oreg.

Secretary: Carolyn Mencke, 2141 East Jackson Street, Medford, Oreg.; Medford Union High School.

Historian: Bill McCord, 207 Evergreen Driver, Vancouver, Wash.; Hudson's Bay High School, Vancouver, Wash.

MINUTES OF THE OEA:IR COMMITTEE, FEBRUARY 27, 1959, EUGENE, OREG.

The Oregon Education Association: International Relations League Committee meeting was called to order at 2:30 p.m. in Commonwealth Hall on the University of Oregon campus. Present were Kenneth L. Toner, chairman, Jacksonville High School; Irene Blumenthal, IRL executive secretary; Charles P. Schleicher, permanent representative on the committee; Dr. John F. Gange, director for review and development, the Asia Foundation; Miss Rice, Cottage Grove High School; Miss Trull, Grants Pass High School; Mrs. Smith, Medford High School; LeRoy Graymer, Hillsboro High School; Paul Deller, Klamath Falls High School; John Chamberlain, Monmouth Union High School; Reece Bader, IRL State president, Cleveland High School; Donna Robinson, vice president, Jefferson High School; Kathy Leslie, State secretary, South Eugene High School; Anne Morse, State historian, Lebanon High School.

The meeting was held to decide the topic for next year's IRL State conference.

It was decided that a model U.N. would not be held next year for the following reasons: a handicap in physical setup; students who were accomplished speakers were sent as delegates, not those knowing their subject; too much competition between high schools; and, too much parliamentary procedure. The model United Nations will probably be held every 3 or 4 years.

Next year's conference will center around roundtable discussions. Topics suggested were the following: Military alliances; further investigation into Asia, Africa, and Latin America; economic systems and their relationship in the cold war. Dr. Gange spoke to the committee about the advantages of military alliances as a subject. It was moved that the preliminary topic be "Are Our Military Alliances Obsolete?" subject to the approval of next year's board.

A great concern of the executive board is how to get more student organization and participation in the conference. Regional

organizations were discussed as a possible answer to the problem. John Chamberlain is to work with Miss Blumenthal to investigate the idea of regional representatives.

The meeting was adjourned at 3:30 p.m.

KATHY LESLIE,
IRL State Secretary.

MINUTES OF THE OEA:IR COMMITTEE, MAY 9, 1959, EUGENE, OREG.

The Oregon Education Association: International Relations Committee meeting was called to order at 9:30 a.m., Saturday, May 9. Present were Kenneth L. Toner, chairman, Jacksonville High School; Irene Blumenthal, IRL executive secretary; Richard Barss, OEA:IR consultant, representative of the Oregon Education Association; LeRoy Graymer, Hillsboro High School; Charlotte Mirick, secretary, IRL office; Doug Nohlgren, State president, North Salem High School; Pete Steen, State vice president.

The first order of business was the judging of the entries for the best overall program contest. Miss Blumenthal reported that there were sufficient funds to award three prizes. The winning selections were made after careful review of the questionnaires and, in some cases, acocmpanying scrapbooks. First place was awarded to Hudson's Bay High School, Vancouver, Wash.; second place, Lebanon High School. Lebanon, Oreg.; and third place, South Salem High School, Salem, Oreg.

The nine schools submitting entries were: Cleveland High School, Portland, Oreg.; Grants Pass High School, Grants Pass, Oreg.; Hudson's Bay High School, Vancouver, Wash.; Lebanon High School, Lebanon, Oreg.; Medford High School, Medford, Oreg.; Roosevelt High School, Portland, Oreg.; St. Francis High School, Eugene, Oreg.; South Eugene High School, Eugene, Oreg.; and South Salem High School, Salem, Oreg.

The next order of business was the final selection of the topic for the 1960 conference. The tentative topic suggested at the February 27, 1959, meeting on military alliances was discussed. After review, it was decided to reconfirm this topic, suggested originally by Dr. John Gange, speaker at the 1959 conference. The topic had found general approval at the conference. The official conference topic decided upon is "Do Our Military Alliances Serve Their Purposes?" Mr. Graymer requested that a short bibliography be made available now. Miss Blumenthal agreed to have some references included in the spring bulletin.

Inquiries were made as to a possible date for next year's conference. Miss Blumenthal reported that the last week of February may be considered as a tentative date, but clearance must be sought from the student union board and conflicts with other high school events must be eliminated.

The study guide for next year was discussed as the next point. Miss Blumenthal said that a study by the foreign policy association on this topic might become available. This was found to be desirable. It was proposed that it be distributed in a study packet using an IRL folder and other information on the conference. If such a study from the foreign policy association is not available $100 was allocated for writing a study guide. The matter was turned over to Miss Blumenthal for appropriate action.

Student officers were encouraged to plan meetings for next year in order to conduct current business and organize elections and meetings at the conference. Doug Nohlgren said that he tentatively planned to call one meeting in the fall, and the other just prior to the conference to take care of State officer nominations.

The problem of promotion of IR Clubs, especially eastern Oregon clubs, was discussed. The possibility of organizing regional units is still pending until Mr. John Chamberlain, who was appointed at the advisers' meeting during the conference, to look into this matter, presents his report.

The business being completed, the meeting was adjourned at 12:30.

CHARLOTTE MIRICK,
IRL Office Secretary.

INTRODUCTORY READING FOR NEXT YEAR'S CONFERENCE

Campbell, John C., "Defense of the Middle East," Harper Bros., 1958.

Finletter, Thomas K., "Foreign Policy: The Next Phase," Harper Bros., 1958.

Furniss, Edgar S., Jr., "American Military Policy," Rinehart & Co., 1957.

Kennan, George F., "Russia, The Atom and the West," Harper Bros., 1958.

Salvadori, Massimo, "NATO: A 20th Century Community of Nations," Van Nostrand Co., 1957 (soft cover).

INTERNATIONAL TRADE—COMPETITION FROM SOVIET-PRODUCED MATERIALS

Mr. SCHOEPPEL. Mr. President, at the present time, the U.S. chemical industry is faced with a continuing oversupply of benzene which is manufactured by coking plants and petroleum refiners. In recent years the tremendous growth in productive capacity of our oil refining industry has out-stripped production of benzene from coking operations.

One of the reasons for concern in the petro-chemical field is a recently announced contract for the purchase of 54 million gallons of Soviet produced benzene, delivery to take place over a 2-year period at a total price of about $13.5 million.

It is surprising to me and many others in the domestic industry that leading firms in American business are purchasing Soviet-produced materials and products when there exists in this country, in some instances, an oversupply of the same product readily available for use. The question may be asked what about the price? The U.S. domestic price is, perhaps, a little higher, but it is a price which reflects our Nation's high standard of living and the wage rates paid to free American labor employed in an American enterprise.

It seems foolish, indeed, to say that a firm does not have to pay in U.S. dollars. Whatever the consideration in another country's money, the transaction creates a favorable international trade position for the Soviet Union. That country obtains a consideration of value to it in exchange for the goods whether the consideration be dollars, or rubles; the result is a favorable credit balance for the U.S.S.R.

I am certain we are all aware of the heavy overtones for more trade with Russia which accompanied the recent visit of Soviet Deputy Premier Anastas Mikoyan's recent visit to the United States. He was a glib salesman, but I doubt that many persons in our business community were taken in, or fell for, his promotional efforts to obtain technical know-how, aid, and goods.

Personally, I am a Senator who believes in closely restricting our trade with Russia in certain fields. Before we engage in any deals we should know precisely what effect the transaction will have upon our own country's industries and our economic position.

There can be no doubt that the Mikoyan visit to the United States did not produce one desired objective, that of increasing trade with the U.S.S.R. and Soviet-dominated countries. There are many competent observers who call the Mikoyan mission a failure.

While the Soviet Government, through various of its spokesmen, has threatened to wage an economic offensive against the free world, it appears to me that our businessmen are helping those leaders achieve their ends by participating in contracts calling for delivery in this country of Soviet-produced goods; yes, in many instances goods which may have been produced by Soviet slave labor.

We must realize that all international trade engaged in by the U.S.S.R. is calculated to further the objectives of that state. International trade is an instrument of foreign policy to be used to aid the U.S.S.R.

Recently we have seen instances of the Soviet Government having entered into active trading in goods within the Western Hemispheres. Price has little meaning in a State controlled industry. Materials can be sold at a low price specifically to break world or local area market prices.

The Senate Committee on Interstate and Foreign Commerce, of which I am the ranking Republican member, will soon begin to organize its inquiry into foreign trade. I shall follow that inquiry closely. I am suggesting several topics within this area which I consider to be worthy of committee study. In my opinion the status of our foreign trade is an area which has been too long neglected.

NEW TACTICS TO WIN OBJECTIVES—INTERVIEW WITH SENATOR HUMPHREY

Mr. MANSFIELD. Mr. President, there appears in the June 10, 1959, issue of the Christian Science Monitor the text of an interview with the Senator from Minnesota [Mr. HUMPHREY] conducted by Courtney Sheldon entitled "New Tactics To Win Objectives."

The interview reveals the exceptional qualities possessed by the distinguished Senator from Minnesota. He speaks, in this interview, with originality and with a courageous and wide-ranging intelligence on the major issues of domestic and foreign affairs which confront us.

I ask unanimous consent to have printed in the RECORD the text of the interview.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

NEW TACTICS TO WIN OBJECTIVES—A CAPITAL INTERVIEW WITH SENATOR HUBERT HUMPHREY

(By Courtney Sheldon)

(Third in a series of interviews on Capitol Hill to record the viewpoints of Senators SYMINGTON, KENNEDY, and HUMPHREY, each of whom is generally considered a serious prospect for the Democratic presidential nomination in 1960.)

WASHINGTON.—Minnesota Senator HUBERT H. HUMPHREY, once a college professor in political science, twice elected mayor of Minneapolis, and now a leader of the northern liberal wing of his party, and the possible choice of that faction for the Democratic nomination next year—

Believes that a Soviet move toward an acceptable nuclear test ban agreement is one of the things that Khrushchev will make at a summit conference.

Recommends that the United States program its farm production 5 to 10 years in advance to help underdeveloped countries improve their diets and feed their hungry.

What issues do you feel the Democrats should concentrate on in 1960, Senator HUMPHREY?

Well, I think you will find that issues will vary in different areas of the country. In my part of the country, the utter failure of this administration's agriculture policy will still be an issue, for example.

A countrywide issue will be the failure of the administration to really plan economic growth. Now here is a difference, I think, between liberal Democrats and Republicans. Some of us believe in the broad outlines of national planning for economic growth.

I believe, for example, that we can't leave things to the accident of chance. I think that in the light of the kind of competition we are facing internationally from Soviet communism we have to make better use of our resources.

There are some limits to them and they ought to be programed and utilized. At the same time we must provide the widest opportunity for individual decision within that great national plan. We do, however, need goals to strive for—objectives to accomplish.

Now on international affairs what issues of consequence do you anticipate?

Well, here the Republicans take fixed positions and try to hold them without getting into the field of maneuver and using new tactics to win objectives.

We haven't won anything. We have been lucky to hang on. The same administration that tried to repudiate the doctrine of containment, which we had for a period after the Soviets were pressing so hard in Western Europe, has embraced containment even more than the previous administration.

It has been incapable of understanding the social revolution that is going on in the world. Conservative government, by its nature, tends to embrace the status quo. It approaches change with fear and timidity.

Would you favor more or fewer periodic summit meetings just to exchange views?

I would favor more. I wish we could make these summit meetings a little less of a circus or bazaar. Meetings of heads of state would be better if there were not quite so much headline attention until something was done.

You favor more contacts with the Soviets all along the line, such as yours with Khrushchev?

I wish you could see the volume of letters that comes every time any American, including myself, meets with the Soviets. You'd think that somehow or other we were going to catch political leprosy.

It seems to me we have more to gain from meeting with them than they have from meeting with us. And I enjoy the idea of intellectual competition, as well as political and psychological competition.

I like to have the opportunity of telling the Soviets a little about the way of our life, and doing it in a friendly and polite manner, and I think it is a good idea for them to see our country. They live under gross misconception as to what American life is all about. This misconception could lead to dangerous miscalculations.

Do you feel that we have gone too far or not far enough in our offers to the Soviets on a nuclear test ban agreement?

I really believe that in the past few months we have been very sincere and have gone quite a way with the Soviets on a policy of trying to reconcile differences. I had a feeling in January that maybe we were being a little too stiff. That has been changed.

While bringing to the attention of the Geneva delegations the new scientific data, we have demonstrated a willingness to adapt ourselves to this new material and to give the Soviets an opportunity to join with us in further scientific research for better means of inspection.

I hope that Soviets will come around ultimately and I think they will. I believe this is one of the things that Khrushchev will do at a summit conference.

If that did not come about, would you favor unilateral banning of atmospheric tests?

Yes. Atmospheric tests, I would. I believe we have nothing particularly to gain in atmospheric tests militarily and we have a great deal to lose, both psychologically and possibly in health.

We can do these tests underground. We can do them at extraordinarily high altitudes which is a much safer process from a human health point of view.

Now on the farm problem, is there really any feasible long-range solution?

A sound national agricultural policy must be based on expanded soil conservation; adequate farm credit; continued research not only in production but in uses of food and fiber; a price support or income protection system designed to aid the family farm production pattern—with definite ceilings on the total of commodity loans or payments to any one farm producer.

Farm price supports should be extended only when farmers accept production and marketing controls; there should be no supports for products or producers who fail to comply with necessary production regulations.

And finally the means of income protection or price supports should be varied—whatever works best for any commodity or producer. By this I mean the Secretary of Agriculture should be authorized to use crop loans, compensatory payments, purchases, extended credit, and even retirement of unneeded acres.

Production plans must include not only the domestic and normal export needs, but also food and fiber for strengthening our foreign policy in the food deficit areas, plus food for the needy at home—possibly the use of food stamps for those on social security plus others who receive all too inadequate allowances.

I believe that this Nation would be better served by an agriculture of smaller units. I suggest that we look upon this production of food and fiber as a great economic asset in the cold war and that we utilize it as part of a definite international economic aid program; that we work with the underdeveloped countries and see what their food deficits are, and then start to help these countries improve their diets and feed their hungry.

This programing of farm production for international use should be done 5 to 10 years in advance so that the recipient nations and our farm people can plan on it.

FLAG DAY

Mr. KEATING. Mr. President, Sunday was celebrated all across America as Flag Day. June 14 has a special and historical significance for all Americans, because it was on that day in 1777 that the Constitutional Congress adopted a resolution designating the Stars and Stripes as our flag—the flag of freedom.

Since that time, our proud flag has flown over the scene of every battle our Nation has fought for democracy and freedom. It has become a revered symbol of our independence and of the liberty we hold so dear.

The importance of our flag to all Americans is emphasized by the fact that the pledge of allegiance to the flag is learned by our schoolchildren as soon as they are old enough to memorize it. We in New York State are especially proud that the author of the pledge, Francis Bellamy, was a citizen of our State.

Just as the pledge of allegiance has served to inspire millions with dedication to our flag, so that flag has throughout the world come to symbolize the patriotism and freedom which are the hallmarks of America. A constituent of mine, Mr. H. Zuckerman of 455 Schenectady Avenue, Brooklyn, N.Y., has sent me a verse entitled "Flag of Freedom," to commemorate Flag Day. I ask unanimous consent to have it printed in the RECORD, following my remarks.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

FLAG OF FREEDOM

(By H. Zuckerman)

Flag of freedom
Flag of freedom
O thou glorious emblem of the free!
Flag of freedom
Flag of freedom
Beaconlight for all humanity.
Our guardian o'er the land and o'er the sea,
The shrine of our devotion; unity!
Flag of freedom
Flag of freedom
Liberty our watchword e'er shall be!
Flag of freedom
Flag of freedom
We all pledge our allegiance to thee!

SOLUTION NEEDED TO CRISIS IN LEAD AND ZINC INDUSTRY

Mr. BENNETT. Mr. President, the domestic lead and zinc industry is in a perilous economic position, caused in great part by the continuing high level of lead and zinc imports from abroad. I am, therefore, pleased to join with the Senator from Montana [Mr. MURRAY], and other Senators in sponsoring proposed legislation which might save the industry from threatened extermination, in the interest of both our national security and the economy of our mining States.

The main feature of the bill is a 4-cent import tax which would be imposed whenever the U.S. market prices for lead and zinc fell below the peril point level of 15½ cents a pound for lead and 13½ cents a pound for zinc.

The lead and zinc industry has gone through a troublesome period since the end of the Korean war. On May 21, 1954, the Tariff Commission made a unanimous finding that imports were seriously injuring the lead and zinc industry, and recommended increased duties on such imports in the interest of the national security. At that time, the price of lead was 14 cents and the price of zinc was 10¼ cents. Yet, today the price of lead is 12 cents and the price of zinc is 11 cents, which as a combina-

tion is below the 1954 level. This, coupled with rising costs of doing business, has all but ruined the domestic lead-zinc industry.

Government stockpile buying and various barter arrangements firmed up prices from January 1956 to May 1957, but the discontinuance of this program saw a sharp drop in lead and zinc prices. To relieve the serious situation, the Eisenhower administration, in August of 1957, proposed the imposition of a sliding scale import tax when U.S. prices were below 17 cents for lead and 14½ cents for zinc. This proposal passed the Senate by a 70 to 12 margin, but was rejected in the House 159 to 182 near the end of the 1958 session of Congress.

Meanwhile, the Tariff Commission, on April 24, 1958, made its second unanimous finding of injury, and all six Commissioners recommended increased import duties. Three of the Commissioners recommended that quotas be imposed in addition to the duties. Thereafter, the President, on September 21, 1958, imposed quotas on foreign imports of lead and zinc, but without import duties. The prices then were 11 cents a pound for lead and 10 cents for zinc.

Unfortunately, the quotas have not worked out as well as had been hoped. This may have resulted because the President's proclamation only limits imports to 80 percent of lead and zinc imports during the base period 1953 to 1957. That portion of the Tariff Commission's recommendations dealing with quotas proposed that imports be limited to 50 percent of imports during the base period. To put it another way, the President's order allows 135,000 more tons of lead and 195,000 more tons of zinc to be imported each year than the Commission recommended.

At the same time that prices have failed to firm up appreciably under the quota program, lead and zinc stocks on hand in this country have leaped upward to 215,000 tons and over 200,000 tons, respectively. The normal level of lead stocks would be about 70,000 tons, and zinc about 75,000 tons. Moreover, the year 1958 recorded the lowest mine production of lead in 60 years and the lowest zinc production in 26 years.

The serious effect of the depressed condition confronting our lead and zinc industry in Utah is reflected by the fact that the average number of men employed in the industry in 1948 was 3,118; in 1957 it was 1,410; today the number of men working is estimated to be about 1,100. There were 21 lead and zinc operators in Utah in 1948, 9 in 1957, and only 3 today. At least one of the companies still operating is suffering continuous operating losses and only remains open because it would be more expensive to shut down.

The national interest requires that we reverse this ruinous trend.

EFFECT OF HIGH INTEREST RATES ON HOUSING CONSTRUCTION

Mr. PROXMIRE. Mr. President, the first bitter national economic fruits of the hard money, high-interest rate policy are reported in the papers this morning. Last month housing starts hit a seasonally adjusted low for this year. In the teeth of the alleged boom we are having, this dropoff in home construction may be very significant.

I wish to make it perfectly clear that the figures for May also showed that it was the best May in the past 4 years. However, the trend is downward.

Everyone who has observed the housing industry knows that it is highly sensitive to interest rates. Climbing interest rates greatly increase the cost of financing home building. For example, for every 1-percent increase in interest rates for a home that is financed over a 25-year period, there is an increase equivalent to a 12½-percent hike in the cost of the house.

There are few social needs more urgent than housing for American families.

There are still millions of Americans out of work.

Home construction has been a vital bellwether of our economy. When it thrives, the economy thrives. When it falters, recession is likely to follow.

This news should be emphatic warning to the administration and the Congress, that high interest rates are already developing such danger to our economy that it would be foolish to approve of the administration's request to break the more than 40-year 4¼-percent statutory limitation on long-term bonds.

Mr. President, I ask unanimous consent that an article in this morning's Wall Street Journal reporting the falloff in housing starts be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RATE OF PRIVATE HOME STARTS HIT 1959 LOW IN MAY—BUT RATE IS BEST FOR MAY IN 4 YEARS—DECLINE IS AGAINST SEASONAL TREND—OTHER HOUSING FIGURES MIXED

WASHINGTON.—The annual rate of private home starts dropped last month to the lowest level of the year, although it was the highest for May in 4 years, the Labor Department reported.

The seasonally adjusted annual rate of private homes begun in May fell to 1,340,000; 1,390,000 the month before. The May rate, however, was the highest for that month since 1955, when the annual rate was 1,318,000.

Other indicators of housing construction activity showed mixed results for May. The Federal Housing Administration said it received 38,200 applications for its mortgage insurance on proposed new homes—off 900 from the 39,100 received the month before but up from the 34,558 received in May 1958. The Veterans' Administration reported requests for appraisals of new homes to be bought though GI loans rose to 20,738, up 9.9 percent from the 18,875 received in April but well below the 29,170 received in May 1958.

The Labor Department's report on home building activity showed actual public and private home starts in May of 134,000, down from 137,000 the previous month but up from 108,500 in May 1958. This decline, the agency said, ran counter to the usual April-to-May seasonal increase of moderate size. The actual number of private home starts alone in May declined to 130,600 from 133,200 in April.

One reason for the abnormal decline in total starts between April and May, housing experts said, was builders' uncertainty over the fate of the housing legislation pending in Congress. That bill contains new mortgage insuring authority for the Federal Housing Administration.

The seasonally adjusted annual rate of private starts, when averaged for the first 5 months of this year, amounted to 1,377,000 units, up from the relatively low rate of 975,000 for the like period last year.

A total of 30,700 homes were started in May under the Federal Housing Administration's mortgage insurance program, the Agency said in its report. This was up from 30,100 in April and 22,065 in May 1958.

Applications for mortgage insurance on existing homes, the FHA said, slipped in May to 50,100 from 52,500 in April. A total of 55,448 such applications were made in May of last year.

Requests for Veterans' Administration appraisal of existing homes dropped to 8,243 in May from 8,327 in April, the agency said in its monthly summary. In May of last year, the VA received 12,157 such requests. Another measure of GI housing activity, applications for home loan guarantees, dropped 4.6 percent in May to 16,787 from 17,597 in April. In May a year ago, the agency received only 8,705 of these applications.

Actual starts under the VA program dropped 7 percent in May to 10,255 from 11,022 in April. Starts totaled 6,043 in May 1958.

DELETERIOUS EFFECT OF HIGH INTEREST RATES ON LONG-TERM GOVERNMENT BONDS

Mr. PROXMIRE. Mr. President, among the most serious victims of the President's request to shove up interest rates on long-term Government bonds would be the local communities all over America who are already having trouble borrowing money to build schools and streets, hospitals, and municipal buildings.

America needs this construction. There is still enough idle plant capacity and manpower to build the necessary construction without creating any inflationary demand on scarce resources. But the President's demand for an interest rate hike will enormously increase the cost of this construction. In many cases it will become prohibitive. Where a city goes ahead, borrows the money, and engages in construction anyway, the rising interest cost is sure to mean an increase in local property taxes.

Mr. President, my home city of Madison, Wis., the university city and State capital, has an outstanding reputation for the fiscal soundness and reliability of its government. Its obligations have been top grade for a long time. I have just heard from its very able mayor, Ivan Nestingen, who has written me about the consequences of high interest rates to Madison's municipal financing, and the threatening impact of the President's request to permit the Federal Government to enter competition for long-range money by taking the 4¼-percent ceiling off long-range bonds.

Mr. President, I ask unanimous consent that this letter from Mayor Nestingen be printed in the body of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the body of the RECORD, as follows:

MADISON, WIS., *June 11, 1959.*

The Honorable WILLIAM PROXMIRE,
U.S. Senator, Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: Recent news accounts have indicated President Eisenhower is proposing elimination of the interest rate

ceiling on U.S. savings bonds and other bonds. I want to take this opportunity in behalf of the city of Madison of expressing strong objection to the proposal and requesting your opposition to it.

The policy of the Federal Government with respect to methods of financing has given rise to increasingly high interest rates to be paid by municipalities on any borrowing for needed local improvements, whether such improvements be for schools, highways or other local needs. Our most recent bond sales have shown a marked increase in interest rates, and the market continues to rise. The direct effect of the results of the policy of the current national administration has been to drive the interest rates up for needed local borrowing with a direct adverse effect on the already hard-hit property taxpayer. The proposal of President Eisenhower to eliminate the ceiling on interest rates on U.S. savings and other bonds will have a further adverse effect on interest rates local governments must pay.

I hope that your office will support any efforts to defeat the elimination of the ceiling on those interest rates.

Respectfully yours,

IVAN A. NESTINGEN,
Mayor.

THE OPPORTUNITY OF ABUNDANCE

Mr. PROXMIRE. Mr. President, several weeks ago I placed in the CONGRESSIONAL RECORD an article by Robert G. Lewis entitled "The Poverty of Abundance." Today I ask unanimous consent to place in the record a second, brilliant article in the same series by Lewis, this one entitled "The Opportunity of Abundance."

Mr. President, Robert G. Lewis was my administrative assistant until last April when he left to take a top agricultural coordinator job with the Governor of Wisconsin, Gaylord Nelson.

I urge my colleagues to read this article by Bob Lewis. No one has a deeper or more comprehensive understanding of the farm problem and I am sure no one writes more eloquently or persuasively about it.

Here is a challenge to this Congress and a solution to the greatest economic paradox of this generation. It deserves careful and thoughtful scrutiny.

There being no objection, the article was ordered printed in the RECORD, as follows:

THE OPPORTUNITY OF ABUNDANCE

(By Robert G. Lewis)

(This is the concluding installment of a two-party survey of the plight of American agriculture. The first, entitled "The Poverty of Abundance," appeared in the May issue. Mr. Lewis, long a participant in farm activities and a student of farm problems, is currently special agricultural coordinator for Wisconsin's Gov. Gaylord Nelson. He served on the staff of Senator WILLIAM PROXMIRE, of Wisconsin, until recently.—THE EDITORS.)

The American industry which has scored the most outstanding gains in efficiency during recent years is, by all popular judgments, sickest of all the industries in our entire economy. Yet few will deny that it is incomparably superior in technology and productivity to its counterparts anywhere else in the world.

In the past decade its workers have increased their output per man-hour three times as much as workers in the rest of our economy. Yet they alone of any important economic group have suffered an outright decline in real income, while the rest of us enjoy substantially higher buying power than we did 10 years ago.

This sick industry is agriculture. Farm families are locked in an economic treadmill which condemns them to an inexorable speedup drive. They must strive individually for ever higher efficiency and output in order to survive against the competition of all their fellows. Yet the greater their individual successes, the deeper becomes the economic misery into which they dig themselves as a group.

The cost of Ezra Taft Benson's struggle against this phenomenon of soaring farm efficiency gives him the unflattering distinction of having spent more money than the combined outlays of all the previous Secretaries of Agriculture in 97 years.

Yet the usual limited view of the problem as one of inadequate farm incomes and burdensome Federal spending completely overlooks other important facets where the administration's failures are equally monumental. It ignores the opportunity our food abundance gives us to influence the direction of our changing world, the problem of wise resource use, and the profound and disturbing changes that are occurring in our economic and social structure.

Unhappily, the failure of criticism by the political opposition has been almost as great as the administration's failure of policy and action. This largely explains why the easily foreseen farm program chaos was scarcely noticed by the public until it had grown to mountainous dimensions.

But the task of criticism has demanded uncommon courage as well as commonsense. It has had to overcome popular and sanctioned myths about the nature of our economic system, myths which command exceptional emotional support.

In the first place, the wistful yearning for a "natural" farm economy in which automatic forces of the marketplace would regulate farm prices and farm production is totally unrealistic. Farm production increases inexorably as farmers race each other to adopt technological advances, and the supply of farm products characteristically outruns demand. The farmers' natural state is chronic depression; the harder and more efficiently farmers work, the worse their economic situation becomes as a group.

Even more important, conventional misconceptions about the rest of our economy raise imposing barriers against realistic criticism. Contrary to the sanctioned doctrine, there is virtually no price competition anywhere in the American economy excepting in agriculture. Most prices are not determined competitively in the marketplace; they are set instead by a profoundly different process which has come to be known generally as "administered pricing."

Dr. E. G. Nourse, formerly chairman of President Truman's Council of Economic Advisers, provided a descriptive definition of this process in his testimony before the Senate Subcommittee on Antitrust and Monopoly July 7, 1957, suggesting that—

"In a sense, the expression 'administered prices' is a misnomer or carries a faulty emphasis. To speak of 'administered resources' might better point the issue. It would focus attention on the fact that giant corporations are making administrative decisions that activate or withhold the use of the economy's capital plant or funds and that massive labor unions set 'withholding prices' on large and strategic blocks of the Nation's labor supply."

In a widely circulated statement entitled "Steel and Inflation: Fact Versus Fiction," the United States Steel Corp. aptly delineated the unique character of the farm economy:

"Actually, almost all prices in our economy are set by administrative action. This is true for the giant automobile industry and the smallest retail store. The most important exceptions are the prices of many farm products in the commodity exchanges and in the produce markets and the price of securities * * *

"A review of the components of [the Bureau of Labor Statistics wholesale price index] shows that relatively few products are market price determined * * * about 12 percent of the wholesale price index appears to be in the market price category."

The contrast between agriculture and the rest of our economy both describes the essence of the American farm problem, and suggests the direction for its solution.

To use Dr. Nourse's phrase, there is no purposeful "administration of resources" in agriculture. Farm production is almost as unplanned as the sun and the rain. The resources that are spent each year upon farm production bear no sensible relationship to the market demand for farm products.

But generally unseen in the sound and the fury, as 40 years of national farm policies collapse in a final crescendo of frustration, powerful forces are moving swiftly to put a halter on the wild farm economy. It will be tamed once and for all—and probably surprisingly soon. American agriculture will be remolded in the image of Dr. Nourse's concept of administered resources and administered prices.

Two competing forces are racing each other for the prize of controlling the new agriculture. Either private farm-related business and financial interests will extend their control vertically down to the farm, or the farmers themselves, with the aid of Government, will adapt agriculture at last to the administered resources concept under control of the farmers and Government. The controlling agency will be empowered to decide with relative effectiveness how much food is to be marketed and at what price.

The key factor in the race is capital. A tremendous volume of capital is flowing into the farm-food industrial complex to exploit opportunities for technological advance at every stage. The struggle to control the capital that is constructing this new unified farm-to-retail-store farming and marketing system is the true major internal conflict in agricultural policy today. The source of this capital is essentially the same regardless of who will control it eventually. It comes largely from consumers, in the prices they pay for food.

The sentiment of farmers is crystallizing impressively in favor of reorganizing their economy to conform to the administered resources concept which they perceive everywhere around them:

National Master Herschel Newsom, of the Grange, and National President James Patton, of the Farmers Union, have never sounded more alike than in their present pleas for bargaining power for the farmers.

The Corn Belt's new National Farmers Organization is attempting to form bargaining units with the power to make binding contracts with processors.

The National Federation of Milk Producers has developed a self-help plan for a nationwide system of enforceable milk quotas for each dairy farmer.

Many other specialized organizations are seeking, by one means or another, to achieve the power to control the market supply of their product in order to maintain favorable prices.

Farm organizations continue to plug for schemes to eat up the surplus. But in doing so they realize increasingly that proposals to subsidize food consumption of low-income persons, however desirable as social policy and for market expansion, do not offer a longrun solution to the farm problem.

The most ambitious of the food stamp plans under consideration would subsidize additional food purchases for about 15 million people to the extent of $100 each per year. Part of the subsidy, however, would merely displace present public welfare aid and food expenditures. The increase in ag-

gregate demand for food indicated by Department of Agriculture studies might immediately raise farm prices—and farmers' net income—by $2 to $4 billion a year. But this healthy improvement would be short-lived. Farmers would promptly invest most of their new gains in technological advances, and farm output would overtake the added demand within 2 or 3 years.

The idea of letting food prices decline freely in the market and making Government payments to farmers to restore their incomes has similar shortcomings. The idea arose from seriously distorted conceptions of what the Brannan plan was all about. Brannan's political foes did little to present a balanced view of his proposals, and Brannan himself, shrinking from the charge of regimentation of the farmer, failed to give proper emphasis to his proposals for controlling supplies. Without effective controls, a direct payments scheme would quickly bog down under enormous Government costs. Direct payments can be a useful tool but should not be mistaken for a farm policy.

The Secretary of Agriculture's role as spokesman and policy leader for agriculture has obscured the significant developments in farm organization objectives. To all appearances, Benson continues to push agriculture down the blind policy alley of "natural" adjustment by curtailing Government action.

The retreat of the Government, however, does not leave a vacuum. Fundamental structural changes are already being made and nonfarmer business interests are dominant. The emerging pattern is generally called vertical integration. It is accurately described as "centralized control from top to bottom" of the industrial complex that extends all the way from farm supplies through farming itself and on to food processing and retailing.

The primary impetus for vertical integration comes from technological advances in farming and food processing and the development of giant food marketing concerns. The big chainstore, for example, wants broilers or bacon tailored to fit the requirements of standardized pricing, handling, packaging, advertising, and retailing policies. Mass-produced factory products readily fit these requirements, but hogs and chickens grown on millions of farms under a multitude of breeding, feeding, and handling practices are far from uniform. The chain store's solution is to extend its managerial authority back to the farms to insure standardization—and on its own terms.

The power to control raw material costs—including the return to the farmer—is likewise important. And substantial efficiencies can be realized by up-to-date production methods and shortcutting the processing-distribution stages.

The farmer's status under vertical integration is a far cry from the idealized image of the independent yeoman, sturdily competing against several million of his fellows for whatever price the capricious market allows him. A team of Agriculture Department researchers and marketing specialists recently brought the subject down to earth with this description:

"Vertical integration may vitally affect the role of the farmers * * * Contract arrangements may leave producers with little more than general land management and caretaker functions. * * * Livestock production contracts vary from arrangements involving control of only a few decisions to contracts virtually relegating the producer to a piece-worker role."

The farm organizations' awakening interest in bargaining power is tagged along weakly behind the swift advance of business interests toward domination of an integrated agriculture-business complex. The farmers' handicaps are severe. Farm organizations and cooperatives are ridden with rivalries, factionalism, and bureaucratic narrow vision. No commanding farm leadership of universal appeal has appeared on the scene.

The requirements for adequate farm leadership are monumental. The task calls for tradition-shattering human adjustments and a large degree of unity among millions of individuals, as well as hard-headed business capacity.

But most critically important of all, farmers today lack the capital resources that are required for an aggressive battle to keep control over their own destinies. Their powerful rivals, in contrast, can draw abundantly and cheaply from the pocketbooks of consumers. The food firms' cut of the retail food dollar is an administered price and their profits have grown prodigiously even as farmers' returns have dwindled. Big corporations can readily supplement their huge profits with low-cost capital from the Nation's leading financial sources for their aggressive drive to gobble up little competitors and advance toward control of the integrated agricultural economy.

Seen in this context, the retreat of the Federal Government from the battlefield of farm policy amounts to active intervention on the side of business domination of agriculture. The severe deflation of farm prices which has occurred under Benson's generalship has deprived farmers of the essential means to defend their economic independence. Farm leaders cannot lead because their troops have empty stomachs. And Benson himself, in singular contradiction of his appointed role as the unifying champion of the farmers' cause, turns his back and marches off the battlefield.

Probably more important in the long run than Benson's position, however, are the ideas of those rural Democrats who would undoubtedly become the architects of national farm policy in a Democratic administration after 1960. Democratic farm bills before Congress are diverse in scope and method, but substantially alike in principle. They foretell powerful and positive intervention by a future Democratic administration to help farmers administer the farm economy. Coordination and leadership from the Department of Agriculture is essential; this accounts for the improbability of any important policy shift at this time.

The principal methods envisioned include Government programs controlled by referendum balloting by farmers and administered by farmer committees to keep farm production in reasonable balance with demand at satisfactory prices. Only small-scale Government spending is planned. Self-financing stabilization funds to induce individual farmers to comply with controls and to remove remaining surpluses from the market are prominent features of many of the embryo plans.

The multiplicity of diverse but interrelated commodity problems now demanding attention will force farm programs of the future to be increasingly complex. They will require far more from farmers than the simple biennial chore of voting for the right side. Far more reliance is likely on commodity-by-commodity marketing agreements and orders, to regulate quality standards and implement merchandising efforts. Farmers will need to muster impressive business initiative and imagination to develop farmer-owned vertically integrated cooperative enterprises which supplement and extend the services of Government programs. They will need to tend carefully to the business of selling as well as to their traditional singleminded urge to produce.

Revolutionary adjustments are ahead for the American farmer—in production and marketing methods, in decision-making procedures, even in personal psychology. He faces the alternatives of working out these adjustments for himself, through democratic procedures in collaboration with his fellow farmers and the Government, or having them forced upon him by powerful corporations. The impressive resources of agrarian democracy—farm organizations, farm cooperatives, farm program committees—afford the best hope for survival of the farmers' economic independence against the imposing threat of big business domination.

A farm economy administered on behalf of farmers could readily raise and maintain farm prices as high as consumers would tolerate. This would solve the farm income problem and substantially eliminate the need to support farmers at Government expense. But the new problems it would create would dwarf the burdens of today.

For one thing, it would become apparent immediately that much of our farm surplus is needed after all. School lunch programs, families on public assistance rolls, and welfare institutions now receive hundreds of millions of dollars worth of surplus foods. If anything, these outlets should be greatly expanded rather than retrenched. Similarly, billions in the form of farm surpluses have been used throughout the world to construct airports, roads, and other defense installations, and to maintain fighting forces.

Some farming resources should be shifted out of food production to other uses which are more valuable. More leisure time for farm people is desirable. Many unneeded farm workers would find ready jobs in expanded consumer services and trades right in rural communities if farm living standards were raised. And millions of acres of unneeded farmland could be developed for intensive recreational use with imaginative direction.

But these ready outlets and alternatives for farm production would be swamped quickly. Present-day supply and demand relationships indicate that about a 5-percent cut in farm output would achieve a satisfactory current balance. But this overlooks a factor of stunning proportions.

Any substantial increase in farmers' incomes would generate a powerful forward surge in farm technology. This would occur, too, if business-controlled capital were to move into farming on a big scale. Experts speculate that farm output could be increased 40 percent if all farmers followed the best farming practices that are already known. It is reasonable to conjecture that in the 10 years ahead, output per man-hour in farming could easily double the past decade's impressive 84-percent increase.

American agriculture is potentially capable of pouring out an unsuspected volume of farm commodities, at steadily declining unit costs. Farmers' incomes could be raised fairly soon to parity with nonfarmers—roughly double the present level—at farm commodity prices below those of today.

There are two big "ifs" in this dramatic equation: First, if farmers can obtain capital, principally through prices related in a rational manner to their costs, to enable them to invest in technological advances designed to their unit cost of production. Second, if markets or other outlets are available for a maximum volume of farm output.

The true potentials of American agriculture demand an entirely new perspective. If the farm problem is solved as a farm problem alone, regardless of who controls the reorganized industry, it will result in staggering underemployment and waste of farming resources.

The American steel industry operated at 50 to 30 percent below full capacity throughout 1958, the auto industry well under half capacity, in order to maintain the "administered prices" set by corporation managers. There is no reason to expect that a General Farming Corporation would want to behave differently from General Motors.

It is almost inconceivable that the public conscience could tolerate waste on the scale that would result if farming were managed

like other industries. Yet the waste of idle fields and dispossessed or underemployed farmers is not essentially different from the waste of idle factories and industrial unemployment. Under the soil bank, farmers were paid some $2 billion in 3 years to destroy crops and leave fields unplanted. This spectacular effort of planned waste, sponsored by Ezra Taft Benson and enacted by a Democratic Congress, is history's greatest reversal of the wisdom of Joseph of Egypt. It destroyed enough potential grain to provide bread for the Nation's entire population for more than a year, enough cotton to make a new summer suit for every one of our 65 million jobholders. Still the soil bank concept survives; Senator HOMER CAPEHART in April presented a much-heralded Republican farm plan including a new and bigger billion-dollar-a-year soil bank.

Policies of the past and the present fall far short of reconciling the demands of conscience and our true national interests with the real potentialities of our economy. In an age of massive political and social upheaval that is remaking the civilization of man—with drastic implications for our own place in it—food is both a dynamic engine of economic change and a crucial lever of political power:

After 40 years of communism, the major campaign promise in the Soviet Union—and a most extravagant one at that—is in 7 years to achieve enough to eat.

Red China's great leap forward is in more danger of faltering for want of carbohydrates and protein to energize its driven masses than from any prospect of serious revolt.

Hunger has become a goad to revolution among a billion people in the newly awakened nations. But it remains a bar to progress. Most of the people of the world live their lives on the edge of hunger, chained to an endless treadmill of poverty, struggling year in and year out for enough food barely to survive, scarcely able to produce ahead of the needs of swiftly increasing human stomachs to accumulate the capital needed to achieve modern industrial civilizations.

Moved by the disturbing irony of too much food in a world of widespread hunger, far-seeing men in many countries have called for the use of surplus food on a massive scale to build modern economies in the underdeveloped areas of the world.

The most urgent capital needs are for relatively simple public works. Roads, bridges, water systems, sanitation facilities, schools—these are the basic foundations for a chain reaction of economic advances toward modern, prosperous economies. Human labor is the primary element in their cost, and an assured supply of food and very little else is all that is needed to pay it.

For example, thousands of India's tiny villages have absolutely no road connections to bigger towns and cities. If the village farmers produce an occasional surplus of farm crops, there is no way to trade it in the city for the tools and implements which could greatly increase their productivity. They are condemned to plod out their days like generations before them, without hope beyond bare subsistence, under the constant threat of crop failure and famine from year to year.

But the treadmill of poverty can be broken with surplus food from America. Village farmers can be paid in food to work at constructing a road to the city instead of tilling their subsistence farms. They can carry earth and stones in hand-made baskets, a familiar Asian device. When the year is over, they will have eaten their wages instead of the yield from their own farms. But they will have the road to show for it—a capital improvement that can launch a dynamic chain of economic advances.

Or surplus food and cotton can be used to pay the village farmers to build a schoolhouse, then to pay both teachers' wages and pupils' subsistence while the productivty of the village's human resources is enriched.

These are oversimplified examples, but they illustrate the basic principles behind a worldwide development plan utilizing America's vast food supply potential. Labor constitutes a large share of the cost of the most urgently neded capital projects. Additional workers must be recruited directly from farming, which adds to the pressure on already inadequate food supplies. Foods advanced as part of the investment in capital projects can be used to cover a major share of the labor cost, and will in turn absorb an equivalent share of the new purchasing power generated thereby. With careful planning, as United Nations studies have demonstrated, there need be no impairment of regular markets; the extra food supplied will merely offset the new demand generated by the employment of workers who otherwise would remain in subsistence farming—or starve.

Surplus commodities, of course, will need to be accompanied by additional foreign exchange and local currencies to meet other consumer and capital demands arising from large-scale projects. The investments furnished from America—in surplus crops and in money—can be advanced in a combination of loans and grants.

Under Public Law 480 the United States has sent billions of dollars worth of surpluses to foreign countries. It has accomplished much but its value is severely limited—both practically and psychologically—by the temporary get-rid-of-the-surplus rationale. Obviously, long range commitments and planning are essential; the enthusiasm for building a needed bridge is bound to be dampened if there is any chance that food supplies might be cut off in midstream.

But the impressive bipartisan support for Public Law 480 and for more ambitious proposals definitely puts a genuine food-for-peace undertaking well within the range of political feasibility. Even President Eisenhower has embraced the slogan, at least, and recently set up a committee to study the plan.

The food-for-peace concept enjoys strong international support too. The Canadian Government has announced it will push for a world food bank in forthcoming discussions. International pooling of farm surpluses to finance enconomic development projects would undoubtedly have occurred years ago but for the unwillingness of the United States, which controls the biggest surpluses, to participate.

International planning and cooperation are essential for full success. Long-range production and trade patterns, and the interests of farmers in the underdeveloped countries themselves, must be given fair and constructive consideration. Senator HUMPHREY's comprehensive and imaginative food-for-peace bill calls for immediate unilateral action by the United States and provides for negotiating with other countries for international participation.

No one can reasonably doubt our enormously important stake in the massive revolutions that are shaking a billion people awake from blank misery. They are rapidly assuming large roles in world power where they counted for nothing barely decades ago. Military alliances with American-armed regimes ruling nakedly primitive economies provide only stopgap, short-run security at best, and probably not even that. Economic development does not automatically assure friendly political and cultural relationships but it is the indispensable base on which cooperation can be built. And the efforts of the Communist bloc to isolate America as a minority in a hostile world should provide the convincing spur to act as conscience and national interest direct. As one farm leader remarked satirically: "The only thing worse for us than the curse of farm surpluses would be for the Reds to have 'em."

The outpouring of low-cost farm products that American farms can provide is at once the world's most elemental need for building economic progress and the cheapest contribution the United States has to give. It will make little difference in real cost to taxpayers and consumers whether our agricultural potential is constricted to the narrow limits of conventional market demand at administered high prices, or expanded boldly to full abundance at the low unit costs that are attainable. The real cost will be largely wasted unless it is invested imaginatively to secure our future—wasted in senseless soil-bank fiascoes, in underproductive farming resources, in displaced farm labor entering the growing pool of chronic unemployed in a stagnating national economy.

With a foreseeable $10 to $15 billion of farm surpluses to provide a powerful initial impetus, and with almost unbelievable potential productivity to sustain a dramatic assault upon poverty, illiteracy, and disease, America's farms can be a key to national greatness and world leadership in the terrible, wonderful era in which our children will live.

JOHN FOSTER DULLES—A MAN OF MORAL PURPOSE

Mr. FULBRIGHT. Mr. President, from 1948 to 1952 the United Kingdom was represented in Washington by Sir Oliver Franks, who formerly was professor of moral philosophy at Oxford University. He is a man of very sensitive nature and of profound wisdom and discrimination. He wrote for the Sunday Times, of London, an article entitled "A Man of Moral Purpose," relating to the late Secretary of State John Foster Dulles.

This excellent article, I believe, should be brought to the attention of all Members of Congress and to the people of the Nation as a whole. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A MAN OF MORAL PURPOSE

(By Sir Oliver Franks)

The death of John Foster Dulles brings with it two thoughts for most of us. There is admiration for the high courage with which he faced the inevitable advance of his fatal disease, a courage heightened by the fact that his illness was a matter of public interest and its progress therefore registered by detailed journalistic comment. And there is also a far wider appreciation of his work as Secretary of State than existed a year or two ago, not springing from sympathy with his illness, but from recognition of his abilities and of his growth in office.

How should one judge John Foster Dulles as Secretary of State? Did his achievement really rest on his quality as an expert or as a politician or as a statesman?

Dulles was clearly a very great expert in foreign affairs. Knowledge of the subject and interest in it ran in his family and he himself had spent the greater part of a lifetime acquiring knowledge of the international scene. He was also quite a considerable politician for, despite difficulties, he held his own with Congress and its committees. If it is a test of world statesmanship decisively to influence the broad trend of affairs, Dulles passed this test.

I doubt whether an appreciation of Dulles in these roles satisfactorily catches and

judges the essential quality of his work as Secretary of State. John Foster Dulles belonged to a type with whom we are no longer familiar. We are accustomed to expect the holders of high public office to be socially well adjusted. We are taught that political leaders will be at ease with themselves and with others, skilled, too, in putting others at their ease, always approachable and likable. John Foster Dulles was not like this. As Secretary of State he was austere and rather aloof, obviously immensely well-informed but a little awkard in manner, driving himself and pursuing his policies with a steady singleness of air possible only to one who knew where he stood with God and man.

Three or four centuries ago, when Reformation and Counter-Reformation divided Europe into armed camps, in an age of wars of religion, it was not so rare to encounter men of the type of Dulles. Like them, in vigorous and systematic reflection he had come to unshakable convictions of a religious and theological order. Like them, he saw the world as an arena in which the forces of good and evil were continuously at war. Like them, he believed that this was the contest which supremely mattered.

This is not just a fanciful analogy. I am sure that John Foster Dulles believed that he had been called to be Secretary of State at a time when the world was again divided into armed camps by moral beliefs and metaphysical doctrines. It was in this light that he conceived the struggle between communism and the free world. He saw international political issues in moral terms because in the end he saw them as theological.

Such a position gives a man of ability great strength of purpose; it may also expose him to certain weaknesses. How does anyone act whose basic convictions about the world and his duty in it are settled once and for all? For such a person the business of thought and action is not a tentative exploration by trial and error of what is expedient; it is a deductive exercise which by applying known principles to the facts shows how to move to the preestablished goal.

In my conversations with him I thought Dulles' mind essentially worked in this way. It was for these reasons that he did not depend very much on the advice of the State Department. What he wanted from his officials was current factual information about the state of the world. He worked out the application of his principles in lonely reflection and discussed the results only with a very small circle of intimates. So it was not accidental that he seemed austere and rather aloof; it was a consequence of his method of work.

At the same time this endowment of belief gave him a large consistency. He never swerved from the broad course dictated to him by his convictions. In this lay the secret of the great and increasing power he exerted in the counsels of the nations until illness struck him down. Fortified by the trust of his President he was a formidable figure, as patient as he was knowledgeable: He knew where he wanted to go and he possessed and exercised power.

Perhaps for the same fundamental reasons his outlook on foreign affairs was sometimes too rigid. He saw the great issue between East and West so clearly that in his later years in the State Department he did not seem able to develop constructive policies about the rapidly growing importance of the North-South problem, the relations between the industrialized nations and the developing and underdeveloped nations to the south of them. No doubt in some ways these two great problems are interrelated; in others they are not, and we are all the losers because Dulles was not able to give a positive formulation to the attitude of the United States on his second world issue.

The same reasons again may lie behind a long, serene and affectionate family life. Here, and in the society of his friends, Dulles had plenty of zest and pleasure in living. Because he knew his destination he was a happy traveler.

A BLIND SPOT IN OUR FOREIGN POLICY

Mr. LANGER. Mr. President, I have received from a very fine gentleman of Grafton, N. Dak., the Honorable Mowat G. Fraser, now the chief of the bureau of higher and adult education, Connecticut State Department of Education, a very well written article entitled "A Blind Spot in Our Foreign Policy."

Mr. President, as Congress well knows, I have been opposed to foreign aid in any form. However, for the information of the Members of Congress who are to vote on the mutual security bills that are pending. I ask unanimous consent that this very fine article be printed in the RECORD at the conclusion of my remarks, because it points out significant weaknesses in our foreign affairs.

This can best be illustrated by this one quotation:

We now help them develop military and economic strength, but we leave them helpless to resist dictatorship propaganda. Recent history has repeatedly warned that unless a considerable majority of adults are educated in the ways of democracy by discussion, reading, and practice, a nation will tend to become a dictatorship in an economic or military crisis.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A BLIND SPOT IN OUR FOREIGN POLICY

(Mowat G. Fraser, chief, bureau of higher and adult education, Connecticut State Department of Education)

A new educational need has arisen of great importance to our future as a Nation. Yet, to date, we have practically ignored it. It is to help the newer, uncertain nations of the free world become intelligent and enthusiastic about democracy. We now help them develop military and economic strength. But we leave them helpless to resist dictatorship propaganda. As a result, some day soon these nations may come to prefer dictatorship to freedom—and to use against us the power we have helped them attain.

Recent history has repeatedly warned that, unless a considerable majority of adults are educated in the ways of democracy by discussion, reading, and practice, a nation will tend to become a dictatorship in an economic or military crisis. This happened even to the German Republic. It happened to the Chinese. On the other hand, it has not happened in nations where almost all voters can discuss civic affairs and experience the basic freedoms, as in most leading countries of the free world.

I

Take, for example, one of the most friendly and enthusiastic of the new democracies: Korea. From 1910 to 1945 it vividly learned the disadvantages of Japanese dictatorship. In the Korean war it learned those of Russian and Chinese communism. It also discovered the advantages of association with the free world—the ample military support and instruction; the $200 million for reconstruction from the United Nations; the $300 million of economic aid per year for the past 3 years from the United States; and the assistance of numerous private missions. Furthermore, more than 3,000 of its military personnel have had 6 months of special training here. An even larger number of its students attend college here now, and many thousands preceded them in the past 70 years since Korea first welcomed our missionaries.

Korea also has had 10 years of experience with political democracy. All adults vote and an opposition party expresses opinions freely. It has, too, a nationwide elementary school system, secondary schools in every city, and 60 colleges and universities.

Could this experienced and befriended country become a dictatorship a few years hence, after our aid dwindles and a crisis develops? Let us look at the other side of the picture.

Case studies of rural districts, where 16 million of South Korea's 23 million people live, show that usually 95 percent of the adults are defenseless against propaganda. They know almost no geography or history. They have no reading matter whatever. They have no radios, because of no electricity. They have at most a fourth-grade education, which for everybody over 21 was in the Japanese language, no longer used. Furthermore, most of these limitations obviously hold for a good third of the city dwellers as well.

What of the rising generation? Seventy percent of the youth leave school before the seventh grade. Most rural pupils leave before the fifth. Although there are 2 million youths of college undergraduate age, only 80,000 students are enrolled in all higher educational institutions combined.

How secure is democracy when an overwhelming majority of the voters are so ignorant?

II

This great majority have scarcely been touched by the many efforts being made to enlighten the Korean public. Very few of the leaflets and papers distributed by government ministries reach rural homes. The movies of the U.S. Information Service reach villages only briefly, if at all, and depict only America and the United Nations. The literacy movement begun by Frank Laubach is being continued by only a handful of people, in Seoul and Taejon. After 3 years of planning, the fundamental education teams of UNESCO experts have worked in fewer than a dozen of Korea's 2,000 townships. The American International Cooperation Administration's community development is confined to making material improvements in a few pilot communities; its technical education is only for specialists in industry and agricultural colleges or agencies. Teams of university students visit a few villages each year, and these only during vacations.

Two movements have wider, continuous contacts. Hundreds of 4–H clubs have been enthusiastically organized, but do not try to educate adults in civic affairs. By far the most effective adult-education movement is that of the Christian missions whose hundreds of churches have reached 3 million people and whose schools enroll 120,000 pupils.

Each of these movements is helpful, even inspiring. But all together they hold no promise of meeting the urgent civic education need before it may be too late.

What could be done? Four things especially. More education teams like those of UNESCO—enough to visit each township or city district for one week every year—are clearly the basic need. Bringing experts on agriculture, health, home economics, and community and national affairs, along with documentary movies, they have already proved their ability to attract whole village populations hour after hour, day after day, in proper season. In a very few years, 5 such teams for each of the 10 provinces, could

greatly increase the interest, information, and experience of most Koreans in civic affairs. They could begin to make Korea a real democracy.

Such teams could readily be developed. Universities now develop somewhat similar teams which are well received. If salaries of $100 per month and some demonstration equipment could be provided, almost 300 team members could soon be put to work and maintained for $500,000 per year. Transportation and housing would undoubtedly continue to be supplied by the Government through its ministries, armed forces, and schools.

These stimulating but brief visits, to be sure, are not enough. Worthwhile movies, trucked to villages in U.S. Information Service style, could help to maintain interests among people of all ages, abilities, and backgrounds. Reading material also are needed throughout the year. Small libraries, centered in schools rent free, could serve both pupils and adults at low cost. The widespread eagerness to learn, in addition to the education teams, would supply the necessary motivation. Finally, objective, weekly current-event newspapers in simple Korean, like similar papers in our own American schools, are also probably essential.

These four projects—community education teams, mobile movies, local libraries, and current-event newspapers—it is estimated, could be initiated and maintained at high level throughout the nation for $2 million a year. Could Korea itself finance them? Not yet. Its Ministry of Education can hardly keep open the compulsory, fee-charging primary schools. In the beginning this nationwide adult education would require foreign support. In a very few years, however, a people as capable and proud as the Koreans could undoubtedly carry on by themselves.

III

All this—the prevalent ignorance and the potential effectiveness of these four projects—is true of almost all of the newer member nations of the free world in the Orient, the Middle East, Africa, and Central and South America.

Why, now, do we ignore this great need which must be met if the ultimate success of our military and economic aid is to be assured? Apparently for three reasons. We believe that it would cost too much. Actually, in Korea it would cost far less than 1 percent of our current economic aid there; in all countries, a relatively small sum. Secondly, we believe that it would interfere in a nation's internal affairs and, therefore, be unwelcome. In reality, these nations are eager for it. The interference probably would be nil; for each nation could stop it at will, and our aim would or should be, not propaganda, but the kind of knowledge and experience which any democratic government wants in its citizens.

The main reason for our indifference seems to be simply tradition. Except temporarily or as our part in U.N. projects, we are accustomed to give foreign aid, if at all, only for economic or military purposes. In all the recent discussion of aid to the Middle East, for instance, educational aid has not even been considered, although ignorance there is greater than in Korea.

With the help now being given them, the world's new democracies can become real ones if only they get a little aid in developing nationwide programs of civic education. Most influential Americans seem to agree with this need—but fail to take steps to meet it. Perhaps the increasing propaganda of Communist nations, which have obviously seen the vacuum, will stir them to act in time.

FORGING A NATIONAL STRATEGY—ADDRESS BY SENATOR JACKSON

Mr. THURMOND. Mr. President, on June 13, 1959, the able and distinguished junior Senator from Washington [Mr. JACKSON] delivered a most thought-provoking address to the 12th annual conference of the Military Government Association, held in Washington, D.C. Senator JACKSON discussed in his speech the challenge with which we are faced during this period of cold war, and his remarks should stimulate in each of us a desire to reappraise our national process of policymaking. I ask unanimous consent that the text of this address be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FORGING A NATIONAL STRATEGY

(Address by Senator HENRY M. JACKSON, member, Senate Armed Services Committee, Senate Government Operations Committee; chairman, Military Application Subcommittee, Joint Committee on Atomic Energy)

Mr. Chairman and friends, I should like to express my appreciation for this opportunity to address you tonight. I have great respect for the professional and constructive work of the Military Government Association. Many of us in Congress rely heavily on your help in promoting national defense and in developing more effective ways to discharge this Nation's international responsibilities.

I know of no more congenial group before which to discuss the tasks of statesmanship in this dangerous age.

When a Hitler strikes for world domination, free men spring to arms in defense of their liberties, and they fight with an irresistible will to victory. Time and again, free men have proven their magnificent ability to unite in response to a military challenge.

Today, free men face a more ingenious foe than the storm trooper. The Soviet confronts us with a test of will even more difficult than the battlefield. They are betting that we do not have the staying power to win the long, drawn-out competition of the cold war.

The Soviet rulers think in terms of power. Superior power, they believe, will eventually prevail. In every way, on every occasion, they seek to expand and consolidate their strength, confident that small gains here and there, at the margins of conflict, will determine the fate of the world.

The Kremlin favors settlements that will unsettle things and that will add up, in time, to a Communist world order. By a kind of Gresham's law of politics, bad political currency drives out good. It takes two to make peace, but only one to make trouble. Or, to change the figure of speech, we cannot hope to win the international game of fox and geese if we always allow the Russians to play the role of the fox.

In short, the Russians are determined to play the game of power politics, and we cannot choose not to play. The only course open to us is to play it better or to lose.

The issue that predominates over all others in our national life is this: Can our free society marshal its strength to defend and preserve our way of life against the total challenge of the Communist states? I think you will agree that we cannot take for granted that the answer will be yes.

I hasten to add that this is not a partisan matter. Democracy is on trial for its life. Neither party has a monopoly of wisdom or a monopoly of errors on this great issue. My remarks apply to what is a national problem—a national challenge.

As events have been moving, we are losing the contest. We are on the defensive almost everywhere.

We have been outdistanced militarily. We are now not even striving for equality in the advanced weapons system, although superiority in these weapons was and is the key to maintaining an overall military balance with the Soviet Union. By our own decision, we have accepted second place in the intercontinental ballistic missile race, and the fateful implications of this decision are hardly being discussed publicly.

We are being overtaken industrially and scientifically, the fields in which our head start seemed to make the contest most one-sided in our favor.

We have been outmaneuvered politically in one vital area after another. In the Middle East, for example, which is the arena of our most recent reverses, it takes either a fool or a genius to see anything but disaster ahead.

And finally, we have never been in the same league with the Russians in the psychological war of wits and words.

The meaning of all this is clear. Our power, and the power of the free world as a whole, is declining in relation to the power of the Soviet Union and the Communist bloc. The process is cumulative and accelerating.

The result of this process can be predicted with something like scientific precision. The cumulative effect of growing Soviet power and declining American power will be a progressive loss of ability to influence events, and a chain reaction of defeats for freedom.

Why is our Nation falling behind in the contest?

We have been repeatedly warned by committees of distinguished citizens that we must pull ourselves together—or fail. Sometimes the warnings are dramatic enough to create a brief stir in the press and public—but they are quickly and quietly forgotten.

The tragedy is that we are not acting upon our knowledge. It is the all-too-familiar tragedy of the failure of will.

The most important question we face as a Nation is why? Why are we failing to do what we should do—to survive?

I will not pretend that I can give a full answer in this short speech tonight. But I would call your attention to what I think may be our fundamental trouble: We lack a coherent and purposeful national strategy to win the cold war.

There is no grand plan that sets forth in simple terms what we have to do to survive, and why.

Witness the shotgun approach to weapons problems—doing a little of everything, backing and filling on critical new projects—with no basic plan to guide our effort.

Witness the stop-gap handling of foreign aid—year after year adopting the familiar program—hoping because it worked once it will work again.

Witness the sporadic response to each new crisis—ad hoc committees here, pro tem bureaus there—but no overall plan for a sustained response.

The fact is that few Americans have any idea of what our duty is. It has not been articulated clearly and boldly. Our people are never shown the whole package of effort that is required—their enthusiasms are not aroused nor are their powers engaged.

We could learn from British experience in the 19th century. Then every man understood the importance to England of free trade, of freedom of the seas, of a strong Navy, and of an able civil service to operate the vast empire. Most young men trained from childhood to contribute to the purposes England had to fulfill. As a result,

the British people sustained a prodigious national effort.

We could also learn from our experience in the two world wars. Then the Nation knew what it was trying to do, what was demanded of it, and why. This made possible the marvelous unity, energy, and vitality displayed by free men in time of war.

The nub of the matter is this: Faced with a deadly challenge, a democracy must have a strategy to meet it—a strategy which is the supreme organizer of our strength.

Lacking it, our efforts are like Humpty Dumpty after the fall. The wonder is whether all the kings' horses and all the kings' men can ever put us together again.

Our needs in this respect can be briefly summarized:

First, we must understand that the cold war is a war, the outcome of which will be victory or defeat for the free way of life.

Second, we must understand that we are making our big investment in defense in order to buy time to carry out a positive program for creating a peaceful world. Our real job is to win the cold war.

Third, we must define our short- and long-run goals in meaningful terms. What is the road to the success we seek, and what obstacles stand in the way?

Fourth, we must plan a national policy to move toward our goals, including a master program of requirements and priorities.

Fifth, we must develop the military, political, economic, scientific, and related capabilities required for success; and

Sixth, we must use these capabilities skillfully and stubbornly until the foundations of a peaceful world order have been securely established.

To do these things would be to forge a national strategy for the cold war and to wield our power as a mighty sword in the cause of freedom.

I believe the effort to develop such a strategy, and the public discussion accompanying the effort, would do much to create the unity of purpose and the national will needed for success.

How can we get such a grand strategic plan?

Of course, leadership is vitally important. There is no wholly adequate substitute for it. The American people, furthermore, have shown time and again that they will respond to dynamic, vigorous, plain-spoken inspired leadership.

But we cannot afford, and should not try, to rely wholly on leadership. We must also improve our methods for developing an adequate national strategy and for winning public support for it.

I believe that both Congress and the executive branch should now give intensive study to the organization of the Federal Government for survival in the contest with world communism, including the procedures of the National Security Council.

We should tackle this central issue of our time: How can a free society so organize its human and material resources as to outperform totalitarianism?

Obviously, all study of this issue should be conducted in a nonpartisan manner. We are interested not in destructive criticism but in constructive reform.

Let me say that the experience of your own membership in civil affairs military government can be very helpful in such a review. Of all people, you know how good organization helps the performance of a vital public function, and how poor organization hurts.

Our national policymaking machinery has not been subjected to careful examination since it was created by act of Congress in 1947. It is time to study it in the light of our experience during these 12 crisis-laden years. At times it seems to have functioned rather well. At other times, it seems to have functioned poorly.

In any event, it has failed to produce the kind of national strategy our world position now requires. It should be possible to find out why.

In theory, the machinery of the National Security Council should do the job. The Planning Board plans and proposes new policies and programs. In its preparatory work, the various departments and agencies are consulted and make known their views. The agreed conclusions of the Planning Board are submitted to the NSC, which serves in an advisory capacity to the President. The President decides. The policies and programs are then carried out under the watchful eye of the Operations Coordinating Board. The President presumably has a clear and consistent policy to present to the Congress and to the American people.

The procedure seems as sound as the dollar—but then the dollar is also a bit inflated these days.

There are a few simple questions we should ask:

What is the present structure for formulating and implementing national policy?

What is it supposed to accomplish?

Is it doing it?

In what areas are there grave shortcomings?

Why is this the case?

What improvements should be made?

There is one operating concept that especially needs review—that is the concept of completed staff work. According to this concept, the Planning Board has done its job well when its proposals are accepted without change by the NSC and the President.

I have serious doubts about the merit of this approach to policymaking. It seems to me that the important decisions are always difficult decisions, involving a choice between several possible courses of action, each of which has advantages and disadvantages.

I wonder to what extent the Planning Board fully analyzes the advantages and disadvantages of alternative courses of action and presents this analysis to the NSC. How often are the NSC and the President confronted with sharply defined issues so that they are compelled to make, as they should, the hard choices?

For example, did the NSC ever fully consider the impact on American prestige of permitting the Russians to register scientific firsts in the intercontinental ballistic missile, and in orbiting a satellite?

Has the NSC debated the alternative ways this Nation could support and finance an increased defense program?

Has the NSC debated whether or not to make it a goal of national policy to increase the rate of growth of our gross national product from 2 or 3 percent to 5 or 6 percent a year?

Has the NSC discussed whether or not we should allocate a rising proportion of our total output to public purposes, domestic and foreign?

These represent some of the tough but crucial issues which the NSC and the President must resolve. I am convinced that meaningful and firm decisions cannot evolve without vigorous discussion of alternative courses of action.

You may not find it surprising that a Senator should take this point of view. Seriously, however, one of the great merits of the Senate as a legislative body is that issues are debated—and clarified in the process. I do not suggest that the NSC should resolve its will by a vote. But I do suggest that the President is more likely to make meaningful decisions, which can be translated into purposeful, hard hitting action, after vigorous debate rather than without it.

There is some reason to believe that the proposals prepared by the Planning Board are written in such generalities that they may mean one thing to one department and quite another thing to another department. The effort to reach agreement at too low a level—that is, at the Planning Board level—may mean that agreement is purchased at the price of clarity.

This is but one of many questions that require study. Where one will come out is, of course, not yet foreseeable. Perhaps we will be agreeably surprised. But it is my strong belief that careful, sustained study will bring forward helpful suggestions to improve our processes for the making and implementation of an integrated national policy.

One hundred and seventy million Americans are committed to the ideals of democracy, individual liberty, justice, and free institutions. But devotion to principle alone will not see us through. One hundred and seventy million American must also be dedicated to the means for preserving these ideals.

We have proved that we can meet the urgent demands of a hot war. Now we must prove that we can sustain the grueling, tedious, continuing tasks of the cold war.

This type of conflict is a wholly new experience for the American people. The Soviet objective is the same as in a hot war—to defeat us. But Moscow relies on limited actions, indirect threats, and diffuse challenges—hoping not to arouse us to action.

This is the strategy of protracted conflict—the technique whereby weaker powers, in time, gain the strength to overcome stronger ones.

It is far more difficult for a free society to generate the effort for this kind of conflict than for the dramatic clashes of a hot war. The Soviets know this—and are counting on it.

It is all the more essential, therefore, that we have an understandable plan for victory.

Clearly our people cannot be dedicated to vague programs, or respond enthusiastically to a host of conflicting demands. We must know whether we are going and how we are going to get there. We must have a grand strategy for survival.

In closing, let me say simply this:

With such a strategy I believe freedom can prevail.

The earth today is an arena of clashing systems of order. But the idea of freedom is by all odds the most potent idea in history. And free men have the mental and material resources to build a world community which makes room for all peoples who wish to live in peace.

Granted, the unrelenting encounter with the Kremlin tests our ability to the limit. Surely, this is a worthy test of our national quality. A better and a stronger America can emerge from this struggle.

I believe America can and will meet the challenge.

Mr. MANSFIELD. Mr. President, has morning business been concluded?

The PRESIDING OFFICER (Mr. DODD in the chair). Is there further morning business? If not, morning business is closed.

AUTHORIZATION OF APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the

consideration of Calendar No. 379, Senate bill 2094.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2094) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Joint Committee on Atomic Energy, with amendments, on page 4, line 9, after the word "Reactor", to strike out "Test" and insert "Testing"; on page 12, line 19, after the word "technology", to insert "There are also authorized to be appropriated such additional funds as may be necessary for the operation of such reactor prototypes, as provided in subsection 111(a)(1) of Public Law 85-162."; and on page 13, line 22, after the word "authorization", to strike out "proposed" and insert "proposal"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled—

SEC. 101. PLANT OR FACILITY ACQUISITION OR CONSTRUCTION.—There is hereby authorized to be appropriated to the Atomic Energy Commission in accordance with the provisions of section 261a.(1) of the Atomic Energy Act of 1954, as amended, the sum of $165,400,000 for acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, as follows:

(a) SPECIAL NUCLEAR MATERIALS.—

Project 60-a-1, modifications to production and supporting installations, $10,000,000.

Project 60-a-2, prototype installations, gaseous diffusion plants, $1,000,000.

Project 60-a-3, central computing building, Oak Ridge, Tennessee, $1,650,000.

Project 60-a-4, reactor air filters, Savannah River, South Carolina, $5,000,000.

Project 60-a-5, additional raw water line, Paducah Kentucky, $810,000.

Project 60-a-6, water plant expansion, 100 K area, Hanford, Washington, $5,000,000.

Project 60-a-7, modifications to reactor disassembly basins, Savannah River, South Carolina, $1,600,000.

(b) SPECIAL NUCLEAR MATERIALS.—

Project 60-b-1, cylinder storage area, Paducah, Kentucky, $500,000.

Project 60-b-2, increased cooling water capacity, Savannah River, South Carolina, $5,000,000.

(c) ATOMIC WEAPONS.—

Project 60-c-1, weapons production, development and test installations, $10,000,000.

Project 60-c-2, special processing plant, phase II, Mound Laboratory, Ohio, $3,800,000.

Project 60-c-3, test and environmental installations, Sandia Base, New Mexico, $1,000,000.

(d) ATOMIC WEAPONS.—

Project 60-d-1, storage site modifications, $1,500,000.

Project 60-d-2, materials storage vault, Los Alamos, New Mexico, $133,000.

(e) REACTOR DEVELOPMENT.—

Project 60-e-1, modifications to experimental breeder reactor Numbered 1 (EBR-1), National Reactor Testing Station, Idaho, $1,000,000.

Project 60-e-2, portable gas-cooled reactor prototype, National Reactor Testing Station, Idaho, $2,500,000.

Project 60-e-3, alterations, modifications and additions to MTR-ETR utility, technical and support installations, National Reactor Testing Station, Idaho, $2,000,000.

Project 60-e-4, hot cells, $2,500,000.

Project 60-e-5, chemical processing plant area utility modifications and improvements, National Reactor Testing Station, Idaho, $750,000.

Project 60-e-6, reactor support installations, Nevada Test Site, $500,000.

Project 60-e-7, nuclear test plant, Army Reactor Experimental Area (AREA), National Reactor Testing Station, Idaho, $5,000,000.

Project 60-e-8, modifications and additions for test installation for project Pluto, $2,000,000.

Project 60-e-9, research and development test plant additions and modifications for project Rover, $4,800,000.

Project 60-e-10, general support installations and utilities expansion, Argonne National Laboratory, Lemont, Illinois, $4,300,000.

Project 60-e-11, national circulation test plant, National Reactor Testing Station, Idaho, $18,500,000.

Project 60-e-12, alterations to Shippingport reactor facilities, $5,000,000.

Project 60-e-13, experimental organic-cooled reactor, $6,000,000.

Project 60-e-14, experimental low temperature process heat reactor, $4,000,000.

Project 60-e-15, power reactor of advanced design capable of utilizing nuclear superheat, to be undertaken either as a cooperative project or conducted solely by the Atomic Energy Commission, $11,000,000.

(f) REACTOR DEVELOPMENT.—

Project 60-f-1, miscellaneous modifications and additions, Argonne National Laboratory, Illinois, $1,000,000.

(g) PHYSICAL RESEARCH.—

Project 60-g-1, project Sherwood Plant, $1,000,000.

Project 60-g-2, accelerator and reactor modifications, Brookhaven National Laboratory, New York, $1,950,000.

Project 60-g-3, transuranium laboratory, Oak Ridge National Laboratory, Tennessee, $1,200,000.

Project 60-g-4, physics building, Lawrence Radiation Laboratory, California, $2,000,000.

Project 60-g-5, 10 Mev tandem Van de Graaff accelerator, Oak Ridge, Tennessee, $2,400,000.

(h) BIOLOGY AND MEDICINE.—

Project 60-h-1, installations for support of biomedical research projects in atomic energy, $3,000,000.

(i) ISOTOPES DEVELOPMENT.—

Project 60-i-1, high-level radiation development laboratory, $1,600,000.

Project 60-i-2, radioisotope process development laboratory, $1,500,000.

(j) ISOTOPES DEVELOPMENT.—

Project 60-j-1, radioisotope production area expansion and modification, Oak Ridge National Laboratory, Tennessee, $300,000.

(k) COMMUNITY.—

Project 60-k-1, high school additions, Los Alamos, New Mexico, $485,000.

Project 60-k-2, real estate development, Los Alamos, New Mexico, $240,000.

Project 60-k-3, housing alterations, Los Alamos, New Mexico, $1,000,000.

(l) GENERAL PLANT PROJECTS.—$30,882,000.

SEC. 102. LIMITATIONS.—(a) The Commission is authorized to start any project set forth in subsections 101 (a), (c), (e), (g), (h), and (i) only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Commission is authorized to start any project set forth in subsections 101 (b), (d), (f), (j), and (k) only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

(c) The Commission is authorized to start a project under subsection 101(l) only if it is in accordance with the following:

1. For community operations, the maximum currently estimated cost of any project shall be $100,000 and the maximum currently estimated cost of any building included in such project shall be $10,000.

2. For all other programs, the maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such a project shall be $100,000.

3. The total cost of all projects undertaken under subsection 101(l) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

SEC. 103. ADVANCE PLANNING AND DESIGN.—There are hereby authorized to be appropriated funds for advance planning, construction design, and architectural services, in connection with projects which are not otherwise authorized by law, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

SEC. 104. RESTORATION OR REPLACEMENT.—There are hereby authorized to be appropriated funds necessary to restore or to replace plants or facilities destroyed or otherwise seriously damaged, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

SEC. 105. CURRENTLY AVAILABLE FUNDS.—In addition to the sums authorized to be appropriated to the Atomic Energy Commission by section 101 of this Act, there are hereby authorized to be appropriated to the Atomic Energy Commission to accomplish the purposes of this Act such sums of money as may be currently available to the Atomic Energy Commission.

SEC. 106. SUBSTITUTIONS.—Funds authorized to be appropriated or otherwise made available by this Act may be used to start any other new project for which an estimate was not included in this Act if it be a substitute for a project or portion of a project authorized in subsections 101(a), 101(b), 101(c), and 101(d) and the estimated cost thereof is within the limit of cost of the project for which substitution is to be made, and the Commission certifies that—

(a) the project is essential to the common defense and security; and

(b) the new project is required by changes in weapon characteristics or weapon logistic operations; and

(c) it is unable to enter into a contract with any person, including a licensee, on terms satisfactory to the Commission to furnish from a privately owned plant or facility the product or services to be provided in the new project.

SEC. 107. AMENDMENT OF PRIOR-YEAR PROJECTS.—Section 101 of Public Law 85-590 is amended as follows:

(a) By striking therefrom "Project 59-d-10, gas-cooled power reactor, $51,000,000" and substituting therefor "Project 59-d-10, flexible experimental prototype gas-cooled reactor, $30,000,000."

(b) By striking therefrom "Project 59-e-11, high flux research reactor, Brookhaven National Laboratory, design, engineering and advance procurement, $1,000,000" and substituting therefor "Project 59-e-11, high flux research reactor, Brookhaven National Laboratory, $10,000,000."

(c) By striking therefrom "Project 59-d-12, design and engineering study of heavy water moderated power reactor, "$2,500,000" and substituting therefor "Project 59-d-12, design and development, heavy water moderated power reactor, $4,500,000."

SEC. 108. PROJECT RESCISSIONS.—(a) Public Law 85–162 is amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 58-e-12, liquid metal fuel reactor experiment (LMFRE), $17,500,000.

(b) Public Law 506, Eighty-fourth Congress, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 57-d-3, forty-eight-inch heavy particle cyclotron, Oak Ridge National Laboratory, $459,000.

SEC. 109. COOPERATION WITH EUROPEAN ATOMIC ENERGY COMMUNITY.—

There is hereby authorized to be appropriated to the Atomic Energy Commisison, in accordance with the provisions of section 261 a. (2) of the Atomic Energy Act of 1954, as amended, the sum of $7,000,000, in addition to the sum of $3,000,000 previously authorized under section 3 of Public Law 85–846, which shall be available for carrying out the purposes of section 3 of Public Law 85–846, providing for cooperation with the European Atomic Energy Community.

SEC. 110. COOPERATIVE POWER REACTOR DEMONSTRATION PROGRAM.—

(a) Section 111 of Public Law 85–162, as amended, is further amended by striking out the figures "$155,113,000" and "$175,113,000" in subsection (a), and inserting in lieu thereof the figures "$135,113,000" and "$155,-113,000", and by striking out the figure "$2,750,000" in clause (2) of subsection (a) and inserting in lieu thereof the figure "$3,600,000"; by striking out the date "June 30, 1959" in clause (3) of subsection (a) and inserting in lieu thereof the date "June 30, 1960".

(b) There is hereby authorized to be appropriated to the Atomic Energy Commission, under the terms and conditions of section 111 of Public Law 85–162, as amended, the sum of $55,500,000 for use in a program not to exceed $65,500,000, to be available for the Commission's cooperative power reactor demonstration program. Without regard to the provisions of clause (3) of subsection (a) of section 111 of Public Law 85–162, no funds or waiver of use charges authorized by this subsection shall be available on projects already approved under the power demonstration reactor program or on other nuclear power projects already under construction. In connection with such program, the Commission is authorized to waive its charges for the use of special nuclear materials and heavy water for research and development and for a period of not more than five years after initial criticality of the reactor.

(c) Funds appropriated to the Commission pursuant to the authorization contained in subsection (b) of this section shall be available to the Commission for the purpose of supplementing its Third Round power reactor demonstration program to include financial assistance to public and private organizations for research and development in connection with the design, construction, and operation of power reactor prototypes based on established reactor technology. The Commission shall consider, but not be limited to the following types:

(1) One such plant may be a boiling water prototype reactor in the size range from 50,000 KWE to 100,000 KWE, and

(2) One such plant may be a prototype reactor in the intermediate size range.

Under this subsection, and without regard to subsection (f) of section 111 of Public Law 85–162, the Commission is authorized to use funds, not to exceed $5,000,000 in the aggregate, to provide research and development assistance in support of unsolicited proposals from the utility industry to construct nuclear powerplants.

(d) Funds appropriated to the Commission pursuant to the authorization contained in subsection (b) of this section shall be available to the Commission for the purpose of reinstituting and supplementing the Second Round of its power reactor demonstration program to provide for the development, design, construction and operation of two reactor prototypes in accordance with subsection 111(a)(1) of Public Law 85–162 and which shall be based on established reactor technology. There are also authorized to be appropriated such additional funds as may be necessary for the operation of such reactor prototypes, as provided in subsection 111(a)(1) of Public Law 85–162. The Commission shall consider, but not be limited to the following types:

(1) One such reactor prototype may be a small power reactor which will be designed to make a significant contribution to the achievement of economical power in a small size nuclear powerplant; and

(2) One such reactor prototype may be in the intermediate size range.

(e) In the event the Commission solicits proposals for any prototype under subsection (c) or (d) of this section, but no satisfactory proposal is received, the Commission may, if the project is still deemed desirable, proceed with design, construction, and operation of such prototype at a Commission installation and funds authorized by subsection (b) shall be available for the purposes of this subsection (e).

(f) Funds appropriated to the Commission, pursuant to the authorization contained in subsection (b) of this section, and authorized for the Third Round of the Commission's power reactor demonstration program shall be available to the Commission for use in a cooperative arrangement to provide financial assistance for research and development in connection with the design, construction, and operation of an advanced, high temperature gas-cooled experimental power reactor in accordance with the basis for an arrangement described in the program justification data submitted by the Commission in support of its authorization proposal for fiscal year 1960: *Provided*, That, in the event the parties enter into such a cooperative arrangement and proceed with research and development and there is a unilateral abandonment of the research and development or of the construction of the plant for reasons other than (a) a contract amendment under which the Atomic Energy Commission approves such abandonment, or (b) causes beyond the control of the contracting parties and without their fault or negligence (including inability to obtain necessary licenses or regulatory approvals or adequate liability insurance coverage), the Commission shall be reimbursed by the party abandoning the project for its expenditures for research and development under the arrangement except to the extent that the Commission determines that any such expenditures have resulted in the acquisition by the Government of property, patents, or other value.

SEC. 111. The Commission is authorized to enter into cooperative arrangements with any person or persons for participation in the development, construction, and operation of the experimental low-temperature process heat reactor authorized under project 60–e–14 of section 101(e) of this Act, and the utilization of the steam generated by the reactor plant. Under such arrangements—

(1) the Commission is authorized to obtain the participation of such person or persons to the fullest extent consistent with the Commission's direction of the project and ownership of the reactor;

(2) the reactor plant may be constructed upon a site provided by a participating party with or without compensation;

(3) the reactor plant shall be operated by, or under contract with, the Commission, for such period of time as the Commission determines to be advisable for research and development purposes and for such additional period as the Commission may determine to be necessary in the best interest of the Government. Upon the expiration of such period, the Commission may offer the recator plant and its appurtenances for sale to a participating party or parties at a price to reflect appropriate depreciation, but not to include construction costs assignable to research and development, or the Commission may dismantle the reactor plant and its appurtenances.

(4) the Commission may sell steam to a participating party at rates based upon the present cost of, or the projected cost of, comparable steam from a plant using conventional fuels at the reactor location.

(5) any steam sold shall be used for industrial, manufacturing or other commercial purposes, or for research and development related thereto, but shall not be used for the generation of electric power for sale. The participating party or parties shall provide facilities required for such utilization of the steam generated by the nuclear plant.

SEC. 112. In the event the Commission constructs a power reactor under the authorization of project 60–e–15 of section 101 or subsection 110(e) of this Act at an installation operated by or on behalf of the Commission—

(a) the electric energy generated may be used by the Commission in connection with the operation of such installation and the Commission is authorized to make necessary adjustments in its contract with the power supplier at such installation to provide for the interchange of reactor generated power into the transmission system of the supplier;

(b) the Commission is authorized to obtain the participation of private, cooperative, or public organizations to the fullest extent consistent with the Commission direction of the project, ownership of the reactor, and utilization of the electric energy generated; and

(c) the power reactor constructed shall be operated by, or under contract with, the Commission, for such period of time as the Commission determines to be advisable for research and development purposes and for such additional period as the Commission may determine to be necessary in the best interest of the Government. Upon the expiration of such period the Commission may offer the reactor and its appurtenances for sale to any public, private or cooperative power organization at a price to reflect appropriate depreciation but not to include construction costs assignable to research and development, or the Commission may dismantle the reactor and its appurtenances.

SEC. 113. DESIGN AND ENGINEERING STUDIES.—The Commission shall proceed with design and engineering studies to include, but not be limited to, the following:

(a) prototype reactor for nuclear tankers;

(b) reactor for remote military installations; and

(c) other reactor types.

The Commission shall submit reports on the studies under (a) and (b) of this section to the Joint Committee on Atomic Energy by April 1, 1960.

SEC. 114. Subsection 153(h) of the Atomic Energy Act of 1954, as amended, is amended by striking out the date "September 1, 1959" and inserting in lieu thereof the date "September 1, 1964".

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, Senate bill 2094 authorizes appropriations for the Atomic Energy Commission for the fiscal year 1960 program. The bill has been reported unanimously by all members of the Joint Committee on Atomic Energy, both the Senate and the House Members, on both sides of the aisle. The bill is scheduled to be considered in the House today.

Section 101 of the bill authorizes $165,400,000 for construction at AEC plants. The bill follows the format of authorization acts for prior fiscal years, in that it lists each project authorized as a line item, under subparagraphs entitled "Special nuclear materials," "Atomic weapons," "Reactor development," "Physical research," "Biology and medicine," "Isotopes development," "Community," and "General plant projects." The bill covers construction and improvements for our entire atomic energy program, both military and peaceful uses.

The Joint Committee, and its Subcommittee on Legislation, held extensive hearings on this bill, and on each project included in the bill. The Joint Committee approved every project requested by the AEC. In addition, the committee concluded that the program could be improved by the addition of funds in certain areas. Therefore, the Joint Committee increased the funds for the biology and medicine program—project 60–h–1, on page 5 of the bill—for new construction projects to increase research into the effects of fallout. In addition, the Joint Committee added three new projects under reactor development and two new projects under physical research; and I should like to briefly summarize them:

Project 60–e–11, the first project added by the Joint Committee, authorizes a natural-circulation test plant at the National Reactor Testing Station, in Idaho, for $18,500,000. Admiral Rickover requested this project, and the hearings developed that it was only a matter of timing within the Commission and the Bureau of the Budget, and that the project would be requested next year, in any event. Admiral Rickover believes that we could save some time and get started sooner if this project could be authorized this year. The project would be a land-based prototype for research to simplify and advance our nuclear-submarine propulsion plants by the elimination of many pumps and valves, and thus make possible lighter and cheaper submarine plants for the future. After hearings on the evidence, the Joint Committee concluded that this project should be added in this year's bill, in order that Admiral Rickover may go forward as soon as possible with this important new development.

Project 60–e–12, also added by the Joint Committee, authorizes $5 million for alterations to the Shippingport reactor facilities. As indicated in the committee report, at the top of page 9, this authorization is contingent upon corresponding action by the Duquesne Power & Light Co. to provide an increase in the necessary turbogenerating facilities, at an estimated cost of approximately $15 million, to it. If the Duquesne Power & Light Co. takes this action, and if the Congress authorizes this $5 million project, the output of the Shippingport reactor would be increased from 100,000 electrical kilowatts, currently scheduled under the second core, to 150,000 electrical kilowatts. The Joint Committee believes that the information thus obtained from operation at full power output could be of great value to the overall civilian power-development program.

Project 60–e–15, also added by the Joint Committee, is for a power reactor of advanced design, capable of utilizing nuclear superheat, to be undertaken either as a cooperative project or conducted solely by the AEC, at an estimated cost of $11 million. As indicated in the committee report, at pages 9 to 10, the committee believes this an important type of development for more effort in our reactor-development program. This project may be undertaken either as a cooperative project or conducted solely by the AEC, and it is intended that the Commission shall exercise its best judgment in its determinations as to the technical feasibility of the project and in the selection of the location of the reactor, the contractors, and the type of arrangement.

The two physical research projects added by the Joint Committee are projects 60–g–4 and 60–g–5, listed on page 5 of the bill. The two projects are described on pages 17 and 18 of the Committee report. As indicated there, project 60–g–4, physics building, Lawrence Radiation Laboratory, Calif., $2 million is needed for office space, laboratory area, and special research facilities to accommodate the activities of 200 to 250 scientific personnel. Project 60–g–5, is for a 10 Mev tandem Van de Graaff accelerator at Oak Ridge, Tenn., at an estimated cost of $2,400,000. As stated in the committee report, there is a pressing need by scientists at Oak Ridge for this equipment in order to continue their research into the structure and interaction of atomic particles at high-energy levels. Also, as mentioned in the committee report at page 19, the President has recently requested authorization of $105 million for construction of a 2-mile linear electron accelerator near Stanford University, California. The committee was unable to include this project in this bill, because it needed time to obtain more information, but we hope to hold hearings on it in July.

Other sections of the bill are fully discussed and analyzed in the Committee report, which is available to all Members of the Senate, together with the hearings, which are 696 pages in length, and are entitled "AEC Authorizing Legislation, Fiscal Year 1960." I might, before closing, mention particularly two other sections of the bill—section 109, pertaining to cooperation with Euratom, and section 110, pertaining to the cooperative power reactor demonstration program.

Section 109 of the bill authorizes the appropriation of $7 million, in addition to the $3 million authorized last year, which shall be available for the Euratom research and development program. The Joint Committee did not recommend the full additional amount of $14 million requested by the Commission, but felt that $7 million would be adequate at this time. The reasons for the Joint Committee action are set forth fully in the Committee report at pages 14–16. The report discusses the developments within the last year, and the fact that the program has not gone forward as rapidly as its supporters had hoped that it would. It then mentions the timetable for approval of projects by the Joint Board; and, at page 16, the report states as follows:

> Under this timetable, therefore, the Joint Committee and the Congress must review the Euratom program again early in calendar year 1960. Under these circumstances the Joint Committee felt it appropriate that only $7 million research and development assistance be authorized at this time for the general research and development program, and that more funds could be requested and considered at the time the specific reactor projects are submitted to the Joint Committee in January or February.
>
> In the meantime the Joint Committee hopes that the Euratom program will go forward rapidly and continue to gain momentum.

Section 110 of the bill pertains to the cooperative power reactor demonstration program. It reduces by $20 million amounts previously authorized for the program, and it provides a new authorization of $55,500,000 for this year's program, together with a $10 million authorization for waiver of charges for the use of nuclear fuels and heavy water.

After reviewing the current status of the atomic power program, the Joint Committee recommended increasing the funds by $16 million above the amount requested by the Commission. This includes authorization of an additional reactor under the Second Round and one under the Third Round. The Joint Committee did not authorize the funds for use in the construction grant concept requested by the Commission. As indicated at pages 12 to 13 of the committee report, the Joint Committee considered various alternatives, and decided that the matter needed more study and review, and might be reconsidered next year.

In subsection 110(f), the Joint Committee also authorized research and development assistance in connection with the design, construction, and operation of an advanced, high-temperature gas-cooled experimental power reactor. According to the basis of an arrangement already submitted to the Joint Committee, this is the proposal of the General Dynamics-Philadelphia Electric Co., and some 52 other participating privately owned utilities. After reviewing this matter carefully, the Joint Committee decided to add a proviso, found on the bottom of page 13 and at the top of page 14 of the bill, to the effect that if the private parties should unilaterally aban-

don the project, for reasons other than a contract amendment approved by AEC, or causes beyond their control, the Commission shall be reimbursed by the party abandoning the project for its expenditures for research and development.

After careful consideration, the Joint Committee decided that the abandoning party should be entitled to an offset to the extent that the expenditures have resulted in the acquisition by the Government of property, patents, or other value. With the addition of this proviso, the Joint Committee believes that the public interest will be better protected in providing the research and development funds for this project, and that the proviso should encourage the party to go forward and definitely construct the reactor. It is a promising type of reactor, in my opinion, and I hope that construction will go forward, but the public interest should be protected in the event private parties should decide to abandon the project, and therefore, the Joint Committee added the proviso.

Finally, it should be mentioned that section 113 provides for certain design and engineering studies considered important by the Joint Committee and for reports on certain of these studies to the Joint Committee on Atomic Energy by April 1, 1960.

The final section of the bill, section 114, amends subsection 153(h) of the Atomic Energy Act of 1954, by extending the so-called compulsory licensing provision of the basic Atomic Energy Act for another 5 years, from September 1, 1959, to September 1, 1964. The Commission has requested this extension, and the Joint Committee has held hearings on the subject and believes it should be included in this bill. Other amendments to the patent provision in the Atomic Energy Act are still pending before the Joint Committee, and it is intended that these amendments will be considered further and action taken on them at a later date. However, because of the proximity of the September 1, 1959, date, the Joint Committee believed it advisable to include this part of the patent amendments in this bill. By extending the compulsory licensing provision for another 5 years, I believe the public interest will be better protected on providing opportunity to compel licensing of an atomic energy patent, under the conditions and safeguards of the act, if necessary to help advance the program. Because of the huge investment of the taxpayers, I believe that this provision is a desirable one to have for another 5-year period.

Mr. President, I have summarized briefly some of the more important sections and provisions in this bill. All of the remaining provisions are thoroughly discussed and analyzed in the committee report, and further information is contained in the hearings, which I have mentioned, and which are 696 pages in length.

There are four minor committee amendments to the bill as listed on page 1 of the committee report. These amendments are technical in nature, are supported by all members of the Committee, are explained further in the report, and have either been requested by, or are acceptable to, the AEC.

Mr. President, when I introduced the AEC authorization proposal by request on February 26, 1959 (S. 1194) I indicated that I had some reservations as to its adequacy. I believe the bill before the Senate is a considerable improvement. Whether it is sufficient to keep us in the atomic power race with the British and the Soviets is a difficult question. I hope it will. It certainly gives the AEC, under Chairman McCone, considerable flexibility within established limitations to proceed with a forward-looking program.

I am happy that all members of the committee could find agreement on the bill this year, and I hope that the Commission will go forward in a spirit of cooperation, and with some vigor and enthusiasm, to carry out the provisions of this bill and provide our country a dynamic atomic energy program.

Mr. President, I urge all members of the Senate to support the bill, with the minor amendments approved by the Joint Committee on Atomic Energy.

Mr. President, I ask unanimous consent that the minor amendments, which have been submitted and are covered in the report, be agreed to en bloc, if that is satisfactory to the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and without objection the committee amendments are agreed to en bloc.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ANDERSON. I am happy to yield to the Senator from Tennessee.

Mr. GORE. I wish to congratulate the able Senator from New Mexico upon the cool-headed, temperate, but effective leadership he has provided for the Joint Committee in this year, 1959. The bill which was reported without opposition is a significant stride into the future. As the Senator knows, the bill does not go quite so far or so rapidly as I would prefer, but it is, I repeat, a significant stride and one in which the able chairman of the Joint Committee can justifiably take pride.

Mr. ANDERSON. I thank the distinguished Senator from Tennessee. I only wish to say to the Senator that, as he well knows, the bill was reported as a result of 2 months of hard work.

I would praise the vice chairman, Mr. DURHAM, the able Representative from California, Mr. HOLIFIELD, chairman of the subcommittee, Mr. PRICE, Mr. VAN ZANDT and other House Members for their great part in regard to the bill. These members of the Joint Committee, concerned about the proposed legislation stayed steadfastly at their tasks.

I wish to say that the Senator from Tennessee has stated what is typical of what has been going on in the committee. We have been trying hard to reach an agreement. We have constantly attempted to see if it were not possible for the Chairman of the Atomic Energy Commission and the members of the Joint Committee on Atomic Energy to find themselves in general agreement.

I wish to pay tribute to the members of the Joint Committee, but I certainly wish to pay tribute also to the members of the Atomic Energy Commission and most particularly to its chairman, Mr. McCone, for the very fine fashion in which the Commission has handled its end of this work. At all times Mr. McCone has been anxious to try to find a meeting place. I am glad that the effort on his part found a response among the members of the Joint Committee, including the Senator from Tennessee [Mr. GORE] who would have gone farther than we went in the bill.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HICKENLOOPER. Mr. President, I feel that the bill, S. 2094, to authorize appropriations for the Atomic Energy Commission for the fiscal year 1960 program, should be supported.

The distinguished chairman of the committee, the Senator from New Mexico [Mr. ANDERSON], has already explained the principal provisions of the bill, and the committee report further describes and analyzes the individual projects and each section of the bill. I am happy to say that Members on this side of the aisle fully support the bill in the form recommended by the Joint Committee.

Although we may have some reservations about a few provisions in the bill, and had hope that certain types of authority requested by the Commission might have been included, the different points of view among our Members were thoroughly discussed within the committee, and a compromise reached. We support the bill in the form recommended by the committee, with the minor amendments recommended by the committee.

Mr. President, there are in the bill a number of projects which were added by the Joint Committee and which were not in the budget estimates, which I personally, at the outset, thought were not essential at this time. However, considering all the factors involved, and the discussions which were had; considering the fact that these items in the bill, which were not included in the budget estimates, are desirable, whether or not they are essential; I and other members of the committee who felt that way finally decided we would go along with the bill as it is now reported. I want to make clear, Mr. President, that the items which exceed the requests and were not included in the budget estimates are in my opinion desirable—at least eventually—for aggressive development of the atomic energy program. The objection which was raised was that those items were not included in the budget estimates and were not requested at this time.

Mr. President, the committee report at pages 17 to 19 urges full support of the other programs authorized by the Congress last year which have not yet been fully funded, and we also hope for consideration of the Stanford accelerator project, as requested by the President, as soon as possible at this session.

Mr. President, in view of the detailed hearings by the Joint Committee, which

have been printed, and its Subcommittee on Legislation, the unanimous support of all members of the committee, and the detailed explanation by the Senator from New Mexico, I urge my colleagues to approve S. 2094, together with the minor amendments approved by the Joint Committee.

Mr. ANDERSON. Mr. President, I desire to say that the statement made by the able Senator from Iowa is typical of the way we have had help throughout the entire consideration of this bill.

Mr. President, there were two new members of the committee this year, the able Senator from Vermont [Mr. AIKEN] and the able Senator from Utah [Mr. BENNETT]. Those Senators should be praised for their constant attendance at the sessions of the Joint Committee and their attempts to make sure they made their greatest possible contribution. I would not want the RECORD to be closed without complimenting the Senator from Iowa [Mr. HICKENLOOPER] and those on his side of the aisle, who worked so hard to have a good bill reported.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, and the question is, Shall it pass? [Putting the question.]

The bill (S. 2094) was passed.

ORDER OF BUSINESS

Mr. BUSH. Mr. President——

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BUSH. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

Mr. BUSH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DODD in the chair). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The Senate resumed the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Lewis L. Strauss to be Secretary of Commerce?

Mr. BUSH. Mr. President. I rise in support of the confirmation of the nomination of Lewis L. Strauss to be Secretary of Commerce.

My remarks this afternoon will be largely confined to what I call his performance in life, and particulary his performance in public life.

As I reviewed the record of the hearings upon his nomination which were conducted by the Committee on Interstate and Foreign Commerce, my heart grew heavy. Slander based on double or triple hearsay was given free rein to besmirch the name of a man who has served his country faithfully and well in posts of great responsibility.

The ordeal of Lewis Strauss has ominous and tragic implications for the future of the United States.

In these difficult and dangerous times, when this Nation and the free world face great and growing challenges from the Communist bloc, we need men of his character, courage, ability, and patriotism to serve in the Government of the United States.

But the campaign of character assassination against Admiral Strauss inevitably will make it extremely difficult to recruit outstanding and successful men for public service.

What man of normal sensitivity would wish to expose himself to the kind of deliberate persecution and defamation which Lewis Strauss has endured.

I say to the Senate that it will bring disgrace upon itself if it permits such tactics to succeed. Irreparable damage to the reputation of the Senate as an institution will result if his nomination is not confirmed by a substantial majority.

I have known and admired Admiral Strauss for 25 years. Few men have made such a distinguished record, both in business and public life.

It is an impressive record of performance. Lewis Strauss has served in posts of great responsibility during the administrations of four Presidents; namely, Woodrow Wilson, Franklin D. Roosevelt, Harry Truman, and Dwight Eisenhower. Could such a record of distinguished public service have been made by an enemy of the people, as Lewis Strauss has been called on the Senate floor?

Mr. President, we in the Senate pride ourselves on the freedom of speech we enjoy in this Chamber, but I was shocked when the distinguished senior Senator from Oregon [Mr. MORSE], in effect called Lewis Strauss a traitor. For calling a man an enemy of the people is equivalent to accusing him of treason.

When freedom of speech is so abused it becomes unbridled license, and I fear it reflects more discredit upon the speaker than upon the person who has been slandered. The performance of Secretary Strauss itself demolishes the statement of the distinguished Senator from Oregon.

Secretary Strauss' public service began during the Wilson administration when he was secretary to Herbert Hoover, then U.S. Food Administrator and Chairman of the Commission for the Relief of Belgium. Mr. Hoover has known Lewis Strauss intimately for more than 42 years, and has seen many men perform in Government.

What is former President Hoover's appraisal of Lewis Strauss?

In a letter to the chairman of the Committee on Interstate and Foreign Commerce, Mr. Hoover says of Lewis Strauss:

> There has never been in our public service a man so unpolitical, so dedicated, and so able in his tasks, as to command such approvals and commendations upon the completion of every task assigned to him.

Could this be said of an enemy of the people of the United States? To ask the question emphasizes the contemptible nature of the language which has been applied to Secretary Strauss.

Mr. President, I ask unanimous consent that the text of Mr. Hoover's letter, which appears on pages 830 and 831 of the hearings may be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, N.Y., *May 9, 1959.*

Hon. WARREN G. MAGNUSON,
Chairman, Interstate and Foreign Commerce Committee, U.S. Senate, Washington, D.C.

MY DEAR SENATOR: I believe it is my duty to present to the committee my knowledge of Secretary Lewis Strauss, whose confirmation is before your committee.

I have known Mr. Strauss intimately for more than 42 years—ever since he was 19 years of age. During most of my service under President Wilson, Mr. Strauss served as my secretary. He served in Washington during almost the entire period of American participation in World War I and in Paris during and after the peace negotiations. He won the respect and admiration of the men with whom he had need to deal during that time. President Wilson often spoke highly of him to me.

Upon the completion of this service, he entered business life in New York where he rose to a high position and respect in the business world from his ability and integrity. And during these years he took part in the direction of the great American enterprises in compassion by relief of famine and pestilence in many countries.

At the coming of the Second World War, he was called for active duty in the Department of the Navy in February 1941. He served for 4 years under President Roosevelt, and the following year under President Truman. His service in this period was so highly valued that he received the unique distinction for a civilian—the rank of rear admiral, an appointment which required the approval of President Truman and the Senate.

In October 1946 Mr. Strauss was called back into public service by President Truman as a member of the Atomic Energy Commission. To take on this assignment he sacrificed his high business positions. Upon his resignation in early 1950, he was publicly commended by the President for his service.

And in June 1953 he was again called into public service by President Eisenhower as Chairman of the Atomic Energy Commission. He was confirmed by the Senate. He served the Commission until his completion of the statutory 5-year term. Upon completion of that work in 1958, he received the highest of public commendation by President Eisenhower and was awarded the Medal of Freedom. President Eisenhower's confidence in Mr. Strauss' abilities and integrity, after 5 years of association with him, is further attested by his appointment as Secretary of Commerce.

Here is a man who has served with unvarying commendation under both Democratic and Republican Presidents.

There has never been in our public service a man so unpolitical, so dedicated, and so able in his tasks, as to command such approval and commendations upon the completion of every task assigned to him.

I served 8 years as Secretary of Commerce. I can say without reservation that Lewis Strauss is the best man who could be selected for that position.

But over all other qualifications, he is a deeply religious man whose integrity is fixed in conscience and religious faith.

Your faithfully,

HERBERT HOOVER.

Mr. BUSH. Between the two World Wars, Lewis Strauss was associated with the New York investment firm of Kuhn, Loeb & Co. I will say with respect to that firm that for 60 or 70 years it has been one of the great banking firms. It had much to do with the early development of the West. It is a fine and distinguished firm, which has lent constructive aid to the development of the United States over a period of a great many decades.

Mr. President, it appears that some people believe that political gain can come from attacks upon Wall Street and by smears against persons who have worked in that financial center. As one who spent most of his business life in banking, I have experienced some of that myself since my entry into public life. Lewis Strauss has also endured the same kind of attack by smear and innuendo.

But I say, Mr. President, that honesty and integrity are indispensable requirements for success in banking. Millions of dollars may depend on a man's word given in a quick telephone conversation. In the years he spent in Wall Street Lewis Strauss' reputation for honesty and integrity was unquestioned. He could not have been a partner in the banking firm of Kuhn, Loeb, & Co. had it not been that his reputation for honesty and integrity was unquestioned at all times. It still is unquestioned.

Ten months before Pearl Harbor, Lewis Strauss was called to active duty as an officer in the U.S. Naval Reserve. He served throughout the war in posts of great responsibility, and participated in the development of the atomic bomb.

What was the Navy's judgment of his performance of duty as an officer of the Navy? Lewis Strauss was successively promoted through officer grades to the rank of rear admiral, being one of the first Naval Reserve officers to reach that rank.

The Navy awarded him the Distinguished Service Medal; and the Legion of Merit with Gold Star in lieu of a second award. The Army awarded him an Oak Leaf Cluster in lieu of a third award.

Surely, these decorations, not lightly awarded, bespeak volumes concerning the patriotic dedication and devotion to duty which marked Lewis Strauss' active service in World War II.

In 1946, Admiral Strauss was appointed a member of the first Atomic Energy Commission. What was his record of performance in that highly responsible post?

My immediate predecessor in the Senate was the late Brien McMahon, who served as the first chairman of the Joint Committee on Atomic Energy, and whose magnificant efforts in this whole field are well known to many Members of the Senate, especially to those who knew him personally.

There was a cordial relationship between Brien McMahon and Lewis Strauss. They worked closely together on matters of extreme importance to the national security, including the momentous decision, against determined opposition, to proceed with the development of the hydrogen bomb.

What was Brien McMahon's appraisal of Lewis Strauss' performance in this exacting assignment?

When Lewis Strauss retired from the AEC, in April 1950, Brien McMahon wrote him a letter in which appears this paragraph:

I regret to see you leave the Commission. Your service to the Commission and, hence, to the country has been invaluable. You are leaving the Commission a going concern, vigorous and alert. I bespeak the sentiments of the members of the Joint Committee when I say to you that we all hope you will consent to serve as a consultant to the Joint Committee on Atomic Energy. We will thus be able to avail ourselves of your advice, which is appreciated by every member of the committee, regardless of party.

Following his retirement from the AEC in 1950, Admiral Strauss served as adviser on several occasions to congressional and executive agencies studying and reporting on production and procurement problems for the Department of Defense.

Soon after President Eisenhower took office in 1953 Admiral Strauss was appointed a special assistant to the President and later in the same year became Chairman of the U.S. Atomic Energy Commission by appointment of the President, confirmed unanimously by the Senate.

What has been the President's appraisal of the performance of this man? In July 1958 President Eisenhower presented to Lewis Strauss the Medal of Freedom. He is 1 of only 15 persons whose achievements have been considered significant enough to merit this award, the highest civilian decoration our Government can bestow. The late John Foster Dulles was the most recent recipient, receiving the decoration for his untiring services in waging the peace as Secretary of State.

I can assure the Senate that this medal is not given to "enemies of the people."

Why did President Eisenhower award the Medal of Freedom to Admiral Strauss? Here is the citation which accompanied the medal:

To Lewis L. Strauss for exceptionally meritorious service in the interests of the security of the United States.

During a crucial period, he has provided leadership, resourcefulness, judgment, and courage equal to the immense demands and promise of the atomic age.

His direct contribution to the security of the United States and other free world nations has been outstanding. He was an effective supporter of the development of thermonuclear technology at a time when a less determined and imaginative course might have resulted in severe damage to our security and that of the free world. He initiated a long-range detection system for atomic explosions which adds both to our safety and to our hopes for successful disarmament negotiations.

Equally significant has been his work in helping build the long-term security that comes of devoting the atom to works of peace. Under his guidance, peaceful use of atomic energy for power, research, healing, agriculture, and production has made remarkable progress. He has played a great part in bringing to reality the international scientific conference on peaceful uses, and the atoms for peace program, now being put into effect through the International Atomic Energy Agency.

Through his wisdom and foresight, his country enjoys greater security today and greater hopes for genuine peace in the years ahead. In recognition of his distinguished service, I take pleasure in awarding the Medal of Freedom to Lewis L. Strauss.

DWIGHT D. EISENHOWER.

During Admiral Strauss' tenure as Chairman of the AEC there were many significant advances in this Nation's atomic capabilities. Of them, I wish today to discuss briefly only one, the successful development of nuclear propulsion for naval ships.

Vice Adm. Hyman Rickover was the man who was directly in charge of the successful effort to develop the first nuclear powerplant, installed in the submarine *Nautilus*, the forerunner of a fleet of nuclear-propelled boats that are creating a revolution in naval warfare.

Admiral Rickover recently was presented a special gold medal for his achievements by our able colleague, the distinguished junior Senator from New Mexico [Mr. ANDERSON], on behalf of Congress. I am proud to say that I supported the bill which the junior Senator from New Mexico introduced for the purpose of creating this award for Admiral Rickover.

The able Senator has been one of the most vigorous of Secretary Strauss' opponents, but I think he would agree with me that Admiral Rickover is an outspoken, refreshingly candid man who does not hestitate to speak bluntly about his associates, if, in his judgment, they merit such speech, or to withhold praise if unmerited.

And what is Admiral Rickover's appraisal of Secretary Strauss' contributions to the development of nuclear propulsion?

Admiral Rickover has given his consent to my quoting on the Senate floor a letter he wrote to Lewis Strauss while aboard the U.S.S. *Skipjack* during her sea trials earlier this year. I will read the letter in its entirety for the information of the Senate. I have a photostatic copy of the letter before me. It reads:

U.S.S. "SKIPJACK" (SS(N) 585),
Care of Fleet Post Office,
New York, N.Y., at sea, submerged,
March 10, 1959.

DEAR MR. STRAUSS: We are returning to New London, Conn., from sea trials of the U.S.S. *Skipjack*, our first nuclear-powered, streamlined, single-screw attack submarine. The ship successfully met all her trials, surface and submerged, and attained the highest speed ever made by any submarine. We were at sea for 2 days during which the *Skipjack* steamed 192 nautical miles on the surface, and 510 miles submerged.

I am writing you because I know how interested you are and how much you always helped our program. I want you to know that your understanding and help were just as significant in creating this revolutionary submarine as the efforts of the designers and builders.

Respectfully,

H. G. RICKOVER.

I submit that Admiral Rickover would hardly have written such a letter to a man who could be fairly classified as an "enemy of the people" of the United States. Those of us who have observed the career of Admiral Rickover regard him as a highly critical man. He is very critical of inefficiency. He is very critical of poor performance. But here he finds himself writing to Admiral Strauss in the most commendatory way, and saying to him that he wants him to know that he, Admiral Rickover, feels that the help and understanding of Lewis L. Strauss were just as significant in creating this revolutionary submarine as were the efforts of the designers and builders of that submarine.

It is very significant to me that Admiral Rickover, who has worked so closely with Admiral Strauss, and whom our friend the Senator from New Mexico has sought to honor with a special congressional medal—and I was happy to join with him in that effort—should have such opposite views to those held by the Senator from New Mexico.

Mr. President, I have referred to the opposition to Secretary Strauss which has been expressed by our distinguished colleague, the present Chairman of the Joint Committee on Atomic Energy. It has pained me, as I know it has other Senators, that the able Senator's views are so adamantly held. It is not pleasant to differ with the Senator, for whom we all have the greatest respect for many reasons.

But I think it must be pointed out that the junior Senator from New Mexico is only one of five men who were chairmen of the Joint Committee during the time that Lewis Strauss served on the Atomic Energy Commission.

Against the Senators' charges that Mr. Strauss has failed to cooperate with him, the Joint Committee, and the Congress, must be weighed the appraisals of his work made by the other four chairmen.

I have already placed in the RECORD, a paragraph from a letter written by the first chairman, the late Senator Brien McMahon, in behalf of the Joint Committee, praising Mr. Strauss' service during his first term on the AEC and inviting him to become a consultant to the Joint Committee. Secretary Strauss was held in very high esteem by Senator McMahon, as I have already pointed out.

The second chairman was our colleague, Senator BOURKE HICKENLOOPER, who submitted a statement to the Committee on Interstate and Foreign Commerce testifying to the fine cooperation he received from Lewis Strauss, and who is supporting the nominee.

The third chairman, former Representative Sterling Cole, cabled Secretary Strauss on May 5, 1959, to confirm "existence cordial relationship with you as Chairman AEC and I, chairman Joint Committee."

The fourth chairman, Representative CARL T. DURHAM, offered to appear before the committee. Here I refer, of course, to the Committee on Interstate and Foreign Commerce, which held the hearings on the nomination of Mr. Strauss. Representative DURHAM indicated that had his offer to appear before that committee been accepted, he would have testified to a cordial and cooperative relationship with Mr. Strauss for a period of more than 20 years.

It seems evident that the views of the Senator from New Mexico [Mr. ANDERSON] concerning Secretary Strauss have resulted from an unfortunate clash of personalities, the reasons for which are difficult to comprehend.

I shall not detain the Senate by reviewing all the other aspects of the reasons which have been advanced by opponents of Secretary Strauss during the hearings for denying confirmation of his appointment.

I have confined my remarks today to what I would call the performance of Secretary Strauss in posts of responsibility which have been entrusted to him by four Presidents of the United States in his long and wonderful career.

It is apparent that some of the reasons which have been advanced by the opponents of Secretary Strauss arise from differences in political philosophy.

Proponents of public power, for example, violently disagree with his view, which I, myself, share, that the development of commercially useful nuclear power can be best advanced by the participation of private industry.

Admiral Strauss, throughout his career, has demonstrated a zeal for security, a zeal for protecting this Nation's atomic secrets against espionage. He is accused by some of our friends who are opposed to him of being too secretive.

He has been accused of "vindictiveness" because while he was Chairman of the AEC the security clearance of Dr. J. Robert Oppenheimer was withdrawn. I shall not review that sad unfortunate affair, except to note that Lewis Strauss was only one of nine persons whose official positions required them to pass on the revocation of the security clearance. And of the nine, seven decided that it should be withdrawn.

As to whether Admiral Strauss is a vindictive man, as he has been accused of being, eloquent testimony to the contrary has been given by the widow—now remarried—of the world-famous scientist, Dr. John von Neumann. In a letter to Chairman MAGNUSON, of the Committee on Interstate and Foreign Commerce, Klara von Neumann-Eckhart expressed her "deep moral obligation to speak of those facts which are known to me first-hand to be true." I have the full text of the letter in my hand at this moment. These paragraphs are especially significant:

Admiral Strauss supported in every possible way the appointment of John von Neumann as the second scientific member of the Atomic Energy Commission. This after my late husband had appeared as a witness for the defense of Dr. Oppenheimer. Admiral Strauss respected and admired John's scientific knowledge and, by putting all personal controversies aside, proved his sincere interest in the intellectual advancement of the United States.

John von Neumann was taken ill a few months after his appointment to the Atomic Energy Commission. During his long, fatal illness, Admiral Strauss made every possible effort to seek out his advice whenever it was medically permissible and later, when the end was nearing, Mr. Strauss spent many hours at his bedside, with no possible self-seeking interest, but with every sign of true compassion and friendship.

Perhaps my remarks have no bearing on the present hearings, but I do not believe that a man whose integrity and sincerity are questioned, could ever behave in the selfless, decent manner such as Mr. Strauss has manifested in the case of one of the scientists, John von Neuman.

I think that is about the finest piece of testimony we could possibly have with respect to this nomination.

Mr. President, I ask unanimous consent that the full text of the letter to which I have referred may be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LA JOLLA, CALIF., *May 22, 1959.*

Senator WARREN G. MAGNUSON,
Chairman, Senate Interstate Commerce Committee,
Washington, D.C.

DEAR SENATOR MAGNUSON: Hoping that you will not consider this letter an imposition, I would like to be permitted to say here a few words in connection with the confirmation hearings for the Cabinet post of Secretary of Commerce of Adm. Lewis L. Strauss, which have been recently conducted by your committee.

I am the widow of the late John von Neumann, who died in 1957 while serving as one of the scientific members of the Atomic Energy Commission under the chairmanship of Admiral Strauss. I strongly believe that had he lived, John von Neumann, a respected and well-known member of the scientific community, would have asked to be permitted to appear as a witness for Admiral Strauss at the present hearings. I realize that I have no right to quote a man's views who cannot speak for himself anymore, but I feel a deep moral obligation to speak of those facts which are known by me first hand to be true.

Admiral Strauss supported in every possible way the appointment of John von Neumann as the second scientific member of the Atomic Energy Commission. This after my late husband had appeared as a witness for the defense of Dr. Oppenheimer. Admiral Strauss respected and admired John's scientific knowledge and, by putting all personal controversies aside, proved his sincere interest in the intellectual advancement of the United States.

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Perhaps my remarks have no bearing on the present hearings, but I do not believe that a man whose integrity and sincerity are questioned, could ever behave in the selfless, decent manner such as Mr. Strauss has manifested in the case of one of the scientists, John von Neumann.

Sincerely yours,

KLARA VON NEUMANN-ECKART.

Mr. BUSH. Mr. President, one of the scientists who appeared against Secre-

tary Strauss charged that he was too security-conscious.

Lewis Strauss' reply appears on page 861 of the record of the hearings. He said:

> Gentlemen, I confess to that charge. I do not know how one can be too security conscious where the security and well-being of the Nation can easily rest on violations of security. I do not underestimate the interest of the Russians in our scientific programs nor the degree of zeal with which they have pursued our secrets to supplement their own intensive scientific program.
>
> I do not for one moment doubt that the Soviets would cruelly use any advantage they might gain from stolen secrets to threaten, to bully, to even destroy our country.

If such an attitude makes Lewis Strauss an "enemy of the people," it is a label many men would be proud to wear.

I say to the Senate that if Admiral Strauss has been wrong in his judgment on certain issues involved in the field of security, he erred on the side of the United States. For this, he should be commended rather than condemned. He has erred on the right side, if at all.

In summary, Mr. President, the nomination should be confirmed in refutation of the slanders which have been spread about Lewis Strauss.

It should be confirmed in vindication of the Senate's own reputation for fairness and objective judgment.

It should be confirmed to placed the Senate's stamp of approval on a man whose record of effective patriotism and public service, over a period of 40 years, has had few, if any, equals.

Mr. MORSE. Mr. President, I have listened with great interest to most of the speech which has just been made by the Senator from Connecticut. As the Senator from Connecticut knows, I have a very high regard for his sincerity of purpose on all issues which he discusses in the U.S. Senate.

Later this week, I shall speak at some length in opposition to the Strauss nomination, and the subject of my speech will be: "An Enemy of the People."

Mr. BUSH. Mr. President, I listened to that statement by the Senator from Oregon with very deep regret. I ask the Senator to reconsider it very closely before he gives such a title to his speech. I think this is one of the most tragic things which has happened in the Senate since I have been a Member. I regret very deeply that the Senator from Oregon intends to pursue that subject. I hope he will be willing to let it drop.

Mr. MORSE. Mr. President, when I consider a man to be so lacking in character that I believe, under the advice and consent clause of the Constitution I must oppose him, I must do so on the basis that I think such a man is truly an enemy of the people.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes, and that the House receded from its disagreement to the amendment of the Senate numbered 34 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 6596) to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes, was read twice by its title and referred to the Comittee on Interior and Insular Affairs.

Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Moss in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SEASHORE PARKS

As in legislative session,

Mr. MORSE. Mr. President, on March 25, I was pleased to accept an invitation of my colleague to be a cosponsor of Senate bill 1526, to establish the Oregon Dunes National Seashore Park, in the State of Oregon, and for other purposes.

Mr. President, I am very much pleased to be a cosponsor of the bill. I believe in its long-term objectives.

I think it is important that we preserve for future generations areas along our coastlines in the United States which will assure access to the ocean by the general public. I think we can do so by way of a series of Federal parks and State parks and in some instances municipal parks, without doing irreparable harm to local economic interests. In fact, I think the establishment of such parks will prove to be of economic benefit to the areas where located, because those parks can be great recreation attractions to thousands of tourists who will visit them each year.

Mr. President, I am a firm believer, as I am sure my colleague is, in the right of the people to petition their Government and to have an opportunity to present their objections to any proposed piece of legislation.

I have received a great deal of mail from my State raising objections to our bill, S. 1526.

Mr. President, a similar bill was introduced in the House of Representatives on April 10 by Representative PORTER. For the purpose of this brief discussion, I ask unanimous consent that S. 1526 and H.R. 6260 be printed at this point in my remarks.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1526

A bill to establish the Oregon Dunes National Seashore in the State of Oregon, and for other purposes

Be it enacted by the Senate and House of Representatievs of the United States of America in Congress assembled, That, in order to preserve for the benefit, inspiration, and use of the public certain unspoiled shoreline in the State of Oregon which possesses scenic, scientific, and recreation values of national importance, the Secretary of the Interior is authorized, as provided herein, to establish the Oregon Dunes National Seashore.

SEC. 2. The Secretary of the Interior may designate for inclusion in the Oregon Dunes National Seashore not to exceed thirty-five thousand acres of land and such adjoining waters and submerged lands as he finds are required for the national seashore. Lands designated pursuant to this section shall consist of not more than thirty-four thousand six hundred and sixty acres, referred to as Oregon Dunes, and lying between the Siuslaw and Umpqua Rivers in Lane and Douglas Counties; and not more than three hundred and forty acres, referred to as Sea Lion Caves, in Lane County, lying approximately seven and one-half miles north of the Siuslaw River.

SEC. 3. (a) Within the exterior boundaries designated by him, the Secretary of the Interior is authorized to procure, set aside, and develop in such manner as he finds to be in the public interest, the land and waters, or interests therein, that he considers necessary to assure adequate preservation and public use of such areas in furtherance of the purposes of this Act. The Secretary may procure said land and water, or interests therein, by donation or by purchase with donated or appropriated funds, and such authority to purchase with donated or appropriated funds shall include authority to condemn under the provisions of the Act of August 1, 1888: *Provided,* That land owned by the State or its political subdivision within the boundaries selected by the Secretary may be procured only with the concurrence of the State or political subdivisions. Any Federal land within the boundaries selected by the Secretary shall be transferred to the Department of the Interior for administration as a part of the national seashore: *Provided further,* That the Federal Government or agency having administration over such land shall agree in advance to such transfer.

(b) When the Secretary finds that land has been procured by the United States in sufficient quantity to afford an administerable unit, he shall declare the establishment of such national seashore by the publication of notice thereof in the Federal Register. Following such establishment, and subject to the aforesaid acreage limitation, the Secretary may continue to acquire lands for the national seashore as authorized in this Act.

(c) The administration, protection, and development of national seashores pursuant to this Act shall be exercised by the Secretary of the Interior, subject to the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C., 1952 edition, secs. 1–4), as amended and supplemented, relating to the national park system, and in accordance with other laws of general application relating to

that system as defined by the Act of August 8, 1953 (67 Stat. 496; 16 U.S.C., 1952 edition, Supp. V, sec. 1c), except that authority otherwise available to the Secretary of the Interior for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the establishment and preservation of the national seashore.

SEC. 4. There are authorized to be appropriated such funds as may be required to carry out the purposes of this Act.

H.R. 6260

A bill to establish the Oregon Dunes National Seashore in the State of Oregon, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve for the benefit, inspiration, and use of the public certain unspoiled shoreline in the State of Oregon which possesses scenic, scientific, and recreation values of national importance, the Secretary of the Interior is authorized, as provided herein, to establish the Oregon Dunes National Seashore.

SEC. 2. The Secretary of the Interior may designate for inclusion in the Oregon Dunes National Seashore not to exceed thirty-five thousand acres of land and such adjoining waters and submerged lands as he finds are required for the National seashore. Lands designated pursuant to this section shall consist of not more than thirty-four thousand six hundred and sixty acres, referred to as Oregon Dunes, and lying between the Siuslaw and Umpqua Rivers in Lane and Douglas Counties; and not more than three hundred and forty acres, referred to as Sea Lion Caves, in Lane County, lying approximately seven and one-half miles north of the Siuslaw River.

SEC. 3. (a) Within the exterior boundaries designated by him, the Secretary of the Interior is authorized to procure, set aside, and develop in such manner as he finds to be in the public interest, the land and waters, or interests therein, that he considers necessary to assure adequate preservation and public use of such areas in furtherance of the purposes of this Act. The Secretary may procure said land and water, or interests therein, by donation or by purchase with donated or appropriated funds, and such authority to purchase with donated or appropriated funds shall include authority to condemn under the provisions of the Act of August 1, 1888: *Provided,* That land owned by the State or its political subdivision within the boundaries selected by the Secretary may be procured only with the concurrence of the State or political subdivisions. Any Federal land within the boundaries selected by the Secretary shall be transferred to the Department of the Interior for administration as a part of the national seashore: *Provided further,* That the Federal department or agency having administration over such land shall agree in advance to such transfer.

(b) When the Secretary finds that land has been procured by the United States in sufficient quantity to afford an administerable unit, he shall declare the establishment of such national seashore by the publication of notice thereof in the Federal Register. Following such establishment, and subject to the aforesaid acreage limitation, the Secretary may continue to acquire lands for the national seashore as authorized in this Act.

(c) The administration, protection, and development of national seashores pursuant to this Act shall be exercised by the Secretary of the Interior, subject to the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C., 1952 edition, secs. 1–4), as amended and supplemented, relating to the national park system, and in accordance with other laws of general application relating to that system as defined by the Act of August 8, 1953 (67 Stat. 496; 16 U.S.C., 1952 edition, Supp. V, sec. 1c), except that authority otherwise available to the Secretary of the Interior for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the establishment and preservation of the national seashore.

SEC. 4. There are authorized to be appropriated such funds as may be required to carry out the purposes of this Act.

Mr. MORSE. Mr. President, I also ask unanimous consent that an article from the Eugene Register-Guard of April 10, 1959, dealing with Representative PORTER'S position on this proposed legislation be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PORTER ALTERS COAST DUNES PARK STAND

WASHINGTON.—Representative CHARLES O. PORTER said Friday that he has decided to introduce in the House of Representatives Friday a bill to authorize the Oregon Dunes National Seashore because "this is a beautiful area which should be preserved for recreation purposes."

This was somewhat of a change of heart for PORTER who earlier this week said that if he had his way, he'd prefer creating a national park on the Oregon Coast at a less populated segment south of the Oregon dunes.

"All Curry County could well be a national park," PORTER said last Tuesday.

PORTER'S decision to sponsor the bill came after a conference Thursday with Senator RICHARD L. NEUBERGER, who is sponsoring the bill in the Senate.

"It's a wonderful area," observed PORTER. "A park will bring many tourists in there. I'm very familiar with that area from my boyhood up."

But PORTER indicated he thought it would be another year or more before Congress could enact the bill. He said he wants House subcommittee hearings held in Oregon on the issue late this summer.

Mr. MORSE. Mr. President, on May 14, 1959, I sent to the Senator from Montana [Mr. MURRAY], the chairman of the Senate Committee on Interior and Insular Affairs, a letter calling attention to the fact that there was considerable protest against our bill on the part of the local interests. I suggested that a Senate committee hearing be conducted in Oregon so that the protestors would have a right to petition their Government and be heard. In the course of that letter, I stated:

A local hearing would enable the 600 or more people living in the area which would be affected, as well as other interested Oregon residents, to give the committee the benefit of their views on this bill without the necessity of coming to the seat of government in Washington 3,000 miles away. This would bring the Congress to the people, and would eliminate the substantial expense and travel time involved for the many individuals who would like to testify.

Mr. President, I ask unanimous consent that the entire letter I wrote to the Senator from Montana be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 14, 1959.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate.

DEAR JIM: During the past several weeks I have had a substantial volume of correspondence from Oregon on the subject of the Oregon Dunes national seashore bill, S. 1526. Some who have written to me express favorable attitudes with respect to the proposal of this bill; others register strong opposition.

In view of this conflict of local opinion upon a legislative proposal which I was pleased to cosponsor as a courtesy to my colleague, Senator NEUBERGER, I believe it would be most helpful for all concerned if the Senate Committee on Interview and Insular Affairs were to schedule a hearing on S. 1526 at the earliest possible date, preferably one to be conducted at some central location in Lane County, Oreg.

A local hearing would enable the 600 or more people living in the area which would be affected, as well as other interested Oregon residents, to give the committee the benefit of their views on this bill without the necessity of coming to the seat of government in Washington 3,000 miles away. This would bring the Congress to the people, and would eliminate the substantial expense and travel time involved for the many individuals who would like to testify.

I urge that a local hearing, as herein suggested, be scheduled for the very near future in order that the committee may have a thorough briefing concerning the desires of individuals affected, both within and outside the project area covered by the bill.

With best personal regards.

Sincerely,

WAYNE MORSE.

Mr. MORSE. Mr. President, I ask unanimous consent that certain newspaper articles bearing upon this issue and bearing upon my request for a hearing be printed at this point in the RECORD.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Coos Bay World, May 18, 1959]

DUNES PARK HEARINGS POSSIBLE—FIELD HEARINGS MAY BE DESIRABLE

WASHINGTON.—The Senate Public Lands subcommittee may hold hearings this fall at Reedsport or Florence, Oreg., on a proposal to establish an Oregon Dunes national seashore park, Senator RICHARD L. NEUBERGER (Democrat, of Oregon), said today.

NEUBERGER said a final decision on a hearing would not be made until the Senate Interior Committee analyzes all national park proposals presently pending. But he said "Field hearings may be desirable in view of local protests against the bill."

NEUBERGER said it was "significant" that Interior Secretary Fred Seaton has recently sent to the committee legislation proposing three seashore parks with an authorization of $15 million to acquire the lands.

"It is my understanding that the Interior Department regards Oregon Dunes and Sea Lion Caves as one of the three most fitting areas for inclusion, although this remains to be amplified when hearings are held," Neuberger said.

[From the Eugene (Oreg.) Register-Guard, May 19, 1959]

DON'T RUSH 'EM

Senators MORSE and NEUBERGER both urge that hearings be held, in this area, on Sen-

ator NEWBERGER'S proposal for a nationally established recreation area in the dunes area south of Florence. That way, they point out, the people most directly involved in the proposal would have a chance to make themselves heard.

By all means, let's have such hearings. But let us not rush too hastily into them. Let us first know more about the proposal which, to date, is a nebulous thing. The bill, sponsored by the two Senators, sets out only a general idea. Specific proposals should be at hand to give both proponents and opponents a chance to argue from the same set of facts—something they have not been doing in all the preliminary argument.

Hearings should follow, not precede, more detailed study by the National Park Service. It might be that after the hearings, Park Service plans will have to be modified. But before they are modified, they must be formulated.

[From the Siuslaw Oar, Florence, Oreg., May 22, 1959]

HEARING SET ON PARK ISSUE

Local citizens and others who are opposed to the National Park Service absorbing some 35,000 acres of this area for a seaside park, were urged today to back the effort of Senator WAYNE MORSE to having a Senate committee hearing held in Florence.

The Oregon Senator has written to Chairman JAMES E. MURRAY, head of the Senate Committee on Internal and Insular Affairs, urging that a meeting be held in the very near future. He stated that he had a substantial volume of correspondence on the park proposal, registering strong opposition.

In his letter Senator MORSE stated, "A local hearing would enable the 600 or more people living in the area which would be affected as well as other interested Oregonians, to give the committee the benefit of their views on this bill without the necessity of coming to the seat of government in Washington 3,000 miles away."

Earlier in the week Senator R. L. NEUBERGER who introduced the bill, advocated that a meeting of a subcommittee be held sometime in the fall in Portland.

Spokesman for the Western Lane Taxpayers Association, the local organization which is objecting to the 35,000-acre tract being returned to wilderness said that it is very desirable that the Senate committee hold a hearing here and that those who favored the move write to Senator MORSE approving his stand.

[From the Christian Science Monitor, June 5, 1959]

IS IT NEEDED?

To the CHRISTIAN SCIENCE MONITOR:

The question in regard to the proposed National Sand Dunes Seashore south of Florence, Oreg., a story about which you carried on May 5, is: Is it needed?

Anyone with a knowledge of the geography of this area and with information about the ownership of the land involved would, we feel sure, decide it is not needed. It is not fair to sit at a distance and theorize that a park is always beneficial.

A glance at a map of this district shows that most of the proposed 35,000-acre tract is already in public ownership and is being developed for public use. To start with, the ocean beaches are owned by the State. Then the U.S. Forest Service has a wide strip parallel with the beaches extending inland about a mile and a half. Most of the sand dunes are on this land. The service has several good camping sites in wooded areas with more in the planning stage.

Also west of Highway 101 which runs north and south, is part of the 522-acre Honeyman State Park, rated as one of the best in the United States. This park borders on Cleawox Lake where excellent swimming beaches are maintained. The Forest Service, the county, and the State have good public roads leading to the ocean beaches, the sand dunes, and the lakes. This accounts for land west of Highway 101.

About half of Honeyman Park lies on the east side. Here camping sites and launching ramps have been constructed along the north shores of Woahhink Lake. It is considered doubtful if the National Forest Service would want to have this park within a park, although spokesmen for the Service admitted here that they do not have enough funds to keep up the parks already in the Service, Siltcoos Lake south of Woahhink, one of the most popular fishing lakes on the Pacific Coast, has public and commercial boat launching areas. These lakes, of course, are owned by the State of Oregon.

A large Boy Scout camp of 165 acres bordering on Siltcoos Lake is another tract of land preserved for troops throughout Oregon and which will remain in a primitive state. Scout officials have expressed concern as to the future of this camp, as it is the announced policy of park authorities to move everyone out of the proposed area in the even it becomes a park. It is admitted by these officials that it may take $10 million to buy the homes of some 600 persons who have built all-year places around these lakes.

Aside from the eventual loss of homes, the proposed so-called seaside park would absorb 3,000 acres of a 10,000-acre tree farm established by Crown Zellerbach. This would result in a loss of jobs for many local persons. The company has gone to great expense to put this tract on a sustaining basis and, in addition, has provided excellent camping sites for tourists.

The day it was announced that Senator NEUBERGER, of Oregon, had introduced a bill to establish a park in this district all plans for new homes in the proposed area were laid aside. In the event that the park is established, the economy of Florence and other communities will continue to suffer as the population in the 35,000-acre tract declines. Taxes which go to maintain local schools, hospitals, fire, and port districts will be lost for all time.

Park officials make light of these losses by saying that the increase in tourist business in the summer will make up for them, but this is considered extremely doubtful, for the tourist season here is short; at least 9 months of the year it would be of no help. The sand dunes in the summer months are exposed to the cold northwest trade winds and it is doubtful if they will attract many visitors.

Finally, the people here are not so shocked at the prospects mentioned as they are at the fact that a Department of their own Government should, without consulting them, decide to move in and absorb them in the manner of an aggressor power. And this when there is no justification or need.

JOHN S. PARKER,
Chairman, Committee on Information,
Western Lane Taxpayers Association.
FLORENCE, OREG.

Mr. MORSE. Mr. President, my colleague on May 20, 1959, introduced what is known as the administration omnibus bill dealing with the subject "To save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline areas of the United States, and for other purposes." I ask unanimous consent that this bill be printed at this point in the RECORD as a part of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to save and preserve for purposes of public recreation, benefit, and inspiration, a portion of the diminishing shoreline area of the United States that remains undeveloped, the Secretary of the Interior is hereby authorized to take appropriate action in the public interest toward the establishment of national shoreline areas, including lakeshore areas, as set forth in section 2 of this Act.

SEC. 2. (a) The Secretary shall select not more than three seashore or lakeshore areas that he finds, after thorough investigation, possess national significance and usefulness because of their outstanding natural and scenic features, recreational and other public values, for purposes of this Act: *Provided,* That the total land area, not including submerged lands, to be acquired by the United States pursuant to this section shall not exceed one hundred thousand acres: *Provided further,* That before selecting such nationally significant areas, the Secretary shall obtain the advice of the Advisory Board on National Parks, Historic Sites, Buildings and Monuments, as well as the advice of the Governors of the particular States in which the areas to be selected hereunder are situated.

(b) Upon the selection of the aforesaid areas, the Secretary is authorized to procure, set aside, and develop in such manner as he finds to be in the public interest, the land and waters, or interests therein, that he considers necessary to assure adequate preservation and public use of such areas in furtherance of the purposes of this Act.

(c) When the Secretary finds that a sufficient quantity of land for each individual area has been procured by the United States for administration and public use, he may declare the establishment of and prescribe an appropriate designation for such area by the publication of notice thereof in the Federal Register. Following such establishment, and subject to the aforesaid acreage limitation, the Secretary may acquire additional lands for the national shoreline areas established hereunder.

(d) The administration, protection, and development of national shoreline areas pursuant to this Act shall be exercised by the Secretary of the Interior, subject to the provisions of the Act of August 24, 1916 (39 Stat. 535; 16 U.S.C., 1952 ed., secs. 1–4), as amended and supplemented, relating to the national park system, and in accordance with other laws of general application relating to that system as defined by the Act of August 8, 1953 (67 Stat. 496; 16 U.S.C., supp. III, sec. 1c).

SEC. 3. The Secretary may procure land and water, or interests therein, for the national shoreline areas authorized by section 2 hereof, by donation or by purchase with donated or appropriated funds, and such authority to purchase with donated or appropriated funds shall include authority to condemn under the provisions of the Act of August 1, 1888.

(b) There is authorized to be appropriated, for the procurement of land and interests therein, and incidental costs relating thereto, for the national shoreline areas authorized by section 2 hereof, the sum of $15,000,000.

Mr. MORSE. Mr. President, I ask unanimous consent that certain newspaper clippings from Oregon, dealing with these various bills, be printed at

this point in the RECORD as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Eugene (Oreg.) Register-Guard, May 19, 1959]

SENATOR TO INTRODUCE SEASHORE AREAS BILL

An Eisenhower administration bill that would allow the creation of three national seashore areas by Executive order is expected to be introduced Wednesday in the U.S. Senate.

Senator RICHARD L. NEUBERGER, in a telephone interview from Washington, D.C., told the Register-Guard Tuesday that he has been asked to sponsor the administration proposal.

The announcement came in the wake of what, in effect, amounts to a request for a delay until next year of Senate consideration of Senator NEUBERGER's own Oregon Dunes national seashore bill.

The administration bill asks Congress to authorize expenditure of $15 million for acquisition of property for creation of 3 national shore areas.

Areas to be considered are not specified in the administration money bill. However, its terms leave selection of areas for national seashore development up to the Secretary of the Interior.

This means, according to Senator NEUBERGER, that—if the administration measure is approved by Congress—the seashores could be established by the Secretary of the Interior on the basis of recommendations from the National Park Service.

Five such areas, including the Oregon Dunes near Florence, have been recommended for national status by the Secretary's advisory board on national parks.

HEARINGS SOUGHT

Meanwhile, Senator NEUBERGER has asked the Senate Committee on Interior and Insular Affairs to schedule hearings in Oregon on the Oregon Dunes bill, perhaps in the fall.

The Oregon lawmaker earlier had hoped to get hearings underway by June. The hearing delay will put off congressional action on NEUBERGER's bill at least a year.

However, NEUBERGER said that congressional action on his bill now may not be necessary where the Oregon Dunes are concerned.

"What we could do is pass the administration bill, which is actually an enabling act. Then we could hold hearings in Oregon in the fall to determine whether the Oregon Dunes are to be one of the three shore areas to get national status by Executive action," NEUBERGER said.

The Senate Interior and Insular Affairs Committee has not yet acted on NEUBERGER's request for subcommittee hearings in Oregon.

LOCAL OPINION

Local opinion will be important in determining whether the Oregon Dunes area is selected, the Senator added. "The administration will need expression of sentiment from a great many people before it acts."

NEUBERGER added that the Nation has "reached the point where the need for development of great national seashores" is widely recognized.

"They are going to be established," NEUBERGER said, adding that a small group of people should not be allowed to keep Oregon from participating.

"If a small group of people on the coast at Florence—through vituperative letters—are able to keep our State from participating in these national benefits, they alone will bear the responsibility," NEUBERGER said.

The most abusive letters on any issue currently before the committee are from Florence area citizens who oppose seashore creation, NEUBERGER concluded.

[From the Eugene (Oreg.) Register-Guard, May 27, 1959]

NATIONAL SEASHORE BILL FACES PORTER OPPOSITION

(By A. Robert Smith)

WASHINGTON.—Representative CHARLES O. PORTER is opposed to the administration's national seashore bill because it would take the Oregon Dunes situation out of the control of Congress. PORTER said he will not sponsor the bill, as Senator RICHARD L. NEUBERGER is doing in the Senate, and will not go along with any effort to pass it this session of Congress as NEUBERGER proposes.

The Eugene Congressman said he wants "a specific bill with all the points in it so everybody can see what's in it and comment on it."

He said he particularly wants the boundaries of the proposed park clearly set forth in any legislation authorizing creation of a national seashore on the Oregon coast between Florence and Reedsport.

The administration bill would authorize the Secretary of Interior to select three coastal areas in the country and create national seashores there where he thinks appropriate.

"It should not be left to the discretion of the Secretary," PORTER said.

"I'm disturbed about allegations that business will be stopped in the area," PORTER said. "If I think this proposal is unfair, I think I can stop it in the House—and I will. This is no new attitude on my part. I think a national park in that area would be good. I think most of the problems can be settled. But it's important that the bill set forth the boundaries."

PORTER said he wants the decision on boundaries determined this year, not left in doubt for a long period that would cause uncertainty in the area. He said he has asked the National Park Service for all its reports on the plan. He said he hopes congressional hearings can be arranged in the dunes area this fall.

PORTER, NEUBERGER, and Senator WAYNE MORSE are all sponsors of the same bill to authorize specifically a national seashore that would embrace the Oregon Dunes and Sea Lion Caves. The boundaries are not described in the bill, but could be added after hearings are held.

[From the Portland Oregonian, May 28, 1959]

REPRESENTATIVE PORTER OPPOSES SENATE NATIONAL SEASHORE BILLS, DECLARES DUNES BOUNDARIES NOT SUFFICIENTLY CLEAR

WASHINGTON.—Representative CHARLES O. PORTER, Democrat of Oregon, is opposed to the administration's national seashore bill because it would take the Oregon Dunes situation out of the control of Congress.

PORTER said he will not sponsor the bill, as Senator RICHARD L. NEUBERGER is doing in the Senate, and "will not go along" with any effort to pass it this session of Congress, as NEUBERGER proposes.

DISCRETION GIVEN SECRETARY

The Eugene Congressman said he wants "a specific bill with all the points in it so everybody can see what's in it and comment on it." He said he particularly wants the boundaries of the proposed park clearly set forth in any legislation authorizing creation of a national seashore on the Oregon coast between Florence and Reedsport.

The administration bill would authorize the Secretary of Interior to select three coastal areas in the country and create national seashores there where he thinks appropriate.

"It should not be left to the discretion of the Secretary," PORTER said.

Congressman PORTER said he plans to hike over the dunes area to examine for himself the pros and cons of the matter, especially as to where the boundaries might be placed. He said he hopes to do this sometime in June.

"I'm disturbed about allegations that business will be stopped in the area," Porter said. "If I think this proposal is unfair, I think I can stop it in the House—and I will. This is no new attitude on my part. I think a national park in that area would be good. I think most of the problems can be settled, but it's important that the bill set forth the boundaries."

Porter said he wants the decision on boundaries determined this year, not left in doubt for a long period that would cause uncertainty in the area. He said he has asked the National Park Service for all its reports on the plan. He said he hopes congressional hearings can be arranged in the dunes area this fall.

PORTER, NEUBERGER, and Senator WAYNE MORSE are all sponsors of the same bill to authorize specifically a national seashore that would embrace the Oregon Dunes and Sea Lion Caves.

The Senate Interior Committee has nearly concluded hearings on a bill both Oregon Senators are cosponsoring with Senator PAUL DOUGLAS, Democrat of Illinois, to create an Indiana Dunes Seashore Park. The committee decided Tuesday to make an on-the-spot investigation of the area in June. This proposal is strongly opposed by National Steel Co. which owns land in this area on Lake Michigan, and the State of Indiana which proposes to build a harbor to give the State a port that would tie in with the St. Lawrence Seaway.

Mr. MORSE. Mr. President, I have received so much mail on this subject that I have prepared and am sending to those who are writing to me about it, a general letter in which I invite attention to the opportunity which I am sure will be theirs to discuss this matter at a public hearing in Oregon. In the letter I also indicate my desire to give careful consideration to their objections to the bill and my hope that we can work out a program for the setting aside of seashore areas for park purposes which will meet what I consider to be the right of future generations to have our generation give them the protection I think they desire, by way of park access to the ocean, and at the same time meet whatever meritorious objections can be raised in any hearing on this problem.

In the letter referred to I point out, for example, that, subject to evidence to the contrary which may be submitted, we certainly ought to set aside an area which is the habitat of the sea lions on the Oregon coast. I feel that this habitat should be treated as public property and the sea lions should be considered as wildlife belonging to all the people of the Nation. The general public should have the enjoyment of and the advantage of access to the sea-lion habitat area.

Also, I think other areas on the coastline should be set aside, for national park purposes.

I make clear in the letter that, in view of the objections I have received, I think we should give serious consideration to the question of whether it is necessary to set aside a large tract of

contiguous land for park purposes or whether a larger number of smaller tracts might be the pattern of any set-aside park program envisioned by the bill.

Mr. President, I ask unanimous consent that the general letter heretofore mentioned, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
June —, 1959.

Dear ———: This will acknowledge your recent communication relative to S. 1526, the bill to establish the Oregon Dunes National Seashore. I was pleased to cosponsor this bill as a courtesy to my colleague, Senator NEUBERGER.

During the past several weeks I have had a substantial volume of correspondence from residents of Oregon relative to this legislative proposal. Some who have written to me express their strong support of the bill; others register firm opposition.

Because of this evident conflict of local opinion, I requested the Senate Committee on Interior and Insular Affairs, to which the bill was referred, to schedule a hearing on the issue in the near future at some central location in Lane County, Oreg. The committee has expressed an interest in scheduling Oregon hearings, but the time and place have not yet been determined.

In my letter of May 14 in which I asked Senator MURRAY, chairman of the Senate Interior Committee, to arrange for a local hearing on S. 1526, I expressed the view that there should be a hearing in Oregon, rather than Washington, D.C., because the 3,000-mile trip from Oregon to the Nation's Capital would involve substantial costs and a great deal of time for the witnesses. Also, I pointed out that a local hearing would give a much larger number of people living in the area of the proposed project, as well as other interested Oregon residents, an opportunity to make known their respective points of view and to answer questions posed by the committee.

The committee has not yet scheduled a definite date for hearings on S. 1526, but has assured me that there will be hearings before any action is taken on this bill or on any other national seashore bill. You may be sure that I shall continue to work for early hearings in Oregon at a location that will be convenient to the people who are most directly concerned with this legislative proposal.

Incidentally, many who have written to me on this topic assert that the language of the bill makes too broad a grant of authority to the Secretary of the Interior to designate up to 35,000 acres of land for the National Seashore. There appears to be considerable merit to this objection, and I think the committee should give serious consideration to an amendment that would exclude certain areas, which, upon the basis of evidence produced at the hearings, might properly remain apart from the dunes area.

Furthermore, I am far from convinced that the public interest would be served by setting aside a large tract of contiguous acres. We already have on the Oregon coast several areas set aside for public use. What I want to make certain is that future citizens of our State and Nation will have adequate access to the ocean for recreation purposes by preserving some of our sand dunes area for park purposes.

Also, I think that the caves habitat of the sea lions should be preserved as part of the area to be included in any national seashore park area.

I have many reservations about a seashore set-aside program that would do economic injustice to existing business and community enterprises. Frankly, I believe we can accomplish the essentials of the bill my colleague introduced by adopting whatever amendment to it the public hearings I have suggested should prove to be desirable.

With kindest regards,

Sincerely,

WAYNE MORSE.

Mr. MORSE. It seems to me, Mr. President, that such differences as may have developed between the author and the cosponsor of the Senate bill, or now between the introducer of the administration bill and the people in my State who are protesting, are differences only over matters of detail and not over the public interest objective which the two Senators from Oregon have in mind and which Representative PORTER has in mind with regard to his bill. All we seek to do is to take the steps necessary in our generation, for which I think we have the responsibility, to try to preserve areas which will benefit and serve the esthetic, cultural, and recreational needs of future generations of American boys and girls. These areas should be encompassed in a national park, to make it possible for the future citizens to visit the coast of Oregon and enjoy the great satisfaction all of us enjoy when we become a part of nature, as we all do when we go to the great national parks, and as we all do when we get away from the humdrum, pressure, and race of modern living and get much closer to our Creator. Whether we go to mountain retreats, along rushing streams far removed from civilization, or in great sand dune areas along a coastline, I am sure we find spiritual values that are too often lost in the midst of our complex civilization.

The two Senators have in mind the needs of our own and future generations. As to that objective we are in agreement. It may be that we will disagree with regard to deails of implementing the objective.

I think it is very important that we have the benefit of the points of view, the objections, and such information and evidence as the protestors may wish to submit. That is why I urge local public hearings.

There is one phase of this problem which I have not discussed in my letter, because I thought it was best raised on the floor of the Senate and then referred to in the RECORD setting forth my position on it.

I am troubled in regard to the proposed legislation, as I have been with regard to other pieces of proposed legislation, insofar as it relates to that aspect of it which seeks to delegate broad power to the Secretary of the Interior. I have reached no final conclusion, but I think I should serve notice today, Mr. President, that before I can support either one of the bills in its present form I will have to be satisfied that this grant of discretionary of power should be given to the Secretary of the Interior. I would prefer a revision of the proposed legislation, and I may in due course of time, after the hearings, offer amendments of my own which will provide for granting to the Secretary of the Interior the administrative duty of making recommendations to the Congress of the United States in respect to the specific areas which he would like to have converted into national parks.

I am always very wary of any legislation which seeks to grant discretionary power to administrators of government. I think it is very important that Congress retain a positive check in connection with any such legislation.

I am inclined to favor legislation which would only authorize the Secretary of the Interior to proceed with plans for the creation of such parks, but require him to obtain approval by Congress of the plans before he is authorized to proceed to take any legal steps to acquire the property.

I think it is very important that we maintain that kind of check on administrative officers of government, if we are to carry out what I consider to be our legislative duties in the Congress.

It does not follow from what I have said that I am in the least opposed to establishing such national parks. I only raise questions as to the proper procedure to be followed in bringing them into being.

Because I may favor certain amendments to the proposed legislation in regard to the matter of possibly limiting the size of the area in any particular locality to an acreage much smaller than the working of the bills at the present time would permit, it does not follow that I am opposed to establishing national parks. However, I insist that we have the duty of examining very carefully and thoroughly any proposal for establishing such parks. In my opinion, based upon my present knowledge, the approval by the Congress of the facts involved in this proposed legislation should be obtained in advance of any legal action taken by the Secretary of the Interior.

NATIONAL WILDLIFE DISEASE LABORATORY

Mr. MORSE. Mr. President, the bill (S. 2086) to provide for the establishment of a National Wildlife Disease Laboratory, was introduced by the Senators from Colorado [Mr. ALLOTT and Mr. CARROLL] on June 1, 1959.

It is my opinion that such a laboratory is urgently needed, and I know that the ultimate benefits to the people would far outweigh the initial costs and the operating costs. There is a very great need throughout the Nation for intensive research in the field of wildlife disease and particularly with respect to the ever-increasing menace of chemicals upon our wildlife.

The plan provides that the laboratory envisaged by this legislative proposal shall be established at a land-grant college or university that has a recognized school of veterinary medicine and where graduate training in such research may be carried out. This would exclude our Oregon educational institutions, including our very fine Oregon State College at Corvallis, Oreg. However, my office discussed S. 2086 with officials of Oregon State College, and they assured me that

the objective of the bill is excellent. They agree that the research should be carried on where graduate facilities are available, that there is a great need for such research, and that this area of research has long been neglected.

Oregon State College veterinary students are sent to other schools, such as Colorado State College, for advanced training, but it is clear to me many indirect benefits would accrue to the college and to the people of the State of Oregon through such research facilities.

For the foregoing reasons, Mr. President, I was pleased to include my name as a cosponsor of this measure.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of legislative business.

The PRESIDING OFFICER (Mr. Moss in the chair). Without objection, it is so ordered.

Thereupon, the Senate resumed the consideration of legislative business.

FEDERAL RESPONSIBILITIES IN EDUCATION

Mr. BYRD of West Virginia. Mr. President, President Eisenhower has on various occasions recognized the great importance of education in the United States. If the President's enthusiasm for better and more education in America, expressed so eloquently in words, were translated by him into action, the enormous prestige of his office would by this time have placed a new and brighter complexion on America's schools and America's schoolchildren. But unfortunately what the President says and what the President does, at least in the field of education, bear so little resemblance to each other that it suggests an area of conflict between the talking President and the acting President. The two seem to be at loggerheads.

Let me quote some of the beautiful things about education the talking President said, and then—later—let us contrast these with what the acting President did, or—better—failed to do.

FERVENT WORDS, INEFFECTUAL ACTION

Addressing the National Education Association back in 1957[1] Mr. Eisenhower said:

> Our schools are strong points in our national defense. Our schools are more important than our Nike batteries, more necessary than our radar warning sets, and more powerful even than the energy of the atom.

[1] Centennial celebration of the NEA: April 4, 1957.

In his state of the Union message on January 16, 1959, Mr. Eisenhower spoke not only of the importance but also the grave shortcomings and urgent needs of education in our country. He said in part:

> We must meet the world challenge and at the same time permit no stagnation in America.
>
> * * * * *
>
> As one example consider our schools, operated under the authority of local communities and States. In their capacity and in their quality they conform to no recognizable standards. In some places facilities are ample, in others meager. Pay of teachers ranges between wide limits from the adequate to the shameful. As would be expected, quality of teaching varies just as widely. But to our teachers we commit the most valuable possession of the Nation and of the family—our children.

These are indeed significant statements by President Eisenhower; but now let us see what effective action, if any, he has taken for the advancement of education in our country.

A study of the record shows a strange paucity of such action.[2] Early in 1957 the President said that high priority should be given school construction legislation; but he failed to express any support when the bill approached a vote in the House, and—in the opinion of many people, largely as a result—on July 25, 1957, it failed to pass, by three votes. In 1954 he proposed a national conference on education, and in his budget message of 1959 he proposed a study of national goals for education. He has delivered to Congress special messages on education. But where is his present legislative program for the advancement of education, which he has declared to be so important to our national security?

About all I can find of such a program is the plan allegedly aimed at stimulating school and college construction which was announced last February by the Secretary of Health, Education, and Welfare, Arthur S. Flemming. The proposal was presented in two complex bills, one advanced to help public primary and secondary schools and the other to aid colleges.

These bills were given a cool reception in Congress by many Democrats and Republicans alike, who recognized the deficiencies of the proposals.[3]

According to an article in the Washington Star the distinguished Senator from Kentucky [Mr. COOPER] said right away that he would introduce the administration's bills but that he did not believe Mr. Eisenhower's proposals would meet the needs for elementary school construction. The honorable chairman of the Senate Committee on Labor and Public Welfare, the Senator from Montana [Mr. MURRAY], has said that he considers the administration's program a "legislative monstrosity, designed not to help education but to help bankers."

The Eisenhower administration's proposal has offered no considerable help toward the solution of the Nation's educational problems. It is a proposal for too little too late, and is unworkable.

[2] For details see CONGRESSIONAL RECORD, February 26, 1959, p. 3079.

[3] Better Schools, March 1959, p. 1.

Last year, with no persistent encouragement from the President, to put it mildly, the Congress passed the National Defense Education Act of 1958. This is similar to a bill that I introduced on March 31 of last year.[4]

SCHOOL SUPPORT ACT OF 1959

The Senate is now considering another measure which fortunately enjoys the support of a number of Republicans as well as Democrats, namely S. 2, the School Support Act of 1959. It was introduced on January 9 of this year by Senator MURRAY and 26 other Senators, of whom I am one. We need, and I call for, the support of the President in our attempt to place in the statutes this kind of legislation. It would provide important aid in the solution of the multiplicity of problems which the Secretary of Health, Education, and Welfare, Arthur S. Flemming, has said confront American education today.[5]

Enactment of the School Support Act of 1959 would help eradicate the creeping blight of congested classes, double shifts, and inadequate instruction, which, according to the latest annual report of the president of the Ford Foundation, and in the belief of innumerable other persons, have seriously weakened education in the United States.

Mr. President, as a reminder to all of us, I should like briefly to review the principal provisions of the School Support Act of 1959. It is a somewhat streamlined version of the Murray-Metcalf bill which was before the 85th Congress.

The purpose of the act is to provide Federal financial support to help meet both the immediate and the continuing problems of financing adequate school facilities and teachers' salaries and thereby to strengthen the Nation's public schools. The act declares that the Congress finds there is a serious national shortage of classrooms and teachers which requires immediate action on the part of the Federal Government.

The bill also points out the facts that, first, the financial resources available to many communities are inadequate to support construction programs sufficient to eliminate classroom shortages; and second, practically all communities face the problem of providing compensation to teachers commensurate with the salaries received by other persons with comparable education, experience, and responsibilities. These inadequacies are seriously restricting the quality of the educational programs of the Nation.

The School Support Act of 1959 would provide grants to the States for school construction and teachers' salaries or a combination of these two purposes, as each State sees fit. For these grants the bill would authorize appropriations for each fiscal year beginning July 1, 1959, as follows: $25 for each child of school age—5 to 17 years inclusive—the first year; $50 per child the second year; $75 per child the third year; and $100 per child the fourth and each year thereafter.

The bill directs the U.S. Commissioner of Education to allot to each State com-

[4] H.R. 11776, 85th Cong.

[5] Better Schools, March 1959, p. 1.

plying with the provisions of the act an amount based on the ratio between the school-age population of that State and the school-age population of all such States. The allotment to any State would be reduced proportionately if the State school effort index should fall below the national school effort index. The bill establishes the formulas for determining these indexes based upon the relationship between the expenditures per public-school child and the income per child of school age.

Thus, a State's allotment of funds would be reduced if its relative effort to support schools from State and local sources should become less than the average effort for all the States. However, the bill defers application of this maintenance-of-effort principle for the first 3 years that allotments are made.

A State education agency obtaining Federal funds for school construction would be required to certify to the Commissioner, first, that the funds would be used solely for the construction of school facilities in accordance with this bill, and, second, that priority would be given to school districts having greatest need for school facilities and least ability to finance them.

To obtain Federal funds for teachers' salaries a State education agency would be required to certify to the Commissioner that the funds would be distributed among the public-school districts and used solely for teachers' salaries.

The bill forbids any Federal interference over State and local school systems.

FEDERAL RESPONSIBILITY UNDER THE CONSTITUTION

In the School Support Act of 1959 the Congress declares that a major portion of the financial responsibility for the public schools resides in the States and local communities, but the Congress recognizes the Federal responsibility to share in the financial support of the schools. It seems to me that this is the key to the issue. It bears a share of the responsibility by law—the Constitution itself—and by tradition and practice antedating the Constitution and continuing to the present.

Some persons have claimed that because the Constitution omits specific provision for education and because the 10th amendment reserves to the States powers not delegated to the Federal Government, it has no duty, nor even the right to participate in education. Such a conclusion could be sincerely reached only on the basis of a blissful ignorance of provisions of the Constitution other than the 10th amendment. From the beginning, the general welfare clause and other clauses in the Constitution have served as warrants and guides for Federal aid to the States for education and other Federal educational programs.

Back in 1791 Alexander Hamilton said[6] that whatever concerned the general interests of learning was within the Federal jurisdiction "as far as regards an application of money." Even the strict constructionist Thomas Jefferson declared that Congress could appropriate public lands for the support of education.

In 1931 President Hoover's Advisory Committee on Education reported finding in the Constitution 14 warrants for Federal activities in education.[7] The Congressional Digest in February 1944, pointed out a number of provisions of the Constitution which warrant the expenditure of Federal funds for aid to education.

The language of the general welfare clause is clear. It says that the Congress shall have power to raise funds to provide for the common defense and general welfare of the United States. The purpose is unmistakable.

The Constitution expressly assigns the Federal Government responsibility for the national defense and places upon the Federal Government, by implication, a duty to promote the general welfare. The Constitution gives Congress authority to raise funds for these purposes. No informed person would deny that in this age education is basic to the national defense and to the continuing prosperity of the Nation. It follows, as the day follows night, that the Federal Government bears at least a share of the responsibility for the support of public education. Here we have the matter in a nutshell.

FEDERAL RESPONSIBILITY BY TRADITION AND PRACTICES

A tradition and practice of Federal sharing with the States the responsibility for financing education began with congressional grants of public lands for its support. Such grants antedate the Constitution.

In 1787 the Congress declared in an ordinance that: "Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged."

Early land grants by the Congress for the support of schools aggregated an area twice as large as England. During the first half of the 19th century the Congress also made certain monetary grants to the States which were frequently used to support education.

Early Federal policies respecting education were summed up in 1931 by the National Advisory Committee on Education as follows:

> From the Revolution to the Civil War, the Federal Government encouraged and financially aided education in the States. It endowed higher and common schools with lands, and made grants of tax moneys: But it did not attempt to regulate the purposes, define the programs, supervise the teaching, or otherwise control public education in the States.[8]

I shall not at this time review the voluminous record of Federal activities in education to date. Even a cursory consideration of the role of the Federal Government in the establishment of the land grant colleges, Federal aid to the States for vocational education under the George-Barden Act, and so forth, shows a traditional Federal-State-local share of the responsibility for financing education. The proposal embodied in the School Support Act of 1959 is entirely consistent with this tradition and practice.

FEDERAL SUPPORT AND THE GENERAL WELFARE

The Federal Government has a fundamental interest in the education of the national citizenry. The very preservation of our form of government depends upon the adequate education of the entire population.

For the successful functioning of our form of government it is necessary that all our citizens obtain the education necessary for informed participation in the life and work of the Nation. All our people must be educationally prepared to understand the basic principles of democratic government and apply these principles to current problems. In these years of worldwide conflict of ideologies we cannot hope to maintain government by the people unless they have education commensurate with the demands of the times. The Federal Government must see to it that all of the peoples have adequate educational opportunities. No other level of government and no private agency or organization can do this. The Federal Government alone can do the job. It must not fail in the discharge of this basic requirement for its and the Nation's continuing existence.

The better education of the national citizenry which would result from enactment of the School Support Act of 1959 would produce a number of economic, political, and social benefits contributing greatly to the national welfare and progress.

IMPROVEMENT OF CURRICULA

The Educator's Dispatch for April 12, 1959, has pointed out that:

> The Nation is in hot pursuit of quality education. We want it fast—and we want it first.

There is indeed a grave need and desire throughout the country for improvement of the intellectual fare in our public schools. By enacting the School Support Act the Congress can effectively if not directly help to meet this need and desire of our people.

Numerous headlines have recently appeared in newspapers and magazines indicating the widespread interest in and need for improvement in certain kinds of school offerings. Here are a few typical headlines: "Schools Surveyed; U.S. Lag in Languages Spotlighted"; "More Science, Mathematics, Urged by School Principals"; "Educators Stress Need in Humanities"; "Make Diplomas Mean Something."

In hearings before the House Subcommittee on Special Education last year, Representative CARL ELLIOTT aptly summed up this matter in these words:

> In the press, over the airways, on street corners and in homes, among businessmen and professional men, including educators themselves, we now hear a constant clamor for the refinement of curriculum and for the improvement of teaching at all levels, from the grammar to the graduate school.

By making available Federal support for school facilities and for the payment of teachers salaries, the School Support

[6] In his Report on Manufactures.

[7] Federal Relations to Education, pt. II, p. 4–9.

[8] Report of the committee, part I, p. 11.

Act would certainly help toward the improvement of curriculums and teaching at the two basic educational levels, elementary and secondary.

Early this year was published a first report to interested citizens on "The American High School Today," by James B. Conant, who for 20 years was president of Harvard University and afterwards U.S. High Commissioner of Germany and later U.S. Ambassador to the Federal Republic of Germany. Dr. Conant's opinions as an author and educator merit great respect. In this first report on his study of the American high school he has made 21 recommendations for improving public secondary education. I will quote from a few of his recommendations which enactment of the School Support Act of 1959 would help the States and local communities carry out:

1. In a satisfactory school system the counseling should start in the elementary school. * * * There should be one full-time counselor (or guidance officer) for every 250 to 300 pupils in the high school.

2. It should be the policy of the school that every student has an individualized program.

7. In some communities, advanced programs of a technical nature should be developed.

8. Those in the ninth grade of the school who read at a level of the sixth grade or below * * * should be instructed * * * by special teachers.

10. For the highly gifted pupils some type of special arrangement should be made.

16. A school should have the equipment for a developmental reading program.

17. The school board should operate a tuition-free summer school.

18. The school board should be ready to offer a third and fourth year of a foreign language, no matter how few students enroll.

If carried out in all schools throughout the country these and other recommendations by Dr. Conant would help greatly to raise the educational opportunities of the Nation's children to a level approaching the demands of the time. But where is the money coming from? Undoubtedly many a school superintendent and school board member has read these recommendations with despair and a feeling of the hopelessness of it all. And this in a country which can well afford to put such recommendations into effect in all of its schools.

This is a national problem. It is a problem not of lack of money but of our persistent, foolhardy reliance upon State and local sources of revenue to support the public schools. We might as reasonably utilize the oxcart as our principal means of transportation. In the field of school finance we do not seem to realize that times have changed. To finance adequately all of the Nation's schools we must either undertake to reorganize our entire Federal-State-local tax system or else adopt the much simpler and more expeditious alternative of utilizing more funds from Federal revenue sources for the support of public education. Yes, it is as simple as that.

The U.S. Office of Education has urged foreign language study beginning in the third grade.[9] General Alfred M. Gruenther, former head of the North Atlantic Treaty Organization, has commented that Americans lack ability in foreign languages. As a nation with worldwide interests we are linguistically unprepared either to defend ourselves in the case of war or to exercise the full force of our leadership in building a peaceful world. Linguistically we are the most backward major nation in the world.

The National Association of Secondary School Principals has urged provision for more and better instruction in science and mathematics.[10] Prominent educators have stressed the need for broader study of the humanities in our schools.[11] Some Members of Congress have deplored the present neglect of some of the subjects they studied in public school.[12]

From these examples we see that the curricular demands upon the public schools today are coming from many sources and are indeed great. How can thousands of schools in many parts of the country meet these demands when they hardly have money enough to maintain a simple program? Where are the teachers with the necessary specialized training to be found when salaries are too low to induce enough people to take enough training even to meet the requirements for a license to teach?

NEED FOR ADEQUATE SCHOOL FACILITIES

For the second school year in a row, the numbers of school-age children and school enrollments in the United States have grown at twice the rate of total population. On the basis of its fifth annual survey, published in the spring of 1959, the U.S. Office of Education has reported that last fall the Nation's schools enrolled 33,936,000 pupils—23,315,000 in elementary schools and 10,621,000 in secondary schools. This is over a million more than the enrollment 1 year previous—a 3.5-percent increase in school enrollment as compared with a 1.7-percent increase in total population.

The Office has estimated that 1,843,000 of these pupils, or 5.4 percent of the total enrollment, were in excess of the normal capacity of publicly owned school plants in use.

The total classroom shortage reported by the State departments of education last fall was 140,500—65,300 to take care of the enrollment in excess of normal capacity, and 75,200 to replace unsatisfactory facilities.

These figures speak for themselves. They show that the States and localities are not doing the necessary school-construction job. I believe in many instances they are unable to do this job without further Federal help. But even if they were failing in performance for some other reason, the Federal Government must see to it that the job is done. The national interest demands it.

The shortage of classrooms and other facilities continues to plague boards of education and school administrators. Local school district indebtedness is still the principal source of revenue for school construction.

Dr. Clayton D. Hutchins, Chief of the Division of School Finance in the Office of Education, has pointed out that:

Some districts that have faced critical situations in past years have exhausted their bonding capacity. The heavy payments they must make to service their debts in the years ahead may take abnormally large proportions of their current tax revenues.

Debt service requirements have a prior claim on current revenues. Consequently the burden of debt liquidation in the future may threaten the diversion of funds from the program of financing current school operation.[13]

The only program of Federal aid to school construction now in operation is that provided for a very limited number of federally affected school districts. Studies have shown that there is a great need for a general program of Federal support for school construction. It is unfair and disastrous for the Congress to leave to the States and communities the entire responsibility for providing the needed educational facilities. Partial discharge of the Federal responsibility in education through a general program of Federal aid for school construction, as proposed in the School Support Act of 1959 would be feasible and effective.

In 1955 some 2,000 delegates—teachers, school administrators and other persons interested in education—assembled in Washington to come to grips with some of the Nation's school problems. The final report of that group contains the following statement:

It is an ironic truth that most Americans would not permit their children to live in a house as bad as the school building which many pupils are forced by law to attend.

Since that statement was issued, 4 more years of Federal do-little-or-nothing to aid school construction have passed. And in the richest nation in all history, thousands of children are still attending school in grimy, dilapidated, overcrowded buildings, many of which are potential firetraps.

NEED FOR GOOD TEACHERS

The National Education Association has just released—on April 27, 1959—a research report on "Teacher Supply and Demand in Public Schools, 1959." The 51-page report is replete with data to support its conclusions. The most important of these is that there is a tragic shortage of approximately 135,000 teachers in the United States today.

Although an increase in the number of science and mathematics teachers is foreseeable, the expected increase will meet only about half the demand for teachers in these fields, which are of major importance in relation to our national security. A critical shortage of elementary schoolteachers is expected to continue. While the need for elementary schoolteachers may not be so obviously related to the national defense as the need for science and mathematics

[9] New York Times, July 27, 1958, p. E9.

[10] Washington Post and Times Herald, July 14, 1958, p. A16.

[11] Christian Science Monitor, Mar. 10, 1959, p. 11.

[12] American School Board Journal, July 1958, p. 33.

[13] School Life, March 1959, p. 11.

teachers, this shortage of elementary schoolteachers could in the long run be the factor most responsible for national disaster.

If we could add to the mere shortage of teachers the shortage of good teachers we would indeed see a dark educational picture for the United States. While respecting the high standards and ideals of the teaching profession in general, we would be naive to think that the shamefully low salaries offered in thousands of localities can attract the most competent people into the profession. All of us know that many young people use teaching as a steppingstone to some other occupation, because they cannot maintain on teachers' salaries a standard of living commensurate with that available to them in other fields.

The pull of other occupations has been increased not only by the lack of competitive salaries in teaching but also by the resultant lack of social prestige of teachers, the lack of adequate equipment for teaching, and unsatisfactory working conditions, all of which, in the final analysis stem from insufficient funds being available to local school boards.

We undoubtedly have a distorted sense of values in this country, otherwise we, as a people, would not be paying some actors and baseball players many times the salaries of teachers. The Congress can do something to show improvement in our sense of values—enact the School Support Act of 1959.

With an increase of 10 million enrollment in the public schools within the last 10 years, and an increase of at least a million expected annually in the years ahead, the Congress must take some action to help the States and localities to reduce the teacher shortage and obtain and retain good teachers for the Nation's schools.

The National Commission on Teacher Education and Professional Standards last year pointed out that efforts to raise the level of the Nation's school programs must place high priority on obtaining better trained, more knowledgeable teachers.[14]

The Congress can help give the teachers of the Nation the sense of personal security which they must have in order to do well the job of teaching. Teachers cannot be expected to do well their important work if they are beset by fears and anxieties that come from the half-empty pocketbook.

Teaching is the most important of all professions. It determines the shape of our Nation and the character of our people. We must elevate it to the position of high prestige it should hold in our society. To accomplish this we must start by increasing the financial rewards of teaching, for we are in fact a capitalistic Nation that places a dollar value upon the work of every individual. If we want the Nation's children to have the kind of education they must have in order to survive as a free people we must place a greater dollar value on teaching and Congress must take the necessary action to assure teaching the financial rewards this all-important work deserves.

[14] New York Times, June 26, 1958, p. 27.

RUSSIAN COMMITMENT TO EDUCATION

Last year a group of prominent American educators spent a month studying the schools in the Soviet Union. Upon their return, as spokesman for the group, U.S. Commissioner of Education Lawrence G. Derthick delivered an address to the National Press Club in Washington, in which he said:

> What we have seen has amazed us in one outstanding particular. We were simply not prepared for the degree to which the U.S.S.R., as a nation, is committed to education as a means of national advancement. Everywhere we saw indication after indication of what we could only conclude amounted to a total commitment to education.
>
> Our major reaction therefore is one of astonishment—and I choose the word carefully—at the extent to which this seems to have been accomplished. For what it is worth, 10 American educators came away sobered by what they saw.

The Commissioner went on to tell that the American educators found a number of evidences of this Soviet commitment to education, such as: First, classes of reasonable size; second, no shortage of teachers; third, widespread teaching of foreign languages; and fourth plenty of money available to do the educational job.

From this group of American educators who had a unique opportunity to study Soviet schools, and from other sources, we have information that the Russians are like a people at war, using education as the basic weapon of their determined efforts to excel over the United States. Education will inevitably be the cause and the reason for our defeat or victory, depending upon how much and how well we use it.

The Soviet Government years ago adopted education as a basic instrument for carrying out its policies. Using education as its tool, the Government of the U.S.S.R. has already built an immensely powerful and productive society. If our children are to survive in a world in which they will be greatly outnumbered by well-trained Communists, we must quit dilly-dallying with American education. We must take every measure possible for the improvement of our schools and be willing to make great sacrifices for the advancement of education in the United States and throughout the free world.

A recent article in Look magazine [15] is entitled "The Frightening Challenge of Russia's Schools." In it the authors point out that:

> The Russians have decided that education is the best means of winning their place in the sun—and on the moon. Schools are a passion with them.
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> * * * * *
>
> The Soviet Union is like one vast, sprawling college campus on the eve of a football game with its great rival. That rival is the United States. The game is economic and cultural conquest of the world.

This is indeed a game in which the stakes are high. It is a deadly game which we must play. We have no choice. If we lose we can expect the end of our way of life for ourselves or for our children.

[15] Oct. 14, 1958.

For a number of years we have had warnings of the tremendous educational developments in Russia; but it took the first sputnik to waken us to the challenge and the danger. Thinking Americans realized that behind the sputnik was Soviet science and technology and behind that science and technology were the Russian schools.

Yet already we have fallen into complacency. As in the past, we stuff our national ego and avow to ourselves as well as to others that we are still the greatest Nation in the world. I believe we are, but we cannot hope to remain so unless we exert an unprecedented educational effort. We argue over whether we should provide a paltry amount of Federal money for the Nation's schools while the fate of the whole country is at stake. We might as well fiddle when our cities burn as to fiddle over Federal aid to education.

The U.S. Office of Education recently published a broad study of Soviet education. It gave a lot of facts that ought to stimulate us to action. I will mention only a few of them.

Within the last 30 years the Russians have increased their primary-secondary school enrollment almost threefold, from 11.5 million to over 30 million.

The Russians are operating their schools 6 days a week. They are concentrating in 10 years about the same number of scheduled hours that are spread over 12 years in the public schools of the United States.

June 1955 secondary-school graduates in the U.S.S.R. had taken courses in physics for 5 years, chemistry for 4 years, biology for 5 years, and mathematics for 10 years. In the United States, on the other hand, only about a fourth of the 1955 graduates had completed even a year of physics, less than a third of our graduates had taken a year of chemistry, and less than a seventh—mind you, a seventh—of our graduates had any courses in advanced mathematics.

During the 1955–56 school year, 40 percent of the Soviet secondary school pupils were studying German, another 40 percent were studying English, and 20 percent were studying French, Spanish or Latin.

In June of 1956 the Russian schools graduated 1.5 million boys and girls as compared with 1.3 million graduated in our country.

While many teachers in the United States, on shamefully low salaries, try to carry on their important work in obsolete, crowded and poorly equipped buildings, teachers in the Soviet Union enjoy high prestige and living standards far superior to those of the general population. Small wonder that most of our gifted high school graduates are reluctant to prepare themselves for the teaching careers that offer such meager economic and social returns. Small wonder that issuance of emergency licenses to persons having substandard qualifications for teaching has become a widespread practice in the United States.

The size of the educational task of the United States is staggering to the imagination. Far more than the Soviet dictatorship, our Government by the people calls for the education of all the

people. Our national educational task grows harder each year because of the upsurge of school population in relation to total population and because in every subject field the content and significance for modern living are increasing.

CONCLUSION

About 2 weeks ago—(April 16)—the General Education Subcommittee of the House of Representatives voted to report an amended version of H.R. 22, the School Support Act of 1959 to the full Education and Labor Committee. Thus that subcommittee has responded to the grave need for legislation to provide a broad base of Federal financial support for education in the United States. I hope that the Senate will pass the original form of the School Support Act, S. 2, and the conferees can resolve the differences between the versions of the bill as passed in the two Houses.

We must rise to the attitude of our educational responsibility to the present and future generations of Americans. Only by doing this can we hope to guarantee that America will continue to be a happy land inhabited by a free and prosperous people.

Mr. President——

The PRESIDING OFFICER. The Senator from West Virginia.

COAL

Mr. BYRD of West Virginia. Mr. President, on June 7 the New York Times published a handsome 28-page advertising section which I believe is one of the finest tributes to the American coal industry that I have seen.

The title of the Sunday supplement is "Coal Powers America's Progress." For page after page, it lists the multitudinous vital roles which coal plays in our national life today—in our economy, in our industry, and in thousands of items used in our daily living.

I am pleased to note that the name of my State appears in abundance throughout the section. There are advertisements from many West Virginia firms, including the Eastern Coal Co., of Bluefield; Island Creek Coal Co., of Huntington; Princess Coal Sales Co., of Huntington; Pittsburgh Chemical Coal Co., of Morgantown; Slab Fork Coal Co., of Slab Fork; Rish Equipment Co., of Bluefield; West Virginia Armature Co., of Bluefield; Maust Coal & Coke Corp., Eastern Gas & Fuel Associates, Consolidation Coal Co., and many other coal firms, railways, and equipment firms which are familiar names in a West Virginian's vocabulary.

There is even one advertisement from the State of West Virginia, itself, which reads as follows:

Coal, an inexhaustible supply in progressive West Virginia. West Virginia is the largest source of high-grade coal in the world. Beneath 55 percent of the State's total land area is enough bituminous coal to last more than 400 years at the current rate of production.

West Virginia's coal mining industry is keeping pace with the modern demand for coal with technological improvements designed to deliver better grades of coal at reduced cost. Industries planning to utilize coal as a production material will find that West Virginia can furnish unlimited quantities at the lowest possible price.

For information about West Virginia's advantages in terms of your needs, write or phone: Don Crislip, executive director, West Virginia Industrial and Publicity Commission, State Capitol Building, Room NYT, Charleston, W. Va.

Mr. President, the entire supplement was prepared under the sponsorship of the National Coal Association, and I feel that that organization is to be commended for its excellent presentation of information concerning coal.

I believe that this special section is one which should be read by each of us in Congress, yet I realize that its great length precludes its inclusion in the CONGRESSIONAL RECORD.

Therefore, Mr. President, I ask unanimous consent that only the initial page of the section, titled "There's Coal in Your Future," be reprinted in the body of the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THERE'S COAL IN YOUR FUTURE

You are a consumer of bituminous coal. So is every other American, from the moment his first diaper is fastened with a steel safety pin.

You, your friends and neighbors will use coal for the remainder of your lives—possibly for heat, probably in electricity, and undoubtedly in thousands of everyday products made by scores of industries which use bituminous coal and its myriad byproducts.

Surprised? Most of us are. Few of us realize how heavily coal is woven into the fabric of our lives—and how much it will remain a vital part of the Nation for centuries to come.

Take a typical family day. Dad gets up and turns on the light. Mother plugs in the toaster and percolator. They are probably using coal, which generates more electricity than all other fuels and water power combined. Dad shaves, using an electric shaver or a steel blade. About a pound of coal is required to make a pound of steel, whether the steel goes into razor blades or moon rockets.

The family dresses. Mother perhaps knows that coal is an ingredient of her nylons and other synthetic fabrics, but she may not realize that coal helped make other clothing and textiles in the house. The textile industry consumes millions of tons of coal for heat and process steam, and many of its dyes come from coal byproducts.

Dad drives to work in the family car (3,500 pounds of coal-made steel) over cement roads. (The cement industry is one of the Nation's largest coal consumers.) His office or factory may well be heated by coal, and coal probably powers the air conditioning. The kids troop off to a school which may be heated by modern, smoke-free coal-burning equipment.

Mother does the housework with the help of electric-powered gadgets made largely of steel and coal-derived plastics. She cooks in aluminum kitchenware (more and more coal is used to generate power for aluminum production, at the rate of 6.8 pounds of coal per pound of metal) and washes the dishes with a detergent made from a coal byproduct.

Byproducts of coal—200,000 at the latest count—touch the whole family's life a thousand times a day: Vitamins, insecticides, aspirin, drugs, phonograph records, dyes, paint, synthetic fibers, weed killers, cleaning fluids, fertilizer, films—the list is nearly endless.

At the day's end, the family has used countless products made by or from coal. As average Americans, each of them has consumed about 12.8 pounds of coal in an average day.

And there's much more where that came from. At the current rate, it will be 1,000 years or so before America mines her last ton of recoverable coal.

Yes, there's coal in your future—and in the future of your children and grandchildren.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S.J. Res. 59) requesting the President to issue a proclamation designating 1959 for the observance of the 350th anniversary of the historic voyages of Hudson and Champlain.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco, and it was signed by the President pro tempore.

AMENDENT OF FEDERAL AIRPORT ACT—CONFERENCE REPORT

Mr. MONRONEY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. Moss in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, having met, after full and free conference, have been unable to agree.

WARREN G. MAGNUSON,
MIKE MONRONEY,
GEORGE SMATHERS,
ANDREW F. SCHOEPPEL,
NORRIS COTTON,
Managers on the Part of the Senate.

OREN HARRIS,
JOHN BELL WILLIAMS,
PETER F. MACK, JR.,
KENNETH A. ROBERTS,
WILLIAM L. SPRINGER,
ALVIN R. BUSH,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. MONRONEY. Mr. President, as chairman of the conferees between the House and the Senate on the airport bill, I report to the Senate that it was impossible for us to reach an agreement between the widely differing views on the bill, S. 1, as passed by the Senate and the bill as finally passed by the House of Representatives.

Therefore I desire to take a new approach on the bill S. 1, since the conferees are unable to reach an accord thereon. I now move that the Senate recede and concur in the House amendment to S. 1, with an amendment in the nature of a substitute therefor.

That proposal I now send to the desk and ask that it be reported.

The PRESIDING OFFICER. The question is first on agreeing to the conference.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry. I understood that a substitute would be offered.

Mr. MONRONEY. Yes. I believe that from a parliamentary standpoint, however, we must first agree to the conference report.

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. Is my understanding correct that the substitute will be open to amendment?

The PRESIDING OFFICER. It would be necessary first to agree to the conference report. That is the question before the Senate. The question is on agreeing to the conference report.

Mr. MONRONEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MONRONEY. The conference report is that the conferees are in disagreement. Is that correct?

The PRESIDING OFFICER. That is correct. That is the question before the Senate. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MONRONEY. Mr. President, I move that the Senate recede and concur in the House amendment with an amendment in lieu of the language of the House amendment. I now offer the substitute which I send to the desk.

The PRESIDING OFFICER. The substitute will be stated.

The LEGISLATIVE CLERK. Substitute for House amendment:

In lieu of the matter proposed to be inserted by the amendment of the House insert the following: "That section 5 of the Federal Airport Act, as amended (49 U.S.C., sec. 1104), is amended as follows:

"'(1) In subsection (a), strike out "and June 30, 1959" and insert in lieu thereof "June 30, 1959, June 30, 1960, and June 30, 1961.".

"'(2) In subsection (b), strike out "and June 30, 1959" and insert in lieu thereof "June 30, 1959, June 30, 1960, and June 30, 1961".'

"'SEC. 2. (a) Section 2 of such Act (49 U.S.C., sec. 1101) is amended as follows:

"'(1) In paragraph (7), strike out "the Territory of" wherever appearing therein.

"'(2) In paragraph (12), after "United States" insert "on May 13, 1946,".

"'(b) Section 3(a) of such Act (49 U.S.C., sec. 1102(a)) is amended by striking out "the Territory of" wherever appearing therein; and by striking out "the Territories, and" and inserting in lieu thereof "Alaska, Hawaii,".

"'(c) Section 5(b) of such Act (49 U.S.C., sec. 1104(b)) is further amended as follows:

"'(1) In the first sentence, strike out "the Territories of".

"'(2) In the third sentence, strike out "the Territory of" wherever appearing therein.

"'(d) Section 7 of such Act (49 U.S.C., sec. 1106) is amended by striking out "the Territory of" wherever appearing therein.

"'(e) Section 9(c) of such Act (49 U.S.C., sec. 1108(c)) is amended by striking out the phrase "the Territory of" wherever appearing therein.

"'(f) Section 10(c) of such Act (49 U.S.C., sec. 1109(c)) is amended by striking out "the Territory of".'

"SEC. 3. Section 13 of the Federal Airport Act (49 U.S.C. 1112), is amended by inserting '(a)' after 'SEC. 13.' and by adding a subsection to read as follows:

"'COSTS NOT ALLOWED

"'(b) With respect to amounts obligated after June 30, 1959, the cost of acquisition or construction of that part of a project intended for use as a passenger automobile parking facility, and the cost of construction of those parts of passenger or freight terminals buildings and other airport administrative buildings intended for use as bars, cocktail lounges, night clubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms or such other use which, in the opinion of the Administrator, is not essential to the welfare and safety of those persons using airports for public aviation purposes, shall not be an allowable project cost under this Act.'"

The PRESIDING OFFICER. The question is on the motion of the Senator from Oklahoma to recede and concur in the House amendment with an amendment in the nature of a substitute for the House amendment.

Mr. JOHNSON of Texas. I ask for the yeas and nays on the motion.

The yeas and nays were ordered.

Mr. MONRONEY. Mr. President, the amendment in the nature of a substitute, which I have offered to the House amendment, will simply do two things: first, it will continue the Airport Act at the same level of annual authorized funds of $63 million for fiscal years 1960 and 1961, and second, it will recognize the statehood of Alaska but continue to provide that both Alaska and Hawaii will receive exactly the same amount of assistance under this extension as they have in the past.

Another provision would rule out as allowable project costs for matching with Federal funds any costs for the construction of passenger automobile parking facilities, and the cost of construction of those parts of passenger or freight terminal buildings and other airport administrative buildings intended for use as bars, cocktail lounges, night clubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms or such other use which, in the opinion of the Administrator, is not essential to the welfare and safety of those persons using airports for public aviation purposes.

The amendment, therefore, simply extends the provisions of the present law without any substantial changes except a few technical amendments which are necessary to recognize the statehood of Alaska but which do not change the amounts or formula for Alaska, or Hawaii, or Puerto Rico, or the Virgin Islands.

Each State, including Alaska, is treated exactly the same as it has been since this law was last amended in 1956.

The reason for offering this amendment is that the Senate conferees were unable to reach a satisfactory agreement on the differences between the bill as the Senate passed it on February 6 and as it was radically changed and modified by the House. Our bill provided a total of $465 million over a period of 4 fiscal years which the House cut to a total of $297 million for the same period of time. However, our differences were not confined to matters of dollars only. They covered several other items of importance not only to the States and local communities but also to the Federal Government itself.

I should like to offer for inclusion in the RECORD, at this point in my remarks, a memorandum prepared at my direction which summarizes the differences between the Senate and House versions of S. 1 and which shows the wide gap between the two Houses not only on dollar amounts but also on these other items of importance. I believe that the Senate will be interested in knowing how the Senate conferees sought to adjust these differences.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

DIFFERENCES BETWEEN SENATE AND HOUSE ON S. 1, AIRPORT CONSTRUCTION AID BILL

DIFFERING PROVISIONS

1. Terminal Aid

Summary

Senate: Continues Federal participation on a regular matching basis in the construction of terminal facilities—except for parking lots, and areas used by commercial enterprises unrelated to public aviation purposes. Requires Administrator to give priority to private financing of freight terminal construction.

House: Prohibits the use of Federal funds for construction of any airport building or parking lot, except for areas used by U.S. activities, which may be supported up to 100 percent.

Language Differences

Senate: Section 5 adds a new subsection 13(b) to the act as follows:

"(b) With respect to amounts obligated after June 30, 1959, the cost of acquisition or construction of that part of a project intended for use as a passenger automobile parking facility, and the cost of construction of those parts of passenger or freight terminal buildings and other airport administrative buildings intended for use as bars, cocktail lounges, night clubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms, or such other use which, in the opinion of the Administrator, is not essential to the welfare and safety of those persons using airports for public aviation purposes, shall not be an allowable project cost under this Act. In the event of a showing to the Administrator that any part of a project for construction or acquisition of any building, other than a passeneger terminal, intended primarily for use by private enterprise can be financed from private sources on reasonable terms, he shall take

such fact into consideration in allocating funds under this Act."

House: Section 5 adds a new subsection 10(d) to the act as follows:

"(d) Notwithstanding any other provision of this Act, to the extent that the project costs of an approved project represent the costs of constructing, altering, or repairing that portion of any airport building required to house air traffic control activities, whether reporting activities, communications activities related to air traffic control, or any other activity of the United States with respect to which the Administrator determines that it is in the best interests of the Government to provide facilities therefor, the U.S. share shall be not to exceed 100 per centum of the allowable costs of such facilities. The U.S. share shall not include any amount attributable to the cost of constructing, altering, or repairing any other portion of an airport building, or any amount attributable to that part of a project intended for use as a passenger automobile parking facility."

2. Regular program funds

Summary

Senate: Provides for a 4-year extension of the Act at a level of $100 million per year, $95 million for the 48 States, plus $5 million for special areas: Alaska ($2,250,000), Hawaii ($1,250,000), Puerto Rico ($1 million), and the Virgin Islands ($500,000).

House: Provides for a 4-year extension at $63 million per year, $62.1 million for the States, including Alaska and Hawaii, plus $900,000 for Puerto Rico and the Virgin Islands.

Language differences

Senate: Section 1 amends section 5(a) of the act to insert the sum of $95 million in new obligational authority for each of the fiscal years 1960 through 1963.

Section 2 amends section 5(b) of the act to insert $5 million in new obligational authority for the fiscal years 1960 through 1963.

House: Section 1 amends section 5(a) of the act to insert the sum of $62.1 million for fiscal years 1960 through 1963.

Section 2 amends section 5(b) of the act by striking out Alaska and Hawaii, and by inserting the sum of $900,000 in new obligational authority for each of the fiscal years 1960 through 1963, $600,000 for Puerto Rico and $300,000 for the Virgin Islands.

3. Special discretionary funds

Summary

Senate: Authorizes special discretionary funds of $65 million to become available immediately on enactment and remain available until expended.

House: Authorizes $45 million in special discretionary funds, $20 million for fiscal 1961, $15 million for fiscal 1962, and $10 million for fiscal 1963.

Language Differences

Senate: Section 3 adds a new subsection 5(e) to the act as follows:

"(e) In addition to the sums authorized in subsections (a) and (b), the Administrator is authorized to obligate in his discretion the sum of $65,000,000 which shall be available to pay the United States share of costs of any approved project, and shall be administered as a separate fund without regard to the provisions of section 6 of this Act. This sum shall become available for obligation upon the enactment of this subsection and shall continue to be available until so obligated."

Section 4 amends section 5(c) of the act to authorize appropriations to cover funds obligated under the special discretionary authority.

House: Section 3 adds a new subsection 5(e) to the act as follows:

"(e) In addition to the sums authorized in subsections (a) and (b) of this section, the Administrator is authorized to obligate in his discretion the sum of $20,000,000 for the fiscal year ending June 30, 1961, and the sum of $15,000,000 for the fiscal year ending June 30, 1962, and the sum of $10,000,000 for the fiscal year ending June 30, 1963, which sums shall be available to pay the United States share of costs of any approved project, and shall be administered as a separate fund without regard to the provisions of section 6 of this Act. Each of the sums authorized to be obligated under this subsection shall become available for obligation beginning July 1 of the fiscal year for which it is so authorized, and shall continue to be so available until so obligated."

SCHEDULE OF PROPOSED MONEY AUTHORIZATIONS

1. Regular program

[In millions]

	Fiscal year—				Total
	1960	1961	1962	1963	
Senate	$95.0	$95.0	$95.0	$95.0	$380.0
House	62.1	62.1	62.1	62.1	248.4

2. Special areas fund

[In millions]

	Fiscal year—				Total
	1960	1961	1962	1963	
Senate	$5.0	$5.0	$5.0	$5.0	$20.0
House	.9	.9	.9	.9	3.6

3. Discretionary fund

[In millions]

	Fiscal year—				Total
	1960	1961	1962	1963	
Senate	$65.0	------	------	------	$65.0
House	------	$20.0	$15.0	$10.0	45.0

4. Total amounts authorized

[In millions]

	Fiscal year—				Total
	1960	1961	1962	1963	
Senate:					
Regular	$95.0	$95.0	$95.0	$95.0	$380.0
Special areas	5.0	5.0	5.0	5.0	20.0
Discretionary	65.0	------	------	------	65.0
Total	165.0	100.0	100.0	100.0	465.0
House:					
Regular	62.1	62.1	62.1	62.1	248.4
Special areas	.9	.9	.9	.9	3.6
Discretionary	------	20.0	15.0	10.0	45.0
Total	63.0	83.0	78.0	73.0	297.0

4. Treatment of Alaska and Hawaii

Summary

Senate: Continues the policy of providing aid to Alaska and Hawaii from the separate special areas fund. Continues the 75 percent to 25 percent matching formula for Alaska.

House: Treats Alaska and Hawaii as "States," including them in the regular fund with apportionment based on area and population, and calculating the matching ratio formula on a public lands basis. Alaska would thus be entitled to a 62½ percent to 37½ percent matching ratio.

NOTE.—Differences in amounts allocated to Alaska and Hawaii under the various formulas are as follows:

	Alaska	Hawaii
Present law	$1,350,000	$750,000
Senate formula ($100,000,000 program)	2,250,000	1,250,000
House formula ($63,000,000 program)	3,721,000	118,000

Language Differences

Senate: Section 10 amends section 2(a)(12) of the act redefining "State" to include only the former 48 States plus the District of Columbia.

Section 11 amends section 7 and section 10(c) of the act to substitute "Alaska" for "Territory of Alaska."

House: Section 3 amends section 5(b) to exclude Alaska and Hawaii from the special areas fund.

Section 7 amends section 2(a) of the act to delete references to the Territories of Alaska and Hawaii, and to include Hawaii within the definition of "State."

Amends section 3 of the act deleting references to the "Territory of Alaska" and the "Territories" with respect to formulation of the national airport plan.

Amends sections 7 and 9(c) of the act, deleting references to Alaska and Hawaii as areas where funds are to be made specially available and where the United States may act as a sponsor.

Amends section 10(c) of the act deleting Alaska as an area entitled to a 75 percent to 25 percent matching ratio.

5. Redistribution of apportioned funds, summary

Both versions provide in substance that funds apportioned to the States which have not been obligated during two fiscal years shall be added to the Administrator's discretionary fund. Under present law, 75 percent of such unexpended funds are reapportioned to the States.

Language Differences

Senate: Section 8 amends section 6(c) of the act to read as follows:

"(c) Any amount apportioned for projects in a State pursuant to subsection (a) of this section which has not been obligated by grant agreement at the expiration of the fiscal year immediately following the fiscal year for which it was first authorized to be obligated shall be added to the discretionary fund established by subsection (b) of this section."

House: Section 4 amends the second sentence of section 6(a) of the act to read as follows:

"Each amount so apportioned for a State shall, during the fiscal year for which it was first authorized to be obligated and the fiscal year immediately following, be available only for grants for approved projects located in that State, or sponsored by that State or some public agency thereof but located in an adjoining State, and thereafter any portion of such amount which remains unobligated shall be transferred to and become part of the discretionary fund provided for by subsection (b)."

Strikes section 6(c) of the act.

Provides that funds reapportioned prior to the date of this enactment shall remain available as reapportioned until the end of the then current fiscal year.

ADDITIONAL PROVISIONS

6. Effect of act on current projects

Section 8 of House amendment provides as follows:

"SEC. 8. The amendments made by this Act shall not apply with respect to projects for which amounts have been obligated by the execution of grant agreements before July 1, 1959, or the date of the enactment of this Act, whichever is the later date, and,

with respect to such projects, the Federal Airport Act shall continue to apply as if this Act had not been enacted."

There is no corresponding provision in Senate version.

7. Seal coating

Section 6 of Senate bill amends the definition of "airport development" contained in section 2(a)(3) of the act to allow Federal aid for "the periodic seal coating of flexible airport pavements, and the filling of joints in rigid airport pavements at airports at which air traffic is not sufficient to meet the criteria of the Administrator for the location of an airport traffic control tower operated by the Federal Aviation Agency."

This was stricken by the House.

8. Interstate compacts

Section 9 of the Senate bill adds a new section 21 to the act as follows:

"SEC. 21. The consent of Congress is hereby given to each of the several States to enter into any agreement or compact, not in conflict with any law of the United States, with any other State or States for the purpose of developing or operating airport facilities. The right to alter, amend, or repeal this section is expressly reserved."

This was stricken by the House.

IDENTICAL PROVISION

9. Announcement of plans

Both Senate (sec. 7) and House (sec. 6) versions add a new subsection 4(b) to the act as follows:

"(b) It shall be the duty of the Administrator to make public by January 1 of each year the proposed program of airport development intended to be undertaken during the fiscal year next ensuing."

Mr. MONRONEY. I should like briefly to sum up our efforts in this regard.

First, on the matter of total amounts of Federal matching funds: As I have noted the House reduced S. 1 from $465 million for fiscal years 1960 through 1963 to a total of $297 million for the same period of time. Under the House version the total authorized amount for fiscal year 1960 was $63 million—$2 million less than the amount recommended by the President in his budget message. We were prepared to accept the House figures for fiscal year 1960 with one minor adjustment and to provide for escalated increases in the following years. Thus we were prepared to recommend that the Senate agree to a total of $341,320,000—a reduction of $124 million—which would mean that the House would have to come up $44 million for this 4-year period.

We were prepared to accept all of the House figures for discretionary funds, which were a great deal less than Senate figures, and to take their figures for fiscal year 1960, except to add $632,000 in discretionary funds so as to permit Hawaii to receive the same level of Federal assistance as it had in the past; namely, $750,000 annually. I might state at this point that we found that the House amendments had changed the treatment for Hawaii and Alaska so as to make this additional amount in 1960 necessary.

We proposed that the amount be escalated upward in the following fiscal years for regular apportionment among the States, including Hawaii, as follows: $70 million for fiscal 1961, $75 million for fiscal 1962, and $85 million for fiscal 1963.

The House had eliminated the provision for seal-coating assistance to small airports and I gather was not willing to reinstate it. This is an item of extreme importance to small communities throughout the Nation and is one on which we had a recent communication from the Senator from Vermont [Mr. PROUTY] urging us to get it back in and on which the New England Council for Economic Development on June 3 urged us to incorporate in the final measure because of its importance to the proper preservation of an adequate system of airports. However, we were prepared to concede on this point in order to get a bill.

The House also changed the treatment for Alaska and Hawaii so as to deal with them as States which would receive Federal matching funds on an apportionment basis rather than on the specific dollar basis in the present law. This meant that Alaska's share of eligible funds was raised to a point where they could never hope to match them—$1.3 million to $3.7 million—whereas Hawaii was reduced from $750,000 to $118,000. However, we were prepared to compromise on that by writing in additional funds for fiscal 1960, which would take care of Hawaii, at least for the first year. This meant, of course, that under the House bill that each of the other States would receive somewhat less than what they are now receiving under present law.

On terminal buildings, the Senate conferees, under the pressure of having to accept this proposal or no bill at all, were prepared to adopt the House language which would have eliminated airport buildings from future Federal assistance, except in the case of areas which the Federal Government would occupy, itself, such as control towers, and the like, for which the House had provided up to 100 percent of the cost to be borne by the Federal Government.

We proposed to make that very clear and to fix it at a full 100 percent and suggested that possibly in the future the Government should start paying rent in all those airports where they are now occupying such space rent free; because under present law the airport operator has to give them any space they want, rent free, if the Federal Government has put $1 into the runways, the runway lighting, or the terminal building, or any other item on the airport. We also pointed out that under the provisions of the House bill, unless the airport building was under a grant agreement, which is really a written contract between the local and Federal Government, it would not be eligible for any future Federal assistance even though the local authorities had raised the money or had obligated themselves to raise the money pursuant to an airport development plan, approved by the Federal Administrator himself, which included those buildings. In other words, where moral obligations existed or where local authorities had been induced, pursuant to the continuing offer to assistance contained in the present law, to go out and start the machinery to raise the matching funds.

We submitted specific language to amend the House provisions so as to take care of such hardship cases which were really all confined to two categories of airport buildings: First, those for which Federal funds had been programed or allocated prior to June 30, 1959; and second, those which had been approved as a part of a master plan for airport development prior to January 1, 1959, and for which the local sponsors had obligated themselves to raise the local matching funds, but for which Federal funds had not been specifically programed or allocated.

We submitted figures from the FAA showing that there was about $11 million in Federal funds which had been allocated for airport buildings as of June 9, 1959, and which would not be taken care of unless the Senate savings clause was adopted. However, we were unable to submit any figures as to the probable cost of taking care of projects for which Federal funds had not been allocated, but where the local authorities had incurred obligation through special legislation or bond issues.

Many such airports, such as the one at Denver, were called to my attention by the distinguished junior Senator from Colorado [Mr. CARROLL]. There were many other States which had situations of this type. The committee was informed of them, and we felt they should be taken care of in conference if it were possible. But we met with much resistance on this item.

Accordingly, we were ready to yield on this last point, and we were also ready to yield on the Senate proposal for Federal payment of rent.

However, the stumbling block appeared to be the amount of money which the Federal Government might have to pay to take care of these hardship cases, and the House conferees expressed the view that since there was great difficulty in securing the enactment of the $297 million authorization they would have similar difficulty if the total figures were adjusted upward—even the $44 million which we were asking them to agree to. Moreover, it was pointed out that there was no indication that the President might not veto the $297 million House bill which was $97 million in excess of what he had recommended for the same period of time. Therefore, it was evident that unless we were ready to completely accept the House bill in all its parts, particularly the dollar items, and abandon the provisions of the Senate version, which was passed by the Senate by a vote of 66 to 22, we were headed for a stalemate. And even then, there was no assurance that the President might not veto the bill anyway.

Under the circumstances, therefore, I believe that the amendment which I now offer is the only sound approach to preserve and maintain the Federal Airport Act which expires at midnight June 30.

I remind Senators that this act will expire in 2 weeks, June 30, 1959. If Congress does not act before that time, there will be no continuation of the Federal Airport Act.

The program will be continued on exactly the same level and basis for the next 2 years as it has been administered for the past 4 years. It does not affect the President's budget for 1960—as a

matter of fact, it will be $2 million under the President's budget for 1960—and, while it would exceed his recommendation for fiscal year 1961 by a few million dollars, it is well to bear in mind that the Congress cannot be expected to legislate for 1961 in advance of his budget message for that year, by which time I trust he may have had a change of heart anyway. I think it is important to observe that this amendment is substantially the same approach which the Senator from Kansas [Mr. SCHOEPPEL] offered as the first amendment offered on the Republican side when we considered S. 1 on February 6. The Senator from Kansas offered that amendment in behalf of himself, the Senator from New Hampshire [Mr. COTTON] and the Senator from Kentucky [Mr. MORTON]. I refer Senators to the CONGRESSIONAL RECORD of February 6, page 2028. At that time the Senator from Kansas, the ranking minority member of the committee, proposed to extend the present provisions of the Federal Airport Act at the same level of $63 million for the next 4 years and stated "the best commonsense approach is to offer a program that has already proven itself by working well. The present Federal Airport Act, in my judgment, is such a program." This amendment is the same approach cut down to 2 years.

The amendment includes language specifically, definitely, and positively prohibiting the expenditure of money for cocktail bars, cocktail lounges, game rooms, and the fancy Dan arrangements which may have been included in or charged against airport terminal financing in the past.

I think this is the best we can do under the circumstances. It certainly is all we should do under the circumstances. It will permit us to take another look at this problem prior to fiscal year 1962, at which time we will be in a much better position to appraise the needs for meeting the impact of the jet age and would permit us to legislate much more wisely, and with a better understanding on the part of the occupant of the White House, than if we tried to write a 4-year program now in order to meet the administration's views on what is good for those years ahead for which it has no responsibility whatever. Today we cannot do it. We are forced, by the approaching expiration of the law in 2 weeks, to follow the old adage: "Half a loaf is better than no bread." That is the way I approach the matter. It is better to have something on the books, to continue a vitally needed airport program, than to have no legislation at all.

I am convinced, after the long weeks the bill has been in conference, and the negotiations which we have had, of the adamant position of the House conferees and of the troublesome difficulties of extracurricular communications from 1600 Pennsylvania Avenue, which took place almost day by day. I do not know what else to do.

I feel that we dare not leave the Nation without some hope of an airport program to meet the needs of the jet age. The amount of money will be inadequate. Many wise provisions, such as the provision for advance consent to interstate airport development compacts, which was written into the bill by the Senate at the instance of the distinguished Senator from New Hampshire [Mr. COTTON], cannot be included if we hope to get legislation. The bill must simply be reduced to the bare bones of a simple extension. But we must make it certain, so that no one can misunderstand to any degree, we must write, in flashing red neon lights, that no Federal money can be invested for saloons, cocktail lounges, bars, automobile parking lots, or hotels. We want to have that fully understood. I stress that point. It has been in the administrative regulations of the Federal Aviation Agency for many years. There is no money provided for those types of operations.

Such a prohibition has been in the law by virtue of administrative regulation all along; nevertheless, some officials at 1600 Pennsylvania Avenue either cannot read or do not take the trouble to read the regulatory provisions of their own Administrator. So I again propose to write it in the statute.

I think what I have proposed is the best we can hope to do; and I believe it will work less injustice on the people of the country, including those of the cities who have voted bond issues and are waiting, under the assumed pledge of the Federal Government, for some measure of help in the construction of airport buildings. At least the amendment will give the Administrator the right, if he so chooses, to carry out that pledge.

Mr. CARROLL. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. CARROLL. I wish to commend the distinguished junior Senator from Oklahoma for his untiring efforts in behalf of Federal air safety regulations and also for his interest in the construction of airports.

I can say to him that the people of Denver, in reliance on the law and on what they thought was in the law, only a month ago voted a $21 million bond issue for airport expansion. They were led to believe that perhaps Denver could participate in the airport terminal facilities development program. I voted for the Senate bill that would have provided Federal aid to development of terminal facilities.

I believe the conferees on the part of the Senate have done a magnificent job. However, if we must agree to this compromise, I should like to ask several questions in this connection, if I may.

Mr. MONRONEY. I shall be glad to have the Senator from Colorado do so.

Mr. CARROLL. I understand that it is now proposed that the existing law be extended for 2 years.

Mr. MONRONEY. That is correct.

Mr. CARROLL. And I understand the compromise proposal is for $63 million for fiscal 1960.

Mr. MONRONEY. And for next year, fiscal 1961, as well.

Mr. CARROLL. That is less than the amount in the President's budget estimate for 1960.

Mr. MONRONEY. Yes. It is $2 million less than the President's budget estimate for 1960. No one can read the President's mind and tell what his budget item for this purpose for 1961 will be.

Mr. CARROLL. My point is that today Denver is confronted with the necessity to enlarge its airport in order to meet the needs of the jet age. Furthermore, Denver wishes to develop a terminal facility which will cost—so the mayor of Denver informs me—$3,700,000.

We do not know whether Denver can qualify under the act, but certainly Denver has a right to file an application, to see whether it can meet the requirements of the regulations.

If this law is extended, will it be possible for Denver to participate in the expansion program for jet runways?

Mr. MONRONEY. The law, as we now propose to extend it, will be the same, for all intents and purposes, as the one with which we have had experience for the past 4 years. Whether the matching funds required for the terminal building at Denver will be granted by the Federal Aviation Agency I cannot say.

Under the compromise proposal, if the President's appointee, General Quesada, does not believe it to be wise or proper to grant the matching funds, or any portion thereof, for this or any airport building, he still will have the discretion to deny them. But I say the Congress should not be expected to pass a law—as one of the administrative personnel said—merely to take the heat off the Government Administrator. If the President does not wish to match that money, his appointee can turn down the request when it involves terminal or airport building construction.

The funds for all the other facilities—runways, ramps, and taxi strips—would continue to be, as already provided by the law, eligible for matching funds.

Of course, under this proposal we shall have to take half a loaf, instead of a full loaf, in terms of meeting the requirements of the jet age.

Mr. CARROLL. But at least under this proposal there will be an opportunity to ask for Federal matching funds for such construction, will there not?

Mr. MONRONEY. That is correct; such construction would not be prohibited, as it would be under the House provision.

Mr. CARROLL. Otherwise — using Denver as an example — Federal matching funds for the construction of the terminal facility at Denver would be precluded, would it not?

Mr. MONRONEY. Indeed so. In fact, if the law is not extended, possibly no money will be available for runways or anything else in connection with such airport.

Mr. JOHNSON of Texas. Mr. President, as I understand the Senator's statement, it is that the Congress permits the Administrator to allocate matching funds for terminal buildings; but the Administrator, the President's appointee, can prohibit the use of any funds for that purpose, if in his judgment they should be prohibited.

Mr. MONRONEY. That is entirely correct.

We also wrote in a provision that if in a moment of weakness the Administrator were tempted to allow funds for a cocktail lounge, bar, or game room, he would be prohibited by law from doing so. That specific provision was a part of Senate bill 1 as it was passed by the Senate. So we tell him that he cannot allow these funds to be spent except for facilities which will be usable for the health and safety of passengers in the terminal buildings. But under the compromise, the Administrator would not be precluded from allocating some Federal funds, to be used as matching amounts, for the construction of terminal buildings, if he so desires. However, under the House provision, all funds which have been allocated to the local communities as matching funds for airport buildings would be ruled out unless the final grant agreement had not been signed.

Mr. CARROLL. Mr. President, will the Senator from Oklahoma yield further to me?

Mr. MONRONEY. I yield.

Mr. CARROLL. I think it is of very great importance to point out that at the time when the original Monroney bill was under consideration, I called the Federal Aviation Authority representative in Colorado on the telephone, because not only was I interested in learning what would happen in Denver, but also I was interested in learning what would happen in the case of some of the small airports—for instance, those at Pueblo and in Jefferson County, and four or five airports under construction in other Colorado cities. If the law is not extended, what will happen to the funds for those airports?

Mr. MONRONEY. In that event, possibly no funds for them would be available unless a final allocation had previously been made.

Mr. CARROLL. Can the Senator from Oklahoma state the total amount of the Nation's airport needs at the present time?

Mr. MONRONEY. I do not have that precise figure readily at hand, although it was spelled out in the hearings. In fact, I recall that the hearing showed that approximately $1,300 million worth of necessary work needs to be done now on the national airport system; that much need was found by General Quesada's agency, and he is the Administrator of the Airport Act.

We now propose—it is the best we believe it is possible to obtain at the present time—$126 million for the next 2 years, with approximately $1,300 million worth of work waiting.

Mr. CARROLL. I wonder whether the Senator from Oklahoma realizes what will be the effect upon the communities in many areas if this law is not extended for another 2 years. That is why I have raised these points, which I believe are important for consideration by each Member of the Senate when he is considering the effect on the airports in small communities if the law is allowed to expire.

Mr. MONRONEY. I refer my distinguished colleague—who has always been so vitally interested in aviation, to page 208 of the Senate committee hearings, where it is shown that in Colorado alone, total needs over the next 4 years in the amount of $30,308,000 were found by the Federal Aviation Agency itself. If that total need were met in the next year, that would consume a large percentage of the Federal participating funds available for the entire Nation. So we can see what a small part of the need will be met by the compromise which now is before us, and to which I believe the Senate will agree—almost with a loaded gun held at its head, I may say.

Mr. CARROLL. That is one of the reasons why I commended the able junior Senator from Oklahoma at the time when this measure first came before the Senate.

I think it most unfortunate that the Senate has to recede from its position. But I agree with the Senator from Oklahoma that sometimes we have to do things a step at a time, and wait until later to develop a real program.

The figures for Colorado clearly demonstrate that the entire amount in the Senate bill was justified. But if the House refuses to go along to that extent, we have to do the next best thing.

I sincerely hope that the conferees on the part of the House will, after the law is extended—as I am confident it will be—take steps to meet the needs of both the small and the large cities, as our Nation moves into the jet age.

Mr. MONRONEY. For instance, Mr. President, I see on the floor the Senator from Pennsylvania. Pennsylvania alone needs $80,764,000 of airport construction for the next 4 years, as found by the Federal Aviation Agency.

In the case of Texas, its total needs, as found by the Federal Aviation Agency, are for $42,500,000 for the next 4 years. Those figures give some idea of the magnitude of airport construction needs.

I am merely saying that some action is better than none; half a loaf is better than nothing at all. Furthermore, it is important to point out that only 15 days remain before "execution time."

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. JOHNSON of Texas. I understand that Senate bill 1, of which the distinguished Senator from Oklahoma was the author, and which the Senate passed earlier in the year, provided authorizations of in excess of $400 million.

Mr. MONRONEY. Four hundred and sixty-five million dollars.

Mr. JOHNSON of Texas. Over a 4-year period?

Mr. MONRONEY. Yes. That amount would come fairly close to matching the fair airport needs, as found by the Federal Aviation Agency itself.

Mr. JOHNSON of Texas. And that amount is $465 million?

Mr. MONRONEY. Four hundred and sixty-five million dollars, over a period of 4 years.

Mr. JOHNSON of Texas. The amount provided by the House bill was how much?

Mr. MONRONEY. Two hundred and ninety-seven million dollars.

Mr. JOHNSON of Texas. Also over a period of 4 years?

Mr. MONRONEY. Yes.

Mr. JOHNSON of Texas. Now the Senator from Oklahoma is recommending—in view of the fact that the administration will not agree to $465 million over 4 years, or $297 million over 4 years——

Mr. MONRONEY. We do not know; but we presume, from the conversations we have had with the House Members, that there was objection by the administration even to the cut-down amount voted by the House of Representatives.

Mr. JOHNSON of Texas. Has the Senator from Oklahoma received any indication that the administration was willing to accept the House figure?

Mr. MONRONEY. No; in fact, the House conferees said, day after day, "We do not know whether the administration will accept the House version of the bill."

Mr. JOHNSON of Texas. Does the Senator from Oklahoma know what the administration's position is?

Mr. MONRONEY. I do not know; it seems to change from day to day.

Mr. JOHNSON of Texas. What does the Senator from Oklahoma propose in connection with this legislation?

Mr. MONRONEY. Sixty-three million dollars for the net year, and $63 million for the following year.

Mr. JOHNSON of Texas. In other words, $126 million for the next 2 years?

Mr. MONRONEY. Yes.

Mr. JOHNSON of Texas. That will simply be an extension of the present Act, which the President signed 4 years ago; is that correct?

Mr. MONRONEY. That is correct, except we will tighten it up by making technical amendments required by the change of status of Alaska from a Territory to a State and the transitional status of Hawaii; and we also include a provision—lest someone in the agency downtown has not been able to understand our previously stated position—that none of the funds under this measure can be used for the construction of cocktail rooms, bars, and so forth.

Mr. JOHNSON of Texas. Basically, this is a request for extension for 2 years of the act which President Eisenhower signed 4 years ago. Is that a correct statement?

Mr. MONRONEY. The Senator is correct.

Mr. CLARK and Mr. GRUENING addressed the Chair.

Mr. MONRONEY. I yield first to the distinguished senior Senator from Pennsylvania.

Mr. CLARK. Mr. President, anything I may say in the next few minutes is intended to be no criticism whatever of my good friend the Senator from Oklahoma, who has made such a valiant effort with the conferees of the other body to assure a decent airport bill. I know my friend has tried to the utmost of his ability. Apparently he ran into a stone wall.

The Senator explains that from his point of view, half a loaf is better than no bread. That is a principle which on

many an occasion I felt had to govern one's experiences not only as a legislator but also sometimes as an executive. Nevertheless, I cannot fail to feel this is a very sad day indeed for American civil aviation.

I recall with what high hopes early in January I joined with the distinguished Senator from Oklahoma in sponsoring a sensible civil aviation bill, a bill which would have made it possible for our airports to flourish and to grow, for their runways to meet the requirements of the jet age, and for the Federal Government to move in, as it must move in, and provide the necessary funds if we are to have a first-class civil aviation system.

Mr. President, in all candor that has gone out the window today. I remember issuing a press release—which I hold in my hand—on January 6, 1959, expressing great satisfaction at being able to join with the Senator from Oklahoma [Mr. MONRONEY] in sponsoring a bill to increase from $1,902,130 to $3,011,706 a year the share the Federal Government would pay for our hard-pressed civil aviation system in the Commonwealth of Pennsylvania. Now that has all gone down the drain. The increase will be nonexistent. The small airports in the depressed areas of Pennsylvania will have to struggle along as best they can without the help of the Federal Government, over and above what they have already.

Mr. President, I say that surely half a loaf may be better than no bread, but what we ought to be able to insist on—if, as, and when we get a Democratic President in the White House—is the full amount of $100 million a year for the next 4 years for the airport system of the United States, because that is what is needed for a first class America in this air age. Our localities are hard pressed, as well as our States, and they should be assisted by the Federal Government.

Mr. President, I am grateful to the Senator from Oklahoma for what he has been able to do. However, I do not think this represents half a loaf, Mr. President. I think it is more like a quarter of a loaf. But thank goodness, the Senator has been able to get something.

I regret very much that the Members of the other body do not seem to recognize the need and the necessity for assistance by the Federal Government on a far more massive scale than will be possible under this little bill, in order that we may enter the jet age of aircraft at least with as good a system as our friends in the Kremlin are setting up for their country.

I thank my friend for yielding.

Mr. MONRONEY. I thank my distinguished colleague, who is always such a tower of strength.

I wish to point out that while it may seem we are cutting away down below the total amount in either bill, the fact that we do not accept the totally inadequate amounts for 1962 and 1963 provided by the House bill will mean we can take the matter up for further consideration 2 years earlier, and we can enact an adequate bill for those years. We are not marrying ourselves to an inadequate, impossible allocation or commitment of funds for such a future period.

By making this an extension for only the next 2 years, at the end of that time we properly anticipate that President Eisenhower will have retired and will be able to use his hand on a mashie or a niblick instead of a veto pen. We know we can come back later, when we have a President who realizes civil aviation is here to stay, and can enact an adequate bill to meet the tremendous impact on airports forced upon us by the jet air age.

Mr. CLARK. I have no quarrel with my friend as to cutting the program from 4 years to 2 years. I think that was a wise thing indeed.

I object strenuously to the fact that our good friends in the other body were not willing to go along with the Senator from Oklahoma on insisting that $100 million a year for each of the next 2 years should be provided, because the money is needed all over the country.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague from Colorado.

Mr. CARROLL. Mr. President, I wish to say I share the views of the distinguished senior Senator from Pennsylvania. I feel exactly the way the Senator from Pennsylvania feels about this matter.

I also joined as a co-sponsor of the proposed legislation. In the early weeks of this session I thought we were moving in the right direction and that the proposed legislation would accomplish something—that we were going to have a "do something" Congress.

This issue serves as a classic illustration. When we are criticized as a "won't do" Congress, this illustrates that they "won't permit us to do".

Again I wish to commend the distinguished Senator from Oklahoma for his efforts in this field.

I see present on the floor the distinguished Senator from Kansas [Mr. SCHOEPPEL] who in February offered an amendment substantially similar to the amendment we are going to vote on today. The Senator offered his amendment in February and we voted it down, because we wanted a really progressive program.

Now we come back for further consideration, and we are asking, indeed, begging, that the law be extended for 2 years. If we do not extend the law we will do great damage to the airport construction programs presently under way.

This is a sad day, a tragic day; but we must support the Senator from Oklahoma.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield. I shall be glad to yield the floor if the Senator desires.

Mr. SCHOEPPEL. The distinguished Senator from Oklahoma, who has submitted to the Senate a conference report this afternoon setting forth the position of the respective conferees, that the Senator has covered the salient points mentioned in the conferences.

There has been some reference to the compromise amendment which the Senator from Kansas offered on the floor at the time the bill was before the Senate. I did offer the amendment to continue the present act for a period of 4 years. I thought it was the part of wisdom and good judgment to do that, because there were some very definite objections in the offing with regard to the enlarged amounts in the bill which was before the Senate.

I should like to ask the distinguished Senator from Oklahoma if he recalls, at the time of the last meeting of the conferees of the House and the Senate, that it was the Senator from Kansas, myself, who asked the House conferees the question, "Would you be willing to consider a 2-year extension of this act under the terms of the present act?" We were informed in that conference by the conferees of the House and by the chairman of the conference, the distinguished Representative from Arkansas, that they would not consider and could not consider it by reason of the action taken by the House. This left the conferees in a position where we could not agree to and could not get approval of even a compromise proposition on the basis of 2 years with reference to the extension of the act.

Is that the recollection and understanding of the Senator from Oklahoma, as to the situation which finally confronted us?

Mr. MONRONEY. That is correct. Under the rules of the conference we were bound by the subject matter as to which the House and Senate agreed. Therefore, since both bills had provisions for 4-year terms, we could not modify the 4-year term to a 2-year term. Finally, even with all the other disagreements, all we could do was to say, "Let us report the bill in disagreement." The Senate can concur in the House amendment with an amendment for a simple 2-year extension. That is what I, as chairman of the Aviation Subcommittee, am trying to have done.

Mr. SCHOEPPEL. The objection with which we were confronted was even related to a continuation of the present law, if it involved the terminal facilities and any related matters with reference to the terminal buildings. That was what we were confronted with in the conference with the House Members.

Mr. MONRONEY. We had great difficulties, but it was my understanding—this was not binding, but merely what I learned in the course of conversion—that a straight 2-year extension would be satisfactory to the House although not finally agreed to, at least for the purpose of proposing acceptance of the Senate's position.

The House does not like any more than we do coming down from $465 million or in its case, from $297 million, to $126 million, but it is a fate we have to accept.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague.

Mr. GRUENING. I wish to join in commending the junior Senator from Oklahoma, the chairman of the Subcommittee on Aviation, of the Senate

Committee on Interstate and Foreign Commerce for the magnificent work he has done in trying to get progressive, modern, up to date, and needed airport legislation.

Such a measure was passed when S. 1 was adoped by the Senate. It is a great pity that circumstances have compelled him to take the lead in saving something which while far less desirable than the original bill passed by the Senate offiçe some prospect for the future.

I agree fully that half a loaf or even, as the senior Senator from Pennsylvania has called it, a quarter loaf, is better than none, because it holds out the hope that when the situation changes and when we get an occupant of the White House who is alive to the needs of the jet age and the fact that our Nation must move forward rather than backward, we will have a chance to reenact a bill as good as S. 1 was when it was passed by the Senate.

The junior Senator from Alaska wants also to express appreciation to the Senator from Oklahoma and to the other Senate conferees for their solicitude about Alaska's needs in this field and for their understanding that since Alaska has virtually no road system and only one small railroad, aviation is of supreme importance and is about the only method of getting around that vast new 49th State.

On behalf of my colleague and myself, I want the Senator to know how deeply we appreciate his interest in our aviation and airport problems.

Mr. MONRONEY. The committee was kept fully advised of Alaska's needs by the distinguished junior Senator from Alaska and also by the distinguished senior Senator from Alaska. We were constantly aware of the fact that without a modern airport system there could be no internal transportation to link the widespread areas of the great State of Alaska.

Mr. GRUENING. To say nothing of the great impairment to national security from inadequate airport facilities, since Alaska plays so large a part and will continue to play an increasing part in national defense.

Mr. MONRONEY. That is correct.

Mr. HOLLAND rose.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MONRONEY. If the distinguished Senator from Colorado will permit, I was going to yield to the distinguished Senator from Florida, who has had a great deal of experience with the airport construction program, because for many years the appropriations for these matters were handled in the subcommittee of which he was the chairman.

Mr. HOLLAND. Mr. President, I appreciate the courtesy of the Senator from Oklahoma. Not only is it true that for some years the subcommittee which I have the honor to head has handled this appropriation, under a program identical to the one which the Senator now offers, providing for a 2-year extension, but it is also a fact that customarily the funds expended have been well below the funds authorized by the act, because the communities of the Nation did not see fit to match the $63 million which was the total authorization for each year.

Now, at a time when we are just about reaching that amount, it seems to me that we are practicing good, conservative economy, and at the same time profiting by the experience of a good many years, in holding on to this type of legislation so far as the amount is concerned.

There is some of the legislation with which I would not completely agree if we were starting afresh, as the distinguished Senator knows. I have always emphasized that we must put our Federal money, as nearly as possible, into safety measures, and into measures which afford greater security to those who travel and those who operate the planes.

At the same time, the amount which would be available to go into terminal buildings is relatively small. What is the complete answer to any objection on that score? We have the assurance that the administration of the act will be in the hands of those who are as eager as we are to emphasize and accentuate the safety features, meaning that they will not approve programs which are out of sympathy with that approach.

My feeling is that the Senator from Oklahoma and his associates have done a good job in coming forward with the proposed extension. I am happy to support it. I realize that it falls short of the ambitions of the Senator from Oklahoma, who has always been an enthusiast for aviation. I appreciate his enthusiasm, and I share it. Yet I have felt heretofore that my distinguished friend had been approaching the problem a little too enthusiastically. But I find myself on common ground with him now, and I am delighted to commend him and assure him of my support.

Mr. MONRONEY. I thank the distinguished Senator for his support.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CARROLL. In view of certain questions which have heretofore been asked, I should like to insert certain statistics into the RECORD.

How many airports would be involved? This information comes from the National Airport Plan of 1959, prepared by the Federal Aviation Agency. When I examine this report I am convinced that the distinguished Senator from Oklahoma has not been overzealous in his efforts on behalf of U.S. aviation. This report I have in my hand is the program of the Federal Aviation Agency, the head of which is appointed by the President. The FAA program contemplates 3,325 airports. The Agency has said, in effect, "We need to move in this field."

Although the distinguished Senator from Oklahoma was the original thinker in this field, the figure representing a summary of the estimated required airport development costs is the figure furnished by the Agency, not by the junior Senator from Oklahoma. The Agency figure is $1,285,394,000 for a 4-year period—1959 to 1963 inclusive.

How does the Congress propose to meet this situation? We have been fighting for a good, constructive program. It is proposed that the Congress meet the problem with an appropriation of $63 million a year for the next 2 years, when we should have had, as a minimum, the amount proposed in the bill presented by the distinguished Senator from Oklahoma.

So I say this is a constructive program. Under the circumstances we shall be fortunate to be able to hold the line for 2 years. Then perhaps we can move forward with the junior Senator from Oklahoma, as indicated by the plan presented by the Federal Aviation Agency.

Mr. MONRONEY. I thank my distinguished colleague for his contribution, and I appreciate his support.

Mr. DIRKSEN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out section 3 and insert in lieu thereof the following:

Section 10 of the Federal Airport Act, as amended (49 U.S.C. 1109), is amended by inserting immediately after subsection (c) the following new subsection:

"FACILITIES USED FOR UNITED STATES ACTIVITIES

"(d) Notwithstanding any other provision of this Act, to the extent that the project costs of an approved project represent the costs of constructing, altering, or repairing that portion of any airport building required to house air traffic control activities, weather reporting activities, communications activities related to air traffic control, or any other activity of the United States with respect to which the Administrator determines that it is in the best interests of the Government to provide facilities therefor, the United States share shall be not to exceed 100 per centum of the allowable costs of such facilities. The United States share shall not include any amount attributable to the cost of constructing, altering, for repairing any other portion of an airport building, or any amount attributable to that part of a project intended for use as a passenger automobile parking facility."

Mr. DIRKSEN. Mr. President, this bill has been in conference for nearly 6 weeks. It passed the House nearly 10 weeks ago, and as yet there is no bill. There is a proposal before us to accept the report of the conferees, and adopt substitute language in the nature of a stopgap measure to run for 2 years.

I do not quarrel over the time period. I do not quarrel over the money involved, $63 million for a period of 2 years. But I think I should reassert the basic premise of the administration and of the Federal Aviation Agency with respect to the use of Federal money for the construction and modification of airport facilities.

When the testimony was taken before the Senate Committee on Interstate and Foreign Commerce, I thought the administration had made it abundantly clear that it was following a safety concept which began when the doors of the airplane closed about the passenger and continued until the doors opened after the passengers had reached his destination.

But the administration went on the theory, after 4 years of experience, that Federal funds should not be used for the construction of terminal facilities. The distinguished Senator from Oklahoma has gone a part of the way, as he says, to eliminate the fancy Dan items. No Federal money may be used to build cocktail bars at airports, as a part of the facilities. No Federal funds may be used for fine cocktail lounges furnished with period furniture. No Federal money may be used for parking facilities.

That goes a part of the way. But the proposal which is before us now as a stopgap still provides that Federal money may be used for airport facility construction, with the exception of the fancy geegaws and gadgets which have been so freely discussed on the floor of the Senate and the floor of the House.

If my sense of tradition and history is correct, 30 percent of the money appropriated under the Federal Airport Act has gone for the construction of facilities. If I know anything about arithmetic, two times $63 million is a little more than $125 million; and if I know anything about percentage, 30 percent of that would be $37 million or $38 million. That is the amount which would be used to construct facilities for cities which can provide such facilities for themselves.

I listened to the appeal of my distinguished friend from Colorado [Mr. CARROLL]. I can understand his interest in Denver, I can understand the interest in free Federal money. There are a few airports in Chicago, and there are others in other areas of the State. I suppose the operators of some of them would not like it particularly well if I were to say that facilities should be eliminated, for facilities have become moneymakers.

The other day I talked with the manager of an airport in a certain State—not my own. I know him by his first name. I said, "John, how you getting along?" He replied, "Quite well. We are making money, and plenty of it." That airport has fine restaurant facilities, newspapers, magazines, candy, snack bars, and everything else. Yet this proposal would allow Federal money to be expended for such facilities, excluding the "fancy Dan" gadgets. That is the only exception the distinguished Senator from Oklahoma makes.

That is a departure from the administration's concept. That is a departure from the safety concept. I do not believe there is an obligation on the Federal Government to match money for such purposes, when the municipalities can provide such facilities for themselves.

There is a request before Congress to increase the temporary debt ceiling to $295 billion. There is a request to raise the permanent debt ceiling to $288 billion. What an astronomical sum. A person almost has to be a space astronaut to comprehend such sums. I do not belileve there is a finite mind that can comprehend that kind of money.

I took the trouble to look at some of the debts of municipalities and States. The most recent figure I have seen shows that Chicago has a debt of $398 million; San Francisco has a debt of $106 million. That is peanuts compared with the national public debt. And when local communities can provide such facilities for themselves, it is a ghastly departure from sound financing to ask the Federal Government to provide them, whether it be in Chicago, Denver, Omaha, or any other community.

It has been said, "That is in the law. This proposal calls for an extension of existing law, and the administrator of the Federal Aviation Agency can turn down such requests." That he can. But, oh, the pressures he is under. I understand that only recently he had to agree to $800,000 for an airport because he was pressured into it. He was told, "Look, we have complied with all the matching requirements in existing law. You have no right to turn us down."

I have been around the Capitol for a quarter of a century, and I know what some of the pressures are in Government. The only thing we can do is to write it out and nail it down in the law, so that one man does not have to undertake that onus and that responsibility. The fact of the matter is that that is what the House has said in the bill. The amendment I have at the desk I tore out of the Harris bill in the House. It has not been changed. It has been adopted by the House by a vote of 272 to 134.

Members talk about half a loaf. They talk about a quarter of a loaf. They had better talk about satisfying the other end of this legislative branch. It has voted on it. What I have offered is an amendment to put an end to spending the money of the Federal Government on terminal facilities in airports. It will have to go back to conference. The conference broke up once. It did not succeed. This will have to go back to conference. We already know the position of the House. By 272 to 134 it has said, "No money for these terminal facilities." Do Senators think they will get by that? I doubt it very much. I have served in the House, and I know that they do not back down and take it that easy in conference. If we want a bill at all, notwithstanding the June 30 deadline, we had better "get right" with the House, and also with the concept of the administration.

I do not know what the President will do. But I do know that he laid down a hard concept and said, "We are responsible for the safety of the individual from portal to portal; from the time he walks into the plane until when he leaves it. That is where we stop."

I do not quarrel with the refinements in the bill, relating to Alaska and Hawaii. However, if Senators want to pass a bill, they had better adopt the amendment, which is taken from the House bill, and which the House has already approved. The House Members are sticklers as to that matter, because they think it is sound law, and so do I. I do not know whether I will get enough hands to show, but I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FREAR in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I have made my statement. There is nothing more I need to say. I am ready to vote.

Mr. MONRONEY. Mr. President, I have listened with great interest to the remarks of the distinguished minority leader. I am as conscious as he is of the very great expenditures we are under. I also know that in the budget there are many, many expenditures for which the President has asked, but which fail to meet my test of economy.

Mr. President, we have built airports by the dozen, even by the hundreds, not with 50–50 matching money, but with 100 percent Federal funds under our Federal aid program overseas. I have helped support those appropriations. I feel, however, that when we have practically hard surfaced the ground of France, and have built airports and airport buildings in Bangkok and Tokyo and Laos and Cambodia, and elsewhere in foreign lands, it comes with ill grace for the administration to say that we shall be denied necessary funds with which to build an essential national airport system of our own.

I object to being told that we are going to legislate with a loaded veto pen at our head. If the distinguished minority leader thinks that that is in keeping with the dignity of the Senate, then he is entitled to his opinion. I for one, do not intend to accept it.

Neither do I feel that an administration which is willing to buy itself nearly $18 million worth of jet transports for the President and perhaps for the Secretary of State, and even one for standby, also a jet transport, at more than $6 million, stands in very good stead to talk about economy for the rest of the 185 million people who must depend on public transport.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. ELLENDER. How about the helicopters?

Mr. MONRONEY. And there are helicopters too. We have cruise boats and we have just about everything. On top of that there is a very carefully compiled budget coming down to us with a $70 million figure in it for swingtailed jets. Those are the VIP planes. They are the VIP jets, for high Government officials. The way these planes are designed, they cannot have any other use but as VIP planes, because of the way they load. If they were to be used as cargo planes, it would be necessary, first, to take out all the seats in order to get the cargo to the rear of the plane. There is no loading door in the front.

I should like to respectfully call attention to the rapid progress which is being made, under the President and his Federal Aviation Administrator, in connection with the building of the $90 mil-

lion airport for Washington, D.C., at Chantilly. I am in favor of it. I have supported that airport in Virginia in opposition to my friend from Maryland, because I felt that Washington needed another airport. We are going to be called upon for $90 million in connection with that airport. And the buildings at that airport, I may say to the distinguished minority leader, will not have merely a hamburger stand. The terminal building alone will be a palace of magnificent proportions. I have seen some of the preliminary designs. There will be nothing there of which Washington, as the Nation's Capital, will need to be ashamed.

I say that if we can afford these facilities for Representatives and Senators and officials of the Government, to use as they come into Washington, we should not deny them as a matter of statute for a few cities and towns that are having hard going in connection with their airports, if the Administrator believes they are warranted.

The distinguished minority leader, in his amendment, goes farther than the House would ever dream of going, because of some of the language he has picked up, which provides that the Federal money cannot be spent, no matter how great the commitment, no matter how essential the allocation unless the check has been issued by June 30 to the airport undergoing construction.

Talk about luxury terminal facilities. Here are some of the airport building needs we are talking about. They include buildings other than terminals—workshops, or storage shops, for example. They are what we talked about for 2 weeks in conference, trying to make them eligible under a savings clause. These are the airport buildings for which Federal funds have been programed by the Federal Aviation Administrator. These are on the list, but they would not qualify under the House amendment or under the language of the amendment now offered by the Senator from Illinois. The proposed amendment goes farther, and would wipe out these airport buildings, for which tentative allocations have been made but for which the check has not been passed or a grant agreement executed:

Alabama: Birmingham, $700,000; Muscle Shoals, $71,000.

Arizona: Phoenix, $346,350.

Arkansas: Fort Smith, $173,000; Hot Springs, $41,000; Stuttgart, $11,000; Texarkana, $69,000.

California: Fresno, $662,900; La-Verne—at Pomona—$42,746; Oakland, $1,555,284; Stockton, $271,612.

Colorado: Akron—I do not know where that is—$7,992 and $42,624; Denver—Jefferson County—$12,231.

Connecticut: Bridgeport, $325,000.

Florida: Tallahassee, $267,500.

Georgia: Americus, $2,500.

Illinois: Chicago—Meigs Field—$95,700; West Chicago, $182,500.

Iowa: Cedar Rapids, $19,000; Sioux City, $10,000.

Kansas: Coffeeville, $7,000; El Dorado, $2,750; Garden City, $48,610.

Kentucky: Louisville, $450,000.

Louisiana: Baton Rouge, $5,000; Lake Charles, $175,000.

Michigan: Ironwood, $25,000; Jackson, $75,000; Kalamazoo, $100,000; Pontiac, $100,000.

Montana: Livingston, $21,308.

These figures include funds needed for control towers or Government space. And so on down the list. Nine-tenths of these places are small cities, most of which are getting below $100,000 from the onerous terminal aid fund about which so much is being said—terminal aid for fancy cocktail bars and monumental lounges.

I see little justification, since the Senate overwhelmingly rejected this proposal before, for changing its position now. I think the Senate will overwhelmingly reject the proposal again. We have bent down our head to take a figure lower than that in either the House or the Senate bill, complying with the President's determination to squeeze down on this particular type of Federal aid. We have agreed to that lesser amount of money.

The responsibility of the Senate is to legislate. The Senate has already on two occasions passed bills overwhelmingly supporting the continued eligibility of airport buildings. The President, 4 years ago, signed such a bill. Now we are asked to refuse to continue to give the right to the Federal Aviation Administrator to approve assistance for airport buildings, if he feels it is necessary. Does not the President have faith in his own appointee? We feel airport buildings—including terminals—should be eligible. He can rule them out if he thinks there is not a high priority of need for them. But I do not think the Senate is ready to agree that we should strike them out, as a matter of basic law.

Mr. JOHNSTON of South Carolina. Is any money provided for airports in South Carolina?

Mr. MONRONEY. Apparently, some funds are provided for South Carolina on this list; but there is another list, which is even longer than this one, of cities which had programs, which had filed their airport and terminal building plans, but which had not received allocations temporarily because they had not voted bonds, and other cities were allowed to take their places. So we are breaking faith with such cities and towns by abruptly cutting off any prospect of possible aid. The Administrator will be permitted to take care of hardship cases under my proposal where we are bound in honor to carry out our commitments. He will have the discretion to do that.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CARROLL. I have some information which I believe may be helpful. If my figures are correct, Columbia, S.C., has an outstanding tentative allocation for airport buildings in the amount of $265,000. Greenville has $10,000.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN] to the amendment offered by the Senator from Oklahoma [Mr. MONRONEY]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senator from Nevada [Mr. CANNON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Louisiana [Mr. LONG], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Arkansas [Mr. MCCLELLAN] is absent because of illness.

On this vote the Senator from Nevada [Mr. BIBLE] is paired with the Senator from New Hampshire [Mr. COTTON]. If present and voting, the Senator from Nevada would vote "nay" and the Senator from New Hampshire would vote "yea."

I further announce that if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], and the Senator from Alabama [Mr. SPARKMAN] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from New Hampshire [Mr. COTTON], and the Senator from New York [Mr. JAVITS] are absent on official business.

The Senator from Nebraska [Mr. CURTIS] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Iowa [Mr. MARTIN] is absent on account of illness.

If present and voting, the Senator from New York [Mr. JAVITS] would vote "yea."

On this vote, the Senator from New Hampshire [Mr. COTTON] is paired with the Senator from Nevada [Mr. BIBLE]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Nevada would vote "nay."

The result was announced—yeas 27, nays 54, as follows:

YEAS—27

Aiken	Dirksen	Prouty
Bennett	Dworshak	Saltonstall
Bridges	Hickenlooper	Schoeppel
Bush	Hruska	Scott
Capehart	Keating	Smith
Carlson	Kuchel	Thurmond
Case, N.J.	Langer	Wiley
Case, S. Dak.	Morton	Williams, Del.
Cooper	Mundt	Young, N. Dak.

NAYS—54

Allott	Ervin	Johnston, S.C.
Anderson	Frear	Jordan
Butler	Fulbright	Kefauver
Byrd, Va.	Gore	Kennedy
Byrd, W. Va.	Green	Kerr
Carroll	Gruening	Lausche
Chavez	Hart	Magnuson
Church	Hartke	Mansfield
Clark	Hayden	McCarthy
Dodd	Hennings	McGee
Eastland	Holland	McNamara
Ellender	Jackson	Monroney
Engle	Johnson, Tex.	Morse

Moss	Pastore	Symington
Murray	Proxmire	Talmadge
Muskie	Randolph	Williams, N.J.
Neuberger	Smathers	Yarborough
O'Mahoney	Stennis	Young, Ohio

NOT VOTING—17

Bartlett	Douglas	Martin
Beall	Goldwater	McClellan
Bible	Hill	Robertson
Cannon	Humphrey	Russell
Cotton	Javits	Sparkman
Curtis	Long	

So Mr. DIRKSEN's amendment to Mr. MONRONEY's amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the amendment to the amendment was rejected be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER (Mr. FREAR in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the motion of the Senator from Oklahoma [Mr. MONRONEY]. On this question, the yeas and nays have been ordered; and the Clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senator from Nevada [Mr. CANNON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Louisiana [Mr. LONG], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Arkansas [Mr. MCCLELLAN] is absent because of illness.

On this vote the Senator from Nevada [Mr. BIBLE] is paired with the Senator from New Hampshire [Mr. COTTON]. If present and voting, the Senator from Nevada would vote "yea" and the Senator from New Hampshire would vote "nay."

I further announce that if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from New Hampshire [Mr. COTTON], and the Senator from New York [Mr. JAVITS] are absent on official business.

The Senator from Nebraska [Mr. CURTIS] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Iowa [Mr. MARTIN] is absent on account of illness.

If present and voting, the Senator from New Hampshire [Mr. COTTON] and the Senator from New York [Mr. JAVITS] would each vote "yea."

The result was announced—yeas 71, nays 11, as follows:

YEAS—71

Aiken	Green	Morse
Allott	Gruening	Moss
Anderson	Hart	Mundt
Bennett	Hartke	Murray
Butler	Hayden	Muskie
Byrd, Va.	Hennings	Neuberger
Byrd, W. Va.	Holland	O'Mahoney
Capehart	Hruska	Pastore
Carlson	Jackson	Prouty
Carroll	Johnson, Tex.	Proxmire
Case, S. Dak.	Johnston, S.C.	Randolph
Chavez	Jordan	Russell
Church	Kefauver	Schoeppel
Clark	Kennedy	Smathers
Cooper	Kerr	Stennis
Dodd	Kuchel	Symington
Dworshak	Langer	Talmadge
Eastland	Lausche	Thurmond
Ellender	Magnuson	Wiley
Engle	Mansfield	Williams, N.J.
Ervin	McCarthy	Yarborough
Frear	McGee	Young, N. Dak.
Fulbright	McNamara	Young, Ohio
Gore	Monroney	

NAYS—11

Bridges	Hickenlooper	Scott
Bush	Keating	Smith
Case, N.J.	Morton	Williams, Del.
Dirksen	Saltonstall	

NOT VOTING—16

Bartlett	Douglas	Martin
Beall	Goldwater	McClellan
Bible	Hill	Robertson
Cannon	Humphrey	Sparkman
Cotton	Javits	
Curtis	Long	

So Mr. MONRONEY's motion was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the motion of the Senator from Oklahoma was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I understand the papers with regard to the conference report on the Department of Interior appropriation bill are en route to the Chamber. I should like for all Senators to know that as soon as the papers arrive from the Appropriations Committee the chairman of the Appropriations Committee plans to present to the Senate the conference report on the Interior Department appropriation bill. I am informed that the report is signed by all the members on the part of both Houses. So far as the minority leader is aware and so far as I am aware there are no matters in controversy. I do not expect a yea and nay vote, although I should like for all Senators to know that the conference report will be considered very shortly.

Mr. President, I wish to commend the Senate for the action it has just taken. In a Government where the executive branch of the Government is headed by a member of one party and the legislative branch of the Government is controlled by a majority of another party it is always very difficult to enact legislation. We must seek the best at all times, and attempt to do the possible.

This body originally expressed itself by a vote of almost 3 to 1, when it passed an airport bill which would authorize, over the next 4 years, the expenditure of $465 million. The House of Representatives, in the bill which we were considering a short time ago, and with respect to which several Members just now voted against an amendment, would authorize, over a 4-year period, $297 million.

There were some Senators who felt that $465 million was the minimum amount. Some Members of the House felt that $297 million was the minimum amount. There were some, I am sure, who did not want any kind of bill passed, but after months of discussion an agreement was finally reached which appealed to a great many Senators, and that was to extend the present act for 2 years.

The present act was signed and supported by the President of the United States 4 years ago. It was good enough then. Under the present act allocations have been made for the improvement of our airways and airports, including the construction of terminal facilities, over a period of 4 years.

We felt that in a Government which is divided, we can either do something or do nothing; and if we could not have what most of us thought was desirable, namely, $465 million, and if we could not do what a good many of us thought was next desirable, namely, appropriate $297 million, the least we could do would be to extend for another 2 years the Act which the Congress had enacted and the President now in the White House had signed, and allow the people an opportunity to decide how they want their Government operated.

The Senate felt so strongly about the original $465 bill that it was approved by a vote of 63 to 22. Fifty-one Members on this side of the aisle and 12 Members on the other side of the aisle joined in that vote.

It is now apparent that we cannot do what we thought should be done. But the Senate has demonstrated by a vote of 71 to 11 that it is ready to do what can be done.

That seemed to most of us to be a reasonable thing to do. Personally I preferred the Senate bill. If I could not get the Senate bill I would take the House bill. If I could get neither the Senate nor the House bill, I would take the act under which the President is now operating.

I think the Senate has acted wisely. I think it has demonstrated that it is reasonable and fair, that it is not hardheaded, that it is not adopting a "me too" attitude. It believes that if we cannot do all we desire to do, we should at least do what can be done.

I repeat that in these days of division in Government we can either do something or do nothing. As for myself, speaking for the party which I attempt to represent, I prefer to do something.

Mr. DIRKSEN. Mr. President, long ago I learned, in hanging around a blacksmith shop, that the truth is beaten out on the anvil of discussion. I believe that is what must be done here. It would be strange indeed if the President of the United States, after 4 years' experience under existing law, could not think up some improvements in the law.

One of the improvements the need for which he saw, and which he undertook to bring about, was to enunciate the principle that the Federal Government has a responsibility for the air passenger from the moment when the door closes at the air terminal until it is opened again at the destination.

In pursuance of that principle he felt that it was not our responsibility, as a Federal Government, to build air terminal facilities for communities, even on a matching basis, when the communities could do it for themselves, and were making money, and plenty of it, from such facilities.

They are making money at Idlewild. They are making money in Chicago. They are making money at Knoxville, Tenn. All we have to do is to recite the list. It is singular, indeed, to place a burden on the Federal Government when the municipalities and counties can provide such facilities for themselves.

There is pending in the Senate Finance Committee a proposal to lift the temporary debt ceiling to $295 billion, and the permanent debt ceiling to $288 billion. There is more involved here than a 2-year stopgap bill providing $63 million a year. This airport program will bloom and boom, and it will articulate itself in terms of billions of dollars.

The question is: Are the pattern and format right? I did not believe they are. That is the reason why I offered an amendment.

The amendment which I offered would have made it possible for the Federal Government to get out of financing airport facilities. It has already been adopted in the Harris bill in the House of Representatives, by a vote of 272 to 134. There it is. My amendment was merely a simple exercise to determine whether the Federal Government should continue down this road, which will ultimately cost billions before we are through. I only sought to state the administration case. This may be a stopgap, but the formula and the pattern are still with us. I rest with the judgment of the House of Representatives, and with the executive branch.

During the course of the discussion a little while ago it was mentioned that someone had suggested the threat of a veto. I never said anything about a veto. I never use the word when I can help it. It does not even appear in the Constitution of the United States. That great document merely mentions disapproval, not a veto.

I do not know what the President may do. I neither speak for him nor do I undertake to prophesy what he will do, but I do know what his concept was in the first instance, when the message on the airport bill came to this body and the other body. I sought to be consistent, no matter what the size of the vote.

Mr. President, I yield the floor.

Mr. JOHNSON of Texas. Mr. President, I have not spent much time around blacksmith shops, but I am glad that Members of the Senate who voted for the Monroney amendment today voted for an amendment which would at least do something. Only 11 Senators opposed it.

DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1960—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of June 12, 1959, p. 10717, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HAYDEN. Mr. President, as this bill passed the House of Representatives it included $468,106,800 for the programs of the Department of the Interior, exclusive of the Bureau of Reclamation, the Southeastern Power Administration, the Bonneville Power Administration, the Southwestern Power Administration, and the various related agencies, including the Forest Service of the Department of Agriculture. The Senate bill provided $478,785,025 for the programs and activities of these agencies and the conference bill provides $472,717,100.

Mr. President, I will be glad to answer the questions of any Senator with respect to the action of the conference committee.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. KUCHEL. First, I wish to pay my respects to the able chairman of the Senate Committee on Appropriations for guiding the Senate conferees into a unanimity of opinion with respect to the conference report which is now before the Senate.

Am I correct in saying that there is no money provided in the proposed legislation for basin studies of fish and wildlife by the Corps of Engineers and/or the Bureau of Reclamation, with respect to the construction of public works facilities or reclamation projects?

Mr. HAYDEN. The Senator is correct. I read from page 7 of the report:

> The conferees are in agreement that funds for river basin studies should continue to be transferred from appropriations of the Corps of Engineers and the Bureau of Reclamation. However, the conferees recommend that the appropriations involved hereafter contain specific language indicating the amount to be transferred to the Fish and Wildlife Service. It is recognized that these agencies will require additional funds to finance these studies.

This means that in the public works appropriation bill, which includes funds for the Bureau of Reclamation and the Corps of Engineers, we will have to provide adequate funds for these studies, which are required by law.

Mr. KUCHEL. So far as the Senator from Arizona is concerned, he believes wholeheartedly in the continuation of such river basin studies; but in accordance with the language he has just read from the conference report, consideration of the type of appropriation to be made should be in connection with the public works appropriation bill.

Mr. HAYDEN. That is correct. As I stated the conference committee suggests specific language.

Mr. KUCHEL. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5915, which was read as follows:

> IN THE HOUSE OF REPRESENTATIVES, U.S.,
> *June 15, 1959.*
>
> *Resolved*, That the House recede from its disagreement to the amendment of the Senate No. 34 to the bill (H.R. 5915) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes," and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:
>
> "ALASKA PUBLIC WORKS
>
> "Not to exceed $350,000 of appropriations heretofore granted under this head shall remain available until June 30, 1960, for administrative expenses necessary for liquidation of the public works program carried out under the act of August 24, 1949, as amended (48 U.S.C. 486–486j)."

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendments of the House to Senate amendment No. 34.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. O'MAHONEY. It was my understanding, when the majority leader was called from the Chamber, that he desired to ask a question on this subject.

Mr. HAYDEN. He does.

Mr. O'MAHONEY. Does the Senator wish to take action now, before he returns to the Chamber?

Mr. HAYDEN. No.

Mr. O'MAHONEY. I should like to ask the Senator to yield to me in order that I may introduce a bill out of order and make a few remarks concerning it.

Mr. HAYDEN. I yield to the Senator from Wyoming.

(At this point, out of order, Mr. O'MAHONEY introduced a bill and made a statement in connection therewith, which appears under a separate heading elsewhere in today's RECORD.)

Mr. JOHNSON of Texas. Mr. President, I should like to ask the distinguished Senator from Arizona a question on the conference report. As I understand, the bill as passed originally by the Senate recommended certain additional facilities in amendment No. 26, and appropriated $3,410,000 for construction. The House appropriated

$2,775,000. On what figure did the conference agree? Did it agree on the Senate figure or on the House figure?

Mr. HAYDEN. It agreed on the Senate figure.

Mr. JOHNSON of Texas. In that Senate figure, according to the report, on page 19 of the Senate bill, there is contained an item for the Inks Dam, Tex., Hatchery of $100,000.

Mr. HAYDEN. Yes.

Mr. JOHNSON of Texas. Included in the appropriation are the following items:

1. Construction of fish-holding house, water supply and drainage lines, including battery of 12 concrete tanks, fish-food preparation room, storage room, refrigeration room	$35,000
2. Repairs to quarters existing	1,500
3. Construction of another residence for permanent personnel	17,500
4. Installation of concrete curbs and asphalt paving road repairs	7,500
5. Construction of new earthen ponds	33,000
6. Extension of water supply lines to service new ponds	6,000

As I understand, the $100,000 provided by the Senate was to cover these items, and that that amount was accepted by the House.

Mr. HAYDEN. Yes.

Mr. JOHNSON of Texas. Therefore, the conference report now before us includes $100,000 for the Inks Dam, Tex., Hatchery, as provided on page 19, for the purposes which I have enumerated.

Mr. HAYDEN. That is correct.

Mr. MUNDT. I might say that this fish hatchery in Texas is on exactly the same basis as the one at Gavins Point, S. Dak., which was included in the same type of consideration and which is in very good shape indeed.

Mr. HAYDEN. The same amount of money is involved, too.

Mr. JOHNSON of Texas. As I understand, the South Dakota hatchery expenditures are in connection with a continuation of construction, whereas the one in Texas involves rehabilitation.

Mr. HAYDEN. Yes. They are both in the same amount.

Mr. JOHNSON of Texas. The exact amount put in has been retained.

Mr. HAYDEN. Yes.

Mr. JOHNSON of Texas. I thank the distinguished Senator.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. KEFAUVER. Mr. President, I was very much interested, as the distinguished chairman of the Appropriations Committee so well knows, in procuring funds for additional campsites in the Great Smoky Mountain National Park, where they are woefully inadequate. With that in mind I have filed an amendment for $250,000 in additional funds for campsites at that park. The distinguished chairman suggested, or it was suggested, that there was included $1,550,000 for additional campsites in the several national parks.

Mr. HAYDEN. Yes. The committee did not specify where the increase of $1,550,000 should go. There is a great demand for additional facilities of this type in several parks. Of course, the demand for camp areas in the Great Smoky park far exceeds the number available.

Mr. KEFAUVER. The lump sum of $1,550,000 was allowed.

Mr. HAYDEN. Yes.

Mr. KEFAUVER. From that sum, allocations will be made to the Great Smoky National Park.

Mr. HAYDEN. Yes. As a matter of fact, there are more visitors to the Great Smoky Mountains than to any other park in the East because they are so close to the centers of population, and those visitors require attention. I am sure the Park Service will give them that required attention.

Mr. KEFAUVER. I appreciate the interest of the Senator. I am glad that that is the case.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arizona that the Senate concur in the amendments of the House to Senate amendment No. 34.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have included in the RECORD a tabulation giving the appropriation for the current year, the budget estimate, the House allowance, the Senate allowance, and the conference allowance for each appropriation in the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TABLE 1 (*Revised June 4, 1959*).—*Department of the Interior and Related Agencies Appropriation Act, 1960* (*H.R. 5915*)

Agency and appropriation		Appropriations, 1959 (includes funds in 1st and 2d supplemental appropriation acts)	Budget estimates, 1960	House allowance	Senate allowance	Conference allowance
(1)		(2)	(3)	(4)	(5)	(6)
TITLE I—DEPARTMENT OF THE INTERIOR						
DEPARTMENTAL OFFICES						
Office of Saline Water:						
Salaries and expenses		[1] $1,182,960	$1,355,000	$1,355,000	$1,355,000	$1,355,000
Construction			300,000	300,000	300,000	300,000
Subtotal, Office of Saline Water		1,182,960	1,655,000	1,655,000	1,655,000	1,655,000
Office of Oil and Gas		577,700	390,000	360,000	390,000	390,000
Office of the Solicitor		[2] 3,041,300	3,091,000	3,080,000	3,091,000	3,091,000
Office of Minerals Exploration		2,659,300	1,500,000	1,100,000	1,100,000	1,100,000
Office of Minerals Mobilization		274,600	[3]			
Acquisition of strategic minerals		3,200,000				
Total departmental offices		10,935,860	6,636,000	6,195,000	6,236,000	6,236,000
BUREAU OF LAND MANAGEMENT						
Management of lands and resources		26,910,100	24,377,000	24,323,000	24,877,000	24,627,000
Construction		5,685,000	5,200,000	5,200,000	200,000	200,000
Construction (indefinite appropriation)					*(5,000,000)*	*(5,000,000)*
Range improvements (indefinite appropriation of receipts)		*(686,715)*	*(776,000)*	*(776,000)*	*(776,000)*	*(776,000)*
Total, Bureau of Land Management		32,595,100	29,577,000	29,523,000	25,077,000	24,827,000
BUREAU OF INDIAN AFFAIRS						
Education and welfare services		57,759,000	58,958,000	57,700,000	59,433,000	58,700,000
Resources management		18,978,700	22,425,000	21,873,000	22,402,000	22,202,000
Construction		26,000,000	17,000,000	13,000,000	14,575,000	13,575,000
Road construction and maintenance (liquidation of contract authorization)		12,000,000	14,600,000	12,000,000	14,600,000	14,600,000
General administrative expenses		3,701,800	3,715,000	3,700,000	3,715,000	3,715,000
Payment to Menominee Tribe of Indians		200,000				
Payment to Klamath Tribe of Indians		250,000	100,000	100,000	100,000	100,000
Liquidation of Klamath and Menominee Agencies			250,000	250,000	250,000	250,000
Payment to Standing Rock Sioux Tribe		6,960,000				
Total, Bureau of Indian Affairs, exclusive of tribal funds		125,849,500	117,048,000	108,623,000	115,075,000	113,142,000
Tribal funds (not included in totals of this tabulation)		(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)

[1] In addition $62,746 of prior year funds made available.
[2] In addition, $37,000 transferred from the Office of Minerals Exploration.
[3] To be financed from funds appropriated to Office of Civil and Defense Mobilization.

TABLE 1 (*Revised June 4, 1959*).—*Department of the Interior and Related Agencies Appropriation Act, 1960* (*H.R. 5915*)—Continued

Agency and appropriation		Appropriations, 1959 (includes funds in 1st and 2d supplemental appropriation acts)	Budget estimates, 1960	House allowance	Senate allowance	Conference allowance
(1)		(2)	(3)	(4)	(5)	(6)
GEOLOGICAL SURVEY						
Surveys, investigations, and research		$41,488,200	$42,517,600	$42,000,000	$42,500,000	$42,350,000
BUREAU OF MINES						
Conservation and development of mineral resources		21,162,200	21,277,000	21,177,000	21,277,000	21,277,000
Health and safety		6,362,700	6,387,000	6,387,000	6,387,000	6,387,000
Construction		12,624,000				
General administrative expenses		1,191,900	1,197,000	1,187,000	1,197,000	1,197,000
Total, Bureau of Mines		41,340,800	28,861,000	28,751,000	28,861,000	28,861,000
NATIONAL PARK SERVICE						
Management and protection		[1] 16,011,200	17,000,000	16,297,000	16,647,000	16,647,000
Maintenance and rehabilitation of physical facilities		12,477,100	14,000,000	13,093,000	14,000,000	14,000,000
Construction		20,000,000	13,600,000	12,400,000	15,250,000	13,600,000
Construction (liquidation of contract authorization)		30,000,000	34,000,000	30,000,000	32,350,000	30,000,000
General administrative expenses		1,429,300	1,475,000	1,464,000	1,475,000	1,475,000
Total, National Park Service		79,917,600	80,075,000	73,254,000	79,722,000	75,722,000
FISH AND WILDLIFE SERVICE						
Office of the Commissioner of Fish and Wildlife:						
Salaries and expenses		332,100	343,000	340,000	340,000	340,000
Bureau of Sports Fisheries and Wildlife:						
Management and investigation of resources		12,491,500	14,894,000	13,308,000	14,693,625	13,520,000
Administration of Alaska game law (from receipts)		(454,621)		(268,000)		(268,000)
Construction		3,929,350	2,105,000	2,775,000	3,410,000	3,410,000
General administrative expenses		771,600	631,200	625,000	631,200	631,200
Subtotal, Bureau of Sport Fisheries and Wildlife		17,192,450	17,630,200	16,708,000	18,734,825	17,561,200
Bureau of Commercial Fisheries:						
Management and investigations of resources		6,270,500	7,601,000	5,928,000	6,906,300	6,345,000
Administration of Alaska fisheries (from receipts)		(454,621)		(398,000)		(398,000)
Construction		500,000	245,000	245,000	345,000	345,000
Fisheries loan fund			3,000,000	3,000,000	3,000,000	3,000,000
Limitation on administrative expenses, Fisheries loan fund		(313,000)	(313,000)	(313,000)	(313,000)	(313,000)
General administrative expenses		188,500	325,200	325,000	325,000	325,000
Administration of Pribilof Islands (appropriation of receipts)		(1,340,451)	(1,940,000)	(1,940,000)	(1,940,000)	(1,940,000)
Subtotal, Bureau of Commercial Fisheries		6,959,000	11,171,200	9,498,000	10,756,300	10,015,000
Total, Fish and Wildlife Service		24,483,550	29,144,400	26,546,000	29,651,125	27,916,200
OFFICE OF TERRITORIES						
Administration of Territories		2,100,000	2,606,000	2,606,000	2,606,000	2,606,000
Trust Territory of the Pacific Islands		4,862,100	5,225,000	5,209,000	5,225,000	5,225,000
Alaska public works		5,300,000			(700,000)	(350,000)
Total, Office of Territories		12,262,100	7,831,000	7,815,000	7,831,000	7,831,000
OFFICE OF THE SECRETARY						
Salaries and expenses		2,700,940	2,706,600	2,686,000	2,706,600	2,706,600
Total, Department of the Interior		371,573,650	344,396,600	325,393,000	337,659,725	329,591,800
TITLE II—RELATED AGENCIES						
Commission of Fine Arts		37,700	37,800	37,800	37,800	37,800
Federal Coal Mine Safety Board of Review		70,000	70,000	70,000	70,000	70,000
Forest Service, Department of Agriculture:						
Forest protection and utilization:						
Forest land management		87,661,400	77,815,800	77,543,000	77,815,800	77,815,800
Forest research		16,681,400	14,026,400	13,923,000	14,026,400	14,026,400
State and private forestry cooperation		12,822,800	12,307,800	12,297,000	12,327,800	12,327,800
Subtotal		117,165,600	104,150,000	103,763,000	104,170,000	104,170,000
Forest roads and trails		26,000,000	24,000,000	26,000,000	24,000,000	26,000,000
Acquisition of lands for national forests:						
Cache National Forest		50,000	50,000	50,000	50,000	50,000
Special acts (appropriation of receipts)		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Cooperative range improvements (appropriation of receipts)		(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
Total, Forest Service		143,215,600	128,200,000	129,813,000	128,220,000	130,220,000
Indian Claims Commission		177,700	180,000	180,000	180,000	180,000
National Capital Planning Commission:						
Salaries and expenses		243,000	475,000	400,000	400,000	400,000
Land acquisition			4,389,000	2,286,000	2,286,000	2,286,000
Total, National Capital Planning Commission		243,000	4,864,000	2,686,000	2,686,000	2,686,000
Smithsonian Institution:						
Salaries and expenses, Smithsonian Institution		7,587,800	7,718,000	7,718,000	7,718,000	7,718,000
Salaries and expenses, National Gallery of Art		1,790,100	1,834,000	1,834,000	1,834,000	1,834,000
Total, Smithsonian Institution		9,377,900	9,552,000	9,552,000	9,552,000	9,552,000

[1] In addition $45,000 of prior year funds continued available.

TABLE 1 (*Revised June 4, 1959*).—*Department of the Interior and Related Agencies Appropriation Act, 1960 (H.R. 5915)*—Continued

Agency and appropriation		Appropriations, 1959 (includes funds in 1st and 2d supplemental appropriation acts)	Budget estimates, 1960	House allowance	Senate allowance	Conference allowance
(1)		(2)	(3)	(4)	(5)	(6)
Civil War Centennial Commission		$86,492	$100,000	$100,000	$100,000	$100,000
Lincoln Sesquicentennial Commission		350,000	145,000	145,000	145,000	145,000
U.S. Territorial Memorial Commission					4,500	4,500
Alaska International Rail and Highway Commission		240,000				
Boston National Historic Sites Commission		20,000				
Hudson-Champlain Celebration Commission		50,000				
Outdoor Recreation Resources Review Commission		150,000				
Total, related agencies		154,018,392	143,148,800	142,583,800	140,995,300	142,995,300
TITLE III—VIRGIN ISLANDS CORPORATION						
Contributions		130,000	130,000	130,000	130,000	130,000
Loans to operating fund		125,000				
Limitation of administrative expenses		*(170,800)*	*(172,000)*	*(160,000)*	*(172,000)*	*(172,000)*
Total, Virgin Islands Corporation		255,000	130,000	130,000	130,000	130,000
Total, direct appropriations above		525,847,042	487,675,400	468,106,800	478,784,225	472,717,100

ANNOUNCEMENT WITH RESPECT TO CONSIDERATION OF OTHER APPROPRIATION BILLS AND PROPOSED UNANIMOUS-CONSENT AGREEMENT ON THE STRAUSS NOMINATION

Mr. JOHNSON of Texas. Mr. President, I should like to ask the distinguished chairman of the Committee on Appropriations if he expects to have before the Senate this week any additional appropriation bills.

Mr. HAYDEN. We hope to mark up one appropriation bill tomorrow. The chairman of the subcommittee considering that appropriation bill is the Senator from Florida [Mr. HOLLAND].

Mr. JOHNSON of Texas. That is the Commerce Department appropriation bill.

Mr. HOLLAND. That is correct.

Mr. JOHNSON of Texas. I should like to have Members of the Senate on notice that if that bill is marked up tomorrow and the report is filed and the hearings are available, we will take it up at the earliest possible date this week. If there is controversy connected with it, it may have to go over under the rule. If there is no substantial controversy, we may proceed to its consideration at an earlier date than the rule would normally allow.

Mr. HOLLAND. I should like to say that the record is printed and available. The markup of the bill by the subcommittee was completed this morning. The chairman of the full committee has been gracious enough to set the bill up for markup by the full committee. I see no reason why the bill cannot be reported sometime during business hours of the Senate tomorrow, in which case the majority leader may certainly call it up, either in accordance with the rule or under a suspension of the rule.

Mr. JOHNSON of Texas. I thank the Senator. I should like also to give notice that after the Senate convenes tomorrow, I shall seek to obtain a unanimous-consent agreement allotting several hours to each side in connection with the nomination of Mr. Strauss, and providing for a vote on that nomination on Thursday or Friday or Saturday of this week.

I hope we may be able to do that. I expect the Senate will run late in the evening, certainly on Tuesday until 7 or 7:30, and then on Wednesday, Thursday, and Friday we may have late sessions.

I believe all Senators realize that a good deal of business must be transacted by the Senate. We have had very few Saturday sessions and very few evening sessions. But it is going to be necessary, if we are to conclude our business within the next few months, for us to pass on a good many bills and on some nominations.

Today we have had an excellent day. We agreed to the conference report on the Interior Department appropriation bill, and we passed the Atomic Energy Authorization Act. We also passed the airport bill. It may be necessary to sit late in the evening and to sit on Saturdays, and I will ask the Senate to do that, because I believe this Congress should be a "do something" Congress. I believe it will be. The only persons who are going to be hurt by contrary predictions are those who accept that kind of propaganda. They will wake up late in September and find that "it ain't so."

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate, as in executive session, proceed to the consideration of the executive calendar, beginning with new reports.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the nominations under new reports.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations in the Public Health Service be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, the nominations are agreed to en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be notified of the nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session.

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Charles L. Powell, of Washington, to be U.S. district judge for the eastern district of Washington; and

Herbert S. Boreman, of West Virginia, to be U.S. circuit judge for the fourth circuit.

By Mr. ANDERSON, from the Joint Committee on Atomic Energy:

John S. Graham, of North Carolina, to be a member of the Atomic Energy Commission.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand adjourned until noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF PROBABLE CONSIDERATION OF APPROPRIATION BILLS THIS WEEK

Mr. JOHNSON of Texas. Mr. President, we expect to take up at least one

and perhaps two or three additional appropriation bills this week. As soon as they are filed and the reports and hearings are available, I shall ask consent of the Senate to proceed to their consideration.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2094) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

THE ECONOMIC PICTURE

Mr. CLARK. Mr. President, on Thursday, June 11, the distinguished junior Senator from New York [Mr. KEATING] rose on the floor of the Senate and trumpeted, like a triumphant elephant, the good news that the recession was over, and that massive unemployment was a thing of the past.

I am happy to see the distinguished Senator from New York in the Chamber as I commence my remarks.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield.

Mr. KEATING. I think perhaps the characterization which the Senator has made of my address on that day is somewhat overdrawn. There was no intention, as was stated, to do any crowing; I was simply pointing out the lessons to be learned from the improvement in the economic picture.

Mr. CLARK. In view of the Senator's well-known political affiliation, I hope he did not take with any lack of good humor my comparison of him with that fine animal which is the symbol of the party to which he gives allegiance.

Mr. KEATING. I am very happy to be identified with that particular animal in the menagerie.

Mr. CLARK. The Senator from New York chided unidentified members of my party for comments made a year ago expressing concern at the then state of economy. He charged them with being false prophets of gloom and doom. He indicated his own strong view that the sound policies of the present administration had brought about recovery without the need for massive governmental expense or substantial tax cuts.

On the same day, the distinguished senior Senator from Utah [Mr. BENNETT] delivered a scholarly address on the subject of economic growth. I notified the Senator from Utah that I intended to deliver this speech this afternoon. He thanked me for the courtesy and said that if he had not had another important committee engagement, he would have been here; but he urged me to proceed in his absence.

The Senator from Utah concluded that our economy was proceeding at a satisfactory rate and that we had overestimated the potential Soviet competition in the economic area.

There is a germ of truth in what these two stanch Republican Senators say. We are out of the recession on a national scale, although serious pockets of depression remain in my own State and elsewhere, pockets of depression which, in my judgment, call for legislation in relief during this session of the 86th Congress.

We are in a phase of expanding economic activity. Unemployment is down substantially, and employment is up. An argument can be made that this result vindicates the laissez-faire polices of Adam Smith and David Ricardo, which appear to constitute the economic bible of the present administration, an administration which, in the economic field, appears to have usurped a somewhat outmoded cliché of an early Democrat, Thomas Jefferson, to the effect that "that government is best which governs least."

Nevertheless, there is another side to this coin. That other side was described in considerable detail and with great ability the other day by the distinguished senior Senator from Minnesota [Mr. HUMPHREY]. The Senator from Utah [Mr. BENNETT] took note of the comments of the Senator from Minnesota and undertook to criticize them. I do not intend this afternoon to go over that field again or to repeat either argument. What I should like to do is to discuss, for a few minutes, the proper role of Government in determining the course of our economy in the immediate future, and to bring this subject better to the attention of Senators. Then I should like to ask a few questions and, in some instances, indicate my own answers thereto.

First, is there any assurance that the current boom will not follow the course of recent history and collapse into another recession similar to those of 1953 and 1954 and 1957 and 1958? Have we learned any lessons from recent economic history, except that the measures taken during the days of the New Deal and the Fair Deal to shore up our economy have been successful in preventing the recurrence of so disastrous a depression as hit the Nation during the last days of the Hoover administration?

Second, is it not reasonably clear that the present restrictive monetary and fiscal policies of the administration will, if continued, inhibit sound national growth in the future, as they have in the past? I refer specifically to the obsession that the budget must be balanced at the figure of $77 billion, and to the high interest policy brought on by the Treasury and encouraged by the Federal Reserve Board.

Third, I wonder if all Senators appreciate the fact that during the Eisenhower administration our economy, measured in realistic terms, has hardly grown at all. The Senator from Utah was candid enough to admit that figures which merely state the gross national product are likely to be not only inconclusive but actually misleading. He pointed out the desirability of considering national economic growth in terms of per capita growth in constant dollars.

Using the figures which the Senator from Utah himself utilized, I note that in 1953 the per capita share, in constant dollars, of every American—man, woman, and child—in our gross national product was $2,516. By 1958, after the administration had been in power for 5 years, the per capita share of our gross national production had fallen to $2,455. So during that period there was no growth at all; in fact, there was a decline.

Even if we take the first quarter of 1959 as our standard—and I am now using figures which I obtained through the good offices of the Federal Reserve Board, rather than the figures used for the whole year 1959 by the Senator from Utah—we find that the per capita share of each American in the gross national product has increased only to $2,616, or a total increase of $100 during a period of 5¼ years. This is an increase of substantially less than 1 percent per annum.

Fourth, is it not deceptive and misleading to state growth in terms of gross national product, in obsolete terms, without adjusting for our growing population? The Senator from Utah was candid enough enough to admit it. I call the attention of Senators to the fact that twice as many babies were born in the United States in 1956 as were born in 1936. More babies means more mouths to feed, more bodies to clothe, more people to house, more children to send to school, more pure water to bring through the pipelines for human and industrial consumption, and a large number of other programs and projects which make up the public sector of our economy.

Our real rate of growth between 1953 and the first quarter of 1959, under the Eisenhower administration, has not been 2 percent or 3 percent or 4 percent per annum, as is so often stated, but 0.71 percent, or less than three-quarters of 1 percent per annum on a per capita basis. Surely this is hardly a rate of growth of which we can be proud.

There are varying figures as to the rate of growth in Communist Russia. The Senator from Utah suggested that 6¼ percent per annum increase in the Soviet gross national product was the best he could make out of it. Mr. Allen Dulles, the Director of the Central Intelligence Agency, in a public speech the other day, said the Russian rate of industrial growth was 9½ percent. The Senator from Utah has tried to convert this annual increase in the gross national product to a per capita basis. He himself states candidly the difficulties he finds in reaching a meaningful figure; but he arrives, nevertheless, at his best guess of 4½ percent per annum on a per capita basis, which is roughly six or seven times our own rate of growth.

I next inquire: Do our measures of gross national product really reveal a true picture? Is it not necessary to be far more selective in determining the kind of growth we need and want? Let me suggest a few examples. Do we really need more Cadillacs, more Coca-Cola, more cigarettes, more cosmetics, more liquor? Do we really need, as a part of our gross national product, the servicing and advertising of these products on billboards and in slick magazines? Is not this portion of our gross national product as represented by these goods and services either useless or downright harmful?

What is the total of our gross national product which goes into goods and services which assist the American people

in their physical well-being and in their mental and spiritual development? That is the only kind of gross national product which really counts.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield.

Mr. PROXMIRE. As I understand the Senator from Pennsylvania—and I hope he will correct me if I am wrong—he has said that his calculations are that in recent years the growth of the American national economy, corrected for constant dollars and for an increasing population—in other words, putting it on the basis of constant dollar growth—has been less than 1 percent per year.

Mr. CLARK. Three-fourths of 1 percent per annum.

Mr. PROXMIRE. What years are covered?

Mr. CLARK. The years of the Eisenhower administration since 1953.

Mr. PROXMIRE. I think this figure is extremely important and very significant, because we find the Chairman of the Federal Reserve Board and also the administration frequently talking about growth and recognizing its importance, but talking about it either in terms of dollars without allowance for the fact that there has been inflation, or more usually without reference to the increase in population.

Mr. CLARK. My figures come from the Federal Reserve Board and from the monthly pamphlet "Economic Indicators," with which the Senator from Wisconsin is familiar. Unfortunately, it is necessary to pick out the figures from tables in the back of Economic Indicators and the back of the report of the Federal Reserve Board. The Board itself never uses those figures when it speaks of increases in gross national product.

Mr. PROXMIRE. So the increase is three-fourths of 1 percent for the past 5¼ years?

Mr. CLARK. Three-quarters of 1 percent per annum, adjusted per capita and in constant dollars. In gross terms, the share of each American man, woman, and child has increased from $2,516 to $2,616 as of the first quarter of 1959; whereas if we stop with the figures for 1958—the last period for which we have any definitive and final figures—we find that the per capita share of the real gross national product had decreased by approximately $55 a person.

Mr. PROXMIRE. I think it extremely important to stress the per capita measurement, although it is not the one which is usually used in the testimony given by economists for the administration and other witnesses who have appeared before our committees. They usually have ignored the per capita aspect. The Senator from Pennsylvania has, however, very properly pointed out that the per capita increase should be considered.

Do not the figures also show a larger working force? Has not the working force expanded very substantially over the past 6 years?

Mr. CLARK. It has; and of course that is most important.

Mr. PROXMIRE. Is not the increase in the working force extremely pertinent? Obviously, if there is an increasing work force, and if it is increasing very rapidly, it is possible to show an increase in the gross national product, even with constant dollars and even if there is diminishing productivity.

Mr. CLARK. The Senator from Wisconsin is correct.

Mr. PROXMIRE. I do not wish to interfere unduly with the Senator's presentation of his remarks. However, I should like to refer to a point which, it seems to me, bears on his difference with the Senator from New York about the kind of prosperity we are enjoying.

Did the Senator notice on the back page of the Wall Street Journal of today the very surprising information—at least, it was surprising to me—that housing starts actually declined in May? We now find that they declined—and did so contra-seasonally. It seems to me that that drop in housing starts is most significant, in view of the expectation that housing starts would increase in May. The drop, instead, in housing starts reflects very directly the increase in interest rates, and points out how foolish Congress would be to go along with the administration's request for an increase in the statutory interest rate.

Mr. CLARK. That is true. Although the amount of housing being constructed is still substantial, the tight-money situation is responsible for the decrease in housing starts.

Mr. PROXMIRE. Yes.

So let me say that when we find that the construction of the needed homes is decreasing—not increasing, as we expected—that would not seem to be the sensible time to put a brake on the economy and prevent progress in this very vital area of the economy, to wit, the construction of the homes which Americans need so badly.

Mr. CLARK. That is correct.

Mr. KEATING. Mr. President, at this point will the Senator from Pennsylvania yield to me?

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Does the Senator from Pennsylvania yield to the Senator from New York?

Mr. CLARK. I am very happy to yield.

Mr. KEATING. Of course, the game of statistics is one which everyone can play; and statistics can seemingly be made to indicate something which they do not in fact indicate.

The gross national product per capita includes all defense spending or Government spending, as the Senator from Pennsylvania knows.

Does he have any figures which show the increase in consumption expenditures per capita during these years, eliminating Government spending?

Mr. CLARK. No, I do not; other than the fact—with which I know my friend is familiar—that there seems to be no substantial letup in the increase in consumer credit.

Mr. KEATING. Of course, a case could be made to the effect that it would be in the overall interest—if world conditions were such that it were possible—to eliminate, tomorrow, all of our defense spending.

Mr. CLARK. There can be no doubt about that.

Mr. KEATING. The arrival of the millennium of world peace, and the consequent elimination of all defense spending, is a wonderful idealistic objective, but of course it would result in a terrific drop in the gross national product per capita.

Mr. CLARK. Of course. And, of course, at the end of the war in 1945 the fear of all of us was that there would be a depression, accompanied by vast unemployment. That was predicted by many economists of considerable ability and reputation. But that did not occur.

Mr. KEATING. The Senator from Pennsylvania has referred to an increase of three-fourths of 1 percent a year in the gross national product per capita.

I do not have at hand the figures in regard to the increase in consumption per capita—meaning the increase in the consumption of goods and services, other than Government spending, for the years 1953 to 1958. But I shall supply those figures for the RECORD, probably tomorrow. They indicate a very substantial increase over those years. However, I cannot state, tonight, the exact figures.

Mr. CLARK. I do not wish to quarrel with the Senator from New York as to how relevant they will be. We shall see that when he submits them.

But again I should like to buttress my point that large parts of the gross national product, as it is presently computed statistically, to my way of thinking are either useless or are outright harmful in terms of our needs. In my own view, none of those expenditures is in the public sector of our economy; all of them are in the private sector of the economy.

Of course it might be said that, from an idealistic point of view, defense expenditures are harmful—although hardly anyone would say they are useless. Certainly in the present state of the world we have to continue to make defense expenditures, until there is disarmament.

But I think that in considering the gross national product, in addition to the fact that, as a rule, we consider it in a vacuum, without reference to its per capita implications, we also tend to group Cadillac and Coca-Cola production in the same category of usefulness as the construction of schools for use by our children. That seems to be a fallacy in connection with all our thinking about the gross national product.

I should like to see prepared some figures which would show us—and I think they could be prepared by the Government statisticians, although I have not seen such figures prepared—which would show what part of the gross national product is really contributing to the physical, mental, and spiritual development of the American people.

Mr. PROXMIRE. Mr. President, at this point will the Senator from Pennsylvania yield again to me?

Mr. CLARK. I yield.

Mr. PROXMIRE. I think that would be an extremely useful study, and a good guide to Government policy, particularly monetary policy, because an increase

in interest rates falls most heavily on products which are paid for over long periods of time, and which thus must be paid for with borrowed funds. Of course, I am referring to schools, homes, hospitals—all the things people buy to make a better life in the best sense.

The monetary—the interest rate—policies presently being followed by this administration, are defended on the grounds that they permit a steady growth over a period of time. But they discourage growth in exactly the sector of the economy where growth is most urgently and desperately needed.

Mr. CLARK. I agree; and that is especially true in the field of housing—as indicated by our experience on the Banking and Currency Committee.

Mr. KEATING. Mr. President, will the Senator from Pennsylvania yield again to me?

Mr. CLARK. I yield.

Mr. KEATING. I agree entirely that that would be a very fine study to make; and I should like to see such a study made.

But in general there is no particular merit to increasing our gross national product by means of Government spending. Certainly it adds less to the overall good than does private spending. I am sure the Senator from Pennsylvania will concede that.

Mr. CLARK. No, I do not; I disagree very drastically with that conclusion.

Mr. KEATING. Well, at least some of us who are trying to cut down on excessive Government spending.

Mr. CLARK. The argument I am making is against that point of view.

Mr. KEATING. The Senator from Pennsylvania is making the point that there has not been enough increase per annum per capita in the gross national product. Of course, one way to increase that figure would be by bringing about a tremendously large increase in Government spending, which would have the effect of increasing the per capita spending. But I believe that what has happened to consumption spending per capita, other than Government spending, is a truer measure of what is best for human welfare.

It is true that it would be necessary to select certain elements from Government spending and certain elements from private spending, in order to obtain an entirely perfect record—although no doubt we would never have a perfect record which all of us would agree was the proper gage of human welfare. But, by and large, the proper measure would seem to me to be the increase in the consumption expenditures—the increase in expenditures for goods and services per capita over these years. I am certain that those figures show a very substantial increase.

Mr. CLARK. I shall be happy to look at those figures when my friend produces them. For the moment I shall register my dissent with their materiality.

Although I find myself in accord with much of the latest statement by the Senator from New York, I wish to suggest that what we really have to do is examine the entire spectrum of the private and public sectors of the economy, and decide which parts of the private sector and which parts of the public sector are most in the national interest and need to be encouraged, and then determine the ways and means to encourage them.

That brings me to my sixth question, namely, is it not very clear, indeed, that we need a stronger national defense? I am sure my friend from New York would not be in favor of cutting down the appropriations for national defense.

Is it not clear that we need more schools, and more and better paid teachers? I am sure my friend from New York would agree we need them, although he and I might differ as to the level of government which should pay for them.

Is it not clear that we need a decent home for every American family? That is the policy declaration of the Wagner-Ellender-Taft Act of 1949. I am sure my friend in that respect would follow former Senator Taft, as I am happy to do.

Is it not clear we need protection and preservation of our water supply? My friend and I are busily engaged at the moment in trying to accomplish that with regard to the Delaware River, in which both our States have a keen interest.

Is it not clear that we need economic aid for our own depressed areas? This, perhaps, I feel more strongly about than my friend from New York, but I am sure he would agree we have to do something about the people who are chronically and persistently unemployed for so long a time.

Mr. KEATING. Mr. President, will the Senator yield on that point briefly?

Mr. CLARK. I yield.

Mr. KEATING. That was brought out in my remarks. We do have a spotty problem of unemployment, and we should approach it as a spotty proposition and not with a shotgun, overall approach.

Mr. CLARK. Selectively.

Mr. KEATING. Selectively.

Mr. CLARK. I agree with my friend. His comments in that regard were to me very interesting.

I return now to the listing of the things we need.

We need the elimination of slums in our cities. Whether it be Buffalo, New York City, Rochester, Altoona, or Pittsburgh; surely the Senator and I agree that slum elimination is a necessity and can best be brought about with the aid of Government, although he and I might quarrel with regard to the rate at which we should attack the problem.

We need to complete and to maintain adequate transportation facilities by road, rail, water, and air. In all of these fields, although it seems unfortunate, the Government has to move in to give some assistance.

We need better hospital facilities and medical care for everyone, but especially for the aged. Again, we have massive Government programs which are intended to achieve those ends.

We need community facilities of all sorts. They are particularly badly needed in my own Commonwealth, where so many local units of government, because of bad economic conditions, cannot raise the taxes which are necessary even for the installation of a sewage system, or a decent system for providing pure water, or a respectable courthouse in which to administer justice. Many times the local governments cannot provide a city hall which does not leak and which has an adequate and substantial floor.

There is need for a host of other community facilities, which appear to be beyond the financial capabilities of many local governments to provide.

All of these things will vastly increase our security, our well-being, and the value of our civilization in mental, moral, and spiritual terms.

My seventh question is, Who is going to supply these things we need, about which I have been talking? My answer is that in large part government at all levels—local, State, and National—has to supply them.

Why, one might ask, cannot private enterprise supply these goods and services? The answer is very clear. It is because these things cannot be supplied at a profit. It is exactly as simple as that. What I have been talking about are the areas in the public sector of the economy, where the needs are great, but where we cannot expect the private enterprise system to provide these needs because private enterprise is built upon the profit system. Unless a profit can be made out of a project, one cannot expect the private enterprise system to provide it. If I were the director of or an executive officer of a private corporation which operated for profit, and if I were asked to do these things on a pro bono publico basis, I would certainly decline. They must be done by Government, for only Government can do them.

Where will the Government get the money to supply these things which are so greatly needed? That is also clear, though perhaps it is somewhat unpopular. The Government will get the money from the taxes which are paid by Americans and by the corporations Americans have organized.

My next question is: Can the Federal Government provide its share of these things we need in order to establish and maintain a first-class America over the next decade on a $77 billion budget? My answer to that question is clearly "No," and that it is folly to think so. The sooner we in Government acknowledge this fact, both to ourselves and to our constituents, the sooner we will be prepared to meet the real challenge of our time. The fact is that the public sector of our economy is starved, and the unneeded and luxury elements of the private sector of the economy are glutted.

The next question which arises is: Is it not necessary, then, to increase Federal taxes? My answer to that question is, "Not necessarily."

By closing tax loopholes and by a more rigorous enforcement of the existing tax laws, I am confident we can balance the Federal budget for the fiscal year 1960 and still provide adequate appropriations in the short run for the programs I have outlined. I believe the 1960 fiscal year budget can be balanced at around $81 billion or $82 billion, if these steps are taken, and that we will

still have enough revenues for a substantial payment on the national debt.

If we will take off the fiscal and monetary brakes which have been imposed on the growth of our economy by the Treasury and by the Federal Reserve Board, tax receipts in subsequent years may—and I underscore the word "may"—enable us not only to continue to remedy the obsolescence in the public sector of our economy, but also to give tax relief to those who most need it.

The brakes which, in my judgment, are unnecessarily holding back our growth are the high interest rates, the unreasoning fear of inflation, and the obsession that the budget must be balanced but only at the sacred figure of $77 billion for fiscal year 1960, instead of at the higher figure which I suggest.

So I should like to say to my good friend from New York, it is true, as he says, that the 85th Congress failed to pass a community facilities bill, an area redevelopment bill, a housing bill, or an adequate education bill. But in my judgment our failure to act is no cause for satisfaction. It is instead a cause for shame—shame that the President and a majority of both Houses of Congress did not see the need for these measures and insist that they become law.

I express the fervent hope that this Congress, the 86th Congress, will be wiser than its predecessor, even though the President clearly is not.

When my friend from New York asks, "What will it take to restore confidence?" I would say to him, somewhat in lighter vein but nevertheless using his own pungent phrases, "A little less talk of gloom and doom and panic-driven measures from your colleagues and your constituents about the threat of inflation. A little less hollering from the Wall Street all-is-lost group about a perfectly normal withdrawal of gold holdings by our friends and allies abroad; a little less support from the Senator from New York and his colleagues for the extraordinarily ill-timed request of the Treasury for an increase in the statutory ceiling on interest rates on long-term Government bonds; and a little more support for the proposals of those of us who want Government to help our country's sound economic growth instead of holding it back."

I would say to my good friend from Utah [Mr. BENNETT], "I respect you for your carefully thought out and clearly expressed views about our economy and for the temperate way in which you state the conservative case. We seek the same goals, but we travel by different paths."

Accordingly, I must most respectfully state for the RECORD my profound disagreement with the basic conclusions of the Senator from Utah about the role Government should play in promoting full employment, maximum growth, and reasonable price stability.

First, I believe we must and can control our economy. We cannot sit idly by and permit our economy to control us, for left to itself our economy is amoral and without a sense of social direction.

Second, I concur wholeheartedly with my colleague from Minnesota in his advocacy of more and better economic and social planning at the National Government level. Such planning does not and should not ignore the realities of life and of human nature. It does and should represent the soundest of economic thinking. It calls for the outpouring of the best of man's nature. This planning is a recognition that man does not live by bread alone. It advances Christian compassion, instead of greed, as the basic force in American life. It calls us onward toward our manifest destiny—peace on earth, good will to all men everywhere, in an atmosphere of freedom and in an economic and social climate in which man can fulfill the best which is in him and rise above the jungle law of the unregulated marketplace.

The 86th Congress, Mr. President, has a rendezvous with destiny in following this course. I hope that rendezvous will be kept.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I should like to warmly commend the Senator for what I think has been an excellent speech. It is very timely. I am delighted it has been delivered.

I think it is certainly desirable that the fine, conservative Republican speeches which were made by my good friend the junior Senator from New York and by the senior Senator from Utah should be answered.

I think one of the most dramatic points which has been made by the Senator from Pennsylvania—and I think this is the first time I have heard it made in the emphatic and documented way the Senator has made it on the floor of the Senate—is the point regarding the sharp discrepancy between the growth of our economy, which is three-quarters of 1 percent——

Mr. CLARK. Per capita.

Mr. PROXMIRE. And the growth of the U.S.S.R. economy, which the Senator says is about 4½ percent per capita. The growth of the Russian economy is six, seven, or eight times as large as ours.

Mr. CLARK. Those are the figures used by the Senator from Utah [Mr. BENNETT].

Mr. PROXMIRE. I think the Senator from Pennsylvania gave us another refinement which was very useful, since it is rarely heard in discussions among economists, to say nothing of discussions among Senators. I refer to the discrimination between kinds of growth.

I am sure every Member of the Senate will agree that we would not give up any of the political or economic freedoms of the American system. We insist on preserving our system. We recognize the system of tyranny of Russia, and we want none of it.

At the same time, if we are to preserve our lead—and we have a substantial economic lead, and perhaps military lead—it seems essential that our political leaders challenge the American people and tell them the truth—tell them that a system of tyranny is concentrating a tremendous amount of resources in education, in capital equipment and capital investment, and that as a result of such concentration it is forging ahead at an alarmingly rapid rate.

Mr. CLARK. I agree with my friend entirely. I thank him for his helpful comments.

Mr. PROXMIRE. Mr. President, will the Senator further yield?

Mr. CLARK. I yield.

Mr. PROXMIRE. I think we should also recognize that this is something which can be done in a system of freedom. We have grown with great rapidity in America, with a free economy and free political institutions. Today in Western Europe—France, Italy, Great Britain, and West Germany—there are free political institutions, and virtually free economies are growing very rapidly. From what I have read and heard, their growth compares very favorably with that of Russia and greatly surpasses the United States. Is that correct?

Mr. CLARK. I believe the Senator is correct, although I have not the figures at my fingertips.

Mr. PROXMIRE. I conclude by commending the Senator. I hope we shall have more speeches of this kind. It is extremely important not only that the political leadership of the country, represented in the Congress and the administration, be challenged, but that the people be challenged, too, so that they will realize what is at stake.

Mr. CLARK. I thank my friend for his comments.

I wish to thank also my good friend from New York [Mr. KEATING] for participating in this discussion and remaining to hear me. I suspect that to some extent he is a captive audience, because he is the acting minority leader. At any event, it is helpful to have his interjections.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. KEATING. Let me say to the distinguished Senator from Pennsylvania that I enjoyed his discourse. I share emphatically with him the sentiments expressed in the statements toward the end of his address, in which he said he hoped that the 86th Congress would do more than the 85th Congress.

I invite attention to the fact that he and the distinguished Senator from Wisconsin [Mr. PROXMIRE] both have a very much greater responsibility in that connection, and very much greater influence with the majority leader, in shaping the policies of their party, than has a very junior Senator on the minority side.

Mr. CLARK. The Senator is unduly flattering. I only wish that he were correct.

Mr. KEATING. I assure the Senator that I shall be glad to join in advocating such legislation as I consider constructive. There is much in what the Senator from Pennsylvania and the Senator from Wisconsin desire in this area with which I would agree.

I am happy that the Senator from Pennsylvania did not take issue with the fundamental thesis of my remarks the other day, to the effect that we now have brighter economic skies. I know that he, as well as I, the Senator from Wisconsin, and all other Senators, have a desire to continue the upward trend.

Mr. President, in the Washington Star of Thursday, June 11, there was published a very illuminating editorial on this subject, entitled "Brighter Economic Sky."

I ask unanimous consent to have the editorial printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BRIGHTER ECONOMIC SKY

The impressive statistics on mid-May employment released by the Commerce and Labor Departments lead to two gratifying conclusions. One is that the upward business trend which began slightly more than a year ago has passed the stage of recovery from recession and reflects now a fully confirmed prosperity cycle of considerable vigor. The second is that the administration and the congressional leadership of both parties were on sound ground last year in refusing to be panicked into programs of massive emergency pump-priming expenditures of Federal funds.

In brief, the statistics show this: In the latest 30-day period covered, civilian employment increased by 1 million to a record May level of 66 million gainfully at work. This total was 2 million higher than the corresponding 1958 level and virtually every major industry group showed better than a normal seasonal increase. Favorable significance also was attributed to the fact that the average workweek in manufacturing had advanced to 40.5 hours, longest for that month since 1955, with average factory wages reaching an all-time high above $90 weekly. In the same period, unemployment dropped by another 240,000 to a total of 3.4 million. At the depth of the 1957–58 recession, the jobless numbered 5.3 million.

There are no infallible rules, of course, by which the duration of a prosperity cycle may be measured in advance. Experience suggests, however, that one which has been developing steadily for as much as a year has the momentum to continue for at least another 6 months and perhaps considerably longer. Until recently, neither capital spending for plant expansion nor automobiles, two major segments of the economy, had contributed much to the upswing. Both are showing current signs of considerable improvement. A third component, an export trade which has lagged badly because of several factors, likewise has somewhat brighter prospects for the remainder of the year. All in all, the economic outlook, for the medimum-term future, at least, is good.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 15, 1959, he presented to the President of the United States the enrolled bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco.

ADJOURNMENT

Mr. CLARK. Mr. President, as in legislative session, pursuant to the order heretofore entered, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 29 minutes p.m.) under the order previously entered, the Senate adjourned, as in legislative session, until tomorrow, Tuesday, June 16, 1959, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 15, 1959:

PUBLIC HEALTH SERVICE

Eugenie Mary Davie, of New York, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service, for a term expiring August 3, 1962.

The following candidates for personnel action in the Regular Corps of the Public Health Service, subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

O. David Garvin to be senior surgeon.

Norman J. Petersen to be assistant sanitary engineer.

II. FOR PERMANENT PROMOTION

Thomas E. McClellan to be senior assistant dental surgeon.

Philbrook H. Knight to be pharmacist.

The following candidates for personnel action in the Regular Corps of the Public Health Service, subject to qualifications therefor as provided by law and regulations:

FOR APPOINTMENT

Clarence A. Imboden, Jr., to be surgeon.

Joe R. Held to be senior assistant veterinary officer.

To be nurse officers

Rena E. Boyle
Kathryn M. Fritz
Dorine J. Loso

To be health services officer

Marion Andrews

The following candidates for personnel action in the Regular Corps of the Public Health Service, subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be senior assistant surgeons

James C. Allen	Arthur Karmen
Burton Allyn	James H. Kauth
David L. Aronson	Kurt W. Kohn
Joseph A. Bauer	Irwin J. Kopin
Thomas C. Bithell	Leavie E. Lee, Jr.
Kurt J. Bloch	Leonard M. Linde
Jacob A. Brody	Philip R. B. McMaster
Howard M. Cann	Arthur D. Merritt
Theodore R. Carski	Edward L. Michals
Thomas M. Cassidy	Richard S. Moraites
George E. Cobb	Charles F. Nadler
Robert B. Couch	Robert J. Olson
Robert L. Dernlan	Robert J. B. Osnos
H. Bruce Dull	Malcolm I. Page
Frederick L. Dunn	Bertram W. Pepper
Leland L. Fairbanks	Douglas K. Powers
George H. Franck	John C. Pruitt
Herschel C. Gore	Carroll B. Quinlan
Charles L. Greenblatt	Robert R. Schenck
John H. Hammann	Donald P. Schilder
Avery R. Harrington	Sam Silbergeld
Hugh R. Hayward	George P. Sperry
Alan F. Hofmann	William H. Strange
Alfonso H. Holguin	Gerald G. Van Arendonk
John P. Hughes	

To be assistant surgeons

Paul G. Belau	James L. Johnson
Norris D. Buchmeyer	Donald E. McMillan
Joseph O. Dean, Jr.	Charles A. Peterson
John W. Dickson	James S. Sullivan
S. Paul Ehrlich, Jr.	Paul N. Vann

To be senior assistant dental surgeon

Richard L. Smith

To be assistant dental surgeon

Oscar H. Tatum, Jr.

To be assistant sanitary engineers

Robert G. Bostrom	Gerald G. Vurek
Gerald M. Hansler	Carl M. Walter
Parker C. Reist	

To be junior assistant sanitary engineer

Paul H. King

To be senior assistant pharmacists

Frank W. Hollister
M. Thomas Wagner, Jr.

To be assistant pharmacists

James R. Grigdesby	Walter J. Ludwig
George R. Hall	Bernard Shleien
John H. Herath	Lawrence D. Smith

To be senior assistant scientists

Herber F. Hasenclever	Roslyn Q. Robinson
Leonard A. Herzenberg	Kenneth K. Takemoto

To be assistant scientist

Alan Burkhalter

To be senior assistant veterinary officer

Richard L. Parker

To be assistant veterinary officers

John E. Holman, Jr.
Charles W. McPherson
Gerald L. Van Hoosier, Jr.

To be senior assistant nurse officer

Ellen I. McDonald

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

FOR APPOINTMENT

To be surgeon

George Moore

To be senior assistant surgeon

Donald C. Reifel

To be senior sanitary engineer

Harry P. Kramer

To be senior assistant therapist

Norma J. Ewan

The following candidates for personnel action in the Regular Corps of the Public Health Service, subject to qualifications therefor as provided by law and regulations:

FOR PERMANENT PROMOTIONS

To be medical directors

George Massengill	Luther Terry
Robert F. Martin	Joseph H. Bragdon
Paul A. Lindquist	Donald S. Martin
R. Lincoln Smith	John M. Whitney
George E. Parkhurst	Will H. Aufranc
Randolph P. Grimm	Burnet M. Davis
Elmer L. Hill	Leon A. Heppel
James F. Maddux	Fred W. Thyng
Eugene J. Gillespie	Mary Walton
Edward T. Blomquist	Elton S. Osborne, Jr.
James L. Elliott	Robert W. Rasor
Andrew P. Sackett	William W. Richards
Frederick C. Bartter	Lewis C. Robbins
Herbert Tabor	Carl R. Kunstling
Robert J. Huebner	

To be senior surgeons

Charles S. McCammon	James H. Baxter
Richard A. Malmgren	Milton Zises
Roger K. McDonald	G. Donald Whedon
Andrew G. Morrow	Robert C. Lam
Robert O. Scow	

To be surgeons

Louis A. Gaul	Cameron L. Self
Donald S. Fredrickson	Bernard G. Keizer
Howard W. Kopping	James L. Goddard
William B. Kannel	Craig S. Lichtenwalner
Eugene W. Veverka	Gilbert R. Christenson
Wallace P. Rowe	T. Phillip Waalkes
Charles M. Bowyer	Donald R. Chadwick
Aubrey F. Haynes	Frederick Stohlman, Jr.
Fred J. Payne	
Joseph A. Falzone, Jr.	Leonard J. Duhl
Melvin R. Davis	David Horwitz
Robert J. Trautman	Edward V. Evarts
David C. Miller	John L. Stephenson
Margaret S. Wheeler	

To be senior assistant surgeons

Conrad E. Herr	S. Ross Fox, Jr.
Ellsworth Y. Ching	Stanley R. Mohler
George H. Christ	Richard I. Myers
Joseph M. Torruella	Jack P. Clark

Vernon O. Larson	James D. Bremner
Donald C. Loos	Robert A. Fouty
Norbert L. Dugan, Jr.	David N. Smiley
Paul P. Carbone	Richard G. Griffin
Dean F. Tirador	Alexander V. Monto
Richard L. Pentecost	Ray A. Harron
Ray L. Zeigler	George W. Sciple

To be dental directors

Mark E. Bowers	John C. Heckel
Fred D. Lewis, Jr.	Earl C. Hewitt
Dennis E. Singleton, Jr.	Maurice S. Rodgers

To be senior dental surgeon

Charles P. White

To be dental surgeons

Richard L. Hayes	James L. Field
Viron L. Diefenbach	Harold M. Fullmer
Norman W. Littleton	Marvin S. Burstone
Stanley Lotzkar	

To be senior assistant dental surgeons

John F. Dyar	James W. Smith, Jr.
William R. Wallace	Richard A. Coulson
James E. Hardwick III	Richard C. Doub
Kenneth C. Lynn	John L. Ames
Ralph S. Johnson	John T. Bauer
Herald D. Green, Jr.	Richard H. Fender
Samuel Kakehashi	Alfred Hamel
Raymond Berlin	

To be sanitary engineer directors

James H. Le Van	Ernest C. Anderson
Ralph Porges	Donald L. Snow
John S. Wiley	George L. Carley, Jr.
Kaarlo W. Nasi	Roscoe H. Goeke
Richard L. Woodward	Graham Walton
Gerald W. Ferguson	Ralph C. Graber
Conrad P. Straub	

To be senior sanitary engineers

Andrew D. Hosey	Earl H. Arnold
Henry J. L. Rechen	Keith S. Krause
Frederick S. Kent	Lloyd W. Gebhard
Charles R. Bowman	

To be sanitary engineers

William E. Bell	Lester M. Klashman

To be senior assistant sanitary engineers

Paul A. Kenline	George W. Walsh
Walter M. Sanders III	

To be assistant sanitary engineers

Paul W. Kolp	Robert A. Herrick
Lloyd A. Reed	Anton J. Muhich
Marvin D. High	

To be senior pharmacists

Henry L. Verhulst	Reede M. Ames

To be senior assistant pharmacist

Mark H. Barnett

To be scientist directors

Roy F. Fritz	Elmer G. Berry
Ralph C. Barnes	John H. Hughes
Harold B. Robinson	Leon Jacobs
Dohrman H. Byers	Milton Silverman
David B. Lackman	Louis J. Olivier
Howard W. Bond	

To be senior scientists

William B. Cherry	R. Edward Bellamy
Harvey I. Scudder	Robert J. Fitzgerald
Walter L. Newton	Paul P. Weinstein
Geoffrey M. Jeffery	George E. Jay, Jr.

To be scientists

Martha K. Ward
Sidney S. Chernick

To be sanitarian directors

Glenn M. Kohls
Maurice E. Odoroff

To be senior sanitarians

Louis J. Ogden
Kent S. Littig

To be sanitarians

Morgan S. Seal
Joseph A. Staton

To be veterinary officers

Robert W. Menges
Donald D. Stamm

To be senior assistant veterinary officers

Daniel Cohen	Wellington Moore, Jr.
Roy F. Kinard, Jr.	Robert L. Watson

To be nurse directors

Ellwynne M. Vreeland	Ethel A. Todd
Esther A. Garrison	Martha B. Naylor
Vera P. Hansel	Frances E. Taylor

To be senior nurse officers

Esther Kaufman	Jane Wilcox
Apollonia O. Adams	Josephine K. Fitzpatrick
G. Alice Boore	
Ann F. Mathews	Maria B. Rementeria
Jeannette E. Potter	

To be nurse officers

Mildred Jones	Katherine B. Holland
Anne J. Lello	Irma F. Monlux
Mary B. Krause	Doris D. Day
Mary L. Casey	Ava S. Dilworth

To be senior dietitian

Clara B. Tavis

To be senior assistant therapists

Michael J. Oliva
John L. Echternach
Donald E. Shipley

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 15, 1959

The House met at 12 o'clock noon.

Rev. William Wood Glass, D.D., minister, First Presbyterian Church, South Boston, Va., offered the following prayer:

Eternal Spirit whom our fathers have called God, in whom we live and move and have our beings, from whom we derive life and breath and all things, we thank Thee for Thy most holy, wise, and powerful preserving and governing all Thy creatures and all their actions.

We are prone to come before Thee with sundry petitions all of which express the hope that we may be blessed, that we may enjoy that which we vaguely identify as good fortune.

Help us to see that Thou art with us in shadow as in sunshine, in suffering as in health, in sorrow as in joy, to see that the blessing we covet may well come to us in darkness rather than in light—as it did of old time to Jacob who wrestled with the angel.

To see that for us the blessing may be no material thing but rather that we may learn to trust Thee more confidently, more truly, more surely.

Bless us then, great God, that we may with confidence place our trust in Thee, and become ourselves a blessing to others.

For we ask all this in Jesus' name. Amen.

The Journal of the proceedings of Friday, June 12, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 318. An act to authorize a revision of the boundaries of the Edison Laboratory National Monument, N.J., and for other purposes;

H.R. 1306. An act to provide for the sale of Columbia Basin project lands to the State of Washington, and for other purposes;

H.R 1471. An act for the relief of Jim B. Hill;

H.R. 1711. An act for the relief of the Galveston, Houston & Henderson Railroad Co.;

H.R. 1758. An act for the relief of Gerald M. Cooley;

H.R. 2011. An act for the relief of Lenora Holmes Mola;

H.R. 2044. An act for the relief of the estate of Richard Anthony Nunes, Jr.;

H.R. 2100. An act for the relief of John F. Carmody;

H.R. 2154. An act to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park;

H.R. 2286. An act for the relief of Joseph E. Gallant;

H.R. 2289. An act for the relief of Mrs. Gertrude E. Shetler;

H.R. 2586. An act for the relief of Miss Mame E. Howell;

H.R. 3292. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to furnish supplies and services to foreign vessels and aircraft, and for other purposes;

H.R. 3366. An act to authorize the extension of loans of naval vessels to the Governments of Italy, Turkey, and the Republic of China.

H.R. 3454. An act to disclaim any interest on the part of the United States in certain lands in the State of Colorado, and for other purposes;

H.R. 3495. An act to direct the Secretary of the Interior to administer certain acquired lands as revested Oregon and California railroad grant lands;

H.R. 3496. An act to revise the boundaries of the Kings Mountain National Military Park, S.C., and to authorize the procurement and exchange of lands, and for other purposes;

H.R. 3522. An act for the relief of Aaron Green, Jr.;

H.R. 3825. An act for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell;

H.R. 3960. An act for the relief of Patrick W. Gowan, David Dooling, Harlie L. Mize, James H. Blaes, and William L. Perkins;

H.R. 4345. An act to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C. 67a(9)), respecting the transmission of papers by the referee to the clerk of the court;

H.R. 4692. An act to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, 1031) to provide for automatic adjudication and reference in certain cases;

H.R. 4748. An act to extend the leasing provisions of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869—869-3), to certain lands in Oregon, and for other purposes;

H.R. 5212. An act to revise the minimum charge on pieces of mail of odd sizes and shapes;

H.R. 5262. An act to revise the boundaries of the Montezuma Castle National Monument, Ariz., and for other purposes;

H.R. 5488. An act to revise the boundaries of Wright Brothers National Memorial, N.C., and for other purposes;

H.R. 5728. An act to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor;

H.R. 6914. An act to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land.

H.R. 7290. An act to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the United States Air Force Academy; and

H.J. Res. 324. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 322. Joint resolution for the relief of certain aliens.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 6. An act to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons;

S. 53. An act to amend the acts approved April 16 and July 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district numbered 24, Huntley Project Schools, Yellowstone County, Mont.;

S. 218. An act for the relief of Laurie Dea Holley and the legal guardian of Karmen Lael Holley, minor child;

S. 220. An act to direct the Secretary of the Interior to convey certain lands in Navajo County, Ariz.;

S. 577. An act to amend title 10, United States Code, section 2481, to authorize the United States Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available from local sources;

S. 602. An act authorizing the Boy Scouts of America to erect a memorial on public grounds in the District of Columbia to honor the members and leaders of such organization, and for other purposes;

S. 692. An act to authorize the sale of certain lands to the State of Missouri;

S. 822. An act to authorize the conveyance of certain property administered as a part of the San Juan National Historic Site to the municipality of San Juan, P.R., in exchange for its development by the municipality in a manner that will enhance the historic site, and for other purposes;

S. 825. An act to revise eligibility requirements for burial in national cemeteries, and for other purposes;

S. 854. An act for the relief of Luther M. Crockett;

S. 917. An act for the relief of Mr. and Mrs. Fred A. Fletcher;

S. 919. An act for the relief of Kenneth Lashley, Jr.;

S. 977. An act for the relief of Nassibeh Mildred Milkie;

S. 1053. An act for the relief of Rosa Maria Montenegro;

S. 1171. An act for the relief of Katharina Hoeger;

S. 1185. An act to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam;

S. 1320. An act for the relief of Taufic Daoud-Gebran (also known as Taufic G. Dawd) and his wife, Hanne Wehby Daoud;

S. 1330. An act to amend the act entitled "An act for the relief of the city of Fort Meyers, Fla., and Lee County, Fla.", approved July 22, 1958;

S. 1358. An act to authorize the Secretary of the Interior to provide a headquarters site for the Mount Rainier National Park in the general vicinity of Ashford, Wash., and for other purposes;

S. 1367. An act to amend title 14, United States Code, entitled "Coast Guard", to authorize the Coast Guard to sell supplies and furnish services not available from local sources to vessels and other watercraft to meet the necessities of such vessels and watercraft;

S. 1442. An act for the relief of Kim Fukata and her minor child, Michael (Chaney);

S. 1466. An act for the relief of Sofia N. Sarris;

S. 1521. An act to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938;

S. 1611. An act for the relief of Adeodato Francesco Piazza Nicolai;

S. 1645. An act to mend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners;

S. 1667. An act for the relief of the widow of Colonel Claud C. Smith;

S. 1819. An act to amend the act of June 4, 1953 (67 Stat. 41), entitled "An Act to authorize the Secretary of the Interior, or his authorized representative, to convey certain school properties to local school districts or public agencies;

S. 1903. An act to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes;

S. 1904. An act to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indians of Kansas, and for other purposes;

S. 1941. An act to extend section 17 of the Bankhead-Jones Farm Tenant Act for 2 years;

S. 1976. An act to make payments to Indians for destruction of fishing rights at Celilo Falls exempt from income tax;

S. 2029. An act to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes;

S. 2045. An act to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes.

S.J. Res. 59. Joint resolution requesting the President to issue a proclamation designating 1959 for the observance of the 350th anniversary of the historic voyages of Hudson and Champlain; and

S. Con. Res. 29. Concurrent resolution authorizing attendance of delegations from the Senate and House of Representatives at the meeting of the Commonwealth Parliamentary Association.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1901. An act to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco.

The message also announced that the Senate agrees to the amendment of the House to the Senate amendment to the bill H.R. 7120, entitled "An act to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes."

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1968) entitled "An act to strengthen the wheat marketing quota and price support program," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. HUMPHREY, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. MUNDT to be the conferees on the part of the Senate.

DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1960

Mr. KIRWAN. Mr. Speaker, I call up the conference report on the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 545)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5915) "making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 19, 20, 25, 29, and 39.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 4, 8, 9, 10, 12, 13, 14, 15, 16, 22, 26, 27, 30, 33, 35, 36, 37, 38, 41, 42, 43, 44, and 45, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,627,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$58,700,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$22,202,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,575,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$42,350,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "the acquisition of water rights; and not to exceed $1,700,000 for the acquisition of lands, interests therein, and improvements"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,600,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment amended to read as follows: "*: Provided*, That none of the funds herein provided shall be expended for construction on the following: Fort Washington and Greenbelt Park, Maryland, except minor roads and trails; Daingerfield Island Marina, Virginia; and extension of the George Washington Memorial Parkway from vicinity of Brickyard Road to Great Falls, Maryland"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "ninety passenger motor vehicles (of which eighty-four are for replacement only)"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,520,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,345,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "one hundred and eight passenger motor vehicles of which one hundred and two shall be"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "purchase of not to exceed two aircraft for replacement only"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$100,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 34.

MICHAEL J. KIRWAN,
W. F. NORRELL,
CLARENCE CANNON,
BEN F. JENSEN,
JOHN TABER,
Managers on the Part of the House.

CARL HAYDEN,
DENNIS CHAVEZ,
ALAN BIBLE,
KARL E. MUNDT,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

Departmental offices

Office of Oil and Gas

Amendment No. 1: Appropriates $390,000 as proposed by the Senate instead of $360,000 as proposed by the House.

Office of the Solicitor

Amendment No. 2: Appropriates $3,091,000 as proposed by the Senate instead of $3,080,000 as proposed by the House.

Office of Minerals Exploration

The conferees are in agreement that not to exceed $480,000 shall be available for "administrative and technical services," including $200,000 for the Office of Minerals Exploration.

Bureau of Land Management

Amendment No. 3: Appropriates $24,627,000 for management of lands and resources instead of $24,877,000 as proposed by the Senate and $24,323,000 as proposed by the House. Of the increase provided over the House bill, $250,000 is for the weed-control program on public lands, including provision for the control of the beet leafhopper in Idaho.

Amendment No. 4: Inserts language proposed by the Senate providing for an appropriation of a sum equal to 25 percent of the receipts from the sale of timber and other products from the revested Oregon and California Railroad grant lands (less $500,000 for reforestation of said lands and $250,000 for the maintenance of access roads) for construction of access roads instead of the direct appropriation of $5,000,000 for this purpose as proposed by the House.

Bureau of Indian Affairs

Amendment No. 5: Appropriates $58,700,000 for education and welfare services instead of $59,433,000 as proposed by the Senate and $57,700,000 as proposed by the House. The increase provided over the House bill is for the following: Pay Act costs, $226,000; higher education program, $105,000; onreservation adult education, $200,000; vocational training, $335,000; and relocation services, $134,000.

Amendment No. 6: Appropriates $22,202,000 for resources management instead of $22,402,000 as proposed by the Senate and $21,873,000 as proposed by the House. The increase provided over the House bill includes $37,000 for adjudication of mining claims on the lands of the Confederated Tribes of the Colville reservation.

Amendment No. 7: Appropriates $13,575,000 for construction instead of $14,575,000 as proposed by the Senate and $13,000,000 as proposed by the House. The increase provided over the House bill includes $300,000 for construction of jails and $275,000 for irrigation systems as listed in the Senate report. The conferees favor the adoption of standard plans for facilities and the more economical type of construction, in those areas where it is feasible, as proposed by the Department. If during the year the Department feels that a project approved by the Congress should not be constructed, or should be altered, the Committees will give immediate consideration to a reprograming request.

Amendment No. 8: Appropriates $14,600,000 for road construction (liquidation of contract authorization) as proposed by the Senate instead of $12,000,000 as proposed by the House.

Amendment No. 9: Appropriates $3,715,000 for general administrative expenses as proposed by the Senate instead of $3,700,000 as proposed by the House.

Amendment No. 10: Inserts language proposed by the Senate authorizing the use of tribal funds of the Confederated Tribes of the Colville reservation for land acquisition as provided by Public Law 772, Eighty-fourth Congress.

Geological Survey

Amendments Nos. 11 and 12: Appropriates $42,350,000 for surveys, investigations, and research instead of $42,500,000 as proposed by the Senate and $42,000,000 as proposed by the House. Of the amount provided, a total of $7,450,000 shall be available for Federal-State cooperative water resources investigations.

Bureau of Mines

Amendment No. 13: Appropriates $21,277,000 for conservation and development of mineral resources as proposed by the Senate instead of $21,177,000 as proposed by the House.

Amendment No. 14: Appropriates $1,197,000 for general administrative expenses as proposed by the Senate instead of $1,187,000 as proposed by the House.

National Park Service

Amendment No. 15: Appropriates $16,647,000 for management and protection as proposed by the Senate instead of $16,297,000 as proposed by the House.

Amendment No. 16: Appropriates $14,000,000 for maintenance and rehabilitation of physical facilities as proposed by the Senate instead of $13,093,000 as proposed by the House.

Amendment No. 17: Restores language limitation inserted by the House on the amount of funds available for acquisition of lands.

Amendment No. 18: Appropriates $13,600,000 for construction instead of $15,250,000 as proposed by the Senate and $12,400,000 as proposed by the House. Of the increase provided over the House bill, $450,000 is for acquisition of lands at Gettysburg National Military Park, Pa., and Manassas National Battlefield Park, Va.; and $750,00 is for acquisition of lands in other national park areas. The conferees agree that the allowance of $450,000 for the acquisition of lands in Civil War areas is not to be obligated until the Secretary of the Interior has reported to the Committee on Appropriations that the local governments have adopted adequate zoning regulations to assure against future commercial development in these areas. It is expressly stipulated that no part of the funds recommended shall be used to acquire the tract at Gettysburg known as the Adams County Poor Farm.

Amendment No. 19: Restores language proposed by the House pertaining to payment to the sculptor of the new figure of Liberty for the Yorktown Monument.

Amendment No. 20: Appropriates $30,000,000 as proposed by the House for con-

struction (liquidation of contract authorization) instead of $32,350,000 as proposed by the Senate. The conferees are in agreement that "building and utilities" projects should be constructed under this appropriation item for the construction of parkways only when they are required to make the parkway a usable recreational facility (including such facilities as are required for the proper maintenance and protection of the parkway) and recommend that hereafter other building and utility projects which do not meet this criteria, such as administration buildings, exhibit centers, employee housing, rehabilitation of historical buildings, etc., should be budgeted under the regular "constructon" appropriation for buildings, utilities, and other physical facilities.

Amendment No. 21: Restores House language, restricting use of funds provided to liquidate obligations under the contract authority contained in the Federal-aid Highway Acts of 1956 and 1958 for parkways and roads and trails, rewritten to prohibit construction on the following projects: Fort Washington and Greenbelt Park, Maryland, except minor roads and trails; Daingerfield Island Marina, Virginia; and extension of the George Washington Memorial Parkway from the vicinity of Brickyard road at MacArthur Blvd. to Great Falls, Maryland. In deleting the language provision pertaining to the Palisades Parkway in the District of Columbia, the conferees have approved only that portion of the parkway necessary to provide for a connection between Canal Road and the George Washington Memorial Parkway. The Conferees have agreed to deletion of the language added by the House precluding expenditure of funds on a parking area for the District of Columbia Stadium as the Department has assured the Committees that it does not contemplate expending any funds for this purpose in fiscal year 1960. In the event that Public Law 85-561 is amended to authorize the National Park Service to expend Federal funds for the parking area, it is expected that the agency will withhold the expending of any funds until a budget estimate has been submitted for review and consideration by the Appropriations Committees and the Congress.

Amendment No. 22: Appropriates $1,475,000 for general administrative expenses as proposed by the Senate instead of $1,464,000 as proposed by the House.

Amendment No. 23: Permits purchase of 90 passenger motor vehicles instead of 96 as proposed by the Senate and 84 as proposed by the House.

Fish and Wildlife Service

Bureau of Sport Fisheries and Wildlife

Amendment No. 24: Appropriates $13,520,000 for management and investigations of resources instead of $14,693,625 as proposed by the Senate and $13,308,000 as proposed by the House. Of the increase provided over the House bill, $132,000 is for administration of the Alaska game law and $40,000 for the replacement of aircraft. The conferees are in agreement that funds for river basin studies should continue to be transferred from appropriations of the Corps of Engineers and the Bureau of Reclamation. However, the conferees recommend that the appropriations involved hereafter contain specific language indicating the amount to be transferred to the Fish and Wildlife Service. It is recognized that these agencies will require additional funds to finance these studies.

Amendment No. 25: Restores language as proposed by the House providing $268,000 of unbudgeted balances of Pribilof Islands receipts to finance administration of the Alaska game law.

Amendment No. 26: Appropriates $3,410,000 for construction as proposed by the Senate instead of $2,775,000 as proposed by the House.

Amendment No. 27: Appropriates $631,200 for general administrative expenses as proposed by the Senate instead of $625,000 as proposed by the House.

Bureau of Commercial Fisheries

Amendment No. 28: Appropriates $6,345,000 for management and investigations of resources instead of $6,906,300 as proposed by the Senate and $5,928,000 as proposed by the House. Of the increase provided, $167,000 is for administration of Alaska fisheries.

Amendment No. 29: Restores language as proposed by the House appropriating $398,000 of Pribilof Island receipts for administration of Alaska fisheries.

Amendment No. 30: Appropriates $345,000 for construction as proposed by the Senate instead of $245,000 as proposed by the House.

Amendment No. 31: Permits purchase of 108 passenger motor vehicles instead of 114 as proposed by the Senate and 102 as proposed by the House.

Amendment No. 32: Permits purchase of 2 aircraft for replacement only instead of 4 as proposed by the Senate.

Office of Territories

Amendment No. 33: Appropriates $5,225,000 for the Trust Territory of the Pacific Islands as proposed by the Senate instead of $5,209,000 as proposed by the House.

Amendment No. 34: Reported in disagreement.

Office of the Secretary

Amendment No. 35: Appropriates $2,706,600 for salaries and expenses as proposed by the Senate instead of $2,686,000 as proposed by the House.

TITLE II—RELATED AGENCIES

Department of Agriculture

Forest Service

Amendment No. 36: Appropriates $77,815,800 for forest land management as proposed by the Senate instead of $77,543,000 as proposed by the House.

Amendment No. 37: Appropriates $14,026,400 for forest research as proposed by the Senate instead of $13,923,000 as proposed by the House.

Amendment No. 38: Appropriates $12,327,800 for state and private forestry cooperation as proposed by the Senate instead of $12,297,000 as proposed by the House.

Amendment No. 39: Appropriates $26,000,000 for forest roads and trails as proposed by the House instead of $24,000,000 as proposed by the Senate.

The managers on the part of the House do not concur in the views of the Senate Committee that the provision of additional funds to implement the "Program for the National Forests" should be considered later during this session in connection with the Supplemental Appropriation Act for 1960. This new program has only recently been submitted for consideration by the legislative committees and the consideration of any additional fund requirements should properly await their review and recommendations, as appropriate, and the submission of the regular annual budget estimates for fiscal year 1961.

National Capital Planning Commission

Amendment No. 40: Provides that not to exceed $100,000 of the funds available for land acquisition may be used for necessary expenses of the Commission instead of $140,000 as proposed by the Senate and $50,000 as proposed by the House.

United States Territorial Expansion Memorial Commission

Amendment No. 41: Appropriates $4,500 for expenses of the Commission as proposed by the Senate.

TITLE III—VIRGIN ISLANDS CORPORATION

Amendment No. 42: Provides a limitation on administrative expenses of the Corporation of $172,000 as proposed by the Senate instead of $160,000 as proposed by the House.

TITLE IV—GENERAL PROVISIONS

Amendments Nos. 43, 44, and 45: Eliminates, as proposed by the Senate, language inserted by the House limiting the amount that may be expended for engineering and design of construction projects and limiting the cost of single family employee housing units to $18,000 each. The conferees are concerned about the excessive engineering and design costs being incurred on construction projects and directs that the Bureau of Indian Affairs, National Park Service, and the Forest Service thoroughly review present policies, practices, and staffing and submit to the Committees in connection with the 1961 Budget a complete report of the action taken and savings in funds and reductions in personnel achieved in this regard.

The conferees also expect that appropriate administrative action will be taken by all agencies concerned to adopt standard employee houses and to establish necessary regulations to assure that unit costs of planning and construction are held to the minimum commensurate with the provision of adequate housing. The conferees further agree that the total cost of single family employee housing units in the United States, excluding Alaska, including engineering and design, shall not exceed $20,000 each, exclusive of provision of utilities to the lot line. Exceptions to this limitation must be submitted to the Committees on Appropriations for prior approval. In addition, employee houses shall not exceed the following standards: (1) Standard materials, millwork, equipment, and fixtures that are readily available at local supply centers will be used in all dwelling construction; (2) Design will be simple with no features that increase building costs, such as irregularities in roof framing; (3) Not to exceed one and a half baths; (4) One stall garage in areas subject to deep snow or prolonged periods of below freezing temperatures—carports in warmer climates; (5) Sun porches, enclosed patios, or similar features will not be provided; (6) Floor area shall not exceed—two-bedroom dwelling, 1,250 square feet; three-bedroom dwelling, 1,300 square feet; exclusive of basement and garage space (or service and storage space in lieu of basement); (7) Basement area not to exceed one-half of net ground floor area, except that a basement garage will not be considered as part of this area; and (8) Fireplaces will not be permitted except in areas subject to frequent power failures, or extreme isolation and where a wood supply is readily available.

MICHAEL J. KIRWAN,
W. F. NORRELL,
CLARENCE CANNON,
BEN F. JENSEN,
JOHN TABER,
Managers on the Part of the House.

Mr. KIRWAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: Page 27, line 7, insert:

"ALASKA PUBLIC WORKS

"Not to exceed $700,000 of appropriations heretofore granted under this head shall remain available until June 30, 1961, for administrative expenses necessary for liquidation of the public works program carried out

under the Act of August 24, 1949, as amended (48 U.S.C. 486–486j).

Mr. KIRWAN. Mr. Speaker, I move that the House concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreement to the amendment of the Senate numbered 34, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"ALASKA PUBLIC WORKS

"Not to exceed $350,000 of appropriations heretofore granted under this head shall remain available until June 30, 1960, for administrative expenses necessary for liquidation of the public works program carried out under the Act of August 24, 1949, as amended (48 U.S.C. 486–486j)."

The motion was agreed to.

A motion to reconsider was laid on the table.

Mr. KIRWAN. Mr. Speaker, the conference action provides a total of $481,809,100—including appropriations from receipts—for 1960 for the Department of the Interior—excluding the Bureau of Reclamation and the power agencies—and certain related agencies including the Forest Service. This represents a decrease of $9,292,300 from the budget estimate and a reduction of $47,684,328 below appropriations for the current year.

The bill reflects several major changes in the budget estimates: an increase of $2 million over the budget has been provided for the construction of forest roads and trails to maintain the current level of appropriations for this item to expedite timber sales with the resultant increased receipts to the Federal Treasury.

Although the full amount of the budget—$13,600,000—for construction under Mission 66 in the national parks has been allowed, we have revised the budgeted plan to reduce by $1,550,000 of the funds proposed for land acquisition and reprogramed this amount to provide urgently needed additional campground, trailer, and picnic facilities. The bill includes a total of $1,700,000 for land acquisition for the national parks, including $450,000 for purchases at Gettysburg National Military Park, Pa., and Manassas National Battlefield Park, Va. The conferees have stipulated that the latter funds are not to be obligated until the Secretary of the Interior has reported to the Committee on Appropriations that the local governments have adopted adequate zoning regulations to assure against future commercial development in these areas.

The conferees have denied the budget proposal that river basin studies be financed by direct appropriation to the Bureau of Sport Fisheries and Wildlife rather than by transfer from the Corps of Engineers and the Bureau of Reclamation. We saw no reason to change the present procedure which assures close coordination between the scope of the fish and wildlife studies undertaken and proposed construction plans and properly relates the cost to basin project development. The conferees have recommended, however, that the appropriations involved in the public works appropriation bill hereafter contain specific language indicating the amount to be transferred to the Fish and Wildlife Service. We also recognize that these agenices will require additional funds to finance these studies.

For the liquidation of the contract authorization for the national parkways and roads and trails, $30 million has been allowed, the same as this year's appropriation and a decrease of $4 million from the budget estimate. The Park Service had an unexpended balance of over $16 million available on June 1, 1959, which, together with the new appropriation will adequately finance obligations in the 1960 fiscal year.

The bill also provides for the transfer of the administration of the Alaska fish and game laws to the State of Alaska on January 1, 1960, at a saving of $801,000 in the budget request. The budget requests for $1 million to begin acquisition of a portion of the land to extend—at a total Federal cost of $10 million—the George Washington Memorial Parkway in Prince Georges County, Md., from the District of Columbia line to Fort Washington, and the $500,000 to acquire park land in the vicinity of Great Falls, Va., have been disallowed. Although the desirability of these expenditures is not questioned, we felt strongly that there was no justification for making Federal appropriations for nonessential projects of this nature at a time when the Nation is faced with a critical budgetary situation.

Major program increases provided in the bill over the current year include:

(a) For land management leasing and disposal, cadastral surveying, and fire control, $1,362,000.

(b) Additional care of Indian children in boarding school dormitories, increased enrollment, expanded education and vocational training, additional Indian welfare assistance, law enforcement, resources management, and road construction, $7,133,000.

(c) Increased management and maintenance requirements in the national parks, $2,357,000.

(d) Expanded operation and maintenance of hatcheries and wildlife refuges and wildlife research, $1,030,000.

(e) Expansion of commercial fishing research and market studies, $679,000.

(f) Additional loans to the fishing industry, $3 million.

(g) Administration of the territories, $1,069,000.

(h) Expansion of national forest timber sales, $2,800,000.

(i) Forest access roads, $2 million.

(j) Acquisition of land for the District of Columbia park and playground system—reimbursable, $1,924,000.

(k) Saline water program, $470,000.

Finally, I believe it important to mention the concern which we have for the high costs that are being incurred for planning and construction by the agencies. Although we have agreed to delete the limitation we inserted in the House bill on the amount that can be expended for engineering and design, the conferees have directed that a thorough review be made of present policies, practices, and staffing, and that a report be submitted to the committees in connection with the 1961 budget on the action taken by the agencies and savings in funds and reductions in personnel achieved in this regard. The conferees have also agreed on a limitation of $20,000 on the cost of single family employee housing units and have prescribed certain construction standards to be adhered to by the agencies. Exceptions to the cost limitation must be submitted to the Committees on Appropriations for prior approval.

Following is a summary comparison of the amount provided in the bill:

1960 Interior bill on basis of total funds made available by bill, direct appropriations, and appropriations from receipts

1959 appropriations (including 1st and 2d Supplemental Appropriation Acts)	$529,493,428
1960 budget estimate	491,101,400
House bill	472,198,800
Senate bill	487,211,025
Conference action	481,809,100
1960 bill compared with:	
1959 appropriations	−47,684,328
Budget	−9,292,300
House	+9,610,300
Senate	−5,401,925

NIKE-ZEUS ANTIMISSILE DEFENSE WEAPONS SYSTEM

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, more than 3 months ago I urged that a greater effort be made to perfect the Nike-Zeus antimissile defense weapons system.

This would necessarily include the allocation of more funds by the Defense Department for this very important weapon, the only weapons system now under development which promises a possible defense to an enemy attack by intercontinental ballistic missiles.

It is, therefore, with considerable satisfaction that I learned of the Defense Department's decision to expend in the next fiscal year for the development of the Nike-Zeus $157 million more than was previously budgeted for that program.

I hope that the Defense Department will make every effort to achieve a scientific breakthrough which will enable this country to establish an effective defense to the ICBM. If more funds are needed for this purpose, then I am certain that Congress, with the approval of the people, will provide whatever is needed. The achievement of an effective defense, in the shortest possible time, against ICBM's carrying hydrogen bombs should have the highest priority. Otherwise, our great centers of population face the threat of nuclear annihilation in the event of a surprise attack.

In my opinion, the big danger to America in the very near future will come not from enemy bombers, but from ICBM's. The administration's decision to cut back on future spending for antiaircraft de-

fense programs and speed up antimissile defense projects is a step in the right direction, but I am disappointed that it does not go further. I hope, however, that now that a decision has been made to concentrate on antimissile defenses that the program to protect the country against the ICBM will be pushed with the utmost speed.

SUBCOMMITTEE ON LIBRARY OF THE COMMITTEE ON HOUSE ADMINISTRATION

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Library of the Committee on House Administration be permitted to sit during general debate today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

NON-SERVICE-CONNECTED PENSIONS

Mr. WIER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. WIER. Mr. Speaker, we will have coming up here in the House this afternoon under suspension a bill that is bringing a lot of heat to some of us here, particularly in the field of veterans' affairs. This bill, H.R. 7650, comes to the House floor this afternoon, much to the surprise of many of the veterans' organizations and veterans everywhere in the Nation. I have had some very unfavorable reports regarding this legislation. I only take this time, 1 minute, to call attention of the membership to the 40 minutes operation of this bill under suspension of the rule and the fact that I will have to oppose it, under this "railroading" procedure.

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Speaker, as pointed out by the gentleman from Minnesota [Mr. WIER], we will have under consideration this afternoon under suspension of the rules the bill H.R. 7650. I ask the Members of this House to study carefully that legislation because it is going to deviate from a known principle of pensions that has been in effect since the establishing of this Nation. In this legislation we go so far as to provide that if you are getting social security and you get back the amount you have paid in, thereafter any amount received is considered income and the pension is less. We set up two different amounts individuals may get. One if he got on the pension roll by July 1, 1960, and another after that date. Why should we have this discrimination.

Mr. DENTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DENTON. Mr. Speaker, I want to concur in the remarks of the gentleman from Minnesota [Mr. WIER] and the gentleman from Colorado [Mr. ROGERS] concerning this veterans' legislation that is coming before the House under suspension of the rules. It is important legislation. It was reported out of the committee a few days ago. We have not had time to study the legislation.

I have been deluged with mail from people opposing this legislation. Certainly it ought to be brought up under normal procedure and not under suspension of the rules. I intend to oppose this legislation.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. DENTON. I yield.

Mr. LANE. Also, the hearings on this bill were available in printed form only today and the report was received only last Friday in our offices.

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS. Mr. Speaker, the veterans legislation which is coming up under suspension of the rules which will give no chance for debate, under the best analysis I can make of it, is very far-reaching and will create, to say the least, a bureaucrats' paradise in its administration.

VETERANS' LEGISLATION

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, the bill that will be coming up today is a bill that has been worked on for about 3½ years.

It gives 80 percent of all the single veterans on the pension rolls or 286,000 veterans an increase.

It gives 62 percent of all the married veterans on the pension rolls or 270,000 veterans an increase.

It gives 70 percent of all widows and orphans or 289,000 widows and orphans on the pension rolls an increase.

In total it gives 70 percent of all the pensioners on the rolls or 854,000 pensioners an increase.

Anybody who wants to vote against it, go right ahead.

FOREIGN AID

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I have been reading the hearings held by the House Foreign Affairs Committee in an attempt to obtain some enlightment on the foreign giveaway bill that will come up later in the day.

On page 694 of volume IV of the hearings, I find this exceptionally enlightening colloquy between the gentleman from Georgia [Mr. PILCHER] and a gentleman by the name of Barrows.

I ask my colleague to listen to this and I quote verbatim:

> Mr. PILCHER. I notice in Jordan that you have about (security deletion) programed for Jordan and also (security deletion) proposed for U.S. support. Is that (security deletion) coming out of the (security deletion)?
>
> Mr. BARROWS. That is part of it; yes.
>
> There is $2 million in the technical cooperation program.
>
> About (security deletion) in the form of projects such as irrigation projects, highways, and other workmaking development projects which we are providing here on a grant basis, and (security deletion) for (security deletion) budget support.

Mr. Speaker, I submit that neither the average Member of the House of Representatives nor the taxpayers he represents can read the above and know any more about how much money is actually being spent in Jordan or the reasons for such spending than a hog knows about Sunday.

PARIS

Mr. WOLF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WOLF. Mr. Speaker, I had the good fortune to represent my committee—the Science and Astronautics Committee—and the Congress of the United States during the last 4 days at the 23d International Aeronautical Salon de Paris—an international convention where some 20 major countries were represented. The thing that impressed me the most, and I cannot help but report this back, was that in the shadow of the great cargo carrying plane of the American Air Force stood two Russian planes. This was the total Russian display for the free world—two aircraft. In contrast to the two Russian aircraft, America is presenting a complete range of air technology, its great air and space program for the peaceful use of outer space, its medical technology in the entire military and peaceful field, and its missiles for the free world. I know the people of the European nations who visited this great air show could not help but see the great contrast between the attempts of America to demonstrate their desire to give their knowledge for freedom and peace to the world as compared to Russia, who they know are doing great things in technology, but who sent only two military aircraft to the show

to prove their desire for peace and freedom.

It was significant that many of our great independent companies had complete displays at this show. It was obvious to anyone visiting the show that America is eager and willing to share with the world its great technology.

Many new ideas also were presented in the field of aerial and space travel by other countries. Later this week I intend to present a more complete report of the 23d Paris Aviation Show.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

GOVERNING THE SALARIES AND PERSONNEL PRACTICES APPLICABLE TO TEACHERS, CERTAIN SCHOOL OFFICERS, AND OTHER EMPLOYEES OF DEPENDENTS SCHOOLS OF DEPARTMENT OF DEFENSE IN OVERSEAS AREAS

The Clerk called the bill (S. 96) to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependents schools of the Department of Defense in overseas areas, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AUTHORIZING PAYMENT OF SUM OF MONEY TO VILLAGE OF HIGHLAND FALLS, N.Y., WATER FILTRATION PLANT

The Clerk called the bill (H.R. 942) to provide for an additional payment of $165,000 to the village of Highland Falls, N.Y., toward the cost of the water filtration plant constructed by such village.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the second proviso of Public Law 627, Eightieth Congress, approved June 12, 1948 (62 Stat. 381), the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the village of Highland Falls, New York, the sum of $165,000. The payment of such sum shall be in full settlement of all claims of the village of Highland Falls, New York, against the United States for contribution toward the cost of the water filtration plant constructed by such village as a result of construction activities by the Department of the Army on the military reservation at West Point: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the sums shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, strike "$165,000" and insert in lieu thereof "$40,000".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill to provide for an additional payment of $40,000 to the village of Highland Falls, New York, toward the cost of the water filtration plant constructed by such village."

A motion to reconsider was laid on the table.

AMENDING TITLE 10, UNITED STATES CODE

The Clerk called the bill (H.R. 3321) to amend title 10, United States Code, with respect to crediting certain service as a member of the Women's Army Auxiliary Corps, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 53 of title 10, United States Code, is amended as follows:

(1) By adding the following new section at the end thereof:

"§ 1038. Service credit: certain service in Women's Army Auxiliary Corps

"In computing years of active service of any female member of the Armed Forces, there shall be credited for all purposes, except the right to promotion, in addition to any other service that may be credited, all active service performed in the Women's Army Auxiliary Corps after May 13, 1942, and before September 30, 1943, if that member performed active service in the Armed Forces after September 29, 1943. Service as an officer in the Women's Army Auxiliary Corps shall be credited as active service in the status of a commissioner officer, and service as an enrolled member of the Corps shall be credited as active service in the status of an enlisted member."

(2) By adding the following new item at the end of the analysis thereof:

"1038. Service credit: certain service in Women's Army Auxiliary Corps."

SEC. 2. A person entitled to pension or compensation under any law administered by the Veterans' Administration, based upon the active service described in section 1 of this Act, may elect within one year after the enactment of this Act to receive that pension or compensation in lieu of any compensation under the Federal Employees' Compensation Act, as amended (5 U.S.C. 751 et seq.), to which that person is entitled on the basis of the same service. Such an election is irrevocable and does not entitle that person to the pension or compensation for any period before the date the election is made.

SEC. 3. No person is entitled to back pay or allowances because of any service credited under section 1 of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIRECTING THE CONVEYANCE TO THE STATE OF ARKANSAS OF THE ARMY AND NAVY GENERAL HOSPITAL AT HOT SPRINGS

The Clerk called the bill (H.R. 6190) to direct the Secretary of the Army to convey the Army and Navy General Hospital, Hot Springs National Park, Ark., to the State of Arkansas, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is authorized and directed to convey by quitclaim deed, without consideration, to the State of Arkansas all right, title, and interest of the United States, except as retained in this Act, in and to twenty-five acres, more or less, located at Hot Springs National Park, Arkansas, together with all buildings and improvements thereon, and appurtenances and utilities belonging or appertaining thereto, such land being a part of the Army and Navy General Hospital, Hot Springs National Park, Arkansas.

SEC. 2. All mineral rights in the lands authorized to be conveyed by this Act shall be reserved to the United States.

SEC. 3. The conveyances of the property authorized by this Act shall be upon condition that such property shall be used by the State of Arkansas as a vocational rehabilitation center or for other public health or educational purposes, and if the property so conveyed shall cease to be used for such purposes title thereto shall immediately revert to the United States, and in addition all improvements made by the State of Arkansas during its occupancy shall vest in the United States without payment of compensation therefor.

SEC. 4. The conveyance of the property authorized by this Act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency, or the President declares a state of emergency, and upon the determination by the Secretary of Defense that the property conveyed under this Act is useful or necessary for military, air, or naval purposes, or in the interest of national defense, the United States shall have the right, without obligation to make payment of any kind, to re-enter upon the property and use the same or any part thereof, including any and all improvements made thereon by the State of Arkansas, for a period not to exceed the duration of such state of war or national emergency plus six months. Upon the termination of such use the property shall revert to the State of Arkansas, together with any or all improvements thereon and appurtenances appertaining thereto.

SEC. 5. The Secretary of the Army is further authorized to transfer to the State of Arkansas, without consideration, such equipment and personal property located at the Army and Navy General Hospital as he determines is required for the purposes stated in section 3 of this Act.

SEC. 6. In executing the deed of conveyance authorized by this Act, the Secretary of the Army shall include specific provisions covering the reservations and conditions contained in sections 2, 3, and 4 of this Act and shall include such other reservations and conditions as he shall determine to be in the public interest. The Secretary of Health, Education, and Welfare shall determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in the instrument of conveyance and such determination shall be final.

SEC. 7. In the event the State of Arkansas does not accept the conveyance authorized by this Act on or before June 30, 1960, the Secretary of the Army will thereafter report to the Administrator of the General Services Administration as excess property pursuant to the provisions of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, all the lands and improvements thereon comprising the Army and Navy General Hospital, Hot Springs National Park, Arkansas, and said lands and improvements thereon shall cease to be a part of the Hot Springs National Park, Arkansas.

SEC. 8. Notwithstanding any other provision of this Act, the Secretary of the Interior shall have the election to restore any or all of the lands and improvements thereon comprising the Army and Navy General Hospital to the Hot Springs National Park in the event (a) the State of Arkansas does not accept the conveyance authorized by this Act on or before June 30, 1960, or (b) title thereto reverts to the United States following the conveyance to the State of Arkansas.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That (a) the Secretary of the Army is authorized and directed to convey to the State of Arkansas by quitclaim deed, without consideration and without regard to the provisions of section 2662 of title 10 of the United States Code, but subject to the conditions, limitations, and reservations hereinafter set forth, all right, title, and interest of the United States in and to approximately twenty-one acres, more or less, of land located at Hot Springs National Park, Arkansas, which comprise a part of the reservation presently occupied by the Army and Navy General Hospital, together with all buildings and improvements situated thereon and all appurtenances and utilities belonging or appertaining thereto.

"(b) The conveyance authorized by this Act may not include any part of that portion of the Hot Springs National Park, comprising approximately three and one-half acres hereinafter described by metes and bounds, presently occupied in part by the National Park Service, or any building, improvement, appurtenance, or utility appertaining thereto, or any personal property situated thereon. Such buildings, improvements, appurtenances, and utilities are hereby transferred to the Department of the Interior. The limitation made by the first sentence of this subsection applies to that portion of such park described as follows: Beginning at the west iron road gate post on the property line at Reserve Avenue at point A, northwesterly along the curb line to point B approximately midway along the curb line immediately east of building numbered 16; thence northeasterly to terminus of the rock wall at point C; thence northeasterly to the junction of the rock wall and the rock and masonry wall at point D; thence northeasterly along the rock and masonry wall to its junction with the United States Government property line at point E; thence southerly and westerly along the property line to the starting point at point A, containing approximately 3.5 acres, being the land shown on sheet 9 of 10 sheets, drawing numbered 109, entitled 'Master Plan Army and Navy General Hospital, General Utility Map, as revised by the National Park Service, April 20, 1959, Dwg. No. NP-HS-7005.'

"SEC. 2. The deed of conveyance executed pursuant to this Act shall expressly reserve to the United States (a) all mineral rights in the land so conveyed, and (b) full title to all thermal waters on and under such land. The Secretary of the Interior is authorized to grant to the State of Arkansas a permit for the use of so much of such waters as may be required for the use of such land by the State for the purposes described in section 3 of this Act.

"SEC. 3. The deed of conveyance of real property authorized by this Act shall include the conditions that (a) such property shall be used by the State of Arkansas for a period of twenty years after the date of such conveyance as a vocational rehabilitation center or for other public health or educational purposes, (b) if at any time during that period the Secretary of the Army determines, upon advice received from the Secretary of Health, Education, and Welfare, that the property so conveyed is not used for such purposes, title thereto shall immediately revert to the United States, and (c) in the event of any such reversion, title to all improvements made thereon by the State of Arkansas during its occupancy shall vest in the United States without payment of compensation therefor.

"SEC. 4. The deed of conveyance of the real property authorized by this Act shall include appropriate provisions to insure that (a) whenever the Congress of the United States declares a state of war or other national emergency, or the President declares a state of emergency, and upon the determination by the Secretary of Defense that the property conveyed under this Act is useful or necessary for military, air, or naval purposes, or in the interest of national defense, the United States shall have the right, without obligation to make payment of any kind, to reenter upon the property and use the same or any part thereof, including any and all improvements made thereon by the State of Arkansas, for a period not to exceed the duration of such state of war or national emergency plus six months, and (b) upon the termination of such use by the United States, the property shall be returned to the State of Arkansas, together with any or all improvements thereon and appurtenances appertaining thereto.

"SEC. 5. In executing the deed of conveyance authorized by this Act, the Secretary of the Army shall include such other reservations and conditions as he and the Secretary of the Interior shall determine to be required in the public interest.

"SEC. 6. Upon the execution of that deed of conveyance, the Secretary of the Army is further authorized, subject to the provisions of subsection (b) of the first section of this Act, to transfer to the State of Arkansas, without consideration, such equipment and personal property located at the Army and Navy General Hospital as he shall determine to be required for use by the State for the purposes stated in section 3 of this Act.

"SEC. 7. In the event the State of Arkansas does not accept the conveyance authorized by this Act on or before June 30, 1960, the Secretary of the Army shall thereafter report to the Administrator of the General Services Administration as excess property pursuant to the provisions of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, all the lands and improvements thereon comprising the Army and Navy General Hospital, Hot Springs National Park, Arkansas, and said lands and improvements thereon shall cease to be a part of the Hot Springs National Park, Arkansas.

"SEC. 8. Notwithstanding any other provision of this Act, the Secretary of the Interior may take custody and control of any or all of the lands and improvements thereon comprising the Army and Navy General Hospital, and restore such lands and improvements to the Hot Springs National Park, if, (a) the State of Arkansas does not accept the conveyance authorized by this Act on or before June 30, 1960, or (b) title thereto reverts to the United States following the conveyance thereof to the State of Arkansas."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING LIFE OF ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION

The Clerk called the bill (S. 498) to extend the life of the Alaska International Rail and Highway Commission, and to make a change in the membership of such Commission.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to establish an Alaska International Rail and Highway Commission", approved August 1, 1956 (70 Stat. 888), as amended, is amended—

(1) by striking out paragraphs (1) through (4) of subsection (a) of the first section and inserting in lieu thereof the following:

"(a) (1) six of the members of the Commission shall be Members of the Congress of the United States, at least one of whom shall be a Member from the State of Alaska, and not more than four of whom shall be members of the same political party; and

"(2) four of the members shall be selected from the executive branch of the Government, of whom, if practicable, one shall be from the Department of the Army, to be designated by the Secretary of the Army, one from the Department of the Interior, one from the Department of State, and one from the Department of Commerce; and

"(3) three of the members shall be selected from the general public, one of whom shall be a resident of Alaska and one of whom shall be a resident of the Pacific Northwest region of the United States."; and

(2) by striking out section 7 and inserting in lieu thereof the following:

"SEC. 7. The Commission shall report the results of its studies and submit its recommendations to the Congress from time to time, and shall make a final report and submit its final recommendations to the Congress at the earliest practicable time, but in no event later than June 1, 1961. The final report shall include estimates of the cost of construction of rail and highway facilities along the routes determined most feasible and beneficial by the Commission, together with estimates of the economic benefits to the United States, Canada, and Alaska. The Commission shall cease to exist for all intents and purposes, and all authority conferred by this Act shall and does terminate thirty days after the date of the submission of the final report or on June 30, 1961, whichever date occurs first."

With the following committee amendment:

Page 1, line 6, following the words "striking out" insert the words "paragraphs (1) through (4) of."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPENSATION OF VETERANS WHO DISAPPEAR

The Clerk called the bill (H.R. 255) to amend section 358 of title 38, United States Code, to provide for apportionment of compensation of veterans who disappear.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

MULTIPLE SCLEROSIS WITHIN 3 YEARS AFTER SEPARATION

The Clerk called the bill (H.R. 267) to amend title 38 of the United States Code to provide that multiple sclerosis developing a 10 percent or more degree of disability within 3 years after separation from active service shall be presumed to be service connected.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

ADDITIONAL COMPENSATION FOR DEAFNESS OF BOTH EARS

The Clerk called the bill (H.R. 268) to amend title 38 of the United States Code to provide additional compensation for veterans having the service-incurred disability of deafness of both ears.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ALLOWANCES TO VETERANS' ADMINISTRATION PERSONNEL IN THE PHILIPPINES

The Clerk called the bill (H.R. 269) to amend title 38, United States Code, to provide certain allowances and benefits to personnel of the Veterans' Administration who are U.S. citizens and are assigned to the Veterans' Administration office in the Republic of the Philippines.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subchapter III of chapter 3, title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 235. Benefits to employees in the Republic of the Philippines who are United States citizens

"(a) The Administrator may, under such rules and regulations as may be prescribed by the President or his designee, provide to personnel of the Veterans' Administration who are United States citizens and are assigned by the Administrator to the Veterans' Administration office in the Republic of the Philippines, allowances and benefits similar to those provided by the following sections of the Foreign Service Act of 1946:

"(1) Section 901(1) (relating to allowances for temporary and permanent living quarters, heat, light, water, fuel, gas, and electricity).

"(2) Section 901(3) (relating to allowances to provide for the proper representation of the United States).

"(3) Section 902 (relating to an allotment for official residences of principal American representatives).

"(4) Section 903 (relating to accounting for allowances).

"(5) Section 911 (1), (2), (3), (4), (5), (7), and (9) (relating to travel expenses).

"(6) Section 913 (relating to transportation of automobiles).

"(7) Section 933 (relating to the return of personnel to the United States on leaves of absence).

"(8) Section 941 (relating to payment by the United States of expenses for treating illness or injury of officers or employees and dependents requiring hospitalization).

"(b) Personnel of the Veterans' Administration who are United States citizens and are assigned to the Republic of the Philippines by the Administrator of Veterans' Affairs may be granted leaves of absence in the United States, by the Administrator of Veterans' Affairs, similar to that provided by section 203(f) of the Annual and Sick Leave Act of 1951 (5 U.S.C. 2061(f)).".

SEC. 2. The table of sections of chapter 3, title 38, United States Code, is amended by inserting immediately below

"234. Telephone service for medical officers."

the following:

"235. Benefits to employees in the Republic of the Philippines who are United States citizens."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PENSION FOR MEDAL OF HONOR HOLDERS

The Clerk called the bill (H.R. 270) to amend title 38, United States Code, to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HANSEN'S DISEASE—PRESUMPTION OF SERVICE CONNECTION

The Clerk called the bill (H.R. 271) to amend title 38 of the United States Code to provide a further period for presuming service connection in the case of veterans suffering from Hansen's disease (leprosy).

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

INCREASED COMPENSATION FOR CERTAIN DISABLED VETERANS

The Clerk called the bill (H.R. 283) to amend section 314(k) of title 38, United States Code to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

BENEFITS TO VETERANS HAVING CORRECTED DISCHARGES

The Clerk called the bill (H.R. 3269) to amend section 3103 of title 38, United States Code, to provide for payment of veterans' benefits to certain veterans whose discharges have been corrected.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3103(c) of title 38, United States Code, is amended (1) by inserting "(1)" immediately before "who"; and (2) by inserting immediately before the period at the end thereof the following: ", or (2) whose discharge has been changed, modified, or corrected under section 1552 or 1553 of title 10, or by other corrective action by competent authority, to be a discharge under conditions under than dishonorable".

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 3103(c) of title 38, United States Code, is amended by adding at the end thereof the following: 'No individual shall be considered as having been discharged on his own application or solicitation as an alien in the absence of affirmative evidence establishing that he was so discharged.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended to read: "A bill to authorize the payment of veterans' benefits to certain veterans who were discharged as aliens."

A motion to reconsider was laid on the table.

CHARGING VETERANS' CANTEEN SERVICE FOR SPACE

The Clerk called the bill (H.R. 5446) to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (3) of section 4202 of title 38, United States Code, is amended to read as follows:

"(3) furnish the Service for its use in connection with the establishment, maintenance, and operation thereof, such space, buildings, and structures under control of the Veterans' Administration as he may consider necessary, including normal maintenance and repair service thereon. Reasonable charges, to be determined by the Administrator, shall be paid annually by the

Service for the space, buildings, and structures so furnished, except that the Administrator may reduce or waive such charges whenever payment of such charges would impair the working capital required by the Service;".

SEC. 2. This Act shall take effect on the first day of July 1959.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OPERATION OF VETERANS' ADMINISTRATION OFFICE IN THE PHILIPPINES

The Clerk called the bill (H.R. 5447) to extend the authority of the Administrator of Veterans' Affairs to maintain offices in the Republic of the Philippines.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 230(b) of title 38, United States Code, is amended by striking out "1960" and inserting in lieu thereof "1970".

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EFFECTIVE DATE OF CERTAIN STATUTORY AWARDS

The Clerk called the bill (H.R. 5996) to provide that no application shall be required for the payment of statutory awards for certain conditions which, prior to August 1, 1952, have been determined by the Veterans' Administration to be service connected.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

FORFEITURE OF VETERANS' BENEFITS

The Clerk called the bill (H.R. 7106) to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3503 of title 38, United States Code, is amended to read as follows:

"§ 3503. Forfeiture for fraud

"(a) Except as provided in subsection (b), where any individual makes, or procures or concurs in the making, to the Administrator of a false statement in writing or of a false entry in any of the records of the Veterans' Administration in connection with any claim for benefit under laws administered by the Veterans' Administration, knowing or having reason to know that such statement or entry is false, and such false statement or entry is material in determining the entitlement of such individual or any other person to benefits under such laws—

"(1) if the claim is for disability compensation, or for hospital care or medical treatment, for a service-connected disability of such individual, such individual shall forfeit all right to benefits under such laws based upon periods of active military, naval, or air service occurring on or before the date on which such statement is received by the Veterans' Administration or such entry is made in the records of the Veterans' Administration, except death compensation or dependency and indemnity compensation based upon a death occurring after such date;

"(2) if the claim is for death compensation or dependency and indemnity compensation for such individual, he shall forfeit all right to benefits under such laws based upon periods of active military, naval, or air service occurring on or before the date on which such statement is received by the Veterans' Administration or such entry is made in the records of the Veterans' Administration, except disability compensation, hospital care and medical treatment for a service-connected disability, and death compensation or dependency and indemnity compensation based upon a death occurring after such date; and

"(3) if the claim is for any other benefit for such individual under such laws, or for any benefit under such laws for any other person, such individual shall forfeit all right to benefits under such laws based upon periods of active military, naval, or air service occurring on or before the date on which such statement is received by the Veterans' Administration or such entry is made in the records of the Veterans' Administration, except disability and death compensation, dependency and indemnity compensation, and hospital care and medical treatment for a service-connected disability.

"(b) In determining whether or not any false statement, entry, evidence, report, or other matter is material in determining the entitlement of any person to benefits under laws administered by the Veterans' Administration, the Administrator shall first determine the entitlement of such person to such benefits disregarding the false statement, entry, evidence, report, or other matter, and shall then determine the entitlement of such person to such benefits assuming that the false statement, entry, evidence, report, or other matter is true and that any other statement or matter inconsistent with the false statement, entry, evidence, report, or other matter is false (to the extent of the inconsistency). Where the same result is reached in both instances, the false statement, entry, evidence, report, or other matter shall not be considered as material; where a different result is reached, the statement, entry, evidence, report, or other matter shall be considered as material.

"(c) No benefits may be forfeited pursuant to this section unless the individual involved is given an opportunity for a hearing before an impartial board, appointed by the Administrator, concerning the proposed forfeiture. The individual shall be informed in writing by the Administrator of the grounds on which the forfeiture is proposed to be based, stated in sufficient detail to inform him adequately of the nature and extent of the charges which he must meet. At any hearing held under this section, the individual shall be entitled to be represented by counsel of his own choosing, or he may represent himself. The individual and his counsel shall have the right to examine in advance all evidence which is to be considered in connection with the proposed forfeiture, except evidence which for considerations of national security or for protection of sources of information may not be disclosed. Where evidence may not be disclosed to the individual or his counsel, the individual shall be furnished a résumé of such evidence, certified by the Administrator to be a fair résumé.

"(d) Benefits forfeited under this section shall be forfeited as of the date the false statement, evidence, or report was received by the Veterans' Administration, or the entry or other matter on account of which the forfeiture is declared first was entered in the records of the Veterans' Administration. Where any payments have been made to an individual after the date referred to in the preceding sentence, such payments shall be considered as overpayments of benefits, and shall be collected from the individual involved in the same manner as are other overpayments of benefits under laws administered by the Veterans' Administration.

"(e)(1) Where disability compensation payable to a veteran has been forfeited before the date of enactment of this subsection and such compensation is payable to his wife, children, or parents the payments to the wife, children, and parents shall cease as of the first day of the first calendar month which begins after the date of enactment of this subsection. The Administrator shall review the facts in such case as promptly as possible, and shall determine whether or not benefits would have been forfeited in such case if this section, as amended by the Act enacting this subsection, had been in effect and the only forfeiture law applicable at the time the act or acts occurred on account of which the forfeiture was declared. If, on the basis of such review the Administrator determines pursuant to the preceding sentence that benefits would not have been forfeited in such case, the award of benefits shall be restored to such veteran, effective as of the first day of the first calendar month which begins after the date of enactment of this subsection.

"(2) Except as provided in paragraph (1), where any benefit which may be paid or furnished under laws administered by the Veterans' Administration to any individual has been forfeited before the date of enactment of this subsection, upon application therefor by such individual the Administrator shall review the facts in such case as promptly as possible, and shall determine whether or not benefits would have been forfeited in such case if this section, as amended by the Act enacting this subsection, had been in effect, and the only forfeiture law applicable, at the time the act or acts occurred on account of which the forfeiture was declared. If, on the basis of such review the Administrator determines pursuant to the preceding sentence that benefits would not have been forfeited in such case, the award of benefits shall be restored (or granted), effective as of—

"(A) the date of enactment of this subsection, if application for review is filed with the Administrator within the one year period which begins on the date of enactment of this subsection; or

"(B) the date of application for such review in all other cases.

"(3) Where he determines that the facts warrant, the Administrator may grant a hearing to the claimant involved in any review conducted pursuant to this subsection.

"(4) Paragraphs (1), (2), and (3) of this subsection do not apply with respect to benefits forfeited on account of mutiny, treason, sabotage, or rendering assistance to an enemy of the United States or of its allies.

"(f) As used in this section, the term 'laws administered by the Veterans' Administration' does not include laws pertaining to war-risk insurance, United States Government life insurance, or national service life insurance."

SEC. 2. Section 3504 of title 38, United States Code, is amended to read as follows:

"§ 3504. Forfeiture for treason

"(a) Any individual shown by evidence satisfactory to the Administrator to be guilty

of mutiny, treason, sabotage, or rendering assistance to an enemy of the United States or of its allies shall have no right to gratuitous benefits under laws administered by the Veterans' Administration for any period following the date the mutiny, treason, sabotage, or rendering assistance to an enemy occurred, whether or not a period of honorable active military, naval, or air service occurred after such date, and no other person shall be entitled to such benefits after such date on account of such individual. Where any benefits have been paid to or on account of such individual after whichever last occurs, the date referred to in the preceding sentence, or the date of enactment of this sentence, such payments shall be considered as overpayments of benefits, and shall be collected from the payee in the same manner as are other overpayments of benefits under laws administered by the Veterans' Administration.

"(b) No individual may be denied benefits pursuant to subsection (a) of this section unless he is given an opportunity for a hearing before an impartial board, appointed by the Administrator, concerning the proposed denial. The individual shall be informed in writing by the Administrator of the grounds on which the denial is proposed to be based, stated in sufficient detail to inform him of the nature and extent of the charges which he must meet. At any hearing held under this section, the individual shall be entitled to be represented by counsel of his own choosing, or he may represent himself. The individual and his counsel shall have the right to examine in advance all evidence which is to be considered in connection with the proposed denial, except evidence which for considerations of national security or for protection of sources of information may not be disclosed. Where evidence may not be disclosed to the individual or his counsel, the individual shall be furnished a résumé of such evidence, certified by the Administrator to be a fair résumé."

SEC. 3. Section 3012(c) of title 38, United States Code, is amended (1) by inserting "and" immediately after the semicolon following paragraph (3); (2) by striking out paragraph (4); and (3) by redesignating paragraph (5) as paragraph (4).

With the following committee amendment.

Strike out all after the enacting clause and insert the following: "That section 3503 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"'(d) After the date of enactment of this subsection, no forfeiture of benefits may be imposed under this section or section 3504 of this title upon any individual who was a resident of, or domiciled in, a State at the time the act or acts occurred on account of which benefits would, but for this subsection, be forfeited. This subsection shall not apply with respect to any forfeiture occurring before the date of enactment of this subsection.'

"SEC. 2. (a) Chapter 61 of title 38, United States Code, is amended by adding at the end thereof the following:

"'§ 3505. Forfeiture for subversive activities

"'(a) Any individual who is convicted after the date of enactment of this section of any offense listed in subsection (b) of this section shall, after the date of such conviction, have no right to gratuitous benefits under laws administered by the Veterans' Administration based on periods of military, naval, or air service occurring before or after such conviction, and no other person shall be entitled to such benefits on account of such individual. If any individual whose right to benefits has been terminated pursuant to this section is granted a pardon of the offense by the President of the United States, the right to such benefits shall be restored as of the date of such pardon.

"'(b) The offenses referred to in subsection (a) of this section are those offenses for which punishment is prescribed (1) in the following provisions of title 18, United States Code, sections 792, 793, 794, 798, 2381, 2382, 2383, 2384, 2385, 2387, 2388, 2389, 2390, and chapter 105; (2) in the Uniform Code of Military Justice, articles 94, 104, and 106; (3) in the following sections of the Atomic Energy Act of 1954, sections 222, 223, 224, 225, and 226; and (4) in the following sections of the Internal Security Act of 1950, sections 4, 112, and 113.

"'(c) The Attorney General shall notify the Administrator in each case in which an individual is convicted of an offense listed in clauses (1), (3), or (4) of subsection (b) of this section. The Secretary of Defense shall notify the Administrator in each case in which an individual is convicted of an offense listed in clause (2) of subsection (b) of this section.'

"(b) The table of sections for such chapter 61 is amended by adding at the end thereof the following:

"'3505. Forfeiture for subversive activities.'"

Mr. TEAGUE of Texas. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE of Texas to the committee amendment: Page 11, line 4, strike out "(6)" and insert "(b)."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL OLYMPIC WEEK

The Clerk called the resolution (H.J. Res. 310) to authorize the designation of the period of October 17 to October 24, 1959, as National Olympic Week.

There being no objection, the Clerk read the resolution, as follows:

Whereas the games of the XVII Olympiad will be held in Rome, Italy, August 25 to September 11, 1960, with winter games to to be held at Squaw Valley, California, February 18 to February 28, 1960; and

Whereas these games will afford an opportunity of bringing together young men and women representing more than seventy nations, of many races, creeds, and stations in life and posesssing various habits and customs, all bound by the universal appeal of friendly athletic competition, governed by rules of sportsmanship and dedicated to the principle that the important thing is for each and every participant to do his very best to win in a manner that will reflect credit upon himself or herself, and the country represented; and

Whereas the peoples of the world in these trying times require above all else occations for friendship and understanding, and among the most telling things which influence people of other countries are the acts of individuals and not those of governments; and

Whereas experiences afforded by the Olympic games make a unique contribution to common understanding and mutual respect among all peoples; and

Whereas previous Olympic games have proved that competitors and spectators alike have been imbued with ideals of friendship, chivalry, and comradeship and impressed with the fact that accomplishment is reward in itself; and

Whereas the United States Olympic Association is presently engaged in assuring maximum support for the teams representing the United States at Squaw Valley, California, and Rome, Italy; and

Whereas a week set aside by this Nation for a rededication to the amateur ideal could accomplish great good in encouraging good will for these games: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the period of October 17 to October 24, 1959, as National Olympic Week and urging all citizens of our country to do all in their power to support the games of the XVII Olympiad and the VIII Olympic winter games, to be held in 1960, and to insure that the United States will be fully and adequately represented in these games.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CITY OF MADEIRA BEACH, FLA.

The Clerk called the bill (H.R. 2390) for the relief of the city of Madeira Beach, Fla.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the city of Madeira Beach, Florida, the sum of $12,828.35. Payment of such sum shall be in full settlement of all claims of the city of Madeira Beach against the United States for payment by the United States to such city of the cost of construction by such city in the years 1956 and 1957 of concrete groins for erosion control of five hundred feet of property along the Gulf of Mexico principally on riparian land adjacent to the beach house of the Veterans' Administration within the corporate limits of the city of Madeira Beach, Florida: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed quilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CENTENNIAL OF AMERICAN DENTAL ASSOCIATION

The Clerk called Senate Concurrent Resolution 7.

There being no objection, the Clerk read the Senate Concurrent Resolution, as follows:

Whereas the American Dental Association, representing more than 85 per centum of the Nation's dentists, has for one hundred years been effective in advancing the art and science of dentistry and extending their benefits to more and more people; and

Whereas the dental health care available to the people of the United States is superior to any in the world; and

Whereas the high level of dental education in the United States has enabled American dentists to prevent as well as treat and control dental disease; and

Whereas the dental profession of the United States has sponsored scientific research which has produced many outstanding results designed to improve the health, comfort, and appearance of all citizens; and

Whereas further research will be enhanced by construction of the new building for the National Institute of Dental Research at Bethesda, Maryland, which was vigorously supported in the Congress by the American Dental Association; and

Whereas the dentists of the United States have achieved worldwide recognition for their contributions to improved health; and

Whereas the American Dental Association is observing its centennial during the year 1959, the actual date of organization being August 3, 1859: Therefore be it.

Resolved, That the felicitations and best wishes of the Congress of the United States are hereby cordially extended to the American Dental Association on its many and varied contributions to the health of the people and upon the occasion of the one hundredth anniversary of the founding of the association.

With the following committee amendment:

Strike out all the whereas clauses except the last one.

The committee amendment was agreed to.

The Senate concurrent resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF CASES BETWEEN DISTRICT COURTS AND THE COURT OF CLAIMS

The Clerk called the bill (H.R. 5396) to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1406 of title 28 of the United States Code is amended by adding at the end thereof the following new subsection:

"(c) If a case within the exclusive jurisdiction of the Court of Claims is filed in a district court, the district court shall, unless the parties consent to dismissal, transfer such case to the Court of Claims."

SEC. 2. (a) Chapter 91 of title 28 of the United States Code is amended by adding at the end thereof the following new section:

"§ 1506. Transfer to cure defect of jurisdiction:

"If a case within the exclusive jurisdiction of the district courts is filed in the Court of Claims, the Court of Claims shall, unless the parties consent to dismissal, transfer such case to any district court in which it could have been brought at the time such case was filed."

(b) The analysis of chapter 91 of title 28 of the United States Code is amended by adding at the end thereof the following:

"SEC. 1506. Transfer to cure defect of jurisdiction."

SEC. 3. The amendments made by this Act shall apply to any case or proceeding pending on, or brought after, the date of enactment of this Act in the district courts or the Court of Claims.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUDSON-CHAMPLAIN CELEBRATION

The Clerk called House Joint Resolution 266.

The SPEAKER. Is there objection to the present consideration of House Joint Resolution 266?

There was no objection.

Mr. WHITENER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk a similar bill, Senate Joint Resolution 59, and for its consideration in lieu of the House bill.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Whereas the year 1959 marks the three hundred and fiftieth anniversary of the historical voyages of Henry Hudson and Samuel de Champlain on the waters which bear their names;

Whereas these voyages of exploration were of great significance in the history of our country, in that they opened the way for the establishment of settlements which have greatly influenced the development of our commerce, culture, laws, and customs;

Whereas this anniversary is to be commemorated with ceremonies, celebrations, and festivals in the States of New York, Vermont, and New Jersey;

Whereas the Congress has established a Federal Commission to coordinate the activities of the various groups involved; and

Whereas all of the people of the United States should be given an opportunity in schools, churches, and other places of public gathering to participate in this historic observance: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled, That the President of the United States is authorized and requested to issue a proclamation designating 1959 as the year of the Hudson-Champlain Celebrations, and calling upon all citizens to join in commemorating the explorations carried out by these heroic men three hundred and fifty years ago.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A similar resolution, House Joint Resolution 266, was laid on the table.

A motion to reconsider was laid on the table.

DESIGNATING A STREAM IN CALIFORNIA AS THE "PETALUMA RIVER"

The Clerk called the bill (H.R. 2191) to designate a stream in California as the "Petaluma River."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I note that there are no departmental reports embodied in the committee report. Can anyone on the committee indicate why this was not done? Of course, that is the normal procedure.

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AUTHORIZING SECRETARY OF THE NAVY TO ACQUIRE CERTAIN LAND ON THE ISLAND OF GUAM

Mr. O'BRIEN of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3608) to authorize the Secretary of the Navy to acquire certain land on the island of Guam.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy is authorized to acquire, by purchase or otherwise, fee title or permanent easements to any land situated on the island of Guam on which the Department of the Navy has constructed roads since July 21, 1944.

SEC. 2. There are authorized to be appropriated such sums, not to exceed $2,000,000, as may be necessary to carry out the provisions of this Act.

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Speaker, as chairman of the Committee on Interior and Insular Affairs, I feel H.R. 3608 is important to the people of Guam for whom Congress has legislative responsibility. H.R. 3608 has a twofold purpose. First, it authorizes the Secretary of the Navy to acquire fee title or permanent easements to any land on Guam on which the Navy has constructed roads and highways since July 21, 1944—D-day on Guam. Secondly, it authorizes a sum not in excess of $2 million to carry out the provisions of the act.

THE ROAD SYSTEM

A primary road system consisting of some 127 miles has been constructed by the Navy on Guam since 1944. Title to 112 miles of rights-of-way have already been acquired by the Navy with Federal appropriations made available in 1948 when two appropriations, one for $1,600,000 and the other for $385,000 were made. It was anticipated that these amounts would suffice for the acquisition of the highways and rights-of-way. This sum, however, proved to be vastly inadequate because of the rapid increase in land values which have taken place on Guam since World War II. Through agreement between the Navy and the government of Guam, the latter will acquire title to 1.9 miles of right-of-way. This will leave

13.2 miles which is the subject of this legislation. These 13.2 miles are in 584 parcels held by 772 Guamanian landowners. Thus we see that no single family on Guam will receive any sizable sum of money as a result of this legislation.

RIGHTS-OF-WAY APPRAISAL

Actual appraisals of the rights-of-way acquisitions under condemnation proceedings now pending in the U.S. District Court of Guam, amount to $1,819,400. The enactment of H.R. 3608 will entail the expenditure of $2 million, a sum which will amply cover the costs of condemnation on the 13.2 miles.

I do not feel the court appraisals are out of line. Four and one-tenth miles of right-of-way extends through the center of Agana, the capital of Guam. This mileage has an appraised value of $1,376,000. The 9.1 miles of right-of-way connects the eastern part of the island with the capital city and the military headquarters. This mileage has an estimated value of $442,000.

At present the U.S. Navy is paying about $86,000 annually for rental and leasing the acreage in question.

COMMITTEE RECOMMENDATION

Mr. Speaker, in my opinion, this legislation is long overdue. Had such legislation been enacted 10 years ago almost one-half of the proposed expenditure would have been made. In the long run acquisition of the rights-of-way rather than leasing will represent a savings to the Federal Government.

Like everywhere else, land values on Guam are increasing annually. The Guamanians have waited patiently for 15 years for payment of land taken for public purposes. I recommend favorable consideration of H.R. 3608. Legislation similar to H.R. 3608 was passed by the House in the 85th Congress, but was not acted upon by the other body.

Now, may I advise my colleagues that several members of the Committee on Territories and Insular Affairs have visited Guam. The gentleman from Pennsylvania, Mr. Saylor, the gentlewoman from Idaho, Mrs. Pfost, the gentleman from South Dakota, Mr. Berry, a former Member of the House from the Fourth District of Nebraska, Dr. Miller, and the gentleman now speaking have all been on the island. We have looked over this matter. We feel that these values which the court has placed on these small areas are fair and are equitable. We do not feel that there is any enhanced value other than that which has come to Guam because of the fact that we have had control over it and have been trying to build it up since we took over when the Guamanians were liberated from the control of Japan. The 4.1 miles, the expensive portion of the highway, runs through the capital city of the island of Guam, Agana, one of the oldest cities of western Spanish culture that there is in the Pacific. It is not a village; it is the capital city. When we went in to liberate Guam, we literally tore it to pieces. One of the most beautiful government houses in the Pacific area was that of Guam. All that remains of that capital today are a few columns still standing erect and other columns lying down on the ground. That is what we did to the heart of the city; that is what we did to the area through which this road is to go. The roadway through the 4.1 miles of the most beautiful part of the island lies only a few hundred yards from where the former government house stood. This is a fair bill, and I think it should pass this body by an overwhelming vote.

Mr. SAYLOR. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the bill you have before you today grows out of a dispute between the Department of the Interior and the Department of Defense. You will recall that some 4 years after World War II, the island of Guam was under the jurisdiction of the Department of Defense. By act of Congress in 1948 it was turned over to the Department of the Interior to administer. Some of the claims that were not paid at that time were those of a number of property owners on the island of Guam whose property had been taken for the construction of roads. The Department of the Navy tried to make the Department of the Interior pay for this land acquisition. The Department of the Interior rightfully insisted that this was an obligation which the Navy had incurred before the island was turned over to them and shounld be a part of the budget of the Department of Defense.

Now, the land that is involved on the island of Guam was owned by about 233 Guamanian individuals. It is a rather sad commentary to have to tell you that these people have been deprived of the use of their property, some of them, for 12 to 13 years and have received no payment for it. One of the things our Constitution guarantees—and our Constitution does apply to the island of Guam—is that no person's property shall be taken for public use without proper compensation.

The Navy now recognizes its obligation, has gotten together with the property owners, at the insistence of the chairman of our committee, the gentleman from Colorado [Mr. ASPINALL], the chairman of our subcommittee, the gentleman from New York [Mr. O'BRIEN], and other interested persons, and decided that here is an obligation of theirs which should be paid. The prices that are here being paid for this property have been closely scrutinized by the Federal court and they are in line with the prices being paid for other similar properties on the island of Guam.

Mr. Speaker, I certainly hope that the House will suspend the rules and pass this bill.

Mr. ASPINALL. Mr. Speaker, will the gentleman from Pennsylvania yield to me?

Mr. SAYLOR. I am happy to yield to the distinguished gentleman from Colorado.

Mr. ASPINALL. Is it not a fact that the evidence received by your committee was to the effect that these values are perhaps slightly under what they would be if they were values determined on like areas within the United States itself?

Mr. SAYLOR. That is correct; and the people have indicated that they are willing to settle for these prices.

Mr. O'BRIEN of New York. Mr. Speaker, I yield the gentleman from Vermont 3 minutes.

Mr. MEYER. Mr. Speaker, I should like to ask a few questions of the chairman.

I realize that the committee has done a thorough job on this bill, and certainly there is no purpose in my mind to prevent the people of Guam from receiving a fair return for the property which was taken away from them.

However, in reading the report some questions came to my mind, and I just wanted to clear those up. It seems that this payment would be equivalent to a payment of about $15 per acre for all the land on Guam; and a payment of about $50 per person for the total population of the island. And since 13.2 miles of road are involved, and that is roughly 10 percent of the original roadbuilding, and in 1948, $1,600,000 was appropriated, and in 1951, $385,000 was appropriated, and in this latter case it is indicated in the report that this $385,000 was to be paid for the rights-of-way of all the roads remaining which at that time must have been more than 13.2 miles, in figuring it out further it seems that since that date the new payment now proposed would be equivalent to at least a 500-percent increase over the estimates of that time. So, basically my question is, Are these socially created values, since the original construction of the road, and if they are, is the committee sure that the people who are going to get these increased values are the natives of the area and not someone who has perhaps acquired the land or is doing some kind of profiteering?

Mr. ASPINALL. Mr. Speaker, if the gentleman will yield to me for an answer, these are not socially created values. These are enhanced values, of course, because of the fact that we did not purchase this land and obtain the easements at the time we should have. These are values that have been determined by the courts to be fair. The original $1,600,000 plus the $385,000 to which the gentleman has made reference, was supposed to take care of the entire amount, but it has not done so. The Navy realized that because they are willing to pay $86,000 rental each year for use of the highway mileage considered in this legislation.

This is to obtain an answer to the problem that is involved so that we will be through with it once and for all. As the gentleman from Pennsylvania [Mr. SAYLOR] has said, this would have been determined heretofore if it had not been for a question of jurisdiction between the Department of the Interior which was given partial control over the island and the Department of Navy which had military control over the island since 1944 and which still has control over a great deal of the island's area.

The values are not to be determined by the number of people on Guam. They are not to be determined by the amount of money that would be given if this money were divided amongst all of the people of Guam. They are to be determined on what are fair values for the

properties involved. And the courts have held and made a decision that almost $2 million is the correct answer. The committee had nothing more than that to go on.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

VETERANS' PENSION ACT OF 1959

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7650) to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Pension Act of 1959".

SEC. 2. (a) Section 503 of title 38, United States Code, is amended to read as follows:

"§ 503. Determinations with respect to annual income

"In determining annual income under this chapter, all payments of any kind or from any source (including salary, retirement or annuity payments, or similar income, which has been waived, irrespective of whether the waiver was made pursuant to statute, contract, or otherwise) shall be included except—

"(1) payments of the six-months' death gratuity;

"(2) donations from public or private relief or welfare organizations;

"(3) payments under this chapter, and chapters 11 and 13 (except section 412) of this title;

"(4) payments under policies of United States Government life insurance or National Service Life Insurance, and payments of servicemen's indemnity;

"(5) lump sum death payments under subchapter II of chapter 7 of title 42;

"(6) payments to an individual under public or private retirement, annuity, endowment, or similar plans or programs equal to his contributions thereto;

"(7) amounts equal to amounts paid by a widow or child of a deceased veteran for—

"(A) his just debts,

"(B) the expenses of his last illness, and

"(C) the expenses of his burial to the extent such expenses are not reimbursed under chapter 23 of this title;

"(8) proceeds of fire insurance policies."

(b) Subchapter I of chapter 15 of title 38, United States Code, is amended by adding at the end thereof the following:

"§ 506. Resource reports and overpayment adjustments

"(a) As a condition of granting or continuing pension under sections 521, 541, or 542 of this title, the Administrator—

"(1) may require from any person applying for, or in receipt of, pension thereunder such information, proofs, or evidence as he desires in order to determine the annual income and the corpus of the estate of such person;

"(2) shall require that any such person file each year with the Veterans' Administration (on the form prescribed by him) a report showing the total income which he received during the preceding year, the corpus of his estate at the end of that year, and his estimate for the then current year of the total income he expects to receive and of any expected increase in the corpus of his estate; and

"(3) shall require that any such person promptly file a revised report whenever there is a material change in his estimated annual income or a material change in his estimate of the corpus of his estate.

"(b) If there is an overpayment of pension under section 521, 541, or 542 of this title, the amount thereof shall be deducted (unless waived) from any future payments made thereunder to the person concerned."

SEC. 3. (a) Section 521 of title 38, United States Code, is amended (" by redesignating subsection (b) as subsection (f); (2) by striking out all that follows "habits," in subsection (a) and inserting in lieu thereof "pension at the rate prescribed by this section."; and (3) by inserting immediately after subsection (a) the following:

"(b) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of his spouse) and has no child, pension shall be paid at the monthly rate set forth in column II of the following table opposite the veteran's annual income as shown in column I:

"Column I		Column II
Annual income		
More than—	but Equal to or less than—	
	$600	$85
$600	1,200	70
1,200	1,800	40

"(c) If the veteran is married and living with or reasonably contributing to the support of his spouse, or has a child or children, pension shall be paid at the monthly rate set forth in column II of the following table opposite the veteran's annual income as shown in column I:

"Column I		Column II
Annual income		
More than—	but Equal to or less than—	
	$1,000	$90
$1,000	2,000	75
2,000	3,000	45

"(d) If the veteran is in need of regular aid and attendance, the monthly rate payable to him under subsection (b) or (c) shall be increased by $70.

"(e) For the purposes of this section—

"(1) in determining annual income, where a veteran is living with his spouse, all income of the spouse which is reasonably available to or for the veteran except $1,200 or 50 percent of such income, whichever is the greater, shall be considered as the income of the veteran, unless in the judgment of the Administrator to do so would work a hardship upon the veteran;

"(2) a veteran shall be considered as living with a spouse, even though they reside apart, unless they are estranged."

(b) Section 522 of title 38, United States Code, is amended to read as follows:

"§ 522. Net worth limitation

"The Administrator shall deny or discontinue payment of pension under section 521 of this title when the corpus of the veteran's estate is such that under all the circumstances, including consideration of the veteran's income, it is reasonable that some part of the corpus be consumed for the veteran's maintenance."

SEC. 4. Subchapter III of chapter 15 of title 38, United States Code, is amended by striking out sections 541 through 545 and inserting in lieu thereof the following:

"§ 541. Widows of World War I, World War II, or Korean conflict veterans

"(a) The Administrator shall pay to the widow of each veteran of World War I, World War II, or the Korean conflict who met the service requirements of section 521 of this title, or who at the time of his death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, pension at the rate prescribed by this section.

"(b) If there is no child, pension shall be paid at the monthly rate set forth in column II of the following table opposite the widow's annual income as shown in column I:

"Column I		Column II
Annual income		
More than—	but Equal to or less than—	
	$600	$60
$600	1,200	45
1,200	1,800	25

"(c) If there is a widow and one child, pension shall be paid at the monthly rate set forth in column II of the following table opposite the widow's annual income, as shown in column I:

"Column I		Column II
Annual income		
More than—	but Equal to or less than—	
	$1,000	$75
$1,000	2,000	60
2,000	3,000	40

"(d) If there is a widow and more than one child, the monthly rate payable under subsection (c) shall be increased by $15 for each additional child.

"(e) No pension shall be paid to a widow of a veteran under this section unless she was married to him—

"(1) before (A) December 14, 1944, in the case of a widow of a World War I veteran, or (B) January 1, 1957, in the case of a widow of a World War II veteran, or (C) February 1, 1965, in the case of a widow of a Korean conflict veteran; or

"(2) for five or more years; or

"(3) for any period of time if a child was born of the marriage.

"§ 542. Children of World War I, World War II, or Korean conflict veterans

"(a) Whenever there is no widow entitled to pension under section 541 of this title, the Administrator shall pay to the child or children of each veteran of World War I, World War II, or the Korean conflict who met the service requirements of section 521 of this title, or who at the time of his death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, pension at the monthly rate of $35 for one child, and $15 for each additional child.

"(b) Pension prescribed by this section shall be paid to eligible children in equal shares.

"(c) No pension shall be paid under this section to a child whose annual income, excluding earned income, exceeds $1,800.

"§ 543. Net worth limitation

"The Administrator shall deny or discontinue payment of pension under sections 541 or 542 of this title to a widow or child when

the corpus of the estate of the survivor concerned is such that under all the circumstances, including consideration of income, it is reasonable that some part of the corpus be consumed for the survivor's maintenance."

SEC. 5. Subchapter II of chapter 17 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 617. Invalid lift for pensioners

"The Administrator may furnish an invalid lift, if medically indicated, to any veteran in receipt of pension under chapter 15 of this title based on the need of regular aid and attendance."

SEC. 6. (a) The analysis of chapter 15 of title 38, United States Code, is amended as follows:

(1) By striking out "503. Items not considered in determining income." and inserting "503. Determinations with respect to annual income.";

(2) By inserting "506. Resource reports and overpayment adjustments." immediately after "505. Payment of pension during confinement in penal institutions.";

(3) By striking out "522. Income limitations." and inserting "522. Net worth limitation."; and

(4) By striking out "541. Widows of World War I veterans," through "545. Income limitations." and inserting

"541. Widows of World War I, World War II, Korean conflict veterans.

"542. Children of World War I, World War II, or Korean conflict veterans.

"543. Net worth limitation."

(b) The analysis of chapter 17 of title 38, United States Code, is amended by inserting immediately below

"616. Hospital care by other agencies of the United States."

the following

"617. Invalid lift for pensioners."

SEC. 7. (a) Section 1441 of title 10 of the United States Code is amended by inserting "and chapter 15" after "415(g)".

(b) Section 608 of the Federal Employees' Pay Act of 1945 (5 U.S.C. 948) is amended by striking out "annual income or" and "section 522 or title 38, United States Code, or".

(c) Subsection (b) of section 20 of the Railroad Retirement Act of 1937 (45 U.S.C. 228 s–1(b)) is repealed.

SEC. 8. (a) Any claim for pension which is pending in the Veterans' Administration on June 30, 1960, or any claim for death pension filed thereafter within 1 year from the date of death of a veteran which occurred prior to July 1, 1960, shall be adjudicated under title 38, United States Code, in effect on June 30, 1960, with respect to the period before July 1, 1960, and, except as provided in subsection (c), under such title, as amended by this Act, thereafter.

(b) Nothing in this Act shall affect the eligibility of any person receiving pension under title 38, United States Code, on June 30, 1960, for pension under all applicable provisions of that title in effect on that date for such period or periods thereafter with respect to which he can qualify under such provisions. This subsection shall not apply in any case for any period after pension is granted, pursuant to application, under title 38, United States Code, as amended by this Act.

(c) Subsection (b) shall apply to those claims within the purview of subsection (a) in which it is determined that pension is payable for June 30, 1960.

SEC. 9. This Act shall take effect on July 1, 1960.

The SPEAKER. Is a second demanded?

Mrs. ROGERS of Massachusetts. Mr. Speaker, I demand a second.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CALL OF THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 82]

Arends	Fountain	Pirnie
Ashley	Frazier	Powell
Ashmore	Frelinghuysen	Riehlman
Barden	Gathings	Rivers, S.C.
Barr	Giaimo	Rostenkowski
Blitch	Goodell	Santangelo
Brown, Mo.	Healey	Scott
Budge	Johansen	Shelley
Canfield	King, Utah	Sheppard
Cannon	Kluczynski	Simpson, Pa.
Celler	McGovern	Taylor
Cohelan	Mailliard	Teller
Cooley	Martin	Toll
Davis, Tenn.	Miller, George P.	Utt
Diggs	Moeller	Whitten
Dorn, S.C.	Multer	Willis
Farbstein		Withrow

The SPEAKER. On this rollcall 380 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

VETERANS' PENSION ACT OF 1959

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, this bill, H.R. 7650, is the result of 4 years of work and study. The Committee on Veterans' Affairs has examined more than 15,000 individual files during this period of time and has made a detailed study of innumerable personal cases. The Veterans' Administration has been working constantly on this problem for several years.

Throughout its work on this important legislative issue, the committee has had the wholehearted cooperation of the Administrator of Veterans' Affairs, Mr. Sumner G. Whittier. Mr. Whittier has expended a great deal of personal time and effort in conducting discussions designed to create a better understanding of our present pension program and the nature of the problems which confront us. He and his staff have enthusiastically worked on every request for information which the committee has made.

Mr. William J. Driver, chief benefits director, has been the principal officer conducting these studies and deserves a great deal of credit for his effort. Mr. A. W. Stratton, compensation and pension service director, has done a tremendous amount of work on the problem. Special credit should go to the outstanding work done by Dr. W. B. Dyess, assistant controller for reports and statistics, who has provided the cost analysis and statistical services so necessary to intelligent consideration of a bill such as this. The legal services of the Legislative Division, headed by Mr. T. F. Daley and his principal assistant in this field, Mr. Howard Bernstein, have been available to the committee throughout its study and they have been most helpful in analyzing various proposals which have been developed.

Officials of the Administration and the Bureau of the Budget have assumed their full share of responsibility for finding a solution to this problem. They assumed the responsibility for maintaining an effective and continuous liaison between the committee and the Veterans' Administration. The cooperation of the Administration has been invaluable in bringing this bill to the floor of the House.

This bill was reported unanimously by the committee, with a quorum present. At no time has this bill been considered a partisan issue. I particularly wish to compliment the new Members who have been assigned to the committee for their interest and willingness to face this issue squarely.

We have had the full cooperation of the General Accounting Office. Mr. Joseph Campbell cooperated with the committee and conducted an extensive national survey of several thousand pension cases across the country in order that we might develop detailed information as to the individual characteristics of each of these cases. The study represented a tremendous effort on the part of the General Accounting Office and has been published as House Committee Print No. 30. Mr. Joseph Campbell, Comptroller General, and Mr. Charles E. Eckert, legislative attorney, did an outstanding job in the conduct of the survey.

I would like to review briefly some of the more important features of this bill.

There are two programs administered by the Veterans' Administration which pay monthly benefits to veterans of war service who now have disabilities. The first is compensation, the money paid to make up, in part, for the loss in earning power due to disability incurred or aggravated during service. The second is pension. Pension is provided for those needy, wartime veterans who have disability not incurred in service. We are speaking now only of pensions.

As a result of the success of rehabilitation efforts, the philosophy of pensions has undergone modification. Pension for veterans of later wars, World War I and subsequent conflicts, has been retained as a modest allowance that may be relied upon as an honorable means of providing a measure of security for disabled wartime veterans who are in need.

ELIGIBILITY REQUIREMENTS FOR DISABILITY PENSION

Pensions are based on three requirements—service, disability, and need.

First. Service: In addition to satisfying a needs test, to get a pension a veteran must meet certain service and disability requirements. He must have at least 90 days' service, at least part of it in wartime, if not earlier discharged for disability incurred in line of duty and have received a discharge under other than dishonorable conditions.

Second. Need: The first needs test applied was whether the veteran had sufficient income in the prior year to require him to file an income tax return. However, as pension should be provided to meet current needs, income of the prior year was not a satisfactory test of present need. Under that rule the veteran had to wait 1 year before he was eligible for assistance, while the man who had reestablished himself and no longer needed a pension retained his entitlement for a full year. In 1933, payment of pension was made subject to annual income limitations, applying to the current year—$1,000 for single veterans or $2,500 for those married or with minor children. The limitations coincided in amount with the income tax exemption provided at that time and placed into effect a needs test applying to the year for which benefits were to be paid. In July 1952, annual income limitations were increased to $1,400 and $2,700. There has been no change in income limitations since 1952.

Third. Disability: A veteran must also be totally disabled or unemployable due to disability. The disability requirement may be met a showing of a certain degree of disability, coupled with age, when that disability prevents the veteran from working more than one-half the usual hours or at one-half the usual pay.

ANNUAL RATE OF DISABILITY PENSION

The pension now paid disabled and needy veterans is $66.15 per month—raised to $78.75 per month if the veteran is age 65 or over or when he has been on the rolls for 10 years. Those veterans who are so disabled as to be in need of regular aid and attendance are paid $135.45 per month.

	Per year	Per month
Basic rate	$794	$66.15
If the veteran is 65 or has been on the rolls 10 years	945	78.75
If the veteran is so helpless that he requires constant aid and attendance	1,625	135.45

The last increase in pension rates was in July 1952 when the rates were raised from $63, $75, and $129.

DEATH PENSION—ELIGIBILITY

Under present law, widows and children of World War I, World War II, and Korean veterans are also eligible for pension. There is no requirement that they establish disability. For the widow and child this requirement is replaced by the loss of the normal family wage earner—the veteran husband or father. The need requirements for dependents are similar to those for veterans' pensions, income limits of $1,400 if alone, $2,700 if the widow has one or more dependents. The veteran must have had at least 90 days' service, part of it in wartime, unless earlier discharged for disability. Here again, the veteran must have been discharged under conditions other than dishonorable.

SPECIAL REQUIREMENTS—WORLD WAR II AND KOREAN DEPENDENTS

In addition, for widows and children of World War II and Korean veterans, the veteran at time of death must have had some degree of service-connected disability or have been in receipt of or entitled to receive compensation.

RATES

An eligible widow with no child may receive $50.40 per month. With one child, the rate is $63 per month. For each additional child, the widow's pension is increased by $7.56. Orphan children, when there is no eligible widow, may also receive pension. The rate is $27.30 per month for a child alone. Two children share $40.95 equally, while three share $54.60. With each additional child, the amount to be divided is increased by $7.56.

INCOME OF SINGLE VETERANS

As need is one of the basic requirements for pension, we should know something about the income of pensioners from other sources. Of the single veterans now on the pension rolls, 71 percent have annual income from outside sources of less than $400. Eighty percent have incomes less than $600, while only 9 percent have incomes above $900.

Single veterans by outside income categories (on the rolls 1959)

Income	Number	Percent
Total	357,600	100.0
$0 to $100	194,837	54.5
$200	18,429	5.2
$300	15,830	4.4
$400	25,202	7.0
$500	15,860	4.4
$600	16,178	4.5
$700	15,610	4.4
$800	12,635	3.5
$900	9,308	2.6
$1,000	9,681	2.7
$1,100	7,702	2.2
$1,200	6,342	1.8
$1,300	4,260	1.2
$1,400	5,726	1.6

INCOME OF MARRIED VETERANS

Consideration of married veterans receiving pension shows 58 percent have less than $900 yearly outside income. For 85 percent, annual income does not exceed $1,800 and only 15 percent are getting more than $1,800:

Married veterans by outside income categories (on the rolls 1959)

INCOME OF MARRIED VETERANS

Income	Number	Percent
Total	437,400	100.0
$0 to $100	117,992	27.0
$200	18,245	4.2
$300	15,695	3.6
$400	18,263	4.2
$500	14,215	3.2
$600	20,012	4.6
$700	16,662	3.8
$800	16,804	3.9
$900	15,470	3.5
$1,000	15,640	3.6
$1,100	17,485	4.0
$1,200	12,124	2.8
$1,300	10,761	2.5
$1,400	11,948	2.7
$1,500	12,169	2.8
$1,600	12,993	3.0
$1,700	12,942	3.0
$1,800	10,977	2.5
$1,900	8,501	1.9

Married veterans by outside income categories (on the rolls 1959)—Continued

INCOME OF MARRIED VETERANS—Continued

Income	Number	Percent
$2,000	7,700	1.8
$2,100	6,922	1.6
$2,200	8,013	1.8
$2,300	9,325	2.1
$2,400	8,013	1.8
$2,500	7,212	1.6
$2,600	5,440	1.2
$2,700	5,877	1.3

INCOME OF VETERAN AND SPOUSE

Total	437,400	100.0
0 to $180	95,791	21.9
$360	26,244	6.0
$540	24,494	5.6
$720	24,932	5.7
$900	24,494	5.6
$1,080	23,620	5.4
$1,260	22,745	5.2
$1,440	20,995	4.8
$1,620	20,558	4.7
$1,800	20,120	4.6
$1,980	18,371	4.2
$2,160	17,933	4.1
$2,340	17,059	3.9
$2,520	15,309	3.5
$2,700	13,122	3.0
Over $2,700	51,613	11.8

INCOME OF WIDOWS AND CHILDREN [1]

The need of the widows and orphans getting pensions may be judged when we see that 49 percent have no more than $400 per year from sources other than their pensions. Seventy-three percent have incomes not exceeding $900, and only 2 percent have as much as $2,400 a year.

Unremarried widows by dependency status on rolls in 1959

WIDOWS WITHOUT DEPENDENTS

Income	Number	Percent
Total	335,400	100.0
$0 to $100	136,508	40.7
$200	16,770	5.0
$300	14,758	4.4
$400	15,093	4.5
$500	18,782	5.6
$600	21,801	6.5
$700	16,099	4.8
$800	15,428	4.6
$900	13,416	4.0
$1,000	13,416	4.0
$1,100	9,727	2.9
$1,200	11,404	3.4
$1,300	13,416	4.0
$1,400	18,782	5.6

WIDOWS WITH DEPENDENTS

Total	51,900	100.0
$0 to $100	10,380	20.0
$200	1,298	2.5
$300	1,817	3.5
$400	1,505	2.9
$500	1,919	2.7
$600	1,453	2.8
$700	1,817	3.5
$800	2,128	4.1
$900	1,817	3.5
$1,000	1,919	3.7
$1,100	1,919	3.7
$1,200	1,713	3.3
$1,300	2,336	4.5
$1,400	1,817	3.5
$1,500	2,232	4.3
$1,600	2,855	5.5
$1,700	1,194	2.3
$1,800	1,401	2.7
$1,900	830	1.6
$2,000	1,194	2.3
$2,100	1,453	2.8
$2,200	830	1.6
$2,300	1,401	2.7
$2,400	934	1.8
$2,500	1,298	2.5
$2,600	727	1.4
$2,700	1,713	3.3

[1] Does not include 41,100 children alone cases.

INCOME OF ALL PENSIONERS: VETERANS, WIDOWS, AND CHILDREN

Examining income information for all pensioners, single and married veterans, widows, and orphans, we find that 54 percent would have less than $400 a year were it not for their pensions. Eighty-six percent would have less than $1,300; only 2 percent as much as $2,400:

$0 to $400	54
$401 to $900	21
$901 to $1,300	11
$1,301 to $1,800	8
$1,801 to $2,400	4
$2,401 to $2,700	2

VETERANS POPULATION, JUNE 30, 1959

On June 30, 1958, there were 22.2 million male veterans in the civilian population. Of this number, 14.9 million were World War II veterans. Four and three-tenths million were veterans of the Korean conflict and almost 2.9 million had World War I service. There were 19 million wives and widows and 24.6 million children and orphans of veterans. An additional 11.4 million other relatives by blood, marriage, or adoption were living in family units headed by veterans:

Total male veterans in civil life

World War I	2,876,000
World War II	14,900,000
Korean conflict	4,300,000
All other	124,000
Total	22,200,000

	Total	World War I	World War II	Korean conflict	Other
Total wives	17,700,000	2,300,000	12,500,000	2,800,000	100,000
Total children	24,000,000	1,100,000	19,500,000	3,300,000	100,000
Total other (relatives by blood, marriage, or adoption living in family units headed by veterans)	11,400,000	2,100,000	8,000,000	1,200,000	100,000
Overall total	75,300,000				

NUMBER OF DISABILITY AND DEATH PENSIONERS BY WARS, MARCH 20, 1959

There were 802,198 veterans receiving non-service-connected disability pension on March 20, 1959. Of that number, 719,445 were veterans of World War I. Veterans of World War II numbered 77,769 with 4,984 being veterans of Korean service. At the same time, 435,469 surviving widows and children of veterans with wartime service were in receipt of non-service-connected death pension. Included were 386,433 survivors of World War I veterans, 47,344 survivors of World War II veterans and 1,692 survivors of Korean conflict veterans.

	All wars, total	World War I	World War II	Korean conflict
Disability pension	802,198	719,445	77,769	4,984
Death pension	435,469	386,433	47,344	1,692
Total pensioners	1,237,667	1,105,878	124,113	6,676

AVERAGE AGES OF VETERANS: WORLD WAR I, WORLD WAR II, KOREA

Almost a year ago, June 30, 1958, the average age of all veterans receiving non-service-connected disability pensions was 64.2. At that time, the average age for World War I pensioners was 66.5. For the veterans of World War II receiving pensions, that age was 44.7, while for the Korean conflict group the average was 28.2.

These ages may be compared with estimated current ages of all veterans in the population on December 31, 1958. For World War I veterans the average was 64.8; for World War II veterans, 39.6 and for the Korean group, 27.4. The average age for the three groups was 40.3.

	On rolls, June 30, 1958	On rolls, Dec. 20, 1958	Estimate, all veterans, Dec. 31, 1958
World War I	66.5	66.4	64.8
World War II	44.7	44.8	39.6
Korean conflict	28.2	28.0	27.4
Total, all groups	64.2	64.0	40.3

SHORT RANGE COST ESTIMATE

The cost of paying pensions to veterans and their survivors will be about $1,146,050,000 in fiscal year 1959. Under present law, the expected cost for pensions will increase about $100 million each year for the next 4 years. Estimated total cost of pensions for the 5 years through fiscal year 1963 is approximately $6.63 billion.

Compensation and pension, all wars

Fiscal year	Compensation	Pension
1959	$2,066,623,000	$1,146,050,000
1960	2,067,262,000	1,235,206,000
1961	2,065,831,000	1,322,571,000
1962	2,065,160,000	1,418,339,000
1963	2,062,091,000	1,507,070,000
Cumulative, 5 years	10,326,967,000	6,629,236,000

Compensation and pension, World War I, World War II, and Korea

Fiscal year	Compensation	Pension
1959	$1,953,369,585	$1,026,972,800
1960	1,938,137,000	1,125,665,700
1961	1,918,798,000	1,222,170,300
1962	1,898,588,000	1,324,859,900
1963	1,876,582,000	1,419,233,600
Cumulative, 5 years	9,585,474,585	6,118,902,300

PENSION CASELOAD—LONG-RANGE FORECAST

The number of World War I veterans receiving pension under current law, which considers disability coupled with age, should reach a peak about 1968. It is expected that the number of World War II veterans receiving pension will be greatest in 1995. The peak pension load for survivors of World War I is to come in 1970, and that for survivors of World War II and the Korean conflict is expected in the year 2000. Estimated peak pension years considering all wars are 1995 for living veterans, 1970 for dependents. For death and disability pension combined, the peak year will be 1995.

Estimated projection of caseload, 1995

	Disability	Death	Total
World War I	6,100	45,000	51,100
World War II	3,262,200	278,100	3,540,300
Korean conflict	830,500	71,800	902,300
Total	4,098,800	394,900	4,493,700

PEAK YEARS—BY BENEFIT

1968

1. World War I veterans.

1970

1. World War I dependents.
2. Dependents—all wars.

1995

1. World War II veterans.
2. All time high—all programs.

2000

1. World War II dependents.
2. Korean conflict dependents.

Caseload—All programs

1959	1,331,824
1970	2,000,650
1980	2,660,400
1990	4,130,000
1995	4,493,700
2000	4,185,300

At this time, 20,780 pension cases, new or resumed, are being added monthly to the rolls. Total net increase in pension cases is at the rate of 9,520 per month. This increase is after deducting the number removed for all reasons including a monthly average of 4,536 cases terminated because the veteran or dependent who was receiving pension died.

CUMULATIVE COST OF PENSION

In 1959, the total number of pension cases will reach about 1,331,824. By 1970 the total is expected to be 2 million. Ten years later, in 1980, the number will approximate 2⅔ million. As the World War II veterans reach the age of retirement and greatest disability the number of pensioners will increase sharply. In 1990 there should be 4.1 million pension cases and in the peak year, 1959, almost 4.5 million may be expected. Because of the number of dependents and the somewhat younger age of the Korean veterans there will still be 4.1 million pension cases on the rolls in the year 2000.

The total dollar cost of all pensions paid so far for all wars and conflicts in which the United States has engaged will reach $20,293,751,000 by June 30, 1959. This sum includes more than $12.5 billion paid to veterans and dependents of veterans of the Spanish-American War and all prior wars. Pensions based on World War I service will have cost almost $7 billion. The pensions for World War II and Korean service are relatively small, $635 million and $18 million respectively.

Total dollar cost of all pension and compensation all wars and conflicts through fiscal year 1959

PENSION	
Korean conflict	$18,458,455
World War II	635,128,735
World War I	6,998,557,837
Spanish-American war and all prior wars [1]	12,641,606,596
Total	20,293,751,623

See footnote at end of table.

Total dollar cost of all pension and compensation all wars and conflicts through fiscal year 1959—Continued

COMPENSATION

Korean conflict	$1,167,309,271
World War II	17,086,601,858
World War I	8,648,091,012
Peacetime	1,097,613,975
Total	27,939,616,116

[1] Includes pensions for following wars: War of Revolution, War of 1812, Indian wars, war with Mexico, Civil War, yellow fever participants. Excludes retirement, burial, subsistence and readjustment benefits, adjusted service and dependents' pay, special allowances (sec. 405, Public Law 881), unclassified (receivables), EOR and retired Reserve officers.

WHAT IS WRONG WITH PRESENT PENSION SYSTEM AND HOW CAN H.R. 7650 CORRECT THESE FLAWS?

Now let us examine some of the loopholes in our present pension law and show how the proposed bill will correct these deficiencies.

The charts we have just looked at are an explanation of the current veterans' pension law. We now come to additional background information which emphasizes the loopholes in the present system and shows how H.R. 7650 will correct these inequities.

SINGLE VETERANS UNDER PRESENT LAW

Let us go back to this matter of need. Most people agree that a needs test should be met before pension is paid. That is the case under the present law. A single veteran is eligible for pension if his income from other sources does not exceed $1,400 per year.

But, the real needs of these veterans vary widely. More than half of the single veterans, almost 195,000 now receiving pension, have less than $100 income from any source except their pension. A few, less than 6,000, have between $1,300 and $1,400 in outside income.

We now add $945 pension on top of the outside income. The pension is the same for the veteran with outside income of $1,400 as for the veteran with no other income. With a pension, one has $945 on which to live while the other has $2,345.

LEVEL OF NEED

Would it not be better to establish a level of need for all? Would it not be better to pay pension on a graduated scale which would increase pension as outside income declines so that pension would be higher where need is greater? H.R. 7650 would establish a graduated scale of pension rates for both the veteran and for his widow and orphan. It would increase pension rates for the majority of pensioners in the lower income rate and it would give higher rates and higher income limitations, too, to those with dependents.

ALL OR NOTHING

Inequities exist in the present disability pension program. One of the principal shortcomings is the all-or-nothing concept. Under this system, full pension is paid to veterans whose income is barely within the limitations but no benefit is paid if income exceeds it by any amount. Those whose needs are greatest are not adequately provided for and, at the same time, full benefits are paid when little or no need actually exists. For example, one single veteran may have no income at all and he is paid a pension of $945 a year. Another single veteran with $1,400 a year of other income receives the same $945 pension. But let that income increase by so much as 1 cent and no pension of any amount may be paid. A veteran now gets all or nothing.

ALL OR NOTHING

Veterans with dependents are also subject to the all-or-nothing rule.

Such a veteran, with no other income, has less than $1,000 a year on which to live and support his family. The one with $2,700 outside income has over $3,600. Here again, if the outside income increases by any amount beyond $2,700 the entire pension, $945, must be stopped.

And, the rate of pension is the same for all, regardless of outside income or number of dependents.

GRADUATED SCALE

The present pension system provides the same rate for a veteran whether he is single or married or has several children. The only difference is an increase in the limitation on outside income for those with dependents. H.R. 7650 would correct these deficiencies. It would increase benefits where the need is greatest and would eliminate the all-or-nothing feature and establish a graduated scale of payments which would vary according to income and family status.

PROPOSED INCOME LIMITS

This proposal, first, would raise income limits. The present $1,400 limitation at which a single veteran becomes ineligible for any pension is increased to $1,800. For the veteran with dependents the upper limit goes from $2,700 up to $3,000.

The proposal will make it possible for many now barred by the lower income limits to receive a pension.

AN EQUITABLE TEST OF NEED

The current pension program is unsound in failing to take into account moneys available for support. At the present time a selected few may waive a portion of their retirement income and thereby create their own need to become eligible for pension. The proposed bill would count income from all sources and permit no waivers.

Current law provides that only income of the veteran will be considered and there is no provisions for including the income of his spouse. Many times the spouse's income is the earnings on property transferred by the veteran to the spouse, and perfectly legally so. Likewise, no recognition is given assets that do not produce income but could be used for support of the pensioner.

H.R. 7650 would count 50 percent of the annual income of the wife or $1,200 whichever is greater unless, in the judgment of the Administrator to do so would result in hardship. Further, it provides that the Administrator would deny or discontinue payment of pension when the corpus of the veteran's estate is so large that it would be reasonable that some part of it be consumed for maintenance.

But the bill would provide exceptions to the rule. The following income would not be counted:

First. Retirement equal to an individual's contributions to the retirement fund.

Second. Six months' death gratuity.

Third. Donations from public or private welfare or relief organizations.

Fourth. Lump sum death payments.

Fifth. Expenses of burial, last illness and just debts of deceased veterans.

Sixth. Proceeds of a fire insurance policy.

Seventh. VA compensation, pension and dependency and indemnity compensation.

Proceeds of U.S. life insurance, Government life insurance, and servicemens' indemnity.

No one would be permitted to create his own need by waiver, assignment, or conversion of income property to non-income-producing assets.

EQUALITY FOR DEATH PENSION ELIGIBILITY

H.R. 7650 would give widows and orphans of World War II and Korean conflict veterans eligibility for pension on the same basis as dependents of World War I by eliminating the present requirement that the veteran, at the time of his death must have had some degree of service-connected disability.

This change would correct a long felt deficiency in our pension system.

This equalization of eligibility requirements would provide in the first year pension to 206,000 World War II and Korean veterans' widows and orphans who have not been able to establish eligibility under current law.

SAVINGS PROVISION

What about those claimants now drawing pension who, under the new graduated scale, would receive less than their present amount of pension because their outside income is too high?

Under H.R. 7650 this could not and would not happen. We have included a "savings provision" which provides that any person now on the rolls shall remain there unless he elects to be paid under the new provisions.

RATE TABLE H.R. 7650

Here we have the rates proposed by the new bill. You will note rates and income limits are both increased.

Let us turn to the next chart for a comparison of these rates with those of the present pension system.

COMPARISON OF RATES—PRESENT LAW AND H.R. 7650

Under present law there are two rates, a flat pension of $66.15 raised to $78.75 per month if age 65 or on the rolls 10 years. It has only two income limits, $1,400 for single veterans of $2,700 for those with dependents.

H.R. 7650 will have three pay intervals ranging from $40 up to $85 per month for single veterans, from $45 up to $90 for married veterans or those with minor children.

Income limits range up to $1,800 for single veterans, up to $3,000 for the man with dependents.

Thus, we pay more where need is greatest, less where need is least—and pension will be paid to those now barred because their income exceeds $1,400 or $2,700. There would be 72,000 such cases added to the rolls during the first year.

H.R. 7650 WILL INCREASE PENSIONS

In the final analysis most veterans or dependents now on the rolls will receive an increase.

Of all single veterans now receiving pension, 286,000 or 80 percent will get more money. Sixty-two percent or 270,000 of the veterans with dependents get more while 70 percent or a total of 298,000 widows and orphans stand to benefit by passage of this bill.

Of all pensioners, married and single veterans, widows and orphans, 70 percent will get a raise.

Let me total for you the cases that would be helped under H.R. 7650: 854,000 cases would be increased; 72,000 cases would be added to the rolls because of the higher income limits; 206,000 cases would be added to the rolls because of the equalization of death pension eligibility. The total cases helped would be 1,132,000.

From the beginning the veteran organizations have recognized the extreme importance of this legislation and have cooperated with the committee closely.

The bill which we are considering here represents the fulfillment of a longstanding policy of AMVETS. AMVETS has advocated improvement of the pension program, based on need, for many years. The committee appreciates the support which it has received from AMVETS national commander, Dr. Winston E. Burdine, and national legislative director, John Holden.

The national commander of the VFW, John W. Mahan, has exhibited as much interest in legislative problems confronting veterans as any commander with whom I have been privileged to associate. John Mahan moved his family from Montana and established residence in Washington in order that he could be available at any time to participate in legislative discussions. John Mahan returned from his travels about the country several times to work on this pension legislation. The junior vice commander of the VFW, from Texas, Ted Connell, also participated in a series of conferences designed to develop the position of the VFW on this important bill. Ted Connell's assistance was of great value in developing an avenue for progress on this difficult question. The national legislative director of VFW, Omar B. Ketchum and his assistant, Mr. F. W. Stover, have cooperated in every way possible with the committee staff and I wish to extend by appreciation to them.

The American Legion national commander, Preston J. Moore; director of rehabilitation, John Corcoran; chairman of the national rehabilitation commission, Robert McCurdy; national legislative director, Miles Kennedy; and Jerome S. Duggan, chairman of national legislative commission, have spent a great deal of time and effort and have been most cooperative in assisting the committee in developing the position of the American Legion. They have been helpful in making the resources of their offices available for the collection of data.

The Disabled American Veterans is not primarily concerned with the subject of non-service-connected pensions; however, we have had the support of that organization. The statements of National Commander Dave Williams have been particularly useful in reminding all of those interested in this subject that non-service-connected pension legislation is related to the service-connected disability compensation program and that a proper balance and equity must be maintained between the two.

This bill is a compromise. There has been a wide divergence of opinion as to the precise way this bill should be written. It does involve additional expenditure and is more liberal in certain respects than the recommendation of the administration. The administration has shown a willingness to compromise and work toward a solution of this difficult problem and, of course, the cooperation of the Administration is essential if we are to make progress in this difficult field.

This bill does not meet fully the demands of any of the veteran organizations. Each of the major groups had specific provisions which they considered very important. Some of these provisions would have resulted in greater expenditures than are involved in this bill, but these groups recognized that compromise was essential if progress was to be made. I know that this bill does not fulfill all of the wishes of the various veteran groups but I am pleased that these groups have been able to recognize the difficulties which are involved in a big issue such as this and have been willing to adjust their attitudes where necessary in order that we might achieve a compromise bill.

We consulted with the American Legion, AMVETS, DAV, and VFW, throughout the preparation of this legislation. Upon its completion the veteran organizations have communicated their attitudes about this legislation to me. Each organization has outlined its own views and called attention to various provisions considered important by the organization. A summary of the statements made by the national commanders of these organizations is as follows. Following the summary are the letters to which I refer:

VIEWS OF MAJOR VETERANS' ORGANIZATIONS ON H.R. 7650

The American Legion: "In addition, the bill provides increased pension rates for the great majority of veterans, widows, and children now on the rolls, particularly the most needy; it increases the income limitations, making thousands of persons entitled to pension benefits for the first time; and, it fulfills the Legion's long-sought objective of equalization for the death pension requirements for World War II and Korean conflict dependents. For these reasons the American Legion supports H.R. 7650."

AMVETS: "H.R. 7650, in the judgments of AMVETS, fulfills the longstanding need for a sound pension program. This bill relates monthly pension payments to varying degrees of financial need. The veteran who is most needy will receive the greatest payment. If the veterans of this Nation are to have a sound benefit program, the enactment of H.R. 7650 into law is essential. AMVETS endorses this bill."

Disabled American Veterans: "The Disabled American Veterans does support, generally, the 'compromise' bill in view of its several generous and meritorious provisions which will be of such great assistance to those who need it most in the struggle for existence."

Veterans of Foreign Wars: "In view of the fact that the committee bill has some meritorious features, such as increased payments and 'parity' for the World War II and Korean widows in relation to the pension program for widows, I will take the position—and urge the same for the officers and members of my organization—that the VFW shall not demand that the committee bill be killed or that it would be better to have no legislation rather than the pension bill as reported by the committee."

DISABLED AMERICAN VETERANS,
NATIONAL SERVICE HEADQUARTERS,
Washington, D.C., June 10, 1959.

Hon. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs,
House of Representatives,
Washington, D.C.

DEAR MR. TEAGUE: The Disabled American Veterans does support, generally, the "compromise" bill in view of its several generous and meritorious provisions which will be of such great assistance to those who need it most in the struggle for existence.

It is our considered opinion that the proposed bill in question deserves support in what is desired to be accomplished for the vast number of veterans, their widows and dependents, at the same time keeping in mind the welfare, security and stability of the United States in these trying and critical times. Although appreciating the realities of the situation that impel the sponsors of this legislation to effect a change in the existing pension structure, we believe that the new proposed bill could well be improved by the following changes:

Under "Income," we request that all Government insurance proceeds be excluded and also benefits of commercial insurance policies not over $10,000 in amount. In the "wife's income" category, we feel that the bill should provide for administrative review and determination where the wife's income, in certain cases, is not made available for the support of the veteran concerned. This suggestion was also made in my statement of June 9, 1959, to your committee in discussing pension legislation. In regard to "corpus of estate," the DAV believes that the bill should be more specific so that the VA regulations on the subject will be in accord with the intent of the Congress. With respect to pensions for widows, we concur most heartily with the provision for parity; however, we feel these two classifications of income limitations and corresponding rates of payment are preferable to the three suggested i.e., $0 to $1,200 annual income receive $60 per month, $1,200 to $1,800 annual income receive $45 per month.

As I also pointed out in my statement of June 9, 1959, to your committee, this organization of the wartime disabled strongly believes that provision should be made in the law to insure that a veteran who is entitled to pension benefits for all his disability should not be required to waive all compensation payments due him for the service-connected portion of his physical disability or functional impairment to receive at least some pension consideration. The answer, of course, is a formula that will enable a service-connected veteran to retain all of his disability compensation and at the same time receive pension on the basis of a graduated scale, depending upon the rating assigned, up to and including the 90 percent compensation evaluation. Such a disposi-

tion of the issue would not only promote the feeling of pride and satisfaction on the part of the service-connected veteran who can thus keep his full compensation benefit, despite his qualification for a pension under the graduated scale, but would also benefit the Government through enabling the VA to make a better breakdown in claim statistics. When seeking its budget appropriations a much better case could be presented to the Appropriations Committees of the Senate and the House in arriving at the actual figures of compensation and pension beneficiaries and amounts of each being made.

At a staff conference held following the hearing on pension legislation before your committee, certain DAV national officers and I accorded further study to the proposed bill recently brought to our attention which, we understand, is the result of exhaustive effort and ultimate agreements reached with a view to producing an acceptable pension bill.

On the basis of our analysis it is readily apparent that certain major defects of H.R. 6432, which rendered that bill so distasteful to the Disabled American Veterans and other veterans' organizations, have either been removed or substantially modified to an extent that is very gratifying. The liberalizations contained in the new proposed bill, while involving considerable costs, are most pleasant to contemplate and should afford much needed relief to many veterans and family groups in our Nation.

In concluding this letter, I must reiterate again that the primary concern of the Disabled American Veterans relates to legislation in the field of compensation and we were glad to be informed by you at the recent hearings that additional pending compensation bills would be taken up by your committee at an early date. We thank you and the members for the favorable action taken on those bills carrying our endorsement and support and have hopes that among the others still to be disposed of, including several of extremely great importance to this organization, the Committee on Veterans' Affairs and the House proper will expedite consideration in view of the limited time remaining prior to adjournment.

On behalf of my staff and myself, I thank you most sincerely for the courteous and friendly manner in which we were received during the hearing and at all other times when we have had occasion to consult with you, your staff and the members of the committee.

Sincerely yours,

DAVID B. WILLIAMS.

AMVETS,
Washington, D.C. June 11, 1959.

Hon. OLIN E. TEAGUE,
Chairman, House Committee on Veterans' Affairs, House Office Building, Washington, D.C.

DEAR MR. TEAUGE: AMVETS have for several years been seeking a non-service-connected pension program that is both realistic and fair. We note with approval that you have introduced H.R. 7650 on this subject.

H.R. 7650, in the judgment of AMVETS, fulfills the longstanding need for a sound pension program. This bill relates monthly pension payments to varying degrees of financial need. The veteran who is most needy will receive the greatest payment. If the veterans of this Nation are to have a sound benefit program, the enactment of H.R. 7650 into law is essential.

AMVETS endorse this bill. We respectfully urge the Committee on Veterans' Affairs to report this measure without delay.

Sincerely yours,

WINSTON E. BURDINE, M.D.,
National Commander.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., June 12, 1959.

Hon. OLIN E. TEAGUE,
Chairman, Veterans' Affairs Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I understand your committee, after hearings on the veterans pension issue, has favorably reported a committee bill identified as H.R. 7650, typed copy of which was submitted to our Washington staff before it was introduced in bill form. I further understand you would like to know what the VFW attitude will be toward this committee bill.

I deeply regret your committee did not go along with the more liberal pension provisions which I submitted to you nearly 3 weeks ago and which I pleaded for before your committee on June 10. I told you and your committee that under the authority granted me by our VFW National Council of Administration to seek a reasonable solution of the pension issue, my recommendations were a most reasonable compromise in view of our VFW National Convention mandates.

As I told your committee June 10, the principal area of disagreement between my recommendations and the committee bill are the first steps in the income limitations and the maximum monthly payments affecting veterans without dependents and veterans with dependents. There are other differences but they are minor compared to the foregoing.

The VFW recommended first steps in the income limitations of $1,200 with pension payments of $100 monthly for the otherwise eligible veteran without dependents, and $2,400 with pension payments of $100 monthly for the otherwise eligible veteran with dependents. Your committee bill would provide for the veteran without dependents a first-step limitation of $600 with pension payments of $85 per month while veterans with dependents would be up against a first-step limitation of $1,000 with pension payments of $90 monthly.

I assume the committee was confronted with ultimatums from the administration that only so much money can be allocated for increased pension costs and beyond that a veto may loom. However, I would have urged the committee and the Congress to make the decision on their own, with the strong belief that a bill more liberal than the one being reported would, no doubt, be signed if approved by the House and Senate.

I strongly suspect the committee bill, if passed and signed as is, will not put an end to the agitation for a more liberal pension. I feel sure that many of our members and units will urge higher income limitations and larger pension payments in the first steps when your committee bill reaches the House floor, and later the Senate.

In view of the fact that the committee bill has some meritorious features, such as increased payments and parity for the World War II and Korean widows in relation to the pension program for widows, I will take the position—and urge the same for the officers and members of my organization—that the VFW shall not demand that the committee bill be killed or that it would be better to have no legislation rather than the pension bill as reported by the committee.

I reserve the right for myself, my staff, and our members to say that the committee bill falls short of our hopes and recommendations, and that in response to any inquiries from individual Members of Congress, we may express the hope that the first-step income limitations and maximum monthly payments be increased through House or Senate action.

Sincerely yours,

JOHN W. MAHAN,
Commander in Chief.

THE AMERICAN LEGION,
June 12, 1959.

Hon. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

DEAR MR. TEAGUE: This has reference to H.R. 7650, a bill to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children.

The American Legion is disappointed in the fact that H.R. 7650, which was reported out by the House Veterans' Affairs Committee on June 11, 1959, did not meet the recommendations our organization made when I testified before the committee on June 5. I feel that we had submitted a reasonable proposal calculated to meet the minimum requirements of veterans and their dependents.

The American Legion notes, however, that H.R. 7650 contains a number of suggestions made by this organization. The bill effects a number of resolutions of the American Legion, some of which have been mandates for over a decade. In addition, the bill provides increased pension rates for the great majority of veterans, widows, and children now on the rolls, particularly the most needy; it increases the income limitations, making thousands of persons entitled to pension benefits for the first time; and, it fulfills the Legion's long-sought objective of equalization of the death pension requirements for World War II and Korean conflict dependents. For these reasons the American Legion supports H.R. 7650.

The House Veterans' Affairs Committee and its staff merit commendation for the time and effort they have devoted to this difficult problem.

Sincerely,

PRESTON J. MOORE,
National Commander.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. I understood the gentleman to say that his committee had made a study of this for 4 years.

Mr. TEAGUE of Texas. Correct.

Mr. ROGERS of Colorado. On Friday of last week you sent around a report on this bill, June 11.

Mr. TEAGUE of Texas. Correct.

Mr. ROGERS of Colorado. And without any legislative days whatsoever intervening the bill was not available until today.

Mr. TEAGUE of Texas. Before the gentleman makes that flat statement, these reports were sent to Members' offices last Friday morning. Other Members are present. Ask them. The committee has sent a total of four reports and other information to the Members of the House on this issue—three last week.

Mr. ROGERS of Colorado. I am making my own statement.

Mr. TEAGUE of Texas. There are plenty of Members here in front of me. Ask them.

Mr. ROGERS of Colorado. If it took you 4 years to make a study of this and you got your report out last Friday, June 11, 1959, why is it so essential that we suspend the rules and pass a piece of legislation that the rest of us have not had an opportunity to study?

Mr. TEAGUE of Texas. There is no question I would rather answer: Because we thought it was the best

procedure, best for the veteran and best for the Congress. That is why, exactly.

Mr. ROGERS of Colorado. Mr. Speaker, I move to strike out the enacting clause of H.R. 7650.

The SPEAKER pro tempore. That privilege is not available when a bill is being considered under suspension of the rules.

Mr. ROGERS of Colorado. Mr. Speaker, is there any way that a Member of the House of Representatives can speak on H.R. 7650 before the matter is put to a vote?

The SPEAKER pro tempore. (Mr. Thompson of Texas.) Only if the gentlewoman from Massachusetts chooses to yield time to the gentleman.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield 1 minute to the gentleman from Colorado.

Mr. ROGERS of Colorado. Mr. Speaker, I want to thank the gentlewoman from Massachusetts. I am opposed to H.R. 7650 for the simple reason that it is a deviation from the historic pattern of granting pensions by the U.S. Government to its veterans. In this bill there are provided two systems after July 1, 1960. If you are now on the pension roll you go under one system and after July 1, 1960, you go under another. It changes basic law and provides that if you have social security, what you have paid into social security is considered as income within the law and will be held against you and, therefore, you draw the reduced pension. The two systems setup is wrong.

None of us have had an opportunity to study these systems and there is some question as to whether or not after 4 years of study we should have this choked down our throats in 20 minutes on each side. I do not think that is proper parliamentary procedure.

Mr. DORN of South Carolina. Mr. Speaker, I want to associate myself with the remarks of the gentleman from Texas [Mr. TEAGUE], the chairman of the Committee on Veterans' Affairs. The bill which the committee has reported and which, I trust, this House will shortly pass is an equitable bill and one which will provide increases for 70 percent of those veterans and widows who are presently on the rolls. I submit, Mr. Speaker, that this is beneficial legislation which we can all be proud of because it does provide that the highest payments of veterans' pension shall go to those in the greatest need.

This legislation was worked out under the leadership of the gentleman from Texas and the committee. This House owes him a debt of gratitude for the many long hours which he has spent with veteran organizations, Members of Congress, representatives of the Veterans' Administration, the Bureau of the Budget, and the White House in an effort to bring about the agreement which we see here today on this piece of legislation. It was not an easy task and it was one which required the greatest skill and patience.

I know, of course, there are those who are not satisfied with this legislation. That is true of practically any bill which can be passed or considered, but this bill will give assistance to those who need it most and I think all reasonable men will appreciate this fact.

Aside from the fact that it provides increases, and rather sizable increases at that, for 70 percent of pensioners—veterans, widows, and children—now on the rolls, we should not forget for a moment that we are writing into law here today the principle of parity for World War II widows and widows of the Korean conflict. Up to this time, this group has not been treated in the same manner as widows of World War I veterans, and the section of H.R. 7650 which accomplishes this result is, and of itself, a great achievement and one which all of the veterans organizations have advocated for many years. At the present time a widow of World War II or Korean conflict veterans must show that her husband, at the time of his non-service-connected death, had some service-connected disability, however slight, in order to receive a nonservice-connected pension. The widows of World War I have not had to meet such a requirement for many years. It is always well to make legislation for veterans applicable insofar as possible to all wars on the same basis and I am delighted that we are taking this equitable step today.

I hope this bill will be speedily enacted into law.

Mr. ROBERTS. Mr. Speaker, I am very much opposed to one provision of this bill, namely, section 7(c) of H.R. 7650. This section 7(c) would repeal section 20(b) of the Railroad Retirement Act which provides that all annuities and pensions paid under that act shall not be considered as income for purposes of determining the income limitations on non-service-connected disabilities payable to veterans.

Section 20(b) of the Railroad Retirement Act was passed by the Congress about 1 month ago. It was included in H.R. 5610 which was approved by the President on May 19, 1959.

There was no opposition expressed to this section. It would seem capricious for the Congress to repeal a provision of law which the Congress approved only a few weeks ago without any recorded opposition. Railroad annuitants and pensioners will be very much disturbed at having certain benefits given to them and then immediately taken away without any apparent rhyme or reason.

The Veterans' Affairs Committee has determined that, in the computation of annual income, some exclusions should be made. For example, section 2(a) of the bill lists eight categories of items which may be excluded in determining whether or not a beneficiary is entitled to pension. These exclusions range from outright gratuities, such as the 6 month's death gratuity paid by the military departments, to contract payments, such as proceeds of certain insurance policies.

It appears to me, Mr. Speaker, that the fundamental question involved here is whether or not there is to be any discrimination among beneficiaries, each of whom has identical amounts of income, with one beneficiary receiving pension because the source of his income differs from the source of the income of his neighbor, who is denied pension—or receives a smaller amount—because of the source of his income.

I believe that retired railroad annuitants and pensioners should not be deprived of whatever benefits they are entitled to under the veterans laws simply because they get railroad retirement benefits. The latter benefits were paid for and these beneficiaries are entitled to receive them without prejudicing them for any other benefits they may be entitled to under present law.

As nearly as I can determine, somewhat less than 2,000 retired railroad workers now on the retirement rolls would be adversely affected by section 7(c) of H.R. 7650. The number is not large but the matter is very important to the individuals affected by it.

I realize that the bill we are now considering under suspension of the rules cannot be amended on the floor of the House. I would have offered an amendment to strike section 7(c) if it were possible.

I do hope that the other body will oppose this objectionable provision and I sincerely hope it will not be part of this otherwise very fine bill when it becomes public law.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, there are other Members who want to speak on this bill, so I will not take too much time. Anyway there is not time to explain the bill.

May I say that I have been horrified at the way this bill has been brought up. I begged some of the leaders not to bring it up in this way at this time. Members of Congress were not allowed to appear before the Committee on Veterans' Affairs. We do not have their views.

Mr. Speaker, we are not legislating for ourselves. We are legislating for men who were in the service for us. Veterans who sacrificed for us.

We will have next week the foreign aid bill and will have days and days on that bill, if the House wants to take them. Now, why a mere 40 minutes on this bill? I did not receive material from the Veterans' Administration that I wanted until this morning. We have not had the hearings we should have had. This is a highly complicated measure dealing with human life, human dignity, and also the economy of the country. Robbing Peter to pay Paul in this way is a false economy.

The fact that widows of World War I, World War II, and the Korean war will get more is excellent; they will have parity; the fact that the income limitation has been raised is excellent; I have been working for both these measures for some time; but there are some benefits that will be taken away. It is a good bill in some few ways and a very bad bill in other respects. We should have time to explain and discuss it.

It is not fair to the membership of the House to have to vote this way. And very unfair to the veterans we seek to serve.

I am sure many Members do not realize the financial restrictions the spouses

must accept in order to receive benefits. I know Members do not wish to punish the veterans.

Mr. Speaker, I now yield 3 minutes to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Speaker, as the gentleman from Texas [Mr. TEAGUE] pointed out, the almost 4 years of work that has gone in on this bill came about because it had been impossible previously to get everyone interested in a good pension bill that represented our major veterans' organizations.

In the beginning the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and AMVETS were all taking basically different positions. This bill as it comes before the House today can rightfully be called a compromise.

This is the first time we have come up with a bill that makes it possible for the widows of World War II veterans to receive a pension unless their husbands had a service-connected disability at the time of death. To me that is one of the most significant provisions in this bill.

In the past the wife of a veteran could have been left with any number of children and unless her husband had a service-connected disability at the time of his death she was not entitled to any pension.

Now, under this bill, 205,684 widows will be covered. This bill goes further than many of us would like to see; it does not go quite as far as others would like to have. But, on the whole, Mr. Speaker, in my judgment, the way this bill is being handled is the only way we can pass a constructive pension bill.

Oftentimes it is very difficult—and we appreciate that on the committee—for a Member of Congress to vote against something, because oftentimes on veterans' legislation we do not have an opportunity to explain the facts. This is a very emotional issue; as the gentlewoman from Massachusetts pointed out, it is a humanitarian question.

As the second ranking member of the Committee on Veterans' Affairs, one who has been on that committee for 9 years, I can say to you that there is not a man in this Congress more dedicated to the welfare of the veterans of our country than Chairman OLIN TEAGUE. He has been the leader in writing this legislation. I wish to associate myself being for this bill 100 percent.

There has been quite a lot said to the effect that we are breaking the traditions of the past with this bill. Pensions in this country have traditionally been tied to factors of need, such as age, disability, inability to earn a living, and length of service. I am including at this point a study by the Legislative Reference Service of the Library of Congress outlining the historical basis for pensions since the days of the Thirteen Colonies:

AN ANALYSIS OF MAJOR PENSION LEGISLATION: 1862–1954

Men who have served under arms in America as far back as 1636 have been designated under certain prescribed and varying conditions to be eligible for public assistance. The Plymouth colony specifically provided that any man who should be sent forth as a soldier and returned maimed should be maintained by the colony from that time forward. From the early colonial authorities to the present time, formally constituted governments have enacted laws or adopted provisions making benefits available for veterans and their dependents.

Legislation by the U.S. Congress dealing with veterans, passed prior to the Civil War, is of interest today primarily because of the precedents which were established. Because many aspects of contemporary veterans' legislation so closely resemble and are related to similar problems of bygone wars and campaigns, it may prove helpful to an understanding of present legislation to review briefly its course of development. For example, early pension legislation enacted during and following the Revolutionary War involved many of the same conditions which were to be faced many years later in the struggle for adoption of subsequent pension laws. In the administration of pension regulations, still further similarities were to be noted between the execution of the laws in effect in 1790 and the statutes of 1920 and 1950.

ORIGINS OF PUBLIC ASSISTANCE FOR VETERANS

During the early settlement of America, it was found necessary by the colonial authorities to promise pensions to those men who might suffer physical disability in order to encourage enlistment in the local militia. In their constant struggle with the Indians, the Colonies generally found it difficult to raise sufficient numbers of troops and so were forced to offer special inducements in order to augment the usually small companies which ventured out to engage the Indians in battle.

The General Assembly of Maryland, in 1661, when taking steps to organize an urgently needed company to oppose the Indians, enacted a measure which read in part "that every person that shall adventure as a Souldier in any warre in the defence of the Country and shall therein happen to be maymed or receive hurt, shall according to his place and Quality, receive mayntenance from the Country according to his disability for mayntayning him selfe." In subsequent records of the colony, this act was referred to as "the perpetual law of the Province."

Seventeen years later, in 1678, the Maryland militia law was amended, in an extremely forward-looking manner for those times. Yearly pensions from the public levy were promised the volunteers who should be so injured while in the service of the Province as to be incapable of self-support. The amount of the allowance so made was determined by the seriousness of injury and was made effective for the duration of the disability. The noteworthy feature of this law was the specific provision made for the widows and orphans of those killed in the defense of the colony. The law stated:

"Every person Slaine in the service of the Province & leaveing behind him a wife and Children such wife and Children shall alsoe be allowed a Competent pension the wife during her widdowhood and the Children till they be of yeares able to gett their Liveings or be putt out apprentices And that this pension shall be yearely Rated and allowed out of the Publick Levy as aforesaid by a Generall assembly the party petitioning for such pension and allowance procureing a Certificate from the Commissioners of the County Court where he shee or they live that he she or they are Objects of Charity & deserve to have such pension and allowance."[1]

The Virginia colony in 1675 stated in her act for defense against the Indians "that due consideration shalbe had by the grand assembly of the indigent ffamilies of such as happen to be slaine, and of the persons and ffamilies of those who shalbe maimed and disabled in this warr." In the following year, the law was extended in its coverage of maimed and disabled soldiers so that the injured would be "maintained by the publique by an annuall pension dureing their lives, and dureing the time of such their disabilitie."

Rhode Island in 1718 adopted even more advanced ideas in its legislation for service pensions. In fact, some of the features incorporated in this early measure compare favorably with basic provisions of Federal laws enacted even two centuries later. The act provided comprehensive coverage not only for every officer, soldier, or sailor who served in the colony's armed forces, but also for the wives, children, parents, and other relations who had been dependent upon the slain serviceman. The physically disabled were to have their wounds carefully tended and healed at the colony's expense, while in the meantime an annual pension was provided him out of the general treasury, sufficient for the maintenance of himself and family, or other dependent relatives. The yearly pensions provided by the general assembly for the dependents of the deceased were to be sufficient in the assembly's judgment "until such wife, children, parents, or other relations shall happen to die or be able to subsist or maintain themselves."

The general picture of colonial pension legislation in the remaining jurisdictions was similar in most respects to that already noted. The important observation to be made is that as far back as our colonial period of development, the experience of the several legislatures and governing bodies furnished precedents for the subsequent growth of our extensive national pension system for veterans of our Armed Forces.

Among the more significant differences between our early and recent provisions for veterans are those involving the extent of injury and the degree of dependence of those taken under public care. The wound or injury sustained by the early servicemen had to be sufficiently serious to render him incapable of earning a livelihood. In order for any dependent to qualify for a pension, such dependent would have to state and prove indigent circumstances. Another conspicuous difference was in reference to the amount of pension paid. In the early years, the rates of pension payments were not predetermined. Each case was individually considered.

Although the adequacy of the provisions made for veterans and their dependents is now difficult to measure, Glasson in his Federal military pensions in the United States expressed the view that sundry references in the colonial records to pensioners and payments of pensions showed that the laws must have been effective to a considerable degree.

FEDERAL PROVISIONS FOR VETERANS PRIOR TO 1862

The first national pension law was passed by the Continental Congress on August 26, 1776. The resolutions authorizing this pension were subsequently made retroactive to April 19, 1775.[2] The law was in line with the precedent set during the earlier colonial period, for the members of the committee which framed the law recalled with what difficulty sufficiently large bodies of men could be persuaded to enlist. Since the power and resources of the Continental Congress were inadequate, the subsequent execution of the national pension system had to be left to the individual States which were to make payments on account of the United States. A wide variation was consequently

[1] Archives of Maryland, proceedings of assembly, 1678–83, 58, cited in Glasson, William H., Federal Military Pensions in the United States, Oxford University Press, 1918, pp. 15–16.

[2] U.S. Congress. House. Committee on Pensions. Chronological résumé of veterans' laws (76th Cong., 1st sess., January 1929), p. 1.

observed in the extent to which the States carried out the provisions of the law. Every officer, soldier, or sailor losing a limb in any engagement or being so disabled in the service of the United States as to render him incapable of earning his livelihood was promised half pay for life or during disability.

The burden of payment was subsequently assumed by the new U.S. Government. The First Congress in September 1789 provided for the continuance of the original national pension law for a period of 1 year. Further 1-year extensions were made until Congress finally voted to continue the payments for the life of the pensioners.

The first national pension law which provided for the widows and orphans of personnel who died while in service was the resolution of August 24, 1780. This was actually an extension of the resolution of May 15, 1778, which provided half pay for 7 years after conclusion of the war to all commissioned officers who continued in the service of the United States to the end of the war.

Although several other measures were passed prior to 1818, including favorable action on George Washington's recommendation that all officers who should continue in service to the end of the war should be entitled to half pay during life, and the Commutation Act of 1783, which also was concerned with officers' pensions, the next noteworthy legislation was the Revolutionary service pension law of March 18, 1818 (3 Stat. 410).

This act of 1818, which had been the subject of extended and heated debates in Congress, introduced a new principle into national pension legislation. Prior to this time, disability was the firm requirement for the payment of any pension. With the new law, mere service in the Armed Forces, together with poverty, became both substitute and supplementary requirements for entitlement for pensions.

The principal provisions of the law of 1818 specified that commissioned officers were eligible to receive $20 per month and noncommissioned personnel $8 per month for life. The requirements to be met by successful applicants were a minimum service of 9 months, a resident citizenship of the United States, and, as the result of insufficient income, actual need of financial aid. A violent storm of protest in all quarters of the Nation soon arose over the liberal provisions of this law. The primary impetus to the dissatisfaction, however, was due to a severe decline in the financial structure of the country. Immediately prior to the enactment of this act, Federal revenues had been more than abundant. From 1818 to 1821, however, widespread financial crises were occasioned by an extensive business decline. Alleged flagrant abuses were given national publicity and numerous charges of misrepresentation of personal wealth on the part of some veterans was made in many areas. The sequel to a congressional investigation was remedial action by Congress which followed in 1820 and 1823. Thousands of pensions were rescinded when individuals failed to measure up to stringent regulations made prerequisite by law for eligibility. Many others found it extremely difficult to qualify within the letter of the law and abandoned their claims.

Congress adopted a "pure service" pension schedule for the Revolutionary War survivors on June 7, 1832. This measure introduced another new principle to pension legislation. Up to this time, two basic requirements had to be met in qualifying for pensions. The first one, in point of time, was disability; the second, service and poverty. The act of 1832 granted those veterans who had completed a minimum cumulative service of 2 years, full pay for life according to rank. The 2 years need not have been served in one tour of duty. The maximum amount to be paid was the equivalent of a captain's pay. Those who had a total service of less than 2 years, but over 6 months, were entitled to an annuity which was proportional to the length of service, the maximum payment being based upon 2 years' service while the minimum payment of 25 percent of the full pay was for 6 months' duty.

Following the service pension act of 1832, no major legislation of any consequence was passed for the benefit of Revolutionary War veterans.

Disability pensions for the veterans of the War of 1812 were based on the invalid pension provisions made for the Regular Army by an act of 1802. Promise of the pension was made in the various acts which were passed for the purpose of raising troops. By the act of April 24, 1816, allowances for disabled veterans were increased and half-pay pensions were granted for 5 years to widows and orphans of soldiers of the War of 1812. National service pensions for the 1812 veterans were not provided until 1871.

Disability pension laws for the survivors of the Indian wars were passed from time to time. Congress generally extended the provisions of existing pension laws to those disabled in the various Indian campaigns and also to the widows and orphans of the slain. The act of July 14, 1862, included provisions for persons disabled in Indian wars and campaigns and for dependent relatives of those who died as a result of such service. The first service pension in behalf of the participants in the Indian wars was not adopted by Congress until July 27, 1892. It granted a pension of $8 per month to veterans who had been in the service of the United States for 30 days in certain specified Indian wars between 1832 and 1842. The payment of $8 applied both to officers and enlisted men and to their unremarried widows. Later legislation extended the years covered by the Indian wars.

Congress followed a similar pattern in the case of the Mexican War as it had done for the War of 1812. The act of May 13, 1846, which authorized the President to recruit volunteers, also provided that those injured or disabled in the service would be entitled to the same pension provisions as were the regular troops. Subsequent major legislation was not passed until after the Civil War. In the present report, such laws will be discussed in chronological sequence under the general subject where applicable.

MAJOR LEGISLATION SINCE 1862

Although most of the legislation concerning veterans passed by Congress between 1852 and 1898 was in reference to the Civil War, a number of important acts were passed which dealt with prior wars and engagements. Beginning with the favorable congressional action which had taken place on the invalid pension resolution of August 1776, the passage in March 1878 of the final bill providing pensions for widows of Revolutionary War veterans concluded more than a century of legislation passed for the benefit of servicemen of the Revolution and their dependents. During this span of more than 100 years, new and revised doctrines relating to service personnel were being introduced and accepted, with the result that increasingly liberal provisions were enacted by Congress.

Other important legislation from 1862 to 1898, except what had been occasioned by the Civil War, involved service pensions for the Mexican War veterans, increasing amounts of pensions paid for both disability and normal military service, abolishing of the requirement of loyalty during the Civil War on the part of the War of 1812 pensioners as a requisite for receiving regular pension payments, and the unusual but highly significant "consolidation act" of March 3, 1873. This act was noteworthy because of the changes it introduced in the method of rating disabilities, and because it served to codify the then currently effective pension legislation.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would like to state here that the chairman of the committee, the gentleman from Texas [Mr. TEAGUE], I know, has worked day in and day out in order to get a pension bill. I do not agree with him in some of the provisions, but I know how very hard he has worked. I know how hard other members have worked, as well as the staff. But, that does not mean that I agree with everything. In fact, there are provisions in the bill I strongly oppose.

Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, I rise in support of this legislation. As has been pointed out, the Committee on Veterans' Affairs has for a very long time studied this problem of pension legislation. We have also given considerable attention through the years to the matter of veterans' compensation. Corrective legislation in that field has been enacted. Now it is time that we turn our attention again to pension legislation.

The committee is anxious to bring out and has brought out a fair and equitable bill. All Members of this House want good legislation in this field. I feel that this legislation before us now is such. Members are concerned because to some it does not go far enough in certain directions; to others it goes too far. I would say to you, as the gentleman from Ohio said, that this is a wholesome and honest compromise of many conflicting views. We have tried to take the best from all proposals. If Members have legislative proposals which they wish to urge further with respect to pension legislation, they are perfectly at liberty to do so. Those proposals may be given consideration at a subsequent time by our committee. But, the things to remember, Mr. Speaker, about this bill, for those who are interested in proper veterans legislation are, first, that the chairman said he has received letters of approval from four of the veterans organizations. Secondly, this does increase the pension for 70 percent of the people now on the pension rolls. Thirdly, it does not reduce the pension for any single individual now on the rolls. Fourthly, it adds to these rolls 205,000 widows not now drawing pensions; and, fifthly, it adds to the rolls 72,000 individuals who are not now on the rolls because of income limitations. At the same time, we are told that this additional expenditure, large though it is, is well within our national ability to pay.

For these and other reasons, Mr. Speaker, I say it is good legislation and ought to be supported.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Florida.

Mr. HALEY. Does the gentleman not think that this is an opportunity to do something for the veterans rather than to do a lot of talking and do nothing?

Mr. ADAIR. I certainly agree with the gentleman that it is. As I said be-

fore, this bill does not do all that many of the Members want, but it is a very long step in the right direction.

Mrs. ROGERS of Massachusetts. Part of this bill is the icing on the cake, but when you get down to the cake, for those that go on the rolls on the enactment of the bill, it is not good. This bill takes away money from many of the new pensions to pay for the old increases for those presently on the rolls.

Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT], a great champion of the veterans and for years a member of the Committee on Veterans Affairs—a World War I man. I do not forget the work they did, as one of the cosponsors of the GI bill of rights, in helping to write the GI bill of rights, and they asked for nothing for themselves in it.

Mr. VAN ZANDT. Mr. Speaker, I am opposed to H.R. 7650 in its present form.

The fact that this bill is before us under suspension of rules, limiting debate to 40 minutes and prohibiting amendments, reminds me of the infamous Economy Act of 1933 when Congress at that time approved a handwritten bill almost overnight without hearings, stripping the Nation's veterans and their dependents of benefits and privileges.

That bill haunted the conscience of those who sponsored it and the Members of Congress who supported it.

On the other hand, those Members of Congress who had the courage to stand up and oppose the Economy Act of 1933 have since been right, as practically all of the benefits have been restored.

Mr. Speaker, mark you, this bill—a ghost of the Economy Act of 1933—will haunt those who support it because it is being railroaded through Congress under a gag rule on the floor after limited hearings during which more than 100 Members of Congress who sponsored pension legislation were denied the right to appear before the committee.

Instead, they were directed to file statements which were completely ignored.

Mr. Speaker, H.R. 7650 is an insult to the veterans of this country and their dependents, especially the veterans of World War I.

I am in favor of the provisions of H.R. 7650 with respect to liberalizing benefits in certain instances, and in taking care of widows and orphans of veterans of World War II and the Korean war.

On the other hand, there are provisions in this bill that make a pauper out of deserving veterans by changing the traditional policy of this Nation in caring for its ailing and aged veterans.

This is the crux of the opposition to this bill.

Let me read to you the interpretation of the traditional policy of this country made by former President Herbert Hoover when he said:

> We believe that military service is extraordinary service which transcends the normal duties of citizenship and, consequently, entitles veterans with honorable service to special consideration.

Some years ago, you will recall the issuance of the so-called Bradley Commission report which was severely criticized and condemned by the veteran population of the country and their friends.

Here is the policy the Bradley Commission recommends:

> Military service in time of war or peace should be treated as discharging an obligation of citizenship and not itself as a basis for future Government benefits.

Mr. Speaker, H.R. 7650 is the first step toward adopting the recommendations of the Bradley Commission and as far as I am concerned, I want no part in changing the traditional concept of this Nation regarding its obligations to its veterans.

Now let me make a few comments on the bill.

First, if this bill ever becomes a law, it represents the first step to complete abolition of non-service-connected benefits.

Second, having been successful in writing a "pauper" or "needs" clause into non-service-connected pensions, then the next step will be to extend the same requirements to service-connected benefits.

Third, the next step will be to have social security absorb the veterans benefits program, a step so strongly advocated by those supporting the Bradley Commission report.

Finally, the requirement that certain portions of the income of a spouse be added to the veteran's income is a radical departure in determining income.

Mr. Speaker, let me call attention to a "sleeper" in H.R. 7650 which provides that the recent action of Congress in excluding railroad retirement benefits as income is nullified by the enactment of this bill.

This House, by an overwhelming voice vote, approved amendments to the Railroad Retirement Act and on May 19 President Eisenhower signed them into law.

Here we are being asked already to cancel one of these amendments.

Mr. Speaker, it has been said that all veterans organizations are in support of H.R. 7650.

In this connection, let me read to you a telegram from National Commander Fred J. Hollenbeck, of the veterans of World War I of the U.S.A.:

> As national commander of the veterans of World War I, U.S.A., strongly urge you oppose Teague bill, H.R. 7650, in present form as our organization is 100 percent opposed to same.
>
> Further respectfully request full consideration be given H.R. 1181 at this time.
>
> FRED J. HOLLENBECK,
> *National Commander, Veterans World War I, U.S.A.*

In addition, the following telegram was received from Harry A. Schweikert, Jr. president, Paralyzed Veterans of America:

> We urgently request your opposition to H.R. 6432 pending further consideration.
>
> We are deeply concerned about this measure considering the drastic change it would make in the veterans' pension program.
>
> We feel that insufficient time has been allowed for full analysis of all measures proposed.
>
> HARRY A. SCHWEIKERT, Jr.,
> *President, Paralyzed Veterans of America.*

Mr. Speaker, over the weekend I talked with a number of veterans all over the country as well as to a group of several hundred veterans auxiliary members.

If anyone thinks the rank and file of America's veterans are in favor of this souped-up version of H.R. 6432, he is badly mistaken.

This especially applies to the nearly 3 million veterans of World War I and their dependents.

As mentioned already, this bill is nothing more than the ghost of the Economy Act of 1933 haunting these Chambers.

The motion to suspend the rules should be defeated and H.R. 7650 should be returned to the House Committee on Veterans' Affairs where adequate hearings should be held so that over 100 Members of this House sponsoring pension legislation will have the opportunity to be heard in person and not silenced by being asked to submit written statements on the eve of the issuance of the committee report.

Mr. Speaker, I have been in Congress for nearly 20 years and for the first time in my congressional career, I was denied the right to appear before a committee in behalf of a bill I sponsored.

Out of a clear sky on June 3, the chairman of the House Committee on Veterans' Affairs wrote me a letter telling me to file a statement in lieu of a personal appearance before the committee.

At this point, I am including this letter in my remarks:

> The Committee on Veterans' Affairs plans to begin hearings on the subject of non-service-connected pension benefits for veterans and their surviving dependents on Thursday, June 4.
>
> Since you have a bill pending before the committee on this general subject, you may wish to file a statement to be made a part of the record of hearings.
>
> If you do desire to file a statement, please make it available in the committee offices, room 356, House Office Building, by 5 p.m., Tuesday, June 9.
>
> The committee hopes that as a result of these hearings a plan can be developed which will result in improvement in the present system of non-service-connected pensions.
>
> Sincerely yours,
>
> OLIN E. TEAGUE,
> *Chairman.*

By telephone, I requested the chairman to permit me to appear and testify in behalf of my bill, H.R. 1181, and was informed he was sorry but no Members would be permitted to appear in person.

On June 9, I learned by way of the grapevine that H.R. 7650 would be introduced on June 10 and that statements by Members of Congress were being ignored.

Again on June 9 I called the chairman and pleaded for the right to appear in person before the committee, confirming the telephone conversation by the following letter dated June 10, 1959:

> CONGRESS OF THE UNITED STATES,
> HOUSE OF REPRESENTATIVES,
> *Washington, D.C., June 10, 1959.*
>
> The Honorable OLIN E. TEAGUE,
> *Old House Office Building,*
> *Washington, D.C.*
>
> DEAR CHAIRMAN TEAGUE: Confirming our several telephone conversations concerning

your committee's current hearings on pending bills on the subject of non-service-connected pension benefits, I shall appreciate your reconsideration of my request of June 8 to appear in person in support of my bill, H.R. 1181.

As you will recall, in our conversation of June 8 a frank statement was made that I did not want to be accused of pulling my punches for my bill, H.R. 1181, by filing a statement in lieu of my personal appearance. In reply you stated that you were sorry to deny my request and gave as your explanation that there are over 100 bills pending on the pension question and that all Members were being treated alike in being asked to submit statements instead of testifying in person.

Acting in good faith and believing that the filing of statements was a policy adopted by the full committee, I reluctantly filed a statement in support of H.R. 1181 on June 8. A copy of this statement appears on page 10213 of the June 8 issue of the CONGRESSIONAL RECORD.

For the information of you and the other committee members, I have received definite information from a reliable source that I am being openly accused of blocking Members of Congress from appearing before the committee in support of pension legislation and being forced instead to merely file statements. In addition, it is said that I am not wholeheartedly in support of my bill, H.R. 1181, and for that reason I requested you to limit Members of Congress to the submission of statements.

To keep the record straight, I am again respectfully requesting the opportunity to appear before the committee in behalf of my bill, H.R. 1181, and in view of the sinister charge that has been lodged against me, I feel in all fairness that you should grant my request. I am taking the liberty of sending a copy of this letter to each member of the House Committee on Veterans' Affairs.

Very sincerely,

JAMES E. VAN ZANDT.

Mr. Speaker, I received no reply to my request of June 9 but on June 11 the committee reported out H.R. 7650.

I have information directly from a committee member that the only bill considered was H.R. 6432 and its revised version, H.R. 7650, which we are now being asked to consider on the "take it or leave it" basis.

Mr. Speaker, I represent the 20th District of Pennsylvania and about 300,000 people.

I think by reason of my veteran background I can speak for a few veterans in this country.

For that reason I resent being denied the right to appear before a congressional committee in support of my bill, H.R. 1181, or any other bill.

The motion to suspend the rules requires a two-thirds vote of this body, and I hope that the motion will be defeated and that the bill will be returned to committee.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Speaker, the question we are faced with here today is whether or not we are going to do something to help the veterans or whether we want to talk about it. It is just that simple. Now let me show you in addition to what our chairman, the gentleman from Texas [Mr. TEAGUE] has said, what this bill does.

Mr. TEAGUE of Texas. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to my chairman.

Mr. TEAGUE of Texas. The gentleman from Wisconsin [Mr. FLYNN] went home over this weekend and he had a meeting of about 65 leaders of the veterans' organizations in his local area. They voted unanimously for him to come back here and support this bill. So you can take that as an indication of what the situation is when the gentleman spoke about the attitude of the rank and file of veterans.

Mr. SAYLOR. This bill provides a rate increase of 10 percent or more for 854,406 people who are now on the rolls. It adds 72,039 cases that are not now eligible to get on the rolls. And by the widows' equalization feature it will allow 205,684 World War II and Korean widows to go on the rolls. What else does this bill do? It does not reduce or remove one veteran who is on the rolls right now and it helps through increases or creating eligibility 1,132,000 veterans and widows at a total increased cost for the first year of $308 million. If you want to vote against this bill, then go on home and tell the millions of veterans and widows in this country who would be helped by this bill that you would not give them $308 million because the bill does not give everything that everybody wanted. If any increases are ever needed in the future then Congress can take that question up at any time.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I think in all fairness to the chairman of the committee, it should be pointed out that nearly 2 months ago the chairman wrote a letter to every Member of the House setting forth what the objectives of this legislation were and thus giving us a chance to check back home. Frankly, I have some folks back home who are for it and some who had doubts about it, but, I think, on balance this is the best obtainable bill we can get at this time and gives the best chances for an increase in pensions for veterans and their widows.

Mr. SAYLOR. This is a step forward and should be passed.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to my colleague from Iowa.

Mr. JENSEN. Will the gentleman tell us in a few words what this bill does specifically for the World War I widows and orphans?

Mr. SAYLOR. It will increase the pension of 298,000 widows and children of World War I veterans who are on the rolls now. Veterans of World War I would be affected as follows:

Effect on veterans of World War I

Total cases increased (all veterans)	854,406
World War I cases increased	754,482
Percent of World War I cases increased	88.8
Total cases added	72,039
World War I cases added	66,044
Percent of World War I cases added	91.7

The national commander of Veterans of World War I, who appeared before us, Mr. Hollenbeck, said that while this bill was not what he wanted, he would rather have this bill than no bill at all. In connection with certain abusive mail the committee was receiving, Mr. Hollenbeck, commander, Veterans of World War I of the USA, Inc., made the following statement:

I feel the chairman and this body are doing everything possible toward trying to bring out some legislation that is going to be beneficial to veterans of all wars.

This legislation is beneficial to the veterans of all wars.

In addition, the other major veterans organizations have expressed their views on this bill in communications to the Veterans' Affairs Committee, and I shall point out their positions.

The American Legion stated:

In addition, the bill provides increased pension rates for the great majority of veterans, widows, and children now on the rolls, particularly the most needy; it increases the income limitations, making thousands of persons entitled to pension benefits for the first time; and, it fulfills the Legion's long-sought objective of equalization of the death pension requirements for World War II and Korean conflict dependents. For these reasons the American Legion supports H.R. 7650.

Amvets said:

H.R. 7650, in the judgment of AMVETS, fulfills the long-standing need for a sound pension program. This bill relates monthly pension payments to varying degrees of financial need. The veteran who is most needy will receive the greatest payment. If the veterans of this Nation are to have a sound benefit program, the enactment of H.R. 7650 into law is essential. AMVETS endorses this bill in its entirety.

Disabled American Veterans remarked:

The Disabled American Veterans does support, generally, the compromise bill in view of its several generous and meritorious provisions which will be of such great assistance to those who need it most in the struggle for existence.

And the Veterans of Foreign Wars stated:

In view of the fact that the committee bill has some meritorious features, such as increased payments and parity for the World War II and Korean widows in relation to the pension program for widows, I will take the position—and urge the same for the officers and members of my organization—that the VFW shall not demand that the committee bill be killed or that it would be better to have no legislation rather than the pension bill as reported by the committee.

In view of this unanimous support of all veterans' organizations and also the House Committee on Veterans' Affairs, I urge the Members of the House to vote to suspend the rules and pass this important helpful legislation.

Mr. BASS of Tennessee. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty-five Members are present, a quorum.

The Chair recognizes the gentlewoman from Massachusetts [Mrs. ROGERS].

Mr. WIER. Mr. Speaker, will the gentlewoman yield for a unanimous consent request?

Mrs. ROGERS of Massachusetts. I yield.

Mr. WIER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a letter and a telegram.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. WIER. Mr. Speaker, the following is a letter and a telegram which I have received:

MINNEAPOLIS, MINN., JUNE 13, 1959.

ROY W. WIER,
House Office Building:

We respectfully request that you vote against H.R. 7650, same as H.R. 6432, slightly amended. This bill being reported out of the Veterans Affairs Committee for passage on Monday, June 15.

VICTOR B. WIBERG,
Legislative Chairman, Department of Minnesota, Veterans of World War I.

VETERANS OF WORLD WAR I
OF THE U.S.A., INC.,
Washington, D.C., June 13, 1959.

ROY W. WIER,
Member of Congress,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN WIER: Recently you advised some of your constituents that you favored liberalizing World War I pension legislation. We respectfully request that you carefully study and fully analyze H.R. 7650, a bill on which no one has ever been given permission to appear either for or against.

Over 100 Members of the U.S. House of Representatives introduced pension legislation in this session, not one of the Members who introduced this type of legislation has been heard on H.R. 7650. We respectfully request that when this bill comes before the House on June 15, or at a later date, you do not permit this legislation to be rushed through the House until the friends of veterans legislation can be heard.

The Veterans of World War I of the U.S.A. want you to know that we strenuously oppose H.R. 7650 as we feel this is welfare legislation. Under this bill the railroad retirement amendment providing for exclusion of retirement pay under the provision of that law in computing income where the VA is concerned will be repealed.

Further, a single veteran under its provision, if he is poverty stricken and destitute, would receive $19.60 per week in the form of a VA pension check. A married veteran, if destitute and poverty stricken, would be forced to live with his wife on $20.76 a week. A widow, destitute and poverty stricken, would be allowed a pension of $13.85 a week from the VA. A widow with one child, poverty stricken and destitute, would receive the magnificent sum of $17.50 a week in the form of a VA pension. Is it any wonder then that we Veterans of World War I respectfully request and urge you to oppose the passage of this bill?

Sincerely yours,

FRED J. HOLLENBECK,
National Commander.
MERLE E. HOPPER,
National Legislative Director.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts [Mr. LANE], who has worked long and hard on the pension problems of our veterans. He has tried to work out a bill that is reasonable and fair and I know what he has to tell you is most important because I have watched him in action and I know how dedicated he is in his work.

Mr. LANE. Mr. Speaker, I listened with attention today to the remarks of the chairman of the committee. There is no doubt in our minds that he has put a great deal of work into this legislation, but I can see that these charts reflect slanted information. Mr. Speaker, I do not notice any chart that shows or proves to us the number of veterans or widows of veterans who will be reduced in pension benefits as far as this bill is concerned. The charts shown here show only the beneficiaries who will receive increases.

We know that this bill, as the gentleman from Pennsylvania [Mr. VAN ZANDT] observed and so well stated, is an economy measure. The report, which by the way was issued only last Friday, and the hearings only this morning, contains on page 23 the statement:

> However, in the long haul the overall cost to the Nation will be less.

In this bill in one breath we are increasing benefits to some veterans; other veterans are going to be substantially reduced. We still mean to save money. It just does not ring true.

Mr. Speaker, masquerading as a veterans' bill—and implying that it will be beneficial to the veterans—H.R. 7650 is a slick example of the technique used to divide the veterans as a prelude to economies at their expense. But the masquerade is not foolproof. By its own language, it is "A bill to modify the pension programs for veterans."

Let us check with Noah Webster for a start. "Modify," according to this authority for our language, means "to vary slightly, to reduce, to limit."

Under the guise of shuffling around the present pension formula, the long-range objective is to cut back the outlays for nonservice-connected pensions. The emphasis is being shifted from pension to need.

The sponsors of this bill reveal another weakness in their case by referring in the report to accompany H.R. 7650, the legal definition of pension as set forth in section 101 (15), title 38, United States Code, as follows:

> The term "pension" means a monthly payment made by the Administrator to a veteran because of service, age, or non-service-connected disability, or to a widow or child of a veteran because of the non-service-connected death of the veteran.

Nowhere in this legal definition is there any mention of need, and no suggestion of any means test as a basis for eligibility. A pension is a monthly payment made by the United States Government to a veteran because of service, age, or non-service-connected disability. A veteran is entitled to a pension in his old age regardless of need. The precedents for this are clear and conclusive. But now it is proposed that we should dilute this obligation by planned confusion involving so many different pension tables, and escalator clauses, and by bringing a new factor never thought of before, namely his wife's income into the picture, and by an empty solicitude for the dependent children of old soldiers who have reached the age where all their children have grown up and are no longer dependent.

The more we look at the juggling provisions of this bill, the more we are convinced that the purpose is to conceal its real objectives. Is it not strange that bills to provide pensions for World War I veterans were given scant attention, and the present bill was rushed to the floor in such a hurry? Is this the strategy of counterattack, to head off and blunt the growing sentiment for a World War I pension based on service and age alone? Could this be a diversionary maneuver that, by focusing attention on need, would undermine our national tradition and practice of providing pure service pensions to wartime veterans in their old age?

I could be wrong of course, but the pauperizing provisions of this bill, and the timing of it, give me the haunting impression that there is more to H.R. 7650 than meets the eye. It would be different if we had no laws concerning non-service-connected pensions, and this bill was making a start in that direction. But we have a pension system that, however imperfect and incomplete it may be, is a form of honorable recognition, as well as a reward for the men who risked their lives to protect our freedoms.

In the name of the rank-and-file veterans, and especially the men now in their sixties who fought in World War I, I oppose the philosophy behind this bill which would treat them as charity cases who must meet an old-age assistance means test in order to qualify for more than a token pension.

The circumstances under which this bill was expedited, should cause us to pause and think. The report was not available until last Friday. We have been given no opportunity to study the testimony for and against this bill.

There is no emergency here. No deficiency to meet. No deadline. Then why the rush?

Behind the cloak of secrecy surrounding this bill, there is a hidden dagger that is aiming straight for the heart of legislation to provide a pure service pension for World War I veterans.

I ask my colleagues to wait and not be stampeded into approval of this bill. For it will commit them to a stand which in the long run will prove to be detrimental to the best interests of all veterans.

In this connection I call your attention to the following letter and telegrams:

VETERANS OF WORLD WAR I OF
THE U.S.A., INC.,
Washington, D.C., June 12, 1959.

THOMAS J. LANE,
Member of Congress,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN LANE: Recently you advised some of your constituents that you favored liberalizing World War I pension legislation. We respectfully request that you carefully study and fully analyze H.R. 7650, a bill on which no one has ever been given permission to appear either for or against.

Over 100 Members of the United States House of Representatives introduced pension legislation in this session, not one of

the Members who introduced this type of legislation has been heard on H.R. 7650. We respectfully request that when this bill comes before the House on June 15th, or at a later date, you do not permit this legislation to be rushed through the House until the friends of veterans legislation can be heard.

The Veterans of World War I of the U.S.A. want you to know that we strenuously oppose H.R. 7650 as we feel this is welfare legislation. Under this bill the railroad retirement amendment providing for exclusion of retirement pay under the provision of that law in computing income where the VA is concerned will be repealed.

Further, a single veteran under its provisions, if he is poverty stricken and destitute, would receive $19.60 per week in the form of a VA pension check. A married veteran, if destitute and poverty stricken, would be forced to live with his wife on $20.76 a week. A widow, destitute and poverty stricken, would be allowed a pension of $13.85 a week from the VA. A widow with one child, poverty stricken and destitute, would receive the magnificent sum of $17.50 per week in the form of a VA pension.

Is it any wonder then that we veterans of World War I respectfully request and urge you oppose the passage of this bill?

Sincerely yours,

FRED J. HOLLENBECK,
National Commander.
MERLE E. HOPPER,
National Legislative Director.

QUINCY, MASS., *June 14, 1959.*

Congressman THOMAS J. LANE,
House Office Building,
Washington, D.C.:

Teague committee report new pension bill No. 7650. As you realize this bill will be damaging to veterans in our area. Appreciate your every effort for defeat of the same, this bill up for House action Monday. Best wishes.

GEORGE M. LEARY,
National Regional Commander,
Veterans World War I.

NEW YORK, N.Y., *June 12, 1959.*

Hon. THOMAS J. LANE,
House of Representatives,
Washington, D.C.:

We urgently request your opposition to H.R. 6432 pending further consideration. We are deeply concerned about this measure considering the drastic change it would make in the veterans pension program. We feel that insufficient time has been allowed for full analysis of all measures proposed.

HARRY A. SCHWEIKERT, Jr.,
President, Paralyzed Veterans of America.

Mr. LANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include letters and telegrams.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. MADDEN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. MADDEN. Mr. Speaker, I wish to endorse the statements made by our colleague Congressman Van Zandt of Pennsylvania that H.R. 7650 is a piece of legislation that will prove to be inequitable and unfair to a large percentage of the veterans of the Nation. It is indeed unfortunate that a veterans' bill of this type which affects millions of the Nation's veterans is brought on the floor of this House, under the suspension of rules method, limiting debate to but 40 minutes and barring amendments or changes in the bill. Ninety percent of the 435 Members of the House are not familiar with the provisions of this complex piece of legislation dealing with veterans' pensions. The fact that dozens of Members would like to express the feelings of the veterans in their congressional district and strive to make changes in this bill, are stopped from so doing because of the gag method process incident to passing legislation under suspension of rules. I have received numerous letters in the last week from veterans belonging to all veterans organizations, opposing the passage of this bill in its present form.

I came to Congress in January 1943 and was one of 172 Congressmen, all World War I veterans, who met in caucus during the dark days of World War II and helped formulate legislation which finally resulted in the so-called bill of rights. The World War I veterans of 1943 serving in Congress did not want the World War II veterans to return and face the same economic conditions and privations that were undergone by the World War I veterans after the First World War.

Since being a Member of Congress, I have supported all practical legislation that had to do with the welfare of the veteran and fought for the enactment of the original GI bill of rights. This bill, if passed in its present form, will mean that in the next session of Congress, veterans' organizations will be back fighting for necessary changes to be made so that the inequities in this legislation will be corrected. Legislation as important as this, affecting so many millions of veterans, should be channeled through the ordinary legislative processes by the granting of a rule and providing sufficient time for any Member of Congress to speak for or against certain provisions in this bill. Today, under suspension of rules, 90 percent of the Members who would like to speak and amend this legislation are prevented from so doing. Railroad retired employees, social security recipients, and other groups and individuals would be penalized by this bill.

I hope this bill is returned to committee and channeled back to the House through ordinary legislative processes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. RANDALL. Mr. Speaker, in a very few words I wish to make expression of my views as a member of the Veterans' Affairs Committee on the pending bill H.R. 7650. Since the bill was reported unanimously, I would like to say it is my sincere belief that every member of the Veterans' Affairs Committee is honest in his thought that it is the very best that could be finally enacted into law this session. It is not the sort of a bill which is simply reported favorably and then intended in advance to be shelved and forgotten.

I suppose this, like most legislation, stems in the first instance out of requests from the home district. Correspondence brings views of what would be the ideal legislation from the viewpoint of the constituent. But we all know these ideals must be measured against not the mere possibility of passage, but rather by the stronger philosophy of probability, and then set under the spotlight of hard and cold reality, which alone can light the rough road leading to legislative accomplishment.

Let us look for a moment at some of the pitfalls along this rough road leading from the introduction of a bill, until it becomes law. Let us assume this committee had reported out a bill which would have cost 2 billion a year, or even an increase of 1 billion a year over present pension costs. Further, assume such a bill were to pass the House of Representatives. You and I know it then faces the hurdle of the U.S. Senate. Remember there is a Senate in the Congress, and my guess is they will be around just about as long as the House. Remember too, they do not have a standing committee, which deals exclusively with veterans' affairs. In my opinion, a bill costing any more than H.R. 7650 could not pass the Senate. But assume I am wrong, and suppose the Senate would pass a more costly pension bill, you know there is always the requirement of the approval by the President. I think it would be better if we all avoided such language and expressions as "threat of a veto" and "Presidential intimidation of Congress" when there is the preliminary suggestion of a veto. We should not go out of our way to anticipate any veto but there have been a few in the not too distant past involving much less money than one of the more liberal pension proposals, and an actual veto by whatever description becomes a very real thing and prevents any bill from becoming a law. Recently the President, through the Veterans' Administration by letter to the Congress and the Veterans' Committee, has pointed out the top limits of cost they will accept as is set forth in H.R. 6432. Notwithstanding, H.R. 7650 exceeds that limit, it is my opinion this new bill, because of its reasonableness in terms of additional cost, has a very strong chance of becoming public law by signature from 1600 Pennsylvania Avenue.

Thusly, let me return to my original premise, that by acting today on H.R. 7650, we are striving to really legislate or to accomplish some legislation, and not merely grind out some more grist from the legislative mill, or to change the figure of speech and to use the well known expression, "spin our wheels" and go nowhere at all, or at the very best—up a deadend street.

I think I should call your attention to the fact that the committee abandoned the "all or nothing concept" advocated

by one veterans organization, that is, $100 a month minimum pension as one alternative, or no change in the law as the other course, in favor of the concept which might be described as the "greatest good for the greatest number" theory, which can become law at this first session of the 86th Congress. I think it should be emphasized too, we are here concerned with just one bill, and just one effort at an enactment. To say this bill before us today precludes subsequent enactment of other bills, is just not a true statement of fact.

Here we are on the floor of the House, with a bill reported favorably by the Veterans' Affairs Committee. Much has already been said and I shall not encumber the RECORD or tax your patience to mention figures and outline requirements, or cite examples and illustrations under the proposed law. However, there is one bit of emphasis which even at the risk of being repetitious, I think we should reemphasize, and that is if there are, or might be, instances or circumstances growing out of the new income limitations of nonservice connected pensions where the new law as proposed might or possibly could result in the eventuality of a reduction in the amount a present recipient receives, then you should be indelibly impressed again with the fact that the committee has provided what is known in legalistic jargon as the "grandfather's clause," which means those now on the pension rolls, or even those who have an application pending, will have all of the benefits of the old law—a sort of umbrella, if you please, leaving them undisturbed and without any interruption in their status. Even better, they will have in fact about 1 year before this bill—if it finally becomes law—in which to make up their minds as to whether they wish to participate under the old, or under the new law. This saving clause, in my opinion, was wisely inserted, and should go a long way toward making the new bill acceptable to those who might otherwise have had doubts and misgivings as to whether their present lot would be worsened instead of improved. The fact is that over 854,000 veterans will receive an increase in their pensions—or 70 percent of those currently on the pension rolls, and there will be added 205,000 widows and orphans of World War II and Korean veterans not eligible under existing law. This means there will be well over 1 million recipients to be benefited, either by increases or by becoming new recipients.

In conclusion, I wish to make an observation or two about the organization known as Veterans of World War I of the United States of America, Inc. Their strong showing for new pension legislation has, in my opinion, been of great value to all veterans generally. It is my belief it was their zeal and perseverance which gave the sustained push for a new pension bill. It was this organization that kept its members so fired up with enthusiasm and with what seems to be an indefatigable energy, that resulted in a constant flow of correspondence from the home districts to Members of Congress. Were it not for their determined work and sustained efforts, or in the common language of the street, their "stick-to-it-tiveness" and were it not for the drive they furnished, or for the springboard they provided, it is quite a likelihood the Congress would have been without the needed push for pension legislation this session.

Finally, I think we should reflect upon the proposition that this is not the end of all veterans' pension legislation. It is one step in the right direction. It is more than that, it is a substantial improvement in pension provisions. Certainly, there is no suggestion expressed or implied that it is perfect. Certainly it will not please everyone. The committee found itself with many bills, some old and familiar, with but a new number added, and also some very new. It might be said the committee experienced the same difficulty as the Australian who, when he got himself a new boomerang, ran into a considerable problem when he tried to throw the old one away. But more wisely, to follow this figure of speech, the committee did not throw any old bills away, but merely laid them aside and reported out a new bill with many improvements. But most important from the veterans' point of view is the increased benefits for a total of about 1 million recipients, and in the first year, the addition of $308 million into the hands of our veterans of the United States.

Mr. O'HARA of Illinois. Mr. Speaker, I regret that a bill affecting the war veterans of our great Republic, the men and women upon whom we depended in times of grave crises, is accorded only 40 minutes of debate in the greatest deliberative body in the world. Neither I nor any other Member, who is not a member of the Committee on Veterans' Affairs, knows what is in the bill because we have had inadequate time to read and study the bill and no time at all to scan the testimony of the many witnesses that is printed in the hearings. Furthermore, the bill is not open to amendment so that Members must lump the good with the bad or by rejecting the bad must be placed in the position also of rejecting the good.

I think the veterans of the United States are entitled to better treatment. I see no more fiscal irresponsibility in paying pensions to war veterans who have reached the age when the doors of employment are closed to them than I do to paying pensions to war dollars. This year we will be paying over $8 billion on the national debt, which was largely caused by the dollars we were forced to hire for the purpose carrying on the military effort. To win the war we needed both men and dollars. The dollars that went into the war effort are dollar war veterans. The men that served and faced the perils and the hardships are human war veterans.

You cannot pay $8 billion a year as pension to the dollar veterans, and call it fiscal responsibility, and then when you come to consideration of the human veterans call anything that even approaches what is our responsibility and our obligation in gratitude fiscal irresponsibility.

That is the creed by which I have lived a life not short, a life during which the youth of my country has been called to serve in four major wars, and that is the creed with which I will pass on.

There is no one for whom I have greater respect and affection than the distinguished gentleman from Texas, the chairman of the Committee on Veterans' Affairs, who himself has a war record that is unsurpassed. I have profound respect for the members of that great committee, both on the majority side and the minority side. I commend and congratulate them on the liberalizing benefits they have put in the pending bill.

I regret exceedingly that the liberalizing features, of which all Members must approve, have been tied up in one package with provisions that are highly controversial and which may prove in fact to be opening the back door and the front door and the side door for the escape in the guise of economy and a fiscal responsibility, discriminating between dollar veterans and human veterans, of the last sense of a nation's obligation to her veterans.

Mr. MITCHELL. Mr. Speaker, I am firmly convinced that the years will prove H.R. 7650, if finally enacted into law, to be one of the soundest and most sensible measures passed by this 86th Congress. This bill approaches the complex problem of nonservice connected pensions for veterans with an ultimate in realism which I am sure we will all agree has been lacking in the past. I feel that it should be emphasized that the Veterans Pension Act of 1959, concerns only veterans who have a disability which was not incurred as a result of service in our Armed Forces. Our compensation program for veterans with service incurred disabilities will remain unchanged by the passage of this measure.

Our existing pension program from its beginning established financial need of nonservice connected disabled veterans as the basic qualifying factor for pension eligibility. This bill reaffirms this premise but does so much more realistically and practically. In this connection, Mr. Speaker, I would like to direct attention to the statement of policy contained on page 2 of the committee report. The statement of policy is as follows:

> The committee in reporting this legislation declares that the program of non-service-connected pension for veterans of World War I, World War II, and the Korean conflict is designed basically to furnish financial assistance when needed to non-service-connected disabled veterans who have served their country honorably in time of war, and because of non-service-connected disability are unable to follow a substantially gainful occupation; further that the assistance should be measured according to need.

This statement to me presents with extreme clarity the relationship and obligation of the Federal Government to our veterans who have become disabled and in need as a result of sickness or injuries which were not a consequence of military service. In my judgment, this policy is sound and should be adopted as the standard and guideline which will direct future Congresses in considering legislation in this important field.

This proposal contains many meritorious features but if I may, I would like

to point out four things which I think are of particular significance. First, it contains a graduated scale of payments which is keyed to the individual need of the veterans. The effect of the adoption of such a scale will be in large measure to eliminate existing inequities insofar as permissible earned income of the veteran is, under present law, geared to his eligibility. As a result of this graduated scale, 70 percent of all veterans, widows, and children now on the pension rolls would receive increased pensions. Numerically, this would add some 72,000 new individuals who cannot qualify under present law because of income limitations.

Second. H.R. 7650 would make the eligibility requirements for World War II and Korean widows the same as those presently existing for World War I widows. The inequity in this is manifest and most certainly it is past time for us to equalize the eligibility requirements for pensions for the widows of these three major conflicts. As has been pointed out, 205,000 widows and children of World War II and Korean veterans will become eligible to receive pensions upon the effective date of this legislation.

A third important feature of this act is that it contains a "grandfather" clause which will insure that no veteran, widow, or child who is presently drawing a pension will be removed from the rolls, nor will such person receive any decrease in his pension as the result of the enactment of this measure. In other words, it gives to our present-day pensioners an option to elect the formula contained in this bill or to continue to receive his pension under existing law.

Finally, and this is most important, this bill through its sensible and ingenious graduated scale will save money. Although its cost for the next few years will be higher than the present day program, it will in the next 40 years save the taxpayers of America some $12 billion.

Mr. Speaker, when we have presented for our consideration a bill with so many reasonable features as herein contained, I feel that my enthusiasm for it is understandable. As has been pointed out, this is a culmination of years of effort of the Committee on Veterans' Affairs under the leadership of our chairman, the gentleman from Texas [Mr. TEAGUE], the major veterans' organizations of our country and the Veterans' Administration. It is a graphic illustration of what can be done when a group of men and women are genuinely dedicated to the purpose of enacting constructive legislation. This legislation recognizes the invaluable contribution which our veterans have made in behalf of our Nation, while at the same time is sensitive to our national economy. Before closing, I feel it imperative that this body be appraised of the fact that this legislation would not have been a possibility except for the genius and the persistency of the chairman of our committee. In my short time as a Member of this body I have never seen an individual effort produce such a constructive result. He has earned and should receive the plaudits not only of our veterans but of all America.

Mr. DULSKI. Mr. Speaker, this bill provides for a major revision in the nonservice-connected pension program and has resulted from long and intensive effort on the part of our committee. In the hearings before our committee, all the major veterans' organizations supported this bill. The national commander of the American Legion stated before our committee on June 5, 1959: "The pension program is a needs program. It is not a retirement plan." The national commander of AMVETS and the national commander of the Disabled American Veterans expressed similar views before our committee in support of this bill.

Under present law, veterans of World War I, World War II, and Korea, who meet length of service and discharge requirements, are eligible for pension if they are found to be permanently and totally disabled for reasons not connected with their service and if their annual income does not exceed $1,400—without dependents—or $2,700—with dependents. The bill reported today would increase these income limitations to $1,800 and $3,000 respectively. This increase would bring about 72,000 new pensioners on the rolls. They cannot qualify under the present law because of income limitations.

Pension rates at present are $66.15 and $78.75 per month. The $78.75 amount is paid when a veteran becomes 65 years of age or has been drawing pension for 10 years. These flat rates are paid regardless of the variances in income and regardless of whether the veteran is single or married or has other dependents.

Under the graduated scale of H.R. 7650, payments would be keyed to the amount of other income and the number of dependents. For example, instead of the $66.15 or $78.75 rates provided by present law, a single veteran with minimal outside income would receive $85. This amount would be diminished in three intervals, so that when the veteran's outside income reaches $1,800 he would be paid $40. For a veteran with dependents, a similar situation is provided, so that he would receive a $90 rate instead of the $66.15 or $78.75 rates provided by present law. The $90 rate would be diminished in three intervals so that when his income reaches $3,000 he would receive $45 per month. Higher pensions are paid veterans' widows and orphans most in need and lesser sums are paid those less in need under this principle of graduated scale payments.

Another principal feature of the bill is the equalization of eligibility requirements for World War II and Korean widows on the same basis as those presently existing for World War I widows. This provision will eliminate the requirement of some percentage of disability at time of the veteran's death as a condition precedent to a widow or orphan qualifying for pension. This provision will add over 205,000 cases to the rolls immediately.

The bill contains a savings clause which provides that no veteran or widow presently on the pension rolls will be removed from the rolls or receive a decrease in pension as a result of enactment of the bill.

This bill provides much needed assistance to the deserving people who need assistance most and I hope it will be unanimously approved by the House.

Mrs. KEE. Mr. Speaker, I supported H.R. 7650 in committee and I am pleased to support it here on the floor today. It is a good bill and represents a vast amount of painstaking effort on the part of our committee, as well as the major veterans' organizations, and the Veterans' Administration. It will grant increases to 70 percent of the veterans and dependents of veterans who served in World War I, World War II, or the Korean conflict that are now on the rolls. I am especially pleased that the bill gives to widows and children of deceased veterans who served in World War II and the Korean conflict the same entitlement to pension that existing law now provides for widows and children of World War I veterans. Widows and children of World War II and Korean conflict veterans are not entitled to pension under existing law unless it is established that the veteran had an ascertainable degree of service-connected disability at the time of his death. It is not necessary that the disability be compensable and therefore, establishment of the existing of such a disability at the time of the veteran's death is useless for any other purpose. The law should never require the performance of a useless act and I am pleased that this bill removes such a requirement for widows and children of our last two wars. It is estimated that widows and children of 205,684 deceased veterans will be given pension entitlement by this provision of the bill during the first year of its operation. The bill properly provides that the amount of pension payable to these widows and children shall depend upon the amount of income they have from other sources. It also provides substantial increases for widows with children. I think this is a very meritorious provision since widows with children usually cannot work and earn enough to employ some other person to take care of their children during working hours. Under this bill a widow with one child whose income does not exceed $1,000 a year will receive a pension of $75 per month and those who have more than one child will receive $15 monthly for each additional child. This carries out the general principle of the bill which is to channel money we are spending for non-service-connected disability or death into those areas where the greatest need exists. Equalization of the pension entitlement of these widows and children has been a principal objective of the major veterans' organizations for many years.

Time will not permit a discussion of all of the aspects of this bill but I think it is important to note that not a single veteran or dependent currently on the rolls will suffer from enactment of this bill since it has a savings clause that permits all of those on the rolls to remain under the existing law or to trans-

fer to the new law if they choose to do so. I urge my colleagues to support the bill.

Mr. HALEY. Mr. Speaker, I hope that the House will unanimously approve this bill today. It is a good bill. It removes many inequities in the existing pension program. The existing pension law is based on service, eligibility and need. One of the principal difficulties under the present program is that the standards provided by law for determination of need are inadequate and do not provide sufficient assistance to veterans with the greatest need, and often provide assistance to those who have relatively little or no need.

A survey of the pension program recently made by the General Accounting Office has been published as Veterans' Affairs Committee Print No. 30 of the 86th Congress. This survey revealed that many veterans with substantial assets were receiving pensions from the Veterans' Administration. In fact, in one case the veteran had liquid assets of $51,540 and a total family income from outside sources of $3,037 per year. The survey showed that approximately 20,000 married pensioners now on the rolls have family income from outside sources in excess of $5,000 and that more than 13,000 pensioners have liquid assets of $15,000. Payment of pensions to such persons results only in the accumulation of an estate to be passed on to their heirs and thereby benefits persons who are not eligible for veteran benefits. It creates resentment and builds up public hostility against the entire veterans' program.

This bill substitutes a realistic method for determination of need so that it will bring more equity and fairness to the pension program. The Administrator shall deny or discontinue payment of pension when the corpus of the veterans' estate is such that under all the circumstances, including consideration of the veteran's income, it is reasonable that some part of the corpus be consumed for the veteran's maintenance.

This bill will increase 854,406 cases currently on the rolls and will extend pension eligibility to the widows and children of 205,684 deceased veterans of World War II and the Korean conflict, who are not eligible for pension under existing law. A total of 1,132,129 cases will be helped by this bill and, what is more important, the assistance will be extended to those who need it most.

I am especially glad that the bill provides substantial increases for those veterans who are blind or so helpless as to require the regular aid and attendance of another person. Under this bill, the present rate of $135.45 monthly is increased to $155 monthly or $160 monthly depending on whether or not the veteran has a dependent. If he does have a dependent the maximum is payable if his outside income does not exceed $1,000 and if he does not have a dependent the maximum is payable if his outside income does not exceed $600 annually.

This bill has the support of all the major veteran organizations, the Administration and it was unanimously reported by our committee. I hope that it will receive the unanimous support of the House today.

Mr. GEORGE. Mr. Speaker, seldom is it possible for a chairman of a congressional committee to bring together so many divergent views and to obtain from a national administration of the opposite political faith at least a semi-commitment as has been accomplished by Hon. OLIN E. TEAGUE, chairman of the Committee on Veterans' Affairs, on H.R. 7650. He deserves the acclaim of all Americans and an accolade from worthy veterans.

To provide more at a lower cost for those who sacrificed so much for their country and for freedom is the overall effect of H.R. 7650. Those veterans who deserve and need aid are the beneficiaries under this bill without having the stigma of pauperism attached to them. The saving clause which permits those on the present rolls to choose between the old and the new, causes no loss to any of them.

It was Congressman TEAGUE's committee that early in the session brought out H.R. 2256 to provide housing for veterans, and I am proud of the fact that I voted with the chairman of the committee to hold the interest rate at 4¾ percent, even though the majority voted to increase it to 5¼ percent. It was his industry and desire to help the veterans that caused the veterans' housing bill to be the first piece of major legislation passed by the House of Representatives in the 86th Congress.

Would that our diplomatic corps and our State Department had more men of the caliber of our chairman, whose diplomacy was so outstandingly exercised in dealing with the various organizations and the representatives of the executive branch in connection with H.R. 7650.

Mr. Speaker, the Washington Post in an editorial on Sunday, June 14, expresses what I believe to be the consensus of the members of the Committee on Veterans' Affairs. I ask that it be printed in part and included in my remarks, as follows:

PENSION PROGRESS

The veterans' pension bill which the House will consider on Monday ought to be approved by Congress. Although many compromises were necessary to get the legislation out of the House Veterans' Affairs Committee, the bill does relate pensions to individual needs. Furthermore, this is one of the few veterans' bills ever to reach the floor of the House which would lower the cost of benefits.

The legislation would reduce pension costs by a total of $12 billion over the next 40 years, although the immediate effect of the bill would be to add $308 million to the Veterans' Administration budget next year. The pensions received by 70 percent of the veterans now on the VA rolls would have to be increased to relate the benefits to the needs of each veteran. The first savings under the bill would be in 1965. Even with the changes in the pension laws that the legislation would make, veterans' benefits would amount to more than $100 billion between now and the year 2000 when most World War II veterans will be over 65.

Unless Congress soon puts veterans' pensions on a rational basis, the cost of the benefits may become an intolerable burden. Under the present liberal interpretation of the pension laws practically any veteran over 65 can qualify for a pension of $78.75 a month. Those benefits now cost taxpayers more than $1 billion a year, and they are unrelated to service-connected disabilities. The proposed changes in benefit levels do not affect compensation paid for such disabilities. Nor would the bill reduce pensions now being paid to any veteran.

The bill has been approved by the administration as well as by all the major veterans' organizations, but this does not mean that the American Legion and other pension-happy groups have abandoned their efforts to get bigger and better benefits. To their credit the AMVETS have never climbed aboard the pensions-at-all-costs bandwagon. A total of 116 bills to increase pensions have been filed with the Veterans' Committee so far this year and more can be expected next year.

If Chairman OLIN E. TEAGUE, Democrat, of Texas, had only been able to prevent further pension increases, his achievement would have been a substantial one. But he has managed to get the Veterans' Committee to agree unanimously to legislation actually decreasing the ultimate cost of pensions. This is a victory that could be as significant as was the Battle of the Bulge during World War II.

Mr. BROOKS of Louisiana. Mr. Speaker, this bill, H.R. 7650, has come up under suspension of the rules and therefore the time for debate is extremely limited. I nonetheless have strong ideas regarding the bill.

Mr. Speaker, I am supporting this bill and supporting it actively. It provides $38 million in new benefits to veterans who are disabled either wholly or partially, and therefore will be of great benefit to them. It especially will help World War II and Korean veterans.

I want to compliment the committee which has brought this bill before us for the favorable treatment they have given to widows and orphans of World War II and Korean veterans. They have been among those groups in the past which have not been treated properly, in my judgment, by a grateful Government in recognition of the service rendered by the Nation's defenders. This treatment will go far toward helping these widows and these orphans of deceased veterans.

I am disappointed, of course, that World War I veterans are more or less glossed over in the handling of this bill. The maximum pension for disabled veteran pensioners in the future will be $85 per month. This amount is practically putting our veterans on a social security basis. If the veteran earns between $600 and $1,200 per year, his maximum pension in the future will be $70, and if he earns between $1,200 and $1,800 per annum, his maximum pension will be not more than $40 per month. Age has nothing to do with this matter, but the entire matter is predicated upon the disability sustained by the veteran to earn a living for himself. It seems to me that these figures are rather low and, as far as World War I veterans are concerned, it is going to partially reduce the future pensions which they can receive.

We all know that the United States has been much more generous with the healthy Spanish-American War veterans than they are with World War I veterans. Were World War I veterans placed in

the same bracket as is now the case with the Spanish-American War veterans they would be receiving their disability pensions in far greater amount than this bill contemplates. The bulk of economy, therefore, in this bill is visited upon World War I veterans. If this bill, however, becomes a law, I am hoping that at a later date substantial justice will be done by amendment to World War I veterans and their dependents.

Mr. QUIGLEY. Mr. Speaker, as a member of the House Veterans' Affairs Committee I rise in support of this bill. It is a good bill. It is not a perfect bill but it is a bill with a great deal of merit. And certainly one of its most meritorious aspects is that it is a bill that can be enacted into law.

The bill before us is not an American Legion bill. It is not a VFW bill. It is not an AMVET bill. It is not a DAV bill. It is quite obviously not the bill urged by the veterans of World War I. By the same token, it is not the administration's bill. In a real sense, the bill before you is not even the committee's bill. To an unbelievable extent, this bill represents the distilled thinking and the combined efforts of all the major veterans' organizations, the administration and your committee.

In my judgment this bill is a distinct improvement over the present pension law. Under the present law veterans of World War I, World War II and the Korean conflict who meet the basic eligibility requirements are entitled to a pension of $66.15 per month. If they have been on the pension rolls 10 continuous years or have reached age 65 the pension rate is $78.75 monthly, and if they are so helpless as to require the regular aid and attendance of another person the rate is $135.45 monthly. These monthly rates provide an annual income of $794, $945, and $1,625, respectively. The identical rate is payable to each eligible veteran regardles of the number of dependents he may have, and without regard to his income provided he comes within the limitations established by law. These income limitations prohibit the payment of pension to an unmarried veteran without dependents whose income from other sources exceeds $1,400 per annum and to a married veteran or veteran with dependents whose income from other sources exceeds $2,700 per annum. Consequently, a veteran whose income exceeds these limits by 1 penny loses all of his pension. This "all or nothing" philosophy of existing law is inequitable and I will be glad to see it replaced by a new system as provided in this bill.

Under this bill there are three income levels which determine the amount of pension payable so that those with the least income receive a larger pension. It is a distressing fact that 71 percent of the unmarried veterans without dependents on the rolls today have incomes under $400 per year. Fifty-four and one-half percent, or 194,837, have either no income or income under $100 per year from outside sources. It is obvious that these veterans with so little or no income are in real need yet they are required to live on the meager pension of $66.15 or $78.75 monthly. This inequity is compounded under existing law by the fact that the rate of pension is the same whether the veteran is single or has dependents. Of the veterans on the pension rolls who are married or who have dependents, 437,000, or 58 percent, have outside income of less than $900 annually, and 27 percent, or 118,000, have either no income or less than $100 of income from outside sources. Obviously, a man and wife without other income cannot live on $66.15 or $78.75 monthly and yet they receive no more pension under existing law than those who have outside income of $2,700 per year. Under this bill, we will increase the pension rate of veterans who are married or who have dependents to $90 monthly if their outside income does not exceed $1,000 per year. If the outside income is from $1,000 to $2,000 annually the pension rate is $75 per month and if it exceeds $2,000 annually but is not more than $3,000 the pension rate is reduced to $45 monthly. This feature of the bill is based on the sound principle that those who have the greatest need should receive the most assistance. I am sure my colleagues will recognize that this is a sound concept to apply to our pension program.

The bill also provides substantially increased assistance to those unfortunate veterans who command the sympathy of all of us. I refer to the helpless veteran who requires the regular aid and attendance of another person. Under this bill the pension payable to helpless veterans is increased by $70 monthly so that a helpless veteran with dependents whose outside income does not exceed $1,000 annually might receive a pension of $160 monthly. A helpless veteran who is unmarried or without dependents and whose income does not exceed $600 annually would receive a pension of $155 monthly. These increased rates replace the existing rate of $135.45 monthly and will be very helpful to this group of veterans.

Finally, this bill will give to the widows of World War II and Korea the same treatment as far as pensions are concerned as has been afforded to the World War I widows. This is indeed a giant step forward.

In conclusion, Mr. Speaker, this bill was reported by a unanimous vote in our committee and is supported by the major veterans' organizations. This support is not premised on the fact that this bill represents everything they want in veterans pension legislation but because they all recognize that H.R. 7650 is a major improvement in our pension program for our veterans, their widows and their orphans. I urge its approval by the House.

Mr. EVINS. Mr. Speaker, I have had some misgiving about this legislation and I still have some reservations about it. However after studying the bill and hearing the explanations regarding the measure and its intent given by the distinguished gentleman from Texas [Mr. TEAGUE], the chairman of the Veterans' Affairs Committee, and other members of the committee, I shall support this measure and vote to suspend the rules for its passage.

I might say that I have just talked to Mr. Miles J. Kennedy, national legislature director of the American Legion, and he told me that although this legislation is not entirely what the American Legion would like, the Legion is supporting the bill. I have also talked to Mr. Stover at the Veterans of Foreign Wars and he told me that although the VFW would have preferred a straight increase in pensions they were not opposed to this bill.

Let me say that the Committee on Veterans' Affairs is to be congratulated in endeavoring to correct some of the inequities of the present pension laws and in writing this legislation in the interest of our veterans and not surrendering to the clamor from many sources for economizing at the expense of our deserving needy war veterans.

What I like about this bill is the fact that it does provide for taking care of those not now receiving pensions who have a pressing need for pensions—in many cases a much greater need than some who are presently receiving pensions. I note also that this legislation corrects the inequity of treatment of farmer veterans who have been denied pensions on the basis that they are employable even though their income as farmers is low enough so that if they were otherwise occupied they would be entitled to a pension. I am pleased that this legislation places the widow and children of veterans of all our recent wars on an equal basis. This is a most desirable feature of the legislation.

The committee is also to be commended for including the grandfather clause saving provision that insures that no one now on the pension rolls will go off and which permits those now on the pension roll to choose either the new scale or the old scale whichever is higher.

There are some features of the bill about which I still have reservations. Although I agree that we ought to have some test of need I am not fully persuaded that social security retirement funds ought to be counted against the veteran as income. Also that railroad retirement funds are charged as income to veterans and thus reduce his pension. I hope that these matters may be looked into more thoroughly in the future. The pensions proposed here are still very low in relation to the cost of living and I doubt the wisdom of holding the income of our pensioners down to a point which cannot help but make it difficult for them to subsist.

I presume that as we develop experience under this new bill consideration will be given to such additional revisions or such changes as will make our pension laws more equitable and give our deserving needy veterans the pension they rightfully deserve.

On balance, there is more merit and good in the bill than bad features and I shall support the measure.

Mr. REES of Kansas. Mr. Speaker, we are advised by the chairman of the Committee on Veterans' Affairs today that the approval of H.R. 7650 will in no wise affect the rights of veterans of World War I to be heard on their bill, H.R. 1181.

I bring this to the attention of the House because many organizations representing World War I veterans feel

the approval of H.R. 7650 may in some way jeopardize their rights for a hearing on their proposed legislation.

It is hoped that those representing World War I veterans' groups may be afforded an opportunity to present their views on H.R. 1181 before the Committee on Veterans' Affairs. These veterans feel they should at least be given a chance to present their case before the committee.

Mr. RHODES of Pennsylvania. Mr. Speaker, I have grave reservations over a number of provisions contained in H.R. 7650, the Veterans' Pension Act of 1959, and also have doubts over the basic policy considerations involved in this legislation.

I am aware of the extensive study of the non-service-connection pension system which has been undertaken over the past several years by the Veterans' Affairs Committee. I am also aware that the bill before us today contains important improvements over the original bill, H.R. 6432, as submitted by the administration.

As the distinguished chairman of the committee, the gentleman from Texas [Mr. TEAGUE] has pointed out, 80 percent of all single veterans on the pension rolls would receive an increase; 62 percent of all married veterans on the pension rolls would receive an increase; 70 percent of all widows and orphans on the pension rolls would receive an increase, so that altogether some 854,000 pensioners, or 70 percent of the total, would receive increases under this bill.

It is obvious that these increases are necessary and long overdue, since the last increase in pension rates was almost 7 years ago. Since that time the cost-of-living index has risen by more than 10 points, while medical care has risen more than 30 points.

Other provisions of the bill have long been advocated and are worthy of support. They include the section giving widows and orphans of veterans of World War II and the Korean conflict the same eligibility for pension benefits as now applies to dependents of World War I veterans. According to the committee report this will provide pensions to some 206,000 World War II and Korean veterans' widows and orphans during the first year.

The present income limitations of $1,400 for single veterans and $2,700 for veterans with dependents would be raised to $1,800 and $3,000 under the sliding-scale formula established in this bill.

Mr. Speaker, while the bill does contain needed liberalizing provisions, it also contains a number of extremely questionable sections which I feel require adequate debate and consideration on the House floor. Unfortunately, there has been little opportunity for House Members to study the report prior to the consideration of this measure today. Under the suspension-of-the-rules procedure, debate is limited and, of course, no amendments can be offered by any Member to eliminate objectionable features of the bill or to improve it in any way.

Since this is strictly a "take it or leave it" proposition, every Member seriously concerned over the future operation of the veterans' pension system faces a dilemma in trying to weigh the short-range benefits of this bill against the long-range policy changes which it makes in the existing program.

I have already mentioned the generally meritorious provisions of H.R. 7650. But we must also examine the other sections of the bill which must be weighed and evaluated.

The adoption of the sliding-scale formula or "need" test in the payment of non-service-connected disability pensions marks a historic departure from our traditional concept of veterans' pensions. It was a basic recommendation of the so-called Bradley Commission of several years ago. I am fearful that, once the basic pension policy is changed, efforts to curtail other essential veterans' programs may follow.

Another provision of H.R. 7650 would count not only the veterans' outside income but also half of the annual income of the veteran's wife, or $1,200, whichever is greater, in the determination of pension eligibility.

Still another provision of the bill would repeal the exclusion of railroad retirement benefits from the definition of "income" for veterans' pension purposes. This amendment was added to the Railroad Retirement bill only last month. While it affects only a relatively few veterans, I do not feel that it is proper for the House to accept this provision one month and then to repeal it the next.

Enactment of this bill would again ignore the basic needs for a separate pension program for veterans of World War I based on age and service. The bill would also prohibit the waiver of benefits from other sources considered as "income," except for very limited exceptions.

Of course, the "savings provision" of H.R. 7650 provides that no person now on the pension rolls or placed on the rolls before July 1, 1960, the effective date of this act, shall have his pension reduced or shall be removed from the rolls because of the enactment of this legislation. This provision permits current pensioners to exercise an option on whether they want to be covered by the new formula contained in this bill or to continue to receive their pension under existing law.

However, the new formula would be mandatory for those found eligible for pensions after July 1, 1960, thus creating a double standard in the treatment of veterans, widows and orphans.

Despite several worthwhile provisions in this bill, after weighing the good and the bad, I cannot, in good conscience, support H.R. 7650 because of its many inequitable features and the basic policy change it would make in the existing veterans' pension program.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in the minute remaining to me I say to the Members that I want them to think very carefully in voting on this bill for the sake of the veterans and for their own sake, because it is a very far-reaching bill. There is nothing funny about the bill, as I see it, Mr. Speaker; it is a deadly serious thing for us, and especially for those who may be stricken from the rolls or those who may receive reduced benefits.

The SPEAKER. All time has expired.

The question is on suspending the rules and passing the bill.

Mr. ROGERS of Colorado. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division demanded by Mr. ROGERS of Colorado, there were ayes 226, noes 34.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL PERMISSION TO EXTEND REMARKS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the bill just passed and to include charts, tables and extraneous matters in their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. OLIVER. Mr. Speaker, during the 40-minute debate under the gag rule when the veterans' pensions program was being crucified by H.R. 7650, I voted against the bill.

I was 1 of 34 Members who stood up to be counted on the division vote. I am as proud of that vote as any that I have made in this session of the 86th Congress. However, any personal satisfaction that I experienced because of my individual contribution to opposition to H.R. 7650 is far outweighed by my feeling of depression that the House has now established a yardstick for future veterans pensions which is an insult to those who served and will serve our Nation in times of military need. The House by its action in accepting H.R. 7650 with only 40 minutes of debate and without opportunity for amendments has in effect pauperized all veterans who will desperately need pensions in the near future.

The House action in this implementation of the Bradley Commission report of several years ago has authorized and directed the Veterans' Administration to become a final arbiter in family squabbles which will develop because of the requirement that 50 percent of spouse's income shall be computed in the income eligibility requirement. It is not difficult to foresee in the near future that thousands of decisions will of necessity have to be made by the Administration in determining whether a spouse's income is available as income to the veteran.

For these reasons and because I feel as I have always felt that veterans pensions should be granted as the Nation's recognition for military service in time of war rather than as a miserable pittance to be given begrudgingly to keep a veteran off the welfare relief rolls, I shall always consider the action of the House on H.R.

7650 as a stab in the back of veterans' rights and precedents established over the many years of the Nation's history.

It also seems bitterly ironic to me that on the same day that this stab in the back was executed, within minutes of the final vote on the same, the House should be considering an authorization bill of $3.6 billion for the mutual security or foreign aid bill of 1960. On the one hand, the House repudiates the historical precedents under which veterans of America have been given pension recognition for their military service, while on the other hand the House, without any substantial opposition, for the most part, prepares to stretch our budget to spend billions of dollars to improve living standards of millions of people in foreign areas thousands of miles removed from us.

To supplement these observations, Mr. Speaker, I am including, herewith, the statement which I made for the consideration of the Veterans' Affairs Committee when H.R. 6432 and subsequently H.R. 7650 were being acted upon:

TESTIMONY BY THE HONORABLE JAMES C. OLIVER, MEMBER OF CONGRESS, FIRST DISTRICT, MAINE, IN SUPPORT OF A $100-A-MONTH PENSION TO CERTAIN WORLD WAR I VETERANS OVER 60 YEARS OF AGE, BEFORE THE HOUSE VETERANS' AFFAIRS COMMITTEE, JUNE 9, 1959

Mr. Chairman, I appreciate the opportunity which you and your committee have extended to me, to make a statement in support of H.R. 4523, which was introduced by me in the interest of veterans of World War I. I also appreciate this opportunity to place my viewpoint before the committee with reference to H.R. 6432, which contains the recommendations of the Veterans' Administration concerning veterans' benefits in general.

First, let me state my position with reference to my bill in the interest of World War I veterans who are over 60 years of age and whose income is less than $2,400 a year if single and $3,800 a year if married. This bill, as you know, would authorize a monthly pension of $100 to take effect at 60 years of age. It is identical to H.R. 1181, introduced by our distinguished colleague from Pennsylvania [Mr. VAN ZANDT].

I would like to say in passing, Mr. Chairman, that during the 75th Congress, I was a member of this great committee which has consistently acted constructively in the interest of veterans of all wars. I know that the problems that confront the members of this committee today are difficult and the decisions, which have to be made, carry with them great responsibility for each and every one of you. It is my feeling, having been a veteran of World Wars I and II, that I can speak with some understanding of the public treatment which has been extended to veterans of both World Wars. I know that this committee, during the past several years, has had a complete appreciation of the difference in treatment which has been extended to World War I veterans in contrast to the most generous legislation for the deserving veterans of World War II.

Just to briefly mention the benefits received during the nearly 18 years after each World War in terms of comparison, I respectfully call to your attention that up to June 30, 1958, the per capita benefits paid to World War II veterans totaled $3,900 while during the same period of time; namely, 18 years after World War I, all benefits paid to the veterans of that war totaled $1,480 per capita. This comparison is not made in the spirit of criticism, but merely to call attention to the existing facts; namely, comparable treatment has not been accorded to World War I veterans. As a further comparison, there was no GI insurance, no educational bill of rights, no home or business loans provided for World War I veterans as was the case of the veterans of World War II. Severance pay for the veterans of World War I was limited to $60 which certainly could never be considered as an adequate recognition of the military service during the period of war which was rendered by my comrades in World War I.

It is not my intention to belabor the situation which we all know currently exists in connection with the desperate financial needs of World War I veterans. Their average age is now 65 and they, in too many instances, find themselves with no adequate means of support. The economic problems of people generally over 65 years of age are well understood; and, this is true whether such individuals are in the veterans' classification or otherwise. But, we do owe our wartime veterans, it seems to me, Mr. Chairman, a responsibility to provide that the precedent which has been established in enacting age pension benefits for veterans of all previous wars may be extended in a similar manner to the veterans of World War I. The Bureau of the Budget, the Veterans' Administration, and those who are opposed to this legislation, use figures to discredit the legislation on the basis that such pension payments would ruin America economically. The Veterans' Administration's cold statistics do not, in any way, reflect the economic benefits which would accrue as a result of pension payments being distributed in every small community of this Nation through the enactment of this legislation.

I hesitate to call attention to an observation which is too often made although warranted: If we can afford to finance activities all over the world in order to step up the living standards of less fortunate people, we should be more determined to extend to our own people, especially our veterans, the consideration which would improve their living standards as well. The basic philosophy in this legislation which I propose, in my opinion is: (1) that the precedents to which I referred above justify similar action for World War I veterans; (2) the cost of the program will automatically be liquidated by the increased activity in our economy resulting from these pension payments; (3) the people of America cannot afford to ignore the economic needs of our soldier citizens who have served in times of military conflict when our Nation's security has been periled. Americans have not been ungrateful in the past and have always generously authorized veterans' benefits. There should be no exception today to a similar approach when the needs are so obvious.

These observations of mine, Mr. Chairman, are not new. As a matter of fact, there is nothing new that can be said on this subject. The issue is clear. Veterans of all wars should be treated equally.

If I may encroach further upon your time, I would like to take this opportunity to express briefly my opposition to H.R. 6432 as it is presently written and now under consideration by this able committee. The concept of need upon which this legislation is based, in my opinion, is not the proper concept for veterans' legislation. It is the familiar approach developed by the Bradley Commission some years ago and now comes to us dressed up in rather attractive phraseology emanating more or less I would expect, from the Madison Avenue advertising technique. I also recall that in the early thirties, the Economy Act so-called was directed primarily at veterans' benefits. Veterans' benefits have always been the first target of the arbitrary economizers. It is true, unfortunately, that there have been abuses in the matter of veterans' benefits. It is also true that there have been bank embezzlements and many other phases of daily activity which we do not like. Yet, we don't tear down the whole structure because of the action of a few which discredit policies based on merit and justice with which we are in accord. I think that Americans generally feel that veterans' benefits have been and should continue to be granted as a matter of recognition for military service in times of conflict. The basic philosophy of H.R. 6432 would transform veterans' benefits into a needs concept. This would extinguish in this one approach a great American tradition based upon the gratitude of the people of America for those who have unselfishly served their Nation. Therefore, I oppose H.R. 6432 and I ask the members of this committee to do the same.

I wish to make one other point, Mr. Chairman, and then I shall conclude. H.R. 6432 would establish the income of wives as a qualifying factor in pension benefits to be paid to veterans. It seems to me that this is a cruel concept, since a veteran would be forced to subordinate his economic independence and his personal dignity. If he ran short of funds during any part of the month while waiting for his decreased pension payment, he would be forced to rather abjectly ask for tide-over pennies or dollars from his wife, who, because of her own independent income, would find herself in a controlling position. This may seem to be a rather superficial observation, but it isn't difficult to envision the many difficult family situations which would arise from such a stultifying combination of circumstances. Such a possibility is not in the interests of any veteran and it is not in the best interests of the country. Such a possible and even probable complication is reason enough, in my opinion, to oppose the basic needs concept of the Veterans' Administration proposal. I hope that this committee will decide to reject this attempt to decrease veterans' benefits and to demean the veterans. I thank you again, Mr. Chairman, for the opportunity to present these observations.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2094. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

AUTHORIZING APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

Mr. DURHAM. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2094) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SEC. 101. PLANT OR FACILITY ACQUISITION OR CONSTRUCTION.—There is hereby authorized to be appropriated to the Atomic Energy Commission in accordance with the provisions of section 261a.(1) of the Atomic Energy Act of 1954, as amended, the sum of $165,400,000 for acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, as follows:

(a) SPECIAL NUCLEAR MATERIALS.—

Project 60-a-1, modifications to production and supporting installations, $10,000,000.

Project 60-a-2, prototype installations, gaseous diffusion plants, $1,000,000.

Project 60-a-3, central computing building, Oak Ridge, Tennessee, $1,650,000.

Project 60-a-4, reactor air filters, Savannah River, South Carolina, $5,000,000.

Project 60-a-5, additional raw water line, Paducah, Kentucky, $810,000.

Project 60-a-6, water plant expansion, 100 K area, Hanford, Washington, $5,000,000.

Project 60-a-7, modifications to reactor disassembly basins, Savannah River, South Carolina, $1,600,000.

(b) SPECIAL NUCLEAR MATERIALS.—

Project 60-b-1, cylinder storage area, Paducah, Kentucky, $500,000.

Project 60-b-2, increased cooling water capacity, Savannah River, South Carolina, $5,000,000.

(c) ATOMIC WEAPONS.—

Project 60-c-1, weapons production, development and test installations, $10,000,000.

Project 60-c-2, special processing plant, phase II, Mound Laboratory, Ohio, $3,800,000.

Project 60-c-3, test and environmental installations, Sandia Base, New Mexico, $1,000,000.

(d) ATOMIC WEAPONS.—

Project 60-d-1, storage site modifications, $1,500,000.

Project 60-d-2, materials storage vault, Los Alamos, New Mexico, $133,000.

(e) REACTOR DEVELOPMENT.—

Project 60-e-1, modifications to experimental breeder reactor Numbered 1 (EBR-1), National Reactor Testing Station, Idaho, $1,000,000.

Project 60-e-2, portable gas-cooled reactor prototype, National Reactor Testing Station, Idaho, $2,500,000.

Project 60-e-3, alterations, modifications and additions to MTR-ETR utility, technical and support installations, National Reactor Testing Station, Idaho, $2,000,000.

Project 60-e-4, hot cells, $2,500,000.

Project 60-e-5, chemical processing plant area utility modifications and improvements, National Reactor Testing Station, Idaho, $750,000.

Project 60-e-6, reactor support installations, Nevada Test Site, $500,000.

Project 60-e-7, nuclear test plant, Army Reactor Experimental Area (AREA), National Reactor Testing Station, Idaho, $5,000,000.

Project 60-e-8, modifications and additions for test installation for project Pluto, $2,000,000.

Project 60-e-9, research and development test plant additions and modifications for project Rover, $4,800,000.

Project 60-e-10, general support installations and utilities expansion, Argonne National Laboratory, Lemont, Illinois, $4,300,000.

Project 60-e-11, natural circulation test plant, National Reactor Testing Station, Idaho, $18,500,000.

Project 60-e-12, alterations to Shippingport reactor facilities, $5,000,000.

Project 60-e-13, experimental organic cooled reactor, $6,000,000.

Project 60-e-14, experimental low-temperature process heat reactor, $4,000,000.

Project 60-e-15, power reactor of advanced design capable of utilizing nuclear superheat, to be undertaken either as a cooperative project or conducted solely by the Atomic Energy Commission, $11,000,000.

(f) REACTOR DEVELOPMENT.—

Project 60-f-1, miscellaneous modifications and additions, Argonne National Laboratory, Illinois, $1,000,000.

(g) PHYSICAL RESEARCH.—

Project 60-g-1, project Sherwood Plant, $1,000,000.

Project 60-g-2, accelerator and reactor modifications, Brookhaven National Laboratory, New York, $1,950,000.

Project 60-g-3, transuranium laboratory, Oak Ridge National Laboratory, Tennessee, $1,200,000.

Project 60-g-4, physics building, Lawrence Radiation Laboratory, California, $2,000,000.

Project 60-g-5, 10 Mev tandem Van de Graaff accelerator, Oak Ridge, Tennessee, $2,400,000.

(h) BIOLOGY AND MEDICINE.—

Project 60-h-1, installations for support of biomedical research projects in atomic energy, $3,000,000.

(i) ISOTOPES DEVELOPMENT.—

Project 60-i-1, high-level radiation development laboratory, $1,600,000.

Project 60-i-2, radioisotope process development laboratory, $1,500,000.

(j) ISOTOPES DEVELOPMENT.—

Project 60-j-1, radioisotope production area expansion and modifications, Oak Ridge National Laboratory, Tennessee, $300,000.

(k) COMMUNITY.—

Project 60-k-1, high school additions, Los Alamos, New Mexico, $485,000.

Project 60-k-2, real estate development, Los Alamos, New Mexico, $240,000.

Project 60-k-3, housing alterations, Los Alamos, New Mexico, $1,000,000.

(l) GENERAL PLANT PROJECTS.—$30,882,000.

SEC. 102. LIMITATIONS.—(a) The Commission is authorized to start any project set forth in subsections 101 (a), (c), (e), (g), (h), and (i) only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Commission is authorized to start any project set forth in subsections 101 (b), (d), (f), (j), and (k) only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

(c) The Commission is authorized to start a project under subsection 101(l) only if it is in accordance with the following:

1. For community operations, the maximum currently estimated cost of any project shall be $100,000 and the maximum currently estimated cost of any building included in such project shall be $10,000.

2. For all other programs, the maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such a project shall be $100,000.

3. The total cost of all projects undertaken under subsection 101(l) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

SEC. 103. ADVANCE PLANNING AND DESIGN.—There are hereby authorized to be appropriated funds for advance planning, construction design, and architectural services, in connection with projects which are not otherwise authorized by law, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

SEC. 104. RESTORATION OR REPLACEMENT.—There are hereby authorized to be appropriated funds necessary to restore or to replace plants or facilities destroyed or otherwise seriously damaged, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

SEC. 105. CURRENTLY AVAILABLE FUNDS.—In addition to the sums authorized to be appropriated to the Atomic Energy Commission by section 101 of this Act, there are hereby authorized to be appropriated to the Atomic Energy Commission to accomplish the purposes of this Act such sums of money as may be currently available to the Atomic Energy Commission.

SEC. 106. SUBSTITUTIONS.—Funds authorized to be appropriated or otherwise made available by this Act may be used to start any other new project for which an estimate was not included in this Act if it be a substitute for a project or portion of a project authorized in subsections 101(a), 101(b), 101(c), and 101(d) and the estimated cost thereof is within the limit of cost of the project for which substitution is to be made, and the Commission certifies that—

(a) the project is essential to the common defense and security; and

(b) the new project is required by changes in weapon characteristics or weapon logistic operations; and

(c) it is unable to enter into a contract with any person, including a licensee, on terms satisfactory to the Commission to furnish from a privately owned plant or facility the product or services to be provided in the new project.

SEC. 107. AMENDMENT OF PRIOR-YEAR PROJECTS.—Section 101 of Public Law 85-590 is amended as follows:

(a) By striking therefrom "Project 59-d-10, gas-cooled power reactor, $51,000,000" and substituting therefor "Project 59-d-10, flexible experimental prototype gas-cooled reactor, $30,000,000."

(b) By striking therefrom "Project 59-e-11, high flux research reactor, Brookhaven National Laboratory, design, engineering and advance procurement, $1,000,000" and substituting therefor "Project 59-e-11, high flux research reactor, Brookhaven National Laboratory, $10,000,000."

(c) By striking therefrom "Project 59-d-12, design and engineering study of heavy water moderated power reactor, $2,500,000" and substituting therefor "Project 59-d-12, design and development, heavy water moderated power reactor, $4,500,000."

SEC. 108. PROJECT RESCISSIONS.—(a) Public Law 85-162 is amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 58-e-12, liquid metal fuel reactor experiment (LMFRE), $17,500,000.

(b) Public Law 506, Eighty-fourth Congress, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 57-d-3, forty-eight-inch heavy particle cyclotron, Oak Ridge National Laboratory, $459,000.

SEC. 109. COOPERATION WITH EUROPEAN ATOMIC ENERGY COMMUNITY.—

There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261a.(12) of the Atomic Energy Act of 1954, as amended, the sum of $7,000,000, in addition to the sum of $3,000,000 previously authorized under section 3 of Public Law 85-846, which shall be available for carrying out the purposes of section 3 of Public Law 85-846, providing for cooperation with the European Atomic Energy Community.

SEC. 110. COOPERATIVE POWER REACTOR DEMONSTRATION PROGRAM.—

(a) Section 111 of Public Law 85-162, as amended, is further amended by striking out the figures "$155,113,000" and $175,113,000" in subsection (a), and inserting in lieu thereof the figures "$135,113,000"' and "$155,113,000", and by striking out the figure "$2,750,000" in clause (2) of subsection (a) and inserting in lieu thereof the figure "$3,600,000"; by striking out the date "June 30, 1959" in clause (3) of subsection (a) and inserting in lieu thereof the date "June 30, 1960".

(b) There is hereby authorized to be appropriated to the Atomic Energy Commission, under the terms and conditions of section 111 of Public Law 85-162, as amended, the sum of $55,500,000 for use in a program not to exceed $65,500,000, to be available for the Commission's cooperative power reactor demonstration program. Without regard to

the provisions of clause (3) of subsection (a) of section 111 of Public Law 85–162, no funds or waiver of use charges authorized by this subsection shall be available on projects already approved under the power demonstration reactor program or on other nuclear power projects already under construction. In connection with such program, the Commission is authorized to waive its charges for the use of special nuclear materials and heavy water for research and development and for a period of not more than five years after initial criticality of the reactor.

(c) Funds appropriated to the Commission pursuant to the authorization contained in subsection (b) of this section shall be available to the Commission for the purpose of supplementing its Third Round power reactor demonstration program to include financial assistance to public and private organizations for research and development in connection with the design, construction, and operation of power reactor prototypes based on established reactor technology. The Commission shall consider, but not be limited to the following types:

(1) One such plant may be a boiling water prototype reactor in the size range from 50,000 KWE to 100,000 KWE, and

(2) One such plant may be a prototype reactor in the intermediate size range.

Under this subsection, and without regard to subsection (f) of section 111 of Public Law 85–162, the Commission is authorized to use funds, not to exceed $5,000,000 in the aggregate, to provide research and development assistance in support of unsolicited proposals from the utility industry to construct nuclear powerplants.

(d) Funds appropriated to the Commission pursuant to the authorization contained in subsection (b) of this section shall be available to the Commission for the purpose of reinstituting and supplementing the Second Round of its power reactor demonstration program to provide for the development, design, construction, and operation of two reactor prototypes in accordance with subsection 111(a)(1) of Public Law 85–162 and which shall be based on established reactor technology. There are also authorized to be appropriated such additional funds as may be necessary for the operation of such reactor prototypes, as provided in subsection 111(a)(1) of Public Law 85–162. The Commission shall consider, but not be limited to the following types:

(1) One such reactor prototype may be a small power reactor which will be designed to make a significant contribution to the achievement of economical power in a small size nuclear powerplant; and

(2) One such reactor prototype may be in the intermediate size range.

(e) In the event the Commission solicits proposals for any prototype under subsection (c) or (d) of this section, but no satisfactory proposal is received, the Commission may, if the project is still deemed desirable, proceed with design, construction, and operation of such prototype at a Commission installation and funds authorized by subsection (b) shall be available for the purposes of this subsection (e).

(f) Funds appropriated to the Commission, pursuant to the authorization contained in subsection (b) of this section, and authorized for the Third Round of the Commission's power reactor demonstration program shall be available to the Commission for use in a cooperative arrangement to provide financial assistance for research and development in connection with the design, construction, and operation of an advanced, high temperature gas-cooled experimental power reactor in accordance with the basis for an arrangement described in the program justification data submitted by the Commission in support of its authorization proposal for fiscal year 1960: *Provided*, That, in the event the parties enter into such a cooperative arrangement and proceed with research and development and there is a unilateral abandonment of the research and development or of the construction of the plant for reasons other than (a) a contract amendment under which the Atomic Energy Commission approves such abandonment, or (b) causes beyond the control of the contracting parties and without their fault or negligence (including inability to obtain necessary licenses or regulatory approvals or adequate liability insurance coverage), the Commission shall be reimbursed by the party abandoning the project for its expenditures for research and development under the arrangement except to the extent that the Commission determines that any such expenditures have resulted in the acquisition by the Government of property, patents, or other value.

SEC. 111. The Commission is authorized to enter into cooperative arrangements with any person or persons for participation in the development, construction, and operation of the experimental low-temperature process heat reactor authorized under project 60–e–14 of section 101(e) of this Act, and the utilization of the steam generated by the reactor plant. Under such arrangements—

(1) the Commission is authorized to obtain the participation of such person or persons to the fullest extent consistent with the Commission's direction of the project and ownership of the reactor;

(2) the reactor plant may be constructed upon a site provided by a participating party with or without compensation;

(3) the reactor plant shall be operated by, or under contract with, the Commission, for such period of time as the Commission determines to be advisable for research and development purposes and for such additional period as the Commission may determine to be necessary in the best interest of the Government. Upon the expiration of such period, the Commission may offer the reactor plant and its appurtenances for sale to a participating party or parties at a price to reflect appropriate depreciation, but not to include construction costs assignable to research and development, or the Commission may dismantle the reactor plant and its appurtenances.

(4) the Commission may sell steam to a participating party at rates based upon the present cost of, or the projected cost of, comparable steam from a plant using conventional fuels at the reactor location.

(5) any steam sold shall be used for industrial, manufacturing or other commercial purposes, or for research and development related thereto, but shall not be used for the generation of electric power for sale. The participating party or parties shall provide facilities required for such utilization of the steam generated by the nuclear plant.

SEC. 112. In the event the Commission constructs a power reactor under the authorization of project 60–e–15 of section 101 or subsection 110(e) of this Act at an installation operated by or on behalf of the Commission—

(a) the electric energy generated may be used by the Commission in connection with the operation of such installation and the Commission is authorized to make necessary adjustments in its contract with the power supplier at such installation to provide for the interchange of reactor generated power into the transmission system of the supplier;

(b) the Commission is authorized to obtain the participation of private, cooperative, or public organizations to the fullest extent consistent with the Commission direction of the project, ownership of the reactor, and utilization of the electric energy generated; and

(c) the power reactor constructed shall be operated by, or under contract with, the Commission, for such period of time as the Commission determines to be advisable for research and development purposes and for such additional period as the Commission may determine to be necessary in the best interest of the Government. Upon the expiration of such period the Commission may offer the reactor and its appurtenances for sale to any public, private or cooperative power organization at a price to reflect appropriate depreciation but not to include construction costs assignable to research and development, or the Commission may dismantle the reactor and its appurtenances.

SEC. 113. DESIGN AND ENGINEERING STUDIES.—The Commission shall proceed with design and engineering studies to include, but not be limited to, the following:

(a) prototype reactor for nuclear tankers;

(b) reactor for remote military installations; and

(c) other reactor types.

The Commission shall submit reports on the studies under (a) and (b) of this section to the Joint Committee on Atomic Energy by April 1, 1960.

SEC. 114. Subsection 153(h) of the Atomic Energy Act of 1954, as amended, is amended by striking out the date "September 1, 1959" and inserting in lieu thereof the date "September 1, 1954".

The SPEAKER. Is a second demanded?

Mr. VAN ZANDT. Mr. Speaker, I demand a second.

Mr. DURHAM. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DURHAM. Mr. Speaker, I yield myself such time as I may consume.

This bill and all the amendments are recommended unanimously by the members of the Joint Committee on Atomic Energy. The amendments are minor in nature and are explained in the Committee report. All of the amendments have either been requested by, or acceptable to, the Atomic Energy Commission.

Mr. Speaker, S. 2094 is a bill to authorize appropriations for the AEC for the fiscal year 1960 program. Section 101 of the bill authorizes $165,400,000 for construction at AEC plants. This amount covers new construction and improvements for our entire atomic energy program, including the big production plants to make special nuclear materials, the laboratories for manufacturing atomic weapons, and for our reactor development, physical research, biology and medicine, and isotopes developing programs. The Joint Committee is not recommending a big spending bill, because the amount of $165,400,000 compares with $386,679,000 last year and $259,480,000 2 years ago. The Joint Committee added to the bill only those projects which it considered necessary.

The Subcommittee on Legislation, under the chairmanship of my distinguished colleague, the gentleman from California [Mr. HOLIFIELD], held extensive hearings on this bill, as summarized in the committee report. As a result of these hearings, and after careful deliberations, the Joint Committee added

three projects pertaining to reactor development—projects 60–e–11, 60–e–12, and 60–e–15—and two pertaining to physical research—projects 60–g–4 and 60–g–5. A full explanation of these projects, and the reasons for the Joint Committee recommendation, are set forth in the committee report.

The bill provides in section 109, an amount of $7 million for continued cooperation with the European Atomic Energy Community, EURATOM. These are research and development funds, most of which will be spent in this country. The Joint Committee did not provide the full $14 million requested by the administration, but, as indicated in the committee report, we support the program, and the Joint Committee will review developments again early next year.

In section 110 of the bill approximately $55,500,000 is authorized for the cooperative power reactor demonstration program. The Commission is given flexibility to use the funds authorized, and it is hoped that the Commission will follow through with a vigorous program to develop economic atomic power.

Because of time limitations, I have summarized very briefly the most important provisions in this bill, and the changes and improvements recommended by the Joint Committee. Other sections and provisions are described thoroughly in the committee report, and I can assure the House that the Joint Committee considered this measure carefully. CHET HOLIFIELD, the chairman of the subcommittee, will explain the various sections in greater detail.

Mr. Speaker, this bill is recommended unanimously by the Joint Committee. There is no controversy, and we have resolved any differences of opinion within the committee. I urge all members to vote in favor of S. 2094.

Mr. Speaker, I now yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, in line with Chairman DURHAM'S request I would like to explain the Joint Committee's bill, H.R. 7537, in a little more detail and make a few comments on it.

The format and procedural requirements are similar to the authorization bills we have authorized for the past several years. This includes in section 101 provisions for line items for the various new construction projects and improvements. In section 110 are provisions authorizing the cooperative power reactor demonstration program, which provides greater flexibility, but which do require review of the basis of projects by the Joint Committee before contracts are entered into. The line item format and procedural requirements are consistent with the amendment to section 261 of the Atomic Energy Act which was enacted several years ago after Chairman CANNON of the House Appropriations Committee raised certain questions.

Of the $165,400,000 authorized for line item construction and improvement projects, approximately $31,560,000 is for facilities for production of special nuclear materials; $16,433,000 is for atomic weapons; $32,800,000 is for military reactors; $27 million for civilian reactors; $11,050,000 for reactor development supporting facilities; $8,550,000 for physical research facilities; $3 million for biology and medical facilities; $3,400,000 for isotopes development facilities; $1,725,000 for communities; and $30,882,000 for miscellaneous general plant projects.

Of particular interest in the line item projects is the authorization of $18,500,000 for the design and construction at our Idaho test station of a natural circulation reactor prototype for application in submarine propulsion. This type of plant should considerably simplify and ultimately cheapen our naval reactors by eliminating pumps, valves and other appendages. This development will be under the technical direction of Admiral Rickover and the AEC Naval Reactors Branch which has done such outstanding work through such contractors as Westinghouse and other industrial firms.

Also of interest in the line item projects is the nuclear superheat reactor project which the committee believes of great interest, as well as the process heat reactor. I also understand that $1 million of the $3 million of the biology and medical authorization will be used for facilities in the fallout research program. The recent hearings held by the Special Subcommittee on Radiation emphasized the need for more attention to fallout problems.

In the cooperative power reactor demonstration program, totaling $55,500,000, provision is made for authorization of funds for at least two reactors as a part of the third round demonstration program primarily for private utility construction, and two reactors for the second round progam for cooperative and publicly owned power organizations. Funds are also authorized not to exceed $5 million for research and development assistance for unsolicited proposals for reactors.

Provision is also made in section 110(f) for the authorization of $14,500,000 for research and development assistance and $2,500,000 for waiver of use charges on fuel for a high temperature gas-cooled project known as the Philadelphia Electric-General Dynamics project. As a result of Joint Committee inquiries the public interest has been protected to a greater extent than when the project was first proposed. Thus, for example, the AEC will have the right to take title to all patents, including background patents. The committee also added a proviso which requires that AEC be reimbursed for the research and development expenditures if either contracting party unilaterally abandons the project.

As Chairman DURHAM has pointed out, this is not a large authorization bill. It is substantially lower than the average of $300 million authorized over the past several years. Whether it is sufficient to keep our atomic-power program moving ahead remains to be seen. I hope it does. Some of us have reservations on this and other points. But I hope this bill will at least provide a minimum basis for keeping our heads above water in our competition with the British and the Soviets.

The Subcommittee on Legislation and the full committee spent a great deal of time on this legislation, and I earnestly commend it to you for passage.

Section 114 of the bill amends subsection 153(h) of the basic Atomic Energy Act by extending the so-called compulsory licensing provision another 5 years, from September 1, 1959, to September 1, 1964. This extension has been requested by the Commission, and after hearings the Joint Committee has agreed that it is desirable and in the public interest, in order to prevent a monopoly by one large company of this new and developing field. The act permits the Commission to compel licensing of an atomic-energy patent, under certain safeguards and conditions, as set forth in section 153 of the act.

The Joint Committee has pending before it proposed revisions to other sections of the Atomic Energy Act relating to patents and inventions. These will be considered further, but because of the proximity of the September 1, 1959, date we considered it desirable for the Congress to amend this provision at this time.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. GUBSER. On May 27 the Atomic Energy Commission requested the Congress to authorize a linear electron accelerator at Stanford University. I note that hearings will be held on that request in June or July. Does the gentleman anticipate that some action can be taken on that matter in this session of the Congress?

Mr. HOLIFIELD. It would be unseemly for me to predict what the committee will do on this particular project. It involves $105 million which the administration has asked for us to spend on this one scientific project. We know that it is a very complicated scientific project. Complete and careful hearings must be held, before the committee brings legislation to the floor. There are other contending and opposing proposals in the field of cyclotrons and bevatrons, and I will have to say to my friend we will have to wait and see what the hearings bring out.

Mr. GUBSER. I am sure the gentleman recognizes the importance of the project.

Mr. HOLIFIELD. I certainly do.

Mr. DURHAM. Mr. Speaker, if the gentleman will yield, I might say that we had concluded the hearings before we received the request.

Mr. HOLIFIELD. That is correct. We had already finished our authorization hearings before we received the letter from the Commission.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Colorado.

Mr. ASPINALL. Could it not be said that this is perhaps the most modest bill of its kind brought before the Congress?

Mr. HOLIFIELD. Yes. I remember 2 years ago the amount was in the neighborhood of $259 million. Last

year, as I remember, it was in the general amount of $386 million. This year it is in the amount of $165 million. I will check those figures, but I think they are correct.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Iowa.

Mr. GROSS. Just 2 minutes ago I was handed a copy of the report. The question I want to ask the gentleman is how much money is involved in this bill and how does it compare with last year?

Mr. HOLIFIELD. If the gentleman understood me, I just said that last year this same authorization was something like $386 million. This year it amounts to $165 million. Now, we have been asked by the administration—and it has been approved by the Budget to appropriate $115 million for projects that are in this bill. The project mentioned by the gentleman from California [Mr. GUBSER] was for $105 million. The total request therefore to our committee was for $220 million. We are bringing before the House in this bill an authorization for $165 million. The bill and the report is unanimous and we trust that the House will support the legislation.

Mr. VAN ZANDT. Mr. Speaker, I yield myself such time as I may require.

I rise in support of S. 2094, the bill to authorize appropriations for the AEC for the fiscal year 1960 program.

Our distinguished chairman, the gentleman from North Carolina [Mr. DURHAM], has already summarized the bill, and the Committee Report also contains a thorough discussion of all the provisions. Every item and project in this bill was thoroughly studied during 3 months of hearings and meetings of the Joint Commitee and its Subcommittee on Legislation.

Several projects added by the Joint Committee are particularly important, in my opinion. One of these is project 60–e–11, the natural circulation test plant, a land-based prototype to develop further our naval reactor program under the leadership of Admiral Rickover. Also project 60–e–12, added by the committee, for alterations to the Shippingport reactor, should help us obtain more and useful information from the Shippingport plant during the operation of its second core.

In the field of physical research, the Joint Committee has added two projects—60–g–4 and 60–g–5—to continue the important work of the AEC in the field of basic research, which the Joint Committee has always supported. The Subcommittee on Research and Development, under the chairmanship of the distinguished gentleman from Illinois [Mr. PRICE], has always exerted leadership in this field. I hope that we will soon have hearings, therefore, on the new Stanford accelerator requested by the President, and mentioned at page 19 of the Committee Report.

Mr. Speaker, with this bill and under the capable leadership of Chairman ANDERSON and Vice Chairman DURHAM, the Joint Committee has established a new era of cooperation with the AEC and its new Chairman, John A. McCone. I believe Mr. McCone will work hard in carrying out this program if authorized by the Congress. This new era of cooperation is good for the Joint Committee, good for the AEC, and for the atomic energy program. I hope it will continue. The Joint Committee will, of course, continue its legislative policy and watchdog responsibilities, and continue to make changes it believes important to improve the program, as it has in this bill.

In conclusion, Mr. Speaker, this bill represents a compromise bill supported by all members of the Joint Committee, on both sides of the aisle and in both the Senate and the House. I urge all Members of the House to vote for S. 2094 with the minor amendments recommended by the Joint Committee.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman.

Mr. CEDERBERG. The gentleman is familiar with the proposal of the Wolverine REA Electric Cooperative in Michigan. I wonder whether he or some member of the committee could tell us whether this cooperation would qualify for consideration under section 110(d) of this bill.

Mr. VAN ZANDT. There is nothing in this bill or existing law to prevent the Wolverine people from applying for a permit. However, they will have to apply to the Atomic Energy Commission that administers the law and will administer this bill when it becomes law.

Mr. CEDERBERG. This cooperative has been very much interested in getting into this field. They have made proposals before, and there have been some changes, but I believe they have something that will contribute to this program. I certainly hope the Commission will give it consideration. I wonder if the chairman of the committee could say something on that point.

Mr. VAN ZANDT. Mr. Speaker, I yield to the chairman of the Joint Committee, Mr. DURHAM.

Mr. DURHAM. I will say to the gentleman that they may submit a proposal for a design study, or make a proposal on a second round reactor when AEC issues invitations.

Mr. CEDERBERG. In other words, they do qualify?

Mr. VAN ZANDT. There is nothing in the law or in this bill which will deny the Wolverine people the right to submit a proposal to the Atomic Energy Commission.

Mr. CEDERBERG. If they submit a proposal is the Commission authorized to accept that proposal under this legislation?

Mr. VAN ZANDT. If the Wolverine application meets the requirements of existing law and also has the approval of the Atomic Energy Commission, the answer to the gentleman's question is in the affirmative.

Mr. CEDERBERG. I thank the gentleman.

Mr. VAN ZANDT. Mr. Speaker, I yield such time as he may require to the gentleman from Washington [Mr. WESTLAND.]

Mr. WESTLAND. Mr. Speaker, I also rise in support of the bill S. 2094. This bill, as has been mentioned by my colleagues, represents a compromise version, which the Joint Committee worked hard to find in order to present a bill to the House that all members of the committee could and would support.

I would have liked to have seen included the provision authorizing a construction grant for privately owned reactors, because I agree with AEC Chairman McCone that this might encourage construction of more reactors. However, as indicated in the committee report at page 13, the Joint Committee decided that this matter should be studied further and might be considered again next year.

I was glad to see some projects in the bill for isotopes development—projects 60–i–1, 60–i–2, and 60–j–1 on page 5 of the bill—because I believe this is part of the program, sometimes overlooked, but which is having immediate benefits in the fields of biology and medicine, agriculture, and industry. I also support the physical research projects added by the Joint Committee.

In conclusion, Mr. Speaker, I urge all my colleagues to support the bill, as recommended unanimously by the members of the Joint Committee on Atomic Energy.

Mr. DURHAM. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Speaker, I join with my colleagues on the Joint Committee in support of S. 2094. The committee has given this bill a good deal of thoughtful consideration and it is to be hoped that it will adequately provide for the needs of the atomic energy program in the coming fiscal year.

In supporting the measure, I would like to draw particular attention to that section of the bill dealing with the physical research program. As you may remember, the committee in its report last year stressed the need for stepping up our efforts in the field of basic research and added several projects to the AEC authorization bill to provide for urgent program needs.

The committee has again this year made a modest addition of two projects to meet continuing needs of the physical research program. These are a physics building at the Lawrence Radiation Laboratory in Berkeley, Calif., to meet pressing space requirements in connection with the high energy physics program at Berkeley; and an accelerator and building at Oak Ridge National Laboratory to accommodate scientists there whose backlog of research work cannot be handled with existing equipment.

The committee has reviewed these two projects carefully, together with the other items under physical research, and believes they are fully justified in terms of program requirements. They are, in my opinion, an excellent investment in America's scientific future.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I am glad to yield to the distinguished gentleman from West Virginia.

Mr. BAILEY. I notice on page 14 of your report under section 2, Cooperation with Euratom, that is, the European Euratom program, in the first paragraph, section 109 on page 10 of the bill, there is authorized to be appropriated to the Atomic Energy Commission the sum of $7 million for research and development assistance to carry out the purposes of Euratom Cooperation Act of 1958.

On the next page, page 15, you have a paragraph that provides:

> All of the funds committed so far have been for the general research and development program. As for the timetable leading toward construction of the reactors, the Commission indicated that on May 28, 1959, letters of intent were received from European utility companies.

The question I want to know is to what extent have we already granted construction money and to what extent are we obligating ourselves here to pay for part of the cost of construction of reactors.

Mr. PRICE. No construction money has been paid up to this time. I might add that the sum of $7 million in this bill is half what the Commission requested. This money in the bill is strictly for research and development. It is not construction money.

Mr. BAILEY. That is not in keeping with the language of the paragraph on page 15 which says that you are seriously now considering five proposals made by Euratom countries. It is beyond the research stage. It is a question there of construction.

I want to know if we are getting into this construction abroad or just furnishing research assistance?

Mr. PRICE. We are furnishing only research assistance. I might say that consideration does not imply approval. It would be natural for us to give consideration to a proposal, but that does not indicate construction help. Our assistance when it does get to the construction phases would be only guaranteeing the fuel elements.

Mr. BAILEY. I am interested to learn that up to now it has all been for research which implies that it is for some other purpose now but that it has been for research in the past. What is it going to be in the future? Is it the construction part of the program?

Mr. PRICE. Our interest in the Euratom program is geared principally to the benefit that we and others will get out of the research and development phases of it.

Mr. BAILEY. When this bill was up 2 years ago, I believe it was then that we considered it last—at least it was considered in the 85th Congress—I asked the gentleman from California [Mr. HOLIFIELD] if we had participated in the cost of constructing the reactors in Great Britain. I was told then that no American money went into the construction of them. I have received some information to the effect that leads me to believe I did not get the proper information 2 years ago. I would like to have an answer now.

Mr. PRICE. I recall the conversation to which the gentleman refers. I think the gentleman received accurate information at that time. We placed no money in the construction of the British reactors.

Mr. VAN ZANDT. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, I am supporting S. 2094. It was hammered out only after long and careful hearings of the Joint Committee on Atomic Energy, and extensive discussions in executive session based on those hearings in their relation to the contents of the bill. It is not to be construed either as a maximum or as a minimum effort as to the matters it covers. Whether or not so is subject to one's own point of view. What it is is a bill on which the committee agreed and found an acceptable common ground. Together with its accompanying report, this bill illustrates assumption of a proper role of legislation, policy, and review by the Joint Committee on Atomic Energy of the Atomic Energy Commission's activities in particular, and the Nation's atomic energy program, both for peace and war, in general. This is a proper division of responsibility between the executive and legislative branches and should be of satisfaction to the members of this House who must necessarily depend more upon members of the Joint Committee on Atomic Energy and their individual and collective judgment than is the case of committees handling subject matter which is less sensitive to security considerations or less technical in nature. To no small measure this rather happy state of affairs can be attributed to the leadership, fairness, and good judgment of the Joint Committee on Atomic Energy's chairman, Senator ANDERSON of New Mexico, and its vice chairman, our colleague and friend the gentleman from North Carolina [Mr. DURHAM]. I wish particularly to comment upon the good relationships between the Joint Committee on Atomic Energy and the AEC, which are forwarding the Nation's nuclear progress to a considerable degree.

Chairman McCone of the AEC suggested during the hearings that a policy of construction grants for new reactor types be instituted. Although the idea was looked upon favorably by many members of the Joint Committee on Atomic Energy, technical difficulties in writing up such a program for inclusion in S. 2094 were too great. It is anticipated that this matter will be dealt with in detail by the committee before this time next year, and I, personally, hope that a program along this line will be before you for your consideration at that time.

Project 60-e-15, the nuclear superheat reactor, deserves some special mention because it illustrates the difficulty faced by Joint Committee on Atomic Energy in dealing with the complicated technical subjects which must be dealt with in order to advance the state of the nuclear power art. Although originally conceived as a suitable type reactor for inclusion in the demonstration program, the intricacies involved have dictated it be handled in a manner so as to minimize the effect of unanticipated technical difficulties which may be encountered in bringing the concept to reality. Offering as it does steam pressures and temperatures approaching those of modern type conventional plants, and therefore economy in both construction and operation, practical nuclear superheat would be a major advance toward cost-competitive nuclear power.

The General Dynamics-Philadelphia Electric proposal contemplated by section 110(f) of the bill is another and attractive concept by which the United States could make seven-league-boot steps forward in the nuclear power field. Much important research and development is yet to be done on this concept, part of which has necessarily been delayed pending action on this authorization. Thus the completion date mentioned of December 31, 1963, is to be understood as an estimated rather than as a firm date. Since this private proposal by over 50 electric companies and the General Dynamics company seeks Government financial assistance with part of the research and development costs, adequate guarantees are written into the legislation to insure that the government receives quid-pro-quo for its investment. There was some doubt as to the necessity of the proviso language written into the bill to cover the contingency of a unilateral abandonment of the project. In any event, if a breach of contract with the AEC occurred, the Government would be entitled to damages suffered in accordance with general rules of law. However, I do not feel the proviso vitiates the general objectives of section 110(f).

I hope this body, by its vote today, will see fit to confirm the collective judgment of the Joint Committee on Atomic Energy on this funding phase of our atomic program of the forthcoming 12-month period. The following Reuters dispatch appearing in yesterday's newspapers would seem to confirm the wisdom of the committee's past proposals and those now up for your consideration:

UNITED STATES DUE TO WIDEN LEAD IN A-REACTORS

VIENNA, June 10.—The United States will widen its lead over Russia in the number of nuclear reactors expected to be producing electricity by the end of 1962 to 15 to 4, the International Atomic Energy Agency said here today.

A directory of reactors issued by the Agency estimated that the total number of reactors in production by then would be 36, distributed as follows: United States, 15; Britain, 8; Soviet Union and France, each 4; Belgium, Canada, Czechoslovakia, West Germany, and Sweden, 1 each.

I just want to touch on one matter and that is the matter of the $105 million linear accelerator requested by the President on May 27, which is not to be found in the authorization in this bill. The reason is that the request came in too close conjunction with the time on which the bill was to be voted out to be considered and included herein. A number of us on the Joint Committee are concerned and anxious that a hearing on this particular proposition be held this year so that authorization can be made by the Congress before the session ends.

I say that for the reason that a year ago we held an extensive series of hearings on the subject of basic research in nuclear physics, chemistry, metallurgy, and allied disciplines. In the course of those hearings two witnesses testified extensively and directly upon the matter of the proposed linear accelerator to be constructed near Stanford University, and a number of other witnesses testified in general as to the necessity for this kind of accelerator so that the United States might in its physical research program continue to keep ahead of competition from the Soviet Union and others.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I shall be glad to yield to the gentleman from Illinois.

Mr. PRICE. I do not think we should leave the impression here that there has been any undue delay on the part of the committee.

As to the recommendation from the committee for authorization of this accelerator, the gentleman will recall that the committee has been interested in this for some time. We held hearings in the Research and Development Subcommittee a year ago on this reactor but not the formal stage for a recommendation. The chairman of the Legislative Subcommittee of the Joint Committee requested the Commission to submit before May 1 all legislative proposals they would have for this Congress. Unfortunately, those recommendations did not come up until after that. It came to us after the middle of May, about the 27th, I believe. That delay on the part of the Commission could possibly have been caused by the desire to let the President make the first announcement of this idea at a meeting in New York. Sometimes matters handled that way get a little faster attention than when done otherwise.

Mr. HOSMER. I compliment the gentleman for his excellent work on the Subcommittee on Research and Development. However, speculation as to why the recommendation did not come until May 27, is just that, speculation.

This is not a toy train or any other such uncomplicated device; it is one of the most complicated pieces of scientific instrumentation that can be devised by the mind of man. It has been under a great deal of study by a committee of the Nation's finest scientists, whose report did not, but by a very few days or weeks, precede the request by the administration for the linear accelerator; and in the normal course of things I believe that we could not expect its coming any sooner. In any event, I would hope that this kind of thing would not become the subject of politics by either side of the aisle, or by either the legislative or executive branch of government. It has to do fundamentally with what we need to survive in this new world of science according to the science advisers; and if it is likewise found to be so by the Congress as well as those scientific men who recommended it to us, let us lay aside politics and get the thing built.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. Gladly.

Mr. GROSS. I share the concern of the gentleman from West Virginia [Mr. BAILEY] with respect to the expenditure of the American tax dollars for the building of reactors in foreign countries. In this connection, I wish again to raise the question I have raised on other occasions in connection with legislation of this type: Have we provided any enriched uranium for fuel purposes for foreign reactors? And if so, are they paying for this uranium? And, again, if so, what are they using for money to pay with?

Mr. HOSMER. I will be glad to answer part of the gentleman's question: We are not giving away any of this enriched uranium or other special nuclear material except for medical therapy, and in that instance we are allowed to transfer not to exceed $10,000 worth to any one nation or $50,000 worth to any group of nations; amounts which are naturally small when you consider the high price of the material.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I am glad to yield to my chairman.

Mr. DURHAM. We sell it at an established price today just like any other commodity.

Mr. HOSMER. Exactly, except for the very small amount for medical therapy purposes, it goes at a price which is paid the same by buyers overseas as it is by domestic purchasers in the United States. This price may be paid in a lump sum, or under an installment payment plan under which the United States retains title pending payment. In any event, we are not letting go of any of it except for peaceful purposes.

Mr. GROSS. When you get the reactors built for these foreign countries and we have provided in quantity this very expensive fuel, I trust this committee will ride herd on them to see that they pay us for the fuel they get and that they pay us in something more than their own currency, something of more value to the taxpayers of this country. As I understand it, this enriched uranium is worth about $16 million a ton.

Mr. HOSMER. The price, of course, depends on the degree of enrichment. In any event, if you have this expensive material in excess of your own needs it is probably wise to start getting back part of your investment by sales, rather than to let it be around in storage someplace without getting any money out of it at all.

Mr. VAN ZANDT. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Speaker, historically, our materials and equipment for the Armed Forces were the developments of our peacetime economy. With the advancement of technology, a reverse process, to a large degree, is now in effect. The billions of dollars that have been spent by our military services have had concomitant benefits in our domestic life. This outgrowth of military contracts in research, development and production has resulted in direct and indirect byproducts for the betterment of mankind in the fields of medicine, biology, chemistry, agriculture, and electric power to mention only a few. While some of these advances have immediate applications, there are others which require further effort and expense to develop their potentiality. This bill before us today, authorizing appropriations for the Atomic Energy Commission, includes numerous examples of these real and potential contributions to mankind through the peaceful uses of atomic energy.

While this new, exciting, and exotic field has great promise to civilization in many fields of endeavor, which should be diligently pursued, we should keep in perspective its possibilities. In the field of atomic power, for example, great progress has been made for its utilization in the factories and homes of the Nation and the world. Yet, the cost to consumers will not be greatly affected. Actually, over 90 percent of the costs of producing and delivering power will not be affected by atomic power. In the 10 percent affected, the cost of conventional fuels is today considerably cheaper in most parts of the United States. The present goal of those in this field is to make atomic power economically competitive with fossil fuels in the next 5 years abroad and 10 years at home.

In our lifetime, and for generations to come, atomic power will supplement rather than be a substitute for conventional power. There are several places in the United States, like New England, where power costs are high, that would be most ideally suited for atomic power. The cost of this power, which is now very high, will be reduced by continued research and development as authorized in this bill, and by encouraging private industry to participate in the program.

This bill was unanimously reported by our committee. There were some who wished to add other items and others who thought that some projects could be delayed. However, I believe that all members thought that all the projects were necessary to develop either this year or next. The bill represents 3 months of intensive study and, encompassing as it does, our entire atomic energy program, it should provide the basis for the United States to maintain its lead in both the military and peacetime uses of atomic energy.

I join my colleagues in urging all Members of the House to vote for this bill.

Mr. VAN ZANDT. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I want to ask the chairman of the committee why this is brought up under suspension of the rules. It bothers me very much to see these bills brought up under this kind of procedure. I was wondering if there was any particular reason for it.

Mr. DURHAM. The Appropriations Committee begins hearings tomorrow. That is one reason. We committed ourselves in the beginning, and we wanted to expedite this measure. Last year we had some difficulty in getting it out. This year we are committing ourselves to the 15th of June, and we are meeting that deadline. But this bill has been considered more than any other bill that has ever been brought to the floor this year. It is a difficult thing to go over every item, even in the hearings, which constitute some 700 pages. This incidentally is one of the first times we have brought an AEC fiscal year authorization bill to the floor of the House out of this committee with a unanimous report.

Mr. VAN ZANDT. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, may I reply to the gentleman from Missouri by informing him that the chairman of the committee, along with the ranking Republican member, conferred with the leadership of the House. The leadership was insistent that we get this authorization bill approved at the earliest possible date; first, so that the Appropriations Committee could begin work on the appropriation bill; and, secondly, the leadership told us that the next several weeks are committed from the standpoint of a legislative program. So today is the day we had to get this bill through the House under suspension of the rules.

Mr. CURTIS of Missouri. I want to thank the gentlemen for their explanation. I should like to develop this point. I think it is a dangerous situation that we are getting ourselves into where committees of the Congress are forgetting their obligation is to the House. It is not just deciding these matters among themselves.

Mr. VAN ZANDT. Mr. Speaker, I want to assure the gentleman from Missouri that as far as the minority side of the committee is concerned we very carefully studied and debated every single project in this bill. We did not do it in a matter of a few days. We took 3 months to do it.

Mr. CURTIS of Missouri. Mr. Speaker, the very fact the committee did study and debate every single project in the bill and that this process required 3 months rather than just a few days is argument against bringing the bill out on the floor of the House for explanation debate and vote in 40 minutes.

How can this committee possibly explain a matter such as this in 40 minutes to the House? How, indeed, can the committee even skim through the committee report emphasizing the important features of the bill in 40 minutes?

I have noticed a growing tendency of the House committees to regard their duties as those of studying and deciding for the House the issues that come before them in their jurisdiction. I do not believe that that is the purpose of a committee. A committee is a creature of the House. Its duties are to study the matters within its jurisdiction and then report to the House what its studies and debate reveal, along with their recommendations to the House of the action that should be taken. This requires time and shortcuts defeat this important purpose.

A recommendation is a far cry from a decision.

The fact that the committee's recommendation was unanimous is a factor for the House to consider. Unanimity sometimes results from an overzealous desire on the part of the committee to control the decision. Frequently the most helpful manner in which a committee can explain a matter to the House is through pointing up the differences of opinion that occurred within the committee during the hearings and in executive session.

Certainly unanimity should never be used as an excuse, as it has been here, to avoid discussion, and explanation to the House membership.

It may be said that the House is not concerned with listening to the committee explain a complicated authorization bill for the Atomic Energy Commission. I regret to state that the attendance on the part of the House membership during general debate of important bills might give this impression. However, part of this lack of attendance results from the attitude taken by committees over a period of time. The approach has too often been one of telling the House what the committee has decided and then proceeding to defend the committee's decision against anyone who dare attack it, rather than to explain to the House that there were differences of opinion and what those differences were about.

Certainly if the people's representatives are not going to inform themselves about the details of complicated legislation such as the military appropriation bill, the Space Agency authorization bill, or the Atomic Energy Commission authorization bill, for example, how indeed are the people whom they are elected to represent to know anything about these bills?

I think it is important for the House membership to consider this trend toward abandoning good and proper procedures for studying and debating legislation.

I am hopeful we will see an end to the use of the procedure of suspending the rules for considering major and complicated pieces of legislation. To me this is an issue greater than the issues in the bills themselves.

Mr. DURHAM. I thank the gentleman.

I want to take this time to say to the House, also to the members of the committee, how much I appreciate the difficulty and the hard work that has been done by the subcommittee this year. It is one of the hardest working committees I have ever worked on in my past 21 years here in the Congress. Everybody knows that all of these projects are technical and highly so. The gentleman from California [Mr. HOLIFIELD] and the gentleman from Illinois [Mr. PRICE] and the gentleman from Pennsylvania [Mr. VAN ZANDT] have done an outstanding job. The minority have cooperated with us fully, and I want you to know that all of the members of the committee deeply appreciate it.

I would like to commend our three new members of the Joint Committee from the House for their efforts—Mr. BATES, Mr. THOMAS, and Mr. WESTLAND. Two other recent members of the committee from the House, Mr. ASPINALL and Mr. HOSMER, have also done a fine job in considering this complicated legislation.

Mr. VAN ZANDT. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to commend the chairman of the committee and the ranking minority member, the gentleman from Pennsylvania [Mr. VAN ZANDT], for the very wonderful work they have done. It is vital, indeed, to the defense of our country.

Mr. DURHAM. Mr. Speaker, we have no further requests for time.

The SPEAKER pro tempore. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

H.R. 7537 was laid on the table.

EXTENSION OF INTERSTATE COMPACT TO CONSERVE OIL AND GAS

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 280) consenting to an interstate compact to conserve oil and gas.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to an extension and renewal for a period of four years from September 1, 1959, of the interstate compact to conserve oil and gas, which was signed in the city of Dallas, Texas, the 16th day of February 1935 by the representatives of Oklahoma, Texas, California, and New Mexico, and at the same time and place was signed by the representatives, as a recommendation for approval to the Governors and Legislatures of the States of Arkansas, Colorado, Illinois, Kansas, and Michigan, and prior to August 27, 1935, said compact was presented to and approved by the Legislators and Governors of the States of New Mexico, Kansas, Oklahoma, Illinois, Colorado, and Texas, which said compact so approved by the six States last above named was deposited in the Department of State of the United States, and thereafterwards Congress gave its consent to said compact by H.J. Res. 407 (Public Resolution Numbered 64), for a period of two years and

thereafterwards said compact was extended by Governors of the compacting States and Congress gave its consent thereto as follows: by S.J. Res. 183 (Public Resolution Numbered 57); by H.J. Res. 329 (Public Resolution Numbered 31); by H.J. Res. 228 (Public Law Numbered 246), each for a period of two years and thereafterwards further extended by H.J. Res. 139 (Public Law Numbered 117; by S.J. Res. 122 (Public Law Numbered 184); by S.J. Res. 42 (Public Law Numbered 128); and by S.J. Res. 38 (Public Law Numbered 185), all for a period of four years, until September 1, 1959.

The agreement to extend and renew said compact for a period of four years from September 1, 1959, to September 1, 1963, duly executed by representatives of the States of Alabama, Arizona, Arkansas, Colorado, Florida, Indiana, Kentucky, Louisiana, Michigan, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Washington, West Virginia, and Wyoming, has been deposited in the Department of State of the United States, and reads as follows:

"AN AGREEMENT TO EXTEND THE INTERSTATE COMPACT TO CONSERVE OIL AND GAS

"Whereas, on the 16th day of February, 1935, in the City of Dallas, Texas, there was executed 'An Interstate Compact To Conserve Oil and Gas' which was thereafter formally ratified and approved by the states of Oklahoma, Texas, New Mexico, Illinois, Colorado, and Kansas, the original of which is now on deposit with the Department of State of the United States, a true copy of which follows:

"'*An interstate compact to conserve oil and gas*

"'Article I

"'This agreement may become effective within any compacting State at any time as prescribed by that State, and shall become effective within those States ratifying it whenever any three of the States of Texas, Oklahoma, California, Kansas, and New Mexico have ratified and Congress has given its consent. Any oil-producing State may become a party hereto as hereinafter provided.

"'Article II

"'The purpose of this compact is to conserve oil and gas by the prevention of physical waste thereof from any cause.

"'Article III

"'Each State bound hereby agrees that within a reasonable time it will enact laws, or if the laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of:

"'(a) The operation of any oil well with an inefficient gas-oil ratio.

"'(b) The drowning with water of any stratum capable of producing oil or gas, or both oil and gas, in paying quantities.

"'(c) The avoidable escape into the open air or the wasteful burning of gas from a natural gas well.

"'(d) The creation of unnecessary fire hazards.

"'(e) The drilling, equipping, locating, spacing, or operating of a well or wells so as to bring about physical waste of oil or gas or loss in the ultimate recovery thereof.

"'(f) The inefficient, excessive, or improper use of the reservoir energy in producing any well.

"'The enumeration of the foregoing subjects shall not limit the scope of the authority of any state.

"'Article IV

"'Each State bound hereby agrees that it will, within a reasonable time, enact statutes, or if such statutes have been enacted then it will continue the same in force, providing in effect that oil produced in violation of its valid oil and/or gas conservation statutes or any valid rule, order or regulation promulgated thereunder, shall be denied access to commerce; and providing for stringent penalties for the waste of either oil or gas.

"'Article V

"'It is not the purpose of this compact to authorize the States joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price hereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

"'Article VI

"'Each State joining herein shall appoint one representative to a commission hereby constituted and designated as "The Interstate Oil Compact Commission," the duty of which said commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances, and conditions as may be disclosed for bringing about conservation and the prevention of physical waste of oil and gas, and at such intervals as said commission deems beneficial it shall report its findings and recommendations to the several States for adoption or rejection.

"'The Commission shall have power to recommend the coordination of the exercise of the police powers of the several States within their several jurisdictions to promote the maximum ultimate recovery from the petroleum reserves of said States, and to recommend measures for the maximum ultimate recovery of oil and gas. Said Commission shall organize and adopt suitable rules and regulations for the conduct of its business.

"'No action shall be taken by the Commission except: (1) by the affirmative votes of the majority of the whole number of the compacting States represented at any meeting, and (2) by a concurring vote of a majority in interest of the compacting States at said meeting, such interest to be determined as follows: such vote of each State shall be in the decimal proportion fixed by the ratio of its daily average production during the preceding calendar half-year to the daily average production of the compacting States during said period.

"'Article VII

"'No State by joining herein shall become financially obligated to any other State, nor shall the breach of the terms hereof by any State subject such State to financial responsibility to the other States joining herein.

"'Article VIII

"'This compact shall expire September 1, 1937. But any State joining herein may, upon sixty (60) days notice, withdraw herefrom.

"'The representatives of the signatory States have signed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States, and a duly certified copy shall be forwarded to the Governor of each of the signatory states.

"'This compact shall become effective when ratified and approved as provided in Article I. Any oil-producing State may become a party hereto by affixing its signature to a counterpart to be similarly deposited, certified, and ratified.'

"Whereas, the said Interstate Compact to Conserve Oil and Gas has heretofore been duly renewed and extended with the consent of the Congress to September 1, 1955; and

"Whereas, it is desired to renew and extend the said Interstate Compact to Conserve Oil and Gas for a period of four (4) years from September 1, 1959, to September 1, 1963:

"Now, therefore, this writing witnesseth:

"It is hereby agreed that the Compact entitled

"'An Interstate Compact To Conserve Oil and Gas' executed in the City of Dallas, Texas, on the 16th of February, 1935, and now on deposit with the Department of State of the United States, a correct copy of which appears above, be, and the same hereby is, extended for a period of four (4) years from September 1, 1959, its present date of expiration, to September 1, 1963. This agreement shall become effective when executed, ratified, and approved as provided in Article I of the Original Compact.

"The signatory States have executed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States and a duly certified copy thereof shall be forwarded to the Governor of each of the signatory States. Any oil-producing state may become a party hereto by executing a counterpart of this agreement to be similarly deposited, certified and ratified.

"Executed by the several undersigned States, at their several State capitols, through their proper officials on the dates as shown, as duly authorized by statutes and resolutions, subject to the limitations and qualifications of the acts of the respective State Legislatures.

"THE STATE OF ALABAMA
"By JAMES E. FOLSOM, Governor
"Dated: 10-22-58
"Attest: MARY TEXAS HUNT GARNER
"Secretary of State
"(SEAL)

"THE STATE OF ALASKA
"By ————, Governor
"Dated: ————
"Attest: ————
"Secretary of State
"(SEAL)

"THE STATE OF ARIZONA
"By PAUL J. FANNIN, Governor
"Dated: 1-29-59
"Attest: WESLEY BOLIN
"Secretary of State
"(SEAL)

"THE STATE OF ARKANSAS
"By ORVAL E. FAUBUS, Governor
"Dated: 1-28-59
"Attest: C. G. HALL
"Secretary of State
"(SEAL)

"THE STATE OF COLORADO
"By STEVE MCNICHOLS, Governor
"Dated: 8-1-58
"Attest: GEORGE J. BAKER
"Secretary of State
"By: F. J. SERAFINI
"Deputy
"(SEAL)

"THE STATE OF FLORIDA
"By LEROY COLLINS, Governor
"Dated: 10-28-58
"Attest: R. A. GRAY
"Secretary of State
"(SEAL)

"THE STATE OF ILLINOIS
"By ————, Governor
"Dated: ————
"Attest: ————
"Secretary of State
"(SEAL)

"THE STATE OF INDIANA
"By HAROLD W. HANDLEY, Governor
"Dated: 8-18-58
"Attest: FRANK A. LENNING
"Secretary of State
"(SEAL)

"THE STATE OF KANSAS
"By ————, Governor
"Dated: ————
"Attest: ————
"Secretary of State
"(SEAL)

"THE STATE OF KENTUCKY
"By ALBERT B. CHANDLER, Governor
"Dated: 2-5-59
"Attest: THELMA L. STOVALL
"Secretary of State
"(SEAL)

"THE STATE OF LOUISIANA
"By EARL K. LONG, Governor
"Dated: 11-12-58
"Attest: WADE O. MARTIN, JR.
"Secretary of State
"(SEAL)

"THE STATE OF MICHIGAN
"By G. MENNEN WILLIAMS, Governor
"Dated: 1-12-59
"Attest: JAMES M. HARE
"Secretary of State
"(SEAL)

"THE STATE OF MISSISSIPPI
"By JAMES P. COLEMAN, Governor
"Dated: 10-15-58
"Attest: HEBER A. LADNER
"Secretary of State
"(SEAL)

"THE STATE OF MONTANA
"By J. HUGO ARONSON, Governor
"Dated: 8-28-58
"Attest: FRANK MURRAY
"Secretary of State
"By: WILLIAM J. CARL
"Deputy
"(SEAL)

"THE STATE OF NEBRASKA
"By VICTOR E. ANDERSON, Governor
"Dated: 9-11-58
"Attest: FRANK MARSH
"Secretary of State
"(SEAL)

"THE STATE OF NEVADA
"By CHARLES H. RUSSELL, Governor.
"Dated: 9-29-58
"Attest: JOHN KOONTZ
"Secretary of State
"(SEAL)

"THE STATE OF NEW MEXICO
"By EDWIN L. MECHEM, Governor
"Dated: 8-9-58
"Attest: NATALIE S. BUCK
"Secretary of State
"(SEAL)

"THE STATE OF NEW YORK
"By AVERELL HARRIMAN, Governor
"Dated: 12-5-58
"Attest: CARMINE G. DESAPIO
"Secretary of State
"(SEAL)

"THE STATE OF NORTH DAKOTA
"By JOHN E. DAVIS, Governor
"Dated: 10-6-58
"Attest: BEN MEIER
"Secretary of State
"(SEAL)

"THE STATE OF OHIO
"By C. WILLIAM O'NEILL, Governor
"Dated: 8-20-58
"Attest: TED W. BROWN
"Secretary of State
"(SEAL)

"THE STATE OF OKLAHOMA
"By RAYMOND GRAY, Governor
"Dated: 7-30-58
"Attest: ANDY ANDERSON
"Secretary of State
"(SEAL)

"THE STATE OF PENNSYLVANIA
"By GEORGE M. LEADER, Governor
"Dated: 12-16-58
"Attest: JOHN S. RICE
"Secretary of State
"(SEAL)

"THE STATE OF SOUTH DAKOTA
"By RALPH HERSETH, Governor
"Dated: 2-9-59
"Attest: SELMA SANDNESS
"Secretary of State
"(SEAL)

"THE STATE OF TENNESSEE
"By BUFORD ELLINGTON, Governor
"Dated: 2-6-59
"Attest: JOE C. CARR
"Secretary of State
"(SEAL)

"THE STATE OF TEXAS
"By PRICE DANIEL, Governor
"Dated: 8-25-58
"Attest: ZOLLIE STEAKLEY
"Secretary of State
"(SEAL)

"THE STATE OF UTAH
"By GEORGE D. CLYDE, Governor
"Dated: 9-22-58
"Attest: LAMONT F. TORONTO
"Secretary of State
"(SEAL)

"THE STATE OF WASHINGTON
"By ALBERT D. ROSELLINI, Governor
"Dated: 2-19-59
"Attest: VICTOR A. MEYERS
"Secretary of State
"(SEAL)

"THE STATE OF WEST VIRGINIA
"By CECIL H. UNDERWOOD, Governor
"Dated: 9-4-58
"Attest: HELEN HOLT
"Secretary of State
"(SEAL)

"THE STATE OF WYOMING
"By MILWARD L. SIMPSON, Governor
"Dated: 7-28-58
"Attest: RAY ROBERTSON
"Deputy Secretary of State
"(SEAL)"

SEC. 2. The Attorney General of the United States shall make an annual report to Congress for the duration of the Interstate Compact to Conserve Oil and Gas as to whether or not the activities of the States under the provisions of such compact have been consistent with the purpose as set out in article V of such compact.

SEC. 3. The right to alter, amend, or repeal the provisions of the first section of this joint resolution is hereby expressly reserved.

The SPEAKER. Is a second demanded?

Mr. AVERY. I demand a second, Mr. Speaker.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HARRIS. Mr. Speaker, the Committee on Interstate and Foreign Commerce held hearings on House Joint Resolution 280, considered the bill in the committee, and unanimously reported it to the House.

The purpose of the legislation is to give consent of the Congress to the extension and renewal for a period of 4 years of the interstate compact to conserve oil and gas, which was entered into originally in 1935 by the States of Oklahoma, Texas, New Mexico, Illinois, Colorado, and Kansas.

The Congress gave consent to such compact by House Joint Resolution 407, approved August 27, 1935. That was in the 74th Congress. Since 1935 the compact has been renewed and extended 6 times with the consent of the Congress and, unless again renewed, will expire on September 1, 1959.

When the compact was originally consented to by the Congress in 1935, it was hoped that the several oil-producing States, acting together under the compact, would be able to effect conservation of this important natural resource, prevent its waste, and give aid to the petroleum industry in its effort to achieve a relatively stable situation. During the 24 years that this compact has been in force, that hope has been fulfilled in substantial and ever-increasing degree.

A compact such as the one under consideration is in complete harmony with the spirit of our form of Government. It preserves the rights of each separate State while enabling the several States, as parties to the compact, to work together on a sound program which all of them accept and endorse.

The compact involves no use of police power, except as each participating State may choose to exercise police power within its own jurisdiction in furtherance of the general purpose to promote the maximum ultimate recovery from the petroleum reserves of said State. The compact imposes no prohibitions which the participating States do not voluntarily accept. The compact does enable the signatory States to achieve the general purpose of conservation by means of cooperative and coordinated action, beyond the capacity of independent action.

This compact, in article V, expressly states that nothing in it authorizes the signatory States to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, to create or perpetuate monopoly, or to promote regimentation. Section 2 of the resolution consenting to the renewal in 1955, provided that the Attorney General shall report to the Congress whether the activities of the States under the compact have been consistent with the purpose set out in article V. The Attorney General has made three such reports to date. The same language is contained in section 2 of the present resolution.

The agreement to extend and renew this compact for a period of 4 years from September 1, 1959, to September 1, 1963, has been duly executed by the representatives of Alabama, Alaska, Arizona, Arkansas, Colorado, Florida, Illinois, Indiana, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Washington, West Virginia, and Wyoming. It will be noted that the attested signatures of the Governors of Alaska, Illinois, and Kansas do not appear in the joint resolution. The committee has been informed that the Governors of Alaska and Kansas have executed the agreement since the resolution was introduced and that the enabling legislation is being enacted by the Illinois Legislature to become effective on July 1, 1959, and that the Governor proposes then to execute the agreement.

As will be seen from letters, printed hereafter in this report, his proposed extension of the compact has the approval of the Departments of Interior, State, and Defense, the Bureau of the Budget,

and the Federal Power Commission. No agency of the Government expressed opposition to the proposed extension.

The committee amendment adding a section 3 to the resolution merely repeats the usual reservation of the right to alter, amend, or repeal the compact which was contained in the first seven resolutions consenting to and the renewal of, the compact. Inadvertently, this provision was omitted from the renewal legislation in 1955.

In view of the obvious justification for extending the interstate compact to conserve oil and gas for a further period of 4 years, the committee recommends favorable consideration of this joint resolution.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Illinois.

Mr. YATES. The purpose of the resolution is to permit the producing States to engage in a conservation policy for this natural resource, is it not?

Mr. HARRIS. That is true. Except, I would not say to permit them to engage in a conservation policy. It permits them to discuss methods of conservation and enter into joint discussions out of the experience they have had in the various States, and then each State arrives at its own policy within that State.

Mr. YATES. Would it not be to the interest of our Nation, in order to conserve this natural resource that the oil production restrictions be lifted and that importation of oil and petroleum products be permitted?

Mr. HARRIS. That would be inconsistent and wasteful. Of course, the gentleman is talking about an entirely different thing, the importation of oil, and he is also talking about a policy which would arbitrarily bring about a waste of our own natural resources, and I am sure he does not mean that.

Mr. YATES. I was under the impression that the exploitation of our natural resources through a lack of sound conservation policies would be augmented by a failure to permit the importation of oil products from other countries.

Mr. HARRIS. That has not been the experience. Through this program I think we have inaugurated and are pursuing sound conservation policies under State programs. We have had exploitation of this natural resource in a wasteful manner. Experience of the past when we had no conservation methods, and consequently wastefulness of this resource has brought tragedy to the American peopie.

Mr. YATES. I would agree with the gentleman that this natural resource should not be wasted. Would we not be able to retain it for a longer period if we would permit the importation of oil from other countries?

Mr. HARRIS. Not at all, because as it is within many of our States, including the gentleman's own State, the oil fields in the southern part of his State, where they have in the past depleted those fields by not using sound conservation methods, a lot of wells have been closed down.

Mr. YATES. I do not understand the gentleman's point.

Mr. HARRIS. When you close a well down, which has been virtually depleted, you never recover that resource again, even though there may be much more oil that could have been recovered otherwise.

Mr. YATES. That is something I did not know. Is the gentleman saying that when you close a well down you lose the oil?

Mr. HARRIS. If it is depleted to a certain point, where you get only a few barrels per day out of it, with many times that much water, then you will never be able to recover from that particular well again.

Mr. YATES. I see. I am grateful for that information.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from West Virginia.

Mr. BAILEY. Mr. Speaker, may I say for the information of the gentleman from Illinois [Mr. YATES] that 27 percent of West Virginia's oil reserves have already been lost by pulling the wells out before they were exhausted. When they get down to 1 or 2 barrels a day we refer to them as stripper wells. If those wells are pulled out you lose all of that reserve and it is not worthwhile coming back and trying to develop their recovery later on. I fear the gentleman was using the only argument he has left in favor of his reciprocal trade agreements so far as the importation of oil is concerned, because that is about the only justification; that is, it saves West Virginia's coal as a future energy, because the market for coal has been taken away through increased shipments of oil. So I do not agree with the gentleman at all.

Mr. HARRIS. I think we should utilize all the energy we have regardless of what the natural resource is.

Mr. YATES. Mr. Speaker, will the gentleman yield further?

Mr. HARRIS. I yield.

Mr. YATES. Of course, the fact that closing down depleted wells may cause a loss of the residue of oil does not necessarily mean we should not protect the oil in wells that are full producers and the fields that have not yet been brought into production. Does not the gentleman agree with me that the importation of oil from other countries enables us to protect and conserve our natural resources?

Mr. HARRIS. I think we have gone overboard with the importation of oil from foreign countries. I think if we are going to maintain a strong, healthy industry in this country we have got to permit the industry to find reserves and have them available because, if foreign sources are cut off from us, we cannot bring the oil in by submarines or airplanes from the Far East or from some other place.

Mr. YATES. Will the gentleman state whether his argument pertains as well to the importation of oil from Canada which, is a neighbor of ours and a friend and ally in connection with our defense effort?

Mr. HARRIS. I think we have had pretty good relationships with our neighbor country, Canada, with reference to this natural resource.

Mr. YATES. But Canada has been opposed to the restrictions that have been placed on the importation of oil produced in Canada.

Mr. HARRIS. Of course, just as we are opposed to some of the importation of some of these other things that provide competition to what we produce ourselves.

Mr. BAILEY. Mr. Speaker, will the gentleman yield to me?

Mr. HARRIS. I yield to the gentleman.

Mr. BAILEY. For the further edification of the gentleman from Illinois [Mr. YATES], let me remind him right now that more than 6 million cubic feet of natural gas is coming in from Canada to the United States on the free list, while we have to pay 50 cents a ton on every ton of coal that we sell to Canada.

Mr. YATES. Mr. Speaker, if the gentleman will yield to me, I am grateful for that information. Canada has not always been right in its attitudes and in its position on all matters in dispute between our nations. The fact remains, however, that our neighbor to the north is one of our strong allies in our defense effort, and it is eminently desirable that we seek to resolve our difficulties. If one of the arguments for developing the petroleum reserves in our own country is to strengthen our potential for defense, then I submit this concept should include hemispheric defense, too. The restriction of imports of oil from Canada would negate that purpose and antagonize a good friend. Such restrictions should not have been imposed when they were imposed a few months ago, and it is well that this matter is being worked out in a satisfactory manner.

Mr. HARRIS. Mr. Speaker, I think the record for 24 years is well known. Remarkable programs have been developed in an effort to find a solution looking to the elimination of waste. Therefore, I believe that the extension of this program for another 4-year period is justified, as it has been in the past.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The gentleman from West Virginia [Mr. BAILEY] was complaining about that 50 cents a ton that Canada charges. That just matches the 50 cents that his John L. Lewis gets on every ton.

Mr. BAILEY. At least we keep the 40 cents per ton at home.

Mr. AVERY. Mr. Speaker, there is little that I can add to the remarks that have been made by our distinguished chairman, the gentleman from Arkansas [Mr. HARRIS]. I would like to remind the

House that this is an extension of an agreement that has been operative since 1935. There were 6 States in this compact as it was originally entered into and now that number has gone up to 29. I might be able to make a contribution to the thinking of the gentleman from Illinois because I am sure he is attempting to understand the facts of this compact. As an example of one of the accomplishments of the compact, there is not only the question of more conservation, but also the matter of secondary recovery. The approach on research that has developed in the secondary recovery process has largely been the result of the interstate oil compact. It has been one of the vehicles that has greatly accelerated the secondary recovery process which has released a considerable amount of energy for consumers of this country.

Mr. Speaker, we have no other requests for time.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members who desire to do so many extend their remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I favor the passage of this resolution.

The Interstate Compact Commission's headquarters office is located at Oklahoma City, and we in Oklahoma are proud of the work the Commission has done in the field of conservation of a great resource.

The gentleman from Kansas [Mr. AVERY] has mentioned the Commission's work on secondary recovery, and I want to join him in his commendation of this very worthwhile effort.

I hope the resolution will be overwhelmingly approved in order that the Commission's vital work may continue.

The SPEAKER. The question is on suspending the rules and passing the joint resolution, House Joint Resolution 280.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

PROVIDING PAYMENT OF ANNUITIES TO WIDOWS AND DEPENDENT CHILDREN OF COMPTROLLERS GENERAL

Mr. MONAGAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7062) to provide for payment of annuities to widows and dependent children of Comptrollers General, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Budget and Accounting Act of 1921 (42 Stat. 20–27), as amended, is further amended by adding after section 318 a new section designated as section 319 and reading as follows:

"SEC. 319. (a) Any Comptroller General of the United States, within six months of the date on which he takes office, or in the case of the Comptroller General currently in office and any retired Comptroller General, within six months after enactment of this section, may in writing elect a reduction in his salary and retirement pay for purposes of survivorship benefits as hereinafter provided.

"(b) There shall be deducted from the salary and retirement pay of any Comptroller General or retired Comptroller General making an election to receive survivorship benefits a sum equal to 3 per centum of his salary and retirement pay.

"(c) Each Comptroller General, or retired Comptroller General, making an election to receive survivorship benefits, shall deposit with the General Accounting Office for covering into the general fund of the Treasury as miscellaneous receipts a sum equal to 3 per centum of his salary and retirement pay received by him as Comptroller General prior to the date current deductions begin from his salary and retirement pay, and of his basic salary, pay, or compensation for service as a Senator, Representative, Delegate, or Resident Commissioner in the Congress of the United States and for any other civilian service which may form the basis of a widow's annuity as provided in subsection (n) of this section, with interest thereon at the rate of 4 per centum per annum to December 31, 1947, and 3 per centum per annum, thereafter, compounded on December 31 of each year. The current deductions from salary or retirement pay shall be regarded as effective as of the date the election of reduced salary and retirement pay for purposes of survivorship benefits is made.

"(d) Notwithstanding the failure of a Comptroller General or a retired Comptroller General to make the deposit under subsection (c), credit shall be allowed for the service rendered, but the annuity of the widow shall be reduced by 10 per centum of the amount of such deposit, computed as of the date of death of a Comptroller General or retired Comptroller General, unless such widow shall elect to eliminate such service entirely from credit under subsections (n) and (o) of this section.

"(e) In case any Comptroller General or retired Comptroller General who has elected to bring himself within the purview of this section shall die while in office, or die while in receipt of retirement pay in accordance with section 303, after having rendered at least five years of civilian service computed as described in subsections (n) and (o) of this section, for the last five years of which the salary deductions provided for by subsection (b) of this section or the deposits required by subsection (c) of this section have actually been made—

"(1) if such Comptroller General or retired Comptroller General is survived by a widow but not by a dependent child, there shall be paid to such widow an annuity beginning with the day of his death or following the widow's attainment of the age of fifty years, whichever is the later, in an amount computed as provided in subsection (n) of this section; or

"(2) if such Comptroller General or retired Comptroller General is survived by a widow and a dependent child or children, there shall be paid to such widow an immediate annuity in an amount computed as provided in subsection (n) of this section, and there shall also be paid to or on behalf of each such child an immediate annuity equal to one-half the amount of the annuity of such widow, but not to exceed $900 per year divided by the number of children or $360 per year, whichever is lesser; or

"(3) if such Comptroller General or retired Comptroller General leaves no surviving widow but leaves a surviving dependent child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to the amount of the annuity to which such widow would have been entitled under paragraph (2) of this subsection had she survided, but not to exceed $480 per year.

"(f) The annuity payable to the widow hereunder shall be terminable upon her death or remarriage. The annuity payable to a child hereunder shall be terminable upon (1) his attaining the age of eighteen years, (2) his marriage, or (3) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his annuity shall be terminable only upon death, marriage, or recovery from such disability. In the event of the death of a widow leaving a dependent child or children of a Comptroller General or retired Comptroller General surviving her the annuity of such child or children shall be recomputed and paid as provided in paragraph (3) of subsection (e) of this section. In any case in which the annuity of a dependent child, under this subsection, is terminated, the annuities of any remaining dependent child or children shall be recomputed and paid as though the child whose annuity was terminated had not survived such Comptroller General or retired Comptroller General.

"(g) As used herein—

"(1) The term 'widow' means a surviving wife of a Comptroller General or retired Comptroller General who either (A) shall have been married to such individual for at least two years immediately preceding his death or (B) is the mother of issue by such marriage, and who has not remarried.

"(2) The term 'dependent child' means an unmarried child, including a dependent stepchild or an adopted child, who is under the age of eighteen years or who, because of physical or mental disability, is incapable of self-support.

"(h) Questions of dependency and disability arising under this section shall be determined by the General Counsel of the General Accounting Office, whose decision shall be final and conclusive.

"(i) In any case in which a Comptroller General who has elected to bring himself within the purview of this section is separated from the service prior to becoming entitled to retirement pay as provided in section 303, he shall be paid the total amount deducted from his salary, with interest thereon at the rate of 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year to date of separation.

"(j) In any case in which (1) any Comptroller General (A) dies in office before completion of five years of civilian service as prescribed in subsections (n) and (o) of this section, or (B) after completing five years of such service dies in office without any survivors entitled to an annuity as provided in subsection (e) of this section, or (2) in any case in which any retired Comptroller General dies without any survivors entitled to an annuity as provided in subsection (e) of this section, the total amount deducted from his salary and retirement pay with interest thereon at the rate of 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31st of each year to date of death, shall be paid to the person or persons surviving at the date title to payment arises, in the following order of precedence, and such payment shall be a bar to recovery by any other person:

"First, to the beneficiary or beneficiaries designated by a writing of a Comptroller General or retired Comptroller General received by the General Accounting Office prior to his death;

"Second, if there be no such beneficiary, to the widow of such Comptroller General or retired Comptroller General;

"Third, if none of the above, to the child or children of such Comptroller General or retired Comptroller General and the descendants of any deceased children by representation;

"Fourth, if none of the above, to the parents of such Comptroller General or retired Comptroller General;

"Fifth, if none of the above, to the duly appointed executor or administrator of the estate of a Comptroller General or retired Comptroller General;

"Sixth, if none of the above, to such other next of kin of such Comptroller General or retired Comptroller General as may be determined by the General Counsel of the General Accounting Office to be entitled under the laws of the domicile of such Comptroller General or retired Comptroller General at time of his death.

"Determinations as to the widow or child of a Comptroller General or retired Comptroller General for the purposes of this subsection shall be made by the General Counsel of the General Accounting Office without regard to the definition of these terms in subsection (g) of this section.

"(k) In any case in which the annuities of all persons entitled to survivor annuities terminate before the aggregate amount of annuity or annuities paid equals the total amount deducted from the salary and retirement pay of a Comptroller General or retired Comptroller General, with interest thereon at 4 per centum per annum to December 31, 1947, and 3 per centum thereafter, compounded on December 31 of each year, to the date of his death, the difference shall be paid in the order of precedence prescribed in subsection (j) of this section.

"(l) Any accrued annuity remaining unpaid upon the termination (other than by death) of the annuity of any survivor of a Comptroller General or retired Comptroller General shall be paid to such survivor. Any accrued annuity remaining unpaid upon the death of any such survivor shall be paid in the following order of precedence:

"First, to the duly appointed executor or administrator of the estate of such person;

"Second, if there is no executor or administrator payment may be made after the expiration of thirty days from the date of death of such survivor, to such individual or individuals as may appear in the judgment of the General Counsel of the General Accounting Office to be legally entitled thereto, and such payment shall be a bar to recovery by any other individual.

"(m) Annuities granted under the terms of this section shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued. None of the moneys mentioned in this section shall be assignable, either in law or equity, or subject to execution, levy, attachment, garnishment, or other legal process.

"(n) The annuity of a widow of a Comptroller General or retired Comptroller General who has elected to bring himself within the purview of this section shall be an amount equal to the sum of (1) 1¼ per centum of the average annual salary received by him for service as Comptroller General and any other prior allowable service during the last five years of such service multiplied by the sum of his years of service as Comptroller General, his years of service as a Senator, Representative, Delegate, or Resident Commissioner in the Congress of the United States, his years of prior allowable military service and his years, not exceeding fifteen, of prior allowable service as a congressional employee and (2) three-quarters of 1 per centum of such average annual salary multiplied by his years of any other allowable service, but such annuity shall not exceed 37½ per centum of such average annual salary and shall be further reduced in accordance with subsection (d) of this section if applicable.

"(o) As used in subsection (n) the term 'service as a congressional employee' means service as defined in section 1(c) of the Civil Service Retirement Act, approved July 31, 1956, 70 Stat 743 (5 U.S.C. 2251). The term 'allowable military service' means honorable active service not exceeding five years in the aggregate in the Army, Navy, Air Force, Marine Corps, or Coast Guard, including service in the National Guard only when ordered to active duty in the service of the United States, when such military service is not creditable for purposes of retirement or retired pay under any other provision of law. The term 'other prior allowable service' means civilian service as an officer or employee of the United States or the District of Columbia, not otherwise covered by category (1) of subsection (n).

"(p) The total service of a Comptroller General or retired Comptroller General shall be the full years and twelfth parts thereof, excluding from the aggregate the fractional part of a month, if any.

"(q) Nothing contained in this section shall be construed to prevent a widow or dependent child eligible therefor from simultaneously receiving an annuity under this section and any annuity (including old age and survivor benefits) to which she would otherwise be entitled under any other law without regard to this section, but in computing such other annuity service used in the computation of an annuity under this section shall not be credited.

"(r) The annuities and refund of deposits authorized in this section shall be paid from appropriations of the General Accounting Office."

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second, but only for the purpose of making sure that we will have an explanation of the bill.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MONAGAN. Mr. Speaker, this is a very simple bill. It was introduced by the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK]. The purpose of the bill is to remedy a defect in the retirement system of the United States insofar as it applies to survivorship of the Comptroller General of the United States. Originally, in 1953 the system of retirement which pertains to Federal judges was set up. In 1956, the Federal judges were given survivorship benefits. In 1953, it was decided that the Comptroller General should be treated on the same basis as the Federal judges. Unfortunately, in 1956 when the judges were given survivorship benefits, this was not done for the Comptroller General. As a result, there is an obvious defect in the system so far as it applies to the Comptroller General. I might say this bill was reported unanimously from the subcommittee and from the full committee and has the approval of the Bureau of the Budget and the Civil Service Commission. There is no objection from the General Accounting Office. It is a matter of simple justice; of filling up this gap that exists in the retirement system of the United States, as it applies to the Comptroller General.

I hope that the House will vote favorably on this bill.

Mr. GROSS. Mr. Speaker, I thank the gentleman, and yield back the time on this side.

The SPEAKER. The question is on suspending the rules and passing the bill, H.R. 7062, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AMENDING MUTUAL SECURITY ACT OF 1954

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 293) providing for the consideration of H.R. 7500, a bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 83]

Anfuso	Boykin	Davis, Tenn.
Arends	Brown, Mo.	Diggs
Ashley	Budge	Dollinger
Baker	Canfield	Dorn, S.C.
Barden	Celler	Farbstein
Belcher	Cohelan	Fountain
Betts	Cooley	Frazier

Prelinghuysen	Miller,	Simpson, Pa.
Gathings	George P.	Spence
Gavin	Moeller	Taylor
Giaimo	Multer	Teller
Goodell	Pirnie	Toll
Healey	Powell	Utt
Jackson	Riehlman	Whitten
Johansen	Rostenkowski	Willis
King, Utah	Santangelo	Withrow
Lankford	Scott	
Mailliard	Shelley	

The SPEAKER. On this rollcall 383 Members answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING MUTUAL SECURITY ACT OF 1954

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. O'NEILL].

Mr. O'NEILL. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN]; and pending that, I yield myself such time as I may require.

House Resolution 293 makes in order the consideration of H.R. 7500, the Mutual Security Act of 1959. The resolution provides for an open rule, 4 hours of general debate, and waives points of order against the bill.

This bill would extend the Mutual Security Act of 1954, as amended, and would authorize $3,642,600,000 to continue economic and military assistance in fiscal year 1960. This is about $267 million less than what was requested by the executive branch. It is $280 million less than the corresponding amount asked for last year by the executive branch. It is $214 million more than was finally appropriated by Congress for the same programs last year, including the recent supplemental appropriation for the Development Loan Fund. The main item in this year's request are military assistance of $1.44 million, defense support of $750 million, technical assistance of $210 million, special assistance of $250 million, a contingency fund of $100 million, and $800 million for the Development Loan Fund.

We are being asked to act upon one of the most significant pieces of legislation that will come before this House in the present session. The Mutual Security Act of 1959 is an important element of the whole national security program put forward by the President. Mutual security is one of the tools we give the President to strengthen our positions abroad. It is closely linked with our military strategy. It helps us to maintain essential bases on foreign soil. It is our frontline weapon in the economic cold war.

I will review briefly the four chapters into which the bill is organized.

Chapter I would authorize $1,440 million of the $1,600 million requested by the executive branch for military assistance for our allies in the free world collective security system. This program enables the United States to make its contribution to the strength of NATO, to the Southeast Asia Treaty Organization and to other nations, numbering 37, with which we are defensively allied. Short of a nuclear war, the continued freedom and will to resist by these other free countries may decide whether aggressive communism is to be restrained within its present limits. Military assistance includes modern weapons, training, and building of bases and facilities to defend against Soviet military force.

Chapter II includes under separate titles the several forms of economic assistance.

Title I relates to defense support. The executive branch has asked for $835 million; the present bill would authorize $750 million. This is economic assistance to 12 nations which have a special military role. Eleven of these countries form an encircling band around the Soviet bloc and Communist China that checks the outward press of communism. The 12th country, Spain, is the site of key airbases for our retaliatory force. All of these countries have limited economic strength. They must have external resources to shore up their economies against the drain caused by their heavy military contributions.

Title II would authorize new lending by the Development Loan Fund. The Loan Fund stands ready to help backward nations to move forward economically with an extra margin of needed external capital after all other sources—home and abroad, public and private—have been tapped. New capital of $800 million proposed for the Development Loan Fund in this bill is $100 million more than the executive branch asked for.

Title III authorizes technical assistance from our reservoir of skill and experience in industry, farming, medicine, education, to meet the urgent needs of the developing nations for trained people. The sum of $179.5 million is asked for this. In addition $30 million is the U.S. share of United Nations technical assistance. This is 40 percent of the total amount to be contributed by all countries.

Title IV would authorize $250 million for special assistance in 15 countries and Berlin and for special programs in health and education. Spending from this fund will be for one of three objects: First, to maintain economic stability in countries which need our support to remain with the free world; second, to maintain U.S. base rights; third, to finance special programs to fight mass disease and conduct medical research, giving new hope to millions who today know only misery and sickness. Title IV would also authorize certain other programs including assistance to refugees, our contribution to the U.N. children's fund and atoms for peace.

Chapter III of the mutual security bill would make available to the President a contingency fund of $100 million to meet emergencies of the cold war.

Chapter IV includes general and administrative provisions.

In asking the House to consider the amendments to the Mutual Security Act, I should like first to say to the chairman and the members of the Foreign Affairs Committee that they may be proud of their work on this bill. Their report reflects the most exhaustive study of the voluminous material provided to them by the executive branch on every aspect of the program. They identified the key problems, the shortcomings in the executive branch proposals, and addressed themselves to the job of correcting the major deficiencies through changes in the legislation and recommendations in their report. The final product is a model of positive, forwardlooking, nonpartisan work by a committee of Congress. I urge each Member to examine the committee's report and to be guided by it in his action on this bill. The reductions that the committee has made in amounts, although drastic in certain categories, have been judicious. I would be opposed to further reductions on the floor of the House made without fullest realization of the risks that might follow. The commmittee bill trims the mutual security program to a bare minimum. To go further would be to jeopardize essential security positions that the program sustains for our Nation.

The principal reduction recommended by the committee from the figures proposed by the President is one of 10 percent, $160 million, in military assistance. In its report, the committee endorses the continued need to supply missiles and certain other modern weapons to NATO allies and to share in the cost of the NATO base, communications and facilities structure in the defense of the North Atlantic area. There is also a need for continued supply of weapons to other countries—Korea, Taiwan, Vietnam—which are in the frontline of free world defenses against the Communist bloc or which are members of collective securities groups that must have material support from us to be fully effective. In making its reduction, the committee urged that military aid to Latin America be on the lowest possible level, looking to a further decrease in the future.

The examination of the mutual security program by the Committee on Foreign Affairs has reflected the committee's conscientious awareness that this program is an integral part of our national security effort. The contributions we make to NATO defense through mutual security determines in large measure how effective will be this basic defense grouping on which our own safety hinges. Our action today will decide whether NATO will have the most modern weapons to defend Europe against the towering might of the Soviet bloc. By our example we can give new heart to the people of Europe in their determination to maintain and strengthen our common defense.

During its consideration of the Mutual Security Act last year, the Foreign Affairs Committee took the unusual step of raising by $8 million the authorization requested by the President for technical cooperation. The purpose was to overcome weaknesses which the committee had uncovered in recruitment, training, and language instruction of ICA personnel. This new money, which was voted by the

House and appropriated, has made it possible for ICA to hire more qualified people to fill vacant posts and to give better training to its staffs and their families going overseas.

Again this year the committee has found a shortcoming in the bill brought forth by the executive branch. It has reviewed the level of good applications for loans that the Development Loan Fund already has on hand. It has discovered that the money asked by the President would not stretch out over even a good majority of these carefully screened development projects, not to mention other good applications that will be received during the course of the next fiscal year. The committee has therefore raised the authorization for the Development Loan Fund from $700 million proposed by the President to $800 million. I would emphasize that this unusual action is a bipartisan one. It is not done to embarrass the executive. It is simply based on the information developed by the committee and follows from the prevailing opinion within the committee that we must give the Development Loan Fund the means to live up to its promise as the ultimate source of capital for free world economic development.

The committee sets great store in the Development Loan Fund, supporting an amount greater than the President has asked. The backward nations have turned to us, as they have turned to the other industrialized countries. They ask us—will we lend them our skills and experience and extra margin of capital they must have from outside to gain the momentum of economic growth. We know that if we answer "no," we leave them with a feeling of hopelessness that invites instability and chaos. Communism feasts on such conditions. Their resistance to Communist offers of aid will wither away, and the Communists will be ready to throw entangling nets of trade agreements, loans, technicans over selected victims.

The United States is today responsible for about half of the entire production of this earth. In other words, we produce and consume in this country as much as all other countries in the rest of the world combined. We are being asked to set aside to lend to the underdeveloped countries of the free world from the Development Loan Fund about one-fourth of 1 percent of this tremendous outpouring of machines, consumption goods, services, and agricultural products. This is at a time when our standard of living is rising at a rate of 4 percent a year.

We in Congress were critical in the past of the way the aid program was handled. The Development Loan Fund grows out of a recommendation by a congressional committee to have the program administered on a more businesslike basis, shifting from grant aid to aid on a long-term loan basis with repayments tailored to suit the individual situations of the borrowing countries. The fund has gone through a trial period of almost 2 years. It has provided capital to an impressive and rapidly growing list of projects that are part of the development plans of the countries which need our help. The Foreign Affairs Committee's action in raising the authorization for the fund is in recognition of this success. I believe that the fund has justified the hopes of us in this House when we participated in its founding. We should give it the means today to carry on this necessary work.

The mutual security program seems to have attracted a small but loud body of critics who have been active this past year as in previous years. Some of these critics have made a good living out of writing books and giving speeches, repeating old unfounded charges and thinking up new ones. There are other critics, however, who have acted in a more responsible way. They accept the mutual security program's purpose as an essential means to protect the free world against Communist encroachment. They only ask that we do this job more effectively. It will never be possible to do this work with 100 percent efficiency any more than it is possible to fight a war with 100 percent efficiency. We in Congress must be vigilant to take every possible step to improve this program, to reduce waste to a minimum. At the same time we must maintain perspective so that we do not find that we have pruned it back so far that it simply does not have the resources to meet even highest priority needs of our security.

I know that the great majority of the Members of this House would be willing to support this bill in full measure if they could feel certain that it would accomplish for our Nation's security all that is claimed for it. I believe that the Members who do feel this way may be reassured at steps that have been taken or are proposed by the Committee on Foreign Affairs to tighten up the program.

The first of these actions resulted from the work of the Subcommittee for Review of the Mutual Security Program during hearings last December and January. Acting on the study made by this committee, ICA instituted major changes in its procedures to cut down on premature obligations of funds and to carry out projects more rapidly after they have been agreed on.

The Foreign Affairs Committee has made several changes in the Mutual Security Act with the object of increased efficiency. The principal change is in section 401(h), which would establish an Inspector General and Comptroller directly under the Under Secretary of State to check upon the efficiency and effectiveness of mutual security operations. The committee believes that creation of this new office would bring about better control and operation of the mutual security program.

The committee has also found extravagances in supply of military equipment to certain countries and a lack of cooperation by these countries in maintenance and use. In its report, the committee has called for curtailment of funds in some of the less-developed countries where these deficiencies have been found to exist.

The Foreign Ministers of the United States, Great Britain, France, and Russia are meeting in Geneva. We are told that the pressure which the Soviets have applied to Berlin and their strongly expressed desire for a summit meeting derives from a feeling on their part of new confidence in their growing strength. This confidence stems not only from their modern military power but their advancing technology and impressive economic progress. It is this economic progress that has enabled them to embark on an economic offensive that we must expect will grow and become more effective year by year as their own production rises. In the future we can expect that Communist pressures will increase in every way as they try to use their new strength to push outward from their own borders.

Our action on this legislation is closely related to the events in Geneva and Berlin. By voting for this bill we will be giving a convincing answer to those who question whether we are willing to make the sacrifices that our Nation's security demands. This means that we must give to the President the means to carry out our military responsibilities to our allies, sharing our modern weapons technology with them. We must provide resources for capital and skills needed by the new nations as they seek to advance in freedom. We must renew our support to nations on the Communist fringe whose continued existence depends on our help.

The outcome of the Geneva foreign ministers' meeting and of future meetings with the Communists will depend in large measure on the kind of response we make today in considering these amendments to the Mutual Security Act.

Mr. Speaker, I would like to congratulate the chairman of the committee, Dr. MORGAN, for the outstanding job that he has been doing as chairman of the Committee on Foreign Affairs. I recall, when he was new as chairman of the committee, coming before the Committee on Rules last year and facing the genial and able gentleman from Virginia, Judge SMITH, he looked at the judge and he said, "I feel like the fat missionary that is facing the cannibals."

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not most unusual to bring this bill to the House with points of order waived? And will the gentleman tell us why points of order have been waived on this bill?

Mr. O'NEILL. As I understand this bill there are three sections in the bill that account for that. On page 4 under "Utilization of Counterpart Funds" there is language as follows:

By inserting immediately before the colon preceding the first proviso the following: "or for the advancement of education, including the establishment, expansion, or operation of schools, colleges, or universities for the

promotion of vocational, professional, scientific, technological, or general education."

Then on page 7, starting with line 10, and on page 12, starting with line 9, paragraph (c), there was the possibility that points of order could be raised against this bill and held to be well taken. For that reason the committee saw fit to waive points of order.

Mr. GROSS. Is that also with respect to the establishment of an Inspector General?

Mr. O'NEILL. No. These particular points of order have nothing to do with the establishment of an Inspector General. I understand that one of the three items has to do with counterpart funds we have lying idle in various nations.

The President could ask for a program, for example, of scientific knowledge, where we, using the counterpart funds for translations, let us say, of the Yugoslavian language to the English language, or the Pakistani language into the English language or Arabian into English, to translate the scientific knowledge that they have and the medical knowledge they have. It was possible because of the nature of this legislation that there could possibly have been a point of order. Consequently, the committee thought it was best to waive points of order.

Mr. GROSS. But it is a most unusual situation that points of order should be waived on a bill of this kind?

Mr. O'NEILL. The committee has waived points of order before, of course, as you know, and it is the prerogative of the Committee on Rules, and the Rules of the House give the Committee on Rules that right. I would say it is unusual, but in this particular instance, I do not think there is anything to get greatly alarmed about.

Mr. GROSS. So it provides that the taxpayer's money can be used without regard to the Appropriations Committee, to build schools and hospitals in foreign countries; is that correct?

Mr. O'NEILL. I would not say that. This is going to give us the use of counterpart funds which have been lying idle in various countries, and we are going to get some use out of the counterpart funds.

Mr. GROSS. I thank the gentleman.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. BENTLEY. I wonder if the gentleman from Massachusetts could tell the House why it was felt necessary to limit the rule to only 4 hours of general debate. It is my recollection that usually this legislation has had a rule allowing more time for general debate. I believe even this year, in this particular case, the chairman of the committee did request more time.

Mr. O'NEILL. The gentleman from Michigan is correct. The chairman of the committee requested more time, 6 hours, I believe. After giving it consideration and realizing that amendments were going to be offered, we thought that since more time would be spent on the 5-minute rule that 4 hours of general debate was all that was necessary. It was the judgment of the committee that 4 hours would be sufficient plus the 1 hour on the rule.

Mr. BENTLEY. I understand. The unfortunate thing, of course, is that there are some 33 members of the committee, and providing 4 hours equally among them would leave very little time for anyone other than members of the committee to participate in the general debate. Is that not correct?

Mr. O'NEILL. Of course, Members can always move to strike out the last word and get 5 minutes, which I have no doubt that Members will do.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. GROSS. Of course, the Committee on Rules has absolutely nothing to do with the control of the time under the 5-minute rule; is that not correct?

Mr. O'NEILL. The gentleman is correct.

Mr. GROSS. Why, certainly, that is the case.

Mr. O'NEILL. I think, perhaps, there is more opposition to this bill that arises from professionals. You know in this country of ours, we have people who are professional prohibitionists; there are professional segregationists; there are professional antireligionists and they have taken this in their professional stride crying against the mutual security bill. They have come up with all kinds of propaganda, some of it weird and some of it distorted.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. FEIGHAN. With reference to your observation about professionalism and professional people being antagonistic toward this bill, it seems to me you are getting the cart before the horse. I believe it was just last year preceding the consideration of the mutual security bill on the floor that there was a tremendous banquet in Washington to which people from all over the country had been invited for the purpose of lobbying the Congress for this particular bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Iowa.

Mr. GROSS. Will the gentleman tell us the source of that three-colored glossy-paper print job from which he read? Is that State Department propaganda that was printed at the taxpayers' expense?

Mr. O'NEILL. If I cannot have confidence in testimony presented to the committee by the State Department itself, then I surely am not going to put my confidence in Eugene Castle and others of his type.

Mr. GROSS. I just wanted to know what the gentleman was reading from.

Mr. O'NEILL. I am sure the gentleman knows its source.

Mr. Speaker, I yield the balance of the time on this side to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the President recommended a total of $3,909,400,000, and after many hearings and long consideration the committee has reduced this recommended authorization by $266 million.

As the committee report says, "The bill makes changes in emphasis in the program" and also "makes more efficient use of the dollars provided."

The world has been undergoing for some years one of its most trying periods. A powerful and viciously destructive force exists, bent on world domination. It is unnecessary to argue this well-known and self-evident fact. At issue is the right of people to determine freely their own form of government and the right of nations to be independent and of peoples to be free.

This is a period when those who believe in a government of laws and not of men must constantly be on their guard. This is a period that produces our strength, our faith, and our courage. It is no period for weakness, uncertainty, or fear. It is no period to rely solely on hope. It is well and wise to hope for the best but to prepare for the worst. It is a period that if we are going to err in judgment, it is better that we err on the side of strength than on the side of weakness. For we are dealing with an international conspiracy the entire opposite and enemy of our way of life that recognizes no law but the law of might. The only thing that the Communist leaders respect is what they fear, and that is strength, military strength, greater than they possess themselves. Anyone who thinks they can deal with the Kremlin on a moral level or on the level of idealism is closing their eyes to established facts and are actuated by fear or by false hope. The only level upon which the Kremlin can be dealt with is upon the level of the law of self-preservation, for it is only strength they fear through respect that will operate as a deterrent. As long as we are strong, as long as we have the power to effectively retaliate, the reasonable possibility is that the Soviet Union will think long before they attack us. I have no objections to negotiations, in fact, long negotiations, if necessary, but to negotiate for progress through firmness and under no conditions to retreat. Instead of a summit meeting at any cost, what is needed is a meeting on the level. And, we are witnessing what is going on at Geneva, where the Soviets, with arrogance, submit terms which, if accepted, would mean capitulation on our part. If President Eisenhower adheres to his position, the American people will support him. For him and our allies to go to a summit meeting at any price would result in a second Munich, and Munich, based on hope alone, was the final act which led to World War II.

If we have learned anything from the events preceding World War II, it is that weakness and uncertainty is treated by vicious world killers as an open invitation to attack and to attempt to conquer.

What is going on now at Geneva and what will take place in the next year will likely be the keystone of the present period of strain and tension. If we show weakness, I fear for the results in terms

of independent nations and free peoples. What is being decided is not only the kind of a world we are going to live in but the kind of a world our children and our children's children are going to live in.

As I walk through the halls of the Capitol and I meet these youngsters, young America, the thought enters my mind, "What kind of a world are you going to live in?" My world is pretty well over. I have taken pretty well the journey of life, but I see these youngsters, as you do, not only here but in the streets of my home city of Boston, and other cities that I have visited, and immediately the thought comes to my mind: "What will be the kind of a world you are going to live in? What kind of a life confronts you?" The answer comes to me that it is being determined now. And, it will be based upon soundness of the present leadership in the free world and with special emphasis upon our own country; that it will depend upon our vision, our outlook, our courage, dependent upon our firmness as to the kind of a world your children and your children's children are going to live in. And, we must perform our duties with courage as Americans; not as Democrats or Republicans and, if necessary, without regard to political consequences.

There is too much at stake. The major part of that stake is the kind of a world your children and their descendants will live in. Make no mistake about that. We can close our eyes and becloud our minds if we want to, but the vicious minds of "world killers" and what they will put into operation will catch up with us, particularly when they see weakness and uncertainty among the leaders and the peoples of the free countries of the world.

The pending bill is an important and necessary part of our foreign policy and of our national defense. I do not like to appropriate money, but I am doing it because I consider the national interest of my country calls for it. We do not want to see America alone in the world today with the rest of the world dominated by communism. I would never admit that they could defeat us, but I never want to see that day come in the life of America, and I will make every contribution I can to avert it.

If the present bill is administered properly and effectively, it presents the means to affirmatively fight for the things we believe in, thereby effectively combating atheistic communism in its deliberate conspiracy and intent to dominate the world, for any war, cold, hot, or otherwise, cannot be won by being always on the defensive, by negative policies and actions. We must get on the affirmative. This bill, properly administered, enables our country and the free world to do so.

The committee has worked hard and long and ably. I congratulate the chairman and the members of the committee who voted to report this bill out. It is a bill that the Members of the House can support with confidence that its passage at this period of the world's history is in the national interest of our country and the best interests of our people.

In conclusion, may I call the attention of my colleagues to the fact that we have a direct responsibility, each one of the 436 Members of the House and 98 Members of the other body. We are charged with direct responsibility, from the legislative angle, with the defense of our country and our own national interest. May I call attention to the fact that it was only within recent weeks that Khrushchev threatened West Germany, saying, "Eight bombs could obliterate you." He also threatened the rest of Europe; eight bombs could obliterate the rest of Europe. He went to Albania and threatened Italy and Yugoslavia and other countries. I think I am capable of interpreting that. He is trying to break up NATO. He is trying to destroy NATO. He is trying to divide and rule. We must have firmness before the fact, not after the fact. That is the road we must take in order to travel the best avenue to assure peace.

Mr. Speaker, as I say, this is a bipartisan effort. We Democrats lift ourselves above political considerations. We serve in this as Americans doing the best for our country, working in cooperation as Democrats and Republicans, all Members of the Congress, to put through a strong bill, an effective bill, that will make a marked contribution toward combating communism, combating it affirmatively, and a marked contribution toward bringing about the ultimate world peace that we all seek.

Mr. ALLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I, too, want first of all to commend the committee for what I think has been a very good job in connection with this bill. There are many people who will see things in it that they believe are bad, things that they would change. As far as I am concerned, I trust that we can go on to the adoption of this rule and that under the 5-minute rule, the people in charge of the bill will be generous enough so that we can thoroughly consider the measure and come to the right conclusion on it.

Personally I shall support the bill. I want to say, with the majority leader, that this is one of the measures that comes before us which we consider on a nonpartisan basis; maybe it is a bipartisan basis, but really it is a nonpartisan basis. I think I need only recall to those who were here in the 80th Congress that at that time the Congress was Republican and the President of the United States was a member of the Democratic Party. At that time we had the first proposals with respect to this program. Then, it was very obvious what the purposes and intentions of the Communists were. They were then determined to rule the whole world, even as they are yet determined to rule the whole world one way or the other.

When that became so obvious, recommendations were sent up to the Congress for interim aid to France and Italy and for aid to Turkey; subsequently the Marshall plan came along, and subsequently the creation of NATO. Congress—and I joined in the effort—responded on a nonpartisan basis. That was the beginning of these various programs.

I think it is only fair to say that some parts of the program have at times subjected the whole to criticism. Certainly there should be every effort to administer the program in the best possible way. But, believe me, from what I have seen of it, I know it is a difficult program to administer.

Also, it is obvious to all of us who have been here for some time that the question of support for or opposition to this measure divides us on both sides of the aisle. Some on my side support it, some have opposed it. The same is true of Members on the other side. Through the years there have been changes back and forth with respect to the matter of support.

I think I should say that the President of the United States views this proposition with greater interest, and more concern, and speaks of it more often than any other program about which I have occasion to talk with him or to hear discussed in his presence. He feels it is of tremendous importance to the security and defense of our country. And I say also that this is not the program of only the President or of your State Department, it is a program advocated after careful consideration by the military experts of the country who feel that this is a vital part of our own national defense. I realize it sometimes seems to be quite popular to call this a giveaway program. I do not even like the term "foreign aid" that some people use so much of the time. It is a mutual security program. It does not involve shoveling out billions of dollars of our own money just to be nice to people. A great part of the money is for military support and military defense and defense support. Perhaps there was a day when we did not need any offshore bases. Possibly there was a day when the Atlantic and the Pacific were great moats that protected us, and as long as we protected the surface of the seas, we were reasonably safe. But in this day of advanced, modern warfare, there is no adequacy in any such defense as that. So what do we have to do? We have to provide for offshore defenses of the United States of America, and that is essentially what this bill is and what it does.

The majority leader spoke of the avoidance of war; and that should be the objective of our foreign policy. That is the final, ultimate objective. We have had some critical situations around the world in recent years. But we have had no wars. I attribute that in great part to the strong, firm leadership and to the strong bipartisan backing in the Congress of the United States, and I attribute a very measurable part of it to the great deterrent to armed aggression that exists in the very fact that this program that we are talking about here today is in being. So I ask you to support the rule and to support the bill.

Mr. ALLEN. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I want to be as realistic as I can in discussing this legislation and this rule. I want to be as factual as I can in discussing this legislation and the rule which makes it in order.

First of all, I want to say as a realist, I am rather certain in my own mind that this rule will be adopted and that this bill will be passed substantially in the form in which it has been presented. Next, as a realist, I want to say I believe all of us, every real American and every good citizen, is opposed to communism and the spread of communism. I think we can all agree that there has been a great appeal made here by the majority leader and the minority leader of the House to your emotions and to our detestation of communism and the spread thereof. I want to appeal to your reason; for at the same time, I think we should be factual.

It has been mentioned previously in debate as to the military assistance to foreign countries carried in this bill, and how it carries funds to protect us from the spread of communism. The fact is the committee reduced the request of the President for military assistance from one-billion-six hundred-and-some-odd million dollars to one-billion-four-hundred-and-some-odd million dollars. So the majority of the funds carried in this bill are not for military assistance to foreign countries, but purely for economic aid.

I think if you stop to think for just a moment, you will agree with me that these various foreign aid programs, and we have had them under all kinds of names and under all kinds of initials, have not worked too well or been too effective in stopping the spread of communism throughout the world, because today there are approximately twice as many human beings living under the control and rule of Communist dictatorships as there were when we started these aid programs. Now I voted for some of these programs in the beginning, when we were pledged, and when we were promised, in the well of this House, that if we would only just vote so and so for 1 year or 2 years or 3 years, as the case might be, under a program that might be described by this set of initials or by another set, that it would solve world problems and bring an end of our troubles with communism.

Yet when the chairman, Dr. MORGAN, and he is a very able gentleman, came before the Rules Committee in answer to a question of mine he said that he did not want to predict, but that the experts estimated it would be necessary to carry on this program at least 10 years more. That we would have to continue this program, this very program that many of you senior Members of Congress were told from this very spot in the well of the House would last only 2 or 3 years, and then it would be over. And the Doctor, the very good Doctor—for he was a very good witness, an honest, frank, able witness—told us that we had spent some $42 billion on the mutual security or the foreign aid program alone since we started it; and, as I understood him, that amount did not include military aid.

It has been difficult to get exact figures, but so far, since World War II ended, we have spent between $67 billion and $72 billion of the American taxpayers' money on these various types of foreign aid programs. Yet we have been seeing the spread of communism everywhere. I asked the good Doctor, when he was a witness before the Rules Committee, if his committee had taken into consideration that the U.S. Government today owes $286 billion—more money than all the other governments of the world combined? That we are running a Treasury deficit at the present time of $1 billion a month, approximately: $12 billion in the red this fiscal year; and that every dollar authorized in this bill will probably have to be borrowed? I questioned him at some length as to whether or not his committee had given any consideration to the moral, or the legal, or the constitutional right of any Member of Congress, through the powers of taxation, to reach into the pockets of any American citizen and take therefrom a part of his substance, thus lowering the living standards of his family in order to turn his money over to some foreign government to lift the living standard of some foreign family?

I asked him, and I ask you, if the other benefits and moneys the Government of the United States has been giving to foreign countries has been taken into consideration in the consideration of this bill.

The mutual security appropriations for 1959 amounted to $3,298,092,500. That was considerably less—about $350 million less—than is contained in this bill. That appropriation included $33 million for ICA, the International Cooperation Administration and $400 million for the Development Loan Fund. Later we voted an additional $150 million for the Development Loan Fund as a part of the second supplemental appropriation bill. This money will not become available, or be used, until after July 1, in the fiscal year of 1960.

Then on top of all that I would like to point out that we gave as foreign aid in the fiscal year 1958, and we are giving approximately the same amount in the fiscal year 1959, some $1,500 million in food and fiber to our allies across the seas, under provisions of Public Law 480. We also gave $118,923,000 in that fiscal year for the U.S. Information Agency, a part of our foreign aid program.

In addition to that, we have furnished approximately $7 billion, and have made available some $4,500,000,000 more to make loans to foreign countries through the various lending agencies such as the International Bank, the World Bank, the Export-Import Bank, and other similar organizations. All in all, counting $4.7 billion of mutual aid funds to be carried over into the new fiscal year of 1960, there will be available for foreign aid purposes some $15 billion if this bill becomes law.

I would like to point out, in answer to some of the statements that have been made about how this is necessary to fight communism, that this bill also carries funds to be given to Communist-controlled countries, dominated by Communists, and that we have given, not only hundreds of millions, but billions of dollars to countries and governments that owe their allegiance to Communist Russia. I question very much if those funds which we are spending for such purposes will help stop communism.

Let me point out, also, that a bankrupt America cannot long be a force for good in the world. That an insolvent U.S. Government cannot long be a bulwark against Communist aggression. That we cannot forever—170 million of us—continue to feed, finance, and police the world. That to preserve our own liberties and freedoms we must preserve our own strength. True we cannot live alone in this modern world, but we can, if we will—and we should—conduct our foreign relationships in enlightened self-interest. We must, of course give thought and consideration to the needs of others; but, first of all, we must give proper consideration to our own national needs, and to the welfare of the people we represent.

The specific thing I want to specifically point out in this bill, and the reason why I voted against the rule in committee, is that this rule waives points of order on the bill.

This bill would establish and start three new oversea activities as a part of our foreign aid program. First, it would permit the use of counterpart funds, which are simply foreign currencies for which we have paid in goods or services in some way, which belongs to us actually for the erection of schools and the operation of educational systems abroad. We would build schoolhouses abroad, start educational systems, hire teachers, staff the schools, and so forth, right at the very time we have before us legislation to give Federal aid to education here at home, a proposal that has been rejected three times by this same body in past years. Next, under this bill, we would set up and build hospitals in foreign countries, all at the expense of the American people through use of these counterpart funds, although we are having trouble taking care of our own hospitals and our own health services, here in America.

Then, next, this bill would set up an interpreting and translating organization in these various foreign countries, when we already are doing that very same thing through our Library of Congress, and through our Armed Forces. Finally, of course, and this is not subject to a point of order, we would set up a new job, an inspector general in the State Department, to check on its foreign aid program something that the Comptroller General is supposed to do, and has difficulty in doing, or making public to Congress, because the information he obtains is marked "classified" or "top secret" and we are not permitted to see his reports.

I want to suggest in conclusion that you read carefully the minority committee reports, and the various statistics that are contained therein.

Mr. ALLEN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Speaker, I ask unanimous consent to revise and extend

my remarks and to include certain tables.

The SPEAKER. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. CHURCH. Mr. Speaker, I listened with great interest to the speaker who claimed that the opposition to this bill came from professionals. As a member of the House Committee on Foreign Affairs, I would respectfully point out that even on the part of some of the members of that committee, there is honest questioning about the program, there is honest questioning about the plans, there is honest questioning about the implementation of the plans, there is honest questioning about the psychology on which the plans are based—and as to whether the American people are getting the results for which they are paying such tremendous costs.

When you say that the opposition comes from professionals, it is only fair to have also on the record the fact that there are six members of the House Committee on Foreign Affairs, some of whom have served there with me for over 3 years, who voted against reporting out this bill. These are they who believe that there is more faith in honest doubt than in mere continuation of the same program by the same means, even though the aim and purpose be, of course, agreed with, even though we too believe in mutual security.

Because I am limited in time, I merely suggest that you indeed read the report drawn up by four of the minority, and particularly the tables appended thereto which show the extent of the actual aid given by the United States since 1945. This minority report represents, of course, not the full opinion of each of the four signers, but is a fair statement of the common denominator of agreement among us.

In order to make this material easily available to you, I shall, under the permission just granted, insert the statement in the RECORD. I shall present there also, for your equally honest and thoughtful consideration, the tables showing the extent of U.S. aid since the end of World War II.

I ask you to read this material. I ask you to note the extent of the operations and the cost. I ask you whether or not what we are doing is being done effectively enough; whether what we are doing is being done along the right lines; whether all that we are doing is being done fruitfully; whether, in fact, continuation seemingly without end and without change can be justified. I think that you will agree that the time has come—as we in the minority think—for a complete review and revision of the concept and the program—and for a long and realistic look ahead to its effect on our national economy and, in fact, security.

MINORITY REPORT OF MR. PILCHER, MRS. CHURCH, MR. ADAIR, AND MR. BENTLEY

We assuredly believe in mutual security—but we do not believe that this proposed legislation, H.R. 7500, meets the challenge to build an actual system of mutual security or presents an adequately considered program to secure the peace and progress of the United States and the present troubled world.

In prior years we have expressed our strong conviction that passage of extravagant mutual security legislation is not and cannot be the answer to our basic need for peace and security. The mutual security bill for fiscal year 1960, as reported by the committee, authorizes $3,643 million and represents a further abdication of congressional responsibility and control over the foreign-aid program despite increasing and incontrovertible evidence of waste, inefficiency in administration and execution, and, in one instance at least, graft and corruption. It is increasingly apparent that the policy and the programs to be authorized by this legislation have proved in large part to be not only wanting, but, in many instances, self-defeating.

This year, despite mounting dissatisfaction and disillusionment with this program among the people of the United States, this bill continues an unremitting expenditure of Federal funds for foreign aid, not knowing what its future course, size, or policies will be.

Eugene R. Black, president of the International Bank for Reconstruction and Development, in a speech made in Detroit, Mich., on April 20, 1959, had this to say about foreign aid:

"I am sure there would be less confusion and debate here and abroad over the American Government's efforts to promote economic growth abroad if as much emphasis was placed on the quality of help offered as on the quantity. As it is, the two words 'foreign aid' have become so elastic that they now embrace a host of special objectives—military, political, and commercial, as well as economic—so that it is often not at all clear just what is being attempted in a given instance * * *.

"When * * * loans and grants are used, as they have been, to aid, abet, and perpetuate policies in other countries which make economic growth virtually impossible, then we are asking for trouble. The result, as we have seen in more than one country recently, is a deterioration of the other nation's economy and a reaction, sometimes violent, against the very programs which were supposed to help * * *. These are serious weaknesses.

* * * * *

"The difference between effective assistance and a giveaway is not the difference between a loan and a grant; it is the difference between an insistence on sound financial and economic policies and no such insistence."

Again, on May 5, 1959, Mr. Black, speaking in London, England, made these remarks that are worth noting:

"For instance, it has been the fashion for some time to try to use finance as an instrument of diplomacy—a method of winning or cultivating friends among nations, for the purpose of maintaining or improving international alinements in a time of world tension.

"By now, I think, the limitations of this approach are plainly apparent. If the purpose of a particular offer of aid is to win gratitude, then the donor is likely to think that the act of giving or lending will of itself achieve the purpose. Whether the financing is for a project which is feasible or whether it meets an economic need of some priority tend to become secondary considerations, and whether the economic purpose of the financing is finally achieved tends to become more secondary still.

"There are in a number of underdeveloped countries unhappy monuments to the wastefulness of this kind of approach—the great irrigation dam thrown across a valley whose soil is actually unsuited to cultivation; the steel mill able to stay in operation only with the help of high tariffs and of taxpayers' subsidies; the project ill planned, and then planned again, until its cost to the intended beneficiary has been multiplied four times or five."

Former International Cooperation Administration Director John B. Hollister, in an article in the Saturday Evening Post of March 28, 1959, entitled "Let's Get Tough About Foreign Aid," said:

"There is, of course, powerful opposition in both Congress and the administration to this quid pro quo concept of ICA's purpose. One group, for example, is constantly attempting to divert an increasingly larger percentage of our foreign-aid funds to the improvement of undeveloped parts of the world, regardless of our national interest. Because we are rich and powerful, the proponents of such a policy say, we should continue this program even if the cold war should come to an end. This is an entirely praiseworthy attitude of the majority of Americans in their private lives, but our administration, in my opinion, was not elected to act as agent for our philanthropies.

* * * * *

"An especially tough kind of realism is needed in this area of ICA's activities. The United States does have a real stake in keeping as many uncommitted nations as possible from being drawn into the Communist orbit through too much dependence upon Soviet aid. We cannot permit ourselves, however, to be lured into the fool's game of trying to outbid the Russians everywhere. That way lies bankruptcy.

* * * * *

"Working under these handicaps, we obviously have a great need for unity of purpose and action. We should speak with one voice around the world. Unfortunately, the tendency in Washington, both in the administration and Congress, is to fragmentize the aid program.

* * * * *

"If appropriations for the mutual security program are not to increase steadily and if we are to have an adequate reserve for new and pressing needs for aid which will inevitably arise, we must cut down on some of of our existing programs and teach our friends abroad that our assistance is an emergency measure, not a continuing subsidy."

OVEREMPHASIZED EXPENDITURE

The principal objection to this program is that the mutual security we seek has not been accomplished by the vast expenditure of billions of dollars since World War II. It is not accomplishing and is not achieving the results that were intended. The greatest amount of criticism has arisen in connection with the improper administration and the unwise use of the funds of the program. The error, failure, and, in some cases, actual corruption within the administration of the program are far greater than can be considered—as is often claimed—to be inherent in a program of this magnitude. Nevertheless, in the face of such cold facts, no attempt has been made to reappraise the tremendous expenditures on the foreign aid program, of which the effectiveness should certainly be questioned.

Though consistent requests are made for more money, the question might even be raised as to whether a sparsity of money might not actually force economy and better administration in the handling of the program. The executive branch was officially asked during the hearings what specific effect the proposed cuts would have on the entire program. No answers were ever forthcoming. From this it might perhaps be argued that failure to authorize the appropriation at this

time might not be fatal to any part of the program.

It is estimated that as of June 30, 1959, there will be a total unexpended balance of $4,871.2 million. The present bill would authorize an additional $3,643 million. A total of $8,534.4 million will be available for expenditure for fiscal year 1960. There must also be added a total of $1,143.6 million in unexpended mutual security local currencies and Public Law 480 currencies administered by mutual security agencies. The wisdom of authorizing huge additional funds without stronger directives and control can certainly be questioned.

THE ENTIRE MUTUAL SECURITY ACT NEEDS RECONSIDERATION AND REVISION

The mutual security program is long overdue for review. Not since 1954 has there been any revision or any attempt to revise mutual security legislation. It is time we took a new look at our policy and programs. We urge a thorough study, a reappraisal, a redefining of foreign policies and statutes concerned with the goal of international peace and security.

The Marshall plan provided for rehabilitating war-torn industries in Western Europe. This proved to be a successful and beneficial operation. However, the expansion of this plan without adaptation or change to countries lacking political, commercial, and other similarities to our own system has not been equally successful. The funds authorized and appropriated each year by the Congress are of such a magnitude that a weakening in the financial structure of our country is very noticeable. New programs of a military and economic nature are being proposed for additional countries. As a result of new and expanding programs, an increase in personnel is required. In 1949, the Economic Cooperation Administration had 3,672 employees. As of March 31, 1959, ICA personnel strength, which does not include other agencies administering mutual security funds, totals 11,424 employees. The administrative expenses are adding to the large sums required for our programs.

In view of our gross public debt of $286.2 billion, as of May 28, 1959, it is time that we reexamined the entire mutual security legislation with the purpose of reestablishing sound fiscal and foreign policies.

A REVIEW OF OUR MILITARY ASSISTANCE PROGRAM IS REQUIRED

There has been overfunding of the military assistance program to meet marginal requirements such as the provision of military equipment having no relation to the capacity of the United States or of other nations to meet major Soviet aggression. In view of this overfunding, it is apparent that the program should be critically examined.

Inefficiency in the handling of the program is in many instances shocking. The Comptroller General over the past several years has issued reports criticizing slipshod programing and faulty execution of military assistance. Numerous instances were reported where material was programed even though the material was already on hand in sufficient quantities in the recipient country or in a neighboring country in surplus quantities. In some cases spare parts have been disposed of as surplus while requisitions for the same items were concurrently being processed for delivery from the United States. It is evident that there has been an inadequate control of documents, inaccurate recordkeeping, and lags in reporting delivery.

Much of our military assistance is beyond the capacity of some of the recipient nations to utilize. In many instances, the assistance is resented by the local populations as representing an effort by the United States to interfere in the domestic policies of the nations involved. In some cases the economy of a country is depressed in favor of large military budget expenditures. A review of the annual military assistance programs would result in a revaluation of force objectives in each country and more accurate long-range program costs.

TRANSFER OF FUNDS

Transfers out of the military assistance funds have been in the aggregate amount of $955 million. In addition to these transfers, under the provisions of the current section 451 and its predecessors, section 550 of the 1951 act, and other legal authority, $908.4 million has been used by the economic side of the program. The transfer of $908.4 from the military assistance funds is the result of administrative determination by the executive branch to supplement the defense operations of the International Cooperation Administration. Consequently, from the military funds there have been transferred $1.863 billion to be used for economic assistance.

The loss of congressional control over funding results in a loss of control over administration as well as policy. Under the proposed legislation, the funds authorized for military assistance, for special assistance, and for the contingency fund can be used for practically any purpose in almost any area of the world. Under the transferability provisions, all restrictions on the use of funds are sharply reduced.

VARIATIONS IN ESTIMATES AND ACTUAL ECONOMIC PROJECT ASSISTANCE

It was developed during the hearings that in a number of major projects for which funds were requested for prior fiscal years, the actual obligations, subobligations, and expenditures differ substantially from the original ICA estimates. In some cases estimated obligations were understated and estimated subobligations and expenditures were overstated.

The fact that estimates for subobligations and expenditures failed to be substantiated makes questionable the reliability of an important segment of the presentation on project assistance. Moreover, this failure to estimate reliably causes an increase in the financial pipeline with the result that certain implementation actions contemplated to be taken in any specific year are delayed until the next fiscal year. It is advisable that the status of such projects be reexamined before programing additional funds.

The Comptroller General, testifying before the committee, in answer to a question concerning whether, in his opinion, the ICA had too much money to provide the adequate planning and programing of these projects, said:

"We have felt that the organization in the past, and I think probably at the present time, has a tremendous job to do to handle all of this money and to properly set up these projects. I think we have said that" (hearings, p. 1788).

The Comptroller General had this to say on how the programs can be improved:

"The agency's contention that variances in cost estimates of long-term projects are not directly related to current appropriation needs appears to us to assume that the Congress is expected to appropriate funds annually for long-term projects against current cost estimates substantially different from previous estimates, without being apprised of the differences and the reasons therefor. In our opinion, such an assumption would not be compatible with the purpose of the appropriation process. We believe that for major projects the agency should clearly set forth the financial plan, the proposed annual financing, and any significant changes in their respective amounts and relationship which have occurred since the last submission to the Congress." (Hearings, p. 1747.)

AUTHORIZATION WAS MORE THAN REQUESTED FOR DEVELOPMENT LOAN FUND

The sum of $700 million was the request of the executive branch for the coming year but the committee authorized a sum of $800 million. The additional $100 million can hardly be justified since the Honorable C. Douglas Dillon, Under Secretary of State for Economic Affairs, testified before the committee that not more than $700 million is needed (hearings, p. 201). How this additional hundred million will be spent, and if it will be spent wisely, is questionable.

We have always seriously questioned the composition of the Development Loan Fund and the policy of making soft loans. It has always been our fear that loans repayable in local currencies will continuously require the unnecessary and unwise expenditure of American dollars. The record to date is that 81 percent of the loans will be repaid in local currency. The revolving fund of the Development Loan Fund will consist of the local currencies that are received from the repaid loans. Any dollars received from these loans will revert to the U.S. Treasury. The fact that the Development Loan Fund is now to be rebuilt into a revolving fund through the above method will tend to remove it from congressional control.

FINANCIAL CONDITION OF THE UNITED STATES

It is time to consider the financial condition of the United States. The budgetary deficit for fiscal year 1959, which is over $12 billion, exceeds, in time of peace, the entire expenditures of the Federal Government two decades ago. We have had 23 deficit years out of the last 28 years. Although tax revenues in the last 6 or 7 years have produced the largest Government income ever enjoyed by any nation in any period of time, we have in that period of time added some $19 billion to the national debt and, for the first time since World War I, we have raised the debt ceiling twice in 1 year.

We are collecting the highest peacetime taxes ever exacted from the American citizens. Interest on the public debt is taking approximately one-tenth of all taxes collected.

It is estimated that the aggregate national debt of the United States amounts to $286,200 million. The total national debt of all other nations in the free world is $185,526 million; of Soviet Russia, $50 billion; and of all Soviet bloc countries exclusive of Red China and Viet Minh, $931 million, making a total of $236,457 million. In other words, the national debt of the United States of $286,200 million exceeds the total combined debts of all other countries of the free world, plus that of Russia and the Soviet bloc, by $49,743 million.

So heavy have been the appropriations urged by the President and passed by the Congress that the Treasury Department faces a crisis today in refunding Government bonds, and rates of interest paid by the Government have risen above anything recorded since the Civil War.

The dollar is now worth 48 cents in terms of what it was worth in 1939, and the cost of food has tripled in that time. The American dollar, once the strongest and most sought after currency in the world, is selling at a discount in some countries. U.S. generosity in providing aid in most areas of the world has created an abundance of dollars to the extent that gold is more desirable than our currency. In the face of such facts, billions of dollars are expended each year on a foreign aid program that is unrealistic and frustrating.

THE GOLD OUTFLOW

Last year the United States lost the record amount of $2.3 billion of gold. Since the

start of this year, $346 million of U.S. held gold has been transferred to the accounts of foreign holders. The following figures regarding gold reserves in the United States indicate the financial position of this country:

	Billion
Dec. 31, 1957	$22.781
Dec. 31, 1958	20.534
May 5, 1959	20.255

Though some $20 billion is still held in the United States, it is not, strictly speaking, entirely owned by the United States. The "free" gold supply is comparatively small. The notes and deposits of the Federal Reserve banks are required by law to be backed by 25 percent of gold, or about $12 billion. It must also be able to redeem some $16.6 billion in foreign time deposits in U.S. banks, foreign held U.S. Government securities, and similar claims. As of May 6, 1959, this called for a gold cover of $11.7 billion, leaving the Treasury with only $8.5 billion of "free" monetary gold. There is a question as to how long the United States can afford losing gold without feeling it.

Some countries have immense reserves of dollars which are being used for the purchase of gold in the United States. At the present time $12.7 billion of the $20.3 billions of gold in the U.S. stockpile is held by foreign claimants. This country could find itself in a severe financial squeeze if these foreign claimants demanded to be paid off in gold at once. As a result of such a demand by the claimants, the gold backing would drop to $3.7 billion, a third of the legal requirement.

BALANCE OF TRADE

The net position of the United States in its balance of trade with the rest of the world was a chief concern of the committee during the markup of the bill. The once huge gap between exports and imports has narrowed to the extent that exports for 1958 decreased $2.991 million from the previous year. The Department of Commerce report on the total export and import trade of the United States gives these statistics:

BALANCE OF TRADE

Excess of exports over imports, excluding military

[Millions of dollars]

1958	3,486
1957	6,477
1956	4,718
1955	2,910
1954	2,640
1953	1,390
1952	2,487
1951	3,000
1950	1,141

With U.S. foreign aid and U.S. private investment abroad still high, the United States has a $3.3-billion-a-year deficit in payments. In simple terms, the total annual amounts paid out in U.S. dollars exceed total sums paid in.

When war ended in 1945, the nations of Western Europe were prostrated. U.S. aid, amounting to billions of dollars each year, helped to get the world back on its feet. As aid from our Government took hold, private enterprise moved in. The results are so startling that nations on the edge of ruin barely 10 years ago are challenging the United States for leadership in many markets of the world. Foreign merchandise coming into the United States is capturing more and more markets. The United States has spent billions of dollars to revive industries abroad and teach them mass production, with the result that these reestablished industries have become our biggest competitors in a growing number of fields.

CONTRAST OF U.S. AND SOVIET AID

Advocates for the continuation of the mutual security legislation assert that it is necessary because of the activities of the Soviets in this field. A comparison on the type of aid given by both countries and the accomplishments is worthwhile noting.

U.S. Government aid in the form of gifts and loans to other countries is in the sum of $74.2 billion since 1946. Of this amount, $59.2 billion has been in the form of outright gifts.

The CARE relief organization has donated $6.7 billion to feed and clothe destitute people.

American businessmen have invested more than $27 billion outside this country since the war.

This all adds up to a total of $107.9 billion. However, U.S. purchases abroad constitute $190 billion, making an aggregate total of $297.9 billion.

Of the $297.9 billion expended by the United States, approximately $275 billion was spent to rebuild cities and industries, furnish American machinery, and so forth. Another $11 billion has been used by nations receiving our aid to add to their financial reserves in gold and dollars. The remaining billions have been used for other purposes.

Over the same period of time, Soviet aid amounted to $2.4 billion, or about one-fiftieth as much as U.S. aid. It has been reported that Russian purchases of foreign goods are considered as loans made abroad and are included in the category of Soviet aid. If the ruble is valued at the rate of four to the U.S. dollar, then we may assume by their definition of aid that Russia has made available to the outside world, at the most, about $30 billion in postwar years.

To sum up, Soviet Russia's aid amounts to approximately $30 billion, while that of the United States is $297.9 billion.

The United States has undertaken the principal burden of defense for the free world. Our allies, although strong industrially, are not assuming an equal share of the burden with the United States. While the United States is devoting more than 10 percent of its gross national product to defense, Great Britain, for instance, is contributing only 7.5 percent of its gross national product, France 6.8 percent, and West Germany 3.4 percent.

In the U.S. News & World Report, June 1, 1959, an article, entitled "The World's Biggest Success Story," depicting our aid program raises these questions:

"Can United States keep on? The question being raised is simply this: Has the United States undertaken to do more than it can do abroad and at home without weakening its currency and its competitive position in the world? In its desire to help others has this country reached a point where it might hurt itself?

"A stirring of interest in those questions is beginning to show itself in the U.S. Congress.

"Success that has grown from an idea of 1948 may turn out to have been too great for America's comfort."

ENTIRE FOREIGN AID PROGRAM MUST BE REALISTICALLY REAPPRAISED

After the expenditure of approximately $70 billion for foreign aid programs since 1945, and under circumstances and results which we have described, an additional authorization of $3.6 billion should be made only after careful and painstaking study. To refuse to make such a study and, in fact, to pass legislation which further weakens the control of Congress over the program is a definite abrogation of congressional responsibility. Furthermore, today our foreign aid program is not the effective instrument of a carefully concerned foreign policy, directed at the global challenges facing our Nation. Further wholesale appropriation without reevaluation of the policy, program, and administration constitutes on the part of Congress irresponsibility and indefensible dereliction. Tables appended illustrate the generous but costly burden borne by the American people for these programs since 1945. The continuation of such costs—and such generosity—can only be justified or voted by us if results equal the good intentions. Our careful study convinces us of failures that could have been avoided, of weakness and ineffectiveness that could and must be eliminated. In our opinion, the present authorizing legislation is a weak and inadequate answer to the vital need.

EXTENT OF U.S. AID SINCE 1945

The following tables prepared by the Legislative Reference Service of the Library of Congress illustrate the cost of the foreign aid program to the American people. These tables show the distribution of U.S. grants and credits for economic and technical assistance by program and by country, but do not include military assistance figures since they are reported on a geographical basis only. Also, transactions by and with the International Bank, the International Monetary Fund, and the International Finance Corporation are not included.

TABLE I.—*Foreign grants, by program*

Postwar period, July 1, 1945, to June 30, 1958, fiscal years 1957 and 1958

[In thousands of dollars]

Programs	Postwar period	Fiscal year 1957	Fiscal year 1958
Total	57,274,691	4,109,498	4,130,476
Mutual Security	42,524,196	3,859,019	3,889,749
Military aid:			
Military supplies and services:			
Defense Department	20,334,455	2,207,823	2,432,841
Other departments and agencies	71,122	8,740	8,289
Multilateral construction	492,425	63,367	67,442
Other aid:			
From economic and technical aid appropriations	20,638,457	1,426,810	1,173,332
"Atoms for peace"	410		410
From Public Law 480 currencies	91,732	8,328	71,257
Mutual Security—Continued			
Other aid—Continued			
Famine and other relief:			
Wheat for Pakistan	67,403		
Under Famine Relief Act	9,375		
Under Public Law 480	346,588	80,469	86,787
Through Chinese-Korean student aid	7,429		
Through international agencies:			
Movement of migrants and refugees	78,464	21,044	17,074
Multilateral technical aid	107,738	15,939	16,317
Palestine relief	185,722	26,500	16,000
U.N. Korean Reconstruction Agency	92,876		

TABLE I.—*Foreign grants, by program*—Continued

Postwar period, July 1, 1945, to June 30, 1958, fiscal years 1957 and 1958

[In thousands of dollars]

Programs	Postwar period	Fiscal year 1957	Fiscal year 1958
Civilian supplies:			
Civilian relief in Korea	444,255	2,675	1,814
Government and relief in liberated and occupied areas:			
By Defense Department	5,107,394	805	827
By International Cooperation Administration	172,533		
From lend-lease appropriations	134,444		
International agencies:			
UNRRA	2,588,659		
For refugees	240,766		
For children	137,120	11,514	9,664
Post-UNRRA	298,748		
Interim aid	555,684		
Lend-lease:			
Military (China)	679,073		
Postwar pipelines	1,227,061		
Greek-Turkish aid:			
Military	530,203		
Other	122,484		
Philippine rehabilitation:			
Private claims	397,540		
Surplus property	100,000		
Reconstruction and rehabilitation	137,035		
Donations of surplus agricultural commodities through welfare agencies	777,419	165,221	173,234
Military equipment loans	390,605	45,597	24,192
Chinese naval aid	141,394		
Chinese military aid	119,732		
Chinese stabilization	119,594		
Foot and mouth disease eradication	93,891		
Technical aid (other than mutual security)	51,378		
Inter-American and related highways	67,014	15,977	20,961
Trust territory development and support	38,564	4,600	6,035
Yugoslav aid	37,560		
Berlin investment fund	12,857		
Through American Red Cross	10,435		
Libyan special purpose funds	17,000	4,000	4,000
Reconstruction Finance Corporation	53		

TABLE II.—*Foreign grants, by country and program*

Postwar period: July 1, 1945, to June 30, 1958; fiscal years 1957 and 1958. Military breakdown not available by country: Aid by area at end of table

[In thousands of dollars]

Country and program	Postwar period	Fiscal year 1957	Fiscal year 1958
Total	57,274,601	4,109,498	4,130,476
American Republics	1,041,404	167,428	192,199
Argentina	320	84	38
Mutual security aid	122	84	38
Technical aid	193		
Reconstruction Finance Corporation	5		
Bolivia	104,972	23,155	32,046
Mutual security aid	73,318	19,855	32,046
Urgent relief	25,305	2,590	
Agricultural commodities (welfare)	3,599	710	
Technical aid	2,645		
Inter-American highways	80		
RFC	25		
Brazil	50,301	17,039	6,228
Mutual security aid	21,511	4,614	4,674
Urgent relief	474		
Atoms for peace	350		350
Lend-lease	3,616		
Agricultural commodities (welfare)	7,821	2,288	1,204
Military equipment loans	10,137	10,137	
Technical aid	6,050		
Inter-American highways	13		
RFC	329		
Chile	26,214	2,776	11,773
Mutual security aid	12,441	2,131	3,790
Urgent relief	194		
Agricultural commodities (welfare)	8,882	645	7,983
Technical aid	4,697		
Colombia	19,027	3,345	6,203
Mutual security aid	7,502	1,189	1,923
Urgent relief	68		
Lend-lease	11		
Agricultural commodities (welfare)	9,549	2,156	4,280
Technical aid	1,879		
Inter-American highways	18		
Costa Rica	27,586	4,604	7,985
Mutual security aid	6,789	884	1,157
Urgent relief	267		
Agricultural commodities (welfare)	495	128	332
Technical aid	2,190		
Inter-American highways	17,845	3,592	6,496
Cuba	2,808	521	571
Mutual security aid	2,352	521	561
Agricultural commodities (welfare)	10		10
Technical aid	446		
Dominican Republic	2,595	210	163
Mutual security aid	2,089	210	163
Lend-lease	3		
Technical aid	496		
Inter-American highways	7		
American Republics—Continued			
Ecuador	14,591	1,894	2,419
Mutual security aid	10,245	1,715	2,189
Urgent relief	96		
Lend-lease	545		
Agricultural commodities (welfare)	637	179	230
Technical aid	2,924		
Inter-American highways	144		
El Salvador	8,193	1,392	1,117
Mutual security aid	5,418	947	1,060
Urgent relief	41		
Agriculture commodities (welfare)	567	379	57
Technical aid	1,242		
Inter-American highways	925	66	
Guatemala	67,950	19,040	17,136
Mutual security aid	35,586	10,454	9,792
Urgent relief	3,344		
Lend-lease	1,347		
Agricultural commodities (welfare)	458	233	55
Technical aid	2,734		
Inter-American highways	24,481	8,353	7,289
Haiti	22,027	4,503	2,663
Mutual security aid	14,715	3,565	2,474
Urgent relief	3,571	749	
Agricultural commodities (welfare)	1,163	189	189
Technical aid	3,145		
Inter-American highways	33		
Honduras	11,071	2,255	2,065
Mutual security aid	6,538	1,295	1,094
Urgent relief	533		
Agricultural commodities (welfare)	1,145	472	266
Technical aid	722		
Inter-American highways	2,133	488	705
Mexico	108,664	1,701	1,257
Mutual security aid	5,773	1,167	821
Urgent relief	216	216	
Lend-lease	553		
Agricultural commodities (welfare)	953	318	436
Foot-and-mouth disease eradication	93,891		
Technical aid	7,277		
Inter-American highways	1		
Nicaragua	18,012	2,410	3,896
Mutual security aid	4,787	709	756
Urgent relief	41		
Technical aid	395		
Inter-American highways	12,789	1,701	3,140
Panama	20,372	4,179	5,256
Mutual security aid	8,550	1,440	1,335
Urgent relief	68		
Agricultural commodities (welfare)	2,708	962	590
Technical aid	559		
Inter-American highways	8,487	1,777	3,331

TABLE II.—*Foreign grants, by country and program*—Continued

Postwar period: July 1, 1945, to June 30, 1958; fiscal years 1957 and 1958. Military breakdown not available by country: Aid by area at end of table

[In thousands of dollars]

Country and program	Postwar period	Fiscal year 1957	Fiscal year 1958
American Republics—Continued			
Paraguay	13,150	2,028	2,013
Mutual security aid	10,093	1,887	1,901
Urgent relief	30		
Lend-lease	2		
Agricultural commodities (welfare)	452	141	112
Technical aid	2,571		
Inter-American highways	2		
Peru	38,748	10,156	8,897
Mutual security aid	17,497	3,470	3,612
Urgent relief	12,816	6,082	3,756
Lend-lease	237		
Agricultural commodities (welfare)	3,537	604	1,529
Technical aid	4,605		
Inter-American highways	56		
Uruguay	2,707	259	260
Mutual security aid	1,793	259	260
Urgent relief	1		
Technical aid	903		
RFC	10		
Venezuela	2,484	133	144
Mutual security aid	991	133	144
Technical aid	1,493		
International organizations:			
Inter-American Institute for Agricultural Sciences	20		20
Organization of American States	7,534	1,365	1,173
Pan American Sanitary Organization	3,500	1,500	2,000
Unspecified	467,955	62,879	76,876
Military supplies and services	452,756	61,710	75,027
Other mutual security aid	11,679	1,169	1,849
Technical aid	3,836		
Reconstruction Finance Corporation	[1] 316		
Afghanistan	19,651	3,376	11,999
Mutual security aid	14,212	3,339	6,642
Urgent relief	5,317		5,317
Agricultural commodities (welfare)	104	37	40
Technical aid	18		
Albania: UNRRA	20,444		
Australia	12,539		
UNRRA	239		
Lend-lease	12,300		
Austria	1,086,815	3,084	21,653
Mutual security aid	734,779	1,088	3,848
Urgent relief	18,255		15,235
GARIOA [2] (defense)	89,318		
UNRRA	72,696		
Post-UNRRA	86,955		
Interim aid	68,291		
Agricultural commodities (welfare)	17,421	1,996	2,570
Belgium-Luxembourg	582,937	80	82
Mutual security aid	522,139	38	76
Urgent relief	10		
UNRRA	1,137		
Lend-lease	59,480		
Agricultural commodities (welfare)	154	42	6
American Red Cross	17		
Belgian Congo	32	14	
Mutual security aid	30	14	
Agricultural commodities (welfare)	2		
Burma	21,799	306	537
Mutual security aid	21,073	74	299
Agricultural commodities (welfare)	722	232	238
Technical aid	4		
Cambodia	122,219	40,868	39,193
Mutual security aid	119,844	40,846	39,183
Urgent relief	2,343		
Agricultural commodities (welfare)	32	22	10
Canada: Military equipment loans (repaid)	3,964		
Ceylon	20,101	5,385	14,478
Mutual security aid	7,168	2,251	4,804
Urgent relief	6,903		
Agricultural commodities (welfare)	6,025	3,134	2,771
Technical aid	5		
China-Taiwan	2,373,339	99,243	73,506
Mutual security aid	768,880	86,917	55,707
Public Law 480 currencies	322		322
Urgent relief	504		
Chinese-Korean student aid	7,363		
UNRRA	362,897		
Post-UNRRA	43,919		
Lend-lease military	679,073		
Lend-lease postwar pipelines	50,345		
Agricultural commodities (welfare)	23,244	7,702	5,067
Military equipment loans	54,183	4,625	12,500
Chinese naval aid	141,394		
Chinese military aid	119,732		
Chinese stabilization	119,594		
American Red Cross	1,889		
Czechoslovakia	185,827		
Mutual security aid	379		
Urgent relief	1,995		
UNRRA	183,374		
Lend-lease	2		
Agricultural commodities (welfare)	2		
American Red Cross	75		
Denmark	247,635	1	
Mutual security aid	247,631	1	
UNRRA	4		
Ethiopia	18,950	3,762	5,305
Mutual security aid	18,458	3,756	5,284
UNRRA	439		
Agricultural commodities (welfare)	53	6	21
Finland	3,522		
Mutual security aid	27		
Urgent relief	36		
UNRRA	1,840		
Agricultural commodities (welfare)	1,456		
American Red Cross	163		
French Union	4,396,030	62,714	629
France	4,390,774	61,551	372
Mutual security aid	3,669,542	61,151	141
Urgent relief	338		
UNRRA	3,061		
Post-UNRRA	60		
Interim aid	311,388		
Lend-lease	372,441		
Agricultural commodities (welfare)	6,253	400	231
Military equipment loans	25,345		
American Red Cross	2,146		
Algeria	1,128	803	213
Mutual security aid	186	159	27
UNRRA	97		
Agricultural commodities (welfare)	835	649	186
American Red Cross	9		
French Equatorial Africa: Mutual security aid	2,200		
French Guiana: Agricultural commodities (welfare)	56	56	
French West Africa: Agricultural commodities (welfare)	197	184	
French West Indies: Agricultural commodities (welfare)	140	79	44
Madagascar: Mutual security aid	1,198	[1] 2	
Unspecified French Africa: Mutual security aid	337	38	
Germany, East	17,342	21	3
Mutual security aid	16,585	21	3
Urgent relief	757		
Germany, Federal Republic	3,858,657	26,617	34,725
Mutual security aid	1,534,771	13,856	16,806
Urgent relief	5,080	1,284	306
GARIOA:			
Defense Department	2,033,248		
ICA	172,533		
UNRRA	3,616		
Post-UNRRA	2,086		
Agricultural commodities (welfare)	86,814	11,477	9,961
Military equipment loans	7,652		7,652
Berlin investment fund	12,857		
Ghana	477	65	238
Mutual security aid	238	11	227
Agricultural commodities (welfare)	239	54	11

[1] Credit.

[2] GARIOA (Government relief in occupied and liberated areas).

TABLE II.—*Foreign grants, by country and program*—Continued

Postwar period: July 1, 1945, to June 30, 1958; fiscal years 1957 and 1958. Military breakdown not available by country: Aid by area at end of table

[In thousands of dollars]

Country and program	Postwar period	Fiscal year 1957	Fiscal year 1958
Greece	1,739,931	39,620	20,400
Mutual security aid	865,186	29,230	4,775
Urgent relief	997		
Currencies from Public Law 480	7,443		1,296
UNRRA	279,755		
Post-UNRRA	37,255		
Lend-lease	5,956		
Greek-Turkish aid:			
Military	371,146		
Economic	122,484		
Agricultural commodities (welfare)	45,634	10,390	10,289
Military equipment loans	4,040		4,040
American Red Cross	35		
Hungary	16,430	8,873	1,702
Mutual security aid	1,422	780	104
Urgent relief	12,649	8,093	1,598
UNRRA	2,359		
Iceland: Mutual security aid	29,893	79	55
India	310,254	47,283	54,193
Mutual security aid	237,629	36,140	39,819
Urgent relief	4,665	1,165	
Lend-lease	3,000		
Agricultural commodities (welfare)	64,940	9,978	14,374
Technical aid	20		
Indochina	110,811	49	
Mutual security aid	110,183	49	
Urgent relief	446		
Agricultural commodities (welfare)	182		
Indonesia	139,832	9,606	11,605
Mutual security aid	133,502	8,690	10,975
GARIOA (Defense)	4,106		
Agricultural commodities (welfare)	2,204	916	630
Technical aid	20		
Iran	251,948	49,163	14,496
Mutual security aid	241,608	43,551	12,033
Urgent relief	2,748	2,748	
Currencies under Public Law 480	4,472	2,235	2,237
Lend-lease	750		
Agricultural commodities (welfare)	2,330	629	226
Technical aid	40		
Iraq	15,267	2,592	3,756
Mutual security aid	14,304	2,540	3,287
Agriculture commodities (welfare)	963	52	469
Ireland	18,346		
Mutual security aid	18,324		
American Red Cross	22		
Israel	285,838	16,101	20,842
Mutual security aid	245,894	14,935	19,004
Urgent relief	32		
Agriculture commodities (welfare)	39,912	1,166	1,838
Italy (including Trieste)	2,734,023	51,002	55,817
Mutual security aid	1,576,338	4,338	11,584
Urgent relief	68,478	30,099	17,364
Civilian supplies (GARIOA)	112,955		
Civilian supplies (lend-lease)	134,444		
UNRRA	409,754		
Post-UNRRA	128,461		
Interim aid	176,006		
Agriculture commodities (welfare)	113,701	16,565	26,869
Military equipment loans	14,695		
American Red Cross	191		
Italian Somaliland Trust Territory	1,736	395	998
Mutual security aid	1,696	395	598
Agricultural commodities (welfare)	40		40
Japan and possessions	2,628,706	23,246	23,680
Japan	2,397,554	18,466	18,486
Mutual security aid	14,745	1,696	2,267
Urgent relief	28,438	13,699	14,092
GARIOA (Defense Department)	2,184,569		
Post-UNRRA	178		
Agricultural commodities (welfare)	10,050	3,071	2,127
Military equipment loans	159,574		
Japan and possessions—Continued			
Ryukyu Islands	231,139	4,780	5,194
Mutual security aid	748	403	345
Urgent relief	3,529	1,887	1,642
Currencies under Public Law 480	3,265	1,093	2,172
GARIOA (Defense Department)	222,078	805	827
Post-UNRRA	12		
Agricultural commodities (welfare)	1,494	592	208
American Red Cross	13		
Miscellaneous islands GARIOA (Defense Department)	13		
Jordan	72,921	8,843	34,888
Mutual security aid	68,198	8,335	34,236
Urgent relief	1,089		
Agricultural commodities (welfare)	3,634	508	652
Korea	2,160,731	316,257	314,018
Mutual security aid	1,179,596	289,820	247,476
Currencies from Public Law 480	58,800	5,000	47,800
Urgent relief	869	78	
Chinese-Korean student aid	67		
UNRRA	92,876		
Civilian supplies (Defense)	444,255	2,675	1,814
GARIOA (Defense)	292,090		
UNRRA	546		
Post-UNRRA	72		
Agriculture commodities (welfare)	51,348	15,972	16,928
Military equipment loans	40,212	2,712	
Laos	152,724	49,004	38,051
Mutual security aid	151,861	48,148	38,008
Urgent relief	839	839	
Agricultural commodities (welfare)	24	17	7
Lebanon	27,727	4,754	5,717
Mutual security aid	25,456	4,618	5,594
Urgent relief	311		
Agricultural commodities (welfare)	1,959	136	123
Technical aid	1		
Liberia	10,636	1,567	2,062
Mutual security aid	10,439	1,561	2,057
Agricultural commodities (welfare)	64	6	5
Technical aid	133		
Libya	61,723	21,917	11,807
Mutual security aid	33,236	14,084	6,940
Urgent relief	9,584	3,044	
Agricultural commodities (welfare)	1,903	789	867
Special purpose funds	17,000	4,000	4,000
Malaya	954	219	43
Mutual security aid	83	2	
Agricultural commodities (welfare)	862	217	43
Technical aid	9		
Morocco	14,492	2,217	11,445
Mutual security aid	2,229	378	1,795
Urgent relief	6,781		6,767
Agricultural commodities (welfare)	5,482	1,839	2,883
Nepal	10,619	1,940	4,978
Mutual security aid	8,443	1,940	3,011
Urgent relief	2,176		1,967
Netherlands Union	916,737	3,766	1,183
Netherlands	915,329	3,299	791
Mutual security aid	827,632	3,299	791
UNRRA	1,899		
Lend-lease	64,334		
Agricultural commodities (welfare)	2		
Military equipment loans	21,340		
American Red Cross	122		
Netherlands New Guinea: Agricultural commodities (welfare)	39		
Surinam	1,369	467	376
Mutual security aid	1,211	309	376
Agricultural commodities (welfare)	158	158	
New Zealand: Lend-lease	2,300		

TABLE II.—*Foreign grants, by country and program*—Continued

Postwar period: July 1, 1945, to June 30, 1958; fiscal years 1957 and 1958. Military breakdown not available by country: Aid by area at end of table

[In thousands of dollars]

Country and program	Postwar period	Fiscal year 1957	Fiscal year 1958
Norway	238,566	509	501
Mutual security aid	237,570	509	501
Urgent relief	24		
UNRRA	771		
Agricultural commodities (welfare)	30		
American Red Cross	171		
Pakistan	343,436	55,715	71,473
Mutual security aid	190,540	49,834	44,467
Urgent relief	115,119		7,069
Currencies under Public Law 480	17,430		17,430
Agricultural commodities (welfare)	20,336	5,881	2,507
Technical aid	11		
Palestine: Agricultural commodities (welfare)	175		
Philippines	822,868	26,874	31,883
Mutual security aid	145,076	25,223	28,197
Urgent relief	484		
GARIOA	28,345		
UNRRA	7,700		
Philippine rehabilitation	634,575		
Agricultural commodities (welfare)	6,622	1,651	3,686
Technical aid	55		
American Red Cross	11		
Poland	365,339		361
Mutual security aid	66		66
UNRRA	364,031		
Lend-lease	92		
Agricultural commodities (welfare)	295		295
American Red Cross	855		
Portugal and possessions	33,435	12,052	2,756
Portugal	32,669	11,935	2,517
Mutual security aid	15,937	63	117
Urgent relief	68		
Agricultural commodities (welfare)	8,849	4,057	2,400
Military equipment loans	7,815	7,815	
Macao	207	44	103
Mutual security aid	97	44	53
Agricultural commodities (welfare)	110		110
Portuguese India: Agricultural commodities (welfare)	415	53	13
Unspecified Portuguese Africa: Mutual security aid	144	20	63
Rhodesia and Nyasaland	11	6	4
Agricultural commodities (welfare)	10	6	4
Technical aid	1		
Saudia Arabia	4,252	Cr. 3	
Mutual security aid	2,639	Cr. 3	
Lend-lease	1,591		
Technical aid	22		
Spain and possessions	343,086	124,837	101,623
Spain	343,020	124,837	101,573
Mutual security aid	255,473	87,603	81,553
Urgent relief	2,005	257	953
Agricultural commodities (welfare)	65,234	16,669	19,067
Military equipment loans	20,308	20,308	
Canary Islands: Agricultural commodities (welfare)	16		
Spanish Africa: Mutual security aid	50		50
Sudan	260		254
Mutual security aid	254		254
Agricultural commodities (welfare)	6		
Sweden	87,143		
Mutual security aid	86,539		
Urgent relief	6		
UNRRA	549		
American Red Cross	49		
Switzerland: UNRRA	1,803		
Thailand	108,482	33,133	23,477
Mutual security aid	108,293	33,078	23,402
Agricultural commodities (welfare)	165	55	75
Technical aid	24		
Trust Territory of the Pacific Islands (Caroline, Mariana, and Marshall Islands)	43,008	4,690	6,035
GARIOA	4,444		
Development and support	38,564	4,690	6,035
Tunisia	17,713	6,641	9,123
Mutual security aid	7,624	840	5,152
Urgent relief	9,325	5,507	3,818
Agricultural commodities (welfare)	764	294	153
Turkey	630,024	80,723	39,045
Mutual security aid	436,836	79,297	38,876
Urgent relief	12,187	884	
Greek-Turkish military aid	158,575		
Agricultural commodities (welfare)	1,086	542	169
Military equipment loans	21,340		
U.S.S.R.	465,434		
UNRRA	186,380		
Lend-lease	277,254		
American Red Cross	1,800		
United Kingdom and dependencies	3,821,725	42,034	8,275
United Kingdom	3,797,753	33,981	614
Mutual security aid	3,447,491	33,967	614
Urgent relief	203		
UNRRA	8,369		
Lend-lease	341,462		
Agricultural commodities (welfare)	179	14	
American Red Cross	49		
Aden: Agricultural commodities (welfare)	11	6	5
Bahamas: Agricultural commodities (welfare)	188	59	61
British Borneo: Agricultural commodities	567	150	201
British East Africa	3,423	727	2,431
Mutual security aid	3,114	660	2,279
Agricultural commodities (welfare)	309	67	152
British Guiana	420	132	77
Mutual security aid	270	67	55
Agricultural commodities (welfare)	150	65	22
British Honduras	683	125	121
Mutual security aid	88	35	50
Urgent relief	274	16	
Agricultural commodities (welfare)	321	74	71
British Islands east of Africa: Agricultural commodities (welfare)	4		4
British Somaliland: Mutual security aid	88	88	
British Virgin Islands: Agricultural commodities (welfare)	31	15	5
Gambia: Agricultural commodities (welfare)	130	50	46
Hong Kong	12,119	4,789	2,735
Mutual security aid	2,436	933	607
Urgent relief	1,031		
Agricultural commodities (welfare)	8,652	3,856	2,128
Malta	2,334	313	688
Mutual security aid	2		
Urgent relief	26		
Agricultural commodities (welfare)	2,306	313	688
Nigeria	204	72	82
Mutual security aid	88	34	54
Agricultural commodities (welfare)	115	38	28
Technical aid	1		
St. Helena: Agricultural commodities (welfare)	18	18	
Sierra Leone	115	89	19
Mutual security aid	102	83	19
Agricultural commodities (welfare)	13	6	
Singapore: Agricultural commodities (welfare)	87		32
West Indies Federation	2,963	1,290	714
Mutual security aid	258	136	64
Agricultural commodities (welfare)	2,702	1,154	650
American Red Cross	3		

TABLE II.—*Foreign grants, by country and program*—Continued

Postwar period: July 1, 1945, to June 30, 1958; fiscal years 1957 and 1958. Military breakdown not available by country: Aid by area at end of table

[In thousands of dollars]

Country and program	Postwar period	Fiscal year 1957	Fiscal year 1958
United Kingdom and dependencies—Con.			
Unspecified British Africa: Mutual security aid	423	130	276
Unspecified British America: Mutual security aid	164	----------	164
Vietnam	795,335	245,349	222,510
Mutual security aid	769,162	233,455	219,102
Urgent relief	1,109	----------	----------
Agricultural commodities (welfare)	25,064	11,894	3,408
Yugoslavia	804,273	46,930	22,130
Mutual security aid	350,821	26,362	3,086
Urgent relief	47,763	1,232	----------
UNRRA	298,054	----------	----------
Lend-lease	76	----------	----------
Agricultural commodities (welfare)	69,280	19,336	19,044
Yugoslav aid	37,560	----------	----------
American Red Cross	719	----------	----------
Other international organizations:			
European Payments Union: Mutual security aid	238,084	----------	----------
Intergovernmental Committee for European Migration: Mutual security aid	66,814	14,144	13,524
Intergovernmental Committee for Refugees	3,650	----------	----------
International Atomic Energy Agency	60	----------	60
International Refugee Organization	237,116	----------	----------
OEEC: Mutual security aid	5,100	2,000	1,350
United Nations	302,556	52,974	34,674
Mutual security aid	5,000	5,000	----------
Refugees	11,650	6,900	3,550
Multilateral technical aid	100,184	14,574	15,124
Palestine relief	185,722	26,500	16,000
United Nation's Childrens' Fund	137,120	11,514	9,664
Other international organizations—Continued			
World Health Organization: Mutual security aid	5,000	----------	5,000
UNRRA	273,505	----------	----------
Unspecified countries (see note 2 below):			
Asia and Pacific (excluding South Asia)	4,610,065	623,190	884,939
Military supplies and services (Defense)	4,590,297	622,455	883,437
Mutual security aid	19,768	735	1,502
Europe	13,336,971	1,181,375	901,790
Military supplies and services (Defense)	12,391,847	1,113,209	831,579
Military supplies and services (other departments)	4,920	1,079	557
Multilateral construction programs	492,425	63,367	67,442
Mutual security aid	311,549	3,720	2,212
GARIOA (Defense)	136,230	----------	----------
Near East, Africa, and south Asia	2,769,686	395,356	627,171
Military supplies and services (Defense)	2,739,747	393,219	624,104
Military supplies and services (other departments)	570	76	108
Mutual security aid	28,888	2,061	2,959
Greek-Turkish military aid	481	----------	----------
Other areas	541,288	70,924	78,110
Military supplies and services (Defense)	159,808	17,230	18,694
Military supplies and services (other departments)	65,632	7,585	7,624
Mutual security aid	180,650	46,109	51,792
Urgent relief	80	----------	----------
UNRRA	102,997	----------	----------
Post-UNRRA	651	----------	----------
Lend-lease	29,364	----------	----------
Technical aid	11	----------	----------
American Red Cross	2,095	----------	----------

NOTES

1. In this table mutual security aid does not include military supplies and services, either through the Defense Department or other agencies. It comprises only assistance rendered under economic and technical programs from the mutual security appropriations.

2. Military assistance data are generally not available by country and are stated at the end of this table under "Military supplies and services in unspecified countries." A Defense Department release of Oct. 7, 1958, gave some totals (in millions of dollars as follows for the period): Belgium, 1,069; Luxembourg, 7; Denmark, 385; France, 3,708; Greece, 678; Italy, 1,592; Netherlands, 968; Norway, 547; Portugal, 238; Spain, 239; Turkey, 1,222; United Kingdom, 693.

3. The military equipment loan to Canada is noted as "repaid." The transfer represented the loan and return of aircraft under the program announced by the U.S. Department of Defense, Aug. 15, 1952.

TABLE III.—*Reverse grants and returns on grants, by country*

Postwar period, July 1, 1945, to June 30, 1958; fiscal year 1957, July 1, 1956, to June 30, 1957; fiscal year 1958, July 1, 1957, to June 30, 1958

[In thousands of dollars]

Country	Postwar period	Fiscal year 1957	Fiscal year 1958
Total	1,805,343	76,881	81,188
American Republics	53,992	85	212
Brazil	52,880	----------	----------
Bolivia	200	23	172
Chile	78	----------	----------
Colombia	154	----------	----------
Cuba	48	----------	----------
Dominican Republic	245	62	40
Ecuador	29	----------	----------
Haiti	7	----------	----------
Honduras	30	----------	----------
Mexico	73	----------	----------
Nicaragua	34	----------	----------
Paraguay	7	----------	----------
Peru	117	----------	----------
Uruguay	66	----------	----------
Venezuela	24	----------	----------
Australia	20,000	----------	----------
Austria	53,944	[1] 1	2
Belgium-Luxembourg	7,948	488	468
Burma	625	----------	----------
Canada	3,964	----------	----------
Cambodia	706	201	384
China-Taiwan	72,966	[1] 346	304
Czechoslovakia	173	----------	----------
Denmark	16,518	324	200
Ethiopia	726	175	293
France	243,472	1,229	1,189
Germany	85,672	1,058	5,128
Greece	79,326	197	60
Iceland	1,777	----------	----------
India	28,611	----------	----------
Indochina (1945–54)	6,375	----------	----------
Indonesia	5,183	89	49
Iran	7,878	----------	----------
Iraq	483	62	124
Ireland	910	----------	----------
Israel	458	----------	----------
Italy and Trieste	88,692	1,329	1,503
Japan	5,864	1,062	1,917
Jordan	63	----------	----------
Korea	17,926	----------	----------
Laos	29	----------	----------
Netherlands	54,786	379	362
Norway	24,639	545	360
Pakistan	14,482	3,211	4,830
Philippines	5,619	821	677
Poland	110	110	----------
Portugal	4,211	296	420
Spain	155,227	54,900	52,818
Thailand	5,735	963	745
Turkey	40,648	6,556	7,262
Union of South Africa	92,500	----------	----------
U.S.S.R.	39,204	----------	----------
United Arab Republic	58	58	----------
United Kingdom	531,152	599	560
Vietnam	4,262	2,037	----------
Yugoslavia	27,179	454	74
United Nations	1,247	----------	1,247

[1] Credit.

TABLE IV.—*Foreign credits utilized, by country*

Postwar period, July 1, 1945, to June 30, 1958; fiscal year 1957, July 1, 1956, to June 30, 1957; fiscal year 1958, July 1, 1957, to June 30, 1958

[In thousands of dollars]

Country	Postwar period	Fiscal year 1957	Fiscal year 1958
Total	16,534,103	440,282	1,226,736
New credits	14,277,249	439,695	1,226,736
Prior grants converted into credits	2,256,854	587	
American Republics	1,837,405	152,809	348,939
Argentina	130,835		20,160
Bolivia	42,532	1,041	26
Brazil	743,767	76,550	53,302
Chile	171,434	4,703	44,985
Colombia	142,065	1,106	79,626
Costa Rica	10,825	2,220	3,943
Cuba	38,734	8,851	3,393
Ecuador	36,413	4,360	2,361
El Salvador	642	58	9
Guatemala	2,547	1,606	369
Haiti	25,517	1,410	1,012
Honduras	1,693	14	1,456
Mexico	305,761	13,695	55,177
Nicaragua	874	14	200
Panama	4,919		919
Paraguay	9,938	3,383	5,602
Peru	116,450	32,986	51,678
Uruguay	12,253		
Venezuela	19,422	166	1,678
Unspecified Latin America	20,784	646	14,044
Afghanistan	44,425	9,307	5,285
Australia	14,188		
Austria	52,599	3,143	17,821
Belgium-Luxembourg and possessions	239,522		
Belgium	234,972		
Luxembourg	3,000		
Belgian Congo	1,550		
Burma	5,324		282
Canada	163,285	66	
Ceylon	1,423	1	1,421
China-Taiwan	281,548	16,943	17,407
Czechoslovakia	29,583		
Denmark	56,709	23	29
Ethiopia-Eritrea	9,499	2,400	3,700
Ethiopia	9,449	2,400	3,700
Eritrea	50		
Finland	140,102		14,000
French Union	2,480,869	1,211	9,703
France	2,474,231	1,211	9,614
Algeria	680		
French Equatorial Africa	4,457		88
New Caledonia	1,501		
Germany	1,348,382	918	1,796
Greece	167,012	2,633	26,727
Hungary	15,917		
Iceland	12,594	866	6,069
India	306,537	17,495	21,998
Indonesia	174,512	4,300	16,410
Iran	114,009	13,225	24,044
Iraq	1,222	155	177
Ireland	128,200		
Israel	226,861	18,642	38,827
Italy	506,404	12,550	51,736
Japan	916,426	101,654	199,320
Korea	24,928		
Lebanon	1,550		
Liberia	30,438	2,250	4,300
Libya	157		157
Morocco	37,028		18,659
Netherlands	436,035		
New Zealand	17,459	40	24
Norway	140,608	4	
Pakistan	80,171	5,762	44,437
Philippines	164,852	8,932	17,828
Poland	97,551		19,830
Portugal and Angola	57,158	53	3,459
Portugal	57,046		3,400
Angola	112	53	59
Rhodesia and Nyasaland	60,686	6,978	
Saudi Arabia	19,112		
Spain	128,902	10,039	7,404
Sweden	24,200		
Thailand	21,298	10,429	3,110
Trust Territory of the Pacific Islands	517	8	115
Tunisia	1,894		1,894
Turkey	203,960	15,606	34,956
Union of South Africa	150,316	16,029	3,250
U.S.S.R.	222,495		
United Arab Republic	25,566	5,811	1,429
United Kingdom and dependencies	5,056,567		250,000
United Kingdom	5,032,428		250,000
British East Africa	2,394		
British Guiana	128		
British Honduras	13		
Nigeria	674		
West Indies Federation	20,930		
Vietnam	35,196		10,196
Yugoslavia	55,900		
United Nations	65,000		
European Coal and Steel Community	100,000		

TABLE V.—*Net foreign loans and other credits, by country*

Period July 1, 1940, to June 30, 1958—Utilizations, repayments, and totals outstanding on June 30, 1958

[In thousands of dollars]

Country	Net authorizations	Utilizations	Repayments	Outstanding on June 30, 1958
Total	20,481,987	17,789,305	5,595,364	12,179,482
New credits	18,225,132	15,532,450	5,442,945	10,075,264
Prior grants converted into credits	2,256,854	2,256,854	152,419	2,104,218
American Republics*	3,103,080	2,228,701	1,072,827	1,151,353
Argentina	264,365	131,225	47,756	83,469
Bolivia*	47,042	47,042	10,947	34,173
Brazil*	1,174,787	839,460	394,661	444,769
Chile	262,213	193,901	94,774	99,127
Colombia*	250,858	164,500	69,076	95,395
Costa Rica	23,799	18,000	3,801	14,199
Cuba	98,600	84,412	60,657	23,754
Dominican Republic	3,284	3,284	3,284	
Ecuador*	50,285	41,980	13,438	28,538
El Salvador	1,542	1,542	1,517	26
Guatemala	2,599	2,547	858	1,689
Haiti	37,891	35,837	7,985	27,853
Honduras	12,321	2,588	1,146	1,442
Mexico*	435,451	321,528	171,813	147,157
Nicaragua	7,333	5,525	5,079	446
Panama	21,357	7,407	5,786	1,621
Paraguay	18,570	15,343	6,189	9,153
Peru	178,087	116,450	10,384	106,065
Uruguay*	19,338	19,338	12,122	6,506
Venezuela*	28,662	24,565	20,725	3,568
Unspecified	164,696	152,228	129,829	22,400
Afghanistan	51,684	44,425		44,425
Australia	22,559	22,559	16,335	6,225
Austria	107,419	52,598	33,174	19,424
Bahrein	17,048	17,048	17,048	
Belgium-Luxembourg and Congo	239,522	239,522	108,917	130,606
Belgium	234,972	234,972	107,230	127,742
Luxembourg	3,000	3,000	136	2,864
Belgian Congo	1,550	1,550	1,550	
Burma	57,343	5,324	3,457	1,867
Canada	196,070	196,070	196,036	34
Ceylon	4,100	1,423		1,423
China-Taiwan	407,858	400,051	196,218	203,831
Czechoslovakia	30,377	30,377	25,507	4,870
Denmark	56,748	56,709	11,114	45,595
Ethiopia-Eritrea	32,457	13,857	4,682	9,174
Ethiopia	32,407	13,807	4,682	9,124
Eritrea	50	50		50
Finland	166,313	166,314	67,054	99,259
French Union*	2,530,043	2,480,868	863,241	1,613,688
France*	2,523,405	2,474,231	861,873	1,610,922
Algeria*	680	680	204	306
French Equatorial Africa*	4,457	4,457	1,010	2,369
New Caledonia*	1,501	1,501	154	

TABLE V.—*Net foreign loans and other credits, by country*—Continued

Period July 1, 1940, to June 30, 1958—Utilizations, repayments, and totals outstanding on June 30, 1958

[In thousands of dollars]

Country	Net authorizations	Utilizations	Repayments	Outstanding on June 30, 1958
Germany	1,355,706	1,348,387	241,499	1,106,888
Greece*	187,799	167,012	55,354	110,149
Hungary	15,917	15,917	4,655	11,262
Iceland	22,592	13,184	1,142	12,042
India*	974,906	438,093	134,008	263,341
Indonesia	199,551	174,512	29,461	145,051
Iran	153,835	114,471	10,838	103,634
Iraq	1,380	1,222	1,008	213
Ireland	128,200	128,200	1,643	126,557
Israel	274,488	226,861	33,537	193,324
Italy	587,325	519,780	255,712	264,068
Japan	1,012,724	916,426	710,556	205,870
Korea	24,928	24,928	3,978	20,950
Latvia	11	11	11	
Lebanon	1,550	1,550	1,550	
Liberia	44,773	33,773	5,965	28,506
Libya	3,500	157		157
Morocco*	38,369	37,028	16,755	19,759
Netherlands	472,172	472,172	227,761	244,410
New Zealand	17,566	17,459	5,139	12,320
Norway*	140,835	140,835	70,218	70,529
Pakistan	166,320	80,171	25,101	93,084
Philippines	182,654	164,852	75,574	89,278
Poland	136,268	101,098	27,288	73,810
Portugal and possession*	58,512	58,494	6,988	51,475
Portugal	58,317	58,317	6,925	51,393
Angola*	195	177	64	82
Rhodesia and Nyasaland	60,686	60,686	15,363	45,323
Saudi Arabia	31,826	31,826	13,491	18,334
Spain	305,148	142,583	43,960	98,624
Sweden	28,311	28,311	9,736	18,575
Thailand	36,505	21,298	6,812	14,486
Trust Territory of Pacific Islands	517	517	230	287
Tunisia	3,500	1,894		1,894
Turkey*	205,300	203,960	41,865	162,051
Union of South Africa*	150,316	150,316	37,234	112,949
U.S.S.R.	222,495	222,495		222,495
United Arab Republic	25,566	25,566	18,040	7,526
United Kingdom and dependencies*	5,741,316	5,491,316	822,491	4,688,394
United Kingdom	5,716,709	5,466,709	809,688	4,657,021
British East Africa	2,394	2,394	426	1,968
British Guiana	128	128		128
British Honduras*	482	482	51	
Nigeria	674	674	674	
West Indies Federation	20,930	20,930	11,652	9,278
Vietnam	53,300	35,196		35,196
Yugoslavia*	227,700	55,900	11,889	43,793
International organizations:				
European Coal and Steel Community	100,000	100,000	2,900	97,100
United Nations headquarters loan	65,000	65,000	11,000	54,000

NOTES

1. Apparent discrepancies are due to rounding of totals.
2. Asterisks (*) denote those countries where some principal has been charged off as uncollectible. For period July 1, 1940, to June 30, 1958, this total amounted to $14,458,000 out of total utilizations of $17,302,055,000 or less than 1/10 of 1 percent.
3. On June 30, 1958, the total unutilized from the net authorizations amounted to $2,692,682,000 or the difference between net authorizations and utilizations. This total represents lines of credit still available till such time as the time limit expires or the authorizations are terminated.

Mr. ALLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. Bow].

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield.

Mr. BROWN of Ohio. I would like to point out that Dr. MORGAN in testimony before the Rules Committee advised us there would be $4,700 million of funds previously appropriated for mutual-aid purposes left over at the end of this fiscal year, June 30.

Mr. BOW. The gentleman is correct.

Mr. Speaker, I would like to address the House on the question now before the House, and that is the rule. I will not debate the bill. I am opposed to this rule for two reasons, Mr. Speaker: One is that it waives points of order, and the other is I think the time for debate on the bill is much too short.

As to the matter of the bill, which affects everybody in this country, every taxpayer, as substantially as this does in the amount of this appropriation, with the interest of the people throughout the Nation in how this money is to be used, there should be a full opportunity for all segments of the House to be heard and to have adequate time to debate it.

The gentleman from Massachusetts [Mr. O'NEILL] suggested that anyone who wanted to debate could debate under the 5-minute rule. I should remind the House that just last week a well-disciplined majority cut off all debate on a very important bill before the House, and those who had amendments to offer were not even permitted to discuss the amendments. So, there is the possibility that debate will be cut off on this bill and we will not have a chance to let the representatives of the people of the United States adequately debate it.

My further objection is that it waives points of order. As a member of the Committee on Appropriations, I do not believe our committee should ever bring in bills with legislation, and I have been one of those on the committee, together with others in recent years, who have fought against any legislation on appropriation bills. And, I think by the same token that these bills should not come in here with waiver of points of order, where appropriations are brought in in legislative bills such as this. I call attention to the fact that on pages 7, 10, 12, and 13 of this bill there are items which perhaps would be subject to a point of order because they do affect the appropriation processes of the House of Representatives. And, I believe, Mr. Speaker, that this should not be done, and to those who might raise some question may I read what the President of the United States had to say on this matter as recently as, I think it was, last week, when he addressed a letter in reply to one from a distinguished Member of the other body who is the chairman of the Foreign Relations Committee. The President had this to say:

> In my budget message this year, because of the growing tendency to bypass the appropriations procedure, I said, "I sincerely hope that the Congress will again consider ways by which it can more effectively overcome * * * the provision of new obligational authority outside of the appropriations process." This is now established administration policy, and recommendations of previous years for spending from debt receipts that were made while such policy was being formulated must yield to it. Accordingly I do not look with favor upon the provisions of your amendments which authorize the Development Loan Fund to borrow from the Treasury.

Mr. Speaker, the President has said that we should follow appropriation procedures, and under this bill there is provision that counterpart funds may be used without submitting to the appropriation procedures as set up by the House.

Now, I know it is going to be said in debate on this bill—and that is one reason we should have more time to debate it—that much of this money comes back to the United States. I hold in my hand a copy of my home paper of last week, and I read three items in the edition of that paper:

> UNITED STATES TO FINANCE WATER SYSTEM FOR SAN MARINO
>
> The United States signed an agreement today to finance an $850,000 water system for the tiny Republic of San Marino.

I know we have no basis there, and I am sure the palace guard there can do little to help us in case we have a situation requiring troops to come to our aid.

Then I read this article:

> UNITED STATES WILL BUY TRUCKS FROM JAP MOTOR FIRM
>
> The U.S. Government has signed contracts with Japan's Toyota Motor Co. to buy $42,228,139 worth of trucks and spare parts for non-Communist nations of Asia.

That money is not coming back to the Timken Roller Bearing Co., Republic Steel, Hercules Motor Co., or other manufacturers in my district. It is going to be spent for the purchase and the building of trucks in Japan.

Then there is this item in the same edition of the same newspaper: "United States Will Pay $21 Million To Build Ships for Denmark."

Those are funds that will not come back, Mr. Speaker, to this country.

I oppose the rule.

Mr. ALLEN. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I had hoped when this bill came in that it would be in such shape that anyone believing in preserving the liberties of the United States of America might support it. When you have delegations of power such as are contained in this bill—and I call to witness one on page 7, lines 16 to 20, and over on pages 12 and 13, where they give authority to transfer out of the military funds, which is really the only place that protects the United States in the bill, where they have authority to draw out of that fund 30 percent—why, any opponent of the bill could say that that was definite proof that the Committee on Foreign Affairs thought that the $1,440 million was too large. I do not like that approach because that $1,440 million is the heart of the bill.

Then in lines 7 to 13 there is another wide-open appropriation, no limit to it whatever, no amount indicating a total absence of responsibility. Then we go over to page 13, lines 14 to 23 and we find another wide-open appropriation, without limit.

The only way this country is going to be able to preserve its liberties is by not making appropriations beyond a year at a time. Those are the things we really need to do and that we must do if we are going to preserve the liberties of the people of the United States.

I hope when this bill is ready for amendment, amendments will be adopted that will make this a respectable bill instead of a menace to the liberties of the people of the United States.

Mr. ALLEN. Mr. Speaker, I yield the remaining time on this side to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Speaker, I have long supported this program. I think that it is important from our own point of view as we look to our military security. I believe that the economic side is justifiable as an instrument of our foreign policy. I think it unfortunate that we are faced with this particular kind of a rule because there are certain provisions of this bill that personally I do not agree with.

As a member of the Committee on Appropriations I have resisted, as has the gentleman from Ohio, efforts from time to time to impose legislation on appropriation bills. At the same time I have tried to keep the Committee on Appropriations from bringing a bill to the floor of the House through a rule which waived points of order. In my opinion and judgment, this is not the best way for us to legislate, by bringing this legislation to the floor of the House waiving points of order. I would rather that we on the appropriations side and those on the legislative side bring in a bill, whichever we are bringing to the floor, under the regular procedure. I will say, however, that despite my reservations about this procedure which is before us I shall support the rule. Nevertheless, I intend to work with those who will make some changes, I hope, in the bill itself.

We have not harmed our Mutual Security Program by the procedures which have been in practice in the past where there has been some control over foreign currencies. I do not think we have injured the Mutual Security Program by requiring that in the case of the military programs the administration justify every dollar. In other words, I disapprove this wide latitude, the discretion or transfer authority in the Mutual Security, Military Assistance part of the program as proposed in the bill before us. If that part of the program is basically sound they should not have the latitude or leeway to transfer 30 percent of the money requested in the budget. For that reason I intend to oppose that provision in the bill when it comes before us. However, I think such decisions can be made on the merits when we are having the bill read for amendment.

In order to get this matter before us as quickly as possible so that we in the House and those in the other body can come up with a final version promptly, in my opinion, it is necessary to approve this rule today. Because I support the principle of the program, because I think time is of the essence, and because I think we can work our will on the floor during the consideration of the bill, I intend to support the rule here this afternoon.

The SPEAKER. The time of the gentleman from Michigan has expired.

All time has expired.

Mr. O'NEILL. Mr. Speaker, I move the previous question on the resolution.

Mr. FULTON. Mr. Speaker.

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. FULTON. Mr. Speaker, I have an amendment to the rule.

The SPEAKER. The gentleman from Massachusetts has moved the previous question.

The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 129, noes 18.

So the previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WILLIAMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 277, nays 93, not voting 63 as follows:

[Roll No. 84]

YEAS—277

Abbitt	Anderson, Mont.	Avery
Addonizio	Aspinall	Ayres
Albert	Auchincloss	Baldwin
Allen	Barrett	Barry
Bass, N.H.	Goodell	Monagan
Bass, Tenn.	Granahan	Montoya
Bates	Gray	Morgan
Baumhart	Green, Oreg.	Moorhead
Becker	Green, Pa.	Moss
Beckworth	Griffin	Multer
Belcher	Griffiths	Mumma
Bennett, Fla.	Gubser	Murphy
Blatnik	Hagen	Natcher
Boggs	Halleck	Nelsen
Boland	Halpern	Nix
Bolling	Hardy	Norblad
Bolton	Hargis	O'Brien, Ill.
Bonner	Harmon	O'Brien, N.Y.
Bowles	Harrison	O'Hara, Ill.
Boyle	Hays	O'Hara, Mich.
Brademas	Hébert	O'Neill
Breeding	Hechler	Oliver
Brewster	Hemphill	Osmers
Brock	Herlong	Ostertag
Brooks, Tex.	Hess	Patman
Broomfield	Hoeven	Pelly
Broyhill	Hogan	Perkins
Buckley	Holifield	Pfost
Burdick	Holland	Philbin
Burke, Ky.	Holtzman	Pillion
Burke, Mass.	Hosmer	Poage
Burleson	Huddleston	Poff
Bush	Hull	Porter
Byrne, Pa.	Ikard	Preston
Byrnes, Wis.	Irwin	Price
Cahill	Jarman	Prokop
Cannon	Jensen	Pucinski
Carnahan	Johnson, Calif.	Quie
Carter	Johnson, Colo.	Quigley
Chamberlain	Johnson, Md.	Rabaut
Chelf	Johnson, Wis.	Rains
Chenoweth	Jonas	Randall
Chiperfield	Jones, Ala.	Ray
Church	Jones, Mo.	Reuss
Clark	Judd	Rhodes, Pa.
Coad	Karsten	Robison
Coffin	Karth	Rodino
Conte	Kasem	Rogers, Colo.
Corbett	Kastenmeier	Rogers, Fla.
Cramer	Kearns	Rogers, Mass.
Cunningham	Kee	Roosevelt
Curtin	Keith	Roush
Curtis, Mass.	Kelly	St. George
Curtis, Mo.	Keogh	Saund
Daddario	Kilburn	Schenck
Dague	Kilday	Schwengel
Daniels	King, Calif.	Selden
Delaney	King, Utah	Shipley
Dent	Kowalski	Simpson, Ill.
Denton	Lafore	Sisk
Derounian	Lane	Smith, Iowa
Dingell	Langen	Smith, Miss.
Dixon	Latta	Smith, Va.
Donohue	Lennon	Spence
Dooley	Lesinski	Springer
Dorn, N.Y.	Libonati	Stratton
Downing	Lindsay	Stubblefield
Doyle	Loser	Sullivan
Dulski	McCormack	Teague, Calif.
Durham	McDowell	Teague, Tex.
Dwyer	McFall	Thompson, N.J.
Edmondson	McGinley	Thompson, Tex.
Elliott	McGovern	Thomson, Wyo.
Evins	McIntire	Thornberry
Fallon	Macdonald	Trimble
Fascell	Macrowicz	Tuck
Fenton	Mack, Ill.	Udall
Fino	Madden	Ullman
Flood	Magnuson	Van Zandt
Flynn	Mahon	Vinson
Foley	Marshall	Wainwright
Forand	Martin	Wallhauser
Ford	Matthews	Wampler
Friedel	May	Watts
Fulton	Meader	Weis
Gallagher	Merrow	Widnall
Garmatz	Metcalf	Wilson
Gary	Meyer	Wolf
Gavin	Miller, Clem	Wright
George	Miller, N.Y.	Yates
Giaimo	Milliken	Younger
Glenn	Mills	Zablocki
	Mitchell	Zelenko

NAYS—93

Abernethy	Bow	Flynt
Adair	Brooks, La.	Forrester
Alexander	Brown, Ga.	Grant
Alford	Brown, Ohio	Gross
Alger	Casey	Haley
Andersen, Minn.	Cederberg	Hall
Ashmore	Collier	Harris
Bailey	Colmer	Henderson
Barr	Davis, Ga.	Hiestand
Bennett, Mich.	Derwinski	Hoffman, Ill.
Bentley	Devine	Hoffman, Mich.
Berry	Dowdy	Holt
Blitch	Everett	Jennings
	Feighan	Kilgore

Kirwan	Moulder	Siler
Kitchin	Murray	Slack
Knox	Norrell	Smith, Calif.
Laird	O'Konski	Smith, Kans.
Landrum	Passman	Staggers
Levering	Pilcher	Steed
Lipscomb	Reece, Tenn.	Taber
McCulloch	Rees, Kans.	Thomas
McDonough	Rhodes, Ariz.	Tollefson
McMillan	Riley	Van Pelt
McSween	Rogers, Tex.	Weaver
Mack, Wash	Rooney	Whitener
Mason	Rutherford	Wier
Michel	Saylor	Williams
Minshall	Scherer	Winstead
Moore	Sheppard	Young
Morris, N. Mex.	Short	
Morris, Okla.	Sikes	

NOT VOTING—63

Andrews	Dorn, S.C.	Rivers, Alaska
Anfuso	Farbstein	Rivers, S. C.
Arends	Fisher	Roberts
Ashley	Fogarty	Rostenkowski
Baker	Fountain	Santangelo
Barden	Frazier	Scott
Baring	Frelinghuysen	Shelley
Betts	Gathings	Simpson, Pa.
Bosch	Healey	Taylor
Boykin	Horan	Teller
Bray	Jackson	Thompson, La.
Brown, Mo.	Johansen	Toll
Budge	Kluczynski	Utt
Canfield	Lankford	Vanik
Celler	Mailliard	Walter
Cohelan	Miller,	Westland
Cook	George P	Wharton
Cooley	Moeller	Whitten
Davis, Tenn.	Morrison	Willis
Dawson	Pirnie	Withrow
Diggs	Powell	
Dollinger	Riehlman	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Farbstein for, with Mr. Baring against.

Mr. Anfuso for, with Mr. Dorn of South Carolina against.

Mr. Santangelo for, with Mr. Johansen against.

Mr. Simpson of Pennsylvania for, with Mr. Whitten against.

Mr. Taylor for, with Mr. Betts against.

Mr. Dollinger for, with Mr. Withrow against.

Mr. Walter for, with Mr. Utt against.

Until further notice:

Mr. Boykin with Mr. Arends.
Mr. Powell with Mr. Jackson.
Mr. Healey with Mr. Horan.
Mr. Celler with Mr. Canfield.
Mr. Cohelan with Mr. Riehlman.
Mr. Teller with Mr. Budge.
Mr. Morrison with Mr. Baker.
Mr. Brown of Missouri with Mr. Bray.
Mr. Cook with Mr. Wharton.
Mr. Fountain with Mr. Pirnie.
Mr. Scott with Mr. Westland.
Mr. Morrison with Mr. Mailliard.
Mr. Thompson of Louisiana with Mr. Frelinghuysen.
Mr. Moeller with Mr. Bosch.

Mr. CASEY, Mr. HIESTAND, and Mr. BOW changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7500, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MORGAN. Mr. Chairman, I yield myself 15 minutes.

Mr. MORGAN. Mr. Chairman, first I want to apologize to the House for this late start this evening. I suggested to the leadership that we at least get started tonight, because I feel that, by getting in a few minutes of the general debate today, we can finish this bill sometime Wednesday night.

Mr. Chairman, we have before us today H.R. 7500, which authorizes funds for the mutual security program for fiscal year 1960 and which makes a number of changes in the basic legislation governing the mutual security program. Most of these changes are minor and technical in nature; a few of them are important and should contribute substantially to improving the effectiveness of the program.

The bill authorizes $3,642,600,000. The Executive request was for $3,909,400,000, and we have reduced that amount by $266,800,000. The authorizations for 4 items have been reduced below the Executive request, and one authorization has been increased.

The committee cut the authorization for military assistance by $160 million. This was done because we believed that in some of the less developed countries of the world military assistance was programed in larger amounts than could be properly used.

The authorization for defense support, which is economic assistance to countries carrying on military programs which overstrain their economies, was reduced by $85 million. In this case we believed that some of the less developed countries were getting economic assistance faster than they could absorb it.

We reduced the authorization for special assistance by $21,800,000. This is economic assistance going to countries such as Morocco, Jordan, Burma, and the city of West Berlin, which need outside assistance and where we have special political, economic or other interests. We felt in the case of special assistance also that there had been a tendency on the part of the ICA to make more economic aid available than could be used to best advantage.

The committee also cut the President's contingency fund by $100 million—a reduction of 50 percent. We felt here that there was a great deal of flexibility in the bill which permitted the transfer of funds from one purpose to another and that it was not necessary to provide a fund to meet unforeseen emergencies of the magnitude requested.

The committee, after very careful consideration, decided to increase the authorization for the Development Loan Fund by $100 million above the Executive request. We believe that the Development Loan Fund provides the most effective means of promoting the economic development of the less developed countries. This money is loaned on the basis of individual projects and not directly to governments. The Fund has applications for loans, which on the basis of preliminary screening appear to have merit, which will use up more than the increased amount recommended by the Committee. We think it is of vital importance that the Congress should avoid taking any action which will interrupt this important operation.

The committee has examined the mutual security program very carefully. We have held 11 weeks of hearings, during which 44 meetings were held and 90 witnesses testified. These included a substantial number of representatives of private organizations and church groups as well as individual citizens. The transcript of the hearings which you have before you covers 2,000 printed pages.

In addition to the very detailed examination of the Executive authorization request of this year, as I pledged to the House during the consideration of the mutual security bill last summer, a Subcommittee for Review of the Mutual Security Programs was set up last fall to serve as a watchdog over the program. This subcommittee held hearings last December and during the month of January on various aspects of the economic assistance program and the operations of military assistance in certain countries. The results of the subcommittee's work are known to most of you, I am sure, as a result of the published transcripts and of the subcommittee's reports.

On the basis of our detailed study, I can say with confidence that the Foreign Affairs Committee knows how the program works and knows what its shortcomings are. We can say also, and even more emphatically, however, that we know how important the program is. We know that it is vital to our defense, and we know that its operation will, in a large measure, determine our future relationship with the 700 million people who live in the 21 new nations which were colonies and have attained their independence since World War II.

I am fully aware that $3,600 million is a lot of money. I know also that the national budget is strained and that the Congress has a great responsibility to exert the greatest care in authorizing expenditures. Every one of us feels an obligation not to impose on our children and grandchildren an intolerable tax burden to pay the bills for programs which we approve. Let us not forget, however, what it would mean to our children and grandchildren if we should lose the cold war.

Let me remind you that our whole military defense is dependent on continuing military assistance. The United States has over 250 military installations overseas. These include airfields, radar stations, as well as supply and maintenance depots. The Secretary of Defense testified before the committee that in his judgment we need these overseas bases for at least 10 years. Our defense strategy is built around the availability of these overseas installations and of the forces of allied nations in various parts of the world. I am not sure that we will ever reach the era of push-button war. Certainly we have not reached it yet. For the next few years at least, we are

dependent on manned aircraft for much of our military power.

If military and economic assistance to foreign nations were to be terminated, everyone agrees that most of our overseas bases would be lost to us. In some cases, nations regard our aid as a necessary return for the risks they incur and sacrifices they make in providing the sites for our installations. In most cases, however, bases are available to us because we are carrying on with the host countries a common defense effort. Most of the nations in which our bases are located regard defense as a mutual undertaking in which we help them and they help us. They are glad to cooperate on that basis. If the United States took action to bring such mutual assistance to an end, they would no longer tolerate the presence of foreign military installations on their soil.

One of the realities with which we are confronted today also is the fact that approximately one-third of the world's population has recently emerged from a colonial status and that the people of these new nations will inevitably have a much greater influence on world affairs in the future than they have had in the past. In addition, the people of many older nations which have been slow in their economic development have been awakened to the trend of world events and their governments have acquired a new outlook and a new influence.

In my judgment, the situation in which the United States will find itself in the year 2000 will depend on our relations with these newly established and newly developed nations. If we can develop friendly, cooperative relationships with them, our descendants can hope to live in a world of peace and prosperity. If we remain aloof from them and permit an atmosphere of suspicion and misunderstanding to develop, our security will be endangered and our standard of living will be diminished. We need access to their resources and to their markets; they need our investment capital and our technical guidance.

Everyone, I know, is very much disturbed by the reports of waste and corruption in the operation of the mutual security program. There is no question but that there has been waste and a limited amount of corruption. The General Accounting Office has discovered and reported numerous examples. Our colleagues on the Subcommittee on Foreign Operations and Monetary Affairs of the Government Operations Committee under the chairmanship of the gentleman from Virginia [Mr. HARDY], have reported in detail a number of specific cases. Our own watchdog subcommittee has found evidence of waste and has informed the Congress and the public of the results of its investigations.

The important thing, however, is what you do about waste and corruption. It does not make sense to let the Reds take over South Korea because you find waste in the administration of the program. You do not pull out of Laos because there was evidence of corruption there. The primary concern of all of us should be to correct the deficiencies and to make sure that we get the results that we are seeking.

There is encouraging evidence that these various investigations are bringing about improvements. The International Cooperation Administration made a statement on May 20 that:

> Largely as a result of a study conducted by the House Foreign Affairs Committee of our projects in several countries, we have just instituted some major changes in our procedures for project assistance which are designed to reduce the risk of premature obligations of funds for projects, and to bring about more rapid implementation of projects once they have been agreed upon.

I hold in my hand a clipping from the New York Times of May 4, 1959, which bears the headline "Korea Combating Army Corruption—Seoul's Chief of Staff Acts To End Misuse of Supplies—High Officers Ousted." It goes on to say:

> A number of high-ranking officers recently were accused of misappropriating military supplies of gasoline, rice, cooking oil, and vehicle parts and of embezzling public funds. As a result, three major generals and three brigadier generals were "advised" to resign from active service.
>
> About 200 other officers of all ranks have also been put on reserve status, some as a result of suspicion of irregularities in their official conduct. Others either resigned voluntarily or had become overage.

The Foreign Affairs Subcommittee for Review of the Mutual Security Programs went into the situation in Korea in considerable detail last January. We made very clear to the Defense Department that conditions which were reported there could not be tolerated. I believe that effective corrective action has been initiated.

I am sure that much more needs to be done to eliminate waste and improve the effectiveness of the program. Let me call your attention to page 15 of the bill which is before you, beginning on line 11, which refers to the Inspector General and Comptroller. The committee is convinced, as a result of its hearings and its investigations, that the ICA was not doing as good a job of evaluating, controlling and administering its operations as it could and as it should. For that reason we have provided in the bill for the establishment of a new official with adequate personnel, reporting directly to the Under Secretary of State who is responsible for mutual security, and have provided this official with authority and with funds to do what is necessary.

This does not mean that the General Accounting Office or the committees of Congress can or should relax their efforts. A continuous and careful examination by people entirely independent of the program is essential. Some of the shortcomings of the program, however, have resulted from the fact that the ICA did not itself find out quickly enough what was going on or take necessary corrective action promptly.

In closing, let me urge that every Member of the House in considering this bill be hardboiled and realistic. In doing so, I hope every Member will be realistic about the Communist danger. Every Member should decide whether it really exists and whether or not we should actively try to meet it.

Is it realistic for us to ignore the Communist threat and to hope that even though we do nothing, some day it will disappear?

Is it realistic to avoid being interested in the affairs of other nations when no part of the world is more than a few hours away; when every nation is so close to us as to be a source of danger if it is an enemy and a useful partner if it is a friend?

Is it realistic even to consider that the United States might follow a go-it-alone policy in world affairs when portions of the globe which were formerly uninhabitable have become important politically and economically, and when minerals which may in the future be vital to our industries and to our defense may be controlled by nations which formerly were undeveloped and without known resources?

This bill provides the means with which we carry on the cold war. I know of no sure or easy way to win the cold war, but I am absolutely convinced that if we eliminate or drastically curtail the mutual security program, the loss of the cold war will be inevitable.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from North Carolina.

Mr. BONNER. I was interested in the statement the gentleman made saying that if foreign aid were curtailed in certain countries those nations would not tolerate within their borders a military establishment of this Nation. I refer particularly to the word "tolerate." Are our bases based on a condition that the nation in which they are operating objects to the presence of American soldiers or the manner in which our troops that we send there conduct themselves so that they are intolerable?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MORGAN. Mr. Chairman, I yield myself 3 additional minutes.

Mr. BONNER. That is an interesting statement.

Mr. MORGAN. I said they incur certain risks from the enemy being there.

Mr. BONNER. The gentleman said that the nations would not tolerate our being there.

Mr. MORGAN. I said that if assistance had been terminated they would not.

Mr. BONNER. That is right. Otherwise, we are buying from them something that we think is beneficial.

Mr. MORGAN. In some parts of the world, yes, we are in a sense buying these bases. They are essential to our security. As I pointed out in my statement, however, in most countries they are glad to join with us in a cooperative effort but they would not allow our installations unless we showed our interest in their own defense efforts.

Mr. BONNER. They are essential to our security. We are looking after not

alone ourselves but the security of the people in that nation?

Mr. MORGAN. We are looking after the security of the free world and we are also looking after our own security.

Mr. BONNER. But by the majority of the people there, we are not desirable in their country?

Mr. MORGAN. No; I do not think that is true, and I do not think I said that. We would not be welcome if they thought we were merely using their soil to serve our own interests. As long as they feel we are helping each other they welcome us.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Minnesota.

Mr. JUDD. During the debate on the rule the question was raised, Did the Committee on Foreign Affairs in preparing this bill take into consideration the fact that the United States had the greatest national debt in the world and that we had almost the highest taxes of any nation in the world? Will the gentleman agree that we did take that into account and also that last week or the week before we appropriated our own Armed Forces 10 times as much as this bill provides? We also took into consideration at that time that our debt is the highest in the world and our taxes are very high. And did not man after man of our Military Establishment say that we could in some cases cut our own Defense Establishment with less danger to our national defense than we cut the military part of the mutual security program?

Mr. MORGAN. That is true. It appears in the hearings. Well qualified witnesses said that a dollar spent on the mutual security program buys more security than a dollar spent on our own defense.

Mr. JUDD. Then we better cut down the $39 billion that nobody objected to the other day.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Michigan.

Mr. BENTLEY. I want to say on behalf of those who signed the minority report that although we do not agree with the chairman or the majority members of the committee on this particular program, we have been impressed with the way the chairman has conducted these hearings as well as the way in which he has presented the bill today and we particularly want to commend him for his fairness, particularly to the minority members, in giving Members the opportunity to be heard and to express their views, for which we thank him.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I rise to commend the gentleman on his excellent statement and on his fine handling of the committee and his fairness to both sides. May I say the purpose of my amendment to the rule earlier today was to allow 6 hours of general debate as the chairman appearing before the Rules Committee had requested that amount of time. But it was cut by the Rules Committee to 4 hours. We did want everybody to have a chance.

Mr. CHIPERFIELD. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, I favor the passage of H.R. 7500 because I believe it is the most practical way of maintaining peace. The continuation of the mutual security program is of transcending importance to the security of the United States and is essential to the strengthening of the nations of the free world.

The events of the past year have proven how vital this program is to our own safety. If it had not been for the economic and military aid given to Taiwan and Quemoy the attacks of the Chinese Communists in all probability could not have been repulsed. We have been able to maintain a firm position in Europe and Berlin because of our NATO alliance. Because of regional arrangements the same is true in South Vietnam and South Korea. Again if it had not been for the Near East doctrine, the mutual security program and our landing in Lebanon that area too might have been lost.

Our chairman, Dr. MORGAN, who has been a tower of strength on the committee, has made an excellent explanation of the bill. There has also been prepared by our colleagues, FRANK M. COFFIN, CHESTER BOWLES, and JAMES G. FULTON a very brief and succinct analysis of the bill which I believe is excellent and was signed by a majority of the members of the Foreign Affairs Committee including myself. The substance of the statement is as follows:

The bill authorizes $3,642,600,000 for fiscal year 1960, which is a cut by the committee of $266,800,000 from the President's request.

We think it is all important that, before voting on the authorization bill, you know what the committee did and why.

CUTS IN AUTHORIZATION

One hundred and sixty million dollars in military assistance. This reflects the committee's view that there are areas where redirection of effort can be achieved, such as in Latin America—but also reflects the committee's view that materiel in the pipeline is down to a dangerously low point.

Eighty-five million dollars in defense support. This cut is approximately one-half of the cut in military assistance and reflects the committee's feeling that savings to this extent can be realized by tighter programing—but that deeper cuts would, particularly in the light of world tensions, weaken countries on the fringe of the Sino-Soviet bloc.

In special assistance, $21,800,000. This cut is intended to force tighter allocations. It was not greater because of the difficulty in reducing a large number of needed programs under this heading, ranging from health, education, military bases, to basic economic programs.

In contingency fund, $100 million. This cut is half of the President's request. To cut deeper would be to tie the President's hands in the emergencies bound to be faced in the coming year.

INCREASE IN AUTHORIZATION

For the Development Loan Fund, $100 million. This reflects the committee's view that the economic objectives of our aid must be more in the forefront, the DLF is operating on a sound, workmanlike basis, and that the backlog of sound projects more than warrants this increase.

IMPROVING ADMINISTRATION OF THE PROGRAM

First. New and more accurate language in the statement of purpose.

Second. New standards for allocating both military and economic aid, requiring a Presidential report on exceptions to such standards.

Third. The upgrading of the audit and control function in ICA by establishment of an Inspector General.

Fourth. Enlarging the application of last year's new provision to require engineering and technical studies to be completed before money is obligated to projects.

Fifth. Requiring more specific information from the executive branch in presenting future requests.

The committee spent 11 weeks in hearings, covering 2,000 pages, held 44 meetings, and heard 90 witnesses. We think it did a thorough and conscientious job. One commentator stated:

> The foreign aid bill approved by the Foreign Affairs Committee represents the most significant achievement by that group in several years.

Two points we make:

First. To make further significant cuts at this authorization stage would be unjustified, and unwise.

Second. Whatever your final action, we hope that you will read the report, listen to as much of the debate as you can, and give some weight to the quantity and quality of the work done by the committee.

Turning to the military part of this program I would like to call your attention to the charts on pages 11 and 12 of the committee report. These disclose that in terms of the development of military strength the total active strength of the armies of allies of the United States increased from 3.6 million men in 1950 to 4.9 million men in the summer of 1958; the number of active and reserve combatant ships in allied navies increased from 1,200 in 1950 to nearly 2,500 in 1958, with some 1,700 in the active fleets or their supporting activities. The military aircraft inventories of the allies of the United States totaled, in 1950, about 17,000 aircraft, including only about 600 jet aircraft. By June of 1958, the total aircraft inventory was about 30,000, with nearly 14,000 jet aircraft.

The United States has spent $22 billion since the beginning of the military assistance program to provide assistance to the forces of other nations. These nations which have been the recipients of

our military assistance have spent during this period $122 billion on their own military establishments.

The system of defensive alliances over the world has built up a total strength in which our home forces represent only about one-fifth of the ground force strength.

It is extremely doubtful if we could have built up an equivalent amount of manpower and armament by ourselves, to say nothing of the terrific drain on our resources both in men and dollars. In addition, we have obtained more than 250 airfields, newer early warning systems, better communications systems, and improved and modernized support units.

One of the reasons we have been able to build up such a tremendous deterrent and retaliatory force for so much less money is because it costs so much less to maintain an allied soldier. Each year it costs the United States, taking into consideration pay allowance, subsistence and individual clothing, $3,666 for every American soldier. To maintain an American soldier overseas, including transportation, fringe benefits, and so forth, costs an additional $3,000.

It costs a great deal less to maintain foreign soldiers. For example it costs annually only $185 to maintain a Taiwan serviceman, in Korea $400, in Greece $240, and so forth.

To summarize: Between 1950 and 1958 we spent some $340 billion for our own defense. We have about 900,000 men in the Army, 42,000 aircraft, and 1,700 combatant ships. While for a total expenditure of $163 billion—$22 billion which the United States has spent for all allies since the beginning of the military assistance program and the $141 billion spent by our allies—there are 4.9 million men under arms, 30,000 aircraft, and 2,500 combatant ships.

Mr. Chairman, let us now turn to the field of economic aid. Many feel it is more important than military aid and I believe it is at least of equal importance.

The Sino-Soviet bloc has made credit and grant agreements with some 15 free world countries totaling about $2 billion. Their goal is to gain control of these countries by economic penetration and then by subversion. It would be folly on our part to ignore this new threat and not take every reasonable step to meet it.

To withdraw our support from these economic programs would be to hand over one by one these free countries to the Communists. We are meeting this threat in a number of ways. While the committee cut the total bill $266 million they did not cut the bilateral technical or U.N. technical assistance and added $100 million to the Development Loan Fund.

In many respects the committee has tightened up the procurement part of the program and has established the office of Inspector General and Comptroller. This I hope will give adequate financial control and audit inspection. These steps should correct many of the abuses that crop up in a program of global scope.

Mr. FEIGHAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Chairman, in the foreign-aid bill which is now before us, there is a provision which would allow the continuation of military and economic aid to the Communist regime of Yugoslavia. This is an issue which disturbs many Members of Congress. On the one hand we are compelled to spend billions of dollars for an adequate national defense, along with additional billions of dollars in foreign aid, all because of the threat to our survival caused by the conspiracy of communism. On the other hand, Congress now finds itself in the contradictory position of being asked to authorize public funds for the strengthening of Tito and his Communist regime in Yugoslavia.

Since its beginning in 1948 I have been a strong supporter of the foreign-aid program. I did so because of my conviction that we serve our own best interests when we assist free and friendly governments to become strong enough to resist internal Communist subversion and militarily prepared to stand up to armed Communist aggression. In the spirit of seeking to preserve a foreign-aid program which would further these original purposes I have engaged in extensive research on the question of where Tito and his regime stand in relation to the international Communist conspiracy which is headed by the Russian imperialists. In this work I have had the assistance of other Americans who have made firsthand studies of Titoism and have personally observed the present Yugoslav scene. Linguists have assisted in the translation of numerous documents and speeches from Russian, Serbian, Slovene, and Croatian into English.

A year ago I presented to the House the results of that study, which many Members of Congress found interesting and edifying.

In the year which has elapsed, Tito's policy has remained the same and our policy toward Tito has—unfortunately—remained the same. Since that policy is based on an indefensible attitude of ignoring the basic facts of the Tito case and since that policy is harming our national interests, I would like to present here again the main findings of the study of a year ago, which have been brought up to date by the most important facts and developments from May 1958 to June 1959.

WHAT IS TITO'S POLICY?

In the course of the last 12 months the promoters of Tito and Titoism as an allegedly "different," better, "democratic," and "independent" brand of communism have pursued with undiminished fervor and disregard for facts, their nefarious work. The best answer to that unrelenting campaign of glorification of a ruthless Communist is to confront it with the incontrovertible facts of Tito's political record of the last few years, which are these:

First. The reconciliation between Moscow and Tito in May–June 1955 during Khrushchev's and Bulganin's visit to Tito took place only after Tito did a unique service to the cause of Communist imperialism by carrying to Asia the message of different, independent, and national communism in 1952–53 and 1954–55. In the course of that campaign Tito openly and repeatedly whitewashed the new Russian leaders, Khrushchev and Bulganin, from all Stalinist crimes and proclaimed them different, well-meaning, peace-loving coexistentialists. It was only after that and on the ground of such services rendered to Communist imperialism, that the Russian leaders came to Belgrade to apologize to Tito and to acknowledge Communist Yugoslavia's right to a separate road to socialism.

Second. During the visit of the late Secretary of State Dulles to Yugoslavia in November 1955, Tito took a stand on the question of Moscow's European satellites diametrically opposed to the U.S. stand. Our position was that they deserved complete freedom from Moscow's domination. Tito's position was identical with Moscow's stand: that the satellites were already free and independent under communism.

Third. At the 20th Congress of the Communist Party of the Soviet Union in February 1956, Khrushchev not only pronounced his violent denunciation of Stalin, but also enunciated three important new points of doctrine: First, that war between Communist and Capitalist countries was not inevitable; second, that the downfall of capitalism, and the victory of socialism were not necessarily to be achieved through violence; third, that various roads and forms of transition to socialism were to be generally recognized for all countries. The important point for our analysis is that those three sensational innovations were neither invented by Moscow alone, nor imposed by Tito, but a result of common Russian-Yugoslav efforts and theoretical work achieved through a number of contributions, such as by Bebler, 1949; Seleznev, 1951; Piyade, 1952; Stalin, 1952; and Molotov, 1956; to name only a few.

Fourth. In June 1956 Tito visted the Soviet Union and sealed his reconciliation with Moscow with new, unequivocal, and most emphatic expressions of Communist solidarity. He said that the Yugoslav Communists had never failed in their international Communist duties and obligations; he called the Russian Communists brothers in arms and he declared that Communist Yugoslavia and the Soviet Union would march shoulder to shoulder in time of war as in time of peace toward the same goal, the goal of the victory of socialism.

Fifth. On his way back to Yugoslavia, Tito stopped in Bucharest and in an interview with Western newspapermen declared that it was improper to use the term "satellite" when referring to Moscow's colonies in central Europe since the Rumanian were self-governing people.

Sixth. In September and October 1956 Khrushchev and Tito, after a series of airplane flights from the Soviet Union to Yugoslavia and from Yugoslavia to the Crimea, and consultations with a great many European Communists, agreed upon a common plan for the promotion of independent communism. The plan was tried first in Poland, with temporary success, since Gomulka, a ruthless, veteran Communist, was posed as a Polish nationalist and champion of Polish independence. In Hungary the experiment failed, since both Khrushchev and Tito heavily miscalculated with Gero and Kadar, neither of these men could be built into nationalists or Titos because of the open contempt which the Hungarian people had for them.

Seventh. Khrushchev intervened with the brutual use of Russian military might to put down the Hungarian freedom revolution. At that time, Tito spoke of Stalinist mistakes, praised Khrushchev as an anti-Stalinist and justified the Russian intervention, which had, as he said, "saved Hungary for socialism." As for Kadar, Tito said that he was "that which is most honest in Hungary." Everyone knows that Kadar is one of the most detested Russian stooges in Hungary.

Eighth. In January 1957, after Khrushchev had twice in the course of 2 weeks hailed Stalin as a model Communist, a delegation of Yugoslav Communists visited Poland and praised the two Russian-Yugoslav declarations—Belgrade, 1955, and Moscow, 1956—as important and basic, and condemned Western imperialists for what they claimed were attempts to sow dissension in the ranks of the international workers' movement and disrupt it.

Ninth. In February 1958 the Yugoslav press joined Marshal Zhukov and the Russian press in denunciation of President Eisenhower's Middle East doctrine as what they considered an expression of imperialist and colonial concepts and at the same time ridiculed any talk of a danger of Communist aggression in that area.

Tenth. At approximately the same time Tito and Khrushchev executed a strategic maneuver of the joint Russian-Yugoslav agreement. Yugoslavia inquired in Washington whether the United States was going to supply them with more jet planes or not. Then Moscow started criticizing some very subtle point of Yugoslavia's allegedly national communism to show that Russian-Yugoslav relations were strained. Then the Yugoslav Ambassador in Moscow brought Tito a personal message from Khrushchev suggesting that it would be better to discontinue all open polemics and settle all questions amicably within the Communist hierarchy. The prearranged message was received with great enthusiasm by Tito. After that, Tito's friends in the free world, particularly in Washington, could argue that it was obviously necessary to give jets to Tito to prevent his reconciliation with Khrushchev. Other Western supporters of Tito frantically called for help to Tito, claiming that the Russian-Yugoslav relations were as strained as in 1948 and the West should help Tito maintain his independence.

Eleventh. The Yugoslav press unanimously denounced as imperialistic America's membership in the military committee of the Baghdad Pact, in March 1957.

Twelfth. After realizing that his hopes of visiting the United States as a guest of the U.S. Government were finally shattered by the public outcry against it in the United States, Tito declared that Yugoslavia could not possibly pursue a "unilateral policy." He then proclaimed:

> We must have good relations with the eastern countries regardless of some minor differences of ideological character.

Thirteenth. Shortly after Khrushchev had prophesied that our grandchildren would live in a Socialist United States, Tito declared that he had come "to the deep conviction that any sharpening of issues between Yugoslavia and the Soviet Union was completely senseless. It is impossible not to have good relations with those countries which are closest to us." He accused some people and newspapers in the West of attempting to put Yugoslavia on bad terms with the Soviet Union. Tito set the record straight again in the following statement:

> But we have no reason to have bad relations with them. * * * We are bound by the same goal; socialism. * * * Therefore, when they achieve successes, we should rejoice, as well as they should rejoice when we progress. Consequently, there is no reason for any conflict.

Fourteenth. To some visitors from Germany—end of June 1957—Tito said about Stalin that he was "crafty and dangerous, but a great man."

Fifteenth. In August 1957, after Tito had allegedly in his CBS–TV interview—June 30, 1957—sided with Red China and taken exception to some statements of Khrushchev, the Soviet Union granted Tito $250 million in credit to be used for the construction of an aluminum factory, a hydroelectric plant and a fertilizer factory. At the same time Tito took sterner measures against Western newspapermen accused of slanting their news from Yugoslavia against what he called Socialist democratic order.

Sixteenth. On August 3, 1957, Tito met with Khrushchev in Rumania and concluded an agreement on the basic problems of the international situation. They reconfirmed their joint resolutions of 1955 and 1956 as the basis for the further development of their mutual relations as well as the relations of all socialist countries and they reached full understanding on concrete forms of cooperation between the two Communist parties.

Seventeenth. In August 1957 the Yugoslav press accused the United States of violating the Korean truce agreement, while completely exonerating the North Koreans and Communist Chinese, both of whom had been condemned as aggressors by action of the United Nations.

Tito welcomed Ho-Chi-Minh, an old comintern agent who is now Russian pro consul in North Vietnam, to Yugoslavia and agreed with him on the necessity of discontinuing all nuclear tests. Some Western observers thought they had detected a serious conflict between Moscow and Tito, in the literary and artistic sphere.

The Yugoslav press, which a few months before had greeted Mao Tse-tung's slogan in favor of the blooming of all flowers and schools of thought, defended his ruthless extermination of the Red Chinese regime's enemies as a necessary measure of self-criticism.

Eighteenth. In September Gomulka, Cyrankiewicz, Rapacky and Ochab, the leaders of the Communist party of Poland met with Tito, Kardelj, Rankovic, and Vukmanovic, the leaders of so-called independent Yugoslavia. But instead of demonstrating anti-Russian defiance, which the free press had expected, they stressed their fundamental ideological identity on the basis of socialism and proletarian internationalism, very aptly defined as the Communist term for accepting Russian leadership and following all political directives given by the Soviet Union and the Soviet Communist Party, according to the New York Times, December 9, 1957. Gomulka emphasized Communist dominated Poland's solidarity with the Soviet Union, "the first and mightiest socialist country," as well as with Red China. He also said that since Poland and Yugoslavia were building socialism according to their specific conditions this made them members of the great socialist family. Polish-Yugoslav cooperation was thus cleared up as a contribution to the strengthening of the Communist movement in the world. Gomulka stated his opposition to the forces of colonialism which he claimed were interfering in the affairs of countries of the Socialist bloc.

Tito wholeheartedly responded:

> We know what we want and we are doing our best to realize it. * * * We are Communists—we collaborate with the Soviet Union. When we speak of separate roads to socialism, that should not be taken literally, i.e., in the sense that we have a separate road in every respect, in all things. We have many things in common. All of us have the revolutionary inspiration from the great October revolution, which gave us the elements upon which we built what we have today. We are led by the principles of Marxism-Leninism. Today we must do everything which is in accordance with our internationalist obligations.

Tito stressed the great contribution of the Soviet Union to the success of socialism in the world and added that he did not see in general among all socialist countries any elements which would stand in the way of constructive socialist cooperation. Tito then explicitly shattered the Western illusion of Polish and Yugoslav national communism, when he said:

> I wish, comrades, that Poland and Yugoslavia—which are much criticized for practicing some national communism, which I consider nonsense—ought to show that they have no use for any national communism.

After endorsing all the main points of Soviet foreign policy—ban of thermonuclear weapons, division of Germany, recognition of the Oder Neisse Polish

border, Soviet stand on the Middle East, admission of Red China to the U.N., a status quo—Tito ridiculed those who had expected that a meeting of Polish and Yugoslav Communists would lead to a weakening of the Communist world movement. On the contrary, he said, those two countries had the duty to work for the closest possible cooperation between all Socialist countries and moreover the "active coexistence between countries and peoples with different social systems was profitable to the further development of socialism."

Finally, he proclaimed that former or future Russian-Yugoslav dissensions should not be dramatized, relations between Socialist countries should be such as to give mighty impetus toward creating confidence in the Soviet Union in the whole world.

Nineteenth. On September 20 the Belgrade daily Politika, organ of the Communist Party, published an article which Tito had written for the Foreign Affairs magazine—October issue. In this article, Tito first assailed the lack of confidence with which every move of the Russian leaders was met in the West. He put the blame on the West for the present uneasy international situation which he claimed was characterized by "encirclement, war threats, and aggressive attempts to isolate the Soviet Union."

The NATO has no justification, according to this Tito article. It is a matter of growing distrust and deepening rift between the East and the West. As for the Warsaw Pact, it was of a purely defensive nature and it would cease to exist as soon as NATO was disbanded.

As for the Middle East, Tito assailed free countries for what he called the "policy of interference in the internal affairs of the Arab countries," and particularly the Eisenhower doctrine. Tito added:

> I consider that the present policy of the colonial powers toward the peoples of Africa and Asia is wrong and that it represents a latent danger for war conflicts.

After pleading for the admission of Red China in the U.N., Tito tackled the most delicate question of Communist Yugoslavia's position in the world:

> In the West the question is often asked and various answers are suggested regarding where Yugoslavia stands and where it will stand. The reason for such guesswork lies in the fact that Yugoslavia is a Socialist country, that it is building socialism. Therefore, people in the West think her goal is the same as the goal of the Soviet Union and other countries of the East. Yes, it is true that our goal is the same.

Twentieth. In October, Tito's Communist regime recognized the satellite regime of East Germany and on October 19 Western Germany broke diplomatic relations with Tito. By this act Tito gave additional evidence of his firm adherence to the Moscow line.

Twenty-first. The recognition of East Germany by Tito was the last straw to break the patience of Tito's friends in the free world, who now warned him in very solemn terms that, unless he pulled himself together, he would certainly lose the support, military, if not economic, of the free world. So, a few days after Yugoslavia's recognition of East Germany it was announced that Tito would not go to Moscow to attend the celebration of the 40th anniversary of the Bolshevik revolution.

Twenty-second. While Tito's friends and supporters did their best to convince public opinion of the free world that once again great tensions had developed between Moscow and Communist Yugoslavia, Kardelj, the first vice president of Communist Yugoslavia, and the head of the official Yugoslav delegation to the Russian celebrations of the 40th anniversary of the Bolshevik revolution, spoke Tito's mind in Moscow. He said:

> Together with you (Russians) we are building relations of friendship and cooperation, based on the great idea of proletarian internationalism. * * * The Yugoslav Communists are delighted at every success of the Soviet peoples, because their victory means a gain for socialism in the whole world.

Rankovic, Tito's chief of the secret police, made similar speeches, stressing the "indissoluble links between our revolution and the great October revolution."

Twenty-third. The celebrations of the 40th anniversary of the Bolshevik revolution comprised, among other activities, a meeting of the heads of all Communist countries, November 14–16, 1957, and a meeting of the representatives of all Communist parties in the world, November 16–19, 1957. From the first a declaration was issued, which the Yugoslav delegation did not sign. From the second a peace manifesto was issued, which Yugoslavia signed, along with the representatives of 63 other Communist Parties.

Tito's refusal to go to Moscow and his refusal to sign the Moscow declaration were used in an effort to impose on public opinion of the free world the idea that the Russian-Yugoslav relations were constantly burdened by heavy tensions and basic disagreements. Such an interpretation can by no stretch of imagination stand the test of the pertinent facts of the matter.

As far as the declaration is concerned, Tito himself declared in an interview with Mr. Sulzberger of the New York Times—February 28, 1957, published on March 6, 1957—that Yugoslavia refused to sign that document not because of disagreement, but because the document could not contribute to the lessening of world tensions and especially because Yugoslavia was directly involved in some points. At the same time Tito declared that Yugoslavia's refusal to sign that document was nothing tragic and that Yugoslav-Russian cooperation would not suffer because of that.

The Moscow declaration does not contain anything that could possibly cause any serious disagreement between Yugoslavia and the Russians. On the contrary, the declaration contained all the theoretical points evoked jointly and solemnly proclaimed by Moscow and Tito ever since 1955. It spoke of the "tremendous growth of the forces of socialism" in the world. It attacked the United States so-called positions-of-strength policy; it stressed "complete equality, respect for territorial integrity, state independence, and sovereignty, and noninterference" in the relations between Socialist states; it stressed the solidarity of all Communist countries, pursuing Marxist-Leninist international policy and "combining internationalism with patriotism"; it especially pointed to the necessity of applying the "principles of communism in keeping with the specific features" of every country.

Moreover, it reiterated and developed the basic thesis of the 20th Congress of the Communist Party of the Soviet Union in a manner which was clearly recognizable in the draft of the new program of the Communist Party of Yugoslavia presented at its 7th congress in April 1958, with accent on the two basic points, first, that socialism had made such progress in the world that in the future "the Socialist revolution" could be achieved by peaceful means and state power could be won without civil war; second, preparing for any eventuality, the declaration emphasized the old Leninist thesis that the use of violence depended ultimately not on the Communists but on its enemies. If "the reactionary circles" capitulated, violence would be unnecessary. If they fought back, the transition from capitalism to socialism would be "nonpeaceful."

From this development it is now clear that the main document coming out of the Moscow celebrations was not the declaration, but the peace manifesto, which endorsed every major foreign policy proposal of the Soviet Union—New York Times, November 23, 1957. While based on the same premises as the declaration the peace manifesto was sharper and more aggressive. It hailed the fact that the land of the Soviets is no longer alone and isolated and praised its relentless struggle for peace, especially in view of the warmongering attitude of the Western ruling circles which were "under pressure by monopolies, especially those of the United States." This is the document Tito agreed to and which was signed by the Yugoslav Communists.

Twenty-fourth. Only a few days later, Kliment Voroshilov, president of the Soviet Union, sent a congratulatory telegram to Tito, on the 14th anniversary of the Communist takeover of Yugoslavia, in which he spoke of the "brotherly cooperation between our countries based on unity of aims."

Twenty-fifth. In his New Year's message of 1958 Tito declared that "some colonial powers cannot accept the idea that the time of colonialism has passed." Tito thus associates himself in the Russian propaganda campaign to smear the Western powers as colonial and imperialists. He condemned the American reaction to the sputniks. He stated that while the whole world took them simply as a great contribution to the scientific progress of mankind, the United States saw in them a war challenge which required military countermeasures.

Finally he denounced the NATO Conference for concerning itself with military matters instead of what he regards as peace.

Twenty-sixth. On January 18, 1958, the French military authorities seized off the coast of Oran a 150-ton Yugoslav shipment of arms to the Algerian rebels.

Twenty-seventh. One week later Tito, speaking at the Congress of the People's Youth of Yugoslavia, denied that Yugoslavia was smuggling arms, but at the same time declared that "as Communists, the Communist leaders of Yugoslavia sympathize with all the colonial people who want to be masters on their own soil."

Twenty-eighth. The newly elected president of Tito's Communist youth movement made this pronouncement:

I especially want to emphasize for our comrades from the Arab countries, our comrades from Indonesia, our comrades from India, our comrades from various parts of the globe who are fighting for their national independence, who are fighting against colonialism, that the People's Youth of Yugoslavia will always stand with them.

Twenty-ninth. The Yugoslav press played up the 10th anniversary of the Russian subjugation of Czechoslovakia with this theme, "Socialist Yugoslavia always rejoiced at the successes of the peoples of Czechoslovakia in the struggle for socialism."

Thirtieth. Tito's interview with Mr. Sulzberger of the New York Times is certainly one of the most edifying exposures of Communist Yugoslavia, in which Tito mercilessly shattered all the premises of Western Titoism. He proclaimed the military value of the vaunted Balkan pact as reduced to zero, he said that Yugoslavia felt threatened by the creation of U.S. missile bases in Italy, he explained Yugoslavia's recognition of East Germany as a natural consequence of the Yugoslav policy of coexistence. He said that it was impossible for any country today to be neutral. As for national communism, he declared:

I must say that there is no national communism. Yugoslav Communists are also internationalists. The whole thing is that various countries which are building socialism have different conditions under which the new system is being built. That does not mean that the systems are different, but only that there are differences in the roads which lead to the same Socialist system. As far as our international obligations as Communists are concerned, I must say the Communists of Yugoslavia have never failed to fulfill them.

As for Stalin, Tito declared:

Of course, I met and admired Stalin. * * * I still esteem some of his qualities.

Thirty-first. In his so-called electoral speech of March 16, 1957, Tito praised the Communist method of electing representatives as truly democratic, whereas the method of the West was the opposite, since there, "the people, the voters, have no part in determining who will be their candidate."

He was full of sympathy for the colonial peoples. He branded the attitude of the United States on the events in Indonesia as warmongering and hypocritical. As for the summit conference, he entirely approved of the Russian strategy, and blamed the West for sabotaging their efforts.

He announced that Russian-Yugoslav relations were good and were developing very well, and the same applied in general to the relations with all Communist countries.

Thirty-second. When Tito, after allegedly struggling with many difficulties and very sensitive problems of his supposedly strained relations with Moscow, addressed the Seventh Congress of the Communist Party of Yugoslavia on April 22, the first thing which he chose to emphasize was that the idea of a crusade against communism was only the work of imperialist aims and colonial subjugation. It was the West which was responsible for the creation of military blocs, which was its answer to the "victory of the Chinese revolution" and to Stalin's inflexible policy. He claimed that the Soviet Union underwent radical changes which exerted a strong influence on the relaxation of international tensions. He then pointed out that as a consequence Russian-Yugoslav relations were closer because the important thing was that "between us there is more confidence; that we understand each other; that there exists a friendly and sincere exchange of opinions and experiences on the basis of which broad cooperation is developing."

Tito rejected criticisms to the effect that the Yugoslav Communists were not internationalists by stressing that internationalism did not depend on some formal adherence or words and propaganda, but on the building of socialism in domestic policy and of practicing Marxism-Leninism in international relations. Speaking of the rift with the Russians in 1948, Tito made the very important and revealing statement that the Russian stand created in the world doubts as to the correctness of the policy of a country "that throughout this whole period was a beacon to the international workers' movement." Because of this he said "the revolutionary blade was blunted" and the enemies of socialism, "the international reactionaries," exploited this Communist predicament to the utmost.

Tito praised the work of the 20th Congress of the Communist Party of the Soviety Union, which, together with the Belgrade and Moscow declarations, renewed the confidence in the Socialist forces of the world. Tito also revealed the essence of the new Communist strategy of soft, different communism by explaining that the new line of the 20th congress and the 1955 and 1956 joint resolutions did not represent a weakening of the Socialist world, "but precisely its opposite—this makes possible the mobilization of all the forces of socialism."

Thirty-third. On the occasion of the 41st anniversary of the Bolshevik revolution in Russia, the Yugoslav Communists were especially cordial in their congratulations and wishes for "new successes in the building of socialism." While some Western newspapers wrote about the alleged seriousness of a new Moscow-Tito rift, the Yugoslav press praised in glowing terms the October revolution. Special prominence was given to Tito's words that "the 7th of November 1917 represents a historical turning point in the life of mankind. That date marks the beginning of the revolutionary process toward the Socialist transformation of the world."

Thirty-fourth. While Western Titoists wrote eulogies on the democratic development of Communist Yugoslavia, Tito's regime nationalized, actually confiscated, all real estate in Yugoslavia—December 1958. According to an official spokesman:

Our road is clear and it leads to socialism and therefore in Yugoslavia private property and private ownership must disappear.

Thirty-fifth. At the height of the concerted campaign of Moscow and Peiping against Tito, the periodical Komunist, organ of the central committee of the CPY, wrote on January 14, 1959, that Yugoslavia would "continue to support positive diplomatic moves by the Kremlin despite the Soviet bloc campaign against the Tito government."

Thirty-sixth. The true character of Tito's regime was also revealed by the fact, established by the officially appointed Zellerbach Commission on Refugees, that Communist Yugoslavia was "the chief refugee-producing country in Europe today"—March 1959. In the last 2 years nearly 40,000 people escaped from Communist Yugoslavia. Does that indicate that the Yugoslav regime has the support of the people?

Thirty-seventh. In April 1959 the Soviet Communists sent congratulatory telegrams to their Yugoslav comrades, on the 40th anniversary of the founding of the CPY. The Yugoslav Communist leadership seized the occasion to suggest "constructive, comradely discussion," which would "aid the speedier solution of problems facing the international workers' movement."

Thirty-eighth. During the celebrations of the 40th anniversary of the CPY, Tito stated that "after the CPSU—Communist Party of the Soviet Union—it was the CPY which most consistently fulfilled its revolutionary role."

Yugoslavia was and is a component part of the world's movement toward socialism. We Yugoslav Communists consider that the further development of the international situation will follow the line of the growth in all countries of those forces which will carry the historical revolution toward the strengthening of socialism.

Thirty-ninth. The close contacts and coordination of efforts between Moscow and Tito have also been revealed, subtly but unmistakably, in all the recent talks about European economic integration. Khrushchev has on several occasions hinted at the need for a socialist federation which would encompass at least all Communist-ruled countries in Europe. During his recent trip to Albania he spoke of the creation of a "zone of peace" in the Balkans and the Mediterranean. His statements, though not quite precise and concrete, were obviously motivated—as all Soviet policy regarding Berlin, Germany, and Eastern Europe—by the desire of consolidating the existing Communist status quo in half of

Europe. While Western observers failed to observe anything, Tito expressed his agreement with the zone-of-peace idea and Kardelj, in his interview with the French weekly France-Observateur of April 9, 1959, denounced all non-Communist economic integration and strongly pleaded for a "world integration," based on a "program of struggle for socialism."

Fortieth. On May 5, 1959, Kardelj spoke before Yugoslavia's Peoples Front and made these significant remarks:

> The differences between us and some other ruling Communist parties are only the expression of the contradictions which are proper to the whole Socialist development, i.e., which do not represent any "national" specific trait of Yugoslavia.
>
> Differences have not arisen because we or others were nationalists or people with national limitations, or because we or others would oppose a dogma to another dogma.
>
> We are not against what in the Socialist camp or bloc is socialistic, what keeps the Socialist solidarity in it, but we are against some elements of concrete policy. * * * To refuse acceptance of such conception of the bloc does not mean to reject the Socialist solidarity, much less to reject socialism itself. It only means that we reject some concrete concepts about the relations between Socialist countries * * * because in our opinion, they do not contribute to the full and adequate affirmation of socialism which would correspond to its real present strength. We are consistent not only in the building of socialism but in the defense of the principle of Socialist solidarity.

Forty-first. While Kardelj reaffirmed in unmistakable terms the full solidarity of Communist Yugoslavia with Moscow, Tito complained—May 22—about student demonstrations against the regime and declared that "there can be no democracy for those who are enemies of the process of further socialist development in our country."

The facts presented constitute sufficient evidence to support the following conclusions about Tito and where he stands in the international conspiracy of communism:

First. Since 1955, when Tito solemnly reconciled with Moscow, there have been no signs of estrangement or any major strains in Russian-Yugoslav relations. There have been some minor differences in views, but they have always been subordinated by both sides to the common political goal of spreading communism in the world. The Yugoslav foreign minister, Koca Popovic himself declared on April 25, 1958, that Russian-Yugoslav relations "need not be harmed" by those differences.

Second. The artificial creation of situations of tension between Russian and Yugoslavs has become a regular feature of the pattern of Russian-Yugoslav strategy for extracting United States dollars. Tito's "estrangement from Moscow" occurs each year just as Congress takes up the foreign aid bill.

Third. Yugoslav foreign policy has not undergone any noticeable change since 1955. Tito's statement of February 1955—upon his return from Asia—that "our policy has never been different from what it is today" and that it was the same as "6, 7, and 8 years ago—nothing has changed"—is clearer today than it was 4 years ago.

Fourth. In the last few years Tito has worked out jointly with Moscow a new strategy, based on the lessons of the Stalin-Tito break of 1948 and adapted it to the new opportunities which they have created for the spread of communism in the world.

Far from growing further apart ideologically and politically, Tito and Khrushchev have come closer together. Tito has on policy and in practice supported all the most important moves of Russian-Communist foreign policy.

Fifth. Conversely, and necessarily, Tito has constantly taken a stand against the basic principles and moves of the U.S. foreign policy.

Sixth. There can be no talk of any Yugoslav independent foreign policy under its Communist regime. As Tito himself admitted and explained, his foreign policy was only formally independent, but was actually thoroughly devoted to the promotion of precisely the same goal as the Russian foreign policy, supplementing it and spearheading it.

The clash between Stalin and Tito on the question of how the cause of communism could be promoted best, led both sides to examine their positions and smooth out their differences. Through combined efforts, Khrushchev and Tito devised a new strategy of equality, independence, noninterference, and separate roads to socialism. Although the hypocrisy of their deal was revealed in the case of the Hungarian revolution of 1956, it is still being used with great success to deceive the free world, to give plausible cover to Communist sympathizers to promote communism by criticizing it and thus promote the interests of Communist imperialism in the most efficient manner.

Seventh. Tito not only is wholeheartedly participating in the world conspiracy of international communism, but is playing a key role in it.

Mr. HALEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HALEY. Mr. Chairman, recently the President requested the Congress to increase the legal debt limit. Of course, the request was for only a temporary increase, but we have heard that song before and we know that if this request is granted, it will be temporary only in legal fiction.

At the same time, we are asked to support this foreign aid program. In all good conscience, how can we justify this foreign aid giveaway when it will mean additional borrowing at a higher rate of interest in order to pay the costs of this nonsensical program. Furthermore, how can this be justified in the face of the campaign to balance the Federal budget? It seems to me that this request for the foreign aid program and the request to lift the legal limit of the public debt is inconsistent with sound governmental fiscal policies and with the publicized campaign to balance the budget.

Each year when this matter comes before the Congress, ample evidence is presented which clearly shows the willful and malicious abuse, waste, and corruption connected with this program. The Comptroller General of the United States has submitted reports to Congress carefully documenting many instances of waste, inefficiency, and gross mismanagement in the operation of this program. The General Accounting Office has done a magnificent job in presenting to the Congress factual material which they have carefully documented. But has anything been done to alleviate these conditions? No, certainly not. Why? I say there is a very strong presumption that nothing has been done because of the fact that too many people have been reaping the financical harvests from these corrupt practices. Who must pay? The American taxpayer.

In the last report to the Congress by the Comptroller General, there was a glaring example of the seriousness of the unsound practices on the part of the officials administering this program reflected by the following facts set forth in the report.

The International Cooperation Administration Mission at Pakistan owned a fleet of 229 passenger-carrying vehicles and operated 7 additional vehicles on loan from the government of Pakistan. In addition, the Mission had the use of several vehicles procured for specific projects. At the same time, the actual personnel strength of the Mission was 271 Americans including contract personnel.

This same Mission, consisting of 271 persons, also caried in its inventory 529 refrigerators, 666 room air conditioners, 650 stoves, and unitemized household furniture which was stored in a warehouse, all of which was valued at $417,000.

Is it reasonable to assume that each of these 271 persons needed "more than 1 stove, 1 refrigerator, and 1 air conditioner"? I dare say there are many people in the United States who are not so fortunate. It is fantastic and downright unbelievable that the American people will continue to support this foreign-aid program as it has been and is being administered. Remember this is not the first report of gross mismanagement, inefficiency, and negligent handling of the American taxpayers' hard-earned money in the operation of this foreign-aid giveaway, wasteaway program. It is just plain economic suicide to continue such practices.

It is not enough to brush off abuses, inefficiency, malpractices, and gross mismanagement with an indifferent excuse that such things are inherent in the political order of things and in the operation of Government programs. Regardless of the program, whether it is sound or unwise, there is not excuse for the American people being "hoodwinked" into believing that abuses of authority or inefficient management in the operation of a program of this kind should be ignored.

Many of my constituents who have traveled abroad have written to me complaining of many instances of mismanagement, inefficiency and loss of American prestige because of the operation of this foreign-aid giveaway. They have complained also about the ineffective-

ness of the program in the countries they have visited. They have expressed serious doubts as to whether the Congress should continue to support such a costly program in view of the apparent waste, inefficiency and ineffectiveness of the program.

I insist that we cannot afford to continue this program. In our present battle for the hearts and minds of men, and in our zeal to contain communism, we must seek to spread the virtues of freedom, freedom not only from Soviet domination but from all other forms of control which suppress individual freedom and liberty. This objective cannot be achieved by subsidizing governments that are hostile to such principles, and that is exactly what we have done in our foreign-aid program.

In 1958, the United Nations General Assembly voted to censure Soviet Russia and Hungary for the repression of the Hungarian people. Although the censure motion was carried by a vote of 50 to 14, 15 nations refused to commit themselves on this issue. Of the 15 nations who abstained from voting, 14 have received some form of aid under our foreign-aid program; many of these nations have received a very substantial amount of aid from the United States. The 14 nations were Afghanistan, India, Ceylon, Indonesia, Ethiopia, Ghana, Libya, Morocco, Sudan, Saudi Arabia, Iraq, Lebanon, Greece, and the United Arab Republic—of the latter, member nations Egypt and Syria have received mutual assistance funds. The delegate of Israel, a nation which has received much assistance from the United States, was absent at the time of the vote.

From this vote, on which 14 recipients of mutual security funds refused to commit themselves on a clearly defined question of freedom, it would appear that we have not been very successful in spreading the virtues of freedom.

We must, now, consider the effect of the foreign-aid program on the American people, the taxpayers. At a time when the public debt of the United States is greater than the combined total of the public debts of the 72 countries who have received our foreign-aid funds, it seems to me that we should be very much concerned, and be doing everything possible to reduce the terrific burden placed on the backs of the American taxpayers.

Mr. Chairman, I suggest it is time we get our own house in order and show more concern for the American taxpayer and our own economic well-being. In order to continue to be a strong force in behalf of freedom in international affairs, it is absolutely essential for the United States to remain financially sound and secure. Therefore, to increase our national debt and borrow money at a higher rate of interest, which will be necessary in order to continue this foreign-aid giveaway, simply does not make sense. It damages our position and weakens our strength at a time when we can ill afford either.

Mr. Chairman, I hope every Member of this body will consider the ill effects of our enormous public debt, our high taxes, the high interest rates, and inflation when the time comes for a vote on this bill. In addition, I suggest that every Member of the Congress read the report of the Comptroller General of the United States to the Congress dated March 1959 on the "Examination of Economic and Technical Assistance Program for Pakistan, International Cooperation Administration, Department of State, for the Fiscal Years 1955–57," as well as the "Seventh Report of the House Committee on Government Operations Relative to United States Aid Operations in Laos."

After reading these reports, I do not see how, in good faith and good conscience, any Member can justify a vote for the continuation of this program.

THE "CONSENT OF THE GOVERNED" AMENDMENT

Mr. REUSS. Mr. Chairman, the Committee on Foreign Affairs has presented the House with an admirably constructed piece of legislation. In a dozen different ways, it can give our foreign-aid program a new sense of drive and direction.

I want particularly to commend the committee for having added to the statement of policy the sense of Congress that this country has an abiding interest in assisting the efforts of the people of the world to realize their aspirations for improved living standards, for education, for governments of their own choosing, and for dignity and respect as individual human beings.

This amendment comes to grips with what is surely one of the most vexing problems of our foreign-aid program, the dictator dilemma. We are not very happy about giving aid to dictators. But just what is a dictator? And are we to cut ourselves off from countries such as Burma, Pakistan, Indonesia, the Sudan, Korea, Cambodia, Iran?

The language offered by the committee, instead of taking the negative view of turning thumbs down on dictators, turns the smile of encouragement on those who are moving toward democracy. Without placing any rigid conditions on our aid, the amendment nevertheless lines us up on the side of those who work for improved living standards, for education, for governments of their own choosing, and for dignity and respect as individual human beings. The first two goals—more food, clothing, and shelter, and less ignorance—have been goals for some time. The remaining two—governments of their own choosing, and dignity and respect as individual human beings—are stated for the first time.

The amendment accomplishes two things.

In the first place, it sets up a standard for all the world to see that we not only believe in democratic majority rule, with respect for the rights of individuals and minorities, but that we look toward its extension as the best alternative to communism. The amendment does not mean that we cannot ever aid a dictator. It does mean that the goal of peoples we assist ought to be that of majority rule, with minority rights. The example of Kemel Ataturk in Turkey a generation ago shows that it is possible for even a dictatorship to move toward democracy.

Rule by the majority, with protection for the minority, is not merely a political goal. Our adoption of this amendment will signify that we recognize that a country in which everyone has a stake in the government is likely to move just that much faster toward economic progress and stability. Such a stake is impossible under a dictatorship, Communist or otherwise.

In the second place, the amendment constitutes a guide to the Executive on how it should administer the mutual security program. If democracy is to be encouraged, the limited funds available for foreign aid must be marshaled to help people who are sincerely trying to move toward "governments of their own choosing, and for dignity and respect as individual human beings". We cannot aid every country in the world. If the choice has to be made, let it be made in favor of those countries which are genuinely moving toward government with the consent of the governed.

Furthermore, the march toward democracy can be furthered by the type of aid itself. Two such types—improved living standards and education—are mentioned specifically in the amendment. Public administration missions, land reform, and village development programs are other examples of what we can do to stir the beginnings of democracy.

The amendment should guide not only what countries are to be aided, and by what types of aid, but how American aid officials should conduct themselves. The current bestseller, "The Ugly American," undoubtedly exaggerates the aloofness from the people of certain American officials abroad. But the best answer to the criticism is for our shirtsleeve ambassadors to practice the precepts of the amendment. The amendment suggests that the kind of men and women the United States ought to send abroad about its foreign-aid business are the kind who Thomas Jefferson or Abraham Lincoln would select.

Mr. Chairman, it is not too much to hope that this amendment will give the foreign-aid program a sense of direction which it has so often lacked.

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, had come to no resolution thereon.

DESIGNATING PETALUMA CREEK AS PETALUMA RIVER

Mr. CLEM MILLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2191) to designate a stream in California as the "Petaluma River."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the body of water in California now designated and referred to as "Petaluma Creek" shall hereafter be known and designated as "Petaluma River." Any law, regulation, document, or record of the United States in which such body of water is designated or referred to by the name of "Petaluma Creek" shall be held and considered to refer to such body of water as "Petaluma River."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MARTIN J. MURPHY, JR.

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CHENOWETH. Mr. Speaker, we were happy to have as a visitor in the gallery today Martin J. Murphy, Jr., of Colorado Springs, Colo. Martin won the national award of the National Science Fair in Hartford, Conn., last month, and received the award of the American Medical Association for his research studies.

I congratulate Martin on winning this national contest. It was an outstanding achievement and we are very proud of him. He competed in Hartford at the National Science Fair against 320 of the Nation's leading students in science, who had been selected from an original list of contestants numbering about 500,000 over the country.

Martin will be a senior next year in Abbey School in Canon City, Colo., where he has been studying for the past 3 years. He first won the Regional Science Fair, sponsored by the Science Service of America, at Pueblo, Colo. In this contest he was sponsored by the Pueblo Junior College and the Pueblo Chamber of Commerce, who sent him to Hartford to compete in the national fair.

The American Medical Association rewarded Martin with a trip to their annual convention in Atlantic City last week, where he was interviewed by President Eisenhower. He is stopping in Washington on his way home and it is a great pleasure to welcome him to the Nation's Capital.

Martin's research studies consisted of a graphic demonstration illustrating how a body hormone affects blood production, and also how it unites with the blood cells. His discovery will be of great value to the medical profession in the treatment of various types of diseases.

Mr. Speaker, in these days when so much stress is being placed upon scientific development and research it is most encouraging to see a boy like Martin Murphy achieve this national recognition. It is a great tribute not only to him, but also to Abbey School and his teachers. It is proof that our young people are interested in science and that they will not be excelled by any group in any other country.

Martin is the son of Mr. and Mrs. Martin J. Murphy, Sr., of Colorado Springs. He plans to continue his scientific studies and take up medicine. He has already been offered several scholarships, and I am sure the medical world is going to hear more about Martin Murphy in the years ahead.

PERIL-POINT PRICES ON LEAD AND ZINC

Mr. BAKER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BAKER. Mr. Speaker, I have today introduced a bill to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc. I understand that several Members of the House representing mining districts are introducing identical bills.

This proposed legislation establishes peril-point U.S. market prices of 15½ cents per pound for lead and 13½ cents per pound for zinc.

Below the peril-point prices it imposes a 4-cent per pound import tax on pig lead or slab zinc and a compensatory schedule of import taxes for other unmanufactured and manufactured lead-zinc articles. At the peril-point prices, or above, the residual ad valorem or specific duties on manufactured articles such as the zinc content of zinc sheets, zinc strips, brass, and so forth, is retained.

The bill provides for duty-free imports of unmanufactured lead and zinc at or above peril-point prices by suspending present duties on unmanufactured lead and zinc and retaining only residual ad valorem or specific duties on most manufactured lead-zinc articles.

It provides for Tariff Commission determination of U.S. market price on the 15th day of each calendar month in order to effect the application or nonapplication of the tax for imports during the following calendar month.

This bill will permit the production of 550,000 tons of zinc and 350,000 tons of lead in the United States, and if enacted into law, will cause many lead and zinc mines to reopen and will increase the production of many mines now operating below normal, and will result in the reemployment of thousands of workers in the United States.

After long and extensive hearings, the U.S. Tariff Commission last year recommended to the President the imposition of reasonable duty or import tax on lead and zinc. Instead of accepting the recommendation of the Tariff Commission, the President imposed moderate quotas. This quota system has now been in effect about 8 months. The price of zinc in this country has increased from 10 cents a pound to 11 cents a pound, partly due to the quotas and partly due to improvement in the general economy and in the international situation; but, it is apparent that the price of 11 cents a pound for zinc is wholly inadequate. The quota system simply has not worked and, in my judgment, it will not work.

The fair and effective remedy is the one offered by the bill which I have introduced. I urge favorable consideration of this bill by the Committee on Ways and Means and by the Congress.

BENEVOLENT AND PROTECTIVE ORDER OF ELKS, NORTHSHORE LODGES, SPONSOR FLAG DAY CELEBRATION

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a speech.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the program of the annual Flag Day exercises under the auspices of the Northshore Lodges, Benevolent and Protective Order of Elks, at Peabody, Mass., on June 14, and my remarks on this occasion.

THIRD ANNUAL GRAND COMBINED FLAG DAY CELEBRATION, SPONSORED AND CONDUCTED BY BENEVOLENT AND PROTECTIVE ORDER OF ELKS, SUNDAY, JUNE 14

PROGRAM

Master of ceremonies: Robert C. Tierney, PER, Peabody.

Invocation: Rabbi Noah Goldstein, Peabody.

Address of welcome: Exalted Ruler Donald Y. Sellers, Peabody.

Elks greetings: By Exalted Rulers Arthur Davis, Lynn; Roscoe Cole, Salem; Francis Wall, Marblehead.

Emblem Club greetings: Peabody Emblem Club No. 2.

Community greetings: Peabody and visiting city and town officials.

Vocal selections: SPEBSQSA, combined Lynn, Salem, and Marblehead Chapters.

Elks Flag Day ritual: Introduction, Peabody Elks officers; prayer, Chaplain James W. Hallinan, Peabody Elks; history of the flag, Exalted Ruler Arthur Davis, Lynn, and Exalted Ruler Francis Wall, Marblehead; response, Exalted Ruler Roscoe Cole, Salem.

"What the American Flag Means to Me": J. Cassotis, Danvers, winner, Massachusetts State Elks Youth Leadership Contest.

Patriotic address: Congressman THOMAS J. LANE.

Vocal selections: SPEBSQSA Choral Group.

Flag-raising ceremony: City officials and Elks.

Presentation of flag to city of Peabody: Exalted Ruler Donald Y. Sellers, Peabody.

Benediction: Rev. Norman L. Kellett, St. Paul's Episcopal Church.

Music: By Peabody Senior and Junior Clippers.

Color guard: Marine Corps Reserve of Lynn.

Color guard and firing squad: Post 1011, VFW, Peabody.

Closing: Selection by SPEBSQSA Choral Group.

PARTICIPATING ORGANIZATIONS

Peabody: Post 1011, VFW; Post 153, AL; Portuguese-American Veterans; Post 100, DAV; St. Michael's Society.

Salem: AMVETS, DAV, PLAV, Emblem Club.

Marblehead: American Legion, VFW, Emblem Club, OKOS.

Lynn: PLAV, Marine Corps Reserve, Emblem Club.

SPEECH OF CONGRESSMAN THOMAS J. LANE AT ANNUAL FLAG DAY EXERCISES, UNDER THE AUSPICES OF THE NORTHSHORE LODGES, B.P.O.E., PEABODY, MASS., SUNDAY, JUNE 14

Greetings. Flag Day originated in the resolution adopted on June 14, 1777. Almost a year after the Declaration of Independence, the Continental Congress decided that the flag of the United States shall be 13 stripes alternate red and white, with a union of 13 stars of white on a blue shield, representing a new constellation.

No change in the design or number of stars was made until January 18, 1794, when Congress voted to add two stars and two stripes on the admission of Vermont and Kentucky to the Union.

On April 18, 1818, Cougress voted to perpetuate the original 13 States by fixing the number of stripes as 7 red and 6 alternate white stripes, with the number of stars in the blue field to correspond with the number of States in the Union. On the bright, clean flag that symbolizes the United States, many stars were added during the westward expansion of the last century.

When Arizona—the 48th State—was admitted to the Union in 1912, it seemed that the number of stars in the flag had been fixed at that number—forever.

During the depression of the 1930's, when the faith of many Americans was shaken by economic hardships, there were those who said: "There are no more frontiers left. The days of America's growth are over."

In the early forties that defeatism was swept away as Americans from the 48 States, and Puerto Ricans and Alaskans, and Hawaiians fought side by side in defense of freedom.

Within the past year, the Congress voted for admission of Alaska and Hawaii to our Federal Union. Soon, and officially, there will be 50 stars in our flag.

Alaskan Eskimos and Hawaiian Japanese will be fellow-Americans with us, broadening and strengthening our belief in equality of opportunity for all.

Suddenly we realize that history is not merely the record of the past, preserved within books for the instruction of the young. History writes down and interprets what we do, as we of today are making history.

Once again we feel that discontent with things as they are, that has characterized the great moments in our national experience. Out there—beyond the reach of our physical senses—is the knowledge that waits for discovery by our minds and our hearts.

The American flag that we honor today represents the original 13 States and the number in our Federal Union of the present. It represents the past, but points to the future. This is the most significant Flag Day that we have observed since 1912. We are proud of the new-born States of Alaska and Hawaii, of their people, their economic resources, their strategic advantages.

We welcome the increase in our Nation's strength, and confidence, and prestige. These are material gains that support and assist in the development of freedom. On freedom's road there is no dead end, no completion.

We press forward, striving to improve ourselves, to correct the injustices in human society and to open up the secrets of the universe. As individuals, and as a nation, we have made our mistakes, but we have learned from them.

From the Mayflower Compact of 1620, up to this Flag Day in 1959, we have won for ourselves—and as an inspiration to many others—those religious, political, civil, and economic freedoms that open the door to progress unlimited.

We are opposed and challenged, however, by a system that promises material security to man in exchange for his mind and his spirit. There are some Americans who believe that we can protect ourselves against this danger by material and military power alone.

This concentration on defense is not enough. It surrenders the initiative to the Soviet Union, giving to the Communists those advantages which they are certain to make the most of. This cautious, negative, wait-and-see-what-they-do policy is a reversal of the American tradition and the American character.

In the past—with two wide oceans separating us from rival nations—we devoted our full energies to the building of our Nation. If something had to be done, we did it, without holding back to see what other nations were doing. In the present concentration on defense, however, we have lost sight of other requirements which are becoming more and more urgent, and may, eventually, decide the outcome of the cold war.

No one can dispute the need for a modern, efficient military force that is ever developing new weapons in order to discourage aggressors. This must not divert our attention from other compelling needs such as housing, full employment, an expanding national economy, and education.

The little red schoolhouse of the past evokes sentimental memories—even though we did not go to school there—because it was long before our time. The underpaid schoolteacher who taught reading and writing, and 'rithmetic, sometimes to eight grades in that one room, did a magnificent job for the youngsters, the community, and the Nation of that time. That type of education will not save us today, even though we add courses on automobile driving and social adjustment, or whatever else that will keep the pupils happy and free from study.

In a few communities, there is a recognition of this fact. School letters are being awarded to those pupils who excel in their studies. We are rediscovering the purpose of education, which is not simply to keep youngsters out of mischief until they reach the age of 21 or 22, but to teach those mental disciplines, and the cultural-scientific knowledge that will equip them to live constructive lives.

There are very few parents without concern for their children's education. More than that, they want the best. But when it comes to the public effort required to improve our educational system, they balk at the cost. They are willing enough to pay for all sorts of conveniences—and even luxuries—but turn away from the necessities of education. Is it possible that the richest Nation in history can afford everything but education?

Not if we intend to survive.

The Soviet Union is determined to win the struggle for the minds of men. Its propaganda is making inroads on those who have not been trained to think. By giving top priority to education, through incentives and rewards that stimulate teachers and pupils to their best efforts, it will within a few years, surpass us in the number of young people skilled in the arts and the sciences.

Who is the highest paid individual in Communist Russia? A party official? A general? An athlete? An administrator of a big government project? None of these. He is the head of the Russian Academy of Sciences. Contrast this with the low prestige, and income, and honor given to educators and scientists in the United States.

If this continues it is possible that communism will win, and without resort to arms. If the Soviet Union should finally gain the lead in education, and in scientific accomplishments, that would be the end. And the supreme irony of history would come to pass.

Freedom—because it neglected its responsibilities—would have defeated itself.

I do not predict that this will happen. God forbid. But it may, if we do not rouse ourselves from our lethargy and put first things first.

In the most powerful nation in the world, there is no excuse for several millions of unemployed. This is a tragic waste of our human resources. Until we engineer a solution for unemployment, and for the additional millions living on substandard incomes, there is a defect and a weakness in our society.

This economic problem, however serious as it is, ranks second to our educational deficit. Right now, in the United States, there is a classroom shortage of 140,000 units. On the basis of 30 pupils to a classroom, this means that 4,200,000 youngsters are being denied the proper facilities for their education at the foundational level. This is before we examine the capacity and the quality of our colleges and universities, and why hundreds of thousands of young Americans fail to complete high school, or continue their education beyond it.

There is a teacher shortage of 130,000 because trained and qualified men and women see no hope of a future in this honorable profession that has been impoverished by substandard salaries.

Our public school system is a local responsibility, and under local supervision and control, in the democratic tradition. But the local real estate tax revenues, which support that system are no longer equal to the task. The States are in a similar position. It is clear that the Federal Government alone can provide the additional financial assistance that our schools so desperately need.

But our national leadership, while recognizing the challenge in words, is not following through with a vigorous and suitable plan of action.

In November 1957, shortly after Soviet Russia stunned the free world by being the first to place a man-made object in outer space, the President asked Dr. James M. Killian, head of the Massachusetts Institute of Technology, to become his science adviser. Dr. Killian secured a leave of absence to accept this post. A short time ago, after the committee had completed its survey, Dr. Killian resigned, and returned to M.I.T. The reason? Dr. Killian's committee called for an immediate doubling of the Nation's annual investment in education, in order to keep ahead of Soviet progress. This advice was ignored.

The business-as-usual philosophy—looking backward—had prevailed. In spite of plain evidence that, in this world of ferment and change, only bold, courageous, and imaginative programs can stop and reverse the tide of tyranny that has enveloped other nations.

On this observance of Flag Day, in the year 1959, we honor the banner which symbolizes all that made our Nation great up to this moment. As it responds to the freshening breeze, it stirs memories of the pioneering spirit that never rests, but moves on toward new horizons, never satisfied to mark time, never frightened into retreat.

The stars in this flag reflect the bright hopes of our children—their trust and confidence in us. Shall we fail them, and our heritage by refusing to push on, by neglecting to lead in the opening of those frontiers that will determine the direction and the destiny of mankind?

This flag calls upon us to revitalize our patriotism in the service of greater accomplishments for our Nation.

"First in our hearts as loyal Americans, nearest our altar as loyal Elks"—this beautiful emblem summons us to face forward.

Inspired by the impressive ritual of this day, we shall redouble our efforts to provide more and better education for our youth, upon whose minds and hearts the future of freedom depends, as never before. This is our pledge—to the flag.

THE RIGHTS OF 27 MILLION IN THE SMALL BUSINESS COMMUNITY

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. HIESTAND] is recognized for 60 minutes.

Mr. HIESTAND. Mr. Speaker, a prosperous and healthy small business community is one of the truly essential bulwarks of American democracy. It is a symbol of freedom of choice and competition for the little and big alike. This being true, it is with alarm that I note a slackening of concern today about protecting the rights of the small business owner and small business employee. All too often, the small business enterprise is battered about in the huge triangle of big business, big government, and big labor.

Mr. Speaker, I fear this is the way that our great Republic, piece by piece, step by step, like Rome, will slip into an age of Caesars of business, government, and labor and individual freedom will be eclipsed. And then, I suppose, we shall have to say what Cicero once said:

> It is due to our own moral failure and not to any accident of chance that, while retaining the name, we have lost the reality of a Republic.

But progress is being made in guarding against Caesars of big government and big business. As to big government, the effort of conservatives of both parties in curbing extravagant spending which inevitably produces a growth of bureaucracy has been dramatized throughout the land by the President of the United States. Fiscal morality has become a virtue.

As to the monopolistic power of big business, antitrust laws protect the public interest. What frightens me is the definite probability that this Congress may do nothing to protect the public interest from the Caesars of labor.

Swelling protests against this evasion of congressional responsibility are heard throughout the land. Spokesmen of various groups who are being oppressed have had their Congressmen and Senators speak out and register their complaints.

But it seems to me that the voice of small business has not been adequately heard and is not being echoed in the chambers of this Congress. And yet, we have already called the free functioning of the small business a bulwark of our democracy. Is it not a threat to democracy, then, that small business is daily oppressed by big union management and yet it finds no redress for grievances under our present laws?

On April 27, 1959, I wrote to Mr. Wendell B. Barnes, Administrator of the Small Business Administration. Noting the obvious fact that small business has a very great stake in labor reform, I requested him to give me his opinions on the effects of the present labor union racketeering, as well as the consequences of the failure of the Congress to pass laws to control blackmail picketing, coercive boycotting, and other oppressive measures.

Mr. Barnes is to be commended on the powerful and effective thoroughness of his response. I was keenly impressed with his awareness of the needs of the some 27 million people in the small business community, a community which includes both owners and unorganized employees. It is this important letter, speaking for these 27 million, which I now shall discuss with this body. May it not fall on complacent ears. May it not be cast out by dead consciences.

Mr. Barnes names three sources from which spring the principal threats to the interests of small employers: First of all, the so-called jurisdictional gap; secondly, the abuses presently attending organizational picketing; thirdly, secondary boycotts.

Let me give you both his thoughts and some of my thoughts which have been stimulated by his perceptive letter.

It may come as an alarming surprise that, out of approximately 4 million small business concerns in the country, at least 3 million have no forum in which to obtain redress for wrongs inflicted by labor unions. Yet, Mr. Barnes writes:

> Since their financial resources are extremely limited, they are unable to resist the economic pressures exerted against them with impunity by the Teamsters Union and other powerful labor organizations. For these firms, the rights guaranteed to employers in the Taft-Hartley Act have no practical significance. It is hardly an exaggeration to say that, under existing law, they have no rights at all.

Why does this striking injustice exist? Mr. Barnes' answer is clear cut. In regard to labor disputes, there is a jurisdictional gap which exists today between the authority of the States and the authority of the Federal Government. The National Labor Relations Board has been barraged with so many disputes involving interstate commerce that it has had to decline to exercise jurisdiction in cases of lesser importance and smaller size. Its decision about what cases to handle is based upon annual dollar volume of interstate sales and purchases transacted by employers. As Mr. Barnes writes:

> An aggrieved employer whose volume is below that set for the type of business in which he is engaged cannot normally obtain a hearing from the Board.

How did this gaping gap develop which has created a no man's land in labor-disputes? I quote Mr. Barnes:

> Prior to 1957, such refusals of the Board to entertain complaints did not necessarily deprive affected firms of a remedy, because they were frequently able to obtain relief from State courts and agencies, many of which assumed that they had jurisdiction under the circumstances. In that year, however, the Supreme Court decided that Congress, by vesting the Board with jurisdiction over labor disputes affecting interstate commerce, completely displaced the power of the States to deal with such matters. (*Guss* v. *Utah Labor Relations Board*, 353 U.S. 1.) Since then the 3 million small employers of whom I speak have been at the mercy of the unions, with no right of recourse to State courts or tribunals for protection from illegal union action.
>
> Small businesses must not be left to wander helplessly in this no man's land. An employer whose volume of interstate business is below that established by the Board for the type of enterprise in which he is engaged should have direct and immediate access to the courts of his State. It should not be necessary, as has been suggested, for him to obtain a specific declination from the Board before obtaining such access. Since the Board normally has a crowded docket, the resulting delay would, in most instances, bring financial ruin to the business concern involved in the dispute, even though the Board declined jurisdiction or the small business owner subsequently won his case. Time is of the essence in these matters.

What is being done to breach this gap and to bring proper jurisdiction into no man's land? Very plainly, Mr. Barnes says that the Kennedy bill, S. 1555, fails to meet the needs and bridge the gap. I quote from Mr. Barnes:

> The Kennedy bill (S. 1555) recently enacted by the Senate contains a proposal of little or no merit. In substance, section 701 of that measure invites the States to establish special administrative agencies to handle labor disputes as to which the Board has declined to exercise jurisdiction. These agencies would dispose of their cases in accordance with the provisions of the Taft-Hartley Act, as interpreted by the Board and by the Federal courts. Either party dissatisfied by a decision of an agency could obtain review in the appropriate Federal district court. State courts, it is to be noted, are shut out of the picture.
>
> The program contemplated by section 701 could not begin to operate unless and until the States enacted legislation establishing the requisite agencies or affecting appropriate extension in the authority of existing agencies. Even if the States were eager to accept the role assigned to them, it would be at least 2 years before a significant number could take action. Competent observers have predicted that State legislatures will be strongly adverse to a system which prescribes the procedures to be followed by State agencies and denies to their own courts power to review the rulings of such agencies. This reluctance, together with the strong opposition that can be expected from the unions, promises long delay in the implementation of section 701. Indeed, I suspect that this proposal would be accepted by few States, if any.

Quite clearly, the Kennedy bill will not remedy the serious problem of the jurisdictional gap, and therefore, will not answer the needs of 27 million Americans.

What bills will answer the need to close the jurisdictional gap?

The Department of Labor has made a recommendation which has been placed in a number of pending bills, such as H.R. 3545, my own bill, and also S. 1386. These alternatives provide what the Kennedy bill evades.

Section 502 of my bill specifically provides that State courts and agencies may assume and assert jurisdiction over labor disputes over which the NLRB declines jurisdiction.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield.

Mr. BAILEY. Is the gentleman willing to go so far as to say the Secretary of Labor should be made a labor czar and

be given the authority to do this if the labor board dodges their responsibility?

Mr. HIESTAND. I am sure the distinguished gentleman from West Virginia would not read that meaning into my words.

ORGANIZATIONAL PICKETING

Now I shall turn to the problem of organizational picketing within the small business community.

Along with the great benefits of the indutrial revolution and the rise of finance capitalism was the tragedy of the workers being cut off from direct contact with the management. Thus, certain personal bonds of a very fine human relationship disappeared. This cleavage between management and workers was one reason why the union movement was needed for the workers in this situation.

Within small business, however, the older type relationship still endures. The cleavage never developed. In the large plant the boss may never be seen. But in the small concern the contact is still daily. There is constant communication between the two. Needs as well as complaints are constantly voiced, and by and large, most small businessmen have a most cordial and credible attitude toward the welfare of those they employ. To act otherwise would destroy the morale of the organization and soon affect production.

There is then, no need nor enthusiasm for the union movement in many small businesses. What is more, in an age where bigness seems to be the trend, the employer-employee relationship in small business has a saving quality which should not be lost. It is a great shame that union organizers, against the wishes of those employed in small businesses, are upsetting this fine relationship and demanding that a certain union be recognized, regardless of the wishes of the employees. Plainly, this is a form of tyranny. The supposed representative of the employees, the labor organizer who comes, wanted or not, has become the master and not the servant of the employees.

In Mr. Barnes' letter, he explains how this employee takeover occurs:

> The employer is given to understand that, if he fails to agree, a picket line (composed of entire strangers) will be thrown about his plant to intimidate his suppliers and customers, as well as his employees. This is a formidable threat because few small concerns have the economic stamina to hold out against picket pressure. On the other hand, if he signs a contract, he will betray the right of his employees to select their own representatives. Moreover, the employees may strike his plant in protest.
>
> Generally he finds himself compelled to yield to the organizer. It is imperative to the welfare of small businesses that these and other abuses attending organizational picketing be outlawed. Section 504 of administration bill contains a proposal making it illegal for a union to resort to picketing as a means of coercing an employer to recognize it as the bargaining representative of his employees or for his employees to accept or designate it as their representative, where the employer has recognized in accordance with law another labor organization, or where a representative election has been conducted within the last preceding 12 months, or where it cannot be demonstrated that there is a sufficient showing of interest on the part of the employees in being represented by the picketing union, or where the picketing has continued for a reasonable period of time without the desires of the employees being determined by a representative election. Complaints alleging a violation of any of these restrictions will be given priority by the Board.

Mr. Barnes feels that the enactment of this proposal would be helpful. It would not solve the entire problem, he realized, since the Board still could not hear the complaints of the great bulk of small businesses. On the other hand, stiffening of the Federal law on organizational picketing, he continues, could lead to similar action by the various States.

What is Mr. Barnes' view of the Kennedy bill in this regard? Does it ward off the peril of misused organizational picketing? Mr. Barnes minces no words when he says:

> Section 708 of the Kennedy bill is, in my view, entirely inadequate to meet the situation. It forbids organizational picketing under very limited circumstances and provides, in effect that an employer can obtain no relief if the offending union shows that the employer has been guilty, at any time, of a practice defined as "unfair" by the Taft-Hartley Act. Needless to say, offending unions could confuse the issue in every case by bringing counter-charges against which the complaining employer would have to defend himself. This can hardly be described as an effective means of protection.

Clearly the Kennedy bill has failed to answer the very vital needs of the small business community in regard to either organizational picketing or the jurisdictional gap. Now let us turn to the problem of secondary boycotts.

SECONDARY BOYCOTTS

The principle of secondary boycotts is to strangle the employer by cutting him off from vital customers, services, or distributors. The business groups manipulated by such tactics usually have no personal interest in the particular case. But the full pressure of the union is exerted upon them to cease transactions with the firm under attack. In effect, the economic activities of these businesses selected by the union management to fit into the strangulation scheme are curtailed for no reason or choosing of their own. They are mere pawns at a severe economic cost to themselves.

Mr. Barnes makes these observations:

> Insofar as small business is concerned, the secondary boycott can be fairly described as a deadly weapon. This is clearly evident when it is directed against a small manufacturer operating, as most of his kind must, on very limited capital. Deprived of materials and parts, as well as orders for his products, he cannot long survive. The mere threat of such an interdict usually brings surrender to union demands, however onerous. Less obvious but equally important is the fact that secondary boycotts directed against large concerns may be injurious to small business. For example, small distributors who depend upon a large producer for credit may be cut off, by union pressure, from their only source of supply. Similarly, small suppliers of the concern may be deprived of their major market. If the dispute is not settled in a short time, these innocent bystanders may be forced out of business.

True enough, the present law does prohibit striking or other concerted action as a means of compelling one employer to cease business with another. But there is a loophole in the law. For the union can accomplish the same aim of capitulation by ordering individual employees not to perform their particular services.

What is more, a union may apply direct pressures on an employer in several other ways. He may have forced him into signing an agreement that he will not require his employees to work on goods produced or handled under conditions which the union does not approve. Mr. Barnes points out that, even in the absence of such an agreement, a union frequently accomplishes its goal simply by threats of labor trouble.

Mr. Barnes points out that, of the loopholes in the law, the Kennedy bill only closes the practice of the hot cargo device, and lets the previously mentioned ones go wide open. By way of contrast, he points out that:

> Section 503 of your bill (H.R. 3545), embodying a proposal made by the President and the Secretary of Labor, virtually outlaws secondary boycotts except against employers performing farmed-out struck work and, under certain circumstances, against employers engaged in work at a common construction site with the primary employer.
>
> Accordingly, I favor the enactment of section 503. Here, again, I should like to emphasize that such action on the part of Congress will be of direct benefit only to that minority of small concerns which can obtain hearings from the Board. Nevertheless if it spurs a similar legislation from the States, as seems likely, it will benefit the whole small business community.

In sum, Mr. Barnes' letter to me plainly proves that there are 27 million people in the small business community, and I mean both employers and employees, who were ignored when the Kennedy bill was written. Are we really proposing genuine labor reform or are we simply trying to hoodwink the public? Is this labor reform when 27 million people are not considered important enough to write their rights into law? The job of reform is not being done by the Kennedy bill.

Let me read to you Mr. Barnes' own conclusions:

> I believe it is imperative that corrective labor legislation be enacted at this session of Congress. Delay in adopting adequate protective measures will be injurious to the interests of small business. The Kennedy bill, as originally introduced, was not the sweeping labor reform expected by the whole country as a result of the shocking abuses exposed by Senator McCLELLAN's committee. The slight merits of that bill, as eventually enacted by the Senate, are due primarily to amendments offered by Senator McCLELLAN and others. Additional proposals made by them, of vital importance to small business, were rejected. * * * There are some 27 million people in the small business community, owners and unorganized employees, who are the principal victims of deficiencies in existing law. They expect their interests to be protected by Congress, notwithstanding the efforts of some labor leaders to thwart remedial action.

Mr. Speaker, I think the path of duty of the 86th Congress is clear as crystal. In enacting labor reform, we shall either represent or we shall ignore the rights

of all the people, and I include those 27 million in the small business community. The Kennedy bill ignores those rights. What shall we, the Congress, do about it? The country wants good and strong labor reform. I doubt if there is one Representative in the 86th Congress whose office has not been flooded by such demands. There is not one Representative in the 86th Congress whose district does not have thousands of constituents involved in small business. The problem is—will they, the 27 million, be represented in this Congress?

The country is demanding good, sound, strong, and workable labor reform legislation. The demand is for one that is better, sounder, stronger, and more workable than the Kennedy bill, S. 1555, as passed by the other body. These demands, flooding our offices with each delivery of the mail, have stepped up in recent weeks as hearings in the Labor Committee continue to reveal the depth and seriousness of the need for such legislation.

In his letter to me, Mr. Barnes thoroughly examined three of what many of us consider to be the six essential provisions of the new legislation: Blackmail picketing, the secondary boycott, and the gap between Federal and State law. The other three essentials are: Protection of the rights of individual union members, especially the right of secret ballot in electing union leaders and in setting union policy; safeguards to prevent reprisals against union members who, in exercising their rights as free Americans, act contrary to union policy; and finally, safeguards for workers' money in union treasuries and pension funds.

Unfortunately, although much of the press has taken the position that we must have labor reform legislation, some conclude, give us the Kennedy bill. But the Kennedy bill, as presently constructed, might be called an adequate labor reporting bill, but it is little more than that, and that is not enough.

There are several labor reform proposals now before the Labor Committee, in addition to the Kennedy bill: The Barden bill, the Kearns bill, administration, and others. From the standpoint of small business, any one of these bills would do a better job than the Kennedy bill. But should the Kennedy bill come out of committee in substantially its present form, we are still under no obligation to pass it as such, but rather, are obligated to amend it, to improve it, and to include the provisions which we know to be essential to the welfare of small business, nonunion and union workers, and the general public, in fairness to all concerned.

Mr. GRIFFIN. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from Michigan.

Mr. GRIFFIN. Mr. Speaker, I wish to commend my able and distinguished colleague from California for taking this time and discussing so well a very important subject. As never before in our history, the country is looking now to this legislative body for meaningful and effective labor reform legislation.

Interest in this field is too often confined to the problems of union members and union officers. It is well that the gentleman from California has directed attention today to some of the serious problems which small businessmen face because of the lack of adequate legislation.

The Special Joint Subcommittee on Labor Reform Legislation of the House Committee on Education and Labor recently concluded more than 6 weeks of hearings. We heard from many small businessmen who pleaded for legislation to protect them and their employees from unscrupulous labor bosses and racketeers.

Typical of stories told by many small businessmen is the one related by Gene Bragg, a Lincoln-Mercury dealer from Galesburg, Ill.

A statement which Mr. Bragg presented before our subcommittee on June 8, 1959, follows:

Mr. Chairman and gentlemen of the Committee, I am Gene Bragg, a Lincoln-Mercury dealer in Galesburg, Ill., and I appreciate the privilege of testifying before you today. I am one of 10 automobile dealers in Galesburg, and the brief story I wish to tell, while personal, is also of general application to the other 9 dealers.

Galesburg, with a population of approximately 32,000, was selected as an all-American city in 1957 by the National Municipal League and Look magazine. We have a good city and are proud of it.

The automobile dealers' trouble with the Teamsters and Machinists Unions all started with organizational meetings in March and April 1956 which were immediately followed on May 16 by organizational picketing of our places of business.

One month later, these two unions launched upon a rampage of vandalism. Red paint was poured on 6 new cars; acid was thrown on 10 used cars; plate glass showroom windows were broken by gunfire and thrown bottles; paint remover was poured on 7 other new cars.

After these activities, the Teamsters' representative told us to sign a union contract, or "we will stay with you till we break you."

In early August 1956, the dealers of Galesburg staged a parade to promote the sale of used cars. The unions tried to break it up by force.

Because of the violence and intensity of union activities, the council of churches of the city investigated the situation and reported that at no time did the unions represent a majority of our employees.

In September 1956, the city council passed a resolution asking the unions to cease picketing and halt the strike. The union leader told the city council that he had $30 million to spend to force the automobile dealers to sign up, and that is what he would spend, if need be.

On October 2, 1956, the dealers asked for an election, and the union said they would consent to an election if the 126 employees still working were denied the right to vote, and if the 41 on strike were the only ones permitted to vote. We offered to allow the union 60 to 120 days in which to sign up members and then to hold an election. They would not agree to this. We were told this was an organizational strike, and that the unions could be brutal if they chose to be.

In early 1957, and twice thereafter, our dealers' association petitioned the NLRB for an election, but it was denied one on all three occasions.

We again offered the unions an election in early 1958, but the unions refused, stating they knew they couldn't win.

In April 1958, the retail merchants of Galesburg, including the automobile dealers, promoted a You Auto Buy Now campaign similar to campaigns held in about 200 other cities. These campaigns were designed to stimulate business and help end the recession and curtail unemployment in line with President Eisenhower's appeal for people to buy.

The unions tried to influence the merchants and businesses not to participate. They did this by sending a letter to retail businesses in Galesburg stating that to participate would be considered, by the unions, as an unfriendly act to labor. The unions also sent a letter to all union members telling them not to buy from merchants participating in the You Auto Buy Now promotion.

Union leaders held a 4-hour session with our mayor on April 8, 1958, because of the unions opposition to his signing a You Auto Buy Now proclamation.

On April 11, 1958, the city of Galesburg was picketed at the city limits, and the chamber of commerce was also picketed.

Six of we dealers petitioned the NLRB as individuals October 1958, under the reduction of qualifications. We were granted an election set for April 10, 1959; however, the unions sent a letter of disclaimer stating they represented none of our employees and had no interest in us. On April 9, 1959, the NLRB called off the elections.

Until late February or early March 1959, the unions invoked secondary boycotts and no new cars were allowed to be unloaded in Galesburg. Parts, accessories and other merchandise could not be delivered to the dealers' places of business because of the picket lines. Building repairs and maintenance couldn't be done because carpenters, painters, electricians, and other tradesmen stated they were fearful of union reprisals.

The unions have fined their members for patronizing the dealers in Galesburg and have also made them do picket duty for crossing a picket line.

Unions have threatened their members with loss of their jobs.

As a small businessman, it seems apparent to me that any condition of the law which will permit these practices to prevail needs changing. We think the answer is self-evident, and trust that you will take immediate action to amend the law so as to outlaw organizational picketing and secondary boycott practices.

I thank you.

Mr. Speaker, I again commend the distinguished gentleman from California for his effective work, both here on the floor and in the Committee on Education and Labor.

Mr. HIESTAND. I thank the gentleman. His contribution has been very substantial.

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

IS THE BUY AMERICAN ACT OPERATING PROPERLY?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 45 minutes.

Mr. BAILEY. Mr. Speaker, I have introduced H.R. 7087 because I believe that the administration of the Buy American

Act as it stands today has robbed the law of most of its value.

The trouble lies, as has already been pointed out, in the fact that the language of the existing statute is too loosely drawn. It vests too much discretion in the administration.

The law, for example, says that articles, materials, and supplies procured for public use must be American unless the price is "unreasonable" or if such purchase were regarded as being inconsistent with public policy, unless, of course, the articles are not produced in sufficient quantity or of a satisfactory quality in this country.

Here are two conditions that confer very wide discretion on those who procure articles and supplies for public use. One is contained in the term "unreasonable" and the other, in the words "inconsistent with public policy."

The Director of the Bureau of Federal Supply on October 1, 1947, issued a circular letter—B–61—to heads of departments and establishments in which differentials were set forth for use by all executive departments and independent establishments. These were: 25 percent where the cost of the foreign product exceeded $100 and 100 percent if such cost was $100 or less.

This differential was to be applied on top of any duty that might be paid on any given article, that is, the American price in a bid, in order to be found "unreasonable," must be 25 percent or more above the foreign bid plus any duty—in all purchases above $100.

Subsequently, on December 17, 1954, this differential was reduced by Executive Order No. 10582 to 5 percent and 10 percent, depending on the base valuation.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I would like to commend the gentleman from West Virginia [Mr. BAILEY] for the presentation that he is making and particularly for the legislation which he has introduced. This is a subject on which both he and I have worked together for some time and on which we both feel very deeply, in conjunction with many other Members of the House. I would like to say that the job he is doing is a particularly useful one at this time. I feel as he does that the so-called Buy American Act, while it enunciates a very fine principle, is an act that has been carried out more in the breach than in the observance, and it is high time, in my judgment, that this House should take action to incorporate into the statute some of the details that the gentleman has referred to. For example, as he has indicated, there is no clear-cut definition in the law as to what an unreasonable price is. The differential between products bought overseas and domestically manufactured products is, under the Executive order now in existence, in my judgment, unreasonable. In fact, Mr. Speaker, I have introduced legislation myself, H.R. 6612, which would define that reasonable spread as some 25 percent, which is a spread that was allowed in the past for unemployment areas but, strangely enough, has never been allocated by Executive order. The second detail which I am sure the gentleman will refer to is the failure of the law to specify any clear-cut authority under which the Director of the Office of Civil and Defense Mobilization can move in to protect national security interests, when purchases of foreign equipment threaten that national security. I think these are areas where Congress ought to make its will known, and I am sure that this will be done under the gentleman's legislation as well as under the bill which I have introduced.

I think we have recognized, Mr. Speaker, that there is a serious trend under way to purchase more and more items which are closely identified with national defense from foreign manufacturers. Only the other day I succeeded in getting included in the TVA self-financing bill reference to the Buy American Act, and if that had not been included, the TVA with $750 million of new purchasing power, could well have gone abroad and spent all of that money overseas. At least now we have a reasonable chance of getting some consideration, although I think without the adoption of the gentleman's bill or some other legislation in this field, the chances may still be low even with your amendment to increase. I would like to invite the attention of the gentleman, if he has not already heard of it, to the decision made just the other day by Governor Hoegh, of the Office of Civil and Defense Mobilization, in ruling that imports of heavy electrical equipment were not jeopardizing the national security.

This certainly to my mind was a very strange ruling, Mr. Speaker. In fact, the conclusions of the Director of OCDM seemed to fly in the face of the information which he developed in the course of his memorandum. At least he recognized that the trend was so serious that he was instructing Government departments to watch the trend. He even insisted that Government departments which are considering purchasing from abroad should make sure that repair facilities were available in this country.

I think the job the gentleman is doing is something which will help to alert the Government, alert this House, and alert, perhaps, the executive branch of the Government to the serious problem involved so that perhaps the order recently issued by the Director of OCDM could be reversed and we would have some real protection in terms of national security in this heavy electrical field.

Mr. BAILEY. Mr. Speaker, I want to thank the distinguished gentleman from New York for his comments concerning the efforts of the gentleman now addressing the House on this particular subject. I am pleased to note that among the new Members, the gentleman from New York is well aware of this situation and needs no particular advice from me. His suggestions are appreciated at all times.

The reduction from 25 percent to 6 percent in the base for determining whether a domestic bid price is unreasonable gives an idea of the breadth of discretion allowed by the law. There would be much justification for raising the percentage to 50 percent or higher since foreign bidders often underbid domestic manufacturers by wide margins.

The difficulty is that no arbitrary percentage meets the actual situations aimed at in the law. Certainly the present narrow differential is almost meaningless.

It is obvious that there may be no relation at all between the 6-percent differential that separates the bid of an American producer and a foreign bidder on the one hand, and any effort by the American bidder to gouge the public, to pad his costs, to reap an exorbitant profit, or to take advantage of any monopoly position that he may hold, on the other. Yet it is resort to practices of this kind that may lead to unreasonable bids. Measurement by a varying foreign yardstick thus skirts the really pertinent factors in the case.

To assume that the bid of a domestic producer or manufacturer is unreasonably high on the ground that it is higher than a foreign bid by any preconceived or previously established percentage is utterly absurd. There might be a dozen sound reasons why the American cost might be anywhere from 10 to 50 percent higher than that of foreign producers, if not more. A rockbottom bid by an American producer, made under the present system, could then fail on the ground that it was unreasonable even though it actually provided only a minimum margin of profit or even a loss.

If a bid is to be set aside because it is found to be unreasonable there should in all good sense and in equity be some proof of the objectionable feature of the bid that caused its rejection. The fact that the bid is a certain percentage higher than a foreign bid represents no such proof. It does not even create a presumption.

It is a fact too well known to require ad hoc substantiation, that foreign producers or manufacturers are in a position in many instances to underbid American producers or manufacturers for the simple reason that the foreign costs are often far below the American costs. There is no need to go into a theoretical dissertation on this point. The experience is so widespread and the evidence so common in the commercial world that to assert the contrary would be to negate the facts of everyday life. Foreign bidders, moreover, may bid very low in order to obtain a contract, and therefore might bid below cost or at cost. Would this make a higher American bid be unreasonable? Foreign bids might be deliberately low for other reasons.

It is therefore odd indeed, and certainly indefensible, to establish a flat percentage differential between foreign and domestic bids and to assert that all domestic bids above this differential are unreasonable. Such arbitrary measure deserts all known approaches to fairness and equitable treatment and substitutes a crude device that could best be described as the product of loose and lazy thinking.

The act should be amended to overcome this defect. The best way of doing

it is to fit the law to its purpose. The only proper way of judging a domestic bid price to determine whether it is reasonable is to measure it by a yardstick suited to the task. That the foreign yardstick is not suitable goes without saying. What then would be a proper yardstick?

It should, in the first place, be a domestic yardstick. In the second place, it should be possible to establish the soundness of the yardstick itself. How, for example, determine whether a domestic bid is unreasonable by applying a foreign yardstick that may itself be unreasonable and possibly even designed to make the domestic bid appear too high? How determine whether a foreign bid is itself reasonable by standards that lie not in this country but within the foreign country?

Assume that bids are received from several other countries. Which bid should be used as the yardstick by which to judge the domestic bid? Should it be the lowest bid even though it may have been made low at the expense of the foreign labor employed? Or should it be some intermediate bid? If a Japanese bid is involved and it should turn out to be 30 or 40 or 50 percent below the lowest European bid, should this automatically assure the award to the Japanese bidder? If not, would it not be discriminatory to award the bid elsewhere?

It must be clear that the yardstick must be a domestic one, because the character or quality of the stick can only be determined with any degree of confidence if it is within the jurisdiction of this country. My amendment therefore provides that the domestic bid price should be judged by the going price for the same product sold in the usual course of trade in the same market as the goods procured for public use.

This would substitute a domestic for the present foreign yardstick; and the new yardstick could itself be examined to see whether it is suitable to its purpose.

The bill also provides that if there is no prevailing domestic price for the article, resort will be had to comparative foreign and domestic wages. This is justified by the fact that it is the comparative wage rates more than anything else that shapes the competitive levels of both foreign and domestic bids.

Mr. Speaker, if the principle underlying the Buy American Act is worthy of support, and I am convinced that it is, the act itself is worthy of proper and correct administration. If there is sufficient objection to the philosophy underlying the act to discredit it, it should be repealed. It should not be subjected to a vitiating type of administration that really reflects contempt of the act itself. If the philosophy is sound but the law is defective the law should be amended to correct its defects. That is the situation as I see it.

The history of the act's administration gives little hope that its objectionable features can be overcome through new regulations. The conclusion is that this could only be accomplished by a revision of the statute itself.

Now, let me turn to the question of inconsistency with public policy. This part of the present act vests even broader discretion in the administrator than does the foreign yardstick. The act does not in any place define public policy as a guide to the procurement agencies. This does not represent legislating. It means handing over without congressional guidance the spending of untold millions of dollars of public moneys.

In face of the action taken by the membership of the House recently in refusing to apply the Buy American Act to the Tennessee Valley Association's vast program of construction, one is forced to the conclusion that it will be difficult indeed to arouse the American public and particularly the Members of Congress to a realization that the stability of our national domestic economy is seriously threatened.

The danger here is that the expenditure of public funds for supplies will be turned into a sort of foreign aid program. The procurement agent might easily reach the conclusion that it is public policy to help other countries economically and that therefore to give a particular contract to a domestic bidder would be inconsistent with public policy. There is already some evidence of this trend; and it should be halted in its tracks.

In my State of West Virginia the employment situation is deplorable. Unemployment has become chronic. We do not want the tax money collected from our people spent abroad while our unemployed walk the streets and live on the pittance of a dole.

Mr. Speaker, domestic bidders are subject to the payment of prevailing minimum wages found under the Walsh-Healey Act. They are also subject to the provisions of the wage and hour law. It is not fair, rather, it is contradictory as a matter of policy to exact these requirements from our own producers and then expose them to foreign competition that is subject to neither of these laws.

I join my colleagues in urging that hearings be held on the bills that have been introduced and in urging further that when the legislation reaches the House it be passed as a measure designed to correct a great defect in the existing law.

It is inconceivable to think that the Congress can longer ignore these areas of unemployment where starvation and want stalk, which once were thriving industrial and mining communities.

The depression-born Buy American Act, outmoded in the minds of liberal trade supporters, capitalized upon by those seeking protection from import competition, continues to rouse problems and controversy at both the local and national levels. Recent developments on this front, in the order of their occurrence, are reported as follows:

First. Leo Hoegh, Civil and Defense Mobilization Office Director, was reportedly still unable to decide what recommendation should be made on the petition of General Electric and other U.S. firms for strict curbs on the importation for domestic use of heavy electrical equipment, including turbogenerators. The petition is based on the view that repair and service of installed foreign equipment constitutes a security risk should a national emergency arise. While the three Cabinet departments—State, Defense and Commerce—most interested in the issue have been reportedly split on the issue, a belief has also been apparently expressed to Ralph Cordiner, GE head, that the domestic industry's appeal would be rejected. An official decision is expected by the end of the month.

Second. The Bureau of Public Roads declared that if a State should choose to impose restrictions against a foreign supplier, the restrictions may not be any more severe than those of the President's Executive order on the Buy American Act. The action was taken to prevent States from imposing flat prohibitions against foreign supplies as was proposed by the Texas Highway Department for a flat embargo on foreign-made steel.

Third. Immediately following exemption of Mexican and Canadian overland oil shipments from the mandatory oil import quota program, Department of Defense buy American regulations were amended to further ease the impact of the act on our northern neighbor.

Total exemption is now accorded Canadian supplies that relate to specific programs of mutual interest to Canada and the United States. In other words, Canadian suppliers of defense equipment in this category will be on the same footing as U.S. competitors.

Fourth. The Tennessee Valley Authority, center of controversy over its award in February to a British firm for a giant turbine, invited foreign and domestic bids on 16 massive new steam turbogenerators. Bids are returnable May 26 and it is interesting to note that the International Union of Electrical Workers has appealed to GE and Westinghouse to publicize a cost breakdown of their bids toward showing their offers as practical and realistic. The U.S. firms' prices were charged as being too high in the earlier TVA bid.

Fifth. The U.S. Department of Commerce announced presentation to OCDM of a very strong recommendation that imported giant steam turbines—as opposed to GE's petition on smaller steam, hydroelectric turbines and other heavy electrical equipment—be barred for use in defense installations on the previously used national defense grounds. Commerce says Canadian repair facilities for such equipment are inadequate; British interests say they are adequate; State may approach the British with the proposal that the facilities be made sufficient if they are not actually so.

Sixth. The English Electric Co., Ltd.—England—submitted a bid on turbines for the Army engineers' Big Bend Dam on the Missouri River in South Dakota that is apparently more than 30 percent below the lowest American bidder—the maximum buy American differential advantage to U.S. firms over foreign bids is 12 percent except where areas certified by the Department of Labor as areas of heavy unemployment are involved. In these cases the differential may be up to 19 percent. And, very significantly, the British firm proposes to build in Canada,

thus refuting the defense argument of U.S. producers and as seen in the administration's rationalization exempting Canadian oil imports from the quota program; wages in Canada are more nearly on a par with the United States than those in Europe.

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I am pleased to join the gentleman from West Virginia [Mr. BAILEY] in supporting the proposals he has advanced.

I think it is high time that some sound criteria be written into the Buy American Act instead of leaving the law as it is, subject to interpretation by regulations that have proved wholly unsatisfactory. The regulations have varied in such a broad and sweeping manner that no real guide is recognizable. For example, the margin of advantage of the domestic over the foreign bidder began with a 25-percent differential and was dropped to 6 percent in 1954. This represented a variation of some 300 or 400 percent, all accomplished without the change of one word in the law itself.

It is obvious that the act has been interpreted in such a way as to give support to our changed foreign-trade policy and also to perform some of the functions of foreign aid; and that, Mr. Speaker, is not the purpose of the Buy American Act. Such distortion of the act is possible because of the lack of standards in the law. Fair and equitable standards should therefore be added.

I agree fully with the previous speaker when he says that the first and foremost need is to provide a domestic yardstick instead of a foreign one when the reasonableness of any American bid is questioned in public procurement. Why we should travel several thousands of miles to find a yardstick that is faulty and worse than useless when the most suitable yardstick exists in this country is a question that has never been satisfactorily answered.

Mr. Speaker, I ask whether it is not logical, sensible, and proper to measure the reasonableness of an American bid by American standards, including American wage levels, American material prices, American tax burdens? I also ask whether it is not proper to take into account the fact that American contractors are subject to the Walsh-Healy Public Contracts Act and the wage and hour law, while foreign bidders are not?

Recently, Mr. Speaker, the Tennessee Valley Authority awarded a contract for a steam turbogenerator to a British company, C. A. Parsons & Co., Ltd. The British bid was less by some $6 million than the two bids from American companies, Westinghouse and General Electric. This is, indeed, a wide differential; but when we take into account the British wage level, which in the electrical industry is only about 40 percent of that paid by the American companies, the wide difference in the bid takes on a different aspect. It should be kept in mind that these huge machines are not mass produced. Each is a custom-built product. This means that the American manufacturer loses the advantage that he otherwise might have over his foreign competitor through mass production.

I have been interested in an intemperate attack launched by the United Electrical, Radio & Machine Workers of America upon the two American companies. From figures presented by the union, which represents workers in these companies, it is made to appear as if extortionate profits were represented by these bids. This is, of course, ridiculous. These bizarre results are achieved by assuming that the American manufacturers are 2½ times as productive as the British and then calculating that the labor costs of the domestic bidders would exceed the British by only $90,842. This, the union says, enabled the American bidders to parlay a $91,000 wage cost differential into an overbid of $6,300,000 on the TVA proposal.

There is no substantial information anywhere that the American producers of the huge turbogenerators have anything like a 2½ to 1 lead over the British company. The United Electrical Workers simply say that according to a book by a Mr. Frankel, American labor is 2.44 times as productive as labor in Britain. What a basis of comparison. Now, it is entirely possible that in some fields, particularly where American producers employ mass production methods while the British do not, our labor output, because of the mechanization, would be considerably above that of the British; but that would not be the case in the building of turbogenerators because they are produced individually and not on a production line.

Next, the union would have us believe that the two American companies preferred to forego a $4 million differential over Parsons Ltd., such as TVA was apparently willing to grant, rather than reduce their bid. The American companies, in other words, would rather have no profit at all by loss of the contract than reduce their bid. This would make sense only if the reduction in bid would eliminate or greatly restrict their profit. If they could have reduced their bid and still be assured of a reasonable profit they would be stupid indeed to lose the contract through sheer stubbornness.

Assuming, as the union seems to say without doing so explicitly, that the overbid of $6.3 million were pure profit, does not the union know that the Treasury would collect some $3.3 million of this sum as taxes on corporate profits?

Mr. Speaker, according to information that I have received, the city of Los Angeles not long ago awarded a contract on which General Electric had bid $14 million, to a Swiss firm whose bid was $9 million.

The union jumps to the conclusion that the reason for the higher American bid lies simply in an allowance in it for exorbitant profits. Yet, what we see happening in these situations is precisely what we should expect to see after 25 years of national policy that led in this very direction. It should come as no surprise at all that foreign firms can and do underbid our firms by wide margins.

After all, have not foreign countries greatly increased the productivity of their factories? If they have not, then our foreign aid has been an abject failure. A vast stream of American machinery has flown overseas in the past 10 years. If it was not designed to improve the production of the countries bringing it in why go to the trouble of installing it? The whole idea that we still enjoy a broad productivity lead over other countries is nonsense. Some of the most modern machinery and equipment in the world is found today in foreign mills, factories, and plants. True, not all industry abroad is uniformly equipped in this manner but enough of it to show in the competitive situation. Even in 1958 one of our heaviest exports was machinery and equipment, even outside of the foreign-aid program. It is time that we forget the idea, so widely propagated by economists, that we can keep our competitive lead no matter how much lower foreign wages are in relation to our own. Our vaunted superior know-how has jumped the national boundaries and is rapidly being exported to many parts of the world.

That productivity abroad has indeed gone up is reflected by the increasing imports that we have witnessed in recent years and in the wide margins by which foreign bidders on public contracts underbid our own producers.

Calling the bids of American firms overbids because they are higher than foreign bids is a most unaccountable distortion of a reality that should be clear to anyone. How long shall we wait until we recognize the facts: We are no longer the world's only mass producers. We no longer have a monopoly on mechanization. We have exported technology on such a broad scale to peoples who are fully as competent as ourselves in installing and operating modern machinery and equipment that we are compelled to revise our estimate of foreign competition. It would be foolhardy and in fact dangerous to our economic welfare to be backward in recognizing the mounting facts.

Actually the outlook for small American industry, American labor and domestic suppliers of parts, subassemblies and raw and fabricated materials to final assemblers and finishers is not bright under the present trend. Our capital is moving abroad at an increasing rate in order to compete with the lower wage areas of the world. This will mean a relative shrinkage of our exports no less than an increase in imports. When a firm shuts its doors in this country because of imports as White Sewing Machine Co. has done, and begins to import or manufacture abroad, workers are dismissed, the payroll shrinks, the skill of workers may be largely lost, and the plant is no longer a market for its former domestic suppliers. This means more unemployment in scattered communities. To a lesser degree the same shrinkage takes place when only a part of the domestic

operation is removed to one or more foreign countries, as is happening with increasing frequency these days.

Mr. Speaker, the trend is unmistakable.

But, it might be asked, what has this to do with the Buy American Act? Of course, it has a great deal to do with it. It signals more and more awards to foreign sources of supply if the present law is not properly amended. The ability of other countries to underbid us is not declining. It has been growing. Considering the amount of unemployment from which we continue to suffer, despite high industrial activity, it should be clear that we can ill afford to award more and more supply contracts to foreign firms.

Right now our tax money is used in paying unemployment compensation and we are considering legislation that may increase the burden. Why should we, in the face of such a situation, insist on spending our tax money in a manner that, instead of providing employment here and thus easing the unemployment problem, sends our tax money abroad?

If we want to help other countries economically, why does not the foreign aid program suffice? Certainly it is not correct to say as did TVA that the awarding of contracts to foreign bidders is necessary as a means of strengthening the security of the United States. It is clear that TVA is dipping its hand into the official foreign trade policy of this country and defending its action in awarding the turbogenerator contract to a foreign biddler on the grounds that by so doing a contribution will be made to that trade policy.

The Trade Agreements Act did not repeal the Buy American Act. Had Congress intended to do so it could have legislated accordingly. The Buy American Act is still the law and it should not be weakened by turning it into a subordinate role as a feeder of our general foreign trade policy; no more so than it should be used to supplement our foreign aid program.

There is very sound economic reason for the Buy American Act. It stands on its own feet. We not only continue to need the act; we need it in a form that will do us some good instead of merely having it on the statute books as a false hope for those who rely on it.

Mr. Speaker, our deficit position in the world exchange of goods and services, which in 1958 was $3.4 billion, our deficit position in our Federal governmental operations and our increasing exposure to a foreign competition that is fast catching up with us and in many instances surpassing us, convince me that the revision of the Buy American Act as proposed in the legislation that I among others have introduced is a sound step and an urgent one for Congress to take.

Mr. TEAGUE of California. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. MOORE] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MOORE. Mr. Speaker, I join in support of the legislation that is designed to strengthen the Buy American Act.

I have neither difficulty nor hesitancy in justifying this support. This present act is fast being reduced to a dead letter just as has been done with the Antidumping Act and the escape clause.

Mr. Speaker, I conceive this to be a time when all these laws should be strengthened.

For years now we have been moving in one direction in our domestic economic legislation and in the opposite direction in our foreign economic legislation. On the domestic front we have dedicated ourselves to an expansionist program based on the concept of full employment at high wages, high farm prices, a rising industrial activity, and a progressively expanding consumer demand. We have undertaken to interfere with the usual interplay of supply and demand, distrusting its capacity to avoid sharp ups and downs in the economy, such as characterize the boom and depression cycle. In place of it we have devised cushions, various pump-priming devices and sundry regulations to keep business under control. We walked rapidly away from laissez-faire economics and substituted for it governmental intervention.

With the help of war and postwar demand and the subsequent vast defense outlays, the many enactments of the past quarter century did indeed succeed in mushrooming our economy. Prices, both agricultural and industrial, went up, as did wages and payments for services and distribution. The fresh winds of demand did not soon slacken, as has been anticipated that they would, a few years after the war but actually rose and gave impetus to further expansion.

This trend was abetted by the vast foreign demand for our output as a means of rebuilding their war-torn economies. Then, as that was about to subside, the Korean outbreak catapulted us into the rapidly expanding defense outlays that we witnessed after that time.

Our national income, the gross national product, the number of people employed throughout the country, our exports and our imports, and many other activities broke all previous records. Employment reached 65 million and the gross national product towered well above $400 billion.

Evidently the policies upon which we had spent so much money and argument had succeeded. Certainly our girth had expanded very impressively. How much of this expansion was solid muscle was another question.

While we were engaged in this broadgaged domestic economic legislation we turned around in our foreign trade legislation and walked in the opposite direction. We became enamored of the free market and free-trade concept; and went after our tariff with a meat ax, wielded by the State Department.

Why the idea of a freer and ever freer market in the foreign field should look so attractive while we ran as fast as we could from the same idea on the domestic front remains a mystery.

We succeeded in raising the domestic economy to a high level, but not without unheard of Federal costs and not without raising the cost of everything, including the cost of production, to record heights. The result was not unlike the rising of a theatrical stage from the orchestra pit. With respect to the rest of the world we took on the appearance of a rising plateau. This was not enough.

As I have said, we reduced our tariff very sharply, some 80 percent, since 1934. Then, under the Marshall plan and its successor, the mutual security program, we shipped abroad untold billions of dollars in the form of equipment and machinery to be installed in foreign plants. Also, we induced foreign countries to send productivity teams to this country to learn our techniques of production, including the assembly line. Thousands of them came and were conducted through our factories.

Before many years we found the heavy exporting countries such as England, Germany, Japan, France, and Italy, Belgium, and Holland, which during the war were almost completely withdrawn from the outer markets of the world, resuming their prewar status as suppliers of these markets. Also, of course, they supplied an increasing share of their own needs. Much of this recovery was hidden by our foreign-aid program. By subsidizing so large a share of our exports, including the sale of surplus farm products that had been priced out of world markets, we did not realize that our position as the world's leading export country was being undermined and slipping. The realities were hidden from view. We kept exporting billions of dollars of items that would not have been competitive without a subsidy.

Wages, to be sure, also rose in other countries after the war, but our upward movement was some 5 years in the lead. The most significant fact, however, lay in the farflung factory mechanization and greater mechanization in general that occurred abroad. Combined with the low wages this succeeded in grinding out cheaper goods in relation to our costs; and we began to feel the effects in the form of rising imports.

Today we find ourselves in this position:

First. Our unit costs are high, for a variety of reasons. No immediate reversal is probable. The pressure continues in the upward direction.

Second. Foreign unit costs in relation to ours are lower than in the past. This is largely the result of foreign mechanization.

Third. This combination has made our industry competitively vulnerable to imports, including even some of our mass production industries that previously were immune to foreign competition.

Fourth. Imports are progressively capturing an increasing share of our domestic market in more and more lines of goods.

Fifth. Our commercial exports, as distinguished from exports of foreign aid items and subsidized surplus agricultural products, are declining. The evidence

points to increasing difficulties in meeting outside competition in third markets rather than an easing of the foreign competition.

Sixth. Unemployment in this country is not being dissipated as rapidly as the volume of production rises. With record tonnages of production the steel industry has failed to reemploy some 80,000 steelworkers.

Seventh. These various conditions have led and are still leading more and more of our export industries to seek foreign sources of production either in the form of branch plants or manufacturing facilities (a) to supply the foreign market from within the country where the production takes place, (b) to supply third markets from abroad rather than from the United States, and (c) in some instances, as in the case of automobiles and office equipment, to supply a part of the American market from abroad.

Eighth. This flight or emigration of capital abroad does the very opposite of draining away the pools of unemployment created by import competition and automation in this country. Greater capital expansion in this country will be necessary to accomplish that. So long as foreign countries remain more attractive to our capital or to the degree that they so appear, our own investment possibilities will be left to wither on the vine in favor of the foreign lower wage bait.

Ninth. Our position in the world of foreign competition has become so highly vulnerable and is so fast becoming untenable that we should expect a rising slope in the trend in imports and in the flight of our capital. We should expect greater difficulty in exporting without subsidy or giveaway. Our policies should be shaped accordingly rather than based on the notion that the trend will reverse itself. The results that we witness today were many years in building and many years on the way and will not likely go away without appropriate counteraction.

The upshot of the conflict between our domestic and foreign economic policies is that one or the other must give way before a new stability or equilibrium can be found. We cannot hope to put our unemployed back to work unless our domestic economy expands; and it cannot expand sufficiently so long as it remains exposed to a competition it cannot overcome.

An expanded foreign trade cannot pull us out of our predicament because foreign countries with an assist from our own capital will trump our efforts. Unless we subsidize more and more we will fall behind in the competitive struggle; and if we do subsidize more we merely aggravate the problem.

Mr. Speaker, the prospect is an exceedingly serious one—one, indeed, that cannot be contemplated without grave misgiving and concern. The whole field of our foreign trade policy indeed badly needs reexamination. A strong momentum is building up right now threatening a veritable exodus from this country that could be disastrous to our economy.

The present bill, the Buy American Act, is only a part of the larger picture; but it is an important part and, best of all, represents a symbol.

This symbol has been whittled away almost to the vanishing point. We have been almost profligate in abandoning our own economic defenses, as if we had been drunk with the notion that we were so far in the lead of the rest of the world that we need not exercise the least care in looking after ourselves.

The fact is that the great technological lead on which we relied so heavily and about which our economists have long been so boastful, has been hacked away systematically during a full decade and more, and it is time, high time, that we took a new look, a searching look, about us. This bill is barely a beginning but a vital one. I shall support it as vigorously as I can.

Mr. DENT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, I want to take this opportunity to pay my respects to the gentleman from West Virginia, my colleague, CLEVELAND BAILEY. Men like him have tried valiantly to keep the spark of American pride in our achievements and our production.

I am proud to be associated with Congressman BAILEY in his present effort to reawaken this Congress to its duty and obligations to the American people, at every level of national endeavor.

I wish to read at this time a letter from a manufacturer in my district giving the latest example of our idiotic and inexcusable foreign trade policy:

ELLIOTT CO., INC.,
Washington, D.C., June 1, 1959.

Hon. JOHN H. DENT,
Member of Congress,
Old House Office Building,
Washington, D.C.

Subject: Foreign competition, Corps of Engineers, Invitation ENG–95–507–59–41, three 7,500-kilowatt turbine generator units for Ladd Air Base, Clear, Alaska, bid opening, April 24, 1959.

DEAR MR. DENT: We wish to acknowledge and compliment you on your speech on the House floor concerning the Buy-American Act as printed in the CONGRESSIONAL RECORD of May 6, 1959.

In this connection it is believed you will be interested in the tabulation of bids we have prepared which were received by the Corps of Engineers at Seattle, Wash., on April 24, 1959, covering the furnishing of three 7,500-kilowatt steam-turbine generators.

It will be noted in referring to this tabulation that there were seven bidders, six of whom were domestic manufacturers and the seventh Brown-Boveri of Switzerland. The data shown on the tabulation covers only such details as was available to us. Therefore, we do not know whether the bid price of Brown-Boveri included import duty or not. If the import duty was not included in the bid price of Brown-Boveri then approximately $174,750 should be added to their price and under the Buy-American Executive Order implementation formula adding 6 percent to this figure would make their evaluated price $1,420,135 and thus award could be made to the lowest reported domestic manufacturer as shown on the tabulation.

We appreciate the opportunity of being able to place this information in your hands.

Yours very truly,

M. L. HILLER,
District Manager.

	Brown Bovari	GE	Del	West	Elliott	Worth	Allis
Turbo generators, each	$345,000	$440,660	$480,920	$482,000	$488,125	$497,690 486,260 486,260	$495,000
Item 1. 3 7,500-kilowatt	1,035,000	1,321,980	1,442,760	1,446,000	1,464,375	1,470,210	1,485,000
2. Pack, crate, freight	92,600	20,050	25,700	18,000	24,645	21,342	24,750
3. Differential pressure regulator, each (3 required)	1,850	360	830	400	2,370	370	3,500
4. Pack, crate, freight, item 3	600	0	0	0	0	0	0
5. Erection supervision (200 days)	20,000	22,000	16,000	23,000	20,000	20,100	22,400
6. Instruction (90 days)	11,250	9,900	7,200	10,350	9,000	9,000	10,080
Total, items 1–6	1,165,000	1,375,010	1,494,130	1,498,550	1,525,130	1,521,760	1,552,730
Price adjustment (figures in percent)	Firm	Firm	Firm	10	10	10	10
Evaluated steam rate, pounds per kilowatt-hour	8.68	8.71	8.71	8.71	8.72	8.71	8.80
Evaluated at $38,400/unit/0.1 pound per kilowatt-hour	0	3,455	3,455	3,455	4,605	3,455	13,830
Evaluated price [1]	1,165,000	1,378,465	1,497,585	1,502,005	1,529,735	1,525,215	1,566,560

[1] Assumed as figures not reported May 6, 1959.

Mr. DENT. Mr. Speaker, again a few courageous men are putting their necks into the noose of public criticism by pleading for a reawakening of the American pride in American production and achievement.

Under the banner and battlecry of "peace" we are allowing ourselves to be made the victims of profit-seeking corporations, business, and banking.

All of us have heard of the influence on world affairs controlled by international banking. Just wait until the full force of international corporation and business enterprises tied up in a common front begin to wield their power and pressure upon the body politic. Already we have been sold a bill of goods by this combination of profiteering self-serving money interests.

Is any Member so naive as to believe these sloganized peace appeals when uttered by those whose interests seem to be in furthering foreign competition and building up foreign economy while at the same time keeping a running attack on American labor, its leaders, its contracts, and its wages. Above all, this same group is undermining the faith of the people in their elected representatives by picturing Congress as overfed, overpaid, and underworked.

As a relative newcomer, I know I should still sit back and listen. I tried this for over a year, except on a few occasions. I just did not like what I heard.

Every attempt to make this Government lead the way through public spending to show the need for buying American has been defeated by a coalition of those afraid to fight what appears to be public opinion—by those whose districts benefit at the expense of the displaced industrial worker, by those who have so much education in their heads they have no room left for brains—by those who blindly follow leadership or so-called leadership and finally, by the few left who really and sincerely believe all the world is a Garden of Eden and the story of the apple and the snake is a part of Mother Goose rhymes.

There was a time when we fought the purchase of a few generators by REA, TVA, and other agencies. That's gone with the wind now. We have conditioned the American people to believe in foreign made generators by switching our attack from labor to the profit of domestic producers of the equipment.

When Hitler and Mussolini started up the trail they used a whipping boy. Much the same is being done, only in a milder and more subtle form in the promotion of American enterprise abroad and opening up the American domestic market to foreign goods made with American money, but with foreign labor.

On March 12 of this year Senator STYLES BRIDGES tried on the floor of the Senate to slow up this distribution of American home enterprises when he showed that the American taxpayer was being used to supply funds to buy Russian equipment for our U.S. schools. I quote from his speech:

EXCERPTS FROM SPEECH BY SENATOR BRIDGES MADE ON THE FLOOR OF SENATE, MARCH 12, 1959

The Soviets are preparing to sell their Russian-made laboratory equipment to our American high schools and colleges.

Just for a starter, the Russians are sending to this country 6,000 pieces of school laboratory equipment to help us educate our youngsters. Items such as microscopes, projectors, and electronic devices, we are told, are being sold, or are scheduled to be sold, to our schools by the Russians at prices as low as one-fifth of the prevailing prices for comparable American-made items.

This plan of sending Russian-made equipment into our schools is just another step in the overall Communist plan to unbalance, first one, and then another, segment of the U.S. business community. It is another instance for the economic war which the Soviets have declared.

Only 3 weeks ago, the Communist textiles mills priced their goods low enough to get the business—cost or profit being no object. The same is true in this case—except that instead of affecting American textile industry, this one affects the American educational system.

Win friends and influence people, regardless of how much it costs, is the Communist plan.

Communism can afford all kinds of losing propositions in attempting to achieve its ultimate goal. So can we, if we, too, want to resort to slave labor.

If the day comes when we have to rely on the Communist system for anything, then that day will go down as the saddest and darkest one in the history of mankind.

This is adding insult to injury. First of all, the American taxpayer is paying $2 billion a year on that part of the national debt that represents the money we as a Congress gave away to foreign countries under the disguise of mutual aid. Much of this money has been used to build the facilties that have made it impossible for American industry to compete without lowering our standards, not only in labor, but in education, science, health and welfare, and all of the other areas of Government activity.

While speaking of foreign aid, I want to include some pertinent remarks from the Indianapolis Star that are very apropos when discussing the "Buy American" phase of our economy.

SECRECY CLOAKS FOREIGN AID FAILURE

(Excerpts from an editorial in the Indianapolis Star)

Why not tell the American people how much foreign aid goes to every country in the world from the United States, including Communist countries? Why have the American people been kept uninformed of where and why $85 billion of their hard-earned money has gone in the last 10 years?

On the grounds of security, even Congress has not been fully informed on how the taxpayers' money is spent abroad. The Star not long ago discovered that since 1946 over $2 billion has been sent to Communist countries alone. Even as late as 1957 the captive East German Government got millions of American foreign aid funds. The Hungarian Government, a Red regenade Government that cooperated in the brutal murder of its patriot countrymen during the Hungarian revolt, got more money from the United States after that revolt was crushed than it did before.

Why can't the people know these facts and many more about foreign aid? The President is asking for $4 billion more of your money this year for foreign governments. What have we got for the $85 billion we have already given away?

Has our foreign aid bought us the support or admiration of our beneficiaries? Did it in Bolivia? In Yugoslavia? In Poland? In Czechoslovakia? In Hungary? In France? In Iraq? In India? In Italy?

Has it reduced communism in these countries? Italy and France have the largest Communist parties in Europe. Iraq is virtually Communist. Yugoslavia, Poland, Czechoslovakia, and Hungary, to all of which we have given aid as late as last year, are more tightly tied to Moscow than before.

The interest on the foreign aid part of our staggering $283 billion national debt is $2 billion a year. And the American debt is bigger than the combined national debts of every other country in the world. Yet we, with 6 percent of the world's population, are being forced to give the equivalent of 20 percent of our tax money to these other countries, including some Communist ones.

Foreign aid, disbursed in secret, has been wasteful, has encouraged socialism, has produced corruption in foreign countries, has turned friends into enemies, has been spent on the very Communists it is supposed to oppose, has lulled our friends into indifference and our own people into a sense of false security. It is a scandalous misuse of American taxpayers' money. It causes inflation at home. It weakens the American dollar. It produces unemployment by financing foreign competition. It has failed to win friends, weaken enemies, or strengthen the United States of America. It should be abolished.

When one talks "Buy American," he must be prepared to fight off the attacks of the most powerful propaganda machine ever put together in a free country. It is made up of industry and, surprising to many of us in the labor field, some labor leaders, the press, the chamber of commerce, service clubs, fraternal organizations, economy leagues, PTA's, REA's, TVA's, and other 3 letter groups one cannot put in the RECORD. They fight on separate fronts but they hope to achieve a common end.

In order to combat this type of organized front, it will be necessary for the few of us who are willing to fight to stay on the firing line. We need help. In every productive line the sting is being felt. Slowly at first, just a small trickle of foreign goods start across the tariff wall and then before you know it the wall is down, and the American worker is out.

When one realizes that the biggest hurdles for the steelworkers to overcome at the bargaining table in the present negotiations is the competition of the Japanese, Russian, and German steelworker, then you realize one of the real objectives of the free traders and foreign investors.

However, one wonders how long the rubber worker, the steelworker, the auto worker, and the other members of the large industrial unions will stand by and watch their jobs being traded away under laws passed by Congress and in many cases, supported by their own leaders.

The people are not dumb and any Member of Congress who misjudges the intelligence and the patience of the American worker may have a rude and unpleasant awakening some election day.

There was a time when the imports into this country hurt what the supporters of free trade and foreign aid called isolated cases. That day is gone when the Blough of U.S. steel tells the steel workers that he won't go along for wage increase because foreign imports of steel now are greater than exports.

Who does he think He's kidding? Not the little steelworker, I am sure. The steelworkers know that Blough, U.S. Steel, and others in this and allied production fields are still taking some of the profit whether the steel is made here or abroad. The steelworker, in order to save our American economy, must fight for his share of the profits earned by American profiteers who invest in foreign production facilities. If he doesn't fight for this, the American Main Street businessman will find himself in the same fix as the 5 million unemployed production workers who are fed statistics based upon volume of business, but ignoring man hours lost.

The whole theory behind free trade is good and the hope of free peoples can best be accomplished by common understanding and free trade between nations and the unlimited exchange of peoples and goods. However, this can only be accomplished when profit and personal gain are eliminated. When we help our allies build cars, refrigerators, typewriters, sewing machines, and so forth, we ought to insist that our allies get these needed products, not help them to make these products for Americans.

We have all we need and can make more than the whole world can use.

Does it not seem silly and almost childish to argue that we are helping Americans by shutting down our plants and opening up plants in other countries? We are, in my opinion, the laughingstock of the world while the cocktail crowd in these friendly foreign countries can hardly wait until their mutual aid checks come in.

We spend sufficient money on the interest of our mutual aid debt to reduce social security retirement age from 65 to 60 and to increase all benefits 15 percent. If this was done by this Congress, and we again started to think and be Americans, the whole unemployment problem would vanish. However, one wonders whether these same influences who promote the foreign trade movement are interested in a sound American economy or if they are more interested in dollar profits no matter where the dollars come from.

If the average citizen awakens, and he will, to the danger inherent in this type of Governmental waste and extravagance in both taxes and manpower the repercussions will, next presidential election day, make an old fashioned Fourth of July look like a Sunday school picnic on grandpa's farm.

Wait until the steelworkers get the bill for their share in building up their competitors, the same with autoworkers, tractors, and almost every major industry in the country. They don't know it yet, but they will soon, that reciprocal trades as now administered, mutual aid as it exists today, means lower wages, less employment, and finally, a reduced standard of living.

"TVA AND LOCAL PUBLIC POWER SYSTEMS PAY STATE AND LOCAL TAXES"

The SPEAKER. Under previous order of the House the gentleman from Nebraska [Mr. BROCK] is recognized for 10 minutes.

Mr. BROCK. Mr. Speaker, recent debates in this House on the REA and the TVA have led to unsupported charges that these systems do not pay their way. In a recent speech at Cedar Rapids, Iowa, the Secretary of Agriculture hurled a reckless and unfounded remark that, "borrowers from the REA keep dipping into the Federal Treasury at the taxpayer's expense to the tune of millions of dollars per year for interest payments alone." That statement alone, without fact or foundation, is just another clear indication why he is unfitted to set policy for the REA and the agency should be removed from under his jurisdiction. Federal Government records through the year 1957 clearly indicate this is a gross misstatement of fact. They show that in 10 of the 23 years of REA loan operations, rural electric borrowers paid substantially more interest on their loans than the average cost of money to the Government. In seven of the remaining years, they paid rates equal to Government costs.

As Secretary Benson is trying to strangle the REA by irresponsible statements to assembled groups and the press, so has the national administration and the arch opponents of TVA been attempting to destroy that agency. An attempt was made to place layers of controls and restrictions on the already limited authority of TVA to issue revenue bonds. Shortly after TVA came into being, the opponents of public power systems brought forth pressure to force TVA to seek private financing. When that point was reached and they could not destroy TVA, as such, they endeavored to impose more and more limitations. It remains now to be seen whether these opponents of TVA are now acceptable to a "live and let live" future for this agency, or will later show their hand by insisting on death by attrition.

While the various debates on public power were in progress, I failed to hear any of the opposition refer to the subject of local and State taxes being paid by the TVA and other public power systems.

During the current fiscal year, taxes or payments in lieu, in the amount of almost $15 million will be paid to the States, counties, and municipalities by the TVA and the rural cooperative distributors of TVA power. This about doubles the amount of such taxes paid 7 years ago. This provides ample evidence that the electricity users of the region are bearing their fair share of taxes due the respective governments. It is also noteworthy that the State and local governments are sharing in the fruits of TVA's dynamic power system through increased tax receipts as a result of the rising residential, commercial, and industrial power usage. Similarly, local governments are the beneficiaries of taxes paid by the consumers' public power district in my own home State of Nebraska, commensurate with taxes paid by private power utilities.

TVA's payment of taxes to the States is based on 5 percent of TVA's gross power revenues from the sale of power to non-Federal users. Payments to county governments are based on local and ad valorem taxes applied to TVA power property and on land acquired for reservoir purposes. Total payments by TVA and the municipal and rural cooperative power distributors amounts to about 8 percent of the revenue from the sale of electricity to consumers served by the distributors.

The opponents of public power systems would have the American public believe that they are wholly Government subsidies, located on Government land, tax free, and not responsible to the State or local governments for taxes similarly paid by other private citizens engaged in professional and commercial enterprises.

Nothing could be further from the truth. It is about time that the American public was given the opportunity to know the real facts of the situation instead of the constant repetition of high-priced and erroneous information that has been constantly fed into the propaganda machines for the opposition to eject whenever the issue becomes the subject of debate.

INTERNATIONAL OLYMPIC COMMITTEE

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MACDONALD] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. MACDONALD. Mr. Speaker, as every Member of this House knows, the International Olympic Committee, bowing to strong Communist pressure recently decided to expel the athletes of the Republic of China from participation in Olympic activities.

The Olympic Committee voted to bar Chinese Nationalist athletes from the international games as long as the Nationalists call themselves "Chinese" athletes. The Committee held that only Red Chinese athletes could use the name China. It should be pointed out that according to one of our U.S. delegates who was present the vote was 28 for Nationalist expulsion and 24 against. This certainly contradicts the report of Avery Brundage, president of the International Committee, who stated that the vote was almost unanimous.

If this decision on the part of Avery Brundage and the other members of the Committee is permitted to stand it will be interpreted throughout the world as a retreat from America's policy of opposition to diplomatic recognition of Red China. It certainly is and will be construed as a repudiation of Nationalist China.

I would like to state that our State Department was very much incensed with this action taken by Mr. Brundage and the International Olympic Committee. As a matter of fact, on June 2, 1959, they issued the following statement:

> The decision of the International Olympic Committee to expel the athletes from the Republic of China is a clear act of political discrimination. * * * We trust that the public and sports organizations, both here and abroad, will recognize the Communist threats for what they are and will insist on restoring both the athletes from the Republic of China and the Olympic principles to their deserved positions.

I am very pleased that the State Department has made known our feelings on behalf of the U.S. Government. They are certainly to be commended.

Mr. Speaker, on June 3, 1959, when this body was considering the defense appropriation bill we adopted the Laird amendment which would bar the use of Olympic winter game funds if any free nation is prevented from participating. During the debate my distinguished colleague from New York, the Honorable FRANCIS E. DORN, brought to our attention a telegram he received from Mr. Robert L. King, executive director, organizing committee, VIII Olympic winter games. The telegram was dated June 3, 1959, and read as follows:

> Recent action of International Olympic Committee does not make Red China a member of that body. They cannot and will not participate in VIII Olympic winter games. The organizing committee invited Nationalist China, and they accepted prior to I.O.C. action. The organizing committee will stand behind this invitation and accept entries of Nationalist China competitors at Squaw Valley. Therefore, this I.O.C. action has no

actual effect whatsoever on our conduct of the Squaw Valley games.

I want to congratulate Mr. King and his committee for taking the position they have in this matter. I also want to commend my colleagues on both sides of the aisle for supporting the Laird amendment. Those voting for the amendment rendered a real service to their fellow Americans.

Mr. Speaker, with all these facts and all this background in mind I still contend that Avery Brundage should be removed from his position as president of the International Olympic Committee for his action in denying Nationalist China the right to participate in the 1960 Olympics.

This action on the part of Avery Brundage and the International Olympic Committee is certainly inconsistent with its tradition of nonpolitical overtones. It would appear that the basic concept of justice and fair play inherent in the peaceful nonpolitical contests of international sports has been violated. We should remember that in 1956 the Red Chinese withdrew their athletes from the Melbourne games because the people of Nationalist China were permitted to participate. If the present decision is permitted to stand it will give the Peiping regime the greatest political and moral victory they have yet won in the international field.

For the past 10 years the Communists have been over-emphasizing all forms of athletics, as a part of an overall drive to capture a propaganda medium, that of sports activities. Everybody knows that in Soviet Russia and her satellite countries, including the Communist mainland of China, sport activities are a political arm of the Communist Party. The spirit of amateurism, which Mr. Brundage has espoused so loudly, is unknown to them. It seems to me that for this reason alone the athletes of free China should not be excluded from participation in the 1960 Olympic games. Perhaps Mr. Brundage has become autocratically senile because of his many years of complete control of amateur athletics here in the United States. I remember other instances of mishandling and bad judgment, such as the Wes Santee case, as well as Brundage's refusal to acknowledge need of aid for our Olympic programs.

Mr. Speaker, for some years our Government has steadfastly refused any recognition of the Peiping government which forced its way into power by force and coercion. Our State Department has opposed commercial relations with the mainland Chinese, and has backed the free Chinese Government on Formosa with arms and diplomatic recognition as the Government of China.

Avery Brundage, in his omnipotence, in 1 day wiped out this effect of our foreign policy in the eyes of the world. Mr. Brundage has divorced himself from the true spirit of amateur sports as represented in the United States and the freedom-loving countries of the world. It is hard for me to believe that our American representative on the International Olympic Committee would be so easily taken in by Communist intimidation and guile. It seems to me that the action is shameful and against all traditions of the Olympic games, as well as our amateur athletic prestige. Brundage's resignation would seem to be in order. To be so inept as to permit a vote to be taken merely by a show of hands in such a sensitive matter would seem to me to be clear evidence that Mr. Brundage's control over our Olympic program should be relaxed before he is further duped by Communist political strategy.

Last year I visited Formosa and other countries in southeast Asia. I found the leaders and the people of Formosa very interested in sports of all types. In fact, they were looking forward to having their athletes participate in the 1960 Olympics. They have had high hopes for success, especially in the longer track events such as the marathon. Their men have long become familiar faces in such events as the Boston marathon.

Mr. Speaker, the United States must not allow our friends in free China to be disavowed by us. It has been suggested that public contributions to the Olympic committee be stopped until this whole matter is settled. Also, some people think that the United States should withdraw from the Olympics if Nationalist China is barred from the 1960 international games. While these suggestions have merit, it seems to me that Avery Brundage should immediately call an executive session of this committee to rectify this injustice or call for a vote of confidence for his arbitrary steps in this matter. My own feeling is that this cannot be an Olympic games held in a true amateur spirit when political considerations override justice and the real purpose of the games.

WHY THE VAULT-CASH BILL GIVES AWAY ABOUT $15 BILLION OF GOVERNMENT-OWNED SECURITIES

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. PATMAN. Mr. Speaker, early this week the House is scheduled to debate and vote on the bill S. 1120, the so-called vault-cash bill. As I have pointed out before, this will transfer to the private commercial banks, without cost to the banks, about $15 billion of bonds and other interest-bearing securities which are now owned by the Federal Government. Others have pointed out the same thing. The American Bankers Association has reported the same thing. In fact, it was the American Bankers Association that originated this legislation, as it reported at the beginning that the transfer of about $15 billion of these securities is the purpose of the legislation.

A $15 billion giveaway involves no small loss to the Federal Treasury and to the taxpayers. For example, the total Federal costs of all the farm price support programs over the past 25 years comes to slightly less than $16 billion. And the cost of these programs is, of course, a subject of great national debate, picture illustrations in Life magazine, and so on. It seems to me the Congress should not hand the private banks $15 billion—or even $1 billion—on a silver platter without considering the consequences rather carefully.

One point we should consider is that the $15 billion of securities are part of the present national debt of $285 billion. They are obligations of the Government which the Government itself has bought and is holding. Yet they contain live explosives. If we give them away, Congress will have to increase the debt ceiling by $12 billion as the President is asking Congress to do. On the other hand, if we remove the fuse and cancel the $15 billion of debt obligations, it will be completely unnecessary to increase the debt ceiling. We can easily avoid saddling the American people with $15 billion of debt which will do no good for anyone—except the bankers whose profits will be increased. When the bill comes up for debate in the House, I will offer an amendment to require that this $15 billion of securities be canceled immediately, so as to reduce the Federal debt by that amount.

Second, we should consider very carefully the cost of giving away this $15 billion of securities. At the present time there is no interest cost to the Treasury on this amount of debt. The Federal Government simply pays the interest to itself. The American Bankers Association argues, however, that handing these securities over to the banks will not mean that the Treasury will lose all of the interest payments, because the banks pay Federal income taxes. True, the interest payments would then go into bank profits and the banks would pay some of them back in the form of increased taxes. But this overlooks the point that under the scheme by which the securities would be transferred to the banks, they would pay no taxes on the $15 billion of principal—no income tax and not even the gift tax. It would cost the Treasury far less, therefore, if we divided these bonds and other securities up and gave equal amounts to the 44 million American families. These families, who already own these securities, would at least pay income taxes on what they received, as well as on the interest payments they received later.

How does the vault-cash bill give away $15 billion of Government-owned securities to the private commercial banks? The vault-cash bill appears, on the face of it, only to authorize the Federal Reserve System to reduce required reserves of the private member banks of the system. How is it that, to use the authority contained in this bill, the Federal Reserve must give away about $15 billion of the $25 billion of U.S. bonds and other securities it is now holding? Sev-

eral Members of the House have told me that they do not fully understand the relationship between bank reserves and the amount of money in circulation, and why it is that changing these relationships as the vault-cash bill does must involve giving away many billion dollars worth of the Government debt obligations which the Federal Reserve is holding. Furthermore, some of the Members have asked me what there is in the legislative history of the vault-cash bill which shows an intent that the authority being granted by the bill will be used to give away bonds, or that Congress is approving such an intent.

The relationships between bank reserves, the level of required reserves, and the Federal Reserve System's holdings of Government securities are quite simple. I will begin with the ABC's and explain them by means of a series of questions and answers. These will make it clear that if the authority being granted by the vault-cash bill is to be used at all—and if it is not to be used, there is no reason for its being asked for or granted—it must be used to give away bonds. Following the questions and answers I will then give excerpts from the legislative history which make it equally clear that not only has Congress been told that the authority is to be used to give away bonds, but the congressional intent expressed to date approves that purpose.

WHO DETERMINES THE SUPPLY OF MONEY

Question 1: Where does money come from?

Answer: Money is created—manufactured. It does not rain down from heaven or grow on trees, and it was not here when the original settlers arrived. If the supply of money in existence in 1914 had not been increased, say by 1928, there would not have been enough money to carry on the increased volume of business of 1928.

Question 2: Who creates money?

Answer: The Federal Government creates part of the money through the Federal Reserve System, and the private commercial banks create part of the money. Other financial institutions, such as savings banks, insurance companies, lend money, but they do not create new money.

Question 3: Who determines how much money will be in existence at any particular time?

Answer: The Federal Reserve determines this. In fact, the money supply is the Fed's first and foremost concern as it strongly believes that if it allows too much to be created, the result will be inflationary. On the other hand, if it causes too great a shrinkage of the money supply, there will not be enough to permit a high level of business activity.

Question 4: Who determines what part of the money supply will be created by the Federal Reserve and what part will be created by the private banks?

Answer: The Fed determines this—within broad limits fixed by law.

Question 5: How is the money supply defined?

Answer: Most of the money in existence is in the form of bank deposits. The money supply is usually defined as the amount of demand deposits in the commercial banks plus the amount of currency in circulation outside banks. Interbank deposits are not included, because this would be counting the same deposits twice and perhaps more.

HOW BANK DEPOSITS ARE CREATED

Question 6: Who creates bank deposits?

Answer: Bank deposits are created by the private commercial banks.

Question 7: How are bank deposits created?

Answer: The commercial banks create bank deposits when a bank makes a loan of $100, or purchases bonds or other securities in the amount of $100, it expands bank deposits by $100.

Question 8: What does it cost the banks to make loans or investments?

Answer: Nothing, except that the payrolls and other general expenses of operating the bank enter into the cost.

Question 9: What determines the maximum amount of bank deposits that can be created?

Answer: The maximum amount of loans and investments that the private banks can make—and hence the maximum amount of bank deposits they can create—are determined by two factors working in combination. The first is the amount of reserves which the banks have to their credit on the books of the Federal Reserve. The second is the goldsmith factor, or the number of dollars of loans and investments which the banks are permitted to make for each dollar of reserves. These two factors are the key to understanding why the vault-cash bill gives away Government-owned securities. The maximum amount of bank deposits that can be in existence at any time can be expressed as a simple formula, as follows: a times b equals c. Where: a is the amount of reserves; b is the goldsmith factor; and c is the maximum amount of bank deposits that can be created.

Question 10: How did the goldsmith factor originate?

Answer: This originated with the goldsmith bankers who operated in Western Europe in the 17th century before the modern banking system was created. The goldsmith system of banking sprang up as follows. It was the custom for people who had gold to deposit it with the goldsmiths for safekeeping. The goldsmith issued the depositor a receipt for his gold. These receipts went into circulation as money. People learned that they could conclude financial transactions by transferring these receipts, without coming back to the goldsmith for the actual gold. Similarly, the goldsmith learned that since people holding his receipts rarely came in for the gold, he could make loans that is, he issued more receipts for gold than he had gold, and these receipts also went into circulation as money. Goldsmiths issued several times as many receipts as they had gold in their reserves.

Question 11: How is the goldsmith factor determined today?

Answer: The Fed issues regulations which tell the individual banks that the amount of reserves to their credit on the books of the Fed must not be less than a specified percentage of the banks' deposits. This percentage is called percentage of required reserves.

Question 12: What is the relationship between the goldsmith factor and required reserves?

Answer: Mathematically speaking the goldsmith factor is the reciprocal of the percentage of required reserves. To illustrate if the Fed's regulations required the banks to have reserves equal to 20 percent of their deposits, the goldsmith factor would be 1 divided by 0.20, which is 5. This would mean that the banks would create $5 of deposits for each dollar of reserves.

Question 13: What is the present goldsmith factor?

Answer: At the end of May, average required reserves for the three classes of member banks was 14.9 percent. This meant that the banks would expand deposits up to $6.70 for each dollar of reserves credited to their account with the Fed.

Question 14: When the Fed reduces required reserves, does this also reduce the amount of reserves which the banks have to their credit with the Fed?

Answer: No; reducing required reserves only increases the goldsmith factor, allowing the banks to create more dollars for each dollar of these reserves. Unless the Fed also takes some other action, the amount of reserves remains the same.

Question 15: What is meant by "freeing" reserves or making reserves "excess"?

Answer: When the Fed reduces the level of required reserves, the amount of reserves to the credit of the bank does not change, but a certain proportion of these reserves are freed, or become excess. This is simply another way of saying that the banks may now create more dollars of loans and investments—and bank deposits—than they could previously. The reserves which are made excess by the reduction become what we meant your unexcess again, or required, only when the banks have expanded their deposits up to the maximum allowed by the Fed's new regulation. Let us illustrate this with some figures. Let us say that we began with a situation where the amount of reserves is $18 billion, required reserves are 10 percent, and the banks are fully loaned up. This would mean that the banks have made $10 of loans and investments for each dollar of reserves and that bank deposits are $180 billion. This is illustrated in step 1 below.

Let us assume that the Fed then reduces required reserves to 5 percent. This means that one-half of the reserves credited to the account of the banks have been freed or have been made excess. This is illustrated in step 2 below.

However, the banks may now expand their loans and investments, to the extent that they may create $20 of new deposits for each dollar of reserves that have been made excess. They may, in short, expand their total bank deposits up to $360 billion, at which point all of their $18 billion of reserves will become required again. This step is illustrated in step 3 below.

Step 1: Fully utilized reserves at 20 percent required reserves

	Amount of reserves	Reserve requirements	Bank deposits
	Billions	*Percent*	*Billions*
Required	$18		
Excess			
Total	18	10	$180

Step 2: Partially utilized reserves at 10 percent required reserves

	Amount of reserves	Reserve requirements	Bank deposits
	Billions	*Percent*	*Billions*
Required	$9		
Excess	9		
Total	18	5	$180

Step 3: Fully utilized reserves at 10 percent required reserves

	Amount of reserves	Reserve requirements	Bank deposits
	Billions	*Percent*	*Billions*
Required	$18		
Excess			
Total	18	5	$360

HOW BANK RESERVES ARE CREATED

Question 16: Who creates bank reserves?

Answer: Only the Federal Reserve creates bank reserves. The Fed may, and does at times, also extinguish bank reserves which it has previously created.

Question 17: How does the Fed create and extinguish bank reserves?

Answer: Principally by buying or selling debt obligations of the Federal Government in the open market.

Question 18: What is the relationship between bank reserves and the Fed's holdings of Government securities?

Answer: When the Fed buys $1 million of such securities in the open market, this increases the amount of reserves to the credit of the private banks by $1 million. Conversely, when the Fed sells $1 million worth in the open market, this reduces the amount of reserves the private banks have to their credit by $1 million.

Question 19: What are the mechanics by which bank reserves are increased by the Fed's open market operations?

Answer: When the Fed buys $1 million of Government securities in the open market, it gives the bond dealer a check drawn on a Federal Reserve bank. The bond dealer deposits the check with his bank, and this bank then sends the check in to the Federal Reserve bank, which credits that bank's reserve account with $1 million.

Question 20: How does the Fed extinguish bank reserves by its open market operations?

Answer: When the Fed sells a million dollars worth of securities from its portfolio, the bond dealer gives the Fed a check drawn on his bank. The Fed then reduces that bank's reserve account by $1 million.

Question 21: In what other ways are bank reserves created or extinguished?

Answer: When the Treasury buys gold, or takes in gold from abroad, these purchases flow through the Federal Reserve banks. In this case Federal Reserve banks credit the private banks' reserve accounts in the same way as when the Fed purchases Government securities in the open market. In addition, when the Federal Reserve banks make loans to individual banks, the banks are lent reserves and this adds, at least temporarily, to the total amount of reserves available. In practice, however, such lent reserves amount to a very small percentage of the total reserves available to the banks.

Question 22: Can the Fed change the amount of reserves available to the private banks at any time?

Answer: Yes. The Fed can change the amount of reserves at any time by buying or selling Government securities in the open market. Furthermore, it frequently does make small changes in the amount of reserves through its open market operations.

Question 23: Can the Fed change the goldsmith factor, or the level of required reserves, at any time?

Answer: Yes, the Fed may at any time either lower or raise required reserves—within the broad limits specified in law.

Question 24: If the Fed reduces required reserves will this be inflationary?

Answer: Yes, reducing required reserves by any substantial amount would be highly inflationary unless, at the same time, the Fed sells some of its securities in the open market and thus reduces the amount of reserves.

Question 25: Can the Fed reduce required reserves and still maintain the same money supply?

Answer: Yes, but in allowing the banks to create more money on each dollar of reserves, the Fed would have to sell some of its securities in order to reduce the amount of reserves. Keeping in mind the formula "a times b equals c," it is apparent that "c," the money supply, can be held constant while changing the values of both "a" and "b." We might illustrate two different combinations in which the money supply is the same, as follows:

Amount of reserves (billions)	Goldsmith factor	Total bank deposits (billions)
$25	4 to 1	$100
$10	10 to 1	100

In the first case, the amount of reserves is $25 billion and the Fed's regulations permit the banks to make loans and investments at the rate of $4 for each dollar of reserves. Total bank deposits are $100.

In the second case, the Fed has sold $15 billion of its securities through open market operations, and reduced required reserves so as to permit the private banks to make up to $10 of loans and investments on each dollar of reserves. The money supply is still $100.

Question 26: So long as the Fed maintains the same money supply in the banking system, does it matter whether it maintains a large amount of reserves and a low goldsmith factor, or a small amount of reserves and a high goldsmith factor?

Answer: The only important difference is in the effect on Treasury revenues and bank profits. Interest payments on Government securities held by the Fed are paid back into the Treasury. But when the private banks hold the securities, the interest payments go into bank profits.

A less important difference—and one for which the Fed can make adjustments—is that when the Fed holds larger amounts of Government securities, the total money supply can be somewhat smaller to maintain the same level of interest rates and money stringency. The reason is that since the Fed has withdrawn Government securities from the market, the banks would be bidding on a smaller supply of securities and/or loan opportunities. Thus if the banks had the same money-creating potential, this would tend to raise prices of securities and lower interest rates.

Question 27: What is the present money supply?

Answer: The Federal Reserve Bulletin shows that as of the end of March net demand deposits in the commercial banking system, plus currency in circulation outside banks, was $140.3 billion. Only $28.1 billion of this was in currency; the remainder was in bank deposits.

Question 28: How much can the money supply be increased without causing inflation?

Answer: The Fed has said it will not permit the money supply to increase by more than about 3 percent a year, which is the rate at which the economy is expected to expand. A 3-percent increase in the present money supply would be $4.2 billion.

Question 29: How much can the Fed reduce required reserves without causing inflation?

Answer: At the present level of required reserves, member banks can expand deposits at a rate of $7 for each dollar of reserves. If the Fed freed, or made excess, $600 million of reserves, this would permit the money supply to increase by 3 percent. Any further reductions would, according to the Fed's firm belief, be inflationary.

Question 30: What is the amount of reserves which the Fed could free under the present law?

Answer: $6.5 billion of reserves, including $1 billion against time deposits. The rate at which banks could expand on these would be $12 to $1, for demand deposits, and $33 to $1 for time deposits.

Question 31: What is the amount of reserves which the Fed could free under the authority contained in the vault-cash bill S. 1120?

Answer: The Fed would have authority to free $11.3 billion of reserves immediately, including $2 billion of vault-cash which might be counted against required reserves.

Question 32: If the Fed should free more than $600 million of reserves, what could it do to prevent reserves freed in excess of the $600 million from causing inflation?

Answer: The only thing the Fed could do would be to reduce the amount of reserves by selling an equal amount of its securities in the open market.

Question 33: Why would it be a giveaway to reduce required reserves and at the same time reduce the amount of reserves?

Answer: Because the private banks would acquire the Fed's securities without any cost to the banks.

Question 34: Is the vault-cash bill needed in order to provide for a future growth in money supply?

Answer: No. If the money supply is allowed to grow only at an average rate of 3 percent, compounded annually, it would be 54 years before any change in law is needed to provide for a growth in the money supply.

Question 35: What is the maximum amount of reserves which the Fed could create under present law?

Answer: Present law permits the Fed to create liabilities—consisting of reserves plus currency in circulation—in an amount up to four times the amount of Treasury gold stock. The Treasury's gold stock at the end of March was $20.4 billion, which would permit liabilities of $81.6 billion.

Question 36: What is the maximum money supply which could be created under present law?

Answer: If required reserves were reduced to the minimums permitted under present law, the banking system could expand deposits to $10.30 for each dollar of reserves. However, if we assume that as the money supply increases the amount of currency in circulation will increase proportionately, then the total money supply could be expanded at only $8.40 for each dollar of reserves. This would mean that the money supply could, on the basis of the $81.6 billion of reserve and currency liability which the Fed may create, be expanded from the present $140.3 billion to $685.4 billion. As has been explained, if the money supply is allowed to expand at only 3 percent a year, it will take 54 years before this level is reached.

Question 37: How do present required reserves compare with the minimums permitted in present law?

Answer: Present reserves required by the Federal Reserve regulation are compared with the minimums specified in the law as follows:

[In percent]

	Present required reserves	Minimum permitted by law
Central Reserve city banks (New York and Chicago)	18	13
Reserve city banks	16½	10
Country banks	11	7
Time deposits, all banks	5	3

HOW CURRENCY IS CREATED

Question 38: Who creates currency?

Answer: The Government creates currency. About 85 percent of the currency in circulation is Federal Reserve notes and the remainder is Treasury currency.

Question 39: What determines the amount of currency that is issued and in circulation?

Answer: This is determined by what business and consumers need to carry on trade and commerce. The amount of currency in circulation represents the amount of money which business and consumers prefer to have in the form of currency rather than in bank deposits.

Question 40: What is the relationship between currency in circulation and bank reserves?

Answer: The banks acquire currency by drawing down their reserves with the Fed. If the banks have to supply their customers with an extra $1 million of currency, they obtain it from the Fed, by reducing reserves by $1 million. In other words, to convert a million dollars of bank reserves to a million dollars of currency, the banks lose $1 million of reserves, or 1 million high-powered dollars which they might have used for making loans and investments at the rate of several dollars for each dollar of reserves. On the other hand, when the banks have excess cash, they may turn it in to the Federal Reserve and obtain reserves for it.

Question 41: Whose obligations are Federal Reserve notes?

Answer: They are non-interest-bearing obligations of the Government, as is plainly stated on the face of these notes. They are signed by the Secretary of the Treasury and the Treasurer of the United States; not by the Federal Reserve Board. Since currency is noninterest bearing, it does not, however, count against the legal debt limit of the United States.

WHAT ARE THE PURPOSES OF THE VAULT-CASH BILL?

Question 42: How did the legislation originate?

Answer: It originated with the American Bankers Association. In early 1957, the economic policy commission of the ABA concluded a 2-year study and submitted a report to the Federal Reserve Board setting out its proposals for reducing required reserves and future legislation it proposed for this purpose.

Question 43: What is the difference between the ABA's proposal and the legislation recommended by the Federal Reserve Board?

Answer: The ABA proposed to reduce required reserves against demand deposits for all classes of banks to 10 percent, and it further proposed a law which would make such reductions mandatory within a period of 5 years. The Fed's proposal would permit the same reductions called for by the ABA, but it objected to making the reductions mandatory.

Question 44: How does the vault-cash bill, S. 1120, differ from the bill recommended by the Federal Reserve Board?

Answer: It differs in two main respects: (a) the Fed vigorously objected to eliminating the separate classification, "Central Reserve City Banks" and (b) the Fed vigorously objected to any mandatory reduction in required reserves. The bill recommended by the Federal Reserve Board was, however, amended—by the Bush amendment—which eliminates a separate classification, "Central Reserve City Banks," and also makes it mandatory that required reserves for banks in these cities be reduced down to whatever level of reserves is required for the Reserve city banks, within a period of 3 years.

Question 45: What testimony has the Committee on Banking and Currency of the Senate or House heard in support of (a) eliminating the classification "Central Reserve City Banks" and (b) making the reductions in required reserves mandatory instead of permissive?

Answer: I am unable to find that the committees have heard any testimony in support of these proposals, although both committees did hear vigorous testimony from the Federal Reserve Board in opposition to these proposals.

Question 46: What are the purposes which have been stated for reducing the level of required reserves?

Answer: The ABA's report states that it was to increase the earnings assets of the banks and to transfer Government securities now held by the Federal Reserve System over to the private banks. The Federal Reserve Board's report on the legislation states that the purpose is to increase bank profits, and this report likewise states that the effect of reducing required reserves, and offsetting them through open market operations will be to transfer earnings assets from the Federal Reserve System to the private banks.

Question 47: Is the legislation needed in order to permit the Fed to reduce required reserves of the New York and Chicago banks down to the level of the Reserve city banks?

Answer: At present, required reserves of the New York and Chicago banks are 18 percent of demand deposits, while required reserves of the Reserve city banks are 16½ percent. The present law permits the Fed to reduce required reserves of the New York and Chicago banks down to as low as 13 percent.

Question 48: What reason has been given for the proposal to allow the Fed to permit the banks to count vault cash against their required reserves?

Answer: It is said that this will help the country banks most, because the country banks keep on hand a larger proportion of cash in relation to their reserves than do other banks. It is also agreed that country banks are remote from banking centers and must, as a practical matter, keep large amounts of cash on hand in case their customers should ask for it. Otherwise, the argument goes, these banks would turn in their excess cash in exchange for more reserves.

Question 49: Why is the argument about helping country banks absurd?

Answer: There are four reasons: First, the fact that country banks keep larger proportions of cash was taken into account when the present level of reserves was set—the so-called inequity has already been corrected; second, only the country banks now have excess reserves—they have large amounts of excess reserves—so it is obvious they have no reason to turn in their excess cash for more reserves when they have not used all the reserves they already have; third, policing the amount of cash in the banks is an impossible task, and an obsolete idea that was removed from the

law in 1917; and, fourth, if the purpose of the legislation was to help country banks, this could be done by reducing their required reserves under present law. Specifically, required reserves are now set at 11 percent for country banks, although the law permits a minimum of 7 percent.

Question 50: What would be the annual revenue loss to the Treasury if $15 billion of the Fed's holdings of Government securities is transferred to the private banks?

Answer: Substantially all of the Fed's income is from interest payments on Government securities. It pays operating expenses out of this income, puts aside 10 percent of the remainder in a surplus fund, and returns the balance to the Treasury. In 1957, the last date for which a report is available, the following disposition was made of the Fed's income:

[In millions of dollars]

Income	765
Expenses	161
Held in surplus account	62
Paid back to U.S. Treasury	543

In 1957, the Fed's average interest income on its portfolio of Government securities was 3.15 percent. Assuming the same average interest rate, if $15 billion of these securities are transferred to the private banks, this will mean an annual loss of $472.5 million to the Treasury.

Question 51: What will be the total cost to the Treasury of transferring $15 billion of Government securities to the private banks?

Answer: The American Bankers Association has pointed out that the interest income would not be a complete loss to the Treasury because the private banks pay Federal income taxes and would pay these taxes on their increased profits resulting from the interest payments. However, this argument overlooks the point that the banks would pay no income taxes—and no gift tax—on the $15 billion of principal given to them. Yet the Treasury will be out this amount when these securities are retired or the Government buys them back again. In this respect the Treasury would lose less if Congress divided up the $15 billion of securities and gave them to the 44 million American families, because these families would pay income taxes on the gift of the securities. If, however, the Fed sells the securities to the banks at, say $80 on the $100, and gives the banks $80 of reserves with which to buy the securities, the banks will, when the securities become due, pay a capital gains tax on the difference between $80 and $100. If the Fed gives the banks $100 of reserves with which to buy $100 of its securities, then the banks will pay no capital gains tax.

Question 52: What is the amount of Government securities which the Fed is now holding?

Answer: About $25 billion.

Question 53: What is the amount of this $25 billion of securities which the Fed has indicated it does not need?

Answer: In its report to Congress on the vault-cash bill, the Fed stated:

To the extent necessary to avoid undue credit expansion, reserves released by any reduction in requirements could be absorbed by Federal Reserve sales of securities in the market. * * *

And decrease in requirements, however, should leave the Federal Reserve with a portfolio adequate to cover possible future contingencies, such as a large inflow of gold or economies in the use of currency that might add reserves in excess of appropriate needs.

In early 1957 when the ABA made its report, it based its conclusions on the Fed's holdings of June 30, 1956, which were $237 billion. Of this amount, the ABA report, "Member Bank Reserve Requirements," said:

It is clear from the figures that the System's holdings are far in excess of the amount needed for the Reserve banks to cover expenses and dividends. Even if these holdings were reduced by as much as $15 billion the System would still have some net earnings after dividends.

Question 54: How can Congress reduce the national debt by $15 billion immediately?

Answer: Congress can amend the "Cash-Vault" bill to require the Fed to turn over to the Treasury for cancellation $15 billion of the Government obligations it is now holding. This will leave the Fed with $10 billion, which is more than adequate to meet its needs. This amendment, if adopted, will make it unnecessary to increase the Federal debt ceiling as the administration is now asking Congress to do.

EXCERPTS FROM THE LEGISLATIVE HISTORY OF S. 1128 SHOWING INTENT TO TRANSFER GOVERNMENT SECURITIES FROM THE FEDERAL RESERVE TO THE PRIVATE BANKS

I come now to the legislative history of S. 1120. Several of the Members, as I have pointed out, have asked where this legislative history shows an intent and purpose to transfer Government securities from the Federal Reserve System to the private banks. Supplied below are copious excerpts from the legislative history which show not only that the bankers and the Federal Reserve System have clearly indicated to Congress that the authority contained in S. 1120 will be used to transfer securities to the private banks, but they also show that the congressional intent condones and approves this purpose. It should be clear from the foregoing questions and answers that all such phrases as "offsetting excess reserves through open market operations," and "taking other action to absorb excess reserves released through reductions in required reserves" mean, plainly, that the Federal Reserve System will sell securities from its portfolio in the open market to offset the reserves freed to the private banks under this legislation. In other words, the Fed will give the banks the reserves with which to buy these securities and then sell the banks these securities, at no cost to the banks.

The excerpts are as follows, beginning with the first report of the Economic Policy Commission of the American Bankers Association, then taking up the second summary report of the ABA plan which sets out its exact specifications for reducing required reserves, then taking up the Federal Reserve's report on the legislation, and coming, finally, to the committees' hearings and reports and the debate on the bill in the Senate.

EXCERPTS FROM THE REPORT "MEMBER BANK RESERVE REQUIREMENTS," BY THE ECONOMIC POLICY COMMISSION OF THE AMERICAN BANKERS ASSOCIATION, PUBLISHED IN FEBRUARY 1957, PAGES 28–32

A question remains, however, as to the effects on the Reserve banks' holdings of Government securities. We have seen that reductions in reserve requirements to meet the economy's growth needs would have the advantage of providing the banks with the necessary reserve funds without further additions to the Federal's already huge portfolio. But what if reserve reduction were to proceed faster, as advocated above? If the Federal were to cut the reserve percentages and then absorb the resulting excess reserves by selling Governments, the result would be to shift part of its securities holdings to other investors over a period of time. Would this be desirable?

In our opinion, it would be. It seems clear that the System's securities holdings are far larger than is necessary either for credit-control purposes or to cover the expenses and dividends of the Reserve banks, and that it would not be good policy over a long period for the Reserve banks to hold an amount of Government securities as large as they now have. Reductions in the reserve percentages, accompanied by open-market sales, would give the System an opportunity to reduce its overload of Governments while still leaving it with a more than ample securities portfolio.

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Then, as we have seen, the Reserve System increased its holdings to about $24 billion as a result of its policy of providing Reserve funds to the banks via open-market operations instead of lowering the Reserve percentages. The System's holdings today are very close to the January 1946 peak. As of June 30, 1956, the Reserve banks owned $23.7 billion of Governments—excluding those held under repurchase agreements. The member banks owned $46.2 billion. In other words, the Reserve banks held almost half as much as all the member banks combined.

No one can say precisely just how large a volume of Governments the Reserve banks need to hold. It is quite clear, however, that the holdings do not need to be anywhere near as large as they are now.

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Chart II shows the ratio of the Federal's security holdings to total Reserve balances during 1920–56. The ratio now stands at nearly 130 percent, as compared with 16 percent during 1920–29 and just under 52 percent during 1930–33.

This suggests that the System's holdings could easily be reduced by many billions without weakening its credit-control powers.

It is conceivable, of course, that an influx of gold might push up excess reserves and make it necessary for the Federal to sell substantial quantities of Governments in order to absorb them. However, the System's portfolio is now far more than adequate to take care of any possible inflow.

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From an earnings standpoint, too, the Federal's present portfolio is clearly larger than it needs to be.

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It is clear from the figures that the System's holdings are far in excess of the amount needed for the Reserve banks to cover expenses and dividends. Even if these holdings were reduced by as much as $15 billion, the System would still have some net earnings after dividends.

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Moreover, the Reserve banks were never intended to be a source of revenue to the Government, and policy regarding the level

of required reserves should certainly not be determined on the basis of the effect on Federal Reserve payment to the Treasury.

EXCERPTS FROM THE ORIGINAL LEGISLATIVE PROPOSAL "A PLAN FOR MEMBER BANK RESERVE REQUIREMENTS," SUBMITTED BY THE ECONOMIC POLICY COMMISSION OF THE AMERICAN BANKERS ASSOCIATION, 1957

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Looking ahead, it is clear that the needs of the public for currency and bank deposits will increase with the growth of the American economy. To meet these needs, it will be necessary to expand the reserve base of the banking system either by creating more reserves through open-market operations or by reducing reserve requirements.

The first approach, that of augmenting the reserves of member banks, would commit the Federal Reserve authorities to a large-scale program of open-market purchases of Government securities designed to inject additional funds into the banking system. This would necessitate a further increase in the size of the Federal Reserve's portfolio which, it is widely agreed, is already excessively large (p. 12).

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If such an expansion were to be met without reducing reserve requirements, it would be necessary to supply the banks with about $7 billion of additional reserve balances by means of open-market purchases of Government securities by the Reserve banks (p. 14).

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In 1948, for example, virtually all of the increase in reserve requirements was counteracted by open-market operations and the chief result of the requirement increase was that member banks were forced to part with about $2 billion of their earning assets. Bankers naturally felt that they were being rather heavily penalized for the sake of very doubtful benefits to the economy.

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Effects on total required reserves of member banks: If the Commission's proposals were in effect at the present time, total required reserves (including vault cash) would be $7.7 billion lower than their actual present level of $18.4 billion (as of June 30, 1956). Required reserve balances that member banks must maintain at the Federal Reserve banks would be $9.8 billion lower (53 percent lower) than their actual current level. (P. 26.)

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Comparing this with what would happen under the Commission's plan, it can be seen that the adoption of the plan would make a net difference of about $9 billion in the case of total required reserves and about $12 billion in the case of required reserve balances.

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The Reserve banks Government securities portfolios: There seems to be considerable agreement that the Federal Reserve banks should work toward a reduction of their enormous holdings of Government obligations. At the present time the Reserve banks hold about $24 billion of Governments, an amount far in excess of their needs either for earnings or for credit control.

The Commission's proposals contemplate a moderate reduction of these holdings over the years. On the other hand, unless reserve requirements are reduced, the Federal Reserve will have to pump more reserves into the banking system to enable it to meet the growing monetary and credit needs of our economy. Thus the Reserve banks would be confronted with the necessity of engaging in large-scale open-market purchases of Government securities for an indefinite period ahead (p. 30).

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It is true that the Government would lose a small amount of revenue, since about 90 percent of the Reserve banks' annual earnings after dividends are now being voluntarily paid over to the Treasury. However, the Reserve banks were never intended to be a source of revenue to the Government, and policy regarding the level of required reserves should certainly not be determined on the basis of the effect on Federal Reserve payments to the Treasury (p. 32).

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As mentioned earlier, the carrying out of the Commission's plan would result in some reduction of the Reserve banks' holdings of Government securities. Would this weaken the Federal's credit control powers?

Definitely not. As already discussed, the Reserve banks now hold far more securities than needed for credit-control purposes. The sale of only a small fraction of the System's holdings would completely absorb all excess reserves. In fact, ever since the end of World War II, these holdings have been well in excess of total member bank reserve balances, required and excess.

In sum, the Federal Reserve's portfolio is today far more than adequate to cope with any possible gold inflows or other contingencies that might tend to create excess reserves. It could be substantially reduced without any risk whatever in that direction (p. 34).

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If the reserves released at any time are excessive in the light of current monetary conditions, the Federal Reserve can easily absorb them by open-market sales of Government securities.

In short, there is no reason for assuming that adoption of the plan would result in any greater expansion of money and bank credit than would occur if reserve requirements were to be kept at their present high levels (p. 35).

EXCERPTS FROM REPORT SUBMITTED BY THE FEDERAL RESERVE BOARD TO THE COMMITTEES ON BANKING AND CURRENCY SETTING OUT THE BOARD'S RECOMMENDATIONS IN SUPPORT OF THE VAULT-CASH BILLS AS ORIGINALLY INTRODUCED [1]

The Board has given consideration to the careful and comprehensive study of the problem of reserve requirements and the proposals for changes made by the Economic Policy Commission of the American Bankers Association and also to other plans for fundamental revisions in the reserve requirement structure. The Board has concluded, however, that far-reaching changes in the law are not necessary. In particular the Board should not be under a mandate to reach some particular level of requirements at any time in the future. With the amendments proposed, along with other provisions of existing law, the Board would have adequate authority to make any changes in the structure and level of reserve requirements that are likely to be appropriate under present or foreseeable conditions (pp. 15–16).

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For purposes of monetary policy, reserve requirements of member banks do not need to be as high as they have been in recent years. Federal Reserve holdings of Government securities are large enough so that they could be reduced to absorb a substantial amount of reserves released, without impairing the ability of the System to perform its essential functions (p. 15).

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While an individual bank may obtain reserves or currency by shifting other assets to other banks in exchange, all banks as a group cannot add to or subtract from the supply of reserves except through borrowing from the Reserve banks or repaying such borrowings. The Federal Reserve can control the availability of reserves by buying or selling Government securities, or at least can by such sales make it necessary for banks to undergo the restraint of borrowing from the Reserve banks if they want to obtain additional reserves or currency (p. 24).

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Any reduction in reserve requirements would permit banks to increase their earning assets and thus provide larger earnings. This in turn would help banks to improve their capital positions. Even if the reserves released were fully absorbed by Federal Reserve open market sales so that no excess reserves were created, member banks could buy additional securities or make loans in an amount equal to the reserves released, and thus increase their earnings (p. 26).

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A lower level of requirements would improve the earning position of banks and aid them in building up their capital positions to levels commensurate with the more rapid expansion that has occurred in their liabilities during the past 30 years.

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To the extent necessary to avoid undue credit expansion, reserves released by any reduction in requirements could be absorbed by Federal Reserve sales of securities in the market. This would in effect shift earning assets from Federal Reserve banks to member banks. The present System portfolio is adequate to permit a substantial reduction and still leave enough to provide sufficient earnings to cover necessary expenses, as well as for current purposes of policy.

Any decrease in requirements, however, should leave the Federal Reserve with a portfolio adquate to cover possible future contingencies, such as a large inflow of gold or economies in the use of currency that might add reserves in excess of appropriate needs (pp. 27–28).

* * * * *

Any substantial release of reserves within a short period of time can have disturbing effects on credit markets and on the economic system generally. Although the amount of any such release can be offset by absorption of the same amount through Federal Reserve sales of securities, the initial uses that might be made of the actual reserves released cannot be controlled (p. 28).

* * * * *

Such a provision [vault cash] would make possible the release of over $2 billion of reserves for all member banks, unless offset by other action (p. 12).

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Because of the magnitude of vault cash holdings, which amount to about one-eighth of total required reserves, permission to count vault cash as reserves would make a relatively large addition to the available supply of reserves (p. 37).

* * * * *

Some of the effects of reserve additions might be offset by open market operations, or changes could be made at times when additions to reserves are desirable (p. 37).

EXCERPTS FROM TESTIMONY OF C. CANBY BALDERSTON, VICE CHAIRMAN, BOARD OF GOVERNORS, (ACCOMPANIED BY WOODLIEF THOMAS, ECONOMIC ADVISER TO THE BOARD OF GOVERNORS, AND RALPH A. YOUNG, DIRECTOR, DIVISION OF RESEARCH AND STATISTICS, FEDERAL RESERVE SYSTEM), BEFORE THE COMMITTEE ON BANKING AND CURRENCY, U.S. SENATE, ON S. 860 AND S. 1120, MARCH 23 AND 24, 1959

Mr. BALDERSTON. * * * We are asking for a change in the structure or design of the

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[1] Page references refer to reprint in hearings, Member Bank Reserve Requirements, before Subcommittee No. 2, Committee on Banking and Currency, U.S. House of Representatives, 86th Cong., 1st sess. 1959).

house. It has nothing to do with current policy.

Senator PROXMIRE. But you would agree that if the Federal Reserve desired to do so that this proposal would permit them to substantially expand the supply of money and that the effect could be, on strict monetary theory, to increase prices?

Mr. BALDERSTON. The potential is there, but you notice that what you are suggesting could be accomplished through open market operations, the size of the Federal Reserve portfolio being what it is (p. 29).

* * * * *

Mr. BALDERSTON. * * * We can provide reserves to the banks through open market operations just as we can under the potential authority of this bill. And having the open market instrument in good working order, we have suggested in this bill that we no longer need the 13-to-26 range. We can get along in any foreseeable circumstances with a 10-to-20 range, which would be identical with that for the Reserve city banks.

* * * * *

Senator DOUGLAS. You still have a tremendous margin at your own discretion.

Mr. BALDERSTON. Of course.

Senator DOUGLAS. But you want to go down to 10. You could still reduce your ratios in your central Reserve cities down to 13. Then we could give you power to differentiate between banks within cities.

Mr. BALDERSTON. Perhaps either Mr. Thomas or Mr. Young has an added point that would make the answer more complete.

Mr. THOMAS. Of course, it is perfectly proper and correct to say that you can supply any amount of reserves through open market operations expanding the assets of the Federal Reserve System.

Senator DOUGLAS. I am glad to have that admission (p. 36).

* * * * *

Mr. BALDERSTON. * * * The bill gives the Board authority, you notice, to implement this policy by allowing the banks to count vault cash in whole or in part. When such authority was granted by the Federal Reserve Board, it would naturally make the appropriate adjustments so that the shock would not be damaging (p. 40).

STATEMENT OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM IN OPPOSITION TO PROPOSAL TO ABOLITION OF CENTRAL RESERVE CITY CLASSIFICATION OF MEMBER BANKS, APRIL 2, 1959

Practical objections to a mandatory requirement that reserve requirements be made identical for all city banks relate to the problem of absorbing the reserves released and the shifts in established relationships among banks. The change would necessitate either a reduction in the central reserve city requirements or an increase in those for reserve cities. If reserve requirements at central reserve city banks were lowered to the level of Reserve city banks, the effect would have to be absorbed by raising requirements for country banks, if necessary to maintain an appropriate total level of required reserves. If the total level of required reserves were lowered, the additional reserves would need to be absorbed by other means to avoid undue credit expansion. In any event, there would be a realinement of requirements that would alter long-established relationships among banks; the present central reserve city banks would have lower requirements and country banks would probably have higher requirements relative to the average for all member banks than would be the case if the three-way classification were retained.

Retention of the central reserve city classification is essential in order to make it possible to deal with any undue concentration of available reserves in money market centers, such as has happened and might arise again in the future. Absorption of such a pool of reserves through open-market operations or through a widespread increase in requirements might be impossible without undue effects on other banks having relatively small amounts of reserves available. Such a situation developed in the 1930's when large amounts of both foreign and domestic balances were concentrated in New York, and New York City banks held very large excess reserves. Authority to maintain three classes of banks provides the Federal Reserve with more flexible powers to deal with such variations in the distribution of reserves (p. 41).

EXCERPTS FROM TESTIMONY OF C. CANBY BALDERSTON, VICE CHAIRMAN, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (ACCOMPANIED BY WOODLIEF THOMAS, ECONOMIC ADVISER, AND HOWARD H. HACKLEY, GENERAL COUNSEL), BEFORE SUBCOMMITTEE NO. 2 OF THE COMMITTEE ON BANKING AND CURRENCY, HOUSE OF REPRESENTATIVES, ON H.R. 5237, APRIL 7, 8, AND 9, 1959

Mr. BALDERSTON. * * * Permitting vault cash to count as reserves would release a corresponding amount of reserves now held on deposit at the Reserve banks and thus add approximately $2 billion at a single stroke to the available supply of bank reserves. Unless other action were taken to absorb some of the reserves released, this would increase the lending potential of the banking system by more than a tenth. It would also distort existing differentials in reserve requirements as between classes of banks. Any such change, therefore, would have to be put into effect gradually, and most likely be offset by adjustments in the reserve requirement percentages, as well as by open market operations (p. 3).

* * * * *

If requirements at central Reserve city banks were lowered to the present level of Reserve city banks, the effect would have to be absorbed by raising requirements for country banks, if necessary to maintain an appropriate total level of required reserves. If the total level of required reserves were lowered, the additional reserves would need to be absorbed by other means to avoid undue credit expansion (p. 6).

* * * * *

Retention of the central Reserve city classification is essential in order to make it possible to deal with any undue concentration of available reserves in money market centers, such as has happened and might arise again in the future. Absorption of such a pool of reserves through open market operations or through a widespread increase in requirements might be impossible without undue effects on other banks having relatively small amounts of reserves available (p. 6).

REPLIES TO QUESTIONS PROPOUNDED ON BEHALF OF REPRESENTATIVE MULTER TO THE FEDERAL RESERVE BOARD IN RE H.R. 5237

Permitting vault cash to count as reserves would release a corresponding amount of reserves now held on deposit at the Reserve banks and thus add approximately $2 billion at a single stroke to the available supply of bank reserves. Unless other action were taken to absorb some of the reserves released, this would increase the lending potential of the banking system by more than a tenth. It would also distort existing differentials in reserve requirements as between classes of banks. Any such change, therefore, would have to be put into effect gradually, and most likely be offset by adjustments in the reserve requirement percentages, as well as by open market conditions (p. 100).

EXCERPT FROM STATEMENT OF DAVID M. KENNEDY ON BEHALF OF THE AMERICAN BANKERS ASSOCIATION, BEFORE SUBCOMMITTEE NO. 2 OF THE COMMITTEE ON BANKING AND CURRENCY, HOUSE OF REPRESENTATIVES, ON H.R. 5237, APRIL 8, 1959

Mr. KENNEDY. I think looking at the way I see conditions developing, the trend will be to reduce them [required reserves] instead of increase them. Of course, they have broad power in the open market operations to control reserves (p. 200).

EXCERPTS FROM STATEMENT OF ISAAC B. GRAINGER ON BEHALF OF NEW YORK CLEARING HOUSE ASSOCIATION (ACCOMPANIED BY WESLEY LINDOW AND WILLIAM C. PIERCE), BEFORE SUBCOMMITTEE NO. 2 OF THE COMMITTEE ON BANKING AND CURRENCY, HOUSE OF REPRESENTATIVES, ON H.R. 5237, APRIL 8, 1959

Thus, the reduction in required reserves proposed by the association, based on the above, would release less than $400 million of reserves, an amount which could readily be offset through the sale of U.S. Government obligations by the Federal Reserve.

To the extent that the central Reserve city banks invested the proceeds of such a reduction in Reserve requirements in short-term Treasury obligations, neither the liquidity nor the risk position of the banks would be affected (p. 253).

* * * * *

Required reserves now aggregate some $18 billion, so that the $400 million reduction in required reserves that would follow the elimination of the central Reserve city classification would represent a reduction of hardly more than 2 percent of total required reserves. Moreover, as reviewed in greater detail in section IX, the Federal Reserve could, if appropriate, "soak up" reserves thus made available by open-market sales out of its Government security portfolio, which now totals over $25 billion (p. 254).

* * * * *

In contrast, weekly changes in "float" can be large and unpredictable. An obvious way for the Federal Reserve to minimize the money-market impact of releasing reserves would be to make offsetting sales out of the System's open-market account, which currently amounts to about $25½ billion (p. 264).

EXCERPTS FROM REPORT ON MEMBER BANK RESERVE REQUIREMENTS TO ACCOMPANY S. 1120, COMMITTEE ON BANKING AND CURRENCY, U.S. SENATE, REPORT NO. 195, APRIL 17, 1959

It is not the purpose of the bill to interfere with the monetary policy objectives of the Federal Reserve Board. For this reason the committee supports strongly the discretionary authority the Board will have, "under such regulations as it may prescribe, * * * [to] permit member banks to count all or part of their currency and coin as reserves * * *." In short, the vault cash provision under S. 1120 will have only that influence on credit availability as is permitted by the Federal Reserve Board within the framework of its overall credit control objectives.

Similarly, banks in Reserve cities may be reclassified as country banks only at Board discretion.

With respect to the elimination of the central Reserve city classification, the impact of released reserves is only nominal, as pointed out above. Furthermore, all available data point clearly to the fact that the Board has the power to offset the released reserves, and in the opinion of the committee, such power should be used, if the Board determines that its general credit policy requires such action (p. 15).

EXCERPTS FROM SUPPLEMENTAL VIEWS OF SENATOR DOUGLAS, REPORT ON MEMBER BANK RESERVE REQUIREMENTS TO ACCOMPANY S. 1120, COMMITTEE ON BANKING AND CURRENCY, U.S. SENATE, REPORT NO. 195, APRIL 17, 1959

It is, of course, true that if the Federal Reserve Board were to lower reserve requirements, they could try to offset the resulting expansion of credit by blotting up some of the newly created reserves by means of open market sales of Government securities. It is also true that at the moment they allowed vault cash to be counted with reserves, they could raise reserve requirements in such a way as partially to offset the potential expansion of credit which such an act would bring.

But the Reserve authorities, influenced as they tend to be by the views of the banking community, would find it hard to resist the demand of the commercial banks that they be allowed to use the reserves, or at least a considerable portion of the reserves, which this legislation makes available to them.

EXCERPTS FROM THE DEBATE IN THE SENATE ON S. 1120, ON DATE OF PASSAGE, CONGRESSIONAL RECORD, WEDNESDAY, MAY 13, 1959—RESERVES REQUIRED TO BE MAINTAINED BY MEMBER BANKS OF THE FEDERAL RESERVE SYSTEM

Mr. PROXMIRE. What I am worried about is that we are moving into such a position that the Federal Reserve System will tighten credit, not by raising the reserve requirements—because they have proposed legislation which will to some extent limit the figure to which they can raise reserve requirements—but to sell Government securities, and, in doing that, drive the interest rates up, and put into private hands holdings of Government securities which are now in public hands; thus costing the taxpayer the interest which is being paid on these Government securities.

That is not merely my idea. It is the idea of some responsible, respected, thoughtful, recognized economists, as well as Members of the House of Representatives and this body. I believe it makes sense. It is something which concerns me very much (p. 7227).

* * * * *

Mr. ROBERTSON. The currently large Federal Reserve holdings of Government securities—$25 billion—with about $20 billion in short maturities is ample enough to absorb any anticipated increases in excess reserves (p. 7227).

* * * * *

When reserve requirements are lowered, it is of tremendous advantage to them [the private banks], just as it is advantageous to hold securities and earn the interest on them, rather than to have the Government hold them (p. 7227).

* * * * *

Mr. BUSH. It was also anticipated that this would be done in such a manner that the liberalizing effect could, if necessary, be compensated for by other actions of the Federal Reserve Board, such as the sale of Government securities in open market operations (p. 7229).

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. ROSTENKOWSKI (at the request of Mr. O'BRIEN of Illinois), for the week of June 15, on account of death in the family.

Mr. MOELLER (at the request of Mr. LEVERING), on account of official business.

Mr. FOUNTAIN (at the request of Mr. KITCHIN), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BAILEY, for 45 minutes, on Thursday next.

Mrs. ROGERS of Massachusetts, to vacate the special order she had for today, and to have 10 minutes tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PELLY.

Mr. LINDSAY and to include extraneous matter.

Mr. ALGER.

Mrs. KEE.

(At the request of Mr. TEAGUE of California, and to include extraneous matter, the following:)

Mr. KEARNS.

(At the request of Mr. BAILEY, and to include extraneous matter, the following:)

Mr. DADDARIO in two instances.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 6. An act to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons; to the Committee on Agriculture.

S. 53. An act to amend the acts approved April 16 and July 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont.; to the Committee on Interior and Insular Affairs.

S. 218. An act for the relief of Laurie Dea Holley and the legal guardian of Karmen Lael Holley, minor child; to the Committee on the Judiciary.

S. 220. An act to direct the Secretary of the Interior to convey certain lands in Navajo County, Ariz.; to the Committee on Interior and Insular Affairs.

S. 577. An act to amend title 10, United States Code, section 2481, to authorize the U.S. Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available from local sources; to the Committee on Merchant Marine and Fisheries.

S. 602. An act authorizing the Boy Scouts of America to erect a memorial on public grounds in the District of Columbia to honor the members and leaders of such organization, and for other purposes; to the Committee on House Administration.

S. 692. An act to authorize the sale of certain lands to the State of Missouri; to the Committee on Public Works.

S. 822. An act to authorize the conveyance of certain property administered as a part of the San Juan National Historic Site to the municipality of San Juan, P.R. in exchange for its development by the municipality in a manner that will enhance the historic site, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 825. An act to revise eligibility requirements for burial in national cemeteries, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 854. An act for the relief of Luther M. Crockett; to the Committee on the Judiciary.

S. 917. An act for the relief of Mr. and Mrs. Fred A. Fletcher; to the Committee on the Judiciary.

S. 919. An act for the relief of Kenneth Lashley, Jr.; to the Committee on the Judiciary.

S. 977. An act for the relief of Nassibeh Mildred Milkie; to the Committee on the Judiciary.

S. 1053. An act for the relief of Rosa Marie Montenegro; to the Committee on the Judiciary.

S. 1171. An act for the relief of Katharina Hoeger; to the Committee on the Judiciary.

S. 1185. An act to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam; to the Committee on Interior and Insular Affairs.

S. 1320. An act for the relief of Taufic Daoud-Gebran (also known as Taufic G. Dawd) and his wife, Hanne Wehby Daoud; to the Committee on the Judiciary.

S. 1330. An act to amend the act entitled "An act for the relief of the city of Fort Myers, Fla., and Lee County, Fla.," approved July 22, 1958; to the Committee on the Judiciary.

S. 1358. An act to authorize the Secretary of the Interior to provide a headquarters site for the Mount Rainier National Park in the general vicinity of Ashford, Wash., and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1367. An act to amend title 14, United States Code, entitled "Coast Guard," to authorize the Coast Guard to sell supplies and furnish services not available from local sources to vessels and other watercraft to meet the necessities of such vessels and watercraft; to the Committee on Merchant Marine and Fisheries.

S. 1442. An act for the relief of Kim Fukata and her minor child, Michael (Chaney); to the Committee on the Judiciary.

S. 1466. An act for the relief of Sofia N. Sarris; to the Committee on the Judiciary.

S. 1521. An act to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938; to the Committee on Agriculture.

S. 1611. An act for the relief of Adeodato Francesco Piazza Nicolai; to the Committee on the Judiciary.

S. 1645. An act to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners; to the Committee on the Judiciary.

S. 1667. An act for the relief of the widow of Col. Claud C. Smith; to the Committee on the Judiciary.

S. 1819. An act to amend the act of June 4, 1953 (67 Stat. 41), entitled "An act to authorize the Secretary of the Interior, or his authorized representative, to convey certain school properties to local school districts or public agencies; to the Committee on Interior and Insular Affairs.

S. 1903. An act to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1904. An act to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indian of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1941. An act to extend section 17 of the Bankhead-Jones Farm Tenant Act for 2 years; to the Committee on Agriculture.

S. 1976. An act to make payments to Indians for destruction of fishing rights at Celilo Falls exempt from income tax; to the Committee on Interior and Insular Affairs.

S. 2029. An act to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 2045. An act to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

S. Con. Res. 29. Concurrent resolution authorizing attendance of delegations from the Senate and House of Representatives at the meeting of the Commonwealth Parliamentary Association; to the Committee on Foreign Affairs.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1901. An act to amend section 101(c) of the Agricultural Act of 1949 and the Act of July 28, 1945, to stabilize and protect the level of support for tobacco.

ADJOURNMENT

Mr. BAILEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 46 minutes p.m.) the House adjourned until tomorrow, June 16, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1097. A letter from the Assistant Secretary of Agriculture, transmitting a report relative to the cooperative program of the United States with Mexico for the control and the eradication of foot-and-mouth disease, pursuant to Public Law 8, 80th Congress; to the Committee on Agriculture.

1098. A letter from the Assistant Secretary of Agriculture, transmitting a report for April 1959 of the General Sales Manager, concerning the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Commodity Credit Corporation owns or which it is directed to support; to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Government Operations. Seventh report of the Committee on Government Operations on U.S. aid operations in Laos. (Rept. No. 546). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 109. A bill to designate the dam and reservoir to be constructed on the Pound River near Bartlick, Dickenson County, Va., as the "John W. Flannagan Dam and Reservoir"; without amendment (Rept. No. 547). Referred to the House Calendar.

Mr. WILLIS: Committee on the Judiciary. H.R. 3216. A bill to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court; with amendment (Rept. No. 548). Referred to the House Calendar.

Mr. WILLIS: Committee on the Judiciary. H.R. 7474. A bill granting the consent of Congress to the compact entered into by the States of West Virginia and Virginia with respect to a certain part of the boundary between such States; without amendment (Rept. No. 549). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASHMORE: Committee on the Judiciary. H.R. 5880. A bill for the relief of Nels Lund; with amendment (Rept. No. 550). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H.R. 7720. A bill to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc; to the Committee on Ways and Means.

By Mr. ASPINALL:

H.R. 7721. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by stabilizing the domestic lead and zinc industry, and for other purposes; to the Committee on Ways and Means.

By Mr. BAKER:

H.R. 7722. A bill to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc; to the Committee on Ways and Means.

By Mr. BARING:

H.R. 7723. A bill to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc; to the Committee on Ways and Means.

By Mr. BECKWORTH:

H.R. 7724. A bill to amend section 1622 of title 38 of the United States Code in order to clarify the meaning of the term "change of program of education or training" as used in such section; to the Committee on Veterans' Affairs.

By Mr. BRADEMAS:

H.R. 7725. A bill to amend the Internal Revenue Code of 1954 to provide that the manufacturers excise tax on musical instruments shall not apply to the first $150 of the price of any such instrument; to the Committee on Ways and Means.

By Mr. CELLER:

H.R. 7726. A bill to amend section 678 of the Bankruptcy Act (11 U.S.C. 1078), relating to the transmission of petitions, notices, orders, and other papers to the Secretary of the Treasury in chapter XIII proceedings; to the Committee on the Judiciary.

H.R. 7727. A bill to amend sections 334, 367, and 369 of the Bankruptcy Act (11 U.S.C. 734, 767, 769) and to add a new section 355 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XI (arrangement) proceedings to the time prescribed by section 57n of the Bankruptcy Act (11 U.S.C. 93n); to the Committee on the Judiciary.

By Mr. HOEVEN:

H.R. 7728. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mrs. KEE:

H.R. 7729. A bill to amend burial benefit provisions of chapter 23, title 38, United States Code; to the Committee on Veterans' Affairs.

By Mr. McINTIRE:

H.R. 7730. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to provide that surplus personal property of the United States may be donated to the States for the promotion of fish and wildlife management activities, and for other purposes; to the Committee on Government Operations.

By Mr. METCALF:

H.R. 7731. A bill to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc; to the Committee on Ways and Means.

By Mr. PELLY:

H.R. 7732. A bill to amend section 404 of the act of June 10, 1955, in order to establish a more equitable system of longevity grades in the field postal service; to the Committee on Post Office and Civil Service.

By Mrs. PFOST:

H.R. 7733. A bill to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc; to the Committee on Ways and Means.

By Mr. REUSS:

H.R. 7734. A bill to prohibit discrimination because of age in the hiring and employment of persons by Government contractors; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H.R. 7735. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

H.R. 7736. A bill to amend the Internal Revenue Code of 1954 to repeal provisions allowing credit against tax and exclusion from gross income for dividends received by individuals; to the Committee on Ways and Means.

H.R. 7737. A bill to amend the Internal Revenue Code of 1954 to provide for withholding of tax at source on interest and dividends; to the Committee on Ways and Means.

H.R. 7738. A bill to amend the Internal Revenue Code of 1954 to provide for additional information on certain returns; to the Committee on Ways and Means.

H.R. 7739. A bill to amend the Internal Revenue Code of 1954 to prohibit the deduction of certain expenditures as trade or business expenses; to the Committee on Ways and Means.

By Mr. COOLEY:

H.R. 7740. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to the preservation of acreage history and the reallocation of unused cotton acreage allotments; to the Committee on Agriculture.

By Mr. WITHROW:

H.R. 7741. A bill to amend the act providing aid for the States in wildlife restoration projects with respect to the apportionment of such aid; to the Committee on Merchant Marine and Fisheries.

By Mr. DORN of New York:

H.J. Res. 430. Joint resolution designating the second Sunday in June of each year as "Nationality Day U.S.A."; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to make lynching and participation in lynch mob action a felony under the laws of the United States; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of North Carolina, memorializing the President and the Congress of the United States to extend education benefits to veterans of the Armed Forces who entered or who enter the service subsequent to February 1, 1955; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States relative to protesting the closing of the United States Cushman Indian Hospital; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 7742. A bill for the relief of Anna Isernia Alloca; to the Committee on the Judiciary.

By Mr. DANIELS:

H.R. 7743. A bill for the relief of Ursula Kruthoff; to the Committee on the Judiciary.

By Mr. HERLONG:

H.R. 7744. A bill for the relief of John I. Strong; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 7745. A bill for the relief of Mrs. Willie Soher; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 7746. A bill for the relief of Edney Roy Powell; to the Committee on the Judiciary.

By Mr PUCINSKI:

H.R. 7747. A bill for the relief of Alessandro Bottero; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H.R. 7748. A bill for the relief of Andrew J. Metcalf; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

218. By the SPEAKER: Petition of the department commander, the American Legion, Department of Alaska, Anchorage, Alaska, petitioning consideration of their resolution with reference to urging the appropriation of sufficient funds to maintain the present work schedule of the Arctic Health Research Center and provide for expansion of the economic, medical, social, and military needs in this strategic area of the world; to the Committee on Appropriations.

219. Also, petition of the mayor, Kenneth City, Fla., petitioning consideration of their resolution with reference to requesting sufficient funds for commencement of construction of the West Coast Intracoastal Waterway from the Caloosahatchee River to the Anclote River, Fla., at the earliest possible time; to the Committee on Appropriations.

EXTENSIONS OF REMARKS

Mass Deportation from Estonia, Latvia, and Lithuania

EXTENSION OF REMARKS
OF
HON. EMILIO Q. DADDARIO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, June 15, 1959

Mr. DADDARIO. Mr. Speaker, in 1940 a crime so gigantic that its full dimensions have never been grasped by the people of the world was committed in the Baltic nations of Estonia, Latvia, and Lithuania. I do not refer to the forced granting of military bases on the soil of these nations to the Union of Soviet Socialist Republics, although that was an act that history cannot condone. I refer principally to the mass deportation of many thousands of men, women, and children to Siberia following this occupation of the three Baltic nations.

The story of what happened in these nations has been detailed in past reports by a special committee of this House. The extent of the tragedy has been blurred by the secrecy that covers the punitive facility of the Soviet Union. But the indifference to family love, to nationality, to basic rights of human beings, is clear to be seen in the record.

It was in those days that Marshal Ivan Serov was hard at work signing deportation orders and seeing to it that people who might become embarrassing to the occupiers were sent away. Later he became the boss of security throughout the Soviet Union. He is something of an expert in the field of inhumanity. He organized the deportation of Caucasians and Crimeans in 1944, presumably using his experience with the Balts; he personally instituted the security policy systems in Poland and East Germany in 1945 and it was probably he who planned the invitation to Polish resistance leaders to be killed in 1944. He was in Hungary in 1956.

The United States has never recognized the forced incorporation of these three States into the Soviet Union. It is a matter of moral principle that we should remind the world of what was done there, and that we should insist that right must prevail. We should insist that this issue be placed on the agenda of the United Nations so that Soviet aggression and intervention in the domestic affairs of the Baltic nations, as in the east European nations and in the latest example of Chinese Communist intervention in Tibet be exposed and corrected.

American Fairplay: What's Happening to It

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Monday, June 15, 1959

Mr. KEATING. Mr. President, on behalf of the Senator from Iowa [Mr. MARTIN], who is unfortunately confined to the hospital, but who, I am happy to say, is expected to return to the Senate within a few days, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement entitled "American Fairplay: What's Happening to It?"

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MARTIN

On many occasions I have expressed concern to the Senate that our proceedings are misunderstood by those who live behind the Iron Curtain. In fact, they are deliberately distorted to embarrass us in securing the support of the millions of uncommitted peoples throughout the world. On July 6, 1955, I reviewed some of the attacks which have been made upon us by the Soviet bloc during the 17th session of the United Nations Economic and Social Council. I said:

"It is quite apparent that the Communists read the American newspapers and the CONGRESSIONAL RECORD. They are aware of what President Truman said in the 1952 campaign.

"Mr. President, too many of our own Members have used the term 'monopoly' indiscriminately. They have applied it loosely to any big business. Hence, it is not surprising that the Russians feel justified in quoting them and in taking the same course of action. Committees of the Congress are presently holding hearings to determine whether our antitrust laws should be revised. This is an important subject, which merits careful and deliberate study. My concern is to be sure that in making these studies we refrain from any actions which can damage our own internal unity and which will provide additional ammunition for those who wish to discredit the American free enterprise system which I am proud to call capitalism. I have no hesitancy in taking a forthright position in support of capitalism."

Last year our former President, Herbert Hoover, attempted to dispel some of the false characterizations of our economy in a magnificent address which he delivered on July 4 at the Brussels Fair. He said:

"We are often depicted as living under the control of wicked men who exploit our economic life through gigantic trusts and huge corporations. They are supposed to grind the faces of the poor and to exploit other nations. All this ignores the fact that our laws for nearly 70 years have prohibited the existence of trusts and cartels. In few other nations have the fundamentals of fair and open competition been so zealously maintained.

"This competition has spurred our industries to adopt every laborsaving device. And to create them, there are more than 5,000 industrial research laboratories that pour out

new ideas which become open to all the world.

"Insofar as large corporations are concerned, they are the property of millions of our people. The largest of them has more than 1,500,000 individual stockholders, not one of whom owns more than one-thirtieth of 1 percent of the corporation."

I again commented on the need for some discretion in how we conduct our discussions on the floor of the U.S. Senate. I said:

"Although I raised this caution in 1955, I find that those abroad who seek to destroy American capitalism can still find comfort in some of the documents which emanate from high places. The distinguished Senator from Illinois [Mr. DIRKSEN], in his individual views on the investigation of administered prices in the steel industry, Senate Report 1387, 85th Congress, which was filed on March 13, had occasion to say:

" 'The minority has long observed that at international conferences the Soviet Union and its satellites have used documents produced by our own Government to embarrass U.S. representatives. A review of the debate in the United Nations Economic and Social Council amply documents this statement.

" 'Many American firms have encountered unwarranted difficulties in their operations abroad, because the Communist bloc was successful in labeling large American firms as cartels and American monopolies, even though there is no justification for such a characterization.

" 'Every Member of the Congress has a responsibility in terms of our national welfare to avoid exaggeration, partisan statements, and criticism not supported by the evidence developed in committee hearings or otherwise in the preparation of congressional reports. Every congressional report may become an official Government document.

" 'The minority regrets that the majority has accepted the unwarranted and prejudiced assumptions of the staff in the preparation of its views. It is satisfied that they have unwittingly provided propaganda which may be used to our national detriment'."

Many of us differ over issues and Government policy. This is in the American tradition. However, if we are to preserve the dignity of Government institutions and the respect not only of our own citizens but of all those who read American publications abroad, it is essential that our proceedings always be conducted with a zealousness for fairness and the protection of the rights and reputation of every witness who comes before us.

Mr. Tom Campbell, the editor in chief of the magazine, Iron Age, has formed certain conclusions about our procedures. I am taking no position on whether they are justified or not. Needless to say, I have developed certain impressions from my recent experience in considering President Eisenhower's nomination of Lewis L. Strauss to be Secretary of Commerce in the Senate Committee on Interstate and Foreign Commerce. Mr. Campbell's impressions provide further proof that each of us has an individual responsibility to make sure that no fair-minded individual could ever arrive at the conclusion that the American sense of fair play is being jeopardized in any way by our proceedings.

Because this editorial will be read behind the Iron Curtain, it serves as an admonition to each of us to exercise great restraint in our interrogation of witnesses and the statements we may make on the Senate floor. Each of us at times has perhaps been too eager to secure support for our views. Whenever we stray from the rules of fair play, we not only damage our own cause, but we cast a reflection upon the integrity of all of our proceedings.

Every Member of the Senate knows that each of us is striving mightily to advance American principles, as we individually see them, but in this troubled world, we have the added obligation of doing so in such a manner that whether people agree with us or not, they will relaize that we make our judgments based on facts and with a minimum of emotion and partisanship.

The article from the Iron Age of May 7, 1959, reads as follows:

"AMERICAN FAIR PLAY: WHAT'S HAPPENING TO IT?

"(By Tom Campbell, editor in chief, Iron Age)

"We seldom use this space to write about individuals. There are so many other must subjects that we usually don't have the space.

"But this time it's different. Two men have been so shabbily treated that we must call attention to the childishness—and the meanness—of certain Senators. How they can hold up their heads without a flush of shame is more than we can understand.

"Take Mr. Lewis L. Strauss, Commerce Secretary. For more than 100 days he has been waiting to be confirmed by the Senate. But he is being punished. He is on the rack because he offended Senators in the Dixon-Yates case.

"There are others in the back room who never forgave him for leading the fight to deprive physicist Dr. Robert Oppenheimer of his 'E' clearance, thus barring him from classified work.

"There isn't a more loyal and sincere American in Government service today than Lewis L. Strauss. He has sacrified time, money, energy and health to carry out jobs the President has assigned to him. He stands by principles. At times he may seem arbitrary, but the truth is that he searches the facts, probes reasons of the heart and brutally checks himself and his reactions before he comes to his conclusions.

"Another man who has been given the 'treatment' by some Senators is United States Steel's Roger M. Blough. We will skip the beating he took in August 1957 when his Senate committee appearance rivaled the Spanish Inquisition. Let's take week before last at Washington. It was one of the worst lashings ever handed an individual of such high standing in the industrial community.

"Ostensibly he was called to testify about an outlandish bill to control prices by threat and publicity. But what Senators O'MAHONEY and KEFAUVER did to him was hardly what lawyers call material, competent, and relevant: It was a travesty on human justice. To be frank, he was all but called a dictator and if not a dictator, then a person whose actions were suspect.

"Yet in industry there isn't a man who takes his moral responsibilities to his company, to his country, and to himself more seriously than does Roger Blough. He is honest, stubborn on principles, and a most reasonable man. Yet because he is wise to political hypocrisy and recognizes a phony when he sees it—and says so—he is safely slandered.

"Where is our vaunted American fair play?"

A Bill To Provide Longevity Corrections

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 15, 1959

Mr. PELLY. Mr. Speaker, today I am introducing a bill to provide that employees of the U.S. postal service shall be eligible to receive four longevity steps after 10, 15, 20, and 25 years of service respectively. Under my bill, each step would provide a $200 per annum increase and enactment of the bill is urgently needed in order that the loyalty of career postal employees may be recognized properly.

One of the objectives of my bill also is to insure that all types of Federal service shall be considered in determining eligibility for longevity. I can see no reason why an employee who serves 10 years in a position under the classification act and then transfers to the postal service should be denied longevity credit for the full period of his Federal career.

Mr. Speaker, let us direct our attention first to the amount of each longevity grade. When the longevity concept first was enacted into law in 1945, the vast majority of postal employees had a top automatic grade of $2,700. Today, the top grade for that same overwhelmingly large percentage of postal employees is $4,875. The postal clerks, letter carriers, and postal transportation clerks making up this segment of the postal family are underpaid today just as they were in 1945 when Public Law 134 was passed. Nevertheless, the salaries have almost doubled in the intervening period. Is it reasonable then to assume that the 1945 longevity payments should be static in the context of a doubled wage structure?

Because of this feature, my bill stipulates that each longevity grade shall be $200 instead of $100. In regard to clerks and carriers at first- and second-class post offices, the 1945 law stipulated that employees should advance through 11 salary steps beginning at $1,700 annually and reaching $2,700 annually.

The law—section 12a—stipulated "that for such employees at post offices of the first class there shall be three additional grades; that is, grade 12, $2,800; grade 13, $2,900; grade 14, $3,000; and that employees who perform faithful and meritorious service shall be promoted to grade 12 after 3 years of such service in grade 11, shall be promoted to grade 13 after 5 years of such service in grade 12, and shall be promoted to grade 14 after 7 years of such service in grade 13." The same meritorious grade feature was applied by the law to employees of the Postal Transportation Service and other branches of the postal service.

In the fashion outlined, the law established the three, five, and seven rule which brought with it certain injustices that have never been completely removed, but which are now so remotely distant or so puzzlingly complicated as to demand a bold new type of correction. Accordingly, my bill proposes four longevity grades.

On May 3, 1950, Public Law 500 was approved. That law established three longevity promotional grades to be effective following 13, 18, and 25 years of postal service. The act also provided that persons who were earning credit under the three, five, and seven rule would, provided that they had been in the highest automatic grade of their positions, retain promotion credits under the three, five, and seven concept. Thus, just 9 years ago a new standard formula was introduced. That formula sought

unsuccessfully to correct the inequities of previous law.

Because my bill is related to a postal salary structure which even today is not wholly realistic, and because there can be no other relationship upon which such corrective action could possibly be based, the bill I am introducing cannot possibly overcome each and every instance of inequity. Nevertheless, my bill is designed to provide suitable recognition to long-term career employees. It is a moderate bill, and I hope very earnestly that it may be given swift approval by the House Committee on Post Office and Civil Service and thereafter quickly approved on the floor of the House.

John Foster Dulles: A Profile in Courage

EXTENSION OF REMARKS
OF
HON. RICHARD L. NEUBERGER
OF OREGON
IN THE SENATE OF THE UNITED STATES
Monday, June 15, 1959

Mr. NEUBERGER. Mr. President, our able and talented colleague, the junior Senator from Massachusetts [Mr. KENNEDY], is the author of a successful and extraordinary book entitled "Profiles in Courage." It heralds valor in the field of public service.

On Sunday, June 14, 1959, in the pages of the American Weekly, Senator KENNEDY added another name to his list of those whom he would include in "Profiles in Courage." This was the name of the late John Foster Dulles, from 1953 to 1959, our Secretary of State.

I ask unanimous consent that the tribute penned by Senator KENNEDY to John Foster Dulles be printed in the CONGRESSIONAL RECORD, Mr. President, so that it may be read by an additional audience of men and women with a special interest in government and public affairs.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Weekly, June 14, 1959]

JOHN FOSTER DULLES: A PROFILE IN COURAGE

(By Senator JOHN F. KENNEDY)

It is much too early for a final judgment on Mr. Dulles' enduring place among our Secretaries of State. Indeed, there is some risk that compassion over the tragedy which forced his departure from office at the height of his career may silence fair criticism. Sympathy can sometimes be as mistaken a judge as partisan bitterness.

Mr. Dulles has suffered his interludes of unfair attack, and he has also enjoyed occasions of excessive praise. In recent weeks he has seen many former critics turn into admirers of his record.

He had too patient an insight into world affairs to mistake the caprice of contemporary judgment for the more settled verdict of history. He can await that verdict with a tranquil faith that he will be judged more fairly than often seemed possible in the hurry and fret of political debate.

Of course, we need not wait for the verdict of history upon his personal courage. The intense pain he suffered from the unrelenting illness that pursued him the past 2 years could not force him to curtail his participation in important diplomatic missions in Europe, Mexico, and other parts of the globe. History will certainly record his fortitude in the face of physical suffering as an example of supreme dedication to public service.

We can also set down an additional title of honor. Mr. Dulles was not a brief embarrassed phantom in the world arena; he held vast power and he used it for great ends. It is no small tribute to say that in the past 6 years his biography has been woven into the larger history of our age.

Only a great man, great alike in his gifts and his handicaps, could have cast so commanding an influence over the stream of events. He belongs to that small gallery of statesmen who spoke for their own age with a knowledge and dedication that may yet rule a later day.

In part he owed this eminence to the trust reposed in him by President Eisenhower. He rewarded this confidence with his own unhesitating loyalty. This certainly is not the occasion to assess the leadership of President Eisenhower, but it is beyond dispute that this deference to Mr. Dulles gave him a stature and authority possessed by no other recent Secretary of State.

Foreign diplomats knew that Mr. Dulles was the accredited spokesman of the United States for a range of world problems. This unusual grant of authority, coupled with personal force and prestige resulted in the end in making him the acknowledged leader of the alliance for freedom.

Armed with the President's mandate, fortified by the cooperation of Congress, supported by the strength of the Grand Alliance, and animated by a trust in his own destiny, Mr. Dulles stepped forward with high confidence to carry out his design of diplomacy.

What use did he make of this great power? No agreed answer to that controversial question can now be reached but at least an interim judgment can be attempted.

During 6 tumultuous years, filled with almost constant alarm and anxiety, the free nations kept the Communist challenge at bay and prevented many new lands from being darkened and overrun by Communist power. This achievement would not have been possible without America's dedication to freedom, and without Mr. Dulles' ability to express that dedication.

But this estimate must at once be qualified if it is to be both candid and persuasive. Safeguarding the freedom of nations, though an indispensable task, does not exhaust the obligations imposed on America.

Equally difficult and perhaps even more delicate is the task of commending America's purposes and policies to the uncoerced acceptance of the uncommitted world. These new nations, old in memory and young in hope, are eager to be heeded with respect in the march of world affairs. They are destined to grow steadily more important with the passage of the years, and it is therefore a matter for genuine regret that Mr. Dulles did not win a larger measure of their confidence.

In Europe, where Mr. Dulles' policies have been more successful, he has been content to apply the program shaped by General Marshall and Mr. Acheson. The Middle East remains an enigma, and the giant, China, broods restlessly over a divided Asia.

The supreme stroke of ill-fortune came to Mr. Dulles just as he was reaching for a wiser, more creative, and more resourceful policy. He, above all others, had the authority to gain President Eisenhower's consent to wide-ranging negotiations with Russia.

The United States is fortunate in Mr. Dulles' successor—the new Secretary of State, Christian Herter, whose beginning has been auspicious—but it is a fact that the intimate relations enjoyed by Mr. Dulles with Mr. Adenauer and the West German Government would have made easier the road to the summit.

In leaving office, Mr. Dulles added a testament of courage to the Treasury of the Nation's gallant memories. Not soon or easily will the American people forget this warrior for peace as his spirit sought fresh tasks which an overburdened body no longer could sustain. His cheerful fortitude in adversity has been an inspiration; and his wise concern for Mr. Herter's independence has formed an equally impressive model of statesmanship.

In his new duties he carefully and generously removed his shadow from falling between Mr. Herter and the White House. He became the special adviser on foreign policy alike to the President and the Secretary of State.

His experience and prestige were freely placed at the service of the Nation without in any way compromising the new Secretary's freedom of action and independence of judgment. Whatever else may be in doubt, there can be no doubt that a servant of peace worked with zeal and courage among us and for us during six tremendous and tragic years.

The name of John Foster Dulles will not quickly fade from honor. Gallant and controversial but already a part of history, Mr. Dulles always chose the policy which, in his conscience and judgment, would allow the American people to make their greatest contribution to peace and freedom.

In that faith he toiled heroically against grevious odds—and by that faith is content to be judged as a valiant and memorable Secretary of State.

Extemporaneous Remarks by the President at the National Conference on Civil Rights, Held at the Hotel Statler, June 9, 1959

EXTENSION OF REMARKS
OF
HON. JOHN V. LINDSAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 15, 1959

Mr. LINDSAY. Mr. Speaker, I am privileged to include in the RECORD for the perusal of the Members, the remarks made by the President of the United States before the National Conference on Civil Rights on June 9, 1959:

EXTEMPORANEOUS REMARKS BY THE PRESIDENT AT THE NATIONAL CONFERENCE ON CIVIL RIGHTS, HELD AT THE HOTEL STATLER, JUNE 9, 1959

Mr. Chairman and my friends, I came over here this morning primarily to thank you for your undertaking of a work that in my opinion is one of a vital, prime importance to the United States and to its future.

Because the problem in which you are involved is an emotional one, it is certain that you have to have qualities of courage to undertake it. But above the quality of courage it is quite necessary that we have within our breasts, if we are to do this work, those feelings of compassion, consideration and justice that derive from our concepts of moral law.

I say moral law rather than statutory law because I happen to be one of those people who has very little faith in the ability of statutory law to change the human heart, or to eliminate prejudice.

I think that the Congress was wise in establishing this Commission because the very purpose of the Commission is conciliatory, factfinding, and giving examples to us.

Indeed at times I think it holds up before us all a mirror so that we may see ourselves, what we are doing and what we are not doing, and therefore making it easier for us to correct our omissions.

There can be no doubt that America has not reached perfection in attaining the lofty ideals laid down for us in our founding documents and in the amendments that have been made to our Constitution. The important thing is that we go ahead, that we make progress. This does not necessarily mean revolution. In my mind it means evolution. This is what we are talking about.

We are saying that the concept of equality among men is equality in their opportunities, that we do not deny them that opportunity. I think no one could find complete equality between any two individuals in the world, if we wanted to take absolute values in all of their spiritual, intellectual and physical connotations. But we can talk about equality of opportunity, guranteed to each person in this Nation.

Just as the members of that Commission have undertaken a job that is difficult, so each of the State commissions has done the same. The progress that you are going to help achieve is that of education, promoting understanding to see that we come nearer to achieving our ideals without necessarily, or maybe not even wisely, trying to place on our statute books too many punitive laws.

If I may digress from the exact subject of which I have been speaking, and which, of course, is occupying your thoughts and efforts while you are here, I should like to talk about the word "understanding" for just a moment.

The Federal Government in both its legislative and executive branches is involved in many problems that are most difficult of solution. In fact, some of them, under the particular conditions of the present, seem almost to defy solution: all we can do is to hold the line and wait for some change in either material or, let us say, mental conditions in which people are living. But the big, the strong thing, that must be behind the whole effort of the United States is understanding at home on the basic issues. This is needed to bring about higher standards of living in our own country, to make certain that free areas in other parts of the world do not go under the domination of communism, to make certain that our alliances are stronger through the intellectual, spiritual, and material development of those countries with which we are allied.

We are too often swayed by slogans. For example, in the fields in which the United States is attempting to help other free countries so that together we may be safer and stronger and more confident, we use the slogan "give away." I submit, any intelligent man that will look at the world today and can find it in his heart to condemn America's purpose and her efforts to bring other free nations into a higher level of sturdier better allies, more effective allies, then he is following a line of reasoning which I cannot follow.

All of our domestic problems, including the one now before you—the equality of opportunity of all men regardless of inconsequential considerations—comes in the same category of demanding understanding. This is so whether it be the farm program, the debt program, the need for reducing Federal expenditures, how we want to expand in one direction and contract in another. All demand understanding.

None of these problems, when you come down to it, can be dealt with in a vacuum. They are not mutually exclusive. In almost all cases, you will find them interdependent.

As we achieve a better level of equality, of opportunity in this country, our own national prestige and leadership is enhanced. Our economic problems are involved often with this same subject with which you are now dealing. Therefore, not only by developing a better understanding in these basic issues can we help solve the problem with which you are specifically concerned this morning, but by bringing your own minds and hearts into focus on this particular question you helped to develop better understanding through the whole of the United States.

Remember, in a democracy, the only motivating, energizing force is public opinion. If that public opinion is well informed, then the United States will act wisely and strongly and fairly at home and abroad.

So you are not solving, or helping to solve, just one problem. You are working for America. I say to you, in my opinion, there can be no better thing to do.

Thank you very much.

Keenotes

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 15, 1959

Mrs. KEE. Mr. Speaker, I ask unanimous consent to extend my remarks in the CONGRESSIONAL RECORD and include copy of my newsletter Keenotes which was released today:

KEENOTES

(By Representative ELIZABETH KEE)

Earlier in the year, soon after President Eisenhower submitted his $77 billion budget to Congress, I expressed the belief that Congress would make substantial reductions in this recordbreaking peacetime budget.

The House has just about completed action on all appropriation bills and to date a total of $1.3 billion has been cut from the President's requests. In addition, the House is likely to reduce the President's foreign aid budget by as much as $500 million.

The House record on the 1960 budget should be an effective answer to those people who insist on calling the Democratic majority in Congress wild spenders. The Appropriations Committee is meeting the challenge in a responsible manner and without using the meat-ax approach that would sacrifice many programs and activities that are essential to the continued growth of the Nation.

There is still some doubt that the budget will be balanced even though Government revenue from business and personal income taxes should be substantially higher as a result of continued improvement in the economic picture. Any deficit will be much smaller than seemed likely earlier in the year.

LIFTING OF INTEREST CEILING TO TOUCH OFF LONG DEBATE

The President's request for an increase in the statutory limitation on the interest the Government can pay on its long-term bonds is already causing considerable debate. The President says the increase is essential to enable the Treasury to sell bonds carrying an interest rate more in line with the current going rate.

Opponents contend the increase will touch off a general increase in interest rates and inflationary pressures. These people believe the needs of the Treasury can be met in other ways that will not be as harmful as an increase in the interest rate.

Another increase in the debt ceiling is also in the legislative mills. There is no question but what Congress will vote this. The present debt ceiling has just about been reached.

AGRICULTURE DEBATES EMPHASIZE NEED FOR MORE RESEARCH

During last week the House debated two agricultural bills—one prohibiting the support price for tobacco from increasing, and another to try to deal with the present wheat surplus. In both instances, it was apparent that production has outstripped consumption. The need is to find new markets and new uses for these commodities and all other farm products.

For this reason, I have strongly urged the passage of legislation to put added emphasis on research. The Department of Agriculture conducts an extensive research program now, but in my estimation more work needs to be done on the utilization phase.

The Department now has an exhibit on display in the patio of its building showing some of the progress to date. It is encouraging. USDA scientists are trying to find ways to greatly increase industrial uses of wheat, corn, and other cereal grains.

For example, corn is 70 percent starch and provides the most economical source of this material. Utilization research is developing products from starch with improved properties for present applications and in addition is working toward novel starch products for entirely new industrial applications.

If successful in these efforts, the scientists can open up a vast new market for corn that could absorb that part of the corn crop not needed for feed. Just think what it would be to farmers, in terms of price, to have a vast new market for their products.

Price-support operations cost billions each year. The utilization research budget is less than $100 million. It seems to me that the major emphasis should be on utilization research and not on price-support operations which only add to present surpluses.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 15, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of June 13, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas, June 13, 1959)

The urge to spend money as the universal answer to any problem before us keeps reappearing: (1) The $1 billion, 10-year Water Pollution Act to build sewage plants passed 254 to 142 (ALGER against) and added $80 million to the budget for fiscal 1960. Providing Federal money for local projects in this way seems unwise to me. (2) The public works appropriation bill ($1,185 million) exactly equaled the budgeted amount, although projects were rearranged. Responsibly the Appropriations Committee eliminated and reduced requested expenditures for many projects. Members of Congress asked for 230 unbudgeted projects, costing $2.4 billion. Obviously, many had to be cut. Still 24 unbudgeted projects were scheduled. The President's no new starts policy was disregarded. My suggestion is that we cut way down on public works spending and get our financial house in order. For example,

this is hardly the time for water lily eradication costing $500,000.

The Tax Rate Extension Act of 1959, the excise tax and corporate rate (from 47 percent to 52 percent) increases, imposed to help finance the Korean war, represents a yearly procedure showing how Congress continues laws originally called temporary and emergency in nature. It passed handily because these proceeds are necessary to pay Government bills. Those of us who have responsibly built a record of economy could consistently vote for this tax reduction. Yet, we must not, through inflation resulting from Government spending beyond receipts, weaken the buying power of the dollar. So it was that even the economy-minded voted for the tax extension, forced to do so by the big spending programs of Congress supported by less fiscally concerned Members. Forgotten in the sock the corporation tax argument is the fact that corporation taxes are passed on to consumers. So it's the individual, the John Does, who pay, as usual. Corporation tax cuts would help individuals.

The tobacco price support bill brought another allegedly sick farm crop to Congress for more legislative doctoring. (The only crops in trouble are the ones Government tinkers with.) The tobacco trouble is threefold: (1) Government support formulas have failed to keep tobacco prices from rising, which brings us to, (2) increased competition of foreign tobacco producers and loss of market, and (3) further acreage allotment cuts now pending. The remedies offered us were: (1) The Agricultural Committee's Democrat plan (whose chairman is a tobacco farmer) of keeping 90 percent rigid support in effect under one of two parity formulas, or (2) the Republican 3-year freeze at the present level. Both seemed wrong to me, the Republican less objectionable. One Member's suggestions were indicative of the disfavor of some Members over the farm subsidies totaling over $5 billion yearly, which have resulted in mountainous surpluses, staggering storage costs, double taxation of our people, and lost foreign markets. His suggestions (pp. 10324 and 10325, June 9 CONGRESSIONAL RECORD): (1) Get rid of farm support programs, (2) fire sale of $9 billion surpluses, (3) use $1 billion to relocate small and inefficient farmers who can't stay in business without price supports, (4) apply proceeds left to national debt reduction and more toward later tax cut. The Federal farm program is scandalous and immoral, it seems to me. The Democrat plan passed 250 to 149 (after defeating Republican).

The wheat program of 1960 and 1961, a second agriculture measure for the week, was even more incomprehensible. Represented as the best solution for a bad situation ($3.5 billion invested in deteriorating stored wheat and even more surplus coming), we were told no one liked the bill. The surpluses can't be marketed and cannot be given away. They keep piling up with construction of increased storage facilities barely keeping up. The solution offered was to cut acreage 25 percent but give back to the farmer one-third of his loss in stored wheat. Take with one hand, give back with the other. The bill passed, believe it or not. A Republican substitute bill to treat all wheat farmers equally permitting all to vote by referendum for a choice of programs which would cost the Government less, was defeated. My disappointment over Congress' failure to correct the ridiculous farm program overshadowed my appreciation for adoption of my request to permit a farmer to grow unrestricted what he wants when he uses it on his farm. There's another program about which the people should rise up in arms.

The President's requests concerning debt management, a debt limit increase and revised interest rates on Government indebtedness is the subject of the Ways and Means Committee's present hearings. The Secretary of the Treasury, Texan Bob Anderson, made it plain that refusing to raise the debt limit is as unrealistic as refusing to pay your debts after running up bills. Congress contracts to spend; the Treasury must pay. Also, that interest rates must be changed since, realistically, interest rates represent the price to be paid for money, a commodity in the market place subject to laws of supply and demand like any other commodity. I predict the simple natural economic laws will be hardly recognizable as they are misinterpreted or distorted before these hearings are completed. Behind all our fiscal problems is a simple solution, reduce Federal spending. Believe it or not, we now even have the big spending Congressmen suggesting yearly debt reduction to those of us who have been trying to trim expenses, while they, the big spenders, keep piling up this debt, which last year alone was $13 billion.

The Unsuccessful Revolution in Hungary

EXTENSION OF REMARKS
OF
HON. EMILIO Q. DADDARIO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, June 15, 1959

Mr. DADDARIO. Mr. Speaker, June 17 marks the first anniversary of an announcement that shocked the world. It was the blatant announcement that Imre Nagy and other leaders of Hungary had been put to death, 18 months after the unsuccessful revolution in Hungary that sought to throw out the Soviet tyrant and his puppets.

One of the men executed was Maj. Gen. Pal Maleter, who had been elected Minister of National Defense of the Hungarian Government. When Soviet troops moved in, General Maleter was invited to discuss the arrangements for their withdrawal at Soviet headquarters. He was seized, despite a safe conduct, and not heard from again until the announcement of his death.

Imre Nagy had been the civilian head of his state. He was one who had compromised with communism early in his life, but the record shows that when he was faced with a decision, he sided with his people and with Hungary's traditions. He had served briefly as Prime Minister once before 1956 but had sought too liberal a regime and so was replaced. When it became evident that the Hungarian Communist Party could not cap the rebellion welling within the people, the rulers turned to Imre Nagy as a safety valve, to represent the feelings of Hungary. In many ways he has been compared to Gomulka, in Poland, who could speak for his people's national aspirations and whom the people trusted.

But Imre Nagy, once given power, chose not to be a puppet. He believed in Hungary. He announced that his Government would readmit the opposition parties.

The Hungarian revolution had gone too far. The Soviet troops began to move to retrieve control for the puppets they wanted. The Hungarian defense minister was lured into a trap. Suddenly the gains of freedom began to slip away. Imre Nagy took refuge in the Yugoslav Embassy.

Sanctuary is a great privilege and responsibility among civilized nations. The Hungarian Government that had been handpicked to carry out Soviet orders did not dare raid the Yugoslav quarters to get Nagy. But it tried to persuade him and his party to come out. Finally, under a guarantee of safe conduct, Nagy consented to leave.

Within a few yards of the Embassy, the Soviet moved in and swiftly arrested these men. The guarantee of safe conduct was worthless. The Hungarian puppets did not dare protest it to their superiors, and their superiors proved once again how little reliance can be placed on a Communist promise.

But then there was a long pause. It was no secret that Nagy and Maleter and their companions were in Hungarian prisons, although the regime sought to cover it up, and talked of freedom of movement, and of visits abroad. The ominous sign came when one of the party was announced to have died in prison during questioning.

Apparently Imre Nagy and Pal Maleter refused to confess to the appropriate crimes, and so the Soviets could not afford to stage a public show trial. Janos Kadar talked almost insistently of keeping his word about no retribution. Then, on the fifth anniversary of the Berlin uprisings, and in the context of a Russian attempt to discipline Tito in Yugoslavia, came the blunt, brutal announcement: They had been executed. No details.

The Nagy case, apparently in the light of the Soviet mentality, was intended to make a point in blood to the Yugoslav regime. Hungary itself was a point in blood to the entire civilized world. That blood should not be allowed to fade away as the world negotiates with the Russians at Geneva or elsewhere.

Address by Secretary of Labor James P. Mitchell Before the 43d Session of the International Labor Conference in Geneva, Switzerland, on June 12, 1959

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 15, 1959

Mr. KEARNS. Mr. Speaker, I was greatly impressed by the address of the Honorable James P. Mitchell at the ILO Conference in Geneva last Friday. The Secretary was excellently received, and I believe his remarks will be of interest to all of my colleagues in the Congress:

ADDRESS BY SECRETARY OF LABOR JAMES P. MITCHELL BEFORE THE 43D SESSION OF THE INTERNATIONAL LABOR CONFERENCE, GENEVA, SWITZERLAND, JUNE 12, 1959

Mr. President and delegates, I am gratified once again to be able to join with an International Labor Conference in its discussion of the Director General's excellent report.

Before that, however, on behalf of the President of the United States, I have the honor to read the following letter to the Director General of ILO:

THE WHITE HOUSE,
Washington, June 9, 1959.

DEAR MR. MORSE: I have asked Secretary Mitchell to carry this letter of greetings to you and to the members of the International Labor Organization assembled in Geneva for their 43d anniversary session.

The ILO is a vital forum for the exchange of information and opinions by representatives of governments, employers, and working men and women. It has adapted itself ably to changing conditions and developed new techniques to meet new problems. It has grown strong in service to the people of the world.

Over the years, from its rich store of experience, the organization has shared its wisdom with newly developing countries through technical assistance and educational programs—and advisory and informational services. I understand that these countries call upon the ILO increasingly to help them realize their aspirations for a better life.

The United States is proud of its memberhsip in the International Labor Organization. We are glad that so many of our citizens have been able to serve the cause of world peace through participation in its work. Your own distinguished service as Director General for more than a decade is a source of special pride.

On this occasion, I am delighted to reaffirm our support of the ILO and to add my best wishes for a memorable session.

Sincerely,

DWIGHT D. EISENHOWER.

Over the past 40 years, conferences such as this have carved out 222 conventions and recommendations, ranging from precise technical prescriptions—on social insurance or on the permissible use of dangerous substances—to declarations of the most profound and sublime objectives of free men. ILO has declared against forced labor, and discrimination, for example, and it has declared that men have a right to draw together and associate freely for their economic advancement. At the same time, ILO staff and experts have completed a variety of studies and developed a myriad of technical standards for the protection and advancement of working people.

We are happy to see the ILO strike out in new directions which give better balance to the total ILO program. If the task of legislating standards has been largely completed during the first 40 years of ILO's existence, ILO's responsibility for making it possible for the people of the world to attain those ideal conditions and to enjoy the kind of life the standards envisage has just been taken up. It is only within the last fifth of ILO's life that it has stepped forth on a wide stage to offer to the developing areas of the world its acquired knowledge of better production methods, peaceful labor relations, quicker and more efficient training, and all the rest of the catalog of technical assistance services, research, and investigation which is the ILO's operating program.

These are the channels of service which must continually be deepened and widened so that the reservoir of knowledge and skills which ILO has stored up can flow more quickly and more smoothly to all the places of the earth where men demand a fuller, happier life.

The ILO's work in manpower development, training and productivity improvements have pointed to ways of helping nations break through some of their economic development bottlenecks. The new program of management training can help provide socially responsible business leadership which is so necessary for the development of productive enterprises and for the attraction of needed capital.

It seems to me that technical training in management might well include not only training in dry administrative techniques, but also, among others, education in human problems of safety, of worker training, of equitable wage administration, of grievance procedure. Every study of experience in labor-management relations emphasizes the point that basic acceptance, understanding, and willingness to work with the other side are crucial to successful relations. If the ILO's programs result in nothing more than the imparting of a healthy attitude to large groups of responsible labor leaders and management officials, they will have been worthwhile.

Flexibility rather than rigidity in all its activities will enable the Organization to have its widest influence, to preserve what is good, to promote constructive change when change is warranted, and to contribute its best to a world that is seeking realistic solutions to practical problems.

We believe, Mr. President, that the forthcoming ILO African Regional Conference of 1960 can give the Organization an improved idea of the needs of that continent, the problems that the African peoples face in improving their economic status, and the order in which those problems should be taken up. At the same time, that discussion will better acquaint the people of Africa with the help ILO can provide in carrying out the tasks before them.

Today I would like especially to discuss with the Conference two aspects of the ILO's current work to which the U.S. Government attaches particular importance as challenges to ILO's capacity to find new directions and new means to meet its obligations and opportunities in a changing world.

The first of these proposals is that for an Institute for Social and Labor Studies. This idea is close to the spirit of the resolution on labor-management relations which was proposed by my Government and adopted at the 42d session of the International Labor Conference last year. That resolution said in part that the ILO should "become a center for the exchange of information in the labor-management field," and that the ILO should "encourage and foster the establishment of national, regional, and international institutes and centers for systematic training and study in labor-management relations."

The Institute could give life to these two aims. But especially we would hope that the Institute, as part of the expanded program of ILO services, and in cooperation with other agencies in the United Nations family, might develop into an instrument of value for training and for studying a whole range of questions in the labor-management relations field. Labor-management relations means to me collective bargaining, worker-employer relations, personnel administration, worker and supervisory training—in effect, everything that has to do with the atmosphere and climate and spirit of the workplace. To the extent the Institute concentrates on these problems it will, in our judgment, render the greatest service. New societies are building in all the regions of the earth; they will look to us here for help in answering questions in the field of labor-management relations which they face for the first time, but for which a storehouse of proven experience has already been built up.

The Director General's report includes a second new direction for the development of ILO program. We agree that resources of the ILO must be committed to the evolution of a broad policy and program to equip young people to meet the demands of modern economic life. In every land where technology is advancing, there is the awareness that youth must be given the opportunity and encouragement for education and training, and that society must find the means to avoid conditions which drain away some portion of every nation's vitality through underdeveloped potential. The benefits flow not only to the youth as a worker, but to society in general. The youth program we seek must deal with education for work, vocational guidance, placement, inservice training, and advancement on the job. We would hope that action to be taken by this conference, in the form of resolutions to stimulate such a policy, would be flexible enough to be generally useful around the world, and simple enough to be attainable.

I have thus far addressed my remarks principally to the Director General's report, which I understand to be the purpose of our discussion. Before sitting down, however, I would like to bring up to date the account I gave you a year ago on the economic outlook in the United States. Last June from this rostrum, I said, "There is no doubt in the minds of all Americans of the strength and resiliency of the American system, or of its capacity for continued growth." I can report to you now that the confidence of a quick recovery we held then has been justified.

When I spoke to you in June 1958, our economy had already begun to recover from a sharp rise in unemployment. The recovery since then has been very encouraging, and economic activity in recent months has been rising to new peaks.

Last month, more than 66 million people were at work in the United States—an all-time high for the month of May. Employment has risen by over a million from April to May of this year and by more than 2 million since May 1958. Income, output, consumer buying, as well as employment are all at record levels. Our actual physical output of goods and services in the first quarter of 1959 bettered the previous all-time peak, reached in the second quarter of 1957, by $9½ billion. Thus far in 1959, each report month after month has shown accelerating gains, both in the general economic picture and in specific employment situations as well.

During the 1958 recession we added to our experience in coping with economic downturns the valuable fact that our unemployment compensation system can be a stimulating factor for economic as well as social protection and we will continue our efforts to improve that system. Nearly $4 billion were paid out in public unemployment benefits during the year 1958, at an average weekly rate of $30.58 of purchasing power that helped maintain markets for goods and services. These benefits represent the contribution of our public systems of unemployment insurance to worker security. In addition, millions of American workers enjoy the benefits of privately negotiated plans of unemployment benefits which add substantially to the public programs.

Although our economy is again operating at record levels and although our unemployment problem is receding, we are still confronted with the problem of maintaining reasonably stable prices, while we attain the economic growth necessary for full employment and higher living standards. In my own country, we are determined to achieve these goals. I am a member of a special Cabinet Committee, headed by the Vice President of the United States, which is at work on this problem, and several committees of the Congress have begun to attack it as well. In the United States we recognize that the simultaneous achievement of these goals depends on the attitudes and actions of workers, and the unions that represent them, and of the attitudes and actions of employers as well as of governments.

But we are aware from the discussion here and elsewhere that reconciling economic

growth, full employment, and price stability is a problem that challenges every country and every economy. And we know that lasting solutions can be found only by the full collaboration of free workers, independent managements, and their governments. Therefore, ILO is in a unique position and has a responsibility to contribute to a better understanding of the problem. I would recommend that the governing body and the Director General initiate studies and inquiries and arrange for appropriate exchanges of experience so as to assist all member nations in their efforts to maintain price stability without sacrificing or delaying economic growth.

I would close my remarks by saying that I have particularly enjoyed seeing so many observer delegations here, many of whom are attending an ILO Conference for the first time. Their presence among us should help to insure that their peoples will benefit from the technical and personal exchanges which characterize our Conferences. What better proof can be found of the vitality and the utility of the ILO, serving in the improvement of the condition of man and advancing his eternal quest for universal peace with justice.

SENATE

TUESDAY, JUNE 16, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God and Father of mankind: Toiling in these fields of time, like tillers of the soil who stand reverently, with bowed heads, listening to the music of holy bells, we pause to become spiritually aware of silvery notes from a pealing belfry no mortal eye can see or ear hear, and yet whose cadences falling upon inner ears can send us on our way attended by the vision splendid.

As we labor amid the pressures of epochal days, we humbly invoke Thy Spirit's guidance, as with a sense of awesome responsibility in the stewardship of power entrusted to our fallible hands, we face the thorny problems of our shadowed world.

These are the gifts we ask of Thee, Spirit Serene: strength for the task, courage for the climbing road, victorious faith, and hope reborn with every dawn.

We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 16, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. PROXMIRE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 15, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 498) to extend the life of the Alaska International Rail and Highway Commission, and to make a change in the membership of such Commission, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 7) extending best wishes of Congress to the American Dental Association on the centennial of its founding, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 269. An act to amend title 38, United States Code, to provide certain allowances and benefits to personnel of the Veterans' Administration who are U.S. citizens and are assigned to the Veterans' Administration office in the Republic of the Philippines;

H.R. 942. An act to provide for an additional payment of $40,000 to the village of Highland Falls, N.Y., toward the cost of the water-filtration plant constructed by such village;

H.R. 2191. An act to designate a stream in California as the "Petaluma River";

H.R. 2390. An act for the relief of the city of Madeira Beach, Fla.;

H.R. 3269. An act to authorize the payment of veterans' benefits to certain veterans who were discharged as aliens;

H.R. 3321. An act to amend title 10, United States Code, with respect to crediting certain service as a member of the Women's Army Auxiliary Corps, and for other purposes;

H.R. 3608. An act to authorize the Secretary of the Navy to acquire certain land on the island of Guam;

H.R. 5396. An act to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims;

H.R. 5446. An act to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration;

H.R. 5447. An act to extend the authority of the Administrator of Veterans' Affairs to maintain offices in the Republic of the Philippines;

H.R. 6190. An act to direct the Secretary of the Army to convey the Army and Navy General Hospital, Hot Springs National Park, Ark., to the State of Arkansas, and for other purposes;

H.R. 7062. An act to provide for payment of annuities to widows and dependent children of Comptrollers General;

H.R. 7106. An act to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration;

H.R. 7650. An act to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children;

H.J. Res. 280. Joint resolution consenting to an interstate compact to conserve oil and gas; and

H.J. Res. 310. Joint resolution to authorize the designation of the period of October 17 to October 24, 1959, as National Olympic Week.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore:

H.R. 318. An act to authorize a revision of the boundaries of the Edison Laboratory National Monument, N.J., and for other purposes;

H.R. 1306. An act to provide for the sale of Columbia Basin project lands to the State of Washington, and for other purposes;

H.R. 1471. An act for the relief of Jim B. Hill;

H.R. 1711. An act for the relief of the Galveston, Houston & Henderson Railroad Co.;

H.R. 1758. An act for the relief of Gerald M. Cooley;

H.R. 2011. An act for the relief of Leonora Holmes Mola;

H.R. 2044. An act for the relief of the estate of Richard Anthony Nunes, Jr.;

H.R. 2100. An act for the relief of John F. Carmody;

H.R. 2154. An act to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park;

H.R. 2286. An act for the relief of Joseph E. Gallant;

H.R. 2289. An act for the relief of Mrs. Gertrude E. Shetler;

H.R. 2586. An act for the relief of Miss Mame E. Howell;

H.R. 3292. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to furnish supplies and services to foreign vessels and aircraft, and for other purposes;

H.R. 3366. An act to authorize the extension of loans of naval vessels to the Governments of Italy, Turkey, and the Republic of China;

H.R. 3454. An act to disclaim any interest on the part of the United States in certain lands in the State of Colorado, and for other purposes;

H.R. 3495. An act to direct the Secretary of the Interior to administer certain acquired lands as revested Oregon and California railroad grant lands;

H.R. 3496. An act to revise the boundaries of the Kings Mountain National Military Park, S.C., and to authorize the procurement and exchange of lands, and for other purposes;

H.R. 3522. An act for the relief of Aaron Green, Jr.;

H.R. 3825. An act for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl B. Blaisdell;

H.R. 3960. An act for the relief of Patrick W. Gowan, David Dooling, Harlie L. Mize, James H. Blaes, and William L. Perkins;

H.R. 4245. An act relating to the taxation of the income of life insurance companies;

H.R. 4345. An act to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C. 67a (9)); respecting the transmission of papers by the referee to the clerk of the court;

H.R. 4692. An act to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11

U.S.C. 1, 41, 45, 731, 1031) to provide for automatic adjudication and reference in certain cases;

H.R. 4748. An act to extend the leasing provisions of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869–869–3), to certain lands in Oregon, and for other purposes;

H.R. 5212. An act to revise the minimum charge on pieces of mail of odd sizes and shapes;

H.R. 5262. An act to revise the boundaries of the Montezuma Castle National Monument, Ariz., and for other purposes;

H.R. 5488. An act to revise the boundaries of Wright Brothers National Memorial, N.C., and for other purposes;

H.R. 5728. An act to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor;

H.R. 6914. An act to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land;

H.R. 7120. An act to amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes;

H.R. 7290. An act to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; and

H.J. Res. 324. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated:

H.R. 269. An act to amend title 38, United States Code, to provide certain allowances and benefits to personnel of the Veterans' Administration who are U.S. citizens and are assigned to the Veterans' Administration office in the Republic of the Philippines;

H.R. 3269. An act to authorize the payment of veterans' benefits to certain veterans who were discharged as aliens;

H.R. 5446. An act to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration;

H.R. 5447. An act to extend the authority of the Administrator of Veterans' Affairs to maintain offices in the Republic of the Philippines;

H.R. 7106. An act to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration; and

H.R. 7650. An act to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children; to the Committee on Finance.

H.R. 942. An act to provide for an additional payment of $40,000 to the village of Highland Falls, N.Y., toward the cost of the water filtration plant constructed by such village; and

H.R. 3321. An act to amend title 10, United States Code, with respect to crediting certain service as a member of the Women's Army Auxiliary Corps, and for other purposes; to the Committee on Armed Services.

H.R. 2191. An act to designate a stream in California as the "Petaluma River"; to the Committee on Public Works.

H.R. 2390. An act for the relief of the city of Madeira Beach, Fla.;

H.R. 5396. An act to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims; and

H.J. Res. 310. Joint resolution to authorize the designation of the period of October 17 to October 24, 1959, as National Olympic Week; to the Committee on the Judiciary.

H.R. 3608. An act to authorize the Secretary of the Navy to acquire certain land on the island of Guam; and

H.J. Res. 280. Joint resolution consenting to an interstate compact to conserve oil and gas; to the Committee on Interior and Insular Affairs.

H.R. 6190. An act to direct the Secretary of the Army to convey the Army and Navy General Hospital, Hot Springs National Park, Ark., to the State of Arkansas, and for other purposes; and

H.R. 7062. An act to provide for payment of annuities to widows and dependent children of Comptrollers General; to the Committee on Government Operations.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider executive business, to act on the new reports on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Dempster McIntosh, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary to Colombia;

John Howard Morrow, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Guinea; and

William M. Rountree, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Pakistan.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the calendar, beginning with the new reports, will be stated.

ATOMIC ENERGY COMMISSION

The Chief Clerk read the nomination of John S. Graham, of North Carolina, to be a member of the Atomic Energy Commission for the term expiring June 30, 1964.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. CIRCUIT COURT

The Chief Clerk read the nomination of Herbert S. Boreman, of West Virginia, to be U.S. circuit judge for the fourth circuit.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGE

The Chief Clerk read the nomination of Charles L. Powell, of Washington, to be U.S. district judge for the eastern district of Washington.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Report on State Agricultural Experiment Stations

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report on the State Agricultural Experiment Stations, 1958 (with an accompanying report); to the Committee on Agriculture and Forestry.

Increase of Pay of Certain Professors at Military Academy and Air Force Academy

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to increase the pay of certain permanent professors at the U.S. Military Academy and the U.S. Air Force Academy (with an accompanying paper); to the Committee on Armed Services.

Report of Board of Visitors to U.S. Naval Academy

A letter from the Chairman of the Board of Visitors to the U.S. Naval Academy, Annapolis, Md., transmitting, pursuant to law, a report of that Board, for the year 1959 (with an accompanying report); to the Committee on Armed Services.

Amendment of Act Relating to Registration of Births in the District of Columbia

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An act to provide for the better registration of births in the District of Columbia, and for other purposes" (with

an accompanying paper); to the Committee on the District of Columbia.

AMENDMENT OF JOINT RESOLUTION PROVIDING FOR MEMBERSHIP AND PARTICIPATION BY THE UNITED STATES IN INTER-AMERICAN CHILDREN'S INSTITUTE

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to amend the joint resolution providing for membership and participation by the United States in the Inter-American Children's Institute, formerly known as the American International Institute for the Protection of Childhood, as amended (with an accompanying paper); to the Committee on Foreign Relations.

PROHIBITION OF COLLECTION OF FEES BY CONSULAR OFFICERS FOR OFFICIAL SERVICES TO AMERICAN VESSELS AND SEAMEN

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to repeal section 12 of the act of June 26, 1884, prohibiting a charge or collection of fees by consular officers for official services to American vessels and seamen, and to repeal the provision in the act of June 4, 1920, authorizing the free issuance of passports to seamen (with an accompanying paper); to the Committee on Foreign Relations.

FOREIGN SERVICE ACT AMENDMENTS OF 1959

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Service Act of 1946, as amended, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

REPORT ON REVIEW OF SHIP OVERHAUL CONTRACTING ACTIVITIES ADMINISTERED BY INDUSTRIAL MANAGERS, BUREAU OF SHIPS, DEPARTMENT OF THE NAVY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of ship overhaul contracting activities administered by industrial managers, Bureau of Ships, Department of the Navy, dated June 1959 (with an accompanying report); to the Committee on Government Operations.

SESSION LAWS OF HAWAII, SPECIAL SESSION OF 1956, REGULAR SESSION OF 1957, SPECIAL SESSION OF 1957

A letter from the Secretary of Hawaii, Honolulu, Hawaii, transmitting, pursuant to law, the laws of the Territory of Hawaii, special session of 1956, regular and special sessions of 1957 (with an accompanying document); to the Committee on Interior and Insular Affairs.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES IN FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting, pursuant to law, a report on the backlog of pending applications and hearing cases in that Commission, as of April 30, 1959 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON SUBVERSIVE ACTIVITIES CONTROL ACT OF 1950

A letter from the Attorney General, transmitting, pursuant to law, his report with respect to the Subversive Activities Control Act of 1950, as amended, for the year ending May 1959 (with an accompanying report); to the Committee on the Judiciary.

AMENDMENT OF TITLE 28, UNITED STATES CODE, RELATING TO FEES OF U.S. MARSHALS

A letter from the Attorney General, transmitting a draft of proposed legislation to amend title 28, United States Code, with respect to fees of U.S. marshals, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF U.S. BOARD OF PAROLE

A letter from the Chairman, U.S. Board of Parole, Washington, D.C., transmitting, pursuant to law, a report of that Board, for the period July 1, 1957, to June 30, 1958 (with an accompanying report); to the Committee on the Judiciary.

COST ASCERTAINMENT REPORT OF POST OFFICE DEPARTMENT

A letter from the Postmaster General, transmitting, pursuant to law, the cost ascertainment report of that Department, for the fiscal year 1958 (with an accompanying report); to the Committee on Post Office and Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States, relating to a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on Appropriations:

"SENATE CONCURRENT RESOLUTION 34

"Whereas cancer is ever on the increase in this State and nationally as well and has become mans' No. 2 killer; and

"Whereas science has indicated its willingness and ability to cope with this grave disease if the necessary funds are made available; and

"Whereas funds are sorely needed to find a cure for this disease which has stricken so many; and

"Whereas Congress is presently considering an appropriation for cancer research; and

"Whereas U.S. Senator RICHARD L. NEUBERGER, of Oregon, is asking the Senate to double the funds voted by the U.S. House of Representatives; and

"Whereas the Legislature and the people of the State of Louisiana are in accord with the efforts of Senator NEUBERGER to increase the amount of Federal funds for cancer research: Therefore be it

"Resolved by the Senate of the Legislature of the State of Louisiana, the House of Representatives concurring, That the Legislature of Louisiana urges the U.S. Congress to support the efforts of Senator NEUBERGER to increase Federal funds for cancer research; be it further

"Resolved, That a copy of this resolution shall be sent to the presiding officers of the two Houses of the U.S. Congress and to each Member of the Louisiana delegation in Congress.

"W. J. CLEVELAND,
"President pro tempore, Lieutenant Governor and President of the Senate.
"ROBERT ANGELLE,
"Speaker of the House of Representatives."

A resolution of the Senate of the State of Ohio; to the Committee on Public Works:

"SENATE JOINT RESOLUTION 36

"Joint resolution memorializing the Congress of the United States to take appropriate action to assure the continuance of surveys and planning and cooperation in the construction of projects of the State of Ohio that are vital and necessary to the control of floods and the conservation of soil and water by sufficient appropriations being granted for this purpose to the Bureau of Reclamation, the U.S. Department of Agriculture, and the Corps of Engineers and other Federal agencies and departments.

"Whereas water and soil are the most valuable natural resources of Ohio; and

"Whereas the citizens, industries, farms, and cities of Ohio have always been subject to floods, but more recently they have experienced severe hardships and great financial losses from floods; and

"Whereas the nature of rivers is such that storms occurring in headwater regions of a stream in one area frequently inflict damage to points in other areas, and the benefits of stream stabilization resulting in adequate and dependable water supplies in one area become beneficial to points in other areas; and

Whereas it has become evident that we must use every means available and feasible to conserve and control all of the sources of water supply for agricultural, municipal, industrial, and recreational use; and

"Whereas watershed development has been increasingly emphasized as vital to all programs for the flood control and conservation of water and soil by the several agencies of government, and the program is lagging because of the insufficiency of Federal funds for planning purposes; and

"Whereas the Federal Government through acts of Congress has delegated to two agencies, namely, the Corps of Engineers and the Soil Conservation Service of the U.S. Department of Agriculture the primary responsibility for flood control and conservation of water and soil: Therefore be it

"Resolved by the General Assembly of the State of Ohio, That we respectfully urge, request, and petition the Congress of the United States to take such action necessary to assure (1) continuance of surveys, planning and cooperation in the construction of projects in the State of Ohio that are vital and necessary to the prevention of floods and to the conservation of water and soil and (2) that Federal funds for this purpose be appropriated in sufficient amounts to the Corps of Engineers and the Soil Conservation Service of the U.S. Department of Agriculture, and also other Federal agencies and departments; and that we adopt this resolution and cause a copy thereof to be spread upon the journal; and be it further

"Resolved, That the clerk of the senate transmit authenticated copies of this resolution to the President of the United States, the Vice President of the United States, each Member of the Congress of the United States, and the Director of the Bureau of the Budget of the United States.

"JOSEPH W. BARTUNEK,
"Clerk of the Senate."

A resolution of the Senate of the State of Maryland; to the Committee on Government Operations:

"SENATE RESOLUTION 38

"Senate resolution urging prompt and favorable action on Senate bill 910 introduced in the 1st session of the 86th Congress of the United States

"Whereas Senate bill 910 introduced in the U.S. Senate on February 3, 1959, is now before the Senate Committee on Government Operations; and

"Whereas Senate bill 910 provides for limited relief in certain instances and for the creation of a Board to make a serious and comprehensive study of the problem of payments in lieu of taxes with resulting recommendations to be given to the Congress of the United States; and

"Whereas the problems to the local governments in the form of increased service demands and assessable tax base reduction, as the result of the Federal Government having acquired and continuing to acquire large amounts of property within local government boundaries, are very real to local taxing authorities in the State of Maryland; and

"Whereas it is believed that Senate bill 910 provides a logical and realistic approach to this problem and will result in an equitable solution: Now, therefore, be it

"Resolved by the Senate of Maryland, That prompt and favorable action is urged on Senate bill 910 in the 1st session of the 86th Congress of the United States; and be it further

"Resolved, That the secretary of the Senate of Maryland be requested to send copies of the resolution, under the great seal of the State of Maryland, to the Vice President of the United States, the Speaker of the House of Representatives of the Congress of the United States, the chairman of the Senate Committee on Government Operations, together with the request that same be incorporated into the record of that committee and to Senators BEALL and BUTLER and to each Member of the House of Representatives from the State of Maryland in the Congress of the United States.

"By the Senate, March 25, 1959.

"———— ————,
"President of the Senate.

"Read and adopted.

"J. WATERS PARRISH,
"Secretary of the Senate."

A resolution of the House of Delegates of the State of Maryland; to the Committee on Government Operations:

"HOUSE RESOLUTION 54

"House resolution urging prompt and favorable action on Senate bill 910 introduced in the 1st session of the 86th Congress of the United States

"Whereas Senate bill 910 introduced in the U.S. Senate on February 3, 1959, is now before the Senate Committee on Government Operations; and

"Whereas Senate bill 910 provides for limited relief in certain instances and for the creation of a board to make a serious and comprehensive study of the problem of payments in lieu of taxes with resulting recommendations to be given to the Congress of the United States; and

"Whereas the problems to the local governments in the form of increased service demands and assessable tax base reduction, as the result of the Federal Government having acquired and continuing to acquire large amounts of property within local government boundaries, are very real to local taxing authorities in the State of Maryland; and

"Whereas it is believed that Senate bill 910 provides a logical and realistic approach to this problem and will result in an equitable solution: Now, therefore, be it

"Resolved by the House of Delegates of Maryland, That prompt and favorable action is urged on Senate bill 910 in the 1st session of the 86th Congress of the United States; and be it further

"Resolved, That the secretary of the State of Maryland be requested to send copies of the resolution, under the great seal of the State of Maryland, to the Vice President of the United States, the Speaker of the House of Representatives of the Congress of the United States, the chairman of the Senate Committee on Government Operations together with the request that same be incorporated into the record of that committee and to Senators BEALL and BUTLER and to each Member of the House of Representatives from the State of Maryland in the Congress of the United States.

"By the house of delegates, March 27, 1959.

"Read and adopted.

"PERRY O. WILKINSON.
"Speaker of the House of Delegates.

"JAMES P. MAUSE,
"Chief Clerk of the House of Delegates."

Resolutions of the House of Representatives of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION RELATIVE TO THE FOURTH PREFERENCE QUOTA

"Whereas there is a backlog of petitions for admission to the United States filed by persons whose cases fall within the fourth preference quota and the entry of such persons into this country has been seriously delayed: Therefore be it

"Resolved, That the House of Representatives of Massachusetts respectfully urges the Congress of the United States to amend Public Law 85–316 so as to include cases falling within the fourth preference quota thereby providing for the admission of the many thousands whose petitions have piled up in a backlog in prior years; and be it further

"Resolved, That in order not to create a problem of separated families the said house of representatives respectfully urges said Congress to enact legislation permitting those petitioners who are married and have families to bring them into the country; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth.

"House of representatives, adopted, June 2, 1959.

"LAWRENCE R. GROVE,
"Clerk.

"A true copy.

"Attest:

"JOSEPH D. WARD,
"Secretary of the Commonwealth."

Resolutions adopted by the Board of Commissioners of the Town of Belleair, and the Largo Chamber of Commerce, both in the State of Florida, favoring the enactment of legislation to provide funds for the construction of the Florida West Coast Intracoastal Waterway; to the Committee on Appropriations.

Three resolutions adopted by the Pennsylvania Department of Veteran Affairs, I.B.P.O.E. of W., at Steelton, Pa., relating to pensions for deceased veterans of World War II and the Korean war; pensions for veterans of World War I, and favoring the enactment of legislation to increase the income limitation of certain veterans and widows of veterans; to the Committee on Finance.

A resolution adopted by the Pennsylvania Department of Veteran Affairs, I.B.P.O.E. of W., at Steelton, Pa., favoring the enactment of legislation to establish a standing committee on veterans affairs in the U.S. Senate; to the Committee on Rules and Administration.

The petition of George Harclaon, of Seattle, Wash., praying for an investigation by the Senate of the affairs and activities of the Commission for the Seattle World's Fair and the proposed Seattle Civic Center; to the Committee on Government Operations.

A letter in the nature of a memorial from the Long Island Association, Inc., of Garden City, Long Island, N.Y., signed by John D. Shuart, secretary, embodying a resolution adopted by that association, remonstrating against the enactment of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; ordered to lie on the table.

RESOLUTIONS OF ORGANIZATIONS OF STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a series of resolutions adopted by organizations of the State of New York.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION OF NEW YORK STATE CONFERENCE OF NAACP BRANCHES

Whereas the kidnap lynching of Mack Charles Parker is evidence of the most extreme and flagrant violation of an individual's civil rights and indicates the need for continued efforts to secure strong civil rights legislation; and

Whereas said legislation has been introduced in the Senate by Senators PAUL DOUGLAS, JACOB JAVITS, and others (S. 810), and similar legislation has been introduced in the House by Congressman EMANUEL CELLER (H.R. 3147): Therefore be it

Resolved, That the New York State Conference of NAACP Branches, meeting in conference May 23, 1959, unanimously urge that the kidnapers and lynchers of Mack Charles Parker be prosecuted; and be it further

Resolved, That your full and active support be given to the end that the pending civil rights legislation be passed.

RESOLUTION ON NATIONAL DEFENSE BY WILLIAM A. LEONARD POST NO. 422, AMERICAN LEGION, FLUSHING, N.Y.

Whereas the United States is a free and independent country, whose citizens desire that she remain a free and independent nation; and

Whereas the best way to guarantee that independence is to be prepared to repel any possible invader; and

Whereas one of the prime requisites of being prepared is to have adequate reserves (which includes the National Guard and Naval Militia); and

Whereas the cost of maintaining adequate Reserves is negligible as compared to the cost of reparations to an invading force; and

Whereas ground forces are of the utmost value and are the prime requisite in taking and holding ground from an enemy; and

Whereas the Department of Defense and the Department of the Army have been reducing the Reserve forces in number of units, number of officers, and number of enlisted men since 1953, based primarily on economy; and

Whereas we believe that these numbers should be increased instead of decreased: Now, therefore, be it

Resolved by the William A. Leonard Post No. 422, Department of New York, American Legion, in regular meeting assembled on March 2, 1959, To advocate that the Reserve forces be increased instead of decreased over the numbers as of 1953, and that adequate funds be provided for their equipment, and especially for their training; and be it further

Resolved, That copies of this resolution be forwarded to our Senators and Congressmen with a request that they enact such legislation as may be necessary to increase our Reserve forces, and to order the Department of Defense and the Department of the Army in particular to maintain a greater Reserve than we had in the year 1953, or any other date of maximum strength; and be it further

Resolved, That copies of this resolution be forwarded through channels to the national

headquarters of the American Legion for similar action by the county of Queens, the department of New York, and the national body.

RESOLUTION ADOPTED BY THE OFFICIAL BOARD OF THE FIRST METHODIST CHURCH OF RENSSELAER, N.Y.

Whereas delegates to the Troy Conference of the Methodist Church at Burlington, Vt., recently passed a resolution urging the Government of the United States "to take steps which would lead to the recognition of Red China by the United States and its inclusion in the United Nations"; and

Whereas communism has enslaved half the population of the world within the past 40 years, destroying churches and murdering Christian people who would not conform to communistic ideology; and

Whereas the President of the United States and Members of Congress have spent billions of taxpayers' dollars to contain communism and keep it from destroying the free world; and

Whereas we believe this resolution gives aid and comfort to the enemy and is not in the American tradition: Therefore be it

Resolved, That we, the members of the official board of the First Methodist Church, 16 Washington Street, Rensselaer, N.Y., do disaffirm the above resolution in its entirety, and that copies of this resolution be mailed to the President of the United States, Members of Congress in this district, Bishop Frederick B. Newell, D.D., the four district superintendents of the Troy Conference, secretary of the annual conference, the clergyman who proposed this resolution, the Knickerbocker News, and the Albany Times Union.

RESOLUTION FROM FIVE TOWNS FORUM, WOODMERE, N.Y.

Whereas there has been a resurgence of lynch terror and other violence in the South as indicated by the mob murder of Mack Charles Parker of Poplarville, Miss.; the rape of a young woman student of the Florida A & M University at Tallahassee by four white men; the attack upon Asbury Howard and his son of Bessemer, Ala., for promoting a voter registration drive; and

Whereas negro citizens are denied the elemental right to vote in many counties in Mississippi and elsewhere in the South; and

Whereas six Deep South States have taken no steps to comply with the U.S. Supreme Court ruling to desegregate the public school systems; and

Whereas this defiance, instigated by Governors of States, Members of the U.S. Senate and House of Representatives, and State and local politicians, has encouraged lawlessness such as the Poplarville lynching and other violence: Therefore be it

Resolved, That the Five Towns Forum condemn this revival of mob violence and defiance of constituted authority; and be it further

Resolved, That this forum call upon the U.S. Senators from this State and the U.S. Representative from this district to work actively for passage of an antilynching bill and other civil rights measures to facilitate the desegregation process, protect the right to vote and assure the inclusion of Negroes on juries; and be it further

Resolved, That this forum call upon the President of the United States to exercise his personal leadership and the vast powers of his office to end at once and for all this disgrace to democracy; and be it further

Resolved, That this forum urge the mayor of this city and the council to adopt a resolution condemning the lynching of Mack Charles Parker and the rape of the Florida student.

RESOLUTION ADOPTED AT THE SOCIAL ACTION MASS MEETING OF THE YOUNG MEN'S AND YOUNG WOMEN'S HEBREW ASSOCIATION OF WASHINGTON HEIGHTS AND INWOOD

We, 400 senior citizens of the Washington Heights and Inwood community of New York City, representing 12 Golden Age clubs, churches, synagogues, and the J. Hood Wright Men's Club assembled today, May 27, 1959, in the Rabinowitz Auditorium of the Y.M. & Y.W.H.A. of Washington Heights and Inwood resolve that:

Whereas we are unable under the present payments we receive under social security; and

Whereas those who are receiving monthly payments under social security find it inadequate to maintain ourselves due to the increase of living costs, etc.; therefore

We, the senior citizens, assembled here call upon you as our Representatives to help enact the legislation to (1) support the amendments to the Forand bill, H.R. 4700, under the Social Security Act to provide free medical and hospitalization known as the free health insurance amendment to the present Social Security Act.

RESOLUTION OF NEW JERSEY STATE BAR ASSOCIATION

Mr. WILLIAMS of New Jersey. Mr. President, apropos of the U.S. Supreme Court decisions in the field of civil liberties, which have become the subject of so much controversy in recent days, I ask unanimous consent to have printed in the RECORD a resolution adopted by the New Jersey State Bar Association at its annual meeting in Atlantic City on May 16.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas recent decisions of the Supreme Court of the United States in the field of civil liberties have given rise not only to criticism of the decisions and to condemnation of the Court itself but also to proposals for changes of those decisions and for limiting the Court's appellate jurisdiction: Now, therefore, be it

Resolved, That the New Jersey State Bar Association affirms its faith in the Supreme Court of the United States in its traditional role as interpreter of the Constitution and laws of the United States and as a protector of our cherished freedoms: *Provided, however,* That this association recognizes the power of Congress within constitutional limitations to effect a duly deliberated change in specific decisions of the Court: be it further

Resolved, That the secretary of this association is directed to send copies of this resolution to the New Jersey Members of the Senate and House of Representatives of the Congress of the United States and to the chairmen of the appropriate committees of Congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS, from the Committee on Appropriations, with amendments:

H.R. 7453. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes (Rept. No. 398).

By Mr. BARTLETT, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 1509. A bill to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes (Rept. No. 399).

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATION BILL, 1960—REPORT OF A COMMITTEE

Mr. HOLLAND. Mr. President, from the Committee on Appropriations I report favorably, with amendments, the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes, and I submit a report (No. 397) thereon. I announce that the hearings are printed, and that the bill is ready for floor action.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. JOHNSON of Texas. Does the Senator have copies of the report available, or can they be made available to Senators?

Mr. HOLLAND. This morning the committee made three slight changes in the committee print of the report. The final print of the committee report will not be available until tomorrow. However, if any Senator desires to examine the report, the staff will make the three small insertions on the committee print, so that any Senator may see the report this afternoon.

Mr. JOHNSON of Texas. If the Senator will have that done, and leave a few copies at the desk, I will appreciate it.

I appreciate the diligence with which the Senator has handled this bill. I shall ask the Senate to consider it as soon as I have had an opportunity to discuss it with my colleagues on the minority side.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. KUCHEL. Is there any objection by any of my Republican colleagues with respect to the Commerce Department appropriation bill as it was reported?

Mr. HOLLAND. I believe the report is unanimous. I am not acquainted with any objection. I may say, for the benefit of my friend from California that the amount reported is somewhat under the budget figure, but we believe that no great harm will be done to any activity covered by the bill.

Mr. KUCHEL. I believe that one of my Republican colleagues had suggested that he would not object to a more speedy consideration of the bill than would be possible under the 3-day rule.

Subsequently this afternoon the fact that the bill has been reported will be made known to him.

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COTTON:

S. 2183. A bill granting the consent of Congress to interstate compacts for the develop-

ment or operation of airport facilities; to the Committee on Interstate and Foreign Commerce.

S. 2184. A bill for the relief of Loucas Benardis; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 2185. A bill to provide appropriate public recognition of the gallant action of the steamship *Meredith Victory* in the December 1950 evacuation of Hungnam, Korea; to the Committee on Interstate and Foreign Commerce.

By Mr. GOLDWATER:

S. 2186. A bill for the relief of Marta Nagy; and

S. 2187. A bill for the relief of Martha L. Hortobogyi; to the Committee on the Judiciary.

By Mr. WILEY:

S. 2188. A bill to provide for the establishment of a Citizens' Council for Advocacy of Freedom; to the Committee on Foreign Relations.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 2189. A bill to amend section 411 of the Interstate Commerce Act, as amended, with respect to relationships between freight forwarders and other common carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. DOUGLAS:

S. 2190. A bill for the relief of Antonio Miosi Castronovo; and

S. 2191. A bill for the relief of Michael Hsiao-Hsi Yih; to the Committee on the Judiciary.

By Mr. GORE:

S. 2192. A bill to promote the foreign relations of the United States by providing for the establishment of educational institutions in foreign countries; to the Committee on Foreign Relations.

By Mr. CASE of South Dakota:

S. 2193. A bill to provide for the sale of certain lands in the national forests; to the Committee on Agriculture and Forestry.

By Mr. CLARK (for himself, Mr. MORSE, Mr. BARTLETT, Mr. GRUENING, Mr. KENNEDY, Mr. MCGEE, Mr. MCNAMARA, Mr. MURRAY, Mr. NEUBERGER, Mr. PROXMIRE, Mr. WILLIAMS of New Jersey, and Mr. YARBOROUGH):

S. 2194. A bill to amend section 21 of the Second Liberty Bond Act, as amended (31 U.S.C. 757b); to the Committee on Finance.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE (for himself and Mr. NEUBERGER):

S. 2195. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the western division of The Dalles Federal reclamation project, Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

RESOLUTION

Mr. JAVITS submitted a resolution (S. Res. 134) favoring assistance by the U.S. private economy in the American corporate technical assistance program, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

CITIZENS' COUNCIL FOR ADVOCACY OF FREEDOM

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to establish a Citizens' Council for the Advocacy of Freedom.

The purpose of the council would be to:

Reevaluate the Communist global ideological challenge;

Reappraise our own efforts in the light of that challenge;

Increase public awareness of the importance of the battle for men's minds and of our efforts to (a) counter the Soviet offensive, and (b) lay a foundation of free ideas—translated into the language that peoples of other lands can more easily understand—upon which to build a better world;

Increase the use of the ingenious know-how which our free enterprise system has developed for spreading freedom's word.

NEED FOR GREATER FREEDOM IDEOLOGICAL OFFENSIVE

Currently, the U.S. Information Agency is, by and large, doing a commendable job in this field—within the limitations of money and personnel provided that Agency. I am aware, too, that under present law, an Advisory Commission has been established to review the work of the Agency and its effectiveness, and to make recommendations for improvement of its activities.

The purpose of my bill is in no way to reflect unfavorably on these commendable efforts in this field.

However, I believe that a greater United States and free world effort is needed to combat the Communist ideological offensive.

The war of ideas—if a missile-hydrogen war can be prevented—may well determine the winner of the conflict between communism and freedom.

Around the globe, the Communists are carrying on a many-pronged offensive to extend their control over more lands and people. On the ideological front, the Red efforts at selling communism outdo us at about a 10 to 1 to 20 to 1 ratio in comparison with our own effort for spreading the freedom word.

The establishment of a top-level Commission would, I believe, better enable us to effectively combat the Communist propaganda campaign and, in a more positive sense, lay a better foundation for peace.

THE COUNCIL: CITIZEN EXPERTS IN MASS MEDIA KNOW-HOW

The council would be comprised of the best minds in America in the field of mass media. It would be composed of at least 15 members, as follows: 8 from private life, 4 legislators, and 3 representing ICA, USIA, and CIA. Of those selected from private life, at least half would be experts to represent radio, television, publishing, and other forms of information dissemination.

The Council should make a report of its findings and recommendations to the President and the Congress within 6 months after its formation—preferably by early 1960.

The goal would be to make greater use of the know-how of our free enterprise system in mass media—which has served our political, economic, and social life so well—for the task of more effectively presenting a real picture of U.S. life and ideals to the world.

To allow Senators who may desire to do so to join as cosponsors of this bill, I request that it lie on the desk for 1 week.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WILEY. Mr. President, I also request unanimous consent to have a copy of the bill, accompanied by a supplemental statement, printed at this point in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 2188) to provide for the establishment of a Citizens' Council for Advocacy of Freedom, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND PURPOSE

SECTION 1. The Congress finds and declares that the ideological struggle between the free world and the Communist powers is one of the most crucial fronts of the cold war. Political, economic, and military alinements can well be shaped by its outcome. If the ideals of freedom, as symbolized in this country, are to prevail in that struggle for men's minds and hearts the vague, blurred, and often distorted image of America which has been created by our adversaries must be replaced with a picture of the American and free way of life which is not only truthful but understandable to other peoples and translatable to their needs and aspirations.

It is the purpose of this Act to provide, through a high-level Council composed of outstanding persons from private life who are leaders in the informational fields, and officials from the legislative and executive branches of the Government, for a reevaluation of the scope of the Communist ideological challenge, and of the adequacy of existing programs, together with recommendations for improving policies and procedures to meet that challenge.

ESTABLISHMENT OF COUNCIL

SEC. 2. (a) There is hereby established a Council to be known as the Citizen's Council for Advocacy of Freedom (hereinafter referred to as the "Council").

(b) The Council shall be composed as follows:

(1) Four members appointed by the President from private life;

(2) Four members appointed by the President of the Senate, two from the Senate (one from each political party) and two from private life;

(3) Four members appointed by the Speaker of the House of Representatives, two from the House of Representatives (one from each political party) and two from private life;

(4) Three members to be designated by the President, one from each of the following agencies: the United States Information Agency, the Central Intelligence Agency, and the International Cooperation Administration; and

(5) Such other members as the President may designate, from time to time, as essential to the functions of the Council.

(c) In selecting members from private life, the President, the President of the Senate, and the Speaker of the House of Representatives, respectively, shall make certain that at least half of these members represent radio, television, publishing and/or other major

forms of mass media or other information dissemination or evaluation fields.

(d) The Council shall elect a Chairman and a Vice Chairman from among the members.

(e) Any vacancy in the Council shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(f) Eight members of the Council shall constitute a quorum, but a lesser number may conduct hearings.

DUTIES OF THE COUNCIL

SEC. 3. The Council shall reevaluate the scope of the Communist ideological challenge, and the adequacy of existing programs, policies, and procedures to meet the challenge. In carrying out its function, the Council shall—

(1) make recommendations for the presentation abroad of a more realistic picture of the American way of life in a manner which is understandable to other peoples;

(2) consider and make recommendations with respect to the more effective utilization of the technique and methods developed by private enterprise specialists in the mass media fields for the presentation abroad of the American way of life;

(3) formulate a program to meet the immediate and long-range needs occasioned by the Communist ideological offensive;

(4) make recommendations for coordinating approved programs and policies at all levels of Government; and

(5) make recommendations for concerted and cooperative action among the nations of the free world in meeting the Communist ideological offensive.

COMPENSATION OF MEMBERS

SEC. 4. (a) Members of the Council from the legislative and executive branches of the Government shall serve without additional compensation, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties of the Council.

(b) Members of the Council from private life shall each receive $50 per diem when engaged in the performance of the duties of the Council, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COUNCIL

SEC. 5. The Council shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949.

POWERS OF THE COUNCIL

SEC. 6. (a) The Council, or any authorized member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, and take such testimony, as the Council or such member may deem advisable. Any member of the Council may administer oaths or affirmations to witnesses appearing before the Council or before such member.

(b) The Council is authorized to secure directly from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this Act; and each such department, agency, or instrumentality is authorized and directed to furnish such information to the Council upon request made by the Chairman or Vice Chairman.

REPORTING

SEC. 7. The Council shall make a report of its findings and recommendations to the President and to the Congress not later than six months following its formation. Upon the submission of its report all functions and powers of the Commission shall terminate. There shall be included in such report recommendations for subsequent evaluations, from time to time as the Council may deem necessary, of our information programs for the purpose of keeping such programs adequate to the challenge.

AUTHORIZATION OF APPROPRIATION

SEC. 8. Such sums as may be necessary to carry out the provisions of this Act are hereby authorized to be appropriated.

The statement presented by Mr. WILEY is as follows:

STATEMENT BY SENATOR WILEY

Today, the free world is faced with a grave threat to its existence: namely, communism. Around the globe, we are engaged in a life-and-death struggle with communism. Although there are many fronts, the contest for men's minds is a major battleground.

At the recent congress of NATO nations in London, for example, a subcommittee on Soviet and Western propaganda techniques reported that deficiencies in Western propaganda may lead to defeat the West in the cold war.

"The U.S.S.R. has set up the most gigantic machinery ever known for the purpose of enslaving public opinion," it pointed out. "It is to this machinery, as much as to their military might, that the Soviets owe their principal achievements, including their territorial successes," the subcommittee reported.

WE HAVE THE BEST STORY TO TELL

We may as well face the fact that the Communist threat to our security—if missile-nuclear warfare can be avoided—will continue for many years ahead. Although the threats will come on many fronts—including the military and the economic—the battle of ideas may well be a real determining factor in the tide of the conflict.

As a free nation, we have the best story to tell in the world. The American system provides: Freedom for which all men yearn, respect for human dignity, opportunity to attain personal goals, minimum control by government, cultivation and respect for family and human relations, opportunity to improve economic status, protection of religious, speech and press liberties, and a host of other precious rights and freedoms.

Overall, our system has provided more good things of life for more people than any other system in the history of the world. Yet, time after time, we come off second best in the ideological contest with the Communists. The American people, I believe, have the right to ask the question: "Why?" And to get some straight answers.

WE SPEND LESS BROADCASTING "FREEDOM" THAN ANNUAL COST OF ADVERTISING NEW CARS

First, let's look at the scope of our program. For comparison: the United States spends less in spreading the freedom word than American auto manufacturers spend in advertising new cars.

As a further example, in 1957 (the latest year for which complete figures are available):

The 100 leading advertisers spent over $1.4 billion, almost 10 times the amount requested in the 1960 budget for the U.S. Information Agency; and

The total U.S. advertising for products exceeded $3.1 billion, or about 26 times the 1960 USIA budget.

COMMUNISTS OUTDO US 10 TO 1

Second, our idea-spreading program is infinitesimally small in comparison to the Communist effort in this field. According to best estimates, the Soviet Union, alone, spends between $500 million and $1 billion on propaganda broadcasting. In addition, the Communist-dominated orbit countries are also "shotgunning" the Communist line of ideas—including falsehoods and distortions of fact—around the world.

Reportedly, the Kremlin spent more money just attempting to jam the Voice of America broadcasts than we spent on our whole information program.

In the light of these factors, the U.S. investment in the truth campaign is microscopic—about one-tenth to one-twentieth the effort by the Communists.

NEEDED: GLOBAL REVIEW OF THE IDEOLOGICAL CHALLENGE

Until now, the United States has not had a global review of our ideological campaign, of the kind that would enable us to top the Communist's offensive; and in a positive sense, to lay the ideological foundation of ideas and ideals of freedom—which our own history has confirmed—upon which to build a better world.

DANGER OF DEFEAT BY DEFAULT

The free world—of which the United States is a leader—I believe would commit a grave error if we allow the ideological battle to be lost by default.

In failing to win the war of ideas, we might well turn over to the Communists (a) millions of people; (b) vast areas of land; (c) and measureless strategic resources now in uncommitted countries. Ultimately, this could be far more costly in guns, ammunition, and other weapons of warfare, than the price, now, of an effective freedom-spreading campaign.

This must not happen.

CONCLUSION

The establishment of a top-level Council composed of the best brains in the country in this field would, I believe: (1) Enable us to win the ideological battle; and (2) in a more positive way, lay the ideological foundation of freedom upon which to promote peace for the future.

ASSISTANCE BY PRIVATE ECONOMY IN CORPORATE TECHNICAL ASSISTANCE PROGRAM

Mr. JAVITS. Mr. President, I submit, for appropriate reference, a resolution which favors the development by American business—including management, labor, investors, and farmers—and by private research organizations of a corporate technical assistance program which would make available from private business additional thousands of high caliber U.S. technicians for work overseas in the newly developing nations.

At the present time, the International Cooperation Administration reports that more than 6,000 U.S. technicians and administrative personnel are working abroad in the Government's technical assistance program, a 20 percent increase over the 1958 figure. The agency estimates that a minimum of 10,000 qualified personnel in the technical and managerial field could be utilized in many areas of Asia, Africa, and Latin America with a total population of over 1 billion people.

Mr. President, whatever may be thought about the various foreign-aid programs of the United States—I have uniformly supported them; and, in fact, I have thought they were inadequate for the purposes of the cold war struggle—the technical assistance program is very popular in our country. A broad spectrum of U.S. opinion which may have opposing views on other parts of the mutual security program nevertheless agrees that technical assistance—originally the point 4 program—has become a most respected and indispensable

element of U.S. foreign policy. Indeed, President Eisenhower has characterized technical cooperation administered by the International Cooperation Administration as one of the "most valuable elements of our entire mutual security effort."

Nevertheless, as has been stated time and time again on the floor of the Senate by me and by other Members, in this struggle we are fighting with our right hand tied behind our back, because American private business simply is not taking part in the struggle. As a result, we cannot expect to win over the Soviet Union, which controls the total economy of that part of the world, whereas our Government controls only a part of our economy; in fact, 20 percent of our economic structure is the most that our Government controls.

However, there remains a critical deficiency of some 4,000 expert personnel, according to the ICA, between the number now employed under the program and the number which could be employed overseas and could make invaluable contributions to the public and private economic growth of newly developing nations. So many of these countries must be greatly strengthened in terms of their economic systems as the very basis for free institutions, if they are to withstand the constant pressure by the Communists, who seek to subvert governments friendly to the free world. And this deficiency is one which American private business is best equipped to fill in the shortest possible time, and one which it is obviously in its self-interest to repair.

Therefore, I submit this resolution, which would unite all the facets of our private economy—U.S. management, labor, farmers, investors, and voluntary organizations—to study and, ultimately, to share in the conduct of a U.S. corporate technical assistance program which would pool the talents and then would sponsor the employment overseas of topflight U.S. managerial and technical personnel, while at the same time undertaking to advance the training of more foreign technicians here in the United States. The skill of technicians from the private economy is a unique contribution possible only to us, and not to the Communist society, and will therefore have great impact.

Our technical assistance programs have expanded greatly in number, kind, and scope since their start in Latin America in 1942. After 1950, they were extended to other parts of the world; and, by now, U.S. technicians in 58 countries have taught some of their know-how to more than 3 million peoples, who will, in turn, bring their knowledge to others.

Yet, it appears that even this expanding program does not and cannot fully meet the needs of the developing nations for an acceptable rate of economic growth and of our foreign policy. A facet of the gap between accomplishment and need is this: Although the Soviet bloc has only about 2,800 technicians abroad—a number which is increasing, and is expected to expand rapidly as Soviet projects now in the planning stage move toward execution—in the countries where the Communists have concentrated their technical assistance effort they can usually supply a needed expert within 10 days, while the United States often requires 10 weeks or even 10 months to do so. I think that the reason for this problem is identified. As in other aspects of our national effort, we have failed to utilize fully the vast resources of the U.S. private economy.

Late last year, David C. Fulton, a private citizen employed by the Stanford Research Institute, in California, sent me a proposal for an American corporate technical assistance program—ACTAP—designed to enlist directly the great pool of technical and managerial talent which provides the vitality and power for U.S. private activities. This would be a voluntary program, calling upon the patriotism, humanitarianism, and enlightened self-interest of the private economy to supplement our Government's efforts to preserve and strengthen the free world. A key element in the program is that technicians under it would continue in the employ of their private employers, but their services would be contributed, without reimbursement for their compensation to our Government technical assistance program.

Mr. President, I ask unanimous consent that there be printed in the RECORD as part of my remarks Mr. Fulton's proposal and some of the highly interesting correspondence and other items which resulted from my submission of it to the Department of State and distinguished private citizens for comment and advice.

There being no objection, the proposals and accompanying documents were ordered to be printed in the RECORD, as follows:

PROPOSAL FOR AN AMERICAN CORPORATE TECHNICAL ASSISTANCE PROGRAM (ACTAP) BY DAVID C. FULTON

Both American prestige and capitalism as a desirable way of life are losing the battle for men's minds in many parts of the world. Syria, Egypt, Indonesia are extreme examples of a trend, incipient in many countries, advanced in others, and already victorious in some, that threatens the concepts of freedom and free enterprise which must, in the long run, prevail if our way of life is to survive.

Without making political judgments for or against the policies of the present administration or any other, all Americans can unite in common concern at this situation. Government-sponsored programs, principally those which have offered technical assistance in underdeveloped countries, have made progress in meeting some of the challenges, but there is evidence to support the thesis that the Russians have understood the full importance of economic development in their design for world conquest, and that we have failed to grasp it.

At the present time, principal channels for technical assistance activity are found within Federal Government and certain international agencies. Yet from the course of recent events, it is clear that additional measures are necessary. Somehow, the tremendous nongovernmental energies of America and its people must be enlisted in the task.

This proposal suggests the establishment of an American corporate technical assistance program (ACTAP), to render technical assistance on a voluntary basis in underdeveloped countries, and to be financed by contributions of money and personnel from large U.S. manufacturing industries, financial institutions, and commercial businesses.

The ACTAP plan involves obtaining the support of up to 200 American corporations, each of which would agree to make available the services of volunteer staff specialists to work through one of the now existing technical assistance agencies for a period of 18 months on a specific project in an underdeveloped country. The project could be sponsored either by a national or provincial government, a municipality, an industrial association, or a private organization. It would be one which fitted into the overall development plan of the country involved. Each participating corporation would furnish the salary, living expenses, and transportation of its specialist. Each specialist would be assigned to projects according to his particular aptitudes and capabilities. During the period of participation, each specialist would be responsble to the agency concerned. In effect, he would act as a member of its staff.

It is recognized that a number of large corporations, particularly in the field of extractive industries, have for many years carried on technical assistance projects in some of their areas of operation. The success of such assistance has often been noteworthy. But it should be remarked that these projects have usually had some relationship, either direct or indirect, to company operations. Other than to promote the long-range goals of better world economic conditions, and hence a sounder world business climate, the projects sponsored under the ACTAP plan would have no such relationship.

The justifications for corporate participation in ACTAP would be (a) the acknowledged need; (b) the enlightened self-interest principle that free enterprise in the United States can prosper, in the long run, only in a world climate conducive to free enterprise; (c) the same sense of corporate responsibility which presently motivates industry to contribute to eleemosynary institutions in the communities in which they operate, and to provide unrestricted aid to higher education; and (d) the substantial public relations benefits which would accrue to industry in general, and to participating industries in particular, through an intensive program to inform the public about this operation, both in the United States and abroad. It need hardly be pointed out that this program, properly launched and wisely operated, would attract a very great deal of favorable comment.

Membership in ACTAP would be on a project-by-project basis, and participation in one project would carry no implication of continuing support, although it would be hoped that most companies would wish to participate on a long-term basis.

It is estimated that the average contribution in the case of a company furnishing one specialist for an 18-month period would range between $20,000 and $50,000, only part of which—for transportation and expenses—would represent a net outlay of funds.

ACTAP would make the following contributions:

It would provide a significant net addition of highly qualified people to the technical assistance field—one which has chronically suffered both from the quantity and quality of available personnel. Concern over the present level of skills and capabilities represented abroad has been expressed recently by a number of people, including the Vice President of the United States.

As a privately supported effort, ACTAP would operate with greater flexibility than the Government in selecting and carrying out projects. It would also be free from the stamp of Government sponsorship

which immediately lays technical assistance projects and the personnel that man them open to suspicion in certain areas.

By making 18-month assignments and by drawing from the finest technical personnel that industry has to offer, at no sacrifice in salary to the individual, ACTAP projects could attract a level of personnel that could otherwise never be drawn into technical assistance activities. Such personnel, at present, are largely recruited from the ranks of teachers and professional civil servants. It is believed that in certain situations industry-trained men could operate more effectively and command greater respect than their colleagues in Government service. On January 1, 1958, Prime Minister Nehru of India stated that he would rather see a small number of first-class American technicians in India than a lot of second raters. He gave no evaluation of the more than 200 U.S. technical assistance personnel now operating in his country.

By their actions, ACTAP technicians would be living testimony to their belief in American institutions. The fact of their volunteering for specific projects rather than being arbitrarily assigned, as are Government technicians, would be an influential factor in the enthusiasm with which they attacked their jobs, and in the end, in the degree of success achieved.

The following steps would be taken to put the ACTAP plan into effect:

Under the sponsorship of a nationally known business leader, a Board of Directors consisting of 20 people would be created. At the same time, a modest foundation grant would be sought to finance a beginning organization. At least three-fourths of the Board members would be the chief executive officers of large corporations, each of whom would agree to have his company participate in the plan. The other five Board members would be from education and public life. These ought to be of the caliber of Eugene R. Black, Senator William Fulbright, and George F. Kennan.

A small secretariat would be established and a campaign undertaken to acquaint business organizations with the plan and solicit their support, and to seek worthwhile projects to carry out overseas. The secretariat would be financed initially by a grant, and subsequently by a small overhead charge added to the contributions of participating industrial firms. Duties of the secretariat would include evaluating requests for assistance; matching project requests with suitable technical personnel; arranging for briefing and debriefing of project workers; and general liaison between participating companies, technical assistance agencies through which personnel would work, and countries requesting assistance.

ACTAP would maintain the closest relationships with such organizations presently involved in technical assistance activity as the Mutual Security Agency, the Department of State, the United Nations Technical Assistance Administration, the International Bank, the International Finance Corporation, and others.

Clearly the greatest care would have to be taken in choosing specialists of the highest caliber—men whose technical qualifications are exceeded only by their ability to adjust to new and difficult situations which are far different from those encountered in normal corporate life in the United States. The modern corporation counts versatile staff as one of its most precious possessions. This same versatility which makes for strength at home can be equally effective in the overseas technical assistance situation.

This is an action plan. It does not propose studies and reports. It proposes, instead, to attack problems in a modest but realistic way which will bring credit to those who give, and benefit to those who receive. This is a way to translate the goodwill of American business and industry into a constructive contribution to the cause of freedom.

ANALYSIS OF MR. FULTON'S PROPOSAL BY THE OFFICE OF C. DOUGLAS DILLON, UNDER SECRETARY OF STATE FOR ECONOMIC AFFAIRS

1. The basic objective in the Fulton proposal of finding a means to increase the participation of private American companies in the economic development effort abroad is important and deserves thorough exploration in the American business community.

2. The particular device suggested by Mr. Fulton, however, presents certain difficulties. The success of his proposal depends on:

(a) The fortuitous coincidence of having a corporation executive in a certain field available at the same time that a country needs and requests his particular skill.

(b) The willingness of the corporations to make available top-flight personnel who are likely to be important to the company. It is not clear that even special tax exemption for such contributions would be enough to make the release of key personnel tolerable to management.

(c) The usefulness to countries of individual experts. In many cases the need is for a team with a wide range of skills.

3. The institutionalization of a private technical assistance program such as suggested by Mr. Fulton carries with it the possible need for considerably more than a small secretariat. The proposed ACTAP might, for example, find it necessary to conduct surveys in order to pinpoint the precise kinds of experts required for a project. This could begin to involve all of the paraphernalia of a large operation.

4. The mainstream of corporate energies will normally be tapped only in business situations of interest to the particular company. It is for this reason that our emphasis should be on stimulating investment situations rather than on a somewhat artificial separation of technical assistance.

5. Nevertheless, it would be well to encourage exploration by the American business community of the Fulton proposal, keeping in mind the points made above.

MR. FULTON'S COMMENTS ON DILLON'S ANALYSIS

STANFORD RESEARCH INSTITUTE,
Menlo Park, Calif., March 31, 1959.

The Honorable JACOB K. JAVITS,
Committee on Banking and Currency,
U.S. Senate, Washington, D.C.

DEAR SENATOR JAVITS: I have your letter of March 18 and am pleased to comment on the points raised by Under Secretary Dillon's staff in its analysis of my proposal for an American corporate technical assistance program.

The questions raised in subsections (a) and (b) under paragraph 2 of the analysis are related, and I will consider them together. The range of talents and specialties represented on the staff of large corporations is tremendous, embracing a multitude of scientific and technological specialties, as well as administrative and managerial skills. Furthermore, it must be considered that in the large corporation—corporations which have achieved what Adolf Berle terms "institutional size"—these varied skills are represented, by and large, in some depth. Few large companies would admit, I think, that any one employee, no matter how highly placed is indispensable to the operations of the organization. Thus, effective operations usually depend on the order of magnitude in which any particular skill is represented, and should not normally be affected by the temporary loss of the services of individual staff members.

The range of skills, the lack of indispensability, and the participation of several corporations in the program should, I believe, combine to insure that enough specialists could be found to meet a reasonably broad range of requests for assistance. Obviously, the extent of such availability must ultimately depend on the number of corporate participants in the plan.

Subparagraph (c) raises the question of the usefulness of individual experts to projects in aid-receiving countries. Depending on the type of technical assistance rendered, I suggest that there are ample opportunities for both individuals and teams. The ACTAP plan, in fact, recognizes the need for both, and suggests the fullest possible cooperation with existing technical assistance agencies. It was the intent of the author that such cooperation would include participation of ACTAP volunteers, when appropriate, with teams organized by the ICA, the United Nations Technical Assistance Administration, the International Bank for Reconstruction and Development, and other organizations providing technical assistance.

The feature of cooperation with other agencies also bears on the question of staff size raised in paragraph 3 of the State Department analysis. By making use of the existing network of senior field and administrative personnel, the problem of determining what projects to support and how they should be staffed becomes minimal. I think the point to be made here is that ACTAP will be most effeotive working within the framework of the development programs of the various aid-receiving nations, and in concert with technical assistance activities already in progress. In fact, the building of a large administrative staff would be detrimental to the goal of ACTAP, which is to provide an effective supplement to existing efforts.

Paragraph 4 of the analysis is one with which I am in complete agreement. However, I do not believe that it is entirely pertinent in a consideration of the merits of ACTAP. Increased private investment overseas is desirable. I hope it can be fostered and encouraged by policy actions of Government, such as those recommended in the report of the Committee on World Economic Practices, and by a continuing education of the business community on the opportunities for constructive investment abroad.

ACTAP does not intend to displace the emphasis on investment, but to add a new dimension to corporate activity overseas—one which is totally unrelated to the profit motive. It is intended to appeal to the patriotism and the enlightened long-term interests of U.S. business.

There is no need to argue here whether or not the corporation has an obligation to society. What is significant is that there are evidences that its managers believe that it has. There is corporate support of education, health programs, community life. There is a growing participation of corporate officials in broad questions of public affairs, and a growing disposition to use the energies and resources of the corporation as an instrument for shaping the broad future of our Nation. The report of the Committee on World Economic Practices is, itself, one evidence of this trend.

ACTAP suggests, not a radically new area of corporate activity, but an extension of present practice to include an area of vital concern to the future of the Nation, and one where the corporation is uniquely suited to contribute.

I will be interested in hearing from you further.

Sincerely,

DAVID C. FULTON.

COMMENTS ON MR. FULTON'S REPLY BY THE OFFICE OF UNDER SECRETARY DILLON

Mr. Fulton's comments in his letter of March 31 to Senator JAVITS modify and elaborate the original suggestions for an American corporate technical assistance program.

On the basis of the elaborated proposal which recognizes the conditions and limitations brought out by the State Department analysis we believe that several features of the suggested program merit serious consideration. The proposal offers a substantial source of qualified technicians and administrators which probably could not be recruited on any other bids. In a sense, the program would be a net addition to the technical resources on which the International Cooperation Administration and other technical assistance organizations are now drawing. If the spirit in which the corporate technicians can be recruited and financed can be maintained in the manner originally proposed, this will have added a new and valuable dimension to the foreign-aid effort.

There has been considerable discussion in the past of ways and means of implementing President Eisenhower's "people-to-people concept of international cooperation, and the ACTAP, if successful, might further this concept. However, the success of such a program in actual practice is doubtful for reasons discussed in the attachment to Secretary Dillon's letter to Senator JAVITS of March 5.

The recruitment and assignment of ACTAP volunteers through any procedures other than those now established by ICA and other foreign aid agencies would involve formidable requirements for bilateral negotiations with foreign governments and interagency coordination. The total number of technicians estimated for this program is sufficiently small in comparison with presently established programs so that it could most feasibly be handled as a new source of recruitment to meet established needs.

Perhaps the most useful type of project for ACTAP volunteers would be in assisting in the management and productivity of private industrial enterprise in underdeveloped areas. The competence of the corporate officials would naturally be closely identified with the administration and operating of manufacturing, service, and commercial organizations. The greatest lack of qualified managerial personnel in the underdeveloped areas is in this very field. To assign ACTAP volunteers to Government agencies or provincial bureaus could create serious difficulties in both adjustment and utilization of their skills. On the other hand, such personnel could readily and easily fit into the problems of factory and business management abroad. This program might thereby strengthen private enterprise in underdeveloped areas and also aid in putting industries on a profitable basis. There are a number of arrangements in existence in underdeveloped areas whereby, under Government auspices, technical assistance resources are now being made available to private industry through development or industrial centers. If the proposals advanced by Mr. Fulton can be privately financed in the manner suggested, it would appear possible to utilize these additional corporate specialties largely through ICA-sponsored industrial centers.

It is suggested in conclusion that the proposal for an ACTAP might be explored with the American business community in order to obtain the latter's views on the feasibility of the proposal. While the U.S. Government should be prepared to assist in discussions with representative groups, the initiative must, of course, lie with the sponsors.

COMMENTARY EXCERPTED FROM A LETTER FROM DR. VICTOR B. SULLAM, INTERNATIONAL ECONOMIST

MAY 8, 1959.

Programs such as the one proposed by Mr. Fulton would do more than alleviate the shortage of industrial specialists. They would also contribute technical assistance in the field of management. Lack of managerial expertees is one of the major problems of underdeveloped countries.

In connection with [the point above], it would be worthwhile to ascertain the extent to which American corporations would be willing to provide training for the managerial personnel of underdeveloped countries through periods of internship within the participating corporations.

* * * * *

To conclude, allow me to say that Mr. Fulton's proposal deserves sympathetic consideration on the part of the U.S. agencies concerned.

COMMENTARY EXCERPTED FROM A LETTER FROM MR. HAROLD BOESCHESTEIN, PRESIDENT OF OWENS-CORNING FIBERGLAS CORP., TOLEDO, OHIO, AND CHAIRMAN OF THE COMMITTEE ON WORLD ECONOMIC PRACTICES

MAY 5, 1959.

I agree fully with the basic objective in the Fulton proposal that it is urgent that we find a means to increase participation of private American companies in the economic development effort abroad. This is firmly recommended in the report of the Committee on World Economic Practices with which I know you are acquainted.

(Some pertinent paragraphs from the report are inserted below.)

You would know much more clearly than I what would be required for relaxation of present Government restrictions or specific waivers with respect to both individuals and supporting companies, but with such waivers, which have been given in times of emergency since World War I, it has been amply demonstrated that industries and individuals willingly respond and take whatever steps are necessary to support Government requests.

EXCERPTS FROM THE REPORT OF THE COMMITTEE ON WORLD ECONOMIC PRACTICES

Despite inducement, the flow of private capital to many politically critical countries may still be inadequate and U.S. Government financing will continue to be required. However, the initiative and know-how of industry, universities, and foundations should be fully utilized in Government-financed programs.

To these ends a private enterprise-Government partnership should be forged. The result will be far more effective than under programs managed and directed solely by our own or other governments.

* * * * *

Where private enterprise will not undertake a project or where political considerations or the nature of the project require government-to-government assistance, the managerial and technical talents of the private sector of our economy should nevertheless be employed more extensively in Government projects and technical assistance programs.

* * * * *

Technical assistance programs, wherever feasible, should also be contracted to nongovernmental organizations, institutions, firms, and individuals on a long-term basis in order to secure continuity of effort and able personnel. Companies, universities, and other institutions should be given broader responsibility and authority to carry out technical assistance programs under contract or by the grant-in-aid technique. They should be expected to select and assign qualified personnel to projects they undertake, and to acquaint them as fully as reasonably possible with the language, culture, history, and economics of the country to which they are assigned.

EXCERPT FROM TESTIMONY OF SENATOR JAVITS AT HEARINGS BEFORE THE SUBCOMMITTEE ON FOREIGN TRADE POLICY OF THE COMMITTEE ON WAYS AND MEANS HOUSE OF REPRESENTATIVES, 85TH CONGRESS, 2D SESSION, DECEMBER 1, 2, 3, 4, AND 5, 1958

There is a proposal for a private organization which will give technical assistance out of the resources of the private economic system. If the proposal has not yet come to the attention of the committee, I hope and pray it will come to their attention.

If you want it from me, you are welcome to it. It is a proposal for an American technical corporate assistance program offered by David C. Fulton, Menlo Park, Calif. Mr. Fulton suggests that American business extend to the American Government the aid of middle-level technicians, their employees, continuing to pay their salaries, but lending them to the U.S. Government for specific technical tasks for a period of 18 months to 2 years in order to tremendously accelerate the rate of our technical assistance program which is presently impeded by the inability to get the right kind of technicians to take Government jobs. This presumes that American industry will respond to the patriotism inherent in this challenge and, Mr. Chairman, I am confident it will. In my opinion it may take a White House conference to marshal the American private economic system for this kind of effort. I should see no reason why this committee should not be perfectly willing to recommend that this be done in order to signalize in a dramatic way the impact which the private economic system can have upon our foreign policy helpfully, constructively.

So I commend the study of this plan which is based upon a board of directors composed of corporation executives and the heads of voluntary organizations, with a representation out of Government, and is premised upon the fact that private industry will be willing to contribute to American foreign policy in this way.

Now, I emphasize that the wages and salaries paid to these people will continue to be tax deductible. That is the only concession which Government will make really. Other than that they will be loaned to the Government for a stated period of time for specific tasks for overseas development.

It is a way to get better personnel than we are able to recruit, with the greatest deference and respect to the wonderful human beings who are in the technical assistance program now.

They themselves will say, the best of them, that they will need help, they need help from industry where this kind of talent is now helpfully concentrated.

Mr. Chairman, I strongly urge that the committee consider that kind of new initiative because the committee is looking for new ideas. This is one of the most striking proposals which has come to my attention.

Mr. JAVITS. Mr. President, you will see how one potent and exciting idea can engender others—such as the proposal to utilize the framework of the proposed American corporate technical assistance program to provide periods of internship in the United States for potential managerial talent from the developing countries. When we consider that in the fiscal year 1958 only slightly more than 4,000 technical and managerial trainees from these countries came to the United States under ICA auspices, and only about 300 came here under private industry auspices, we can see the large need that must be served.

The concept of technical cooperation is relatively inexpensive and, at the same time, without price, for it teaches men and women to use what they have, and it brings into close contact and mutual respect the men and women who are the genius of our economic system, and upon whose ability the freedom of a score of nations and a billion people depends. In testimony on December 2, 1958, I brought Mr. Fulton's proposal to enlist American industry in this great effort to

the attention of the Subcommittee on Foreign Trade Policy of the House Ways and Means Committee. Now I should like to commend it to the attention of the Senate and the Nation.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 134) was referred to the Committee on Foreign Relations, as follows:

Whereas the governmental and humanitarian traditions of the United States and the exigencies of a global struggle launched by supporters of a ruthless and powerful totalitarian ideology have committed this Nation to join in helping more than a billion people in developing parts of the free world to raise their standards of living to an acceptable level in ways consistent with freedom and human dignity; and

Whereas both in principle and execution our financial investment and support may well prove inadequate unless these aspiring peoples learn to use the tools we help to provide so that they may determine their own destinies; and

Whereas U.S. private technical and managerial talent should be made available in greater number and through the most effective channels to enable the developing nations to meet their legitimate economic and social goals and objectives; and

Whereas the greatest source of such talent exists in the U.S. private economy; and

Whereas the support of the U.S. private economy is vital to the success of a U.S. foreign economic policy for peace; and

Whereas there has been proposed an American corporate technical assistance program, calling for a joint and voluntary effort on the part of the U.S. private economy to contribute the services of qualified technical, managerial, and other expert personnel to our Government's overseas technical assistance program, while paying the salaries and certain other expenses of such personnel: Now, therefore, be it

Resolved, That it is the sense of the Senate that the proposal for a U.S. corporate technical assistance program be commended to the managers and directors of U.S. business, and to investors, to labor, farmers, and voluntary organizations for study and for ultimate participation in such manner and form as may be agreeable to them, and that it is our belief that love of country, of peace, of freedom and of the well-being of others which are inherent and basic to the U.S. private economy will motivate these individuals in their decisions on the matter commended to them and that the appropriate agencies of the Federal Government should cooperate to attain this objective.

AMENDMENT OF WAR CLAIMS AND TRADING WITH THE ENEMY ACTS—AMENDMENTS

Mr. DODD. Mr. President, on January 23, 1959, the Senator from South Carolina [Mr. JOHNSTON] introduced a bill (S. 672) to amend the War Claims Act of 1948, as amended, and the Trading With the Enemy Act, as amended, and to provide for the payment of certain American war damage claims and for the return of vested assets or the value thereof. While that bill is broad in its proposals for the payment of American war damage claims and the return of vested assets, I fear its provisions may not adequately cover a special consideration due certain damage claimants in the use of American properties in the Philippines. In order that the subject matter may come before the hearings of the Judiciary Subcommittee, of which the Senator from South Carolina is chairman, and which are scheduled for June 18 of this week, I submit amendments, intended to be proposed by me to the bill, and ask that they be appropriately referred.

The ACTING PRESIDENT pro tempore. The amendments will be received, printed, and referred to the Committee on the Judiciary.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938, RELATING TO CHILD LABOR IN AGRICULTURAL EMPLOYMENT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 9, 1959, the names of Senators HUMPHREY, JAVITS, DOUGLAS, HART, MCCARTHY, CHAVEZ, MANSFIELD, PROXMIRE, BARTLETT, MORSE, YOUNG of Ohio, MURRAY, WILLIAMS of New Jersey, CLARK, and GRUENING were added as additional cosponsors of the bill (S. 2141) to amend the Fair Labor Standards Act of 1938 to eliminate the exception from the child labor provisions of such act presently existing with respect to agricultural employment, introduced by Mr. MCNAMARA on June 9, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RUSSELL:

Report of the Board of Visitors to the U.S. Naval Academy, 1959.

By Mr. WILLIAMS of New Jersey:

Article by Congressman CORNELIUS GALLAGHER, of New Jersey, entitled "Reunification of Germany Is Not Likely in Near Future."

NOTICE CONCERNING HEARINGS ON H.R. 2339, TO REVISE, CODIFY, AND ENACT INTO LAW, TITLE 39 OF THE UNITED STATES CODE, ENTITLED "THE POSTAL SERVICE"

Mr. ERVIN. Mr. President, on behalf of the standing Subcommittee on Revision and Codification of the Committee on the Judiciary, I desire to give notice that the subcommittee now has under consideration H.R. 2339, 86th Congress, 1st session, and the accompanying report thereon, House Report No. 36, regarding the revision and codification of laws relating to the postal service. Such revision deals with title 39, United States Code, entitled "The Postal Service."

The purpose of this notice is to advise any and all interested parties of the consideration of this legislation by the subcommittee and that the subcommittee desires to have any statements or comments relating to the proposed legislation. The subcommittee realizes that the enactment of such a codification is a project of great magnitude and that a codification is limited to the revision and codification of existing law only, so that there will be no change in the statutes under discussion as they now exist. The statements or comments requested are for the purpose of allowing any and all persons to express a view as to whether or not in the proposed legislation, H.R. 2339, there has been a change in existing law.

The subcommittee desires that anyone desiring to be heard in regard to the proposed legislation, H.R. 2339, notify the Subcommittee on Revision and Codification of the Committee on the Judiciary, room 2226, New Senate Office building, Washington, D.C., on or before Friday, June 26, 1959.

The subcommittee consists of the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Michigan [Mr. HART], the Senator from Wisconsin [Mr. WILEY], and myself, as chairman.

THE PRESIDENT'S BUDGET RECOMMENDATIONS

Mr. JOHNSON of Texas. Mr. President, on February 10 I issued a newsletter in regard to the budget which had been sent to the Congress by the President. I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON NEWSLETTER FROM HON. LYNDON B. JOHNSON, FEBRUARY 10, 1959

DEAR FRIEND: Let's talk some facts of public office and private life. Specifically, as it concerns spending. No political party has a copyright on Henry Fielding's good advice: "A penny saved is a penny got." The rules of prudence and thrift apply equally well in public office and private life. We all know that. It's common sense. And as my daddy used to tell me, "There's only one kind of sense—that's common sense."

Those same good rules apply today to the budget recommendations which come to the Congress from the President.

These recommendations go to a committee, then to a subcommittee. They are studied and reviewed line by line and item by item. They are gone over dollar by dollar. Then the Congress determines what it will do with the President's budget recommendations.

Let's take a look at what the Congress has done in the past. It shows what we might expect in the future. Here is the record of the last 5 fiscal years. It shows more than $10 billion were whittled by the Congress from the budget recommendations.

Congress, session, fiscal year	Budget estimates	Appropriations	Decreased by Congress
83d, 2d, 1955	$60, 770, 315, 686	$58, 160, 445, 563	$2, 609, 870, 123
84th, 1st, 1956	66, 023, 089, 195	63, 947, 281, 321	2, 075, 807, 874
84th, 2d, 1957	73, 298, 859, 629	73, 041, 364, 417	257, 495, 212
85th, 1st, 1958	78, 108, 417, 112	73, 064, 958, 328	5, 043, 458, 784
85th, 2d, 1959	81, 737, 060, 999	81, 119, 818, 276	617, 242, 723
Total budget cuts by Congress in last 5 fiscal years			10, 603, 874, 716

The Senate this year will take the same hard look at the budget recommendations. In some cases, the Senate will add to the recommendations. In others, no doubt, it will reduce the amount.

In this connection it is interesting to note that the President is asking this year for $825 million more for foreign aid than the Congress was willing to give him last year. That's almost $1 billion more money the administration is asking be sent overseas.

On some recommendations, the Senate will agree. But not to simply say, "Me, too." When the year is over, the record will show the Senate has followed a course of prudence, of progress and responsibility.

IMPORTANCE OF THE INFORMATIONAL MEDIA GUARANTEE PROGRAM

Mr. JAVITS. Mr. President, I should like to call attention to the jeopardy which it is said now exists to the informational media guarantee program, to emphasize its importance to the people of the United States in the cold war struggle which now is going on; to state my own conviction that this program is absolutely essential, and that I shall support it in every way that is open to me; and to express the hope that it may receive, by means of the appropriations, the recognition to which it is entitled.

Mr. President, thoughts, ideas, facts, are the weapons of freedom in the struggle for men's minds; and books are the means which convey them. The Soviets realize the effectiveness of this weapon, and make full use of it; they export half as many more books as we do, many of them in our own English language. The informational media guarantee program—IMG—instituted in 1949, has already facilitated the sale of some $150 million worth of books abroad, at a cost to the taxpayers of $10 million. I ask unanimous consent to have printed in the RECORD an editorial from the Washington Post and a statement by the McGraw-Hill Co., which appeared in the May 30 issue of the Saturday Review, which depicts the role of books in the cold war, and the vital part the informational media guarantee program is playing in it.

There being no objection, the editorial and the article were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 16, 1959]

USIA's STEPCHILD

The continued vitality of one of the U.S. Information Agency's most valuable and unsung programs may well depend on a decision in the next few days by a Senate Appropriations subcommittee. At stake are the appropriations for the informational media guarantee program. This rather cumbersomely titled agency has provided a means for the conversion of local currencies into dollars for American exporters of such information media as books, magazines, technical texts, and motion pictures. In 10 years of operation, the program has enabled the export into 18 countries of American information materials valued at about $150 million. The cost to the taxpayer, however, has only been $15.9 million, or about 10 percent of the retail value—and this has involved no subsidy to anyone except, perhaps, the recipient country.

There are many desirable features of the program, but one undisputed fact makes it especially urgent. The Soviet Union has expended vast quantities in making available at low cost heavily adulterated information materials to newly emerging countries. If the United States curtailed its own modest effort, the field would be left virtually uncontested to the Russians. Yet, over the years, Congress has allowed the program's $28 million revolving fund to become impaired by $16 million. This year, the House has already cut a $3.5 million replenishment request for 1960 by $1 million, on the shortsighted logic that the smaller sum sufficed last year. The Senate Appropriations Subcommittee headed by Majority Leader LYNDON JOHNSON can at the very least restore the full amount requested lest an important and valuable program be further weakened by malnutrition.

[From the Saturday Review, May 30, 1959]

ONE BATTLE WE'RE LOSING AND WHY

(Lest it seem self-serving, we of McGraw-Hill, as publishers, have hesitated to make the following statement about the "battle of the books." However, our reticence has been overcome by our conviction that it is greatly in the national interest to have much wider public understanding of the nature of this battle. This conviction is strengthened by the fact that many, not in the publishing industry, believe in the importance of this battle and, further, by the fact that it is a battle which the United States is losing.)

The United States is losing an important battle—a battle of knowledge and ideas, waged with books. It does not have the excitement of competition in scientific achievement, nor the urgency of a diplomatic crisis, nor the obvious economic significance of a struggle for export markets. But our success or failure in this battle of knowledge and ideas may well have a decisive bearing on these more spectacular aspects of international rivalry.

The Russians know this. About a decade ago, they started a program to build up their export of books, the most durable and penetrating way of communicating knowledge and ideas. By 1957 the Soviet Union was exporting 30 million books, one-and-a-half times as many as the United States. Many of these books are printed in English, and all are in languages of the non-Communist world.

In the languages of the Near East alone, the Russians printed and distributed 413,600 books in 1957, as compared with 166,415 in 1956. In India, Russian textbooks on engineering are to be published in English under a technical aid agreement signed in Moscow last December.

TRADE FOLLOWS THE BOOK

Books are in the advance guard of the Soviet political and economic challenge to the free world. With books go ways of thinking—about government, about education, about management, about science and technology. If these books do their job effectively in the training of those who will become a nation's leaders, they will provide the basis for political and cultural understanding and also, in the future, for trade.

The Russians are not the first to discover this relationship. Britain, which lives by trade, has traditionally exported more of its book production than any other nation. Today it exports one book in every two produced. The British have a favorite dictum: "Trade follows the book." They have proved its accuracy. Now the Russians are trying to make this same principle serve their purposes.

Where does the United States stand in this competition for men's minds? In number of books, it trails far behind the Soviet Union—exporting roughly 20 million books, against the Russians' 30 million. As a proportion of our total output of books, our exports amount to only 10 percent—against Britain's 50 percent.

THE RUSSIANS' ADVANTAGE

U.S. book exports have grown in the years since World War II, from approximately $11 million in 1946 to $35 million in 1958 (both figures excluding Canada). But in expanding book exports, the American publishing industry faces two major obstacles:

(1) The comparatively high cost of producing a book in the United States, which puts its price well beyond the reach of many students, teachers, and businessmen in other countries; and

(2) The shortage of dollar exchange in many countries, which means that importers can pay for books only in currencies that are of little use to American publishers.

The Russians have neither of these problems. Soviet publishing is state-subsidized, and exported books are sold for nominal sums paid in the currencies of the importers. As these books serve the political and economic purposes of the Soviet Union, they are cheerfully sold on giveaway terms.

The American publishing industry, on its own, is making vigorous efforts to increase the distribution of American books in other countries. Leading U.S. publishers and their agents have offices and salesmen in the major countries of Asia, Africa and Latin America. Several publishers have begun to reprint textbooks in Asia at one-half to one-third of their U.S. costs, thus making them available to the students in Asian countries at prices they can more nearly afford. And the American paperback has become a symbol of low cost in popular books. But neither of these devices is practicable for serious cultural, technical, scientific, educational and professional books, which require durable, hard-bound and necessarily expensive editions. Despite their great importance to those who need these books, the demand for them is simply not large enough to warrant low-cost publishing methods.

Government agencies also have increased the availability of American books. The U.S. Information Agency and the International Cooperation Administration have placed American books in libraries overseas, donated them to educational institutions and presented them to key individuals in the industries and governments of the developing countries of the world. But these programs are small in relation to the need.

A MODEST PROGRAM

An unusual and little-publicized Government program has helped American publishers overcome the other major obstacle to the export of books—the shortage of dollar exchange. This is the informational media guaranty (IMG) program, administered by the U.S. Information Agency. It enables publishers of books judged to be worthy of the American way of life to sell their books, for local currency, in countries such as the Philippines, Formosa, Vietnam, Burma, Indonesia, Pakistan, Turkey, Israel, Poland, Yugoslavia, Spain, and Chile, which would otherwise be unable to buy these books because of their shortage of U.S. dollar exchange.

The IMG program is not a giveaway. Publishers have to sell their books, and customers overseas have to want them enough to buy them at full prices. IMG merely guarantees that the exporting publisher receives in dollars the payments he collects from his customers in their currency. The program costs very little in terms of our total foreign aid program, or in terms of what it accomplishes. In 10 years it has made possible the sale of $150 million worth of books, magazines and films to countries of key economic and strategic importance at a cost of only $10 million.

The IMG functions through a revolving fund. Foreign currencies are exchanged for dollars, and the foreign currencies in turn are resold to replenish the supply of dollars. The net cost is the small but unavoidable loss on resale of these foreign currencies.

Over the 10 years of this program, the IMG revolving fund has shrunk from its original $28 million to $18 million, $10 million of which is in unconverted foreign currencies.

If this modest but vitally important program is to be continued, Congress must appropriate the money necessary to rebuild the revolving fund. This would ensure that any country approved by the State Department and willing to sign an agreement to buy American books, at their full price, with its own currency, could do so. Last August, Congress reduced a requested appropriation for this purpose from $7 million to $2½ million. To continue even at its present reduced level, an appropriation of $3½ million is needed. To realize the full potential of IMG, the revolving fund must be restored to its original level.

If the IMG program is not continued, with adequate financial support, some countries whose friendship and understanding we seek today and with whom we hope to build a trading partnership in the future will have to reduce their purchases of American books to a trickle. These are countries where schoolteachers, college professors, students, engineers, doctors and businessmen need and want to buy American books. The loss will be not only theirs, but ours as well. For it will deprive the United States of one of its most effective, and least costly, means of communicating knowledge and ideas and understanding of the American way of life.

(This message is presented by the McGraw-Hill Publishing Co. to help increase public knowledge and understanding of an important national problem. Permission is freely extended to newspapers, groups or individuals to quote or reprint all or part of the text.)

DONALD C. MCGRAW,
President, McGraw-Hill Publishing Co., Inc.

INTERVIEW WITH SENATOR KENNEDY

Mr. MANSFIELD. Mr. President, in the June 3, 1959, issue of the Christian Science Monitor there appears the text of an interview with the distinguished Senator from Massachusetts [Mr. KENNEDY] which was conducted by Mr. Courtney Sheldon.

This interview sets forth, in his usual frank fashion, the views of our able colleague on the inadequacies of our policies both at home and abroad, and reveals his own thinking on such key questions as foreign assistance, racketeering, taxes, and civil rights. I find the views of the distinguished Senator on these complex issues informative and constructive, and I take this occasion to call them to the attention of the Senate. I ask unanimous consent, Mr. President, that the text of the interview referred to be incorporated at this point in my remarks.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

BASIC ISSUES AT HOME AND ABROAD—A CAPITAL INTERVIEW WITH SENATOR JOHN F. KENNEDY

(By Courtney Sheldon)

(Second in a series of interviews on Capitol Hill to record the viewpoints of Senators SYMINGTON, KENNEDY, and HUMPHREY, each of whom is generally considered a serious prospect for the Democratic presidential nomination in 1960.)

WASHINGTON.—Senator JOHN F. KENNEDY, a representative from Massachusetts for three terms, a Pulitzer-prize winner for "Profiles in Courage," and now the leader in most polls on Democratic presidential nomination choices:

Is "deeply concerned about the failure of the administration, and to some extent the failure of Congress, to recognize the role that the West, including the United States, could play in assisting the newly emerging countries to achieve economic growth."

Believes "in deficit financing during periods of unemployment, but eventually we have to pay the piper."

Senator KENNEDY, would you recommend that the President go to the summit even if there were no visible hope for agreement, just go for discussion purposes?

Well, without grounds for hope of success, I would be reluctant to go to the summit unless it were the only way to avert war. To go to a summit which merely provided the Soviet Union with a backdrop for propaganda would, of course, be ridiculous.

Now the British, who apparently see some hope, are extremely anxious to go. We have some obligation to them and to other countries associated with us in our joint alliance.

If the British feel strongly enough about it, and if there is any hope that by going to the summit we might avert a military action or war, then I would go.

Would you ban nuclear tests unilaterally if an agreement with the Soviets is not reached?

We could probably afford to do away with tests, even on a unilateral basis, within the range suggested by Senator CHURCH and others; that is, tests which are below a certain altitude and above the ground. We might reach some sort of voluntary agreement with the Soviets.

If, however, they refuse to enter into any reasonable agreement with us, then I think we would gain some advantage in world opinion if we would forego tests in the area I have talked about.

High altitude tests, particularly to develop an antimissile missile, and perhaps underground tests would probably have to continue. But I am hopeful that some breakthrough can happen in Geneva.

Now what do you regard as the major shortcomings in the administration's conduct of international affairs?

I have been deeply concerned about the failure of the administration, and to some extent the failure of Congress, to recognize the role that the West, including the United States, could play in assisting the newly emerging countries to achieve economic growth.

I am particularly concerned about India, which is looked to by other Asiatic nations as a model of progress by democratic methods. These other nations are also watching Red China, which is making great economic strides by totalitarian methods. I'm afraid that the development of Red China may serve as a magnet to those countries which are newly independent and which want to industrialize quickly.

I therefore think that the West, and parparticularly the United States, must strengthen the Development Loan Fund and promote other means to encourage the so-called underdeveloped nations to achieve progress by democratic rather than Communist methods.

What do you feel are the chief domestic issue vulnerabilities of the Republican administration?

I would say that the basic issue both at home and abroad is one of leadership—whether the President of the United States has used his power and influence effectively to mobilize the material and human resources of the United States at a time of great national peril.

The Republican administration has mishandled the fight against unemployment. It has blocked a program to deal with depressed areas. It has done nothing about strengthening our unemployment compensation system.

Mr. Benson's sincere efforts to deal with a very burdensome agricultural problem have not helped consumers, and have failed the farmer, who faces still greater surpluses and even more inadequate returns.

We have seen a failure to develop the natural resources of the United States, which we must do in order to absorb a growing population which will double within 50 or 60 years. The administration has dragged its feet on slum clearance and rebuilding our cities.

The Republicans have fallen into the mistake of making inflation virtually the only issue. Certainly inflation is a long-range problem and we must deal with it. But we cannot ignore every other need in the process.

Suppose there were a very real immediate danger of inflation arising from a boost in steel wages and steel prices.

If the public interest is ignored and a really strong inflationary thrust is given to our economy because of an excessive increase in the price of steel, I would think we ought to consider how we might bring that public interest more sharply into the negotiations of the steel industry, and possibly other basic industries. I am reluctant to do that because I think that the freedom to negotiate is basic, and I would be willing to pay some price to maintain that freedom.

Would you raise more taxes in order to pay for defense costs?

I would raise them if we found it to be necessary. However, we ought to make savings in other parts of the budget first. If we get unemployment within a manageable figure, which we hope we can finally do by fall, then we should pay any increase in expenditures out of current revenues. I am a Keynesian in that I believe in deficit financing during periods of unemployment, but eventually we have to pay the piper.

Suppose the House changes your labor bill so that it includes further changes to which you object, and then the Senate-House conference goes along, would you then vote for your own bill?

If the House added provisions which put honest labor at a disadvantage in labor-management negotiations, I would certainly oppose them because this is an antiracketeering bill.

I hope this will not be done because I am desperately anxious to secure passage of a fair antiracketeering reform bill in this session of Congress. I think it would be a major blow to the public interest if we failed to pass it.

What is your position as between the strong civil rights proposal of Senator DOUGLAS and the other more moderate ones?

I think parts of each of those bills would certainly be valuable. I voted for the title 3 (which is now in the Douglas bill) 2 years ago, and would vote for it again. Senator ERVIN and I originally introduced the bill prohibiting the bombing of synagogues and churches, which is included in the Johnson bill.

I would want to examine the possible effects of the mediation and conciliation service in the Johnson bill, and also the provision of the Douglas bill which provides for Federal aid to those communities which are integrating their schools. I would prefer a general aid-to-education bill so that we could deal with the two issues of civil rights and education separately.

MIG ATTACK ON U.S. NAVY PLANE A COWARDLY TRANSGRESSION OF PEACE

Mr. WILEY. Mr. President, the unwarranted attack by Communist MIG's

on a U.S. plane is a cowardly transgression of peace. The matter is of deep concern to all of us, and may, indeed, have serious consequences.

As I understand, the U.S. Navy plane, on a routine training flight, was attacked at about 11:30 last night—our time—by at least two—but possibly more—silver MIG fighters with red stars on the fuselage.

Unfortunately, the tail gunner was seriously wounded.

Despite at least six firing runs by the MIG attackers on the U.S. plane, however, it was successful in getting back to a base in Japan.

As yet it is not known whether the attacking planes were piloted by North Koreans, Russians, or Red Chinese.

According to reports, the attack occurred approximately 80 miles east of North Korea over international waters.

The Defense Department reports that the Navy plane was armed and had authority to use its armaments to defend itself. As yet, however, it is not known whether our plane fired back at the MIG attackers.

To fully evaluate the situation, of course, it will be necessary to have additional facts. However, the attack itself, together with its motivation, would appear to be completely unjustifiable, particularly in view of the fact that the shooting occurred over international waters.

The unprovoked shooting illustrates that the trigger-happy Communists are still more than willing to take irresponsible actions that threaten the good-faith efforts of nations to work toward peace.

The U.S. Government, indeed, the free world, must again not only protest, but also take steps to assure that our airmen will not, in the future, become the victims of cowardly attacks; but rather that they be alerted and equipped to deal with this kind of action.

In addition, the Communists need to be called on the carpet of world opinion and reprimanded in accordance with the severity of this dangerous action.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, has morning business been concluded?

The ACTING PRESIDENT pro tempore. No; morning business has not been concluded. The Senate is still in the morning hour.

Is there further morning business? If not, morning business is closed.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL FUNDS FOR DIRECT HOUSING LOANS TO VETERANS

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of the minority leader, I should like to inform the Senate that we expect to take up appropriation bills as soon as they are reported, with the consent of the Senate, if we can obtain such consent. I am informed the Commerce Department appropriation bill was ordered reported this morning. As soon as copies of the hearings are available, and a report is prepared, I will notify the minority leader and then arrange for a suitable time to consider the bill.

I also expect we shall give consideration to the Teague veterans' housing bill, which is at the desk, and I ask unanimous consent that the Senate proceed to the consideration of the bill at this time.

Mr. JAVITS. Mr. President——

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas that the Senate proceed to the consideration of the bill?

Mr. JAVITS. Mr. President, is it intended that we shall have an explanation of the bill?

Mr. JOHNSON of Texas. Yes. This action would simply make the bill the pending business.

Mr. JAVITS. I have no objection.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

Mr. COTTON. Mr. President, how long is it expected the consideration of the bill will take?

Mr. JOHNSON of Texas. Whatever time is necessary. I should think it would not take very long, because the majority members and the minority members of the committee are in agreement on an amendment. It was planned to consider the bill at about 1:30, when the Senator from Indiana [Mr. CAPEHART] will be in the Chamber. I should think it would require only a very short time.

Mr. DIRKSEN. Mr. President, it is my understanding that the request is to make the bill the pending business, pending a further informal discussion with Senators on each side.

Mr. JOHNSON of Texas. That is correct.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill (H.R. 2256) to amend chapter 37 of title 38, United States Code, to provid additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE—SUGGESTED UNANIMOUS CONSENT AGREEMENT

As in executive session, the Senate resumed the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. JOHNSON of Texas. Mr. President, I should like to suggest to the Senate the following unanimous-consent agreement:

Ordered, That on Wednesday, June 17, 1959, after the conclusion of routine morning business, the Senate proceed to the consideration of executive business, and further debate on the question of advising and consenting to the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce shall be limited to 10 hours—

I will say, Mr. President, I would be willing to modify the time upward or downward, to whatever would suit the convenience of any Senator.

The proposed agreement continues:

to be equally divided between the proponents and opponents and controlled by the ranking minority member—

That is, the Senator from Kansas [Mr. SCHOEPPEL]—

and chairman—

The Senator from Washington [Mr. MAGNUSON]—

respectively, of the Committee on Interstate and Foreign Commerce; and that on any motion, in order under the rules, except a motion to lay on the table, debate shall be limited to 30 minutes, to be equally divided and controlled, respectively, by the mover of such motion and the majority leader.

In explanation of the suggestion, I should like to say I would expect to have the Senate convene at 12 o'clock on Wednesday and continue in session to a reasonable hour Wednesday evening. I cannot anticipate how long a time morning business will take, but assuming an hour or an hour and a half, 5, 6, or 7 hours of the time on Wednesday might be consumed on the nomination. I would expect the Senate to meet at noon on Thursday and sit as late as necessary on Thursday, if it is possible to obtain a vote. If we should not be able to do so, and if other motions intervened—I expect no motions, but there could be a motion to postpone or a motion to recommit or some other motion—then consideration of the nomination might go over until Friday.

If the Members of the Senate will bear with me, I would try to obtain a vote on Thursday evening.

Mr. DIRKSEN. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from Illinois.

Mr. DIRKSEN. The unanimous-consent request has only been suggested and has not been presented to the Senate yet, as I understand the situation.

Mr. JOHNSON of Texas. I should like to have it considered, if I could. If there is any objection to it, I will revise it or adjust it.

Mr. DIRKSEN. Mr. President, I do not want to be in the position of objecting, because I share the desire of the majority leader to have action on the nomination concluded as quickly as possible. We do have some problems, I think, on both sides, with respect to long-time commitments which Members of the Senate have made. I try, insofar as lies within my power, to see that those

commitments are honored. For that reason, the period may have to be modified a little to make allowance for all who would like to speak. Then it might be possible to contrive a time certain for the vote.

I was going very respectfully to suggest, therefore, that if the majority leader will present the request a little later in the afternoon, I probably would be in a better position, after conferring with members of the committee, to give him an answer to the request.

Mr. JOHNSON of Texas. Mr. President, I started talking about this matter last Thursday. I had understood from my conversations we would try to obtain a date certain on Monday, or not later than Tuesday. I did not expect we would have a vote on either of those days, although I thought we could get unanimous consent, perhaps, to vote after that time.

Yesterday I explored the matter with as many Members of the Senate as I could. I have discussed generally Wednesday and Thursday, because we know it is difficult to get a vote on Monday or Friday. If the Senator has a better alternative, I should be glad to have him suggest it. I have no preference.

I am of opinion that we cannot get a vote that quickly if we try to make it Wednesday. I rather doubt that many Senators will be present on Friday or Saturday, although I will say that if unanimous consent is not given, I shall ask the Senate to remain in session longer hours in an attempt to get action on the nomination.

If the Senator has a better time and cares to suggest one, or wants to object to this request, he can do so. I do not want the responsibility of simply going on from day to day and not having any Senators able to make their plans or to know when they can speak.

Mr. DIRKSEN. Mr. President, I certainly do not wish to place myself in the position of objecting; but the ranking minority Member has just reached the floor, and I believe, in all propriety, I should have an opportunity to confer with him a little.

Mr. JOHNSON of Texas. Mr. President, I will withhold the request for the moment.

I yield to the Senator from Alabama [Mr. SPARKMAN]. The Senator from Indiana [Mr. CAPEHART] is now present, and perhaps we can dispose of the unfinished business quickly.

ADDITIONAL FUNDS FOR DIRECT HOUSING LOANS TO VETERANS

The Senate resumed the consideration of the bill (H.R. 2256) to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes.

Mr. SPARKMAN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause, and insert in lieu thereof the following:

That section 1802(d) of title 38, United State Code, is amended by (1) striking the word "or" before "(2)" in the first sentence thereof, and (2) inserting before the period at the end of such sentence a comma and the following: "or (3) by any Federal Housing Administration approved mortgagee designated by the Federal Housing Commissioner as a certified agent and which is acceptable to the Administrator".

SEC. 2. Paragraph (1) of section 1803(c) of title 38, United States Code, is amended (1) by striking out ", but the rate of interest so prescribed by the Administrator shall not exceed at any time the rate of interest (exclusive of premium charges for insurance, and service charges if any), established by the Federal Housing Commissioner under section 203(b)(5) of the National Housing Act, less one-half of 1 per centum per annum"; and (2) by striking out "4¾ per centum per annum" and inserting in lieu thereof "5¼ per centum per annum".

SEC. 3. (a) Section 1804(b) of title 38, United States Code, is amended by adding at the end thereof a new sentence as follows: "The Administrator may also refuse to appraise any dwelling or housing project owned, sponsored, or to be constructed by any person refused the benefits of participation under the National Housing Act pursuant to a determination of the Federal Housing Commissioner under section 512 of that Act."

(b) Section 1804(d) of title 38, United States Code, is amended by adding at the end thereof a new sentence as follows: "The Administrator may also refuse either temporarily or permanently to guarantee or insure any loans made by a lender or holder refused the benefits of participation under the National Housing Act pursuant to a determination of the Federal Housing Commissioner under section 512 of that Act."

SEC. 4. Section 1823(a) of title 38, United States Code, is amended by inserting immediately after the second sentence the following new sentence: "In addition to the sums authorized in this subsection the Secretary of the Treasury shall also advance to the Administrator such additional sums, not in excess of $100,000,000, as the Administrator may request, and the sums so advanced shall be made available without regard to any limitation contained in this subsection with respect to the amount which may be advanced in any one quarter annual period."

Mr. SPARKMAN. Mr. President, this amendment alters H.R. 2256 to make it read, with one exception, exactly as do those provisions on this same subject which are contained in S. 57, the omnibus housing bill, as it passed the Senate. The one exception concerns the new authorization for direct home loans to veterans in rural and outlying areas. H.R. 2256 authorizes $300 million for this purpose. S. 57, as it passed the Senate, authorized only $150 million. This amendment would authorize $100 million. The administration has argued that the authorized increase in the GI interest rate will make private funds available and that there will be no need for additional direct loan funds. I disagree with this position but, all things considered, I believe that it might be wiser to reduce the new authorization to $100 million.

Mr. CAPEHART. Mr. President, I believe this is an excellent way to handle the problem. We are reducing the House version by $200 million, and we are reducing the Senate version by $50 million. I strongly recommend that the Senate accept this amendment.

Mr. SPARKMAN. I thank the Senator from Indiana.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. JAVITS. Since the action in the committee, and since we passed the increase in GI permissible interest rates in the housing bill, I have received some complaints. I believe other members of the committee have also received complaints.

Upon a reappraisal of the situation, does the chairman of our subcommittee remain convinced that in order to provide money for veterans, it is necessary to make this increase, and that events which have transpired since the bill was passed, both in the House and Senate, do not change our attitude, because of a changed attitude, perhaps, on the part of banks, the market, the Veterans' Administration, or the veterans themselves? We still remain satisfied that this is the essential thing to do.

Mr. SPARKMAN. I think the question answers itself. Certainly it strengthens the position which we took some time ago. This is the only realistic way.

Mr. JAVITS. I voted for the provision at the time with a heavy heart, as I know the chairman of the subcommittee and other Senators did also. I know that it would be advisable to bring to date our appraisal of the situation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. CAPEHART. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

As in executive session, the Senate resumed the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. JOHNSON of Texas. Mr. President, there is to be a luncheon meeting of the minority policy committee. I understand that the minority leader intends to suggest an alternative program to that which I have suggested. I should like to renew my request, and if he does not agree to it, he can object, and later submit an alternative.

Mr. DIRKSEN. Mr. President, it is understood that an alternative request will be submitted later. After discussion between the ranking minority member of the Committee on Interstate and Foreign Commerce and the minority

leader, we may have a slight modification to suggest in the request of the Senator from Texas. The only reason for the objection at the moment, if the request is before the Senate, is to afford opportunity for further discussion of the matter. However, I am confident that we can find a common ground and concur.

Mr. JOHNSON of Texas. If the Senator objects, later in the day I shall sit down with him, after he is through with the minority policy committee meeting, and attempt to make any adjustments he would like to make, following which another proposal can be submitted.

Does the Senator object to my unanimous-consent request?

Mr. DIRKSEN. I object temporarily.

SUPPLEMENT TO TESTIMONY BY SENATOR McCLELLAN BEFORE HOUSE EDUCATION AND LABOR COMMITTEE RELATIVE TO LABOR'S BILL OF RIGHTS

Mr. McCLELLAN. Mr. President, a few days ago, at the invitation of the House Committee on Education and Labor, I appeared and testified regarding labor reform legislation. Today, with the permission of that committee, I have filed a supplemental statement to the testimony I gave, in which I comment on questions raised and arguments made by the AFL–CIO leadership and others against the so-called bill of rights, or title I of Senate bill 1555.

I ask unanimous consent that the statement which I have filed with the House Committee on Education and Labor be printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS OF SENATOR McCLELLAN ON QUESTIONS RAISED AND ARGUMENTS MADE BY AFL–CIO LEADERSHIP AGAINST BILL OF RIGHTS (TITLE I) OF S. 1555

1. The AFL–CIO contends that there is no need for a bill of rights because nearly all, if not all, of the constitutions and bylaws of unions affiliated with the AFL–CIO provide the same rights.

The answer: If true, it is really immaterial that nearly all or most of the AFL–CIO constitutions have such provisions. That is like saying that because 95 or 99 percent of our citizens are not thieves, we should have no criminal statutes against larceny. As the AFL–CIO has conceded, "There are limits to what we can do, and there are important unions outside our ranks that we cannot reach." The legitimate concern of the Congress is that not all unions, even within the AFL–CIO, guarantee these protections to their members, but that such rights shall be observed and enforced.

If these rights are right, if they are "basic principles which should be included in all union constitutions and bylaws" (to quote the AFL–CIO), then they should be enacted into law to compel the rebellious minority to respect and observe them, to the end that they shall not be denied to any working man or woman who may be a member of any labor organization.

2. The AFL–CIO contends that the bill of rights amendment was drafted and adopted without due consideration. To support this, reference was made to the statement of Senator KUCHEL that he had voted for the bill of rights without carefully reading it.

The answer: The bill of rights, as originally adopted by the Senate, was substantially identical with the bill of rights title of S. 1137, introduced by me on February 19, 1959. This bill, including its bill of rights title, was before the Senate Labor and Public Welfare Committee during the course of its hearings, and I specifically testified about it before that committee before it reported any bill to the Senate. A copy of S. 1137, with the bill of rights, was available to and studied by the AFL–CIO before the Kennedy-Ervin bill, S. 1555, was taken up in the Senate for debate.

The bill of rights amendment offered by me and as originally adopted by the Senate was debated longer and possibly more thoroughly than any other amendment offered in the Senate to S. 1555. After the adoption of the original amendment, it developed that some Senators who voted for it felt there should be some modifications of it. As a result, the bill of rights provisions now in the bill as it passed the Senate were proposed as a compromise. These provisions as they now stand were adopted by the Senate by a vote of 76 to 14. Voting for the adoption of the provisions as now contained in the bill was every Senator, I believe, who is regarded as friendly to labor.

Senator KUCHEL, who the AFL–CIO contends "had not read the original title I when (he) voted for it," made the following statement on the floor of the Senate with respect to this compromise bill of rights:

"Finally, late yesterday, we came into general agreement as to an area which we believed represented forward progress and represented a sound, understandable, just, and reasonable bill of rights for labor. That is what is before the Senate now" (CONGRESSIONAL RECORD, Apr. 25, 1959, p. 6717).

This statement of Senator KUCHEL clearly refutes the implication of the AFL–CIO that he did not know what he was doing when he voted for the compromise provisions.

3. The AFL–CIO contends that the bill of rights is unreasonable because it can be enforced by legal action initiated by individual members, rather than by suit brought by the Secretary of Labor.

The answer: In view of this criticism, it is particularly interesting to note that the provision for legal action by an aggrieved member was not in the bill of rights as originally adopted by the Senate. The original bill of rights provided instead for appropriate legal action by the Secretary of Labor, the procedure for which union spokesmen now express a preference.

However, arguing for a change of this provision, Senator CLARK, one of those Senators who pressed for a compromise bill of rights acceptable to the unions, argued that the compromise takes the Federal bureaucracy out of this bill of rights and leaves its enforcement to union members, aided by the courts. (CONGRESSIONAL RECORD, Apr. 25, 1959, p. 6721). As indicated above, this was not my initial view, but apparently it does represent the views of 75 of my colleagues who voted for the compromise.

4. AFL–CIO contends that section 101(a)(1) and (2), which provide equal rights and privileges and free speech and assembly, are too broad. They observe, however, that "unions are obviously entitled to make reasonable rules and regulations with respect to the rights of members relating to the conduct of business at union meetings."

The answer: This limitation, that the unions might make reasonable rules relating to equal rights and free speech and assembly, was implicit in the bill of rights as originally drafted, just as it is implicit in the Bill of Rights of the Federal Constitution to prevent abuses. Moreover, this limitation was added explicitly in the compromise draft, which made these rights subject to reasonable rules and regulations. The precise application of this limitation may require court determination on some specific borderline instances, but this is hardly a sound argument for deleting a guarantee of such basic rights. If it were, the Bill of Rights of the United States Constitution would be subject to condemnation for the same reason.

5. The AFL–CIO contends that section 101(a)(3) precludes an international union from conducting a referendum no dues increases.

The answer: The bill of rights provides minimum, not maximum standards. Section 103 specifically preserves any membership rights broader than those provided in the bill of rights.

6. The AFL–CIO contends that there is absolutely no reason for precluding an international union from increasing dues by unilateral action of an official or a general executive board.

The answer: As recognized in the constitutions of many unions, this is a matter of such vital interest to the members that they should have a direct voice in any such increase. This provision, however, as is true of the other provisions of the bill of rights, will hamper no honest union and no honest union official. However, it will, indeed, severely hamper the racketeers who have preyed upon union membership by means of arbitrary increases in dues and assessments.

7. The AFL–CIO contends that section 101(a)(4), which prohibits a union from barring members access to the courts, would prevent a union from providing for internal arbitration of a member's grievance. It contends further:

"The safety value included in section 101(a)(4)—permitting a union (6 months) to require members to exhaust internal procedures—is grossly inadequate in this kind of action, since the grievance and arbitration machinery very often takes substantially in excess of 6 months."

The Answer: The thrust of this argument, apparently, is that what is, is right. The very reason that such a provision is necessary—permitting a member to seek redress in the courts if he has not received satisfaction within the union within 6 months—is that grievance and arbitration machinery of unions is very often so manipulated that it takes in excess of 6 months for a decision. In the opinion of 76 members of the Senate, it is grossly unfair to place upon an individual union member the burden and injustice of such a long and unreasonable delay in processing and disposing of a grievance or complaint by a member. Justice delayed in such instances is justice denied.

8. The AFL–CIO contends that section 101(a)(5), which provides safeguards against improper disciplinary action, is unreasonable because the requirement of "written specific charges" is too vague; because "full and fair hearings" are too uncertain; and because the entire section "is such as to clearly invite contests in the courts" on disciplinary cases involving "only a $10 fine."

The answer: A charge must only be specific enough to inform the accused member of the offense that he has allegedly committed. Litigation is extremely unlikely in minor matters or in those in which a substantial denial of rights cannot be shown by the complaining member, who would bear the burden of proof. As stated by Senator KUCHEL, the leader of the drive for a compromise bill of rights more acceptable to labor:

"That language (sec. 101(a)(5)) is clear and explicit, and provides the usual reasonable constitutional basis upon which charges might be brought" (CONGRESSIONAL RECORD, Apr. 25, p. 6720).

The absurdity of the union's contentions is perhaps best illustrated by their rhetorical questions as to how one provision of the bill might tie in with other provisions. For example, they ask how the rights given in

section 101(a)(1) (which contains no reference to candidacy for office) tie in with the provision of section 401(d), which specifically guarantees equal eligibility for union office to every member in good standing. I am sure that no explanation or justification of these complementary provisions is necessary. I might note, however, that at page 6720 of the CONGRESSIONAL RECORD (Apr. 25, 1959) Senator BUTLER, who was unfamiliar with what is now section 401(d), raised a similar question. He was answered to everyone's satisfaction by Senator COOPER, Senator KENNEDY, and Senator HOLLAND, who pointed to the complementary nature of these sections and of section 103. How then, ask union spokesmen, do these provisions tie in with section 405, which bars ex-convicts from union office for 5 years? Again, I am sure the answer is too obvious to require elucidation.

Finally, they ask whether insuring fair disciplinary procedures to members would preclude suspension of an officer charged with corruption. To me, it is abundantly clear that suspension from office, pending a hearing, of an officer charged with corruption would in no way constitute unfair disciplinary action. However, even if we were to agree arguendo, we need not accept the absurb conclusion that the entire bill of rights should be deleted on this ground. If there is any doubt whatsoever on this point, it can readily be clarified by adding an appropriate phrase, and I, certainly, would have no objection to seeing this done if Members of the House deem it desirable.

The criminal enforcement provisions in section 607 also meet with union disapproval. These provisions, of course, are the same as in the original Kennedy-Ervin bill as it was reported out of the Labor Subcommittee. The criticism of this provision typically fails to stress one significant fact; namely, that no one can be punished unless he has willfully interfered with a member's rights. No officer who, in good faith, makes rulings at a union meeting or who has a drunken and disorderly member excluded from a meeting, can be subjected to any criminal penalty. Nor, indeed, would I expect any prosecutor even to consider instituting criminal action in such a case.

Since the question was raised in a statement to the House Labor Committee, I would like to explain my purpose in the amendment to section 405 relating to barring ex-convicts from union office. I consider it imperative that this provision affect, as it does as now drafted, ex-convicts who are today in positions of power in American unions. Although I am opposed to any ex post facto legislation, I am satisfied in my own mind, and I have been assured by committee counsel, that section 405(a)(1) is not unconstitutional as ex post facto. However, on the remote possibility—and I consider it a remote one—that the Supreme Court would hold tihs provision to be ex post facto, I preferred to have it set forth in a separate subsection, in order to eliminate any possibility of invalidation of all of section 405 because of this one portion of it. I am shocked that any responsible labor leader would go out of his way, as was done in the statement to which I have referred, to criticize and condemn a sincere effort to rid unions of ex-convicts, gangsters, and racketeers by urging deletion of section 405(a)(1).

The real issue now in this proposed labor reform legislation is: Will the Congress enact effective laws to deal with corruption and racketeering in labor organizations and to prevent the exploitation of union members by dishonest, arrogant, dictatorial, and sometimes criminal, labor bosses and restore to union members the right, authority, and power to manage and control their union affairs by recognized and respected democratic processes? Will the Congress do its duty and measure up to its vital responsibility?

Needless to say, every racketeering, criminal, and gangster labor boss in the country is hoping the Congress will shirk its duty and either pass no bill at all or pass one that is so weak that it will be ineffectual to remedy the unwholesome conditions that now prevail. Those elements, of course, are now doing everything in their power to obstruct and prevent the enactment of laws adequate to do the job that is needed.

On the other hand, millions of rank-and-file union members and good citizens everywhere, and in all walks of life, are hoping and praying that the Congress will have the intestinal fortitude and political courage to do its duty and pass laws to outlaw and prevent the corruption, abuses, and exploitation that the Senate select committee has exposed—laws that will help to restore decency and integrity in labor-management relations.

ONE HUNDREDTH ANNIVERSARY OF THE BIRTH OF THOMAS J. WALSH, OF MONTANA

Mr. GRUENING. Mr. President, on Friday last the 100th anniversary of the birth of Thomas J. Walsh, of Montana, the two able and distinguished Senators from that great State [Mr. MURRAY and Mr MANSFIELD] delivered on the Senate floor splendid tributes to that great statesman. Senator MURRAY pointed out that the State of Montana had earlier this year placed in Statuary Hall a statue of Charles M. Russell, the cowboy artist of the West who, with Frederick Remington, has captured and preserved for posterity the spirit of those stirring years which encompassed the winning of the West. Senator MURRAY added that while the State of Montana would decide who would be entitled to the second statue, he personally would be greatly pleased to have that honor go to his distinguished predecessor, Thomas J. Walsh.

The centennial of this great public servant well merits the consideration and acclaim given him by his two successors in the Senate from Montana. As one who was privileged to know Senator Walsh, I desire to add a few words.

The unfortunate fact is that for a special set of reasons, Senator Walsh has perhaps, in the 26 years since his death, not had quite the recognition to which he was entitled. Serving in the U.S. Senate from 1912 to 1933, he was appointed by President Roosevelt to the Attorney Generalship of the United States—an office he would have filled with great distinction and with the courage, vigor and single-mindedness of purpose which characterized his entire public career. Unfortunately, he died suddenly just before taking office. In the great events that followed—the 100 days of major achievement which ushered in the New Deal—Senator Walsh was lost to view. A book-length biography of him written by his niece, Josephine O'Keane, and published 4 years ago, has regrettably, not had the attention its excellence deserves. But I am confident that history will accord an ever higher place in the annals of public service to Tom Walsh.

In the 54 years before his entry into public life Tom Walsh achieved both repute and fortune at the bar. But unlike other attorneys, he could be counted on to take the cases of little people, those crippled by mine or railroad accidents—who, in the days before workmen's compensation laws, would otherwise have stood little chance against corporation attorneys in the then copper-riveted State of Montana. His election to the U.S. Senate in 1912 coincided with the coming of Woodrow Wilson's new freedom, with the revolt against the invisible government of vested privilege. He became a leader of that uprising—one of the small galaxy in Congress which was to make our democracy conscious of its responsibilities in a changing age.

The great domestic reforms of the Wilson administrations—popular election of Senators, preferential primaries, Federal income tax, woman suffrage, and much else—found in Walsh an effective champion. Yet, unlike three other great contemporaries of his in the Senate, Robert La Follette, George W. Norris, and William E. Borah—his fellow crusaders for economic and social change—Walsh was no isolationist. He supported Wilson's declarations of war and his fight for United States entry into the League of Nations. But he opposed the violations of civil liberties that accompanied the administration of the espionage act by Wilson's Attorney General, A. Mitchell Palmer, and Postmaster General Burleson. He denounced these procedures as "a departure from American methods" and as betraying a "contemptuous disregard for constitutional guarantees and essentials of liberty." Walsh was a stanch Democrat, but his integrity and decency lifted his attitudes and actions above party expediency.

Almost single-handed, he brought the corruption of the Harding administration into daylight by an unrelenting pursuit of the facts in the Teapot Dome and Elk Hills oil scandal. Secretary of the Interior Albert B. Fall, Harry Sinclair, and others went to jail, and ultimately the missing Liberty Bonds, which figured as a part of the loot of that gigantic swindle, were tracked to the Republican National Committee.

Tom Walsh belongs in the category of the truly great Senators. I share the view expressed by the able junior Senator from Montana [Mr. MANSFIELD], that had the number of Senators who were chosen for special recognition by having their portraits in the Senate reception room numbered seven instead of five, Senator Walsh would rightfully have been included in that distinguished company.

It is my reasoned view that the verdict of history will pronounce Tom Walsh to have been one of the great statesmen of the first half of the 19th century and will give him high place in the entire history of this great deliberative body, along with such giants as Thomas Hart Benton, Daniel Webster, Henry Clay, and with his contemporaries, George W. Norris, William E. Borah, and Robert M. La Follette.

Mr. President——

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senator from Alaska.

WHAT U.S. POLICY TOWARD FRANCE SHOULD BE

Mr. GRUENING. Mr. President, Walter Lippmann, whose columns are always vital and valuable, treats today a subject that has had relatively little recent attention from the columnists and editorialists of our Nation. The subject deals with our relations with France.

Mr. Lippmann indicates his view that in our relations with France we are entering what may be, as he well says, "unhappily," a rough and difficult time. He feels it will be a difficult time because President de Gaulle has raised a number of issues which Mr. Lippmann considers highly controversial.

The reasons why these issues are controversial are that the United States has for some years taken the attitude, which was based on a considerable degree of realism, that France had become a second-rate power and was not, as in the days of World War I, one of the Big Three or Big Four—United States, Great Britain, France, and Italy. It should never be forgotten that the principal reason for France's decline is that she was bled white in the battles for freedom. In fact, she held the fort while the United States was getting ready to fight.

President de Gaulle has a high purpose and deep determination to lift France from this inferior category back into the ranks of a first-rate power. It must be conceded that he has done extremely well in making a start in that direction. He has put an end to parliamentary instability and he has assumed the necessary powers to bring order out of chaos. He has done this not by the usual methods of dictatorship—by suppression, by abolition of long-established rights and freedoms—but by submitting the question of transfer of powers from the legislative to the executive branch of the Government to the people and securing from the people of France a popular mandate to carry out this needed administrative reform.

It seems to me clear that there is here, in our relations with the fifth French Republic, a great opportunity for the United States to reaffirm its great appreciation and love of democracy and liberty, which appreciation, regrettably, has not been conspicuous in our Nation's actions and attitudes in recent years. On the contrary, our foreign policy has gone out of its way to support and buttress dictators. It has encouraged and supported rulers who derive their powers not from any consent of the governed but have achieved rulership and maintained themselves by force, bloodshed, trickery, suppression, and ruthlessness. Instead of encouraging liberty, the United States has in many countries fostered tyranny. The United States has actually saved some of these dictators from the wrath of their people and from the fate of removal from office which justly should have been theirs.

It may not be appropriate for me to use this forum to name these dictators—I have no desire to embarrass the State Department—but the considerable list of tyrants and dictators in the Old World and in the New to the south of us whom we have subsidized and continue to subsidize is not one that should fill us with pride. Nor is there even on the part of these dictators the acknowledgment and recognition of our saving them from downfall.

On the other hand, we have in France the historic friend of the American people. France is a nation to which we owe an unpayable debt. Without the assistance of France, our Nation's birth pains, in our war of independence, would have been far greater. It is even possible that without France's gallant aid we might not have succeeded at that time in liberating ourselves from Old World colonialism. Again, in World War I and in World War II, French boys and American boys fought side by side in the cause of freedom, and the best blood of both nations' sons was shed on the battlefields of France and elsewhere.

For a century and a half, a period roughly corresponding to our own existence as a Nation, the French people, by and large, have carried the torch of liberty which it has been our pride to hold high. Despite relapses of one kind or another, despite intervals of monarchy and confusion, the spirit of freedom has burned unquenchably in the hearts and minds of Frenchmen. France has been the bearer of civilization in Western Europe for nearly 2,000 years. France is the only nation, let it be noted, which in the recent and contemporary epoch of turmoil—an age which has seen the rise of totalitarianisms of the right and left—has succumbed to neither. France has gone neither Fascist nor Communist.

It would be well if the State Department turned a new face toward these freedom-loving friends of ours and viewed sympathetically the demands, which seems to me wholly reasonable, of President de Gaulle for full equality in the NATO partnership—an equality which properly calls for treatment corresponding to that which we are according our British friends.

Such a course and attitude would be a welcome departure from the deplorable and depressing policy of supporting half-savage and ruthless dictatorships all over the world, which policy, inconsistent with our best traditions, the United States has in recent years seen fit to follow.

Our mutual security will be greatly strengthened by a strong France. Our security and that of the free world has a great and vital stake in the success of President de Gaulle's enlightened efforts to end colonial practices in Algeria. He has courageously defied his own Imperialists and Tories by providing for full and equal suffrage in Algeria for French and Moslem alike, and has proclaimed as his policy and purpose that that north African region's future will be determined by popular vote. It is a daring and inspiring effort to abolish colonial practices by substituting democratic performance. The United States should be greatly concerned for the success of that policy, and should, in my view, go a long, long way in according it, the cooperation that President de Gaulle seeks.

As Robert C. Doty, in his recent excellent and comprehensive series of articles in the New York Times on the emergence of France under De Gaulle's leadership, summarized it:

> If the inevitable political evolution of Africa takes place within the sphere of democracy the huge continent could become an economic, politic and military bastion of that world. If, on the other hand, the young African nationalists should turn toward Moscow or Peiping for inspiration, guidance and material help, the loss would be a staggering blow to the West.

How clearly this penetrating summary suggests a sound policy for the United States. It may be a new policy in terms of much that our Nation has done in foreign relations in recent years. But would it not be a sound return to an older and more cherished American policy of holding to old, tried and true comrades in the battles for freedom and in welcoming warmly to our side the supporters of democratic practices and the friends of liberty?

I ask unanimous consent that Walter Lippmann's excellent article entitled "Franco-American Relations," be printed at the conclusion of my remarks. The title should not mislead anyone into thinking that this is a discussion of American relations with the dictator of Spain, but is, on the contrary, a discussion of American relations with our traditional friend and long-time ally, France.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FRANCO-AMERICAN RELATIONS

(By Walter Lippmann)

In our relations with France we are entering what may, unhappily, be a rough and difficult time. Immediately and specifically, this is because General de Gaulle has raised a number of large and highly controversial issues. But before we look at them, it will be useful to understand, if we can, the historical situation in which the issues have been posed.

Since the war which ended 15 years ago Franco-American relations have been based on a premise which was never openly avowed but has always been assumed both in Paris and in Washington. The premise has been that France, though it is counted among the victors, was in fact defeated, and that her colonial empire is in the process of dissolution, and that she is no longer a first-class power. The chronic instability of the postwar governments in France, the budgetary and monetary disorders, supported this view. Our Government acquired a habit of not consulting France regularly and genuinely, and indeed of treating her with less intimacy and confidence not only than Great Britain but even Western Germany. On two recent occasions which might have led to a war involving France—the landing in Lebanon and the affair at Quemoy—there was no full consultation with Paris.

The advent to power of General de Gaulle was bound to mean, as it has meant, that France would not accept the lower position which she has occupied. She has been regarded not only as not so great a power as the U.S.S.R. and the U.S.A. but not even as being in the second rank with Great Britain or even with Adenauer's Germany. We must never forget that General de Gaulle, to his everlasting honor, is the Frenchman who never surrenders and who never accepted defeat, and it is a kind of historic justice that he should be the man

who now insists that France must not be treated as a defeated and inferior power.

In this context we may look at the issues. They were raised diplomatically last summer and then in a note addressed to President Eisenhower and Prime Minister Macmillan on September 24, 1958. This note has never been published. But it is said to set up three French objectives.

One is that NATO, which is now a regional pact, shall become a global alliance in which France, Britain, and America have the same policy and the same strategy in Europe, Africa, and in Asia.

The second is that these three powers shall control collectively the use of nuclear weapons anywhere in the world—in the Far East quite as much as in Europe.

This third is that France shall have access to our nuclear secrets. This would mean that we undertook to enable France to become a nuclear power without the long and enormously expensive experimentation which Great Britain has gone through. The basic French argument here is that in the world today a first-class power is by definition one with nuclear weapons, and that France must be treated in fact, not merely in form, as a first-class power.

It is not quite clear to me whether these objectives should also be called demands. But there is no doubt at all that the French Government is serious, and this will entail serious discussion and negotiation. The French Government is backing up its policy by drawing away from the integration of military forces under General Norstad and the North Atlantic Treaty Organization. There is no question of the French allegiance to the Atlantic Pact as a military alliance. But it is not improbable that General de Gaulle has a poor opinion, both politically and militarily, of the NATO establishment with its headquarters near Paris. Thus, it is likely that the existing NATO establishment would have to pay for a failure to satisfy General de Gaulle.

Can we satisfy him? We must put the question this way because in fact only the United States could satisfy him. It is obvious that we cannot satisfy him entirely. This Congress surely will not amend the law about communicating nuclear secrets. Nor is it possible for the President to make an unqualified commitment that we will in all circumstances support France in Algeria. There is today every disposition to support General de Gaulle in Algeria. But no one can say in advance what we shall do if General de Gaulle is overpowered by the extremists.

Where we can do something useful and important is to come to a solemn understanding with France, and of course with Great Britain also, about the use of nuclear weapons anywhere in the world. Such an understanding would have to have as its corollary a much higher degree of consultation about global policy than exists today.

To bring this about there should be an understanding carefully negotiated by the Secretary of State, who is especially well qualified to do that. This understanding might well be ratified by a personal meeting between the President and General de Gaulle. It would be well worth a special trip to Paris.

THE ECONOMIC PICTURE

Mr. KEATING. Mr. President, yesterday in a colloquy with the senior Senator from Pennsylvania [Mr. CLARK] and the junior Senator from Wisconsin [Mr. PROXMIRE], we discussed the rate of economic growth in human welfare in recent years.

During this colloquy, statistics were submitted, which appear in yesterday's RECORD, showing the rise in total and per capita output of our economy. The charge was made that our rate of growth in total output has slowed down in recent years, particularly on a per capita basis. These figures on total output, of course, include everything—consumer spending, Government spending, investment by business firms, inventory accumulation, national defense, and so forth.

It was my contention that an equally appropriate measure of our rate of growth would emphasize the things which mattered most to people—the goods and services which they consume. I promised to place in the RECORD today some statistics showing the rise in consumption expenditures in recent years.

While it would be a mistake to place too much emphasis on any one series of numbers, these figures show clearly a rising improvement over the last 10 years.

Dr. Raymond J. Saulnier, Chairman of the President's Council of Economic Advisers, summed up the picture in congressional testimony earlier this year. His analysis was as follows:

> From 1947 to 1952 the annual rate of increase of the consumption sector of our economy was 2.9 percent.
>
> From 1952 to 1957, it was 3.8 percent.

Dr. Saulnier also observed significantly:

> Let me interpolate by saying that, as I understand an economy, its ultimate purpose is to produce more consumer goods. This is the goal. This is the object of everything that we are working at: to produce things for consumers.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table which shows the postwar rise in consumer spending, both total and per capita.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Personal consumption expenditures, total and per capita

[In terms of 1958 prices]

Year	Total (billions)	Per capita
1947	$214.0	$1,485
1948	214.3	1,462
1949	219.9	1,473
1950	234.4	1,546
1951	233.4	1,512
1952	239.1	1,523
1953	251.2	1,573
1954	255.9	1,576
1955	277.2	1,677
1956	286.3	1,702
1957	292.3	1,707
1958	290.6	1,670

Source: Council of Economic Advisers.

Mr. KEATING. Mr. President, I emphasize that in this table the figures are in dollars of constant value. The effect of inflation has been eliminated by adjusting for changes in the consumer price index. Therefore, the increases shown in recent years are "real," not just dollar increases.

This table enables us to observe that our per capita consumption expenditures were $1,523 in 1952, hardly much higher than the levels prevailing in the late 1940's. Then from 1952 to 1957, they rose dramatically from $1,523 to $1,707. The decline last year, due to the late recession, will be far more than offset by this year's vigorous recovery.

This is evidence of a very material advance in economic welfare for our people during the last 6 years.

Mr. PROXMIRE. Mr. President, I am glad to have been on the floor of the Senate when the Senator from New York made his statement. I think this is an excellent contribution to our discussion. I shall be very much interested in studying the figures which the Senator has submitted.

I understood the Senator to say that this was on a per capita basis as well as on the basis of constant dollars.

Mr. KEATING. That is correct.

Mr. PROXMIRE. I think that is extremely interesting. I feel certain the Senator from Pennsylvania [Mr. CLARK] also will want to study these figures and evaluate the judgment we made before, in terms of this new information, which we had not had.

I thank the Senator from New York.

Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

INTEREST RATES FIXED BY FEDERAL RESERVE FOR 40 YEARS

Mr. PROXMIRE. Mr. President, the first line of defense of those who defend the President's request for a statutory increase in interest rates has been that the Government has little or no control over interest rates. This is something, according to the arguments of many editorial writers and financial commentators, about which the Government can do nothing. Indeed, this is the line the Secretary of the Treasury has taken in asking the Ways and Means Committee for this boost. He has insisted that the law of supply and demand working in a free market alone does and should determine the level of interest rates.

That excellent publication U.S. News & World Report published a devastating answer to this contention in an article in the current issue. Six business cycles are charted since 1919. In every single case, without exception, the Federal Reserve Board deliberately increased and decreased interest rates. These manipulations included the administrations of Warren Harding, Herbert Hoover, and Dwight Eisenhower, as well as those of Wilson, Roosevelt, and Truman.

Whether the policy was wise or not is, of course, subject to debate, but the U.S. News analysis indicates that in every case the boom was checked and business began to decline sharply shortly after interest rates had been raised to high levels.

The article not only proves that Government, through the Federal Reserve Board, can and does regulate interest rates; it also spells out concisely the consequences to housing, installment credit, plant and equipment, and Government.

Mr. President, I ask unanimous consent to have the article printed in the RECORD following these remarks.

There being no objection, the article was ordered printed in the RECORD, as follows:

[From U.S. News & World Report, June 22, 1959]

WILL TIGHT MONEY HURT BUSINESS?

With the latest boom in business still young, this question is being asked: Is tight money going to hurt business and bring an early end to another boom?

Even now it is becoming increasingly difficult to borrow. It costs more to borrow money than at any time in 25 years or more. The Government itself is having to ask Congress to raise ceilings on the rate of interest that it can pay to lenders under existing law.

What you find is this: The Federal Reserve Board has moved more swiftly and with more directness than in most previous periods of business expansion to limit the supply of money and thereby raise the cost of borrowing. It has moved as fast and as strongly as it has out of concern that the rapid upturn in business may lead to revived boom and to another period of active price inflation.

TWO OBJECTIVES

Those who shape money policy are described as seeking two goals:

1. The first objective of tightened money is to check speculation in the stock market and to lower the chance of an overexuberant rise that might be followed by a crash.

2. Another objective at this time is to restrain use of credit to finance an expansion in business of a speed and scope that would encourage a new round of wage and price inflation.

The White House and the Federal Reserve Board are agreed that the time has come when the Federal Government has no choice but to use whatever power it has to check the erosion in the value of the dollar. Tight money is a major weapon for use in resisting inflation.

TROUBLE FOR BUSINESS

Does this mean that trouble probably lies ahead for business?

The answer is this: It all depends. There is no intent or desire to choke off business expansion. Highest officials make that clear. However, if stock-market speculation grows greater, or if a new wage-price spiral gets going strongly, steps will be taken to make money even more tight and costly to borrow. Officials also make that clear.

Whether the present prosperity will be relatively short and hectic, or whether it will be more orderly and more prolonged, depends upon how the country acts. If Congress holds down on spending, and if unions restrain wage demands, and if employers resist an urge to raise prices substantially, then further steps to tighten money may be avoided.

BOLSTERING THE DOLLAR

Future action will be guided by two official conclusions:

1. The first conclusion is that it is better to take a chance on having some unemployment than it is to permit further erosion in the value of the dollar. People who save and do not speculate have suffered severely in recent years, and savings are at the root of private capitalism.

2. The second conclusion is that this country cannot afford to have the outside world lose confidence in the American dollar. A run on the dollar from abroad could lead to an outflow of gold that would be serious.

The outlook for business, on this basis, depends on whether speculation in the stock market is restrained and on whether a new wage-price spiral of an active sort is avoided.

But, it is asked, does the mere fact that money becomes more difficult and more expensive to borrow mean that a boom can be checked?

A glance at the accompanying chart helps to provide an answer. Experience indicates that, whenever the Federal Reserve Board has moved to check a boom, it has achieved its purpose. At times, the results have been rather drastic, as in 1920–21, in 1928–29, and in 1936–37. The time it takes to restrain exuberance in business or in speculative markets, as well as the number of steps it takes to establish control, has varied with each boom period.

In the present period of business expansion, the first step to make borrowing more expensive came in September 1958 when the country still had its mind on recession. At that time, banks could borrow from the Federal Reserve system by paying a discount rate of 1.75 percent. In four steps over a period of 9 months, that discount rate had doubled, and was 3.5 percent.

A rising demand for money has bumped against a limited supply of money, causing a rise in the price charged to those who borrow.

WHAT TIGHT MONEY DID

The practical effects of this development already are many.

Housing

It already is more difficult and more costly to borrow for building. Individuals all over the country are having to change their plans about buying or building houses. The boom in residential building will gradually be slowed by tight money.

Installment credit

A gradual increase in the cost of borrowing to buy a new car, or to buy other things bought on time, is starting. This may have some effect on expansion of borrowing to buy—an expansion strongly underway. Officials would like, but are not now asking for, revival of direct controls over installment credit.

Plant and equipment

Businessmen are having to pay a higher price for money with which to finance expansion. However, expansion plans are only beginning to be carried out on a rising scale, and there is no indication that they will be slowed by any moves yet made to make money tight.

Government

The Government in Washington is under strong pressure to balance its budget. Borrowing has become very expensive and quite difficult. This means a check to the rise in Federal spending. State and local governments, too, are having to pay more for money. Their spending will continue to rise but at a slower rate.

What you'll notice is that there is nothing in the present outlook to suggest that tight money will put any severe brake on growing prosperity. Residential building may be most directly affected.

OUTLOOK: GOOD, BUT—

The prospect for business now is being sized up this way:

1959

Some slowing in the summer, to be followed by a new rise in the autumn. The rise that lies ahead will be at a more moderate rate than in the recent past.

First half of 1960

This will be a period of good business, with new records of activity to be set in most lines. If exuberance is held in check, the outlook for continued prosperity will be good. The Federal Government in this period will not be competing with private borrowers for money—a fact that may help restrain any rise in interest rates.

Second half of 1960

It is probable that business will run into something of a test during the summer and autumn of next year. If inflation has been avoided in the meantime, any adjustment could be mild. If inflation should gather steam, however, the restraints that would be applied could bring a real check to prosperity, and a setback.

The duration of present prosperity, Government appraisers point out, is tied closely to whether forces of wage-price inflation are brought under control. If they are, prosperity will be prolonged. If not, money will grow progressively tighter, and business may be hurt.

[From U.S. News & World Report, June 22, 1959]

SIX TIMES WHEN MONEY WAS MADE TIGHT AND WHAT HAPPENED

THE 1919–22 BUSINESS CYCLE

In 1919, business was booming, and demand for credit was high.

November 1919: Reserve Board began to tighten money. By June 1920, the Board had increased from 4 percent to 7 percent the interest charged on loans to banks.

February 1920: Business activity reached its peak and began to decline—3 months after money was tightened.

May 1921: Reserve Board began to loosen money—to make it easier to borrow.

July 1921: Business hit its low and started to improve.

December 1922: Business reached a new high. The cycle had run 3 years.

THE 1928–32 BUSINESS CYCLE

In 1928, business was good, stocks booming on borrowed money.

February 1928: Reserve Board started to make money tight and more expensive to borrow. By August 1929 interest charge on loans to banks was up to 6 percent.

August 1929: Business hit its peak.

October 1929: Stock-market prices crashed.

November 1929: Reserve Board began to take steps to make money easier and cheaper to borrow. By May 1931, interest charge to banks was down to 1.5 percent.

June 1932: Stocks hit their low.

March 1933: Business hit its low, and began slow improvement. Full recovery did not come until World War II, in spite of low interest rates and easy money.

THE 1936–38 BUSINESS CYCLE

In 1936, business had improved enough to get attention, with demand for credit rising.

August 1936: Reserve Board made money tighter by increasing the reserves that banks must maintain back of loans. The last of a series of increases came in May 1937.

July 1937: Business hit its peak and started down, 11 months after the first move to tighten money.

April 1938: Reserve Board acted to make money easier to borrow.

May 1938: Business hit its low and began to recover.

December 1939: Business activity reached and passed the peak of 1937.

THE 1948–50 BUSINESS CYCLE

In 1948, business was active, and demand for credit was high.

February 1948: Reserve Board moved to make money tighter by increasing reserves banks were required to hold.

October 1948: Business hit its peak and started to decline.

May 1949: Reserve Board began to make money easier to borrow.

October 1949: Business hit its low and began to recover.

June 1950: Korean war began and business boomed. Money was abundant and cheap. By August, credit was being restrained again.

THE 1952–55 BUSINESS CYCLE

In 1952 and early 1953, business was in the Korean war boom, with demand for credit high.

January 1953: Reserve Board cautiously moved to make money a bit more costly to borrow.

July 1953: Business was at its peak. A decline started as Korean war truce came that month.

July 1953: Reserve Board lowered reserves banks must hold against loans.

February 1954: Reserve Board took additional steps to loosen money and lower cost of borrowing.

August 1954: Business hit its low and began to recover. In this cycle, cuts in military spending and inventory liquidation were the dominant factors.

THE 1955–58 BUSINESS CYCLE

In 1955, business moved into what became the postwar period's biggest boom. Industry borrowed heavily to expand.

April 1955: Reserve Board began, with cautious moves in 1955 and 1956 and a bolder move in August 1957, to tighten money and to make it more expensive to borrow.

February 1957: Business reached its high and started the decline that became the most recent recession.

November 1957: Reserve Board started to make money cheaper and easier to borrow. By April 1958, banks could borrow for 1.75 percent interest.

April 1958: Business hit its low and started the swift advance to present new highs.

THE 1958–? BUSINESS CYCLE

In second half, 1958, and early 1959, business moved up sharply, with credit use rising.

September 1958: A few months after the 1957–58 recession ended, the Reserve Board moved to make it more costly to borrow. In November 1958, and March and May 1959, other moves followed to make it more costly to borrow.

June 1959: Business at a new high.

Big question: Will tight money once again, as in the past, put a brake on business expansion and bring a later setback?

THE EUROPEAN ECONOMIC COMMUNITY

Mr. JAVITS. Mr. President, our country is playing host right now to President Walter Hallstein, Etienne Hirsch, and Paul C. E. Finet of the European Economic Community. An integrated and coordinated free Europe has for so long been an objective of American foreign policy that this visit has unique and special significance of a historic character. Yesterday in New York at a luncheon presided over by the Honorable Thomas E. Dewey, the former Governor of New York, and given by the American Committee on United Europe, whose chairman is the Honorable William Foster, former U.S. representative to the Marshall plan countries, the three Presidents expounded the aims and methods of their organizations and besought continued U.S. support for them which it so much deserves.

I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "The European Community," published in the New York Times of today, June 16, 1959, relating to this special event.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE EUROPEAN COMMUNITY

While the Western Foreign Ministers battle at Geneva to ward off the Soviet challenge to the North Atlantic alliance, the shield for all free Europe, the free European nations move steadily behind that shield toward closer integration. This is in turn designed to strengthen them economically and politically and is therefore also a target of Soviet attack. Unfortunately, because of divergent interests, these nations move not in one but in two separate columns. Their leaders hope and work for mutual cooperation and freer trade but face the danger of rivalry and even of a trade war.

The two movements are symbolized by two separate meetings, one in New York yesterday, the other concluded at Stockholm over the weekend. In New York the three Presidents of three Europeans communities expounded anew, at a luncheon given them by the American Committee on United Europe, the aims and methods of their organizations and besought continued American support for them.

These organizations are the European Economic Community, inadequately described as the Common Market; the European Atomic Energy Community, and the European Coal and Steel Community. Comprising France, West Germany, Italy, Belgium, the Netherlands, and Luxembourg, with a combined population of 170,000,000, these organizations already represent a formidable economic bloc. What is more, they function under prefederative, supranational authorities, including a common executive, parliament, and supreme court.

Under the guidance of these authorities, and in a functional approach to European unification, they have started to establish among the six nations a customs union that will abolish all tariffs and other trade barriers within it but maintain a common tariff toward the outside world, using atomic energy as reserve power. But the supranational authorities are tokens of a far greater aim which, in spite of some resistance in France and Germany, remains a "United States of Europe" open to all European States.

At Stockholm, on the other hand, economic experts from seven other European nations have just worked out a blueprint for a free trade area among them to be completed by a meeting of their Cabinet Ministers next month. The seven nations are Britain, Norway, Sweden, Denmark, Portugal, Switzerland, and Austria, with a combined population of 85 million. Like the European Communities, they propose to abolish all tariffs within the area, at least for industrial products, with the aim of either defending themselves against the discrimination of the Common Market or at least bargaining with it more effectively. But they will not form a customs union; rather each member will keep its own separate tariff, which will enable Britain to maintain its empire preference system. Likewise, they reject supranational authorities and will follow the British principle of association among nations.

The United States has urged European unification ever since the Marshall plan. We must hope, therefore, that Europe will find a way to reconcile its trade interests and its political necessities—for, indeed, it must unite or perish.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The PRESIDING OFFICER. The question recurs, Will the Senate advise and consent to the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce.

Mr. O'MAHONEY obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. O'MAHONEY. I yield.

Mr. MANSFIELD. I suggest the absence of a quorum. Before the quorum is called, I suggest that the attachés of the Senate notify the offices of Senators that this may be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE INVASION OF LEGISLATIVE POWER

Mr. O'MAHONEY. Mr. President, yesterday I announced it would be my purpose today to discuss the pending nomination of Lewis L. Strauss to be Secretary of Commerce. The nomination made by the President was recommended by the Interstate and Foreign Commerce Commission, by a vote of 9 to 8, for confirmation by the Senate.

I am one of those who believe that the nomination should not be confirmed. It was for that reason that on yesterday I gave notice of my intention to discuss the question today, in the hope that it might be possible to secure a quorum for the purpose of laying before the Senate some of the fundamental, basic facts which are involved in this matter. I am told, however, that some of the Members of the Senate are absent because there is pending a policy committee meeting of the minority party.

I wish that I could talk to that policy committee meeting instead of talking to empty desks on the floor of the Senate. If I were to talk to them, my purpose would be to urge upon the minority Members of the Senate that they send a message to the President of the United States asking him to withdraw the nomination of Admiral Strauss, in the interest of promoting comity and community of action between the executive and the legislative branches of the Government.

Of course, I do not believe they will do that, and I doubt whether it would be worth while for anybody to make an attempt to induce them to do so. But I should like to say to the Senate and to the public at large that the constitutional fathers, when they drafted the document upon which our Government stands, believed that the lawmaking power was the most important power the new Government could possess, because in their view the new Government to be established upon this continent should be a government of the people, and not a government of any group or class or man. They provided for that in the very first article of this immortal document. When I say "immortal," I do not mean that it necessarily will not pass into the limbo of history, because I think there is now grave danger that the Congress

itself will sacrifice the great and honorable position into which it was placed by the Founding Fathers.

LEGISLATIVE POWER

The Founding Fathers described the Congress, what it was, and what its powers would be, in the very first article, saying in words of simple connotation:

All legislative Powers herein granted shall be vested in a Congress of the United States.

Observe that language:

All legislative Powers herein granted shall be vested in a Congress of the United States.

The first article did not say "all powers shall be vested in the judiciary"; it did not say they shall be vested in the executive; it said they shall be vested in the Congress, because the Congress is composed of representatives of the people.

As this document, the Constitution of the United States, was written, the House of Representatives alone was chosen by the people. The Members of the Senate were chosen by the State legislatures. The time came when the people of the United States believed that the people should have the choice of electing the Senators, too; and so the Constitution was amended, in the way prescribed by the Constitution itself, and it was then ordained that the Members of this body should be elected, not by the legislatures of the several States, but by the people of the several States.

That action was an enactment of the whole people of the United States, confirming the belief, which had been growing and growing and growing, that this Government, as an agency of the people, and not of any group or class or individual, was becoming a model for the whole world.

Things have changed. Now the stark fact confronts us, as I am about to demonstrate, that the legislative power is passing from the people to the Executive.

POWER PASSING FROM THE PEOPLE

Mr. President, I hold in my hand a volume of U.S. Statutes at Large. This volume contains every public law enacted by the Congress of the United States in the 1st session of the 85th Congress in 1957—one volume. This volume, excluding the index at the back, contains 649 pages on which the laws are printed. Private laws follow the listing of public laws. Then there is a list of concurrent resolutions and an index including several other pages. This entire volume, Mr. President, does not embrace more than 750 pages but it contains all the laws enacted by one session of Congress.

Now I am going to demonstrate what is enacted by Executive order. I have in my hand part 4 of volume 22 of the Federal Register containing a portion of the Executive orders and regulations issued by the President and various departments of Government. This is only one volume.

Let me have another volume, Mr. O'Callaghan.

And let me have another one.

I am not a juggler, but there are some jugglers with the laws of the United States now operating in the Government of the United States.

Let me have another volume, Mr. O'Callaghan. I do not want to fall carrying that volume, so hold it for a moment.

There are 1, 2, 3, 4, 5 volumes, each one of which is at least 3 times as large as the volume containing the public laws of the Congress.

Thank you, Mr. O'Callaghan, for No. 6. Are there any more? [Laughter in the galleries.]

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The visitors in the galleries will remain silent. They are guests of the Senate and will conduct themselves as such.

Mr. O'MAHONEY. Are there any more? Stand and shake your head, Mr. O'Callaghan. I want this to register with the occupants of the galleries.

VOLUMINOUS EXECUTIVE ORDERS

These are six volumes of the Federal Register, containing the Executive orders of the President of the United States, and the regulations of the departments of Government, which have the force and effect of law. Although the Constitution of the United States provides that the President shall not make an appointment of a Cabinet member without the advice and consent of the Senate, it took six volumes to print the regulations issued by Cabinet officers, together with the Executive orders of the President.

I show these volumes, Mr. President, to the Senate, to the occupants of the galleries, and particularly to those in the Press Gallery.

I turn the volumes around, so that the press representatives may see the backs of these six volumes of the Federal Register, which the Government had printed at the Government Printing Office, and which contain the Executive orders and regulations issued by the executive branch of the Government during the year 1957, the same year when this small volume I balance in my hand was sufficient to print all of the public laws.

There is growing up—and this is the question I wish to discuss with the Senate, with the country, with the occupants of the galleries, with the press and with the empty seats on the Republican side, save only the seat of the senior Senator from California [Mr. KUCHEL]——

Mr. KUCHEL. Mr. President, will my friend yield?

Mr. O'MAHONEY. I yield.

Mr. KUCHEL. Let the RECORD show that the time is 1:30, and that my colleagues are having their weekly Republican policy luncheon meeting, something which I believe the RECORD also shows is a custom unbeknown to and unshared by my colleagues on the Democratic side.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to my colleague from Wyoming.

Mr. McGEE. Would the distinguished Senator from California suggest the Republicans might be having a policy session at this luncheon? We believe, on the Democratic side, that we ought to have each individual Senator make up his own mind on these questions.

Mr. KUCHEL. I am sure my able friend from Wyoming believes that.

Let me say, Mr. President, that one of the delightful and constructive things which Republican Senators share is this weekly policy luncheon, at which we break bread together and discuss our country's problems, sometimes a little vigorously, and then, responsive to God and our consciences and the Republican Party in about that order of things, we come to the Senate Chamber, where we cast the votes we believe we should in the public interest.

Mr. O'MAHONEY. Mr. President, I want the RECORD to show that it is my privilege to serve on one of the great committees of the Senate with the Senator from California, who is the assistant minority floor leader; that is, the Committee on Interior and Insular Affairs. And let me say to the Senate that in that committee from time to time we have received rather comprehensive evidence of the pervasive influence of Wall Street upon the development of western resources. The Senator from California knows well that this administration put an end to the program of making synthetic fuel from coal and oil shale.

The Senator from California knows well that one of the great corporations engaged in the production of petroleum in the Middle East, in alliance with others, is now seeking to obtain control of the great oil-shale deposits of the United States. I say, Mr. President, the time has come when Members of Congress would better give heed to the gradual slipping away of the authority of Congress and its absorption by the executive branch of the Government.

THE PRESENT CASE

It may be asked, Why does the Senator from Wyoming raise this question of statutory law and Executive law in the present case? This is the reason—and I wish to state this question very clearly and very bluntly: Can a valid claim for Executive privilege, that is, the privilege to refuse to disclose what has been done, be based upon an invalid contract? Will anyone say that such a claim can be based upon an invalid contract? No one would say that. My good friend from California, who asked me to yield to him a moment ago so that he could announce that the Republican Members of the Senate are enjoying a luncheon, does not seek to interrupt me now to answer that question.

A valid claim to Executive privilege; that is, to the privilege of denying to the people of the United States the right to know what their Government is doing, cannot be founded upon an invalid contract. Yet that is precisely what the President's nominee for Secretary of Commerce has been doing, certainly throughout his career as head of the Atomic Energy Commission, when there was challenged the contract which he signed, the contract which he helped to negotiate with the officers of two private utility holding companies in order to establish a then nonexistent subsidiary of such holding companies to take over from the Government of the United States a contract to produce electric

power and sell it to the people of Memphis, Tenn.

Do I say it was an invalid contract? Do I ask Members of the Senate to shape their votes on the question of confirmation on the basis of my statements? Not at all. Disregard my statements, so far as they are statements urging Senators to act this way or that way. Give them only the weight to be accorded to a colleague's opinion. But in this matter I cite the fact that the Department of Justice is the authority which I am now using. The Department of Justice has filed a pleading which declares that the contract about which Admiral Strauss refused to testify is an invalid contract; and he claims Executive privilege to keep this knowledge of what happened within his own breast.

Mr. President, I say again that this contract, about which Admiral Strauss, when he appeared before the Judiciary Committee, refused to give testimony, is a contract which the Department of Justice has denominated an invalid contract in the defense which it filed in the courts against the suit brought by Messrs. Dixon and Yates in the Court of Claims for damages in excess of $3 million, by reason of the fact that the President ordered the cancellation of the contract by the Atomic Energy Commission.

So my authority for the statement that there is no Executive privilege involved here, as claimed by Mr. Strauss, is based upon these two irrefutable facts:

First that President Dwight D. Eisenhower called upon the Atomic Energy Commission, of which Admiral Strauss was the Chairman, and demanded that the contract be canceled. It was canceled. Second, the Department of Justice filed a pleading in defense, alleging that the contract was invalid.

In order that there may be no doubt about this, I shall read a few extracts from this pleading. This is in the U.S. Court of Claims. It was filed by the Mississippi Valley Generating Co. This was the newly created subsidiary of Middle South and Southern Utilities Holding Cos. which made the offer that the nominee has declared from the beginning to the end to have been a sound and proper contract. Even today, after the cancellation of the contract was ordered, he contends before the Committee on Interstate and Foreign Commerce, as he contended before the Judiciary Committee, that the contract was a valid one. These are the affirmative defenses prepared by the Department of Justice against this suit for damages. I am reading from page 167 of the report of the Committee on the Judiciary:

> The alleged agreement set forth in the petition is in violation of the statutes and laws of the United States and is unlawful, null and void, and contrary to public policy for the following reasons, among others.

I hope that this message from the Department of Justice may be carried to the luncheon of our Republican friends. I am glad to see the Senator from North Dakota [Mr. LANGER] in his seat on the floor of the Senate. He was a member of the subcommittee of the Committee on the Judiciary which held the hearings before which the nominee for Secretary of the Department of Commerce refused to answer the questions of the members of the committee.

Mr. President, send the word to the luncheon hall, wherever it may be, where the Republicans are gathered, that the Department of Justice says that the Dixon-Yates agreement, set forth in the petition, is in violation of the statutes and laws of the United States, and is unlawful, null and void, and contrary to public policy.

Are we, the Members of the Senate, going to confirm the nomination of this nominee to be Secretary of Commerce, a man who insisted upon pushing through to fruition a contract which the Department of Justice says is null and void? They will not answer me now, because they are not here. But when they return, I wonder how many will rise and say, "Certainly, the Senate of the United States should confirm the nomination of a man who forced through a contract which the Department of Justice says is null and void, and should not be given any weight or value in the consideration of the Government of the United States."

They have filled the airways and the newspapers with the false claim that the President ought of right to be able to choose for himself, without the advice and consent of the Senate, any person to be a member of his Cabinet.

Now I will tell the Senate one of the reasons why that is not so.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MAGNUSON. I wonder if the Senator would yield at that point regarding the contract.

Mr. O'MAHONEY. I am glad to yield.

Mr. MAGNUSON. I merely wish to add to the Senator's excellent statement that the nominee, in answer to a direct question by members of the committee, as to whether he still thought the Dixon-Yates contract was a good contract, and not contrary to the public interest, still insists, in his direct answer to members of the committee, that it is a good contract.

Mr. O'MAHONEY. I thank the Senator.

Mr. MAGNUSON. He takes that position even at this late date, after all the hearings and the pleading by the Department of Justice in the Court of Claims, that the contract is not only null and void, but also contrary to public policy.

Mr. O'MAHONEY. This is the next statement in the Department of Justice pleading:

> DEPARTMENT OF JUSTICE PLEADING
>
> The alleged agreement is contrary to public policy, unlawful, and null and void by reason of the activities of one Adolphe H. Wenzell, a salaried vice president of First Boston Corp. of New York City, a financial institution specializing in the underwriting, sale, and marketing of corporate securities, including, particularly, those of public utilities.
>
> During periods in the years 1953 and 1954, Wenzell was employed by the Bureau of the Budget as a consultant with respect to problems concerning the furnishing, operation, and expansion of electric facilities in the area of the Tennessee Valley Authority (hereinafter referred to as the TVA) and concerning important aspects of the project involved in the alleged agreement. For a portion of said time the Bureau of the Budget was, in collaboration with AEC, actively engaged in the consideration and development of the project subsequently embodied in the alleged agreement.

I shall not read the remainder of that statement, but I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> During said period, Wenzell consulted with, advised, and represented the Government in certain important matters involved in the negotiations with respect to the alleged agreement and the project covered thereby, including the cost of the project and the costs involved in the sale by plaintiff of its securities to financial institutions in order to finance the project. During the same period Wenzell was, at all times, a salaried vice president of First Boston Corp. who consulted with, advised, and represented the First Boston Corp. with respect to its relation to said project, the alleged agreement, and its relations with plaintiff. During this period Wenzell further consulted with and advised plaintiff with respect to various matters relating to the project and the alleged agreement, which involved to a material extent the same matters concerning which he was employed to consult with, advise, and represent the Government, and in fact he assisted in negotiating and promoting the very project and alleged agreement between plaintiff and defendant which resulted in the employment by plaintiff of First Boston Corp. on behalf of plaintiff and as plaintiff's agent to effect the sale to various banks and insurance companies of plaintiff's securities, in an aggregate principal amount between $99,815,000 and $120 million proposed to be issued by plaintiff to finance said project.
>
> At the time plaintiff executed the alleged agreement, plaintiff had full knowledge of the duality of interests and relationships of Wenzell. The role played by Wenzell in consulting with, advising, and representing the Government, the First Boston Corp., and plaintiff with respect to the same project and the same alleged agreement, with contemplated benefits to the First Boston Corp., as well as to plaintiff, involved a conflict of interest so contrary to public policy as to render the alleged agreement null and void.

Mr. O'MAHONEY. I should add, however, that there is stated here under paragraph (C) of the defense:

> Any contract—

I am now quoting from the Atomic Energy Act of 1954—

> Any contract hereafter entered into by the Commission pursuant to this section shall be submitted to the Joint Committee—

That is the Joint Committee on Atomic Energy of Congress—of the Senate and of the House—

> shall be submitted to the Joint Committee and a period of 30 days shall elapse while Congress is in session (in computing such 30 days, there shall be excluded the days on which either House is not in session because of adjournment for more than 3 days) before the contract of the Commission shall become effective: *Provided, however,* That the Joint Committee, having received the proposed contract, may by resolution in writing, waive the conditions of or all or any portion of such 30-day period.

That is the end of the quotation from the law.

Now the Department of Justice:

> In November 1954, the alleged agreement was submitted to the Joint Committee on Atomic Energy of the Congress which by resolution purported to waive all of the 30-day waiting period. The submission, in November 1954, of the alleged agreement to the Joint Committee and the action taken by said committee in that month with respect thereto was not in compliance with the provisions of the act.

Then were set forth the reasons.

So the Department of Justice is the authority for the statement that the waiver by the Joint Committee was not in accordance with the law either. That action in November 1954, was not the action of the Congress which was elected in 1954; it was the action of the Congress which was elected in 1952, when members of the party who now, save for two excellent exceptions, are absent from the Senate floor while this matter is being discussed were in control of Congress. I am not surprised that they do not like to hear facts of this kind; just as I am not surprised that Admiral Strauss, the nominee for the position of Secretary of Commerce, did not want to answer questions which were propounded to him by the subcommittee of the Committee on the Judiciary.

Mr. President, I can show to my auditors that portion of the record of the hearings of the Committee on the Judiciary in which the Director of the Bureau of the Budget, Mr. Rowland Hughes, testified. He was called as a witness because, as the Department of Justice said, Mr. Wenzell was employed by the Bureau of the Budget. Mr. Wenzell was the famous vice president of the First Boston Corp., a financial institution engaged in floating bonds and other securities; the famous vice president whose counsel before the committee, Mr. Arthur Dean, is now a leading member of the New York City law firm of Sullivan & Cromwell, of which the late John Foster Dulles was formerly the principal member.

WENZELL'S TWO HATS

Mr. Arthur Dean, counsel for Mr. Wenzell, testifying before our committee, acknowledged that Mr. Wenzell was wearing two hats, one hat that of the Bureau of the Budget, the other hat that of the First Boston Corp., which was apparently interested in securing a flotation of bonds and other securities.

The First Boston Corp. afterward disclaimed any interest in getting a fee out of this contract. The First Boston Corp. became worried by the situation which was developing; so they withdrew. Of course, it was well that they did, because the Government of the United States, by the order of the President of the United States, canceled the contract, in spite of the fact that the nominee for the position of Secretary of Commerce felt then, and feels now, that it was a sound contract.

I read the testimony of Budget Director Rowland Hughes, from page 1220 of the hearings of the subcommittee of the Committee on the Judiciary on the Dixon-Yates contract. This statement is very important. I shall read it deliberately, because it is the statement of the head of the Bureau of the Budget, appointed by President Eisenhower, telling what he knew. These are the words he used in talking about the contract:

> I did not know anything about this, of course. This came to me as a finished job by Messrs. Dodge and Strauss, to find the solution by providing a relief to the TVA of its power in the power demands, of the AEC power demands on TVA.

Of course, Mr. Hughes was talking under pressure, and some of his language is a little confused, but not this part. These words are clear. Even the editors of the newspapers who are clamoring to let the President have his own Secretary of Commerce, and that the Senate should waive its constitutional rights, to give its consent, should understand this language. Let them read it. Let the members of the Press Gallery take notice:

> I did not know anything about this, of course. This came to me as a finished job by Messrs. Dodge and Strauss.

Mr. Hughes was washing his hands clean of any participation in the preparation of this invalid contract; but Admiral Strauss is still proud of it, although the President asked him to cancel it.

Shall the Senate place the seal of its approval upon this man, who is still in government, and who Director of the Budget Hughes testified was one of the authors of the invalid contract? Mr. Dodge, the other author, was the original Director of the Bureau of the Budget under the present administration. Admiral Strauss undertook to initiate the attempt to have the Atomic Energy Commission produce, by a contract of this kind, electric energy for the Tennessee Valley Authority. He was not a member of the Tennessee Valley Authority. He was Chairman of the Atomic Energy Commission, not of the TVA. Why, under heaven, did Admiral Strauss, the head of the Atomic Energy Commission, want to have a contract prepared for the benefit of the TVA? It was not really for the benefit of TVA. It was anything but for the benefit of TVA.

Mr. Dodge testified before our committee—and he made a clear statement there—that he sought to bring about a diminution of the activities of TVA. He wanted to cut the TVA appropriation, and he wanted to find some way, by some other operation, not a Government operation, to invade the area served by the Tennessee Valley Authority. That was a legitimate purpose. That was a question of public policy. That might properly have been a recommendation to the Senate and House of Representatives by the President. The Constitution authorizes the President to recommend to the law-making body what should be done. Every President has delivered his state of the Union message, in which—in compliance with the Constitution—he has recommended the enactment of legislation.

Mr. Dodge wanted legislation of that sort enacted. He wanted to have public power supplanted by private power. That is a perfectly legitimate desire.

CONTRACT BYPASSES CONGRESS

Mr. President, here I may say that this controversy over the question of the confirmation of the nomination of Mr. Strauss has been misrepresented as being a part of the conflict between public power and private power. That misrepresentation is intended, in order to invite the corporation of the conservatives, who oppose public power, to support the nomination of Admiral Strauss. That is not the question at all.

The question is whether the Executive shall legislate by Executive action, instead of letting the Congress do so by law. That is the question. If the Senate votes to confirm the nomination of Mr. Strauss to be Secretary of Commerce, the Senate will be placing its stamp of approval upon Mr. Strauss and it will be placing its stamp of approval upon the efforts to cut across the legislative power and, by Executive action, to do something which the Congress would not willingly do.

They were afraid to take the risk trying the legislative method. So, instead, they sought to proceed by that undercover method, through Executive action.

Mr. Dodge resigned and Mr. Hughes took over the place. Mr. Hughes continued to keep Mr. Wenzell on the job. It was Mr. Dodge who brought Mr. Wenzell to Washington, and put him in the Bureau of the Budget, to look up facts and figures in regard to power costs in the TVA, and to make calculations in regard to the interest rate upon a financial issue. Mr. Wenzell came from the First Boston Corp., of which he was vice president. Undoubtedly he was very well qualified to do such things. But even while he wore the hat of vice president of the First Boston Corp., he was recommending the terms and the conditions which were the basis of the invalid contract against which the Department of Justice is now defending the Government.

To show what a perfectly extraordinary effort that was to evade the Constitution of the United States and to detract from the legislative power and authority of Congress—an attempt by Executive action to do what the Constitution says only the Congress can do—let us remember that the Constitution provides that—

> All legislative powers herein granted shall be vested in a Congress of the United States.

So, Mr. President, if the Senate were to place its stamp of approval upon the man who was the head and the font in the creation of that invalid contract, the Senate would be cutting its own throat. But, more than that, the Senate would then be destroying the only legislative body in the United States in which all the people of the United States have representatives.

Mr. President, it was not my intention to discuss this matter at all, except that I felt it my duty to lay clearly before the Senate the essential facts, so that no Member of the Senate could be in any possible emotional doubt as to what his duty might be.

Mr. President, this question is not one of supporting the President. It was the

President who canceled the contract that Strauss organized. This question is not one of supporting private power instead of public power, because the invalid contract did not succeed in doing that, and there has been no change.

This question does not even involve a personal attack upon Admiral Strauss. I disavow completely, Mr. President, the slightest animosity toward Admiral Strauss. I confronted him in the hearing room. I sat across the table from him. I listened to his testimony. I interrogated him. I made no effort to entrap him; and probably I could not have done so. He is a very able man.

But I will say here that anyone who reads the record will know that the whole plan was one to short circuit the legislative power of the Congress. It was a clear case of an effort to change the law by which the Tennessee Valley Authority had a certain area to serve. But, more than that, it was a clear case of an intent to invade the legislative power of Congress, by authorizing the Atomic Energy Commission to make a new sort of contract—for which no authority of law had been established—to involve the Bureau of the Budget, the Securities and Exchange Commission, the Federal Power Commission, and the Atomic Energy Commission in a concerted action, not for the national defense, but for the extension of a special privilege to a favored few, through an invalid contract. Mr. President, the accuracy of that statement cannot be denied by anyone. It was a contract of special privilege. There was no effort to ask for public bids on the contract. If the contract had been authorized, the law would have required public bidding.

CONTRACT OF SPECIAL PRIVILEGE

The contract was not for national defense. It was solely for the purpose of giving a nonexistent subsidiary of two holding companies the power to do a thing which really was prohibited by the Securities and Exchange Act. And, Mr. President, I say that is something that cannot be tolerated in a free legislature or by any part of a free legislature.

Mr. President, at this time I wish to quote a declaration made by the nominee before the Senate Subcommittee of the Judiciary Committee which conducted the investigation. The quotation appears on pages 1163 and 1164. Mr. Strauss was answering the able Senator from Tennessee [Mr. KEFAUVER] who was inquiring about the basis for the claim by Mr. Strauss of Executive privilege. Senator Kefauver asked, in substance, on what Admiral Strauss based his claim of Executive privilege.

Mr. Strauss replied as follows:

Yes; on the theory that a conversation between myself and an aid to the President or the President is a privileged conversation as long as I am a member of the Atomic Energy Commission.

I read further from the hearing:

Senator KEFAUVER. And the Attorney General refused to back up Mr. Armstrong—

He was with the Securities and Exchange Commission—

and suggested that he did not have a privilege and should not claim it.

Mr. STRAUSS. If I am advised that I have no privilege by the Attorney General, I might still feel that my construction of the Constitution was one by which I should abide; but I have not received any such instruction and I have not asked for it, Senator.

Senator KEFAUVER. Admiral Strauss, will you ask the Attorney General for his opinion about your testimony?

Mr. STRAUSS. I will certainly do so, Senator.

Not a single word, so far as I know, has been heard since that time, except that the Department of Justice has filed a defense against the invalid contract by stating that the contract is invalid and never should have been entered into.

Mr. SCOTT. Mr. President, will the distinguished Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. SCOTT. Secretary Strauss took the usual oath of office to support and defend the Constitution of the United States. It is not my understanding that he took an oath of office saying that he would support and defend the Constitution of the United States as interpreted by the Attorney General. Therefore, may I ask the distinguished Senator from Wyoming if a sworn officer of the United States is not justified in stating that if he believes he is being asked to violate the Constitution, he should not violate it because some legal officer of the Government has advised him, for whatever reason, to answer certain questions.

Mr. O'MAHONEY. The Senator from Pennsylvania would not have asked that question if, instead of participating in the luncheon of the minority Members, he had been on the floor to listen to the beginning of this discourse. He would have heard the quotation from the Director of the Budget, Mr. Rowland Hughes, since departed from that position—as many of the others who participated in the beginning are no longer in official positions—that the contract came to him as a finished job from Dodge and Strauss; that Strauss initiated it. The Senator also would have heard me ask the question, "Can a valid claim for Executive privilege to deny to the representatives of the people information about public affairs be based upon his participation in writing an invalid contract?"

Mr. SCOTT. May I——

Mr. O'MAHONEY. Will the Senator answer the question?

Mr. SCOTT. I will be glad to answer the question by beginning at the first part of it.

Mr. O'MAHONEY. I invite the Senator to go right through to the end.

Mr. SCOTT. If I have missed any part of the question by the Senator from Wyoming, I am sorry. I have discussed this matter with him earlier. I think I am familiar with the point he makes. I cannot apologize for attending a meeting of the minority policy committee.

Mr. O'MAHONEY. I do not ask the Senator to apologize.

Mr. SCOTT. I am only glad the minority policy committee meets; I think it is most fortunate.

Mr. O'MAHONEY. The majority policy committee meets, too. The Senator is now making the natural argument of the advocates of the confirmation of the nomination of Strauss, trying to turn the issue with innuendoes and suggestions of impropriety or failure to do something.

Mr. SCOTT. On the contrary——

Mr. O'MAHONEY. Let us deal with the facts.

Mr. SCOTT. On the contrary, there is but one fact involved in my original question, and that is, Is not a man who takes an oath to support and defend the Constitution of the United States entitled, in view of that oath, to determine for himself whether he must answer questions, or whether the oath in fact inhibits or prohibits his answering the questions?

Therefore, nothing the distinguished Senator from Wyoming has said with regard to what Mr. Rowland Hughes may have said has any bearing whatsoever on the attempt to make it appear that an honorable public servant said—and I commend him for it—"If in my judgment I am asked to answer a question which violates my oath of office, I will not answer it."

Mr. O'MAHONEY. The Senator is making an incorrect premise. The fact is—and this was also stated before the Senator from Pennsylvania came on the floor—it was the President of the United States who ordered Admiral Strauss to cancel the contract; and even after that order to cancel, Mr. Strauss continued to proclaim that the contract was a sound one.

I suggest that the members of the minority of the Senate would be better engaged in defending the action of the President of the United States than in defending the action of a nominee who insists that he is his own judge as to what he should do in a case involving an invalid contract which was deliberately contrived to shortcircuit the constitutional legislative power of the Congress.

Mr. SCOTT. I assume the Senator from Wyoming has read the hearings. Under that assumption, the Senator doubtless will recall that the remark of the Secretary of Commerce, to the effect that the contract was a sound one, was accompanied by a statement somewhat to the effect that, in view of present costs of contracts, it would have been a better contract than that which was entered into. He used the phrase "sound one" with reference to some such language as "in light of current costs."

I am not here to argue an ancient contract with the Senator from Wyoming. I am here merely to point out that I think a public servant must always be his own judge as to whether he is adhering to his oath of office. That was the point which Secretary Strauss was making, and it seems to have been lost sight of in the constitutional address of the Senator from Wyoming.

I thank the Senator for yielding to me.

Mr. O'MAHONEY. I am always glad to yield to the Senator, but I must say his remarks are, in my judgment, irrelevant. They do not deal with the fundamental facts, first, of course, of the invalidity of the contract; second, that the President had ordered this contract

to be canceled; third, that Admiral Strauss is not a lawyer; fourth, that the Attorney General is a lawyer; and finally, that, so far as I know and so far as the record shows, the Attorney General never gave the admiral any advice, or, if he did, the admiral did not choose to take it.

Mr. SCOTT. The very able Senator from Wyoming frequently has cause to disagree with the Attorney General. I would suggest to him that he ought not to deny that privilege to others.

Mr. O'MAHONEY. Mr. President, I was discussing the importance of the issue of Executive privilege. First of all, let me say that we are asked to act upon the confirmation of a nominee to be Secretary of the Department of Commerce.

We must bear in mind that the question of the Executive privilege involves the authority of a person in the executive branch of the Government to refuse to answer questions asked by a committee of Congress. This is a question now pending before the Congress in various committees, both in the Senate and in the House of Representatives.

A document which I am trying to put my hand on does not seem to be readily available, but I have another which is equally important and which bears upon this question.

POWERS OF SECRETARY OF COMMERCE

We are dealing with the head of the Department of Commerce. How important this position is requires, probably, no particular argument. The Secretary of Commerce deals with all the trade and commercial problems of the United States.

On November 25, 1957, President Eisenhower by Executive Order No. 10741 established the Trade Policy Committee. This Committee consisted of the Secretaries of State, Treasury, Defense, Interior, Agriculture, Commerce, and Labor, with the Secretary of Commerce as its Chairman. Prior to this Executive order, recommendations on the administration of the Trade Agreements Act had been made directly to the President by an interagency committee known as the Trade Agreements Committee. This Committee, originally established in 1934, is composed of many representatives of the executive agencies and is responsible for developing detailed information and recommendations concerning the administration of the trade agreements program. The representative of the Department of State serves as Chairman.

But that is not so under the new Executive order.

The functions assigned to the Trade Policy Committee by the Executive order of November 25, 1957, are to: First, make recommendations to the President on basic policy issues arising in the administration of the trade agreements program, which, as approved by the President, shall guide the Trade Agreements Committee; second, advise the President with respect to recommendations made by the Trade Agreements Committee; and third, make recommendations to the President as to what action he should take on escape-clause reports submitted by the Tariff Commission.

As noted above, the decisions of the Trade Agreements Committee, under the chairmanship of the Department of State, are reviewed by the Trade Policy Committee under the chairmanship of the Secretary of Commerce. We therefore now have the situation where two different agencies control separate committees which formulate the policies. Through the Trade Policy Committee policies regarding the foreign trade of the United States are no longer a matter of foreign policy under the responsibility of the Department of State but have become a function of the Department of Commerce.

The new role by the Department of Commerce was readily admitted to. During the 1958 hearings on the Trade Agreements Act extension, former Secretary of Commerce Sinclair Weeks testified:

> The United States today is by far the most important trading nation in the world. With world trade's increasing importance to us, the Department of Commerce is playing an increasingly significant role in the formulation of our foreign-trade policies.
>
> Additionally, the President has strengthened Commerce's role in trade-agreement matters and in foreign economic questions, generally, by creating a Cabinet-level Trade Policy Committee, chaired by the Secretary of Commerce. This Committee now directly advises the President in the administration of the trade-agreements program.
>
> The recommendations made to the President by this body include action in escape-clause cases. The Committee guides the direction of GATT negotiations and is consulted on the proposed composition and membership of our delegations to GATT meetings. The Committee reviews and advises the President respecting all recommendations of the Interdepartmental Trade Agreements Committee, and is consulted on other matters which influence this country's position in world trade.

That is the testimony of former Secretary of Commerce Sinclair Weeks.

Under the new Executive order, if this nomination is confirmed, the man who has defended the invalid contract and who has refused to give information with respect to it will be the head of the new Trade Policy Committee. I know, as every other Member of the Senate and each Member of the House of Representatives knows, that Members of this body and Members of the House of Representatives have received countless calls from their constituents about the disastrous effects upon domestic commerce of the actions which are taken under the trade agreements policy.

This morning, Mr. President, as a member of the Committee on Interior and Insular Affairs, I was present during a discussion of a bill introduced by a distinguished Senator from Colorado [Mr. ALLOTT] to provide import quotas on fluorspar. This is a problem which is very important to the mining interests where any kind of fluorspar is developed.

The Department of State does not desire to have imports of fluorspar restrained. That is the policy of the administration. That is the policy which will be handled to some extent by the Trade Policy Committee of which the new Secretary of Commerce will be Chairman, having priority over the Secretary of State.

This fluorspar instance is only one of many instances in which domestic industries suffer by reason of the delegation by the Trade Agreements Act of congressional power to the President and his anonymous assistants. Lest there be any misunderstanding about the matter, I want the record to be clear that from the very outset, in 1934, when Cordell Hull was Secretary of State and was urging the adoption of the reciprocal trade policy, I opposed the making of any foreign agreement without the approval of the representatives of the people of the United States in the Congress of the United States.

Knowing that the movement was so strong that these trade agreements could not be regarded as treaties, I offered an amendment to require that they should not become effective until approved by a majority vote of both Houses. My plea was that the representatives of the people ought to be in their constitutional position to defend the trade needs of their own constituents in the lawmaking body of the Congress. But my amendment was defeated, by 8 votes, if I correctly recall.

The amendment which was offered by the then Senator from Virginia, Mr. Carter Glass, to make the agreements ineffective unless approved as treaties, was defeated by about 6 votes. As a matter of interest, I say that if those who supported Senator Glass' treaty amendment had supported my amendment, it probably would not have been defeated; but that is neither here nor there.

The point I wish to make is that the new Secretary of Commerce, who proclaims the right of Executive privilege to refuse to talk about the public's business, will be the head of the Trade Policy Committee, which will deal with the business of every State in the Union; and the States of the Union, represented in the Senate by two Senators from each State, will be turning over to a Cabinet officer who claims the right of Executive privilege a controlling position in the determination of what happens to every business in America.

CLAIM OF EXECUTIVE PRIVILEGE

What does this Executive privilege claim mean? I have here the transcript of a hearing before the Judiciary Subcommittee on Constitutional Rights, on the subject of Executive privilege and freedom of information. This hearing was held on May 5, 1959. Before I read from the transcript, I wish to say that the press cries out against the limitation of public knowledge with respect to public policy. The press insists that too many items of Government action are improperly classified, without the authority of the President. There are complaints throughout the country against the suppression of public information with respect to what goes on in this Government, under the false claim of Executive privilege. Those in the executive departments refuse to tell the newspapers and the people what their Government is doing.

I take the position that public information belongs to the people. I take the position that the Government established by the Constitution of the

United States is a Government which belongs to the people; and what the Government knows the people have a right to know. When any public official claims the right of Executive privilege he must be certain that he is claiming that right in the interest of national defense or of high public policy.

I do not contend that the President should be compelled to reveal private conversations with his aides. I do not contend that the Secretary of any department of Government should be compelled to release confidential information which may be gathered. But when any branch of the Government is dealing with subjects having to do with the appropriation of money, the expenditure of money, or the action by Executive authority in the field which constitutionally is covered by legislative authority, there is no such thing as Executive privilege.

On May 5, 1959, the Subcommittee on Constitutional Rights was hearing Mr. Leonard J. Saccio, Acting Director of the International Cooperation Administration. He was accompanied by his General Counsel, Mr. John G. Burnett, and by his Deputy General Counsel, Mr. Henry T. King. I understand that a new Director has recently been appointed, and that he has recently appeared before the House Committee on Appropriations.

In this transcript I find this statement by Mr. Saccio. He had been interrogated by the chairman of the subcommittee, the distinguished and able Senator from Missouri [Mr. HENNINGS], about his evaluation of the executive privilege.

I read from page 58 of the transcript. Mr. Saccio, speaking of Mr. Hollister, his predecessor, said:

He came to a very practical view as far as he was concerned; Congress should get everything except what he thought was purely personal to his own guidance and judgment.

That is Executive privilege.

This is what it amounts to as a practical question: There isn't a thing that GAO—

That is, the General Accounting Office—

does not get, except this one evaluation report.

I am not falling back, now, on legal distinctions or principles here. I am saying, in effect, that if ICA wanted to apply the Executive privilege, GAO would not see one thing, because practically every document in our agency has an opinion or a piece of advice, and runs up and back between the missions every day in the week, because you have crises to take care of; you have got problems to take care of. This is not the fact. The fact is that GAO sees practically everything except for this one report.

There is a plain and explicit declaration that the International Cooperation Administration has the right to decline to reveal to the General Accounting Office anything it pleases to decline to reveal. There was some further discussion. Mr. Saccio was interrogated by Mr. Patton, one of the attorneys for the committee. He said, in response to questions, that the auditors of the International Cooperation Administration did not get any more than GAO, and that the evaluation reports were withheld from them.

He was asked to check that statement, and on May 11 he sent an answer to the Senator from Missouri [Mr. HENNINGS], from which I read this portion:

I have now looked into this matter and find that the situation is this: A copy of each evaluation report is normally sent to our Assistant Deputy Director in charge of the Controller Division. Our auditors, in preparing for an internal audit of a country program, are authorized to, and in fact usually do, read this copy of the evaluation report. They read these reports as one of their sources of background comment and evaluation on the ICA program in the country where the audit is to be performed. They do not use materials from evaluation reports in their audit reports or otherwise directly use the evaluation reports in carrying out their audit activities.

Here was the frank confession of Mr. Saccio that the General Accounting Office, created by Congress to look after these matters for Congress under the budget law, denied the information which the auditors themselves get.

The Senator from Nebraska [Mr. HRUSKA] interrogated Mr. Saccio, and some of his comment was extremely interesting. Said Senator HRUSKA:

Senator HRUSKA. But the fact is that these experienced men you send out, they apply their previous experience to a given set of procedures and practices and other items which they get out of the book. It is that in which Congress is interested. If we are to be responsible for financing and sponsoring this program, we ought to know what it is doing. We ought to know what means it is employing to obtain the objectives, the general objectives to which you refer. You see, giving all of due deference and respect to ICA for being a body of experts, they have no monopoly under our form of government in responsibility for the success and propriety of the ICA program. And when your department assumes the attitude it does, we find ourselves boxed in pretty heavily because then we have to go out and send men sometimes who are not as experienced as the men who you send out, and they come back with things which you in turn label and brand, and probably justifiably so in some instances, as being distortions and misrepresentations, and not complete stories. Now, if we are going to work toward a common end, don't you think there would be some grounds such as that which was arrived at by the Army back in 1957 until the Department of Defense stepped in, don't you think there would be some grounds in which you would make available to the army of Congress and GAO these evaluation reports for their considered and discreet consideration?

Senator HRUSKA quoted from the existing law establishing GAO for the direct purpose of conducting such investigations, and he indicated the need of keeping the public informed of the public business.

Mr. CARROLL. Mr. President, does the Senator desire to continue at this point, or would he be willing to yield for a question at this time?

Mr. O'MAHONEY. I am always glad to yield for a question at any time.

Mr. CARROLL. I say to the very able senior Senator from Wyoming that this is the most important issue in this whole debate concerning the nomination of Admiral Strauss. The reason I say that is because this nomination presents a challenge to the legislative branch of the Government. Are we going to permit the continued misuse of so-called executive privilege when, in fact, there is involved nothing more than executive secrecy?

This discussion of the General Accounting Office is along the line of the testimony of General Counsel Robert A. Keller before the Subcommittee on Constitutional Rights of the Committee on the Judiciary. I should like to take a minute or two to quote from his testimony. We were talking about the value of having an independent and impartial examination made of these matters.

Said Mr. Keller:

The value of such independent examinations is illustrated by our review of Air Force procedures for determining spare aircraft engine requirements and for controlling the related procurement. In 1955, we reported to the Congress that the Air Force had substantially overprocured two series of J–47 engines still in production and that arrangements were being made for procurement of 165 additional engines of another series for the military assistance program, although excess engines of a similar series were available. This situation was taken up with the Assistant Secretary of the Air Force and as a result of our finding an order for additional J–47 engines was terminated. The Air Force estimated that savings of $50 to $60 million resulted from cancellation of this order. Additional savings of $10 million resulted from the decision to abandon the purchase of more engines for the military assistance program.

Another illustration was our reviews of supply management and operations in the Far East which we reported on to the Congress and responsible management officials during 1958. We found both the Signal Corps and Corps of Engineers supply centers failed to properly discharge their responsibilities in regard to the determination of requirements. Incorrect requirements resulted in overstating orders from the United States. As the result of our reviews, $9 million of orders for materials were cancelled. Additionally, the deficiencies disclosed during our review of the supply operation of the 8th U.S. Army, Korea, were of such scope and significance as to adversely affect efforts to provide an economical and efficient supply operation. The major deficiencies involved the improper determinations of needs, unreliable stock records, and inadequate review of orders from troop units. As a result of our examination, orders on supply centers amounting to over $3 million were cancelled and recommendations were adopted which should assist in establishing improved controls and in preventing recurrence of the deficiencies noted.

More recently, we reported on February 4, 1959, to the Congress that our review of the physical movement of aircraft engines in the overhaul pipeline in the Department of the Navy and comparison with performance by the Department of the Air Force on similar engines suggests that a reasonable pipeline would be approximately 150 days as contrasted with the scheduled 210 days used by the Navy for computing requirements. On this basis, we estimated that at July 31, 1958, 793 aircraft engines costing about $68 million are being procured in excess of the Navy's requirements. In addition, at that date, the Navy had planned requirements for 204 more of these engines estimated to cost $33 million. We reported that the Navy, by reason of applying a very liberal allowance for out-of-service time for aircraft engines, is investing very substantial sums of money in the procurement of these aircraft engines that are excess to its needs.

THE ACCESS TO RECORDS PROBLEM IN THE DEPARTMENT OF DEFENSE

Obtaining access to the information and records of the Department of Defense and the military departments has been a problem which became acute during the fiscal year 1958, particularly as our audit and examination activities have required us to probe further into sensitive and highly costly programs of the major weapons systems and missiles.

Had GAO been permitted to examine the records, other savings would have accrued to the Government. They would have accrued, except that in these instant cases they did not permit a valid congressional inquiry into how much money was being spent.

I am bringing out these facts in order to carry out the point which the able Senator from Wyoming is now presenting. He says:

Although we have made some progress with the departments in regard to access to information and records generally necessary for us to carry out our statutory responsibilities, there are three areas in which the situation has not been satisfactorily resolved. These involve:

(1) Information contained in procurement and other operating files concerning observations, opinions, evaluations and recommendations by subordinates and other matters considered in making decisions.

(2) Information contained in internal reviews, such as staff studies, which are the bases for supply, logistics, and financial management determinations, and

(3) Information concerning operations and program execution developed through departmental inspections, surveys, and examinations.

I should like to say to the able Senator from Wyoming that this is the crux of the issue.

As the result of the opinion of the Attorney General in 1954, the doctrine of Executive privilege is now being applied, not only by the executive branch but also by the regulatory bodies of the Government, which Congress has created. These agencies are not part of the executive department at all. Yet, under the guise of executive privilege, they try to deny certain committees of Congress the right to take a look at their records.

I believe we must meet the challenge head on, and I believe the issue is clarified here because the nominee under consideration, in my opinion, serves as a classic example of a person who stands for executive secrecy against the public interest, in purporting to exercise the doctrine of executive privilege.

Mr. O'MAHONEY. Mr. President, I thank the Senator from Colorado. I do not believe that the issue could have been more clearly stated by anyone. If the Senate should now confirm the nomination of Admiral Strauss, it will be saying to the country: "We believe in his claim of Executive privilege, even though it was made in defense of a contract which the President ordered canceled and which the Department of Justice has declared, in the Court of Claims, was an invalid contract and against the law."

Congress cannot preserve free government unless it preserves it here. If we turn over to the executive branch the right to keep secret what they do in administering the public trust, there will be no public trust.

I was talking about the testimony of Mr. Saccio. He is a very able lawyer. It is pleasant to listen to him. However, he takes prominent part in administering the foreign aid program in some 66 countries. Congress knows nothing about the contracts before they are made. We must pass a bill to authorize foreign aid, and we must then pass appropriations to enable the American dollars to be expended.

Mr. President, in the Washington Post of yesterday I find a story by the Associated Press, written by John Averill entitled, "Report Charges Laos-Aid 'Mess.'" The article reads, in part:

House investigators yesterday reported bribery, bumbling, and large-scale waste in U.S. aid to the southeast Asian kingdom of Laos.

The International Operations Subcommittee under Representative PORTER HARDY, JR. Democrat of Virginia, unanimously presented these findings on the eve of House debate on President Eisenhower's plea for $4 billion in foreign aid, including undisclosed sums for Laos.

High State Department and aid officials took issue with the congressional report. Despite some admitted faults now being cleared up, they said, the Laos aid program has proved successful by keeping the tiny country from falling into the clutches of its Communist neighbors to the north.

Mr. President, I shall not read the entire article; I ask unanimous consent that it be printed in full at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, June 15, 1959]

REPORT CHARGES LAOS AID 'MESS'

(By John Averill)

House investigators yesterday reported bribery, bumbling, and large-scale waste in U.S. aid to the southeast Asian Kingdom of Laos.

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High State Department and aid officials took issue with the congressional report. Despite some admitted faults now being cleared up, they said, the Laos aid program has proved successful by keeping the tiny country from falling into the clutches of its Communist neighbors to the north.

In fact, declared Assistant Secretary of State Walter S. Robertson, career diplomat, J. Graham Parsons, did such a fine job as Ambassador to Laos that it helped win his recent Senate-approved promotion to Assistant Secretary for the Far East to succeed the retiring Robertson.

The blistering 51-page House report capped a 14-month inquiry into the quarter-billion dollars worth of U.S. assistance pumped into Laos since 1955. The country, smaller than Illinois-Indiana and with a population of 2 million emerged as an independent nation in 1954 after the Indochina war. It has come under constant pressure from Communist China and North Vietnam, which border Laos for 600 miles.

The House investigators got sworn testimony last March from Edward T. McNamara, former public works officer for the U.S. aid mission in Laos, that he accepted $13,000 in bribes from the American-owned Universal Construction Co. in return for helping the firm get roadbuilding contracts.

The Congressmen referred their findings to the Justice Department. Officials of the International Cooperation Administration said the last contract with Universal had been canceled pending a study on what claims the Government could make against the company.

A key committee conclusion was that the State Department decided for political reasons to support a 25,000-man army in Laos "despite contrary recommendations by the Joint Chiefs of Staff," and that this in turn forced an aid program so big as to foster profiteering and set off inflation in Laos.

Mr. O'MAHONEY. Mr. President, the article illustrates the important fact that the money of the U.S. Treasury is being spent by an organization which claims the Executive privilege asserted by Admiral Strauss. So if the Senate confirms his nomination, how can Congress regain the power to know, in the interest of the public in every State of the Union, how the tax dollars are being spent?

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. CARROLL. Will not the able Senator from Wyoming agree with me that we do not contend that the President of the United States, under the Constitution, does not have certain discretionary power? The President certainly has implied powers to prevent disclosure under the Constitution; for example, he can privately confer with the members of his administrative staff; he can hold confidential conferences with his Cabinet officers; if there was an exchange of correspondence, I think it could be safely asserted that under the Constitution Congress could not seek to invade that field, and Congress has never sought to invade it.

But when an attempt is made to delegate or to assume powers which go beyond that realm and into a regulatory body—as was the case with the Atomic Energy Commission—does not the Senator from Wyoming think there is too much stretching of the doctrine of Executive privilege?

Mr. O'MAHONEY. I certainly do. I so stated during the investigation of the Dixon-Yates contract, as will be found on pages 1161 and 1162, after Mr. Strauss has asserted his claim to Executive privilege. These are the words I used at that time:

The reason I said in closing my remarks that I do not believe there is any privilege which protects the Chairman of the Atomic Energy Commission from responding fully, frankly, and freely, to the questions asked by this committee arises from the fact that the Atomic Energy Act which established the Atomic Energy Commission was a delegation of congressional powers to the Commission which you head.

This was addressed to Admiral Strauss:

It was not a conveyance to the President of any powers as in the case of the Department of Justice, or the Department of the Interior, or the Department of Agriculture.

And Congress was so certain about this, that it established the Joint Committee on Atomic Energy, and gave that committee special powers to keep in touch with your Commission.

The purpose of the Atomic Energy Act, as I recall it, and I am speaking now from memory, was to establish the closest liaison between the Congress and the Commission, so that nothing could be done without the knowledge of the peoples' representatives in Congress. This was because we were dealing with a new power of nature, fissionable materials, and the great capacity for disaster and for progress.

So this does not fall into the category of privileged communications, which found their origin when George Washington as President of the United States declined to advise the Senate with respect to the negotiations of some treaties which he carried on.

But we have come to a period in the history of our Government where it is no longer possible for the President to carry on negotiations even with foreign governments himself. He must delegate this power.

We have a situation in which powers are delegated by Congress to commissions, and in which Executive powers are delegated by the President.

I remember very well objecting all through the Roosevelt administration and the Truman administration and the Eisenhower administration to the Reciprocal Trade Agreements Act which allows the President, by signing his name upon a document which other people have negotiated, to exercise the powers of Congress to levy duties, and so forth.

I contended that those agreements should not be permitted to become effective until submitted to Congress for approval.

Now we are in a time when because of these great complexities, it would be easily possible for men of evil intent in the Government to throw about themselves the cloak of this old protective doctrine. But because of the complexity it is more important than ever before that men of good intent in the boards and commissions which Congress has established to exercise its powers should make full and free disclosure to the people.

I do not want to suggest that there was any evil intent upon the part of the Atomic Energy Commission, but I submit that the story which has been told here from the very beginning step by step against the most resolute resistance upon the part of our Bureau of the Budget, the Atomic Energy Commission, and the Department of Justice and everybody who is concerned in this Dixon-Yates policy—I submit, sir, that all of those facts indicate that the story has not yet been told to the Congress, and I do express the hope that the witnesses before us today will not continue to rely upon this doctrine which arose at a time when the delegated powers of Congress were not involved. They are involved here.

And I say to you, Admiral, and I say to you, Mr. Mitchell—

Mr. Mitchell was the counsel—

in all sincerity, that in a matter of this policy every patriotic servant of the Government should come forward and say, "This is the story."

Mr. President, there was some comment upon that statement. The Senator from Illinois [Mr. DIRKSEN], who also is a member of the Committee on the Judiciary, had this to say, as his statement appears on pages 1168 and 1169:

Senator DIRKSEN. First, Mr. Chairman, for the record, I want to observe with respect to this question of privilege that insofar as I know, and I carefully examined that long memorandum which was submitted to the Committee on Government Operations when the same question arose, that the memorandum goes back all the way to the days of George Washington when he refused to make available certain information on the ground that there was a constitutional separation of powers.

That memorandum has been kept up to date insofar as I know by every Attorney General under every administration, since that time. And what actually happens is that in every administration the Attorney General simply adds to what is already in the file and submits it to the Congress.

I may say, parenthetically, that the present Attorney General and his predecessor have not added to that memorandum any comment or any incident since 1953. So the story of the suppression of public information by the Executive under the false plea of Executive privilege has not yet been told. I promise it will be told. I return to the statement by the Senator from Illinois [Mr. DIRKSEN]:

So that it is a privilege that derives from the Constitution, not from a statute, and that no matter what powers Congress may delegate to an independent agency of Government by statute, in my judgment it still does not affect or vary the privilege.

I emphasize this paragraph:

It can be argued that the complexities of today would make it desirable that something be done about it. And, frankly, the matter has been under consideration by different Members of the Senate since the question arose.

But it is still a constitutional privilege as such, so it is not modified by any statute or any delegation of power that the Congress may make.

EXPANSION OF THE CLAIM OF PRIVILEGE

Mr. President, my comment upon that statement is that we are not dealing here with the effectiveness of any particular step. We are dealing here with a frank attempt to expand the claim of privilege by confirming the nomination of a person who claimed privilege to conceal the facts about a contract which the Department of Justice has characterized as invalid and in violation of law.

I remember very well the Teapot Dome case, because Teapot Dome is in my State. I remember very well how the then Secretary of the Interior, Mr. Albert B. Fall, sought to conceal evidence about his exchange with very important oilmen of the day, principally Mr. Sinclair. But the Court in that case paid no attention to Mr. Fall's claim of privilege. It was clearly stated that if anything like fraud was involved, there could be no claim of privilege. That is perfectly obvious. I do not say fraud is involved in this instance; but there is a remarkable story of special privilege; and, particularly, since that special privilege eventuated in an invalid contract, there is no right on the part of any of the executive officers concerned with it to refuse to tell the representatives of the people in Congress what was done.

Mr. CARROLL. Mr. President, at this point will the Senator from Wyoming yield?

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Wyoming yield to the Senator from Colorado?

Mr. O'MAHONEY. I yield.

Mr. CARROLL. I know the able Senator from Wyoming will clearly understand the point I have in mind: When the Congress, through its committees, exercises the power of investigation, under the Constitution, the committees have the right to call before them, to testify, members of the executive branch or officers of the independent agencies when there is a finding of special privilege or conflict of interest.

Let me digress here to say that in the very suit in which the Department of Justice is trying to defend the Government against the charge of improper cancellation of the Dixon-Yates contract, the Government's defense is predicated on conflict of interest.

What was the nature of the conflict of interest? It was as follows: A businessman from New York was formulating a gigantic financial transaction. On the one hand, he was working for the Bureau of the Budget——

Mr. O'MAHONEY. And, on the other hand, he was working for the First Boston Corp.

Mr. CARROLL. Yes; and the First Boston Corp. was trying to set up the financial arrangements. This conflict of interest is the basis of the Government's defense in the suit filed against it for canceling the contract.

The able Senator from Wyoming has talked about the Teapot Dome scandal; I am also reminded of the Idaho Power Co.'s fast-tax-writeoff case. In that case, when the congressional committee called before it witnesses from the executive agency, and asked them questions, they refused to answer; they claimed Executive privilege. The congressional committee wanted to know why they opened up that matter at that late date and why they granted the exemption, which the testimony showed might result in a tax loss of $83 million to the people of the Nation. All the Members of Congress wanted to know what had happened; and as I understand from the senior Senator from Wyoming, that is all the congressional committee requested in this case. It was not trying to probe into the personal papers of the President of the United States; it was not trying to read his private memorandums to members of his Cabinet or other of his officers.

All we are saying here is, first, that all the powers of the agencies are based upon statutory grants of power; and, second, that the independent agencies are created by the Congress, and are responsible to it, and are not parts of the executive branch.

Mr. O'MAHONEY. Furthermore, we are saying that the Senate should not advise and consent to the nomination of the man who participated in that program, by means of which the Bureau of the Budget, the Atomic Energy Commission, the Securities and Exchange Commission, and the Federal Power Commission were brought into conference in regard to ways and means to handle that matter.

Mr. President, I say to you and to my colleagues that the finger of Sherman Adams was in that case. Sherman Adams refused to appear before the congressional committee to testify. Instead, he proclaimed that he had Executive

privilege; and he would not consent to testify before the congressional committee.

Well, Mr. President, Sherman Adams now has departed from the scene. There were many conferences in the White House, when Sherman Adams was assistant to the President. There were conferences with Mr. Goldfine. But all that was too much for the White House to stomach.

Mr. President, I say that the action of Admiral Strauss in this case is too much for the Senate to stomach, if it wishes to defend the right of the public to know the public business.

Mr. CARROLL. Mr. President, will the Senator from Wyoming yield further to me?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Wyoming yield to the Senator from Colorado?

Mr. O'MAHONEY. Certainly.

Mr. CARROLL. Let me say to the Senator from Wyoming that I do not know whether Sherman Adams was in the case or not.

Mr. O'MAHONEY. His finger was there.

Mr. CARROLL. But I know the record. The record is presently in the U.S. Court of Claims, where that court is finding the facts. There is not the slightest doubt in the mind of anyone that the policy in regard to the Dixon-Yates contract was formulated in the White House. The Bureau of the Budget is an arm of the President. The policy was formulated there. And there can be no doubt in the mind of anyone who reads the record that Admiral Strauss was one of the advisers of the President.

When we reduce the matter to its simplest terms, we find that the important point is as follows: When the congressional committee called Admiral Strauss before it to testify, the committee had the power to do so; it was exercising a proper legislative function and a proper legislative power. Admiral Strauss was questioned. Mr. President, in the name of common sense, why did he not state, "This is a part of administration policy." That is admitted now; it is in the record. Why was not that fact laid on the table, instead of hiding behind executive secrecy? Or did they not want the public to know that it might cost them a million dollars?

PRESIDENT'S ORDER TO REVEAL

Mr. O'MAHONEY. Let me say that it should be made clear that the executive secrecy claimed was only pretended; there was not actually any executive secrecy, because the President of the United States, Dwight Eisenhower—as I shall presently show to the Senate—at a press conference held shortly after this matter "broke," said to all the members of the press who were assembled in the room in which he held the conference that there was no information about this whole problem he was not willing to reveal.

On the 18th of August 1954, the President replied to a question which was asked at his press conference. I do not know who asked the question; the record does not show; but the following report of that press conference was published in the New York Times of August 19, 1954. As everyone knows, the New York Times keeps a meticulous record of what is said at the President's press conferences. In those days, reference was not made to the President by name, but the personal pronoun was used. I shall read now, in the form of an indirect discourse, what appeared in the New York Times:

> Now, as to his (the President's) actions, his own actions, he was not going to defend himself, as he had told reporters time and again he should not. He merely said this: Of course, he approved the recommendations for this action, and every single official action he took, involving the contractual relationships of the United States with anybody, and except only when the question of national security was directly involved, was open to the public.

Mr. President, I ask that particular attention be given to the words:

> Every single official action he took, involving the contractual relationships of the United States with anybody, and except only when the question of national security was directly involved, was open to the public.

That was the President's statement; and it was a proper statement. I agree completely that when the national security is actually involved, of course then the information can be classified. But the fact is that subordinates throughout the executive branch of the Government are indulging in the classification of public business matters which do not involve national security; and there was no national security in this particular case.

But let me proceed with the quotation from the President's statement. These are his words:

> Any one of you present might singly or in an investigation group, go to the Bureau of the Budget, to the Chief of the Atomic Energy Commission—

That, of course, was Admiral Strauss—

> and get the complete record from the inception of the idea to this very minute, and it was all yours.

That was all he had to say about it. There was the declaration of the President of the United States to the representatives of the American press, and he said any one of them might go individually or in a body to the Chief of the Atomic Energy Commission and every fact in this case was theirs for the asking.

After that statement, we in the Judiciary Committee asked the Chief of the Atomic Energy Commission for the facts. He did not give them to us. He was not following the instructions of the President. He was defying the President.

I have no hesitation in saying that the President of the United States, whose physical condition is such that he cannot devote full time and energy to the burdensome tasks of his Office, and must depend upon aides and assistants, was depending upon these men to carry out his wishes and to be as free and frank with the public as he said he wanted them to be. But Mr. Strauss, both before the Judiciary Committee and later before the Committee on Interstate and Foreign Commerce, refused. "I shall decide," was his response, in effect.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. CARROLL. What was the ground or basis of his refusal? It was executive privilege, was it not?

Mr. O'MAHONEY. Certainly.

Mr. CARROLL. What was the date on which the President issued the press release?

Mr. O'MAHONEY. August 18, 1954, almost 5 years ago. Even after that, of course, the contract continued. After that date and after the committee publicly brought out the facts to such an extent that everybody knew something was rotten, the President finally said, "We must cancel the contract," although he had ordered it entered into.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. Certainly.

Mr. CARROLL. In my opinion, these facts have never been brought out more clearly at any time in this debate as they have been brought out in the last 2 or 3 minutes. What do we find? We find language in the report of the Commissioner of the Court of Claims, at page 11, as follows:

> It was the basic Eisenhower administration policy on power during 1953 and 1954 that the Government would seek to have either private enterprise or local communities provide power generating sources in partnership with the Government. This policy was first announced in the President's state of the Union message of February 2, 1953.

So there was no doubt that this was a part of Eisenhower policy. There was no secret about it.

LEGISLATIVE RESULT BY EXECUTIVE ACTION

Mr. O'MAHONEY. That was perfectly proper policy for him to espouse and to urge upon the Congress; but what was done under the leadership of the nominee to be Secretary of the Department of Commerce was to try to short-circuit the Congress and produce, by executive action, a legislative result.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. CARROLL. That was an announced policy, which the public knew. On page 11 of the report, in section 23, is found a statement to the effect that, in accordance with that administrative policy, the Director of the Bureau of the Budget was moving forward. The picture becomes very clear. He was moving forward to implement the policy of the administration.

What did he have to hide? Nothing at this point. What later developed? This is the real point, and it has not been brought to the attention of the public. Here is the President of the United States saying, "Open your file. Let the newspapers, let the Congress, take a look at it." That is the President of the United States speaking. Only he can exercise the Executive privilege. No one else can exercise it for him. The President said, "Open your file. Let them take a look at it." But did Admiral Strauss open his file? Strauss—not the President of the United States, not the Attorney General, but Strauss—claimed

Executive privilege. This is the crux of the whole issue. I do not think the President of the United States knew about it, and I do not think the Attorney General knew about it, but within the Bureau of the Budget, a new man, a man named Wenzell, from the First Boston Corporation, was coming into the picture. He was financial manager of the utilities group at the same time that he was working with the Bureau of the Budget. Strauss knew of his connections, and the record proves it. This was at the very time that committees of Congress began to inquire into this matter with the question, "Tell us more about your contract and who is working on the contract." It was at this time that Admiral Strauss claimed secrecy, Executive privilege. Is that not correct?

Mr. O'MAHONEY. Yes, that is so; and it is another matter which has not been made clear in the public's mind. I want to call particular attention to this matter, because it reveals the kind of operation in which the head of the Atomic Energy Commission was engaged.

It was the intention to have a contract entered into by the Atomic Energy Commission to supply power for the TVA. The TVA said, "We do not need it; we do not want it; we handle our own affairs."

Some of the directors of the TVA made a special statement about that matter. It is in the record. If I can get my fingers on it, I shall read it, because it is important that it be known at this particular point in the RECORD. The TVA, which was directly affected, and whose area was to be invaded by the new generating company, did not want this to be done, and it so notified all concerned.

I am reading from page 67 of the staff report of the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, concerning the date of April 16, 1954:

AEC Commissioners Smyth and Zuckert write to Hughes—

The Director of the Budget—

stating that "* * * the proposed action involves the AEC in a matter remote from its responsibilities. In an awkward and unbusinesslike way, an additional Federal agency would be concerned in the power business. * * * The present proposal would create a situation whereby the AEC would be contracting for power, not one kilowatt of which would be used in connection with Commission production activities."

They go on to say that "such a contractual relationship" was on "matters irrelevant to the mission of the Atomic Energy Commission."

That was a clear and positive statement.

MISSISSIPPI VALLEY GENERATING CO.

The Mississippi Valley Generating Co., the operating company which got this contract, was a subsidiary. It was incorporated under the laws of Arkansas. The incorporation papers were drawn in a law office in the city of New York. The three incorporators all gave the same address, 120 Broadway, as I recall. They said that they each owned one share of stock, which was valued at $100 a share. Then in the charter of the corporation it was stated "this corporation will begin business with a capital of $300." That was written in the charter of the corporation, the Mississippi Valley Generating Co., and it was with that company that Mr. Strauss, the nominee to be Secretary of Commerce, was seeking to effectuate this contract.

The cost of the plant which was to be built was estimated to be from $99 million to $120 million; so it was necessary to raise the money somehow. How were they going to raise the money? The papers filed with the Securities and Exchange Commission, before which the presentations had to be made, because approval of the financing plan had to be by the Securities and Exchange Commission, showed they were asking for authority to sell 55,000 shares of common stock, which would have raised $5.5 million, but obviously that was not more than a twentieth part of the estimated cost. How were they going to raise the extra money? That is easy to answer. They were going to sell bonds to investment houses, such as the First Boston Corp., and to insurance companies. In other words, they were going to seek to acquire other people's money to build the plant for the operating company, which started business with a capital of $300. They were going to use the money of other people.

This, Mr. President, is the way Wall Street tries to control the business of America. It makes no difference whether it is the business of the South, the business of the West, the business of the East, or the business of the Middle West. Today under the constantly merging concentration of economic power in this country, operators who have had the training and experience of Mr. Strauss, a former member of Kuhn, Loeb & Co., a New York investment house, are seeking to take control of business and industry. Mr. President, the practices of these "high binders" who seek to control the commerce and the industry of the United States have been the model upon which Jimmy Hoffa of the Teamsters Union and his predecessor have worked, in their attempt to use the Teamsters Union to control the business of the people of the United States and the business of the individual Teamster.

Mr. President, I have said time and time and time again that we who sit in the Congress, whether it be the Senate or the House of Representatives, represent the masses of the people of the country; the people of every State, to whatever class they belong—farmers, workers, bankers, or businessmen. Whoever the people are, they are the ones we represent. We represent them all, and we should not take the risk of placing at the head of the Department of Commerce a man who, by his own admission, has refused to tell the people the facts they were entitled to know about the method by which this subsidiary of two holding companies was to be given a special privilege contract by the Government of the United States, with respect to which the Government would pay much of the cost and the people who innocently bought securities would pay the rest.

It is not generally known, for example—I will say to the Senator from New Mexico [Mr. ANDERSON], who rises, and who no doubt knows it—that this contract provided a bonus in the form of electric power for Messrs. Dixon and Yates, in that they would get the power at below cost to use for their own purposes. That is represented as an important business matter which should not be revealed to the Members of Congress.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from New Mexico.

Mr. ANDERSON. I was interested in what the Senator from Wyoming said about the fact that the organizers of this company planned to issue 55,000 shares of stock, which would have provided $5.5 million capital. When we had the hearing with respect to the contract and questions were asked as to how this operation was to be financed, a statement was made, which the Senator from Wyoming has repeated, that they were going to start with a capital of $300. I said "that is all the money they need to put in." The claim was made that they were going to put in $5½ million. I said, "would it not be possible, with a $100 million or more contract, for the parent company to let the contract to the Mississippi Valley Generating Co. on a cost-plus-10-percent basis, and thereby get 10 percent of $100 million or more, or $10 million, and pay a 52-percent corporation tax on it, and have left the $5 million to use to pay for the stock?" They said it was possible, but "who would think of that?" I said "I thought of it." Many others also thought of it. In my opinion, it was the way in which it was going to be financed.

Mr. O'MAHONEY. The Senator is very correct.

On the 17th of December 1954, I had just returned to the Senate after a leave of absence, having been granted leave in the election of 1952, when Dwight D. Eisenhower swept the State of Wyoming. I came back in the election of November 1954. It did not take me long to see what was going on. So on December 17 that year I wrote a letter to the Honorable R. H. Demmler, the Chairman of the Securities and Exchange Commission, in which I said:

DEAR MR. DEMMLER: May I first express my appreciation for the promptness with which Secretary DuBois of the Commission has responded to my request for copies of the articles of incorporation of the Mississippi Valley Generating Co. and of the notice issued by him of the hearing now being held by the Commission under the Public Utility Holding Company Act of 1935 in the matter of the Mississippi Valley Generating Co., Middle South Utilities, Inc., and the Southern Co.

These documents disclose certain facts which I have not heretofore seen in the public press, and which prompt certain questions with respect to what is popularly called the Dixon-Yates controversy.

First of all, it is clear, from the charter and the notice of the hearing the Securities and Exchange Commission is now holding, that the Mississippi Valley Generating Co. appears to be grossly undercapitalized. Its proposed capitalization of $5,500,000 is

scarcely one-twentieth part of the estimated cost of the new plant. The transaction has been represented to the public as the substitution of private enterprise for public power, but it is clear that the Atomic Energy Commission has actually entered into a contract with what to all intents and purposes was a nonexistent corporation when the proposal of Messrs. Dixon and Yates was accepted by the Government.

The articles of incorporation were executed on July 16, 1954, under the laws of the State of Arkansas. The incorporators, three in number, were residents of New York City, each of whom gives his address as 120 Broadway, New York 5, N.Y. They acknowledged the articles before a notary public of Queens County, N.Y. Each of them is represented in the articles as having subscribed to one share of stock. The par value of these three shares account for the fact that article 7 of the charter asserts that the corporation will begin business with a capital of $300—

And so forth.

WHITE HOUSE CONFERENCES

Notwithstanding this clear revelation of what the facts were, conferences were being held in the White House—without the knowledge of the President, I am sure—with Sherman Adams pointing the finger. It was acknowledged by the witnesses that they came, and that the conferences were held there.

In those conferences, first, there was Mr. Demmler, head of the Securities and Exchange Commission; later there was Mr. Armstrong, who succeeded him when Demmler resigned. I have often thought that Demmler resigned because things were becoming too hot. He did not like the stench which arose from this sort of messy financing.

In any event, the discussion was the kind of representation that should be made when the hearings came up in order to get the approval of the SEC. That explains why the Chairman of the Atomic Energy Commission, who was not trying to get the power for the Atomic Energy Commission at all, but to serve the TVA territory, refused to tell the facts, even though the President, finally seeing what was going on, told a press conference that the facts ought to be laid before the public. But finally this high financing issue of using other people's money to carry out a private deal was approved. The decision was immediately appealed by the opponents of the project.

Finally, when the mayor of Memphis, Tenn., said he believed in municipal ownership of public utilities, the President seized that as a great opportunity to call the whole thing off, and he wrote to the head of the Atomic Energy Commission and said, "Cancel the contract."

It never was a public contract at any time. It was a privately negotiated plan for the benefit of the insiders in the utility field and in the public investment field. I do not imply that any Government official was involved in this scheme, but it was the ordinary sort of action to which Wall Street has been accustomed all through the years.

When I was holding hearings for the TNEC years ago, there was a long investigation of the concentration of economic power. One of the things we looked into was the manner in which the floating of private securities was conducted. There appeared before the committee representatives of all the investment houses, or almost all the investment houses. It was made clear from their evidence that there was no such thing as real competition among investment houses in the floating of securities. They had private friends. They acknowledged that if one group of investment bankers ever did business with a particular corporation, that group should be permitted to continue, without regard to competition. Mr. Strauss was a member of that profession. He was a witness.

Later, as a result of the facts which were developed in those hearings, the Department of Justice brought an antitrust suit against certain investment bankers in New York, charging lack of competition, and violation of the antitrust laws. The case was a difficult one to try. It required months to try, before Judge Medina in New York. He finally dismissed the case. By that time the present administration was in power, and the former Attorney General, Mr. Brownell, chose not to appeal the case to a higher court.

The question involved there was, Shall we have open competition in the investment banking field, or shall we have a sort of agreed pattern of arrangements by which special interests can be served? Special interests were served, so far as the Mississippi Valley Generating Co. was concerned. That was not a corporation of people. It was a subsidiary corporation of two holding companies. That was a clear representation of the methods used by those who are accustomed to the high finance of Wall Street. I have no hesitation in saying that, in my opinion, the U.S. Senate should not place at the head of the Department of Commerce a man who has had such training and experience.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am happy to yield to my colleague.

Mr. McGEE. Do I correctly understand the Senator to say now to any who will listen that the real issue is the issue of the public's right to know?

Mr. O'MAHONEY. Precisely. The issue is the issue of the public's right to know.

Mr. McGEE. In our system of checks and balances, is there any one man in the system of Government who knows it all, and who is above checks and countercheks?

Mr. O'MAHONEY. The Constitution provides for a separation of powers. The words "separation of powers" have been repeatedly used by Admiral Strauss in his testimony before our committee. The Constitution separates the powers. The Executive power is one; the judicial power is another; the legislative power is a third. But in the minds of the framers of the Constitution, the legislative power was first, because the legislative power represented the right of the people to make the laws. That was the first article of the Constitution.

The President was authorized to check the Congress when he was given the veto power, but the Congress was given the right to check the President when the Congress was given the right to pass a bill over a Presidential veto by a two-thirds vote. George Washington, in his Farewell Address, urged all his followers, all those who succeeded him in office, to be sure to maintain these checks and balances.

The Court cannot make the law. The Court may interpret the law, but it cannot legislate. Only the Congress can legislate. The President has the right to nominate certain officers—only the right to nominate.

Presidential nominees, in the cases mentioned in the Constitution, cannot be appointed until the Senate gives its advice and consent. Under the Constitution, Congress may give the President alone the right to appoint inferior officers. We are not dealing with an inferior. We are dealing with an officer of major importance and power, the head of the Department of Commerce. The President may not do more than nominate him under the Constitution. All the talk, in editorial columns and over the radio, to the effect that the President ought to be able to name his own Cabinet, is mere nonsensical chatter by people who have not read the Constitution for years, and who do not know how important it was in the minds of the framers of that document that the people of the country should be protected from any one branch of the Government taking over one of the other branches. An attempt is now being made by some in the executive branch of the Government to take over the legislative power.

Mr. McGEE. Mr. President, I wish to compliment the senior Senator from Wyoming for showing in such detail and in such a carefully reasoned way how the nominee, Lewis L. Strauss, rejects this whole concept, and did so during the Dixon-Yates controversy.

However, I believe that the most important contribution the Senior Senator from Wyoming has made today has been his suggestion that this man, Lewis L. Strauss, still believes his attitude is correct, that he did not learn the true concept during the past years, and that he still believes in his concept, in spite of the fact that it was called into question time and time again before our committee in the hearings on the nominee's philosophy with respect to the executive branch and the Executive powers. He still has not changed his concept. He was asked what he thought about the advice from the Attorney General. I should say that the senior Senator from Wyoming first raised that question in 1954 during the Dixon-Yates controversy.

I now read from the record of the hearings on April 30, 1959, at page 338. Mr. Strauss replied that he still felt that he himself should be the judge, above the Attorney General of the United States, on whether it was proper for him to exercise either executive privilege or to operate in a way to protect the division of authority under the separation of powers. When that question was repeated to Mr. Strauss:

Is it still your position?

Mr. Strauss replied:

That is true. I still believe the things I was taught as a boy and as a young man are fundamental.

May I say, Mr. President, that this is no time for a boy's judgment on Executive privilege and the separation of powers in our Government?

The senior Senator from Wyoming today has rightfully alerted us to the seriousness of this charge. Mr. Strauss not only shows his disregard for an opinion of the Attorney General of the United States, but he even disregards the statement made by the President of the United States that all available evidence should be given. The senior Senator from Wyoming has again, very carefully and very astutely, related that the President of the United States had said, in regard to the Dixon-Yates contract, "Tell all; get the complete record from the very day it was proposed down to the present moment," or when it was in controversy. What did Mr. Strauss have to say about that?

At the time he disregarded it; and we could even make allowance for an error of judgment on his part. However, we asked him again in committee, on April 30, 1959, while his nomination was pending for confirmation as Secretary of Commerce, and he said:

I do not personally interpret it as a waiver to me to repeat a conversation with the President.

There he injects a completely extraneous matter. He speaks about a conversation with the President. What we in the committee were worried about was that even after President Eisenhower ordered Government officials to tell all, they still did not tell all.

Mr. O'MAHONEY. The Senator from Pennsylvania [Mr. SCOTT] raised that question earlier in the day when I alluded to the position that Admiral Strauss has taken as to whether any public officer in the Nation should have the right, regardless of the opinion of the Attorney General or any other lawyer, to use his own interpretation with respect to what Executive privilege was. I told the Senator from Pennsylvania, and I now repeat that this is an altogether singular case, because we are dealing here with matters which concern an invalid contract, a contract which was obviously invalid, a contract which was declared by the Justice Department to be invalid. I have no hesitation in saying that never in the history of the United States can any Executive privilege of this kind be shown. There is no precedent for the claim that the nominee now makes. If his nomination should be confirmed by the Senate, he will go into Government as the head of the Department of Commerce feeling that the Senate of the United States has approved his stand, taken after the President of the United States had ordered him to cancel the contract.

Mr. McGEE. That is correct.

Mr. O'MAHONEY. It is an utterly false claim which the former chief of the Atomic Energy Commission and now the nominee for Secretary of Commerce has been making.

Mr. McGEE. This is also of interest, because during these hearings I asked Mr. Strauss, in view of his admitted disregard of the President's order at his press conference, "What would the President, or should the President, have said that in your mind would have given you a waiver or the immunity or the right to stand on executive privilege?" I asked him what should the President have said to him.

Mr. Strauss replied:

Senator McGEE, surely you don't ask me to put words in the President's mouth as to what he should have said?

There again is his attempt to evade a straightforward answer when we were trying to find out what would guide him in revealing information necessary for Congress to have. I shall not take the time now to read the colloquy, which shows Mr. Strauss' attempt to dodge around the answer to that question.

Finally, I had to say:

So your answer is what?

Admiral Strauss' reply was:

Pardon?

Senator McGEE. Your answer, then, to the point of the question here is what?

Admiral STRAUSS. I am sorry. Would you mind; the question is not clear to me, Senator.

Even taking that literally, if the question was not clear to him, this man clearly has no concept of the philosophy of the separation of powers. He has disregarded the statement of his own President. Finally, it was pointed out that that was an invalid contract. What does Mr. Strauss say about it? He said, in our hearings—not in the hearings of the subcommittee on the Dixon-Yates contract, but in the hearings this spring, before the Committee on Interstate and Foreign Commerce—and this can be found on pages 328 and 329 of the hearings:

Yes; I thought it was a good contract, and I still do, Senator.

The chairman of our committee could not quite believe the directness of that response, and he asked:

Do you think that contract still is a good contract?

Mr. Strauss replied:

It has been terminated, but it was to provide power—

And so on.

Mr. O'MAHONEY. I thank the Senator very much for his contribution to the discussion. I want the record to be clear that my opposition to the confirmation of the nomination of Admiral Strauss to be Secretary of Commerce has no relation to the controversy of public power versus private power.

Mr. McGEE. I think the Senator has made that very clear.

Mr. O'MAHONEY. My deep concern about this matter is that if a man who makes an unfounded claim, so as to deny to the people and their representatives salient facts which have no relation to national defense and the public business, is placed, by the advice and consent of the Senate, at the head of the Department of Commerce, which has jurisdiction over all the commerce, industry, and business of America, domestic and international, we shall be jeopardizing all who are engaged in business, in commerce, and in industry, and causing a continuation of the programs and beliefs which he has asserted, and shall be enabling him to use his own judgment about keeping secret anything which it pleases him not to divulge.

Mr. McGEE. That is the point we should not forget this afternoon. He has reiterated these elements of his philosophy as recently as last month. He has continued to say that he would stand above the Attorney General's opinion; that he would disregard the President's order to make information available; and that he still stands by a contract which the President himself ordered withdrawn. He is defying the other branches of the Government.

That is why I hope we remember that now—today—he stands condemned for his philosophy of government, not 4 years ago or at some other time in the dark past. I am glad the seenior Senator from Wyoming has brought to the peak the basic reason why the Senate should reject the nomination of Lewis L. Strauss.

I am sorry there are those who seek now to delay a vote on the nomination of Mr. Strauss. That was made clear for us today on the other side of the aisle. They do not want to vote on Thursday. It is time, it seems to me, to bring this matter into sharp focus, and to let every Senator make up his mind and cast his vote accordingly.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield the floor.

Mr. CARROLL. The able Senator from Wyoming has performed a very signal service today. This is not really the issue of Admiral Strauss, personally. I have never met the man. I have looked into his record of public service. Many times I have had qualms about opposing him as I have considered his years of service. He is an intelligent man; he is a competent man. I think of his age. I think of his family. I could be swayed very easily toward him.

But there is an issue which, in my opinion, transcends Admiral Strauss. It is a simple issue. Admiral Strauss will be with us for a while; and then he will pass on. But if we approve him something will have happened to the legislative arm of the Government which will affect us for a great many years.

I speak as a junior Member of the Senate; but I have observed its operations for many years. I have had experience in the other body. We in Congress can ill afford to let our legislative powers slip through our fingers through the years. If we confirm the nomination of Mr. Strauss, we shall be delegating our power to the executive branch at a time when the people are demanding that we take hold of the reins and see where their money is being spent and what is being done with it. If we are not careful, we shall be delegating our power to the executive branch.

Mr. O'MAHONEY. I am glad the Senator from Colorado has made this comment. I want to say for the RECORD, to those who sit in the galleries, and to the press corps: Never forget the fact

that the United States has gone through two great world wars, and that during those wars governments have been changed. Great governments and great empires have disappeared from the family of nations. We are moving into a new scientific era, the results of which nobody can predict. History is the account of the decline and fall of nations and empires, and of the emergence of new nations and empires.

I believe firmly in the Government which was established by the framers of our Constitution—a Government of the people. But our Goverment is not immune to change. It can die, it can fall, as other governments and empires have fallen in the past. There is that danger now.

Everyone who has read a modicum of history knows that unsound financial policy has wrecked many a government; that inflation has destroyed nation after nation. We know now, from the statements of the Secretary of the Treasury and of the President, that we do not raise by taxation or by any other form of revenue sufficient money with which to carry on the program for which the President has asked. Much of this program is for the defense of other nations. It is called mutual security. But I have yet to see any evidence of a desire upon the part of many of the countries to which our largesse is going, to provide defense for us.

We have been carrying the burden of the cost of the United Nations. I am for the United Nations.

We have been carrying the burden of the cost of military aid. We have been carrying the burden of the cost of economic aid, but the countries to which we have been sending military aid and economic aid have not been responding in kind.

The International Cooperation Administration reported recently that as of December 31, 1957, it had on hand in foreign currency—soft currency—the equivalent of 2½ billion American dollars. That is soft currency which we cannot spend. We cannot use it to pay interest on the national debt, which is increasing. We cannot even use the soft currencies in the countries which issue them, without the consent of those countries, because to do so would induce inflation there.

The United States has spent approximately $30 billion on foreign-aid programs; yet secrecy is maintained about the kind and character of the contracts, and Congress is not permitted to know what the contracts are until after the commitments have been made. This means that our own U.S. dollar is being weakened.

We have heard many of the critics of those who have stood for popular government and for Federal expenditures for the aid of distressed areas in the United States talk about the declining value of the dollar, when they thought they were criticizing a Democratic Congress. But we do not hear them criticizing the accumulation of soft currencies. If that continues, if secrecy is maintained in the executive branch of the Government, secrecy of the pattern which is exemplified by Admiral Strauss, then we shall be on the road to bankruptcy; and bankruptcy will destroy free government. If we are to defend free government in the world, we must defend it here at home. The essence of free government is that the people shall know the public business which is carried on in the interest of the people.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. CARROLL. What the Senator from Wyoming has said expresses what the junior Senator from Colorado sought earlier to express. It seems to me the issue is so simple that no Member of the Senate can fail to understand that the real issue involved is not personal. This is not anything against an individual who may become Secretary of Commerce. It is a question of what that individual thinks and what he stands for with respect to the separation of powers.

For example, as the senior Senator from Wyoming has pointed out, the nomination of Mr. Strauss affects the power of Congress as representatives of the people to investigate. This is vital to us. As the Senator from Wyoming has said, if we simply keep whittling away at our powers, if we delegate our powers to the Executive, letting them drift away, we will be appropriating money but not being able to follow through to see how it is spent. This is a matter which is of vital importance.

I do not know Mr. Strauss. I would not know him, to use an old expression, from a ton of coal. I never met him. But I am interested in what he says.

There is a very important point which has not been brought out. Title II of the United States Code, section 192, relates to the refusal of a witness to testify. Most of such witnesses do not know that they can be put in jail. Nevertheless, it is claimed by some that although this obligation applies to private persons, it does not apply to members of the executive branch.

However that may be, Mr. President, there are other ways for the Congress to handle such matters. Such persons can be brought before the bar of the Senate—although that procedure has not been used for some time. But they can be brought before the bar of the Senate; the Senate does not have to have them brought into court.

Mr. President, what we must bear in mind is that today, under an opinion of the Attorney General, the independent commissions and agencies, which Congress itself created, are maintaining that if they act "in their executive capacity"—and, Mr. President, mind you, they are not parts of the executive branch—they do not have to reveal their files to the Congress, the body which created them. That is why the nomination of Admiral Strauss brings before us a basic issue.

As the distinguished Senator from Wyoming has pointed out, a new subcommittee of the Senate Judiciary Committee is looking into this question. Over a period of some years the Congress has been compiling information about this issue, because the Members of Congress are concerned about secrecy in Government. Because of that situation, Senator HENNINGS' Subcommittee on Constitutional Rights of the Judiciary Committee—and I am a member of the subcommittee—has been going into this field. Various congressional committees have been making reports, in regard to this matter, but thus far no congressional action regarding it has been taken.

Mr. President, let me state what has influenced my thinking in regard to the question of confirmation of the nomination of Admiral Strauss. The distinguished Senator from Wyoming [Mr. O'MAHONEY] said to Admiral Strauss, "All we ask you to do, when there is fraud"—and I quote the substance of his statement—"or when there is undue interest or conflict of interest, is to tell us what the facts are."

But Admiral Strauss refused to do so; and then he said, "If I am wrong, I will pay the penalty."

Mr. President, so far as I am concerned, Admiral Strauss is wrong, and he is going to pay the penalty; and this is one of the penalties which he has forced us to impose upon him.

If Government officers or officials who are subject to the advice-and-consent power of the Senate violate the constitutional provisions in connection with the separation of powers, this is one way to make them pay the penalty. We do not have to bring them before the bar of the Senate; we do not have to impose upon them the provisions of title 2 of the code. This is one way for us to proceed.

Permit me to state something else which influenced my thinking in regard to the pending question. I did not understand its full import until I listened to what the able Senator from Wyoming has told the Senate today. The President of the United States, in a press conference, called upon his adviser—and Strauss was the President's adviser, even though he was also Chairman of the Atomic Energy Commission—to "Open up your files. Tell them about this matter."

The President was not afraid to give the information. But Admiral Strauss refused to do so.

In that instance, Admiral Strauss insisted on being his own lawyer. Would he listen to the Attorney General, the legal adviser of the President of the United States? No.

The Senator from Tennessee [Mr. KEFAUVER] said that the Attorney General refused to back up Mr. Armstrong, and stated that he did not have a privilege, and should not claim it. But Admiral Strauss replied:

> If I am advised by the Attorney General that I have no privilege, I might still feel that my construction of the Constitution was one by which I should abide. But I have not received any such instruction.

That reminds me of an old political boss in New Jersey, who said, "I am the law."

Strauss says, "I am the Constitution"; he insists even though a servant of the President that he will interpret the Constitution, and that he will not be controlled by the view of the President or by the view of the Attorney General.

Mr. O'MAHONEY. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. Mr. President, the Senator from Wyoming has the floor.

Mr. O'MAHONEY. No, Mr. President; I yielded to the Senator from Colorado. Will he yield to me?

The PRESIDING OFFICER (Mr. KEATING in the chair). Does the Senator from Colorado yield to the Senator from Wyoming?

Mr. CARROLL. I yield.

Mr. O'MAHONEY. Once there was a man, Louis—Louis XIV—who said, "I am the state." Now we have a Lewis, who says, "I am the law."

Mr. CARROLL. I do not know that he says he is the law; but he has said, "I shall interpret the Constitution as I view it," regardless of what the President says about it or regardless of what the Attorney General says about it.

But we should particularly keep in mind the fact that the arm of the Government which created the agency of which Strauss was the head called him before it, in connection with a very simple matter, and asked him a few questions; but he claimed privilege.

Mr. President, let us forget for a moment about Strauss. I ask my colleagues whether they realize that since the opinion of Attorney General Brownell in 1954, 19 regulatory bodies or agencies of the Government have been following that opinion? That is what the Senate should be concerned about; and Strauss stands as a symbol.

Some have said that Strauss is a little arrogant. Perhaps he is under pressure. I will not use the word "arrogant"; but certainly he is opinionated; certainly he conjures up in his own mind a superior position for himself—a position superior to that of the executive branch, superior to that of the Attorney General, superior to that of the President, superior to that of the entire legislative branch of the Government.

But I wish to state what influenced my judgment in regard to the pending question. I was not a Member of the Senate during the Dixon-Yates hearings, and I have had to read the record carefully. I repeat that I do not know Strauss. I would not intentionally injure him, his reputation, or his family in any way. He is a patriotic, loyal American. But that is not the issue.

The issue is what this body is going to do about protecting its own rights under the Constitution—not because Dwight D. Eisenhower is President of the United States—but during the administration of any President.

For myself, I wish to state clearly—and I say this with humility—that certainly the President has implied powers, under the Constitution, to protect his own files and papers, even from the Congress. In that connection, let me refer to the Reynolds case. During the war, an airplane which was carrying some secret electronic devices crashed and five men were killed. The survivors tried to subpena certain records from the military. In the Reynolds case, in an opinion by Mr. Justice Vinson, the Supreme Court held that when state secrets are involved, the courts cannot have them; and therefore the Congress cannot have them.

So, as the able Senator from Wyoming has pointed out, we understand that when national security, or perhaps the formulation of treaties, or memoranda from the President to his staff or to Cabinet officers, are involved, privilege can be claimed by the executive branch, under the Constitution, just as the Senate, when it is in executive session, cannot have its memoranda taken from it.

But certainly the Congress must not permit anyone in the Government to withhold information because of the fact that fraud, corruption, special privilege, or conflict of interest is about to be exposed. The power to expose them is basic to free government, as the able Senator from Wyoming has said.

Therefore, Mr. President, I conclude my remarks by commending the very excellent presentation which has been made today by the distinguished senior Senator from Wyoming.

I say that this issue alone is sufficient to "snow under" Admiral Strauss. He should be rejected because of his own testimony. He has never changed his stand. He has not come before the committee and said, "Gentlemen, hindsight is often clearer than foresight. I can see my error." If I saw in the record one indication of humility on his part, I could feel less bound in conscience to oppose him because the subject of Executive privilege is an involved one.

But when he holds himself above the law, above the Constitution, above the President, above the executive branch, above the Attorney General, and above the legislative branch, I cannot go along with him. Certainly this should be a lesson to all Cabinet members, all executive officers, and all others who hold Presidential appointments; namely, that when congressional committees request them, at official hearings, to produce records which do not fall within the clear concept of Executive privilege, they should produce the requested records, or should provide the requested information to Congress, or else, as Strauss said, be willing to pay the penalty. He has said, "I am willing to pay the penalty."

Mr. President, he has asked for our judgment. In these circumstances, we are bound to render it.

Mr. LANGER. Mr. President, I shall speak very briefly, and therefore I ask that I not be interrupted and that any questions Senators may desire to ask be asked at the conclusion of my remarks. I may say the subject of my speech will be the record of the Republicans during the last 6 years in this body.

Mr. President, in discussing the nomination of Mr. Strauss, I shall briefly make my address, chiefly to the Republicans.

For some years, I have been designated as a maverick Republican, and sometimes I have even been called a Democrat. The record shows that I have never supported the foreign policies of either President Roosevelt or President Truman, and now President Eisenhower.

I believe the people of the United States spoke out in 1952 on foreign policy, and, so far as I am concerned, I am following the decision of the American people.

On domestic policies I have voted for those measures which I considered right, regardless whether they were introduced by Democrats or Republicans. But Mr. President, I cannot let this opportunity go by without emphatically stating my disagreement with my many Republican colleagues on this Strauss nomination. As an Abraham Lincoln, Theodore Roosevelt, Robert La Follette, Sr., George Norris, Republican, I proudly follow in their footsteps in declaring against monopoly.

It was Theodore Roosevelt who appointed Kellogg as trust buster. As a young man, I sat at the feet of Robert La Follette, Sr., and listened to his many speeches in behalf of antimonopoly. Of course, we are all familiar with the record of George Norris.

This fight against monopoly has been a long, hard, arduous one, and it has been a losing fight, chiefly because of the attitude of the Republican Party.

When I became chairman of the Judiciary Committee in 1953, our committee asked for an appropriation to investigate monopolies, which had been to blame for the rapid increased cost of living to the people. Our committee adopted this resolution on the 10th day of February 1953. The resolution had to go to the Rules Committee, which was controlled by the Republicans, and we waited and waited and waited until the 28th day of July 1954 before we got approval from the Rules and Administration Committee.

When the resolution came to the floor of the Senate, the Republican majority at that time refused to pass the appropriation. Twice I personally appeared before the Republican policy committee, and again and again I was denied an appropriation to investigate these monopolies that live off the blood and bones of the people.

Finally, on the 20th day of August 1954, I gave the following speech upon the floor:

Mr. LANGER. Mr. President, the leadership has refused to appropriate for the Antimonopoly Subcommittee on the Judiciary of which I am chairman, any funds with which to hold hearings on monopolies, trust, cartels, or measures looking to a better enforcement of the antitrust statutes. The hearings will be held anyway. When I became attorney general of my State I gave up all my law work. When I became Governor, I again gave up my law practice in its entirety. When I became a U.S. Senator I no longer practiced law and in my 13½ years here I have had only two law cases, both for very deserving persons and in one of which I charged no fee at all.

Owing to the fact that the Republican leadership has refused to give our Antimonopoly Committee any money, which was unanimously requested by the 15-member Judiciary Committee, and has held up the request first in the Committee on Rules and Administration and then by the Republican Party policy committee of the Senate, the Senator from North Dakota will violate a rule he has never violated since taking public office.

Although I am a U.S. Senator, I am announcing tonight to the world that I will accept four lawsuits between now and January in cases in which the U.S. Government

is involved neither directly nor indirectly, and all the money I get from those lawsuits that is necessary to be used, after we have exhausted the funds now in the full committee, will be used to conduct those hearings all over the United States of America.

Let the chips fall where they may. I am serving notice now on those who have voted to send $13 billion of American money all over the world, and deny the Antimonopoly Subcommittee of the Judiciary Committee enough money with which to conduct hearings so that the subcommittee can investigate public power and other monopolies, and the alleged monopoly in the manufacture of farm machinery, and a score of other matters like the monopoly on medicine, on farm, and small business that should be investigated.

That will not stop the senior Senator from North Dakota, just because the money which he needs has been denied the committee. These investigations will take place as far as possible. I regret very much if it hurts any Senator between now and election time, but my duty is to the people, the people who suffer from these disgraceful, greedy, unconscionable gougings, and in that job I shall not fail them, if I am alive.

Mr. President, that is the end of the quotation; the end of the speech I gave on that day upon this floor.

I will add that I did not receive very serious consideration from some of my Republican colleagues, but it is interesting to note that seven Republican Senators who were then Members of this body were defeated at the next election.

My first duty, Mr. President, is not to the Republican Party, but it is to the people—to the people who sent me here.

Now, Mr. President, Senators will note that I particularly mentioned the investigation of the power monopoly. And in furtherance of that speech, although I was given no money, I proceeded as chairman of the Judiciary Committee to investigate the Dixon-Yates deal.

I had heard rumors about this Dixon-Yates matter, Mr. President. I got no support from anybody at first, but after I obtained some money I hired a New York lawyer, Mr. Sidney Davis, who had had a world of experience on antimonopoly matters. He was an expert.

On the 20th day of May, I published a statement in the CONGRESSIONAL RECORD why I was opposed to Mr. Strauss. I read from the RECORD:

NOMINATION OF LEWIS STRAUSS TO BE SECRETARY OF COMMERCE

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared as to why I voted against the nomination of Mr. Lewis Strauss to be Secretary of Commerce.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I am not a member of the Committee on Interstate and Foreign Commerce, so of course I had no vote. This is the statement I gave on that day, which was printed in the CONGRESSIONAL RECORD:

STATEMENT BY SENATOR LANGER

The Senate is being asked to put a stamp of approval on the appointee, Mr. Lewis Strauss, who as head of the Atomic Energy Commission, participated in one of the most gigantic conspiracies ever conceived to wreck a masterpiece of American ingenuity; namely, the Tennessee Valley Authority (TVA), and its companion, REA.

Realizing the significance of this, should this man Strauss be rewarded? Let's look at what took place.

On October 15, 1952, at Memphis, Tenn., President Eisenhower was a candidate and he pledged himself wholeheartedly and without reservation to continuation of TVA, and again in a telegram on November 1, 3 days before the election, through the News-Sentinel at Knoxville, Tenn., he once more reiterated his approval of TVA when he stated: "TVA has served well both agricultural and industrial interests of this region. Rumors are being maliciously spread in TVA areas that I propose not only to decrease the efficiency of the operation but to abandon it, which is grossly untrue and utterly false. If I am elected President, TVA will be operated and maintained at maximum efficiency. I have a keen appreciation of what it has done and what it will continue to do in the future. Under the new administration TVA will continue to serve and promote the prosperity of this great section of the United States."

That was President Eisenhower's telegram. That is what he said.

But beginning in January 1953, the conspiracy proceeded—

I doubt whether the President had anything to do with it; and I am talking about Sherman Adams and some of those around the President:

But, beginning in January 1953, the conspiracy proceeded to take roots and the men who desired to wreck TVA and REA decided to work through one Mr. Lewis Strauss, then head of the Atomic Energy Commission and overnight the propaganda went forth, that instead of TVA being an asset to the American people, it was a form of, as President Eisenhower put it in a speech in South Dakota—creeping socialism.

Only by exceptional watchfulness on the part of a few Senators was this conspiracy nipped in the bud, and I am appalled at the idea that this Senate may reward one of the chief conspirators by confirming him as Secretary of Commerce.

Now that the hearings on Mr. Lewis Strauss are concluded, I must express my surprise and disappointment that a man who seeks to become Secretary of Commerce has continued to thumb his nose at the American people as represented by two committees of the U.S. Senate.

Not only has Mr. Strauss refused to answer questions of a subcommittee of the Senate Judiciary Committee, of which I am a member and former chairman, but he has brazenly refused to answer similar questions propounded by the Senate Interstate and Foreign Commerce Committee.

I had been hoping that in seeking promotion to be Secretary of Commerce, Mr. Strauss would divest himself of the arrogance with which he refused to answer the courteous and constitutional questions asked him by the distinguished Senators KEFAUVER and O'MAHONEY regarding one of the biggest conflict of interest cases in American history—the Dixon-Yates deal. He has not done so.

I do not see how any Member of the U.S. Senate who respects its rights and responsibilities to the people can vote to confirm a man who treats their representatives in the Senate with such insulting disrespect. Certainly I shall not do so.

Surely no Senator who has read the Dixon-Yates hearings and knows of the vicious attempt of Lewis Strauss and his cohorts to wreck the Rural Electrification program (REA) can vote for Strauss' confirmation and then honestly face his REA constituents.

Here is a proposed member of the Cabinet who is so highhanded that he defiantly announces that he would spurn an official opinion by another member of the Cabinet, the Attorney General, to answer questions asked by the Congress.

To confirm Mr. Lewis Strauss under these circumstances would be the seal of approval of his own insolent and self-asserted right to ignore constitutional questions essential to the interest of good government, thereby sealing off from the American people through their representatives in the Senate authority to ask similar qeustions of other Cabinet officials in the future.

That is the end of the statement I made at that time. Since then my distinguished colleague [Mr. YOUNG] the Senator from North Dakota issued the enclosed statement:

[From The Fargo Forum, June 12, 1959]

YOUNG SAYS HE'LL VOTE FOR STRAUSS

Washington (AP)—Sen. Milton R. Young said Thursday, he believes Lewis L. Strauss "is a man of integrity and I intend to vote for his confirmation" as Secretary of Commerce.

The Senate is expected to vote on Strauss next week.

Young's colleague, Sen. William Langer, is the only Republican Senator to announce publicly that he will vote against the confirmation of Strauss.

Young noted Strauss was a controversial figure as chairman of the Atomic Energy Commission, and added, "But who wouldn't be in that field."

Young said he believes the Republican Senators, with the exception of Langer, will hold their ranks and vote for Strauss, picking up from 14 to 16 Democratic votes, to assure his confirmation.

Since the publication of my statement in the CONGRESSIONAL RECORD on May 20, 1959, various individuals have asked me to confirm my stand relative to Mr. Lewis Strauss in connection with the Tennessee Valley Authority and the Rural Electrification Administration.

The following facts were secured under oath and are all documented. Any individual denying them simply has not read the record. This is the undisputed evidence which any person who is honest cannot question.

Fact No. 1: While seeking election, President Eisenhower made a public speech on the 15th day of October 1952, at Memphis, Tenn., and gave unqualified support to TVA, and reaffirmed that support in a telegram to the Knoxville News Sentinel on November 1, 1952, which was 3 days before the election. The President stated in that telegram:

TVA has served well both agricultural and industrial interests of this region. Rumors are being maliciously spread in TVA areas that I propose not only to decrease the efficiency of the operation but to abandon it, which is grossly untrue and utterly false. If I am elected President, TVA will be operated and maintained at maximum efficiency.

I have a keen appreciation of what it has done and what it will be able to continue to do in the future. Under the new administration TVA will continue to serve and promote the prosperity of this great section of the United States.

Fact No. 1 is documented by the New York Times of October 16, 1952, and the Knoxville News-Sentinel of November 2, 1952.

Fact No. 2: Almost immediately after taking office the President and his advisers—

Again I wish to emphasize the reference to "his advisers," because, let me repeat, I have the highest respect for the President. I am talking about Sherman Adams, particularly.

The President and his advisers changed their attitude concerning the Tennessee Valley Authority which serves the following seven States: Alabama, Georgia, Kentucky, Tennessee, Mississippi, North Carolina and Virginia.

May 13, 1953, Mr. Eisenhower announced a revision of the Truman budget by cutting out the $30,000,000 in funds for Fulton steam generating plant for TVA (New York Times, May 14, 1953). Budget message to Congress, President says TVA would receive no additional funds for power. Budget message to Congress, January 21, 1954.

Fact No. 3: They induced the President to direct Messrs. Dixon and Yates to build a steam generating plant at West Memphis, Ark., at an initial cost of approximately $120 million—Hughes testimony, Kefauver-Langer hearings, part I, page 52; Cook testimony, Kefauver-Langer hearings, part II, pages 716–718.

Fact No. 4: In an off-the-cuff speech to a group of South Dakota Republicans, the President called TVA a form of "creeping socialism"—New York Times, July 18, 1953, press conference.

Fact No. 5: Specifications for the plant were kept secret—Clapp testimony, Langer-Kefauver hearings, part II, pages 603–604.

Fact No. 6: The terms of the contract were secret and the committee was unable to secure a copy for many months and finally got it out of a New York newspaper—Langer-Kefauver hearings, part II, pages 214 and 215, September 29, 1954; Langer-Kefauver hearings, part II, pages 413 and 414, October 6, 1954; Langer-Kefauver hearings, part II, pages 566 and 567, October 14, 1954; for the paper, see the Wall Street Journal, article reprint, Kefauver-Langer hearings, part II, pages 448 and 450.

Ah, that is a very important point. Even a committee of the U.S. Senate could not get those specifications, try as it would.

Fact No. 7: No bids were advertised for it and no bonds were required. As every person knows whenever any town, city, or village builds any kind of a public building the contracts are let out by competitive bidding and advertised—Langer-Kefauver hearings, part I, pages 182 to 183.

Fact No. 8: This, Mr. President, I consider one of the most damaging things of all. I would so much have liked to have gone along with my Republican colleagues if I possibly could, but when Senators read fact No. 8, I do not see how any of them can vote for Mr. Strauss.

Fact No. 8: A group of New York financiers, the Von Tresckow syndicate, hearing about the Dixon-Yates deal through rumor, investigated it and tried to get the secret plans and specifications from the Atomic Energy Commission, headed by Mr. Strauss.

Note: They tried several times to get a hearing and present their position. See Burch testimony, Langer-Kefauver hearings, part I, pages 9 to 89.

Fact No. 9: Every possible attempt to scare and bulldoze the engineers for this New York syndicate was made. They succeeded in getting the engineers to withdraw under threats that no private utility company would again hire them—Langer-Kefauver hearings, part I, pages 59, 60, and 61.

Fact No. 10: The New York syndicate finally offered to build the same plant as Messrs. Dixon and Yates for the same price, charge the same rates, and at the end of 30 years donate it to the Government—Langer-Kefauver hearings, part I, page 85.

Fact No. 11: This offer to save the Government between $90 million—Bureau of Budget, controlled by Mr. Eisenhower's own appointees, estimate—and $150 million—TVA estimate—was refused by the Atomic Energy Commission of which Mr. Strauss was Chairman—Langer-Kefauver hearings, part I, pages 75, 76, 77, and 78.

They ask me, a respectable citizen, to vote to confirm the nomination of that kind of man.

I said at that time that when Teddy Roosevelt was President, if anyone working in the White House had refused to testify, he would have kicked him out overnight.

President Eisenhower kept Sherman Adams. He kept Mr. Strauss. He kept Mr. Hughes for a while, and so on.

The Bureau of the Budget, controlled by Mr. Eisenhower's own appointees, estimated $90 million; $150 million was the TVA estimate. As I said, that was refused by the Atomic Energy Commission, of which Mr. Strauss was Chairman.

Fact No. 12: Strauss refused to tell the Antitrust and Monopoly Committee of any conversation he had with members of the White House including Sherman Adams—Kefauver-Langer hearings, part II, page 1163. See also, entire Strauss testimony, Kefauver-Langer hearings, part II, pages 1132 to 1214.

Fact No. 13: Sherman Adams refused to testify.

Think of it. On two different occasions a committee of Congress wrote to Sherman Adams; twice he refused to come. Oh, there was something about the Dixon-Yates deal which was not quite right. Sherman Adams did not want to tell about it. The testimony shows that Mr. Strauss, Mr. Hughes, and Mr. Cook went to the White House and conferred with Sherman Adams. The committee had to worm that information out of them—Kefauver-Langer hearings, part II, page 675, first letter. Kefauver-Langer hearings, part II, page 779, second letter.

The President supported Adams at a press conference on July 29, 1955.

Fact No. 14: The head of the Securities and Exchange Commission, Sinclair Armstrong, also a Republican appointee by Eisenhower, a disciple similar to a man who pleads the—well, he did not plead the fifth amendment. What dissimilarity is there between a Communist who takes the fifth amendment and a man who draws his pay from the Federal Government and refuses to testify? For whom do we have more respect? A committee made up of representatives of the people asked him a few questions about a contract. He refused to answer. For whom do we have more respect? He refused to testify that Sherman Adams, on June 11, 1955, in a telephone conversation, had directed the examiner to discontinue the investigations being conducted by the SEC—Kefauver-Langer hearings, part I, pages 418 and 419.

Fact No. 15: Hughes, a Republican appointee of the Budget, sent a memorandum to the President slanted in favor of the Dixon-Yates group. For the memorandum account see Kefauver-Langer hearings, part I, page 32. For Chairman Clapp's opinion of the memorandum, see Clapp testimony, Langer-Kefauver hearings, part II, pages 587 to 589.

Fact No. 16: the Dixon-Yates holding company, the Arkansas Power & Light Co., used every method in the book in their attempt to stop the Arkansas Electric Co-op Corp. from obtaining assistance to build their own power system. Only after a personal appeal to President Truman did they get the loan—see Governor McMath testimony, Langer-Kefauver hearings, part II, pages 531 to 533. See also the whole testimony of Governor McMath for the numerous abuses of the Arkansas Power & Light Co., Langer-Kefauver hearings, part II, pages 499 to 533.

Mr. President, the testimony of former Governor McMath, of Arkansas, is a story in itself. If I were a Democrat running for office on the Democratic ticket in any one of those seven States, I would not want any better election material than the testimony of former Governor McMath, showing in detail how an attempt was made to prevent that little farm cooperative from having their own electric co-op—who did not have REA facilities; farmers whose wives had to use washboards or turn a washing machine by hand. They did not have electric lights. I will be interested to see how some of the Senators from those seven States who will vote for their friend, Mr. Strauss, defend their action.

Fact No. 17: Through all the negotiations, Adolph Wenzell, a vice president of the First Boston Corp., was secretly employed in the Bureau of the Budget, although Mr. Strauss now claims he thought he was representing the First Boston Corp.—Kefauver-Langer hearings, part II, pages 1187 and 1188.

Fact No. 18: Mr. Wenzell, while at Budget, prepared a report on TVA which recommended stripping TVA of its power facilities, the establishment of a new corporation to take over TVA operations, the issuance of bonds and capital stock to private investors, and also recommended that TVA's power supply might be met by organizing private generating companies—Kefauver-Langer hearings, part I, pages 209 and 210. See also Kefauver-Langer hearings, part I, pages 544 and 545.

Fact No. 19: Both President Eisenhower and former President Hoover, saw this report.

Mr. President, to whom did Wenzell take that specific report? Did he bring it to our committee? Oh, no. He took the report to Herbert Hoover—good old Herbert Hoover, whom the farmers of North Dakota remember so well; they remember what he did when they were in such great agony. Wenzell took the report to Herbert Hoover. Herbert Hoover approved it. He took it to Eisenhower, and Eisenhower approved it, too. But it was designed to wreck the TVA.

According to Mr. Dodge, of the Bureau of the Budget, they intimated it was "extremely valuable"—Kefauver-Langer hearings, part II, pages 965 to 967.

Fact No. 20: In violation of the rules, Mr. Adolph Wenzell's name did not appear in the official chronology—Kefauver-Langer hearings, part II, pages 683, 703, 710, and 711.

Fact No. 21: Dixon and Yates were repeatedly asked to testify by me, as chairman of the Judiciary Committee; but in all instances they did not come forward.

Despite what the newspapers said—and the Washington Star and the Washington Post repeated it and repeated it—it is strange that the editors of many newspapers rushed to the defense of a couple of millionaires or tycoons, and printed articles in which it was stated that we never invited them to testify before my committee. But the facts show that Dixon and Yates were repeatedly asked by me, as chairman of the committee, to testify. But in all instances they did not come forward.

Invitations extended: September 29, 1954, Langer-Kefauver hearings, part II, pages 213 and 214. October 1, 1954, Langer-Kefauver hearings, part II, page 288. October 6, 1954, Langer-Kefauver hearings, part II, page 359.

Mr. President, I wonder what the newspapers have to say now, after they deliberately printed stories to the effect that Dixon and Yates were not invited to testify—even though the newspaper reporters sat in the committee room and, on three separate occasions, heard the committee invite them to testify. But did the newspapers report that? Oh, no. I think the newspaper reporters are honest, but apparently the owners of the newspapers were not, for time and again they tried to mislead the public into thinking that Dixon and Yates were being persecuted.

Fact No. 22: The Atomic Energy Commission's vote to approve the Dixon-Yates proposals was, at best, questionable, inasmuch as one member left the room at the time of the vote, and a second member of the then four-member Board abstained—testimony of Thomas Murray, Joint Committee on Atomic Energy, page 283, letters of K. D. Nichols to Sidney Davis, October 28, 1954, Langer-Kefauver hearings, part II, page 567.

Strauss and Campbell voted for, Murray abstained, and Libby withdrew from the room. The Commission was not at full strength—only four members of a five-member Board. So just two members voted for it.

Fact No. 23: Mr. President, this is one of the most interesting facts. Mind you, Mr. President, in all of its existence, the Atomic Energy Commission never before had asked for the construction of a plant to provide power. But they wanted to wreck the TVA. So we find—and this is fact No. 23—that the Atomic Energy Commission had never before entered into a contract to produce power—Bureau of Budget chronology, Kefauver-Langer hearings, part II, pages 823 to 827.

Murray testimony to Joint Committee on Atomic Energy, page 283.

Fact No. 24: The TVA was never consulted on the Dixon-Yates deal, either as to its merits or as to how it would affect the Tennessee Valley Authority.

Mr. President, although the people of the country had invested nearly a billion dollars in the Tennessee Valley Authority, and although the Directors were appointed by the President and were confirmed by the Senate, and had made an outstanding record, yet not one solitary one of them was consulted on this matter by the President or by those who were handing it—Langer-Kefauver hearings, part II, pages 571 and 580.

Fact No. 25: The White House completely ignored Mr. Gordon Clapp, Chairman of the Board of TVA, when he appealed to the President to reappraise his position in reference to TVA and its power needs—Clapp memorandum to the President, presented to Sherman Adams, Langer-Kefauver hearings, part II, pages 599 and 600.

This memorandum was extremely important, insofar as it clearly illustrated the TVA's position in reference to the Dixon-Yates deal. In spite of this, the White House never again made an effort to hear Mr. Clapp out.

Fact No. 26: The Dixon-Yates holding Co., Mississippi Power & Light, as part of their plan to destroy public power companies, especially REA cooperatives, poured large quantities of money and men into a two-county area in Mississippi, to stop the North-Central Cooperative from building its own transmission lines. The Dixon-Yates Co. built "spite" lines, and tried to influence elections, and bribe local people, in the hope of destroying this small cooperative—Langer-Kefauver hearings, part II, pages 290 to 300.

The entire Stietenroth testimony illustrates the contemptuous methods used by one of the Dixon-Yates companies—see Langer-Kefauver hearings volume II.

The testimony showed that they hired 29 lawyers, friends of members of the legislature, to influence the legislature. They even purchased a country home which cost about $200,000, and even charged to the consumers of electricity the bills for whisky and other liquor. That testimony was given by their own secretary-treasurer, who had been with them for 26 years.

Fact No. 27: The opponents of the TVA often claim that the operation of the power outlets by the authority have caused a great and undue hardship upon private power interests.

One of the things they keep yelling about is that it hurts private power companies, and yet nothing could be further from the truth. We have the record.

The facts do not bear this out, but, on the contrary, they show a rather interesting picture of capital growth and increased dividends by the power utilities who operate in the TVA region. From 1937, when the Federal Power Commission first published data on the financial situation of the Nation's privately owned utilities, and until 1957, we have a clear picture of just what the utilities in the TVA area have been doing in terms of profits. Within this period the annual common stock earnings of the Nation's privately owned utilities were multiplied about three and one-fourth times, while their total outstanding common stock increased around 80 percent. In this same period, 1937 to 1957, the nine utility companies surrounding TVA have had increased common stock earnings of about eight times, and their outstanding common stock increased about 110 percent.

These statistics are computed after operating expenses, interest on bonds, and preferred dividends. It is interesting to note that some of these companies are in the holding outfit of Messrs. Dixon and Yates. From these few facts we can readily discern that TVA has not hindered the financial growth of the private utilities, but has actually been a very real and constructive partner in their growth. Free enterprise has prospered along with TVA—TVA publication, "TVA's Influence on Electrical Rates," May 1959, pages 12 and 13.

I have felt it my duty to bring the uncontroverted facts to the attention of every Senator who claims to be a friend of TVA and REA, so that their constituents may judge not only the actions of Mr. Strauss, as head of the Atomic Energy Commission, but the attitude of the Senators in voting for or against the confirmation of the nomination of Mr. Strauss.

How well I remember the great speech the majority leader made a few months ago about the REA. As reported in the newspapers, he said if we cannot lick them any other way, lick them with beer bottles. I am curious to see how many of his supporters are going to support REA and TVA.

Now finally, Mr. President, it is claimed by those Senators who say they are going to vote in favor of Mr. Strauss that the President should have the right to name a member of his Cabinet. I call the attention of this body to the complete reversal of the attitude of some of the very Senators who are now making this claim, because when the name of Henry Wallace to be Secretary of Commerce was up for confirmation, the RECORD shows that purely because some of the Senators did not agree with the political philosophy of Mr. Wallace, the following Senators voted against confirmation.

All one has to do is read the RECORD. The only objection they had against Mr. Wallace was his political philosophy. Read the RECORD. Those opposing him

did not say he was dishonest. There was nothing like that involved in the nomination of Henry Wallace. They did not like his political philosophy. That is all they said about it in the RECORD. They did not agree with his political philosophy.

The following Senators voted against confirmation of the nomination of Mr. Wallace. It will be noted the overwhelming number were Republicans:

Nays (32): Bridges, Buck, Burton, Byrd, Capehart, Bushfield, Butler, Capper, Cordon, Donnell, Ferguson, Gurney, Hawkes, Hickenlooper, Johnson of California, McCarran, McKellar, Milliken, Moore, O'Daniel, Reed, Revercomb, Robertson, Smith, Stewart, Taft, Thomas of Idaho, Vandenberg, Wherry, White, Wiley, and Willis.

So these men cannot blow hot and cold at the same time—one day vote against a nominee for Secretary of Commerce post and today argue that they were all wrong at that time and they should now reverse their position.

As for myself, I can only say that as a progressive Republican, on two different occasions, in the 18 years I have been in the Senate, I have warned my Republican colleagues that the action they were taking would result in the loss of Republican seats. All my Republican colleagues have to do is to look back over the record to see what happened when the people had a chance to vote when those Senators came up for reelection. In this matter the choice is clearly whether the Republican Party is going to be for the people or against them, and each Senator will have to, by his recorded vote, make his choice.

One thing is certain, and that is, I intend to let the people know Mr. Eisenhower's own budget board, after consultation with the White House, refused to save between $90 million and $150 million as shown by the testimony heretofore quoted. And the people themselves must judge whether the Republican Party is the party of big business or the party for the people. The Republican Senators on this floor are demonstrating that to the entire satisfaction of the people.

As Abraham Lincoln said, "You can't fool all of the people all the time," and these voting constituents of ours have a habit of sooner or later catching up with the Senators they have placed in the positions of trust.

Mr. President, I am now in my 19th year of service in the Senate. In my office, on the wall, there is a picture of Abraham Lincoln. Next to that is a picture of Theodore Roosevelt. Next to that is a picture of Robert La Follette, Sr. And next to that is a picture of George Norris. These men are my ideals, Mr. President. I am proud to be one of their sort, and I am happy to follow in their footsteps.

I say the Republican Party is going to be strong only so long as it follows the ideology of those four great men who made the Republican Party what it is.

How well I remember when William Howard Taft ran against Teddy Roosevelt. He carried only two States, Utah and Vermont. That is what the people thought of those two men. We had Theodore Roosevelt, Robert La Follette, and George Norris fighting monopoly and doing all they possibly could to bring it to its knees.

During the 19 years I have been in the Senate—whether under a Democratic rule or a Republican rule—I have seen a lack of enforcement of the antitrust laws. No one has been put in jail, whether there has been a Democratic Attorney General or a Republican Attorney General. The people at large are losing faith in their own Congress.

So, Mr. President, in the hope that I may be an inspiration to at least a very few of these men and women over the country, I feel I have done my duty today in bringing the facts I have mentioned to the attention of the people.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of all Senators, at the suggestion of the minority leader, after he has had an opportunity to consult various members of the committee and other Senators on his side, and I have talked with some members of the committee and other Senators on my side, we suggest the following proposed order for the consideration of the Senate:

Ordered, That on Wednesday, June 17, 1959, the Senate meet in executive session at 10 a.m. and immediately proceed to the consideration of the question of advising and consenting to the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce; that debate thereon shall be limited to 10 hours, to be equally divided between the proponents and the opponents, and controlled by the ranking minority member and chairman, respectively, of the Committee on Interstate and Foreign Commerce; and that, on any amendment, in order under the rules, except a motion to lay on the table, debate shall be limited to 30 minutes, to be equally divided and controlled, respectively, by the mover of the motion and the majority leader: *Provided,* That on any motion to recommit the nomination, the said ranking minority member and chairman of the committee, or either of them, may, from the time under their control, allot additional time to any Senator during the consideration of any such motion: *Provided, however,* That during the consideration of the said nomination or any motion relating thereto, no legislative business shall be transacted except by unanimous consent: *Provided further,* That at not later than 10 p.m. on said day the Senate shall proceed to vote without further debate upon any motion that may be pending and upon the nomination itself.

The proposed unanimous-consent agreement was submitted to me by the minority leader while I was in a CIA meeting in the Armed Services Committee. I have reviewed it. I have noted indications that the 10 p.m. deadline on Wednesday evening would be unsatisfactory because it might cut off certain motions which might be in contemplation.

Personally, I am prepared to agree to this request, and I propose it, although I have had scheduled for a week a hearing with the Director of the Budget tomorrow morning. I would much prefer to begin at 12 o'clock, if the Senator from Illinois would agree. I am presiding over a committee, and the hearing has been scheduled for several weeks. The Director of the Budget could not come before the committee at a certain time, and when he did come, we did not finish questioning him, and a further hearing was scheduled for tomorrow morning. I would like to be present, if possible. So I would prefer to change the hour of beginning to 12 o'clock noon. But if there is some reason for the 10 o'clock meeting hour, I am prepared to yield to my friend.

Mr. DIRKSEN. Mr. President, the reason for suggesting 10 o'clock for the beginning time for the Senate, and a vote at 10 o'clock p.m. on the nomination was to make sure that all Senators who wished to speak within the proposed limitation would be accommodated. Insofar as we could "box" the clock, it seemed that it would be necessary for the Senate to meet at 10 o'clock in order to satisfy the wishes of Senators who desire to speak. There are some speeches to be made on this side of the aisle.

Mr. JOHNSON of Texas. Friday and Saturday would be available.

Mr. DIRKSEN. Our idea was to dispose of the nomination without interruption by legislative business except by unanimous consent, continuing straight through and voting on the nomination tomorrow night.

I take judicial notice, of course, of the fact that certain things may happen. The observation was made on the floor that perhaps we were undertaking to delay action on the nomination. I am sure that contention has not been seriously advanced. So we are prepared to move straight through tomorrow, beginning at 10 o'clock in the morning, and disposing of the nomination by a final vote at 10 p.m.

Mr. JOHNSON of Texas. Does the "10 p.m. on said day" have reference to Wednesday?

Mr. DIRKSEN. Yes.

Mr. JOHNSON of Texas. I would have no objection to that procedure. I am prepared to vote tomorrow. However, that was not the way the situation was presented to me earlier by the minority leader. He thought there would be 6 or 7 speakers, and that several hours would be required. He thought Thursday was perhaps the best day to vote, or perhaps Friday or Saturday.

Mr. DIRKSEN. I canvassed the members interested, and measured the time. We found that we could operate under the suggestion originally made by the majority leader, which provided for a 10-hour schedule, with the time to be equally divided.

Mr. JOHNSON of Texas. I am perfectly willing to agree to that. I would prefer to have the Senate meet at 12 o'clock noon, rather than at 10 a.m.

Mr. DIRKSEN. Under the proposed arranagement, we could dispose of the nomination by 10 o'clock tomorrow night. The proposed order packages the entire consideration in 1 day.

Mr. JOHNSON of Texas. I think Senators would be better satisfied if the Senate were to meet at 12 o'clock noon instead of 10 a.m., and, if necessary, go over until Thursday.

Mr. DIRKSEN. If there are speeches to be made, and no intervening business is transacted, there is no reason why the speeches cannot begin at once and continue until the nomination is disposed of.

Mr. JOHNSON of Texas. There are several reasons why. All the committees meet at 10 o'clock in the morning.

Mr. DIRKSEN. But the business of the Senate supersedes all the business of the committees.

Mr. JOHNSON of Texas. I never realized that committee business was not business of the Senate. I have always considered committee business to be essential business of the Senate.

Mr. DIRKSEN. But the committee must receive special dispensation to sit during sessions of the Senate.

Mr. JOHNSON of Texas. The general rule is that the Senate shall convene at 12 o'clock.

Mr. DIRKSEN. It makes no difference when we convene; the committees cannot meet without the consent of the Senate.

Mr. JOHNSON of Texas. The Senate cannot meet at 10 o'clock without the consent of the Senate. The rule is that the Senate shall convene at 12 o'clock. What I should like to do is to meet at 12 o'clock and go through the debate for a 10-hour period and then vote some time on Thursday.

Mr. DIRKSEN. I am prepared to vote at midnight on Wednesday, if necessary.

Mr. JOHNSON of Texas. The Senator from Illinois has been prepared to vote since we started, I realize.

Mr. DIRKSEN. Yes.

Mr. JOHNSON of Texas. But I do not believe that the Senator can expect that all the other Members of the Senate have been prepared to do so. For that reason I believe we should try to follow a schedule which will give us a vote on Thursday after an adequate opportunity has been afforded all Senators to make any motions they may wish to make, after at least 10 hours of debate and after the Senate has met at 12 o'clock.

Mr. MANSFIELD. At what time on Thursday would the vote come?

Mr. JOHNSON of Texas. It would depend on how many motions were made. Thirty minutes would be allowed on each motion. If we convene at 12 o'clock and sit until 8 o'clock tomorrow, we could vote at 5 or 6 o'clock on Thursday, or sit on Thursday evening until 10 o'clock and then vote. So long as we have an agreement which covers time for debating a motion, no one can anticipate how many motions will be made or how much time will be consumed in discussing motions.

Mr. DIRKSEN. I must in all good grace say that earlier today when I made temporary objection, I noticed that the word went out that I had objected, and that that could be interpreted as some evidence of foot dragging on my part.

Mr. JOHNSON of Texas. The Senator from Texas has never had any word go out or adverted to any foot dragging on the part of the Senator from Illinois. The Senator from Texas has proposed that the Senate meet at the normal hour of 12 o'clock tomorrow, and run for a reasonable period of time tomorrow, allowing time for debating any motions which may be made, and arrange for a vote on Thursday.

I have not suggested that we meet tomorrow and try to finish the matter in 1 day, tomorrow, because I do not believe that will meet with the pleasure of the Senate.

The Senator from Texas does not believe that committee meetings should be canceled. Committees are meeting to mark up appropriation bills, which are just as important as the nomination. We can do all this by meeting at 12 o'clock. Could not the Senator from Illinois agree to adjust himself to convening at 12 o'clock? Must he insist on 10 o'clock?

Mr. DIRKSEN. No; the Senator from Illinois finds himself in a rather awkward position. He found himself in the position where he had to object temporarily earlier today. Objection could be made to the proposed unanimous-consent agreement, and the agreement could be proffered again and modified.

Mr. JOHNSON of Texas. I am not going to object to meeting at 10 o'clock, although I think it is a little out of the ordinary to do so. I believe we should convene at 12 o'clock tomorrow, but I will not make objection to 10 o'clock.

Mr. McNAMARA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Michigan?

Mr. JOHNSON of Texas. I yield to the Senator from Michigan.

Mr. McNAMARA. Reserving the right to object—and I am reluctant to object—as has been pointed out, there are committees which have already subpenaed witnesses to appear before them. They are witnesses from out of town. I have scheduled a committee meeting at 10 o'clock, and witnesses are to appear before it not only from my State but from the State of New York and from the State of Pennsylvania. Some of those witnesses are already in town. It is impossible for us to be holding committee meetings and to be listening to this very interesting debate. I personally need no time and no help to make up my mind. I do not expect to change my mind. Many of us are in that position. Therefore it is with some reluctance that I find myself, because of these commitments to the people from out of town, who are involved in the hearings, disposed to object, unless the unanimous-consent agreement is amended.

Mr. JOHNSON of Texas. I hope the Senator from Michigan will not object at this time. We may be able to work it out.

Mr. McNAMARA. I withhold my objection.

Mr. HENNINGS. Mr. President, I wish to make an observation for the consideration of both the majority and the minority leaders. It happens that tomorrow morning at 10 o'clock there is scheduled a meeting of the Subcommittee on Constitutional Rights of the Committee on the Judiciary, at which time the subcommittee will begin, we anticipate, to mark up the so-called civil rights bill. May I have the attention of the minority leader, who has expressed from time to time an interest in civil rights matters?

Mr. DIRKSEN. Definitely so.

Mr. HENNINGS. Tomorrow morning is the date we have set aside for that purpose. As the distinguished minority leader well knows, we have had a great deal of difficulty in getting minority members of the committee to come to the subcommittee meetings. I especially exclude from that statement the distinguished Senator from Nebraska [Mr. HRUSKA], who is on the floor. He has been very faithful in attending the meetings of the subcommittee. We have tried to find a date of accommodation for all Members. It has not been easy to do so. Without a quorum, we have been unable to act.

Only a few moments ago I again consulted committee counsel, and I have reasonable assurance that on tomorrow we will have a quorum. I understand that the distinguished minority leader has also made an effort to request the attendance of some members of his own party who have not been coming to any of the committee meetings. I wish to suggest to him that, though I am not going to object, I believe the matter to which I have referred is of grave consequence, certainly of great importance.

Mr. DIRKSEN. I believe it should be stated for the minority members that there are so many subcommittees of the Committee on the Judiciary and of the Committee on Labor and Public Welfare holding meetings, it is obvious that Members cannot be at two committees at the same time and attend also to their other duties. Having heard the account of the hearings, which was excellently stated by the distinguished Senator from Missouri, I can readily understand the difficulty of getting a quorum.

Mr. HENNINGS. I appreciate very much what the Senator from Illinois has said. Being a member of eight subcommittees of the Judiciary Committee alone, and chairman of three of those subcommittees, I myself find great difficulty in being present at meetings. At the same time, I wish to suggest that for tomorrow we have made a special effort to try to have a quorum present to consider the proposed civil rights legislation.

Mr. DWORSHAK. Mr. President, I can see no reason why there should be any conflict between the convening of the Senate at 10 o'clock tomorrow and the holding of committee meetings. The debate has been running for a week or two now, and several times I have come on the floor when there were only three or four Members present listening to the speaker. I am sure that tomorrow, if we

meet at 10 o'clock, not one Member would be foreclosed from attending his regular committee meetings. The debate could go on in the Chamber beginning at 10 o'clock. I am sure that the ensuing debate would not change one vote. I do not understand why the Senate and the committees cannot meet at 10 o'clock.

Mr. JOHNSON of Texas. I appreciate the Senator's observation.

Mr. DWORSHAK. I will interpose no objection for a request that the committees may meet.

Mr. JOHNSON of Texas. I understand. Many Members would wish to be here for the morning hour at 10 o'clock. Some persons do not know that we have a morning hour, but we do. The Senator from Texas must be here when the session of the Senate opens. It would be much better if we could meet at 12 o'clock. We would likely be able to get consent for a requested unanimous-consent agreement, if that is what the Senator from Illinois wants, although I am not sure that it is.

Mr. CLARK. Mr. President, I hope very much that the majority leader will be able to persuade our colleague from Illinois that no useful purpose would be served by having the Senate meet at 10 o'clock. I am very anxious to attend the meeting which the Senator from Michigan [Mr. McNAMARA] will conduct tomorrow on a very important subject. Frankly, I should like to be present in the Chamber to hear some of the speeches prior to a vote.

It occurs to me there is no great present urgency for an immediate decision on this matter. I strongly support a unanimous-consent agreement which will provide 10 hours of debate and not to have any other proposed legislation intervene. But why is it necessary to get into a frenzy and attempt to do everything immediately?

I strongly concur in the views of the majority leader. We can well let this matter run over until Thursday and conduct the debate in an orderly manner. At least, some of us who would like to hear a part of the debate will have an opportunity to do so without having to forego our committee commitments.

I plead with the minority leader not to have the Senate convene at 10 o'clock tomorrow morning and not to insist that the Senate vote on the nomination tomorrow at midnight. There is no such urgency required. We can vote just as well on Thursday without holding up the important business of the Senate. I hope the Senator from Illinois will yield to the reasonable request of the majority leader.

Mr. JOHNSON of Texas. Mr. President, I think there is a general unanimity of feeling in the Senate that most Senators are agreeable to voting on Thursday. I had hoped that all Senators would be agreeable to voting on Thursday. I suggested earlier that we enter into an agreement to indicate that that would be done. But the distinguished minority leader felt that he had not canvassed the situation. There were some indications, at first, that there could not be a vote this week. But he had no objection to taking whatever time was needed. So a temporary objection was made to our original request.

Later, when the request was made that there be 10 hours of debate and that the Senate convene at 10 o'clock tomorrow morning, I construed the request to mean that we would meet at 10 o'clock, that there would be a morning hour, and that if there were to be 10 hours of debate, the vote would come on Thursday. It occurred to me that an attempt would be made to move up the time for voting 1 day. For what reason I do not know, except to have objection made to the request, as I suspect objection will be made to it.

If objection is made, I shall renew my request again. I think it is a reasonable request. My proposal is that the Senate convene tomorrow at noon, the normal time for convening, and that the Senate continue in session until a reasonable time tomorrow. Then I would propose that the Senate go over until Thursday, when it would operate under the same terms as were originally suggested today.

I simply ask the Chair to put the request which is now pending before the Senate, namely, that the Senate convene tomorrow morning at 10 o'clock; that it remain in session until 10 o'clock; and that we vote on the nomination tomorrow night.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. MORSE. I did not hear the proposal of the Senator from Texas.

Mr. JOHNSON of Texas. The proposed unanimous-consent agreement provides as follows:

Ordered, That on Wednesday, June 17, 1959, the Senate meet in executive session at 10 a.m. and immediately proceed to the consideration of the question of advising and consenting to the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce; that debate thereon shall be limited to 10 hours, to be equally divided between the proponents and the opponents, and controlled by the ranking minority member and chairman, respectively, of the Committee on Interstate and Foreign Commerce; and that on any amendment, in order under the rules, except a motion to lay on the table, debate shall be limited to 30 minutes, to be equally divided and controlled, respectively, by the mover of the motion and the majority leader: *Provided*, That on any motion to recommit the nomination, the said ranking minority member and chairman of the committee, or either of them, may, from the time under their control, allot additional time to any Senator during the consideration of any such motion: *Provided, however*, That during the consideration of the said nomination or any motion relating thereto, no legislative business shall be transacted except by unanimous consent: *Provided further*, That at not later than 10 p.m. on said day——

Which I understand the Senator from Illinois means to be Wednesday——

Mr. DIRKSEN. Wednesday; that is correct.

Mr. JOHNSON of Texas. That at 10 o'clock tomorrow night:

The Senate shall proceed to vote without further debate upon any motion that may be pending and upon the nomination itself.

I said to the Senator from Illinois when he presented that request that I saw two objections to it: First, the proposal to have the Senate convene tomorrow morning at 10 o'clock; second, the proposal to have the Senate vote arbitrarily at 10 o'clock tomorrow night, even though seven motions may be pending at the desk. The time would have been exhausted, and Senators desiring to speak on either side of the qeustion would not have any time left.

But I thought, in an attempt to meet the wishes of the minority leader, I would submit the request for the benefit of the Senate, and express the hope that at least it could be modified in some regard, so that an agreement might be entered. I think it is important that we attempt to let Senators who have other schedules to meet know what our plans are, so far as voting on the nomination is concerned.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HENNINGS. In view of the fact that a subcommittee of the Committee on the Judiciary is considering proposed civil rights legislation and is planning to vote on it, notice having been given to Senators who are members of the subcommittee, I feel it my bounden duty to object.

The proposal is to have the Senate convene at 10 o'clock tomorrow morning. The subcommittee expects to meet at that time to consider proposed legislation, upon which hearings have been held for approximately 3 months, and numerous efforts have been made to have a quorum of the committee in attendance.

Mr. JOHNSON of Texas. Mr. President, I renew my request made earlier in the day, namely, that the Senate convene at noon tomorrow; that there be 10 hours of debate on the nomination; that there be 1 hour of debate on any motion, the time to be divided equally, 30 minutes to a side; and that when the time has been consumed, and when all motions have been offered, the Senate proceed to vote on the Strauss nomination.

Mr. DIRKSEN. Mr. President, I think an earlier request is pending, which must be disposed of.

Mr. JOHNSON of Texas. I understood that objection was made by the Senator from Missouri.

Mr. DIRKSEN. I thought objection was reserved, but not made.

Mr. HENNINGS. Oh, no. I objected because I felt it my duty to do so, as chairman of the Committee on the Judiciary, which has made plans to consider a specific bill which is before the Subcommittee on Constitutional Rights, a bill dealing with civil rights.

Mr. JOHNSON of Texas. Mr. President, I have made it clear that I do not think we can reach an agreement to vote by proposing that the Senate convene at 10 o'clock tomorrow morning and vote on the same day. I think there are too many Senators who will desire to speak, after a unanimous-consent agreement has been entered, to obtain that kind of an agreement. I simply think it is beyond the realm of reasonableness. I do not think Senators will agree to it.

But I think it is reasonable to propose, and I do propose, that following the morning hour on Wednesday, 10 hours of debate be allotted, the time to be controlled by the chairman and the ranking minority member of the Committee on Interstate and Foreign Commerce; that there be an additional hour on any motion which may be made, the time to be equally divided between the mover of the motion and the majority leader; and that at the conclusion of the general debate of 10 hours, and when all time on all motions which may be made has been used, the Senate proceed to a vote.

I should think and hope and expect and anticipate that that would bring the Senate to a vote on the nomination either on Thursday or on Friday. I should expect the Senate to remain in session until a reasonable hour tomorrow evening, say 6 or 7 o'clock, and until a reasonable hour on Thursday, say 6 or 7 o'clock. If action had not been completed on the nomination by that time, the Senate could go over until Friday.

Mr. JAVITS. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. JAVITS. I should like to propound two questions to the majority leader. First, is it the sense of the proposal of the Senator from Texas that time may be yielded on motions out of the time on the main nomination?

Mr. JOHNSON of Texas. Yes. I would follow the formality of the original request. That is understood. Any time remaining on the general debate would be yielded to any Senator on any motion.

Mr. JAVITS. Does the Senator from Texas feel that the request should contain a provision that there would be no intervening business?

Mr. JOHNSON of Texas. No; I do not. That would not be in keeping with the way in which the Senate has operated. It might be that the Senate would be called upon to consider conference reports, and the time for such consideration would not be charged to either side. It may be that a bill, such as the housing bill, would come before the Senate. There are a good many matters of urgency, and I consider the Strauss nomination to be one of them, to be acted on by the Senate. But I would not give the Strauss nomination full, absolute, complete priority by ignoring every other piece of public business which the Senate might be called upon to consider.

Mr. JAVITS. I am delighted to see the Senator from Texas trying to place an interpretation on what he has been spending so much very valuable time arguing about.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. MORSE. Reserving the right to object, I should like to discuss this problem for a minute. I think we are proceeding very well, in the regular order, with the discussion on the Strauss nomination. It is my opinion that by the end of this week, in the normal course of the proceedings in the Senate, there should be a vote on the Strauss nomination. Personally, I hope so. I know of no plan on the part of any individual or any group to engage in any prolonged debate on the Strauss nomination, debate which, in Senate parlance, is known as a filibuster.

But I have been a Member of the Senate for 15 years. Over and over again, I have gone through the very type of discussion in which we are now engaged.

I have tried to cooperate on the occasions when I felt there was a good case and justification for entering into a unanimous-consent agreement. But the RECORD is replete with instances of my calling the attention of the Senate to the fact that much is lost in the legislative process of the Senate by the great increase in recent years of business transacted only by way of unanimous-consent agreements. I am of the opinion—which I have expressed many times— that it is not good parliamentary procedure.

I think the RECORD shows clearly that there have been times when the debate has actually been shortened by not entering into a unanimous-consent agreement—times when we have actually disposed of the business before us sooner than it would have been disposed of under a proposed, but rejected, unanimous-consent agreement.

Mr. President, in this case we are dealing with an issue which I believe to be of great importance to the country—an issue so important that I think the people are entitled to unrestricted debate on it in the Senate. I think the people, as well as the Members of the Senate, have an interest in the procedure that is followed in the Senate, because, when all is said and done, these procedures are not ours. We may adopt them, but they belong to the people.

Frequently we speak, as Senators, about unrestricted debate in this body, and we refer to unrestricted debate as one of the great strengths of the Senate. I think that, procedurally, it is one of the great strengths of the Senate; and I think the principle of unrestricted debate is of special importance when there is before the Senate an issue so vital as this one and so controversial as this one, in regard to which there are such definite pro and con points of view.

In the past 15 years there have been times when I have cooperated and have gone along with requests for unanimous-consent agreements, only to wish—a few hours after the operation of the unanimous-consent agreement began—that I had not agreed to it. For example, there are instances where new problems arose and new points were made. These required answers, but the time available under the agreement would not permit the supplying of those answers.

Of course, after a unanimous-consent agreement has gone into effect, a request for further time can always be made, but a Senator hesitates to make such a request.

In the case of this particular matter, I believe that no good purpose would be served by entering into a unanimous-consent agreement.

There has been comment to the effect that, so far, only a few Senators have been on the floor to listen to some of the speeches on the Strauss nomination. That is true. But, Mr. President, based on past experience and observations, I am satisfied that there would have been an even smaller number of Senators on the floor if a unanimous-consent agreement had been entered into. It is remarkable how a unanimous-consent agreement, once it is entered into, can empty the Chamber. But that happens, because Members know that while such an agreement is in effect, they do not need to be in the Chamber; and they know that no vote will be taken until the agreed-upon time has elapsed.

Mr. President, perhaps many Senators do not share my point of view; but I, too, am obliged to act in accordance with the trust which is reposed in me.

I believe that the common practice of having unanimous-consent agreements in effect so much of the time has tended to lower the value and the effectiveness of debate in the Senate. I know it is said that debate never changes votes; but I have experienced too many occasions when debate has changed votes, and I have had my own vote changed too many times in the Senate by debate, to accept the statement that everything is frozen.

So, Mr. President, for three reasons, I shall object to the proposed agreement:

First, I do not believe it is necessary. I believe that in the normal procedure of the Senate, we shall reach a vote in due course of time, this week.

Second, Mr. President, I think those of us who hold the view—and I am not alone in holding it—that we are overdoing the unanimous-consent agreement procedure in the Senate, are obligated to exercise our parliamentary rights by objecting to proposed unanimous-consent agreements as a general practice in the Senate. And I intend to do so, while always reserving the right, of course, to support a proposed unanimous-consent agreement when I think the exigencies of the particular matter before the Senate at a particular time justify making an exception to the pont of view I am stating.

Third, Mr. President, I think the people of the country are entitled to have assurance that the Strauss nomination was finally voted upon without the slightest restriction on debate in the Senate.

Therefore, Mr. President, I object.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Objection is heard.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to inform the Senate that I hope the session on tomorrow will continue until 7 or 7: 30 p.m., and that there may be evening sessions on Thursday and Friday; and if the nomination has not been disposed of by that time,

we shall probably have a Saturday session. I shall confer with the minority leader about that; but all Senators should be on notice.

Mr. DIRKSEN. Mr. President, will the majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. Mr. President, I wish to say to the Senate that, in my considered judgment, the majority leader has been sincerely undertaking to obtain a vote on the Strauss nomination. I have not seen any disposition on his part to prolong the debate. I believe he has made an earnest and a sincere effort to contrive an agreement by which the Senate would vote promptly on the question of giving its advice and consent to the Strauss nomination. I have sought to help him.

If I was willing to try to have the remaining debate compressed into 1 day, I am sure that I shall be forgiven in that respect.

But we tried, as did all the Members who met today in the minority conference committee, to have the vote taken not later than tomorrow evening—even, if necessary, at a late hour tomorrow evening—so as to have the Senate take final action by then on the nomination, and then be able to proceed with other business.

I think the majority leader has made a sincere effort to expedite as much as possible the action of the Senate on the nomination; and I trust that I merit equal credit for the sincerity of my effort in that respect.

Mr. JOHNSON of Texas. Mr. President, I never question the sincerity of any Senator; I always accord to each Senator the same motives that I have. I always try to be earnest and sincere in what I do.

But I recall what happened a few weeks ago, at approximately 10 o'clock in the evening, when some Senators applauded the suggestion by one Senator that the Senate had acted outrageously because it had continued its session until that hour in the evening, in an attempt to pass the labor bill. I recall the applause which then came from one side of the aisle.

Certainly there has not been any attempt to restrict to one day the remaining debate on the issue now before the Senate. I suggest that the Senate allow at least 2 full days for further debate on the pending question; and I proposed that the vote be taken on Thursday or on Friday, so that the issue now before us would be disposed of by that time. I thought we could expedite matters in that way. It was the minority leader's judgment that we ought to try to force it through on Wednesday, and I yielded to that judgment. We have had the judgment of the Senator from Oregon now, and there is not much we can do about it, under the rules.

What I want to do is to accommodate as many of my colleagues as possible, and still expedite the business of the Senate. So all Senators should be prepared to be present in the Chamber until 7:30 or 8 o'clock tomorrow evening, and perhaps for a late session on Thursday, until that hour or later, and also on Friday, and, if necessary, to have a Saturday session.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HENNINGS. I may say to the distinguished minority leader that the record in this case is voluminous. Many of us have a great deal of reading to do. I myself am always several hundred volumes behind in my required reading.

Mr. DIRKSEN. It is several thousand for me.

Mr. HENNINGS. I refer to required reading. It is my determination to be as fair to Admiral Strauss as I know how to be, and to predicate my judgment and my vote upon the record.

The date on which the minority leader has the disposition to force us to a vote would be a premature day for me, and I hope it would not affect my judgment of the resolution of the issue. I want more time. I am still reading the record. I do not know how many other Senators are. I think some of us would like to hear more of the debate. Some of us may have something to say before it is over.

With all respect to my friend, with whom I have collaborated upon matters coming from the Committee on the Judiciary, I hope he will recognize full well the many duties we are called upon to perform in just that one committee. There are several other committees in which we hold membership. Some of us are trying to approach this question judiciously. I indulge the thought that most Senators, if not all, want to be fair. I do not know how, in sitting in judgment of a man's qualifications, one can be completely fair without reading every word of the hearings. I would regret it very much if I were not to have time to do that.

Mr. JOHNSON of Texas subsequently said: Mr. President, before I leave the Chamber this evening I should like to have the RECORD to show that all Members of the Senate should be on notice they can expect to vote without very much notice, because we are operating without a unanimous-consent agreement. We will have a quorum call before a vote, but it is possible that we will vote tomorrow evening or the next evening or the next evening after that. We will give Senators a notice by a quorum call, but that is the only notice we can give, since we have no agreement.

Mr. President, I ask unanimous consent that these remarks be printed in the RECORD at the conclusion of the remarks I previously made.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

AGRICULTURAL RESEARCH BENEFITS BOTH FARMERS AND CONSUMERS

Mr. NEUBERGER. Mr. President, agriculture ranks as Oregon's second industry, accounting for over $400 million a year in cash income, not including Government payments. More than 54,000 farmers raise fruits, vegetables, grains, livestock, and poultry. One-third of Oregon's total land is in farms. Another one-third is in Federal grazing lands. A total of 1.5 million acres of land is now under irrigation, representing a capital investment of about $100 million.

Because of my State's strong dependency upon farming, the need to provide Federal funds adequate to insure development of new methods for producing better crops more efficiently and protecting existing strains from disease and natural hazards has been strongly impressed upon me. I was pleased, therefore, that the Senate sustained the Senate Appropriations Committee recommendation for an increase in the appropriation for the Agricultural Research Service to $70,479,390, a raise of $6,239,390 above the administration's budget request.

Earlier this year, recommendations on facility needs for soil and water conservation research prepared by the Department of Agriculture at the request of the Senate Appropriations Committee were submitted to the committee. The report, which indicated that a vast enlargement of research activity in this area is required to adequately meet demonstrated needs, was presented after the submission of budget estimates for fiscal year 1960. However, the committee held hearings on the report and voted to strengthen significantly existing facilities as a prelude to action on the suggested expansion program . I ask unanimous consent that the paragraph from the committee report, together with the text of my letter of April 22, 1959, to the able senior Senator from Georgia [Mr. RUSSELL], dealing with this subject, be printed at this point in the RECORD.

There being no objection, the extract and letter were ordered to be printed in the RECORD, as follows:

SOIL AND WATER RESEARCH

The report on soil and water research needs, if fully implemented, would require increasing soil and water research from $7 million to over $26 million annually and for capital construction of research facilities totaling more than $20 million. The committee reviewed the recommendations and examined them thoroughly with officials of the Department during hearings on the bill, and has recommended strengthening of soil and water research by the amount of $20,016,800. These increases are in accordance with priority listings and amounts recommended by the Department to strengthen existing research stations and facilities to bring them to their effective operating level before starting the construction of additional new facilities.

APRIL 22, 1959.

Hon. RICHARD B. RUSSELL,
Chairman, Subcommittee on Agriculture and Selected Agencies, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR DICK: During the past few days I have received several letters from persons in Oregon regarding recommendations on facility needs for soil and water conservation research submitted to the Secretary of Agriculture by a four-man working group on January 15, 1959. I understand that this study was instituted as the result of a request by the Senate Appropriations Committee for a report on research results to be expected from present facilities and the feasibility of additional facilities.

Of particular interest to my State, of course, is the section of this review dealing with the Columbia Basin, which includes, for the purposes of the study, parts of the States of Oregon, Washington, Montana, Idaho, and Wyoming, which drain into the Columbia Basin. In connection with its investigation of this area, the working group found urgent research needs in the area of watershed engineering, water management, soil management, erosion control, and plant management, and suggested establishment of new facilities or expansion of existing facilities of the Agriculture Research Service and the four State agricultural experiment stations in the region. Recommendations included a statement urging expansion of facilities at Pendleton, Oreg., to aid in study of soil management problems involving nonirrigated grainlands.

I understand that if the suggestions of the working group with respect to the Columbia Basin region are to be implemented, it will be necessary for Congress to appropriate approximately $1,800,000 for new construction at Moscow and Twin Falls, Idaho; Boneman, Mont.; Prosser and Pullman, Wash.; and Pendleton, Oreg. In addition, I am informed of an increase in the annual operating budget of these stations to about $1,180,000 annually.

With regard to te Pendleton installation, new construction would total an estimated $425,000 and annual operating expenses would rise from about $32,000 to $252,000 if the recommended program were to be carried out.

I am confident that you and your subcommittee will give the report of the working group detailed consideration during review of the Department of Agriculture's budget for fiscal year 1960. I wish to take this opportunity to express my keen interest in this matter. The work of the Agricultural Research Service is of great significance to my State, whose economy is heavily dependent upon agriculture. Enlargement of the Department of Agriculture's present program in this area in accordance with the long-range plans for the Columbia Basin indicated by the working group would be of definite aid to Oregon and the entire Northwest.

With best wishes, I am,

Sincerely,

RICHARD L. NEUBERGER.

Mr. NEUBERGER. Mr. President, recently the Oregon State College Agricultural Experiment Station published a brochure entitled "Agricultural Research Helps Everyone." This booklet notes the tremendous effect of agricultural research on all segments of society. It points out that economic progress in our country is furthered by the work of laboratory technicians and farm experts who seek to discover better methods and perfect better products for American farmers. The report states:

More knowledge put to work means even better living and a stronger America. We cannot stand still in agricultural research. We either move ahead or fall behind.

Mr. President, because the brief study which I have just quoted from presents such a cogent argument for advancement of agricultural research, I ask unanimous consent that it appear in the RECORD at this point, in order that other Senators may have an opportunity to read it. Although the comments are related directly to Oregon, the principal points apply with equal validity to the Nation as a whole.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AGRICULTURAL RESEARCH HELPS EVERYONE—GAINS FROM SCIENTIFIC AGRICULTURE BENEFIT BOTH FARMERS AND CONSUMERS

Oregon's agriculture generates more than a half billion dollars yearly of purchasing power in the State. It provides more than 40,000 off-farm full-time jobs. It supports many related industries such as farm equipment, chemicals, fertilizers, containers, transportation, public services, and power.

These activities are of concern to all citizens. The dividends from agricultural research—scientific advances—benefit not only the farmer, but have a direct impact on the welfare of all.

Agricultural research has helped the farmer become more efficient, enabling those living off the farm to live better, too.

Today, for example, it takes only 20 minutes of labor to earn the money to buy a pound of rib roast. It took about 48 minutes a generation ago. And the quality of today's meats is better, too. Our future benefits will depend greatly upon how well we learn—through research—to make nature work for us even better.

Three groups conduct agricultural research in America. One is private industry. Another is the U.S. Department of Agriculture. And the third is the Agricultural Experiment Station located at the land-grant college in each State. Here in Oregon, the research and extension service staff of Oregon State College has contributed much to spark this economic progress. Here are some examples:

In 6 years, the feed required to produce broilers has been reduced by 16 percent. In addition, the time needed to produce more tender and tasty birds has been cut by 20 percent. In the face of generally rising prices, the price of broilers to the consumer declined 12 percent in this same 6-year period.

New products have been created, ready to serve, after research tests have assured quality and other desirable characteristics. Homemakers, for example, now obtain better bread and pastry flour as a result of improved wheat that contains superior milling properties.

Oregon pioneered in breeding chickens for high egg production. Oregon produced the first hen to lay 300 eggs in 1 year and more than 1,000 eggs in her lifetime.

The buyer's choice of delicious blackberries, red raspberries, or strawberries in fresh, frozen, jammed, or jellied forms is available because agricultural research at Oregon State created the Marion, Cascade, Pacific, Chehalem, and Olallie blackberry varieties, the Willamette and Canby red raspberries, and virus-free Marshall strawberries, and because science found ways to control numerous pests and diseases that have threatened destruction of these crops.

Yield increases of green beans have jumped from about 3 tons per acre to 8 tons in the past 30 years. This increase stemmed in part from research and extension work and has helped keep this $30 million Oregon industry in a competitive position.

Agricultural research everywhere wages a continuous battle against insect pests and animal diseases that threaten man's health and food supply.

Child care, clothing, housing, kitchens, and work spaces, textiles, household appliances, dental care, menus, nutrition, and food preparation have all been improved by home economics research in the experiment station.

Agricultural research has added to enjoyment of our surrounding by creating better varieties of flowers, shrubs, ornamentals, vegetables, and lawn grasses. In addition, better methods of planting and irrigating, and controlling weeds, insects, and diseases have been goals of agricultural research. Today, chrysanthemums, holly, rhododendrons, azaleas, camellias, and a host of other ornamentals adorn thousands of Oregon gardens and homes because agricultural research found better ways of controlling weeds, insects, and diseases.

AGRICULTURAL RESEARCH PROMOTES A BASIC OREGON INDUSTRY

Oregon's livestock, poultry, and dairy industries—now grossing more than $200 million yearly—are supported, sustained, and protected by production, processing, and marketing research. The scientist is the partner of the grower, seeking to discover ways to better management, feeding, breeding, disease control, and marketing—things we must know to compete successfully in satisfying consumer wants.

Thousands of acres of irrigated pasture—almost nonexistent a few years ago—are results of this partnership. More feed on the range, more and better hay, reduction of nutritional deficiencies, control of diseases and parasites are helping growers provide better meat products at lower cost to consumers.

Oregon's numerous kinds of fruit, vegetable, and nut crops are beset with many problems that baffle growers who have invested many millions. To protect growers from serious losses, the experiment station is currently conducting numerous research projects, using the talents and energies of skilled scientists from nearly every field. Results of this research help maintain a yearly flow of nearly $200 million into Oregon's economic structure. Consumers are rewarded by greater choice among higher quality products at decreased cost.

Oregon's $20 million seed industry is a child of agricultural research, nurtured, aided, and expanded by agricultural extension, and adopted and advanced by progressive farmers. Creation of several new grasses and legume varieties and introduction and testing of many others have formed the base for this economic growth.

Valuable soil fertility and moisture formerly lost to weeds now is diverted to crop production because agricultural research found cheap and effective chemical weed controls.

Land cropped to wheat for more than a half century produces more today than when rich in virgin fertility. This has been in part a product of agricultural research—better varieties, fertilization, and improved practices.

AGRICULTURAL RESEARCH MUST BE EXPANDED

America is pushing scientific research at unprecedented levels in the hope that we can stay ahead of the needs of free people for food and fiber. Our future as a State and Nation may well depend on our ability to win this race.

At present, we are fairly sure we are ahead of other countries in agricultural research. But a slowdown easily can weaken an important link in our quest for knowledge. More knowledge put to work means even better living and a stronger America. We cannot stand still in agricultural research. We either move ahead of fall behind.

We appear to be on the threshhold of some tremendously important new findings that will benefit us all. Some include a breakthrough in the speedup of plant and animal growth. New electronic machinery is on the way that may revolutionize farming, processing, and marketing, including retailing. This progress—through agricultural research—will benefit all of us, enabling us to live better in a better tomorrow.

AMENDMENT OF SECOND LIBERTY BOND ACT, AS AMENDED (31 U.S.C., SEC 757B)

Mr. CLARK. Mr. President, on behalf of myself, Mr. MORSE, Mr. BARTLETT, Mr. GRUENING, Mr. KENNEDY, Mr. MCGEE, Mr. MCNAMARA, Mr. MURRAY, Mr. NEUBERGER, and Mr. PROXMIRE, I send to the desk for appropriate reference a bill to reduce the national debt ceiling to $268 billion, rather than raise it, as the President has proposed. This would be done by applying the debt ceiling to the Government's net debt rather than to the gross amount of its obligations.

Mr. President, this is a reform long overdue, and would be the first step toward adopting the capital budget without which it is impossible for the Senate or the House really to understand the fiscal affairs of our Government and the budgets which are submitted to them.

Mr. President, the proposed bill is particularly timely now, when a revision in the statutory debt ceiling has been proposed.

There are some Senators, of course, and I am one of them, who question the need for any debt ceiling at all. The actions which the Congress takes in its revenue and appropriations measures determine whether the Government operates with a surplus or a deficit. And that in turn determines whether the national debt goes up or down. If we appropriate more than we receive, then later on we find we have to accede to a request to raise the debt ceiling. So, as a practical matter, the debt ceiling has little meaning.

However, I assume that removal of the ceiling is not going to happen, at least not right away.

So, if we are to have a ceiling, this bill proposes to redefine the Government's debt position according to more accurate concepts, using methods adapted from the universal practice of private corporations.

The redefinition was incorporated, in similar form, in a bill (S. 1244), introduced earlier in this session by the senior Senator from Oregon [Mr. MORSE], with six cosponsors.

The bill which I have sent to the desk today would, in applying the debt ceiling, deduct from the gross debt owed by the Government two items:

First. The balance outstanding of all obligations owed to the United States and payable in U.S. currency. Such obligations, amounting to about $20 billion, include FHA and VA mortgages owned by the Government and a variety of loans made by the Government to veterans, local governments, small businesses, farmers, rural electric cooperatives, corporations engaged in defense production, and foreign governments.

Second. The amount invested in revenue-producing and self-liquidating capital investments which are scheduled to be recovered by the Government. Totaling about $6.5 billion, these are principally power projects operated by the Army Corps of Engineers, the Bureau of Reclamation, the Bonneville Power Administration, the Tennessee Valley Authority, and the St. Lawrence Seaway.

The President has asked for an increase in the debt ceiling from $288 to $295 billion. By allowing $27 billion as deductions from the gross debt, we propose in our bill that the new debt ceiling be set at $268 billion.

Any corporation, in arriving at its financial position, draws up a balance sheet with its assets on one side and its liabilities on the other, and the difference represents its net worth or its net debt.

Yet when we talk about the Federal Government's financial position we talk only of liabilities without regard to assets. We fail to distinguish between operating expenditures and investments. The result is to distort the true financial condition of the Government and mislead the public with scare talk about the imminence of national bankruptcy.

We do not propose in this bill to offset against the Government's liabilities all of its assets, but only those loans and investments which will be returned to the Treasury in cash, on a regular amortization schedule. This is plain commonsense, and will make the debt ceiling a more accurate and meaningful figure.

Parenthetically, Mr. President, this is the type of financing used by all well-run cities in America today under charters either adopted by home rule or proposed to them by the legislatures. One situation in which I think the Federal Government could well look to the well-governed municipalities of this country for a little guidance is in handling it budgetary and fiscal affairs.

While Government bonds are the soundest of all obligations, despite some rumors to the contrary from the other side of the aisle, the obligations which we propose to offset against them are as nearly their equivalent as it is possible for private obligations to be. In those Government loan programs where risk is relatively high, the interest rate is set at a figure which covers the cost of the money to the Treasury, the cost of administering the program, and a reserve for losses. These reserves are in most cases more than adequate, and many of these programs ultimately pay a net profit to the Treasury. Similarly, Government power projects have invariably found a ready and expanding market for their power and some are even ahead of their repayment schedules.

The Government's financial position is far more favorable than it is sometimes painted, and a shift in bookeeping practices would help to make this clear.

The national debt at the beginning of 1946 amounted to 132 percent of that year's gross national product. If the President's request for a debt ceiling of $295 billion is granted, this would amount to only 61 percent of the gross national product of $480 billion estimated for this year—which means the debt is less than half the relative burden is was 13 years ago.

This is an important fact to stress, Mr. President, and I invite the attention of my colleague from Pennsylvania to it. The national debt today is less than one-half of the relative burden it was on our economy 13 years ago. If the net debt is used as the measure, a ceiling of $268 billion would amount to only 56 percent of 1 year's gross national product.

I ask unanimous consent that a tabulation of obligations owed to the United States, broken into the two categories discussed above, be printed in the RECORD, at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. CLARK. Mr. President, the figures on outstanding direct loans and investments are taken from the budget for the fiscal year 1960, page 960. I had hoped to be able to give a precise figure on the amount repayable in local currencies—which would not be deducted under the bill—but had not been able to obtain such a figure by the time I came to the floor. The amount of investment in self-liquidating projects to be returned to the Treasury is simply the best estimate I could obtain. These figures are, I am sure, correct as to general magnitude but may be off a few points in one or the other direction.

I ask that the bill be held at the desk until adjournment tomorrow so that other Senators may have the opportunity to join as cosponsors.

EXHIBIT 1

Obligations owed to the United States

[In billions of dollars]

	1959 estimate	1960 estimate
Outstanding direct loans and investments:		
Federal National Mortgage Association	3.2	3.3
Urban Renewal Administration	.1	.1
Community Facilities Administration	.6	.9
Federal Housing Administration	.3	.3
Public Housing Administration	.1	.1
Veterans' Administration	1.1	1.2
Rural Electrification Administration	3.0	3.2
Farmers Home Administration	.9	.9
Commodity Credit Corporation	2.0	1.2
Expansion of defense production	.2	.2
Small Business Administration	.4	.6
Loan to United Kingdom	3.4	3.4
Export-Import Bank	3.4	3.6
Department of State [1]	3.0	3.6
Total loans repayable	21.7	22.6

[1] A portion of these loans are repayable in foreign currencies.

	Estimate as of
Investment in self-liquidating projects to be returned to Treasury:	*June 30, 1958*
Bureau of Reclamation	2.8
Army Corps of Engineers	2.0
Tennessee Valley Authority	1.2
Bonneville Power Administration	.4
St. Lawrence Seaway	.1
Total	6.5

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Pennsylvania.

The bill (S. 2194) to amend section 21 of the Second Liberty Bond Act, as amended (31 U.S.C., sec. 757b), introduced by Mr. CLARK (for himself and other Senators), was received, read

twice by its title, and referred to the Committee on Finance.

Mr. MORSE rose.

Mr. CLARK. Mr. President, I am happy to yield to my friend the Senator from Oregon.

Mr. MORSE. Mr. President, I will say to my colleague from Pennsylvania that the Senator from Texas [Mr. YARBOROUGH] has already requested to be one of the cosponsors with us.

Mr. CLARK. That is indeed good news.

Mr. MORSE. If the Senator will permit, I have a brief statement I should like to read in support of the Senator's position on this matter.

Mr. President, the proposal the Senator from Pennsylvania and I are making today is the same in meaning and objective as is contained in the capital budget bill, S. 1244, which I introduced on March 2 with several of my colleagues. In section 4 of that bill we stated:

> The amount of obligations issued to finance productive capital investments shall not be considered a part of the public debt for the purpose of limitations on the public debt contained in section 21 of the Second Liberty Bond Act, as amended.

A few sentences above, productive capital investments were defined as those having a useful economic life of more than 10 years and which are revenue-producing or self-liquidating in nature.

So the purpose of the Clark-Morse bill is in keeping with the principle of the capital budget which many of us have been urging for so many years, which the Senator from Pennsylvania has so ably outlined. I think the Senator presented statements which are unanswerable as to the desirability of a capital budget. As the Senator pointed out, every well-run city in America operates under a capital budget.

WE NEED BUDGET REFORM

In presenting our bill, the Senator from Pennsylvania has stressed the desirability of giving the Congress and the American people a budget they can understand by excluding from the public debt the money owed the U.S. Government. It is one of the sad facts about our budgeting system that this latter figure is almost impossible to find. The outstanding loans for housing, for community facilities, for REA's and the like, are to be found in the budget, if one is diligent and looks hard enough and long enough. They are not in the regular part of the budget; they are found in the special analyses of budget data and Federal programs in the back of the budget document, which is about the size of the Washington telephone book.

What is worse, the money still to be repaid the Treasury from self-liquidating power projects is not in the budget at all. Those amounts must be searched out item by item, agency by agency.

It is a source of continuing amazement to me that the U.S. Government can go on year after year presenting its financial statement as one showing every expenditure as a total loss. Yet with the exception of special analysis D and special analysis E, which describe investment outlays at least in part, the budget omits any reference to the expenditures made by the American people which will be repaid. In the text of this document, the money still to be repaid to the Treasury for self-liquidating projects is simply omitted; and in the estimates and requests for the oncoming fiscal year, there is no indication at all of the expenditures which are recoverable.

That we still operate with a budget like that is incredible. It is a disgrace, and it is unfair to the American people because it literally hides from them a true picture of the financial condition of Uncle Sam and a true picture of what they are being asked to spend money for.

PRESIDENT SHOULD ABIDE BY HOUSEWIFE'S BUDGET

We have heard the President of the United States lecture us on the practicalities of budgeting, with great emphasis upon living within our income. He presents the homey smile of the housewife, and says that the American people should try to live within their income just like the housewife tries to do.

I wonder if the President knows how the housewife keeps her budget. Does he know how the American household figures its budget? If he does, I suggest that he apply the same simple and useful distinctions to the U.S. budget in sending it to Congress.

Let me say to the President of the United States, let us have a Federal budget which counts as an asset, rather than a total loss, the money put into investments.

For example, I think it is safe to say that most households using a budget have a regular savings program. Sometimes the family budget provides for $10 a month, or $5 a week to be put into a savings accounts, where it will draw interest. Or perhaps the breadwinner uses the payroll savings plan for buying U.S. savings bonds, which will also earn interest. Or the family may make regular investments in stocks or bonds as a means of assuring a sound reserve for the family. Some families invest in various insurance programs for the same reason.

But I assure the President that these amounts are not carried in the housewife's budget as operating expenses, as they are in the U.S. Government's budget. They are not expenses at all. They are investments as any sensible housewife knows.

Of course, the decision must be made as to how much of the family's income may be put into the savings account or into savings bonds. But when the decision is made, the money used for that purpose is put down as an asset.

Why can we not apply that principle to Uncle Sam's budget? I agree with the President that we could learn a great deal from the housewife.

BUDGET SHOULD SHOW REPAYABLE ITEMS

The figures prepared by Senator CLARK and myself show that approximately $27 billion is owed the Federal Government from outstanding loans and reimbursable power projects. One might call these the savings account of Uncle Sam; they are money put into sound investments that repay themselves with interest.

The $27 billion is cumulative, of course. It is the total of outstanding loans made over the years, and of projects built that are still repaying themselves.

There is nothing in the budget to show how much of this year's request for $77 billion is for repayable items. However, special analysis D shows that $649 million of the President's budget is for loans for civil, or nonmilitary, purposes.

There is no indication of how much of this year's budget is for continued construction of power dams which will repay themselves. That is a figure which ought to be available. I hope that the day is not far off when it will be. Until it is, neither Congress nor the American people will have a clear picture of how much they are putting into the family savings, or investment, account of the Federal budget.

INVESTMENTS SHOULD BE EXCLUDED FROM PUBLIC DEBT

It is also in keeping with this principle, in my opinion, to exclude from public debt the reimbursable items.

Some Senators may recall that in 1945, when the Employment Act was before the Senate, this subject came under considerable discussion.

In the bill reported to the Senate by the Banking and Currency Committee in 1945, it was provided that where the estimates of the President's economic advisers showed that unemployment would likely result the following year from inadequate private and public expenditures, the Federal Government should come forward with additional expenditures for public works or such other programs as were desirable so as to provide sufficient employment for all seeking work.

Senators Taft and Radcliffe proposed a floor amendment to what was then called the Full Employment Act. They proposed that when the Federal Government was called upon to make the additional expenditures needed to assure full employment, any program for the expenditures must include new tax proposals to pay for it.

This was the "live within our income" concept, of course. But I call to the attention of the Senate the fact that the Taft amendment provided also that the Federal expenditures for self-liquidating projects needed to assure full employment should not have to be pay-as-you-go. Senator Taft took the logical, and I may say business-like, approach by excluding the self-liquidating Federal expenditures from the pay-as-you-go standard.

Specifically, the Taft amendment said:

> Any program of Federal investment and expenditure for the fiscal year 1948, or any subsequent year when the Nation is at peace, shall be accompanied by a program of taxation over a period comprising the year in question and a reasonable number of years thereafter, designed and calculated to prevent during that year any net increase in the national debt, other than debt incurred for self-liquidating and other reimbursable expenditures, without interfering with the goal of full employment.

As Senator Taft explained at the time, he did not believe self-liquidating proj-

ects should be lumped in with operating expenses. He continued:

> I would even except loans. We may question whether they will be paid, of course, but, so far as the system of taxation is concerned, I would not require the taxation be levied to such an extent as to bring in the amount of money needed to make the loans.

It may surprise Senators to know that in 1945, that amendment was adopted by a vote of 82 to 0.

Of course, the Taft amendment was eliminated when the House eliminated the entire concept that Federal expenditures should be sufficient to assure full employment.

Nonetheless, this sound and logical budgetary concept has won the approval of the Senate once, and I believe it should do so now.

Ever since the debate in 1945, in which Senator Taft took this position on Government budgeting, the senior Senator from Oregon has advocated in the Senate a capital budget, year after year. That debate, led in 1945 by Senator Taft, convinced me of the soundness of the capital budget approach to the budget of the U.S. Government.

WORK OF HOUSE GOVERNMENT OPERATIONS COMMITTEE SHOULD BE INCLUDED IN BUDGET

Before concluding, I wish to mention the outstanding job being done in formulating a statement of Federal assets by the Government Operations Committee of the House of Representatives.

Each year, this committee compiles Federal assets in a report entitled "Federal Real and Personal Property Inventory Report of the U.S. Government." This report comes as close as any I know of to listing the wealth of Uncle Sam. It shows both personal property and real property owned, in effect, by the American people.

I think much of this material should appear in the budget. Certainly the loans and accounts receivable should. The recapitulation by the committee shows a total of $195,348,000,000 in personal property, including loans receivable, and a total of $66,708,000,000 in real property owned by the U.S. Government on June 30, 1958.

Altogether, the American people own assets of more than $262 billion, a fact which is seldom mentioned when the talk starts about balancing the budget. Let us bear in mind that our assets are an offset to the national debt. While we owe a net total of about $267 billion, the American people as a nation have assets of $262 billion, not to mention a gross national product which is expected to reach $480 billion this year.

I hope that through this discussion of the debt ceiling, we shall have an opportunity to bring to the fore the need for reform in this whole matter of our Federal budget and its presentation.

I thank the junior Senator from Pennsylvania [Mr. SCOTT] for his courtesy and accommodation in permitting me to make these remarks immediately following the remarks of the senior Senator from Pennsylvania [Mr. CLARK]. The junior Senator from Pennsylvania was next on the so-called speakers' list this afternoon, but at my request he accommodated me, so that the position taken by the senior Senator from Pennsylvania and the senior Senator from Oregon with respect to the joint proposal of which we are cosponsors would appear at the same place in the RECORD. I thank the junior Senator from Pennsylvania very much for his courtesy.

Mr. SCOTT. I was very glad to accommodate the senior Senator from Oregon.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

As in executive session, the Senate resumed the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. SCOTT. Mr. President, on a later occasion in the debate I hope to have an opportunity to point out the interesting fact that none of the seven charges leveled against Admiral Strauss was supported by the evidence. Each of them may be quite readily disproved from the record.

I hope also to point out that the testimony received from others than Senators is barely alluded to in the minority views, for reasons which I shall also bring out at a later date.

The views of the minority of the committee opposing the confirmation of Admiral Strauss list several reasons for its opposition. It is ironic that the major allegations against the nominee apply with vastly more force against those who testified against his confirmation.

For example, it has been said that the nominee was "evasive". The testimony at the hearings is studded with evidence of manifest "evasions" of the witnesses against Strauss, as I will document here and on subsequent occasions.

It was said that the nominee used "half facts". There were a great many "half facts" resorted to in the hearings, but they were resorted to by those who piously protested the appointment and the result of these numerous half facts is to cast heavy shadows upon the worth of the testimony of these witnesses.

Each of the 7 charges against Admiral Strauss in the hearings, which at times approached the character of a criminal prosecution, may readily be disposed of by an analysis of the hearings, since the testimony does not support the conclusions drawn in the minority report.

The minority report makes much of alleged "misrepresentations" and also refers with some obliquity to alleged "conflicts of interest." Here we have a curious thing. It was obvious to all of the committee members that the special counsel employed, without the knowledge of some of the members of the committee, was, from the beginning, a prosecutor of the nominee, hostile to the nominee's witnesses and extraordinarily helpful to those witnesses who testified in opposition to Admiral Strauss. In fact, committee counsel solicited the appearance of the two scientific witnesses and after some questioning of Dr. Hill, he, committee counsel, admitted that he had in fact assisted Dr. Hill in the preparation of his statement. I have read over the testimony carefully, some of it several times, and I cannot escape the conclusion that the only conflict of interest which appeared in these hearings was that of committee counsel who, in at least one instance, and there is reasonable grounds to believe in more than in one instance, assisted in the preparation of the statement of a hostile witness and then from the committee rostrum, painstakingly elicited from the witness by questioning, the very material he had gone over with the witness. Committee counsel was of no assistance to the nominee or to counsel for the nominee and committee counsel did not assist those members of the committee whose questioning indicated sympathy or approval of pro-Strauss testimony. In fact, committee counsel, after the end of the proceedings, on one occasion, indicated implicit confidence in everything stated by the witness, Dr. Inglis, and seems to have been satisfied from the beginning that his role was to appear and to elicit information unfavorable to the confirmation of the nominee.

In my considered opinion, I am prepared to make a statement now which I did not make at the hearings, namely, that committee counsel should not properly have run the risk of the charge of conflict of interests in his conduct, as he certainly did. He coached a witness hostile to the nominee and at the same time appeared as counsel for all of the committee.

I can illustrate the curious nature of these proceedings by an analysis of the seventh charge brought against the nominee by the minority report, which appears to have been prepared in considerable part by the committee counsel. For example, the seventh charge opens with the statement:

> The nominee often resorted to unnecessary untruths in what appeared to be an attempt to put himself in the best possible light before the committee. He categorically denied, for example, that he had ever asked for any information on adverse witness, Dr. David Inglis, and sought to create the impression that the only data which he had received was furnished to him gratuitously by a member of his staff at the time Dr. Inglis testified.

It is perhaps immaterial, except as evidence of the carelessness with which the report was drafted, that the record shows that the data received by the nominee was furnished to him before the time of the testimony of Dr. Inglis. However, a much more important "misrepresentation" appears further on in this section of the minority report. The report goes on to make a great deal of the fact that the nominee stated at page 827:

> I've never asked for anything on Mr. Inglis in my life.

On this page Admiral Strauss states that "someone handed me a transcription of a page from 'American Men of Science' with date of birth, degrees, things of that sort. But I don't know what I did with it, and it is not top secret." It is after that the nominee makes that statement that he had "not asked for anything on Mr. Inglis in my life." But the immediate examination of the nominee just before this colloquy clearly shows that the answer given was in the context of material pertaining to

security. In fact the statement of the nominee was never contradicted in that context. This was what actually was asked him:

Senator McGEE. Was there any statement, Admiral, in front of you pertaining to the files of Dr. Inglis?

Mr. STRAUSS. The files of Dr. Inglis?

Senator McGEE. Anything affecting his past. No files affecting Dr. Inglis that you saw?

The CHAIRMAN. You mean security files, don't you Senator?

Senator McGEE. I assume that it is some phase of security.

Therefore, had the minority report been entirely candid, it would have made clear that the nominee had never asked for any security information on Dr. Inglis and the hearings clearly support the fact that his flat statement that he had never asked for anything was made within the limitation of the question raised by the chairman himself, that is, that the line of questioning referred to security files.

Committee counsel really outdoes himself on page 15 of the minority report when he uses a phrase which ought, in my opinion, to apply more correctly to the method of questioning of committee counsel himself. I have reference to the statement "that Mr. Strauss has shown a willingness to seek to fit the facts to his preconceived notions as regards the ability to detect bomb tests," hearings, pages 441 and 558.

Let us see what really happened here. Who showed "a willingness to seek to fit the facts to preconceived notions"? Was it Mr. Strauss? Or was it committee counsel?

This particular charge in the minority report is that the nominee himself had deceived the public on detection of bomb tests. What really happened in the hearings?

In the first place, the pages cited—441 and 558—show no connection whatever between Admiral Strauss and the detection of bomb tests. But this is not all. Let us read on to pages 561 to 563. The distinguished Senator from New Mexico [Mr. ANDERSON] is testifying concerning release of information regarding the detection of underground atomic explosions—pages 559 and 561. The chairman of the committee then asked this question:

The obvious question which occurs to me: What connection would this have with the nominee?

Senator ANDERSON. I didn't raise the question of the Rainier shot. You had a discussion of it in the hearings with Dr. Hill.

The CHAIRMAN. Do you have any ideas as to that that you could impart to the committee?

Senator ANDERSON. If they could show that the Rainier shot was not heard beyond Los Angeles, then the Disarmament Conference in Geneva had to break down, because if you could detect it at 2,000 miles, as we were contending, the original agreement between Russia, Britain, and ourselves on some of the articles might come into being and we would stop nuclear testing. If you could detect it at 2,000 miles, then this system of 150, 160, or whatever number of stations it was we were going to set up would be effective, and you would know that testing could not go on without being detected, even if underground.

But if you could only hear 250 miles then you might just as well throw the whole system out of the window. And that is exactly what happened.

The CHAIRMAN. Who appeared before the committee, in what you call the quickie meeting that was called of the Joint Committee?

Senator ANDERSON. General Field—Mr. Richard Elliott was here, he was a man who developed the press notice. I am told he never was called upon to testify to one word. I think that would be a correct statement.

Senator SCHOEPPEL. Will the Senator yield?

The CHAIRMAN. Yes.

Senator SCHOEPPEL. Senator Anderson, do I understand that you just made the statement—I thought I heard you correctly—that you do not attribute any of this to Admiral Strauss, who is before this committee for confirmation?

Senator ANDERSON. I attribute it to no one.

Senator SCHOEPPEL. Then what——

Senator ANDERSON. This happened during his administration. He assumes the responsibility for everything. I assume he will for this one.

I asked this committee to find out who arranged to have this fast hearing while Congressman HOLIFIELD, Congressman PRICE, and I were on the plane headed for Denver for the funeral of Congressman Dempsey.

Senator SCHOEPPEL. Is there an assumption on your part then that it was Admiral Strauss' handiwork?

Senator ANDERSON. I just allow you to find out who did it and why. We had a big argument about this. I did not raise the——

Senator SCHOEPPEL. Did you ask Admiral Strauss?

Senator ANDERSON. What is that?

Senator SCHOEPPEL. Have you ever asked Admiral Strauss about it?

Senator ANDERSON. No, he will be out of town. I don't have to worry about that.

Senator SCHOEPPEL. I asked you: Have you ever asked him about it?

Senator ANDERSON. No, indeed.

Senator SCHOEPPEL. Thank you, sir.

Let us move on to page 563 of the hearings:

Senator COTTON. I agree. I didn't participate in any examination of Dr. Hill, but it seems to me that the fact that another witness drops this in the committee's lap is something that neither witness has connected with the man who is nominated for Secretary of Commerce.

I am saying this in the most kindly way. The Senator drops this in the committee's lap and says, "I am not attributing it to anybody but myself, but it is up to the committee, and the committee might well find out." Yet it would seem to me that the Senator knows as well as any of us know as Members of Congress that undoubtedly the one man who could tell this committee who made the request for the hearing on that date—and I don't blame the Senator for resenting it being held then—the one man is Congressman DURHAM, and he is not subject, under the rules, to be called before a Senate committee any more than we are subject to being called before a House committee.

The Senator must have been aware of this when he dropped this in. That seems to me something that is not entirely fair, although I know Senator ANDERSON would not be intentionally unfair.

Senator ANDERSON. I would except to the statement that it is innuendo. I only say to him that I considered it very carefully and decided to drop it out of my prepared statement entirely.

I make this statement to him, which he can ascertain the correctness of, if he wishes, that this sheet was prepared this morning, and only because it had been called to my attention that Dr. Hill felt a little upset over the rough examination he got.

The only point that brings it in is that the AEC apparently indulged in this doctoring of the truth while Admiral Strauss was its Chairman, and I wonder why it did it. I grant to the chairman and the Senator from New Hampshire that I have no way of demonstrating whose fault it was.

Only one conclusion can be drawn from this distortion of the testimony by drafters of this report and I may add that I am certain that this report was not drafted so far as the reference to quotations and dates is concerned, in the first instance, by Senators, but by committee counsel and others.

Now what do we find actually happens to these charges? In the first place, while much is made of whether or not the nominee checked on a witness who was to testify against him—which would have been natural enough in the circumstances in any event—it is clear that the nominee made no check of the security files on Dr. Inglis as he was charged with having done and there is no merit whatever in the contention that there was any misrepresentation on the part of the nominee.

As to the second part of the charge, the nominee was not guilty of "a willingness to seek to fit the facts to his preconceived notions." But somebody else was engaged in this unworthy practice, because the hearings clearly show that no witness ever connected Admiral Strauss with any misrepresentation or distortion in this regard and on the contrary, Senator ANDERSON specifically states that he does not attribute any of the actions surrounding the controversy about the detection of bomb tests to the nominee. Senator ANDERSON is most definite about this in reply to questions from Senator SCHOEPPEL and Senator COTTON.

The two instances I have cited are entirely typical of the efforts of an overzealous committee counsel to make a name for himself and to establish the existence of "facts" notwithstanding the absence of any supporting data from the record itself. Perhaps committee counsel felt that most Senators would not have time to read the entire testimony, as has been mentioned here today. But counsel should have remembered that some Senators would, and did, carefully re-examine all of the proceedings lest distortions, misrepresentations, evasions, and half-truths creep in. Creep in they did. But they were not attributable to the nominee.

That which I have recited is typical of the entire hearings on the confirmation of the nomination of Secretary Strauss. To deny the confirmation of his nomination on the state of this record, and in the face of the fact that no adequate reasons were ever adduced to establish any of the charges made against him, not only would be to fly in the face of the true facts and to deny to the President of the United States the services of this competent public servant, but would in fact continue the disastrous process, now going on, of discouraging able, competent, and worthy men and women from service to their Government.

As one newspaper aptly remarked:

It is not Admiral Strauss who is on trial here, but the truth.

Thomas Jefferson once said:

I hope our wisdom will go with our power, and teach us that the less we use our power, the greater it will be.

We have the power under the right to advise and consent to nominations by the President, or to deny him the services of one whom he has designated. We have the power; but if we deny him the confirmation of the nomination of Secretary Strauss, I am afraid we will have shown that our wisdom has not gone with our power. In fact the less we use or abuse this power, the greater will be the public respect for the Senate of the United States.

Mr. ALLOTT. Mr. President, I have been on the floor of the Senate for approximately the last 3 hours and have listened to the very long and extended colloquy which ensued in objection to the proposed unanimous-consent agreement which was requested by the minority leader and objected to by several Senators. I have listened also to the subsequently proposed unanimous-consent agreement.

I was very greatly impressed with the number of Senators who wanted to gain knowledge about this matter, and who said they had to have every possible minute to listen to the debate which was to ensue on the floor.

So with pleasure I recognize in the Chamber at this moment the senior Senator from Oregon [Mr. MORSE], the junior Senator from New Jersey [Mr. WILLIAMS], who is presiding, and the junior Senator from Pennsylvania [Mr. SCOTT], who has just finished his speech.

I am very much pleased and happy to know that although there are 98 Senators who are so much engrossed in this subject, who desire to know so much about it, and who must have time to be on the floor now, 2 hours later, there are in attendance four Senators, including myself, who seek to be enlightened.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. SCOTT. I should like to make a comment, in Latin, which I hope is correct. Perhaps the maxim applies:

De absentis nil nisi bonum.
Of the absent nothing but good.

They undoubtedly are engaged in more important pursuits.

Mr. ALLOTT. We hope they are. I only wish to say that I was so much impressed by the emotionalism which attended some of their pleas that we not hurry action on the nomination to a conclusion, and that they should have a right and an opportunity to learn all about the matter, that I did not feel bad when the senior Senator from Oregon [Mr. MORSE] objected to the proposed agreement. But I am somewhat chagrined that all those Senators were not on the floor during the speeches made by the junior Senator from Pennsylvania and other Senators, and are not on the floor now.

Mr. President, I know Lewis L. Strauss primarily—as do many other Americans of high and low estate—through his superb public record over the years and under various occupants of the White House. The appointment of a Cabinet member and head of a large department within the executive branch of the U.S. Government is in itself important. The Senate has a serious duty to perform in the "advice and consent" responsibility assigned by the Constitution. This duty should be executed in a thorough and vigorous manner. The confirmation of a nomination should never be merely routine or a matter of empty ritual.

Because of the fine record of Lewis Strauss as a top-level public servant, my own immediate response to the appointment was that it was an excellent one, and that it would be upheld by the Senate quickly and cleanly. That, of course, was last October, when the President appointed Mr. Strauss on the 24th of that month. The oath of office was administered on November 13. Last January 17, the nomination was formally sent to the Senate. On June 4—4½ months late—the Committee on Interstate and Foreign Commerce reported the nomination.

During this period there have been charges and countercharges, rumors and conflicting rumors, recriminations, sharp outcries, intense and carefully planned attacks, rampant emotionalism. It has come close to being a distasteful merry-go-round. Yet, on the old premise that where there is smoke, there must be fire, I felt it my duty to investigate carefully. Therefore, in honest inquiry, I have studied the hearings and committee views carefully, read various newspaper reports and editorials with interest, and listened closely to the debate in the Senate, so far as it was consistent with my duties on various committees.

Most of this has been a sheer waste of time. The so-called evidence presented in opposition to the nomination is grossly unilluminating. The Senate cannot and should not descend to the status of a "rubber stamp." But neither should it go to the other painful and unfortunate extreme, losing perspective, balance, and an element of discipline and propriety.

The Senate has wasted weeks of valuable energy and perhaps even undermined that creative spirit which comes from working together toward constructive legislative purposes. There is grave reason to fear, lest segments of the American public become disgusted; and lest what has become "the Strauss affair" be damaging to the Senate as an institution.

Lewis Strauss is a man of brilliant capability, high character, and unique dedication to the public service. Nothing in the record or in the press approaches in importance the outstanding qualifications of Lewis Strauss in the areas of competence and integrity. There has been no successful impugnation of his dedication and capability, and it is in these areas that we must judge.

There is no reason to question the motivations which govern the Senators who stand against Admiral Strauss and who have engineered and implemented the opposition to confirmation of his nomination. They, too, are men of high principles and absolute sincerity. Either they are right in the fervor and the certainty of their beliefs or my distinguished colleagues who oppose Admiral Strauss have strayed distressingly far afield in the content and method of their treatment of the nomination.

Let us examine the nature of the opposition case.

First, is it reasonable? Both the charges made and the evidence presented in the way of documentation have been generally fragmentary, isolated, emotional, and unduly subjective. There has been too large a proportion of harassment, inference, and innuendo of the hit-or-miss approach. The furor has been too much at the periphery, "out in leftfield," rather than at the core of the man and the issue. The painful and repeated efforts to prove a point are not made valid solely by reason of repetition.

Second, is the case relevant? With the empty indignation and the petty petulancy, both the alliteration and the truth of the phrase "trial by trivia" become appealing. One editorial concerning the Strauss affair was entitled "Political Sharpshooting." That is, at best, only half accurate. The adjective is all right, but not the noun. "Blunderbussing" might be better, or perhaps "grapeshooting." The vision comes of soldiers, in the absence of more efficient ammunition, jamming chain, old ironware, rocks, anything they could get their hands on, into the open mouth of a cannon. And in recent weeks there have been some fine cases of misfiring. All the smoke of this fire may well be on one side of the battlefield.

It is ironical that many of the phrases used so repeatedly in criticism of Admiral Strauss provide a marvelous description of the nature of the case made against him. Consider the "splitting hairs" accusation, or the "double talk" criticism. Consider the charge of the nominee's "devious, dilatory tactics." Add "discrediting" to that, and we have it again.

Compare these charges with the tortuously repeated questions, the indignant outcries at the absence of a qualifying adjective or some tiny item of irrelevant detail. Think of the dark sin of "half truth." After studying the record, one would expect the Federal Trade Commission to condemn Ivory Snow for being only 99 44/100 percent pure. Yet it is hardly surprising that in almost the same breath the nominee is charged with "perfectionism" and with a reluctance to admit error or concede a mistake in judgment. Personality aside, the distorted harangues which have featured the treatment of the nominee would almost automatically result in this kind of reaction. Of course, his instinct is to defend himself against all charges. There is no telling what is behind, or how they will be blown up. How is he supposed to act?

On page 544 of the hearings, we observe efforts to indict the nominee for attempting to take too much credit for beginning the movement to initiate development of the hydrogen bomb. Nobody accuses him of not doing his job or of blocking the development of the bomb. There seems to be no dispute over the fact that he was vigorous in supporting the development of "qualitative superior weapons." Why concentrate on blaming him for taking too much credit?

This brings to mind a passage in a very admirable speech recently delivered in this Chamber by the junior Senator from Connecticut in regard to another nomination. Without intending to suggest the Senator's stand on "this" issue—and let me point out that in preparing these remarks, I have quoted the word "this"—I shall quote the passage:

> We who deal in the field of political opinion, we who contend in the arena of unproved ideas, cannot apply severe and rigid standards of truth and falsehood to the statements of whom we disagree. * * * We ought to assume that others are motivated by the best of intentions, and hope that they will attribute the same motives to us.

The junior Senator from Connecticut also stated, in the same speech—and I strongly commend him for the objectiveness of his views—

> I do not believe that we reflect credit on our Democratic Party when we interpose partisan standards and tests of political conformity in the way of a Republican President's choice for his personal representative.

Mr. President, is the business of the Senate the matter of confirmation, or that of humiliation? Why has the charge "enemy of the people" been leveled at one of our most gifted and experienced public servants? The record, hardly "horrendous," as the junior Senator from Maryland so effectively and concisely pointed out, is in total contradiction of such a charge.

Is it the strategy of the opposition, then, with tumult and shouting, to indicate that there just might be below the surface something which is hard to see? The distinguished senior Senator from Oregon said as much, on June 5. He said:

> I think there is something bigger involved in this case than appears on the surface.

Then he completed that line of thought by reaching the fantastically illogical conclusion that—

> I can see only one return if we continue, and that is a return to the whine of some bombs and falling walls and death.

Do you know, Mr. President, what the lurking "something" of the case was? It was the "adamancy" of Mr. Strauss. Absolutely nothing else was identified. Who can say that adamancy in a Secretary of Commerce may bring us to the whine of falling bombs?

Perhaps the nominee has been "adamant" in the past in his dealings with Congress, or perhaps the word used might be "tough," "firm," "strong," or even "resolute." These qualities, I think, are necessary for leadership. Here we have them. Admiral Strauss is a proven leader of vigor and strength. Is he to be condemned for that?

In his relations with Congress, the nominee has attempted to carry out the policies of his President. Is he to be condemned for that? It may be that those policies were "conservative," and that the pressures he felt to change them were "liberal"; but I do not believe that is the issue before us. In his relations with Congress he has resisted what he possibly regarded as encroachment by the legislative branch. He may have been overzealous, although that point has not been proven, and has no real bearing on the vote. There will almost always be either too much or too little of zealousness. Nor can Congress, despite its grave responsibilities and strongly held policies, respect, and support the kind of leader, in the executive branch, who might become the pawn of Congress, an adjunct of Capitol Hill, default his leadership, and thus violate the whole system of the separation of powers.

There is one more point to the opposition case. It is composed of remarks about Lewis Strauss' "bad public relations," and excuses concerning the fact that, because he is unpopular and controversial, he is "compromised" and his effectiveness in his job is thus disastrously impaired. Are these reasons for Senators to vote against confirming his nomination? Should such a decision be made because those who do not like him, after failing in their attacks, say that he still is unpopular with them?

The deliberations here have to a large extent misrepresented the true qualifications of Lewis Strauss. The record is guilty of misplaced emphasis, of imbalance, of an obscuring of the true dimensions. The positive aspects have, to an unfortunate degree, been omitted. An atmosphere of negativity and of nagging suspicion has crept in. Senators, without disregard for their own esteemed views, must consider every question as a whole, with true perspective and vision, not with blinders. Only in that manner can the Senate discharge its duties.

Lewis Strauss is a valued public servant. Indeed, he is a giant in the field. He has returned again and again to serve with merit. It is obvious that there must have been tremendous pressures for him to refuse the President's most recent appointment. Some of the reasons, sadly, have been demonstrated, with seemingly unending effort, before us. But this proven executive, this recipient of some of the highest awards and praise offered in these times from at home and abroad returned to serve again. Is this his reward? Do we want people to say, "Oh, he spent too much time in Washington. This is what happens; he's made too many enemies there." Do we want people, Democrats and Republicans alike, young and old—potential government servants at various levels—to say, "That's not for me; that'll never happen to me." The implications in this issue for the future caliber of the public service are grave indeed.

I urge my colleagues to retain Lewis Strauss' services to his country, and to vote as soon as possible in favor of confirmation of his nomination.

SENATE PROCEDURE

Mr. MORSE. Mr. President, before I turn to the two subject matters which I propose to discuss briefly, I should like to have the RECORD show that when my good friend from Colorado [Mr. ALLOTT] started his speech tonight it was 6 minutes to 7 p.m., and that the Senate had been in session for a long time today. It has been in session for a long period of time during the past several days.

I regret as much as the Senator from Colorado does that there were not more in attendance on the floor of the Senate to hear the Senator's very able presentation of his point of view on the Strauss nomination—a point of view with which I completey disagree but it was set forth by a Senator for whom I have very high respect. I am not surprised that at 6 minutes to 7 p.m. there should be so few Members on the floor of the Senate. It causes me to say that the reason for it is not the fact that there is a lack of interest in the issue, but it is due to the fact that Members of the Senate have not adopted a common sense set of rules and procedures for conducting business of the Senate of the United States.

Mr. ALLOTT. Mr. President, will the Senator yield for a remark at that point?

Mr. MORSE. Yes.

Mr. ALLOTT. I agree with the Senator. I realize that the hour of 7 o'clock is neither an early nor a late hour, but I recall numerous times when the Senate held sessions from 10 o'clock in the morning to 10, 11, or 12 o'clock at night on matters which had not been pending before the Senate for nearly so long as has the nomination of Mr. Strauss. Does not the Senator agree that the Senate has sat for much longer than the 7 hours which the Senate has been in session today?

Mr. MORSE. There is no question that sessions have been longer. That fact also bears on the point I am about to make. I am simply at a loss to understand why supposedly intelligent Members comprising the Senate of the United States would operate for so many years with such an inefficient calendar arrangement as we follow in conducting the affairs of the U.S. Senate.

I think the people of the country, if they generally were aware of it, would ask the very simple question, "What is the matter with you fellows?" We would be rather hard pressed to give to them an answer which would explain and justify the kind of procedure we adopt in operating the Senate of the United States. It is to be expected, Mr. President, so long as we have the present kind of scheduling of Senate business that the Senate will be confronted with exactly the situation which confronts it this evening.

Of course, I would say to my friend from Colorado, I want to believe that the absent Senators will at least scan the RECORD. I know on a good many occasions our colleagues read the RECORD in great detail; but this situation illustrates very well, I think, the very indefensible procedure the Senate of the United States follows in conducting its floor work.

For a good many years I have proposed—and I think it is apropos, in view of the comments which have been made tonight to make my proposal of record once more—that during the first few weeks of the session of the Senate, common sense dictates we ought to start the Senate sessions at 9:30 in the morning and continue until 12 o'clock noon or 12:30, recess for lunch until 2 o'clock, and then convene and remain in session for a reasonable period of time. We would transact as much business as we could on Monday and, possibly, during the first part of the session, on Wednesday, with the understanding that no committee hearings would be held on those days, and the other days of the week would be devoted to committee hearings.

In my judgment, a great deal of time would be saved with that kind of regularized procedure for conducting the business of the Senate. It would be more efficient. I think there would be greater attention paid to the business of the Senate. I think it would assure the people of a more careful carrying out of the business of the Senate of the United States.

Then, as the committee work drew to a close later on in each session, the Senate could meet Monday, Tuesday, and Wednesday, or Monday, Tuesday, and Friday, with the other days of the week devoted to committee hearings.

Mr. President, do you know what is wrong with the proposal? It makes too much common sense. Sometimes I think anything, by way of a procedural proposal in the Senate of the United States, that has any common sense attached to it is something we can be sure will never be adopted by the Senate, until the people of the country become aware of the kind of inefficiency, in calendaring the business of the Senate, that is illustrated here tonight. The Senator from Colorado referred to the fact that, after there had been talk earlier this evening about the desire on the part of Members of the Senate to listen to the debate on the Strauss nomination and their feeling that there should be a further delay in any commitment as to a final vote on the question, only a few Senators remained.

Mr. President, I hope finally we may adopt some such program as I have suggested, because I think it is in the people's interest. I think experience would show it would be very much in the interest of the Senate itself.

I am not at all surprised there are so few Senators present tonight, because we have become so accustomed to this kind of inefficient and, in my judgment, inexcusable procedure in the Senate, so far as calendaring the Senate floor work is concerned.

I turn to another subject, Mr. President.

The PRESIDING OFFICER. The Senator from Oregon.

CONSTRUCTION OF WESTERN DIVISION OF THE DALLES FEDERAL RECLAMATION PROJECT

Mr. MORSE. Mr. President, I send to the desk a bill, which I introduce in behalf of myself and my colleague from Oregon [Mr. NEUBERGER], and ask that it be appropriately referred. The bill would authorize the Secretary of the Interior to construct, operate, and maintain the western division of the Dalles Federal reclamation project at The Dalles, Oreg., and for other purposes.

This bill is identical to one introduced on the House side by my very able colleague, Representative AL ULLMAN, of Oregon's Second Congressional District.

The bill specifically provides that construction shall not proceed until a feasibility report has been approved by the Secretary of the Interior and submitted to the President and to the Congress. It seems to me to be highly desirable to introduce the bill at this time, rather than to await the feasibility report. I say this because I am convinced the project will show a very favorable cost-to-benefit ratio, and because I believe the introduction of the bill at this time will facilitate consideration of this urgently needed project by the Senate Committee on Interior and Insular Affairs.

Mr. President, this project, when completed, will bring water to approximately 4,500 acres of land in Wasco County, Oreg., not far from the city of The Dalles.

The area to be benefited by the project is confronted with a critical water shortage. Unless water can be brought to these fertile acres, which consist largely of orchards—some of the finest orchards in the world—will be seriously jeopardized.

So far as the feasibility of the project is concerned, I have received very encouraging comments from the State Water Resources Board of the State of Oregon. Mr. President, I ask unanimous consent that a letter dated June 11, 1959, addressed to me, by that board, be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF OREGON,
STATE WATER RESOURCES BOARD,
Salem, June 11, 1959.

Hon. WAYNE MORSE,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: Recently the Bureau of Reclamation issued a feasibility report on The Dalles project, Oregon—western division.

In this report the Bureau pointed out that the necessity for restudy of irrigation development potentials in the area was brought about by the failure of ground water resource developments to provide an adequate and dependable supply of water for the project area.

The project is located in the area surrounding the city of The Dalles or in Wasco County. Ninety-nine percent of the land lies within a 4½-mile radius of the intersection of U.S. 30 and Union Street in the downtown area of The Dalles.

The proposed plan for development involves provision of an adequate supply of irrigation water for 5,420 irrigable acres within the project boundaries. These lands will be serviced by sprinkler irrigation development supplied by a pump and pressure distribution transmission system. Electric power for the pumping plants is to be purchased at The Dalles Dam powerhouse at a price not less than the cost of generation and transmitted to the Bonneville Power Administration—The Dalles substation. Water supply is to be obtained by direct pumping from the Columbia River immediately downstream from the city of The Dalles in the Bonneville Pool.

Irrigation and fish life uses of water are the only facets of beneficial use and control involved in the development of this project. Irrigation factors involve the protection and enhancement of existing potential agricultural economy of the area and the fish life factors involved pertain only to the screening of the intakes of the Bonneville Pool.

Lack of adequate and dependable supply of ground water poses immediate problems affecting the economy of the area involved in the project. There is urgent need to secure an adequate and dependable supply of irrigation water. Contacts with individual landowners, by representatives of the State water resources board, indicate that there is substantial local interest in the project and a willingness on the part of the landowners to pay that portion of the cost assigned to repayment within their abilities to repay as computed by the Bureau of Reclamation. Benefit-cost ratios, based on total benefits, are 1.88 to 1 for 50 years and 2.26 to 1 for 100 years.

The State water resources board has reviewed the feasibility report, has conferred with landowners and others interested in the area, and expresses its support for the project. The board urges you to exert every effort to secure the necessary authorization and appropriation in order that the urgently needed water can be placed on the land at the earliest possible opportunity.

Very truly yours,

DONEL J. LANE,
Secretary.

Mr. MORSE. Mr. President, it is my sincere hope that prompt action will be taken on this measure. It represents a sound program for an important segment of Oregon's agricultural economy. It is a project which deserves the strong support of the Congress as a sound investment for today and for the future.

I sincerely hope, Mr. President, that the Senate Committee on Interior and Insular Affairs will schedule early hearings on this bill, so that we can make our record on it in the very near future and get the bill to the floor for consideration not only by the Senate but by both Houses, before the end of the present session of Congress.

I am informed by Representative ULLMAN, my colleague on the House side, that the comments with regard to the bill in the House among his colleagues have been very favorable, and that he has every reason to believe the House committee will expedite its consideration of the bill.

I respectfully urge my very good friend, the very able chairman of the

Senate Committee on Interior and Insular Affairs, the Senator from Montana [Mr. MURRAY], to expedite in every way he can the consideration of the bill.

Mr. President, I ask unanimous consent that the bill itself be printed at the close of my remarks in regard to it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2195) to authorize the Secretary of the Interior to construct, operate, and maintain the western division of the Dalles Federal reclamation project, Oregon, and for other purposes, introduced by Mr. MORSE (for himself and Mr. NEUBERGER), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of furnishing water for the irrigation of approximately five thousand five hundred acres of arid land in Wasco County, Oregon, the Secretary of the Interior is authorized to construct, operate, and maintain the western division of The Dalles Federal reclamation project, Oregon. The western division shall consist of the following principal works: a main pumping plant to be located at a site on the Columbia River; a booster and relift pumping plants with reregulating reservoirs; and a distribution system.

SEC. 2. (a) In constructing, operating, and maintaining the western division of The Dalles project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto).

(b) The period provided in subsection (d) of section 9 of the Reclamation Project Act of 1939, as amended, for repayment of construction costs properly allocable to any block of lands and assigned to be repaid by the irrigators may be extended to fifty years, exclusive of a development period, from the time water is first delivered to that block or to as near that number of years as is consistent with the adoption and operation of a repayment formula as therein provided. All construction costs which are beyond the ability of the water users to repay shall be charged to, and returnable to the reclamation fund from, net power revenues derived from the sale of power from The Dalles Dam project which are over and beyond those required to amortize the power investment in said project and to return interest on the unamortized balance thereof. The term "construction costs" used herein shall include any irrigation operation and maintenance costs during the development period which the Secretary finds it proper to fund because they are beyond the ability of the water users to pay during that period.

(c) Power and energy required for irrigation pumping for the western division of The Dalles Federal reclamation project shall be made available by the Secretary from The Dalles Dam powerplant and other Federal plants interconnected therewith at rates not to exceed the costs of such power and energy from The Dalles Dam taking into account all costs of the dam, reservoir, and powerplant which are determined by the Secretary under the provisions of the Federal reclamation laws to be properly allocable to such irrigation pumping power and energy.

(d) That portion of the cost of constructing the works authorized by this Act which the Secretary finds to be properly allocable to the conservation and development of fish and wildlife, in accordance with the Fish and Wildlife Coordination Act (48 Stat. 401, as amended, 16 U.S.C. 661, and the following), together with the portion of the operation, maintenance, and replacement costs allocated to this function, shall be nonreimbursable and nonreturnable under the reclamation laws.

SEC. 3. There are authorized to be appppropriated such amounts as may be necessary to carry out the provisions of this Act: *Provided,* That no construction shall proceed until a feasibility report has been approved by the Secretary of the Interior and submitted to the President and the Congress.

THE MUTUAL SECURITY BILL

Mr. MORSE. Mr. President, I expected to comment earlier today on a matter involved in a press release which I sent to the Press Gallery earlier in the day. I regret that it has not been possible for me to discuss it on the floor of the Senate until this moment, but for the record I desire to make my statement on that press release.

I shall discuss the subject matter a considerable number of times and at considerable length when we consider the mutual security bill on the floor of the Senate.

Mr. President, I voted against the mutual security bill in the form it left the Committee on Foreign Relations yesterday afternoon. I have received a large number of inquiries from the press, both in Washington and from my home State, as to my reasons for my vote yesterday afternoon. In fairness to myself and in fairness to the many people in the State of Oregon who have been of great assistance to me in my political life I feel I owe to them a brief statement tonight.

This is not the first time, Mr. President, I have voted against a mutual security bill. The majority whip, the Senator from Montana [Mr. MANSFIELD] is present on the floor, and he will recall that in 1957 I voted against the mutual security bill in committee, and I voted against the bill on the floor, at the time it was acted upon by the Senate, even though there were added to the bill a few amendments which improved it over the committee version. Still, in my opinion the bill was not good enough. The bill went to conference. The bill came back from conference with enough improvements in it as a result of the conference so as to justify, in my opinion, my supporting the final version of the bill, which I did.

Mr. President, I hope this time that I shall be able to vote for the bill as it leaves the Senate. I hope that some of the amendments we lost in the committee will be agreed to on the floor of the Senate. I and other members of the committee will offer those amendments in the course of the debate on the mutual security bill in the Senate. If we fail to improve the bill to the point I believe I would be justified in voting for it in the Senate, by the adoption of those amendments, I shall vote against the bill. Then I shall hope that the bill will be improved in conference with the House, so that when the bill comes back from the conference I can vote for it.

There are many reasons which cause me to express that hope, Mr. President. I refuse to yield to any Member of the Senate in my support of the objectives of a sound foreign military and economic aid program. I am for military and economic aid, but I am only for military and economic aid which, in my opinion, can be justified on the merits.

Mr. President, I certainly could not think of voting for the kind of a monstrosity ordered reported by the Foreign Relations Committee yesterday afternoon. So I have sent to the Press Gallery a statement of some, but only some, of my reasons for voting against the bill yesterday afternoon. I shall present my reasons in detail from time to time as the debate proceeds on this subject matter.

I will say that there are many more reasons, as I expressed in committee, for my opposition to the bill in its Foreign Relations Committee form, than those I shall set forth in the RECORD tonight.

As I stated to the press today, I voted against the mutual security bill in the Foreign Relations Committee for the following reasons. I want to add, however, that there are many more.

First. The committee failed to eliminate at least $400 million of military aid waste in the bill. In my judgment, we could take a minimum of $400 million out of the military aid program in the bill and have a stronger military security program than with the $400 million of waste in it.

In my judgment, for reasons I shall set forth shortly, the bloating of this bill by the Pentagon, in asking for at least $400 million more than can be justified, weakens the security of my country from a military standpoint. The expenditure of that money at the places where much of it will be spent will stir up anti-American feeling, which will play into the hands of the Communists, and instead of strengthening the cause of freedom around the world, it will weaken it.

Second. In my judgment, the bill failed to eliminate at least another $200 million of waste in other items. There is tremendous waste in the defense support program. When we we get into the debate and discuss what is involved in the defense support program, I am sure millions of people in this country will be greatly surprised. I find, as I go about the country and discuss the mutual security program, that many persons have not the slightest idea of what is paid for under the very plausible title "Defense Support." Who would not be for defense support? It sounds good. But when we analyze it we discover that we are paying for some very surprising things, which the American people, once they get the facts, would quickly reject by an overwhelming majority, in my judgment.

For example, we give this type of defense support to a dictatorship, such as Thailand; and vast amounts of the money of the taxpayers of this country are spent to pay the wages of soldiers in some areas where the form of government is a far cry from a free government, but is, in fact, a totalitarian government. If anyone thinks that is the way to win the fight for freedom against Russian totalitarianism, let him go into the areas where the totalitarian states we are supporting continue to keep down

the cause of freedom, and ask the people what they think of the United States. The responses are not pleasant.

We could have eliminated at least a further $200 million of items in the bill, giving us a minimum total of $600 million taken from the bill, which the taxpayers are entitled to as a savings.

While I am on this phase of the subject, I want the RECORD to show my answer to the argument made in committee, which Senators will hear on the floor of the Senate. It is said, "The President asks for it. He is the best qualified to determine the question." I speak very respectfully, Mr. President. In my judgment the President of the United States is not as well informed as to the details of the mutual security bill as are members of the Foreign Relations Committee after they have held weeks of hearings on it. The President must necessarily rely upon the recommendations of others. The President simply does not have the time to spend hours, days, and weeks, as does a congressional committee, in analyzing, breaking down, and marking up a bill such as this in all of its details.

In my judgment the President of the the American people a false impression as to what the President of the United States knows about the details of a complex and complicated bill such as the mutual security bill. I happen to be one Senator who is willing to say to the American people, "You are being kidded with the argument that the President knows best."

This bill was prepared for the President by the Pentagon and by the State Department. It is their bill. I am willing to take judicial notice of the fact that the President would have a great deal of difficulty in passing an examination on the details of the bill, based upon a record of hearings which the congressional committees of the House and Senate, in carrying out their checking duties as legislative bodies, have conducted in respect to this bill.

The third reason I wish to announce tonight in opposition to the bill is that the bill provides for $245 million more than the Eisenhower administration asked for in the first place. That will surprise many. When the Senate Foreign Relations Committee got through with the bill, it added to it $245 million in authorization requests. It should have taken a minimum of $600 million from the bill.

Fourth, the bill does a great injustice, in my opinion, to the American taxpayer. It grants great sums of money to many countries in which tax evasion and tax dodging are notorious. Such low-tax-collecting countries should be required to pay more of their fair share of mutual defense by collecting taxes from their own people, rather than having the taxpayers of the United States assume the tax burden of people in other countries as well as their own.

This is a very serious question. We do not hear much about it. It is a delicate subject. The mutual security program is exactly that. Its objective and goal is mutuality of effort in defense against the vicious totalitarianism of Russian communism.

I realize that when a people are economically weak and want to stand on the side of freedom, they cannot contribute much. But let us take a look at most of the NATO countries today. No longer are they economically weak. In fact, the currencies of some of them are stronger than the American dollar today. Yet in some of them it has almost become a national policy on the part of the people to duck, dodge, and evade taxes.

I will not sit in the Senate and vote to place upon the shoulders of the people of my country what amounts to an unfair tax burden, in the light of the fact that people in other countries who are receiving great benefits from the bill are not paying their fair share.

In view of the tactics of most of the media of public information in this country today, including not only the press, but the radio and television as well, it is easy to misrepresent and distort such a position as that taken by the senior Senator from Oregon. But I have long since taken that in my stride. Never will I hesitate to tell the American people what I think they ought to be told about the defects of legislation pending in the Senate because the media of information will endeavor to attach to me some damaging label. The American people need to be told. I tell them again tonight, as I have many times before, that we are pouring mutual security money into some countries whose governments are not collecting a fair share of taxes from their own people.

One of the reasons why the amount authorized by the bill could have been reduced is that, in my judgment, those governments could have raised more of their own money. "But, oh," it was said in committee, "those countries do not manufacture missiles. Those countries do not manufacture nuclear weapons." I know that. What is wrong with their buying some? Why does the American taxpayer, in effect, have to manufacture and give them to the other countries? Why do they themselves not collect a few more millions in taxes, instead of letting their citizens evade their tax responsibilities, and buy a larger share of the weapons they need for mutual defense?

So I say, Mr. Presdent, the time has come for the American taxpayer to hold both Congress and the executive branch of the Government to political accounting for such inexcusable waste of millions of American tax dollars.

Fifth. The bill does not represent the real desire of many members of the committee as to the amounts of money for many of the items.

I refuse to vote for a bill for parliamentary trading purposes. By that I mean that some members of the committee voted for higher amounts in the bill because they expect both the Senate and the conference committee to cut them. I consider it the duty of the Foreign Relations Committee to report a bill which represents the honest judgment of the committee, not a padded bill. This bill is knowingly padded.

The people are entitled to know these facts. The people are entitled to know how legislation gets through committees in the Senate. Public disclosure of the transaction of the people's business is the right of every American. A democracy cannot last very long under a policy of secrecy. I merely wish to say that I disapprove of a procedure on the part of any committee of the Senate which brings to the floor of the Senate a bill calling for the authorization of taxpayers' dollars which is higher in amount than the members of the committee really think ought to be provided.

Somehow that goes against my grain. Somehow I believe that such a bill is not an honest bill. Of course so long as our committees do that—and it is not only this committee which does it, for I am afraid it has become too general a practice of committees in the Senate—we feed the flames of misrepresentation as to the real intent and attitude and beliefs of committee members.

I do not believe that it represents a proper respect either for the House or for our own Committee on Appropriations. If I were a member of the Committee on Appropriations, taking note of the practice which I am now describing, which is all too common in the Senate, I would always get out my jackknife and start sharpening my pencil when I undertook to consider an authorization request of a Senate committee, because I would be inclined almost to take judicial notice of the fact that the committee had sent me a bill which they expected me to cut. This passing-the-buck attitude in the Senate ought to stop.

As individual Senators we ought to insist that a bill which comes from any committee of which any of us is a member is a bill which we believe should be passed by the Senate. So, when I hear, as I heard the argument in the committee, "Well, we don't know what may happen to this bill on the floor of the Senate, we don't know how many amendments may be offered, we don't know what cuts may be made in the Senate, and then we have the barrier in the House to go over; so we had better see that we have enough in the bill," it is fallacious reasoning in my judgment.

It is not a very exact way of passing legislation. It is no answer to me to say, "That is the custom." It is a bad custom. It is a custom which does not lead to good legislation. It ought to be stopped. So I voted against the bill in committee for one reason, because I know it to be a padded bill.

Sixth. The bill in part weakens American security because it will stir up anti-American feeling in many parts of the world. Its grants to dictatorships of large sums for military aid do not strengthen us in our fight against communism, but, rather, play into Russia's hands. They create a great deal of anti-American feeling in many parts of the world.

I am strong for U.S. defenses. I am for a strong U.S. defense and a strong NATO defense and for sound foreign economic aid. However, I am not for this bill, which perpetuates an unsound foreign policy and weakens our greatest defense weapon, namely, our economic strength.

I refuse, as chairman of the Latin-American Subcommittee, to support a

bill which grants the amount of money this one does to some Latin-American dictatorships. It is said in committee, "You cannot single them out. You must not single them out. That is not good legislation."

Why not? Ask the American people if they think we ought to be supporting a dictatorship in the Dominican Republic. The American people will give their answer. Once they understand the facts, my judgment is that the overwhelming majority of the American people will vote against military aid to a Fascist regime in the Dominican Republic. Let us ask the American people if they think we ought to support a Fascist regime in Paraguay. We will get the answer. I am satisfied that the overwhelming majority of the American people will answer, "No."

Give the American people the facts about Pakistan. We will get their answer. The answer will be, "At least cut drastically, and limit such aid as you grant them to specific projects which involve mutual defense, and will not take the form of aid that can be used by them for so-called internal security, which is but a highfalutin phrase for keeping down the people."

I delivered a commencement speech in Mexico last Thursday at the Mexico City College. I talked to a considerable number of educators. I talked, too, to some others, in official positions. I wish the Senate could have heard what was told to me about the reactions on the part of the people throughout Latin America toward American military aid to dictatorships in Latin America.

Responsible individual after responsible individual said, "You will do nothing to lessen anti-American feeling throughout Latin America until you stop pouring military aid into dictatorships which use such aid to keep down the march toward freedom which is inevitable in Latin America for the next several decades."

Military aid to Thailand? It goes down the drain; it is a complete waste.

The question may be asked, "Mr. Senator, what about economic aid to the so-called dictator countries? Haven't you voted for that?"

Yes, I voted for a type of economic aid. I wish the Senate would adopt the principle. I am perfectly willing to vote for economic aid on a line-of-credit basis, project by project, the line of credit to be drawn upon as the project progresses, if the project is engineeringly, economically, and socially sound, tested by the answer to the question, "Will this project benefit the economic lot of the people in the country where it is to be built?"

I have the same desire to help the people in a country with a dictatorial government as I have those in a free country, because we will have to reach those people if we are ever going to win the fight for the cause of freedom behind the various "iron curtains" of the world. I do not share the point of view which seems to be held by some persons that we must not try to reach those people until they first overthrow their dictatorial governments. In many instances, that will be a long, long time, if we follow that course of action.

I think the way to reach those people is by way of economic projects on a loan basis, administered by a line-of-credit formula, rather than by a general grant to some dictatorial government, because the record is quite clear as to what has happened to many of those grants. The people never get any benefits from them.

This bill is simply honeycombed with that kind of aid. That is not good foreign aid; it is bad foreign aid. We ought to bring it to an end.

Then I was interested in the arguments which some of my colleagues made: "I know that many people in the country are critical of foreign aid, but they do not understand that the security of our country is in danger." Who says so? The people know that the security of our country is in danger. The people are raising the telling question: "Are you helping it any by this kind of wasteful expenditure? Are you helping it any by following a program which is stirring up anti-American feeling in some parts of the world? Are you helping it any by a program which we are beginning to discover is grossly inefficient and wasteful? Yes; in some instances, we really question whether it is being administered by some administrators in good faith."

There are many things in the book "The Ugly American" which are probably exaggerated. But there is also a continuing thread of truth in the book from cover to cover in respect to the inefficiency and the waste in the military and economic aid programs, and about expenditures of money in some of the so-called underdeveloped countries for purposes and on matters which are not even in the interest of the people themselves.

I sat for a little more than 2 hours the other night, as chairman of the Latin American Affairs Subcommittee, listening to a great Latin American. I said to him, "Tell me about the military aid we give your country."

He smiled and told me the story. He said "You have given us some aid which does not do us any good. You know, in Latin America, when one country has a jet bomber, there is a tendency for other countries to take the position that they ought to have one, too, or perhaps several."

He continued, "We have a couple of jet bombers, but we discovered that we do not have a single airport in our country on which to land them. We have to have some assistance to build an airport on which to land jet bombers. In the meantime, we have to keep them in Panama. We have to use Panama as a sort of storage port for our jet bombers. Of course, we never should have had them in the first place. They have resulted in costly expenditures for us, expenditures which our economy can ill afford, and they represent a waste by your Government."

Why do we do it? We know that to be true.

He asked me, "Do you know what we need? We need a good many steel-pointed plow shares. We need a good many thousand heifers and sows and productive poultry. We need good seed on the farms of the peasants."

He said, "Let me tell you what has happened in my country. Because you are working through a government which is basically totalitarian, most of your economic aid gets into the hands of the 'big boys', the landed gentry, the overlords. It does not get down onto the little strips of land farmed by the peasants."

He said, "If your country wanted to build up good will in my country—and you do not have any to spare in my country today—do you know what you should do? You should provide us with some productive, brood livestock and poultry to be placed on the farms of the peasants of my country, where there would be, day in and day out, year in and year out, a living memorial to the good will of the people of the United States. They understand that kind of economic aid, and they would like to get it on a loan basis."

He said, "I am not asking for a gift, and I want to particularly stress that point in regard to seed, since the production of the peasants is very low, because they do not have good seed."

Mr. President, I plead for that kind of economic aid. That is the kind of program, in my judgment, in respect to a country of that sort, which the Foreign Relations Committee of the Senate ought to be bringing to the floor of the Senate. I hope we will be able to rewrite this bill sufficiently, on the floor of the Senate, so that when we send it to conference, it will provide for that kind of an aid program.

Mr. President, I also wish to say that the votes of some of the majority members of the Foreign Relations Committee in support of this bill simply cannot be squared with their public professings about balancing the budget. The bill afforded a chance for the budget balancers to vote to save a minimum of $600 million for the taxpayers of America without, in my opinion, in any way weakening our national security one iota.

I wish to warn the American people that, once again, an attempt will be made by this administration and by the supporters of this bill to scare them into believing that Russia will get us if this bill is not enacted—even though the bill in fact would result in a waste of hundreds of millions of dollars.

As I said before, I yield to no one in my determination to vote for adequate defenses for my country; but I refuse to be a party to letting the military minds, which for the most part are in control of our mutual security program, continue to waste such huge sums of money. I know that if the American taxpayers knew the facts about this bloated bill, they would support my position.

Mr. President, I listened to the witnesses from the Pentagon, both civilian and brass, and I am satisfied that today they were about the most surprised group of people in Washington, when they discovered that the Senate Foreign Relations Committee did not vote to cut their part of the bill, in total amount. I think many of them made an exceptionally inadequate case for the huge sums of money they requested.

Under our legislative process, what is the function of the Senate in a situation such as this one? It is to act as a check on the administrative branch of the Government. That is our duty; we have the duty to render our value judgments, based upon the record they make before us, as to what amounts should ultimately be authorized. But every time we start pressing on this matter, some Senator asks, "But who am I to decide whether this amount or that amount should be made available to the Pentagon?"

My reply is, "Do you want them to take your seat in the Senate? Or do you want to live up to your legislative responsibility to act as a check? You were elected to render judgment on the basis of the evidence submitted to you. And if they do not submit evidence which in your judgment is sufficient to entitle them to the amounts they request, then you should not 'buy' the argument which I hear over and over again, 'Well, I don't know; there are a lot of things they can't tell us, and I have got to give them the benefit of the doubt.'"

Mr. President, I hope the Senate will take note of the latter point I have made, because let me say that the Senate Foreign Relations Committee had to act on the bill even though many of the facts were denied to the committee on the ground of privilege.

I do not know how it is possible to legislate in a framework of secrecy. The growing threat of government by secrecy is one of the most serious threats which is endangering the perpetuation of American democracy. That threat faces us in connection with this bill, too, because in the committee all too frequently we were told that this or that could not be disclosed to us.

Mr. President, I do not intend to give my support to police-state methods in this democracy. Any resort to government by secrecy in relation to the Senate's exercise of its duty to check any administration or any party is, in my opinion, nothing but a police-state tactic; and we had better face up to it.

Mr. President, because I feel so convinced about this danger, I intend to do what I can in the 1960 election to try to get the American people to face up to it, because they are the last hope to stop the growing threat to democratic procedures in the United States that the Eisenhower administration is increasing at such a rapid tempo, time and time again, as it hides more and more behind executive privilege.

So I say it is my hope that when the bill reaches the floor of the Senate, we shall be able to modify it and amend it to such an extent that it will be in such form that all of us can vote for it.

As I said earlier, in 1957 I voted against a mutual security bill, both in the Foreign Relations Committee, and when the first vote on the bill was taken on the floor of the Senate. But the fight which those of us who took that position made in opposition to the original form of that bill resulted in so much modification of it, in the final conference with the House, that on the question of final passage, I was able to vote for the bill.

Mr. President, I hope that similar modifications will be made in this bill, so that I shall be able to vote for it. However, if it remains in its present form, I shall vote against it, in the interest of a sound mutual security program, for the reasons I have set forth in the RECORD, and for additional reasons which I shall advance and develop in the course of later speeches in the Senate on the bill.

Mr. President, I yield the floor.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, as in legislative session, under the order previously entered, I move that the Senate adjourn.

The motion was agreed to; and (at 8 o'clock and 8 minutes p.m.), the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, June 17, 1959, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 16, 1959:

THE ATOMIC ENERGY COMMISSION

John S. Graham, of North Carolina, to be a member of the Atomic Energy Commission for the term expiring June 30, 1964.

U.S. CIRCUIT COURT

Herbert S. Boreman, of West Virginia, to be U.S. circuit judge for the fourth circuit.

U.S. DISTRICT JUDGE

Charles L. Powell, of Washington, to be U.S. district judge for the eastern district of Washington.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 16, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Philippians 3: 13, 14: *This one thing I do, forgetting those things which are behind, and reaching forth unto those things which are before, I press toward the mark for the prize of the high calling of God in Christ Jesus.*

Almighty God, grant that the vision of our blessed Lord, whose beauty and winsomeness of character and conduct allure and attract us, may never fade from our minds and hearts.

We humbly and gratefully acknowledge that at times we find ourselves earnestly endeavoring to emulate the spirit of that lowly Man of Galilee into whose likeness Thou would have us grow.

Show us how we may apply and act upon His principles and ideals and inspire us to follow in His ways of faith and courage as we seek to minister unto the vast multitude of mankind in their struggles and sorrows.

Hear us in the name of Him who walked the road of the loving heart. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5915) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendment numbered 34 to the above-entitled bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1) entitled "An act to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes."

The message further announced that the Senate recedes from its disagreement to the amendment of the House of Representatives to the above-entitled bill and agrees to the same with an amendment.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report including any minority or individual supplemental view on the bill H.R. 7749, to increase the amount of obligations issued under the Second Liberty Loan Act which may be outstanding at any one time.

Mr. PATMAN. Mr. Speaker, reserving the right to object, and I shall not, I will ask the chairman of the Committee on Ways and Means if he will get a statement from the Chairman of the Federal Reserve Board particularly, and from the Secretary of the Treasury, on the proposal to cancel $15 million of U.S. Government securities testified to before his committee?

Mr. MILLS. I will say to the gentleman from Texas that I will endeavor to get such a statement.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

DUTIES AND RESPONSIBILITIES OF CONGRESSIONAL COMMITTEES

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD in explanation of the special order I am asking for next Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I requested a special order of 1 hour on Thursday so that I could discuss at some length the procedures followed in the debate on the military appropriations bill last week.

I shall discuss the substantive issue of the additional quarter of a billion dollars the committee put into the bill over the budget requests of the administration for antisubmarine warfare, primarily to illustrate the inadequacies of the procedures followed in the debate.

This is part of a much larger issue, that of the duties and the responsibilities of the House committees to the Members of the House and the duties and responsibilities of the Members of the U.S. Congress to their constituency, in studying, understanding and then explaining the details of the vital and frequently complicated legislation that comes before the Congress.

I shall also be glad to consider any claims for the prize I offered to any Navy personnel who would cite for me an ice-free open seaport which the Russians had for operating their submarine fleet. I regret to advise the House that the claim made by my colleague, the gentleman from New York [Mr. STRATTON], falls short. He could have made this quite clear to the House had he read from the shipping guides he had available and with him about the two ports he cited. Both ports require icebreakers to cope with the ice.

The point I was and am driving home is not that Russia does not have bases—they have plenty on the Black Sea—but that all bases they have are limited by either being in an enclosed sea or having ice to cope with. Antisubmarine warfare directs itself toward two targets—the submarine and the submarine base. No fleet can exist without bases. Russia's submarine warfare is limited not so much by the number of submarines as by the number of adequate bases.

SMALL BUSINESS INVESTMENT ACT AMENDMENTS OF 1959

Mr. BASS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. BASS of New Hampshire. Mr. Speaker, I have today introduced in the House of Representatives the administration's bill to improve and clarify the Small Business Investment Act passed originally by the Congress last year. The bill, titled "Small Business Investment Act Amendments of 1959," contains the Small Business Administration's suggested changes in the act in light of a year's experience in its operation.

Principally, the amendments provide banking subsidiaries of bank holding companies with greater discretion and latitude in investing in small business investment companies. It is clear the present investment restriction in the act has seriously impeded the formation of investment companies. Eliminated in the proposal are existing restrictions which require that equity capital can be provided only through the medium of convertible debentures. It further eliminates the requirement that a small business concern must purchase a certain amount of a small business investment company's stock in order to obtain equity capital from the investment company. A number of other clarifying changes are also proposed.

I urge early consideration of this bill as a means of improving the small business investment program to meet the needs of small business for equity capital and long-term loans.

CALL OF THE HOUSE

Mr. BENTLEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 85]

Andrews	Garmatz	Shelley
Ashley	Goodell	Sheppard
Barden	Gray	Short
Boykin	Hagen	Siler
Canfield	Hébert	Taylor
Cohelan	Holified	Udall
Cooley	Jackson	Whitten
Davis, Tenn.	Kilburn	Willis
Fogarty	McIntire	Wilson
Foley	Powell	Withrow
Gallagher	Rostenkowski	

The SPEAKER. On this rollcall 395 Members have answerd to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE MEETING DURING SESSION OF THE HOUSE

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may sit this afternoon during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AMENDING MUTUAL SECURITY ACT OF 1954

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7500) with Mr. PRICE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from Pennsylvania [Mr. MORGAN] had 1 hour and 42 minutes remaining, and the gentleman from Illinois [Mr. CHIPERFIELD] had 1 hour and 59 minutes remaining.

The Chair recognizes the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Chairman, I rise to speak in opposition to H.R. 7500, an act to amend the Mutual Security Act of 1954.

Recent revelations by the Committee on Government Operations and the Committee on Foreign Affairs of the House of Representatives have further convinced me of the unsoundness of the foreign aid program which has eaten up $74.2 billion of the money of the taxpayers of this country since 1946. The results obtained from these expenditures do not, in my considered opinion, warrant further extension of this ill-advised program. The more than $74 billion which we have spent in foreign lands in the past 13 years has consisted of military assistance and $59.2 billion in outright gifts. But this does not constitute the total contribution made by the American citizens to the other nations of the world in the form of assistance. The business people of this Nation have invested more than $27 billion in private funds outside this country since World War II. The CARE program, a voluntary welfare organization, has donated $6.7 billion in food and fiber to feed and clothe the needy in other lands. When we total these figures, we find that the American people have given of their bounty to the tune of $107.9 billion since World War II.

Our assistance has not been limited to these voluntary and governmental assistance programs, as is evidenced by the fact that we have made purchases of commodities and products in foreign countries in the amount of $190 billion in the same period. This gives an aggregate total of $297.9 billion of American money that has aided foreign nations.

We hear much argument here in Congress and from advocates of the foreign giveaway programs that these activities are essential to prevent the onward march of communism. They tell us that unless we do these things which they advocate the Russians will furnish aid money to foreign nations and remove them from our orbit of friendship into theirs. The facts do not support this argument.

During the time that we have been so generous with our taxpayers' money the Soviet Union has granted aid to foreign nations in the amount of only $2.4 billion, or about one-fiftieth as much as has been done by the United States. This does not indicate that the proponents of the foreign aid program have real merit in their contentions.

How long can the American people stand the confiscation of their funds by their Government for the purpose of spreading tax dollars throughout the world?

We are today faced with a national debt in excess of $286 billion. The total national debt of all other nations in the free world is only approximately $185 billion, and Soviet Russia is blithely moving forward with a national debt of only $50 billion. Our national debt exceeds the total combined debts of all countries

of the free world, plus that of Russia and the Soviet bloc, by a considerable amount of money. How then can we justify the further expenditure of funds which we do not have to spend?

It does not require a trained economist to know of the devaluation of the American dollar. This is a fact which is readily apparent to any person who makes the ordinary purchases necessary to sustain the home. With a 48-cent dollar and the cost of food three times as great as it was in 1939, we can see that these inflationary programs—the foreign aid program being one of the principal of this group—cannot be safely followed. To go further with this program is not consistent with the best interests of our own Nation.

To weaken the position of the United States, as we are consistently doing with the foreign aid giveaway program, is playing into the hands of our Communist adversaries and is destroying the American dollar and economy. Once the value of our dollar and the strength of our economy are so weakened that we do not have the ability to resist the economic aggression which we may expect from the Soviets, we will be in a totally defenseless position.

I think that the views which I am expressing are consistent with the views held by most of the average Americans to be found throughout the length and breadth of this great country of ours. The primary consideration must be the welfare of our own people, and in my judgment the granting of further authority to carry on this giveaway program as is proposed in H.R. 7500 is a further disastrous step in destroying the best interests of our people.

Mr. MORGAN. Mr. Chairman, I yield 6 minutes to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I first want to commend the chairman of our committee, Dr. MORGAN, for his untiring efforts and the effective, courteous and constructive leadership he has given to our committee. The committee we believe has done an excellent job in bringing out the bill that is now before you.

The mutual security program is frequently criticized for being, in the opinions of critics, too big and too complicated. The charge is made that if the program could be curtailed in size and limited to a very few simple operations it could be made more effective. Such a position is of course unrealistic, and the two objectives are completely incompatible.

The total authorization provided in H.R. 7500 is $3,642,600,000. While this is a considerable sum of money, as an item in the total Federal budget for the year it is comparatively small. This authorization of $3,642,600,000 constitutes only 4.7 percent of the estimated budget expenditure for fiscal 1960. It is exceeded by the estimated expenditures for national defense, interest on public debt, agriculture and agricultural resources, veterans' services and benefits, and labor and welfare.

The action taken by the committee this year in reducing the authorization for certain categories of aid and in tightening the administration and control of the program should, in part, meet the criticisms of oversize and overcomplication. Nevertheless, the fact remains that the program is designed to meet the problems of a large number of countries, each of which faces somewhat different problems.

Let me indicate just a few of the different situations with which the program is organized to deal. In the first place, there are a few nations which desire to cooperate with us in the common defense effort that are able and willing to pay for military equipment which we supply. The Mutual Security Act contains the authority for supplying such equipment on a sales basis and also authorizes the use of military assistance funds to finance sales of military equipment on the installment plan to nations unable to pay cash immediately. Not many people realize that over $500 million of such sales were made to Canada in the earlier years of the program and that Germany has purchased $500 million worth of military equipment from us during the last 2½ years.

There are a large number of nations, primarily those which have attained the highest degree of industrial development, which are now able to maintain themselves economically and to finance most of the cost of their defense forces but which require a certain amount of weapons and other military equipment which is available only in the United States. The cost of this equipment is high and the dollar resources of these countries are limited so that we undertake to make agreed amounts of such equipment available on a grant basis. Holland and Belgium are examples of such aid.

There are still other countries which have demonstrated their ability to fight and their determination to resist Soviet aggression, but which lack the economic resources to maintain a military establishment adequate to carry on over a period of years a defense program of the necessary magnitude. Turkey is an outstanding example of such a nation. These countries receive equipment from us under the military assistance program and also get defense support, which is economic assistance designed to maintain their economies at a sufficient level so that they will not have to divert manpower, money, or other resources from their defense programs in order to meet their basic economic requirements. There are only 12 nations currently scheduled to receive defense support in fiscal 1960. They maintain over 3 million men under arms and include Korea, the Republic of China, Vietnam, Pakistan, Turkey, Greece, and Spain. In every instance, these countries are carrying on a military effort that exceeds their own capabilities. Any reduction of either military or economic assistance to these countries would inevitably reduce their military strength and the security of the free world.

We provide assistance to a number of countries primarily because they have a special political, military, or economic importance to the free world even though they do not provide significant military forces for the common defense. Among these are Jordan, Morocco, and Libya. This assistance is authorized under the heading "Special Assistance" and is made available on a grant basis.

There are a number of nations in the world among those which have recently emerged from colonial status whose governments believe that it is in their best interest not to aline themselves militarily with either side in the cold war. These governments also are aware that their people demand prompt and effective action to improve the conditions under which they live. We believe that the friendship, cooperation, and understanding of these neutralist nations is important to us and the free world, not only now but increasingly so in the years to come. The mutual security program makes assistance available to such nations through the Development Loan Fund and the Technical Cooperation programs.

I have attempted to summarize briefly the reasons why some of the major categories of assistance are provided in this bill. There are a number of other authorizations which I cannot discuss because of lack of time. I have oversimplified my comments on each of those I have included. I hope, however, that I have said enough to indicate that we have to have different programs to meet different conditions and that the mutual security program will continue to be complex as long as we try to assist nations in meeting the very different problems which they face.

These nations count on our help, not only for its material value but also because it gives them continuing assurance of our backing. If any segment of the program should be eliminated or drastically curtailed, it would adversely affect our relations with an important group of nations.

The continuation of the mutual security program is essential to keeping the free world acting together as well as essential to the defense of the free world. Stopping the program or reducing it to ineffectiveness would make necessary replanning, reorganizing, and reequipping that would take years to accomplish—if effectiveness could be accomplished at all. Obviously this would result in a much heavier tax burden and also a heavy increase in the drafting of our young men. Destroying this program is a folly we cannot afford.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, first of all, I want to add my expression of appreciation of our chairman to those that have already been given. We had a long and arduous time during some 11 weeks we were working on amendments to the Mutual Security Act. Just, fair, and firm, he gave evidence also of a delightfully useful sense of humor.

Mr. Chairman, it seems to me that a full and free and intelligent discussion of this bill cannot be had without some background in which an understanding of the forces which we call communism against which we as leaders of the free world are pitted. To those of us who have concerned ourselves with its history, it is inconceivable that thinking people all over the world have been

unable or unwilling to grasp the unswerving purpose of this which we call communism, and so remaining unaware of its strategies, its tactics, and its unchanging goal.

During the 80th Congress, it was my privilege to be chairman of the subcommittee of the House Committee on Foreign Affairs having to do with national and international movements. This subcommittee made an exhaustive study of communism, which, under title of "The Strategy and Tactics of World Communism," printed as House Document No. 619 of the 2d session of the 80th Congress. A short report, with the pertinent documents appended, whose several supplements are worth your time and effort to read, give much food for thought. There are other sources to draw from, of course, but nowhere will you find so much objective information so clearly presented on so few pages. Should you have difficulty securing a copy, I shall be happy to share my dwindling supply with you.

May I say that it seems peculiarly to be regretted that more time was not allowed by the Rules Committee so that everyone could ask the questions he wanted to ask and could make the remarks he wanted to make about the whole bill.

We bring this bill to you without unanimous agreement on the part of committee, but I want to emphasize the interesting point that not one of the six members who are voting against it nor any one of the opposition witnesses wanted to abolish the whole thing. They all recognize the need for it and they agree with many of its features if it can be improved in both efficiency and method.

Let me recall to your mind a little history. Organized communism took over from the unorganized revolutionaries of Russia who broke the Czarist power.

Intermittent purges did away almost overnight with practically all educated people. A black record of brutality, torture, and fear built the foundations of Stalin's empire. Now take a look at Khrushchev and at the men that have been sent out as ambassadors, of whom this man who represents them here in Washington is an example. Yes—he smiles, but only with his lips. His eyes never lose the cold cruelty they held when he headed the UNRWA team in Poland years ago, withholding food from all but fellow travelers and sympathizers.

If you have forgotten the horrors in Hungary, you have had a vivid demonstration of what this force we call communism is and does in Tibet. And I must remind you that communism is not just a Russian phenomenon. It has been able to take over in China, where its ruthless destruction of China's way of life is unthinkable. Its atheistic doctrine denies everything we believe, everything that means life.

I would suggest further that you look beyond and beneath the visible methods of the Kremlin, that you look into their basic beliefs and at their unswerving march toward their goal of complete world domination and control. Do not deceive yourselves or be deceived: There is neither mercy nor kindness, nor truth, nor honor in the hearts or minds of professing Communists.

This effort of ours to build a sufficient military and moral strength as a deterrent to the Sino-Russian advance is not a simple matter. The small nations cannot sustain over many troops. They need help. Some of this must of necessity be economic assistance, technical training or what, for lack of a better word, we call military assistance. Frankly, I have found confusion generated by nothing more complex than the very words that are used.

So many call this a foreign aid bill. The need to strengthen and bring about cooperation among the nations of the free world called it into being. And may I say with great seriousness: It must continue until the collapse of the Communist world has taken place. Of course, it must become more and more efficient and less costly. But when one examines the changes for the better that have been made one can feel great encouragement over the future.

The question has been asked "How long are you going to have this? How long is this to endure?" I say to you, Mr. Chairman and members of this great body, if we do not continue it as long as communism threatens the freedom of the world, we shall be false to our trust. Their goal has never changed: Always they look to complete control of the world. Yes; they go this way and that way, backwards and forwards—that is part of their technique, that is part of their strategy; but, they never take their eyes off the goal. Let us remember that as we debate this bill.

It is quite true that grave mistakes of judgment and method have been made. Some of the criticisms that your committee went into most carefully were warranted but many were not as you will see if you will examine the rebuttals supplied by the executive branch. The investigations made by the Foreign Affairs Subcommittee, by outside Committees, by the Hardy Committee and GAO have all been valuable.

At the end of World War II Europe was devastated and despondent. The Marshall plan was born. There followed the Truman doctrine which even the most violent critics have acknowledged saved Greece and Turkey from the hammer and sickle. The North Atlantic Treaty Organization has made further Communist intrusion into Europe impossible. Iran, subjected to violent Soviet threats a decade ago, still shows an immense courage in withstanding Soviet propaganda and retains its independence and its alliance with the free world. West Berlin, after its amazing experience under a cruel blockade, is still a showcase for freedom and Western ways in a sea of totalitarianism. Were there nothing else but West Berlin to show it would be enough to credit the achievements of the West.

Free Korea and Vietnam have steadily strengthened their defense establishments and economies. Communist blandishments have been resisted, and these nations remain steadfast allies in freedom. Nationalist China, thanks to our active military training and equipment program, has twice withstood major assaults in the Formosa Straits. Through this program, her many highly trained and well-equipped fighting men are made available to the free world. In this way the boundaries of the non-Communist world are preserved without having to face the unpleasant alternative of massive increases in our own forces all over the world.

Through this common planning and cooperation through the military assistance program, our security and that of the free world is maintained with a sharing of costs and responsibility. Without such a program of mutual assistance we should not be able to meet the Communist bloc threat at all points of possible aggression. We believe we now can. Our military assistance program has cost us $22 billion in these 9 years. Our allies have expended some $141 billion in the same period.

The mutual security program has made a major contribution to the collective security of the free world. Largely due to its operation our allies have been enabled to expand and modernize their defense capabilities. By last summer their ground forces comprised over 5 million men; their naval forces totalled 2,500 combat vessels, with some 1,700 in active fleets or supporting units; and their aircraft inventoried about 30,000, including nearly 14,000 jets. Our Strategic Air Command is able to operate from some 250 vital overseas installations, thereby providing a powerful deterrent to aggression. Our collective security agreements with some 40 associated nations have reinforced both their will and ability to resist communism. These accomplishments achieved in less than a decade, add up to a most impressive record for this program. And we should be ever mindful of the fact that it has been a truly cooperative effort—for every dollar we have provided in military assistance, our allies have spent the equivalent of $5.50 to strengthen the common defense.

I say to you again: Do not deceive yourselves or be deceived. Communism is a force, not a nation, determined to take over all the people of the world.

Over 40 years ago Lenin proclaimed: "As long as capitalism and socialism exist we cannot live in peace; in the end, one or the other will triumph—a funeral dirge will be sung over the Soviet Republic or world capitalism." But recently Khrushchev has reasserted this theme in his boast that "we will bury you."

Today Soviet Russia is using the new weapon of Communist penetration economy, launched against the newly independent and undecided nations. Trade agreements are but a prelude to political subversion and penetration of which Khrushchev's recent comment gives the picture: "We value trade least for economic reasons and most for political purposes."

So far we have not taken these things seriously nor looked at them realistically. The cold fact is that we of the free world are battling for our very lives. The ad-

versary has one unswerving goal which it serves through subversion, economic warfare, propaganda, aggression, missile blackmail. He uses conferences to weaken our opposition. He expects us to break, and employs any and every means to bring this about.

Recent events in remote parts of the world testify to the cruel extremes that the Communist leaders are prepared to go in order to preserve and expand their Empire. The bloody suppressions in Hungary and Tibet manifest a vicious determination to crush out the least spark of freedom that may assert itself among their captive subjects.

Allied in this ruthless conspiracy are the world's second most powerful nation, the Soviet Union, and the world's most populous nation, Communist China. Together, they dominate a third of the world's peoples, and have at their disposal vast and dangerous military forces. Included in their arsenal are ground forces totaling 400 divisions; aircraft in the amount of 25,000 operational units; approximately 500 submarines, the largest single submarine fleet in history; atomic and hydrogen bombs, with both short and long-range missiles to deliver them, bulwarked by a scientific and technological establishment of expanding capability.

Supported by this formidable arsenal of military might, the Communists are prepared to resort to force or the threat of force whenever it appears advantageous to them. Korea, Indochina, the Formosa Straits, and now West Berlin—this is the list of ceaseless probing designed to test our resolve.

ASIA AND AFRICA

In recent months the Communists have intensified their activities directed toward influencing the newly-independent peoples of Asia and Africa. Since World War II, 21 new nations have come into being, 6 in Africa and 15 in Asia. Together, they contain over 700 million people or approximately one-fourth of the earth's population, located in a tenth of the world's inhabited area.

The strategic value of these countries to the free world is well known. Important air and naval bases are located in certain of them. Vital raw materials—uranium, diamonds, manganese, chrome, and so forth—come from their seemingly limitless resources. Expanding markets for our manufactured goods are being opened up, and trade is increasing.

In the hope of denying these areas to us, the Communists have launched a major offensive of economic and political infiltration. An open bid for power has been made in Iraq, and growing pressures are being applied to critical points in Asia.

In Africa, the outlines of the Communist offensive have emerged quite clearly. Diplomatic, cultural, and economic ties have been established with newly independent countries. Trade agreements have been signed with Ethiopia, Morocco, Tunisia, and Guinea, while full diplomatic relations are now maintained with Ethiopia, Libya, Morocco, Ghana, and Guinea. Offers of loans, grants, and technical assistance are effectively exploited along with anti-colonialist and pronationalist propaganda. Trade union and student groups have been particularly singled out for infiltration and domination.

Every effort is made by the Kremlin to appeal to the instinctive neutralism of the newly emergent countries, who seek both economic and political self-realization. Nationalism is embraced to appeal to local yearnings and aspirations, and every opportunity is taken to incite trouble.

While these Communist tactics do not appear thus far to have made much headway in Africa, they may be expected to gain in scope and intensity as more nations move into freedom.

All of these newly independent nations are looking to us for assistance in their struggle against widespread poverty and disease. The mutual security program serves as our most important tool in helping the less developed countries deal with pressing economic problems. Through its channels urgent needs are fulfilled, and technical and managerial skills necessary to growth are supplied. In hundreds of different ways the pace of development is quickened and legitimate aspirations satisfied.

TECHNICAL COOPERATION ACTIVITIES

There is not time, Mr. Chairman, to more than touch upon the many truly heartwarming projects that are being carried out under the technical cooperation section of this program.

Bilateral technical cooperation programs currently operate in 49 countries and 9 territories. New programs are planned this year for Morocco, Tunisia, Ghana, Somalia, Nigeria, and the British territories in East Africa. Emphasis is placed upon activities in the fields of health, education, agriculture, and industry so that a basis may be laid for long-term benefits to the population. The committee was in broad agreement that these programs are among the most effective and least costly of all mutual security operations, and accordingly authorized the total amount requested.

Under the technical cooperation and special assistance programs, a worldwide effort to eradicate malaria is in progress; an intensive drive to reduce debilitating gastrointestinal diseases through stimulation of national safe-water supplies is planned; American-sponsored schools located abroad are assisted in their function of developing trained and competent personnel; ocean transportation costs of U.S. voluntary agency gift shipments to needy persons abroad are defrayed; students and technicians are brought here for specialized industrial and vocational training; communicable diseases are warred upon; and innumerable other projects carried forward.

While these activities comprise a relatively small portion of the mutual security program, the results are invaluable in terms of the friendship and good will created.

TERMINATION OF PROGRAM IS NOT FORESEEABLE

The end of the program is not in sight. We and the free world are faced with the threat of Communist military forays and aggression and with the threat of internal subversion. To talk of terminating the program while the cold war goes on is to talk of endangering the security of the United States.

Secretary Herter, Secretary McElroy, General Twining, and General Norstad have all pointed out that the cost to the United States would far exceed the cost of the mutual security program if we were to terminate it. The forces which the program maintains abroad are vital to our own security. There is no assurance that if the program were to be terminated that those forces would be available for the defense of the free world.

Termination of the program would mean increased tax burdens on the American public, the increased draft of American boys and the possibility of the loss of additional areas to Communists.

The defense support program is vital to the maintenance of the forces supported by the military assistance program. Without defense support the economies of many of our allies might well collapse with resultant chaos and instability in those countries. In like manner, special assistance helps maintain our bases overseas. The Development Loan Fund helps meet the Russian challenge on the economic front and helps develop independent stable governments in the less developed areas.

To talk of terminating all of these things is wishful thinking. A mere wish to reduce tax burdens and to disengage ourselves from foreign undertakings is insufficient reason to jeopardize the security of the United States.

Not a single witness who appeared before the Foreign Affairs Committee advocated the immediate termination of the foreign aid program. Even the group which was most hostile to the entire concept of foreign aid and which included a large number of people who have consistently opposed the program from the start, have admitted that the program would have to be terminated over a number of years.

It is wishful thinking to set a termination date for the mutual security program. It is, of course, impossible to say when it might be terminated. There is some hope that the burdens can be reduced in future years but it is absolutely impossible to foretell the date when the program could be stopped in its entirety.

SUMMARY

Mr. Chairman, we will hear much during this debate about alleged wastes and mismanagement under this program. Granted there have been mistakes in judgment and inefficiency in operation. But I would urge you to keep your vision focused on primary objectives, and not lose sight of the woods for the trees.

The basic issue involved here is whether we intend to withdraw behind a wall of isolation, or shall we continue to discharge our free world leadership responsibilities?

All over the free world people are looking to us for leadership in the bitter struggle with those who embrace the cause of atheistic communism. Continuation of this program is essential to the maintenance of that great trust.

In order to inform our colleagues about H.R. 7500 as briefly as possible a group of us on the Foreign Affairs Committee sent a letter to all Members of the House on June 11th. I include the letter as follows:

JUNE 11, 1959.

DEAR COLLEAGUE: Next Monday, June 15, the mutual security bill, H.R. 7500, will be called up for debate on the floor.

The bill authorizes $3,642,600,000 for fiscal year 1960, which is a cut by the committee of $266,800,000 from the President's request.

We think it is all important that, before voting on the authorization bill, you know what the committee did and why.

CUTS IN AUTHORIZATION

One hundred and sixty million dollars in military assistance. (This reflects the committee's view that there are areas where redirection of effort can be achieved, such as in Latin America—but also reflects the committee's view that materiel in the pipeline is down to a dangerously low point.)

Eighty-five million dollars in defense support. (This cut is approximately one-half of the cut in military assistance and reflects the committee's feeling that savings to this extent can be realized by tighter programing—but that deeper cuts would, particularly in the light of world tensions, weaken countries on the fringe of the Sino-Soviet bloc.)

Twenty-one million eight hundred thousand in special assistance. (This cut is intended to force tighter allocations. It was not greater because of the difficulty in reducing a large number of needed programs under this heading, ranging from health, education, military bases, to basic economic programs.)

One hundred million dollars in contingency fund. (This cut is half of the President's request. To cut deeper would be to tie the President's hands in the emergencies bound to be faced in the coming year.)

INCREASE IN AUTHORIZATION

One hundred million dollars for the Development Loan Fund. (This reflects the committee's view that the economic objectives of our aid must be more in the forefront, that DLF is operating on a sound, workmanlike basis, and that the backlog of sound projects more than warrants this increase.)

IMPROVING ADMINISTRATION OF THE PROGRAM

1. New and more accurate language in the statement of purpose.

2. New standards for allocating both military and economic aid, requiring a Presidential report on exceptions to such standards.

3. The upgrading of the audit and control function in ICA by the establishing of an Inspector General.

4. Enlarging the application of last year's new provision to require engineering and technical studies to be completed before money is obligated to projects.

5. Requiring more specific information from the executive branch in presenting future requests.

The committee spent 11 weeks in hearings, covering 2,000 pages, held 44 meetings, and heard 90 witnesses. We think it did a thorough and conscientious job. One commentator stated: "The foreign aid bill approved by the Foreign Affairs Committee represents the most significant achievement by that group in several years."

Two points we make:

1. To make further significant cuts at this authorization stage would be unjustified, and unwise.

2. Whatever your final action, we hope that you will read the report, listen to as much of the debate as you can, and give some weight to the quantity and quality of the work done by the committee.

Sincerely,

FRANCES P. BOLTON, ROBERT B. CHIPERFIELD, LAURENCE CURTIS, JAMES G. FULTON, WALTER H. JUDD, CHESTER E. MERROW, CHESTER BOWLES, A. S. J. CARNAHAN, FRANK M. COFFIN, LEONARD FARBSTEIN, CORNELIUS E. GALLAGHER, WAYNE L. HAYS, EDNA F. KELLY, HARRIS B. MCDOWELL, JR., WILLIAM T. MURPHY, BARRATT O'HARA.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin, [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, in rising in support of the Mutual Security Act of 1959, I want—first of all, to commend the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN] for his very outstanding work. He took over the reins of the committee as the new chairman when the 86th Congress convened. During the months that followed, he displayed great energy, keen understanding of foreign policy problems, and fairness in conducting the affairs of the committee. It has been a pleasure to work with him in fulfilling the tasks assigned to our committee.

I regret that only 4 hours have been assigned for debate on a bill as important as the mutual security bill of 1959. Since this is the case, however, I shall try to limit my remarks so as to give other Members, desiring to raise certain questions or to offer particular criticisms, a more ample opportunity to voice their views. On my part, I will confine myself to answering some of the criticisms which have been voiced already, and then extend my main arguments in support of this legislation in the RECORD.

To begin, I would like to point out that the necessity for this legislation has been recognized both by the proponents and by the opponents of the mutual security program. During the lengthy hearings held before the Committee on Foreign Affairs, no argument has been advanced for the immediate termination of the mutual security program. Every witness whose testimony I have heard recognized the importance of continuing this program through the coming year—and that is exactly what the bill before us proposes.

On the other hand, various criticisms of the mutual security program have been presented to the committee and to this House.

It has been charged, for instance, that the program has been wasteful in some respects. With that I certainly agree. A number of wasteful instances have been discovered in the administration of this program. I have always been utterly opposed to waste and inefficiency in Government programs, and I am proud to point out that it was the Committee on Foreign Affairs—through its various subcommittees and the special committee on the review of the mutual security program—that brought some of these instances to light. Further, the committee has taken immediate and energetic steps to correct such abuses in the administration of this program. Several new corrective measures are included in the bill before us.

It has also been charged that the mutual security program has been of aid to the Communists. This argument is not based on fact, and I must disagree with it emphatically. While the Communists have advanced their cause in some areas during the time when the mutual security program was in existence, their gains have not come as a result of this program but rather in spite of it. The program has made a concrete contribution to the cause of peace and freedom in the world by strengthening the military defenses and the economic potential of free nations. This increase in strength has enabled us—enabled the free world—to stem rapid Communist expansion. Without the mutual security program, Communist gains could have been much more serious, and threatening our very existence.

Other critics of the mutual security program have charged that this program is creating competition for our own economy. This type of an argument has cropped up periodically throughout the life of our Nation, whenever any measures were contemplated to stimulate industrialization of new areas. It was used when the Middle West was being industrialized, and again when industrial production and expansion were beginning to move South. It is an old argument, but it is not a valid one. More balanced distribution of industrial potential within our own Nation has promoted, rather than retarded, the growth of our economy and higher level of living for all of our people.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Iowa, who in my opinion is one of the sincerest and hardest working Members of the House. I know the gentleman has thoroughly and carefully read the hearings and report. I expect the gentleman's question will be a searching and penetrating question.

Mr. GROSS. I want to agree with the gentleman that it is a shocking thing that only 4 hours were permitted by the Committee on Rules for general debate on this legislation. Does the gentleman know whether the chairman of the committee or anyone else is going to take this bill chapter by chapter and tell us what it contains before the general debate ends? Will some member tell us what is proposed to be done?

Mr. ZABLOCKI. We intend to answer every question and explain every chapter section by section. We hope to be so thorough that even the gentleman from Iowa will be convinced and vote for H.R. 7500.

Mr. Chairman, as I have stated, the balanced distribution of industrial potential has promoted, rather than retarded the economic growth of our Nation.

Similarly, the impact of the mutual security program upon the less developed countries will not necessarily threaten our economic well-being or our future progress. Right now, the program has a

constructive effect upon our agriculture—by promoting the disposition of some of our surpluses—as well as upon our industry. We must remember that over 80 percent of the dollars in this program are spent here, in the United States. Further, by promoting economic development of the underdeveloped countries, the program contributes to the creation of future markets for the products of our economy.

Finally, some critics of the mutual security program maintain that this undertaking is bringing us to the brink of financial bankruptcy. Again, their arguments are not supported by facts.

In this regard, we must remember, first of all, that the funds which we spend annually on the mutual security program amount to less than 1 percent of our national income, and generally less than 5 percent of the Federal budget.

Second. The most of this money—over 80 percent of it—never leaves our shores; it is spent right here, within our country, and constitutes income to our agriculture, our industry, and our workers.

And, third. That we could not save money by eliminating the mutual security program. On the contrary, best informed estimates indicate that—if we eliminated the mutual security program—we would have to spend much more to increase our own defense budget. We would have to substantially raise our defense spending, and it would not provide us with the measure of security which we derive by being able to depend upon the combined defensive power of the free world.

These, then, are some factual answers to the chief criticisms of the mutual security program. I want to commend them to the earnest and impartial consideration of this body.

Let us now turn briefly to the mutual security bill of 1959 which is before us, awaiting the decision of this House.

The mutual security bill reported by the Committee on Foreign Affairs is admittedly not perfect. Like any other piece of legislation brought before this body, it has some shortcomings and some controversial provisions. At the same time, however, the bill is the product of sincere, lengthy, and thorough consideration by the Committee on Foreign Affairs. It is a sound and necessary piece of legislation. It proposes numerous improvements in the mutual security program—improvements which are the fruit of lengthy studies and investigations conducted during the past year by our several subcommittees, and by other agencies. The bill also reflects the work and the constructive suggestions submitted by other committees of this House, which were carefully considered by the Committee on Foreign Affairs and, in some instances, incorporated in this legislation.

I strongly believe that this bill carries an authorization which is fully justified by our Nation's long-term security requirements, and by our foreign policy objectives. The bill is $266,800,000 less than the executive authorization request. These cuts proposed by the Committee on Foreign Affairs are not just window dressing intended to make this measure politically more palatable. They were agreed upon only after a careful study. They cut deeply into the President's requests, and they made a significant change in the emphasis embodied in this legislation. They shifted the emphasis in our mutual security program more definitely from the area of military aid to the task of aiding our less-developed allies to help themselves—to aid them in strengthening their economies and in enabling them to resist Communist subversion, infiltration, and other Communist advances.

I have long favored such a shift in emphasis in our foreign policy programs, and I earnestly hope that, in the not-too-distant future, we may be able to terminate military assistance as well as our extended economic grants.

The need for such further outlays on our part will continue to diminish to the extent that the mutual security program will succeed in achieving its objectives—that is, in strengthening both the economic and the military capabilities of our allies in the free world to the point that the presently underdeveloped nations will be able to fulfill their responsibilities for self-government, independence, and to resist Communist pressures.

I am hopeful that we are moving closer to the realization of that goal. In the meantime, we must continue to eliminate any and all weaknesses in our mutual security program, and to adapt it to the changing conditions in the world.

I believe that the bill before us contains some very constructive changes in these respects. Apart from the diminishing accent on military aid, the bill contains new language intended to correct unwise allocation of such assistance, and to eliminate certain unintended effects which this type of assistance has produced in the past.

Further, the bill provides new standards for more fruitful allocation of economic assistance, and establishes the Office of Inspector General and Controller to provide closer supervision over the administration of such aid. This should be of great help in preventing future abuses of the type that have been discovered by our committee, and by others, in the past.

I certainly share the wish expressed on this floor by some of my colleagues, the wish that we could dispense with this legislation and use the funds proposed to be authorized for other purposes, such as a tax cut or the provision of needed services to our own people. I sincerely hope that the day will soon come when this will be possible—when peace will reign in the world, and when we will not be called upon to spend over $40 billion a year on our defense and security. Unfortunately, that day has not arrived as yet. The threat of communism has not abated. This terrible threat to our security, and to the survival of free institutions is very real. Surely one moment's reflection on what has happened in Tibet, what is happening in the Far East, and even on the conduct of Soviet emissaries in Geneva should convince us of that. While professing to seek peace, they have done everything in their power to frustrate the attainment of reasonable agreements upon which peace could be built.

Let us not, therefore, deceive ourselves. We want peace, and we are working for peace. Further, we hope to attain lasting peace. But until we attain it, we must continue to keep our defenses strong, no matter what sacrifice that will entail.

The mutual security program is part and parcel of our efforts to create conditions under which we will be able to attain peace. Every man, woman, and child in this country has a vital stake in those efforts, and in the success of our foreign policy programs. Let us not try to undermine or to cripple this important program.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. MERROW].

SECOND DEFENSE MEASURE

Mr. MERROW. Mr. Chairman, we have under consideration today H.R. 7500, a bill amending the Mutual Security Act of 1954 and providing for the authorization of funds to carry the program forward for another year. This is the second defense measure to be considered by the House within the past 3 weeks. The other defense measure to which I refer was the Department of Defense appropriation bill which was adopted almost unanimously. This House provided $38,848,339,000 for the Department of Defense during the fiscal year 1960. I voted for the measure and was exceedingly happy that there was no controversy in getting its approval.

We are now debating what I have referred to as the second defense measure and this is the area where I suppose the row is going to be. However, the $3,642,600,000 authorized by this measure is just as essential as any money we have appropriated in any other category of defense and ought to be aproved as unanimously.

WITNESSES ADVISED INCREASES

Mr. Chairman, I objected to the cuts which have already been made in this bill and I shall continue to oppose any reductions either in authorizations or in appropriations since I am convinced that this is an integral part of our defense program. I would like to point out that the majority of witnesses who appeared before our committee not only felt this to be a part of our defense structure but some suggested the funds be increased instead of decreased.

SECRETARY M'ELROY

On page 77 of the hearings, I questioned Defense Secretary McElroy about the $1.6 billion requested for military assistance. I said:

Do you consider that an irreducible minimum?

Secretary McElroy replied:

I do, sir. In fact, I feel as if that is an uncomfortably low figure.

I further said to Secretary McElroy:

Now, in your statements this morning, on the mutual security program, I think you said you felt it is as essential as any money spent in the Air Force, the Army, and the Navy—I think this is exceedingly important.

May I ask this: If we were not spending this money in this area, then it is certainly conceivable that taxes would have to be higher than they are now.

Secretary McElroy replied:

Unless we could really change our concept of remaining a world power, and decide to pull right back inside of America, it could only result in a substantial increase in demands not only on our financial resources but even less attractively on our resources of young men—general manpower.

THE DRAPER COMMITTEE RECOMMENDATIONS

As we all know, the Draper Committee, in its preliminary report, recommended an increase of $400 million in military assistance and a billion dollars increase in lending capacity beginning next year. I asked General Draper to give the major reasons for the recommendations to increase the military by $400 million. This is his reply, which you will find on page 1280 of the hearings:

Primarily, sir, because in making our visits to the various areas and trying to evaluate the program against the need, we found a really alarming shortage in the NATO area in modern weapons and in the buildup that has been agreed to by these 15 countries through their military and political chiefs. After talking with General Norstad and reviewing the program for NATO and seeing the shortfall, it was our judgment that it was just an unacceptable risk to fall so far behind the planned buildup.

In addition, the argument that I have outlined regarding the pipeline—which worldwide will show an automatic drop, if the appropriation is at the level of $1.5 billion to $1.6 billion, of about one-third in worldwide deliveries of equipment within a year or two. Since there is no diminution in the threat or in our commitments we see no justification for permitting this to happen. We are not reducing our own defense effort of $40 billion or whatever it is. How can we justify a one-third cut in something that is at least in our opinion just as essential a part of our own security?

Furthermore, I asked General Draper:

Do you feel that the money spent in military assistance and economic support in this bill is as essential as any money we might spend in the other area for planes, submarines, or ammunition and guns?

General Draper replied:

Yes, sir, we do because this supplements what our allies and friends are spending on their forces, and gives such forces a validity and strength they would not otherwise have. I asked that question almost as you have asked it of General Twining and his answer was "Yes."

FORMER PRESIDENT TRUMAN TESTIFIES

When former President Truman appeared before the committee, I asked this question, and got the following answer:

Mr. President, the request for the next fiscal year is $43.6 billion for the Department of Defense and $3.9 billion for the mutual security program. The question is, Do you consider the $3.9 billion as important as the money spent in the Department of Defense; the $43.6 billion; as important as the money spent for airplanes, guns, or boats, and do you feel that it would be as reasonable to cut the $43.6 billion as it would be to cut this because this is where the row is?

Mr. Truman replied:

I think that is absolutely true. I think this is of vital importance that the mutual security program be carried through for the welfare of the whole world and the peace of the world. That is what I am interested in. The military part of the thing you have to work out on your own knowledge and approach to it. But it is vitally important that this not only be not cut but there ought to be an increase for the mutual security program. You get more out of it in the way of peace than any other thing that we do.

If we are willing to accept the obvious that this program is an essential part of our defense structure and if we are willing to accept the recommendations of people whose background, training, and experience qualify them to speak on the subject, then, in my opinion, the funds should not be cut. If we wish to persist in making cuts in authorizations and appropriations, then I wonder if there is any useful purpose in holding hearings on the measure since the advice of the large majority of witnesses is thus summarily ignored.

AVAILABILITY OF FUNDS

In connection with mutual security funds, I wish to call attention to page 59 of the report. The pipeline is made up of unexpended balances. These are funds that have been obligated for services and goods not yet delivered and, of course, not paid for. On various occasions, attention has been called to a statement furnished by the Office of Business Economics, U.S. Department of Commerce and published by the Library of Congress:

Thus the carryover funds of $9.5 billion, plus new funds of $6.1 billion, provided an estimated availability of $15.6 billion for foreign aid during fiscal year 1959.

So much has been made of this statement that I want to read the language included in the report which is as follows:

An argument frequently put forward by those who want to reduce appropriations is to refer to the unexpended balances that exist at the end of each fiscal year. Such unexpended balances, it is argued, are available. But it must be remembered that their availability is limited only to paying for obligations already incurred; they are not available to move the program forward through the purchase of additional goods and services. There can only be secured by making available new or unobligated money. Some critics have used the word "availability" without any qualifying phrase and in reference to sums of money that have no immediate identification with the annual appropriation for the mutual security program. Within the term "availability" they include loans of the Export-Import Bank, sales of surplus agricultural commodities under Public Law 480 as well as activities financed under the mutual security program. If availability is limited to unobligated money for the next fiscal year, the sum would be the new money appropriated pursuant to authorizations contained in this bill plus any unobligated carryover that can be used, i.e., $3.6 billion plus about $39 million of fiscal year 1959 money, a total of $3.64 billion.

In our committee report it states that unexpended balances are not peculiar to the mutual security program. We have a table on page 60 of that report that compares the unexpended balances of the military assistance portion of the program with those of the Department of Defense.

Mr. Chairman, by repeated cuts we have decreased the pipeline so that further continuation of the cutting operation in which we have been engaged will tend to paralyze and decrease the effectiveness of a most essential program—essential to the security and well-being of the United States and essential to the security and well-being of the free world.

MISTAKES AND ERRORS

My approval of the mutual security program is well known. In supporting it, I would not want to give the impression that I consider the operation to be without fault or error. There have been many mistakes which certainly have been publicized. I am not objecting to this but I imagine there have also been many mistakes in carrying out other Government programs. As a matter of fact, many of the charges in connection with the mutual security program are without factual foundations. They are in the realm of fantasy and fiction.

Because of mistakes, we cannot afford to scuttle the mutual security effort any more than we would propose to dominate our defense effort or any other program in our Government. As the Draper Report so lucidly states:

The choice our country faces is very real and near at hand. In our fascination with our own mistakes, and the constant use of foreign aid as a whipping boy, we may be gradually choking this vital feature of our national security policy to death.

The mutual security program has been subjected to examination by many committees, Government agencies, and independent study groups—all of which have indicated that it is a practical, sensible, and working program.

SUBCOMMITTEE FOR REVIEW OF THE MUTUAL SECURITY PROGRAMS

May I call attention to the fact that there has been appointed a Subcommittee of the Committee on Foreign Affairs known as the Subcommittee for Review of the Mutual Security Programs. To date, this committee has carried out detailed investigations, and a continuing review will be carried on of the mutual security program.

This subcommittee, on which I am happy to serve, is under the most able chairmanship of our colleague, Congressman MORGAN, who, with his great ability, his thorough understanding of the program, and his tireless devotion in shaping foreign policy and in solving the many international problems confronting us, is making an outstanding and invaluable contribution to the conduct of foreign affairs. Let me emphasize, as is pointed out in this report, that the subcommittee is aware of the shortcomings of the program and is doing its best to make the necessary improvements. The last two paragraphs of our interim report are as follows:

This interim report is based on clearly established deficiencies in mutual security operations. Its purpose is to encourage full exploration, discussion, and analysis of the shortcomings which have been encountered. Such analysis should inevitably result in action to improve the effectiveness of the program.

The objective of the subcommittee is to facilitate such action rather than to have its tentative judgments confirmed.

ACCOMPLISHMENTS

It is my opinion that we can be as exhaustive as we like in marshaling the mistakes, the errors, the criticisms, and the misrepresentations in connection with this program, all of which should be corrected. When we have done this, if we want to be perfectly fair and if we want to take the time to list the achievements, then I am confident that any fair and unbiased appraisal of this effort will lead to the inevitable conclusion that the accomplishments so far outweigh the shortcomings and the mistakes that we must continue the effort with full and adequate authorizations and appropriations as an essential program for our security and the security of the free world. May I present some of the achievements?

First. Many countries have been saved from the ravages of war, including economic chaos and political collapse through programs sponsored by the United Nations and the United States.

Second. Remarkable results were obtained in Europe after the war much sooner and with the expenditure of less funds than anticipated. The U.S. contribution amounted to $13 billion rather than $17 billion and the program ended in 3½ years rather than the expected 4 years.

Third. Communist expansion has been effectively retarded and the drive of international communism by force and the threat of force has been met by successful resistance.

Fourth. Aid to Greece and Turkey prevented the Mediterranean from becoming a Soviet lake.

Fifth. Insurrections, which have been directed and supported by the Communists, have, in many instances, been successfully thwarted.

Sixth. In many countries, economic progress continues and, even though heavy defense burdens have been undertaken making it necessary to pour large economic resources into defense expenditures, the nations have nevertheless been able to succeed.

Seventh. The markets of the free world, as well as their resources, have been kept open to the United States.

Eighth. Political, social and economic institutions are being created by many newly developing nations which compare favorably with our own.

Ninth. The free world continues to have on its side greater resources and strength, including land, people, industry, materials, strategic location and armed might.

Tenth. Defense and development problems are still being met by the United States and its allies of the free world in spite of tensions and threats by the Soviet Union.

Eleventh. The security alinements in which we are joined—such as NATO—have been greatly strengthened by our aid programs.

Twelfth. We have scores of military installations abroad which would have been impossible without the mutual security program.

Thirteenth. The mutual security program has greatly increased the hope and the determination of the free world to win the peace.

Fourteenth. A general nuclear war has been prevented.

The problems of winning the peace have proved to be, as I predicted many years ago, more difficult than the problems in connection with winning the Second World War. We are, I am sure, going to win the peace and although the struggle is not—and never will be—easy and although it may not be solved in our generation, it will, I am confident, be ultimately resolved in favor of the free world.

In making more effective and efficient the mutual security program, which we are discussing here today, we possess an instrument for building the peace which, I am confident, will be a major factor in immortalizing our Republic and will contribute invaluably to the construction of a decent and peaceful world order.

Should we falter in this endeavor, history will not be kind to us, but we do not intend to fail and I predict that history will record in glowing terms the sustained effort we are making in this struggle, joined around the world—an effort which will make certain that free civilization will not perish from the earth.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Chairman, I want to state at this point that I completely agree with my colleague from New Hampshire [Mr. MERROW] in his statement when he calls the mutual security program our second defense measure. I am, however, a little bit tired of this self-interest argument that we use, because I feel that the moral responsibility of the United States in this program is the greater argument. I feel that the United States, representing one-third of the people of the world and possessing two-thirds of the wealth of the world, and as leader of the free world have a moral responsibility to the people of the world. There must be a mutual security program in order to achieve the dignity of the human being and liberation for those nations which have been absorbed by Communist Russia. No matter what we do, no matter what the United States does, it will still be the No. 1 enemy of the U.S.S.R. We will have the U.S.S.R. as an enemy, no matter what happens at Berlin, Quemoy, or any other section of the world.

It seems to me, Mr. Chairman, that this Mutual Security Act, for one reason or another, is an anathema to many Members of Congress and to many Americans.

To them it is a cause for the huge U.S. national debt, it is the cause of the deficit, it is the cause of the gold movement from the United States, it is the cause of inflation, it is the cause of closing the doors of U.S. industries, it is the cause of unemployment, it is the cause of a large amount of foreign currency accruing throughout the world. Name most any local, State or Federal problem, and you will find many who will blame this situation on the Mutual Security Act. I do not know why this attitude is not directed at any other Government agency or program, such as the atomic energy program, veterans services, agricultural program, all of which cost the taxpayers billions of dollars, and particularly the soil bank program, which it is now agreed by all is a failure.

Thus it can be said that any Federal budget expenditure one does not like is the cause of unbalancing the budget or is the cause of the debt or is the cause of our deficit. I beg of you not to consider the mutual security bill in this light, but to endeavor to view it from the viewpont of what would happen to the position of the United States if we did not have a mutual security program, what would happen from our military, economic, political, or diplomatic viewpoint?

It is true that criticism of this program has increased. But this new criticism has not been coming from the long-time enemies of the program but from those who would be ranked among its supporters. I am one of them. I, too, have done much soul searching in trying to arrive at a bill which I feel others would accept. I have come to the conclusion it is most needed and a most urgent program. The good this program does far outweighs its errors.

My criticism of the program is that it does not meet the problems of the world today. It has been going along at the same pace, same methods, as the program in the postwar period. It needed new direction, it needed tighter administration and supervision. Therefore, I can say that the program was in extreme difficulty in the form in which President Eisenhower submitted it to the Congress. However, after months of hearings and consideration, the Committee on Foreign Affairs, under the guidance of our able chairman, the gentleman from Pennsylvania [Mr. MORGAN], used a real surgical knife and cut out many of the defects of the program, tightened control, recommended new direction, and as a result reported out a mutual security bill, H.R. 7500, which you can accept.

I hope that the action taken on this bill will give guidance to the committee in the review and revaluation the committee will undertake later this year.

Mr. Chairman, each year at this time Congress considers the whole premise underlying our effort of mutual assistance to our allies. The achievements are noted as well as the shortcomings. In a worldwide effort, such as our mutual security program, it is difficult to measure in terms of accomplishments and progress. It would be a mistake, however, to underestimate the strength or the ambitions of the Soviet Union either in the military or economic field. International communism is a relentless foe always probing and seeking ways and means to weaken the structure of democracy in the free world.

Aggression and subversion by international communism in various parts of the world are a constant threat to the

security of all free nations, and against this threat the people of the free world must be adequately protected. For this reason the military strength of all free nations must be in balance with economic development in these same countries. The consolidation of strength of the free nations is convincing evidence that Soviet aggression will be met through the combined efforts of all free people.

The Soviet threat to Europe was quickly recognized in November, 1958, by the demands made by the Communists against the Western position in Berlin. The prompt action of the NATO ministerial meeting on December 16, 1958, by declaring its determination to meet the threats had a convincing effect on the Soviets. The Berlin situation demonstrated NATO's strategy and capability to deal with different kinds of situations if it is to deter Communist aggression.

The Berlin crisis serves as a reminder of the need for free world solidarity in resisting the probes and thrusts of the Soviet drive for world domination. It underscores the role played by the mutual security program in strengthening the capacity of the free world to survive and act in unity.

The Soviet threat to the freedom of West Berlin presents the NATO community with the gravest challenge it has faced in the 10 years of its existence. Our ability to weather this crisis will depend in large part upon the strength, the unity, and the determination displayed by all of us.

The value of the 15-nation NATO accord has repeatedly proved itself not only by its survival, but also in its growing prestige and influence in the many crises we have experienced since 1949. Now in its 10th year, supplemented as it is by the U.S. strategic forces, NATO forms the most tangible element of the free world's deterrent to Communist aggression. The judicious use of military aid funds in such cost-sharing activities as the mutual weapons development program, and the greater use of the European industrial capacity has resulted in substantial progress by our allies toward cooperative development, production, and financing of weapons and equipment for their own use.

From the establishment of NATO through 1958, the United States has contributed some $14.6 billion in military assistance. During the same period the NATO countries have themselves spent over $100 billion on defense. While we furnish materiel and training, our European allies provide the vast majority of the NATO manpower, a substantial amount of their own materiel, land, and facilities. The contributions of individual NATO countries to U.S. security are apparent not only in the manpower and materiel which they devote to defense, but also in the base facilities, airfields, ports, and communications systems which are available to the United States and other NATO forces. The retaliatory striking power of the free world would be markedly curtailed by the absence of this united and firm organization defending our free world which the United States would not have without the mutual security program.

ECONOMIC PROGRESS OF WESTERN EUROPE

Behind the protection afforded by NATO, the European economy has flourished over the past decade with the efforts of the European countries supplemented by our own economic aid programs.

If Western Europe is more prosperous than before World War II, its increased prosperity is in our interest. One of the aims of U.S. policy after World War II was to help revitalize European economies so that they could better withstand the havoc that communism everywhere wreaks, in the midst of want and economic instability. With greater prosperity Europe is better able to bear its proper share of the defense burden.

Europe emerged from World War II in economic chaos, with industrial and agricultural production far below prewar levels. The severe economic strain was reflected in rampant inflation, huge foreign trade deficits, dwindling foreign exchange reserves, and grave political instability, including Communist threats to seize control in some countries. Largely through its own efforts, but with effective Marshall plan aid making the difference between failure and success, Europe made a complete recovery and has gone on to new heights of economic activity. Western Europe's combined gross national product rose 63 percent in real terms from 1948 to 1958; private consumption increased 50 percent, and public and private investment 92 percent. During this period overall industrial production doubled, with steel output up 108 percent, electricity production up 121 percent, cement up 132 percent, and the chemicals industry increasing output 173 percent. Agricultural production is at a new high point, up 60 percent. The volume of intra-European trade has nearly tripled. Is this not what we hoped to achieve?

As a result of this recovery, Western Europe is a stronger and more self-reliant partner of this country. Now, except for Greece and Turkey, no Marshall plan country receives economic grant aid from the United States. Today, Europe is making a major contribution to free world security. Our European NATO allies are spending over $13 billion a year for defense, more than the entire cost of the Marshall plan. They provide the bulk of NATO manpower, and substantial amounts of its materiel, land, and facilities, including provision of bases for the U.S. Strategic Air Command and sites for installation of IRBM's.

On the economic side, the immense expansion of Europe's exports to the rest of the world, up 130 percent in volume from 1948 to 1958, has gradually narrowed the balance of payments gap and brought within sight the solution of Europe's most difficult postwar economic problem. With improvement in its economic strength and in its gold and dollar holdings, the countries of Western Europe have increasingly been able to remove restrictions on imports from the dollar area. Last week, the United Kingdom made another important liberalization of its dollar area import quotas. From 1950 to 1958 Western Europe's imports from the United States increased by 56 percent. In recent years, the countries of Western Europe have purchased some $5½ billion annually of American exports, and constitute the largest export market for U.S. agricultural products. Recently, Europe took a major step toward full convertibility when it made its currencies convertible for nonresidents.

Economic recovery has also permitted the nations of Western Europe to take on more and more of the burden of assisting the progress of the less developed areas of the free world. Over the last 5 years, Western Europe has provided about $1 billion annually in public grants and loans, to the less developed countries. The United Kingdom, France, and West Germany have been particularly active in this respect. In addition, the European Common Market is now setting up a special fund which will provide some $580 million of development assistance over the next 5 years to underdeveloped areas associated with it. European private capital also has been moving increasingly to the less developed areas.

GOLD MOVEMENTS

The question of the ability of the United States to meet its external obligations has been related to the gold outflow of 1958 and early 1959. The net sale of gold by the United States during this period is not remarkable. Changes in the direction of gold movements occur from time to time, and the recent outflow of gold has offset the purchases of gold by the United States in previous years.

Our gold stocks are now some $12 billion greater than at the end of 1934. They are nearly $9 billion in excess of the required domestic reserve which is ample for U.S. trade for the conversion of dollars held by foreign governments for gold purchases. In this connection it should be noted that gold purchases from the United States by foreigners last year were not accompanied by a decline in their dollar holdings. They did not as a group shift from accumulated dollar balances into gold. Instead, as shown in our balance of payment data, they continue to increase their liquid holdings by $1.1 billion, indicating their continued confidence in the dollar.

Mr. Chairman, through the help of the mutual security program, our friends in the free world support ground forces totaling more than 5 million men stationed at points where the danger of local aggression is greatest. These nations man an air force of about 30,000 aircraft of which nearly 14,000 are jets. They have also made available to our use some 250 bases in strategic locations, bases which are indispensable to the full effectiveness of our deterrent powers. These allies also have contributed some $141 billion for their defense effort—to which we have added a total of some $22 billion for arms, equipment, advanced weapons, and training.

In addition to the great power buildup in the territories of our Western European allies, we are aiding 12 other nations, both by military assistance and defense support, to create and maintain forces whose existence support our foreign policy objectives. These nations,

together, provide 3 million armed forces of the 5 million I have just mentioned.

I want to emphasize, Mr. Chairman, the word of our Secretary of State, the Honorable Christian A. Herter, in his testimony on mutual security before the committee:

> I have said that the mutual security program supports our efforts to achieve the objectives of our foreign policy in the face of these challenges. What are these objectives of our foreign policy?
>
> First, we are trying to establish a stable political world order, a necessary prerequisite to which is a durable peace.
>
> Second, we are encouraging the economic growth of free nations, for both practical and humanitarian reasons.
>
> Our third objective, beyond the limits of national survival and progress, is to gain ever-widening acceptance of the idea of the freedom and dignity of the human individual.

I trust the Members will support H.R. 7510.

Mrs. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, it has been indicated that there are things in the bill which are unsatisfactory to a good many Members; and, on the other hand, things which are liked by others. I think there are some serious defects in it.

Many times in speaking on this legislation I have said that we could make a mutual security bill which I would support. We have not done so. There are, in my opinion, some good things in this legislation. For example—and this is by no means a list intended to be all-inclusive—we need to give certain military assistance to our trusted allies. I shall not name the countries, but all Members know pretty generally which they are. Certainly, if they are willing to stand up and be counted, to be ready to fight shoulder to shoulder with us, we should give them necessary support.

The technical assistance programs are generally good, and at the same time among the least costly parts of the bill.

The Development Loan Fund, about which I shall speak in more detail shortly, while it has many shortcomings, is an improvement over the giving of outright gifts or grants.

In spite of these things there has been this year a great deal of well founded and I think justified dissatisfaction with this bill. It is reflected in the correspondence which some of us receive in our offices. It is reflected in the extent of the committee hearings which were held in an effort on the part of the committee to dig out the facts upon which legislation could be presented. It is indicated even more specifically, perhaps, in the fact that there were prepared for submission to the committee almost 90 amendments to this legislation, as the bill was marked up. Of those, some 30 were adopted. I think that these factors indicate clearly a widespread dissatisfaction with the bill, a feeling that something ought to be done about it that was not being done. Some of us felt that this year we should have brought in new legislation entirely. Members will recall that that has not been done since 1954. But it was the feeling of the majority of the committee that that should not be done, that this bill which amends existing legislation should be presented again this year, thereby, I think, laying the committee open to the charge that we are simply rehashing old phrases and old words and old arguments and reusing old ideas rather than giving this a new, fresh look, and some new ideas.

It was said by many witnesses before our committee that this would be a program which would continue indefinitely. Some of us are disheartened at that. Some of us feel that it should be used instead as a means to meet specific needs at specific times. For example, mention is frequently made of the Marshall plan and its operation in Europe. It is pointed out that a plan which operated successfully there does not necessarily mean that the same or a very similar plan will meet the needs of nations elsewhere in the world. I am saying, therefore, that in my opinion a shortcoming of this bill is that it deals in too many generalities and in not enough specifics.

A few moments ago I mentioned the Development Loan Fund. I think perhaps we ought to say a little more about that. In the first place, many thinking people are concerned lest we are getting too many financial institutions in our Federal Government. We have the World Bank; we have the Export-Import Bank; we have the Monetary Fund; we have the Development Loan Fund. There is legislation proposed now to set up a Regional Bank for the Western Hemisphere. This multiplicity of foreign lending institutions makes it very difficult to find the extent of our financial commitment throughout the world.

There is a feeling that perhaps this Development Loan Fund is just adding further confusion. We say we approve the Development Loan Fund because it replaces grants with loans. I think that is good. I say further that it is not as good as it would appear at first glance because more than 80 percent of these loans are repayable in local currencies which are not convertible into our dollars. So that when we say we are getting interest and repayments, in more than 80 percent of the cases those funds are usable only in the countries where they originated. They are not, as many people believe, coming back to the Treasury. Only the dollar amounts come back to the Treasury. The local currency funds do not. We are, in effect, because those funds can be reloaned, setting up a revolving fund out of which loans can be made in the future.

I say to the Members of this body that to the extent that becomes a revolving fund, just to that extent have we in the Congress lost control over it. When we authorize and appropriate, we do maintain some control. But when it becomes a revolving fund, our congressional control is very remote.

CALL OF THE HOUSE

Mr. HALEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-two Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 86]

Andrews	Hagen	Smith, Miss.
Ashley	Kilburn	Steed
Ayres	Macdonald	Taylor
Barden	Norblad	Teague, Tex.
Barry	Poage	Whitten
Canfield	Robison	Willis
Cohelan	Rostenkowski	Wilson
Cooley	Shelley	Withrow
Davis, Tenn.	Sheppard	
Fogarty	Siler	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7500, and finding itself without a quorum, he had directed the roll to be called, when 400 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, turning now to the matter of available funds, I think Members would be interested in some figures which were given to the committee. As of the end of this fiscal year, on June 30, we were informed it was expected that $4.8 billion would be in the pipeline. If to that is added the $3.6 billion presently in this bill and $1.1 billion in local currencies held abroad but owned by this country, and almost $700 million in local currencies owned by other countries, but subject to control by the United States and the holding country, we have substantially over $10 billion, available for use in this program.

Finally, the committee added to the bill new powers of transferability.

This was done by means of a section which provides that up to 30 percent of military assistance funds may be used for other economic purposes. This is in addition to existing powers of transferability. I feel that this is excessive. If we are to provide funds for military assistance, then we should not make it possible that they be used for other types of expenditure. Finally, all of us should know that since 1950 there has been in excess of $1.8 billion taken out of the military funds of this program and put to economic uses. I repeat, since 1950, most of it since 1952, $1.8 billion that was authorized and appropriated for military purposes was taken out of that fund and used for economic purposes under the powers given in this legislation. The persons who are particularly interested in the military aspects of this bill certainly will want to have those figures in mind.

For the reasons that I have outlined, Mr. Chairman, I feel that this is not good and proper and necessary legislation, that it does not accomplish its stated objectives and I urge that the bill be defeated.

Mr. MORGAN. Mr. Chairman, I yield 6 minutes to the gentleman from Connecticut [Mr. BOWLES].

Mr. BOWLES. Mr. Chairman, I strongly endorse the committee bill as reported. I believe that it is both responsible and constructive, and that it deserves a strong, affirmative vote by the Members of this House.

Before coming to Congress last January, I had worked with our foreign aid programs, in one way or another, for nearly 15 years. I have observed this effort as an official of the United Nations, as United States Ambassador to India and Nepal, and as a private citizen on extensive visits to Asia and Africa.

During the first months of my service in India, I negotiated the first major economic assistance program under point 4. I was also responsible for putting together a staff from scratch, for working out procedures with the Indian Government, and for carrying through to see that our money was properly and constructively spent.

Hard, practical experience has convinced me that the legislation now before us is totally vital to the objectives which we all share; the creation of world-wide conditions which will ultimately make possible a just and lasting peace.

It has also made me aware of the serious mistakes that have been made in the administration of this program. Some of these mistakes were inevitable in any pioneering effort of this kind. Others were the result of inept administrative judgment plus a failure to understand the deep-seated political, economic, and social forces which are shaping history.

Six weeks ago on the floor of this House, I discussed these weaknesses and miscalculations and suggested the following change of direction and emphasis.

This program should be presented to the American people and to the world, not on the negative basis of fear with its implied support for the status quo; but as a bold assertion of our faith in the future of free institutions and our desire to work in partnership with like-minded people the world over.

We should recognize the fallacy of pouring military assistance into countries which are not directly or indirectly threatened by communism, where the net result of our efforts has been to bolster dictatorships which share neither our aspirations nor our concerns.

We should avoid the waste that inevitably results when we overload nations with aid which are either unwilling or unable to put their own economic house in order.

To meet this situation I urged that administrative standards be developed which would direct more of our economic assistance programs to those countries which possess honest and able administrations and which have demonstrated a willingness to sacrifice in their own behalf through high taxes and cutting down of the importation and production of luxuries for the few at the expense of essential goods for the many.

The bill which we have before us today contains new language which will help correct these weaknesses plus amendments that should help to tighten the present administration procedures.

Newspaper editorials and radio commentaries have applauded the committee's changes as reflecting a new congressional determination to eliminate the political expediency which has characterized certain phases of this program in the past, and to place our relations with the recipient countries on a more constructive, partnership basis.

The money reductions in the committee bill which accompany these changes will largely effect military expenditures which have been made in disregard of local political and economic factors.

Now, regardless of these changes, I realize that many Members of the House will oppose this bill as they have opposed all mutual security legislation since the launching of the Marshall plan.

Their views stem from the old assumption that somehow and in some way America can return to isolationism. This ignores the clear fact that politically, economically, and militarily our world is increasingly interrelated and that our only hope for peace and security lies in acting boldly and creatively in the light of this fact.

Others while accepting the basic principle of foreign economic assistance, may support further cuts on the ground that if we cannot afford enlarged domestic appropriations to meet urgent needs here in America, we cannot afford to help other people overseas. This also strikes me as specious reasoning.

Mr. Chairman, if such attacks on this program succeed, however well intentioned their authors, the result will be catastrophic to American interests throughout the world. It is difficult to conceive of a heavier blow not only to our immediate security, but to our ability, skill, and capacity to influence future events.

Our Armed Forces effectively supported by our allies and our overseas base systems—which have been made possible by the mutual security program—provide the essential miiltary barriers against overt Communist aggression.

But let us never forget that the creation of this barrier is not an end in itself, but only the means to an end. The future of the world ultimately will be decided by what kind of societies are created behind that barrier.

We Americans do not seek satellites. Our objective is a world of free nations in which people may be permitted to shape their own destinies in their own way.

Let us, therefore, seek this objective boldly, confidently, and constructively.

The Development Loan Fund and the technical assistance program represent an imaginative bipartisan effort to create the conditions under which freedom can grow and prosper.

It is the positive, constructive heart of the mutual security program. Personally, I would like to see the authorization and the budget increased.

In closing, may I express the belief that historians will record the decision we reach on this bill, and on its appropriation, as the most important single decision of this Congress. It will be remembered generations after most of the other legislation before us has been forgotten.

Decisive congressional support for the committee bill will serve as a warning to Communist dictators and as a rebuke to those who would use our aid to bolster a decadent feudalism.

Even more important, it will provide a bold reaffirmation of the traditional American faith that intelligent, dedicated, free men, working together with imagination and conviction, can ultimately create the basis for a just and meaningful peace.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON. Mr. Chairman, I rise in what may ultimately prove to be a qualified approval of H.R. 7500. I should like to say at the outset that my mental reservation on the subject legislation springs from a very deep and genuine concern that some of the changes in emphasis which have been made in the present bill may work to the ultimate detriment of this Nation and to its allies in the free world.

I support the principle of H.R. 7500 as I have supported it since the original Marshall plan was drafted in the 80th Congress. I support it because I see in it the most significant development in our time in the historic conflict, between the bared human back on the one hand and the insensate forces of tyrannical government on the other. That conflict in our time is essentially no different than it was in 4000 B.C. when man first emerged from the dim mists of antiquity. He appeared on the stage of history at that time as a slave. We cannot say whether the hundreds and thousands, possibly millions of men and women in the Valley of the Nile who hauled the great blocks of granite down the river to hoist on the Pyramid of Cheops, or who raised with back-breaking labor the vast statues of Rameses in the Valley of the Kings knew anything of human dignity or freedom. But we can assume and with considerable reason that they hoped for a better status in life and dreamed of an escape from the whips in the hands of their overseers.

The long and tragic struggle between government on the one hand and the individual who seeks self-determination and freedom on the other is today being replayed on the stage of our era, in the struggle between world communism and the forces of the free world. That struggle, I repeat, is as old as time itself. Egypt was repeated again in Assyria, in Babylonia, Phoenicia and in all parts of the ancient world. Even in Greece, during the golden age of Pericles, for every free man in the city state, there were 10 slaves.

We have had forced into our unwilling hands the torch of human liberty. We have accepted reluctantly world leadership in a titanic struggle to determine whether our world is to be one of free peoples or whether we are to revert again to the brutality and the indignity which obtained in the Valley of the Kings. By our actions in the face of the grim challenge confront-

ing us, we will play a major part in the ultimate decision as to whether our backs and those of all the other peoples of the earth are to again be laid bare to the whip, or whether the world can live in decency and mutual respect for the rights and privileges of free peoples.

Fortunately, during all of the periods of world history there have been constructive ideas and there have been dedicated men with the courage of their convictions. The world owes much to those whose dedication was to a fulfillment of the hopes, the dreams, and the aspirations of mankind, the greatest of which, of course, is the inherent desire of men to control their own destinies. Even during the Dark Ages, when Western civilization appeared to have a way of taking two steps forward and one step back, there was always to be found that idea or that individual interposing itself or himself between the whip and the bared back. There were the ideas enunciated beside the Sea of Galilee; those of Mohammed and Buddha and in our own land those which guided Washington, Lincoln, and Jefferson. The idea enunciated today here in this House is in direct line with those ideas.

That there are criticisms of the program to be made none can deny. That those criticisms should be voiced in open debate here in the House of Representatives is a healthy sign of our Republic and our democracy in action. True, funds have been wasted. But political fire is a strange and dangerous thing. If a fire breaks out in your house and you do not have water to put on it, you may well throw vintage champagne on it if that is the only thing on hand to quench it. Some decisions today have to be made in a changing world on a day-to-days basis—without time—without latitude to consult and to confer and to arrive at the best solution to the problem over a period of days or weeks. Certainly that course is the best method to follow. But, when that is not possible to be done, it is then necessary to move immediately and do whatever appears to be the right thing to do at that time. I said I have reservations respecting the bill, H.R. 7500, and my reservations go to the point that I fear the essential military aspects of this program may be seriously handicapped and hindered by an undue emphasis on the economic program. That is not to say the economic aspects of the program are not essential, because certainly they are, for unless we bring some surcease from famine and from disaster and from all of the things which today afflict the peoples of the underdeveloped areas of the world, we can hope to achieve no lasting success of any program we may undertake.

However, we are dealing with an adversary who knows and understands only force. His empire has been built upon force and it is today maintained upon the strength of his arms. The only solace and the only hope millions of people in the slave world today—in the cellars and in the dark places where men conspire and plot and plan their eventual freedom—the main hope they have is in the strength—the military strength of this Nation and its allies to resist attack and to strike back with massive retaliation, if it becomes necessary to do so. Any move on the part of this Congress to reduce the military aspects of this program will, in my opinion, bring a tremor of fear to the hearts of millions of people on this earth who look to us as the only salvation they have in the present conflict. The world saw in the streets of Budapest, men attempting to wrest back freedom from the aggressor with rake and hoes, stones and clubs. We saw the tragic outcome of that struggle. The world knows what happens when desperate men try to regain lost freedom without the weapons in their hands to do it. I hope very much that this House, in its wisdom, Mr. Chairman, will look very carefully at any amendments which are intended to reduce our military capacity and that of our allies to maintain the posture of strength which we now have. Furthermore, I hope that several aspects of the bill will be so modified as to result in striking from the instant bill some of the present language which restricts and hampers our efforts to maintain collective strength, which are presently in danger. As I said at the outset, Mr. Chairman with this reservation I am in strong support of the bill, H.R. 7500.

I am sure that all amendments to be offered today and tomorrow will be offered in all good faith, and as I have never impugned during my membership in this body, the motives of any man or woman on this floor, I do not do so today. I know there are serious doubts as to the efficacy of the program in the minds of many Members, but I do hope that on the final rollcall this body will say to the world, "To our foes and our allies alike, both in front of and behind the Iron Curtain, that the United States of America and its people, as the present day repository of the torch of freedom do not intend to retreat an inch from the position of leadership and strength that we have taken before the world.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Chairman, as we meet today, the questions raised by our foreign-aid program are fresh in all our minds. Each decision we have made is predicated on one basic concept that has been accepted by the Congress and that is that we are at war today.

It is only the grace of Almighty God and the leadership that has existed in our country for the past decade that has prevented this so-called cold war from becoming so hot as to consume the entire world. No responsible man can fail to do his best to avoid an all-out nuclear war, nor will he fail to take such steps as will make it difficult for an irresponsible man to precipitate such a calamity upon the human race.

I am proud to have been a member of the Congress which for many years has fought the battle of the cold war both in the field of ideas and in the field of material assistance. That is why, to me, any debate on this subject has little significance except as to how we will pursue this phase of the cold war. We are in complete agreement that some such steps are necessary. The less privileged nations of the world must not become vulnerable to Communist infiltration and political intrigue through a failure of the material assistance which we, among all nations of the world, are best in a position to give them.

If the nations of the free world remain strong, the example of their prosperity and happiness may well persuade the peoples of the Soviet bloc nations that our way of life is the best. Certainly to whatever extent this result is attained, all we have done to support this program will give us a return far beyond any investment that we have made and will continue to make. The moral and physical strength of the free world, if maintained and increased, may well be the force which will prevent the cold war from becoming hot, or if it should be so willed that this occurs, give us the combined strength to successfully meet the trials of such a war.

Mr. Chairman, I do not have to tell this group how strongly I support the program of foreign aid. I do so with full knowledge that it places on all of us and our constituents heavy responsibilities for contributions to the program of strengthening the nations of the free world. It is with this thought in mind that I make one suggestion to my colleagues and through this speech invite the attention of the executive branch of our Government.

Seldom has there been any policy in which the Congress has been so consistently bipartisan in its approach and where it has so emphatically established a policy which a few people in the executive branch have consistently opposed. There have been no stronger supporters of the barter program than our distinguished majority and minority leaders. The great chairman of the House Agricultural Committee and the ranking members of the minority of that committee have consistently fought vigorously for this program.

In my own fashion, I have done all that I can to support their efforts because I am aware of the tremendous value that the barter program has been to the underprivileged nations of the world, many of which are included within our foreign aid program. I do not know whether this body has ever considered this particular aspect of the program.

Last year, when the House Agricultural Committee was considering the barter program, its able staff developed certain information which I believe will be of interest to our Members. It shows clearly that many of the underprivileged nations of the world were being materially assisted by the barter program. Furthermore, if the Congress insists that a proper barter program be followed, we can continue to give such aid to many of the nations of the world included within our foreign aid program. This may well make it possible for us to reduce our direct aid and at the same time give them the type of assistance which I suspect will help them the most and which I believe they would prefer.

As we all know, we have tremendous surpluses of agricultural commodities

which, according to the Department of Agriculture, are costing us approximately $1½ million per day to store. In 1954, when the Congress enacted Public Law 480, it carefully inserted the framework for a barter program which was put into operation by the Department of Agriculture but curtailed in May 1957, by the Secretary of Agriculture. As of December 31, 1957, Agriculture had moved approximately $1 billion worth of surplus commodities into the markets of the free world. The savings brought about in storage by these transactions is obvious, because the storage costs of these commodities is more than 10 percent of their value. Under the program then in existence and as envisioned by the Congress, these commodities were sold in markets of the free world and in the majority of instances the proceeds of those sales were used to purchase from the countries of the free world the materials being taken by Agriculture in exchange for the commodities. The sales by these nations, in the majority of cases, were sales that they could not otherwise have been able to make. The materials delivered under the barter contracts went into a supplemental stockpile. They were thereby taken off world markets, with the result that world market prices were stiffened and our domestic industries dealing in the same materials were assisted materially in the sales of their products.

But, Mr. Chairman, as the ripples of a rock thrown into a pond spread through the entire area of that pond, so the effects of these barters have spread throughout the countries of the free world. The moneys, whether they be dollars or sterling, which were created by the sale of the surplus commodities, were used to pay for the materials. Therefore these nations could use these moneys for the purchase of additional agricultural commodities from the United States or other needed materials or equipment from the United States or from other nations of the free world.

In other words, Mr. Chairman, to the extent that these so-called barter transactions were entered into, we have stimulated not just one transaction in the markets of the free world, but I suspect that the beneficial effects of many such transactions are still continuing.

The quantity of materials that has been taken through this program and put into the supplemental stockpile is classified but their value is not. I quote now from a report prepared by the Department of Agriculture, dated March 4, 1959, certain examples which will demonstrate the point that I am making. For instance, during the 4 years covered by this report, $70 million worth of barter transactions were made with Turkey supplying the materials. Unspecified countries in Africa furnished $94 million worth of materials; the Belgian Congo, $8 million; Bolivia, $2 million; Italy, $11 million; northern Rhodesia, $14 million. In addition to the $94 million mentioned above as coming from Africa, there was also $113 million worth procured from South Africa. There was even $9 million worth purchased from Yugoslavia. A total of 44 nations of the free world have sold materials through the barter program.

What this means, Mr. Chairman, is that the chrome miner in Turkey, the worker in the diamond fields of Africa, or the laborer in the mercury industry of Portugal or Italy was given work through this program. But the wonderful part of it is that the United States received full value for the assistance that this gave to those nations.

How much better is it to thus stimulate employment and create markets for these nations when it can be done without additional drain on our appropriated funds. What other program does more?

I am not certain as to whether or not we can cut $1 off the foreign aid funds presently allocated to the various nations. But I do know beyond any shadow of doubt that we can put cash into those countries through this barter program, and it would appear reasonable that we could reduce the amount of direct aid that we give to them. Again I want to repeat, Mr. Chairman, that the psychological effect on a nation and its people by giving them an opportunity to earn something rather than accept all of our assistance as a form of charity is not the least effect that must be weighed in considering this problem.

There is no question but buying materials have a worthwhile effect in assisting the economy of a nation that is supplying the materials. There is no question but that the national resources of the United States will be tremendously increased by the acquisition of materials which nature did not give us in the first place or which our industry has already exhausted in exchange for deteriorating agricultural surpluses. As time goes on, future generations will bless the foresight which secured for us such resources which will be in increasingly short supply as the demands of a growing world continue.

Furthermore, the selling of our surplus commodities through barter has been an important factor in our economic warfare with the Soviet. According to reports from the Department of Commerce and the Department of State, the restrictions on the sale of our commodities through barter into the so-called dollar countries has created a vacuum into which agricultural imports from the Soviet bloc are flowing in an increasing volume. Soviet exports into these countries in 1957 totaled over $80 million, but their projected volume for 1959, as shown by their signed agreements, is much heavier. Why we should willingly surrender any part of our markets to Russia is unfathomable. Yet the curtailment of the barter program by the Department of Agriculture has had this very effect.

Before closing, Mr. Chairman, I want to commend the efforts that are being made by both sides of the aisle to convince the President of the United States that some of his administration have emasculated not only the policy laid down by the Congress but have not carried out what we believe to be his own desires. These efforts have been intelligent and forceful. So far, however, their results have not been apparent.

It is my fervent hope that if the executive branch does not see fit to carry out this policy laid down by the Congress, the Congress should, during this session, give them such a legislative mandate that it can no longer be ignored. Such a reactivation of the barter program, freed from the restrictions that make it impossible to help the nations involved in our foreign aid program, will help these nations to help themselves, but of equal importance, will help our country as well.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. PILCHER].

Mr. PILCHER. Mr. Chairman, I find it very difficult to get up here in opposition to the chairman of our committee, a man for whom I have the utmost respect, and a man who has shown me every courtesy and consideration not only during the hearings on this bill, but also for the last 6 years on this committee. But what makes a democracy is difference of opinion.

This year marks 41 consecutive years for me in public office. I was elected mayor of my little town when I was 21 years of age; and as mayor, member of the board of education, member of the county commissioners, State legislature, State senate, State purchasing agent, and then in Congress. In my section of the country I have always been considered a liberal. I have always fought for the things that were progressive.

I am not against mutual security; I am for mutual security. I would vote $1 billion or $2 billion this afternoon for food, fibers, health, education, technical assistance, and such things to help these people help themselves. I find myself in the position of Eugene Black, President of the International Bank, who said: "We do not need volume; we need quality." That is what is wrong with the mutual security program today.

The gentlewoman from Ohio [Mrs. BOLTON], a member of our committee on the Republican side, who is for this bill, has requested the Department every single year for 5 years to bring us a progress report, show us what they were doing, tell us where they are making progress. I believe she will corroborate my statement that to date they have not complied with her request to her satisfaction.

When the Comptroller General of the United States, the only auditor that the Congress has, tells you in no uncertain terms that the bad programing, the mismanagement, the waste and extravagance, and even corruption is due to having too much money we can believe him. We all know we have got to have military aid for Korea and Formosa, for Turkey and Greece, but what about the large fund that we voted a week or 10 days ago to our Defense Department? Why cannot some of the help for these countries come through our Defense Department?

I believe the gentleman from California [Mr. SAUND] knows as much about the philosophy and psychology of the Asiatic peoples as anybody in this House. He will tell you that the military aspect of this program is hurting

us worse in Asia and doing us more harm than it is doing us good.

When we started the Marshall plan we were dealing with a group of people who had industrial know-how, who had technicians, who had banking and commerce; and after receiving $12 billion or $14 billion they were back on their feet. But here we are dealing with people all around the world, in some cases where not even 10 percent of them are literate, cannot read and write; and there is where the waste and extravagance of that programing is showing up.

Let us take South America: We are arming every little country down there to the hilt. Go to the capital city of any South American country any morning and around 8 or 9 o'clock and for 2 hours you will see men goosestepping around with arms and guns furnished by the United States. Go to Santiago, Chile, and you will see the same thing. Go 30 miles farther down to Valparaiso, and there you will see a cavalry parading on pretty horses. Go even 90 miles away from the shores of the United States, to Cuba, where for 6 or 7 years we have put millions of dollars into the Batista government for guns and ammunition. I do not know whether he is our friend or not. They are in Castro's hands today. Look at Iraq.

As long as people are hungry, as long as children have to eat out of garbage cans, you are going to have the threat of communism in any of these countries. The idea of sending guns and military equipment to these countries with the idea of stopping international communism is outright poppycock.

Any man who has been operating a little business, as I have for 40 years, and has to meet a payroll once a week, knows that any time his books begin to show red he is in trouble.

As long as it shows black and you have a profit, the bankers will pat you on the back and say: "Go to it. We will let you have all the money you want."

But the great Uncle Sam, who has been recognized as one of the powers of the world, is in the situation now where a half a dozen or more countries are discounting our currency today. Stop and think about that. Take little Austria that is paying reparations to Russia—her dollar is backed up by 38 percent in gold, whereas ours is 25 percent. Our national debt is $50 billion greater than the total national debt of every foreign country, including Soviet Russia and her satellites.

I love this country, Mr. Chairman. We are fighting a cold economic war that is just as important as a military war. So long as we are strong economically the rest of the world will look up to us. When we get weak economically then we are going to be weak militarily. You people who represent the labor districts of this country should wake up and realize where your jobs are going under this program. I used to gin 10,000 bales of cotton in my little town. Today I am ginning 2,500 bales. American business has gone to Mexico and South America, who are growing this cotton. We are selling more cotton gins down in South America and Mexico to American business than we are selling in the entire United States. We have lost our hardwood plywood industry. Look at the camera industry, watch industry, automobile industry, textile industry, watch every other industry. It is not helping labor in this country. Industry is moving out of this country.

I may be wrong about this thing, and if I am I am sorry, but, as I said before, I love this country and I think it is time for the Members of Congress to think about the economic position of our Government. Our first duty is to our wife and children, and our second duty is to the Government of the United States.

Mr. CHIPERFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Chairman, the original concept of foreign aid, giveaway spending, was to rebuild the economies of allies following the close of World War II. When the Marshall plan originated, the Nation was told specifically that over a period of 4 years an expenditure of over $17 billion would cure all of the problems of war-devastated Europe and the program would cease at that time. In statements made before Congress in the 1948 hearings on foreign aid spending, assurance was given that, that year would be the last billion-dollar foreign aid appropriation.

Of course, this temporary spending program has now become a funnel by which the hard-earned money of American citizens is scattered recklessly about the earth. The original program has been expanded to cover so-called backward areas even though they have been untouched by war.

Mr. Chairman, at the present time the compelling argument used for continuation of foreign aid spending is that a fresh emergency or threatened national danger requires American dollars to be spent abroad.

Somehow or other the fiction has been created that if a country is to be a sound ally of ours gifts of hundreds of millions of dollars are necessary for us to buy friendship.

In my humble opinion, the foreign aid program should be terminated and our economic and military relations with each and every country that is now an aid recipient should be reexamined and reevaluated with an emphasis on that country's willingness to develop its own economy and maintain its own military strength.

It is difficult when thinking that the first consideration for any American program should be the American taxpayer and the fiscal stability of our great country to accept without reservation a continuation of foreign aid spending.

Let us quickly review a few facts. For practical purposes, there are 86 individual nations in the world and we are giving aid of one kind or another to 73 of these nations. Our present national debt is approximately $286 billion, which is $50 billion more than the debts of all the other nations of the world combined. The idea that we, so heavily in debt with our ever-increasing tax burden, should continue to scatter gifts of money around the globe to buy the support or purchase the neutrality of foreign countries is an insult to the intelligence of the American people.

Mr. Chairman, the claim is often made that foreign aid stops Communist infiltration. Does it? Let me remind you that Albania, Czechoslovakia, and East Germany are among those that at one time or another have received American funds and are now firmly within the Communist orbit.

We are told that this money is used to stop communism. Let us look at Indonesia where its pro-Communist government defeated anti-Communist forces in the still raging civil war with the aid of over $300 million of our foreign aid funds.

Most recently, we have Iraq which, among other things, received from the United States huge supplies of military aid in addition to typical American foreign aid projects and, when the chips were down, this country and its leaders fell under the spell of Communist propaganda despite the millions of American dollars squandered there.

Mr. Chairman, I am convinced that the difficulties and obvious failures of the foreign aid program outweigh the advantages and achievements that can be attributed to it. We acknowledge that in Turkey, Greece, and South Korea our funds have helped develop stalwart allies; however, we should point out that this is not only due to American money but because the people of those countries are willing to fight for their freedom against Communist aggression. In contrast, let us point out other countries where the people's resistance to communism has not been proven our funds have been of no avail—India, Indonesia, Afghanistan, among others, should be examples to us.

The long overburdened American taxpayer should be our first consideration. The mail I have received from my district clearly indicates the people's desire for a drastic curtailment and rapid termination of our foreign giveaway programs. Trade, not aid, and loans, not irresponsible gifts of money, are the two means of maintaining strong allies, loyal allies, and building them to stand with us to fight our mutual foe—athestic, imperialistic Communists.

If the House of Representatives and its Members truly represent the thinking of their constituents, this foreign aid program will soon be terminated. My sense of duty to the citizens of my district leaves me with no other alternative but to vigorously oppose the concept that this program must be continued permanently. We must and we can reappraise this entire program, keeping in mind a sometimes forgotten fact that our first responsibility is to America, its citizens and taxpayers. Charity begins at home. Let us put our foreign relations on a sound, constructive business basis rather than the ridiculous program of squandering American dollars to buy questionable allegiance.

Mr. CHIPERFIELD. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I think the name of this program ought to be

"Mutual Security Program for Peace and Progress." This is a program that says that we in the United States are good citizens of the world and that we are useful and friendly citizens of the world. It means that we in the most productive country of the world have room in our hearts, yes, and a little extra production to help other people in their climb to higher production and higher standards of living.

Are we going to close this U.S. assistance program down, that has many people in many lands depending on us to help them increase their security? It permits friendly countries to make progress and it keeps their economy moving ahead.

If you will look around our own country you will find that many of our local areas are being helped by the procurement under the mutual security program. As you all know, I am from the city of Pittsburgh. We have very fine employment in steel up there, but we also have much unemployment in that area in the coal mines and other depressed areas in western Pennsylvania.

I would like to point out to you that in 1958 the U.S. foreign-aid expenditures resulted in 530,000 people being employed in this country, according to a report from the National Planning Association.

In reference to the size of this mutual security program that in 1957 the average share of our gross national product in the United States devoted to foreign aid was only 1.1 percent. In the current fiscal year 1959 this proportion dropped to 0.75 percent, not even 1 percent, and on the projection for the coming fiscal year 1960 beginning June 30, 1959, this proportion is down much further. I would like to point out to you that there is much more variation in our total U.S. economy from week to week and month to month than in the total impact upon the U.S. economy of this figure for foreign aid that we authorize annually.

We should also remember that we are at the highest peak of production that we have ever had in this country. We have just arrived at that this particular week. So I cannot agree with those who cry havoc and say that this country is going down the rathole, or that we are ruining the country by our U.S. mutual assistance program. I believe it is just the opposite.

I believe, as a small businessman myself, that the 13,000 brochures sent out on requests for procurement to the small business firms in this country, by the Small Business Administration of the ICA, is a good thing, because from 25 to 30 percent of the total U.S. procurement that is made of ICA purchases for shipment abroad is from small business. You can see, therefore, that the program is good for our own country, as well as for our security.

May I finish by saying this in response to the speech made by the gentleman from California. I have always admired the people in the Middle East, Israel, and Egypt. And, of course, many of us have always liked to hear these stories of the Pharoahs. When we are talking about the Pharoahs of old, we should also remember the progress attained, and we should never forget Amenhotep IV, who is better known as Akhenaten, and his beautiful wife Nefertiti. He is the father of modern foreign policy, because he is the one who said that instead of having enemies abroad and subject peoples, you should deal with friendly nations and you should get along as a citizen of the world. Incidentally, Akhenaten was the father-in-law of Tutankhamen, who married one of Akhenaten's daughters. If you have never read about Akhenaten, sometime in the quiet of an evening you get the book out and he will show you and surprise you, because he was a wonderful man. Akhenaten believed in many democratic things we believe in, and he lived 3,300 years ago, and died when he was only 32 years old.

We in the United States cannot afford to do all of this ourselves. We need to have friendly allies and our forward bases, 250 of them, abroad. Shall the United States retreat to the old idea of "fortress America," as when pioneers defended their stockades and had the enemy dancing around just outside of their towns? Or shall we keep the airways and seaways open for all the countries of this world and work that the peoples of the world can progress together? In a good world there will be no war, and we can all work for progress and peace together.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, out of 11 weeks of faithful attendance at the hearings on the mutual security bill and a participation in the discussions in the executive sessions, at which every member not only spoke his or her mind, but was ready and eager to battle, I came away with the conclusion that no one has all the answers.

There are 31 members on our committee, and if any 2 followed the same pattern of thought on any 2 particular matters I did not detect any sign of such soulful compatibility.

Now, we came out of the 11 weeks' huddle with one solution, all of us, that we had to have a mutual security program. It is noteworthy that the four who signed the minority report began the statement very cautiously with six powerful words. Let me quote the exact words: "We assuredly believe in mutual security. Two very able members, in signing a statement of additional views, the gentlewoman from Ohio [Mrs. BOLTON] and the gentleman from Minnesota [Mr. JUDD], said in their very first eight words: "The undersigned support the mutual security program wholeheartedly."

Thus it is plain that the committee of 31 members is in complete agreement that there must be a mutual security program. There is this difference, and this only:

The majority members believe in repairing what we have, tightening up the program, profiting from experience, and meeting the crisis of our generation with the same faith in our own people and the same will to overcome obstacles as shown by earlier generations.

The four on the minority side want to junk what we have, and at this stage, I might say this very critical period in our history, and next year start all over again. Let this year pass by. Forget all about the Berlin crisis. Forget all about the battle we are having to hold our ground in the minds and the hearts of the people of Africa, the people in the Orient, the people in Latin America, the people all over the world who are seeking the pinnacles of human contentment in a world rebuilding. Forget all about them for a year. Just get on our knees and pray that next year we can come up with a better program.

The majority on the other hand say, "Yes, there have been mistakes made and very, very bad mistakes made in administration, and maybe in some of our legislative thinking, but the Committee on Foreign Affairs has been seeking to correct those mistakes, to tighten up the program, and has provisions in the bill before you to do just that. Either we meet the crisis of today with a mutual security program, improved and tightened, but not abandoned, or we take grave chances of what will happen in the year we take off to think up another program."

Mr. Chairman, I have the warmest affectionate regard for the gentleman from Georgia. I know the tenderness of his heart. I know the sincerity of his convictions. I listened, with a sense of his sincerity and shared with his emotion when he said, as long as there are little children who are hungry and go to bed without food, there will be the danger of communism. Why, certainly, there will be. As long as anywhere in a rich world there is poverty and children go hungry to bed there will be unrest and the seeds of dissension and of wars. And we have got to think of the little children, we have got to base all that we do on the realization that our Government cannot be stable and continue stable if we do not consider the little children and their welfare. But while the objective of the gentleman from Georgia and my own are the same there is a difference in our approach. I would not wait until we have a program, perfect in every detail, and leave the little children of the world to shift for themselves and continue to go hungry until we have come up with what in our human vanity we might think perfection itself.

It is not within human power ever to reach perfection, but if our hearts remain stout and in our mistakes we find lessons, and not discouragement, we will make progress toward the perfection we seek.

The mutual security bill of 1959 is the best mutual security bill ever presented to the Congress. It is a compromise bill. I would have cut more out of the arms progress and put more into the economic program. You do not make friends and promote peace in your own neighborhood by calling the boys and girls into your backyard, giving them the best of revolvers and telling them to go out for a good time but be careful not to hurt any-

one. You can do much more in creating a friendly, peaceful neighborhood by improving the environment in which youth is being brought up, and economics does play a large part in creating environment.

Others on our committee thought the other way. But 27 minds got together after argument and debate and the result was a compromise bill for which every Member of this body can vote in good conscience.

The Committee on Foreign Affairs is not defending the extravagance and the waste that have marked the administration of the mutual security program in certain areas. It is its own watchdog subcommittee that has unearthed much of this extravagance and waste, its own watchdog subcommittee chaired by the able and dedicated chairman of the full committee, Mr. MORGAN, and working in close cooperation with the subcommittees of Congressman WILLIAM DAWSON'S Committee on Governmental Operations chaired by Mr. HARDY and Mr. FOUNTAIN.

The mutual security bill of 1959 reflects the determination of the Committee on Foreign Affairs that extravagance and waste must end. It contains more provisions and safeguards to that end than ever before were written into legislation.

Later when we are under the 5-minute rule I shall offer an amendment that if adopted will save the taxpayers a possible loss of half a billion dollars. The bill as it now stands authorizes the Investment Guarantee Fund to insure against losses due to civil strifes without any increase in premiums. The investment guarantee program up to date has done a magnificent job. If in the urge to get new business it increases coverage to include losses from civil strifes the entire program easily could blow up with a loss of the half billion dollars the Government already has obligated. I hope my amendment will be adopted.

Mr. Chairman, this year the committee without impairing the program one iota is cutting down the total amount of the authorizations. Next year the cut will be larger, as more and more through the committee's studies the extravagances and the waste are eradicated. As I have said, this is a bill for which every Member can vote in good conscience.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. There are many reasons, Mr. Chairman, why I am opposing the enactment of H.R. 7500 at this time. Some of these are set forth in our minority report, beginning on page 117 of the committee print. Others will be advanced by others who are opposed to the bill.

H.R. 7500, I believe, is too extravagant and authorizes the expenditure of unnecessarily large sums of money. The entire Mutual Security Act, now 5 years old, is overdue for reconsideration and revision and a review of this military assistance phase of the program is especially desirable. The transferability provisions of the bill should be tightened and much less latitude allowed those in charge of the administration of funds. There are substantial variations in the estimates and the actual economic project assistance expenditures. The committee has even increased the budget request for the Development Loan Fund by $100 million. But, most important of all to me, Mr. Chairman, our own national financial condition just will not and should not permit a continuation of this program at current levels.

I speak especially with reference to the outflow of gold and to our declining balance of trade. Elsewhere in my remarks, Mr. Chairman, I will deal with these two subjects at greater length. But now I wish to remind Members of the growing ability of many foreign countries to finance their own defense and assist themselves economically, countries which are still the recipients of our assistance.

Look at the map on page 9 of the committee print which shows the countries which are proposed to receive grant military assistance in fiscal 1960. The United Kingdom, Great Britain, is listed. Great Britain's gold reserve has increased from $1.8 billion in 1952 to $3.1 billion this year and her total holdings of gold and short-term dollars were up to $3.7 billion by the end of 1958. Do you think that Great Britain cannot afford to pay for this military assistance?

The Federal Republic of Germany, West Germany, is listed. West Germany's gold reserve has increased from $140 million in 1952 to $2.6 billion this year and her total holdings of gold and short-term dollars were up to $4.3 billion by the end of 1958. Do you think that West Germany cannot afford to pay for this military assistance?

Italy is listed. Italy's gold reserve has increased from $346 million in 1952 to $1 billion this year and her total holdings of gold and short-term dollars were up to $2.2 billion by the end of 1958. Do you think that Italy cannot afford to pay for this military assistance?

Here are some other countries scheduled to receive grant military aid and their present gold reserves and dollar holdings as of December 31, 1958. Belgium, $1.5 billion; Denmark, $200 million; Netherlands, $1.5 billion; Portugal, $700 million, all having increased substantially during the last few years. I am not objecting, Mr. Chairman, to the fact that these and other countries are building up their reserves of gold and dollars. But I cannot understand why, if this is so, we continue to take the position that they are unable to pay for the military assistance that we are giving them.

Mr. Chairman, the committee report on page 10 states that, since the beginning of the military assistance program, the United States has spent $22 billion to provide assistance to the forces of other nations who, in turn, have spent $122 billion on their own military establishments. But speakers who point with pride to these facts omit to include the amount we have spent in addition on our own defense establishments. Actually, we are footing by far the greatest part of the defense load of the Western World, both in dollars and in percentage of income. At this point, Mr. Chairman, I wish to include with my remarks the text of an article from the June 22 issue of U.S. News & World Report entitled "Where the Arms Bill Hits Hardest" as well as an accompanying table showing how our defense load compares with that of other nations. It should be emphasized that, in proportion to total national spending, our outlay for defense is greater than any of our allies but less than half that of the Soviet Union. It should also be emphasized that in amount of dollars spent, this country spends three times as much as all our European allies and almost $500 million more than the Soviet Union. I also remind my colleagues to note in the accompanying article how the nations of Western Europe are spending less on military budgets and more on welfare programs, thanks to the fact that we underwrite such a large part of Western defense costs.

WHERE THE ARMS BILL HITS HARDEST

Arms outlays, dominating the U.S. budget, now take a smaller share of allied spending in Europe.

Welfare outlays, minor in United States, are rising in Europe to dominate allied budgets.

Latest figures show the trend, with United States underwriting most of the defense costs for the West.

Americans, it turns out, are footing the lion's share of the bill for defense of the Western World, both in dollars and in percentage of income. This shows up in new government budgets in the United States and abroad.

Allies of the United States in Europe, freed from the need to spend so great a portion of their incomes on defense, now spend much more on welfare.

The result: While the biggest outlays by the U.S. Government go for arms, the biggests outlays of its allies' governments in Europe are being made for welfare programs of various kinds.

U.S. SPENDING: HIGHEST

You get an idea of just how large a share of the common defense of the West is being paid by U.S. taxpayers from the chart on this page. Americans spend more of their private and public outlays on defense than do any of their European allies—at least twice as much as most of them.

When it comes to welfare expenditures, however, the picture is reversed.

You see what's happening by comparing the proportion of total private and public spending—gross national product—that goes for welfare-state outlays in each of the countries in the chart that follows. These estimates are based on figures compiled by the International Labor Organization and brought up to date by the economic unit of U.S. News & World Report:

	Percent
France	15
West Germany	15
Belgium	13
Italy	12
Britain	10
Denmark	10
Norway	8
Netherlands	8
Canada	7½
United States	5

These welfare expenses include such things as old-age pensions, medical care and public-health services, allowances made to families with children, public assistance and

relief payments. The figures do not include cost of education, public works and tax benefits.

The United States, in other words, is bearing by far the biggest defense burden, even in proportion to its total national spending, while making the smallest proportionate outlays for welfare payments.

WELFARE TREND: UP

The trend is for welfare to dominate budgets of allied governments in constantly growing amounts, with defense outlays taking a progressively smaller share of the total.

Since 1954, each of this country's allies in Europe has followed that trend. In France, for example, welfare outlays have increased from 14 percent of the spending total to 15—while defense has been cut from 7.6 percent to 6.8.

Russia, meanwhile, continues to put its big emphasis on military outlays, even though it poses as the original welfare state. Soviet arms outlays now are four times welfare expenditures, and are reported to be still rising.

How defense load of United States compares with other nations

	Defense costs	Defense costs, share of total private and public spending (gross national product)
		Percent
Soviet Russia	$45,000,000,000	24.0
United States	45,489,000,000	10.4
Britain	4,800,000,000	7.5
France	3,800,000,000	6.8
Canada	1,800,000,000	5.6
Greece	155,000,000	5.3
Netherlands	460,000,000	4.9
Turkey	510,000,000	4.2
Italy	1,000,000,000	3.8
Norway	145,000,000	3.7
West Germany	1,800,000,000	3.4
Belgium-Luxembourg	380,000,000	3.4
Denmark	140,000,000	2.8

NOTES

In dollars, United States spends 3 times as much as all its European allies—and almost $500,000,000 more than Russia.

In proportion to total national spending, U.S. outlay for defense is greater than that of any of its allies—but less than half that of Russia.

Source: Data for Russia, U.S. Central Intelligence Agency and U.S. Department of State; for other countries, International Cooperation Administration.

I also intend to discuss our balance-of-trade picture at more detail elsewhere in my remarks, but I imagine all of us realize that we are facing a serious situation in this field. Foreign industry with its many advantages over our domestic producers, including that of substantially lower labor costs, are not only threatening our export markets but are even competing successfully for our markets here at home. Many of these foreign countries are military allies, and I know their worth is very great from that standpoint. But, in many cases, they are substituting our military assistance for efforts in the defense field which they should be making themselves. By keeping a large part of their industrial capacity devoted to the manufacture of export goods and by minimizing their own defense efforts, they not only endanger our own markets abroad but are beginning to jeopardize our markets here at home.

I am a great believer in free trade and have always supported the principle of "Trade, not aid." I have always voted to extend reciprocal trade agreements. But I insist that we should not subsidize foreign-trade competition with our own industries by grants of military assistance which permit these foreign governments to intensify their efforts in the field of trade at the expense of our own manufacturers and our own labor force.

Many people have held up the bogey of Soviet military and economic assistance programs and have said that we have to meet Communist challenges in this field. I hope that Members will read the remarks of the minority on page 124 of the committee print for a true study of the comparison between ourselves and the Soviets in the field of foreign aid. This shows that, since 1946, Soviet aid has amounted to about 2 percent of American aid from all sources, including private investment. I cannot believe that the Soviets offer a real threat to us in this field as yet.

Now, Mr. Chairman, I want to discuss at more length this question of our gold outflow and our balance-of-trade picture.

Our gold stock has shrunk to the lowest figure since 1946 with a net decrease in 1958 alone of $2,275,100,000. In the first 3 months of 1959, our gold stock had declined an additional $96 million over the end of calendar 1958.

According to the June 22 issue of U.S. News & World Report, the U.S. gold stock shrank another $50 million in the week ending June 10, for a total loss of about $400 million since the first of the year.

Meanwhile, estimated gold reserves and short-term dollar holdings of foreign countries and international institutions rose over the 1956–58 period from $31,127 million to $35,445 million. Gold reserves of the International Monetary Fund increased from $1,180 million in December of 1957 to $1,377 million in January of 1959 and the rest of the world's gold reserves from $11,055 million in December of 1952 to $17,950 million in December of 1958. Our reserves have fallen from $23,252 million in December of 1952 to $20,486 million in March of 1959.

Our gold reserves are now roughly down to $20.2 billion of which net claims by other countries against that gold amount to $12.7 billion, leaving an amount of $7.6 billion of gold in excess of claims. Now our required gold reserves amount to $11.9 billion and with only $7.6 billion of reserves against which there are no claims we face a possible deficit of $4.3 billion.

The fact is, Mr. Chairman, that the American dollar does not have the standing abroad that it once did, the fact is that gold is leaving our country and the fact is that foreign holders of U.S. dollars seem to want to remove those dollars. I repeat that the American dollar does not have the strength it formerly enjoyed, even in comparison with currencies such as the French franc or the pound sterling. If the rest of the world begins to view the dollar's future in an unfavorable light and a run on the dollar develops, we could be in real trouble.

What does all this have to do with mutual security? Simply this: Unless we want to see the dollar become a soft currency, we have either got to cut spending or increase taxes. We simply cannot go on year after year giving away billions of dollars without getting some real solid assets in return.

To bring the picture up to a more recent date, I am told that between April 1 and June 1, foreign countries converted a quarter billion dollars' worth of their holdings in the United States into gold. This is a much sharper rise in conversion and it appears that during the rest of the year even larger withdrawals of gold may take place. Earlier in the year, various European countries were repaying dollar loans to the International Monetary Fund and to our own loan agencies and since they needed dollars, not gold, our gold loss was relatively small. But, in September, increased subscriptions to the International Monetary Fund are due, and we are to put about $344 million in gold while other countries put in about $935 million, and at least part of this will be bought from our own gold stock.

If our interest rates go up, foreigners will perhaps prefer to build up their dollar assets in this country rather than take gold. But it should be recalled that last year, in our dealings with foreigners we ran in the red to the extent of $3.4 billion, and this year it is likely to be close to $4 billion. This net loss to us comes very close to being the exact amount of the mutual security program which we are now considering.

This deficit in our balance of payments, of course, represents imports, foreign travel, and investments abroad. It also represents economic and military aid. If we continue to have a large deficit and if the drain on our gold and dollars continues, we may either have to erect new tariff barriers, reduce foreign investments, or cut our foreign aid.

Our export surplus is rapidly disappearing. In the first quarter of 1959, our imports of merchandise jumped to an annual rate of $14.3 billion, up 14 percent from 1958, while our exports dropped to an annual rate of $15.4 billion, down 6.5 percent from 1958. Our surplus trade balance then was down to only $1.1 billion, down $3.5 billion from 1958 and down $6.5 billion from 1957.

Our trade in manufactured goods is facing stiff competition from abroad. During this first quarter, auto imports went to 150,000 cars, up 50 percent from 1958. Our imports of machinery increased, while our machinery exports decreased. Other increases of imports were in watches, toys, photographic equipment, and scientific instruments while our exports of aircraft and railway transportation equipment were down.

At this point, Mr. Chairman, I wish to include in my remarks, some information from the June 22 issue of U.S. News & World Report regarding the imports of foreign cars into the United States. Imports for April were up 63 percent over the year-earlier level and for the first 4 months of 1959 the overall gain was 58 percent. While foreign-made automobiles are coming in from France, West Germany, Great Britain, Italy, the Netherlands, Sweden, and Japan, foreign trucks and buses are also increasing to an annual level of more than 30,000. It appears now as if passenger-car shipments into the

United States from foreign countries will substantially exceed the 600,000 mark. And while these imports continue, our automobile manufacturers are losing foreign markets to the extent that exports of American automobiles are now only one-fifth of imports of foreign cars into this country. Our car exports during the first 4 months of 1959 were off 17 percent from the 1958 level and 1958, in turn, was off 15 percent from 1957.

While our stock of gold keeps shrinking, foreign holdings of gold and dollars are rising and, by the end of February 1959, were up to the record total of $36.1 billion. This total increased $4.1 billion last year, of which $3.4 billion was caused by our balance of payments deficit.

I am aware, Mr. Chairman, that the cutting of military foreign aid might mean that many countries would be unable or unwilling to buy the kind of defense we want them to have. I am also aware that, where foreign aid is in the form of gift of goods, it does not involve a payment of dollars by this country. However, if those countries would decide to pay us for goods they have been getting for free, and which I believe many of them are now able to do thanks to their accumulations of gold and dollars, it would be of substantial assistance to our own balance of payments.

In conclusion, Mr. Chairman, I think the time has come for a realistic reappraisal of the entire foreign aid program. I think that most of the Members will admit that the program has achieved notable successes in the past. But I think that every Member should ask himself this question: Can we continue this program at present levels without jeopardizing our currency and without seriously endangering our trade picture throughout the world? We want to help other nations and other peoples and that, of course, is a commendable attitude. But I do not believe that the Congress wants to harm the vital interest of our country by doing so. I hope the House will send H.R. 7500 back to our committee for a further study of this program in the light of the facts which I and others have set forth.

Mr. Chairman, I would like to say that those of us on the minority not only appreciate the attitude of the chairman of the committee, but also the attitude of our leader, the gentleman from Illinois [Mr. CHIPERFIELD] on the Republican side of the committee and the very fair way in which he has presented us the opportunity to explain to you, the Members of the Committee, why although we do believe, as we said, assuredly in the mutual security principle and its concept, we do not think that the legislation before us, H.R. 7500, is the vehicle by which this can best be accomplished.

Mr. Chairman, we have heard some very touching and eloquent pleas this afternoon for mutual security. We have heard very, very little, however, about what is actually in H.R. 7500, a piece of legislation which you will be called upon to vote on perhaps sometime tomorrow.

I would like to remind Members of the Committee first of all that if they pass H.R. 7500 in the form in which it was reported out by the Committee on Foreign Affairs they are, in effect, voting for a permanent program of foreign aid of one type or another.

In the statement of policy, section 2 of the bill, on page 2 of the committee print, you will find language which, if it is adopted by the House of Representatives will, in effect, place this body on record as desirous of a permanent foreign aid program for other people of the world. Maybe you want to do that, maybe you believe that foreign aid should be a permanent part of our foreign policy and not a temporary measure. But I think it is essential that Members of the Committee realize full well what they are voting for when they adopt some of this language that the committee wrote into the bill.

In the second place, I remind Members of the Committee of the Whole that they are not voting just for the 20-odd pages that are contained in this committee print, H.R. 7500, but they are voting for a continuation of the Mutual Security Act of 1954 which, if it were printed in the form of this bill here would number, not 20 pages, but probably some 300 pages.

Now, I will say to you there is not one Member of the Committee here today or any member of the Committee on Foreign Affairs who has any idea of the provisions, clauses, paragraphs, sections, and so forth contained in the 300 pages of the Mutual Security Act of 1954. But that is exactly what you are voting on, if you adopt H.R. 7500. That is why many of us think, Mr. Chairman, that the time is overdue for a review and a reappraisal and a reevaluation of this entire program. And we believe this year of 1959 is as good a time to start it as any.

Now let us look at some of the things that give those of us on the minority real cause, I think, for concern with respect to this program. We have heard it said that the reason we have to continue grant military aid to a great many countries, for example, is because those countries cannot afford to purchase that military assistance for themselves. I call your attention to a map on page 9 of the committee print which shows you the countries of the world under which it is proposed to extend grant military assistance for the fiscal year 1960 in the amount of—after the committee's will was worked—of $1,440 million. I also call your attention to the fact that many of those countries, particularly in Western Europe, have increased their holdings of gold and their holdings of dollars to an alltime high. As a matter of fact, the total holdings of gold and dollars today by foreign governments exceed the sum of $36 billion. I am not going to take the time during the few moments that I have, Mr. Chairman, to go into this item by item, but under leave which I have previously received to revise and extend my remarks, Members will be able to see, if they read the RECORD tomorrow, how much gold and how many dollars some of those countries have that still say they cannot afford military assistance and, therefore, we have to give it to them.

I would also like to call the Committee's attention to an article which just came out in yesterday's issue of the U.S. News & World Report of June 22, which I am including in its entirety under leave to include extraneous material. According to this, the United States spends nearly 10½ percent of its gross national product on the cost of our defense—more than any other ally that we have in Western Europe—far more. Do you know why those governments say they are not able or claim they are unable to increase their defense budgets and to carry the burden that we are asking our taxpayers to carry? It is because for the most part, they engage in programs which help their own people, and I refer to the so-called welfare program expenses, old age pensions, medical care and public health services, allowances made to families with children, public assistance and relief payments. Look at some of these figures that you will find in this article and which will be included with my remarks.

Of a total gross national product France spends 15 percent on welfare for French citizens and only 6.8 percent on defense.

West Germany spends 15 percent of its gross national product on welfare programs and only 3.4 percent of its gross national product on defense.

Belgium spends 13 percent for welfare and 3.4 percent for defense and so on and so on and so on.

While the United States is spending, as I said, 10½ percent of its gross national product on defense, it only spends less than half of that or 5 percent on welfare programs primarily designed to help its own people.

Now I ask, Mr. Chairman, does it make sense when these countries, having developed these favorable balances of trade and having built up their stocks of gold and their stocks of dollar currency, turn around and tell us they are unable to afford to buy these items for their own defense and that they must have grant programs of military assistance from us, when in turn they are able to spend nearly twice and three times the amount of their gross national product on programs designed for the benefit and welfare of their own people as the amount which they spend on defense, and we, in turn, have to furnish defense items to them and spend less than half of what we spend out of our gross national product on programs, as I say, designed for the benefit of our own people, as we do for defense.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield.

Mr. O'KONSKI. Has anything been done in your committee about the more than $15 billion that the rich people of these countries that we are helping under this program have stashed away in banks in the United States of America? Has anything been done to pry that money loose and get it back to their own countries and put it to work over there instead of using our money?

Mr. BENTLEY. I will say to the gentleman that the figure of $15 billion of foreign holdings—I presume in dollars—in our country has not come up before. I believe this is the first time the figure has ever arisen. It certainly was never brought up during debate on this bill in the committee; so I can obviously say that no such attempt has been made to get this money and put it back in their own countries.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield further?

Mr. BENTLEY. I yield.

Mr. CURTIS of Massachusetts. I would like to refer to the gentleman's mention of the law requiring some 300 pages for printing.

Mr. BENTLEY. Yes. And I ask the chairman of the committee if my statement is not correct. The Mutual Security Act of 1954 as it came to us furnished in a print from the Senate Foreign Relations Committee was this size, as you see, in very small print, covering 60 pages. I was just making a transposition of that to the larger bill type and format with which we are accustomed, and if printed that way it would cover at least 300 pages, if not more.

Mr. CURTIS of Massachusetts. May I point out to the gentleman that the whole bill is printed in the committee report, on pages 65–112, under the Ramseyer rule.

Mr. MORGAN. The whole bill is printed from page 65 on to page 112 under the Ramseyer rule with the additions. But I think the gentleman from Michigan [Mr. BENTLEY] is talking about the bill in another form which would take a great many more pages. As printed to conform to the Ramseyer rule the type is very small.

Mr. BENTLEY. If printed in regular type and in the ordinary way, it would cover 300 pages.

Mr. MORGAN. The gentleman is correct.

Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. HARDY].

Mr. CHIPERFIELD. Mr. Chairman, I yield an additional 5 minutes to the gentleman from Virginia [Mr. HARDY].

The CHAIRMAN. The gentleman from Virginia is recognized for 10 minutes.

Mr. HARDY. Mr. Chairman, I want to express my appreciation to the gentleman from Pennsylvania [Mr. MORGAN] and the gentleman from Illinois [Mr. CHIPERFIELD] for their consideration and courtesy.

Mr. Chairman, it is a matter of record that I have been a consistent supporter of the mutual security program from the first days of the Marshall plan. I have always regarded the objectives of our foreign aid operations as of major significance.

It is also a matter of record that I have, in recent years, become increasingly critical of the way this program is administered. My often outspoken concern has grown out of a deep desire that this program be successful. It has been my purpose to be a constructive critic. It has been my intent to improve and strengthen. It has been my hope that by focusing the attention of the administration on its major weaknesses they would be eliminated.

The observations I have made about this program and its administration are based upon several years of close scrutiny of day-to-day operations. It has been my duty as chairman of a subcommittee of the Government Operations Committee to make extensive inquiries, to examine many agency documents and hear testimony from numerous witnesses in the executive branch. In this way members of my subcommittee have developed for the Congress a mass of factual information which in the ordinary course of events we never learn about. These facts have been the basis for criticisms which we have tried to make with restraint and always with constructive purposes.

Repeatedly, instances of administrative deficiencies have been pointed out to agency officials, but in spite of this, little real improvement has been made. Dangerous faults in the administration of the mutual security program remain essentially unchanged.

This lack of response was the basis for one of the conclusions of the Foreign Operations and Monetary Affairs Subcommittee in our recent report on U.S. aid operations in Laos, where we called attention to the general failure of the executive branch to take remedial action based upon factually supported criticisms.

I received in my mail this morning a document, prepared by the Department of State and the ICA, which is the best illustration I have seen of the truth of this conclusion.

This document, which I assume all of you also received in your mail, purports to reply to the findings and conclusions of our subcommittee.

The document does not seriously dispute the truth of the material facts the subcommittee found. It seeks, however, to avoid the consequences of the conclusions, by ignoring these facts, and purporting to justify maladministration of the program on the basis of its lofty objectives.

In my opinion, ICA and State would be well advised to heed criticisms made by friends of the foreign aid program and to take corrective action instead of springing instantly to the defense of every malefactor and to the attempted justification of every administrative error.

The mutual security program as it is currently conducted is almost completely beyond the reach of real congressional control. Each year we go through the motions, as we are doing now, of passing judgment upon its operations and of determining the direction it will take. Yet our annual review of this program is little more than empty ritual. It has become so because the executive branch, where this program is concerned, has been permitted to ignore the powers and responsibilities of the legislative branch.

As I review the history of the foreign aid program, this has come about by an acceptance of the emergency provisions in the Mutual Security Act as necessary for routine operations. Momentary lapses from virtue, following the waiving of normal checks and balances, seem to have become habitual; and the whole program has become wrapped in an annual shroud of secrecy, complexity, confusion, and contradiction.

Repeatedly the Congress has been told by the executive branch that many of the expenditures to be made under this legislation cannot be planned in advance, and that, for this reason, the President must have wide powers of discretion in the manner mutual security funds are to be spent.

In the beginning, this argument made sense. Foreign aid was a new field. No one could be sure just what problems would be encountered or just how they could be solved. Clearly, it was necessary to develop some background of experience before setting up precise limits in the law. So we in the Congress responded to the plea for flexibility and delegated some of our normal powers to the President. We took this unusual step to deal with an unusual and presumably temporary situation.

The foreign aid program has been in continuous operation now for nearly 12 years. It has behind it the experience of spending more than $65 billion. The problems with which it deals and the solutions reached have become familiar. The unique and the novel have largely disappeared and a pattern of action, repeated year after year in country after country, has long since emerged.

Yet the extraordinary powers which the Congress gave the President have never been recaptured, although the reason for granting them in the first place no longer exists.

Congressional control is systematically frustrated by the very nature of the mutual security program presentation which the executive branch makes to the Congress.

The basic information this year is contained in 7 volumes of printed material with upwards of a thousand pages of graphs, charts, and narrative, and I am told that there is another volume on its way. As an exhibit of complex bookkeeping it is impressive; but as a document upon which to make an intelligent evaluation of the mutual security program it is hopeless.

Every fact and every figure in it has been carefully tailored to justify the sums being sought. It seems clear to me that the basis on which the congressional presentation is prepared is not objectivity, but plausibility; that its chief purpose is to make a case for the budget request, and that it presents only those things which will tend to assure that the Congress will vote the funds requested. Instead of joining with the Congress in the common governmental task of finding the wisest solution to the grave problems which confront America, the executive branch sets its course, and its sole objective seems to be to get perfunctory approval by the Congress of what it asks.

In my view this whole approach is wrong. We have responsibilities for exercising judgment just as the Executive does. We ought to form our judgments independently, but we cannot do this unless we require the agencies to give us

full and complete factual information. It is our duty to inquire into every aspect of foreign aid. It is our duty to require that not some, but all of the relevant facts about its operation be made known to us. It is our duty to discover its weaknesses and to insist that they be corrected.

When we are dealing with domestic problems there is less danger that we will make our decisions on the basis of a one-sided picture. We know, and the administration also knows, that on any important issue the Congress can call upon knowledgeable people outside the Government and obtain facts. We have innumerable sources of information available to us on such questions. Sometimes they are our immediate constituents; sometimes they are interest groups, and always there is the American press.

But these facilities are neither so available nor so dependable when it comes to the operation of our foreign aid program. The barriers of distance, geography, language, and culture intervene and interfere.

The very heart of our difficulties is reached when we consider the fact that we are given no real choice of action. We are not asked to review alternative courses of action which might reasonably further the broad objectives of this program. We are not advised what alternatives have been considered within the executive branch—indeed, there is no indication in the annual presentation that any alternatives have been considered, other than the plan which is presented to us each year. This, we are told, is the plan of salvation; unless the administration's plan is adopted by the Congress, and the budget request endorsed in the full amount, catastrophe lies immediately ahead.

What kind of choice does this present? Under the circumstances we are not deciding anything. We are simply voting "Yes" or "No" on the financing of decisions already made by the executive branch.

I want to commend the Foreign Affairs Committee for the revised language of section 537f as contained on page 18 of the bill. It is designed to require the executive branch to supply Congress with full and detailed explanations as to how the level of aid, dollar amounts, have been determined for each country where we have defense support and special assistance programs. In my opinion these are the categories of aid which have been most subject to abuse. I think the new language constitutes a long step toward informing the Congress how the administrative agencies have arrived at important decisions in this field, and what alternatives they have considered.

I note also that the committee bill contains a new provision which would establish an Inspector General under an Under Secretary of State. While I applaud the purposes of this provision I cannot help but feel that the present fault lies more with personnel than with administrative structure. Indeed there is little the Congress can do to compensate for administrative ineptness. Every study which my subcommittee has made of the performance of this agency has shown similar or identical administrative shortcomings.

If we can assure for the Congress full and complete information which will enable us to continue to pinpoint weaknesses in the administration perhaps we may be able yet to see the foreign aid program administered with a creditable type of performance.

The full information which we need has been extremely difficult to secure from the administration. It is because of this, and to correct it, that I shall propose another amendment. It will require as a prerequisite to the availability of any funds authorized under the Mutual Security Act, that there be assurance to the Congress that information which it requests will be forthcoming. I shall discuss this in some detail under the 5 minute rule and I believe that the Members will find it worthy of support.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixteen Members are present, a quorum.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Chairman, there has been discussed the need for foreign aid; the necessity of assisting the underdeveloped nations of the world to create the desire to remain free from Communist dictatorship. I believe that this situation is pretty well understood by the citizenry of this great country. Without this understanding and approval, obviously, the mutual security moneys that have been expended and loaned to this date would have long since been discontinued and would have long since ceased. The actions of our country for the strengthening of the free world, the rehabilitation of war-ravaged areas, and the economic expansion of the newer emerging nations should be supported not only because foreign nations need our help, not only because we can afford it, but, specifically, because aid expenditures also help our own economy.

I base my support for the request of $3,642,600,000 on the fact that the various challenges facing us in world affairs should be met realistically and also because in the very process of meeting these challenges overseas, we are actually helping ourselves at home.

The two great challenges which we have to meet currently in this world concern the threat of the Sino-Soviet drive for world domination, and the revolution of rising expectations in the newly emerging nations of Asia and Africa. Our vital interests are deeply affected by these two external challenges. In the first instance, our own survival, or I should say national security, is deeply involved by the Sino-Soviet threat; and, in the second instance, it is the maintenance of economic conditions abroad which will permit the growth of viable independent nations. I say these two challenges are interconnected because Soviet Russia is using every possible means today to subvert foreign nations and, at the same time, to win influence and control over the newer states.

To maintain parity with Soviet military preparedness in 1945 the United States devoted 38.1 percent of its gross national product to defense; by the time the Korean war had broken out this expenditure had sunk to 13.8 percent; in 1956 it was 9.8 percent and currently it is 10.4 percent. On a $72 billion budget, we are devoting $42 billion to our national security. In addition to this, we are expending another $2 billion to provide military support for our allies. During fiscal year 1959 the President requested $2.26 billion for foreign military aid and for fiscal year 1960, $2.43 billion.

Just what does this extra expenditure mean to our national security? As Mr. Christian Herter, our new Secretary of State, pointed out so forcibly on March 16, 1959, our friends in the free world are giving ground forces support totaling 5 million men; foreign nations man an air force of about 30,000 aircraft, of which nearly 14,000 are jets. Our overseas friends, as a result of our military assistance program, have made available for our use some 250 bases in strategic locations—bases which are indispensable for the full effectiveness of our deterrent powers. Since 1950 these allies of ours have contributed some $140 billion to the defense effort, to which we have added another $22 billion for arms, equipment, advanced weapons, and training programs. Can anyone actually assess the contribution that will be rendered by these armed forces, by these military aircraft, and by these bases overseas in the event of an all-out shooting war?

As part of our overall military assistance, I do not wish to forget the aid which we extend under defense support or the capability we render foreign nations to supply the basic hardware for their own national armies. In line with this aid, we have enabled the industrialized Western European nations to manufacture most of their guns and planes needed in a future war.

The second great challenge, which I mentioned initially, concerns the maintenance of conditions in the newly emergent nations by which they will be able to accelerate their growth as viable independent nations. We all know how Russia is making intensive efforts to create its economic and trade representation in newer countries like the Sudan, Ghana, and the various independent countries on the subcontinent of Asia.

In this fiscal year 1960 the President is requesting a total of approximately $1½ billion under economic aid as development assistance, technical cooperation, contingency funds, and various transferable special assistance funds, wherever the need might arise. It is this economic aid which will be of great assistance in fostering the growth of the lesser developed nations into dependent partners in the comity of nations.

Even as in the case of the military challenge, this economic challenge will not evaporate into thin air. This is a

problem that will be with us for many years. Luckily our businessmen have already sensed the overwhelming need for development of most underdeveloped areas. Our oversea investments guarantee programs for increasing trade with these lesser developed nations.

I am heartily in favor of extending the scope of our loan development program since this fund creates in foreign nations a responsibility of repayment. This responsibility even over a long period of years saves face, as it were, so that even the poorest nation may feel that it is not accepting gifts from a strong member.

The United States does not believe in dictating to foreign nations as to the economic policies to be followed by them. Our economic development loans are granted on a basis of need; however, this need has to be proved to be of interest to the nation, and not merely because a nation might wish to request such aid without an adequate end-use justification. Only in this fashion can these long-term loans provide the programs with the basic undergirding that is so necessary amongst the newer nations.

I approve the setting up of projects which will raise the standard of living, give increased food and products to people who have never been able to afford them, create better health conditions, supply schooling where needed, and in general create a climate whereby underdeveloped nations can keep their self-respect while at the same time participating in the benefits which our industrial Nation can make available to them.

The strange thing in this latter instance is the willingness of so many nations to ask for U.S. aid in preference to assistance offered so freely by the Communist bloc. I think the lesson has been learned that Uncle Sam has no ulterior motive in extending loans as would be the extension of such loans by the Soviet bloc. Our intention has always been that whenever a project has proved successful, and after domestic experts have been trained, the United States will automatically withdraw, whereas Russian motives in extending aid are often suspect because the offer of assistance might lead to a request for added Soviet participation in the economy of a country.

We have met these two challenges posed to us by the Sino-Soviet bloc and the underdeveloped areas head on, and I am assured that we are on the right track with the free world as our allies and friends.

I come now to the problem of what our aid programs have meant to our domestic economy. I base my support of our foreign aid program on the fact that there are some very powerful benefits which have flowed to our economy from the operation of our very extensive aid programs and I shall prove that foreign aid has been of great benefit to our domestic economy and will continue to be so in the future.

As noted before, our foreign aid program has the dual purpose of promoting our national security by means of offsetting Sino-Soviet pressure and assisting the emergent countries. In the process of achieving these two foreign policy objectives, it is natural that we consider also our own national welfare and safeguard our own standard of living. However, as a prerequisite of stating my opinions as to the effects of our aid program on our domestic economy, I must immediately state my own reservation, namely that I think our mutual security program was not conceived and cannot be considered a tool to solve domestic economic problems such as unemployment or excessive competition from foreign areas. At the same time, I wish to state that I think that the import and export problems of certain of our domestic industries belong to those industries themselves and that the foreign aid program should not be held responsible for the cause of these trade problems nor that our aid program should be used as an instrument in dissolving these problems.

In general, however, it can also be said that if one looks on our economy as a whole that the cost of our foreign economic aid programs has been relatively minor. From 1947 through 1955 it has been estimated that only 1.7 percent of our gross national product was devoted to foreign aid. In 1956 this share actually dropped to 1.2 percent. It can be said, therefore, that approximately 1.5 percent of our gross national product has been involved in foreign aid which is scarcely a claim that can be substantiated that foreign aid was a significant stimulus to domestic employment, prices, or consumption as a whole. It is significant, however, that in our total laboring force in 1956 approximately 600,000 people were engaged on a full-time basis in the production of goods for our foreign aid program.

In 1957 the average share of our gross national product devoted to foreign aid sank to 1.1 percent and in 1958 this percentage sank to approximately 0.75 percent. It has been reliably estimated that during the 1959 fiscal year an even smaller percentage of our projected gross national product will be devoted to our total economic aid on behalf of foreign countries.

The direct and indirect employment created in 1957 by the foreign aid expenditures during 1957 has been estimated at 530,000 people by the National Planning Association. They projected this estimate for fiscal year 1958 and have stated that approximately 500,000 people are currently engaged in producing goods and services generated by the mutual security program.

It is significant that during the period April 1948 through June 30, 1958, from a total expenditure of $35 billion in foreign aid funds, 73.6 percent was spent in the United States for local materials to be shipped overseas. In fiscal year 1958 such expenditures totaled $2.8 billion and 75.4 percent was procured in the United States. If one considers economic aid alone, expenditures since the initiation of the Marshall plan in 1948 total $7.8 billion, of which 68.1 percent was spent for materials produced in the United States. In fiscal year 1958 such expenditure amounted to $1 billion, of which total 51.7 percent was procured in the United States of America.

During the first 5 years of our economic aid program, our own economy was enriched by the expenditures for food, fuel, and fertilizer needed desperately by industrial Europe. After the recovery of Europe, such procurement was not necessary any longer and as our economic aid shifted to the less-developed countries of Asia, Africa, and Latin America, somehow our procurement policies also began to change simply because these lesser developed countries have not been as accustomed to American goods as the industrialized European countries. Stemming from this difficulty of supply in these newer trade areas, and possible lack of interest by American producers, has come the request that only U.S. suppliers should be considered under our foreign aid program. This will be extremely difficult to do because many of the trading habits of these underdeveloped countries have been conditioned by procurement from Europe or other Far Eastern countries. At the moment, whenever foreign assistance funds are to be disbursed by foreign recipients, strenuous efforts are made by ICA to advise foreign countries of possible U.S. suppliers of writing specifications with possible U.S. suppliers in mind and finally, by publicizing procurement offers from foreign nations.

One telling argument for freedom of choice to purchase goods elsewhere in the world has been the fact that under the Soviet foreign aid loan program definite requirements were set that only the Soviet bloc countries could supply the industrial goods or machinery to be used by the recipient countries. This is in direct opposition to the philosophy of free trade under the U.S. free competitive system. Our action of allowing free purchase anywhere has received the approbation of many of the free world countries because it has proved to them that U.S. aid has not had any economic strings attached. The same applies to military procurement for items traditionally supplied by an industrialized Europe.

An argument can also be made for allowing foreign recipients of aid to spend their cash allocation in other areas because their supplier countries have been able to build up their gold and dollar reserves. It is axiomatic to say that where foreign countries have built up strong reserves they have traditionally resorted to increased trading with the United States. The accumulation of reserves has in many instances resulted in the relaxation of trade restrictions and discriminatory practices. This is particularly true in the case of Great Britain who within this last week has significantly reduced a large number of its quotas on U.S. exports.

Of great significance is the relationship which the foreign aid program has exerted on our domestic economy when considering the consequences of the economic development which our aid program has fostered in other countries. In other words, opponents of the aid program have stated that by building up productive capacity of foreign countries we are creating industries which are directly competitive with those in the

United States of America. Consequently, by exporting economic assistance, we are contributing directly to the importation of domestic unemployment.

This argument, namely, the building up of foreign competitive productive capacity, has been adequately disproved by the ICA in a special study conducted of all ICA-dollar financed projects. The purpose was to ascertain the competitive impact of such foreign projects on the United States of America and whether the money spent by the ICA was used to build up certain industries which might compete effectively with similar industries in the United States of America. During fiscal year 1958 the ICA allotted money to 1,673 foreign projects. Total obligations were $477,800,000 of funds expended.

Projects which were designed to increase production of goods which might compete with U.S. production were as follows: Agriculture and natural resources, 7; industry and mining, 58. These 65 projects involved $15 million, or 3.2 percent of total funds expended. These projects produced commodities which were also produced in the United States of America and which, under certain conditions, might compete with U.S. industry and agriculture.

Other projects which were designed to increase production, but which might include elements which could conceivably compete with U.S. products were as follows: Agriculture and natural resources, 72; industry and mining, 100. These 172 projects involved a total obligation of $23,700,000, or 4.9 percent of total funds expended. Some of the production of this latter category might conceivably under certain conditions, compete with U.S. production.

The remaining noncompetitive projects or 1,436, involving a total obligation of $438,900,000 or 91.9 percent of total funds expended were noncompetitive projects whose product could not compete with U.S. output.

Even those projects which were described as designed to increase production of goods which could conceivably compete with U.S. output could not be characterized as definitely competitive since it did not mean that their product would necessarily compete as these goods were needed locally. In general, these foreign competitive projects concerned rice production, fertilizer projects, development of coal mines and other programs which would substantially reduce the requirements of U.S. aid for their products.

Opponents of foreign aid claim that our aid programs have destroyed certain markets which the United States of America enjoyed in certain foreign regions. In reality, by assisting the economic development of underdeveloped countries our foreign aid program has increased the market-creating effect inherent in the economic growth of other areas. The question that comes to my mind is whether we should allow the Soviet bloc to assist in developing industries in emerging nations or whether we should assist those countries and thereby forestall the development of institutions inimical to the long-run interests of our own country and that of the recipients of our foreign aid.

It is a statistical fact that wherever the per capita income has risen there is a tendency for all kinds of imports to rise also—specifically the imports of manufactured goods. It could be stated that our trade with the industrialized Western European nations is many times as high as our trade with the lesser developed areas of the world. In other words, the more we can assist underdeveloped nations to increase their income, the more will our trade expand with those areas. It is significant to note how after we have helped to rehabilitate Europe and our ICA expenditures had been decreased our foreign trade with Europe has continued on a very high level. In 1949 our aid expenditures in Western Europe totaled $4.243 billions versus our trade of $3.987 billions. In 1954 our aid totaled $841 millions as compared with our trade of $3.4 billions and in 1958 our aid figures totaled $88 millions as compared with our trade totals of $4.463 billions. Naturally the underdeveloped areas of the Far East—Africa and Latin America—cannot be compared with an industrialized Europe, but the tradition of aid expenditures as compared with trade will bear me out that economic expansion of these countries will create additional trade for the United States of America.

Loans for the economic development will show that the expenditure of our governmental funds will create a climate for a much larger investment by private investors. The disbursement of our loan development funds will assist in the procurement of raw materials by the United States and create additional markets for U.S. exports. Above all, the expenditure of funds for the projects such as transportation, health, power, communications, water development, education, and public administration will create an attractive environment for investment by private capital from the United States of America. In this way our foreign aid expenditures for economic development will certainly assist our domestic investors.

Apart from private investors our foreign aid program is assisting small business in the United States of America. ICA publishes detailed information as to purchases proposed under the ICA and the Development Loan Fund. In this way many of our 13,000 small U.S. firms receive contracts. In fact, the National Planning Association has estimated that employment generated in small business by the foreign aid program in 1957 totaled nearly half of total domestic employment generated by the foreign aid program.

The same procedure holds true in U.S. shipping which has been helped by the 50 percent rule. During the past 10 years 57 percent of the 106 million tons of foreign aid cargo shipped from the United States was moved by U.S. flag operators. The same holds true for our banking facilities which are primarily responsible for disbursing aid dollars through our private procurement channels. Since the inception of the aid program under the Marshall plan a minimum of $11 billions have been channeled through our domestic banking facilities by the ICA.

I wish to draw attention also to certain segments of our domestic economy, namely agriculture and industry, which have derived very specific benefits from the aid program. Insofar as agricultural commodities are concerned, our mutual security program exports as a percent of total agricultural exports were 10.3 percent in 1954; 16.1 percent in 1955; 11.4 percent in 1956; 8.5 percent in 1957 and 5 percent in 1958. The export of American farm products under the mutual security program, which includes also the Public Law 480 disposal of surplus farm products, has had a significant long-run benefit for U.S. agriculture. Our exports of dairy products, cotton, fats and oils, bread grains, and coarse grains have expanded significantly under our foreign aid programs—much more so than would have been the rate of export under general commercial exports. The continued prosperity of our American agriculture is due in large measure to the percentage of U.S. exports as percentage of U.S. production. During the period of fiscal year 1954 through 1958, U.S. exports of rice were 42 percent of production; cotton, 33 percent; wheat and wheat flour, 35 percent; tallow, 41 percent; nonfat dry milk, 33 percent; dry whole milk, 41 percent; lard, 20 percent; and soya beans, 18 percent. A significant percentage of these exports was due to foreign aid expenditures.

A similar position obtains in the exports of industry and mining products purchased as ICA-financed commodities. When compared to total manufacturers' sales, offshore procurement of machinery, iron and steel mill products and fabrications, petroleum products, nonferrous metals, motor vehicles, pulp and paper, lumber and bituminous coal, all comprise less than one-half of 1 percent on the offshore procurement. In other words our industrial and mining products destined for overseas aid were bought mostly in the United States with resulting benefits accruing to our producers and workingmen.

Mr. Chairman, I have gone into some detail to state my support of our military aid, our assistance to newly emergent nations, and in enumerating the benefits accruing to our Nation from the expenditures of foreign aid funds. I am convinced that our military aid expenditures cannot be cut down further in this period of military pressure by the U.S.S.R.; I am also convinced that we will have to increase our economic assistance to newly emergent nations—increase our Development Loan Fund substantially; and finally, I am convinced that the continuation of foreign aid expenditures are not deleterious to our domestic economy.

Our foreign trade has increased wherever nations have had a substantial rise in their per capita income. Our assistance in foreign development projects has been of such a nature that competitive industries have not been built up to harm our domestic industries. We have enabled many foreign suppliers to build up substantial reserves, which has

resulted in increased trade and the lessening of trade restrictions. A substantial section of our working force is engaged in foreign aid supply and in imports and exports. Agriculture has not suffered because of our foreign aid assistance or by competition offered by foreign countries. Our domestic industry has not suffered because of directly competitive products.

In considering our foreign aid program as a whole, I can say that our economy can stand the drain of 1 percent of our gross national product for assisting the free world in becoming a better place. Mr. Chairman, I wish to reiterate that I give my full support to this program of foreign aid.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. MURPHY].

Mr. MURPHY. Mr. Chairman, no legislation coming before the House requires more careful consideration and scrutiny than the mutual security bill. There are several reasons for this. It involves large sums of money; it affects, directly and indirectly, our foreign relations in every area of the world, and it supports a program that is the most difficult to measure in terms of accomplishments.

The Committee on Foreign Affairs has held 11 weeks of hearings and has heard 90 witnesses on this legislation. The bill authorizes $3,642,600,000 for fiscal year 1960 which is $266,800,000 less than the administration's request.

The challenge that we face is to devise ways of helping countries in the free world achieve greater progress without sacrificing their freedom. The Communists pose that challenge. They are seeking to persuade the peoples of the less developed countries that communism offers the solution to their problems.

About 1 billion people of the free world now live in less developed countries—in Asia, Africa, and much of Latin America. The people of these nations differ in race, religion, and culture, but poverty is common to all of them.

These people are no longer resigned to their age-old poverty. They are not content with political freedom alone. There is a strong and growing demand by these people for rapid economic growth which is a force of immense importance in the world today. If the people of these nations cannot realize a reasonable rate of economic progress under their present moderate governments, there is real danger that their determination to succeed will lead them to adopt radical solutions which would prove harmful to their own best interests and to those of the United States and other free nations. The peoples of these areas are determined not only to govern their own destinies and to achieve dignity and self-respect, but also to improve their standard of living, their health, and their education.

It is to the interest of the United States to help them achieve these objectives. In view of the needs and objectives of the less developed countries, and the importance of these nations to the United States, the Development Loan Fund was established 2 years ago to help the peoples of newly developed nations in their efforts to improve their economies.

The Development Loan Fund was established for a particular, specialized purpose: The provision of capital for productive economic growth. With the exception of the technical cooperation program, the other elements of the mutual security program are not designed to promote economic development. They provide instead the military strength required to offset the Communist threat, and they help to maintain political and economic stability from year to year. These are both essential prerequisites to development itself, but their usefulness and purpose would be largely lost in the absence of adequate provision for forward movement in the development process. For this reason, an adequate Development Loan Fund can be considered the keystone of the arch in our mutual security program.

The operating methods of the Development Loan Fund are designed to promote efficient, long-term, economic growth. Its financing is exclusively in the form of loans or other types of credit; it does not make grants. Loans are made only for specific projects and there is a separate loan agreement on each project tailored to the specific situation. Repayments on the loans can be made either in dollars or in foreign currencies.

The executive branch requested an authorization of $700 million for fiscal year 1960. The committee, after a thorough consideration of the needs and the economic objective of our aid, authorized $800 million for the coming year. The need for additional funds over and above those requested by the executive branch is highlighted by the fact that the Fund has earmarked all of its available funds, excluding the very recent supplemental appropriation. Even so, the Fund as of April 30, 1959, has more than $1.4 billion of loan proposals under consideration after having approved $698 million in loans. New proposals can be expected to continue to arrive at a rapid rate.

Full support for the authorization of funds for the Fund is required. Any cut in them would not be a true savings; it could only postpone the economic growth we are seeking and perpetuate the requirement for U.S. assistance. More importantly, it would diminish the chances for the survival of moderate non-Communist governments in the less developed areas.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. CHIPERFIELD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. WALTER. Mr. Chairman, as one who for the past 12 years have been closely associated with all legislation dealing with immigration and with many international activities in the field of migration, I wish to express my appreciation to the Committee on Foreign Affairs for including in this bill section 205(a)(3) providing for the use of foreign currencies accruing to the United States in any Latin American country for the purpose of making loans for agricultural settlements designed to offer farming opportunities for immigrants.

As this House will undoubtedly recall, this is not the first attempt to provide assistance to some of our Latin American neighbors in developing agricultural settlements for European immigrants. Not on grant, but on loan basis, I may add.

Why is such action desirable? Just about 2 years ago, on July 15, 1957, speaking from the same place, I endeavored to convey to the House my considered opinion that the era of mass immigration into the United States is a matter of the past.

I stressed at that time, and I wish to repeat it now, that the fast increase of our own population and the overconcentration of our native and immigrant population in large cities and industrial centers, coupled with diminishing demand for manpower by our highly mechanized agriculture, makes it imperative for this country to carefully regulate our annual intake of immigrants, while at the same time exerting every effort to direct European immigrants to rural areas in the countries where the increase of agricultural production has become a vital, most urgent necessity.

The organization which we created in 1951, the Intergovernmental Committee for European Migration, has recently accelerated its activities in the field of movement of European manpower to countries desiring to increase their agricultural productivity. ICEM's able specialists have worked very hard at the preparation of realistic, workable plans, approved by the interested governments, which, if implemented, would open up hitherto unproductive lands for the settlement of farming families for whom there is practically no demand in countries other than those which are now striving to reach the production levels of the more developed lands.

The Congress of the United States has already recognized the need for financial assistance, on loan basis, in the development of rural settlement programs in Latin America. In 1956 the Congress agreed to authorize the expenditure of $15 million for the purpose of promoting economic development in Latin America, specifying that part of that sum should be allocated for "land-settlement programs which will contribute to the resettlement of foreign and native migrants in Latin America serving the advancement of the economic development and the agricultural and industrial productivity in that area." This amendment to the 1954 Mutual Security Act was welcomed with unanimous applause both in Europe and in Latin America.

Unfortunately, bureaucratic delays have resulted in the allocation of less than $2 million for the purpose stated in the Smathers-Walter amendment. That amendment, however, still remains on the statute books as clause (C) of subsection (b) of section 400 of the Mutual Security Act of 1954, as amended, referred to on page 8, line 5, of H.R. 7500, the bill under consideration.

No funds were allocated for this purpose in 1957, but with the creation of the Development Loan Fund a renewed effort

was made to implement the clearly expressed intent of the Congress.

The Development Loan Fund was convinced of the necessity of granting loans to some of the land settlement projects which have been initiated in the meantime and have proved to be not merely a planners pipedream, but a going concern.

A thriving settlement of farmers from Holland, the village of Castrolanda, in the State of Parana, in Brazil, obtained a loan of $240,000, the equivalent of 34 million Brazilian cruzeiros in addition to locally available credits of 23 million Brazilian cruzeiros. Five hundred and sixty persons representing 100 families have been added to the old population of the 550 original settlers of Castrolanda.

The village of Pedrinhas, first settled by 100 families of Italian farmers in the State of São Paulo, Brazil, benefited from a loan of $300,000 in addition to credits available from Italian lire deposits in Rio de Janeiro. The population of that settlement has similarly been doubled.

A settlement in Costa Rica, designed for Italian farmers, has been granted a loan in the amount of $300,000. This settlement seems to deserve particular attention inasmuch as it implements the idea of mixing native and foreign migrants.

There are other applications for Development Loan Fund loans pending, one of which is an application of another Dutch agricultural colony near São Paulo, Brazil, named Holambra. More applications are expected to come from the Argentine and Colombia.

The Development Loan Fund has acted with farsightedness and used good businessmen's approach in granting a loan for the construction of housing for Dutch immigrants in Australia under the condition that Australian and Dutch matching funds are made available. Cooperative building societies were formed in Australia comprising the membership of 600 heads of Dutch migrant families. My friend whom some of you had an opportunity to meet in Washington, Mr. Harold Holt, the Treasurer of the Commonwealth of Australia, who personally supervises the administration of these funds and who discussed the matter with Mr. Dillon during his recent visit to Australia, has assured me that this type of international financing will permit Australia to contribute considerably to the resettlement of Dutch farmers and surplus workers in the land down under. Considering Holland's plight caused by the forcible removal of over 300,000 Dutch people from Indonesia, this is no mean achievement.

Now, what is land settlement? It is simply the transformation of unproductive land—old lands, abandoned or sparsely cultivated, or new lands, forest, desert, swamp, land unused for lack of people or communications—into cultivated land by the redistribution of farm population. In brief, land settlement is the matching of unused or uneconomically used manpower and land resources to form a stable, productive rural society.

Historically, there were many reasons for land settlement. Population growth may overcrowd land that is already occupied. Prospects of economic gain may spur governments or individuals to bring unused resources into production for the purpose of expansion of exports, or because of increased domestic demand for agricultural products. Governments may have strategic or political reasons for settling specific regions, or they may be interested in maintaining equilibrium between industrial and agricultural production. There may be a need to substitute a stable and prosperous rural society composed of independent farmers for a restless urban population subsisting on a low-wage basis.

These have been factors behind land settlement during many periods of history. Now there is a new one: to offer new homes and new economic opportunities for Europe's surplus population.

There is today less land settlement than in the past. The countries where such settlement would naturally occur, lack the capital resources to undertake it by themselves and too many of them embark upon industrialization neglecting food production. Also, the development of agriculture requires more investment and technical guidance today than ever before and these are difficult to obtain for new immigrant settlements. Furthermore, improved living conditions in towns make settlement in rural regions relatively less attractive. This fact has contributed to rural exodus in many countries, including our own.

What are the reasons which make land settlement desirable? Countries with unused land resources fail to produce enough food for rapidly growing populations. Many of them often concentrate on producing one crop—primarily for export—thereby becoming overly dependent on world market conditions. In these cases there is a need for greater and more diversified farm production in order to satisfy increased food demands. Increased agricultural production provides a sound basis for industrial expansion by enabling the support of a large industrial work force, making possible increased exports to exchange for imported capital goods and enlarging the market for industrial products.

Land settlement opens up new areas for all kinds of economic activities and helps populate empty zones by Europe's crowded agrarian population suffering from shortage of land.

There are, of course, many difficulties in carrying out land settlement. First, it requires relatively large investments because the settlers will soon leave cheap, subsistence-level farms with poor living conditions, for the city. If the settler wishes to produce a marketable crop at competitive prices, he must have modern equipment. The settler's farm and those of his neighbors in the settlement must have the attributes of a modern rural society: roads, schools, churches, hospitals, electrification, and so forth.

What is the cost of land settlement? On the average, $1.2 million to $1.8 million for the settlement of 100 farm families—about 500 to 600 people. This includes the construction of roads, power, and water installations, auxiliary services and industries, and so forth. The figures vary, of course, according to country of settlement and type of settler.

However, no U.S. dollars are required for the financing of the immigrant land settlement projects existing or envisaged to be started in Latin America. The cost of roads, housing, water supply, electrification, and other necessities for a decent living can, and should, be financed in local currencies. Extensive studies undertaken by ICEM confirm my own impression that but a fraction of local currencies accrued under our various economic assistance programs will serve the purpose. The loans will be repayable under conditions specified by the Development Loan Fund, and our experience with other similar lending programs benefiting immigrants, indicates that the terms of repayment are meticulously carried out by the new settlers.

In voting in favor of section 205(a)(3) we will give a new and decisive impetus to a program of primary importance, a program which will not only contribute to relieve the constant pressure of our own immigration quotas, but will provide the needed European manpower for the underdeveloped areas and go a long way toward improving the economic, social, and political conditions of several countries of Latin America.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman.

Mr. GROSS. With reference to the point made concerning the farmers from the Netherlands, are those the farmers who were being resettled in Australia on $5 million supplied by American taxpayers?

Mr. WALTER. Yes. These were Dutch families, and it was occasioned by the forcible removal of over 300,000 Dutch people from Indonesia. Many of these families were moved to Australia. Under the Development Loan facilities a corporation was set up which provided for housing. The two Governments, Australia and the Netherlands, have guaranteed the repayment of this loan.

Mr. GROSS. Is the Netherlands understood to be an underdeveloped country?

Mr. WALTER. The Netherlands are not an underdeveloped country, but they do have an overpopulation problem and, of course, we are interested in trying to assist in problems of that sort.

Mr. GROSS. Mr. Chairman, will the gentleman yield for one further question?

Mr. WALTER. I yield to the gentleman.

Mr. GROSS. Does the gentleman think some money might be obtained from the Development Loan Fund to take care of Michigan's Yankus who went down to Australia? He is in trouble, you know.

Mr. WALTER. I am sure the gentleman from Michigan will find that his children were right in what they said about him when he left.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. JUDD. I compliment the gentleman on the fine and successful leadership he has given in this important field over the years. I would like to ask the gentleman a question. In Okinawa which was overpopulated before we entered the picture at the end of the war, we have taken over for our bases in Okinawa about one-third of their arable land which, of course, has greatly increased their problems so far as population in relation to land area is concerned. Naturally there was unrest among the people and there may be danger that we might wind up in Okinawa, like the British in Cyprus with powerful bases sitting on a volcano of hostile people. So some years ago we started an effort to get some of the displaced Okinawan farmers transported to Bolivia, which is probably one of the neediest and one of the most difficult areas in Latin America from the standpoint of accessibility, need for agricultural development, and so forth. We did that, first, to give some hope to the Okinawans at least in a token way that they are not cooped up completely on that island with no hope of outlet; and, second, to bring these hardworking, skillful and tough farmers into a country like Bolivia where the whole economy is based pretty much on one product, namely, tin. One colony of several hundred families has been established and they are doing extraordinarily well. It will be helpful to both Bolivia and Okinawa to have more. Now I want to ask the gentleman this question. Is it the gentleman's judgment that local currencies made available under this section could be used for farmers from Okinawa as well as from Italy and other countries of Europe?

Mr. WALTER. I do not think there is any question about that. The idea is to make use of the blocked currencies which are just so much paper for the moment and by using this currency, the money will be increased, of course, through the interest it draws.

Mr. JUDD. I thank the gentleman very much.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present. I think the gentleman from Minnesota [Mr. JUDD] ought to have an audience.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-seven Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 87]

Baker	Hagen	Shelley
Bolling	Hébert	Siler
Celler	Kearns	Taylor
Davis, Tenn.	Macdonald	Whitten
Dawson	Moore	Willis
Durham	Powell	Wilson
Fogarty	Rostenkowski	Withrow

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7500, and finding itself without a quorum, he had directed the roll to be called, when 412 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman.

Mr. CURTIS of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD. And I should like to state the purpose is to propound certain questions in regard to the fiscal aspects of this program and related programs, inasmuch as there was not time available for other Members to speak.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CURTIS of Missouri. Mr. Chairman, I regret that the Committee on Foreign Affairs had no time available for members not on the committee during general debate.

This coming Thursday I have an hour special order in which I intend to discuss the concern I have for the deterioration of congressional debate and the default that the committees of the House—my own included—are making in their responsibilities to the membership of the House to allow for full explanation of the bills they have studied. In order to have full and adequate consideration the committees must permit Members not on the committee to have an opportunity to fully question the members of the committee.

It is particularly important that the debate on the floor allow for Members not on the committee reporting the bill to participate and ask questions under the jurisdictional setup the various House committees operate. Most complicated subjects, and certainly foreign aid is complicated, come within the jurisdiction of several committees. One place where the subject matter itself may be made whole again after its Balkanization, is on the floor of the House during debate. Giving an apportunity for those on committees which study certain aspects of the subject, to participate in the debate will help.

The Ways and Means Committee, for example, has within its jurisdiction the Reciprocal Trade Act which covers the basic aspects of the problems of foreign trade. Does the Foreign Affairs Committee believe it can properly consider the subject of economic or military aid apart from the subject of international trade and trade balances and all the economic evaluations that must go into this study?

The Ways and Means Committee has within its jurisdiction the Western Hemisphere Trading Act which many seek to extend to the entire world. This involves the question of how we tax American capital investment that goes abroad. Does the Foreign Affairs Committee believe it can properly consider the subject of economic and military aid apart from the subject of American private investment abroad?

The Banking and Currency Committee has within its jurisdiction many subject matters that are important in evaluating the problems involved in the mutual security program. The Agriculture Committee with Public Law 480 is involved. The Joint Economic Committee deals with certain aspects of the problem which are important, not the least of which is its evaluation of Russia's economic capabilities. The Armed Services Committee, the Committee on Interstate and Foreign Commerce as well as other committees deal with certain aspects of this important and complicated subject.

The gentleman from Florida in closing the oral debate on this important legislation, and an admirable job he did, asked the rhetorical question, What more can we do than improve the program each year as we have been?

I think the answer is clear. Start consolidating the multifarious programs we have that relate to the countries abroad. One way would be to promote a little liaison between the various committees of the Congress that deal with various aspects of the same matter.

For example if it is to be trade not aid, let us start relating the various programs we have which relate to international trade with those which relate to aid. If we say loans instead of grants, let us start relating the various programs which promote loans with those which deal with grants. If we say private enterprise rather than Government aid—people to people—let us start relating the private programs to the governmental programs.

Now I stated that I was going to pose some questions to the committee in my extension of remarks in the hopes that when I get time under the 5-minute rule the committee may be able to answer the questions. These questions relate largely to the fiscal aspects of the entire subject of our foreign relations, not just the fiscal aspects of what is called the mutual security program:

First. What has been the increase or decrease in trade in dollar amounts between the United States and the individual recipients of aid under this program in the past year? Has trade increased or decreased?

Second. What has the increase or decrease of American private investment been in these countries in the past year, in dollar amounts?

Third. What has been the increase or decrease in gross national product of these countries? And in per capita gross national product?

Fourth. How much offshore procurement—in dollars—has there been last year in each of these countries? Has it been increasing or decreasing over a period of the past few years?

Fifth. How much did private U.S. banks lend to investors in the economic endeavors—also social and political endeavors—of these countries?

Sixth. How much did the Export-Import Bank lend last year and what are the balances and record of payment? The same question in regard to the Interna-

tional Bank for Reconstruction and Development?

Seventh. What is the ratio of Development Loan Fund loans to loans received from other free world sources?

Eighth. Has the Development Loan Fund, indeed, served the purpose of cutting down the requests for outright grants as it was intended to do? Congressman FORD testified earlier this year that this had been the case. What did the committee find the dollar figures to be on the cutback? In relation to the amount of loans?

Ninth. The committee's report on the operation of the investment guaranty program is ambiguous. On page 44 the committee states that only $160 million out of $500 million remains available and applications now exceed $1 billion. Yet on the very next page the committee quotes, I suppose with approval, the statement of the chief of the investment guaranty division, as follows:

> It is our belief that the war risk guarantee, to make any appreciable contributions to the stimulation of private investment, should be broadened to include revolution, insurrection, and civil disturbances arising therefrom.

Well, a program that attracts a $1 billion backlog certainly sounds like one that is making an appreciable contribution. If the division chief thinks $1 billion is not an appreciable contribution I believe the committee and the Congress should have some idea what he thinks the adjective "appreciable" means. $20 billion?

Tenth. What is the total amount of Public Law 480 funds that are presently available for the same purposes listed in the mutual security bill? The committee report seems to list only those funds obligated. What the Congress needs to know is what funds have been generated and how much agricultural surplus there is available that might reasonably be generated into Public Law 480 funds in the ensuing fiscal year?

Eleventh. What is the total amount of counterpart funds available for these programs? Again the committee seems to report those which have been obligated, not those which are available? What additional counterpart funds—if any—are still generated and might be generated in the ensuing fiscal year?

Twelfth. What are the unobligated balances previously appropriated for this program? The obligated but unspent funds are listed but it is hard to figure the unobligated balances.

Thirteenth. What are the dollar balances of trade of the countries benefitting under this program?

Fourteenth. On page 64 of the report the committee devotes a paragraph to "Use of Excess Government Property for Economic Assistance," and states—

> There is now authority to utilize excess property under the act either by purchasing it at the price established in accordance with law by GSA or the holding agency, or possibly in special circumstances at no cost in accordance with applicable regulations.

Now we are talking about sizable sums when we get into surplus property. We have been disposing of around $7 to $8 billion of surplus property generated by the military establishments a year for several years. In the report of the Appropriations Committee on the military appropriation bill this year it was stated that there is about $26 billion of surplus property waiting to be disposed of in the military establishment. We have been averaging about 8 cents on the dollar on the property sold.

Just how much surplus property in dollar value does the Committee think might be channeled into the foreign aid program for this fiscal year? A couple of billion or maybe only a few hundred million?

It is obvious from the few questions I have posed the work that must be done in order for us to get on top of our foreign aid programs. Right now we have no reasonable idea whether we are promoting trade not aid, loans instead of grants, whether we are building economies abroad or damaging them. We are completely bogged down in a miasma of sentimentality.

If we really want to help people abroad and cope with the dynamism of international communism we had better start getting our accountants into the act to replace our Lady Bountifuls.

On June 30, 1955 I took the floor of the House during the debate on the mutual security authorization bill—CONGRESSIONAL RECORD, volume 101, part 7, page 9665. I have reread what I said then and I regret that it remains largely true today. This program is still fiscally irresponsible. "It hurts badly the cause of fiscal responsibility for which I hope we are still working; it hurts the cause of a balanced budget; it hurts the possibilities of a tax reduction; and to reiterate it badly hurts the very program it seeks to advance."

Every year except 1955 I have voted for the mutual security authorization bills to express my accord for the objectives of the program. Each year just as consistently I have voted against the mutual security appropriation bills when it became apparent to me that the Appropriations Committee was not going to put the fiscal responsibility into the program that I thought was needed.

This year it looks as if I shall vote to recommit this bill to the committee in the hopes that some sense can be made out of the tangled mess. In my judgment we still need a program which will meet the stated objectives of the mutual security program, but this bill, I am afraid, will damage rather than help these objectives.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Delaware [Mr. MCDOWELL].

Mr. MCDOWELL. Mr. Chairman, the Development Loan Fund is a major answer to the question of how this country can provide foreign economic development aid without encountering the serious problems of the grant economic aid programs. It is clear that the international conditions that have led us to support the foreign aid program in past years will continue to exist for years to come. It is clear also that the President, Congress, and the American people are unwilling to continue a massive program of grants for foreign economic development for years to come. Moreover there is evidence to suggest that the program of grant economic aid is sometimes a liability in our dealings with foreign governments, rather than a useful tool of our foreign policy. It is because of these facts that the Development Loan Fund has received increased emphasis in the report of the Foreign Affairs Committee on the 1959 Mutual Security Act.

Consider the need for continuing economic development aid. The "revolution of rising expectations" in the economically less developed countries is spreading and growing in intensity. Peoples who formerly accepted their lot of poverty, near starvation, and inferior status are now demanding food, equality, and a measure of material well-being. The governments of many poor, less developed countries are trying to provide these benefits without resorting to totalitarian methods. This is the challenge. How we meet this challenge is up to you, the elected Representatives of the American people, your constituents.

At the same time Soviet Russia and Communist China stand beckoning to these peoples and governments to adopt the Communist system as a quick road to industrialization, status, and power. What is more, the Sino-Soviet bloc countries have now adopted foreign aid and trade as weapons with which to win added influence and eventual control in key countries where the stakes are high and where there appear to be chances of success.

Foreign military aid will buy neither true friends for the United States nor the allegiance of any people to democracy and their opposition to communism. It is foolish for some people to expect that foreign military aid can do these things. But U.S. economic aid can make scarce investment capital available to governments in the less developed countries and thus help them satisfy some of the rising expectations of their peoples without resorting to totalitarianism or becoming reliant upon Communist loans and trade credits. This struggle within the new nations will continue for decades. Unless the free world countries are willing to lend their help we are increasing the chances that Communist or other extremist forces will come to power in many of the less developed countries.

While the need for continued economic development aid is aparent it is also becoming increasingly aparent that grants cannot be the main answer. Grants may be satisfactory for purposes of the common defense when our allies are unable to support the necessary military effort. And grant economic aid may have to be provided temporarily to keep a poverty-stricken ally from being overthrown by Communist forces or simply crumbling to pieces amidst internal dissension. Grant aid may also be necessary in other specific instances.

But in general, aid for economic development is an entirely different matter. To be sure, it is in the interest of the United States that the less developed countries be able to develop economically under moderate governments and maintain their independence free from domination by the Sino-Soviet bloc. But

economic development projects are also basically business operations that are increasing the ability of the receiving country to stand on its own feet and earn foreign income. Therefore, this aid should logically be placed on a repayable loan basis, but with terms that do not bankrupt the new nations and so thwart the purposes of aid.

Another reason why economic development aid should be provided on a loan basis is the adverse psychological effect on both receiver and giver when grant aid must be continued for many years. The large majority of less developed countries have only recently won their independence and therefore are highly sensitive to any appearance of foreign domination. Foreign grants appear to place the less developed country in the position of being beholden to a foreign power. A foreign loan, on the other hand, is considered an honorable business transaction where repayment is made for value received and neither country can be considered subservient to the other.

And from the viewpoint of the United States providing economic development loans is superior to providing grant aid. A grant is a gift. It is hard to insist that a gift be used with strict accountability, little or no waste, and only on the basis of detailed engineering surveys that have established the practicability of a project. It is well understood, however, that a loan is made only on strict terms designed to assure the wise use of funds and repayment as scheduled. A foreign aid program that places greatest emphasis upon financing foreign economic development through loans rather than grants therefore is less costly to the United States and fits more nearly into the normal pattern of foreign trade and financial relations between sovereign states. As economies mature, the ability of underdeveloped nations to absorb the manufactures of the world increases. And as trade increases these nations will have the opportunity to compare our products with those of Soviet-bloc manufacture. The comparison can only redound to our credit.

The Development Loan Fund has been in active operation since January 1958 and in this year and a half has shown itself to be an effective means of providing U.S. assistance for foreign economic development on a loan basis. The DLF loans are neither the usual type of business loan, nor are they distinguished grants, as some people may suspect. The loans are carefully designed to further the U.S. objective of spurring the economic development of the less developed countries. For this reason they offer U.S. resources on somewhat easier credit terms than a normal Export-Import Bank or private loan agreement would be able to do. Yet in other respects the DFL loans measure up to all normal standards for business loans.

The intensive review which each loan application receives before funds are granted compares well with banking standards. The following steps are involved:

First. Preliminary review: The DLF staff places a loan application under detailed consideration only after the prospective borrower has demonstrated that the project is technically and economically sound, that financing is not available from private sources, that repayment can be guaranteed, and that it is important to the economic development of the country. The DLF staff also examines the loan application to determine whether the loan would have an adverse effect upon the U.S. economy and whether funds can be had from private sources, the Export-Import Bank, the International Bank or the International Finance Corporation. A substantial number of loan applications are eliminated in this first stage.

Second. Intensive evaluation and approval: The DLF staff of lawyers, loan officers, and engineers make an intensive analysis of the project's economic aspects and technical details, usually calling upon other U.S. Government agencies and oversea missions. The borrower often has to submit additional information to show that it is making a reasonable investment in the project itself and that it will be properly managed. If the loan successfully passes these hurdles it is submitted to the DLF Board of Directors consisting of the following: Hon. Douglas Dillon, Under Secretary of State; Hon. James W. Riddleberger, Director of the International Cooperation Administration; Hon. T. Craydon Upton, U.S. Executive Director of the International Bank for Reconstruction and Development; Hon. Samuel C. Waugh, Chairman of the Board of Directors of the Export-Import Bank; and Hon. Dempster McIntosh, Managing Director of the Development Loan Fund for their approval; then to the National Advisory Council on International Monetary and Financial Problems for its advice. It is only after this has been done that a letter of advice is sent to the applicant giving U.S. approval and setting forth the terms of the loan to be made. This officially commits the DLF funds. Finally, a loan agreement is negotiated.

Third. Implementation: The DLF staff works closely with the borrower, approving the placement of tenders or, examination of bids, and procurement of equipment. The borrower submits progress reports and loan funds are disbursed only as progress is made toward particular items or groups of items or services specified in the loan agreement.

The interest rates charged by the DLF vary with the type of project. If it is an economic overhead type project, such as roads and harbors, the interest rate is now 3½ percent. This rate approximates the current cost of money to the U.S. Government. But for profitmaking projects the DLF usually charges interest at a rate comparable to the Export-Import Bank, now about 5¾ percent. Some exceptions of lower rates are made for loans to intermediary institutions like development banks so they can in turn lend funds to the ultimate borrower at moderate interest rates. The loan agreements specify whether repayment is to be in U.S. dollars or the borrower's local currency. Loan maturities are normally geared to the useful life of the facility to be financed and are often for longer terms than are available from private sources.

To date slightly more than 20 percent of all loan funds are committed to be repaid in U.S. dollars, consequently there will be some hard currency coming back to the Fund that can be used again. Some local foreign currency is, of course, difficult to use. But the local purchases necessary for DLF projects can be made with this foreign currency. Another fact to be remembered about local currency repayments is that the borrowing government cannot simply print up more money with depreciated value and make its payments on DFL loans. When local currency repayments are authorized, the borrower guarantees to maintain the dollar value of the original loan. Thus a DLF loan imposes upon the borrower a realistic commitment to repay the value of the loan.

Development Loan Fund appropriations are available without fiscal year limitations. This is important in the successful operation of the Fund and further serves to distinguish it from the program of grant economic aid. Since DLF funds do not need to be committed in any particular year, projects may be examined more carefully over a longer period of time and support given only to those that measure up to the high DLF standards. This avoids hasty commitment of funds in the last months of a fiscal year to avoid their reverting to the Treasury.

The absence of fiscal year limitations also means the Development Loan Fund can support very long-term projects involving hundreds of millions of dollars. Under the grant economic aid program it is usually possible to commit funds for only a phase of these major projects in any 1 year without throwing the whole mutual security appropriations out of balance. This means that work on major projects may have to be halted if funds cannot be made available the following year. Halting an aid project, however, is a serious blow to American prestige and influence in the receiving country. Congress therefore is placed under heavy pressure to make further appropriations in successive years. Failure to appropriate additional funds also may mean wasting what already has been spent.

The Development Loan Fund however, handles only specific projects and commits sufficient funds at the beginning to take the project through to completion.

A final point to be noted in favor of Development Loan Fund loans is the assistance they provide to the growth of private economic activity in the less-developed countries. Through the end of March 1959 the Development Loan Fund had committed $225 million in loans to benefit private enterprise in the less developed countries. This was almost one-third of its total commitment of $697.91 millions. Ninety-three million in loan commitments went directly to individual private enterprises and another $132 million was provided in loans to Government for the importation of equipment that is to be put directly at the disposal of private enterprise.

It was apparent to the Foreign Affairs Committee from this information and from other facts as well that the United States should place increased emphasis upon long-term low-interest loans for foreign economic development. It was also apparent that the Development Loan Fund is the agency best suited to accept the responsibility of administering the loan program at the present time.

The President has requested a new authorization of $700 million for the Development Loan Fund, to become available in fiscal year 1960. He said that this would allow the agency "a level of activity no higher than it established in its first year of operation." The Foreign Affairs Committee has increased the authorization figure by $100 million to a total of $800 million.

The committee feels strongly that the lending operations of the Development Loan Fund should be increased, first, because it is convinced that U.S. economic development aid should to an increasing extent be placed on a repayable loan basis; and, second, because the Development Loan Fund has demonstrated through 1½ years of active operations that it is well-administered and suited to become the principal U.S. agency for making economic development loans.

The committee, however, does not believe that it is substantially exceeding the President's own total authorization requests for the Development Loan Fund. This spring the President requested a supplemental appropriation of $225 million for the Development Loan Fund in fiscal year 1959, besides the additional appropriation of $700 million to become available in fiscal year 1960. The sum of these two is $925 million. Congress actually made only a $150 million supplemental appropriation to the Development Loan Fund. This sum—$150 million—when added to the $800 million authorization recommended by the Foreign Affairs Committee makes a total of $950 million, or only $25 million in excess of the President's own two authorization requests made this spring.

The committee's increased emphasis upon the Development Loan Fund may be seen most sharply however when the $800 million recommended authorization is compared with last year's appropriation as percentages of total mutual security funds. Last year Congress appropriated $400 million for the Development Loan Fund in fiscal year 1959, which was only 12 percent of the total mutual security appropriation. This year, the Foreign Affairs Committee's recommendation of $800 million would give the Development Loan Fund almost 22 percent of total mutual security funds.

The information presented to the Foreign Affairs Committee makes it apparent that even with an $800 million addition to its own capital, the Development Loan Fund probably will not be able to provide loans in response to even half of the fully qualified applications. More than $50 million of the $150 million supplemental appropriation made this spring has already been committed. At the present rate of operations it is certain that the $100 million remaining from this appropriation will be fully committed before the end of this fiscal year. The Development Loan Fund now has more than $1.4 billion in loan applications under consideration. These are applications that have successfully passed the initial screening and therefore are a realistic picture of the current backlog of applications that probably will be eligible for loans. New loan applications continue to arrive every week.

In conclusion, I respectfully submit to you, my distinguished colleagues, and especially those of you who are, like myself, new Members in the Congress, that the Mutual Security Act of 1959—the committee bill—is the result of the best judgment of your Foreign Affairs Committee of a foreign aid program to which you can give your unqualified support.

Our chairman, and our able and eminent colleague, Dr. MORGAN, of Pennsylvania, deserves praise far beyond my ability to describe. He has given every member of the committee more than the normal time in committee to freely express their opinions and to offer their amendments to the bill. His patience has been unlimited and his kind and judicious attitude has created a real spirit of harmony and cooperation in the committee.

To those who will oppose mutual security legislation in this or any other comparable form, and for whatever their honest reason may be, I call to your attention an historic development during the fateful time when our forefathers were in a desperate struggle to throw off the yoke of a tyrannical foreign government and to launch a form of new and then untried democratic government for its peoples.

The following statistics have been supplied to me by the Library of Congress:

Gifts and/or loans to the United States from foreign countries during the Revolutionary War

France:

Loans	$6,352,500
Gifts	1,996,500
Spain: Loans	174,017
Holland: Loans	1,304,000
Total loans	7,830,517

This, my friends, was the first foreign aid program of the United States and our Government and our ancestors, its people, were on the receiving end of the deal.

Mr. Chairman, during the last session of Congress while the debate was raging over whether or not to establish the Development Loan Fund, Hon. Thomas S. Gordon, of Illinois, explained with unusual clarity the purpose and mechanics of the DLF. By inserting excerpts of Congressman Gordon's presentation, I risk repetition, but I do so only to bring to the attention of my colleagues, a discussion of the Development Loan Fund which transcends time in its impact:

Mr. GORDON. Now, Mr. Chairman, I come to the matter of the Development Loan Fund. This is a highly controversial matter. Unfortunately it is something on which the American people generally are not too well informed. There has been a natural feeling among our people that we could not, when our own National debt was perilously rising, and there was no reduction thereof, go on endlessly pouring money as grants into countries, some few at least of which had recovered due to our help and were now on a healthy economic level. There has been a natural feeling that however good the heart, the hand must be stayed from giving more than a proper regard for the welfare of our own people. I presume it all gets down to this, that the good shepherd cannot overextend himself or his flock will get out of hand. There are limitations to our resources, and there must be good management as well as good intent in their use.

* * * * *

I have said often (however) in this trying period, give us but a decade or two to work at lifting the unbearable economic burdens of neglected peoples and we really will have laid the foundations of a permanent peace by removing the causes that make men responsive to the cry for war.

* * * * *

If we spend billions a year for arms and nothing to help men and women to their feet we will find that we have been judged by our works and learn too late the lesson that he who lives by the sword will perish by the sword.

What is proposed in this bill reported by the committee is the establishment of a Development Loan Fund. * * * This fund * * * we will put into the very important work of developing the economies of other nations. It will be a revolving fund, and the loans made from that fund can reasonably be expected to be made with the same sound business judgment as are the loans of the Export-Import Bank and the World Bank.

* * * * *

The argument will be made, and with sincerity, but with a misconception, that the loans made by the Development Loan Fund will actually be grants and will not be repaid. The same argument was made and with the same sincerity when the Export-Import Bank program was first proposed. It is true that some of the loans of the Export-Import Bank went sour, but this was true in a negligible number of cases, in fact less than the percentage obtainable in the case of loans made by the most careful banks in our own country, but the losses on these few bad loans were absorbed by the profits made on other loans. There is no good and valid reason why with the loans made payable in local currency, under the direction of the same good banking judgment, that the loans should produce a less favorable history. There is, too, this other and peculiar advantage: there always will be available a reserve of funds in local currency to meet the demands of financing of other developments in that country.

It is not necessary for me to take the time of the committee to stress the benefits that the United States will derive from an improvement in the economy of any country with which we do business. If the money that we are asked to put into the Development Loan Fund never in any part was returned to the Treasury of the United States, by revolving around and around in the financing of developments in other lands that give to the people therein a greatly increased buying power, we in the finding and supplying of new markets for our products would reap a return many times that of our investment.

Let me pause here to mention that in the first few months of the year 1957, when our own domestic economy was sagging, our head was kept above the water by an increase

of 27 percent in our export orders. This information, which furnishes an index of what we reasonably may expect as the future dividend from our investment in foreign economic assistance, I gleaned from an authoritative article in the usually reliable New York Times, and on the financial page.

Our own national advertisers spend millions of dollars every year for newspaper and magazine advertising and for radio and television programs. I never have heard a stockholder or anyone financially interested in these advertisers say that this was giveaway money representing waste and extravagance. In a very true sense, it is money given away with no direct return. It is money spent to promote sales of the products of the advertiser, and that they call good business.

If we were using $1½ billion of Federal money and credit in a 3-year program merely to promote new foreign markets for American products we would not be more than matching what sound and successful American businesses spend in a comparable period to promote sales at home.

Furthermore, many of the products of our national advertisers are sold on consumer credit, which is in the soft loan classification. They are soft loans because they are unsecured by real estate or other pledge and their repayment is to be made from wages not yet earned and dependent upon continued employment. If soft loans, reflected in consumer credit, have contributed so vastly to our prosperity at home, and have come to be accepted and adopted by our largest banks, why all this hub-bub about soft loans that are intended to build new markets for our products in now neglected foreign areas? I suspect it is just another manifestation of the ages-old fear of a change in dear old status quo as progress marches on.

The record as it is given in the article on the financial page of the New York Times, showing an increase this year of 27 percent in our export business, is pretty conclusive proof that foreign economic aid in the benefits accruing from it is not a one-way street.

The argument that by the creation of this local development fund * * * is fixing in the Executive Office an authority that rightfully should be retained by the Congress, quarrels with the concept with which we successfully have been proceeding for many years. The pattern on which it is proposed to fit the loan development fund is exactly that of the Export-Import Bank. It would be absurd to charter a bank in our own country tentatively for a year with no assurance to prospective depositors and borrowers that the doors of the bank would be open after the first year.

* * * * *

What is the purpose of this Fund, Mr. Chairman? It is set forth in this bill. It is to assist, on a basis of self-help and mutual cooperation, the efforts of free peoples to develop their economic resources and to increase their productive capabilities.

Who are these free peoples whom we are trying to help? Are they officials of national governments, the directors of banks or the managers of businesses? Some of them are, Mr. Chairman, but the vast majority are not. The vast majority of those whom we are trying to help are the people who till the soil and the people who turn the wheels of industry.

It is this group whose hearts and minds we are trying to win to the cause of democracy. It is the farmers and the workers of the free world who must be shown that a free society is as productive as a totalitarian state, and that liberty is infinitely more desirable than the shackles of slavery.

These people, the farmers and the workers of the free world, will ultimately determine the course their nations will take. By sheer weight of numbers they control the destiny of many of the so-called underdeveloped countries of Asia, Africa, and Latin America.

* * * * *

Mr. Chairman, this is the week of great decision. We stand at the crossroads of history, and upon the vote in this House on the bill now before us is the determination whether history as it is to be unfolded in the lives of the generations to come shall be a story of sunshine or a tragedy of the darkness of the night. Peace is within our reach. All that we wish for our children and for the children of all men can be attained or it can be cast off.

Mr. Chairman, in order to further emphasize the immeasurable need for the Development Loan Fund and to illustrate that this Congress has no choice other than to approve the $800 million which the committee feels this Fund demands, I have here three editorials from our Washington papers. They state the case for the DLF extremely well.

[From the Washington Post, May 28, 1959]

THE FOREIGN AID REVOLT

Senator FULBRIGHT is quite right in asking the administration to make up its mind on long-term foreign economic development assistance. Administration officials are in the position of acknowledging that considerable capital expansion and multiyear authority are essential to enable the Development Loan Fund to do the job envisaged for it, yet for budgetary reasons declining to ask what they know is necessary. This is not the way to head off the foreign aid revolt that is brewing on Capitol Hill.

The revolt is by no means confined to legislators who oppose the foreign aid concept or who want to economize at the expense of overseas interests. Senator MIKE MANSFIELD expressed the view of many thoughtful critics the other day when he queestioned the effectiveness of multitudinous individual programs and called for an end to grant aid within 3 years. Such misgivings are by no means new. In the past, however, believers in the general concept have been asked to swallow their misgivings about individual portions lest criticisms be seized upon by those who want no aid at all. This is not good enough.

Indictments of the present mutual security program fall into two categories. The first is the obvious charge that the military tail has been wagging the economic dog. It has often seemed easier to get millions of dollars in grants for Chiang Kai-shek than pennies in loan form for India.

Some 62 percent of the total current mutual security request of $3.9 billion is for military aid and so-called defense support, or economic aid to cover the dislocations caused by large military programs. The bulk of such help goes to only five countries—Korea, Formosa, Vietnam, Pakistan, and Turkey. It is possible to appreciate the need for a strong defense in such countries and still wonder whether the undertakings are too ambitious and whether the United States has become committed in perpetuity to programs which recipient countries can never hope to support. The confidence of critics is not increased when they read that this country is paying for pensions of retired Chinese Nationalist soldiers.

The second indictment concerns the proliferation of bureaucracy. There are scores of individual economic programs, many of them good in themselves, which when added together are almost suffocating. In some small countries, particularly, there are too many Americans. Inevitably American aid serves to buttress existing governments against change, whether or not change is desirable; and sometimes the distribution of the aid has invited corruption.

Moreover, when governments become dependent upon American aid any proposal for reduction or withdrawal may present grave political complications and incur hostility. For several years American aid to Laos, to take one example, has amounted to several times the annual national budget. The justification may be good, but how will this country ever extricate itself?

Now, a mature view of the problems of foreign aid requires, we think, an acknowledgment. The world must be seen as it is, and sometimes a calculated risk is necessary to prop up even a motheaten government against something worse. In some countries development loans and relatively inexpensive technical assistance are much to be preferred to grants; in some other countries, such as Vietnam, grant aid will be needed (and warranted) for a long time because of the elementary economic base. Some waste and frustration and a few horrible examples in this process probably are inescapable.

At the same time there is a strong argument, we believe, for placing more emphasis on development loans and looking with an increasingly critical eye on large military programs, particularly in Asian countries where they invite great economic distortion. Defense is important, but exaggerated attention to arms may inhibit the economic advance which is the only way to permanent betterment. The House Foreign Affairs Committee reflected such a view in its authorization vote.

It is ridiculous to contend that the United States cannot afford the present level of foreign assistance, which amounts to far less than 1 percent of the gross national product and less than 10 percent of the domestic military budget. The country can afford a substantially greater effort if need be. But it is altogether proper for Congress to insist that there be greater evidence that the investment is producing the intended results. Consequently, we think that the administration would be wise to indicate that it is heeding the warnings for the future rather than shrugging off criticism with another attempt to lump everything in the kitchen sink.

Especially, we think it is time to end the secrecy on military aid allocations to individual countries, which serves only to conceal the distortions of emphasis. Invidious comparisons are unnecessary, but it ought to be possible for Congress and the public to weigh the relative importance of development help to the 400 million people of India along with the sums spent on military aid elsewhere.

[From the Washington Post, Apr. 17, 1959]

FUNDS FOR THE DLF

It will doubtless be a temptation for some Senators this morning, as they consider the supplemental foreign economic assistance funds, to aim at some compromise between the $100 million voted by the House and the $225 million requested by the President. This is not the time for a compromise. When the final action is taken on the general supplemental appropriation bill in a House-Senate conference committee, whatever is now recommended by the Senate Appropriations Committee and later voted by the Senate is likely to be further reduced.

Any significant reduction in the budgeted sum would be bound to impair the momentum and the effectiveness of the Development Loan Fund until its regular fiscal 1960 funds are approved. All that the DLF now has available to loan has been obligated. Applications for aid on much-needed projects are on hand for many times the sum which the President himself has requested for the remainder of this year. If this significant and constructive American program

of helping underdeveloped nations toward economic breakthroughs is to do what is expected of it, the real economy lies in equipping it adequately.

[From the Washington Evening Star, Mar. 23, 1959]

POUND-FOOLISH FRUGALITY

President Eisenhower has reacted with justifiable sharpness to the House Appropriations Committee's rejection of his urgent request for $225 million in supplemental money for the Development Loan Fund. The Fund, which he has rightly described as a "vital arm of our foreign policy," has been operating effectively since 1957 as the mutual security program's chief dispenser of economic aid. The aid, extended in the form of long-term loans at low interest rates, has been designed primarily to promote economic progress and higher living standards in underdeveloped countries, and it has been producing good results.

Last year, when the administration sought $700 million to finance this operation, Congress cut the request by $225 million. At the same time, however, it counseled that the President could come back for a supplemental appropriation if the Fund's money should run out before the fiscal year's end on June 30. Well, the money has run out, and Mr. Eisenhower has done as advised, but the House committee, far from giving him what he has asked for, has refused to grant him a single additional penny. As a result, if the refusal is allowed to stand, the Fund will have to stop all lending activities for the next several months—a standstill that could have very serious consequences.

In creating this possibility, the Appropriations Committee has resorted to what the President has described as "irresponsible action"—a form of pennywise-pound-foolish frugality that can weaken our own security. It can do so by cutting off a type of aid (loans, not grants) that many friendly countries urgently need to build up their economies. Not the least reason why such aid is essential, of course, is that it helps to counter the threat of Communist subversion. Mr. Eisenhower's concern is therefore altogether well founded, and we share his hope that the House as a whole will reverse its committee's shortsighted decision.

Mr. Chairman, I think that the main arguments in defense of the Development Loan Fund have been presented. I have tried to explain what we are trying to accomplish, and whom we are trying to help. Finally, without detracting from the nobility and good neighborliness of the Fund, I would like to make just one more point, and make it flatly and emphatically; the people that the Development Loan Fund is designed ultimately to help, are none other than ourselves. We are presented with a threat of such magnitude, that many of us are unable to grasp the concept of what this threat entails, and in order to participate in any rational discussion of the whys and wherefores of the Development Loan Fund, we must understand that threat.

The Soviet Union is doing everything within its power, to extend foreign aid, both economic and military, to the underdeveloped countries of the world. Since I feel it imperative to know the details of what Russia is accomplishing in this area, I insert as my final argument for the Development Loan Fund, a statement prepared by the State Department which illustrates specifically the frightening effectiveness with which the U.S.S.R. is administering its foreign aid program. This statement alone justifies the Development Loan Fund:

CREDITS AND GRANTS EXTENDED BY THE SINO-SOVIET BLOC TO LESS DEVELOPED COUNTRIES OF THE FREE WORLD

The Sino-Soviet bloc began its economic offensive in the free world less developed countries in 1954, but sizable credit agreements were not concluded until 1955. By the end of 1958, the bloc had signed agreements with 18 less developed countries to provide $2.4 billion in credits and grants for economic and military aid. (See table 1.) The U.S.S.R. has been in the forefront of the offensive with $1.6 billion; the European satellites have extended $650 million; and Communist China has agreed to provide about $120 million. Drawings under these aid agreements will in many cases extend over a number of years. At the end of 1958, a little over $900 million in bloc aid had actually been delivered, much of it in the military field.

The increasing tempo of the bloc offensive is indicated by the fact that aid agreements covering approximately $1 billion were concluded in 1958 as compared with about $300 million in the previous year. Some of the larger commitments include: $175 million for various development projects in Egypt plus $100 million for the Aswan Dam, and large additional arms credits; $100 million to Argentina, mainly for developing the petroleum industry; over $225 million to Indonesia under agreements providing for military as well as economic aid; $120 million credit to Iraq for arms; $30 million to Ceylon for various development projects and $10 million for machinery; $21 million to India for a foundry and $11 million for a refinery; $41 million to Yemen largely for transportation projects—and a number of smaller agreements with other countries. As contrasted with new credit extensions, more than $300 million of bloc credits to Yugoslavia were canceled during 1958. In addition to aid to the free world there also has been a substantial amount of intrabloc aid; credits, grants, and property transfers have been on the order of $6 to $7 billion.

The United States has provided aid to the less developed countries of the free world from a variety of different sources, through governmental and private agencies and also through international agencies, particularly the IBRD and the U.N. For the purposes of this summary, however, U.S. aid totals include the official credits and grants extended on a bilateral basis through the following five principal mechanisms: International Cooperation Administration, Department of Defense (mutual security program), Development Loan Fund, Public Law 480, and Export-Import Bank (long-term loans).

In the 10-year period from 1948 through 1958, the United States provided from these five main sources about $25 billion in economic and military assistance to some 55 less developed countries of the free world. Of this total, economic assistance amounted to about $16 billion.

Since mid-1955, the United States has extended $4.4 billion in both economic and military aid to the 18 free world less developed countries which have accepted bloc assistance, as compared with the $2.4 billion extended by the bloc during roughly the same period; $3.3 billion has been in economic aid from the United States as compared with $1.6 billion in economic aid from the Communist bloc.

Table 2 shows a rough comparison of the value of U.S. and Sino-Soviet bloc credits and grants to those countries which have accepted bloc assistance.

The terms under which bloc and U.S. aid are provided differ markedly. An outstanding difference lies in the fact that practically all bloc aid has been in credit form while a high proportion of U.S. aid has consisted of grants, although the recent trend has been toward putting more U.S. economic aid on a loan basis. Soviet credits carry interest of 2.0 to 2.5 percent; satellite countries ordinarily charge 3.0 to 4.0 percent, although sometimes their rate is higher. Recent U.S. interest rates have ranged from about 3.5 to 6.0 percent. However, the United States generally allows a longer time for repayment, as much as 40 years, while Soviet credits seldom exceed 12 years, and satellite credits are often for even shorter periods. Most bloc agreements provide for at least partial repayment in commodities, with annual negotiations to determine the type, amounts, and prices of goods which the bloc will accept. A substantial proportion of U.S. loans have required payment in dollars although an increasing number now permit repayment in local currencies.

A feature of the Soviet campaign which has had great appeal is the apparent willingness to provide types of projects which a less developed country wants without requiring economic justification for the project or attempting to secure governmental reforms of various economic policies. Nor does the bloc appear to require the various accounting checks which are involved in U.S. programs. The bloc makes credit commitments which can extend over several years into the future; the United States has less flexibility in its planning. Bloc assistance, however, is virtually all tied to the use of bloc goods and services while most U.S. assistance is used by the recipient for procurement in third countries.

A great deal of emphasis has been given in Soviet propaganda to the fact that its aid is free of all strings. This may be technically correct in the sense that military as well as economic credits have not involved joining any alliance with the bloc and there are no known conditions such as contained under the Battle Act. Nevertheless, the postponement of credits to Yugoslavia in the wake of political and ideological controversy with the U.S.S.R., and the pressure brought to bear on Finland indicate that strings can be effectively added. Periodic negotiations involving the form of repayments which the bloc countries will accept offer another potential area for strings to develop.

The following sections summarize the principal bloc activities in extending credits and grants to the less developed countries of the free world.

TABLE 1.—*Sino-Soviet bloc credits and grants extended to free world less developed countries—Jan. 1, 1954–Dec. 31, 1958*

[Commitments in millions of U.S. dollars]

Recipient countries	Total	Economic	Military
Grand total	[1] 2,384	1,602	782
Middle East and Africa:			
Egypt	626	311	315
Ethiopia	2	2	----
Iran	3	3	----
Iraq	120	----	120
Syria	323	195	128
Turkey	13	13	----
Yemen	59	42	17
South and Southeast Asia:			
Afghanistan	159	127	32
Burma	34	34	----
Cambodia	34	34	----
Ceylon	58	58	----
India	304	304	----
Indonesia	364	194	170
Nepal	13	13	----
Europe:			
Iceland	5	5	----
Yugoslavia	[2] 163	163	----
Latin America:			
Argentina	102	102	----
Brazil	2	2	----

[1] Total aid by years is as follows: 1954, $11 million; 1955, $339 million; 1956, $718 million; 1957, $287 million; 1958, $1,029 million.

[2] Includes $27 million in an unutilized Soviet credit which is ostensibly outstanding but on which further drawings are unlikely.

TABLE 2.—*Comparison of credits and grants extended to 18 less-developed countries of the free world by Sino-Soviet bloc and by United States*

[Bloc commitments and U.S. obligations and authorizations in millions of U.S. dollars]

	Sino-Soviet bloc,[1] mid-1955 through December 1958	United States [2]	
		Mid-1955 through December 1958	1948 through December 1958
Total economic and military	2,373	4,442	8,628
Total economic only	1,591	[2] 3,304	[2] 6,005
Afghanistan	116	62	101
Argentina	102	285	449
Brazil	2	551	1,108
Burma	34	58	79
Cambodia	34	125	164
Ceylon	58	32	38
Egypt	311	22	123
Ethiopia	2	45	54
Iceland	5	17	55
India	304	954	1,312
Indonesia	194	143	258
Iran	3	153	397
Iraq	0	10	18
Nepal	13	14	19
Syria	195	----	1
Turkey	13	431	909
Yemen	42	----	----
Yugoslavia	[3] 163	402	920

[1] The bloc aid figures include about $120 million of credits extended in the first half of 1955. They exclude about $11 million in credit extended to Afghanistan in 1954.

[2] Includes grants and credits from (1) ICA obligations; (2) DLF loan agreements signed; (3) Eximbank loans authorized; and (4) Public Law 480 funds earmarked under title I, authorizations under title II, and shipments authorized under title III.

[3] See footnote 2 of preceding table.

AFGHANISTAN

Afghanistan was the initial target in the economic offensive of the Soviet bloc, and some observers believe that it is intended to be a showpiece or prototype of bloc negotiation. While Afghan officials are confident of their ability to maintain a neutral position between the bloc and the West, the development plans of Afghanistan have come to hinge to an important extent upon bloc support, and this is likely to have a significant impact.

The U.S.S.R. initiated its economic offensive in Afghanistan in 1954 with a credit of $3.5 million for the construction of two wheat silos, a flour mill, and a modern bakery to supply the bread requirements of about 50,000 people. These were completed in 1957. The credit is repayable in 5 years beginning in 1957 at 3-percent interest. Two additional loans of relatively small amount followed: $2.1 million for the production of asphalt and the paving of Kabul's streets, and about $1 million for the construction of petroleum storage tanks.

A Soviet credit of $100 million was announced dramatically in 1955 during the visit of Khrushchev and Bulganin. No repayment is required until 1964, when annual installments at 2-percent interest are to begin for a period of 22 years. Repayment is to be made with Afghan exports.

Some difficulties have been encountered in the implementation of the $100 million credit. Several projects that had been considered were subsequently canceled or postponed as impractical. Soviet estimates of costs sometimes have exceeded similar estimates by Western firms, causing concern to the Afghan Government. To offset Afghan complaints about the high cost even of surveys, the U.S.S.R. offered in June 1958 to make free surveys for all projects which had not already been started. Perhaps one of the greatest difficulties in the implementation of projects is the shortage of Afghan funds available for local costs. These include building materials that are available locally, wages of Afghan laborers, freight charges from the border to the project site, and support costs for Soviet personnel. In July 1958, the U.S.S.R. offered to supply under the agreement goods for sale in Afghanistan to generate proceeds for local currency costs of at least one large project. The proceeds from the sale of the 40,000 tons of wheat which the U.S.S.R. agreed to provide Afghanistan on a grant basis in January 1959 should also help ease the strain of Afghan internal finances.

Projects once considered under the $100 million loan but later postponed or canceled include a testing laboratory, fertilizer plant, vehicle repair shops, a river navigation project, and three irrigation dams. The reasons for postponement or cancellation are not clear, but they apparently include doubt as to the utility of the projects and hesitation or inability on the part of Afghanistan to commit funds for local costs.

Projects for which construction contracts have been signed or are likely to be signed include the Bagram and Kabul airfields, the Darunta irrigation scheme, the Pul-i-Khumri hydroelectric plant, and Jangalak metals shop and automotive repair facility, and the Salang tunnel and road. In addition, the development of the Oxus river port of Qizil Qala appears to be under consideration.

Bagram airfield, which is essentially a military facility, is viewed by some as an outstanding example of Soviet activity. The preliminary survey was made in 1956, the engineering survey in 1957, and construction began in 1958. The airfield is expected to be fully operational in 1959, at a cost of about $7.5 million.

The Darunta irrigation project is to consist of a dam 15 meters high and canals 45 miles in length to irrigate 50,000 to 90,000 acres. A powerplant of 11,000 kilowatts is included to operate electric pumps. The preliminary survey was completed in late 1957 and construction is expected to be completed by 1962 at a cost of about $23.5 million plus local costs.

The preliminary survey for the Pul-i-Khumri hydroelectric plant was completed in 1957 and the engineering survey early in 1958. The plant is to supply 9,000 kilowatts for the Pul-i-Khumri industrial complex and the Karkar coal mines. It is expected to be completed by the end of 1960 at a cost of $4.1 million plus local costs in the vicinity of $1 million.

A contract for the purchase of machinery for the Jangalak metals shop and repair facility was signed in December 1957, following a decision to use the Soviet credit rather than seek U.S. funds for this project. About 50 Soviet technicians have been engaged for periods up to 18 months to carry out the work at Jangalak. The cost is estimated at about $1.6 million plus several hundred thousand dollars in local currency.

The Salang Pass is one of the highest in Afghanistan. After rejecting Soviet suggestions for a road over the pass and a short high-level tunnel, the Afghans accepted Soviet designs for a low-level tunnel similar to one that earlier had been proposed by a West German firm. The preliminary survey was made in 1956 and an engineering survey in 1957. Construction was begun in 1958. It is not known how long the work will require. The estimated cost of the project will be at least $12 million plus about $2 million in local currency.

A contract for the construction of the Naghlu hydroelectric project has been delayed. A team of about 50 Soviet technicians spent 14 months on a preliminary survey completed in 1957. This resulted in a proposal to build a 30,000 to 40,000 kilowatt power station at a cost of $20 million plus 320 million afghanis (from $5 to $15 million depending upon exchange rate used). The Soviets later suggested a 60,000 kilowatt station. Prior to the departure of the Afghan Prime Minister for the United States in June 1958, the Soviets offered to build the Naghlu plant for $10 million plus 240 million afghanis, and in answer to Afghan objections that sufficient afghanis were not available, offered to send goods to Afghanistan chargeable to the $100 million credit in sufficient quantity to permit the Afghan Government to realize the local currency costs through sale of these goods. Although the Afghans have reportedly agreed in principle to this offer, revised plans have not yet been completed and a construction contract remains to be signed.

About $2 million has reportedly been earmarked for development at the Oxus port of Qizil Qala. According to the most recent information, the U.S.S.R. will provide assistance in 1959 for the development of Kabul airport but the extent of the project is not known.

In addition to the $100 million credit, an agreement was reached in July 1957 for a $15 million loan for petroleum exploration in northern Afghanistan. The loan has been described as unconditional and repayable in 15 years. Further details are not yet known. Under the loan the U.S.S.R. is to supply the necessary equipment and several hundred bloc technicians. If the search for oil proves successful, any remaining part of the loan may be used for the construction of a refinery. In mid-1958 an agreement was concluded for the aerial surveying of northern Afghanistan. Terms are not known.

In 1954, a credit of $5 million was extended to Afghanistan by Czechoslovakia. This credit was to be repayable, in Afghan goods, at 3 percent interest over a 5-year period beginning in 1957. Numerous difficulties have been encountered by the Czechs in the implementation of the credit. In addition to supplying some machinery and a few experts for the coal mines at Karkar and Ishpushta, the Czech credit has thus far been used mainly for the construction of a cement plant with a daily capacity of 100 tons at Jabal-us-Seraj. The portion to be financed by the Czechs amounted to a contract price of $1.3 million, but the Czechs claim to have lost money and have asked the Afghans to make up the difference which has been refused. The Czechs have offered to supply machinery and equipment for another cement factory at Pul-i-Khumri and for a fruit cannery, a cheese factory, and two cottonseed oil factories.

In addition to these credits for economic and technical assistance, the U.S.S.R. and Czechoslovakia have extended military credits in excess of $30 million for the purchase of arms. These credits are reported to be repayable at 2 percent interest in eight annual installments beginning in 1957 and are believed to have been in large part utilized. Under Soviet guidance and assistance, the Afghan army is being modernized and expanded, and performance in this respect has apparently been satisfactory.

In conclusion, it appears that Soviet-Afghan negotiations in aid matters have been characterized by hard bargaining on the part of the Afghans and by a calculated effort on the part of the Soviets to give an impression of being reasonable. The Afghans are apparently content with the rate and manner of project implementation and with the success that they have enjoyed in extracting price and other minor concessions from their Soviet partners. The Soviets appear to be equally content with the extent to which they have ingratiated themselves into Afghan affairs, and have expressed an interest in extending further economic aid to Afghanistan. It is likely that this relationship will continue during the foreseeable future, and that the vulnerability of Afghanistan to Soviet penetration will continue to increase.

ARGENTINA

Argentine economic relations with the bloc expanded sharply in 1958 after a compara-

tive lull in the 2-year period following the downfall of Perón. The Argentine Government, beset by continuing problems of economic rehabilitation, exchange difficulties, and the need to placate nationalist opposition to foreign private participation in Argentine petroleum resource development, turned to the bloc for needed raw materials, especially fuels, and capital goods, including Soviet oilfield equipment.

In October Argentina signed an agreement with the U.S.S.R. for a $100 million credit, the largest bloc credit extended in Latin America. The credit is earmarked for Argentine Government purchase of petroleum industry equipment including electrical machinery and equipment, exploration and drilling equipment (including turbodrills), seismograph equipment, motor vehicle transport equipment, pumps, and compressors. The credit is to be utilized within 3 years of notification. Repayment will not start until 3 years after the date of first delivery and is to be completed in seven annual installments through shipment of Argentine exports. Interest will be charged from the date of each shipment of Soviet goods at 2.5 percent per annum. Initial contracts reportedly valued at $32 million have been signed to date. Argentine deliveries will probably include wool, hides, and quebracho extract and other products to be agreed upon by the two parties.

Czech engineers are presently installing a coal washing plant at the state-owned Río Turbio coal mines under a $2.1 million Czech credit. Agreement on this project was reached in July 1955 and the equipment arrived in early 1957 although construction did not start until October 1957. The plant is scheduled to begin operations in October 1959. Repayment of this credit will be 75 percent complete when the project goes into operation, with the remainder to be paid by 1961, so in effect this is a commercial type credit although with more liberal terms than generally available.

Installed electric generating capacity at Río Turbio will be significantly increased upon installation of two Czech turbogenerators of 6,000-kilowatt capacity each which were purchased in July 1958 for $2 million on deferred payment terms up to 1963. Balances due after delivery will bear 6 percent interest. Delivery is scheduled within 19 months, while installation under the supervision of Czech technicians is expected to require 13 months more.

BRAZIL

Rumors of large scale bloc credit and barter offers were heard in Brazil throughout 1958. Brazil's interest in expanded economic relations with the bloc stems from its continuing economic difficulties and the search for new markets for its exports, particularly coffee, which is in world oversupply. There is no clear evidence that any very specific long-term credit offers were made by the bloc during 1958, however.

The largest Brazilian deal with the bloc was a May 1958 contract of the Brazilian Merchant Marine Commission with Poland for the purchase of 14 freighters valued at $24.1 million for use in coastal trade. Brazil is to supply in payment, presumably over a period of several years, certain commodities including 300,000 bags of coffee valued at $15.7 million. Four of the ships are scheduled for delivery by May of 1960.

In April Poland again expressed interest in participating in a Minas Gerais state development program, outlining the terms of a proposal to equip a steel mill in the Para Poeba Valley. The governor reportedly was interested in the offer, but asked the Poles to grant longer payment terms than were offered. The chief of the Polish delegation indicated that the project was too expensive for Poland to finance but stated that financing could be obtained from the U.S.S.R.

BURMA

The Sino-Soviet bloc has participated in Burma in economic development and technical assistance projects involving estimated foreign exchange costs of $34 million. However, a shortage of funds to finance local currency costs of projects has continued to restrain Burma from completing negotiations on pending bloc loans of $13.7 million. Financial problems have also forced the government to postpone three of the six previously agreed projects for which the USSR was to provide an estimated $30 million worth of machinery, equipment, and technical services. Under the original 1956 agreement Burma was to make shipments of rice over an extended period of years in return for the Soviet contribution to these projects, which had been offered as a gift. It now appears, however, that the Burmese Government will terminate the projects if any repayment is involved and there is some question as to whether work will continue unless the USSR is willing to finance not only the import component but local costs as well. Progress on construction of a technological institute, hotel, and hospital has proceeded at quite a satisfactory rate to date.

The U.S.S.R. also offered a credit of $4 million for two irrigation projects and $3 million for a farm implement factory, the former repayable in 12 years and the latter in 5 years. The interest rate on both was 2.5 percent. Soviet technicians prepared preliminary surveys for these projects, but their offers of credit are not expected to be accepted in view of the current Government's announced preference for grant rather than loan assistance.

Communist China completed construction of an addition to a government-owned cotton mill, which is considered a great success by the Burmese. Credit was not involved originally, but payment arrangements now appear to involve shipment of rice over an unknown period of time and possibly some convertible sterling. An offer of $4.2 million in credit for a new mill, repayable in rice at 2.5-percent interest, was accepted in principle but actual implementation appears to have been postponed indefinitely.

CAMBODIA

Cambodia accepted a grant of $22.4 million in 1956 from Communist China. In 1958 an additional grant of $5.6 million was provided to finance such projects as a small iron and steel works and exploration for underground fuel resources, but a Communist Chinese offer of military assistance was turned down. Utilization of the basic 1956 grant—allocated mainly for three factories to produce plywood, textiles, and paper—is far behind schedule, but this has been less apparent to the public than the progress made on several conspicuous bloc construction projects, notably buildings for the Ministry of Plans and the Government radio station.

All secondary buildings for a 500-bed Soviet gift hospital are due for completion in early 1959. A U.S.S.R. loan offer of $12.5 million to develop state enterprises over a period of 5 years was not accepted but remains open for future consideration. The terms of this offer include Soviet willingness to forego interest charges, and repayment starting after 20 years would be made over a period of 20 years in commodities. Local currency would be raised by the sale of Soviet-financed imports which, except for machinery, could be purchased from nonbloc sources. Both the U.S.S.R. and Communist China have made well-publicized gifts to the youth of Cambodia in recent months.

CEYLON

Ceylon, along with other Asian nations, is the target of bloc interest and Colombo has signed agreements with bloc countries under which a total of $58 million in economic assistance will be provided.

Under a 1956 economic cooperation agreement with Czechoslovakia, a $3.2 million contract was signed in 1958 for construction and equipment of a sugar factory, on which work is now under way. The Czech contracting firm has had serious differences with a Ceylonese subcontractor which led to litigation. Terms require 50 percent payment by the time of satisfactory installation of plant and machinery, with the balance due in semiannual installments over 4 years commencing 1 year after the last payment on presentation of shipping documents. Interest is at 3 percent. There appears to be an understanding that Czechoslovakia will buy enough Ceylonese products to cover repayment but this is not guaranteed and any shortfall is to be made up in convertible exchange. No reports are available on a workshop offered in 1956 as a grant to facilitate the bus nationalization program.

Ceylon is also receiving a grant of $15.8 million from Communist China to be utilized during the 5 years, 1958–62. Part of the aid will take the form of deliveries of consumer goods to be sold in Ceylon and the proceeds used for a rubber replanting program. In addition, Communist Chinese engineers have been in Ceylon and Ceylonese engineers have visited Red China to do preliminary work on a proferred textile factory. This grant replaces a former arrangement under which Ceylon was given assistance in the form of premium prices on its rubber exports to Communist China. Peiping is also extending a $10.5 million credit to be drawn down in 4 years. The amount of the annual drawings and the kind and amount of goods to be furnished by Peiping is to be decided by a joint committee appointed by the two Governments. Some meetings have already been held. This carries interest of 2.5 percent and is repayable in commodities or foreign exchange over 10 years beginning in 1961.

Under an aid agreement of February 1958, the U.S.S.R. will provide $30 million credit in equipment and technical assistance over a 5-year period for economic development. Terms of the Soviet credit follow the common pattern: 2.5 percent interest, repayment over 12 years beginning 1 year after delivery of goods, with annual negotiations to determine the portion of each installment which will be accepted in commodities and the amount to be paid in convertible exchange. Sixteen projects were originally contemplated, but implementation has been delayed by the fact that Ceylonese planning has not been sufficiently advanced to permit agreement on projects. A contract has been signed for jungle clearance and land development in conjunction with the sugar refinery the Czechs will construct at Kantalai. Machinery deliveries from the U.S.S.R. were delayed as a result of temporary misunderstandings on the type and financing of the equipment, but clearance work is now in progress. Soviet personnel have impressed the Ceylonese as hard working but there have been some complaints about the equipment. Negotiations are under way for a tire and tube factory. A contract was signed in January 1959 for the construction of a small steel rolling mill costing about $10 million. Soviet engineers have completed a survey, and design work is under way in the U.S.S.R. for a dam and irrigation project on which preliminary agreement has been reached. There are also reports that laboratory equipment is en route to Ceylon for a project in science education although no contract has been signed covering such assistance. Little or no progress has been made so far on the other projects originally under consideration.

ICELAND

Iceland has two credit agreements with bloc countries totaling about $4.6 million.

The first, made in 1956 with Czechoslovakia, covered $1.9 million worth of generating equipment delivered in 1957–58 for three small hydroelectric stations, which are now in operation. The equipment is considered adequate but not as sturdily built as Western models. Terms of the sale involved 10 percent down and another 10 percent on delivery; payment on the credit portion will be made in fish products between 1959 and 1963.

Contracts were signed in 1957 with East Germany for 12 ships (250-ton fishing vessels) valued at $3.2 million. Half of this amount had to be paid by time of delivery with the remainder due within 2 years thereafter. Three vessels have arrived and nine are expected by the end of 1959. Half of the cost of the vessels has reportedly been paid. Since Iceland was anxious to convert this agreement to a longer term credit, the U.S.S.R. agreed in August to refinancing over a 12-year period by increasing the overdraft facility under its clearing agreement with Iceland to $3.1 million. Interest will be charged at 2.5 percent. Payments will be made in fish products. Reportedly none of this credit has been drawn down as yet.

INDIA

The first major thrust of the Soviet economic campaign occurred with the offer of a steel mill to India in 1954. Since that time bloc credits have grown to $304 million, of which 40 percent had been utilized by the end of 1958. The bloc performance has in general made a favorable impression on the Indians. Nevertheless, the Government is wary of the political implications of expanding bloc assistance further and favors Western aid to meet its serious problems of financing imports required for the current 5-year plan.

The major bloc project in India is a steel plant of 1-million-ingot-ton capacity under construction at Bhilai with $132 million credit from the U.S.S.R. Interest is charged at 2.5 percent with repayment in convertible rupees to be made in 12 annual installments starting 1 year after each drawdown. Attempts to have the agreement modified so that repayments would not begin until 1 year after completion of all deliveries were apparently not successful. However, the U.S.S.R. seems to have postponed until 1961 at least part of the payments due in 1958 for machinery already delivered. India also requested additional financing for the project but has not yet received it.

Progress at Bhilai has been quite satisfactory to the Indians and relations with the Soviet personnel have proceeded with little friction. The first coke oven battery began operations in October and the first blast furnace was expected to be finished on schedule in early 1959. However, completion of the entire project may be delayed as much as a year beyond the target date of December 1959 since the work of some of the Indian contractors is behind schedule.

In 1957 India accepted another major Soviet credit of $126 million to be drawn upon over a 3-year period beginning in 1959. Terms are similar to those on the steel mill except that repayment is to begin only after completion of all deliveries for a project. Surveys for at least two projects under this credit—a plant to manufacture heavy machinery and a powerplant—are well advanced and some preliminary work appears to have been started on a coal development project, a powerplant, and an optical glass factory.

The Soviets, together with Rumania, have also provided credit and technical assistance for petroleum exploration. Discoveries of natural gas in the Punjab and oil in Bombay in 1958, while still unevaluated, have greatly raised bloc technical prestige in India.

The European satellites have completed or are proceeding with a number of projects in India. Czechoslovakia has completed sugar refineries, a cement plant, and expansion of a powerplant. The largest Czech project, a foundry forge involving deferred payment of $21 million on the machinery and equipment, is in the survey stage. Payment will be made in eight equal installments beginning 2½ years after the signing of the agreement. Ten percent of the payments will be in rupees to be used for purchases of commodities in India. The balance is payable in rupees or convertible currency at Czech option. Interest at 4.5 percent is chargeable 6 months after the arrival of the last consignment. Poland and East Germany have also implemented small credits and Rumania is scheduled to provide on credit equipment worth $11 million for India's first state-owned petroleum refinery. The latter credit is repayable over a 7-year period at 2.5 percent interest in Indian goods or convertible currency.

A number of offers for additional bloc projects are under consideration: from the U.S.S.R. a steel plant, oil refinery, and pharmaceutical plant; from East Germany a raw film plant; from Poland assistance in exploitation of copper resources. Rumania has offered to ship petroleum and accept payment in rupees to be used within India for future petroleum exploration and refinery development.

INDONESIA

In the political and economic crises which beset Indonesia in 1958 the bloc economic offensive accelerated rapidly and credits offered by the bloc and accepted by Indonesia in the economic and military fields now total approximately $364 million.

In February 1958 the Indonesian Parliament ratified the 1956 agreement accepting a $100 million credit at 2½ percent interest from the U.S.S.R. Payment will be made in 12 annual installments in goods or convertible exchange, the types and amounts of goods to be agreed annually; the first payment is due 3 years after each drawing. Even before final acceptance, 10 small freighters were purchased under this line of credit. Subsequently, two tankers and 4 million yards of textiles were delivered. Probably only $15 million of the total credit has been already utilized, but agreement was recently reached on projects which will consume most of the remainder. These include a smelting plant and rolling mill, a fertilizer plant, highways, and two mechanized rice farms.

The U.S.S.R. also offered $10 million for an education project about which little is known. Private interests received $800,000 worth of electrical machinery on credit and machinery was delivered for a glass factory, but this project has encountered problems due to the borrowers' inability to date to arrange the necessary local financing. Although Soviet representatives have advertized their willingness to sell industrial machinery on 5-years' credit at 2.5 percent interest, no acceptances have been reported.

Satellite projects in Indonesia include an East German sugar mill which cost much more than originally planned, was completed far later than scheduled, and broke down on its trial run. Much public criticism has resulted. A tire and rubber goods factory constructed with Czech help was also behind schedule but apparently local factors contributed to the delay and the Indonesians are satisfied with the project. In addition, Czechoslovakia is supplying $7 million in tractors and machinery and $5 million in electric generating equipment on 5-year credit at 4-percent interest. A downpayment of 25 percent by time of shipment was required. The other major nonmilitary aid involves a credit from Poland for $39 million in ships which will be delivered between 1959 and 1962. There appears to be some doubt, however, that this contract will be fulfilled. This credit carries 5-percent interest and will be repaid over a period of 13 years. Negotiations for a possible $5 million Polish credit for shipyard construction were in progress at the end of the year.

Communist China has delivered rice and textiles under an $11.2 million credit repayable in 10 years at 2½-percent interest. In 1956 arrangements were made for funding the Indonesian trade deficit with Communist China, making it repayable over several years. Negotiations for a textile mill to be supplied on credit have been in process since early 1958. Peiping announced in October 1958 that it would extend additional aid.

The European bloc has also delivered substantial amounts of military equipment to Indonesia under credit arrangements. Most of this material is at least nominally being supplied by the satellites. It includes a wide range of items for sea, air, and land operations.

Indonesia appears to be generally satisfied with bloc performance on the various commitments—with the outstanding exception of the East German sugar mill. However, some dissatisfaction has arisen with the quality of Soviet textiles; Soviet ships had to be modified extensively for tropical conditions; and jeeps from the U.S.S.R. had unsatisfactory windshields. In addition to this type of complaint, there is also in Indonesia a substantial body of opinion which recognizes the dangers inherent in the growing Soviet economic ties and opposes their expansion except as a matter of last resort.

IRAQ

Following the July 14 coup d'etat in Iraq with the accompanying change in the political orientation of the Government, the Soviet bloc countries made a number of overtures aimed at strengthening their economic relations with the new regime. The high point of this campaign was the purchase by Iraq, reportedly on extended credit terms, of substantial quantities of Soviet arms. It is reported that several deliveries of these arms have already been made to Iraq. While some bloc credits may be extended for development purposes, technical assistance appears to be Iraq's priority need at this time, and the bloc will probably seek to exploit this opportunity.

NEPAL

Bloc assistance to Nepal thus far consists of a Chinese grant of $12.6 million, $4 million of which has been drawn in Indian rupees. The remainder, to be delivered in 1959–60, will consist of Communist Chinese machinery and equipment reportedly for cement, pulp, and paper plants. This machinery will be assembled by Indian technicians.

During the visit of the King to Moscow in June 1958, Nepal agreed, in general terms, to accept Soviet aid. At the end of the year, the U.S.S.R. reportedly offered a credit of $7.5 million for development of highways and civil aviation, a hydroelectric plant, sawmill, and salt factory. Proposed terms involve 2.5 percent interest with principal repayable over 12 years in convertible currency. A hospital has also been proposed by Moscow, but no information is available on the financial terms. The Soviet economic campaign in Nepal will probably be intensified with the forthcoming visit of the President of the U.S.S.R. to Nepal, since he is being preceded by a large economic delegation.

TURKEY

In 1955 Turkish-bloc postwar economic relations entered a new phase when Turkey accepted a $5 million credit from the U.S.S.R. This was closely related to Turkey's economic difficulties stemming from domestic inflation and the resulting shortage of foreign exchange. In July 1957 Turkey accepted a 3-year Soviet credit for the

construction of a flat-glass factory and reached agreement in principle for a Soviet-financed caustic soda plant. The glass factory will be financed under a $3 million credit at 2.5 percent.

In February 1958, a Turkish bank signed a contract with the U.S.S.R. for the purchase of construction equipment valued at $2 million with payment to extend over a 3-year period. In September, the Government-owned Turkish Sumerbank signed a $10.5 million contract with the U.S.S.R. for the installation of three textile factories. Government approval is necessary, however, and a final decision is still pending. The U.S.S.R. reportedly will not require a downpayment and offered liberal credit terms: the first payment will be due in 3 months after delivery in 1959; the balance is to be paid at 3.75 percent interest over an unspecified period.

After a prolonged delay, a site for the Soviet glass factory was selected and construction materials began to arrive from the Soviet Union during the summer of 1958.

A large part of Turkish imports of capital goods from the bloc is paid for through clearing agreements and may sometimes involve medium term credits. Among these imports are railway cars, a textile plant, a diesel engine factory, a porcelain plant, and shoe machinery from Czechoslovakia; $11 million of textile machinery from East Germany; and a powerplant and vegetable oil factory from Hungary.

THE UNITED ARAB REPUBLIC

Both Syria and Egypt have been major targets of the bloc's economic offensive since 1955. In that year the Soviet bloc seized upon the opportunity offered by Egypt's difficulty in marketing its cotton in the West and its desire for arms. In September 1955 Egypt concluded a $250 million arms deal with Czechoslovakia, mainly on credit, the latter probably acting for the U.S.S.R. The consummation of this agreement was facilitated by the fact that according to its terms Egypt could repay over a period of years either in cotton or foreign exchange.

Syria signed its first military aid agreement with Czechoslovakia for the purchase of $50 million worth of arms in May of 1956 and another with the U.S.S.R. in November 1956. Economic collaboration with the U.S.S.R. did not begin on a major scale, however, until the October 1957 agreement extending up to $168 million in credit to finance the cost of equipment and technicians for 19 major projects.

Economic relations between the U.A.R. and the bloc remained at a high level through 1958. At the end of the year Egypt had received an estimated minimum total of $626 million in bloc credits, of which about two thirds has been obligated and over 40 percent, mostly arms, had been drawn. Syria had received a minimum total of $322 million in bloc credits, of which almost half had been obligated and about 45 percent drawn, again largely military credits.

(*a*) *Egypt*

Egypt began large scale economic collaboration with the U.S.S.R. in January 1958 with the signing of an agreement for a $175 million Soviet line of credit. The credits are to be repaid partly in Egyptian cotton and other agricultural products and partly in convertible currency over a 12-year period at 2.5 percent interest. Repayments are to begin 1 year after the plants are in operation. Prices of equipment to be delivered are reportedly in line with world prices.

Annex I of the agreement covers 40 specific projects agreed upon by Soviet and Egyptian authorities. These include geological research and mining, petroleum research and refinery operations, equipment for metallurgical and engineering industries, three textile plants, and other manufacturing enterprises. Annex II lists 25 other projects as potential areas of cooperation.

Contracts for surveys of all projects under the $175 million agreement, have now been signed. Implementation of the agreement gained momentum during the second half of 1958. Most projects were still in the survey stage but the groundwork was laid for more tangible progress in 1959.

The first consignment of capital goods under the agreement arrived in Alexandria in December and additional shiploads were expected soon thereafter. Contracts signed include textile factories, petroleum processing plants, and iron works. In October the U.A.R. Minister of Industry announced that 72 Soviet experts had arrived in Egypt over a period of several months to undertake final work on Egypt's 5-year industrialization plan and that Soviet-administered technical centers will be set up in Egypt early in 1959.

The highlight of Soviet relations with Egypt in the latter part of 1958 was the Soviet offer in October to provide a credit of $100 million for the construction of the first stage of the Aswan High Dam which Egypt accepted in December. The first stage relates chiefly to the construction of cofferdams and diversionary tunnels and will permit a substantial part of the 1.3 million acres that will ultimately benefit from the dam to be brought under cultivation. The U.S.S.R. will extend credit to the amount of $100 million to cover the cost of machinery and equipment as well as a portion of the expenses of Soviet experts; it is Egypt's responsibility to finance the local costs which may be as high as $200 million over the next 4 or 5 years. The first stage will begin immediately after the flood season in October 1959.

The U.A.R. is to repay the credit in 12 annual installments beginning in 1964. Interest at the rate of 2.5 percent per annum will accrue from the time each part of the credit is drawn upon. The rate of exchange will be calculated on the basis of the gold parity of the ruble and the Egyptian pound on the day repayments are made. Repayments will be credited to a Soviet account in the National Bank of Egypt and may be used for the purchase of goods in the Egyptian region in accordance with the existing trade and payments agreement.

The U.A.R. will establish a special organization to manage the project and supervise contractors, using Soviet equipment exclusively. Soviet organizations will be responsible for the technical aspects and proper implementation according to a timetable to be mutually agreed upon. The extent of Soviet responsibility for overall execution of the project is still not clear, however.

In August East Germany extended the U.A.R. a credit of $21.5 million for Egypt's industrialization plan to be used in implementing 20 industrial projects in Egypt. Repayment is to begin 1 year after the receipt of the capital goods and will extend over a period of 12 years. Interest will be at the rate of 2.5 percent per annum. In late 1958 East Germany and Egypt reached an agreement for the purchase on credit by the Bank Misr of Egypt of 100,000 spindles for the production of fine textiles at a cost of $8.6 million. Repayment is to be made over a period of 7 years at 2.5 percent interest. A ceramics factory financed under a $1.2 million Czech credit of 1956 may have been completed during 1958.

(*b*) *Syria*

During 1958 the U.A.R. did not sign any new economic agreements with bloc countries concerning the Syrian sector with the exception of another arms agreement with the U.S.S.R. in early 1958. Major bloc economic activity in Syria involved the implementation of the Syro-Soviet agreement of October 1957. It is estimated that if all projects listed in the agreement were to be carried through, it would require a Soviet credit of $168 million to pay the foreign exchange costs. There is serious doubt, however, whether Syria could cover the local costs of all these undertakings.

According to the agreement, Soviet aid will consist of a line of credit in rubles, as well as technical assistance. The credit will be available over a period of 7 years and is to be used by Syria to pay for technical services and capital equipment from the bloc. The interest rate has been set at 2.5 percent per year and will be calculated for each part of the credit from the date of its use. The U.S.S.R. will accept repayment either in goods or in convertible currency, and it is to be made in 12 annual installments for each portion of the credit, beginning after all machinery for a given project has been delivered.

Soviet technicians were active in Syria during 1958 completing studies on various projects listed in the agreement. Geological experts have been exploring Syria's mineral potential including petroleum, while other experts have recently completed studies related to projected irrigation and hydroelectric undertakings in the Euphrates, Orontes, and Al-Khabur Rivers. More tangible progress is expected in coming months.

In early December, it was announced that implementation of the railway network project will commence in June 1959. This project includes a 750 kilometer line from Al-Qamishli in northeast Syria to the port of Latakia and a 175 kilometer line connecting Damascus with Homs, with an overall estimated cost of $140 million. These rail lines would greatly facilitate the marketing of Syrian agricultural commodities.

Other Soviet bloc countries appear to be joining with the U.S.S.R. in implementing this economic agreement. In August it was reported that the Syrian Development Board had accepted a Bulgarian offer to build the Ar-Rastan Dam, an important component of the Ghab reclamation project. The project will cost $8.65 million and is to be completed within 28 months. It appears likely that the same Bulgarian firm will get the contracts for two other dams in the Ghab project. All three dams are listed in the Syro-Soviet economic agreement. In December both Hungary and Bulgaria expressed their willingness to offer technical and engineering assistance to Syria in carrying out industrial projects.

A Czechoslovak firm made satisfactory progress in the construction of an oil refinery at Homs which is scheduled to be completed in July 1959. This refinery is being built under a $11.3 million credit agreed upon in March 1957. Interest is at 3 percent; 60 percent of the credit is to be repaid at specific times during construction and the remainder over a period of 7 years after completion; repayment is to be in local currency and convertible sterling.

Other Soviet bloc projects are generally proceeding on schedule. In addition to the refinery, the Czechs are also contructing two cement plants and three sugar refineries. The East Germans are providing textile mills, a cement plant, and a shoe factory. Bulgaria is building a grain silo in Latakia, an airfield, and military barracks. It is also engaged in port development work. Several of these projects are believed to have been completed.

YEMEN

Bloc assistance to Yemen began in 1956 with an arms deal calculated to increase Soviet influence in this strategically located country and in hopes of aggravating the border tension between Yemen and the British administered Aden protectorate. Artillery, small arms, ammunition, and aircraft have been furnished at very low prices and a number of bloc technicians have arrived in connection with this agreement.

Credit of $15–$20 million, at least nominally from Czechoslovakia, is involved.

Yemen is also receiving credit of $41 million from the bloc for a number of economic development projects. The U.S.S.R. is providing credit of $25 million to be utilized over a 5-year period. It is repayable in 15 years at 2.5 percent interest. Dredging of an entrance channel and deepening of the harbor at Hudeydah is under way and a runway is being built for a new airport north of Sana'a. Work on gasoline storage tanks and various public works may follow but no agreement is known to have been reached. Progress has been fairly slow due at least in part to Yemen's difficulties in providing the necessary local financing. The U.S.S.R. also reportedly offered grant aid in the fields of sanitation, power and irrigation, and mineral exploration. A geological survey was carried out by Soviet personnel in 1958. A number of technicans from the European satellites have been in Yemen working on highway, communications and light industrial projects but the terms under which such projects are being provided are not clearly known. The U.S.S.R., Czechoslovakia, and East Germany have also had medical personnel in Yemen.

Communist China has extended a $16.3 million interest-free loan repayable in Swiss francs, sterling, or Yemeni commodities. Repayment in 10 annual installments is to begin 1 month after the completion of individual projects. Project agreements have been worked out for a highway, textile mill, a fish cannery, glass factory, tannery, and cement plant. Technical personnel have been in Yemen for several months in connection with all these projects and the first shipment of construction material was expected by early 1959.

YUGOSLAVIA

At the high point of Yugoslavia's cordial relations with the Sino-Soviet bloc following Bulganin's and Khrushchev's visit of June 1955 which initiated an economic as well as political rapprochement, Yugoslavia had accepted a total of $464 million in economic credits. All the credits had a 10-year repayment period and bore 2 percent interest.

As a result of the bitter ideological controversy of early 1958, the U.S.S.R. suspended the remainder of a $110 million Soviet investment credit earmarked for a thermoelectric power station, fertilizer factories, dredging equipment and mining improvements as well as the $175 million joint Soviet-East German credit of August 1956 for the construction of an aluminum combine. Yugoslavia had been able to utilize only a small portion of these credits. Work had already started on one fertilizer factory and on the coal-mining combine. Little progress had been made, however, on the huge aluminum combine in Montenegro under the $175 million credit.

The installation of a nuclear reactor at the Yugoslav research institute near Belgrade, a Soviet project which was not canceled, was reported to be almost completed at the end of 1958.

The Yugoslav Foreign Office announced in December 1958 that due to Czech obstructionism Yugoslavia had been able to conclude only $15 million of contracts under a $50 million Czech capital goods credit and only $3 million under a $25 million consumer goods credit. Both were extended in 1956. The Foreign Office indicated that it was unlikely that any further transactions would be accomplished under the credits before they expired December 31, 1958. The $20 million industrial equipment credit extended by Poland reportedly was fully utilized as was the $30 million Soviet gold credit. The only bloc credit ostensibly outstanding at the close of 1958 was $27 million of a $54 million Soviet raw material credit and it seems extremely unlikely that the U.S.S.R. will allow any further drawings.

Mr. Chairman, surely after reading this impressive record of the Sino-Soviet bloc economic aid program, no reasonable citizen of the United States can remain complacent to an already successfully implemented program of economic penetration. This is war. War on a broad front to dominate commerce and international trade. We can and we must meet this challenge and it must not be too little and too late.

Mr. CHIPERFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, I was privileged this noon to attend the National Press Club luncheon, at which Walter S. Robertson, who is retiring as Assistant Secretary of State for Far Eastern Affairs, was the speaker.

Mr. Robertson did not specifically address himself to the mutual security program, but there are two brief quotations from his remarks that I think we need to consider today. No one is better qualified to speak on our long-range Far Eastern policy than he.

These are the quotations:

We, for our part, help free Far Eastern nations because we understand and sympathize with their desires for economic progress and political freedom. We and other free countries benefit from their advancement. We know that our failure to help them adequately in these critical years would mean the disappearance of free, independent governments in the Far East and probably the eventual loss of a free America. Our policy is just that realistic.

The second quotation taken from his remarks is this:

It is easy to give in to one's apprehensions and to become fascinated with one's own mistakes. Yet we must not let our disappointments and frustrations with seemingly insoluble problems take their toll of our long-term efforts and programs in international affairs. To do so could be disastrous. The United States has no reason to be discountenanced by its record in world affairs. It has every reason to be reassured and to carry forward resolutely with the task on which it is now embarked.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Chairman, I rise in support of the mutual security bill as offered by our committee. We have spent 11 weeks in hearings, covering 2,000 pages, held 44 meetings, and listened to 90 witnesses. We reached a conclusion and the bill offered here is a product of our conclusion. There was a variety of thinking in the committee but the bill as reported out has the bipartisan support of the members.

It would be extremely easy to inject political considerations into this particular area of legislation. It would, however, be unconscionable. This is not a matter of partisan politics.

For we cannot be unmindful that we stand under the ominous shadow of Geneva. What was supposed to be a thaw in the cold war has developed into a deep freeze as the foreign ministers make one last serious effort to negotiate. Again Khrushchev proves his point that only he speaks for the Communist world, and then seeks to further humilate the Western World by forcing this meeting on his terms.

I feel that the mutual aid program is the best solution to the problem of survival for free nations in a world in which there are conflicting ideologies, and men of great power and few scruples who would enslave all humans to achieve total power and domination of the universe.

It is a fact that no single nation today, no matter how powerful and affluent, could protect itself in a major aggression. The history of the last half century is marked not by wars between nations, but by conflicts between groups of nations. There is a continuing struggle between systems and philosophies. Thus, we find those nations which pursue a system of free and democratic government have a common enemy in the bloc of nations which pursue the Communist way of life.

With the tremendous advances in communications and transportation, no nation can any longer live within itself, or by itself. Nations must work and exist in relationships with all other nations.

It is time that we stopped wincing under the grimaces of Khrushchev and stopped contemplating the Communists as giants too fearsome to behold. They are possessed of far greater anxieties, tensions and neuroses than we. It is time to stop talking about the good old days of irresponsibility and to recognize that if they ever existed they have ceased to exist with the emergence of the malignant cancer of communism. We have today obligations and responsibilities. We assumed these when we accepted the moral leadership of the free world. Part of that acceptance of obligation and responsibility is the passage of this mutual security bill. It is a recognition that mutual security is a partnership of the free people in the world who are intent on maintaining that freedom.

Some people blindly ignore the Communist emergence because it cannot be figured within the prescribed precepts of budgetary analysis. Others find it distressing or unpleasant to look upon the Communist cancer and thus accept the cure or preventative as an even greater burden than the disease.

This bill is a preventative against the spread of this malignancy.

It was our hope that greater emphasis could be placed on economic assistance rather than military assistance and this bill reflects that attitude. Nevertheless, both phases of this program are equally important. For if we did not have a military program to secure freedom in the world there would be no forum for economic assistance. Both these pograms are of prime importance.

Let those who are critical of this program reflect that in the search for parochial applause they are sacrificing our national responsibility. This is an area that can win no votes as a district project, but it is an area where we are asked to exercise our political maturity.

So let us not be discouraged by the lack of Russian cooperation in Geneva. Our fate lies in our own hands. It is the destiny of our generation to combat communism. We are not in the twilight of our glorious heritage. We are in the early hours of world ascendency and the will to survive and our honor is being tested.

In the days ahead, we shall have many tests, but if we meet them with vision, with determination and resolution, America will outlast a thousand Khrushchevs.

If we hold the flame of freedom high enough and strong enough, it can never be blown out by the bad breath of Khrushchev or any other dictator.

The political halitosis of communism is not pleasant to experience, but it is not sufficient cause to abandon our position as long as we possess the sweet breath of freedom. We can do our part today in preparing for tomorrow's test by passage of this bill.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield.

Mr. McCORMACK. Mr. Chairman, want to congratulate our colleague, the gentleman from New Jersey, on the able speech he has made. I have watched the gentleman from New Jersey as a new Member of the House of Representatives. He has become a very valuable Member of the House and of the Committee on Foreign Affairs. I have had the opportunity and the pleasure of talking with my friend, the gentleman from New Jersey, on several occasions in connection with this bill while it was pending before his committee, as well as in connection with other matters related to the conduct of our foreign affairs. No new Member, Mr. Chairman, has taken a more active interest in this important field than the gentleman from New Jersey.

Mr. GALLAGHER. I thank our great majority leader, and I shall treasure his words.

Mr. CHIPERFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, as a new Member of Congress, I have listened attentively to the debate on this bill. Moreover, I have studied with some care the report of the Committee on Foreign Affairs. Certainly any measure that involves more than $3,600 million deserves the most careful consideration by every Member of this body. To do less than that would be a disservice to the constituents whom we represent.

I want to call attention at this time to a few features of the bill that have particularly impressed me.

The reduction by $160 million in the military assistance portion of the bill as well as reduction of defense support of $85 million is evidence of our concern in Congress that tighter programing and more careful administration will produce the economic benefits which we seek to accomplish in certain of these nations.

I heartily support the committee's stand in recommending the authorization of the full amount requested by the administration for the technical cooperation programs. These programs, modest is they are in each country, make a strong impact upon the individual citizens of our allies and of friendly nations, in essential fields such as agriculture, public health, and education. This program, which was administered for the Latin American countries by the distinguished Governor of my State, the Honorable Nelson Rockefeller, is one which has had a long and successful history of accomplishments.

Like many other Members, I am concerned with the continued program of Israel. While a specific amount is not mentioned in this bill for any country, I am pleased to note the following language in the committee's report:

> Since 1951 the United States has furnished assistance to Israel in varying amounts according to the estimated needs of that country each year.
>
> Israel still suffers from a deficit trade balance, largely due to resettlement of her population. That trade deficit, which this year will amount to approximately $340 million, has been covered by German reparations, the sale of bonds in other countries, charitable contributions, and in small amount by the U.S. aid program. Israel will be confronted by grave problems in the years ahead when reparations come to an end. Israel is presently in need of hard currency for oil, which she is unable to purchase from her neighbors. Funds are also needed for industrial imports for her economy which is not yet on a self-sustaining basis.
>
> The committee is of the opinion that special assistance to Israel should be continued at the current level in the 1960 fiscal year program. Administration witnesses assured the committee of their willingness to give effect to the committee's views.

I regret that the committee slashed the contingency fund from the $200 million requested by the Executive to $100 million. As the members of the committee themselves have pointed out in floor debate, the purpose of this fund is to take care of unforeseen situations that may arise. Certainly the fluid conditions in the present world should make apparent that this is one area where Executive discretion should be recognized and adequate sums provided.

Finally, I am pleased to note, as the committee itself has pointed out in its report, that there have been a number of substantive changes in the administration of this program, which will reduce waste and inefficiency and thereby reduce unmerited criticism against the overall objectives of the mutual security program. I feel that I can cast my vote for H.R. 7500 without any mental reservations.

Mr. CHIPERFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, after hearing the splendid oration of the gentleman from Minnesota, Dr. JUDD, explaining the motivation and the philosophy behind this program, I feel there is very little more that can be added to what our colleague has said. Nevertheless, I rise in support of the bill, H.R. 7500.

There are those in this country who take pleasure in repeating platitudes and there are those who take pleasure in trying to destroy a great national effort with a derogatory phrase. Whenever I hear someone call our foreign aid program the "great giveaway," I am concerned over that person's knowledge of the facts and of his erudition on the subject.

Eugene Castle, a clever man with a self-appointed mission—namely, to stop the spending program in behalf of other countries—coined the phrase "The Great Giveaway," as the title of his book.

Now there can be no denying that in an enterprise as vast and far-reaching as one comprising several billion dollars, there is bound to be a great deal of waste in material and administration and a great deal of ineptness and bungling in the handling of personnel. In other words, there is much in what Castle says in his book; but despite the waste in our foreign aid program, it has had very little effect on our domestic economy. We are enjoying the greatest prosperity in our history, with the highest gross national product predicted for this year, the highest employment levels in history, and great opulence throughout the land.

If we are to pursue our course of helping our allies and the people of underdeveloped countries, how can anyone suggest a method of retrenchment at this date? The currents of history and the dynamics of our times speak eloquently for a foreign aid program. To curtail it more than we have would be sheer folly and false economy.

Obviously, we are not giving our money away for charitable purposes. Ours is a course of enlightened selfishness. For example, if we were to station our own troops in certain foreign countries, such as Turkey, Vietnam, Laos, or Cambodia, in large numbers, the costs would be overwhelming. We are defending our bastions of strength with native troops in many areas at costs that are infinitesimal when compared with the cost of American troops. A Chinese soldier costs us $350 a year to maintain; a Turkish soldier, $750; an American soldier, $7,000 a year. Let us not deceive ourselves. The foreign aid program is here to stay for some years yet—at least until there is a better climate for peace in the world.

So long as Russia continues its course of ignoring the sanctity of international negotiations, of degrading international protocol, and of subverting weaker nations, our foreign aid program will be a necessity.

Our surplus wheat crop has already cost us $3 billion for storage. And in the farm program the State of Iowa raised approximately $260 million.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DOOLEY. Gladly.

Mr. O'HARA of Illinois. The gentleman mentioned the name of Eugene Castle. While I do not agree with Eugene Castle in some of the things he said, I do want to put in the record that Eugene Castle is a great American and he has a great past. He is my personal friend even though I do not agree with him in some statements he has made.

Mr. DOOLEY. I thank the gentleman and agree with him. I can say that Eugene Castle is my friend, but we do not agree on this particular subject.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, U.S. relations with other nations and peoples must be improved if we are to accomplish that which has been impossible in the past, namely, the establishment of peace. I say that we are going to do this because we know that we must do it. Somehow we will develop more positive policies to promote international justice and international law.

I am going to support this bill because I believe that the committee has made considerable progress in redirecting the course and objectives of the Mutual Security Act. Everyone knows that it is far from what I would like it to be and everyone knows that it will be criticized in the future even if to a lesser degree than in the past.

My additional views as listed in the committee report express a good bit of my thinking and possibly convey the convictions of many of my colleagues as well as the reasoning of increasing millions of Americans who will make their voices heard in the councils of the world. This swelling tide will join with others stirred by the peoples of every land who know that governments were created to serve man not to destroy him. Together, we will establish a new world of peace, of justice, of freedom—a world of brotherhood and progress.

No bill can fully be approved by anyone or everyone. For instance I have the following doubts: Although I would like to see this bill establish greater congressional control over foreign aid and further limit military influence; although this bill overemphasizes military deterrence and underemphasizes American spiritual and moral values; although it has not sufficiently blocked channels of waste and poor planning; although is has not concentrated enough on the positive and on the use of international organizations such as the United Nations; although this bill still pays too much heed to the shadows of negative antagonisms where dwell the forces of might and competition, however, it has turned toward the light of positive actions where live the powers of right and cooperation. And for this reason, I will support it.

I think and hope that we have turned a fateful corner and that further progress can be made in the next few years. I do not say that good amendments from the floor will not improve this bill, but I do say to my colleagues—and particularly to the 40 or so who have jointly explored foreign policy in our discussions—that our efforts should be directed toward the creative and positive. We can profitably recall a quotation from Thomas à Kempis:

> Be not angry that you cannot make others as you wish them to be since you cannot make yourself as you wish to be.

Mr. CHIPERFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, unlike the gentleman from Minnesota [Mr. JUDD], who says that because this is the same bill that we have had here year after year he did not know where to begin his remarks, I do not know where to begin to ask questions about this bill in the 5 minutes that have been allotted to me because there is so much that needs explaining.

I might as well begin with the guarantee fund and ask somebody on the committee to explain what is proposed. How much money is in this bill for the guarantee fund?

Mr. JUDD. This bill as it comes from the committee would increase the authorization for the making of investment guarantees from $500 million to $1 billion.

Mr. GROSS. Is that the provision on page 10 of the bill, which reads subsection (b)(4)(F), striking out $500 million and substituting $1 billion? Is that what that means?

Mr. JUDD. Yes; but that does not involve new money.

Mr. GROSS. Is that what it relates to?

Mr. JUDD. Yes.

Mr. GROSS. Would the Foreign Affairs Committee next year mind putting in line items so that Members may know what is in the bill and the purpose of the spending?

Mr. JUDD. It is all included under the Ramseyer rule. If you will look at the back of the report, you will find the entire Mutual Security Act, so anybody can find exactly the changes in it that are made by this bill.

Mr. GROSS. The Foreign Affairs Committee has kept me busy reading the hearings, and I have not had an opportunity to read all of the report. I suggest again that next year you do us the small favor of putting in line items so we will know what at a glance is proposed. So that is the guarantee fund?

Mr. JUDD. That is right.

Mr. GROSS. Is it proposed that the Ronson Co. be guaranteed in the production of cigarette lighters in France, the Knott Hotel Corp. be guaranteed in the purchase of a hotel in the United Kingdom, and the American Motel Co. be guaranteed on their investment in motels in Italy?

Mr. JUDD. If the gentleman will read the investment guarantee section, no guarantee can be issued unless it meets certain conditions. It has to be economically sound, and it has to contribute to the development of the country.

Mr. GROSS. Does the gentleman know of any reason why we should guarantee the Knott Hotel Corp. on anything in the United Kingdom?

Mr. JUDD. No business type of investment is guaranteed. We do not guarantee they will make a cent.

Mr. GROSS. I did not say that. Why should we guarantee them as against expropriation and as to convertibility of currency? Tell me exactly why.

Mr. JUDD. Is there a guarantee to the Knott Hotel Corp. in building a hotel in Britain?

Mr. GROSS. Yes; in the United Kingdom.

Mr. JUDD. If the gentleman has discovered that, I am not aware of it.

Mr. GROSS. Another American outfit is building motels in Italy. Why should we obligate the American people to guarantee anybody in the building of motels in Italy?

Mr. JUDD. There are certain countries in which the economy has been shaky and this is to help them through encouraging investment of private capital from the United States.

Mr. GROSS. It cannot be very shaky in the United Kingdom, because the British have announced a billion dollar cut in income and beer taxes.

Mr. DINGELL. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 88]

Baker	Fallon	Rostenkowski
Barden	Fogarty	Shelley
Barrett	Garmatz	Sheppard
Boykin	Goodell	Siler
Brown, Mo.	Hagen	Sisk
Buckley	Harris	Smith, Miss.
Cahill	Hébert	Steed
Canfield	Holifield	Taylor
Celler	Kirwan	Thompson, La.
Cohelan	Macdonald	Vinson
Cooley	Minshall	Westland
Daddario	Moore	Whitten
Davis, Tenn.	Morrison	Willis
Dawson	O'Neill	Wilson
Dixon	Powell	Withrow
Dollinger	Rivers, S.C.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7500, and finding itself without a quorum, he had directed the roll to be called, when 386 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Iowa is recognized.

Mr. GROSS. Mr. Chairman, I call attention to testimony appearing in the hearings on page 364 and running through page 365, having to do with the building of a paint shop in some foreign country. The name of the country is not given for alleged security reasons. It is referred to as Country X. The biggest naval ship this country has is an old destroyer we gave. So we apparently put up the money to build a paint plant to paint one destroyer and a few other small naval craft. I wonder if we could find out what country it is where we are building a paint plant under such conditions?

Mr. MORGAN. I would remind the gentleman that the names of countries are classified. There were other vessels to be painted besides destroyers that made this factory necessary.

Mr. GROSS. I notice on page 368 a statement by Mr. JACKSON, a member of the Foreign Affairs Committee. He said:

I think we should get out of the paint business.

If it is possible for Ethiopia to buy excess paint, I would hope it could be worked out so we wouldn't have to be sending paint to Ethiopia or any place else, in a regional area.

Mr. HOFFMAN of Michigan. What color was the kind of paint they turned out?

Mr. GROSS. I do not know.

Now I would like to go a little further in the bill and ask a question concerning the International Development Advisory Board. Is there such a board officially in existence today?

Mr. JUDD. Yes.

Mr. GROSS. When was it reconstituted?

Mr. JUDD. It was in the legislation last year, and it was reconstituted since we discussed this last year. They have been holding meetings and making studies in the last few months.

Mr. GROSS. Is Mr. Eric Johnston the chairman of it?

Mr. JUDD. No, sir.

Mr. GROSS. He was a former chairman of this board.

Mr. JUDD. Not in recent years.

Mr. GROSS. Mr. Eric Johnston resigned August 3, 1957, as I understand, and there was an interim appointment a year later of one Mr. Bullis, as chairman, and the appointment of a Mr. Schmeisser as executive director. Is that right?

Mr. JUDD. He is the present chairman. That is right, and the next official on the board is a Mr. Allan B. Kline, former President of the American Farm Bureau.

Mr. GROSS. Is that the same Mr. Schmeisser who went over to the White House last year and helped mastermind a big propaganda job on the Congress? Is that the same Mr. Schmeisser?

Mr. JUDD. I understand he was executive secretary.

Mr. GROSS. Now he is back on the payroll of this International Development Advisory Board.

Mr. JUDD. I do not know.

Mr. HOFFMAN. Why do you not ask who is not on the Board? That would save a lot of time.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I rise for the purpose of congratulating and commending Chairman MORGAN and the members of the Foreign Affairs Committee for their conscientious and comprehensive consideration given to our mutual security program in its many aspects.

The mutual security bill we are asked to consider and to vote on, H.R. 7500, is a reflection of sincere and long hours of work and of our Nation's stake in the future of our country and the free world to which we seek additional subscribers.

The measure before us also points up an important fact—that is, more emphasis on economic assistance and less on military aid where experience has demonstrated that this is a sensible thing to do. The cuts made in military and defense support are not drastic but realistic, and the increase in the Development Loan Fund authorization also is part and parcel of the committee's view "that the economic objectives of our aid must be more in the forefront, that DLF is operating on a sound, workmanlike basis, and that the backlog of sound projects more than warrants this increase."

Mr. Chairman, one final comment, I believe, is warranted. Very frankly I am concerned by the fact that this administration has not given to the American people a fuller and deeper understanding of the inescapable need for a mutual security program. While I have received ample mail in support, I must say I am concerned by the amount of the other type of mail I have received which, on the basis of the reasons expressed therein, is a clear indication that the full implications of our foreign policy objectives have not been adequately or properly explained by those who must carry this responsibility to do so, and whose office carries with it the means to do so.

Those who have written to me in opposition to expenditures on the foreign affairs front never refer to our efforts in terms of "mutual security"—and I would underscore these interrelated words—but rather as foreign aid or an out-and-out giveaway program which, it is argued, brings no results to our country, which has no direct results abroad and thus is a waste of taxpayers' money.

Certainly this type of thinking indicates to me that the administration needs to explain more frequently and in a better fashion what is meant by mutual security, the pressing need for it, and the dire consequences that would follow if we were to assume an ostrich-like stance in our relations to the rest of the world.

I well recognize, of course, that there are, and no doubt will continue to be, vestiges of isolationism, even though we have had the mantle of world leadership placed on our shoulders. However, I am convinced that this type of thinking on the part of some admittedly sincere citizens remains because we have not as yet performed the task of explaining our mutual security program in basic, concrete terms, and yes, even to explain some areas of waste and our desire to eliminate this weakness in the overall program.

Perhaps the most effective thesis that could be developed to clear away any misunderstanding in this area of our national affairs is to remind those who are opposed to our active participation in world affairs that isolation for the land of the Americas ended in 1492. Subsequent events most assuredly bear out this contention.

Mr. Chairman, again, I offer my congratulations to the Foreign Affairs Committee chairman and members for the fine job done in behalf of the free world.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. SELDEN].

Mr. CHIPERFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Chairman, I join with my colleagues on the Committee on Foreign Affairs in paying tribute to the chairman of our committee, the Honorable THOMAS E. MORGAN. Under Dr. MORGAN's able chairmanship, the hearings on the mutual security authorization bill have been impartial and extremely thorough and certainly he deserves a vote of thanks for a job well done.

These hearings extended this year over 11 weeks. During that period of time we had 44 sessions. Ninety witnesses testified, including a number from private organizations, and the printed hearings cover almost 2,000 pages. I do not know of any individual who was denied an opportunity to present his views.

I mention this inventory of activity in order to point out that even the most severe critics who appeared before us did not advocate the immediate termination of the mutual security program. Spokesmen for one group did call for a tapering off of assistance over the next several years. But the emphasis of almost all was on improving the operation of the program.

In supporting the mutual security bill again this year, I do so because I am convinced this program is a necessary part and parcel of the defense effort of our Nation. There is, of course, continuing disagreement over the question of whether we should put more emphasis on the military or economic phase of the mutual security program. Those who disagree, however, usually concede that it would be extremely dangerous to abandon either military or economic assistance at this chaotic period in world affairs.

The Soviet Union is continuing its economic and political penetration in an effort to whittle away the non-Communist world. To gain economic favor, the Soviets have combined a policy of aid and trade with the nations of the free world. This system of barter is aimed at isolating the non-Communist world from the basic commodities and raw materials essential to our economic survival. Thus, the future of our economic relations with the world is at stake as the solvency of our economy is dependent upon our access to raw materials and markets throughout the world.

To combat the Soviet economic threat, the bill now under consideration includes $2.2 billion for economic aid in various forms including defense support assistance. Wisely administered, the economic assistance program can play a decisive part in determining the outcome of the present struggle between communism and the free world.

Regardless of the Soviet emphasis on economic warfare, however, the military peril has not changed sufficiently to warrant any letup in our defenses. Unquestionably, military assistance is essential to U.S. military strategy and the mutual security of those countries outside the Iron Curtain.

The United States maintains more than 250 military bases overseas, and the

effectiveness of our planes and weapons would be seriously impaired without these strategically placed installations. Secretary of Defense Neil McElroy and Gen. Nathan Twining, Chairman of the Joint Chiefs of Staff, both emphasized the importance of our overseas installations and their connection with the mutual security program during their testimony this year before the Foreign Affairs Committee.

Secretary McElroy stated:

It would be shortsighted indeed if this Nation spent over $40 billion on its own Military Establishment and then declined to spend the much smaller sums needed to maintain and modernize the forces of our allies which are essential to our whole defensive concept, and without which our own military expenditures would have to be enormously increased.

General Twining said in his testimony:

Our military assistance program constitutes an important part of the consideration given in return for the establishment and cooperative use of our overseas system of bases and facilities. The importance of these bases and facilities to us is highlighted by the repeated Soviet attempts to deprive us of them. There can be no better reason for their continued existence. * * * Without our military assistance program, the United States would require more men under arms both at home and overseas.

Admiral Arthur W. Radford, USN, retired, further emphasized this point when he told the committee this year:

The military assistance program is an adjunct to our own Armed Forces. In fact, it is an extension of our own Armed Forces. And it should be considered to be just that in all of our national thinking. There is no doubt that U.S. military forces would have to be expanded at greatly increased cost were it not for the military forces of other free world nations supported by our military assistance program. And I would say emphatically that if those other military forces were not available we would have to revise radically not only our entire military program but also our present strategic concept. * * * The United States alone simply does not have available the forces necessary to match the Communist bloc in manpower at every point of possible aggression around the world. Nor could the United States alone afford to maintain such forces on active duty for an indefinite period.

As reported by the Committee on Foreign Affairs, the bill authorizes an appropriation of $1.44 billion for military assistance during fiscal year 1960.

This year, as in the past, I have offered and supported amendments to the mutual security bill for the purpose of reducing authorizations that I felt were excessive. This year I offered an amendment, which the committee adopted, to reduce the authorization for defense support by $85 million. I also supported other amendments which resulted in an initial reduction of almost $367 million from the authorization requested by the administration.

I did not support the action of the committee, however, in adding $100 million to the Development Loan Fund, thereby increasing the total authorization for the Fund to $800 million. As a firm proponent of loans rather than grants, I support the Development Loan Fund as an important and necessary part of the mutual security program. At the same time, I cannot overemphasize the necessity for carefully administering this program. To increase the Fund's authorization by $100 million more than has been requested by those who administer it will, in my opinion, result in unwise expenditures. Since I have been a member of the Committee on Foreign Affairs, I have never known the executive branch of our Government to request for the mutual security program an amount less than was needed. Therefore, it is my conviction that the authorization of additional funds for the Development Loan Fund is not justified at this time.

I have said in the past, and I repeat again today, that no bill coming before this House demands more careful scrutiny than the mutual security bill. There are several reasons for this. It involves a large sum of money. It affects, directly and indirectly, our foreign relations in every part of the world. It supports a program that is the most difficult to measure in terms of accomplishments.

During its deliberations this year, our committee gave serious consideration to suggestions and recommendations for improving the means of checking on the program's operation. This bill embodies a number of them. One of the amendments contained in the measure now under consideration provides for the establishment of the Office of Inspector General and Comptroller immediately under the Coordinator. The functions entrusted to this individual are far reaching. But he has been given that broad authority in order that responsibility for maladministration may be pinpointed. It is too easy in a program that is global in scope and relying upon the support of a number of departments and agencies to shunt responsibility back and forth and cover up deficiencies through actions of executive committees.

Another provision in the bill calls for more precise and detailed information in future presentations to the Congress of authorization and appropriation measures for mutual security. This is not a matter of getting more information. It is a matter of getting more meaningful information so that we can make judgments better informed on the direction of the program.

Yet, despite the continuing efforts of both the executive and the legislative branches of our Government to eliminate waste, I would be the first to admit that unnecessary expenditures are still being made in connection with the overall mutual security program. I am convinced that as long as this program is necessary for the safety of our Nation, the problem of wasteful spending must be constantly attacked. A careful and continuing review by the legislative branch of our Government is and must continue to be an important part of that attack.

Mr. Chairman, while I do not agree with every section of the mutual security authorization bill and reserve the right to support any amendment that I believe will improve it, I intend to vote for H.R. 7500 on final passage, as I believe the mutual security program continues to be a vital part of the defense efforts of our Nation and the free world.

Mr. CHIPERFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, I want to express appreciation to the gentleman from Illinois [Mr. CHIPERFIELD] for giving me this time. I feel it necessary to call to the attention of the House a misstatement, or maybe I should say misstatements, in the press conference yesterday conducted by Mr. Lincoln White, Chief of the News Division of the Department of State, which appeared this morning in the New York Times, relating to a report released by my subcommittee yesterday. I have just within the last few minutes received a copy of the transcript of the conference as it relates to this matter.

I do not want to attribute to Mr. White a deliberate attempt to make misstatements, but I do want to say unequivocally that he has made a misstatement of fact and I want to set the facts straight. At one point Mr. White had this to say, in referring to our report, and to a reference in that report to Mr. Parsons:

Before the end of the hearings Deputy Assistant Secretary Parsons wrote twice to Congressman HARDY offering to testify on this subject and on related matters which were discussed before Mr. HARDY's subcommittee. Mr. HARDY has neither called Mr. Parsons to testify nor has he answered those two letters.

I consider this to be a very serious charge.

Now I want to give you the facts, and let you draw your own conclusion as to the accuracy of that statement, and whether it is an attempt to deliberately mislead the American public.

Mr. Parsons did testify before our committee in the initial stages of the hearings. At the conclusion of a subsequent hearing, in which testimony relating to Mr. Parsons was received and contained certain matter which might have been considered to be derogatory to him, I spoke to the representative of the Department of State who was present and said: "I think you should convey to Mr. Parsons the information which was developed in the course of the hearing today and tell him that we shall be glad to hear him at any time that he wishes to testify concerning these matters."

Shortly thereafter, I received a letter from Mr. Parsons which is in our record and which will be included in the printed hearings. I shall read a portion of that letter because it bears on this matter. It is dated April 3.

DEAR MR. HARDY: I had been hoping that after the Easter recess I would have the privilege of appearing again before your committee in open session as there were several references to me in testimony given by Mr. Haynes Miller with which I would like to deal. I have, however, just been directed to substitute for Assistant Secretary Robertson at the forthcoming SEATO meeting in Wellington and the subsequent annual conference of our Ambassadors in the Far East to be held in Baguio later in the month. I will, of course, be at your disposal any time

after my return early in May but in the meantime should like to make several points clear.

He then discusses in his letter several of the points which were brought out in the testimony, but he does not discuss them in any detail nor give any real evidence to support his own position.

Mr. Parsons then left the country and was gone for some period of time. During his absence, we kept in close contact with the Legislative Liaison Section of the Department of State, trying to determine when he would return and when it would be convenient for him to appear again. We wanted to afford him every opportunity to dispel the inferences that he felt were false or improper concerning his own actions, while Ambassador to Laos.

On May 20, following conversations with the Legislative Liaison Section of the Department of State, relative to the possible reappearance of Mr. Parsons before the subcommittee, we received another letter from Mr. Parsons. I shall read only a couple of paragraphs of that:

DEAR MR. HARDY: I have just returned from my tour of the Far East and, as I suggested in my letter of April 3, 1959, I am available to provide information which you may desire to have from me. I have learned that your subcommittee has discontinued its hearings on the mutual security program in Laos but I should like to offer for your information the following general comments on testimony which was given during my absence.

And he makes some general statements about that testimony.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. HARDY] has expired.

Mr. CHIPERFIELD. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. HARDY. Mr. Chairman, I thank the gentleman from Illinois for his kindness in yielding me this extra time. I am hoping to avoid having to raise the question of personal privilege.

To begin with, Mr. Parsons' statement that the hearings had been concluded was wrong and we immediately so advised the Department of State.

Mr. Parson's letter of May 20, which I quoted, also made reference to some testimony before the Committee on Foreign Affairs, which was not pertinent to our record. And, as a matter of fact there was quoted in that letter, a statement which he made to the Committee on Foreign Affairs, which was in direct contradiction of testimony and documentary evidence received by our subcommittee. As a consequence, we could not put that unsworn letter in the record.

We drafted a letter replying to Mr. Parsons, but before sending it I directed the subcommittee staff to discuss it with the Legislative Liaison Section of the Department of State. They were asked to send a representative up to discuss the matter on behalf of Mr. Parsons. A representative came up, and we read to him the letter which was prepared to go to Mr. Parsons. Because of that conversation we did not send it. The letter which was prepared, and which was read to Mr. Parsons' representative, reads as follows:

DEAR MR. PARSONS: I have your letter of May 20 commenting on certain testimony taken before my subcommittee relative to the U.S. aid program in Laos.

I regret to inform you that this document cannot be included in the record, since in several respects it does not accord with sworn testimony and documentary evidence. However, if you wish to be heard on the points covered by your letter, it is suggested that you so notify the subcommittee.

Our study of Laos has not been concluded and further hearings will probably be held at an early date. It is therefore suggested that you notify me at your earliest convenience in the event you wish to testify.

Although that letter was not mailed, an oral invitation for Mr. Parsons to appear was conveyed to his personal representative, and if Mr. Lincoln White did not know that he had not taken the trouble to ascertain what the facts were.

Subsequent to that, and as evidence that Mr. Parsons was familiar with this conversation and was familiar with the fact that his personal representative had discussed the matter with our subcommittee, we had a further letter from Mr. Parsons dated May 29 asking that the portion of his letter of May 20, which was in conflict with other testimony before our subcommittee, be deleted. I am not permitted to read that letter because it was classified as confidential by Mr. Parsons. Why it is so classified I do not know, unless it is that he did not want anybody to know that he had asked for that part to be deleted.

Mr. Chairman, I submit this whole incident constitutes an improper suggestion by the Department of State that the subcommittee did not accord Mr. Parsons every possible consideration, and I label as a distinct falsity the statement which Mr. Lincoln White made on behalf of Mr. Parsons.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Chairman, one of the marks of our coming of age as a Nation is the new interest in our fiscal position in the world. The time was not long ago when such matters as our net export balance of trade or the level of our gold stocks would be among the least newsworthy items. Today they rate headlines.

Our interest in basic economic behavior, facts, and theories is a healthy one. But an interest based on panic and a distorted perspective can be hazardous.

At the moment, we are being held in the spell of a new, sophisticated, and not completely understood fear. It is the fear that our country has suffered, is suffering, and will continue to suffer from a loss of its gold stocks. The opponents of our foreign aid programs tie this fear to the aid program and argue against it on the basis of this new set of economic data. They are aided and abetted by the attractive thumbnail description, "flight of gold."

It is well that we pause, seek out the facts, in perspective, and the implications from these facts.

THE FUNCTION OF GOLD

First of all, it is important to realize what the function of gold is in the world of today.

The gold stock of the United States serves two essential purposes: (1) A reserve for Federal Reserve notes and deposits; and (2) a means of settlement of international balances.

The Treasury gold stock is the reserve for our currency and bank credit structure. The Federal Reserve banks must hold a legal reserve of a minimum of 25 percent in gold certificates against their outstanding notes and deposit liabilities. Federal Reserve notes form the major part of our currency. Deposits at the Federal Reserve banks constitute the legal reserves of member commercial banks. The gold stock of the Treasury, therefore, is an ultimate reserve against notes issued and bank deposits. At present the Federal Reserve banks have gold certificate reserves of over 40 percent of their note and deposit liabilities or about $8.5 billion in excess of their required reserves.

The gold stock of the United States is also available for the ultimate settlement of balances arising from international transactions. Under the authority of the Gold Reserve Act of 1934 the United States maintains an international gold bullion standard under which the Treasury buys and sells gold in transactions with foreign governments and central banks for the settlement of international balances and other legitimate monetary purposes. The Treasury does not sell gold to private foreign persons or companies.

The world's gold, except for private hoarding in nations such as France and India, is all held by the world's treasuries and central banks.

Each nation continues to fix a gold par value of its currency—in the United States, the dollar is worth 0.888761 grams of gold, which means $35 an ounce. Thus balances owing from one nation to another can be converted into a quantity of gold and payments made by a transfer of gold.

Typically, a nation that exports more than it imports first builds up holdings of foreign currencies. If it builds up dollars, it can then go to the U.S. Treasury and convert the dollars into gold at $35 an ounce. If it is short of dollars it can sell gold to the Treasury and get $35 for each ounce sold. This is the mechanism for settling international accounts.

For many years, beginning with the years immediately preceding World War II, the United States accumulated more and more of the free world's gold supply until in 1949 we had 70 percent of the free world gold. When we bear in in mind the basic function of gold—to serve as a balancing item in international accounts—we must realize that this monopoly was an imbalance, an unhealthy localizing of what should be a widespread international lubricant.

As Rudolf H. Hertz, vice president of the Merchants Bank of New York, has said:

Let us not forget that no country can live with a huge pile of gold and no trade.

France made that mistake 25 years ago when she barricaded herself behind the biggest hoard of gold and the Maginot Line—once thought to be impregnable.

NEEDED: A SENSE OF PERSPECTIVE

When we talk today about our gold position, we are like primitive painters. Everything is in the foreground; nothing is in the background. We have nothing by which we can judge our present position. A few facts should serve to put the problem into perspective.

First. The level of our gold stock today is $20.3 billion. This is the same level as in 1945—when our stocks had, as I have said, greatly accumulated—and is $7.7 billion above the level immediately before World War II—end of 1937. It is also over half of the free world's total gold stock. Although our law requires that we have on hand 25 percent of outstanding notes and deposit liabilities in gold, we actually have over 40 percent of these liabilities in gold.

Second. We got this gold through abnormal as well as normal events. In other words, during the depression years, we had a large surplus in our transactions with the rest of the world. There was also a tremendous flow of "scare" money flowing from Europe to New York. In 8 years, from 1932 to 1940, our gold stock rose from $4 billion to $22 billion, much of this through international transfers. During the war some of our gold flowed out again, but by 1949, with the United States having the world's markets to itself, our gold stock rose to $24.6 billion, with the rest of the world having only $10.5 billion.

Third. As might be expected, since 1949, other nations have been recovering some of our war years' hoard. In the 13 years since 1945, the United States has gained gold in 7 years and lost it in 6 years. From 1949 to 1957 our gold stock declined from an abnormal high of $24.6 billion to $22.8 billion. This was universally interpreted as a healthy sign that the free world was getting on its feet.

Fourth. We are holding our own in total world exports, even against vigorous competition. Dr. Edward M. Bernstein, a former Assistant Secretary of the Treasury and director of research for the International Monetary Fund, has prepared the following table of our percentage of world exports:

	U.S. share (percent)
1950	17.7
1951	18.5
1952	18.4
1953	17.0
1954	17.0
1955	17.1
1956	18.7
1957	19.4
1958	17.2

Except for 2 years, in which unusual export influences came to bear, 1956 and 1957, we have held our own—even in the recession year of 1958.

WHAT HAPPENED IN 1958?

The decline in our gold stocks of $2.3 billion in 1958, is the jumping off point for most of the alarm.

It can only be viewed sensibly against the general background I have described and the specific events of 1956 and 1957.

It should be noted that up to June 5, our current year's loss of gold is only $397 million, a rate only 41 percent of the decrease of last year.

These are the bits and pieces that add up to the 1958 decline:

First. Our 1957 balance was inflated by the demand for our exports brought on by the Suez crisis, particularly in oil. Nineteen hundred and fifty-eight saw a return to a more normal pattern of oil purchases.

Second. Cotton exports in 1958 were down from abnormal levels in 1957 when foreign stocks were being replenished after a low point in 1956, when the U.S. export price was being revised.

Third. Wheat exports had been abnormally high in 1957 because of poor European harvests and large deliveries to the Far East.

Fourth. Metals, coal, and automobile exports were off in 1958, because of the recession in Canada and Europe.

These six commodities accounted for about three-fourths of the decline.

Fifth. Continuing recovery in Western Europe and Japan enabled them to compete in the world's markets. Japan's share of the world's exports of manufactures rose from 4.3 percent in 1951 to 6 percent in 1958. Germany's rise was the most dramatic—from 10 percent in 1951 to 18.6 percent in 1958. But we should not miss the fact that Germany, in her rise, has imported from us five times what she has exported to us.

Sixth. European countries, who traditionally keep the bulk of their reserves in gold, have been building them up as they have obtained dollar accruals. In other words, they have been buying back the gold they sold to us before, during, and after the war.

Seventh. Some countries, such as the United Kingdom, have been deliberately buying gold to anticipate the gold quotas set by the International Monetary Fund, which requires 25 percent of each country's quota in gold. We, the United States, will soon be making a gold payment of $344 million to the Fund. With regard to the United Kingdom, our long-term gold position has been and is favorable.

Eighth. Low interest rates played their part, stimulating foreign governments and companies to float a postwar record amount of new stocks and bonds in the United States, drawing—however temporarily—an outflow of dollars as they were paid for.

Ninth. Finally, U.S. investments overseas amounted to $2.9 billion. This represents an immediate gold outflow, although it is the basis for ultimate gold accumulations as dividends are returned.

A brief look at these events should be reassurance for those who wonder whether the dollar is in danger or the U.S. position in world fiscal affairs is declining. The mere fact that foreign assets held in the United States in the form of short-term dollar funds increased last year by $1.2 billion is more eloquent than the statements of economists.

WOULD LARGE FOREIGN AID CUTS REDUCE THE GOLD OUTFLOW?

As I have pointed out, there are many factors entering into the outflow of gold in 1958. Some of them are normal reactions to earlier abnormal events. Others are nonrecurring.

To focus on mutual security payments as the cause of gold outflow is no more realistic than to focus on, say, U.S. investments overseas, or any other item in the international payments balance sheet. It is true that foreign aid is a payment to foreigners, and, if everything else remained the same, a reduction would theoretically reduce the dollars in the hands of foreigners which might otherwise be converted into gold. But everything else would not remain the same.

First. Our defense appropriations would undergo a substantial increase.

Second. It should be noted that about 90 percent of our international payments consist of payments other than foreign aid—Government loans and grants.

Third. Moreover, much of the aid is utilized to pay for U.S. exports which otherwise would not take place. Aid expenditures have had a direct beneficial effect on U.S. production and employment. Under the mutual security program and its predecessor programs through fiscal year 1958, 76.3 percent was spent directly in the United States. Twenty-three and seven-tenths percent was spent for procurement in friendly countries which first helped their economies and then increased their imports from the United States. In fiscal year 1958, out of a total of $2.8 billion in such expenditures, 75.4 percent was procured in the United States.

Fourth. Perhaps as enlightening as any single set of statistics is an analysis of the countries receiving most of the gold outflow in 1958. These countries and their 1958 gold purchases are as follows:

	Million
Austria	348.8
Belgium	260.9
Italy	20.0
Netherlands	215.2
Portugal	900.0
Switzerland	$84.2
United Kingdom	329.4

The remarkable fact about these countries is that they are not major recipients of foreign aid. With respect to the United Kingdom we should note that its strengthening financial position has made it possible for it to reduce drastically its quotas—and tariffs—on U.S. goods. Our future exports to the United Kingdom ought to increase dramatically as a result of this liberalizing step. Had there been no building up gold reserves by the United Kingdom, such a step would in all probability not have been taken.

Fifth. A basic purpose of foreign economics assistance is to help in the rehabilitation and development of other countries. When a country reaches a stage of relative industrialization, it becomes a good customer. Both Germany and Japan have proven this point in unmistakable fashion. For example, in Western Germany, the production of manufactured goods increased 100 per-

cent between 1950 and 1957, yet West German imports of manufactured goods increased over 300 percent and its imports of manufactures from the United States increased over 500 percent. Over the past 20 years, with the expansion of the free world economy, U.S. exports have multiplied sixfold, from a prewar average of $2.96 billion to $17.7 billion in 1958. U.S imports in the same period have increased fivefold, from $2.5 to $12.8 billion.

Sixth. But there is a more subtle result. The use of American products, catalogs, and replacement parts stimulate a voluntary but deeply imbedded purchase pattern. There are many instances where, because we have insisted on Americans being able to bid on foreign aid contracts and projects, they have been able to enter a market hitherto denied them. This is not economic colonialism. It was colonialism which made it impossible for us to enter certain markets. Under free, open, and competitive bidding, we stand to gain much—now and for the future.

COMMENTS ON THE MINORITY REPORT

Since the movement of gold in any given year cannot accurately be analyzed without a sense of perspective, and a study of many factors, it is not surprising that the very short treatment of this subject in the minority report is misleading in several particulars.

First, the statement that our $20.3 billion of U.S. gold stock is not entirely owned by the United States is not true. This stock is entirely owned by the United States.

Second, although our gold supply is available to redeem time deposits, U.S. securities, and other credits maintained by foreign governments and banks in the United States, it is misleading to assume that all, or a substantial part, of these claims would be made. The $16.6 billion on foreign short-term liabilities maintained in the United States are necessary for trade, just as General Motors' $383 million in cash deposits in banks are needed for its financial transactions. Deposits can stop only when trade stops. Massive withdrawals fall in the category of a run on the bank, and are more unlikely. Actually, the foreign balances have followed a rising trend over many years.

Third, most of the foreign time deposits are included in the notes and deposits against which the Federal Reserve banks must maintain a 25 percent gold reserve. The minority report tends to lead the reader to believe that our gold stocks secure foreign time deposits in addition to domestic notes and deposits.

Fourth, it is simply not true to say that $12.7 billion of the $20.3 billion gold stockpile is held by foreign claimants. This figure apparently refers to the amount of gold held in Federal Reserve vaults for foreign governments. This gold does not belong to the United States and is not included in the $20.3 billion in U.S. stocks.

AND WHAT OF THE FUTURE?

The indications for the future are strongly favorable to a cessation and possibly a reversal of the gold outflow of the past year. As of June 4, the Wall Street Journal predicted that our gold position would continue to decline through this year and possibly into 1960, when the flow is likely to be reversed.

These are some of the factors:

First. Our exports are most likely to increase.

Second. Foreigners will retain larger dollar balances.

Third. The process of gold reserve building in other countries will have been substantially complete; the IMF quotas will have been met.

Fourth. Western Europe—particularly the Common Market countries—and Canada will resume their expansion.

Fifth. Our shipments to Great Britain should improve during the second half of the year because of the removal of import restrictions.

Sixth. When our Big Three auto makers go into smaller cars, a reduced import trade and expanded exports may be significant.

NO TIME FOR RASH MEASURES

The gold relationship between the United States and the world is one based on a stronger free world. The outward flow has diminished by almost 60 percent. The prospect for stability in our net balance, or even some reversal of the trend, is good, assuming that we continue to prevent inflation. In my own opinion, this depends not on restrictive measures which would depress our rate of economic growth, but on increasing tax revenues after careful study of the sources which would yield such revenues without adverse effect on growth. Closing tax loopholes, readjusting excessive depletion allowances, improving the efficiency of collections would be part of the new tax pattern.

We must also maintain our remarkable rate of improvement in productivity, which, as reported on June 15 by the National Bureau of Economic Research, has been rising, per man-hour, at 35 to 40 percent a decade since World War II. At this rate, assuming reasonable restraint by both management and labor, we should have no fear for our future export trade.

Devaluation of our dollar, across-the-board import restrictions, or massive cuts in foreign aid would be cutting off our nose to spite our face. Each one of these measures would set in motion forces of economic retaliation, loss of confidence, and political and military instability that would more than cancel out any short-range improvement in our gold balance.

Mr. BENTLEY. Mr. Chairman, if the gentleman will yield, I specifically included in my statement the gold and dollar holdings when I reached the figure of $36.1 billion.

Mr. COFFIN. I did not gather that from the gentleman's remarks, but I am glad that the statement is clarified.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. BENTLEY. The gentleman spoke about the decline of our gold stocks in 1959 as compared with 1958. Gold stocks between the 1st of January 1959 and June 10 declined $400 million this year.

Mr. COFFIN. That is 41 percent of the rate of 1958. That is what I said, that the decline this year is less than half of what it was last year.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. BROWN of Ohio. Not in connection with the debate but in connection with another matter, my office discussed with the Treasury Department only yesterday the gold situation in this country, and we were informed that if foreign countries, foreign individuals, and foreign concerns drew gold out of the Treasury, the Subtreasury, and the vaults that they were entitled to draw, we would have just about $4 billion left to support our currency.

Mr. COFFIN. And I would say to the gentleman from Ohio that the probability of that happening is about the same as the Ohio River flowing upstream. You are talking about a bank with reserves, with deposits, and liabilities, and unless you have a run on that bank you are not going to have a failure.

Mr. BROWN of Ohio. Of course, we have had a run on the bank to the extent of $2.3 billion last year.

Mr. COFFIN. I beg to differ with the gentleman.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I am not sure of the gentleman's position on this gold situation. Do I understand he is not concerned over the withdrawal of gold from the gold stocks in this country?

Mr. COFFIN. If I were not concerned, I would not take the time of the Committee to explain it. I am concerned about getting the facts and looking at them sanely.

Mr. CHENOWETH. The gentleman does not believe this withdrawal constitutes any threat to the fiscal policies of this country and the soundness of our currency and our ability to meet obligations?

Mr. COFFIN. I think the consensus of economists is it is not a threat at the present time. They look forward to a continued decline in our stocks during the rest of the year; then they look forward to a reversal of the trade.

Mr. CHENOWETH. Does the gentleman feel we should encourage the production of gold in order to replenish our stock of gold in this country.

Mr. COFFIN. We should replenish it by productivity, by trade, by accelerating the growth of our economy, yes; but we should not do it by devaluing the dollar or cutting foreign aid or by massive import restrictions.

Mr. Chairman, let us not crucify this program on the cross of gold.

Mr. MORGAN. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana [Mr. ROUSH].

Mr. ROUSH. Mr. Chairman, a while ago in the lobby I heard a man say that he had sat through this program for

7 consecutive years and that he was getting tired of hearing the same arguments. I want to tell you this is the first time I have sat through it, and I was very much interested. I wish that I had the opportunity to sit with this Foreign Affairs Committee and hear the testimony because this is something I am very much interested in.

I sat here and I heard the majority leader and minority leader, I heard some very distinguished gentlemen of this country speak on behalf of this program. They told us of the dangers of communism and how this program would fight communism; they told us that we had a moral obligation to the peoples of the world, they told us that we should have compassion for the peoples of the world. And their arguments were persuasive, their arguments were demanding on behalf of this program. But that does not tell the whole story.

I was just a little disappointed that there were not more people showing greater concern in this program. I believe that despite the fact we are faced with the threat of communism, we have the obligation of very carefully scrutinizing this aid. I agree with my colleague from Indiana [Mr. ADAIR] that there could be a foreign aid program or, rather, a mutual security program presented which I could support, but the program in its present form I cannot support.

There are three areas of possible revision I would like to mention. The first is on the amounts expended. For some time, now, I have sat on this side of the aisle and have taken the abuse of being called a spender, which I did not particularly like because I thought the programs I was voting for were for the good of America and for the good of the Fifth District of Indiana. Yet I come here here in the last 2 days and I find the same men who called me a spender because I voted for the airport bill and the housing bill telling me that I should vote a blank check which will include airports, housing, and aid to education abroad.

I do not understand that kind of argument, I do not understand that kind of inconsistency; also, I do not understand why we should have one standard of budget control for domestic programs and another for the program of spending money abroad. At the appropriate time I will offer an amendment to this bill which will require the presentation of a firm budget and will require strict adherence to that budget by those administering the program.

Just one other thing. It seems to me if we are going to help the peoples abroad, then we must help get these people to the point where they are no longer dependent upon the United States of America. We must get them to the point where we make them independent of this aid which we are giving them. That, I believe, we can do. I believe it is necessary for us to start thinking in terms of a very firm and definite program of mutual aid which will be designed to terminate at a definite time. By doing that, we will increase the moral fiber of the peoples of the world and they will be able to withstand the threat of communism. That I believe, and that is something which I believe we all want.

Mr. CHIPERFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I would like to comment on two subjects: first, on a point made by our friend from Indiana. I am sure we would all like to be able to set a termination date on this program. Also on our farm program, which costs us more each year than MSA. When would the gentleman like to stop our aid to farmers in Indiana or in Minnesota: Two years from now? Three years from now? Five years from now? We cannot wind up farm programs until some of the problems are solved. We would like to set a termination date for our American Indian programs, too. We have been at them for 175 years or more. I do not know any way that we can set a termination date until we get the problems solved. We have tried this, that, and the other in attempting to solve our international problems without war, and we are constantly trying to improve the programs, but we cannot now put a termination date on these efforts in the kind of world in which we live.

Mr. HAYS. I favor terminating the farm program and Benson simultaneously.

Mr. JUDD. We had before us last week a modified wheat program which its proponents said they recognized did not have all the answers, but that we simply had to have a program to try to cut down the wheat surpluses even though it might cost the taxpayers more money for higher supports. The House, including the gentleman from Ohio, voted for the program. Does anyone believe it will be the last?

Mutual security, like the $39 billion for our Armed Forces, is one of those things which we all wish we could end now or know we could end, say, 3 years from now. But can anyone set a termination date now on which our enemies will lie down, roll over, and give up? I do not know how to predict that. And to say now that we are going to end our program on a given date can only encourage them to redouble, not reduce their efforts. It would defeat our own interests.

Now, the other point, a while ago there was discussion about the International Development Advisory Board, and I think we ought to have in the RECORD the names of the members of that Board. There are 13, and by law they are to represent broadly, business, labor, agriculture, public health, and education. It is an independent board. It was set up by the Congress to study this matter from the standpoint of the whole country and of all the particular interests mentioned. The membership is as follows:

Harry A. Bullis, Chairman, Minnesota, chairman of General Mills, Inc. Chairman requires Senate confirmation. I can assure the House that anything Mr. Bullis manages will be very well handled, indeed.

Agriculture: Allan B. Kline, Illinois, past president, American Farm Bureau.

Business: Mrs. Olive Ann Beech, Kansas, president, Beech Aircraft Industry.

Business: Harvey S. Firestone, Jr., Ohio, chairman, Firestone Tire & Rubber Co.

Economic development: Edward S. Mason, Massachusetts, professor of economics.

Education: Clark Kerr, California, University of California.

Labor: Lloyd A. Mashborn, California, general president, Wood, Wire & Metal Lathers International Union.

Press: Richard H. Amberg, Missouri, publisher, St. Louis Globe-Democrat.

Press: Peyton Anderson, Georgia, publisher, Macon Telegraph and Macon News.

Public administration: Leonard B. Jordan, Idaho, former Governor of Idaho.

Public health: Lowell T. Coggeshall, Illinois, dean, Division of Biological Sciences, University of Chicago.

Science: Edwin B. Fred, Wisconsin, president emeritus, University of Wisconsin.

Venture capital: Robert W. Purcell, New York, chairman, International Basic Economy Corp.

I think the Congress was wise to authorize such a board of citizens to ride herd on this program, to reappraise, reevaluate, criticize it, and suggest readjustments wherever it believes they are needed.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Iowa.

Mr. GROSS. I wonder how this Government was able to get along without an International Development Advisory Board for all the months that it did, from August 3, 1957, to August 28, 1958?

Mr. JUDD. The gentleman is one of the sharpest critics of the program, and maybe if we had had this board functioning all the time, there would not have been quite so many things that the gentleman thinks are wrong with it.

Mr. GROSS. Does the gentleman admit there is something wrong with this foreign-aid program?

Mr. JUDD. Yes, indeed, I have referred to them several times.

Mr. GROSS. I did not think the gentleman would admit there was anything wrong with the program.

Mr. JUDD. We have been working for months to dig them out and try to correct them.

Mr. GROSS. I thought everything was lovely and the goose was hanging high.

Mr. JUDD. I do not think you have heard a member of the Committee on Foreign Affairs say that this program could not be improved, or did not need improvement. We have said that what the program is designed to do is absolutely necessary and the thing for us to do is to get on with the job—only do it better.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to call the gentleman's attention to line 11 on page 12, under "General and administrative provisions," subsection (c):

Notwithstanding any other provision of law, foreign currencies available to the United States for utilization under this or any other act may be utilized by the President, in his discretion, for science and research, including the translation of scientific books and treaties.

I want to remind the gentleman that he voted only last Friday against a coal research bill here, but he is perfectly willing to allow a provision of that kind to remain in the bill.

Mr. JUDD. This provision does not cost the taxpayer any new money. The purpose is to make it possible to use foreign currencies which we have accumulated abroad in the sale of our commodities, for such things as translating scientific books and documents written by foreign scientists. The day sputnik appeared in the sky, a lot of Americans asked, "How did this happen and we not know about it?" Well, we had not been translating Russian scientific journals. They had predicted this would happen, 6 months before. Where we have foreign currencies that cannot otherwise be used, is it not sensible to use them to make available for American scientists and engineers, the scientific studies that are being reported in foreign scientific journals? The purpose is to help American scientists and engineers, to help our own country.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Mr. Chairman, may I say to the gentleman from West Virginia that the gentleman from Pennsylvania was one of the strongest supporters of the bill to establish a Coal Research and Development Commission.

Mr. BAILEY. Nevertheless that section is still in the bill, and I am going to move to take it out.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. CHIPERFIELD. Mr. Chairman, I yield one minute to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I want to say to the gentleman from West Virginia that this is my amendment. It was put in the bill because a substantial portion of these foreign currencies have been lying in recipient countries unused.

We in the United States do need foreign scientific textbooks and magazines translated to keep up with scientific developments. We can get that without spending additional American dollars by paying for translation of scientific books and treatises with foreign currencies, including counterpart funds, that have been generated in these foreign aid programs, and are available to the United States.

Mr. BAILEY. Any kind of program they might want to carry out, the President has authority under this to spend money on, even to put in atomic reactors abroad.

Mr. FULTON. I know the gentleman has opposed this program regularly, because he is from a coal district. But I do not think the gentleman opposes research and development. The translation of these scientific texts and books and treatises is necessary in order that we may keep up with the world, to know what various nations are doing in technology and science.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I take this time to express my support for the bill and point out certain provisions of it which I think are especially good; and also to describe just briefly the four amendments which I intend to offer tomorrow, or later today, as the case may be, to the bill and ask consideration of those by the Members of the House.

I especially rejoice in the amendments to the policy statements and want to call attention of the House to this language which will be put into the law when it is enacted.

It is the sense of Congress that peace in the world increasingly depends on wider recognition, both in principle and practice, of the dignity and interdependence of man; and that the survival of free institutions in the United States can best be assured in a worldwide atmosphere of expanded freedom.

Of course, we know that, but it is good to see it stated, to have a positive statement of it in the law. The second statement is:

(d) It is the sense of the Congress, recognizing the interdependence of the freedom and progress of liberty-loving people everywhere, that the United States within the limits of its other obligations has an abiding interest in assisting the efforts of the people of the world to realize their aspirations for improved living standards, for education, for governments of their own choosing and for dignity and respect as individual human beings.

I think that is wonderful language and I am glad it is going to be in the law. I think it expresses the sense of this Congress and the American people very well.

Mr. Chairman, I think our legislation must reflect, of course, and carry out our deepest beliefs. With that in mind I intend to offer an amendment which would cut out all military assistance to Latin America except that which is committed or may be committed before June 30, and also except that which is connected with training military personnel. This military assistance has not helped us to fight communism. It has indeed identified us with military groups. We have better things to do in Latin America in a social and economic way. Military equipment has not helped us in Latin America. This amendment is a chance for us to be associated more closely with the people of Latin America and incidentally to save the Government of the United States some $50 million.

Mr. Chairman, I am glad to see the restrictions on the President, as set out on page 3. He will now have to determine that it is in the national interest before these arms are given. But I do not think those restrictions are enough, and I think they would not be powerful enough to keep us from giving arms to nations who do not need them, whose people cannot easily shoulder the burden which these arms mean.

I have another amendment. It limits aid to Chiang Kai-shek. This would provide that unless he reduced his army to 200,000 men from 600,000 he would not receive any aid. Why is this? Last October, his aim was cut from liberating the mainland, by his own admission and Mr. Dulles' to defense of Formosa. Let us adjust our support of him accordingly.

We are and should be committed to the defense of Formosa. There will not be any Red Chinese set foot on Formosa as long as we have any military forces there, and that will be a long time. Therefore, we can save some $175 million by cutting Chiang Kai Shek's forces accordingly.

On page 8, it authorizes the President to use his contingency fund for the UNEF, that is the United Nations Emergency Forces. This is certainly a desirable provision. It also points up the need for charter review at an early date.

Then on page 12, there is an amendment which I am sure had Cuba in mind and which amendment I support fully—that if any nation expropriates land and does not live up to its obligations in connection with international law, we can withhold assistance. If that happens in Cuba or any place else, of course, we should not assist any such nation. I hope it will not happen in Cuba.

I have one other amendment. It would provide that if the President should decide that if any nation withheld information or misrepresented information about the extent and nature of our aid program, then he should cut off the aid from that nation. This seems to me also to be right and proper. Of course, it applies particularly to Spain.

Then, on page 15, I have a final amendment which has to do with a very simple but necessary thing. The foreign service act today applies to more than 60 percent of the people who work for ICA. It applies to everyone overseas and, yet, it has no penalty if people violate the provision against discrimination on account of race, creed, color, or political affiliation. There should be a penalty clause if the law is to be enforceable and useful.

Mr. Chairman, this is a good bill, a necessary bill. I support it and commend the chairman, Dr. MORGAN, the gentleman from Pennsylvania, and his committee. But I hope to alter it tomorrow to save the taxpayers at least $225 million and to further its great moral aim—a world of freedom and progress of liberty-loving people everywhere.

Mrs. BOLTON. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I thank my colleague, the gentlewoman from Ohio, very much.

Mr. Chairman, I want to take at least a few seconds of this time to add my

compliments to others of the committee to the chairman for the way in which he has handled this bill and for the extreme patience he showed the witnesses and the members of the committee in question.

Mr. Chairman, in the other 1½ minutes I want to speak to one of the proposed amendments which the gentleman from Oregon says he is going to offer tomorrow, and I will also speak to it at the time such amendment is offered, and that is the amendment to stipulate by legislation of the Congress how many troops the Government of Formosa may keep to defend that island. I have been as critical as anyone else in this House of some of the things that have gone on in Formosa. But, I think it is folly in the extreme to say that the Chinese Communists would not attack the island as long as we have any troops on it. As a matter of fact, the record will show that Americans have been killed in recent bombardments on Matsu and Quemoy. That statement, therefore, falls of its own weight because they have already attacked and they have already shelled a part of what is the territory of Formosa. They have killed American observers on that island. I certainly do not think we should write in any restriction in this legislation that would hamstring the defense of Formosa, which we consider to be a part of our defense line and which our military people say is a part of our defense line and which they further say, if it is breached, our whole Far Eastern defense will crumble.

Mr. BOSCH. Mr. Chairman, once again the time has come for a long serious look at the mutual security legislation now before us. A review of some of the background, made at this time, is pertinent in order to bring to the attention of my colleagues some of the reasons why I have consistently opposed and must again this year oppose this giveaway program.

In 1948 there were 450 people employed to administer and distribute what was then called foreign economic aid. Now, 10 years and $72 billion later, this staff has grown to 21,000 employees who direct some 2,000 projects under this program. Expenditures for the foreign aid program in the postwar period through June 30, 1958, amounted to $71,551,940,000—$55 billion in outright gifts, the balance in soft loans and credits which neither this generation nor the next will ever see repaid. As of December 31, 1958, there was a total of $6.6 billion in unexpended foreign aid funds on hand.

It is amazing and distressing as well to find that—

First. A total of $3 billion in foreign aid funds has been granted to foreign powers who have used it to reduce their national debt and balance their budget.

Second. Over $2 billion in foreign aid funds have been given to governments hostile to the United States, including the Soviet Union, Yugoslavia, and Poland.

Third. Three hundred and twenty-five million dollars in foreign aid funds was last year granted to India. A substantial part was used to support India's second 5-year plan.

Fourth. Two hundred and fifty million dollars in foreign aid funds was given to Iran between 1951 to 1956. An official report by the House Committee on Government Operations on "U.S. Aid in Iran" dated January 28, 1957, with respect to the administration of these funds states:

> They were administered in a loose, slipshod and unbusinesslike manner. It is now impossible, with any accuracy, to tell what became of these funds.

Fifth. Eight hundred and thirty-nine million dollars in foreign aid funds has been granted to Pakistan and, according to a New York Times dispatch from Karachi on February 18, 1959, only $186 million thereof was, according to an official admission, utilized on constructive work.

Sixth. One hundred and thirty-one million dollars in foreign aid funds has been granted to Laos. In the recent seventh report by the Committee on Government Operations on the U.S. Aid Operations in Laos on page 5 we find the following:

> 22. ICA officials have sought to excuse deficiencies and maladministration in the aid program in Laos, after they have been demonstrated, with the assertion that our aid program, however poorly administered, has saved Laos from going Communist. This assertion is purely speculative, and can neither be proved nor disproved.

And on page 9 we find the following:

> It has been noted earlier in this report that the most significant single item in the U.S. aid program for Laos was the Lao military budget, accounting for about $30 million a year. Of this total budget $15 million was accounted for by pay and allowances for the Lao troops.

Now, who was the one who gave the strongest encouragement for foreign aid? None other than Joseph Stalin in his "Marxism and the National Colonial Question" where on pages 115 and 116 we read:

> It is essential that the advanced countries should render aid—real and prolonged aid—to the backward nationalities in their cultural and economic development. Otherwise, it will be impossible to bring about the peaceful coexistence of the various nations and peoples within a single economic system that is so essential for the final triumph of socialism.

Recently the American press in Europe recorded two items which are here worth mentioning:

First. That Britain has for the second successful year balanced her budget, and there is another cut in taxes seemingly on the horizon for her people.

Second. On the financial pages one reads in the same journals that the American dollar is worth less than the Canadian. The question naturally arises, "Why, when our dollar is declining, must we continue to support nations whose economy is sounder than our own?"

Those who advocate this giveaway program glibly answer: "It keeps the benefited nations out of the Communist camp," and "Our assistance to their military buildup is our own defense against Communist might."

I cannot see in the military forces of any of the beneficiaries of our largess anything to justify this contention. Possible exceptions are West Germany and Spain.

The record certainly does not warrant the conclusion that there is any strong opposition to communism, at least where it would do the most good—nor does it warrant the billions lavished on these unproved objectives.

Let us not forget foreign aid is money extracted from the American taxpayers and bestowed upon a foreign government to do with it as it—the foreign country—sees fit. It is time the American taxpayer is given a chance to decide the fate of our foreign aid—no matter how much we spend, we cannot buy friends, nor good will, nor peace.

Mr. Chairman, in view of all of the foregoing, I cannot in good conscience vote to add this burden on the already tax-weary shoulders of the American people.

Mr. MORGAN. Mr. Chairman, I yield the remaining time to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, we are about to conclude a lengthy, serious and thorough consideration of a very important legislative matter. I cannot recall, and I am sure you will agree with me, a single piece of legislation or a program that has received any more consideration or deliberation or criticism or action or ideas than the mutual security program of the United States. In recent years, to my knowledge, I can think of a complete reevaluation and reappraisal of this program by our own committee on several different occasions; and further, investigations of the House Committee on Government Operations. There was a complete reevaluation and reappraisal by the U.S. Senate. All types of outside and objective experts were used. It is a monumental study. I can think of two Presidential committees, the Fairless Committee and the Draper Committee. I can think of any number of national organizations that have gone into this issue time and time and time again.

I say to you and I say to those who would be critical of what we have been trying to do in this bill: What else would you have us do? Would you deny us the right to come to this public forum and discuss something that is urgent and vital to the people of this country from year to year, from time to time? What is wrong with reexamining it every single year? What is wrong with facing the basic issue and deciding: Are you for or against this program this year? I see nothing wrong with it, and I submit that to do it any other way would be a travesty.

I pay tribute to the chairman of the committee and the ranking minority member and all of the others who have worked so diligently on this legislation. What basically has the committee done?

We have made cuts in the program on a careful and cautious basis involving approximately a total of $266 million-plus. We have heard the criticisms and the recommendations of the General Accounting Office in length and in detail. We have tried to incorporate them into the legislation. We have heard the criticism and the recommendations of

our own Government Operations Subcommittee under the chairmanship of the distinguished gentleman from Virginia, and tried to incorporate those recommendations into the program.

Year by year we have tried to make progress as far as we are able to with respect to this legislation. We must bear in mind that we are the policymakers; we are not the administrators. I think too much confusion exists in the minds of the public that the answer lies in Congress; that all we need to do is to have Congress take charge; yet you certainly know that nothing could be worse in the world. The problem and the responsibility of administration must lie with the administrators. Yes, it is up to us to provide the new policy, the new avenues, the new direction, the new views, the new approaches wherever it is necessary; and I challenge anybody to say that this committee has not tried to do that with this legislation.

We have put a new approach in the policy statements; we have written tightening measures into the legislation with respect to accounting and budget procedures. I am interested to see what we shall have been able to accomplish by next year when we have operated under this bill with respect to these new methods.

In the final analysis we must ask: Why do we have the largest military budget in the peactime history of the world? Why do we maintain such a military machine? Every single person in the world knows the answer to that. Does anybody deny that the adversary likewise has a mighty military machine? That he is willing to challenge us not only militarily but economically, socially, culturally, spiritually, scientifically, educationally—on every conceivable human battlefront? We face the challenge of our life.

What would you offer as an alternative to this program? Would you do away with it? Would you leave the field wide open to the economic challenge? Would you leave the field wide open for the countries that need the assistance to protect themselves so that they can engender a spirit which is akin to ours? Would you turn your back and walk off the battlefield? I do not think anybody here really thinks we ought to do that, no matter how much he is opposed to spending a single nickel of the American taxpayer's money.

You can quibble about the amounts, if you like, you can say it ought to be more, it ought to be less; but I remind you that a very distinguished group of men and women on this committee sat for a long time and listened to the best people we could get before us to give us their views and recommendations, and tempered it with our own knowledge and ability and judgment, and came out with a report and recommendation. It is yours to do with what you will, but I daresay no one can point the finger and say that we have been hasty, or ill-advised in what we propose to do with this act.

The CHAIRMAN. The time of the gentleman from Florida has expired; all time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1959".

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2256. An act to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes.

PANAMA CANAL FLANK: COMMUNISM COMING TO CUBA?

Mr. WALTER. Mr. Speaker., I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

Mr. WALTER. Mr. Speaker, as one who has followed the workings of the international Communist conspiracy over a long period of time, I have long been impressed by the long-range planning that always governs its operations. This care has been effectively illustrated in the recent unfolding of events in the Caribbean area, especially as related to the Panama Canal.

An informative article by Edna Lonigan in the April 14, 1959, issue of Christian Economics, a fortnightly paper published by the Christian Freedom Foundation of New York, summarizes important information relative to the methods and purposes in the overthrow of the Government of Cuba.

In addition to its significance with respect to control of this northern flank of the Atlantic approach to the Panama Canal, the communistic domination of the Cuban Government will serve to weaken further the power of the United States in the United Nations.

To aid in bringing about a more extensive understanding of the issues covered in the article, I quote its text and commend it for reading by all concerned with its subject matter:

COMMUNISM COMING TO CUBA?

(By Edna Lonigan)

William Z. Foster said a few years ago that the Communists would have to step up their efforts to take over Latin American countries to reduce the voting bloc which supported American policy in the United Nations. Cuba is a case in point.

Cuba was one of the most active supporters of American policy in the United Nations. It did not hesitate to protest the Soviet attack on the Hungarian patriots. Again and again Cuba helped to lead the Latin American nations to block Soviet manuevers in the United Nations. Moreover, Cuba is 90 miles from our shores, a few minutes flying time. It is close to thousands of miles of our coastline, most of it unguarded. Cuba today, as in the time of the Spaniards, guards the sea lanes to Panama and the Caribbean nations. It lies athwart the shipping lanes for Latin American oil, tin, and perhaps rubber shipments to this country, and American exports to the south.

Under the nominal leadership of one Fidel Castro, such a complete changeover has taken place in the political rule of Cuba that one is warranted in asking what these developments mean to our relations with Latin America, and specifically: Is there another scandal developing in the darkness of our State Department corridors to rival the catastrophic policy which let the Communists take over mainland China? First of all, what about Castro?

Ten years ago a major conference of the Organization of American States was being held in Bogota, and Secretary of State Marshall planned to appear, to emphasize its importance. The Communists decided to stage an ugly riot, so that the United States would lose face. For days the rioters had control of the streets of Bogota, and left the city a shambles with many innocent people dead. The American delegates stayed in their hotels, looking helpless and foolish.

The American Government and the press later made a careful study of the stage-managed rioting. Fidel Castro, a member of the Communist-controlled International Students Union, affiliated with the Communist world student movement, was in Bogota at that time, posing as a student representative to the conference, and helped direct the pillaging.

The Bogota rioting was identical in organization and purpose with the rioting that accompanied the recent visit of Vice President NIXON to South America. It was identical in organization and purpose with the infiltration of the bonus marches on Washington in Hoover's administration, which might easily have turned into a bloody uprising except for the splendid handling of the veterans by the police and the Army.

In August 1957 Spruille Braden, former United States Ambassador and State Department official in charge of Latin American affairs, said of Castro's record, "The appearance of this Cuban at the head of the recent uprising in his own country stamps the insurrection as another part of the developing Communist pattern of such subversive efforts throughout Latin America."

We have similar information about other members of Fidel Castro's regime, especially his brother, Raul Castro, who is now head of the Cuban armed forces. Raul was consistently reported to have studied with the MVD in Moscow.

Another in the long list is Ernesto Guevara Serna, an Argentine known as Che. Che was an active member of the Russo-Mexican Institute of Cultural Relations. He turned up in Guatemala while the Communists were in power, and appeared in revolutionary movements in Panama and elsewhere. He is credited with being the link to Moscow and world communism.

We do not, however, need public documentation on the leaders to know that Fidel Castro's modus operandi is identical with that preached and practiced by Mao Tse-tung, the master theorist of Communist guerrilla warfare.

This is evident in the techniques used to seize the power. It will be even more tragically evident in the techniques used to exploit the power, to sow unrest, dissension, and violence in the American hemisphere by every possible means.

The early stages of communism were based on organizing battalions of left-wing proletarian workers, to storm the bastilles of capitalism. Mao had no proletarian workers, and the Chinese had few commanding heights to storm. He generalized the strategy so that the rank and file were used for every kind of violence or guile which would break down the society as well as the armies of whatever country the Communists were attacking.

The rebels in Cuba operated with a beautifully detailed blueprint for guerrilla war. The chief industry is sugar. A few people were shocked at the brutality with which the invaders sent live animals as living torches to rush madly through the cane fields and destroy the crops. They did not see the classical guerrilla pattern of conquest by destruction.

The second largest industry is tourism. It is a principal source of employment and revenue. How destroy the tourist industry? Riots, kidnapping, seizure of planes, gunfire, setting fires in hotels, were not random violence or unthinking cruelty, but pieces in a perfect blueprint for destroying the economy, the employment, and the revenues of the country being attacked.

The resemblance between our policy in Cuba and the hamstringing of Nationalist China by quiet orders from the State Department is shocking. Nationalist China was given a few loans after the war, but when it purchased arms here, it could not get certificates to ship them because a bureau chief in Henry Wallace's Commerce Department blocked the road. When the certificates were released, Harry Bridges pulled a strike on the West Coast. Not a ship could move. Finally, General Marshall issued a complete embargo against arms shipments, and boasted that he had disarmed the Nationalist armies.

The Cuban armies had been trained and equipped by us. This was an implied commitment to sell replacements, unless we had a reason which could be defended in the light of day. Then came a State Department ruling that the United States would not sell arms to the established government of Cuba.

Who made that State Department ruling, and why? Why was it not discussed in Congress and in the press?

Apparently the rebel armies in Cuba were well supplied with arms. It is reliably reported they were supplied in part from Soviet submarines. Furthermore, the Communist Party of Cuba issued a manifesto in support of Castro who has been hailed in the Soviet press.

By this time, it should be obvious that kidnaping of American planes was part of the standard Communist blueprint to sabotage the economics of the island; that Castro's sudden victory implied strange support somewhere; that Castro's slow progress through a wildly enthusiastic countryside, after the victory, was political theater of the cheapest variety. The long list of attempted murders, bombings, property destruction, by the Fidelistas, some of them on American soil, were Communist "agitprop." The summary executions of defeated enemies were in the standard Communist pattern. Their purpose is to sully the American hemisphere with the same hideous bloodletting that has become commonplace in the Communist world.

Is it possible that Americans do not yet recognize this very clear-cut pattern? Well, if we cannot see it, we cannot hope other anti-Communist people and their leaders are as blind. Syngman Rhee, Adenauer, and Chiang Kai-shek know the pattern. How much longer can they put their trust in us?

It is true that a most remarkable job was done in coordinating the American press. For months before the victory of Castro, it was obvious that powerful Communist influences were operating inside the press agencies to support the rebels. The fact that some of the best and most patriotic newspapermen in the country were fooled by this propaganda does not mean it is unimportant. Quite the contrary, it means that long, hard work, by well-trained Communist agents, has gone into slanting the news on Latin America.

Today, Latin America is probably the area to which the Communists are giving first attention, because of its importance—political, economic, and military—in injuring the United States. Latin America is rich, underpopulated territory—fine for airfields or missile bases near the United States.

Ravine (The Yenan Way) reports that, about 1927, Lossovsky said that sooner or later the Soviet Union would have to come into conflict with the United States, and the best preparation would be immediate organization of the revolutionary forces at the back door of the northern colossus. That means they have 30 years' experience.

Fidel Castro has already announced he intends to help overturn every government in this hemisphere which he chooses to call dictatorship. Here again the violence and civil disorder the Communists have planted in Asia, the Middle East and north Africa, are to be planted in our hemisphere.

The heat will be on in every vote taken in the United Nations. Cuba was chosen for a demonstration at this time, partly to serve as a warning to all anti-Communist governments which oppose the Soviet Union, that the United States cannot, or will not, support them—either because we are too stupid to see the danger, or too deeply penetrated to act in our own self-interest.

We stand today in Latin American policy where we stood in 1945 in China policy. Those who hope to fight this growing danger to our country, will have to have stout hearts and strong wills.

The issue is not democracy. It is survival.

RENUNCIATION OF AGGRESSIVE WAR

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, on May 21, I introduced House Resolution 272, which urges that the President of the United States present to the United Nations a proposed amendment to the United Nations Charter requiring all member nations to adopt a constitutional provision renouncing the right to wage aggressive war except upon the express mandate of a majority of their citizens by popular vote.

I am certain that every citizen in this country and in other nations throughout the world is interested in abolishing the scourge of war and bloodshed as a method of settling international disputes and grievances. Everyone has a desire for peace and safety, yet, unfortunately, some of the leaders of foreign governments feel that war and bloodshed is the only answer for settling all world and international problems.

Since World War I, 8 million lives, equivalent to the population of New York City, have been lost in wars and today we are no closer to permanent world peace and security than we were in 1914. Certainly, this should be sufficient evidence that the peace and safety of the world cannot be entrusted to leaders of governments.

House Resolution 272, in my firm opinion, is the best possible permament solution to the ever-recurrent problem of war to settle international disputes between nations—it is the answer to the prayers of the innocent people who dread war and have no direct voice in determining whether bloodshed is the only way to settle disputes.

Mr. Speaker, in this simple resolution lies the basis and the framework for truly permanent world peace. Only by taking from government leaders and placing in the hands of the people of each nation the sole power to wage war other than in actual self defense can we establish the real basis for a truly permanent world peace.

It can be safely said that all peoples of the world are fundamentally peaceloving. At this crucial point in world history, the United States as the first in constitutional democracy should be the first to foster, through the United Nations, the principle of constitutional renunciation by governments of the right to embark upon willful aggression except upon the express mandate of a majority of their citizens by popular vote.

Mr. Speaker, I am positive in my belief that if all member nations of the United Nations were to adopt this amendment, the peaceloving people in this world would never vote for war to settle anything. This amendment is the answer—the only answer—to permanent world peace and security.

OCDM DECISION WILL SPELL MORE UNEMPLOYMENT IN TURBINE INDUSTRY

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, on Friday the Office of Civil and Defense Mobilization handed down a decision denying the request of the General Electric Co. and other manufacturers of large turbines and heavy electrical equipment to prevent continuing foreign imports of this type of equipment so as to protect our national security. It was the contention of these manufacturers that the increasing reliance which is being placed by our large power-producing agencies on foreign-manufactured equipment seriously undermines our ability to maintain and repair these vital power-producing centers in the event of a national emergency.

The decision of the Office of Civil and Defense Mobilization represents, in my judgment, not only a blow to our national security but also a serious threat to the jobs of American employees in the turbine and electrical industries. Even though the percentage of foreign equipment now integrated into American

power areas may still be relatively small, as OCDM maintains, it is the recent trend which is most serious and which has most dangerous implications for the future. If this trend continues there will most certainly be substantially more unemployment in our turbine-producing areas, such as the city of Schenectady, which is included in my district.

In this connection, Mr. Speaker, I was greatly disturbed to read a newspaper report in the Christian Science Monitor of June 13, 1959, that indicated that as a result of the OCDM decision the British immediately stand to gain some $11 million worth of orders in turbines and heavy electrical equipment from U.S. firms. I do not know where this figure came from, or what agencies are involved but this certainly demonstrates the disastrous effect which this unfortunate decision is going to have on the economy of our country. Roughly speaking, $11 million of turbine business represents some 500 or 600 jobs over a period of a year. This amount could mean almost life and death to a community, which, like Schenectady is so heavily dependent upon continued turbine manufacturing business.

I hope that the decision of OCDM will not long stand, and that some agency in the Government will soon speak up in defense of the jobs and the economic future of the thousands of employees in the turbine and electrical industries in this country.

The newspaper article from the Christian Science Monitor follows:

BRITISH GAIN SEEN IN U.S. IMPORT RULE

WASHINGTON.—Britain stands to gain 11 million dollars' worth of immediate orders as a result of a United States ruling on imports of heavy electrical equipment handed down June 12.

The U.S. Government's Office of Civil and Defense Mobilization said that imports of turbines and other heavy electrical equipment posed no threat to national security.

The long-awaited decision was a sharp blow to the domestic U.S. manufacturers who had sought a Government ban on these imports on the grounds that it would be dangerous for the United States in time of emergency to rely on foreign-made electrical equipment.

Under U.S. law, the President can impose import restrictions if the OCDM advises him, on the basis of an investigation, that imports of a given commodity are threatening to impair national security.

Hydraulic turbines, generators, heavy-power transformers, and large circuit breakers are affected by the ruling.

Informed sources said the decision should lead to $11 million worth of immediate orders for Britain and more contracts in the future for British and other European suppliers of heavy electrical equipment to the United States.

EDUCATION-ASSISTANCE LEGISLATION

Mr. SMITH. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HALPERN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HALPERN. Mr. Speaker, the Congress will soon be debating education-asistance legislation. The emphasis this year is on school construction aid and provision to help maintain teachers' salary standards.

As one who has long been interested in reasonable proposals for the alleviation of the problems confronting our school system resulting from lack of construction during the war, vast population expansion, and the national need to train and develop more highly skilled and professional people, I introduced on February 2, H.R. 3904, providing for a 5-year emergency program to assist the States in their efforts in the educational field. Senator JAVITS also sponsored a similar companion bill (S. 863) in the Senate.

On May 29, Senator JAVITS gave an excellent address before the Teachers' Conference of the First Supervisory District of Nassau County, N.Y., in which he analyzed the education problem in the Nation and contrasted and examined the provisions in the version of the Murray-Metcalf bill which the House Education and Labor Committee was soon to report, with our bill in respect to meeting the need.

His statement is such a lucid and thorough comparison and provides such basic information on the education problem that I urge all members of Congress to consider it before they reach a final decision on education legislation this year.

The talk is entitled "Teachers Urged To Do Their Homework Concerning Federal Aid To Education." It follows:

A fundamental principle which must be put forward by those who campaign for Federal aid to education, whether before Congress or in their own communities, is that the raising of teachers' salaries deserves equal priority with the drive for school construction. Unless that is done, we run the very real risk that the emergency needs of our public-school system may not be met before they become major handicaps to the education and attainments of today's youth. The National Education Association has given us an optimum objective of an increase in teachers' salaries of 12½ percent for each of the next 4 years.

The report of President Eisenhower's Science Advisory Committee headed by Dr. James R. Killian, Jr., "Education for the Age of Science," released only this past weekend, emphasizes the need for a crash program to bolster the Nation's educational means. Dr. Killian recommended a doubling of the present $18 billion annual outlay for education in the United States. Special emphasis was put on the recommendation of better pay for teachers, improvement in teacher-training programs, and more efficient use of the talent of teachers. A modest start on two of these recommendations was made in the last Congress by enactment of the National Defense Education Act which authorized funds to stimulate the training of teachers and programs to develop audio-visual education. However, what the Killian report points up is that a massive and immediate assault upon the problem is needed and that the matter of teachers' salaries cannot be abstracted from the whole.

Currently, there is a shortage of 100,000 teachers in the United States and the gap is widening. But even these figures do not clearly show the future danger that the inability of communities to increase teachers' salaries at a reasonable rate and the failure of the State and Federal Governments to provide adequate aid may have such a devastating economic and morale impact on those presently in the profession that there may be a wholesale desertion from the teaching ranks. Thousands of teachers are finding that they can no longer support a household on an annual salary averaging $4,650.

It is deceptive, of course, to use national averages which fail to take into account the huge spread in pay scales within a State and sometimes between neighboring counties. Although the average teacher in New York State is paid an annual wage of $5,800, second only to that in California ($5,925), it does not reflect the classroom workload of split sessions, the educational training, the years of professional experience or the increased cost of living carried by the typical teacher in our State. But even in overall review, it seems almost unbelievable that salaries in the teaching field rank 14th from the top in a list of 17 well-known professions, and that beginning teachers receive on the average $2,000 a year below that paid engineering graduates upon starting their first job.

The U.S. Office of Education has issued figures revealing that public-school enrollment in the Nation is approximately 1,843,000 over and above normal classroom capacity in public elementary and secondary schools—that certainly points up our critical classroom shortage. In the light of this shortage and the well-known teacher shortage, it is a sure indication that in most schools the teacher must educate children under most disadvantageous conditions, unfair to teachers and pupils alike. In a survey by the NEA of elementary schools in the 18 largest U.S. cities, 76 percent of the pupils were in classes of 30 or more with 2 out of every 5 of these students in classes of 35 or more, while 12 percent were trying to learn in classes of 40 or larger.

Although the figures on shortages have changed only slightly in recent years, the underlying facts have been painfully well known since the 1940's when Senator Robert Taft proposed a program of Federal aid to education including a provision dealing with teachers' salaries. His espousal of this cause did much to lay the groundwork needed to persuade even the more conservative groups that such a program is indeed in the national interest.

Today many of the main roadblocks to enactment of such legislation have been rolled aside. However, as a result of the recent hearings held by the Subcommittee on Education of which I am a member and the contents of many letters received from those in the education field, I am deeply concerned lest the success of the campaign to get Federal aid for education during this session of Congress be endangered by unrealistic demands which do not recognize the kind of program best suited to meeting the real needs of U.S. public education.

The type of Federal aid to education bill which stands the best chance of being acted upon during this Congress will have to undergo the following tests:

1. Does it recognize the emergency nature of our education crisis in terms of providing a program spaced over a definite time period—preferably 5 years—which will give Congress the opportunity periodically to review its progress?

2. Does it contain separate provisions which clearly distinguish between funds allotted to stimulate new classroom construction and others specifically allotted to raise teachers' salaries?

3. Does it utilize the principle of matching Federal and State funds for school construction?

4. Does it apportion funds for such construction among the States on the basis of a formula which takes into consideration the school-age population and a school effort index and which does not carelessly benefit

States with school districts which have shut down public schools to avoid desegregation?

5. And very important, does it contain a debt service provision and another assisting State school-building agencies to aid in the financing of new school construction, particularly needed in areas like the suburbs where rapidly growing populations are swamping the facilities in many school districts?

Unfortunately, it has been my observation that many educators and their friends are not proceeding with the firmness of purpose and the clarity of direction which they must pursue if meaningful Federal aid to education legislation, including funds for teachers' salaries, is to be enacted during this Congress.

Are teachers doing their homework on Federal aid to education? Do they know the provisions of the seven principal Federal school assistance proposals, for example, now pending in the Senate?

I have received weekly hundreds of letters from teachers and others interested in Federal aid to education, most of whom have urged support of the Murray-Metcalf bill. In responding to this mail, I have cited my support of Federal aid to education and referred to my own proposal, the Education Assistance Act of 1959 (S. 863). It has been most interesting to note that with only one or two exceptions has anyone replied that it was the Murray-Metcalf bill which they support and that they are opposed to the alternative type of solution sought by my own bill. This phenomenon, together with other indices such as the testimony of teachers before the Education Subcommittee, of which I am a member, has impelled me to the conclusion that many educators who have a real knowledge of the great need for a Federal school assistance program have just accepted the Murray-Metcalf approach and have not in fact applied themselves to considering in detail either the provisions of that bill or the other proposals pending in the Congress. This attitude could very well have the result of undermining the success of efforts to enact meaningful and needed legislation at this session of the Congress. Teachers must themselves adopt an educated approach to securing Federal school-aid legislation.

The House Committee on Education and Labor is about to report a Federal aid bill, a modification of Murray-Metcalf, which calls for an expenditure of $4.4 billion over a 4-year period for Federal aid to the States for school construction and teachers' salaries with allocations made on the flat basis of $25 per pupil per year. Thus, for the 4 years, the new committee bill reduces the appropriation from $11.4 billion to $4.4 billion.

The Senate Education Subcommittee on its part has now concluded hearings on the Federal school assistance measures before it and is preparing to take executive action on its deliberations. It is my firm intention to push vigorously the adoption of my own bill as the more effective way of meeting the Nation's education needs.

My bill, the Education Assistance Act of 1959, is based on the Kelley bill, the Federal aid to education measure reported by the House Committee on Education and Labor during the last Congress, and added to the Kelley nucleus is a fourth title providing for grants to the States to increase teachers' salaries. The Education Assistance Act of 1959 is divided into four major sections providing authorization over a 5-year period as follows:

Title I: Grants to be appropriated at the rate of $400 million annually to States on a dollar for dollar basis for school construction in communities under priorities established by State educational agencies;

Title II: Loan funds up to an aggregate of $750 million for the purchase of school construction bonds issued by communities unable to find markets for them at reasonable interest rates;

Title III: Federal advances not to exceed a total of $150 million to back the credit of State agencies issuing bonds to finance schools for local school districts;

Title IV: Grant expenditures to States starting at $100 million for fiscal 1960 and increasing $50 million a year to a maximum of $250 million annually for a 5-year program to supplement the salaries of qualified teachers; States may submit plans to include special salary supplementation for teachers of science and mathematics.

Let me for a moment review some of the principal differences in the two approaches and state why I believe that the one I espouse is the better.

The Murray-Metcalf bill sets up a program of indefinite duration as opposed to the 5-year program which my measure, the Education Assistance Act of 1959, seeks to establish. I believe that recognition must be given to the fact that the program needed to add essential school construction to the Nation's education plant and to bring teachers' salaries up to a professional level is an emergency one. The House Committee in reporting its diluted version of the Murray-Metcalf has recognized this also and amended the original proposal from an indefinite period to a 4-year program. It should also be recognized that in any program of this sort, the Congress has usually reserved to itself the right to review the enabling legislation periodically as has been the case in housing, hospital assistance (Hill-Burton Act), the foreign aid program, school aid to impacted areas (Public Law 875), agricultural surplus distribution overseas (Public Law 480), and other major Federal programs.

I should like to note the significant difference between the Murray-Metcalf bill and my measure. Murray-Metcalf lumps school construction aid and help for teachers' salaries together, leaving to the States the sole determination of the proportion to be distributed for these separate and distinct uses each year. In addition, under the Murray-Metcalf bill outright grants are made with no provisions for matching State funds. My bill separates the moneys advanced for school construction from those for teachers' salaries and requires for school construction matching State funds, while for teachers' salaries no such matching funds are required.

To intermingle the school construction aid and teacher salaries supplementation is bad government and poor judgment practice. School construction is a capital expenditure; a million dollars spent on a school plant in 1960, for example, can be written off over a period of 20 years at $50,000 annually. Because of the capital nature of this expenditure and due to the importance of stimulating local construction projects, I feel that the construction portion should be on a matching fund basis as are other parallel Federal assistance programs. Teacher salaries are a recurrent expenditure and can only be written off for the fiscal period in which they are used. I believe in this instance Federal funds should be given on an outright grant basis to bolster hard-pressed school budgets where, unless such assistance were given, it would be impossible to give teachers necessary salary increases at this time.

My bill also contains a feature not found in other school aid measures; namely, States are invited to include special salary supplementations to teachers of science and mathematics. In this connection I invite attention to the report of President Eisenhower's Science Advisory Committee (the Killian committee), released last week, in which it is recommended that special emphasis be given to raise salaries of science and mathematics teachers.

I wish to add at this point that I do not feel that the classical subjects be deemphasized by excessive concentration on science and mathematics; however, it is a stark fact that our immediate, emergency need today is for instructors and knowledge in these two subjects which have such great meaning in the space age.

I wish to stress a further difference between the Murray-Metcalf bill and my bill—the distribution of funds to the States. Under Murray-Metcalf, allocations to the States are made solely on a school-age population per capita basis. Under my bill, one-half of the funds appropriated are allotted among the States on the basis of school-age population while the remaining half is allotted on the basis of relative State income per child of school age and school-age population; the least prosperous States under the formula receive a greater amount than the prosperous States. Thus, the financial need is given due consideration.

In both the Murray-Metcalf bill and my approach, moneys given the States are reduced where the State's school effort index does not meet the national average. The Murray-Metcalf bill, as originally drafted, is singularly deficient in this regard, for it sets up a school effort index by dividing total revenues for schools per public-school child for the State by personal income per child of school age for the State. Thus, in States where schools are shut down, as has been the case in Arkansas and Virginia, and where there is no abatement of school taxes, the States would receive Federal tax moneys just the same as if the schools were open and functioning. The Murray-Metcalf school effort index would actually then give an undue financial advantage to those States shutting down public schools, for on one hand they would continue to receive school taxes from their own citizens supplemented by generous Federal funds, while on the other hand expenditures for maintaining the schools would be sharply cut, as the schools are not functioning. Thus the Murray-Metcalf bill would invite States to profit financially by shutting down public schools.

Under my bill, the school effort index takes into consideration only funds which are actually spent for public education. Salaries paid to teachers who are still on the payroll although their schools might be closed down cannot be credited as an actual expenditure on which Federal aid may be based. Therefore, there is no premium paid for closing down public schools and depriving children of the education which is their due because of a misguided opposition to the law of the land as enunciated by the Supreme Court. The House committee has recognized this deficiency and has amended the Murray-Metcalf bill so that expenditures rather than revenues are considered in the school effort index; however, the Senate counterpart of the proposal remains as originally drawn.

The Education Assistance Act of 1959 includes debt-assistance provisions which are not even touched upon in the Murray-Metcalf proposal. Title II of my bill, "Federal Purchase of Obligations of School Districts," authorizes for the next 5 fiscal years appropriations aggregating $750 million for the purchase of school bonds of local communities capable of financing their own school construction, but which cannot obtain such financing from other sources on reasonable terms.

Title III, "Federal Credit Assistance to State School-Building Agencies," authorizes for the next 5 fiscal years appropriations aggregating $150 million to assist State school-financing agencies through sharing equally with the State in the cost of establishing and maintaining a reserve fund equal to 1 year's payment of principal and interest on the bonds issued by such agencies to build schools. This would assist States to issue and market obligations to finance the construction of public elementary and secondary

school facilities for use by local educational agencies. If fully utilized, the Federal Government could assist in the issuance of approximately $6 billion of State school-financing agency bonds. This program is principally designed to facilitate immediate construction of schools for rapidly expanding suburban areas which could normally be expected to finance school construction over a period of time but cannot do so immediately.

I feel that by inclusion of these two debt-service titles, the Education Assistance Act of 1959 becomes a fully-rounded school assistance program. As a matter of fact the administration bill, S. 1016, is based solely on the debt assistance idea. This Federal assistance in financing school bonds and the Federal purchase of school bonds which are included in my bill are also found in the proposal by Senator CASE of New Jersey, S. 877, which is based on the administration proposal of last year. As I indicated heretofore, I shall move for inclusion of these two titles in any bill reported by our committee or considered by the Senate. I must emphasize, however, that I feel that debt help is a supplement to, rather than a substitute for, aid for school construction and grants for teacher salaries.

In defining the difference between the Murray-Metcalf approach and the tailored formulas of my proposal, I have made a minimum of reference to the amount of money involved. This was for good reason as I feel that no matter what approach is taken, the Congress will authorize an appropriation based on the amounts of expenditure it feels needed and tempered by the fiscal burden which the program would place upon the budget. It is a fact, however, that under my bill a dollar appropriated would generate more dollars spent for school programs due to its matching fund and debt service provisions.

My principal reason for going into detail is that I feel that teachers should not let themselves be deluded by any legislative proposal whose main virtue is based on its outbidding of competitive bills in money terms, for the money amounts, as we have seen by the House committee treatment of the Murray-Metcalf bill in which the amount was slashed by approximately 60 percent, are usually adjusted by the Congress.

It is time that careful thought be given not only to cataloging the needs for Federal assistance, but also in determining the answers to those needs. Teachers can ill afford to let the enactment into law of Federal aid to education go by the board because of a slavish devotion to a named bill. I urge that educators and their friends give careful thought and study to all the pending proposals.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the RECORD during general debate today on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

INCREASE IN NATIONAL DEBT

Mr. IRWIN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ZELENKO] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. ZELENKO. Mr. Speaker, my attention has been called to the fact that Secretary of the Treasury Anderson is now before the Ways and Means Committee of the House urging that legislation be enacted to increase the national debt limit and to permit increase in interest paid on Government bonds.

It is the Secretary's contention that there is a wide gap between interest paid by private commercial investments and those of the Government, the result being that the Government cannot obtain a market for its bonds.

The administration's request for this relief is inflationary and will most surely cause a rise in general commercial interest rates for this is the way private banking interests will meet Government competition. This will again result in a vicious inflationary spiral raising interest rates on mortgages, loans and investment needs of business. The gap will then be renewed. This is a halfway measure. The only way that the gap may remain closed and inflation controlled in this direction would be to couple any proposed increase in the public debt and interest on Government bonds by a freeze of commercial interest rates on mortgages and loans for a period of at least 5 years. If this is not coupled with the administration's request, it will merely open wide the floodgates of inflation.

If the administration proposal reaches the House floor without a safety valve in the form of a commercial interest freeze, I intend to offer an amendment to that effect.

COMMITTEE ON SCIENCE AND ASTRONAUTICS

Mr. IRWIN. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. MITCHELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MITCHELL. Mr. Speaker, I am authorized by the chairman of the Committee on Science and Astronautics to extend to the membership of this body an invitation to attend an open house in our new committee room, Room 214-B, Old House Office Building. The hours will be from 2:30 to 5:30 p.m., on this next Thursday, June 18, and all on our committee are most hopeful that as many as possible will be able to come by on this date to visit our new quarters.

ALLOWING MOTHERS AND WIDOWS OF DECEASED MEMBERS OF ARMED FORCES TO MAKE PILGRIMAGES ABROAD TO VISIT MILITARY CEMETERIES

Mr. IRWIN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DULSKI. Mr. Speaker, today I introduced a bill in the House of Representatives which would allow mothers and widows of deceased members of the Armed Forces to make pilgrimages abroad to visit military cemeteries.

The widows and mothers authorized to go would be the next of kin of military personnel buried in such cemeteries.

The bill provides that the Government shall pay the expenses for such visits, and the privilege would be restricted to the next of kin who have not previously been accorded the privilege.

The authority under Public Law 952, of the 70th Congress, to make these pilgrimages has expired; and I feel that the many mothers, and widows, who have not been able to make this trip should have the opportunity to do so.

ARMS PROPAGANDISTS MUST NOT DICTATE DEFENSE POLICY

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. BRAY] is recognized for 30 minutes.

Mr. BRAY. Mr. Speaker, Congress is once again in the midst of an annual review of the Nation's military policies and the discharge of our constitutional duty of providing the forces with the necessary funds to give substance to those policies.

We do so again this year in an atmosphere of tension induced by renewed proof of the evil purposes and the iron will of the free world's enemies in the Kremlin.

No single duty of the Congress is more complex, more demanding, or more important than providing for the national defense. However, in our legislative operation we must see to it that we do not usurp the authority of the executive department. The President is the Commander in Chief of our Armed Forces, and as such the architect of our Defense Establishment.

This year as we consider the question of our Nation's defense posture we find the press, our public forums, even the Halls of Congress filled with conflicting advice, voices of doubt and doom, carping, even bitter criticisms—and innumerable prescriptions for better solutions to all of the many problems of national security.

As carefully as one may search through the reams of critical opinions of our defense posture, only occasionally can one find recogniton of the sound, good, and heartening realities that exist in our overall establishment for national defense.

One of the most disgusting phases on the national scene is the anvil chorus in America that would deprecate all our accomplishments and successes—deprecate all that is American. The same chorus praises all that is alien, especially all that is Russian. I do not claim perfection for our country or our people, but I have found that all the world, including Russia, wants that which we

have in America. Throughout the world America is still the "real McCoy." However, I want to confine my remarks today to our defense accomplishments.

We must not lose sight of the full measure of professional competence which guides the day-to-day operations of our forces, while at the same time we are planning for the uncertain but surely hazardous contingencies of both the near and distant future.

I know of no better way to illustrate my point that there is much that is sound and strong in our current defense posture than by reviewing for you an incident of the recent past—Lebanon.

I speak not of the international political aspects of the Lebanon crisis. I refer only to the actual military operations which the President's decision set in motion. Prompt in reaction, professional in execution, the very efficiency of our forces which responded to the crisis has tended to obscure their accomplishments. Indeed had they failed in whole or in part through lack of readiness or incompetency in any form, I am certain that the ever-ready critics would even yet be beating on the drums of alarm. The very success of the Lebanon operation is causing all America to forget the incident. There are no mothers and widows grieving for their sons and husbands because of this operation.

While pointing out the military lessons gained at Lebanon, I want to call attention to the fact that all Americans should be justly proud of the professional skill demonstrated by the members of our Armed Forces, both as officers and enlisted personnel. This operation was so successful that even Russia, after a quick blast of criticism, remained quiet regarding Lebanon. Why? Because our success was evident and Russia did not care to point to our success.

Compare, if you will, the British-French failure at Suez in the fall of 1956. Without reference to the right or wrong in that unhappy affair, I think it is a widely known fact that the inability of the British and French forces to conduct even a small-scale amphibious operation without weeks of frantic preparations crippled the policymaking of the two governments. In the moment of the Lebanon crisis the President knew that he could rely upon our Armed Forces with complete confidence in their ability and readiness to execute any mission he might assign. He knew this for he was aware of the equipment of our Armed Forces; of the many years of training and planning our forces had undergone; not glamorous training, but real, practical training of the highest order. He was aware that bold, quick, decisive action is the best deterrent to war. For, during the weeks and months preceding the middle of July, as the situation worsened, our forces had quietly made ready, despite the school of thought that massive retaliation with nuclear warheads is the only solution to military operations.

Without fuss or fanfare the 6th Fleet strengthened its vital amphibious arm—ships and troops. An additional battalion landing team of marines from the 2d Marine Division on the east coast of the United States joined the fleet in May of 1958, and a third battalion arrived in early July. These battalions were complete fighting units—each with its own artillery, tanks, and engineers.

Adm. James Holloway was designated the overall commander of the Lebanon operation with the title of Commander in Chief, U.S. Specified Command, Middle East. Adm. "Cat" Brown was in command of the powerful 6th Fleet. Maj. Gen. Henry Vicellio, then in Adana, Turkey, was designated as Air Commander. Maj. Gen. Paul Adams of the Army was designated Ground Forces Commander.

The Navy increased its normal complement of two carriers with the 6th Fleet to three including the giant *Saratoga*. With the additional amphibious forces which had reported for duty in May and early July, the 6th Fleet was a compact force, versatile and mobile, with the international waters of the Mediterranean as its beat. Self-contained and independent, it was not hampered by base rights, accompanying dependents, or international boundaries.

Flashed from Washington about 6:30 p.m. on the 14th day of July, the order to land marines by 3 p.m. Lebanon time the next day caused no confusion in the 6th Fleet.

Less than 14 hours later at 3 p.m. in Lebanon, on the 15th of July, the 2d Battalion of the 2d Marine Regiment was ashore, and almost immediately in possession of the vital airfield of Beirut.

Even as another battalion of marines moved in over the beach shortly after daybreak on the 16th, the 1st battle group of the 187th Airborne Infantry, 1,600 officers and men from stations in Germany, was on the move in an impressive demonstration of the Army's traditional readiness to move by land, sea, and air.

Staged through Adana, Turkey, it arrived at Beirut on the 19th to augment a 6th Fleet landing force which now comprised three fully reinforced battalions of marines—some 5,000 men complete with their own artillery, tanks, and engineers.

Still a fourth battalion of marines at reduced strength was airlifted from North Carolina. The last company of this battalion arrived in Beirut on the morning of the 19th, bringing the landing force of marines—now designated as the Second Provisional Marine Force, under Brig. Gen. Sidney S. Wade, USMC—to a strength of 6,300 officers and men.

Through the critical first days, the 322d Air Division's giant troop-carrier aircraft provided the Germany-to-Beirut airlift of the Army's Airborne Battle Group while a composite strike force of the Tactical Air Command from bases in this country and in Europe assembled at Adana, Turkey, by evening of the 16th of July.

The extent of the logistic support involved provides a measure of the proficiency of planning and execution required in a brush fire situation such as Lebanon. One or two figures will adequately demonstrate the size of the job done. For example, in the first 12 days following the 15th of July, 3,950 tons of cargo were lifted into Beirut from bases in Germany, France and the United States. By sea, one convoy alone from a German port involved the movement of 3,800 Army troops and 12,500 tons of cargo.

The crisis of Lebanon is the source of many lessons. The one I stress today is the lesson I say we must not forget as we consider again our Nation's military policies and the size and composition of the Armed Forces necessary to carry out these policies. We must not allow ourselves to believe that our present forces are a collection of deficiencies—without strengths and capabilities for prompt and vigorous action.

For Lebanon was as potentially difficult and delicate a situation as any which our forces could face in this era of cold war. Even our greatest exponent of massive retaliation and total destruction would scarcely have picked Lebanon as a target for nuclear warfare. Once President Chamoun requested American forces and President Eisenhower made the decision to comply with that request, everything depended upon speed of reaction, excellence of execution and the disciplined performance of duty of our troops ashore. Failure to quickly, efficiently and definitely carry out our mission could have brought about difficulties and involvements that could have well been disastrous.

The very perfection and smoothness of our military operation in Lebanon gives the impression that this operation was simple and easy. Such was not the case. The smoothness and precision of a military operation is directly proportional to the training, morale and equipment of the personnel, and the quality of planning of its execution. Military success is not accidental. The success of Lebanon was a combination of both our capabilities in the field of brush fires and the known and recognized capabilities that we have for massive retaliation if needed. We must ever keep in mind the importance of being strong in both of these fields.

Those critics who so glibly profess to see only disaster in the offing, if we fail to match the Soviets missile for missile, bomber for bomber, submarine for submarine, should, in similar fashion, reassess their prophecies in the realistic light of our existing strength and the nature of the total threat.

It was most important that American forces be withdrawn as soon as the crisis was over. To have become involved, or otherwise failed when the time had arrived for that withdrawal, would have been doubly disastrous. Fortunately, our withdrawal was made at the proper time, and instead of making enemies in Lebanon we generally made friends there. In fact, this operation so gained the friendship of even the Lebanese forces that they asked to receive military training by the American military forces there. This was accomplished in a most praiseworthy manner.

Today we have those who have a quick shortcut to give us military strength; those who believe we can ignore the experiences of the past and solve our future military problems by

the pushbutton method. They maintain that massive delivery of nuclear bombs or warheads can solve all of our military problems.

I do not believe that it would be necessary to refute this philosophy to a sound-thinking military man, but today many people who would guide our military thinking are totally untrained militarily. I would like to point out briefly a specific area today in which we are vitally concerned that will readily show the fallacy of this argument. We have strong military forces in Germany today facing East Germany and Czechoslovakia. These forces are at least strong enough to hold back any enemy threat for some period of time. Our potential enemy could, if offered no opposition, in one night's time overrun a substantial part of West Germany, occupying many of the larger cities. Regardless of our nuclear bombs, we would be in a most embarrassing position. Every nuclear bomb that we would drop on our friendly German cities to destroy the enemy forces would destroy many times the number of friendly people.

Although we are not expecting attack from East Germany or Czechoslovakia, if it did happen today, the forces that we have in West Germany would force the enemy troops to concentrate in a position where we could locate them—where they would be proper targets for atomic or conventional weapons. For lack of time, I do not intend to pursue this subject further, but I do want to point out that regardless of how important the atom bomb is, it is not the total answer to our defense. I do not want to leave the impression that the atom bomb is not important for our defense. It is a most important weapon, but is still a weapon and is a part of our well-trained and well-equipped military force. No weapon is stronger nor better than the man who controls and operates that weapon. The most priceless ingredient that goes into any armed force is the integrity, courage, dedication, and training of the men who operate those weapons. In this field, America is second to none.

The undue reliance on the effectiveness of new weapons is not new, it is old as history. In 1139, more than 800 years ago, they thought that such a weapon, a weapon to force the world into submission was a crossbow. The Latern General Council held by Pope Innocent II said:

> We forbid, moreover, under anathema, the use against Christians and Catholics of that art, deadly and detestable to God, of the crossbowmen and archers.

At a much later date we find a similar belief that a certain weapon would destroy mankind. I quote:

> If Adam had seen in his vision the horrible instruments his children were to invent, he would have died of grief.

No, the weapon referred to was not the atom bomb. It was a reference made by Martin Luther to cannon and firearms.

> The soldier by natural evolution has so perfected the mechanism of slaughter that he has practically secured his own extinction. At first there will be increased slaughter—increased slaughter on so terrible a scale as to render it impossible to push the battle to a decisive issue.

This statement did not refer to the atomic bomb but was written by I. S. Block in 1897 and referred to the magazine rifle.

I would like to point out that often your military adversary picks the time and location of the conflict and his choice may preclude you from using the weapon that you most desire. A humorous example of this occurred in Georgia some years ago. Before the commencement of the Civil War, a Mr. Sylvaneus Lee, in a speech advocating war against the North, said vehemently that the South could whip the Yankees with cornstalks. After the war, while he was making a speech as a candidate for public office in Georgia, a member of his audience took him to task, asking, "How can we trust your judgment when you told us before the war we could whip the Yankees with cornstalks?" Mr. Sylvaneus Lee quickly retorted, "Yes; we could have, but those damyankees did not use cornstalks."

Military history is filled with the accounts of generals who "guessed wrong" as to the location and conditions of the battle to come. Napoleon III placed excellent maps of Germany with his commanders, but none of France; but contrary to his expectations the Franco-Prussian War was fought in France and not in Germany. Napoleon III also thought his greatest military problem in the coming war with Germany would be in the crossing of the Rhine, and he made great plans for such crossing. However, Von Moltke destroyed his army long before Napoleon ever got to the Rhine. Many factors influence the use of weapons.

Our job is to look after America, not "ape" everything Russia may do. Our program must be positive and designed to meet America's needs and philosophy of freedom. Our military strength must not ebb and flow as the Kremlin smiles or frowns. Admiral Rickover made a statement recently about keeping up with Russia which is very appropriate to repeat here. He said that if we were to learn one night that the Russians had a program to send a man to Hell, by the next morning three or four Government agencies would send to Congress plans and budget requests for a similar program with the excuse that we cannot let the Russians get there first.

Often there is great pressure exerted to plan our military needs by reacting to the claims or boasts or rumors of the Russians, without any regard to reasonable probabilities or feasible possibilities.

Working and planning for space travel may be exciting and romantic. It may be educational and useful. It certainly is expensive. However, for example, unless the placing of American troops on the moon may assist our defense efforts, we should not spend defense money for that purpose. If we want to excel in space projects, and the American people want the Government to spend their tax money for such purposes, that is understandable. But let us not call it national defense when its primary objectives are not related to defense.

Perhaps the greatest threat that the United States faces is that we, by foolish spending and following glamorous will-o'-the-wisps of fantastic, extravagant spending, will wreck America.

Today, tremendous pressure is being brought upon all America to spend staggering sums on armament, especially armament of the expensive exotic type. The needed, practical equipment is ignored in this pressure. The old-time munitions salesman centered his armament selling on the military and civilian leaders of the country. Today the armament salesman may spend millions, directly and indirectly, using all communications techniques, to not only sell his program of increased munitions directly to the officials of our country, but to influence officials in a much more subtle manner, by selling Mr. and Mrs. John Q. Public. This new "sales pitch" is gauged to convince all America that the company's weapon is valuable and direly needed for defense; but also that without this particular weapon the United States is deteriorating in military strength; and that unless our Government buys a tremendous amount of their special missile or gadget, our civilization will face annihilation by Russa. This type of selling, often by cleverly planted news stories, is calculated to encourage a ground-swell of public opinion, demanding that our Government spend more and more for defense, especially for the gadgets made by the arms merchants. Some of these propaganda representations are so absurd that they would be humorous if national defense were not so serious to the American people.

Modern weapons and their usage are so technical and complex that a person, regardless of his intelligence, cannot properly evaluate the truth or unreliability of these glowing and colored claims made for some of these weapons.

I saw on television a few months ago the performance of an official of a large American corporation which is heavily engaged in the manufacture of missiles. The program was carefully and astutely prepared to give the impression that his missile was needed in greater numbers by our Government—a far greater number than we are buying at this time. This program was plainly gauged to convince a national audience that Russia was ahead of us in missiles, that for national safety we should stockpile his missiles in greater numbers—which, incidentally, would cost hundreds of millions of dollars. This program had the desired effect; I immediately received letters demanding that the United States greatly accelerate production of this special missile program. The administration was severely criticized for not buying more of these missiles. Frankly, the program did not inspire me to believe that our Government should buy and stockpile more of these missiles, for I knew the true facts.

Actually, the United States has already spent many hundreds of millions of dollars on this particular missile which we hope eventually will turn out as planned.

It is only one of the three missiles which we are developing to be used for the same general purpose. These missiles are still in the development stage. This particular missile has been making fair progress and has had reasonably successful firings. It has been fired three times since the extravagant sales buildup over TV; and, while we have learned something from each of these firings, each has been an overall failure in its ultimate performance. If and when we can remove the "bugs" from this missile so that it is operational, then and only then does it become time to consider stockpiling it. It would certainly be fiscal and military stupidity to attempt to stockpile in great numbers for future use a weapon which is not yet operational.

Looking at this situation from the viewpoint of the manufacturer, this company certainly would benefit financially by an additional multi-hundred-million-dollar sales contract. However, our country must consider such a purchase in the light of national security and not for the benefit of any special corporation.

If the United States bought the quantities of each and every weapon that the armament salesmen are insisting we must buy, we would wreck our economy, make beggars of American taxpayers, and we would be so weakened that we could be easy prey to any would-be enemies.

We have many reliable manufacturers who are doing a magnificent job for national defense, and not resorting to highly-colored advertising. We also have manufacturers who, to justify their own sales, while doing a great job for defense, are resorting to "hysteria advertising" to sell their product. As is often the case in salesmanship, the poorer the product being sold, the greater and more glowing the claims deemed necessary to sell the product. I know of no manner in which we can prevent these armament and would-be armament manufacturers from making these extravagant and ofttimes false claims, many of them at the taxpayers' ultimate expense. Our Government can, however, see to it that these fallacious promotional appeals do not prejudice nor influence our purchasing of munitions, suited to our actual defense requirements.

It is the job of our Department of Defense and the several services to determine which weapons are best and which are needed and—within the appropriations and authorizations of Congress—purchase these weapons and equipment. They must do this in the face of pressure and severe criticism. Our Government is doing a fine job of providing us with proper defense, and the public should have confidence in them instead of the few "patent medicine" salesmen who now are in the armament business. More dollars do not always mean more defense—the protection of our country cannot be measured in dollar bills alone. The value we buy for the dollars is the ultimate consideration.

THE IMMIGRATION LAWS OF THE UNITED STATES

The SPEAKER pro tempore (Mr. THORNBERRY). Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

Mr. LANE. Mr. Speaker, our immigration laws are based on old-fashioned quotas that never made sense to begin with. They allotted generous quotas to those nations whose people did not show much interest in coming to the United States as permanent residents. On the other hand, they set miserly quotas for those nations like Italy where many people look forward to the day when they can be reunited with their close relatives in the United States.

Our policy toward Italians who are anxious to settle here, is a tragic illustration of the family splitting that results from our unrealistic and inhuman immigration laws. The millions of Americans whose homeland was Italy, have honored themselves and us by their high standard of citizenship. Hard-working, generous in spirit, notable for the sacrifices they make to give their children every educational opportunity, and devoted to the principles and the practice of democracy, they are an asset to our country.

In proportion to their numbers, they have given more of their sons and daughters to the defense of our freedoms, than any other group. They assimilate quickly, eagerly, and constructively. In the arts and professions, science, religious vocations, business, labor, and public life they are making outstanding contributions to our progress and development.

And yet in too many cases they are cut off from brothers, sisters, and even children, natives of Italy, who are prevented by archaic immigration laws from enjoying permanent reunion with them as residents of the United States.

This immigration wall that separates members of the same family from one another is indefensible. It is a mockery of our best traditions. Italy has been discriminated against under the national origins formula which places her far down on the list, with a quota allotment—apart from temporary emergency legislation—of only 5,645. At the same time, there are more than 60,000 petitions by U.S. citizens in behalf of brothers, sisters, sons, and daughters, now living in Italy, on file with American consulates in Italy. Some of these petitions were submitted as far back as 10 years ago. It is a cruel deceit to receive and approve these petitions, without changing the rigid immigration laws. Some of these humble people have been waiting and worrying year after year, for our compassionate permission that will enable them to join their relatives in the United States.

Fourth preference visas can be issued only when there are vacancies in the first, second, or third preferences which are given 100 percent of the quota. This hardly ever happens in countries with such low quota numbers as Italy.

Legislation was passed in September of 1957, permitting spouses and minor children of immigrants admitted under the Refugee Relief Act of 1953, to join their families in the United States. This was only a limited solution to the much larger problem of those families that have been separated for decades. I personally know of one old lady in my home city who has not seen her sister in Italy for 45 years. And when she pleads with me for help in getting a visa for her sister, I can only say, "We will try. Maybe there has been some mistake. Perhaps the consul at Naples will discover that she is eligible to come." But all the while I anticipate the dread letter of rejection from our consul, polite but firm. There is such a small quota. And there is a long line of people who applied 2 to 5 years ago.

That puts it up to us, the Congress, to amend the law, guided by the moral as well as the legal obligation to open the door in the immigration wall that separates American citizens from close relatives who want to be reunited with them.

There are several bills before the House and Senate, with the worthy object of granting nonquota immigrant status to certain immigrants who are the brothers, sisters, sons, or daughters of citizens of the United States.

In behalf of our fellow Americans of Italian ancestry upon whom the present situation bears most heavily, I join with many other Congressmen in asking for legislation at this session that will permit their loved ones in Italy, the close members of their family circle, to be at home with them in the United States.

For this kindness, our country will be rewarded by the gratitude that comes from the heart.

CANCER RESEARCH

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. LIBONATI] is recognized for 5 minutes.

Mr. LIBONATI. Mr. Speaker, the study of cancer is probably the No. 1 research program of this medical age. Millions of dollars and millions of hours have been spent by the greater scientific minds in this study. All seeking the key to the control and cure of this malady which has cost an estimated four million American lives in the last decade.

Dr. Stevan Durovic started nearly 30 years ago to perfect a drug to accomplish this result. His theory of cancerous growth was that an overabundance of cells in the body were being produced by the reproducing cells to replace the cells continuously destroyed every moment in the human body—that these reproductive cells must be controlled to produce only the number of cells actually needed. He finally, after years of study and experiment in research, developed a substance that he named krebiozen—a nontoxic drug.

He interested the distinguished professor of physiology, Dr. Andrew C. Ivy, of the University of Illinois medical school, in the efficacy of the drug.

Dr. Andrew C. Ivy has been for 9 years in the forefront of the greatest medical controversy of this century. He boldly and pugnaciously carried the brunt of his persecution at the hands of the AMA.

Krebiozen, since August 1949, when it was just used on humans for therapeutic study, has been used by approximately 500 doctors upon 1,500 patients. It has proven in these tests that it is biologically active in cancer cases.

But unfortunately the American Medical Association, through several of its pseudo-political leaders issued a fake report in their journal calling it worthless, based upon false and forged reports of 24 cases treated with krebiozen by an underling with 2 years' experience in the cancer field.

The controversy still menaces the careers of the outstanding medical authorities in the cancer field and has spread to the citizenry, affecting the money raising campaigns of the American Cancer Society.

The AMA and the American Cancer Society—its stepchild—in defense of their position reluctantly issued recently a report attacking the method of research, the honesty of the test and deprecating the value of the drug; also questioning the knowledge of the chemical composition of the drug.

The report on krebiozen by the Krebiozen Foundation included herein certainly places the American Medical Association and its officers in a most unfortunate and ridiculous position. Certainly all the averments in the report against krebiozen both as an active drug and scientific experimental study and development, are answered herein. The serious opposition to the controlled test as proposed by Dr. Andrew C. Ivy together with the Krebiozen Foundation and supported in the Senate by Senator PAUL H. DOUGLAS, as a recommendation to the distinguished Dr. John R. Heller, Assistant Surgeon General, to conduct such a test—falls apart.

The truth in this report seeks out the liar.

Dr. John R. Heller, Assistant Surgeon General Director of the National Cancer Institute under the National Institues of Health is in a position to approve the scientific test advocated. The AMA's demanded exclusion of Dr. Ivy as adviser and participant is a denial of the honesty of its purpose. Past experience with the practices and pressures of the opposition dictate this procedure to insure an honest result.

Hundreds of doctors, members of the AMA, have already recorded their findings with the Krebiozen Foundation in favor of its remedial value. To equivocate on this question can be considered as a further excuse to refuse to give krebiozen the official approval necessary to establish its legal status as an experimental remedy under the Pure Foods and Drugs Act and the issuance of a license permitting the production and sale and the distribution of the drug to the medical profession for the treatment of their patients. The application, No. 9368, has been pending since April 15, 1954.

The report sustains the prayer for a fair chance for krebiozen. Dr. Heller owes it to the people.

REPORT ON KREBIOZEN, AN AGENT FOR THE TREATMENT OF CANCER, 1951–59, BY KREBIOZEN RESEARCH FOUNDATION, CHICAGO, ILL.

The Krebiozen Research Foundation is a not-for-profit organization, incorporated in April 1951 under the laws of the State of Illinois. Its purpose is to conduct scientific research in the cancer field. The foundation is located at 105 West Adams Street, Chicago, Ill.

Since 1951 the foundation has been investigating the drug krebiozen, a new agent discovered by Dr. Stevan Durovic, for the treatment of cancer.

Dr. Durovic is the scientific director of the Duga Laboratories, incorporated in Argentina and the State of Illinois. The Duga Laboratories, Inc., is licensed to produce drugs and serums in Argentina and to produce and sell krebiozen in Uruguay.

WHAT IS KREBIOZEN?

Krebiozen is a compound extracted from the blood serum of horses which have been previously injected with a preparation made from a culture of a mold called Actinomyces bovis.

Although much research has been done to study the chemical composition and molecular structure of krebiozen, the complete structural formula has not yet been determined. The chemistry of extracts of animal tissue is usually extremely complicated and elusive. It may prove as difficult to define the exact chemistry of krebiozen as it was to learn the exact chemistry of insulin, which was still a mystery 25 years after its discovery, and has only recently been precisely described. Much valuable information has been obtained, however, concerning the physical, chemical, and pharmacodynamic properties of krebiozen. Such information was published in 1951, 1952, 1953, 1954, 1956, and 1959.

Krebiozen is an amorphous white powder with a faint tinge of straw color. It is soluble in water, organic solvents, such as methyl alcohol, ether, and benzene and in vegetable oil and mineral oil. Chemical analysis has shown that krebiozen could be a mixture of weak organic hydroxy acids of high molecular weight or of a polybasic hydroxy acid or acids. These molecules have a high carbon to hydrogen ratio and thus would be either highly branched or greatly condensed, with a few terminal methyl groups. This would indicate that the end of the carbon chain may be carboxyl, aldehyde, or hydroxyl groups. From the absorption bands, it is possible that there are other species of carbonyl groups present in addition to those associated with the free acid groups, such as ester, ketone, or aldehyde. The highly condensed nucleus could be steroidal material which does not show ultraviolet absorption. No nitrogen was found to be present in krebiozen. If present, it exists only in a small amount. The sulfur atom was found to be present, which suggests that krebiozen may possess a very interesting structure, because the sulfur atom has great biological activity when present in certain relations in organic molecules. Whether the sulfur is a constituent of the molecule remains to be proved.

A chemical analysis completed in May 1953 indicated that krebiozen may belong chemically to the polysaccharides or steroids and related substances. In February 1959 it was found that krebiozen is a lipopolysaccharide composed of a polysaccharide and a fatty substance which are conjoined. Enough is now known about its chemistry to warrant the hope that it may be synthesized.

Biologically there is evidence that krebiozen is a hormone which acts to restrain the unregulated growth of body cells. Observations suggest that it is normally present in every living cell, especially in the reticuloendothelial cells, whose function is to defend the body against foreign substances, bacteria and parasites, and to promote the repair of body tissue. The krebiozen theory has been briefly outlined in a monograph published by Henry Regnery Co. of Chicago in 1956 under the title of "Observations of Krebiozen in the Management of Cancer" by Drs. A. C. Ivy, John F. Pick, and Wm. F. P. Phillips. It is also outlined in an article on the "Medical Therapy of Canine Cataract" published in the April and May 1959 issues of Veterinary Medicine.

HOW IS KREBIOZEN MADE?

There are a number of living organisms which produce a granuloma, which is a certain noncancerous type of tumor occurring in animals and man. The mold, actinomyces bovis, is present in a granulomatous tumor which occurs in cattle. The tumor is called lumpy jaw by cattlemen. This tumor contains reticuloendothelial cells which have probably been stimulated to grow and secrete excessively by the actinomyces. An extract of actinomyces[1] is made and injected into a horse to stimulate the reticuloendothelial cells of the horse to secrete into its bloodstream a specific antigrowth hormone. Later the blood is withdrawn from the horse and is allowed to clot. The serum is collected and then extracted with an organic solvent to remove the krebiozen along with fatty substances. The solvent is evaporated and the fatty residue is then extracted with water to separate the krebiozen from the fat and other substances mixed with the fat. The objective is to obtain a substance from the serum which is soluble in most organic solvents, such as ether, benzene, and methanol, and water which also happens to be soluble in mineral oil (sparingly) and vegetable oils.

The basic scientific requirements for making krebiozen were publicly disclosed in 1951, 1952, 1954, 1956, and 1959. This information has been available to anyone for the asking since 1951. Dr. Ivy in 1955 without knowing the manufacturing details of the Duga Laboratories made a small batch of krebiozen from 46 horses and found it to be active in cancer patients. The manufacturing details of the Duga Laboratories have not been disclosed pending the granting of a patent. The patent application was filed November 5, 1951, and is No. 254,985, and is still pending under a continuation dated May 5, 1958, No. 732,785. A pharmaceutical company rarely discloses manufacturing details because they are the basis of competition in the cost of production. However, an example of how a batch of krebiozen may be made has to be given in detail in a patent application, which is published after the patent is granted.

HOW DID THE KREBIOZEN RESEARCH FOUNDATION CONDUCT THE EXPERIMENTATION ON KREBIOZEN?

All the investigations on krebiozen have been directed under the auspices of the Krebiozen Research Foundation under the advice and supervision of Dr. A. C. Ivy, distinguished professor of physiology and head of the department of clinical science at the University of Illinois.

At the time when he began his investigation of krebiozen, Dr. Ivy was executive director of the National Advisory Cancer Council of the U.S. Public Health Service and a

[1] Dr. Durovic was the first who used an extract of actinomyces in the treatment of cancer. However, he eliminated its toxicity by injecting a filtrate of actinomyces into horses, making them sick, and thus inducing the horse to produce the growth-controlling substance which was called krebiozen and which is nontoxic.

member of the board of directors of the American Cancer Society. Dr Ivy had been selected and proposed by the board of trustees of the American Medical Association to the Secretary of War and the Secretary of State to serve as an expert adviser and witness at the Nuremberg medical trials on the subject of "Medical Ethics and Clinical Investigation." Dr. Ivy served in this capacity during the Nuremberg trials.

Dr. Ivy has been and is research adviser to the Krebiozen Research Foundation. He has accepted no remuneration for his services and has testified under oath that neither he nor any relative shall ever derive pecuniary profit from krebiozen, either directly or indirectly.

Toxicity: By experiments on a total of several hundred mice, rats, and dogs it was found that krebiozen has no toxicity as measured by a large (0.1 milligram) single dose or repeated small doses (0.01 milligram) in regard to appetite, growth, and reproduction.

After tests on dogs for toxicity it was tested on two human subjects (A. C. I. and L. R. K.) before it was given to human patients. The No. 9 light mineral oil (USP) in which krebiozen is dissolved causes a local reaction in 3 percent of patients who are sensitive or become sensitive to mineral oil. Some cancer patients (10 percent) may develop 1° to 3° F. of temperature 6 to 12 hours after an injection. This appears to be due too a softening of the tumor with the absorption of cellular debris.

Effects on animals with tumors: Animal tests showed krebiozen to be ineffective on several transplanted tumors in mice and rats. It was slightly effective on the rate of development of spontaneous tumors in C3H mice. It has not yet been found to have a decisive effect on any mouse or rat tumor. It does have an effect on spontaneous tumors in dogs and cats, causing liquefaction or cessation of growth in most cases.

A summary of these observations was published in 1951 ("Krebiozen: An Agent for the Treatment of Malignant Tumors," by A. C. Ivy, L. R. Krasno, William F. P. Phillips, J. F. Pick, and L. E. Grubgeld, Champlin-Shealy Co., Chicago), and in 1956 ("Observations on Krebiozen in the Management of Cancer," by Drs. A. C. Ivy, J. F. Pick, and William F. P. Phillips, Henry Ragnery Co., Chicago, 1956).

Study on human patients with cancer: The study of krebiozen on human cancer patients has been conducted in accordance with the rules and regulations of the Federal Pure Food and Drug Administration. The drug is supplied to physicians after they submit certain records and statements required by that agency. The drug, together with instructions concerning its use, has been regularly sent to physicians who make application. The physicians are supplied with forms on which they report their clinical findings and observations to the foundation following treatment with krebiozen.

Dosage rates: The dosage rate of krebiozen is determined by the anatomical pathology of the cancer in a particular patient, to what degree the cancer or its metastases is sensitive to krebiozen, and whether the patient is sensitive to the effect which krebiozen has on the cancer.

Krebiozen is distributed in ampules containing 0.01 milligram of the drug dissolved in 1 cubic centimeter of No. 9 light mineral oil (U.S.P.). This is the unit upon which all dosage rates are based.

Initial administration of krebiozen usually begins with the intramuscular injection of one ampule of krebiozen, a second being given 72 hours after the first injection. These first two injections of krebiozen serve to give some indication of the sensitivity of the tumor and can be given to all patients. As in the case of the injection of any drug, the injection of krebiozen should not be made at a site from which the lymphatic drainage is poor or where edema is present, since in such areas absorption is retarded. One hour after the injection the site is occasionally massaged to improve absorption.

While the optimum dosage of krebiozen has not been established, the following statements can be made from the accumulated data. To date as much as 36 cubic centimeters a week, not more than 3 cubic centimeters in any one site, has been given.

A. In patients with external tumors where perforation or hemorrhage is unlikely, an injection of 2 cubic centimeters of krebiozen is given every 2 weeks or 2 cubic centimeters every week or 2 cubic centimeters twice a week, depending on the sensitivity of the tumor.

In some cases favorable results occurred upon the giving of 1 or 2 cubic centimeters of krebiozen every 2 or 3 days for 2 weeks and then 2 cubic centimeters every week or two thereafter.

In the case of external tumors which appear to be resistant, 4 cubic centimers are given at the first injection and then 3 cubic centimeters 3 days later. It was noted in a few patients that this initial dosage was apparently too large because several days later the primary tumor and most metastases underwent a rapid "liquefaction" necrosis.

In some patients with a far advanced tumor of the palate, sinus, and tongue, 1 or 2 cubic centimeters of krebiozen every 2 days was followed by a rapid sloughing.

In cases of malignant melanoma where the internal organs were not involved, 1 to 4 cubic centimeters of krebiozen was given every 3 days. In grave cases sometimes this dosage was increased to 6 to 12 cubic centimeters twice weekly.

B. In cases of internal tumor the dosage rate must be closely watched.

Favorable results have been obtained by giving 3 cubic centimeters or 4 cubic centimeters weekly, depending upon the possibility of hemorrhage or perforation. Two cubic centimeters weekly after the first two injections 72 hours apart was found to be safe and to exclude possibility of hemorrhage or perforation.

If the tumor or metastases continues to grow during the subsequent 3 or 4 weeks after the first two injections 72 hours apart, the dosage can safely be increased to 4 cubic centimeters every week or in time even to 4 to 12 cubic centimeters twice a week, 2 to 4 cubic centimeters every other day.

It has been observed that some patients may objectively or subjectively indicate the optimum dosage rate. The patient may obtain pain relief for 2 days when the dose of krebiozen is being given every 3 or 4 days. On making the injection every other day the pain is completely relieved. The pain may decrease or disappear for a week or 10 days and then recur. This indicates the use of larger doses, or of smaller doses given more frequently.

In cases where a tumor has been surgically removed but metastases are known to be still present, 2 to 6 cubic centimeters weekly is a satisfactory dosage. If there is any evidence of growth in these cases, then 4 to 12 cubic centimeters twice weekly are indicated.

In brain tumors or in the case of tumors infiltrating the nerve roots or plexuses with the symptom of severe pain, it is better to initiate treatment with 2 cubic centimeters of krebiozen twice weekly. If the patient does not improve in 1 week, it is advisable to increase the dosage to 4 cubic centimeters twice weekly and then to 6, 10, or 12 cubic centimeters at one injection twice a week or three times a week. In cases of multiple doses, at least four different body sites are injected with not more than 3 cubic centimeters in one site.

C. Infants and children have been treated cautiously, usually with 0.5 cubic centimeter twice during the first week. Infants have been given as much as 4 cubic centimeters two or three times a week.

Time of onset of a response: Favorable responses have been occasionally observed from 3 to 12 hours after the first injection; usually not until after several injections. A response is sometimes not observed until 3 months after the start of therapy. This generally depends on the rate at which the dose is increased. The majority respond in from 3 to 30 days, the average being about 12 days.

Contraindications: The use of krebiozen has no contraindications per se. Krebiozen is not contraindicated in comatose terminal patients.

Krebiozen is not incompatible with X-ray therapy, but it was noted that tumors fibrosed by much X-ray treatment have not responded as well as others. X-ray sickness may be decreased in severity according to our observations, when krebiozen is given during a series of treatments. The definite impression has been gained that a dose of X-rays or radiant energy, of nitrogen mustard, and other drugs which depress the reticuloendothelial system, as indicated by the leucocyte count, antagonize the favorable effects of krebiozen.

SUMMARY OF OBSERVATIONS MADE ON HUMAN PATIENTS

The therapeutic study on human patients began late in August 1949. Krebiozen has been tried clinically by three independent groups on a total of some 1,500 cancer patients.

Group I consists of Drs. Wm. F. P. Phillips, John F. Pick, L. R. Krasno, and A. C. Ivy, who tested krebiozen on 250 patients approximately.

Group II consists of 300 physicians in hospitals, university clinics, and medical centers, throughout the country who tested krebiozen on approximately 1,250 patients.

Group III consists of the physicians in Lankenau Cancer Institute, Philadelphia, who tried krebiozen on 40 patients.

The results obtained with krebiozen by all these three groups are approximately identical.[2] They can be summarized as follows:

(a) At the start of krebiozen treatment almost all patients were in the advanced or terminal stage and the disease was progressing. About 50 percent were bedridden.

The duration of improvement and survival after krebiozen tended to be better when X-ray therapy had not been given for at least 3 months previously. In more than 50 percent of the patients X-ray therapy had not been given within 1 year. In such patients krebiozen was given because X-rays had not been effective or X-rays had been effective for a period which was followed by a recurrence. Obviously when X-ray or hormone or any other therapy was or might be effective, krebiozen was neither asked for nor given by the attending physician.

(b) Subjective improvement, in regard to pain, occurred in approximately 70 percent of the patients. In a controlled study, pain was decreased in 72 percent of 261 who knew they were receiving krebiozen and in 68 percent of those who did not know they were receiving krebiozen. The use of narcotics for pain was abolished in 27 percent of 239 patients who used narcotics in some form. The pain was relieved for an average of 6 months, the patients who lived longer than

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[2] The only evidence submitted against krebiozen is the official 100-case report of the Council of Pharmacy and Chemistry of the A.M.A. This report was proven under oath to contain 23 falsified cases, and most of the other cases were so close to death that they lived only long enough to receive an average of 3 doses of krebiozen. The official report was published in the October 25, 1951, issue of the Journal of the A.M.A. The falsified cases were again published in a March 1952 issue of the Journal.

2 years being excluded. Pain relief sometimes started as soon as 6 hours after the first injection, but the average was 12 days.

(c) The objective changes consisted in a measurable decrease in the primary tumor or metastasis in 50 percent of the cases.

Body weight increased an average of 9 pounds in 63 percent of a group of 57 patients under the care of Drs. Phillips, Pick, and Ivy, and an average of 8 pounds in 67 percent of 93 patients treated by other physicians.

In four patients whose abdomen was opened and then closed immediately because the cancer was so advanced that it could not be operated, the abdomen was opened later and no cancer found.

In 84 autopsies extensive necrosis or liquefaction of metastases was observed in 30 percent of cases. By making serial biopsies in four patients, Drs. Phillips, Pick, and Ivy observed oncolytic changes. The physicians from Lankenau Cancer Institute in Philadelphia, reported oncolytic changes in serial biopsies in seven cases which was confirmed by six consulting pathologists.

(d) Ambulatory life was unequivocally increased in 23 percent of 246 patients. The average duration of improvement of 182 advanced patients who started krebiozen treatment prior to October 1951 and who were dead or living 6 months later in March 1952 was 8.27 months in the patients treated by Drs. Phillips, Pick, and Ivy and 8.25 months in the patients of other physicians.

Most of our long-term patients still receive krebiozen. In three patients the tumor has disappeared on giving krebiozen and returned on withdrawing it and disappeared on starting krebiozen again. This cycle was repeated four times in one patient, three times in a second, and two times in a third.

We now have five patients free of active cancer who have not taken krebiozen for from 2 to 4 years.

(e) Of approximately 500 patients who from 4 to 9 years ago had advanced or terminal cancer 52 were free of detectible cancer from 4 to 9 years after the start of therapy. This percentage of approximately 10 percent of 4- to 9-year survivals has persisted for the last 4 years. Some patients who had lived with inactive cancer for 2 to 8 years have died from causes other than cancer.

A summary of some of the therapeutic observations up to January 1956 has been published in a monograph titled "Observations on Krebiozen in the Management of Cancer," by A. C. Ivy, John F. Pick, and Wm. F. P. Phillips, the publisher being Henry Regnery Co., Chicago (1956).

On February 16, 1959, at the 77th annual convention of the Illinois State Veterinary Medical Association in Chicago, Drs. A. C. Ivy, G. E. Park, and W. C. Dolowy reported their observations on the effect of krebiozen on the clearing of the opacity of the cataractous lens.

In a paper, "Medical Therapeutic Improvement of Canine Cataract," they reported that after a study of 3 years on 27 dogs, krebiozen has been found to clear the opacity of the cataractous lens in 90 to 95 percent of treated animals. They concluded, "In time this may become applicable to human patients with cataract." (See April and May 1959 issues of Veterinary Medicine.)

Mr. BRAY. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. LANE], the gentleman from Illinois [Mr. LIBONATI] and I may extend our remarks, and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentlemen from Indiana?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CURTIS of Missouri, for 1 hour, on Thursday next.

Mr. LANE, for 10 minutes, today.

Mrs. ROGERS of Massachusetts, for 10 minutes, on Friday next.

Mr. LIBONATI (at the request of Mr. IRWIN), for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BENTLEY, to revise and extend the remarks he may make in the Committee of the Whole today and tomorrow on the bill H.R. 7500 and include extraneous matter.

Mr. VAN ZANDT in two instances and to include extraneous matter.

(The following Members (at the request of Mr. SMITH of California) and to include extraneous matter:)

Mrs. BOLTON.

Mr. SAYLOR.

(The following Member (at the request of Mr. IRWIN) and to include extraneous matter:)

Mr. BROWN of Missouri.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 318. An act to authorize a revision of the boundaries of the Edison Laboratory National Monument, New Jersey, and for other purposes;

H.R. 1306. An act to provide for the sale of Columbia Basin project lands to the State of Washington, and for other purposes;

H.R. 1471. An act for the relief of Jim B. Hill;

H.R. 1711. An act for the relief of the Galveston, Houston & Henderson Railroad Co.;

H.R. 1758. An act for the relief of Gerald M. Cooley;

H.R. 2011. An act for the relief of Leonora Holmes Mola;

H.R. 2044. An act for the relief of the estate of Richard Anthony Nunes, Jr.;

H.R. 2100. An act for the relief of John F. Carmody;

H.R. 2154. An act to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park.

H.R. 2286. An act for the relief of Joseph E. Gallant;

H.R. 2289. An act for the relief of Mrs. Gertrude E. Shetler;

H.R. 2586. An act for the relief of Miss Mame E. Howell;

H.R. 3292. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to furnish supplies and services to foreign vessels and aircraft, and for other purposes;

H.R. 3366. An act to authorize the extension of loans of naval vessels to the Governments of Italy, Turkey, and the Republic of China;

H.R. 3454. An act to disclaim any interest on the part of the United States in certain lands in the State of Colorado, and for other purposes;

H.R. 3495. An act to direct the Secretary of the Interior to administer certain acquired lands as revested Oregon and California railroad grant lands;

H.R. 3496. An act to revise the boundaries of the Kings Mountain National Military Park, S.C., and to authorize the procurement and exchange of lands, and for other purposes;

H.R. 3522. An act for the relief of Aaron Green, Jr.;

H.R. 3825. An act for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell;

H.R. 3960. An act for the relief of Patrick W. Gowan, David Dooling, Harlie L. Mize, James H. Blaes, and William L. Perkins;

H.R. 4245. An act relating to the taxation of the income of life insurance companies;

H.R. 4345. An act to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C. 67a(9)); respecting the transmission of papers by the referee to the clerk of the court;

H.R. 4692. An act to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, 1031) to provide for automatic adjudication and reference in certain cases;

H.R. 4748. An act to extend the leasing provisions of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869–869–3), to certain lands in Oregon, and for other purposes;

H.R. 5212. An act to revise the minimum charge on pieces of mail of odd sizes and shapes;

H.R. 5262. An act to revise the boundaries of the Montezuma Castle National Monument, Ariz., and for other purposes;

H.R. 5488. An act to revise the boundaries of Wright Brothers National Memorial, N.C., and for other purposes;

H.R. 5728. An act to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor;

H.R. 6914. An act to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land;

H.R. 7120. An act to amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes;

H.R. 7290. An act to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; and

H.J. Res. 324. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens.

ADJOURNMENT

Mr. IRWIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p.m.) the House adjourned until tomorrow, Wednesday, June 17, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1099. A communication from the President of the United States, transmitting proposed

appropriations for the fiscal year 1960 in the amount of $485,300,000 for the National Aeronautics and Space Administration (H. Doc. No. 173); to the Committee on Appropriations and ordered to be printed.

1100. A letter from the Comptroller General of the United States, transmitting a report on our review of the Puerto Rico insuring office of the Federal Housing Administration (FHA), Housing and Home Finance Agency, July 1958 (H. Doc. No. 174); to the Committee on Government Operations and ordered to be printed.

1101. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1102. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Emil Jenvay, A–10256559, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1103. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAVIS of Tennessee: Committee on Public Works. S. 42. An act to authorize the utilization of a limited amount of storage space in Table Rock Reservoir for the purpose of water supply for a fish hatchery; without amendment (Rept. No. 551). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 6436. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act so as to include nematocides, plant regulators, defoliants, and desiccants, and for other purposes; with amendment (Rept. No. 552). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Internal and Insular Affairs. H.R. 968. A bill to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon; with amendment (Rept. No. 553). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee on Armed Services. H.R. 7508. A bill to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance, with amendment (Rept No. 554). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 7567. A bill to extend for a period of 2 years the privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad; without amendment (Rept No. 555). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 7749. A bill to increase the amount of obligations issued under the Second Liberty Bond Act which may be outstanding at any one time; without amendment (Rept No. 556). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H.R. 7749. A bill to increase the amount of obligations issued under the Second Liberty Bond Act which may be outstanding at any one time; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H.R. 7750. A bill to increase the amount of obligations issued under the Second Liberty Bond Act which may be outstanding at any one time; to the Committee on Ways and Means.

By Mr. BASS of New Hampshire:

H.R. 7751. A bill to amend the Small Business Investment Act of 1958; to the Committee on Banking and Currency.

By Mr. BROWN of Missouri:

H.R. 7752. A bill to provide emergency relief to family farm poultry and egg producers, and for other purposes; to the Committee on Agriculture.

By Mr. COLLIER:

H.R. 7753. A bill to amend the act of August 16, 1950, relating to exclusion from the mails of obscene articles, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. COLMER:

H.R. 7754. A bill to amend the Public Health Service Act to provide for certain investigations and studies by the Surgeon General of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. KING of California:

H.R. 7755. A bill to amend title II of the Social Security Act to permit the Governor of a State to appoint a delegate to make the certifications required for the coverage of State and local employees by referendum; to the Committee on Ways and Means.

By Mr. KING of Utah:

H.R. 7756. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by stabilizing the domestic lead and zinc industry, and for other purposes; to the Committee on Ways and Means.

By Mr. McCULLOCH:

H.R. 7757. A bill to implement the Constitution by amending title 4 of the United States Code; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 7758. A bill to improve the administration of overseas activities of the Government of the United States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PELLY:

H.R. 7759. A bill to amend the act providing for a program to investigate and eradicate the predatory dogfish sharks of the Pacific coast in order to expand such a program; to the Committee on Merchant Marine and Fisheries.

By Mr. SANTANGELO:

H.R. 7760. A bill to authorize the Secretary of Health, Education, and Welfare to make grants to the States to assist in the provision of facilities and services for the day care of children; to the Committee on Education and Labor.

By Mr. DULSKI:

H.R. 7761. A bill to enable the mothers and widows of deceased members of the Armed Forces now interred in cemeteries outside the continental limits of the United States to make a pilgrimage to such cemeteries; to the Committee on Armed Services.

By Mr. MERROW:

H.R. 7762. A bill to make permanent certain increases in annuities payable from the civil service retirement and disability fund; to the Committee on Post Office and Civil Service.

By Mr. MILLER of New York:

H.J. Res. 431. Joint resolution to implement the Constitution by amending title 4 of the United States Code; to the Committee on the Judiciary.

By Mrs. DWYER:

H.J. Res. 432. Joint resolution establishing a U.S. Academy of Foreign Service; to the Committee on Foreign Affairs.

By Mr. FINO:

H. Con. Res. 201. Concurrent resolution expressing the sense of Congress with respect to Federal aid in the restoration of the historic Soldiers' and Sailors' Monument in New York City; to the Committee on Interior and Insular Affairs.

By Mr. PATMAN:

H. Con. Res. 202. Concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Federal Tax Policy for Economic Growth and Stability"; to the Committee on House Administration.

H. Con. Res. 203. Concurrent resolution authorizing the printing of additional copies of the hearings on automation and technological change; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to protection of the North Pacific fisheries, which was referred to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H.R. 7763. A bill for the relief of the dependents of Francis Leigh Orgain; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 7764. A bill for the relief of Maria Grazia Mordini; to the Committee on the Judiciary.

By Mr. FALLON:

H.R. 7765. A bill for the relief of Dr. Pelagio E. Layug; to the Committee on the Judiciary.

By Mr. MARTIN:

H.R. 7766. A bill for the relief of Mrs. Natalia SyCip Ty; to the Committee on the Judiciary.

By Mr. MICHEL:

H.R. 7767. A bill for the relief of Fong Chun Hong; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H.R. 7768. A bill for the relief of Toula Kambelli and Emilia Kambelli; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 7769. A bill for the relief of Grazia Giuseppa Peselli; to the Committee on the Judiciary.

By Mr. YATES:

H.R. 7770. A bill for the relief of Georgitsa Damelos; to the Committee on the Judiciary.

By Mr. MONAGAN:

H. Res. 298. Resolution providing for sending the bill (H.R. 6724) with accompanying papers to the U.S. Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

220. By the SPEAKER: Petition of Rev. Fred F. Hays, St. Paul's Methodist Church, San Bernardino, Calif., relative to endorsing a redress of grievance by Mrs. Ruth Nelson, of San Bernardino, Calif., now pending before the Congress; to the Committee on the Judiciary.

221. Also, petition of Lyman S. Rich, San Bernardino, Calif., relative to requesting information relating to a redress of grievance by Mrs. Ruth B. Nelson, of San Bernardino, Calif., now pending before the Congress; to the Committee on the Judiciary.

222. Also, petition of the city manager, Newburg, N.Y., relative to urging repeal or suspension of the Byrd amendment to the Federal Highway Act; to the Committee on Public Works.

EXTENSIONS OF REMARKS

Annual Flag Day Luncheon, of the Col. John Proctor Chapter, Daughters of the American Revolution, June 13, 1959, Penn-Alto Hotel, Altoona, Pa.

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 16, 1959

Mr. VAN ZANDT. Mr. Speaker, on June 13, 1959, it was my pleasure to attend the annual Flag Day luncheon of the Col. John Proctor Chapter, Daughters of the American Revolution, held at the Penn-Alto Hotel, Altoona, Pa., at which time I delivered the following address:

ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE ANNUAL FLAG DAY LUNCHEON OF THE COL. JOHN PROCTOR CHAPTER, DAUGHTERS OF THE AMERICAN REVOLUTION, AT THE PENN-ALTO HOTEL, ALTOONA, PA., JUNE 13, 1959

It is a pleasure to have been invited to attend your annual Flag Day luncheon and to participate in the program on such a patriotic occasion.

The Daughters of the American Revolution have an enviable record in the field of patriotic endeavors since the local chapters throughout the Nation stand as mighty sentinels at farflung listening posts.

Such a vigilant attitude has placed the DAR in the front line of our Nation's defense against sinister elements in our midst who are bent upon destroying our cherished ideals as embodied in the American way of life.

From a vantage point in Washington, D.C., it has been my pleasure to follow closely the annual meetings of the DAR, which are the subject of widespread newspaper coverage in the Nation's Capital.

This annual congress of delegates focuses the attention of the Nation on the activities of the DAR in the field of patriotism—for the agenda each year reveals the interest taken in issues that have a direct bearing on the security of the Nation.

It is to the everlasting credit of the Daughters of the American Revolution that the organization has the reputation of meeting controversial issues head on instead of adopting the alternative of dodging a showdown with forces harboring ideas alien to our form of government.

The annual observance of Flag Day provides another means of taking inventory of the manifold blessing we enjoy as citizens of the greatest Republic in the history of civilized governments.

This annual Flag Day luncheon is a fitting complement to Altoona's public observance of one of the Nation's most important patriotic holidays.

By this program, you are joining with local lodge No. 102 of the Benevolent and Protective Order of Elks whose Flag Day program begins in front of city hall at 3 p.m., in emphasizing the importance of showing love and proper respect for the flag of our country and the ideals it represents.

Since the theme of the DAR for 1959–60 is "Faith of Our Fathers Living Still," Flag Day is an appropriate occasion for stressing that our spiritual and material progress as a nation are symbolized by our allegiance to the Star-Spangled Banner.

A banner which exacts from us in our daily lives the type of conduct that will serve to teach and inspire the moral character and the spiritual truths and vigor—which have been the foundation stones of this great Republic.

This 1959 Flag Day observance is the last time that public tribute will be paid to the 48-star flag.

On the morning of July 4, 1959, at appropriate ceremonies in Independence Hall, Philadelphia, Old Glory—with Alaska as the 49th star—will be officially unfurled.

On July 4, 1960, it is expected that through the admission to the Union of the Territory of Hawaii, the Stars and Stripes will be flung to the breeze displaying 50 white stars in a blue field.

It is interesting to recall that when the Star-Spangled Banner was first flown at the head of the Continental Army, Gen. George Washington described its symbolism as follows:

'We take the stars from heaven, the red from our mother country, separating it by white stripes, thus showing that we separated from her and the white stripes shall go down to posterity representing liberty."

In addition to the description by General Washington we all recall that portion of the song alluding to Betsy Ross, Philadelphia needlewoman who made the first Star-Spangled Banner:

"She took some red for the blood they shed, some white for purity, some stars so bright from the sky overhead, some blue for loyalty."

Therefore, as we proudly gaze at our flag the red proclaims the courage which Americans have always shown in shedding their blood in the defense of liberty and freedom.

The white stripes signify purity of ideals and the liberty purchased and preserved for us by American patriots since 1776.

Finally the blue in our flag stands for loyalty.

Yes, it is the blue of the heavens, the true blue—that symbolizes the intense loyalty and deathless courage of the millions of Americans who have been loyal to this Nation through sacrifice and even death when the security of the Nation demanded it of them.

During these troubled days with the world in constant turmoil loyalty to flag and country is the golden badge of real Americanism.

It has been truly said that "loyalty means liberty" and since loyalty is everybody's job, it behooves all red-blooded Americans to maintain a vigilant attitude and to speak out in no uncertain terms against the danger of subversive forces within and the peril of international gangsterism without.

We should heed the admonition of Mr. David Sarnoff, chairman of the board of directors of the Radio Corp. of America, who said in speaking of loyalty in an address on Veterans' Day 1958, "Loyalty to our country is loyalty to ourselves."

To Mr. Sarnoff's timely advice I should like to add that what we need as a people in providing inspiration and strength is a double-barrelled dose of good old fashioned patriotism.

To many people in the United States patriotism has become outdated and nationalistic.

The custom of displaying the Stars and Stripes proudly before the home on national holidays is almost a thing of the past.

Today the Communists of America as well as of the world are working harder than ever to bring America under the spell of the Kremlin dictators.

Only recently a top American official said that more espionage agents are at work in America today than any time in our history.

On Red May Day in the Red Square of Moscow Nikita Khrushchev praised the Communist world and spread the Communist propaganda of the day.

His statements were publicized throughout the universe and carried on the front pages of the world press.

As usual the American people and our goal of world peace were held up to ridicule, by the Kremlin's No. 1 propagandist.

Mind you, even in the face of the Kremlin's brutal attacks on our Government and way of life, we have some Americans who are content to sit idly by and call patriotism outdated and nationalistic.

Yes, this same group are the ones who say we should not worry about the Communists and the cold war.

They urge that we ignore the constant efforts of the Communists to destroy us as a nation.

In trying to achieve the goal of universal peace, it is a significant and deplorable fact that Russia as a government lacks national integrity as evidenced by her long record of broken promises.

These misguided Americans in our midst refuse to realize that the Russians by their clever and deceitful manner will keep us involved in this cold war as long as they have the power to do so.

Regardless of the fact that the Kremlin considers America its number one enemy, we still strive diligently and honestly to achieve a just and lasting peace.

Today there are more demands for American-Soviet talks and at the moment we are represented at another Geneva Conference in a sincere effort to obtain a just and durable peace among all nations.

Unfortunately, the odds are 13 to 1 that every Soviet promise will be broken, and to justify this statement let me remind you that in 1943 four pacts with Russia were signed by an American President—and all were broken.

In 1945 six pacts were signed with Russia and five were violated.

In 1955 President Eisenhower traveled to Geneva to meet the Russians and the trip was fruitless.

In addition, between American and Soviet foreign ministers there have been 426 days of talks since 1943 with these results:

(A) In 1943 three pacts signed and all of them violated by Russia.

(B) In 1945 and 1946 a total of 11 pacts were signed and only one was kept.

(C) In 1947, one pact was signed and Russia violated it.

In the field of disarmament, nearly 500 meetings have been held and nothing has been settled as yet.

In fact, the Soviets keep asking us back on their terms for another round of so-called conferences.

Thus we see the Communist mentality and the utter lack of integrity on the part of the Kremlin.

The present threat to world peace over Berlin so carefully played up by the Russians should answer those smug Americans who think patriotism is outmoded, and who prefer to ignore the fact that we are the number one enemy of ruthless communism whose lack of integrity is evident by the long list of broken promises.

Involved as we are in a cold war that from the standpoint of cost could destroy us economically the time for unity has come in meeting the challenge of the Kremlin.

As David Sarnoff said in comparing a cold and a hot war, "We can freeze to death as well as burn to death."

This need for national unity must rise above partisan politics—for every American must stand shoulder to shoulder to let the Red rulers and the world know we are standing firmly against Communist aggression that has plagued the world for 40 years.

In seeking national unity we have a strong ally in Flag Day because it kindles the fires of patriotism by counteracting the false propaganda of the masters of the Kremlin.

We cannot afford to sit back and bask in past glories but rather make our voices heard around the world—shouting that we are free, loyal, and united Americans—ready to fight, if necessary, to defend the American heritage that has made this country a giant among free nations.

Let us pray that Flag Day will inspire, strengthen, and unite us as a Nation so that all of us will receive that double-barreled dose of good old-fashioned patriotism so urgently needed in reviving respect for flag and country.

Such a brand of patriotism will give us a keener and deeper appreciation of our American system of Government and those who founded and preserved it.

It will continue to inspire us to keep faith with those illustrious Americans who since the founding of this Republic have given their lives on the altar of freedom.

After all when we as Americans realize the true value of our blessings—then we will give full time to promoting an unadulterated type of real love of country.

By working together to protect, preserve, and to promote American ideals we repay our debt as a Nation to the American way of life that has done more, for more people than any form of government yet devised.

One of the most inspiring features of Flag Day programs is the participation of proud Americans whose ancestry may be traced to foreign lands yet who appreciate the precious blessings they enjoy as American citizens.

In fact, Flag Day definitely provides a time for all of us to examine and restate in terms of today's needs the rights and responsibilities of American citizenship.

Also, it should awaken us to a state of continual alertness to the causes which would undermine our Nation.

Furthermore, this appreciation of our American citizenship will be stimulated throughout the year by individual and collective effort to learn more of the history and ideals of our great American heritage of liberty and freedom.

As I conclude, let me leave this thought with you.

Today we are hearing a lot about the so-called wave of hysteria and fear resulting from the efforts to ferret out Communists and subversive elements in every walk of life.

Let me assure you that we have nothing to fear as a Nation if every American worthy of the name will measure up to the high standards of citizenship as embodied in the type of Americanism exemplified by our forefathers and defended to this day on the field of battle by succeeding generations.

In short, these are perilous times, for the Soviet challenge to the American way of life was never more real—or of a more definite threat.

Therefore, on this Flag Day of 1959 let us heed the stern admonition of George Washington when he said that in times of dire emergency we should make certain that we put only Americans on guard.

If we heed the advice of the Father of our Country and meet our responsibilities as citizens of this great Republic—we will be making our flag even more meaningful to those who are to follow after us.

Then, indeed, "the Star-Spangled Banner in triumph shall wave, o'er the land of the free and the home of the brave."

Reunification of Germany Is Not Likely in Near Future

EXTENSION OF REMARKS

OF

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Tuesday, June 16, 1959

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, an extremely informative article by Congressman CORNELIUS GALLAGHER, of New Jersey. As a member of the House Foreign Affairs Committee he re-recently visited Berlin and I think his observations on this subject hold considerable interest.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REUNIFICATION OF GERMANY IS NOT LIKELY IN NEAR FUTURE

(By Congressman CORNELIUS E. GALLAGHER, member, Foreign Affairs Committee, House of Representatives)

The thing which Germans, East and West, want most they are least likely to achieve in the near future, or for many years to come. This thing that they want so desperately is reunification.

Germans talk constantly of the day when their country will be reunited, with Berlin once again its capital. This is a subject politicians warm to in every campaign speech. Officials talk of it and every German dreams of it. To speak against reunification in Germany would be like a politician anywhere else coming out against motherhood.

Yet every German knows in his heart and admits (but only to himself) that reunification in the foreseeable future, if ever, is remote.

Reunification on terms agreeable to the Soviet could hardly be expected to be acceptable to the West.

East Germany is firmly planted in the Communist orbit. It has become in a few years the greatest trading nation in the Soviet sphere and is the largest industrial chemical producer in the Communist world.

There is ample evidence that East Germany is slowly but surely being economically and militarily geared never again to fit back into the Western World. Russia is making tremendous investments in East German industry. This alone is evidence that the Soviet does not intend to relinquish its interest in East Germany.

There is every reason to believe that the Soviets are seeking to blot out of the minds of East Germans any hope of reunification. If they succeed in doing this, they will assure the development of East Germany as a permanent nation in the Communist bloc.

The investments of the Soviet Union in East Germany are now in excess of $400 million. Many of the industrial plants which were dismantled by the Russians following World War II are now being shipped back to East Germany and reestablished. The Russians provide oil for the country's tremendous chemical industry through a pipeline running from Soviet oilfields.

Likewise, West Germany and other free nations have sizable investments in West Berlin and plans for further expansion of that city which is already one of the great industrial cities in Europe.

This continued industrial development of both East and West Germany actually works against the probability of reunification. At the same time, it works against the probability of the Soviet going to war over the status in Berlin.

War is not a solution to the Berlin problem for Russia, for it would mean disruption, if not abandonment of the industry in East Germany which is so important to the continued development of the entire Communist bloc.

Soviet leaders for years talked of reunification. In recent months, however, it has become clear that reunification is no longer in their plan.

Khrushchev said recently that there would be reunification only if the enlightened people wanted it. The enlightened people, of course, are the hard-core Communist in East Germany. What the Russian Premier was saying, of course, was that there would be no free elections.

Since there is little likelihood of reunification, the West must seek the next best status for Berlin. This is a permanent agreement of status that will assure the existence of West Berlin as a free and prosperous city.

A Bill To Provide Emergency Relief to Family Farm Poultry and Egg Producers

EXTENSION OF REMARKS

OF

HON. CHARLES H. BROWN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 16, 1959

Mr. BROWN of Missouri. Mr. Speaker, one of our great American industries—the poultry industry—is in the grips of an economic hurricane that is whipping and lashing the big and the small, the efficient and the inefficient, destroying some $600 million worth of purchasing power and some $50 million to $60 million worth of Federal income tax revenues, cutting a path of broken hearts and bankruptcy from coast to coast.

Fair-minded people who understand this disaster are agreed that immediate disaster relief must be provided to thousands of poultrymen, or else. Gov-

ernment has provided similar relief to beef and hog producers, vegetable and fruit growers, and others in similar catastrophes in recent years past.

Secretary of Agriculture Benson has spent some $230 million during the past 6 years to help combat economic disaster in the livestock industry; some $34 million for fruit, and $31 million for vegetable producers' economic recessions.

Right now, the Secretary is engaging in a powdered egg purchase program, allegedly designed to relieve the suffering accompanying the present economic disaster in the poultry industry.

But, in my opinion, the way the Secretary is going about this is a deplorable waste of the taxpayer's money. Stemming this vast economic storm by purchasing powdered, or even shell eggs is like trying to lower an ocean tide by dipping salt water with a teaspoon.

The money should be spent on buying the hens that lay the eggs, not the eggs themselves. Every hen converted to roasting chicken would remove some 10 to 16 dozen eggs from the present oversupply of eggs. The Secretary could buy the hen for not more than $1. At 30 cents a dozen, the eggs from the hen would cost $3 to $4. And the frozen or canned chicken is wanted and needed for the school lunch program and for export marketing, while powdered eggs are not in such demand.

I have hoped against hope that the Secretary of Agriculture would change his mind and replace this egg purchase program with a sounder, more effective remedy. But apparently, he has no such intentions. So, today, I have introduced a bill which would direct the Secretary to change from egg-purchasing to a more constructive and effective hen-removal program.

This is an emergency measure, not designed to attack the long-range problems of the poultry industry. It is a measure to provide emergency relief to family farm poultry and egg producers.

It provides first, a fowl-purchase program to help alleviate the problems of the egg producers; second, a new school lunch discount program to help schools encourage more use of poultry meat in school lunch programs; and, third, a new CCC policy to encourage more utilization of poultry meat in foreign trade.

I regret very much that any Member of Congress ever has to write a bill directing any executive department to do what they are authorized to do and have the funds to do, anyway. But, apparently, this is the only alternative with the present Secretary of Agriculture. Either we spell out what he should do and how he should do it, or he will waste the taxpayer's money on ineffective and expensive brainstorms.

I invite the consideration of the Congress to the legislation introduced today, a draft of which follows:

A BILL TO PROVIDE EMERGENCY RELIEF TO FAMILY FARM POULTRY AND EGG PRODUCERS, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Poultry Purchase Act".

SEC. 2. For the purposes of this Act—

(a) The term "Secretary" means the Secretary of Agriculture.

(b) The term "laying hens" means healthy hens in actual use for the commercial production of eggs.

(c) The term "started pullets" means healthy pullets more than 27 days old and less than 365 days old intended as replacement fowl for laying flocks.

(d) The term "hatching eggs" means fertilized eggs which are intended for and capable of being commercially hatched.

(e) The term "official establishment" means any establishment as determined by the Secretary at which inspection of the slaughter of poultry, or the processing of poultry products, is maintained under the authority of the Poultry Products Inspection Act.

SEC. 3. (a) The Secretary, by the means and subject to the limitations and conditions set forth in subsections (b) through (f) of this section, shall purchase within 91 days after the date of enactment of this Act—

(1) not less than 15 million nor more than 20 million laying hens,

(2) not less than 10 million nor more than 20 million pullets, and

(3) not less than 30 million nor more than 36 million hatching eggs.

(b) In making the purchases authorized in subsection (a), and in holding and disposing of the commodities so purchased, the Secretary shall act through the Commodity Credit Corporation.

(c) The purchases authorized in paragraphs (1) and (2) of subsection (a) shall be made on behalf of the Commodity Credit Corporation by such official establishments as the Secretary may designate as agents of the Commodity Credit Corporation for such purpose.

(d) The purchases authorized in paragraph (3) of subsection (a) shall be made on behalf of the Commodity Credit Corporation by such egg dealers as the Secretary may designate as agents of the Commodity Credit Corporation for such purpose.

(e) No purchase shall be made pursuant to paragraph (1) of subsection (a) unless—

(1) such purchase is made at a price of not less than 20 cents per pound, live weight, and

(2) the seller from whom such purchase is to be made certifies, at such time and in such manner and form as the Secretary may prescribe, that the laying hens to be thus purchased constitute not less than 20 percent of all the laying hens owned by such seller at the time of certification.

(f) No purchase shall be made pursuant to paragraph (3) of subsection (a) unless—

(1) such purchase is made at a price not less than the average price of hatching eggs in the calendar year 1958, as determined by the Secretary, and

(2) the seller from whom such purchase is to be made certifies, at such time and in such manner and form as the Secretary may prescribe, that the hatching eggs to be thus purchased constitute not less than 50 percent of the seller's production of hatching eggs for such period of time as the Secretary may prescribe.

SEC. 4. The Secretary shall, from funds of the Commodity Credit Corporation, through the facilities of the Commodity Credit Corporation pay to the appropriate financial agent of each public school and each nonprofit private school in any place subject to the jurisdiction of the United States one-half of all funds expended by or on behalf of such school for poultry meat (including turkey meat), not exceeding six pounds per student, for consumption by students at such school during the period beginning July 1, 1959, and ending June 30, 1960. Such payment shall be made only upon application to the Secretary in such form, and substantiated in such manner, as he may determine.

SEC. 5. The Secretary shall, within one year after the date of enactment of this Act, purchase through the facilities of the Commodity Credit Corporation dressed broilers and turkeys to the value of $10 million. The Secretary shall dispose of the broilers and turkeys so purchased by sales made pursuant to agreements entered into under the Agricultural Trade Development and Assistance Act of 1954.

SEC. 6. The second sentence of section 32 of the Act of August 24, 1935, entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes" (7 U.S.C. 612c) is amended (1) by striking out "and (3)" and inserting in lieu thereof "(3)", and (2) by adding immediately before the period at the end thereof the following "; and (4) carry out the purposes of the Emergency Poultry Purchase Act".

SEC. 7. Notwithstanding any other provision of law, the Commodity Credit Corporation shall make no purchases of eggs otherwise than as specified in section 3 of this Act during the period ending 91 days after the date of enactment of this Act.

Foreign Service Institute Graduates First Senior Officers' Class

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 16, 1959

Mrs. BOLTON. Mr. Speaker, last Friday a noteworthy event occurred in the life of our Foreign Service. Nineteen persons from various departments and agencies concerned with foreign affairs were graduated from the first class of the senior officer course at the Foreign Service Institute.

Inaugurated by Secretary Dulles in September 1958, the 9-month course is designed to provide the most advanced training possible in the field of international relations. Participants in the course are senior career officers, drawn from the Foreign Service, Armed Forces, U.S. Information Agency, International Cooperation Administration, and the Department of Commerce.

Truly, as President Eisenhower observed in his remarks to the graduates, we must see that officers charged with the conduct of foreign affairs are given the best information available in this increasingly complex and vital area. As a member of the Foreign Service Advisory Board, I am particularly gratified that the Institute has provided this additional opportunity for expanded service.

In the belief that the remarks of the President and Under Secretary of State Dillon will be of wide interest, I, under unanimous consent, include some in the RECORD:

PRESIDENT'S TALK AT FOREIGN SERVICE CLASS

To ask anyone whether or not he would like to say some words, if that person has had any experience in political life and omits such an opportunity or ignores it, is truly, if not miraculous, at least an error.

In the years that Secretary Dulles and I served together, he often spoke about the

lack of opportunity among high officers of Government, and indeed of high officers in any profession, for contemplation. He felt so strongly about this that he believed that there should be some reorganization in the very highest echelons of the executive departments so that there could be more time to think about the job.

As a matter of fact, before I leave this Office, I hope to lay before the Congress a plan that I believe will do something of this kind.

Mr. Dulles spoke about this school in the same terms. In keeping with that idea of contemplation, he once said such a school will give some of our foreign officers the opportunity to contemplate their own profession, to think about it not merely as cramming of more information into your heads or talking about new techniques or even possibly any plans or policies or ideas, but of providing the opportunity, under guidance, to contemplate your profession and all it means to the United States.

LOBBYING ADMITTED

I would like to voice my own tremendous interest in this school and my support for the idea that a few of our officers should be taken out from the normal activities of their offices, no matter where they are—as secretaries, counselors or whatever—and be given this opportunity.

Not only can our Government afford this; my belief is it cannot afford to ignore it. So, if I am guilty of lobbying for an appropriation for this particular activity, I plead guilty with the greatest of enthusiasm.

The program that you are undergoing is, of course, terrifically important. One of the things that I would like to bring out is this: Today we are exploring space, trying to expand our universe—but all the time we are contracting our own world.

We are so tied together now with communications that when a man has a bad temper in Moscow or in Bucharest or any other place in that region, we look at our reports to see whether it's going to have any effect before tomorrow morning.

When I was 3 years old—that was 1893—the first Ambassador of the United States was appointed. Today there are 77 ambassadors representing the United States abroad. We have representations in 86 different countries, and I think we have large groups or at least representation in something like 285 separate cities.

With each of these ambassadors the State Department is in daily communication—often in communication to the extent of what should be described as trans-Atlantic essays. But these have to be digested. And the next day there must be some kind of action taken on them very shortly. In other words, this world is not only small but it is extremely complicated, and these messages are necessary. Every kind of factor in human existence comes in—psychological reactions, political reactions. There are economic, military requirements to be met, and to think about.

If people are not going to get the kind of opportunity that this school is giving them, then the inevitable result will be to do them in keeping with the past—either by preconceptions or routine or habit.

We must have men who are capable of thinking—thinking objectively on the problem that is before them—who can give the best information with the best interpretation and the best advice they can provide to the State Department.

I would make one other observation: What we call foreign affairs is no longer foreign affairs. It's a local affair. Whatever happens in Indonesia is important in Indiana. Whatever happens in any corner of the world has some effect on the farmer in Dickinson County, Kans., or on a worker at a factory.

ONENESS OF THE WORLD

Now this means that even our news is no longer properly called foreign news. It's local news, because it is so important to us. All this means that everyone who is charged with foreign affairs or anyone that has any direct or indirect responsibility concerning them—indeed, I think, every citizen—should think of the oneness of the world.

We cannot escape each other, certainly not until the day we can emigrate to Mars. We pust can't escape each other. We must understand people. We must make it our business to know what they are thinking, and why—and what it means to us.

Because no nation, even one so directed and operated as is the Soviet's, can dominate all and be the controlling factor. Of course, a democracy would not even attempt it because it would be completely antithetical to their own conceptions and doctrines.

So while I was complimented that the Acting Secretary of State would think it worthwhile to quote from me, I think that expression "soldiers of peace" is a pretty good one. I go back to it to say this: You are soldiers of peace, but you must be soldiers of peace for all men. As long as any man, any significant sector of our world cannot enjoy the blessings of peace with justice, then indeed there is no peace anywhere.

That is the reason that again I express my feelings about the terrific importance of this kind of operation. I extend to each of the graduates my congratulations on your expanded capacity and opportunities for service, and my best wishes for good luck to each of you.

INFORMAL REMARKS OF ACTING SECRETARY OF STATE DOUGLAS DILLON TO THE SENIOR GRADUATING CLASS, FOREIGN SERVICE INSTITUTE, JUNE 12, 1959

Mr. President, Mr. Hoskins, ladies, and gentlemen, I would like to begin my brief remarks with a quotation from Secretary of State Dulles. Two years ago he said:

"Never before in history has a nation had the degree of worldwide responsibilities for the maintenance of peace that is now carried by the United States. Our responsibilities are mounting almost daily. Whether or not they can be adequately discharged depends not just upon the broad principles acclaimed by America's leaders. It depends directly upon the performance of those who in the Department of State and in 81 countries carry on the day-by-day task of waging peace and defending freedom."

I can think of no better way to express the importance to the United States of our Foreign Service. In helping them to do the very best job possible, nothing can be more important than the training effort to prepare them—junior officers, midcareer officers, and now senior officers—in every way for their duties. In the short span of 2 years since Secretary Dulles made this statement our responsibilities, the responsibilities of the U.S. Foreign Service, have increased further. We have opened a number of new missions, particularly in Africa, and our responsibilities have broadened.

Our responsibilities are also broader in the number of subjects we have to deal with. Economic and psychological functions have grown greater, in a way that makes clear that they are an integral part of our foreign policy. We also have had to become in a way, specialists in science, in nuclear test suspensions, and the problems of outer space. All of these responsibilities indicate how very important are the training and the duties of the Foreign Service. That is why we feel it is so important that this Institute flourish and grow.

We are witnessing a real landmark in the graduation today of the first class of the senior officer course. There are a total of 19 members: 12 from the Department of State and 7 from other agencies of the Government interested in foreign affairs and foreign policy. This is as it should be. It emphasizes the coordination which is vitally necessary between the many departments and agencies of the Government working in this field.

I find the curriculum to be particularly interesting. Some of the five segments are totally new and have not been included in any of the courses being given in the war colleges. One of them particularly struck me. It is devoted to contemporary American society. Certainly, a primary function of our representatives abroad is to represent America as it really is and to interpret it to other peoples. Through this course—which takes a good look at how our society is developing and examines our problems here at home—the members of the class should be better prepared to carry out their duties abroad.

Mr. President, we are happy and pleased that you have honored us today by coming to the graduation of this first class. You have always been a great supporter of the Foreign Service, and we appreciate it. I remember that once you described the members of the Foreign Service as "soldiers of peace," as "officers of the great army that has as its first business the developing and sustaining of a peace with justice and honor." We appreciate this expression of faith in our Service and I know that the Service will do everything it can to live up to your faith and justify it. In pursuit of this goal, the role of the Foreign Service Institute in training our officers to carry on their duties is vitally important.

Today, we are faced with a threat by the Soviet Union that is ideological, economic, and political. The particular area of contest is the economically underdeveloped sector of the world. Through psychological warfare, economic warfare, including trade and aid, the Soviets are carrying on a tremendous campaign. It is significant, in this connection, that we have sitting today on our platform, Ambassador Bunker, just back from India, who has just given us a very interesting report on the depth and breadth of the Soviet effort in India, which is probably the chief target of the Soviets at the moment.

That leads me to another point which I feel very strongly about: Today, particularly in the underdeveloped areas, there is no longer a sharp difference, indeed no longer any difference at all, between economics and politics. There is no political problem I know of that doesn't have some economic connotations. And, by the same token, we find that any problem that we seek to decide by economic means, immediately has national security or political overtones. Both aspects of foreign policy are intertwined.

Therefore, there is great satisfaction to me in the amount of emphasis the Foreign Service Institute is giving to economics, both in courses here and in sending officers to universities where at least half of them are taking classes in advanced economics. For every ambassador really has to know economics if he is going to do a whole, rounded job.

I certainly hope the Congress will provide, over the years, steady and continuing support to this Institute. I cannot think of anything that is more important to our Service in fitting our officers to do a better job abroad.

You members of the graduating senior class have had the privilege of studying here for a year. You have, during that time, had the chance to range broadly over the problems of our foreign policy. You have had your opportunity to stimulate your thinking and to develop a grasp of the over-

all problems with which the United States is concerned. It has been a high privilege. I hope that you will use this experience well. I wish each and every one of you the very best of luck in your future assignments.

Against Recognition of Red China

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 16, 1959

Mr. SAYLOR. Mr. Speaker, the House Un-American Activities Committee report on Red China atrocities comes at a propitious time. It is another chapter in a long series of accounts of Communist attempts to stamp out Christianity in Asia.

While it is doubtful if this publication will per se prompt advocates of Red Chinese recognition to reverse their position, the additional evidence of brutality on the part of the Peiping government may bring conclusive public pressure to bear on elected officials of the U.S. Government who would otherwise carry the banner of the Mao regime. In view of the vehement denunciations that have been voiced by spokesmen for the many faiths, it is inconceivable that public officeholders will continue to stump for diplomatic acceptance of Red China.

Last November, the Committee of One Million, whose membership included some of the most respected Protestant clergymen in the United States, polled a cross section of ministers on the question of whether Red China should be admitted to the United Nations. The committee included Bishop Fred Pierce Corson, Dr. Norman Vincent Peale, Rev. Daniel A. Poling, and Bishop Herbert Welsh. Eighty-seven percent of the 9,000 clergymen of all denominations who were contacted voted against admission.

The attitude of Roman Catholics, whose missionaries have suffered continuous indignities since Communist forces seized China, is also well-known. Last December, the National Council of Catholic Men passed a resolution which stated, in part, that "war, religious and secular persecution, and the violation of human rights are not credentials acceptable for recognition by either the United Nations or the United States."

The memorandum which the late John Foster Dulles sent to the 84 U.S. missions around the world explained most effectively why this country cannot and will not recognize Red China. It stated that a contrary policy would cripple Nationalist China if not destroy her completely, thus blasting all hopes for Chinese on the mainland as well as on Taiwan; that nearby nations would be confused and demoralized, and would feel abandoned by the United States; that other nations probably would make a quick deal with Peiping on the best terms possible; and that millions of Chinese living abroad would have no alternative than to switch their loyalty to Peiping.

Mr. Speaker, I was impressed with this paragraph by the Honorable Hollington K. Tong, Ambassador of the Republic of China to the United States, at Tufts University on March 20, 1957:

As long as the moral force of the world continues to reject it, communism is bound to fail, even though it has occupied so huge an area of God's earth. History has shown that moral force is always more powerful than physical might.

It is the responsibility of the Congress of the United States to lend the moral support necessary to oppose communism throughout the world. So long as subjected and threatened peoples are assured that this great Nation stands firmly against the atheistic philosophy of the Red despots, the spirit of freedom will stay alive regardless of the effectiveness of Red savagery.

Mr. Speaker, I am confident that a tremendous majority of the Members of Congress would vote against recognition of Red China if the issue ever comes to the floor. Yet the attitude of a few of my colleagues on this vital issue is a matter of national concern. Less than 3 months ago the United States officially denounced the Communist Chinese for the attempt to destroy the historical autonomy of the Tibetan people. Since that time, 4,000 fugitives have left their native land to follow the Dalai Lama into havens thus far free of Red domination.

How the innumerable instances of Communist tyranny and cruelty can summarily be discounted by an elected official of the U.S. Government is incredible. Perhaps a reminder from the voting public is necessary. The capture and imprisonment of American servicemen apparently has been forgotten; the ruthless and barbaric treatment of Tibet and other nations has conveniently been discounted; the appeals of our church leaders have been cast aside. If the public clamor against recognition of Red China reaches a crescendo in the communities back home, maybe then it will be heard—and heeded—by some individuals in Washington.

Annual Flag Day Program Sponsored by Altoona, Pa., Lodge No. 102, Benevolent and Protective Order of Elks, June 13, 1959, City Hall, Altoona, Pa.

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 16, 1959

Mr. VAN ZANDT. Mr. Speaker, the annual observance of Flag Day has grown in importance each year due to the untiring efforts since 1907 of the Benevolent and Protective Order of Elks to arouse public interest and proper recognition of a national holiday promoting appreciation and respect for the full meaning of our flag.

On June 13, 1959, it was my privilege to join with my fellow members of Altoona, Pa., Lodge No. 102, Benevolent and Protective Order of Elks, in an interesting program in celebration of Flag Day and to deliver the principal address which follows:

ADDRESS DELIVERED BY JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE FLAG DAY EXERCISES AT CITY HALL, ALTOONA, PA., JUNE 13, 1959, 3 P.M., SPONSORED BY ALTOONA LODGE NO. 102, BENEVOLENT AND PROTECTIVE ORDER OF ELKS

It is an honor to join with my brother Elks of Altoona Lodge No. 102 in celebrating the 182d anniversary of the birth of Old Glory.

For years the Benevolent and Protective Order of Elks has displayed leadership in urging that appropriate exercises be held on Flag Day as a means of focusing special attention on the blessings we enjoy as citizens of this great Republic.

We owe a debt of gratitude to Elks lodges everywhere for awakening our patriotic impulses which—unfortunately with respect to the Stars and Stripes—give evidence of being dormant.

We need a revival of the spirit of good old-fashioned Americanism as a means of restoring the spine-tingling, blood-stirring thrill when our flag passes by in a parade—or when we glimpse it flying proudly against the clear blue sky on a sunny day—or majestically ascending heavenward at a public ceremony.

Frankly, we need to arouse ourselves from the lethargy that engulfs us and leaves us prone to ignore the beauty and splendor of our flag.

This year's celebration of Flag Day marks the last time on such an occasion we will gaze at the 48-star emblem of our Nation.

On the morning of July 4 of this year the new 49-star flag—indicative of the admission to the Union of Alaska—will become our official emblem following ceremonies at Independence Hall in Philadelphia.

The new 49-star flag is destined to have a short span of life for it is anticipated that by July 4, 1960, another glorious star will be added to our star-spangled banner because of the final approval of statehood for the Territory of Hawaii.

It has always been a pleasure to me to discuss the great traditions of our national flag.

I suppose this is the reaction of every patriot in every land.

And yet there is something unique about such a discussion when conducted by Americans, in view of their highly individualistic background and national characteristics.

It is traditional for Americans to play down certain of our traditions, to a large extent.

As a people devoted to the cause of peace from the beginning of our entrance into the family of nations, we have tended to emphasize a desire for international cooperation, in contrast to boasting of our own great national achievements.

Yet it is not possible nor, for that matter, advisable to altogether neglect our record of national success, and for that reason we periodically call attention to it through patriotic celebration.

Our record as a people is indeed remarkable.

Not only have we arisen in less than two centuries from national infancy to international predominance, but have done so with only the slightest occasional setback, and with the most extraordinary exhibition of drive and fortitude.

As a result, the Stars and Stripes now holds an exalted place among the national banners of the world and our national might is either admired or grudgingly respected by every other nation on earth.

To those who can comprehend only tangible factors, the accomplishments of the

United States are explainable in mathematical terms. We have a vast and fertile land area, we have a large population, and favorable weather conditions; and added together they can be said to equal the full sum of our greatness.

But somehow this seems to me an incomplete account of America—a woefully incomplete account.

A nation is not a mathematical computation, but a living organism, and, like all living organisms, is motivated by many currents and impulses wholly unrelated to mathematical considerations.

Admittedly, the wealth of our soil and mineral deposits, and our great network of rivers and harbors, have been of invaluable assistance in advancing our development on this continent.

In those respects, the United States has been extremely fortunate.

But, on the other hand, our national history clearly reveals the powerful, impatient, and wholly inextinguishable urge of the American people to fully exploit their opportunities whenever they arise and, despite all deterrents, to forge ahead with the program at an amazing rate of speed.

And this spirit has nothing whatsoever to do with mathematics.

Throughout all history there is abundant evidence that national spirit results from something other than numerical advantages.

Take, for instance, the case of Rome, which expanded from the size of a mere city to eventually overrun the entire Mediterranean area.

At the height of her power, certainly, Rome's advantages were numerous.

But when the march to greatness began, she was outnumbered by many of her enemies; and when, for example, the Romans met in combat with mighty Carthage, the task was undertaken against the greatest seapower of the age, by a people generally regarded as landlubbers.

Yet ultimately Carthage fell, not once, but three times, the victim of Roman nationalistic spirit that transcended all other considerations.

The same can be said of the ancient Hebrews under the leadership of the Maccabee, who time and again met the great legions of the Greek Empire in mortal combat, outnumbered and outarmored, and yet for years repelled invasion after invasion, to maintain their national independence in the face of apparently insurmountable odds.

And in more recent times we have the examples of Sweden, whose small army, under King Gustavus Adolphus, devastated the Russian horde in 1617; and Finland, which did the same in 1939, briefly, before finally succumbing.

Nor is the world soon to forget the extraordinary accomplishments of the raggle-taggle French Revolutionary Army, against all the great military powers of Europe, or the French soldiers of World War I who piled into taxicabs and raced out to stop the onrushing German Army of Kaiser Wilhelm at the gates of Paris, and then with the cooperation of the British and ourselves, drove the enemy from French soil.

In every one of these instances, intangible forces played a major part.

In every one a spirit was kindled that could not be overcome by mere numerical superiority.

In each, nationalistic zeal was the prime factor.

In dealing with intangible factors, it is not easy to explain how or why things occur.

Indeed, that is what makes them intangible.

But we can consider certain of the elements involved.

And in every instance of the development of ardent nationalistic feeling, since the days of Roman conquest, national flags or their equivalent have been prominently in evidence.

There is something bewilderingly and unexplainably powerful about a flag, either in battle or flying from a schoolhouse in the midst of a peaceful country village.

It radiates a pride and hope and a grandeur that even the cynical find hard to resist.

There is no ignoring its influence, for to do so would be like disregarding the destructive tendencies of a hurricane or the life-giving effects of sunlight on a wheatfield.

Anyone who has gone out to battle under the American flag can tell you—or try to tell you—the confidence inspired by its gallant appearance.

Yet somehow words are not enough.

When one's life hangs in the balance in the midst of an enemy infantry attack or a barrage fired from an enemy battleship, it is a common experience to momentarily think of self and to forget all the patriotic oratory ever spoken.

But the mere sight of the American flag at such a moment can restore confidence and determination, whereas an hour's worth of oratory would prove fruitless.

It is as though the American flag were some sort of history book, military marching band, orator, and colorful pageant, all rolled into one, so powerful is its effect in time of crisis.

Nor in good times is this effectiveness in any way diminished, for when peace and prosperity bless the land the flag takes on a new meaning.

Instead of crying out hope to the troubled, it seems to take on an air of warning to the complacent, alerting all Americans to present and future dangers.

So impressive are the wonders of our flag that unorganized elements in American society began—early in our history—to call for its recognition in the form of an official day of reverence.

Yet, it was not until after the Civil War—when sectionalism was largely submerged by national feelings—that actually steps were taken toward launching an organized campaign for the establishment of a national flag day.

A distinguished patriot, Dr. Bernard J. Cigrand, conceived the plan and formed an organization in 1894, on the assumption that respect for the flag was deserving of more than offhand, occasional notice.

His efforts were untiring, and under his direction the organized advocates of patriotic demonstration worked diligently for the accomplishment of their goal.

But changes in the popular mind are slow at taking place, and for many decades the flag remained unrecognized—in this official sense—though quietly revered by the masses of American citizens.

In the meantime, however, numerous new influences were brought to bear on public opinion, in such a way as to bolster and reinforce the patriotic American temperament.

As American youth went out under the Stars and Stripes again and again to fight for this great Republic and the supppression of despotism, the American people began to adopt a new attitude toward their flag.

Assuredly, it was still the symbol of our Nation's eternal hope for peace.

In addition, it had earned a phenomenal record in the military sense; and further failure to honor such a record was deemed intolerable.

With this in mind, Congress passed the National Flag Day bill in 1949, in honor of the flag's adoption by the Continental Congress, June 14, 1777, and from that date we have celebrated this occasion with typically American enthusiasm.

Few congressional actions have received such a universally positive response from the American people, and I am willing to hazard a guess as to why.

It all comes back to our Nation's trials and tribulations, and their solution through the magnificent zeal of the American people.

Our triumphs in both war and peace have been the marvel of the past 2 centuries, and have drawn the applause of free peoples everywhere.

With an Army composed almost exclusively of volunteers we confounded some of England's greatest military minds in our war of independence and repeated the same trick in the War of 1812, even defeating the pride of the British army—the Duke of Wellington's own troops—in the historic battle of New Orleans.

Against the Mexicans in 1846, we sent our youth into combat—to emerge triumphantly once again—thereby extending the national domain in an unbroken chain from the Atlantic to the Pacific.

And demonstrating the resilience so typical of the American character, we emerged from our own Civil War to overwhelm the last vestige of Spanish tyranny in the new world in the 1890's, and assumed the role of international leadership which we have never since relinquished.

Since then it has been necessary three times for American boys to serve the interests of humanity on foreign shores, against the combined might of all the despotic powers that have arisen to plague 20th century civilization.

And in every case the American flag has earned added respect in lands where previously it was known only in the vaguest sense.

But not through warfare alone has this banner gained its fame.

Millions the world over have come to respect it as an outstanding symbol of the industrial revolution; as the symbol of mass-production and the consequent elimination of mass poverty.

Today we stand as the bulwark, both in the military and economic sense, upon which the weaker nations of the world must rely for strength.

And as a symbol of this strength our flag is held in many foreign lands with almost the same admiration as it receives on these shores.

It is symbolic of a free republic—of victory—of truth—of fair play and man's eternal efforts to tame the elements and develop a practical and logical world out of the chaos of the past.

At least that is part of what our flag symbolizes.

The rest cannot be spoken of in words, but only felt by the heart.

In conclusion, it is my hope that Flag Day 1959 will serve to further strengthen our faith and admiration in the greatest Republic in the history of civilized governments.

Since the Declaration of Independence has been described as the heart of America, the Constitution its backbone, and the flag the soul of America—we should all join with the Benevolent and Protective Order of Elks—which since 1907 has been promoting love of country and greater respect for the emblem of our Nation through these annual Flag Day programs in tribute to Old Glory—for it represents under one glorious banner the enduring ideals of this great Republic.

Individually and collectively, we can succeed in reviving proper recognition of the Stars and Stripes which symbolizes the countless blessings we enjoy from our priceless heritage as free people.

On this Flag Day, 1959, as we give a loving and parting salute to our 48-star emblem soon to be replaced by a 49-star-studded flag, let us resolve that as a united nation we will meet all challenges to America with full faith and confidence.

We can give real meaning to this Flag Day resolution by recognizing and discharging our responsibilities as American citizens with courage, perseverence and true patriotic fervor, thus making Old Glory more meaningful to posterity and giving added assurance that:

"The star spangled banner in triumph shall wave,
O'er the land of the free and the home of the brave."

Report of Board of Visitors to U.S. Naval Academy

EXTENSION OF REMARKS
OF
HON. RICHARD B. RUSSELL
OF GEORGIA
IN THE SENATE OF THE UNITED STATES
Tuesday, June 16, 1959

Mr. RUSSELL. Mr. President, the report of the Board of Visitors to the U.S. Naval Academy is a matter of general interest to all our people. I ask unanimous consent that the report of the Board of Visitors to the Naval Academy for this year may be printed in the CONGRESSIONAL RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF THE BOARD OF VISITORS TO THE U.S. NAVAL ACADEMY, 1959

THE BOARD OF VISITORS TO THE U.S. NAVAL ACADEMY

Appointed by the President: Dr. Milton S. Eisenhower, president, the Johns Hopkins University, Baltimore, Md.; Capt. David S. H. Howard, U.S. Naval Reserve (retired), vice president and director, Charles Millar & Sons Co., Utica, N.Y.; Rev. Edmund P. Joyce, C.S.C., executive vice president, University of Notre Dame, Notre Dame, Ind.; Mr. William G. Saltonstall, principal, the Phillips Exeter Academy, Exeter, N.H.; Dr. Eric A. Walker, president, Pennsylvania State University, University Park, Pa.; Mr. Sidney J. Weinberg, investment banker, New York City, N.Y.

Appointed by the Vice President: Senator J. GLENN BEALL, of Maryland; Senator SPESSARD L. HOLLAND, of Florida; Senator LEVERETT SALTONSTALL, of Massachusetts.

Appointed by the Speaker of the House: Representative H. CARL ANDERSEN, Seventh District of Minnesota; Representative DANIEL B. BREWSTER, Second District of Maryland; Representative HAROLD C. OSTERTAG, 39th District of New York; Representative JOHN J. RILEY, Second District of South Carolina.

Ex officio members of the Board [1]: Senator CLAIR ENGLE, of California; Representative GEORGE HUDDLESTON, JR., Ninth District of Alabama.

ANNAPOLIS, MD., *April 17, 1959*.

THE PRESIDENT OF THE UNITED STATES:

SIR: The Board of Visitors to the U.S. Naval Academy convened at Annapolis on Monday, April 13, 1959, and continued its deliberations until Friday, April 17. Mr. William G. Saltonstall, principal, the Phillips Exeter Academy, Exeter, N.H., served as chairman, and designated Cmdr. George Grkovic, U.S. Navy, as Secretary and Cmdr. Frank A. Andrews, U.S. Navy, and Dr. William S. Shields, as assistant secretaries.

Members of the Board who signed this report participated in one or more meetings of the Board.

The Board decided that it would meet for 1 or 2 days in the fall of 1959 and that its subsequent annual meetings would be held in the fall of the year in order to obtain better member attendance at all sessions. The 1960 meeting of the Board was tentatively set for 5 days commencing on December 5. It is recommended that, commencing in 1960, appointments to the Board be made on a fiscal rather than calendar year basis.

The Board acted as a committee of the whole during all discussions and inspections.

The Board of Visitors has enjoyed the privilege of coming to the Naval Academy and inquiring into its method of operation and obtaining an insight into the problems of this national institution at a time when the entire Nation is concerned with the education of its youth. In this time of important advances in science and technology it is gratifying that the Naval Academy is alert to the need of reassessing its program to the end that midshipmen obtain the best possible education and training. The Board notes with approval the attention being given to a comprehensive study of the curriculum and to the strengthening of admissions procedures. The Board commends Rear Adm. Charles L. Melson, U.S. Navy, and his entire staff of naval officers and civilians, for the excellent work being done to produce well-trained officers of the Navy.

The Board found morale to be high and discipline to be adequately maintained.

Progress is being made in improvement of the Naval Academy's physical facilities. The Severn River landfill projects are more than half completed, the foundations for two new wings to Bancroft Hall—the midshipmen's dormitory—have been completed, and the contract for the construction of these additional wings has been let, with the anticipation they will be ready for occupancy in the fall of 1961. Improved maintenance of existing facilities is still a matter of great urgency. The Board is deeply concerned with the inadequacy of the housing and recreational facilities for the enlisted men at the Naval Academy.

As a result of its inquiries and inspections, the Board submits the following comments and recommendations:

ADMISSIONS

The Board is gratified by the increase in the number of candidates for admission to the Naval Academy and by the high college entrance examination board scores attained by those admitted and the careful attention given to the character and physical qualifications of candidates. The procedure which the Academy has developed for the selection of competitive candidates and which it has made available to Members of Congress for the selection of congressional nominees is regarded by the Board as a worthwhile step in the direction of a more comprehensive evaluation of the candidates' qualifications.

The Board endorses the strengthening of entrance requirements which the Academy is proposing. According to the projected plan, all candidates will be required to take college-board tests in order to qualify for admission. This step would eliminate the method of qualifying on the basis of college certificate without examination and would impose uniform minimum standards on all candidates. This proposal is a result of the Academy's recent experience, which indicates that those candidates who have been admitted without qualifying on entrance examination have proven to be poorer academic risks than their classmates.

As a further measure to increase the academic quality of entering midshipmen, the Academy is also planning to request a lowering of the upper age limit for admission by 1 year, with special provision for time spent in military service. The proposal is to maintain the minimum age at 17 years on July 1 of the year of admission and to reduce the maximum age to require that a candidate not have reached his 21st birthday on July 1 of the year of admission, except that for those who have had 2 years of active military service the maximum age be 22. Not only would the academic quality of the entering class be improved through the elimination of an age group of traditionally higher attrition than the younger midshipmen, but a better social situation would result from having a lesser age spread within the brigade. The Board concurs in the desirability of reducing the maximum age for admission.

CIVILIAN FACULTY

The Board studied the question of adequate salaries for members of the Naval Academy's civilian faculty. In common with other colleges and universities, the Academy must face the problem of raising the economic status of the professional college teacher, who has in recent years not shared equitably in the general increase in purchasing power. The demand for qualified teachers, resulting from rising enrollments in the Nation's colleges, requires that the Academy keep pace with other institutions which are putting into effect improved salary scales designed to attract and retain capable faculties. This requirement is especially marked at the Academy because of the lack of such professional incentives as opportunities for research and consultant work. Some important fringe benefits commonly available at other colleges are not enjoyed by the civilian faculty of the Naval Academy. In particular, there is no provision for reducing or remitting the college tuition of children of members of the faculty, nor is there any assistance provided in health and related benefits. The faculty does participate in the excellent civil service retirement plan and in Government term insurance at low rates. However, the Naval Academy is not authorized to make available to its civilian faculty the use of the Academy's medical, dental, commissary and Navy exchange facilities. In view of the special problems involved in providing fringe benefits to the Naval Academy's civilian faculty, it is the judgment of the Board that improvement of the faculty's economic status should be accomplished through increasing faculty salaries.

If the salaries paid to the civilian faculty of the Naval Academy were on a 9-month basis, they would compare favorably with salaries in other colleges and universities; however, since the Naval Academy faculty is employed on a 12-month basis, the Board considers them too low. An increase of 20 percent over the next 2 years would be appropriate and reasonable and is recommended by the Board.

The Board would encourage the faculty to look into ways of engaging in research in view of the significance of such activity to professional development and its relevance to the proposed new curriculum. It is further recommended that the Academy render every possible assistance in this regard.

MORALE AND DISCIPLINE

Morale at the Naval Academy continues to be of the highest order and discipline is not a problem under the outstanding leadership of Capt. William F. Bringle, U.S. Navy, commandant of midshipmen, and his staff in the executive department.

PHYSICAL EDUCATION

Both varsity and intramural sports programs continue to be vigorous and varied. The completion of the Severn River landfills will provide additional space needed for athletic, recreational, and drill programs. These new fields will be available for use

[1] The chairman of the Committee on Armed Services of the Senate and the chairman of the Committee on Armed Services of the House of Representatives, or their designees, are, by law, ex officio members of the Board.

in the fall of 1960. The Navy-Marine Corps Memorial Stadium will be completed in September 1959 and the Navy-William and Mary football game on September 26 will dedicate this new facility. The cost of building and maintaining this stadium has been derived entirely from private contributions and athletic income.

MIDSHIPMEN'S FINANCIAL STATUS

The Board recognizes the need for some relief in the financial status of midshipmen; however, it does not recommend an increase in salary at this time, for it lacks knowledge of the financial status of the cadets in the other service academies. It does support the recent decision to use appropriated funds for the purchase of midshipmen's textbooks and bedding commencing with fiscal year 1961.

The Board recommends that the Department of Defense undertake a detailed study of the various perquisites provided to students at the service academies in order that comparable benefits be available to all.

PHYSICAL PLANT

The Board was pleased to find that a contract has recently been awarded for the construction of two additional wings to Bancroft Hall. The completion of these wings in the fall of 1931 will alleviate the crowded living conditions for midshipmen, which have been noted in previous Board reports. This new construction will not, however, correct the serious deficiencies of maintenance in the living spaces of the older wings, nor the deficiencies in arrangement of messing and service facilities in the basement of Bancroft Hall. A program for complete rehabilitation of existing Bancroft Hall structure is a necessity. The Board found that an engineering study has been requested by the superintendent in order to develop the scope of work to be performed in this program and to establish a phasing sequence for the necessary military construction projects to be submitted to the Congress. The Board recommends aggressive action at this time to develop such a program which can commence immediately on completion of the new wings now under construction.

The satisfaction of the need for improved living conditions for the midshipmen having been resolved, the Board is compelled to reemphasize the need for improving the wretched living conditions of the enlisted men presently quartered on two barracks ships. To the credit of the Naval Academy, a second barracks ship has been obtained since the Board's last visit which will alleviate the congestion on a temporary basis until a permanent enlisted barracks can be constructed. These men on shore duty are crowded into spaces which compare unfavorably with conditions found at sea. There are no outdoor recreational areas, indoor gym, or adequate lounge spaces, the overall situation having a most depressing effect on morale. The Board feels strongly that the provision of a permanent enlisted barracks with a mess hall and adequate recreational facilities, including nearby playing fields, is a matter of immediate importance.

The state of disrepair and general inadequacy of the underground utilities which serve the Naval Academy continues to be an item of serious concern to the Board. Happily, however, the Board found that a project is being sponsored in the fiscal year 1960 military construction program which will eliminate most of the serious deficiencies which now exist. Approval of this project by the Congress will permit correction of this difficult situation.

The playing fields on the landfill now in progress are expected to be ready for play in the fall of 1960. On completion of this project, the needs of the Naval Academy for outdoor areas for the physical training program and recreational athletics will be satisfied for the first time in 20 years. To look at the landfill from another point of view, additional maintenance personnel will be required commencing this summer to maintain the grass and generally tend this additional area of 54 acres. The attempts of the Naval Academy to provide for these personnel, and many others vitally needed, through the budget process is apparently being thwarted by reductions in requested funds. The 1958 Board stressed in the strongest possible terms the need for correction of the general downward trend in maintenance of the Naval Academy over the years. This Board most heartily endorses the comments of previous Boards on this alarming condition. The Board is convinced that a substantial increase in the annual maintenance and operation budget of the Naval Academy is long overdue. Such an increase in funds must be forthcoming to permit improved maintenance and accomplishment of the multitude of repair projects now extant, which total over $2,100,000.

The overall needs of the Naval Academy for new facilities other than those mentioned heretofore were reviewed by the Board. It is apparent that curriculum changes now in progress will require a searching review of facilities planning. The development of the Naval Academy over the years has been characterized by several periods of expansion with but one completely new development plan at the turn of the century. The 1900 plan provided the basic framework of careful site planning and monumental construction within which each successive expansion since that time has taken place. The Board is of the opinion that the needs of the present-day Naval Academy for additional facilities should be reviewed and integrated in a meaningful master plan by a commission of educators and architect-engineers appointed for this express purpose.

ACADEMIC DEPARTMENTAL REORGANIZATION AND CURRICULUM REVIEW

The Naval Academy with the approval of the Secretary of the Navy will place a new departmental reorganization into effect on June 4, 1959. The effect of this organizational change is twofold. First, related academic departments will be grouped into three major divisions; Science and engineering, social science and humanities, and naval science. A director will be assigned over each division with the responsibility for coordinating the teaching methodology and curriculum content of the departments in the division. The Commandant of Midshipmen will continue to be responsible for the military life of the midshipmen in Bancroft Hall and will in addition have the physical education department under his jurisdiction. Second, the Academic Board of the Naval Academy will be reduced from 12 members to 5 members. The old Academic Board consisted of 10 department heads, the Commandant of Midshipmen, and the Superintendent. The new Board will consist of the three division Directors, the Commandant of Midshipmen, and the Superintendent.

The Board of Visitors believes that closer integration of course content should result in the three basic areas—science and engineering, social sciences and humanities, and naval science. In addition, the reduction of membership on the Academic Board should allow this group to carry on its business in a more effective manner.

The Naval Academy is also undergoing a review of its curriculum, concurrent with placing into effect the new academic organization. The Board of Visitors was briefed on certain tentative changes which might be made in the curriculum. In addition the Board of Visitors was told that the new proposed curriculum will be reviewed in detail beginning on May 11, 1959, by a formal Curriculum Review Board convened by the Chief of Naval Personnel upon the request of the Superintendent. The membership of this Review Board will be: Dr. Richard G. Folsom, Chairman, President, Rensselaer Polytechnic Institute; Dr. Jesse W. Mason, dean of the Engineering College, Georgia Institute of Technology; Dr. George A. Gullette, head of the department of social studies North Carolina State College; Dr. Lawrence E. Kinsler, professor of physics, U.S. Naval Postgraduate School; Dr. James H. Potter, dean of graduate studies, Stevens Institute of Technology; Rear Adm. Horacio Rivero, Jr., Director, Long Range Objectives Group, Office of the Chief of Naval Operations; Capt. Frederick L. Ashworth (rear admiral selectee), Director, Atomic Energy Division, Office of the Chief of Naval Operations.

The Board of Visitors has these comments to make concerning the review of the Naval Academy curriculum:

1. The tentative changes in curriculum suggested by the Naval Academy indicate a strong trend in course content toward basic principles and away from hardware details. The Board emphatically concurs with this thinking.

2. The Board of Visitors endorses wholeheartedly the establishment of a Curriculum Review Board and notes that its members are men distinguished in their respective fields.

3. The Board of Visitors has not made during this visit a detailed study of curriculum, feeling that its comments can most appropriately be made after the Curriculum Review Board has completed its study. Hence, this Board will meet again in December 1959 for 1 or 2 days' study of the recommendations of the Curriculum Review Board.

The Board of Visitors wishes to express its appreciation to the Superintendent, Admiral Melson, and his associates for their hospitality and alert attention to the needs of the Board. The excellent cooperation received by the Board facilitated its work and rendered its visit most pleasant.

William G. Saltonstall; David S. H. Howard; Rev. Edmund P. Joyce, C.S.C.; John J. Riley; Harold C. Ostertag; Clair Engle; Spessard L. Holland; George Huddleston, Jr.; Eric A. Walker; Milton S. Eisenhower; Sidney J. Weinberg; J. Glenn Beall; Daniel Brewster; George Grkovic; Commander, U.S. Navy, Secretary to the Board of Visitors.

SUPPLEMENTAL STATEMENT: SENATORS SALTONSTALL, HOLLAND, BEALL, AND ENGLE

We have prepared the attached statement expressing some of the comments which have been suggested to us by responsible persons interested in the Naval Academy.

These views we would like to include as a supplement to the Report of the Board of Visitors to the Naval Academy. We would hope the committee appointed to study the curriculum might consider these suggestions in connection with its report to the officials of the Naval Academy and for the benefit of the Board of Visitors.

SPESSARD L. HOLLAND

(For all four of the Senators named above).

MAY 5, 1959.

SUPPLEMENTAL STATEMENT BY SENATORS SALTONSTALL, HOLLAND, BEALL, AND ENGLE, FOR ADDITION TO THE REPORT OF THE NAVAL ACADEMY BOARD OF VISITORS

1. (a) It has been suggested that the present age limitation for entrance to the Naval Academy be lowered even further. It has been demonstrated that the younger students have better scholastic records and are better motivated. We note with approval that the Naval Academy has already adopted the college entrance examination for scholastic entrance requirements, but even more stringent achievement tests might be considered.

(b) Some relaxation of rigid physical admission requirements might be considered. These may on occasion exclude otherwise highly qualified candidates.

2. The curriculum has for many years devoted a substantial portion of time to practical courses and drills. It is suggested that a study be made to determine whether some of this time could be more profitably devoted to strengthening the intellectual capabilities of the midshipmen. Many items of equipment and machinery are used for practical training during the year, much of which can be covered during the summer training periods, thus leaving more opportunity for academic work. Evidence of the need for revision of the curriculum and higher academic standards is shown by the fact that a Naval Academy graduate must take 2 years of additional undergraduate studies in order to compete with his college graduate counterpart in science and engineering graduate fields.

3. It is suggested that increased emphasis should be placed on individual academic achievement by offering additional or optional courses to individuals whose academic attainment is outstanding.

4. It has been suggested that the Academy might find much benefit in making greater use of qualified civilian instructors of professional rank and less use of line naval officers. It has been suggested that exchange professors from leading engineering and scientific schools might be invited for limited periods at the Academy.

5. It has been suggested that too much of the midshipmen's time is used with routine military and administrative duties and his schedule is so rigid as to preclude added study hours, should an individual student wish to pursue his studies beyond the immediately prescribed course. Greater flexibility in the nonacademic schedule might well permit better individual academic development and encourage initiative and leadership.

SENATE

WEDNESDAY, JUNE 17, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of life and light:

After the shadows of another night, we come to thank Thee for the glories of another day.

We are grateful for every sunrise which chases away the specters of the darkness, for the morning light across the earth, for roads made clear again and fields revealed again, and light-touched faces into which to look, and a world made strong and clear and real.

Help us to seize the day, realizing that the remembered splendor of yesterday's achievements or the haunting pity of its failures but offer meanings, disciplines, and instruction which, heeded, will transform today into triumph.

Give us this day our daily bread of assurance that the power which creates the recurrent miracle of sunrise, with all that the new day means, is as inexhaustible as the divine love, and that we who open our lives to that Spirit share that power and may rejoice and hope on no lesser ground than that God is with us and the future is His and ours.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. DIRKSEN, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 16, 1959, was dispensed with.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 2094. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes;

S.J. Res. 59. Joint resolution requesting the President to issue a proclamation designating 1959 for the observance of the 350th anniversary of the historic voyages of Hudson and Champlain; and

H.R. 5915. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

LEAVE OF ABSENCE

Mr. DIRKSEN. Mr. President, the distinguished junior Senator from North Dakota [Mr. YOUNG] has requested leave of absence from the affairs of the Senate until Monday of next week.

The PRESIDENT pro tempore. Without objection, leave is granted.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Preparedness Subcommittee of the Committee on Armed Services was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. DIRKSEN. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Morning business is in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, reporting, pursuant to law, on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month of May 1959; to the Committee on Agriculture and Forestry.

REPORT OF GENERAL SALES MANAGER ON COMMODITY CREDIT CORPORATION SALES POLICIES, ACTIVITIES, AND DISPOSITIONS

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report of the General Sales Manager, concerning the policies, activities, and dispositions of the Commodity Credit Corporation, for April 1959 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON REVIEW OF PUERTO RICO INSURING OFFICE, HOUSING AND HOME FINANCE AGENCY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the Puerto Rico Insuring Office, Federal Housing Administration, Housing and Home Finance Agency, July 1958 (with an accompanying report); to the Committee on Government Operations.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Washington; to the Committee on Labor and Public Welfare:

"SENATE JOINT MEMORIAL 3

"To the Honorable Dwight D. Eisenhower, President of the United States, the President of the Senate, and the Speaker of the House of Representatives, and to the Senate and the House of Representatives of the United States, in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition as follows:

" 'Whereas the U.S. Public Health Service has openly declared that the U.S. Cushman Indian Hospital should be closed and returned to the Federal Government for other purposes since the Federal Public Health officials felt that tuberculosis was the primary purpose of said hospital and which disease said officials now believe to be under control; and

" 'Whereas it is statistically indicated that the so-called reduction in the incidence of tuberculosis is not an accurate reflection of the number of cases of incipient tuberculosis prevalent amongst the Indians since it is only of recent date that the Yakima Tribe is finally receiving long overdue X-rays which should be provided for all tribes; and

" 'Whereas economy measures, no matter how small, should not be a consideration when it deprives the Indian tribes of their basic rights to a general health program and

the care of their aged and infirm, which rights have been achieved only through battle-scarred years of strife seeking their rights which, in some instances, have been reduced to writing in acceptance of treaty documents; and

" 'Whereas the urgent need for a comprehensive program of more relief and a general health program is highlighted by the steadily decreasing Indian tribe population due to lack of such programs; and

" 'Whereas the recent disclosure of the pending closure of the U.S. Indian Hospital caused more than 150 Indians representing tribes from Minnesota to Oklahoma to protest formally the proposed closing of the hospital: Now, therefore, be it

" '*Resolved,* That we, the Senate and House of Representatives of the State of Washington, do hereby join with the various northwest tribal councils in strongly protesting the closing of the U.S. Cushman Indian Hospital and that we do hereby respectfully memorialize and petition the President of the United States, and the U.S. Senate, and the U.S. House of Representatives, and the U.S. Department of Health, Education, and Welfare to forgo closing of this Indian hospital and to continue operation of the Cushman Indian Hospital as a general hospital with a special ward for the treatment of tuberculosis and to accordingly provide for the necessary special expenditures to support such hospital; and be it further

" '*Resolved,* That copies of this memorial be transmitted to the President of the United States, the President of the U.S. Senate, the Speaker of the House of Representatives of the United States, the Secretary of the U.S. Department of Health, Education, and Welfare, and to each Senator and Representative in Congress from the State of Washington.'

"Passed the senate March 18, 1959.

"JOHN A. CHERBERG,
"President of the Senate.

"Passed the house March 19, 1959.

"JOHN L. O'BRIEN,
"Speaker of the House."

A joint resolution of the Legislature of the State of Washington; to the Committee on Public Works:

"SENATE JOINT MEMORIAL 9

"To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress Assembled:

"We, your memorialists, the 36th Legislature of the State of Washington, convened in regular session, respectfully represent and petition as follows:

" 'Whereas there exists in State of Washington a partially constructed coastal highway which begins in the vicinity of Queets in Jefferson County as a branch from the Olympic Leep Highway, in a southerly direction along the shore of the Pacific Ocean turning easterly to skirt the north shore of North Bay and Grays Harbor to the city of Hoquiam in Grays Harbor County, with an unconstructed 14-mile portion entirely within the Quinault Indian Reservation between Queets and Taholah on the left bank of the Quinault River; and

" 'Whereas it will be necessary, in order to build a coastal highway along the Pacific coast of the State of Washington, to utilize lands within or near the Makah, Ozette, Quillayute, Hoh and Quinault Indian Reservations, the Olympic National Park, and U.S. defense facilities; and

" 'Whereas a coastal highway is of major importance to the Nation from the standpoint of coastal defense and of great importance to the economic development and growth of the State; and

" 'Whereas State and Federal funds for the construction of a coastal highway, which, with necessary bridges, are not available in the foreseeable future:

" 'Now, therefore, we, your memorialists, respectfully pray that the Congress of the United States speedily take such legislative action as is necessary to construct and complete a coastal highway described as follows:

" 'Beginning at Neah Bay in Clallam County, thence in a southerly direction along the Pacific shoreline by way of U.S. Defense establishments and by way of Ozette, Quillayute, and Hoh Indian Reservations to an intersection with U.S. Highway No. 101 in the vicinity of Ruby Beach in Jefferson County, thence along U.S. Highway No. 101 to Queets in Jefferson County, thence departing the route of U.S. Highway No. 101 and continuing in a southerly direction along the Pacific shoreline by way of Taholah and Moclips, thence along the existing State secondary Highway No. 9C to a point intersecting U.S. Highway No. 101 in Hoquiam through Aberdeen, thence again departing the route of U.S. Highway No. 101 in a southwesterly direction along existing and proposed State secondary Highway No. 13A, turning southerly from the vicinity of Ocosta and Bay City through North Cove, thence along the shoreline of Willapa Bay easterly to Raymond in Pacific County; and be it

" '*Resolved,* That copies of this memorial be immediately transmitted to the Honorable Dwight D. Eisenhower, President of the United States, the President of the U.S. Senate, the Speaker of the House of Representatives, and to each Member of Congress from the State of Washington.'

"Passed the senate March 7, 1959.

"JOHN A. CHERBERG,
"President of the Senate.

"Passed the house March 10, 1959.

"JOHN L. O'BRIEN,
"Speaker of the House."

A joint resolution of the Legislature of the State of North Carolina; to the Committee on Labor and Public Welfare:

"RESOLUTION 62

"Joint resolution memorializing the Congress of the United States to extend education benefits to veterans of the Armed Forces who entered or who enter the service subsequent to February 1, 1955

"Whereas millions of veterans of World War II and of the Korean conflict have been educated under the provisions of the veterans education program established by the Federal Government; and

"Whereas many veterans were able to obtain further education through the benefits of the veterans education program which would not otherwise have been possible; and

"Whereas the education of millions of veterans has contributed to an increase in the educational level of this country and has produced a major national asset which has contributed much to the economy of this country; and

"Whereas reliable statistics have proved that increased income to veterans arising out of their higher education level will more than reimburse the National Treasury of the entire cost of the GI training program by 1970; and

"Whereas the President of the United States, by Executive order on January 31, 1955, stopped the educational benefits for persons serving in the Armed Forces of the United States after February 1, 1955; and

"Whereas it is believed that as long as the draft is continued that all persons serving in the Armed Forces should be extended the educational opportunities enjoyed by veterans serving prior to February 1, 1955; and

"Whereas it has been demonstrated that the investment in the education of such veterans will be more than repaid to the Public Treasury through increased taxes resulting from higher incomes of such veterans: Now, therefore, be it

"Resolved by the House of Representatives (the Senate concurring):

"SECTION 1. The General Assembly of North Carolina does hereby memorialize the Congress of the United States to extend GI educational benefits to all veterans who entered, or who enter, military services from and after February 1, 1955, and that such educational benefits be extended so long as the provisions of the draft law exist.

"SEC. 2. Upon adoption of this resolution, a copy thereof shall be mailed to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each Member of the Congress from the State of North Carolina.

"SEC. 3. This resolution shall become effective upon its adoption.

"In the general assembly read three times and ratified, this the 9th day of June 1959.

"L. E. BARNHARDT,
"President of the Senate.

"ADDISON HEWLETT, JR.,
"Speaker of the House of Representatives.

"Examined and found correct.

"FRED HOLCOMBE.

"For committee."

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"JOINT RESOLUTION 21

"Assembly joint resolution relative to State-Federal relations in water development

"Whereas despite the existence of several congressional acts recognizing the primary interest and responsibility of the States for the control and coordination of water uses within their boundaries, several judicial decisions within the past 15 years have cast doubt upon the authority of the States in this respect; and

"Whereas these judicial decisions have suggested the possibility of unlimited Federal prerogatives with respect to water rights, which possibility casts doubt on the basis of vested water rights and weakens the ability of the States to successfully coordinate water development; and

"Whereas over the years the traditional role of the States in the administration, conservation, and utilization of their water resources has resulted in the most efficient, harmonious, and complete development of the water resources; and

"Whereas the compliance by Federal agencies with the water laws of the States in accordance with existing congressional acts has not jeopardized any of the legitimate interests of the Federal Government; and

"Whereas the doubts raised by the recent judicial decisions as to the basis and validity of vested water rights and as to the proper delegation of authority between the Federal and State Governments will, unless corrected by congressional action, tend to delay urgently needed water development and to discourage States and private entities in their efforts to conserve and control the water resources of the States: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the Congress of the United States to reaffirm and restate in unmistakable and effective terms the principle that the States have primary responsibility and authority for the administration of their water rights, thereby eliminating the doubts created by recent judicial decisions, clarifying the relationship of the Federal and State Governments in the field of water resources development, minimizing litigation and delay, and allowing water development by both the Federal and State Governments to proceed on a harmonious basis; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and

Vice President of the United States, to the Speaker of the House of Representatives, to the chairmen of the U.S. Senate and House Committees on Interior and Insular Affairs, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Interstate and Foreign Commerce:

"SENATE JOINT RESOLUTION 27

"Joint resolution relative to protection of the North Pacific fisheries

"Whereas conservation of the fisheries industries of the North Pacific Ocean, including the Bering Sea, is a matter of great importance to the entire United States and particularly to the States bordering upon the Pacific Ocean, including Alaska and California; and

"Whereas a serious threat to the fisheries has arisen since the conclusion of World War II by the fishing of this area by other nations without regard to preservation of the fish resources; and

"Whereas such unrestricted fishing can result in not only the destruction of the fishing industry of the State of Alaska, but also of other States bordering on the Pacific Ocean, since the North Pacific area is the breeding and rearing ground for many of the fish taken off the coasts of Oregon, Washington, and California; and

"Whereas it has been brought to the attention of this legislature by Senator Bob Logan, State senator of the State of Alaska, that the First Legislature of the State of Alaska in Senate Joint Resolution 10 has requested that this problem be met by a treaty between the United States, Canada, Japan, and Russia; and

"Whereas such a treaty could provide the most urgently needed protection to properly conserve these fish resources not only for the United States but also for the other nations involved in the fishing area: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President of the United States to do all in his power to bring about a treaty between the United States, Canada, Japan, and Russia to properly protect the fish resources of the North Pacific Ocean, and the Congress of the United States is respectfully memorialized to take all appropriate action in aid of the successful negotiation of such a treaty; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States, and to the Pacific Marine Fisheries Commission."

A resolution of the Assembly of the Legislature of the State of California; to the Committee on the Judiciary:

"HOUSE RESOLUTION 275

"Resolution relative to antilynching legislation

"Whereas the recent lynching of a prisoner in Mississippi has outraged supporters of law and order in all States of our country; and

"Whereas the incident has demonstrated that the problem of lynch-mob action is still very real; and

"Whereas Federal legislation rendering any participation in lynch-mob action an offense against the United States would make a substantial contribution toward discouraging any such incidents in the future: Now, therefore, be it

"Resolved by the Assembly of the State of California, That this body urges the Congress of the United States to make lynching and participation in lynch-mob action a felony under the laws of the United States; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Member of Congress from California."

A letter in the nature of a petition from the City Council of the City of St. Petersburg, Fla., signed by Jennie Cook, clerk, favoring the enactment of legislation to provide funds for the construction of the West Coast Intracoastal Waterway in the State of Florida; to the Committee on Appropriations.

A resolution adopted by the Department of Alaska, the American Legion, Juneau, Alaska, favoring the enactment of legislation to provide funds to maintain the present work schedule of the Arctic Health Research Center in Anchorage, Alaska; to the Committee on Appropriations.

A resolution adopted by the Town Council of Kenneth City, Fla., favoring the enactment of legislation to provide funds for the construction of the West Coast Intracoastal Waterway in the State of Florida; to the Committee on Appropriations.

A resolution adopted by the Veterans of World War I of the United States of America, Department of Arkansas, protesting against the enactment of House bills 6432 and 7650, relating to veterans' benefits; to the Committee on Finance.

A resolution adopted by the Veterans of World War I of the United States of America, Department of Arkansas, favoring the enactment of legislation to revise non-service-connected pensions for veterans of World War I; to the Committee on Finance.

The memorial of Joseph Elinzy Camp, of Redondo Beach, Calif., remonstrating against Communist activities in labor unions, and so forth; to the Committee on Labor and Public Welfare.

The petition of J. J. Jones, of Coolidge, Ariz., praying for the enactment of labor reform legislation; to the Committee on Labor and Public Welfare.

A letter in the nature of a petition from Joseph Elinzy Camp, of Redondo Beach, Calif., relating to contamination of the underground water tables by the use of sewage water; to the Committee on Public Works.

RESOLUTION OF CHAMBER OF COMMERCE, PLYMOUTH, MASS.

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution recently adopted by the Plymouth, Mass., Chamber of Commerce, regarding the need for enlarged programs of research into the causes and cure of cancer and diseases of the heart, blood, and vital organs.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the health of the people of the United States has a direct effect upon its present and future strength; and

Whereas there is an ever-mounting toll of lives taken by cancer and diseases of the heart, blood, and vital organs; and

Whereas the causes and cures of the aforementioned diseases can only be achieved by an immediate concerted effort in the field of medical research: Be it therefore

Resolved, That the Plymouth Chamber of Commerce does hereby urge the Congress of the United States and the U.S. Department of Health, Education, and Welfare, to institute a crash program, i.e., a stepped-up program of research into the causes and cure of cancer and diseases of the heart, blood, and vital organs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare, without amendment:

S. 731. A bill to extend certain traineeship provisions of the Health Amendments Act of 1956 (Rept. No. 400).

By Mr. COTTON, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 2183. A bill granting the consent of Congress to interstate compacts for the development or operation of airport facilities (Rept. No. 401).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN:

S. 2196. A bill for the relief of Vladislav Fotich; to the Committee on the Judiciary.

By Mr. HILL (for himself and Mr. GOLDWATER):

S. 2197. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HILL when he introduced the above bill, which appear under a separate heading.)

By Mr. ALLOTT (for himself and Mr. LANGER):

S. 2198. A bill to amend the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

(See the remarks of Mr. ALLOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 2199. A bill for the relief of Casimir Charles Ramasauskas; to the Committee on the Judiciary.

By Mr. BARTLETT:

S. 2200. A bill for the relief of the estate of Laurence S. Starns; to the Committee on the Judiciary.

By Mr. BARTLETT (for himself and Mr. GRUENING):

S. 2201. A bill to amend section 601 of title 38, United States Code, with respect to the definition of the term "Veterans' Administration facilities"; to the Committee on Labor and Public Welfare.

By Mr. KEFAUVER:

S. 2202. A bill for the relief of Josefine Lepschi; to the Committee on the Judiciary.

S. 2203. A bill for the relief of John H. Smith; and

S. 2204. A bill to amend title 10, United States Code, to provide for the advancement on the retired list of officers of the Army and Air Force specially commended for performance of duty before January 1, 1947, in actual combat; to the Committee on Armed Services.

By Mr. KENNEDY:

S.J. Res. 110. Joint resolution to enable the United States to participate in the resettlement of certain refugees; to the Committee on the Judiciary.

(See the remarks of Mr. KENNEDY when he introduced the above joint resolution, which appear under a separate heading.)

AMENDMENT OF FEDERAL FOOD, DRUG, AND COSMETIC ACT, RELATING TO USE OF SUITABLE COLOR ADDITIVES

Mr. HILL. Mr. President, on behalf of myself, and the Senator from Arizona [Mr. GOLDWATER], I introduce, for appropriate reference, a bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions—including maximum tolerances—under which such additives may be safely used. I ask unanimous consent to have printed in the RECORD an explanation of the bill, together with a section-by-section analysis.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the explanation and section-by-section analysis will be printed in the RECORD.

The bill (S. 2197) to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used, introduced by Mr. HILL (for himself and Mr. GOLDWATER), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The explanation and section-by-section analysis presented by Mr. HILL are as follows:

EXPLANATION OF PRINCIPAL FEATURES AND PURPOSES OF PROPOSED COLOR ADDITIVE AMENDMENTS OF 1959

The letter of transmittal briefly summarizes the general objectives of this legislative proposal, the principal reasons which gave rise to it, and previous amendments to the Federal Food, Drug, and Cosmetic Act which, in the case of food, show congressional endorsement of its key principle, i.e., recognition of the scientific soundness of considering the level and other conditions of use in determining the safety of a color additive. A fuller explanation is, however, necessary to an adequate understanding of the major provisions of the bill and their purposes against the background of existing law. In addition, a section-by-section analysis is enclosed for the benefit of those who desire to become conversant with the details of each provision.

A. PRESENT LAW

Under present law, the treatment of color additives differs radically as between the so-called coal-tar colors and others. (For explanation of the technical difference between so-called coal-tar colors and others, see the discussion under "Major Changes Proposed.")

1. Cal-tar colors: The act requires the Secretary to provide by regulation for listing and certifying batches of "coal-tar colors which are harmless and suitable for use" in food, drugs, or cosmetics; and a food, drug, or cosmetic (other than a hair dye) is deemed adulterated if it bears or contains a coal-tar color other than from a certified batch (except that in the case of drugs this provision applies only where the coal-tar color is used for coloring purposes only). (See secs. 402(c), 406(b), 501(a)(4), 504, 601(e), 604, and 701 (e) and (f) of the act.) Under these provisions, we are without power to admit a color to listing under tolerance limitations. *Flemming* v. *Florida Citrus Exchange*, 358 U.S. 153 (1958).

2. Other colors: A coloring material not classified as a coal-tar color is not subject to any pretesting, listing, or certification requirement in the case of cosmetics or drugs (except as pretesting may be required for a coloring component as an incident to official clearance of a new drug under the new drug provisions of the act).

On the other hand, with respect to their use in food, non-coal-tar coloring materials which are classed as "food additives" under the recent food additives amendment of 1958 (Public Law 85-929) are subject to a requirement of official safety clearance, and to establishment of tolerance limitations and other conditions of safe use where necessary for public health protection, except that colors which were in commercial use before January 1, 1958, are allowed a grace period for compliance; this period will expire not later than March 6, 1961. Such food additive colors, however, are not subject to any requirement of batch certification even if, in our view, this would be desirable for the protection of food processors and housewives using the color.

B. MAJOR CHANGES PROPOSED

The bill would change existing law in the following respects:

1. Uniform criteria of admissibility: It would do away with the differences in legal requirements and treatment as between the so-called coal-tar colors and other color additives, and would establish an integrated and internally consistent basis for determining the admissibility of any coloring material for use in or on foods, drugs, or cosmetics (other than hair dyes). This would be accomplished by excepting color additives (as defined in the bill) from the term "food additive"; repealing the present provisions for listing and certification of coal-tar colors; enacting, as part of a single section (sec. 706), comprehensive provisions for the separate listing of any color additives suitable and safe for general or restricted use in foods, drugs, or cosmetics, and for their certification (or exemption from certification); and making other amendments to the act to mesh with these provisions.

The term "coal-tar color" has been interpreted to apply not only to substances which are coal-tar derivatives, but also to synthetic substances so related in their chemical structure to a coal-tar constituent as to be capable of derivation therefrom even when not actually so derived. The present bill would embrace all color additives whether or not synthesized and whether or not capable of derivation from a coal-tar constituent. From the point of view of determining safety of use, there is no sound scientific basis for distinguishing between a color additive extracted from a plant, animal, or mineral source and one which is synthesized with a chemical structure which will bring it under the term "coal-tar color." The bill would therefore establish common ground rules for all such colors.

Doing away with the distinction between so-called coal-tar colors and other coloring substances will have the incidental effect of establishing a pretesting and safety clearance requirement for the latter type of colors in the case of drugs or cosmetics. The lack of consumer protection inherent in the absence of such a requirement was forcefully brought to the attention of Congress by the investigations and recommendations of the House Select Committee To Investigate the Use of Chemicals in Foods and Cosmetics (Delaney committee) (see H. Rept. No. 2356, and H. Rept. No. 2182, 82d Cong.) and by the hearings culminating in the enactment of the food additives amendment of 1958.

2. Safety-of-use principle: The bill adopts for all colors, and for all color uses covered by it, the basic principle of the food additives amendment of 1958, by providing for the official listing of color additives for any use in or on foods, drugs, or cosmetics, for which they are determined to be safe, subject to such conditions of use (including maximum tolerance limitations) as are determined to be necessary to assure the safety of such use.

3. Comprehensive lists: The bill, however, retains the approach of the present coal-tar color provisions in providing for comprehensive lists of colors, instead of attempting to carve out an exception from listing for colors generally recognized by experts as safe for use. While there may have been justification in the case of the food additives amendment of 1958 for placing the burden on the Government to prove that an additive is not generally recognized as safe before the safety clearance procedure applies—in view of the broad sweep of the amendment, which otherwise would have covered such additives as salt, vinegar, and natural spices—we do not believe that such an exception is sound in the case of color additives, whether they be extracted from a natural source or synthesized. To engraft such an exception on the bill would be retrogressive as compared with present law relating to coal-tar colors. If a color is in fact generally recognized by competent experts as safe for unrestricted use in any kind of article, this can be readily established and reflected in regulations listing such color.

4. Certification and exemption from certification: While providing for certification of batches of listed colors, as existing law does for coal tar colors, the bill would permit the Secretary to grant exemptions from the requirement of certification where certification is not necessary to protect the public health. The present requirement of certification for coal tar colors is intended to assure food processors and housewives that the color is free from toxic impurities and otherwise complies with regulations defining the color's identity. We believe, however, that power to exempt colors from the certification requirement is desirable, especially since the coverage of the law is broadened to include all types of substances capable of imparting color.

5. Effective date and transitional provisions: The amendments made by the bill to the Federal Food, Drug, and Cosmetic Act, that is, title I of the bill, would become effective as soon as the bill is enacted.

However, in order to allow an interim basis, for a reasonable period, the use of commercially established color additives to the extent consistent with the public health, pending completion of the scientific investigations needed as a basis for making determinations as to listing of such additives under the new permanent provisions of the bill, the bill provides for the provisional listing of such color additives, and their certification (or exemption from certification in certain cases). The commercially established color additives falling under these transitional provisions are (a) those coal tar colors of which a batch or batches were actually certified prior to the date of enactment of the bill, and (b) those non-coal-tar colors, and synthetic beta carotene, which were commercially used or sold prior to that date for food, drug, or cosmetic use.

Provisional listings would be subject to appropriate temporary tolerance limitations and other conditions of use when deemed necessary for the protection of the public health during the period of provisional listing. The bill would permit establishment of a zero tolerance or removal from the provisional list at any time during this transitional period when the protection of the public health so requires.

A provisional listing would be automatic, except that in the case of a coal tar color which was "delisted" prior to the enactment date of the bill, the color could be provisionally listed under these transitional provisions only upon request to the Secretary.

In order to enable the Secretary to compile and promulgate a list of colors which are deemed provisionally listed without specific request to the Secretary, and in order to enable him to determine temporary tolerances for such colors, the Secretary would, after reasonable public notice for submission of data, be required, for the time being, to fix temporary tolerances at zero level with respect to those colors and uses thereof for which the data available to him do not establish a reliable basis for inclusion in a list of colors deemed provisionally listed and for determining the prevailing levels of use thereof prior to the enactment date.

In general, a provisional listing would terminate no later than the end of the 2½-year period beginning on the date of enactment. However, where necessary to complete the scientific testing required for a particular additive, the Secretary could extend this period with respect to a particular color additive or use, if this is consistent with the protection of the public health and with the objective of completing these tests as soon as practicable. Of course, a provisional listing of a color additive for any use, if not sooner terminated, would cease upon listing of the additive for such use under the permanent provisions of the bill.

C. NEED FOR THE BILL

The interests of consumer protection and of the food, drug, cosmetic, and color industries combine to make urgent the need for enactment of this bill.

1. Consumer protection:

First. Under present law the Government has to perform extensive research to determine whether the colors now listed and being used are in fact harmless and suitable for use in food, drugs, and cosmetics. This testing may require up to 20 years. The bill would require industry to assume the burden of this testing, and would require the tests to be completed within 2½ years or, in individual cases, such additional testing period as is shown to be required and to be consistent with public-health protection. Further, it would allow the Department to place safe tolerance limitations on the amount of color that may be used and the products on which it may be used during this transition period; the Department has no such authority under present law.

Second. Other important aspects of consumer protection afforded by the bill are (a) that the pretesting requirement would be extended to those non-coal-tar colors, especially those used in cosmetics and drugs, to which it does not now apply, and (b) that the requirement of certification of batches of color, where necessary for the protection of the public health, would be extended to all colors.

Third. The use of color in foods, drugs, and cosmetics, though largely of value from the point of view of enhancing the marketability of the articles involved, is, in many cases, also in the consumer's interest and affirmatively desired by consumers. This is obviously so not only in the case of cosmetics, many of which are designed and purchased for the very purpose of imparting color, but also in the case of certain foods, e.g., margarine, where consumers demand artificial color. Housewives also frequently purchase certified color for use in home-prepared foods. In drugs, color additives are much used for ready identification, thus helping the pharmacist, the physician, the nurse, and the patient to avoid dangerous mistakes in choosing the wrong bottle or box. Thus, it is in the interest of the consumer that the law be changed so as to make available an adequate supply of colors of the safety of which, for particular uses, the consumer can be assured.

2. Commercial interests: The food, drug, cosmetic, and color industries find themselves in a serious situation as the result of the removal of color after color from the lists under the present inflexible provisions of the law. Unless the law, by permitting the listing of colors under safe tolerances, is brought into line with present-day methods of control, the emergency will grow and deepen, an emergency which, we believe, could be relieved for most established colors on a sound and permanent basis by enacting the provisions of this bill without in any way conflicting with the need for adequate protection of the public health.

There is no justification, from the point of view of the public interest, in driving either color manufacturers or food, drug, or cosmetic producers, dependent upon the use of color, out of business where the particular use of color involved is one which can safely be admitted under proper conditions of use (including tolerance limitations and certification requirements) established by this Department. Hence, while, as a consumer protection agency, we are concerned first and foremost with the protection of consumer interests, equity to the commercial interests concerned is also a factor in the submission of this proposal. It should, however, be stressed in this connection that we would not agree to a dilution or relaxation of the limitations of the carefully designed transitional provisions of this bill with respect to color additives which have heretofore been in commercial use.

The technical provisions and approach of this bill are summarized in detail in the section-by-section analysis enclosed herewith. Suffice it to say here that the bill includes, with necessary adaptations, the substantive safeguards for public health and consumer protection contained in the Food Additives Amendment of 1958 so recently considered and adopted by the Congress.

SECTION-BY-SECTION ANALYSIS OF COLOR ADDITIVE AMENDMENTS OF 1959

I. INTRODUCTION

Under existing law, so-called coal-tar colors are regulated under the Federal Food, Drug, and Cosmetic Act through similar sets of provisions in chapter IV (food), V (drugs), and VI (cosmetics). Food containing a coal-tar color is deemed adulterated by section 402(c) of the act unless the color is from a batch certified by the Secretary under section 406; section 406(b) then directs the Secretary to provide for listing coal-tar colors that are harmless and suitable for use in food, and to provide for certifying batches of such colors. A drug containing a coal-tar color solely for coloring purposes is deemed adulterated by section 501(a)(4) unless the color is from a batch certified by the Secretary under section 504; section 504 then directs the Secretary to provide for listing coal-tar colors that are harmless and suitable for use in drugs for purposes of coloring only, and for certifying batches of such colors. A cosmetic (other than a hair dye (defined to exclude eyelash and eyebrow dyes)) containing a coal-tar color is deemed adulterated by section 601(e) unless the color is from a batch certified by the Secretary under section 604; section 604 then directs the Secretary to provide for listing coal-tar colors that are harmless and suitable for use in cosmetics, and for certifying batches of such colors.

Food colors which are not coal-tar colors are, when not generally recognized by experts as safe, regulated as "food additives" under the Food Additives Amendment of 1958 (Public Law 85-929). Under section 402(a)(2)(C) of the act, a food which is, bears, or contains a "food additive" is deemed adulterated if the additive is unsafe within the meaning of section 409; and under section 409, the food additive is deemed unsafe unless it and its use (or intended use) conform to a regulation under section 409 announcing the conditions under which the additive may be safely used.

The present bill takes "color additives" out of the scope of the food additives amendment of 1958; repeals the present provisions for the listing and certification of "harmless" coal-tar colors (secs. 406(b), 504, and 604); enacts new, integrated provisions for the separate listing of suitable "color additives" safe for use in food, drugs, or cosmetics, under such conditions (including tolerance limitations) as the Secretary may find necessary to assure the safety of the uses permitted; provides for the certification (or exemption from certification) of listed color additives for such permitted uses; adapts the adulteration and other provisions of the act to the substantive and other changes involved in the above-mentioned changes; and contains transitional provisions for commercially established colors.

II. SECTIONAL ANALYSIS

Title I. Amendments to Federal Food, Drug, and Cosmetic Act

Section 101 amends section 201 (the definitional section) of the basic act as follows:

Section 101(a) of the bill redesignates section 201(s) of the basic act, defining the term "food additive," by excluding color additives from the term "food additive." While coal-tar colors are already, by implication, outside the scope of the operative provisions of the food additives amendment of 1958 (Public Law 85-929), the express exclusion of "color additives" makes clear that, beginning with the date of enactment of this bill, all color additives (as defined in sec. 101(c) of the bill) will fall outside the scope of the provisions on "food additives."

Section 101(b) of the bill redesignates section 201(t) of the basic act as section 201(u) and extends the definition of "safe" to apply to the use of that term in section 706 of the basic act as amended by section 103(b) of the bill.

Section 101(c) of the bill adds to section 201 of the basic act a new subsection (t), which defines the term "color additive" as any dye, pigment, or other substance, either synthetic or extracted or otherwise derived, which is capable of imparting color to a food, drug, cosmetic, or the human body, but excluding any material that the Secretary, by regulation, determines is used solely for noncoloring purposes. (Black, white, and intermediate grays are expressly included in the term "color.")

Section 102(a):

Paragraph (1) adds color additives to the exceptions from section 402(a)(2)(A) of the act, which now declares adulterated any food bearing or containing a poisonous or deleterious added substance which is unsafe within the meaning of section 406 of the act "except a pesticide chemical in or on a raw agricultural commodity and except a food additive." This paragraph of the bill makes explicit, with regard to color additives, the interpretation of the Supreme Court in *Flemming v. Florida Citrus Exchange*, 358 U.S. 153 (1958), that section 406(a) of existing law—which authorizes the establishment of tolerances for poisonous or deleterious substances added to food where the additive is required in the production of the food or cannot be avoided by good manufacturing practice—cannot serve as a basis for allowing the use of coal-tar colors where marketability of a food depends on such coloring. Under the bill, section 706 of the act would (except during a transitional period) provide the exclusive procedure for the listing (with or without tolerance limitations) and certification of color additives.

Paragraph (2) amends section 402(c) to deem a food adulterated if "it is, or it bears or contains," a "color additive" which is "unsafe within the meaning of section 706(a)" of the basic act as enacted by the bill. This would replace the present requirement of section 402(c) that deems adulterated a food bearing a coal-tar color which is not from a batch certified under section 406(b), and the provisos to section 402(c) with respect to the use of color on oranges (see Public Law 86-2). (Sec. 406(b) of the act would be repealed under another section of the bill.) The effect of these changes would be to (a) make the new provisions applicable to all color additives whether or not they are coal-tar colors; (b) extend them to the color additive itself before being added to food; and (c) use the technique of the pesticide chemicals amendment and food additives amendment by deeming the article adulterated if the additive is "unsafe" under another section (in this case the amended sec. 706 of the basic act which sets forth the criteria under which the additive shall be deemed unsafe).

Paragraph (3) adds to section 403 of the basic act a new subsection (l), whereby a food which is a color additive is deemed misbranded unless packaged and labeled in accordance with packaging and labeling requirements, if any, contained in regulations issued under section 706 (as amended by the bill). (Under the basic act's definition of "food," a color additive intended to be added to food is itself considered "food" before it is so added.)

Section 102(b): Paragraph (1) amends section 501(a)(4) of the basic act to deem adulterated any drug containing a color additive solely for purposes of coloring, and any color additive which (with respect to its use in or on drugs) is intended solely for coloring purposes, if these are unsafe within the meaning of section 706(a) of the act. This would replace the present provision of section 501(a)(4), which deems a drug adulterated if it bears or contains, for purposes of coloring only, a coal-tar color other than one from a batch that has been certified under section 504. (Sec. 504 of the act would be repealed by another section of the bill.)

Paragraph (2) adds to section 502 of the basic act a new subsection (m) deeming misbranded a drug which is a color additive the intended use of which in or on drugs is for the purpose of coloring only, unless its packaging and labeling are in conformity with packaging and labeling requirements, if any, contained in regulations issued under section 706. (A color additive is, under the definition of "drug" in the basic act, itself a drug when intended for use as a component of drugs.)

Section 102(c): Paragraph (1) amends section 601(e) of the basic act so as to deem adulterated a cosmetic (other than a hair dye) which is, bears, or contains a color additive which is unsafe within the meaning of section 706 of the act. This would replace the existing provision, which deems adulterated a cosmetic (other than a hair dye) which bears or contains a coal-tar color other than one from a batch certified under section 604. (Sec. 604 of the act would be repealed by another section of the bill.)

Paragraph (2) adds to section 602 of the act a new subsection (e) so as to deem misbranded a cosmetic which is a color additive (except a color additive for hair dyes) not packaged and labeled in accordance with packaging and labeling requirements, if any, under section 706. (Under the definition of "cosmetic" in the basic act, a color additive which is intended for use as a component of cosmetics is itself considered a cosmetic.)

Section 103: Subsection (a) repeals those sections (secs. 406(b), 504, and 604) of the basic act directing the Secretary to provide for listing, and certification of batches, of coal-tar colors which are "harmless and suitable" for use in food, drugs, and cosmetics, respectively; it also repeals the references to these sections in section 701(e) of the act. The saving provisions of title 1, United States Code, section 109, will, of course, apply to these repeals.

Subsection (b) amends section 706 of the act to make more flexible and, incidentally, bring together within a single section of the act, the Secretary's rulemaking authority with respect to the use of color additives in or on food, drugs, or cosmetics. (Under present law, sec. 706 contains only a provision which conditions the admitting to listing and certification of coal-tar colors upon the payment of fees. Cf. subsec. (e) of sec. 706 as amended by the bill.) The major provisions of the proposed section 706 are:

Section 706(a):

The basic operative provision of the section, this subsection deems a color additive unsafe for a particular use (or intended use) in or on food, drugs, or cosmetics, for the purposes of the application of sections 402(c), 501(a)(4), and 601(e), for the act as amended by the bill, unless the color additive is listed under section 706(b) and complies with the conditions of use prescribed by the regulations listing the additive, and unless the additive is from a batch certified pursuant to regulations under section 706(c) or is exempted from the requirement of such certification. The single exception to these requirements is an exemption, to be provided by regulation (under sec. 706(f)), for color additives intended solely for investigational use by qualified experts.

Where a color additive is used in accordance with the Secretary's regulations, it is also exempted from the general provisions that deem adulterated any food (sec. 402(a)(1)) or cosmetic (sec. 601(a)) bearing or containing a poisonous or deleterious substance that may render it injurious to health. This exempting provision does not apply to hair dye (other than eyebrow and eyelash dye), since coal-tar hair dyes are not covered by section 601(e) of the act.

Section 706(b):

Paragraph (1). The Secretary is required to establish separate lists of color additives for use in respect to food, drugs, and cosmetics, to the extent that the additives are safe for use when employed in accordance with the regulations listing them.

Paragraph (2). The listing of an additive may be for general use in respect to food, or drugs, or cosmetics, or it may be for a more limited use.

Paragraph (3). The regulations listing the color additive must, to the extent deemed necessary to assure safety of use, prescribe tolerance limitations, other directions relating to the manner of adding or using the additive, labeling or packaging requirements for such additive, and other conditions.

Paragraph (4). A color additive may be listed for use only where it affirmatively appears that the additive may safely be used under the conditions to be prescribed by regulation; and that there are practicable methods for analyzing its contents, and for determining the identity and quantity of such additive in or on any article of food, drug, or cosmetic, and of any substance formed in an article because of the use of the additive. (Cf. secs. 409(b)(2)(D) and 409(c)(3) of the act, relating to food additives.)

Paragraph 5. In determining whether the use of a color additive is safe, the Secretary is required to consider, among other relevant factors, (a) the probable consumption of, or other relevant exposure from, the color additive and any other substance which is formed in the colored article by reason of the use of the color additive; (b) the cumulative effect (if any) of the additive in the diet, taking into account other substances in the diet which are chemically or pharmacologically related to the color additive; and (c) safety factors which are generally recognized by qualified experts as appropriate in using animal experimentation data as a basis for determining the safety of the color additive for the use or uses for which it is proposed to be listed. (This paragraph is modeled on sec. 409(c)(5) of the act, relating to food additives.)

Paragraph (6). The Secretary may not list a color additive for a proposed use if that use would promote deception of the consumer or otherwise result in a misbranding or adulteration within the meaning of other provisions of the act. (A similar provision is contained in sec. 409(c)(3)(B) of the act, for food additives.)

Paragraph (7). If a tolerance limitation is required to assure safety, a color additive may not be listed unless the data establish that, if used within a safe tolerance, the additive will achieve the intended physical or other technical effect; and the permissible tolerance may be set no higher than the level necessary to accomplish this effect. This requirement is similar to that imposed on the Secretary by section 409(c)(4) of the act with respect to food additives.

Paragraph (8). Where, because of the aggregate quantity of a color additive (or pharmacologically related additives) likely to be involved, the Secretary cannot list the color (or colors) for all proposed uses, he may select among those uses or may apportion the aggregate allowable tolerance among them, subject to the paramount criterion of safety. For the purpose of such selection or allocation the bill provides for taking into account, among other relevant factors, the marketability of an article as affected by color, and industry dependence on the color uses involved; the quantities of color consumption involved in the various color uses; and the availability of other colors.

Section 706(c): Directs the Secretary to provide for the certification of batches of color additives and for exemption from the requirement of certification where unnecessary in the interest of the public health. Under this subsection the Secretary could provide for conditioning certification of batches of color additives on the keeping of records of disposal, as he does under existing law.

Section 706(d): This subsection, in general, incorporates, by reference, the procedures of section 701(e)-(g) which now govern coal-tar colors, except that it adopts the provisions as to "fair evaluation on the basis of the entire record" enacted by the food additives amendment of 1958.

In discussing the provisions of the food additives amendment of 1958 which the present bill incorporates by reference, Assistant Secretary Elliot L. Richardson, in a letter to the chairman of the House Committee on Interstate and Foreign Commerce, dated August 8, 1958, and reprinted in the CONGRESSIONAL RECORD, stated:

"The Secretary's action after hearing would have to be based upon a fair evaluation of the entire record at the hearing. On judicial review, the United States Court of Appeals would be required to sustain the findings of the Secretary if based upon a 'fair evaluation of the entire record at the hearing'; it would have to reverse the order of the Secretary if it is not 'based upon a fair evaluation of the entire record' or if it fails to include a statement setting forth in detail the findings and conclusions upon which the order is based. The 'fair evaluation' provision is quite acceptable to the Department, because it is the standard to which we are accustomed to adhere" (CONGRESSIONAL RECORD, vol. 104, pt. 13, p. 17415).

The "fair evaluation of the entire record" standard thus is to govern the action of the Secretary after hearing, and to be used as a criterion by the reviewing court in passing on the validity of the Secretary's action, not merely as respects findings of fact but as respects his action as a whole. It, in effect, extends to rule making the approach to judicial review of administrative adjudication taken in *Universal Camera Corp.* v. *N.L.R.B.*, 340 U.S. 474 (1951), and attempts to encapsule in a phrase the requirements of the Administrative Procedure Act as to fairness as opposed to arbitrariness, caprice, and abuse of discretion.

Section 706(e): This subsection contains the fee provision (with the reference to coal-tar colors amended to refer to color additives) contained in section 706 under existing law. Under the amended act fees for admitting a color to listing would necessarily include the cost of setting tolerance limitations authorized by section 706(b).

Section 706(f): The Secretary is required to provide, by regulation not subject to the above-mentioned procedure, for exempting from the operation of section 706 any color additive or use thereof intended solely for investigational use by qualified experts, when such exemption is consistent with the public health. A similar exemption exists in section 409(i) of the act for food additives.

Section 104 extends section 301(j) of the basic act, which prohibits the revelation and the personal use of trade secrets acquired under the authority of various sections of the act (including sec. 409, relating to food additives), so as to include information obtained under the proposed section 706.

Section 105 contains appropriate changes of cross-references in, and other conforming amendments to, sections 301(i) (false use of required marks), 303(c)(3) (guarantee that coal-tar color is certified), and 402(d) (nonnutritive substances in confectionery) of the basic act.

Title II—Effective date, transitional provisions, and effect on other laws

Section 201 defines, for the purposes of title II, the term "basic act" as the Federal Food, Drug, and Cosmetic Act; the term "enactment date" as the date of enactment of the bill; and other terms, insofar as also used in the basic act (whether before or after enactment of the bill) as having the same meaning as they have, or had when in effect, under the basic act.

Section 202 makes the bill effective upon enactment, subject to the transitional provisions of section 203.

Section 203:

Subsection (a)(1) declares that this section is intended to make possible, for a reasonable interim period, through provisional listings, the continued use of commercially established color additives to the extent consistent with the public health, pending completion of the scientific tests needed as a basis for making determinations with respect to the definitive listing of such additives under the basic act.

Subsection (a)(1) also directs that a provisional listing (which, while in effect, has the same effect as a listing under sec. 706 of the basic act) shall, if not sooner terminated, expire (i) on the "closing date" or (ii) on the effective date of the additive's listing under section 706, whichever date first occurs.

Subsection (a)(2) defines "closing date" as the last day of the 2½-year period beginning on the enactment date, except that, with respect to a particular provisional listing, the Secretary could postpone the original closing date for such period or periods, as he finds necessary to carry out the declared purpose of this section, if consistent with the objective of completing in good faith, as soon as practicable, the necessary scientific tests needed to make a determination with respect to listing under section 706 of the basic act. Such postponements could be terminated if they should not have been granted or on change of circumstances or on failure to submit required progress reports or meet other conditions.

Subsection (b): First, colors subject to those provisions of present law (secs. 406(b), 504, or 604, or the third proviso to sec. 402(c)) which require the listing and certification of so-called coal-tar colors, are deemed provisionally listed for any use for which they were actually listed under these provisions on the day preceding the enactment date if a batch or batches of the color had been certified prior to that date. Second, a color additive which is either synthetic beta-carotene or which, on the date preceding the enactment date, was not within the purview of the so-called coal-tar color provisions of the law, is deemed provisionally listed under the bill for any use of the color for which it was commercially used or sold prior to the enactment date. (It should be noted that the term "coal-tar color"—which, under existing law, is interpreted as including synthetic colors which, though not coal-tar derivatives, are so chemically structured as to be capable of being derived from coal tar—is not used in the bill. Synthetic beta-carotene is separately dealt with in the bill because its classification with coal-tar colors under existing law is in dispute and has been the subject of a hearing.)

Subsection (c) requires the Secretary, upon request, to list provisionally any color for any use for which it had been listed, and for which use a batch had actually been certified, under the above-mentioned coal-tar color provisions of existing law prior to the enactment date, although it was not so listed on the day preceding that date, if he deems such action consistent with protection of the public health.

Subsection (d)(1): The Secretary is directed, so far as practicable, (A) to promulgate and maintain current a list of color additives deemed provisionally listed, (B) to provide for provisional listing of color additives upon request in accordance with subsection (c), (C) to prescribe, if needed for public-health protection, temporary tolerance limitations (including zero tolerances) and other conditions of use for color additives provisionally listed, (D) to provide for the certification of batches of provisionally listed color additives (except that a color additive deemed provisionally listed under subsec. (b)(2) shall be deemed exempt from certification while not subject to a tolerance); and (E) to provide for the termination of a provisional listing forthwith where necessary to protect the public health.

Subsection (d)(2): Regulations under this section are not subject to the procedural requirements of the Federal Food, Drug, and Cosmetic Act, but fees shall be charged (and be available for use) as though the regulations and other proceedings under this section had been under section 706 of the basic act as amended by the bill. On and after the starting date, provisional listing and certification under this section shall have the same effect as listing and certification under section 706 for the purpose of determining whether an article is adulterated or misbranded, but provisional listings and other actions under section 203 of the bill shall not give rise to any presumption or inference in section 706 proceedings.

Subsection (d)(3): In order that the Secretary may be able to promulgate and keep current a list of color additives deemed to be provisionally listed and to prescribe temporary tolerance limitations and other conditions of use with respect to those additives, he is directed to afford by public notice a reasonable opportunity to interested persons to submit data relevant thereto. If the data submitted or otherwise before the Secretary do not reliably enable him to include a color in the published list of color additives deemed to be provisionally listed, or to ascertain the levels of use of such an additive prevailing prior to the enactment date, the Secretary is directed to fix a temporary zero tolerance for such colors or uses thereof until he deems a higher tolerance, or the absence of a tolerance limitation, consistent with the public interest.

Section 204 makes clear that the bill, when enacted, would not relieve any meat or meat food product or any person from any requirement under the Meat Inspection Act of March 4, 1907, as amended or extended (21 U.S.C. 71 et seq.), or the Poultry Products Inspection Act (21 U.S.C. 451 et seq.).

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO OVERSEA USE OF SURPLUS PROPERTY

Mr. ALLOTT. Mr. President, on behalf of myself, and the Senator from North Dakota [Mr. LANGER], I introduce, for appropriate reference, a bill to amend the Federal Property and Administrative Services Act of 1949, in order to make it possible for education and research organizations to avail themselves of surplus Government property, for use overseas. This amendment would not open the surplus property program to any new types of organizations, but merely would apply to the groups in this country already eligible to receive surplus property.

This amendment has become necessary, due to the fact that many of our institutions of higher learning have extended the scope of their activities into foreign lands since the act was passed by Congress in 1949; and for this highly important work they need the surplus equipment for which they are eligible at home.

The work of our universities in underprivileged areas abroad is highly important, because they are winning friends for the United States, counteracting anti-American influences, and winning the appreciation of friendly governments to whom they lend their training, skill, and dedication in bringing thousands of hinterland tribespeople into a new world of culture and economic development, as was so strikingly reported by the Reader's Digest, last August, in an article entitled "Two Thousand Tongues To Go."

It seems to me that the least we can do to encourage these contacts between our institutions of higher learning and foreign governments on the people-to-people plane is to permit these institutions to take abroad the surplus equipment that Congress has already authorized them to have, and which may well save the lives of young Americans laboring for human progress in the steaming jungles of Amazonia, the Philippines, New Guinea, and elsewhere. Certainly this will make their efforts more efficient, and will cost us nothing.

In conclusion, we should not overlook the fact that the valuable data and experience that these young Americans acquire while they are engaged in the educational and research activities in little explored tribal areas are of tremendous value to their educational institutions here in the United States, to improve the courses they offer. When we help others in such matters, we help ourselves.

Mr. President, several Senators have evidenced interest in this measure. I ask unanimous consent that the bill may remain at the desk through the close of business on June 22, in order that such additional Senators as may care to join in sponsoring the bill may do so.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Colorado.

The bill (S. 2198) to amend the Federal Property and Administrative Services Act of 1949, introduced by Mr. ALLOTT (for himself and Mr. LANGER), was received, read twice by its title, and referred to the Committee on Government Operations.

PARTICIPATION IN RESETTLEMENT OF CERTAIN REFUGEES

Mr. KENNEDY. Mr. President, I introduce, for appropriate reference, a joint resolution to vest in the Attorney General permanent authority to cope with the continuing problem of the admission of refugees into the United States. This joint resolution is very similar to House Joint Resolution 397, introduced in the House of Representatives by Representative FRANCIS E. WALTER, chairman of the House Immigration Subcommittee.

The joint resolution expands the Attorney General's present authority under section 212(d)(5) of the Immigration and Nationality Act to parole aliens into the country for "emergent reasons." The most notable use ever made of this authority was the admission of some 32,000 Hungarian refugees following the ill-fated uprising in their homeland in the fall of 1956. This action was followed by the enactment last year of a special law granting the Hungarian refugees the privilege of remaining in the United States as permanent residents, if they are able to meet existing legal requirements for admission.

The two steps taken in regard to Hungarian refugees describe, in brief, the mechanics of the joint resolution. First, the Attorney General is given legislative direction to use his parole authority to admit refugees and escapees. Second, a procedure is established to grant aliens admitted under that authority the privilege of remaining in the United States as permanent residents, with the right, eventually, of acquiring U.S. citizenship.

Mr. President, World Refugee Year is about to begin in the United States by Presidential proclamation on July 1. Various proposals are being made for U.S. participation in a program during the coming year to help alleviate the world refugee problems. There could be no better occasion for the adoption of a permanent law concerning the admission of refugees into the United States.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 110) to enable the United States to participate in the resettlement of certain refugees, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF SECOND LIBERTY BOND ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 16, 1959, the names of Mr. ENGLE and Mr. HUMPHREY were added as additional cosponsors of the bill (S. 2194) to amend section 21 of the Second Liberty Bond Act, as amended (31 U.S.C., sec. 757b), introduced by Mr. CLARK (for himself and other Senators) on June 16, 1959.

CIVILIAN USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES—PROPOSED AMENDMENT OF AGREEMENT FOR COOPERATION WITH GREECE

Mr. PASTORE. Mr. President, on June 11, 1959, the President submitted to the Congress a proposed amendment between the United States and the Kingdom of Greece for cooperation on the uses of atomic energy for mutual defense purposes.

The proposed agreement is similar to other proposed agreements between the United States and the following NATO countries, the Federal Republic of Germany, the Kingdom of the Netherlands, and the Government of Turkey, which the President previously, on May 26, 1959, submitted to the Congress and which I placed in the RECORD on June 9. In order that all Members of the Congress and the public may have knowledge of the details of this latest agreement, I ask unanimous consent to have printed in the body of the RECORD the text of the proposed agreement for cooperation with the Kingdom of Greece, together with the accompanying recommendations of the Department of Defense, the State Department, and the Atomic Energy Commission, and the written approval of the President.

There being no objection, the proposed amendment and other material were ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

In December 1957 the Heads of Government of the nation members of the North Atlantic Treaty Organization reached agreement in principle on the desirability of achieving the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques. In enunciating this agreement in principle the heads of government made it clear that this decision was the result of the fact that the Soviet leaders, while preventing a general disarmament agreement, had left no doubt that the most modern and destructive weapons of all kinds were being introduced into the Soviet armed forces. The introduction of modern weapons into NATO forces should be no cause for concern on the part of other countries, since NATO is purely a defensive alliance.

It is our conviction and the conviction of our NATO allies that the introduction into NATO defenses of the most modern weapons available is essential in maintaining the strength necessary to the alliance. Any alliance depends in the last analysis upon the sense of shared mutual interests among its members, and by sharing with our allies certain training information we are demonstrating concretely our sense of partnership in NATO's defensive planning. Failure on our part to contribute to the improvement of the state of operational readiness of the forces of other members of NATO will only encourage the Soviet Union to believe that it can eventually succeed in its goal of destroying NATO's effectiveness.

To facilitate the necessary cooperation on our part, legislation amending the Atomic Energy Act of 1954 was enacted during the last session of the Congress. Pursuant to that legislation agreements for cooperation were recently concluded with three of our NATO partners and submitted to the Congress on May 26. A similar agreement was also recently concluded with our NATO ally, the Kingdom of Greece. All of these agreements are designed to implement in important respects the agreed NATO program. This agreement with the Kingdom of Greece will enable the United States to cooperate effectively in mutual defense planning with Greece and in the training of Greek NATO forces in order that, if an attack on NATO should occur, under the direction of the Supreme Allied Commander for Europe Greek forces could effectively use nuclear weapons in their defense.

These agreements previously submitted and this Greek agreement represent only a portion of the work necessary for complete implementation of the decision taken by the North Atlantic Treaty Organization in December 1957. I anticipate the conclusion of similar agreements for cooperation with certain other NATO nations as the alliance's defensive planning continues.

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of an agreement with the Kingdom of Greece. I am also transmitting a copy of the Acting Secretary of State's letter accompanying authoritative copies of the signed agreement, a copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of this document and a copy of my memorandum in reply thereto setting forth my approval.

Enclosures:

1. Agreement with the Kingdom of Greece.
2. Copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission to the President.
3. Copy of the President's memorandum recording his approval.

THE WHITE HOUSE.

ATHENS, *May 6, 1959.*

His Excellency CONSTANTINE TSATSOS,
Acting Foreign Minister, Athens.

EXCELLENCY: I have the honor to refer to the decisions taken at the North Atlantic Treaty heads of government meeting in

December 1957 and to propose the following agreement between the Government of the United States of America and the Government of the Kingdom of Greece for cooperation on the uses of atomic energy for mutual defense purposes.

The Government of the United States of America and the Royal Hellenic Government.

Considering that they have concluded a mutual defense assistance agreement pursuant to which each Government will make available to the other equipment, materials, services, or other military assistance in accordance with such terms and conditions as may be agreed;

Considering that their mutual security and defense require that they be prepared to meet the contingencies of atomic warfare;

Considering that they are participating together in an international arrangement pursuant to which they are making substantial and material contributions to their mutual defense and security;

Recognizing that their common defense and security will be advanced by the exchange of information concerning atomic energy and by the transfer of certain types of equipment;

Believing that such exchange and transfer can be undertaken without risk to the defense and security of either country; and

Taking into consideration the U.S. Atomic Energy Act of 1954, as amended, and all applicable statutes of the Kingdom of Greece, which were enacted or prepared with these purposes in mind,

Have agreed as follows:

ARTICLE I. GENERAL PROVISIONS

While the United States and the Kingdom of Greece are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto, each party will communicate to and exchange with the other party information and transfer nonnuclear parts of atomic weapons systems involving restricted data to the other party in accordance with the provisions of this agreement, provided that the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security.

ARTICLE II. EXCHANGE OF INFORMATION

Each party will communicate to or exchange with the other party such classified information as is jointly determined to be necessary to:

A. the development of defense plans;

B. the training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy;

C. the evalaution of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and

D. the development of delivery systems compatible with the atomic weapons which they carry.

ARTICLE III. TRANSFER OF NONNUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS

The Government of the United States will transfer to the Royal Hellenic Government, subject to terms and conditions to be agreed nonnuclear parts of atomic weapons systems involving restricted data as such parts are jointly determined to be necessary for the purpose of improving the Greek state of training and operational readiness.

ARTICLE IV. CONDITIONS

A. Cooperation under this agreement will be carried out by each of the parties in accordance with its applicable laws.

B. Under this agreement there will be no transfer by either party of atomic weapons, nonnuclear parts of atomic weapons, or special nuclear materials.

C. The information communicated or exchanged, or nonnuclear parts of atomic weapons systems transferred, by either party pursuant to this agreement shall be used by the recipient party exclusively for the preparation or implementation of defense plans in the mutual interests of the two countries.

D. Nothing in this agreement shall preclude the communication or exchange of classified information which is transmissible under other arrangements between the parties.

ARTICLE V. GUARANTEES

A. Classified information and nonnuclear parts of atomic weapons systems communicated or transferred pursuant to this agreement shall be accorded full security protection under applicable security arrangements between the parties and applicable national legislation and regulations of the parties. In no case shall either party maintain security standards for safeguarding classified information, and nonnuclear parts of atomic weapons systems, made available pursuant to this agreement less restrictive than those set forth in the applicable security arrangements in effect on the date this agreement comes into force.

B. Classified information communicated or exchanged pursuant to this agreement will be made available through channels existing or hereafter agreed for the communication or exchange of such information between the parties.

C. Classified information, communicated or exchanged, and any nonnuclear parts of atomic weapons systems transferred pursuant to this agreement shall not be communicated, exchanged, or transferred by the recipient party or persons under its jurisdiction to any unauthorized persons or, except as provided in article VI of this agreement, beyond the jurisdiction of that party. Each party may stipulate the degree to which any of the information and nonnuclear parts of atomic weapons systems communicated, exchanged, or transferred by it or persons under its jurisdiction pursuant to this agreement may be disseminated or distributed; may specify the categories of persons who may have access to such information or nonnuclear parts of atomic weapons systems; and may impose such other restrictions on the dissemination or distribution of such information or nonnuclear parts of atomic weapons systems as it deems necessary.

ARTICLE VI. DISSEMINATION

Nothing in this agreement shall be interpreted or operate as a bar or restriction to consultation or cooperation in any field of defense by either party with other nations or international organizations. Neither party, however, shall so communicate classified information or transfer or permit access to or use of nonnuclear parts of atomic weapons systems made available by the other party pursuant to this agreement unless:

A. It is notified by the originating party that all appropriate provisions and requirements of the originating party's applicable laws, including authorization by competent bodies of the originating party, have been complied with which would be necessary to authorize the originating party directly so to communicate to, transfer to, permit access to or use by such other nation or international organization; and further that the originating party authorizes the recipient party so to communicate to, transfer to, permit access to or use by such other nation or international organization; or

B. The originating party has informed the recipient party that the originating party has so communicated to, transferred to, permitted access to or use by such other nation or international organization.

ARTICLE VII. CLASSIFICATION POLICIES

Agreed classification policies shall be maintained with respect to all classified information and nonnuclear parts of atomic weapons systems communicated, exchanged or transferred under this agreement.

ARTICLE VIII. RESPONSIBILITY FOR USE OF INFORMATION AND NONNUCLEAR PARTS OF ATOMIC WEAPONS SYSTEMS

The application or use of any information (including design drawings and specifications) or nonnuclear parts of atomic weapons systems communicated, exchanged or transferred under this agreement shall be the responsibility of the party receiving it, and the other party does not provide any indemnity or warranty with respect to such application or use.

ARTICLE IX. PATENTS

The recipient party shall use the classified information communicated or revealed by equipment transferred hereunder for the purposes specified herein only. Any inventions or discoveries resulting from possession of such information on the part of the recipient party or persons under its jurisdiction shall be made available to the other party for all purposes without charge in accordance with such arrangements as may be agreed and shall be safeguarded in accordance with the provisions of article V of this agreement.

ARTICLE X. DEFINITIONS

For the purposes of this agreement:

A. "Atomic Weapon" means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device.

B. "Classified information" means information, data, materials, services, or any other matter with the security designation of "Confidential" or higher applied under the legislation or regulations of either the United States or the Kingdom of Greece, including that designated by the Government of the United States as "Restricted data" or "Formerly restricted data" and that designated by the Royal Hellenic Government as "Atomic."

C. "Nonnuclear parts of atomic weapons" means parts of atomic weapons which are specially designed for them and are not in general use in other end products and which are not made of, in whole or in part, special nuclear material; and "nonnuclear parts of atomic weapons systems involving restricted data" means parts of atomic weapons systems, other than nonnuclear parts of atomic weapons, which contain or reveal atomic information and which are not made of, in whole or in part, special nuclear material.

D. As used in this agreement, the term "Atomic information" means:

1. So far as concerns information provided by the Government of the United States, information which is designated "Restricted data" and "Formerly restricted data."

2. So far as concerns information provided by the Government of the Kingdom of Greece, information which is designated "Atomic."

ARTICLE XI. DURATION

This agreement shall enter into force on the date on which each government shall have received from the other government written notification that it has complied with all legal requirements for the entry into force of this agreement, and shall remain in force until terminated by agreement of

both parties except that either party may terminate its cooperation under articles II or III upon the expiration of the North Atlantic Treaty.

If the foregoing is acceptable to your Government, I have the honor to propose that this note and your reply thereto, Excellency, shall constitute an agreement between our Governments.

JAMES W. RIDDLEBERGER.

DEPARTMENT OF STATE,
Washington, June 6, 1959.

THE PRESIDENT,
The White House:

The undersigned, the Acting Secretary of State, has the honor to lay before the President with a view to its transmission to the Congress, pursuant to the Atomic Energy Act of 1954, as amended, authoritative copies of an agreement for cooperation on the uses of atomic energy for mutual defense purposes between the Government of the United States and the Kingdom of Greece signed in Athens on May 6, 1959.

This agreement was signed on behalf of the United States pursuant to the authorization granted in your memorandum of May 4, 1959, to the Secretary of Defense and the Chairman of the Atomic Energy Commission. A copy of this memorandum was received by the Secretary of State from the President.

Respectfully submitted.

DOUGLAS DILLON.

THE SECRETARY OF DEFENSE,
Washington, May 1, 1959.

DEAR MR. PRESIDENT: There is hereby submitted for your consideration and approval a proposed agreement between the Government of the United States of America and the Government of Greece for cooperation on the uses of atomic energy for mutual defense purposes.

The proposed agreement will permit, under the authority of sections 91c. and 144b. of the Atomic Energy Act of 1954, as amended, the transfer of classified information and certain equipment necessary for the purpose of improving the state of training and operational readiness of the armed forces of Greece. The December 1957 NATO heads of government meeting established the concept of a stockpile of arms for the strengthening of NATO's defenses, and this present agreement is an important part of the implementation of this concept. The carrying out of this agreement should do much to advance our mutual defense interests, including the vital cause of strengthening the NATO defensive alliance, and will thereby aid materially in the defense of the United States.

Article II of the agreement provides for the transfer of classified information, including restricted data and formerly restricted data, necessary to the development of defense plans, the training of personnel in the employment of and the defense against atomic weapons and other military applications of atomic energy; the evaluation of the capability of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and the development of delivery systems capable of carrying atomic weapons.

Article III of the agreement provides that the United States will transfer nonnuclear parts of atomic weapons systems involving restricted data (other than nonnuclear parts of atomic weapons) for the purpose of improving the state of training and operational readiness of the armed forces of Greece. However in view of section 91c. of the Atomic Energy Act, the applicability of which is reflected in article IV of the agreement, no transfer can be made if it would contribute significantly to the recipient nation's atomic weapon design, development or fabrication capability. It is not possible to determine at this time the types, quantities and conditions of transfer, whether by sale, lease or loan, of those parts which it will become necessary to transfer for our mutual defense during the period of the agreement. Accordingly, under the terms and conditions of the agreement, it will be necessary to determine from time to time the types, quantities and conditions of transfer and such determination shall be submitted for your approval.

The agreement would remain in force until terminated by agreement of both parties, thus assuring continued protection for the information and equipment transferred in accordance with the provisions of the agreement. However, cooperation for the transfer of information and equipment under articles II and III of the agreement may be discontinued by either party in the event of the termination of the North Atlantic Treaty.

In accordance with the provisions of sections 91c and 144b of the Atomic Energy Act of 1954, the agreement specifically provides in article I that all cooperation under the agreement will be undertaken only when the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security. Article I of the agreement also provides, in accordance with the act, that all cooperation under the agreement will be undertaken only while the United States and Greece are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto. Cooperation under articles II and III of the agreement would be undertaken only when these conditions prevail.

Article IV of the agreement stipulates that the cooperation under the agreement will be carried out by each of the parties in accordance with its applicable laws. Article IV also makes clear that there will be no transfer under the agreement of atomic weapons, nonnuclear parts of atomic weapons or special nuclear material.

In addition to the foregoing provisions on the terms, conditions, duration, nature and scope of cooperation, the agreement provides that the parties will maintain agreed security safeguards and standards. The agreement also contains particular commitments that the recipient of any equipment or information that is obtained pursuant to the agreement will not transfer it to unauthorized persons and will not transfer it beyond the jurisdiction of the recipient party, except in limited circumstances specifically provided in the agreement.

Greece is now participating with the United States in an international arrangement pursuant to which Greece is making substantial and material contributions to the mutual defense and security. It is the view of the Department of Defense and the Atomic Energy Commission that this agreement is entirely in accord with the provisions of the Atomic Energy Act of 1954, as amended. It is the considered opinion of the Department of Defense and the Atomic Energy Commission that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

Accordingly, it is recommended that you—

(a) approve the program for the transfer of nonnuclear parts of atomic weapon systems involving restricted data under the terms and conditions provided in this letter and the proposed agreement; however, types, quantities and conditions of transfer of such parts are subject to your later approval;

(b) determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(c) approve the proposed agreement and authorize its execution for the Government of the United States in a manner specified by the Secretary of State:

The Secretary of State concurs in the foregoing recommendations.

Respectfully,

_____,
Secretary of Defense.

_____,
Chairman, Atomic Energy Commission.

THE WHITE HOUSE,
Washington, May 4, 1959.

Memorandum for the Secretary of Defense; the Chairman, Atomic Energy Commission.

In your joint letter to me of May 1, 1959, you recommended that I approve a proposed agreement between the Government of the United States of America and the Government of Greece for cooperation on the uses of atomic energy for mutual defense purposes.

Greece is participating with the United States in an international arrangement pursuant to which it is making substantial and material contributions to the mutual defense and security. The proposed agreement will permit cooperation necessary to improve the state of training and operational readiness of the armed forces of Greece, subject to provisions, conditions, guarantees, terms, and special determinations, which are most appropriate in this important area of mutual assistance, in accordance with the agreement in principle reached in December 1957.

Having considered your joint recommendations and the cooperation provided for in the agreement, including security safeguards and other terms and conditions of the agreement, I hereby—

(1) approve the program for the transfer of nonnuclear parts of atomic weapon systems involving restricted data under the terms and conditions provided in your letter and the proposed agreement; however, types, quantities, and conditions of transfer of such parts are subject to my further approval;

(2) determine that the performance of this agreement will promote and will not constiute an unreasonable risk to the common defense and security of the United States; and

(3) approve the proposed agreement and authorize its execution for the Government of the United States in a manner designated by the Secretary of State.

After execution of the agreement, I shall submit it to the Congress.

I am forwarding a copy of this memorandum to the Secretary of State.

DWIGHT D. EISENHOWER.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD as follows:

By Mr. CLARK:

Address delivered by Senator WILLIAMS of New Jersey and editorial from the Bergen (N.J.) Evening Record regarding proposed commission on metropolitan problems.

By Mr. RUSSELL:

Report for 1959 of the Board of Visitors to the U.S. Military Academy.

By Mr. HUMPHREY:

Address delivered by Senator HUMPHREY at the ninth annual Group Health Institute luncheon, in New York City, on May 26, 1959.

NOTICE OF HEARING ON NOMINATION OF LLOYD F. MACMAHON TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 10:30 a.m., Wednesday, June 24, 1959, in room 2300, New Senate Office Building, on the nomination of Lloyd F. MacMahon, of New York, to be U.S. district judge for the southern district of New York, vice Lawrence E. Walsh, resigned.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1960—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, on last Monday, after the Senate had agreed to the conference report on the Department of the Interior and related agencies appropriation bill, I asked unanimous consent to have included in the RECORD a tabulation giving the appropriations for the current year, the budget estimates for 1960, the House allowance, the Senate allowance, and the conference allowance for each appropriation in the bill. This tabulation appears on pages 10782, 10783, and 10784 of the RECORD of Monday, June 15. As it appears it is incorrect, and I ask unanimous consent to have included in the RECORD at this point a corrected version of the tabulation.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Department of the Interior and Related Agencies Appropriation Act, 1960 (H.R. 5915)

Agency and appropriation	Appropriations, 1959 (includes funds in 1st and 2d supplemental appropriation acts)	Budget estimates, 1960	House allowance	Senate allowance	Conference allowance
(1)	(2)	(3)	(4)	(5)	(6)
TITLE I—DEPARTMENT OF THE INTERIOR					
DEPARTMENTAL OFFICES					
Office of Saline Water:					
Salaries and expenses	[1] $1,182,960	$1,355,000	$1,355,000	$1,355,000	$1,355,000
Construction		300,000	300,000	300,000	300,000
Subtotal, Office of Saline Water	1,182,960	1,655,000	1,655,000	1,655,000	1,655,000
Office of Oil and Gas	577,700	390,000	360,000	390,000	390,000
Office of the Solicitor	[2] 3,041,300	3,091,000	3,080,000	3,091,000	3,091,000
Office of Minerals Exploration	2,659,300	1,500,000	1,100,000	1,100,000	1,100,000
Office of Minerals Mobilization	274,600	[3]			
Acquisition of strategic minerals	3,200,000				
Total departmental offices	10,935,860	6,636,000	6,195,000	6,236,000	6,236,000
BUREAU OF LAND MANAGEMENT					
Management of lands and resources	26,910,100	24,377,000	24,323,000	24,877,000	24,627,000
Construction	5,685,000	5,200,000	5,200,000	200,000	200,000
Construction (indefinite appropriation)				*(5,000,000)*	*(5,000,000)*
Range improvements (indefinite appropriation of receipts)	*(686,713)*	*(776,000)*	*(776,000)*	*(776,000)*	*(776,000)*
Total, Bureau of Land Management	32,595,100	29,577,000	29,523,000	25,077,000	24,827,000
BUREAU OF INDIAN AFFAIRS					
Education and welfare services	57,759,000	58,958,000	57,700,000	59,433,000	58,700,000
Resources management	18,978,700	22,425,000	21,873,000	22,402,000	22,202,000
Construction	26,000,000	17,000,000	13,000,000	14,575,000	13,575,000
Road construction and maintenance (liquidation of contract authorization)	12,000,000	14,600,000	12,000,000	14,600,000	14,600,000
General administrative expenses	3,701,800	3,715,000	3,700,000	3,715,000	3,715,000
Payment to Menominee Tribe of Indians	200,000				
Payment to Klamath Tribe of Indians	250,000	100,000	100,000	100,000	100,000
Liquidation of Klamath and Menominee Agencies		250,000	250,000	250,000	250,000
Payment to Standing Rock Sioux Tribe	6,960,000				
Total, Bureau of Indian Affairs, exclusive of tribal funds	125,849,500	117,048,000	108,623,000	115,075,000	113,142,000
Tribal funds (not included in totals of this tabulation)	(3,000,000)	*(3,000,000)*	*(3,000,000)*	*(3,000,000)*	(3,000,000)
GEOLOGICAL SURVEY					
Surveys, investigations, and research	41,488,200	42,517,600	42,000,000	42,500,000	42,250,000
BUREAU OF MINES					
Conservation and development of mineral resources	21,162,200	21,277,000	21,177,000	21,277,000	21,277,000
Health and safety	6,362,700	6,387,000	6,387,000	6,387,000	6,387,000
Construction	12,624,000				
General administrative expenses	1,191,900	1,197,000	1,187,000	1,197,000	1,197,000
Total, Bureau of Mines	41,340,800	28,861,000	28,751,000	28,861,000	28,861,000
NATIONAL PARK SERVICE					
Management and protection	[4] 16,011,200	17,000,000	16,297,000	16,647,000	16,647,000
Maintenance and rehabilitation of physical facilities	12,477,100	14,000,000	13,093,000	14,000,000	14,000,000
Construction	20,000,000	13,600,000	12,400,000	15,250,000	13,600,000
Construction (liquidation of contract authorization)	30,000,000	34,000,000	30,000,000	32,350,000	30,000,000
General administrative expenses	1,429,300	1,475,000	1,464,000	1,475,000	1,475,000
Total, National Park Service	79,917,600	80,075,000	73,254,000	79,722,000	75,722,000

[1] In addition $62,746 of prior year funds made available.
[2] In addition, $37,000 transferred from the Office of Minerals Exploration.
[3] To be financed from funds appropriated to Office of Civil and Defense Mobilization.
[4] In addition $45,000 of prior year funds continued available.

Department of the Interior and Related Agencies Appropriation Act, 1960 (H.R. 5915)—Continued

Agency and appropriation	Appropriations, 1959 (includes funds in 1st and 2d supplemental appropriation acts)	Budget estimates, 1960	House allowance	Senate allowance	Conference allowance
(1)	(2)	(3)	(4)	(5)	(6)
FISH AND WILDLIFE SERVICE					
Office of the Commissioner of Fish and Wildlife:					
Salaries and expenses	$332,100	$343,000	$340,000	$340,000	$340,000
Bureau of Sports Fisheries and Wildlife:					
Management and investigations of resources	12,491,500	14,894,000	13,308,000	14,693,625	13,520,000
Administration of Alaska game law (from receipts)	(454,621)		(268,000)		(268,000)
Construction	3,929,350	2,105,000	2,775,000	3,410,000	3,410,000
General administrative expenses	771,600	631,200	625,000	631,200	631,200
Subtotal, Bureau of Sport Fisheries and Wildlife	17,192,450	17,630,200	16,708,000	18,734,825	17,561,200
Bureau of Commercial Fisheries:					
Management and investigations of resources	6,270,500	7,601,000	5,928,000	6,906,300	6,345,000
Administration of Alaska fisheries (from receipts)	(454,621)		(398,000)		(398,000)
Construction	500,000	245,000	245,000	345,000	345,000
Fisheries loan fund		3,000,000	3,000,000	3,000,000	3,000,000
Limitation on administrative expenses, Fisheries loan fund	(313,000)	(313,000)	(313,000)	(313,000)	(313,000)
General administrative expenses	188,500	325,200	325,000	325,000	325,000
Administration of Pribilof Islands (appropriation of receipts)	(1,340,431)	(1,940,000)	(1,940,000)	(1,940,000)	(1,940,000)
Subtotal, Bureau of Commercial fisheries	6,959,000	11,171,200	9,498,000	10,756,300	10,015,000
Total, Fish and Wildlife Service	24,483,550	29,144,400	26,546,000	29,651,125	27,916,200
OFFICE OF TERRITORIES					
Administration of Territories	2,100,000	2,606,000	2,606,000	2,606,000	2,606,000
Trust Territory of the Pacific Islands	4,862,100	5,225,000	5,209,000	5,225,000	5,225,000
Alaska public works	5,300,000			(700,000)	(350,000)
Total, Office of Territories	12,262,100	7,831,000	7,815,000	7,831,000	7,831,000
OFFICE OF THE SECRETARY					
Salaries and expenses	2,700,940	2,706,600	2,686,000	2,706,600	2,706,200
Total, Department of the Interior	371,573,650	344,396,600	325,393,000	337,659,725	329,591,800
TITLE II—RELATED AGENCIES					
Commission of Fine Arts	37,700	37,800	37,800	37,800	37,800
Federal Coal Mine Safety Board of Review	70,000	70,000	70,000	70,000	70,000
Forest Service, Department of Agriculture:					
Forest Protection and Utilization:					
Forest Land Management	87,661,400	77,815,800	77,543,000	77,815,800	77,815,800
Forest Research	16,681,400	14,026,400	13,923,000	14,026,400	14,026,400
State and private forestry cooperation	12,822,800	12,307,800	12,297,000	12,327,800	12,327,800
Subtotal	117,165,600	104,150,000	103,763,000	104,170,000	104,170,000
Forest roads and trails	26,000,000	24,000,000	26,000,000	24,000,000	26,000,000
Acquisition of lands for national forests:					
Cache National Forest	50,000	50,000	50,000	50,000	50,000
Special acts (appropriation of receipts)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Cooperative range improvements (appropriation of receipts)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
Total, Forest Service	143,215,600	128,200,000	129,813,000	128,220,000	130,220,000
Indian Claims Commission	177,700	180,000	180,000	180,000	180,000
National Capital Planning Commission:					
Salaries and expenses	243,000	475,000	400,000	400,000	400,000
Land acquisition		4,389,000	2,286,000	2,286,000	2,286,000
Total, National Capital Planning Commission	243,000	4,864,000	2,686,000	2,686,000	2,686,000
Smithsonian Institution:					
Salaries and expenses, Smithsonian Institution	7,587,800	7,718,000	7,718,000	7,718,000	7,718,000
Salaries and expenses, National Gallery of Art	1,790,100	1,834,000	1,834,000	1,834,000	1,834,000
Total, Smithsonian Institution	9,377,900	9,552,000	9,552,000	9,552,000	9,552,000
Civil War Centennial Commission	86,492	100,000	100,000	100,000	100,000
Lincoln Sesquicentennial Commission	350,000	145,000	145,000	145,000	145,000
U.S. Territorial Memorial Commission				4,500	4,500
Alaska International Rail and Highway Commission	240,000				
Boston National Historic Sites Commission	20,000				
Hudson-Champlain Celebration Commission	50,000				
Outdoor Recreation Resources Review Commission	150,000				
Total, related agencies	154,018,392	143,148,800	142,583,800	140,995,300	142,995,300
TITLE III—VIRGIN ISLANDS CORPORATION					
Contributions	130,000	130,000	130,000	130,000	130,000
Loans to operating fund	125,000				
Limitation of administrative expenses	(170,800)	(172,000)	(160,000)	(172,000)	(172,000)
Total, Virgin Islands Corporation	255,000	130,000	130,000	130,000	130,000
Total, direct appropriations above	525,847,042	487,675,400	468,106,800	478,784,025	472,717,100

GOVERNMENT AGENCY'S MISTAKES IN CONNECTION WITH OVERPRODUCTION OF POULTRY AND EGGS

Mr. WILLIAMS of Delaware. Mr. President, last Friday, the Secretary of Agriculture, Mr. Benson, issued a statement on the present plight of the poultry farmers and outlined the Department's policy. His proposals contained two major points:

First. He rejected certain congressional requests that the Government support the egg prices by purchasing laying hens and eggs from breeding flocks.

Second. He announced that the Farmers Home Administration would not foreclose its loans to poultry borrowers "as long as there is a reasonable prospect of their eventually overcoming their present financial difficulties."

In concluding, he added that his Department would urge both Government and private lending agencies to help stabilize the poultry industry, presumably by tightening up on loans for expanding production.

In the first place, I want to emphasize that I am in complete agreement with his No. 1 point; namely, that the solution to the present plight of the poultry farmers is not to be found in Government supports. While it is true that this action may provide temporary relief, it will not cure the situation. Purchasing these hens and storing the dressed poultry and the eggs in Government warehouses only postpones the day of reckoning.

On the second point, wherein the Secretary states that the Agriculture Department would urge both Government and private lending agencies to help stabilize the poultry industry, presumably by tightening up on loans for expanding production, my answer is:

Why should the Secretary of Agriculture at this late date be urging Government lending agencies to slow down in making loans for expanding poultry production? Why does he not just recognize the problem head on and stop these loans?

Two years ago, the same problem confronted the poultry industry, and at that time—see CONGRESSIONAL RECORD, volume 103, part 6, pages 7251 to 7256—I called specific attention to the fact that there were then not one agency, but six different lending agencies of the U.S. Government canvassing the field and urging farmers to borrow money to build poultry houses and to accept Government financing for the growth of the flocks.

At that time—2 years ago—the Department of Agriculture was recognizing that the poultry industry was even then built to an overcapacity, and was issuing bulletins urging a cutback in expansion. The situation at that time was so bad that the Department was buying eggs to support the market.

I denounced that ridiculous situation of six different agencies doing the same type of work—namely, loaning money to expand poultry production—at a time when everyone familiar with the industry recognized that such loans would only get the farmers into further difficulty. I stated then, and I repeat now, that five of these lending agencies should have been abolished immediately, and the sixth put on a basis where it would not be encouraging farmers to accept loans to expand productive capacity in a field where there already was an oversupply.

On July 11, 1957, after the exposure of that contradictory policy, the Secretary of Agriculture, through Acting Secretary True D. Morse, issued an order calling on all Government lending agencies to suspend further operations in extending loans to the poultry industry to finance increased capacity or increased production.

That order followed a series of conferences held at that time, during which emphasis was placed on the damage being done to the poultry industry as the result of the new productive capacity which was being built with Government loans. That order was to remain in effect until the Secretary of Agriculture certified that poultry and eggs were no longer in oversupply.

Two years have passed; and during this period the poultry industry has gradually been getting into worse shape all the time. Still we find the Secretary of Agriculture urging Government and private lending agencies to tighten up on loans for expanding production.

As one who is familiar with the poultry industry, I wish to state that, in my opinion, there is no question but that an overextension of credit—financing of an already overexpanded productive capacity—is largely responsible for the present plight of the poultry industry. In making this statement, I am not excusing the various segments of the industry which have underwritten some of this expansion.

The Government itself, however, cannot dodge its responsibility. The fact is that the U.S. Government, through the same six lending agencies, did not curtail their lending activities during the past 2 years, as promised. Hoards of bureaucrats are still scouring the countryside, urging farmers to accept Government loans to build poultry houses or to finance the production of more poultry. This is being done in the face of repeated warnings of overcapacity and overproduction, and in direct contradiction of the promises made by the Department of Agriculture on July 11, 1957, that it would suspend such activities.

I shall now outline how some of these lending agencies flouted the Secretary's order of July 11, 1957, to suspend the making of such loans and, instead, during the past 2 years actually increased their activities.

FARMERS HOME ADMINISTRATION

On May 20, 1957, I reported that the Farmers Home Administration in the preceding 2-year-and-9-month period had loaned $9,690,660 to finance new poultry houses and new production. That was at an average annual rate of $3,523,876 for new expansion by that one lending agency. On July 11, 1957, the Acting Secretary of Agriculture, Mr. Morse, issued his order that all such lending activities on the part of these agencies were being suspended until the Secretary certified that the poultry and poultry products were no longer in oversupply.

What happened? In the following 12-month period—July 1, 1957, to July 1, 1958—this agency, which before the Executive order to stop had been extending loans to poultry farmers at an annual rate of $3,500,000 in all of the 48 States, jumped its loans to an annual rate of $4,066,000 in just 12 of those States. In other words, in the face of an order to stop such loans, the agency actually accelerated its program.

The same accelerated rate of Government loans by that agency has extended through fiscal year 1959. This agency is still in the field, pouring out the taxpayers' money, to increase production in the poultry industry.

As a result of the activities of this one agency alone, in the past 2 years the broiler capacity has been increased by nearly 4 million annually, and the capacity for new laying flocks has been increased by half a million layers a year.

We should not overlook the fact that this accelerated rate of making loans during the past 2 years has been accomplished in the face of an order to suspend such activities.

Now all we get is another Executive order urging them to slow down lending activities which were supposed to have been stopped 2 years ago. If past experience means anything, I suppose they will now double their efforts, unless an order with some teeth in it is issued. Is it not about time that the administration issued a plain order to stop, and with that order issue instructions that any administrator who violates the instructions can turn in his resignation?

Only last week, my attention was called to an order from the top office of the Farmers Home Administration, to one of its field offices, that if that office could not report more loans to farmers, its employees would lose their jobs, and the office would be closed.

Through this program of urging our poultry farmers to get further in debt in the face of an oversupplied market, the U.S. Government is leading them toward bankruptcy.

These Government agencies will be the Shylock bankers who will be foreclosing on our poultry industry, and all because some overzealous bureaucrats are more interested in protecting their own jobs than they are in the well-being of our American farmers.

At this point I ask unanimous consent to have inserted in the RECORD, as a part of my remarks, a report on the lending activities of the Farmers Home Administration to the poultry industry during the past 21 months. A comparison of this report with a similar report on this agency, placed in the RECORD on May 20, 1957, will show that it actually increased, rather than decreased, its activities following the earlier Executive order.

There being no objection, the report was ordered to be printed in the RECORD.

U.S. Department of Agriculture, Farmers Home Administration

LOANS TO FINANCE COMMERCIAL BROILER AND EGG PRODUCTION, JULY 1, 1957, THROUGH JUNE 30, 1958

State and Territory	Broiler production						Egg production						Number of borrowers involved in increases	
	Number of loans		Total funds loaned		Increase in number of birds per year		Number of loans		Total funds loaned		Increase in number of birds per year			
	Real estate loans for buildings and equipment	Operating loans	Real estate loans	Operating loans	Resulting from real estate loans	Resulting from operating loans	Real estate loans for buildings and equipment	Operating loans	Real estate loans	Operating loans	Resulting from real estate loans	Resulting from operating loans	For broiler production	For egg production
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Alabama	59	14	$175,145	$17,280	716,000	23,000	10	40	$28,390	$54,060	14,600	13,640	46	24
Arkansas	23	3	80,596	7,000	652,000	3,000	4	1	7,244	870	2,800	1,000	23	3
California	1	0	8,748	0	54,000	0	23	43	125,872	133,120	30,430	25,000	1	31
Florida	3	0	30,878	0	119,000	0	20	44	146,955	117,840	37,040	21,722	2	33
Georgia	16	6	45,260	4,540	190,000	24,000	13	41	61,430	89,550	9,600	13,365	13	12
Maine	31	25	308,575	43,220	230,500	1,200	24	325	156,503	1,149,615	45,400	47,193	15	37
Mississippi [1]														
North Carolina	14	6	42,654	6,585	239,700	61,000	22	116	87,565	257,979	32,400	35,450	18	58
New Hampshire	0	0	0	0	0	0	2	21	11,750	67,210	2,400	0	0	1
New Jersey	2	3	13,500	4,920	0	0	27	196	234,045	383,530	3,010	9,240	0	12
New York	0	2	0	3,500	0	7,000	2	14	13,905	58,444	4,000	0	1	2
Pennsylvania	1	1	7,300	4,000	22,000	0	3	23	31,175	41,625	3,500	0	1	2
Total	150	60	712,656	91,045	2,223,200	119,200	150	864	904,834	2,353,843	185,180	166,610	120	215

LOANS TO FINANCE COMMERCIAL BROILER AND EGG PRODUCTION JULY 1, 1958, THROUGH MAR. 31, 1959

Alabama	18	3	$47,930	$1,550	225,000	9,000	4	20	$11,700	$47,975	0	2,600	18	6
Arkansas	20	0	71,640	0	346,150	0	2	4	2,300	6,730	3,900	675	16	4
California	0	0	0	0	0	0	8	19	85,480	69,800	15,120	14,025	0	15
Florida	3	0	25,430	0	116,000	0	13	11	59,440	27,020	18,250	2,000	2	11
Georgia	8	4	20,910	5,145	40,000	15,000	3	29	4,220	73,755	1,600	2,000	9	2
Maine	35	30	282,123	48,950	181,700	55,000	19	173	192,255	601,520	22,488	22,303	18	16
Mississippi	12	0	31,250	0	142,000	0	2	1	3,195	5,000	700	0	10	1
North Carolina	14	3	78,220	4,300	254,000	0	10	62	31,670	153,525	10,150	11,300	11	18
New Hampshire	0	0	0	0	0	0	0	12	0	29,010	0	0	0	0
New Jersey	1	0	3,000	0	0	0	20	124	169,680	290,355	5,100	6,450	0	10
New York	0	0	0	0	0	0	2	9	31,600	33,140	1,500	2,500	0	3
Pennsylvania	0	2	0	6,000	0	0	0	18	0	37,256	0	5,015	0	2
Total	111	42	560,503	65,945	1,304,850	79,000	83	482	591,540	1,375,086	78,808	68,868	84	88

[1] Not reported in fiscal 1958.

NOTE.—Real estate loans represent only those which included $1,000 or more for poultry enterprises. Regular quarterly reports beginning July 1, 1957, have been received only for the States having significant poultry loan activity.

Mr. WILLIAMS of Delaware. I may say a comparison of this report with a similar report by the same agency, placed in the RECORD on May 20, 1957, will show how the agency has increased its activities after the order to stop had been issued.

What this agency has done is being done by the other agencies.

SMALL BUSINESS ADMINISTRATION

The Small Business Administration, which was first organized in 1953, had in the 3-year period prior to my criticism of May 20, 1957, approved only 36 loans to the poultry industry, totaling $1,053,405.

This agency, likewise, was included in the July 11, 1957, order that it was to suspend such lending activities until such time as the poultry industry was no longer in a state of overproduction.

What did they do? In the 3-year period prior to the time they suspended such activities they had loaned $1,053,000. In the following 2-year period, between May 20, 1957, and the present time, instead of curtailing their lending activities they actually increased those loans to $4,469,236.

In other words, this agency has loaned three times as much money to expand the poultry industry in the past 2 years, a period in which it was supposed to have stopped such activities, as it did in the preceding 3 years.

Thus, we find that these two agencies together have in the past 2 years poured out over $7.5 million in Government loans to finance expanding production of broilers and layers, and the figure for one of these agencies includes a tabulation of loans in only 12 States.

I have requested reports from all of the six agencies which were involved in this lending program at the time of the 1957 report; however, as yet, complete statistics have been received from but two of the agencies.

There is every indication, though, that this same pattern prevails with all of these agencies. I find none that has respected the Secretary's order to curtail or suspend these lending activities to poultry farmers. On the contrary, there seems to be a feverish activity on the part of these lending bureaucracies to get rid of the taxpayers' dollars under any circumstance without any regard to the need of the facilities being built.

These loans have not helped the borrowers. Quite the contrary. These farmers and small businessmen have been encouraged to increase their capacity in a field of production in which there was already a well-established oversupply. The result is that they have lost money. They will not be able to pay their loans. This means not only a loss to the taxpayers, but also the loss of many farms and small business establishments which will be foreclosed by the U.S. Government—foreclosed by a Government which encouraged them into their present financial difficulty.

To point up further the utter ridiculousness of this policy, I call attention to the fact that the Department of Agriculture is again today buying eggs to support the markets that have been demoralized largely as the result of its own activities.

Since January 1, 1959, the Government has spent over $12 million in buying eggs to support the market—$12 million spent by one agency to support a market that is being demoralized by other agencies which in turn have been pouring out millions of taxpayer dollars to increase production.

If the Secretary of Agriculture wants to help the American poultry farmers, it can best be done by establishing some degree of good common sense in the lending activities of these various agencies.

Do not overlook the fact that here is one segment of the agriculture industry which has not sought Government aid. All it has ever requested is that the Federal Government stop demoralizing the industry through such irresponsible lending practices.

As long as the Federal Treasury stands ready to pour out millions of dollars to bail out or to finance the operations of every marginal producer, there will not be a readjustment in this industry.

As poultry producers, they are confronted with the unfair competition of the marginal producers who are being financed and kept in business with their own tax dollars, and the conservative farmer and efficient producer is gradually being forced out of business by this unsound policy of the U.S. Government.

Credit in itself is not evil. The expansion of the poultry industry during the past 25 years has required large amounts of credit. But credit to be good must be sound. It must be based on need of the product involved as well as on ability of the borrower to repay with potential profits.

Credit intended to increase production in an already overexpanded and unprofitable industry is both unsound and detrimental to the borrower as well as to the lender.

It is a basic American principle that in extending credit, the creditor as well as the debtor must accept some responsibility for determining what is good for the borrower.

The Secretary's order of last Friday, asking for a moratorium on the payment of present debts is meaningless. There is already a moratorium, whether or not it is officially granted, due to the fact that these producers just cannot pay. Certainly, no one is suggesting that the Government foreclose—especially when we consider that the Government itself is largely responsible for their present financial embarrassment in that it actually encouraged them to borrow this money when it knew better.

There is only one sensible step the Department of Agriculture can take at this time, and that is the same step they should have taken 2 years ago; namely, stop all loans for poultry production or expansion until such time as the product is no longer in oversupply.

The Department of Agriculture is an agency which was established for and dedicated to the purpose of preserving the American farm. Certainly, it should not use any of its powers to decoy any farmer into financial difficulties.

THE ECONOMIC PICTURE

Mr. CLARK. Mr. President, I should like to have the attention of the junior Senator from New York [Mr. KEATING], whom I see on the floor.

On June 10 and 11 a debate on the economic picture was conducted by the Senator from Minnesota [Mr. HUMPHREY], the Senator from Utah [Mr. BENNETT], and the Senator from New York [Mr. KEATING].

On June 15 I undertook to reply to the comments made by the Senator from Utah and the Senator from New York. During a colloquy which occurred between the junior Senator from New York and me at that time, my good friend from New York suggested he would like to place in the RECORD some figures showing personal consumption expenditures, total and per capita. I suggested that those figures were irrelevant to the issue before us, but that it would be interesting to see them.

Yesterday the junior Senator from New York placed the figures in the RECORD, where they appear at page 10905. They indicate that for the 6 years of the Eisenhower administration, 1953 through 1958, the per capita share of personal consumption expenditures increased from $1,573 to $1,670 for each American man, woman, and child.

While I think these figures are irrelevant to the issue, because they exclude important factors of our gross national product in the public sector of the economy, such as schools, highways, water resource development, and other durable acquisitions or accretions to our wealth, and they include such useless or even harmful items as Cadillacs, Coca-Cola, cigarettes, liquor, and the advertising of these products—I repeat, while I consider these figures irrelevant, they nevertheless buttress the assertion which I made during my remarks that the growth of our economy has come close to grinding to a halt during the 6 years of the Eisenhower administration.

If we accept the basic assumption of the Senator from New York, which is that personal consumption expenditures are the real test as to whether our economy is growing—which I deny—and we convert the per capita figures in his own table to terms of percentages, we find that during those years of the Eisenhower administration, personal consumption expenditures per capita grew by hardly more than 1 percent per annum. I think the correct figure is 1.1 percent per annum. This is far below an acceptable rate of growth, and very much below the figures which our friends on the other side of the aisle have been citing to us to show that the rate of growth has been 2, 3, or even 4 percent. I think this buttresses my contention that the Eisenhower administration has practically brought economic growth to a halt, because of an obsession with two things: First, a nonexistent threat of inflation; and, second, the requirement of balancing the budget at the sacred figure of $77 billion, instead of at a higher figure which would permit growth.

Mr. President, my friend from New York undertook to quote in his statements yesterday what to me is an absolutely shocking statement by Dr. Raymond J. Saulnier, the Chairman of the President's Council of Economic Advisers. Dr. Saulnier observed:

> Let me interpolate by saying that, as I understand an economy, its ultimate purpose is to produce more consumer goods. This is the goal. This is the object of everything that we are working at; to produce things for consumers.

Mr. President, I find that statement shocking and immoral, and I think it indicates the crass materialistic attitude of this administration and its supporters toward the goals of American society. This seems to indicate that what the President or the Council of Economic Advisers wants is more liquor, more tobacco, more cosmetics, more Cadillacs—more of everything so long as it is more.

Mr. President, I suggest that the goal of our economy is not the production of more consumer goods at all. The goal of our economy is to provide an environment in which every American family can have a good house for living and shelter, a good school to which to send the children, good transportation facilities, and good opportunities for cultural and spiritual advancement. In short, Mr. President, the goal of our economy is peace under freedom in an environment in which the American people can further advance their moral and their spiritual approaches to the highest level of civilization which any nation has known in the course of history.

I indignantly repudiate as a national goal the crass and materialistic statement of the Chairman of the President's Council of Economic Advisers.

Mr. KEATING. Mr. President, will the distinguished Senator yield?

Mr. CLARK. I am happy to yield to my good friend from New York.

Mr. KEATING. Of course, the statement by the Chairman of the President's Council of Economic Advisers was a statement dealing with material matters. The Chairman of the Council was not dealing with the very important spiritual and other affairs which confront the Nation or which confront us as Members of the Congress. Dr. Saulnier was talking about our economy, which is necessarily in the field of material things. He was talking about the production of goods.

Of course, the be all and end all is never intended by Dr. Saulnier to be, nor would we accept the thesis that the goal was, to produce more Cadillacs and more Coca-Cola, although there is nothing inherently wrong, in my book, with either Cadillacs or Coca-Cola. Surely it is not for us to decide how consumers should spend their money. Consumer spending also involves more meat and more potatoes, and likewise more of the necessities of life and the production of all kinds of goods, which provides work for the people in our country.

I see nothing wrong with the statement when it is given its proper context.

The Senator also failed to mention in his summary whether the economy is grinding to a halt or not. It was pointed out that in the years from 1947 to 1952, when we had a different administration, the annual rate of increase of the consumption sector of our economy was 2.9 percent, whereas from 1952 to 1957, it was 3.8 percent. That is not an amazing increase, but it is a modest increase. We cannot have our economy racing at too great an increase, or all of us will find ourselves in trouble.

I feel that the figures which were placed in the RECORD yesterday put our economic picture in proper perspective and show that a gradual, careful, but substantial increase in our economic picture has been taking place over the past 5 or 6 years.

Mr. CLARK. Mr. President, I ask unanimous consent that I may be permitted to reply to my friend from New York for 1 minute.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. CLARK. Mr. President, my friend from New York is indeed a persuasive apologist for the President's adviser. I

would point out that the obvious reason why the personal consumption expenditures during the years of the Truman administration were not higher than they were is that the exigencies of the Korean war required us to divert into capital expenditures a far larger percentage of the gross national product than has been the case during the years of the Eisenhower administration.

I merely rest my case by quoting again the sentence from Dr. Saulnier:

Its ultimate purpose is to produce more consumer goods—

That is the ultimate purpose—

This is the object of everything that we are working at: to produce things for consumers.

Mr. President, I yield the floor.

Mr. PROXMIRE and Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I happened to be on the floor when the distinguished Senator from New York put his figures in the RECORD. I think they are a useful contribution to our debate. I am delighted the Senator from Pennsylvania, with his very deep and strong convictions on this issue, has spoken this morning.

I should like to point out that the figures the Senator from New York put into the RECORD related to the year 1952. I suggest that if the Senator takes 1953—a much more fair year to take, in view of the fact that what happened in 1952 was mostly determined by economic policies adopted in the preceding few years rather than in that particular year—he will find the increase is much smaller. As I compute the increase, it would be about $97 per capita, from a base of $1,573, which works out on an annual basis during those 5 years at a figure of about 1 percent, which is not nearly so good as the increase had been prior to that time.

Mr. President, I desire to speak on another subject.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

CEILING ON INTEREST RATES

Mr. PROXMIRE. Mr. President, there have been a growing number of voices protesting the request of the President for an increase in long-term interest rates. Today I add what to me is one of the most impressive. It is the protest of Mr. R. A. Tassell, the president of one of the most efficiently run and successful financial institutions in my State of Wisconsin, the First National Bank of Waukesha.

Mr. Tassell, who enjoys a lifetime of experience in finance, writes me that in his judgment the refusal of Congress to grant this rate increase will create "a certain amount of confidence in the Government bond market that could perhaps raise prices somewhat and reduce yields, at least to a small extent that would permit the Treasury to successfully float new issues without breaking the present ceiling."

And Mr. Tassell points out this refusal by Congress "would of itself put a ceiling on the continually increasing cost of financing the public debt."

Mr. President, I ask unanimous consent that this letter from Mr. Tassell be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FIRST NATIONAL BANK OF WAUKESHA,
Waukesha, Wis., June 8, 1959.

Hon. WILLIAM PROXMIRE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: I believe the ceiling on the interest rate the Government can pay on its borrowing should not be raised. To do this will amount to official approval of another round of raises in all interest rates and add to the inflationary spiral.

Firmness in interest rates, of course, is the result of the demand for money increasing much faster than the supply. However, the increase in interest rates I believe has already gone farther than the tightness justifies.

I further believe that for Congress to refuse to grant a rate increase will create a certain amount of confidence in the Government bond market that could perhaps raise prices somewhat and reduce yields, at least to a small extent that would permit the Treasury to successfully float new issues without breaking the present ceiling. This would in itself put a ceiling on the continually increasing cost of financing the public debt.

Yours very truly,

R. A. TASSELL,
President.

Mr. PROXMIRE. Mr. President, yesterday's Wall Street Journal carried a letter by me expressing opposition from the standpoint of the Federal taxpayer, to the President's proposed hike in the 4¼-percent long-term interest rate. I ask unanimous consent that this letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTEREST RATE CEILING

EDITOR, THE WALL STREET JOURNAL:

In your editorial "Paying the Price" (June 5), you take unnamed Democratic Congressmen to task for protesting the prospect of a hike in the statutory 4.25-percent limit on long-term Government securities.

The gist of your argument is that unless the Treasury increases already excessive short-term issues, inflation and deficit spending have now shoved market interest rates up to a point where—as a matter of simple arithmetic—the Treasury must be able to pay more than 4¼ percent or the market simply won't take the Government offering.

As one of the Democratic Senators who protested the possible interest hike, here's why:

While a denial of long-term financing to the Treasury while interest rates are high admittedly raises serious problems, it may have these advantages:

1. The Government will borrow far more cheaply at short-term rates than at long-term rates. In fact it can now save between $5 million and $10 million in annual interest cost on every $1 billion borrowed, if borrowing maturities are 90 days to a year instead of more than 5 years.

2. By preventing the Treasury from issuing long-term obligations during this period of high interest rates, the 4¼-percent restriction prevents a freezing of high service costs on the national debt that would burden future Federal taxpayers regardless of any future drop in the level of interest. Such a fall in interest rates on the basis of historical experience is predictable.

3. By keeping down the cost of servicing the national debt, the restriction on long-term Treasury borrowing helps to keep down the deficit and the taxes necessary to meet it.

4. If the Treasury is restricted in issuing long-term bonds, it will stay out of competition with the long-term capital demands of what this country most needs in its domestic economy: Schools, hospitals, slum clearance projects of all kinds, and homes. Because financing charges are the major element of cost in each of these, State and local tax burdens and home financing payments would be sharply increased if Federal Government competition for long-term money drives up the cost.

The Wall Street Journal is of course undeniably right in contending that $12 billion Treasury deficits do indeed contribute to inflation and force the Treasury to borrow. The partisan responsibility for this, however, is far less clear than the Journal implies in the charge that the deficit was built by congressional Democrats.

WILLIAM PROXMIRE,
U.S. Senator.

WASHINGTON, D.C.

THE ECONOMIC PICTURE

Mr. GOLDWATER. Mr. President, I am sorry the distinguished present occupant of the chair [Mr. CLARK] moved into that position at the time he did. I regret I did not have an opportunity to join in the colloquy between the distinguished Senator from Pennsylvania and the distinguished Senator from New York.

The PRESIDING OFFICER (Mr. CLARK in the chair). The present occupant of the chair will be very happy to listen.

Mr. GOLDWATER. I shall be very happy to have him do so.

I was not in the Chamber yesterday when the colloquy to which the Senator referred took place, involving the introduction into the RECORD of a table entitled "Personal Consumption Expenditures, Total and Per Capita." I do not know what the distinguished Senator from New York had in mind in placing that table in the RECORD. It obviously served some purpose in his discussion.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Arizona yield to the Senator from Pennsylvania?

Mr. GOLDWATER. I shall be glad to yield in a moment.

As a businessman, one who has been interested in the economy for a great many years, I do not accept the figure for gross national product as the holy thing some economists deem it to be. I have often referred to it as a "gross national lie," because it is probably as inaccurate a group of figures as could be devised to show the state of the economy.

I should much prefer to take the per capita income of the United States.

Reading from the May issue, which is the latest issue available, of the Eco-

nomic Indicators, my colleagues will find that the per capita disposable income, which is what a person interested in the economy looks at, has risen rather sharply in the years since 1953. It has gone up from $252.5 billion to $320.9 billion for the first quarter of this year. That has meant a per capita increase from $1,708 to $1,818.

I ask unanimous consent that the table appearing on page 6 of Economic Indicators for May 1959, entitled "Per Capita Disposable Income," be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Per capita disposable income, measured in both current and constant prices, increased in the 1st quarter of 1959

Period	Total disposable personal income (billions of dollars) [1]		Per capita disposable personal income (dollars) [1]		Population (thousands) [3]
	Current prices	1958 prices [2]	Current prices	1958 prices [2]	
1949	189.7	230.2	1,271	1,542	149,188
1950	207.7	249.6	1,369	1,645	151,683
1951	227.5	253.0	1,474	1,640	154,360
1952	238.7	259.8	1,520	1,654	157,028
1953	252.5	272.7	1,582	1,708	159,636
1954	256.9	276.2	1,582	1,701	162,417
1955	274.4	296.1	1,661	1,792	165,270
1956	290.5	308.7	1,727	1,835	168,476
1957	305.1	313.6	1,782	1,831	171,196
1958	311.6	311.6	1,790	1,790	174,064
	Seasonally adjusted annual rates				
1957: 3d quarter	308.7	315.0	1,799	1,836	171,612
4th quarter	306.8	312.1	1,780	1,811	172,393
1958: 1st quarter	306.1	307.9	1,769	1,780	173,054
2d quarter	309.0	308.7	1,779	1,777	173,705
3d quarter	315.1	314.5	1,806	1,802	174,460
4th quarter	315.8	315.2	1,802	1,798	175,253
1959: 1st quarter	320.9	320.3	1,822	1,818	176,104

[1] Income less taxes.
[2] Dollar estimates in current prices divided by consumer price index on a 1958 base.
[3] Includes Armed Forces overseas and, beginning February 1959, Alaska. Annual data as of July 1; quarterly data centered in the middle of the period, interpolated from monthly figures.

Sources: Department of Commerce, Department of Labor, and Council of Economic Advisers.

Mr. GOLDWATER. I can understand the Senator from Pennsylvania objecting to the interpretation of Dr. Saulnier's remarks, but I cannot for the life of me understand how the very desirable goals to which the Senator addresses himself are to be attained if, at some place in our economic planning, we do not plan to produce more consumer goods each year, so that more people can be employed, so that more money can be made, and, in turn, still more people can be employed. I cannot understand how we could arrive at the Senator's ultimate goal of houses and cars for everyone—a very desirable goal, and certainly an American goal—if we did not constantly drive in our economy for greater production.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. CLARK. Let me say, in the first place, that I do not think we can conduct a meaningful debate within the limitations of the 3-minute rule.

In the second place, having great confidence in the intelligence and integrity of my very good friend from Arizona, I would appreciate it if he would take the time to read the speeches which have been made by the Senator from Minnesota [Mr. HUMPHREY], the Senator from Utah [Mr. BENNETT], the Senator from New York [Mr. KEATING], and myself during the past few days, and then take the floor again and make his contribution to this debate. I should be happy to listen to his comments at some length.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. Mr. President, I ask unanimous consent to be permitted to proceed for not to exceed an additional minute.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. CLARK. I should like to ask my friend from Arizona if he would read to me again the per capita figures. I caught the figure of $1,708, but I missed the second figure.

Mr. GOLDWATER. The figure increased from $1,708 to $1,818, for the first quarter of 1959.

Mr. CLARK. I believe that if my friend will make the proper computation he will find that a total increase of $110 in 5½ years, on an annual basis, shows an annual progress of about 1 percent a year, which buttresses what I have been saying about the gross national product and the production of consumer goods.

I agree with the Senator from Arizona that the gross national product figures contains a great deal of irrelevant material. I could not agree with him more, that it is not as meaningful a figure as it should be. Nevertheless, it is the one to which the administration economists are always referring.

Mr. GOLDWATER. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator may proceed.

Mr. GOLDWATER. I will say to the distinguished Senator from Pennsylvania that I have read most of the speeches on this subject. Perhaps I have not gone through them as carefully as I would have done if I had had more time. It was for that reason that I rose to suggest the figures I have quoted, and others which appear in the Economic Indicators as being more meaningful figures, if we are to try to judge the economy.

I shall be glad to engage the Senator in debate on this subject at any time. I should like to get the answer some day. For that purpose I shall ask him at some time to explain to me how more people are to be employed, and how more money is to be put into circulation, if we do not have, among our economic goals—even as a primary goal, as a material thing—the production of more consumer goods.

Mr. CLARK. I agree that that should be a goal. I do not believe it should be the primary goal.

ATTACK BY COMMUNIST MIG'S ON U.S. NAVY PATROL PLANE

Mr. JAVITS. Mr. President, Americans will be revolted as will decent people everywhere by the brutal attack by two Communist Mig's on a U.S. Navy patrol plane over international waters of the Sea of Japan, and this time with clear evidence because of the serious and tragic wounding of the tailgunner on the U.S. plane. Yesterday's attack is believed to be the 33d such occurrence involving Communists and U.S. planes since 1950 and the Pentagon lists 112 Americans as dead or missing as a result of all such air incidents since the end of World War II.

Since what happened yesterday, tragic though the event was in itself, represented a repetition of many other similar incidents, its significance must be sought in more than the factual report, and indeed, it has much greater significance. It demonstrates again to the peoples of the free world, especially those in the so-called neutralist bloc that sharp and vicious claws lurk constantly—and strike unexpectedly—from beneath the cloak of sweet reasonableness and alleged love of peace which the Communists draw about themselves.

It is almost inconceivable that such an attack should occur at the very moment critical negotiations are underway in Geneva to control the testing of nuclear weapons and to resolve the crisis of Berlin and Germany—and yet the attack was made. It offers ample proof of the irresponsibility as well as the viciousness of which a dictatorship is capable. It seems to me that this incident should buttress the determination of the whole free world in respect to the efforts of the Communists to subvert its will, and it should fortify the position of the negotiating powers at Geneva in their refusal to engage in vain negotiations or summit conferences unless there is a serious purpose evidenced in connection with them. The whole world should read into this new outrage its true lessons—and they go far beyond the event itself.

Mr. President, I wish now to discuss another subject.

The PRESIDING OFFICER. The Senator from New York has the floor.

THE SOUTH'S RACIAL CRISIS

Mr. JAVITS. Mr. President, the Southeastern Office of the American Friends Service Committee, the department of racial and cultural relations, National Council of the Churches of Christ in the United States of America, and the Southern Regional Council, a very distinguished organization, have published jointly a report, "Intimidation, Reprisal, and Violence in the South's Racial Crisis." The report notes the fact that it describes not the progress being made nor the instances of patience, responsibility, courage, and good will by both Negroes and whites but is rather an accounting of the angry, violent side. I append hereto as part of my remarks excerpts from the report.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

INTIMIDATION, REPRISAL, AND VIOLENCE IN THE SOUTH'S RACIAL CRISIS

INTRODUCTION

This is a report of racial violence, reprisal and intimidation in 11 Southern States from January 1, 1955 to January 1, 1959. Altogether, 530 cases, taken from the general press of the South and the Nation, are listed.

They are evidence of the deterioration of law and order within the South since the school desegregation decisions of 1954 and 1955 by the Supreme Court of the United States.

They are reports of actions taken by private groups and individuals, and sometimes by mobs, who have wielded violence and economic power in a bitter and defiant protest against a new order of race relations.

Resistance groups, typified by the White Citizens Council born in Mississippi in 1954, have spread across the South. By 1956 they had an estimated 300,000 members. Their characteristic tactics have been economic pressure, propaganda and lobbying.

Other groups, such as a revivified but disjointed Ku Klux Klan, and some extremist off-shoots of the Citizens Councils, have advocated and participated in cruder methods of intimidation. Gunpowder and dynamite, parades and cross burnings, anonymous telephone calls, beatings and threats have been the marks of their trade. These attacks have been directed not only at Negroes, but at some white persons who have strayed from local customs. Also, overt antisemitism flared, and synagogues have been attacked.

This record is one aspect, and the ugliest, of the intolerance of dissent, the dedication to conformity which has pervaded the South these last few years. It points to a widespread erosion of individual liberties. Although the political leaders of Southern States have declared their opposition to lawlessness, one may fairly ask whether legislative and executive policies of evasion and defiance of decisions of the Federal courts have not set an example whose contagion is uncontrollable. A prominent lawyer and civic leader, Mr. Marion A. Wright of Linville Falls, N.C., has said:

"Now, our political leaders without exception deplore violence such as this. They have no truck with the Ku Klux Klan. But my contention is they set in motion forces which bred the Klan and the very violence they now condemn. What they advocate, in essence, is disrespect for law. They choose to limit such advocacy to one law—that relating to the public schools. But when you enter the area of disrespect there is no such thing as limited infection. It spreads.

"What right have they to tell me what laws I shall observe? My right of choice is fully as good as theirs. They choose to flout school law. I may with as much right choose to flout the law which protects the life and property of the man who disagrees with me. They seek to get results by chicanery. Men less subtle and sophisticated may perforce get their results by violence."

This report classifies and numbers the losses of civil liberties. It cannot show the coincident erosion of patience, of good nature, of relaxed social atmosphere. It recounts 530 cases. One tells of the school bombing in Clinton, Tenn., another of the bus boycott in Montgomery, Ala., a third of Little Rock. These stories are known by all the world, but there are 527 others within the timespan of the record. Though most have been less publicized, in their cumulative force they are just as indicative of the weakness of discipline and the strength of lawlessness menacing the South today.

The list is derived from the pages of the general press of the country. Other reports, however reliable the source, have not been used. The list is confined to occurrences attributable to increased racial tensions after the Supreme Court's school decisions; other cases of alleged or proven murder, rape, theft, juvenile delinquency, and police brutality, that are part of a general social problem, have not been included.

An alphabetical system is used to denote the source of each item; a key, giving the names of the newspapers and wire services, is at the end of the report. The date given for each item is that of publication; the event may have occurred on an earlier day. One periodical, Southern School News, is issued monthly, and, therefore, only the month is noted for items taken from it. In two instances, field studies of academic researchers have been drawn on for details.

Finally, this is not a comprehensive survey of southern reactions to the desegregation decision. It describes only their angry, violent side. Another accounting could be given of patience, responsibility, courage, and good will by both Negroes and white. Though this aspect of the South is not in view in the report, it is an authentic and undimmed face of the South, to which each of the sponsoring agencies has paid tribute more than once. But we feel an obligation to call attention to the dangers posed by the record that follows, dangers for which all of us, through silence or inaction, must share the responsibility.

PART 1. INTIMIDATION

There is a southern tradition which equates "preserving order" with "keeping the Negro in his place." During Reconstruction and for many years afterwards, it was almost the "law of the land" in the region. Even respectable people could believe in it, though usually its enforcement was delegated to men lower in the social structure. The law is no longer so openly proclaimed, but neither has it been finally repealed. And though respectable Southerners do not actively encourage its enforcement, too many of them since 1954 have acquiesced in it. However, throughout the South, others have shown anger and disapproval over the intimidation of Negroes.

In any event, intimidation has continued. The old methods have had, however, a new refinement. Roving troublemakers have appeared, perhaps an expected development in this age of specialization. This group has included even a few inverted carpetbaggers, of whom John Kasper has been the most notorious.

During this period, there has been a growing number of bomb threats, particularly to schools and other public institutions. Police have been called to search an untold number of buildings througout the South, usually without finding any trace of a bomb. A sampling of these threats is included in this report. Those without any obvious racial connotation, even though they may stem from the climate of defiance, have been eliminated.

The Ku Klux Klan, dormant for years, has made disorganized efforts at revival. It has been badly led, often merely ridiculous and ludicrous in its actions; it has been unpopular and unwelcome in most communities. Nevertheless, its very recklessness earns it the distinction of being taken seriously. In April 1958 the Anti-Defamation League estimated the membership of the U.S. Klan, Knights of the Ku Klux Klan, headed by Eldon Edwards of Atlanta, at between 12,000 and 15,000; the North Carolina Klan was thought to have between 2,000 and 5,000 members, and each of the seven other Klan organizations not more than 1,500. The ADL said the South has responded to them with "intense hostility" and aversion, but added that, "as a breeder of violence and an incitment to the worst criminal elements in society, the KKK is not to be dismissed or taken lightly." The Klan of the 1950's has obstacles which did not exist in earlier years. Several States have antimask laws (sometimes Klansmen now wear dark-rimmed eyeglasses without lenses along with their robes and hoods), and many towns and cities enforce against it their ordinances regulating demonstrations and incitement to riot.

The question arises whether a mere Klan meeting comes within the scope of this report, for it is impossible to assess the degree of implied intimidation in an ostensibly peaceful gathering. Some meetings are listed where a note of intimidation seems clear, where something out of the ordinary occurred or a particularly inflammatory statement was made. For the rest, a quick sampling gives an idea of the scope of the Klan.

In Florida, at least 1,000 attended a Klan meeting near Jacksonville in September 1956, jamming suburban traffic for hours; the same month, Klan leaflets were distributed at Tarpon Springs on the west coast, where tension existed over reports that Negroes planned to use a beach. In February 1957, about 4,000 gathered at a private ranch outside Gainesville and heard one hooded speaker declare, "We are not a violence organization. But we are not a social club, either. We are not pussyfooting around." In August 1957, Klansmen paraded at a downtown theater in Jacksonville protesting showing of the movie "Island in the Sun," starring white and Negro actors.

At Stone Mountain, Ga., long-time Klan meeting place outside Atlanta, an estimated 1,200 cars brought Ku Klux Klan members from 5 States for a rally in September 1956. The same month about 300 members gathered in Macon. In November, about 3,500 persons again met at Stone Mountain, with the leader angered by the refusal of Atlanta police to provide an escort. About the same time, the mayor of Savannah denied the Klan use of the city park. In December 1956, a "gigantic" rally brought only 40 Klansmen from 4 States to Columbus, where 50 city policemen turned them away from the baseball park; by the time they moved to a vacant lot to burn a cross, only 3 Klansmen were on hand and they had to saw the cross to a size they could handle, while amused spectators watched. Knights of the Ku Klux Klan met at Warner Robins, near Macon. Maj. Gen. A. V. P. Anderson, commander of nearby Warner Robins Air Materiel Area, had warned earlier that the Air Force would initiate additional security investigation of any Robins Air Force Base personnel identified as members of any Klan group.

In Ozark, Ala., the city council on December 13, 1957, refused to let the Ku Klux Klan use the city park for an organizational meeting. Mayor Douglas Brown said, "We haven't had any trouble with the Negroes and the people here all get along. We hope we can get by without trouble if we don't have a Klan or a white citizens council." The Klan had earlier appeared in Tuscaloosa, scene of mob rioting when Miss Autherine

Lucy enrolled at the University of Alabama in February 1956. Hooded men paraded the streets the next month, and in April about 75 burned a cross 6 miles from town.

The Klan also turned up again in North and South Carolina. Many in those States thought the Ku Klux Klan had been stamped out between May 1952 and December 1954, after its activities in southeastern North Carolina and northeastern South Carolina which resulted in the prosecution of 101 persons in flogging and kidnaping cases.

Nevertheless, in October 1956 a "motley crowd of nearly 1,000 gathered, some out of curiosity" to watch for the first time a Klan meeting in Concord, N.C., according to the Charlotte Observer. The sheriff and his 15 deputies were on guard. In December, about 300 attended a Klan meeting in Greensboro to hear a speaker standing on a flatbed truck with no license plates. At Statesville, a Klan "wizard" received only scattered applause and some heckling from a group of young people in August 1957.

KKK activity began again in the eastern part of South Carolina in August 1955, with a small group burning a cross in Florence County and about 1,000 converging at Manning. The following February, the first public Klan rally at Orangeburg in many years began with a motorcade of about 55 robed figures. In mid-June, some 1,000 attended a meeting staged by 75 robed Klansmen in the upcountry area between Greenville and Pickens. The next month, hooded and masked Klansmen sought $3 memberships from a crowd of 2,000 at Camden and claimed they signed up 800. In September, at least three Klan meetings were held—at Dillon, Gaffney, and near Hartsville. The largest Klan rally in South Carolina in years was held in Spartanburg in October; a Greenville News reporter estimated the crowd at from 6,000 to 10,000. That month smaller meetings were held near Pomaria and Rock Hill. In January 1958, more than 200 robed Klansmen formed a human cross on the statehouse steps to advertise a rally.

In April 1957, approximately 1,500 gathered, about 500 in white robes, in Cleveland, Tenn., for a rally of the Knights of the KKK. Speakers denounced both Negroes and Jews.

Following is a list of additional meetings and action by resistance groups, telephone and mail threats and other instances of intimidation. The list, including the 27 Klan meetings mentioned above and those which follow, add up to a total of at least 210 instances. (In some cases an individual may have been threatened more than once but this is counted as a single instance.)

PART 2. REPRISALS

Intimidation is a technique more natural to a rural than an urban, industrialized society. Perhaps the changed economic life of the South has been the principal reason articulate Southerners have condemned the crude methods of repression, although without succeeding in stamping them out. However, one of the old methods has had more currency among leaders and other respectable elements of the white community. This is the employment of superior economic strength to discipline the Negro. There is nothing new in this practice, even in slave times it was used against free Negroes, and Negroes ever since have known well the conditions for credit or land tenure. Some southerners since 1954 have, however, elaborated and organized the methods of economic reprisal until a recognizable new and modern instrument has taken form. Most commonly associated with the White Citizens Council, the weapon of reprisal has deprived Negroes and nonconforming whites of jobs, of credit, of supplies for their businesses.

The policy of reprisal against whites was perhaps most clearly stated by Roy Harris of Augusta, Ga., president of the Citizens Councils of America, Inc., at a citizens council rally in Orlando which attracted 600 segregationists from Florida, Georgia, Alabama, and Mississippi. Amid shouts of amen, brother, Harris called for:

1. Reduction of all political campaign issues in all State and local elections to a single question, "who's the strongest man for segregation?"

2. A boycott of merchants who fail to join and actively support racial segregation.

3. A straightening out for clergymen who preach "the brotherhood of man."

4. Chasing Ralph McGill, editor of the Atlanta Constitution clean out of the State of Georgia.

5. A fight against all agencies of mass communication—newspapers, magazines, radio and television stations.

6. Absolute defiance of all Federal court rulings favoring racial integration by every means and at every cost.

Harris labeled all persons who disagreed with his view as "traitors and quislings." (September 22, 1958—E, F) Reprisal is, of course, a weapon which Negroes now have the strength also to wield, and they have done so. The pages which follow include descriptions of the bus boycott of Montgomery, the virtual strangulation of Tuskegee, and such other widely reported stories as those of Orangeburg, S.C., Tallahassee, Fla., and Rock Hill, S.C.

In short, it is necessary to reckon with the determination that inspires both whites and Negroes. For twelve months the world saw a rare portrayal of the resources of human fortitude, as day after day 50,000 Negroes walked in Montgomery during their bus boycott. The fact is sometimes overlooked that the boycott did not defeat the city of Montgomery; segregation was maintained on the buses, until a Federal court outlawed it. Nor has the boycott of Tuskegee merchants led to their capitulation: here is a town apparently preferring financial suicide to reform of its racial policies. And the determination of the Negroes of Tuskegee to have reform seems equally strong.

It is, then, a deeply disturbing history which this section of the report sketches.

The following list covers 95 cases. This figure, however, does not tell the whole story for some of the instances counted as a single item involve untold hundreds of men and women, since they cover citywide protest movements. Listed as one item, also, are the voting purges in Louisiana, where names of several thousand Negroes were removed from registration lists.

PART 3. VIOLENCE

There is no simple way to distinguish the events noted in this section from those earlier reported under the heading "Intimidation" except to say that these are bigger, and if anything more purposeless. This list of 225 acts against private liberties and public peace includes: 6 Negroes killed; 29 individuals, 11 of them white, shot and wounded in racial incidents; 44 persons beaten; 5 stabbed; 30 homes bombed; in one instance (at Clinton, Tenn.) an additional 30 houses were damaged by a single blast; attempted blasting of five other homes; 8 homes burned; 15 homes struck by gunfire, and 7 homes stoned; 4 schools bombed, in Jacksonville, Nashville, and Chattanooga, and Clinton, Tenn.; 2 bombing attempts on schools, in Charlotte and Clinton; 7 churches bombed, one of which was for whites; an attempt made to bomb another Negro church; 1 church in Memphis burned; another church stoned; 4 Jewish temples or centers bombed, in Miami, Nashville, Jacksonville, and Atlanta; 3 bombing attempts on Jewish buildings, in Gastonia, N.C., Birmingham, and Charlotte; 1 YWCA building in Chattanooga and an auditorium in Knoxville dynamited; 2 schools burned. In addition, 17 towns and cities were threatened by mob action. The list also has an item which tells of the persecution of Koinonia Farm in Georgia.

At the time of the bombings in Jacksonville, Ralph McGill wrote in the Atlanta Constitution:

The mayors of a number of southern cities have organized to try and prevent further such outrages. This is a good move.

But let us not overlook the fact that these bombings are the fruit of the tree of defiance of law and of orderly process. In all the cities represented at the conference of disturbed mayors, there had been leaders in the press, and in public life who had attacked the Supreme Court, the President of the United States, and the U.S. Attorney General in the most reckless and abusive terms. That this inspired the criminal fringe to action cannot be denied.

It is one thing strongly to exercise the unquestioned American principle of dissenting from court and political decisions. But to abuse the institutions on which our country is based in violent, defiant terms cannot do otherwise than to encourage lawlessness and to excite the criminal fringe.

Irrational abuse and preachments of defiance of due process by persons in public life constitute a tree which bears the bitter fruits of bombings of churches and schools.

We should not blind ourselves to this fact. To do otherwise is to engage in self-deceit.

It has been frequently said that violence and direct action never have been far from southern folkways. This may be correct. There are also, however, other characteristics woven closely into southern culture: graciousness, good manners, relaxed living, and political sagacity. There would be little point in compiling the record set out in the following and preceding pages unless we believed that these latter qualities will in time prevail.

Mr. JAVITS. Mr. President, this sorry and tragic recital only demonstrates the extent of defiance of law affecting not only the Negro minority but, with increasing intensity, other religious minorities like Jews and Catholics as well as moderates who are white and even Indians; also encompassed are business and industries, too, that must inevitably be vitally affected. The report underlines the need for legislation which has been pending in the Senate for almost 6 months now to deal with the bombings of the innocent, the lynchings, the dissemination of hate literature and the effort to better safeguard civil liberties and rights, the heritage of all of us. I condemn no one; I merely state the fact.

I believe that this report presents a real challenge to the leadership of the majority in the Senate which has the primary responsibility for bringing measures before this body. It points up the fact that excessive delay is just not tolerable in the situation which faces the Nation in the South. Though I have no illusions about panaceas of law, it is a fact that Federal law can at least show that we mean to help within the limits of law.

I see two basic reasons for the situation portrayed in this report: First, a widespread disrespect for law when often the most responsible members of a community and those in official positions are in defiance of the law as enunciated by the Supreme Court; second, the failure

so far of the Federal Government to itself assert the supremacy of the Constitution through adequate laws of its own. The most striking example of that is the inability of the Federal enforcement machinery to follow through, notwithstanding a reportedly affirmative FBI investigation, in the Mack Charles Parker lynching.

I pay tribute to the Governor of Mississippi. He did call in the FBI and he has purposed to place the matter before the grand jury. The fact is, however, that the FBI had to be withdrawn because there was no law under which it could proceed.

This report soberly and seriously calls us to action. It is addressed as well to the people of the affected Southern States themselves. It is hard to see how with their traditional respect for law they can tolerate the situation shown by this report. I consider it our bounden duty to act on the needed legislation at this session of Congress and I do not see how we can do it unless a bill is brought up before the Senate before the 4th of July. The responsibility is particularly that of the Senate majority leadership. Senator JOHNSON has already shown his attitude by proposing a civil rights bill himself. I think the time has now come to urge that it be brought up, every regard for normal committee procedures having certainly been shown by now considering the exigencies of the situation.

THE NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk an editorial from the June 10, 1959, Anderson (S.C.) Independent newspaper.

In my opinion this editorial clears away the smoke screen surrounding the nomination of Admiral Strauss to be Secretary of Commerce and accurately brings out the most vital issues.

The editorial first points out that at issue is the question of Admiral Strauss' participation in the Dixon-Yates scheme. Second, it points out Admiral Strauss' adherence to the doctrine of secrecy in government. It sums up the feeling of many who oppose Admiral Strauss with this remark:

> If we have come to a time when arrogance, conceit, and deceit are qualifications for high office in this land, then Strauss is eminently qualified.

This editorial expresses my sentiments regarding the nomination of Admiral Strauss, and I feel it will be of great benefit to others to read this concise and accurate presentation of the situation. I ask that this editorial be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STRAUSS DEFENDERS WOULD REWARD AN OFFICIAL FOR WILLFUL DECEIT

Those three old hags of the Ike-Republicrat chorus line in South Carolina have lockstepped, puppet-like, onto the stage to sing in praise of Lewis Strauss.

The Columbia State says Strauss overcame great obstacles to have the Parr Shoals atomic powerplant situated in South Carolina, thus proving he's a friend of the South.

The me-too Greenville News (also a backer of Ike and NAACP NIXON) says it's downright sinful for Senators to dare raise objections to this great and good man who, it is indicated, is likely to unfold his angel's wings at any time.

And the Charleston News and Courier, taking a long flight into the wild blue yonder of absurdity, says "socialism and its twin, inflation, are mirrored in the battle over Admiral Strauss."

The State, as usual, was careless with the facts. Senator CLINTON ANDERSON was quick to point out that AEC approval for Parr Shoals came only after Strauss' outfit was prodded into action by the Joint Atomic Committee of Congress; and that, in fact, if it had depended upon Strauss' approval, Parr Shoals might still be on the dreaming boards.

Totally ignored by all three of these Republican self-styled defenders of principle is the basic issue involved. That issue is simply the question of plain honesty.

Strauss' part in the abortive Dixon-Yates scandal is a shady page in this record in Government.

The point is not whether Strauss favors monopoly by utilities holding companies as against yardstick public power projects. He is a product of Wall Street, and it is expected and normal that he should side with the utilities barons.

The real issue is whether he was honest with Congress and the people in the handling of the Dixon-Yates scheme.

The facts show that Strauss and others involved in this deal were revealed, despite denials, to have conspired to build a powerplant with Government money for a few favored individuals.

Strauss is a champion of "Executive privilege," which is the gobbledygook name for secrecy in Government.

In the Dixon-Yates and other matters the Strauss tactic is to avoid disclosing questionable official actions by hiding behind "Executive privilege."

This he has done consistently in the past and, if confirmed, will continue to do in the future.

Senator JOHN CARROLL, of Colorado, says: "No administration in American history has gone so far to extend the doctrine of secrecy. And this must be a very serious concern to every Senator as he votes on Admiral Strauss."

The real puzzler is why President Eisenhower insists on having Strauss as Secretary of Commerce. What is the real motive? What forces are going all out for Strauss? Certainly there are many able Republicans who could fill the position as well.

If we have come to a time when arrogance, conceit and deceit are qualifications for high office in this land, then Strauss is eminently qualified, but let's skip this misleading stuff about him being a special friend of the South persecuted by Senators because he is a foe of that old bogeyman, socialism.

AIRPORT CONSTRUCTION

Mr. GRUENING. Mr. President, when the Senate was considering S. 1, the Aid to Airports Act, earlier this week, I commended the able junior Senator from Oklahoma [Mr. MONRONEY] for his valiant efforts in trying to get progressive, modern, and much needed airport legislation enacted at this session of the Congress.

The Senate was at that time acting, as the distinguished junior Senator from Oklahoma said, "almost with a loaded gun held at its head." The loaded gun in this instance was the threat of a Presidential veto if a bill—a backward looking, inadequate bill demanded by the President—were not enacted.

By a vote of almost 3 to 1, the Senate spoke clearly when it originally passed S. 1 which would have authorized, over the next 4 years, the expenditure of $465 million for airport aid. That bill took cognizance of the advent of the jet age. That bill was designed to do the job with respect to our airports which needs doing if our Nation is to progress.

So far as Alaska is concerned, this legislation is of supreme importance. Alaska is perhaps the most air-minded of the States, a condition which results partly from the absence of other means of transportation, partly from the pioneering spirit of Alaskans, and partly from the fact that our greatest development has in consequence come in recent years during what might be described as the age of aviation.

Alaska's need for airport improvement is great. Particularly do we need to extend the runways at the so-called international airports at Anchorage and Fairbanks to accommodate jet aircraft on polar and intercontinental routes. The bill originally passed by the Senate would have made that possible. But the threat of a Presidential veto has made this desirable, this necessary, this essential development difficult.

Alaskans had been led even by the Eisenhower administration to believe that a means would be provided by the Federal Government to extend the Anchorage and Fairbanks Airports. The Secretary of the Interior, Fred A. Seaton, when he was in Alaska last fall campaigning for Republican candidates, announced in Anchorage on November 19 that the Bureau of the Budget had agreed to approve a Federal appropriation of $2 million for extension of the Anchorage runway. In Fairbanks on November 12 Mr. Seaton announced that he had recommended that $5 million in Federal funds be budgeted for extension of the runway at the Fairbanks International Airport. As we know, Mr. President, the administration's budget, when it was presented to us, provided nothing for either runway.

Under threat of presidential veto, the Senate this week felt compelled to take an extension of the existing program for 2 years at the old inadequate monetary level—$63 million a year.

I would have much preferred, Mr. President, to have enacted into law the bill in the form in which it was originally passed by the Senate. In the face of the strong opposition from the other body, I would then, as an alternative, have preferred that the Senate accept that body's version of the airport bill. Then there would have been presented to the President a bill representing the views of the Congress.

If, thereafter, the President saw fit to veto the bill as presented he would have been exercising his constitutional prerogative in the same degree in which the Congress, by passing the bill, had exercised its constitutional prerogative.

I deplore what is coming to be so customary—the practice of legislating

under threat of veto—the merging of the executive and legislative functions which such threats bring about.

I appreciate fully that we were legislating with such a threat hanging over our heads and against a deadline caused by the imminent expiration of the authorizing legislation.

I realize also that it is too late to do anything about increasing this program to meet our airport needs on an adequate basis during this session of the Congress. I hope, however, that the distinguished junior Senator from Oklahoma and the able members of his subcommittee on aviation of the Senate Committee on Interstate and Foreign Commerce will take another look at this program during the next session of the 86th Congress when there will not be the same deadline of program expiration, and report a new bill.

My brief remarks today are not intended as expressions of regret for the past as much as they are intended as a plea for the future.

It is a plea for the Congress to exercise its constitutional responsibilities to legislate to meet the needs of the Nation as a majority of the Congress determines.

The President under the Constitution is charged with other and different responsibilities. Let the vetoes fall where they may. The record will then speak loudly and clearly and the people will then be able to judge which of the programs presented were really intended in the public interest and in the interest of the soundest possible development of our Nation to meet the needs of the jet age and the needs of America's expanding future.

THE DEMOCRATIC ADVISORY COUNCIL AS MILITARY EXPERTS

Mr. KEATING. Mr. President, the Democratic Advisory Council was created, according to its charter, to formulate and enunciate Democratic policy, although there seems to be some question about that on the part of other persons. The council issued a report yesterday in which it claimed that the United States, over the next 4 years, must spend an extra $30 billion on its national defense above present defense spending levels.

The report goes on at some length to paint a most alarming picture of the state of this Nation's defense; you can practically see the Russian troops marching up Pennsylvania Avenue as you read it. It is enough to make a man want to run and hide in the nearest deep cave.

Since the Democratic Advisory Council includes such noted military experts as Jake Avery, "Soapy" Williams, and Paul Ziffren, I suppose we ought to devote a few moments to a consideration of what they have to say.

I think this is especially true in view of the fact that the opinion of the military experts I have just named seems to be at considerable odds with the opinions of Gen. Nathan F. Twining, Gen. Maxwell D. Taylor, Adm. Arleigh A. Burke, Gen. Randolph McC. Pate, and a one-time military figure by the name of Dwight D. Eisenhower.

As a matter of fact, this demand by 24 Democrats on a nation of 177 million people does not even appear to coincide with the judgment of the Democratic congressional leadership.

I might point out, for example, that the House of Representatives, with a two to one Democratic majority, has not come anywhere near the $7,500 million annual increase in defense expenditures demanded by the Democratic Advisory Council. On the contrary, the House has cut President Eisenhower's defense spending proposals by a total of $400 million. And, to tell the truth, I have a suspicion that the Senate is not about to increase defense spending by $7,500 million either. But, then, I could be mistaken as to how much weight the majority in this body might give to the recommendations of its downtown military experts.

One of the most curious aspects of the Democratic Advisory Council's report on our defense is an allegation that the present administration has set about reducing the land forces of the United States to pre-Korean war levels.

This is a rather awesome inaccuracy, to say the least, for the Defense Department force goals as of June 30, 1959, total 2,525,000 men, whereas the force levels on June 30, 1950—1 week after the Korean war began—totaled 1,460,000.

In other words, present U.S. military forces are almost double those of 9 years ago, and no one has proposed reducing them further.

Breaking down the force levels for June 30, 1959, and June 30, 1950, we find these comparisons: Army, 870,000 now; 593,167 then. Navy, 630,000 now, 381,538 then. Air Force, 850,000 now, 411,277 then. Marine Corps, 175,000 now, 74,279 then.

It is perfectly true that this country has had experience with a reduction of its military forces to a disastrous level. As Dean Acheson, chairman of the Democratic Advisory Committee on Foreign Policy which prepared this military report, wrote only last year:

> After the war, the only other great military power, the United States, demobilized and substantially denuded itself of regular forces.

I can understand Mr. Acheson's concern that this near-fatal mistake of the administration he served and advised not be repeated. Any comparison between the state of our Armed Forces at the time of the Lebanon landing of 1958 and the state of our Armed Forces at the outbreak of the Korean war should be reassuring to him. I doubt that there is any danger that this major misjudgment of the Truman administration as to conventional forces is likely to be repeated by the Eisenhower administration.

In the meantime, let me state for myself that I think the Joint Chiefs of Staff—yes, and the Democratic leadership of the Congress—might possibly have better military judgment than the Democratic Advisory Council's self-appointed armchair generals.

Mr. GOLDWATER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. KEATING. Mr. President, I ask unanimous consent that I may proceed for 1 minute in order that I may yield to the Senator from Arizona.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GOLDWATER. I thank the Senator from New York for calling to the attention of the Senate this very ridiculous and actually humorous request which came from Democratic headquarters yesterday. I ask the Senator from New York if the Democrats were not in power immediately prior to World War II.

Mr. KEATING. That is my understanding.

Mr. GOLDWATER. Both the Senator from New York and I having served in that war, I ask the Senator: Was the United States prepared for World War II?

Mr. KEATING. It was not.

Mr. GOLDWATER. Is my understanding not correct that the Democrats were in office immediately following World War II?

Mr. KEATING. The Senator is correct.

Mr. GOLDWATER. Is it not true that the Democratic Party destroyed our military forces following World War II?

Mr. KEATING. Well, the Armed Forces certainly were reduced to an alarming degree after World War II. Nothing comparable to what was then done by the Democrats to our Armed Forces has been suggested by anyone connected with the present administration.

Mr. GOLDWATER. Would not the Senator from New York agree that the Democratic Party was in power when the missile research program of this country was stopped?

Mr. KEATING. That is my understanding.

The PRESIDING OFFICER. The time of the Senator from New York has again expired.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that I may have 1 minute to conclude my colloquy with the Senator from New York.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GOLDWATER. The answer of the Senator from New York to my question was that the Democrats had stopped research on the missile program. Is it not true that the Democrats were in power when the number of Air Force wings was cut?

Mr. KEATING. That is my understanding.

Mr. GOLDWATER. Is it not also true that the Democrats were in power when the U.S. Forces went into Korea unprepared?

Mr. KEATING. That is my understanding.

Mr. GOLDWATER. Mr. President, I have asked these questions to point up the absurdity of the Democratic armchair generals and admirals, sitting in some hotel in downtown Washington, members of the party of military alliances, trying to tell Republicans how to prepare the Nation's defenses, when never before in the history of the world has a nation had as much military power as the United States has today.

Mr. KEATING. I thank the Senator from Arizona for his comments.

ACHIEVEMENTS OF THE DEMOCRATIC PARTY OF CONNECTICUT UNDER THE LEADERSHIP OF GOVERNOR RIBICOFF

Mr. DODD. Mr. President, within the past year, the Democratic Party of Connecticut, under the leadership of Gov. Abraham A. Ribicoff, and through the vital contributions of rank and file Democrats throughout the State, has achieved two political miracles that deserve the attention of the Nation.

First, in what has historically been considered a predominantly Republican State, Governor Ribicoff led the Democratic Party to the greatest landslide triumph in the history of Connecticut politics; he scored a personal victory of such magnitude as to stun the most knowledgeable of political observers. And the Democratic Party, through an unprecedented effort reflecting the work and devotion of its candidates and workers, won control of both houses of the general assembly.

The second political miracle is the fact that, with but a two-vote Democratic majority in the lower house, every major item of the Democratic program was passed into law, in the face of nearly unanimous predictions to the contrary.

Reforms that had been sought in vain for decades were enacted.

The archaic system of city, town, and borough courts was replaced with a State circuit court system.

The needless, antiquated, and wasteful system of county government was abolished, and its functions were transferred to the State.

The greatest highway construction program in the State's history was authorized.

A $57 million bond issue for capital improvements, including the construction of a new State prison at Enfield was passed.

Most important of all, perhaps—and I particularly call this to the attention of my colleagues—at a time when other political entities were wrestling with impossible budgetary problems, Connecticut adopted a balanced budget, with no new State taxes.

An impressive reorganization program for streamlining the State's government was enacted.

A major gain in the field of civil rights was achieved, through the passage of legislation prohibiting discrimination in the sale or rental of houses of five or more units.

And the Civil Rights Commission was authorized to initiate, without prior complaints, investigations of alleged violations of the Public Accommodations Act.

There were other achievements too numerous to catalog here.

Under the inspiration and guidance of Governor Ribicoff, and the practical day-to-day leadership of State Chairman Bailey, the razor-thin Democratic majority in the legislature held the line on every major issue.

The legislative leaders, the committee chairmen, and the individual members of the legislature carried out their responsibilities in a way that deserves the gratitude and merits the continued support of the people of Connecticut.

In a period so often characterized by deadlock between governors and legislatures, impending State fiscal insolvency, and constantly rising taxes, the record of achievement of the Democratic Party of Connecticut will be studied by political leaders and scholars throughout the Nation.

Connecticut is known as the Constitution State, because it adopted a constitution which served as a model for our National Constitution. Throughout its history, Connecticut has given leadership and example to the Nation. The record of the past year gives proof that it is doing so again.

To Governor Ribicoff, to State Chairman Bailey, to the elected and appointed leaders of the State administration, and to each and every member of the legislative team, I, as a Connecticut Democrat, offer my heartfelt thanks and congratulations for what they have done for our State and for our party.

Mr. President, I ask unanimous consent that five editorials and articles from the Connecticut press be printed in the body of the RECORD at the conclusion of my remarks.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the Hartford Times, June 4, 1959]

LEGISLATIVE SESSION TRIUMPH FOR RIBICOFF

(By Robert W. MacGregor)

With their hair-thin 2-vote margin, Democrats in control of the 1959 general assembly delivered practically every major proposal of Governor Ribicoff's program—including some sweeping reforms.

Although control of the house of representatives was a new experience for the Democrats, they rose to the occasion and enacted one of the most ambitious and productive legislative programs in modern history.

The outcome of the session was a tremendous triumph for Governor Ribicoff and an outstanding tribute to Democratic State Chairman John M. Bailey, an old political pro.

It was a great demonstration of political teamwork with practically every Democratic State official, commissioner and office holder pitching in to help accomplish the party's goals.

With only two votes to spare in the house, Mr. Bailey had scouts working constantly to detect any possible defections so they could be brought back into line before key issues were up for crucial votes.

The session was packed with drama and intrigue.

During the days of crucial votes, both sides strove to marshal their full forces in the closely held house.

On one occasion, the Democrats raced one of their missing members to the Capitol with a State police escort. He arrived just in time to give the necessary margin to put across an administration bill.

And, on another they persuaded a honeymooning legislator to return overnight from Canada to be on tap for a close vote.

The Republicans had the advantage of having more experienced and mature legislators.

However, this advantage turned to a handicap during marathon contests with the younger, more vigorous Democrats.

With the prolonged night sessions, some of the elderly Republicans became fatigued and had to call it quits while the bounce still remained with the more youthful Democrats.

Here are some of the top accomplishments of the Democratic assembly:

Abolition of city, town and borough courts and replacing them with a State circuit court system, effective in 1961.

Abolition of the antiquated remnants of county government—long under Republican patronage—and transferring the essential functions to the State.

Authorization for a $346 million bond issue to finance an expedited statewide highway construction program in conjunction with the Federal Government.

Establishment of a family session of the superior court to concentrate on domestic relations problems.

Authorization of a $57 million bond issue for capital improvements, including more than $14 million for completion of a new State prison at Enfield.

Adoption of a new $537 million balanced budget with no new State taxes.

The politically friendly legislators also backed up most of Governor Ribicoff's plans for streamlining Connecticut government.

In the field of governmental reorganization, it approved bills that—

Create a new department of consumer protection consolidating under one office regulatory inspections now carried out by the board of agriculture, the commission of food and drug, and the State athletic commission.

Create a department of agriculture, conservation, and natural resources. The new department will consolidate the department of agriculture, the State park and forest commission, the water resources commission, the State board of fisheries and game, the shell fish commission and the Connecticut Marketing Authority.

Broaden the authority of the State health department to include an office of public health, office of mental retardation, and an office of tuberculosis control, hospital care and rehabilitation.

Merge the State civil defense department into the State military department, resulting in a reduction of 40 full-time jobs.

Abolish the Merritt Parkway Commission and put the parkway under the jurisdiction of the State highway department.

The legislature also upgraded scores of regulatory license fees which is expected to bring the State an estimated $2 million in additional revenue. This was done over the protest of Republicans who charged that it was a hidden way of increasing taxes.

A giant step also was taken in the field of civil rights by enacting laws that would:

Prohibit discrimination in the sale or rental of houses in five or more units.

Authorize the civil rights commission to initiate investigations of alleged violations of the Public Accommodations Act, without complaints.

[From the Hartford Times, June 4, 1959]

IDEAS, LEADERSHIP, AND A GOOD RECORD

The General Assembly of Connecticut has concluded a session long to be remembered. Through a fortunate combination of political

circumstances, this legislature possessed the historymaking attributes of ideas, leadership, and power.

As a result, the public has been ably served. Our governmental system has been improved. The welfare of the people has been promoted. During the past 5 months the vitality of our democracy has been demonstrated. It has been strengthened and conserved for the future. For the first time in years, Connecticut really tried the two-party system, and it worked.

Genuine party competition and responsibility have replaced mere factional rivalry or, what was worse, political complacency and stagnation. Connecticut and Connecticut institutions—both public and private—are better equipped to face the future than they were 5 months ago, and that is record enough for any general assembly.

Of course there have been mistakes. Of course some legislation which never should have been sanctioned slipped through. There is nothing new about that. Of course there was some fumbling and ineptness. In view of the overturn of a long-entrenched party and the election of many inexperienced legislators, this was inevitable. But in the sum total of its work, the session of 1959 has added to the credit side of Connecticut's legislative ledger. This is true, despite some foolish legislation that was passed during the needless but customary confusion of the final sessions.

The most significant of this session's accomplishments and the one likely to be rated as most consequential was the revamping of our system of lower courts.

Here was a reform for which progressive-minded citizens had worked in vain for nearly three decades and to which the Democratic Party had pledged loyalty. An interim committee of the previous legislature, set up by the Republican organization, had gone as far as its party shackles would permit toward sanctioning some court reorganization, but its proposal was an obvious makeshift.

Embodied in the GOP platform of last fall was a sop to those who wanted action of some sort, but the plank was written so as to preserve the old system wherever it was working to the advantage of that party.

When the time for decision came, Governor Ribicoff and the other Democratic leaders—to the surprise of some members of their own party—placed real court reform at the head of the list of measures they intended to see enacted into law.

Particular credit for this improvement in our court system also goes to a number of Republicans who had the wisdom and political courage to give able support to the reorganization proposal. Noteworthy among these was Senator Wallace Barnes, of Bristol.

The elimination of county government was another epochal achievement. For many years this move had been advocated in this State but legislative action forever foundered on Republican opposition. Party officeholders in county positions were able to maintain veto influence in the legislature.

This time the Democrats had the votes, and they made good use of them. They were not unmindful, of course, that Democrats could be given for the interim period the jobs held by Republicans. Many of these jobholders are expected to continue in their posts when county functions are taken over by the State.

From the public standpoint, the end of county government is a solid gain in terms of administrative efficiency and economy. That is the important aspect.

The budgetary debate in this legislature took on many unusual aspects, some from the very outset. First there was the Governor's campaign promise that so far as he was concerned the budget must balance without new taxes. When he submitted his budget message to the legislature he held firmly to this pledge and backed it up with facts and figures.

The Republicans first scoffed and then made a bitter fight to defeat the Governor's proposal to divert $21 million from gasoline taxes and motor registration and license fees to the general fund. This was made feasible in connection with the $522 million expanded highway program, 73 percent of which was to be financed out of Federal funds. The diversion was approved by a close margin.

Also in this budget setup was the proposal to refinance the new bridges over the Connecticut River with State funds and make one or two of the bridges free of tolls. The necessary legislation was approved by a substantial margin. State officials, including the Governor, are now active in persuading private bondholders to sell their securities to the State.

The budget was passed on the Governor's terms. It is not quite so free of new taxes as was promised. There was an increase in some service fees and extension of sales taxes in a few lines.

Another so-called impossibility that is now an accomplished fact was the passage of several bills paving the way for some simplification of the organization of our State government. Here the wisdom and effectiveness of the proposed changes cannot be fairly judged until the new systems have actually been tried. Some of the mergers and consolidations have long been urged by advocates of more efficient government but until this general assembly they never had a real chance of enactment.

The merger of various conservation commissions with the department of agriculture seems to us to be dubious indeed, but the legislation itself provides for a continuing study of the plan, and corrective measures, where needed, will be forthcoming.

Altogether, the 1959 session has been an exciting legislative adventure. Some of its enactments will be canceled by future assemblies, and others will be modified, but the record as a whole will stand the test of time.

SUPERB DEMOCRATIC STRATEGY

The impressive Democratic legislative accomplishments would not have been possible except for the stellar roles played by Governor Ribicoff and State Chairman Bailey and supported by party members. Never has this State seen such effective teamwork by the executive and legislative branches. It was do or die in the House where the Democrats had a majority of only two votes, which shrank to one during a part of the session.

Three factors account for the amazing success: Inspiring leadership at the top, firm discipline by chieftains, and unwavering loyalty by the rank-and-file Democrats in the house.

The Governor had a program. It was positive, comprehensive, constructive, and popular. He could urge its adoption as a mandate from the people of Connecticut who had reelected him last fall with a landslide plurality.

Besides a sound program, the Governor has exceptional ability for getting things done. He is a tireless worker and he is disarming beyond belief in dealing with persons who may disagree with him. On the record this does not show so far as the Republican legislators are concerned, but their private respect for his political acumen is no secret.

State Chairman Bailey was also on the job every minute of every hour of every legislative day. His organizational ability never showed to better advantage. Discipline became a mark of party solidarity in the House where every Democratic vote became indispensable. Some major legislation was passed by as close as one or two votes. Mr. Bailey had many a nervous moment, but at the critical stages his tactics proved adequate.

It was, of course, within the freedom of any house Democrat to break ranks. They chose to help make legislative history for Connecticut by subordinating personal views to party policy which, in this case, corresponded importantly to the public's interest. Democrats can hold their heads high in the light of what their party's Governor and legislative majority did in this session for the people of Connecticut.

[From the Waterbury Republican, May 24, 1959]

THE 1959 LEGISLATURE: INS AND OUTS OF POLITICS

(By Sherman D. London)

The general assembly has a little more than a week to go before it is required by law to adjourn. This might be a good time to pause and take stock of what has happened so far.

The Democratic-controlled legislature has, without a doubt, set a phenomenal record. Whether one approves or disapproves of some of the bills that were passed, the record is still there. Look at it.

1. The completely antiquated system of county government was abolished. Maybe the abolition bill was not the best in the world, but at least it got rid of a system of government that had no good purpose in Connecticut.

In opposing the measure, the Republican position was that county government should be studied for 2 more years; that possibly parts of it could be salvaged.

One of the better GOP arguments was that many problems are arising on the town level that are better handled on a regional level. That may be true. Metropolitan districts appear to be one of the coming things in government.

Connecticut has made advances in that direction: Witness regional schools, county-wide radio systems for fire departments, the Metropolitan Water District of Hartford, and even Waterbury is heading toward a metropolitan Waterbury district in that it is providing water to more and more communities.

REGIONAL PROBLEMS

The fallacy in the Republican argument can best be shown by using Waterbury as an example. Trying to use the counties as the foundation for any type of regional government just won't work.

Waterbury is in New Haven County, but it has about as much affiliation with New Haven as with New London. Its sphere of influence gets down about as far as Seymour and ends.

Waterbury probably has a far greater affinity to Litchfield County than New Haven County. But by no stretch of the imagination is Waterbury's influence great in Winsted or Norfolk.

In fact, the basis for regional governments has been started quietly by the State through the State development commission. Perhaps in a few years the metropolitan districts that it is helping to organize may become governmental agencies that will be able to realistically handle problems too big for individual towns but too small for the State. But county government was not the answer.

COURT REFORM

2. The much-criticized trial justice courts and even the city courts were abolished and replaced with a circuit court system. It is impossible to speculate on the success of the new court system other than to forecast that it will have problems in getting started.

Generally there has been agreement that the caliber of the initial 44 judges named by the Governor—both the Democrats and the Republicans—is high, probably much higher than was anticipated beforehand.

HIGHWAY PLANS

3. The largest road-building program in the State's history was approved. That, of

course, is somewhat of a sore point in west Connecticut because insufficient money was provided to rebuild all of Route 8 through the Naugatuck Valley.

The program itself is a tremendous one and the results may stagger the imagination of some people.

In Waterbury alone, there have already been announced plans for a shopping center at Thomaston Avenue and West Main Street, practically at the intersection of the new Routes 6 and 8.

Two large motels are to be built here. Just a few years ago anyone talking of building a large motel in the city would have been laughed at. But it's coming and more with it.

The crossroads of western Connecticut—that's what Waterbury will be within a very few years. The economic benefits of what that slogan really represents will be tremendous. All it needs is intelligent planning and action by a united community.

REORGANIZATION

4. A start has been made on the reorganization of the State government to eliminate at least some of the duplication and waste that sprawling agencies have created. It is only a start but it shows the way for future action.

As the State recognized the benefits that are becoming available, it will push for more reorganization and more efficiency. Why it is even conceivable that the taxpayer might benefit.

That is the record so far. But there is one other record that is being set that has made all these other things possible. It has been the tremendous control that the Democratic Party has been able to exert over the Democratic legislators, particularly in the house.

At best the Democrats had but a three-vote margin in the house. Because of a death and a special election, it declined to but a single vote during the session.

BAILEY LEADERSHIP

And yet the Democrats have been able to put forth a solid front on the really major issues. The votes they have lost have been on relatively minor matters.

Without a doubt the fine hand of State Chairman John Bailey was behind these victories. He persuaded when persuasion was necessary and he laid on a heavy whip when whipcracking was necessary. But he got the votes out.

All in all, it may be that John Bailey's ability to retain control over his Democratic legislators will end up as one of the really memorable features of the 1959 session of the general assembly.

[From the Hartford Courant, June 7, 1959]

THE CAPITOL SCENE: BAILEY GENIUS BRINGS LEGISLATIVE VICTORIES

(By Keith Schonrock)

Flushed by its spectacular and continued success in the legislative session just ended, the Democratic Party of the State is enjoying the greatest esprit de corps in all its recent history.

That spirit, which right now has convinced Democrats all over the State that they are virtually unbeatable, is the product of much painstaking work and emphatic leadership by Democratic State Chairman John M. Bailey and his assistants.

ELECTION BOOSTS MORALE

Democrats received a terrific morale boost last November when Governor Ribicoff scored the greatest victory in party history and led Democrats into all offices and into control of the State legislature for the first time in 83 years.

That first blush of confidence faded to tremendous apprehension, however, as the start of the legislative session approached. That apprehension was based on the fact that Democrats held control of the house of representatives by a scant three-vote margin, which was cut last April before voting on crucial bills began, to a single vote.

Very few people, including many Democratic legislators, themselves believed that the party's house majority of one would hold up.

That majority of one surprised everyone. It did hold up in a united action never before witnessed in the party, and, practically without major exception, Governor Ribicoff's legislative program was approved.

The job of holding that slim majority together in a voting force was done by Bailey.

How did Bailey perform this near miracle?

He did it mainly by working constantly on the job of mustering votes and timing the presentation of issues. In addition to all the usual devices of politicking—trading, bargaining, dealing and manipulating—Bailey catered to the Democratic house members as if each man was a king.

When the weather outside was cold, Bailey saw to it that hot coffee was available to the Democratic house members. As the weather turned warm and the sessions became longer, Bailey saw to it that house Democrats were amply supplied with sandwiches, cold beer and, for those who wanted it, hardier refreshments.

The office of house speaker, usual GOP headquarters during legislative sessions, was taken over by Bailey as his capitol office, but it was kept open to any Democrat of the legislature. Even when conferences were in progress any member of the party was perfectly free to wander in and, if he desired, enter the discussions.

SOLID TEAM

This type of operation made each of the Democratic house members an integral part of the legislative team. Each member knew he held potentially the deciding vote on issues and each member, therefore, had a proper feeling of importance and significance.

Although not many rank and file Democrats had much to do with the actual formulation of the party's successful legislative program, each one did have a deciding vote to cast.

Bailey impressed the individual members with that fact and, in so doing, made each member seem very important, as indeed he was.

Bailey organized his house majority into a real team. He mobilized several assistants to help him ride herd on the team members. These subcoaches included Secretary of State Ella T. Grasso; Robert Beckwith, executive secretary to the Governor; Mayor James Casey, of Winsted, executive assistant to the comptroller; Jon Newman, research director for the Democratic Party; C. Perrie Phillips, deputy State finance commissioner; and the regular complement of legislative leaders.

It was the job of these aids (or coaches) to see to it that Democratic house members were on hand for all votes and to make sure that all members were apprised of party policy on pending issues. They did their job well.

As the session progressed, and especially after the razor-thin majority of one held on the first big votes, the Democratic house bloc really became a team. It gained the same sort of team spirit that always marks a winning combination whether in sports or politics.

NO BREAK IN RANKS

The way the Democratic majority in the house stuck together and voted through all administration proposals was the most remarkable aspect of the recently adjourned session of the legislature. Much has been written about the feat.

In all fairness, however, it must be said that the Republican house bloc, aside from the vote on court reorganization, also acted pretty much as a united front.

The GOP group in the legislature started the session last January obviously stunned by the defeat suffered last November and obviously unable to reconcile itself to a minority role in the legislature, a position they had not held in 83 years.

After several false and ineffective starts, however, the GOP bloc started to unite and during the past several weeks of the session was just as welded together as the Democrats. They just didn't have enough votes.

Republican leaders, reconciled to the fact that they lost most of the issues in the legislature, do believe, however, that during the session they were able to forge together a united party unsplit by factionalism. Whether or not that is true remains to be seen as the politicking moves out of the legislative arena.

[From the Meriden Journal, June 5, 1959]

GENERAL ASSEMBLY'S RECORD

The 1959 session of the Connecticut Legislature was highly commended by Governor Ribicoff as it came to an end. The Governor was naturally proud of its accomplishments, which reflected credit upon the party in control of both houses. But other commentators, without political bias are almost unanimous in conceding that the general assembly has done well, and that its efforts to enact sound legislation have been most productive.

Court reform has been pushed before a number of previous biennial sessions, which were never able to come to agreement on the exact form which it should take. This session passed a complete reorganization plan creating a new circuit court and doing away with the minor courts of the State.

County government was also eliminated, thus cutting out duplication with the State government and doing away with a great deal of political patronage. The saving for the State should be considerable.

At the opening of the session, hardly anyone believed that either of these proposals would survive. Therefore, it must be said for Democratic leadership that it has shepherded the rank and file into performing a near-miracle.

The reorganization of the State's departments, as promised in advance by the Governor, came off, too—but not to the extent that he had hoped. Through regrouping, the agencies were reduced from 124 to about 70. However, cuts made through this process were offset in some instances by additions elsewhere. The real savings may be disappointing, but at least an effort has been made to install economies.

Probably the most controversial action taken by the legislature was to approve the transfer of funds accumulated in the highway department through motor vehicle fees to help make up the deficit in the general fund. Yet a huge appropriation for highways was made. Highway fund expenditures of $76 million were approved for the 1959–61 biennium, plus $3 million in special fund appropriations. The general fund budget went through to the tune of $457 million.

Near the end of the session came a slight concession to the unemployed in the form of increased benefits of $5 per week for the jobless. The original proposals, strongly backed by union labor, were whittled down until very little was left of the job benefit program.

These are only a few selections from the legislature's accomplishments, which ran up to a most impressive total. At the end, the scramble to clean up on unfinished business was much tamer than usual.

Republican legislative leaders had their ingenuity taxed to find issues during the session, and their criticisms had only mild stings. It was a bad session for a party which had held legislative control for so many years that it did not know how to act

under the new conditions. Right now, the Democrats are basking in the sunshine of popular approval, and may get quite a sunburn before they're through.

ADDITIONAL FUNDS FOR DIRECT HOUSING LOANS TO VETERANS—INCREASE OF INTEREST RATE

Mr. MONRONEY. Mr. President, on yesterday, at the close of the morning hour, the majority leader asked unanimous consent that the Senate proceed to the consideration of the Teague veterans' housing bill, H.R. 2256. A few minutes later, after a debate in which only three Senators participated, and which occupies less than one page of the CONGRESSIONAL RECORD, the bill was passed by voice vote.

I have just now been informed that the House of Representatives acted almost as speedily; it accepted the Senate amendment, and has sent this veterans' housing bill to the White House, for signature.

Section 2 of the bill increased the maximum rate of interest on veterans' housing loans from 4¾ to 5¼ percent. On February 4 and 5 of this year, during consideration of the omnibus housing bill, the Senate devoted several hours of debate to issues similar to the ones raised by this increase. The effort to eliminate the provision for increased interest rates was supported on a rollcall vote by 27 Senators. Last year, a similar interest rate increase in the omnibus housing bill was carried when the Vice President broke a tie by voting in its favor.

Many of the Senators who voted for an interest rate increase in February indicated that they did so reluctantly, and many of them felt that that was an important item in getting a housing bill passed and signed. I am confident that a substantially greater number of Senators would have opposed such an increase in June, in a separate bill, than the number who did so in February, in connection with the omnibus bill.

The Senate had absolutely no advance notice of the intention of the leadership to take this measure from the table and make it the business of the Senate. Judging from the RECORD, not more than 20 or 30 minutes could have elapsed between the time when the majority leader asked for its consideration until it had been passed and a motion for reconsideration of the vote tabled. There was not even a quorum call, prior to action on the bill, which would have permitted Senators to make inquiry of the cloakroom as to what legislative business the Senate was about to conduct.

I wish to go on record again, at this time, in opposition to this interest rate increase, and to make it perfectly clear that I was not given any opportunity to state my position before the bill was passed, nor was any other Senator who was known to be in opposition to it. I would not have it thought that I acquiesced in that action.

This increase in interest rates presents issues—unrelated to housing—which are of tremendous public significance. This increase not only contributes to further tightening of credit and further complication of the housing situation, but it also creates further pressure for increase of the maximum interest rate on Government bonds. The increase in the bond rate for which the Treasury has asked, is probably the most important domestic issue with which the Congress will deal at this session. If the Democratic Party continues to acquiesce in each step up the interest-rate escalator, by voting increases in the rates set in specific statutes, it makes it very difficult for us to make an issue of the increase in the bond rate.

Regardless of what the Senate might have done if it had had adequate notice of the consideration of this bill, it is basic to democratic government that the differences on these issues of such great importance be aired fully and freely.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Oklahoma yield to the Senator from Tennessee?

Mr. MONRONEY. I yield to my distinguished colleague.

Mr. GORE. I, too, would have opposed the bill. I am sorry I did not know it was under consideration. But, of course, Members of the Senate are occupied with sessions of committees.

The usual procedure is that, first, a bill which has been passed by the other body is referred to the appropriate legislative committee of the Senate; and the Senate acts on the bill only after that committee has made its recommendation.

I realize that in this particular case the Teague bill was held on the table, and was not referred to the Senate Committee on Banking and Currency, for the reason that the contents of the bill or similar contents were a part of the general housing bill. However, I doubt that that in itself is justification for the procedure which was followed yesterday.

I wanted to make the record plain that I would have joined the Senator in opposition to the increase in interest rates, and I think more Senators would have joined in opposition than was the case earlier in the year.

Mr. MONRONEY. I thank my distinguished colleague. I have talked to several Members of the Senate who voted in favor of the interest rate early in the year. Now we are faced with a realization of the prediction the distinguished Senator from Tennessee and I made: that by legislating interest rates upward on Government-guaranteed mortgages we would tie the Government interest rate to the same escalator, and the interest rate would ride upward with it. We predicted that before the session was over the Secretary of the Treasury would be asking Congress for permission to increase the four and a quarter percent rate on long-term bonds, which rate had stood for more than 40 years. Our prediction came true. Certainly in the face of this situation, in the face of the desire of men who have been consistently in favor of raising interest rates to deter inflation, we found the great reversal of our leading economist in the Senate, the Senator from Illinois [Mr. DOUGLAS], who on the floor the other day said he "had had enough." High interest rates were helping to create inflation, not dampen it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CLARK. I regret that the majority leader is not on the floor. I understand the Senator from Oklahoma notified him he was going to make these remarks. Is that correct?

Mr. MONRONEY. That is correct, at 12 o'clock; and I have been here until this time, 1 o'clock, waiting for the arrival of the majority leader. The morning hour is almost over, and I think I was the last Member of the Senate to seek recognition.

Mr. CLARK. I have no doubt the majority leader will have comments to make when he returns to the floor. I shall read them with great interest. I have one slight correction to make in the remarks of the Senator from Oklahoma. As I read page 10900 of yesterday's RECORD, I see there was a call for a quorum immediately before this bill was called up, at the conclusion of the morning hour. The Senator from Oklahoma is completely correct when he states that there were very few Senators on the floor. I was one of those who voted for the higher interest rate in the Banking and Currency Committee, and I would have been very much inclined to change my vote if I had had an opportunity to hear some debate on this question. I recall that my friend the Senator from Wisconsin [Mr. PROXMIRE] was on the floor when this action was taken. He came to me immediately thereafter, with some concern, and asked me if I knew what the Senator from Alabama [Mr. SPARKMAN] had done in bringing this matter up, and raised the question whether it would not have a deleterious effect on our conference with the House on the larger housing bill. I told him I thought it would. I accosted my friend from Alabama and asked him about it. He in effect said this was a bill which the majority leader was very anxious to have passed; that he realized there were two sides to the question whether it would tie the hands of the Senate conferees on the housing bill.

Mr. President, I would have objected very strongly to the bill being considered had I been given the notice which, as a member of the conference on the housing bill I was entitled to be given. Not only do I agree with the statement advanced by the Senator from Oklahoma, but, in my opinion, the precipitate passage of the Teague bill will make it more difficult for the Senate conferees to get a good housing bill in terms of urban renewal and other aspects of that bill which affect the public interest, and make it much more likely that the President will veto any housing bill which we may pass.

While I agree that the majority leader was technically within the rules of the Senate in doing what he did, I think it was a bad mistake in judgment to handle the matter in the way it was handled.

Mr. MONRONEY. I appreciate the remarks of the Senator from Pennsylvania. No one is saying the majority leader went beyond his authority, but, as a matter of courtesy, I hope in the future Members who are known to oppose Government escalation of higher interest rates by law will be given an opportunity to be heard on the floor and to fully discuss the matter, which I consider to be of transcendent importance to the Nation and to our future economy.

REPORT OF NATO STUDY GROUP ON ASIAN AND AFRICAN LANGUAGES

Mr. JACKSON. Mr. President, I desire to call to the attention of the Senate the pathbreaking report of the NATO study group on Asian and African languages. The study group was initiated by the 1958 NATO Parliamentarians' Conference, at my suggestion.

The report shows how we can bridge the language gap that divides the world. It points the way by which the Western World can act more effectively in the cold war, by improving our communication with the peoples of Asia and Africa. The report is practical and realistic. It deserves serious consideration by all the member governments of NATO, and early implementation. Today I have forwarded the report to the executive branch, asking for the comments and suggestion of the interested departments of Government, including the State Department, the Defense Department, and the Office of Education.

The findings of the study group are especially timely and helpful to those responsible for implementing the language study provisions of this country's National Defense Education Act.

This report deserves the widest possible study by the Congress, press, and public. I shall therefore ask unanimous consent that the text of the report be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. Mr. President, the Soviet Union today is far ahead of the free world in language proficiency. This permits Soviet officials, trade delegations, scientists, and engineers to carry the Kremlin gospel to uncommitted areas of the world in native tongues.

Meanwhile, our Atlantic Community has lumbered along, emphasizing the colonial languages—English, French, and German. How unimaginative can we be to try to build a community of interest with newly emerging nations while our peoples communicate with them mainly in the language of the former governing nations.

Language is the most direct contact one can have with the minds of people abroad. Yet no major power in modern times has been so deficient in this respect as has the United States. Forty percent of our Foreign Service Officer Corps do not have proficiency in any foreign language.

Our Ambassador in Moscow is the only U.S. Ambassador in a Communist country who speaks the language of the country to which he is assigned.

Our record in Asia and Africa is even worse. To half of the world Uncle Sam is both deaf and dumb. We cannot even provide an American interpreter to talk to the man in the street in many nations.

I believe the language gap is as dangerous to our position in the world as the missile gap.

This is not to say, of course, that language training will solve all our problems. Obviously, this is not the case. It should be apparent, however, that language is the fundamental tool of communication, and that our diplomacy cannot be effective without it.

As the London study group points out, some 70 essential Asian and African languages must be studied by Americans and other westerners who want to understand and get along with the peoples of Asia and Africa. The listing includes Malagasy, Malayalam, Mandinka, Marathi, Mende, Mongo, Mongolian, and Mossi—just to take one alphabetical grouping.

As the report declares, there is no complete set of adequate teaching materials for any one of the 70 essential languages. For most of the 70 languages there is also a grave shortage of both teachers and students.

The report proposes that each country in the Western community should establish a national program to facilitate the study of Asian and African languages and cultures.

The study then persuasively points out that international action is also required to promote these national efforts.

On the international level the report suggests two main methods of recruiting and training teachers and research workers:

First. The establishment of a fellowship and studentship program, based on grants to students and advanced specialists, financial assistance to universities or institutions, and grants to full-time students of Asian or African languages to enable them to spend some time in the country concerned at the end of the normal course.

Second. The establishment of a program for the support of study institutes, summer schools or seminars for advanced or special topics in Asian and African studies.

The report also proposes that funds be provided for the preparation, dissemination, and publication of materials essential for the 70 key Asian and African languages.

As a first remedial step, the report suggests that a guide to teaching materials for Asian and African languages should be prepared and published and that, looking to the future, consideration be given to the desirability of producing an annual survey of such materials.

The report envisages a several million dollar yearly expenditure for increased study of Asian and African languages, when the program is in full operation, with governmental and private financial participation. However, we are so far behind in this field that the first years of operation would probably require a smaller expenditure, perhaps not more than $300,000 in the first year.

To carry out the proposed program, I believe the NATO organization in Paris would need a special NATO area and language adviser comparable to the present NATO science adviser. In addition, it seems likely that a NATO Language and Area Advisory Committee would be required comparable to the present NATO Science Advisory Committee, composed of expert representatives from all the NATO countries.

A NATO language adviser and advisory committee would coordinate information from different countries and would provide the expert advice required in the carrying out of the fellowship and studentship programs and the study institutes program.

Appendixes to the report are now being completed by members of the London study group analyzing the national resources of Western countries in Asian and African studies.

I have the highest regard for the way this study group was conducted by Prof. C. H. Philips, director of the University of London School of Oriental and African Studies. The report was prepared and unanimously adopted by 26 of the top language experts in the Western community. I should like to make special mention of the five Americans who participated in the study group. They are: Prof. W. Norman Brown, director, south Asia regional program, University of Pennsylvania, Philadelphia, Pa.; Prof. L. Gray Cowan, School of International Affairs, Columbia University, New York, N.Y.; Mr. Mortimer Graves, former president, American Council of Learned Societies, St. Croix, V.I.; Prof. George E. Taylor, director, Far Eastern and Russian Institute, University of Washington, Seattle, Wash.; Prof. W. Freeman Twaddell, Brown University, Providence, R.I.

The work of the study group was carried forward on a shoestring—a special grant of $14,000 from the Ford Foundation. This is a perfect example of how a little money can go a long way.

I am happy at the report's emphasis on the importance of working in close association with Asian and African countries in carrying out the proposals of the study group. We shall have to give careful consideration to the ways and means by which this can be best achieved.

In my capacity as Chairman of the Parliamentarians' Scientific and Technical Committee, I shall have the honor to submit this report, together with recommendations for implementing it, to the 1959 NATO Parliamentarians' Conference. I shall be joined in submitting the report by Dr. Frans van Cauwelaert of Belgium, Chairman of the Parliamentarians' Cultural Committee.

Let us remember that an integral part of emerging nationalism is pride in one's own language. It would make a deep impression on the peoples of Asia and Africa if our official representatives took the trouble to learn the difficult indigenous languages. This degree of interest in a people and culture could not help but improve personal relations and create good will.

EXHIBIT 1

STUDY GROUP ON ASIAN AND AFRICAN LANGUAGES, MAY 25–29, 1959, INITIATED BY THE NATO PARLIAMENTARIANS' CONFERENCE OF 1958—REPORT

PARTICIPANTS IN THE STUDY GROUP

Prof. C. C. Berg, Leiden.
Prof. W. Norman Brown, Pennsylvania.
Prof. J. Brough, London.
Prof. J. Chesneaux, Paris.
Prof. L. Gray Cowan, Columbia (New York).
Prof. S. Egerod, Copenhagen.
Prof. J. Filliozat, Paris.
Prof. H. Frei, Geneva.
Mr. Mortimer Graves, United States of America.
Prof. Malcolm Guthrie, London.
Prof. J. Larochette, Antwerp.
Prof. J. Lewis, London (Institute of Education).
Prof. J. Lukas, Hamburg.
Mr. T. F. Mitchell, London (secretary).
Prof. G. Morgenstierne, Oslo.
Prof. R. de Sa Nogueira, Lisbon.
Prof. L. Petech, Rome.
Prof. C. H. Philips, London (chairman).
Mr. N. C. Scott, London.
Prof. L. Seco de Lucena Paredes, Granada.
Mr. D. Sinor, Cambridge.
Prof. W. Cantwell Smith, McGill (Montreal).
Prof. B. Spuler, Hamburg.
Prof. George E. Taylor, Washington (Seattle).
Prof. J. Tubiana, Paris.
Prof. W. Freeman Twaddell, Brown University (Rhode Island).

At the present day, a better understanding of mutual interests between the Western World and the peoples of Asia and Africa is increasingly vital. There is a growing awareness among discerning sections of our society that the Western World, in order to comprehend what is going on in those parts of the world outside its traditional awareness, and in order to participate in fruitful partnership with them, must attain a considerably greater understanding of the peoples and cultures concerned than its traditional educational system has provided. It is further recognized that the very enterprise on which Western countries are already embarked of cooperating in Asian and African scientific and technological advances, carries in itself an accelerated process of cultural change and interdependence, both of which require a fuller and more urgent understanding.

Fortunately an important preparatory base for this understanding has been carefully laid in certain limited circles in our society, but in order to render it anything like adequate for the new situation which is rapidly arising, an immediate and in due course massive development is imperative.

Appreciation is now growing that our educational need is, particularly in the matter of Asian and African languages, the first component in understanding Asian and African peoples. These languages have not come within the experience of the generation which has already passed through our formal educational processes. It is therefore understandable that no general demand for their extension has hitherto come from that stratum of our societies. The formulation of this demand, and of the measures necessary to fulfill it, must come from two sources (a) those whose search for solution to political or other problems is impeded by the lack of a body of Westerners competent in these languages, and (b) those few professionals equipped with scientific knowledge of Asia and Africa.

Doubtless the pressure of time will sooner or later impel our education toward a wider view of the world, but the pace of events prevents us from awaiting this development. Meanwhile, we must not only seize upon every opportunity for improvement which presents itself, we must strive to exert planned pressures at the few points in our educational systems—mainly at the higher levels—where we believe they will be most immediately effective.

Our considered view is that constructive measures should be taken (a) within the general population, which has not had the chance of studying Asia and Africa in its education; (b) within the formal school, college, and university establishment of our several European and North American countries; and we would hope that steps would be taken to encourage cooperation with and development in the Asian and African countries themselves. The best opportunity for immediate amelioration unquestionably lies in category (b), especially at the university level, in part because advance at other levels of education depends upon prior improvement there, in part because this is the one sphere in which some provision of personnel and other facilities is—however inadequate—at least in existence. The assignment which may feasibly be given to the universities will be large and will take many years to accomplish.

A list of approximately 70 Asian and African languages essential for our purpose has been drawn up (appendix I). For most of them there is a grave shortage of both teachers and students. We must at once take steps on the one hand to recruit and train teachers and research workers in Asian and African studies and on the other hand to prepare teaching materials for each of the languages listed. We are of the opinion that each country should help to establish a national program to facilitate the study of Asian and African languages and cultures. The Study Group is nevertheless convinced that international action will be required to promote these national efforts.

On an international level we propose two main methods of recruiting and training teachers and research workers:

(1) The establishment of a fellowship and studentship program with the joint purpose of making the most efficient use of the existing cadre of university teachers and ultimately of increasing the knowledge of these civilizations within our countries together with the necessary linguistic skills. Fellowships and studentships are required for (a) the training at the graduate and postdoctoral stage of specialists in Asian and African studies, including librarians, (b) essential field study and research, and (c) the purpose of research cooperation.

The use or study of language should be a condition of the award of a grant.

Such a program would give (a) grants to students and more advanced specialists, (b) financial assistance to universities or institutions in which the fellows are enrolled in order to improve teaching and research facilities, (c) grants to full-time students of Asian or African languages to enable them to spend some time in the country concerned at the end of the normal course.

(2) The establishment of a program for the support of study institutes, summer schools or seminars for advanced or special topics in Asian and African studies. This program will be required both for the training of specialists and for the general purpose of making widespread a knowledge of Asian and African studies. Study institutes, schools or seminars will be needed, for example, for (a) courses in linguistics with reference to Asian and African languages, for specialist teachers and research workers, (b) the study of the languages and civilizations of Asia and Africa by specialist teachers and research workers, and also, for example, by teachers of modern languages in high schools and colleges.

The funds should be used for direct grants to the institute, school or seminar, partially to cover teaching and administrative costs and for living and travel expenses of participants. Grants should be made in such a form as to influence neither the policy of the institute nor its selection of students or staff.

We propose that for the languages listed the following categories of essential teaching materials should be provided for, as far as they are relevant in each case:

(1) An elementary text and exercise book based on the spoken language and designed on modern principles for use in conjunction with a competent speaker of the language or with recorded speech.

(2) An introduction to the writing system and simultaneously to the written language.

(3) A substantial quantity of graded readings up to newspaper difficulty.

(4) A bilingual dictionary of the modern spoken and newspaper language.

(5) A reference grammar.

(6) Graded recordings up to the level of radio broadcast difficulty.

A preliminary analysis reveals that for every language we lack a complete set of adequate teaching materials in these categories.

In addition to the fellowship program it will be necessary to provide funds for the preparation, dissemination, and publication of materials essential for the teaching of the listed languages. Unfortunately not only do these materials not exist for most of the 70 or so languages in question but the fundamental research on which their production depends is yet to be undertaken. We need hardly stress that research equipment and the use of language informants and assistants will be essential if these tasks are to be satisfactorily pursued.

At present the work of specialists in Asian and African studies remains inadequately coordinated. As a first remedial step we are proposing that a guide to teaching materials for Asian and African languages should be prepared and published, and that, looking to the future, consideration be given to the desirability of producing an annual survey of such materials.

These studies like all other advanced studies depend on good library facilities. In centers where Asian and African studies have not yet been established or where they have not yet taken strong root it is important that adequate libraries and specialist librarians should be provided for and that facilities for the buying of foreign books be improved.

The proposals made above should facilitate the provision of instruction on the languages and cultures of Asia and Africa for government, industry, and commerce. In these, no less than in academic courses, quality is assured by the application of scientific linguistic principles. The notion that it is possible to "pick up" a language in the field is an utterly wasteful one; intensive orientation courses, designed in consultation with represenatives of government, industry, and commerce, are the proper means of providing students of these categories with the necessary foundation of prefield experience, on which to build later in the field itself a useful and increasingly sure command of the language concerned.

We estimate that the proposed development program in full operation will demand a high scale of expenditure, possibly of the order of several millions of dollars annually. It will be necessary to collect information and to examine the financial needs more closely before making a more precise formulation. We propose within the next few months to undertake this task. We begin so far back that it will take several years to reach the anticipated high level of activity and expenditure. These funds should be distributed with the guidance of a panel of advisers representative of various aspects of Asian and African studies rather than national representatives.

In conclusion, two further subjects of importance should be mentioned. Firstly, the Western countries must study the most effective means of insuring a higher degree of public awareness on the subject of Asia and Africa. Secondly, the peoples of the West cannot and should not attempt to sustain the complete study of Asia and Africa without the collaboration of Asians and Africans.

APPENDIX I

LIST OF LANGUAGES

Provision should be made for the following languages. The main purpose of the list is to show how great is the need, and grounds for the inclusion of other languages, e.g. from the Altaic group, could readily be substantiated.

The division into (a) and (b) rests on factors which are both geographical and linguistic. Those languages which are relevant to both Asia and Africa (Afro-Asian languages) are marked with an asterisk. Oceanic languages have been considered Asian. It may be noted that Turkish, considered as a Euro-Asian language, is a special case.

(a) Asian languages: *Arabic classical, modern literary, cultivated regional forms (e.g., Egyptian, Moroccan, Iraqi) [1], Bahasa Indonesia and Malay, Bengali, Burmese, Cambodian, Chinese classical, Mandarin, Cantonese, Gujarati, Hindi, Japanese, Javanese, Kanarese-Kannada, Korean, Laotian, *Malagasy, Malayalam, Marathi, Mongolian, Nepali, Oriya, Pali, Panjabi, Pashto, Persian, Sanskrit, Sinhalese, Tagalog, Tamil, Telugu, Thai, Tibetan, Turkish, Urdu, Vietnamese.

(b) African languages: *Amharic; Bambara; Bemba; *Berber; Ewondo, Bulu, or Fang; Fula (Peul); Ganda; Hausa; Igbo Kimbundu; Kongo; Kpelle; *Krio (Creole); Lingala; Luba; Mandinka (Malinke); Mende; Mongo; Mossi (More); Nyanja; Ronga; Ruanda or Rundi; Sara; Senufu (Senoufou); Somali; Susu (Sousou); Swahili; *Tigrinya; Timne; Twi; Wolof; Yoruba.

INTERVIEW WITH SENATOR SYMINGTON

Mr. MANSFIELD. Mr. President, on May 27, 1959, the Christian Science Monitor published the text of an interview with the able Senator from Missouri [Mr. SYMINGTON]. The interview was the first of a series of three conducted by Mr. Courtney Sheldon with outstanding Democratic Members of the Senate. Subsequently, the Monitor published interviews with Senators KENNEDY and HUMPHREY.

The interview with the Senator from Missouri emphasizes his exceptional knowledge of the problems of national defense. He is recognized throughout the Nation, as well as in this body, as one of the foremost authorities we have on these complex matters. Further, Mr. President, the interview shows that the range of our distinguished colleague's thinking goes far beyond defense problems. He has a formidable grasp of the other issues which confront the Nation and a great capacity to face them honestly and with vigor.

Mr. President, I ask unanimous consent to have printed in the RECORD the interview with Senator SYMINGTON which appeared in the Christian Science Monitor on May 27, 1959.

[1] The most important among these is Egyptian Arabic.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

A CRITICAL VIEW OF DEFENSE POLICIES—A CAPITAL INTERVIEW WITH SENATOR SYMINGTON

(By Courtney Sheldon)

(First of a series of interviews on Capitol Hill to record the viewpoints of several Senators who are generally considered serious prospects for the Democratic presidential nomination in 1960.)

WASHINGTON.—Senator STUART SYMINGTON, Missouri industrialist who has served in the executive branch of Government as the country's first Secretary of the Air Force, has been an outspoken critic in Congress of the Eisenhower administration policy on defense matters, and is now one of the men a deadlocked Democratic convention could suddenly swing to next year:

Hopes "that regardless of what happens in Geneva, the President later on will meet with Khrushchev."

Favors "more economic aid [to other countries], as against military aid."

Rejects unilateral banning of nuclear weapons tests by the United States as a dangerous form of "unilateral disarmament."

Emphasizes that the American people "are not nearly as well-informed about defenses, for example, as are the British or the French."

"Senator SYMINGTON, what do you think will be the major campaign issues in 1960?"

"If the world situation, where we refuse to recognize realities, continues to disintegrate, then I believe the basic issues will be in the area of foreign policy. If this situation brightens and the Communists become more willing to negotiate sincerely, then probably problems incident to the domestic economy will be the outstanding issues."

"Would you recommend that the President go to a summit meeting if it appeared that there was no hope for any kind of immediate agreement; in other words, just go for discussions?"

"I hope and believe that good will ultimately dominate. But you don't have any chance of settling anything unless you talk about it.

"I am personally worried about our policies regarding China, for example. Why turn your back on hundreds of millions of people who announce they would like to stab you?

"And I would hope that regardless of what happens in Geneva, the President later on will meet with Khrushchev. On the premise that our representatives are wise and intelligent, I don't see how anything wrong could come out of such a meeting—and believe a lot of good could come out of it."

"Would you favor unilateral action by the United States to ban nuclear test explosions if the negotiations in Geneva fail?"

"No, because, in effect, that would be unilateral disarmament. Look at what happened to countries which lowered their guards in such fashion before the rulers of the Kremlin."

"Would you favor an agreement with the Soviets on a test ban which would confine testing to underground or high atmosphere?"

"I think the idea of limiting all testing to above 31 miles and to underground tests is a sound approach."

"In other words, you feel that we would still be able to conduct sufficient military experimentation so that we wouldn't drop behind in certain weapon categories?"

"Provided the Soviets also handle it the same way. Of course, we must have an inspection agreement that we can rely upon."

"What position would you like to see the Democrats take on the question of foreign aid?"

"I believe that we should have a foreign aid program with the emphasis on loans, but should be much more careful as to how it is administered. Personally, I am for more economic aid, as against military aid. The latter is proving to be somewhat of a sham. Properly administered, the former will help preserve freedom all over the world."

"On defense, do you feel that there is much more that the administration could tell the public without jeopardizing its sources of information on specific Soviet strength or compromising national secruity?"

"There isn't any question about that. It is basic to our type of government that the people have the right to know all information which would not help a possible enemy. The American people are not nearly as well informed about defenses, for example, as are the British or the French.

"If it is the policy of this administration to reduce our defenses, they have that right under our Constitution. But they should not mislead the people as to our relative strength in their efforts to, you might say, put budget figures before defense forces.

"At this point, however, I should like to bring up something else. For many years, I have felt that if we would reorganize the Pentagon, building on the basis of progress, instead of continuing to let it drift in tradition, we would not need more money for defense than we are spending today."

"But you would favor raising taxes for defense if necessary?"

"Without question. If we are satisfied that we are handling our defenses with maximum efficiency and if we need more tax revenue, I am confident the American people would be willing to pay them. Let me point out that possible new taxes may not be required for just the military problem. Communism is now attacking us on all fronts—technologically, psychologically, politically, and above all economically. This latter is as great a danger as the military danger."

"What is your estimate on how many intercontinental ballistic missiles the Soviets now have and how many we will have in the future?"

"That is a classified figure which I cannot give you. The Secretary of Defense has stated we were planning to let the Russians obtain a 3-to-1 lead in the ICBM field. I believe the lead we are planning to let them have is considerably greater than that. We all agree, however, that we plan to let the Russians get a long lead in this, the missile many think is the most important weapon of the time."

"Do you completely discount the administration's theory of a balanced defense—with missiles of many different ranges which would balance off the total long-range strength of the Soviets."

"No, indeed. As I see it, there are three requirements the United States needs to be reasonably secure from physical attack. The first is that we must be able to get up off the ground after a surprise attack and destroy the attacker.

"Second, and equally important, is that not only we and our allies must know that we have that strength, but the possible enemy must also know it. If he does, he will never attack us.

"Third, we need the capacity to wage what has been called a limited peripheral war.

"Today we do have adequate strength relative to point one and, therefore, also have point two. However, if we don't change promptly and radically some of our policies, we will not have such strength in the near future. In respect to the third point, I think we have weakened our capacity to wage a limited war in defense to the point where that is now one of the reasons we face increasing Communist aggression."

"What is your position as between the strong civil rights bill of Senator DOUGLAS and the more moderate proposals of the administration and Senator JOHNSON.

"My position is that this must be a government of law and not of men. We've seen some terrible things happen to the world when law was subordinated to the wishes of men. The Supreme Court has made its decision. I believe it is the duty of every citizen to obey that decision."

THE COMMUNIST THREAT

Mr. BRIDGES. Mr. President, New Hampshire and 41 other sovereign States have been for the past 3 years legally immobilized from investigating and prosecuting Communists and subversive elements in their respective States. In an effort to remedy this situation, which resulted from the Steve Nelson decision in 1956, I have sponsored legislation designed to neutralize the effect of that decision. In addition to my bill, there are other measures on this subject which are presently being considered by the Senate Judiciary Committee. The Supreme Court on June 8, 1959, handed down several decisions which have a bearing on the legislation which I have introduced. One of these decisions was entitled "Willard Uphaus Against Louis C. Wyman, Attorney General, State of New Hampshire." Because of the great public interest which has been evident in this field, I ask unanimous consent that the majority opinion in this case be printed at this point in the body of the RECORD as a part of my remarks.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

SUPREME COURT OF THE UNITED STATES—No. 34—OCTOBER TERM, 1958—WILLARD UPHAUS, APPELLANT, v. LOUIS C. WYMAN, ATTORNEY GENERAL, STATE OF NEW HAMPSHIRE—ON APPEAL FROM THE SUPREME COURT OF NEW HAMPSHIRE—JUNE 8, 1959

Mr. Justice Clark delivered the opinion of the Court.

This case is here again on appeal from a judgment of civil contempt entered against appellant by the Merrimack County Court and affirmed by the Supreme Court of New Hampshire. It arises out of appellant's refusal to produce certain documents before a New Hampshire legislative investigating committee which was authorized and directed to determine, inter alia, whether there were subversive persons or organizations present in the State of New Hampshire. Upon the first appeal from the New Hampshire court, 100 N.H. 436, 130 A. 2d 278, we vacated the judgment and remanded the case to it for consideration in the light of *Sweezy* v. *New Hampshire* (354 U.S. 234 (1957)). That court reaffirmed its former decision (101 N.H. 139, 136 A. 2d 221), deeming Sweezy not to control the issues in the instant case. For reasons which will appear, we agree with the Supreme Court of New Hampshire.

As in Sweezy, the attorney general of New Hampshire, who had been constituted a one-man legislative investigating committee by joint resolution of the legislature,[1] was conducting a probe of subversive activities in the State. In the course of his investigation the attorney general called appellant, executive director of World Fellowship, Inc., a voluntary corporation organized under the laws of New Hampshire and maintaining a summer camp in the State. Appellant testified concerning his own activities, but refused to comply with two subpenas duces tecum which called for the production of certain corporate records for the years 1954 and 1955. The information sought consisted of: (1) A list of the names of all the camp's nonprofessional employees for those two summer seasons; (2) the correspondence which appellant had carried on with and concerning those persons who came to the camp as speakers; and (3) the names of all persons who attended the camp during the same periods of time. Met with appellant's refusal, the attorney general, in accordance with State procedure (N.H. Rev. Stat. Ann., c. 491, secs. 19, 20), petitioned the Merrimack County Court to call appellant before it and require compliance with the subpenas.

In court, appellant again refused to produce the information. He claimed that by the Smith Act,[2] as construed by this Court in *Pennsylvania* v. *Nelson* (350 U.S. 497 (1956)), Congress had so completely occupied the field of subversive activities that the States were without power to investigate in that area. Additionally, he contended that the due-process clause precluded enforcement of the subpenas, first, because the resolution under which the Attorney General was authorized to operate was vague and, second, because the documents sought were not relevant to the inquiry. Finally, appellant argued that enforcement would violate his rights of free speech and association.

The Merrimack County court sustained appellant's objection to the production of the names of the nonprofessional employees. The attorney general took no appeal from that ruling, and it is not before us. Appellant's objections to the production of the names of the camp's guests were overruled, and he was ordered to produce them. Upon his refusal, he was adjudged in contempt of court and ordered committed to jail until he should have complied with the court order. On the demand for the correspondence and the objection thereto, the trial court made no ruling but transferred the question to the Supreme Court of New Hampshire. That court affirmed the trial court's action in regard to the guest list. Concerning the requested production of the correspondence, the Supreme Court entered no order, but directed that on remand the trial court "may exercise its discretion with respect to the entry of an order to enforce the command of the subpena for the production of correspondence" (100 N.H., at 448, 130 A. 2d, at 287). No remand having yet been effected, the trial court has not acted upon this phase of the case, and there is no final judgment requiring the appellant to produce the letters. We, therefore, do not treat with that question (28 U.S.C., sec. 1257). See *Radio Station WOW* v. *Johnson* (326 U.S. 120, 123–124 (1945)). We now pass to a consideration of the sole question before us; namely, the validity of the order of contempt for refusal to produce the list of guests at World Fellowship, Inc., during the summer seasons of 1954 and 1955. In addition to the arguments appellant made to the trial court, he urges here that the indefinite sentence imposed upon him constitutes such cruel and unusual punishment as to be a denial of due process.

Appellant vigorously contends that the New Hampshire Subversive Activities Act of 1951[3] and the resolution creating the committee have been superseded by the Smith Act, as amended.[4] In support of this position appellant cites *Pennsylvania* v. *Nelson*, supra. The argument is that Nelson, which involved a prosecution under a State sedition law, held that Congress had intended to occupy the field of sedition. This rule of decision, it is contended, should embrace legislative investigations made pursuant to an effort by the legislature to inform itself of the presence of subversives within the State and possibly to enact laws in the subversive field. The appellant's argument sweeps too broad. In Nelson itself we said that the "precise holding of the Court * * * is that the Smith Act * * * which prohibits the knowing advocacy of the overthrow of the Government of the United States by force and violence, supersedes the enforceability of the Pennsylvania Sedition Act which proscribed the same conduct" (350 U.S., at 499). The basis of Nelson thus rejects the notion that it stripped the States of the right to protect themselves. All the opinion proscribed was a race between Federal and State prosecutors to the courthouse door. The opinion made clear that a State could proceed with prosecutions for sedition against the State itself; that it can legitimately investigate in this area follows a fortiori. In *Sweezy* v. *New Hampshire*, supra, where the same contention was made as to the identical State act, it was denied sub silentio. Nor did our opinion in Nelson hold that the Smith Act had proscribed State activity in protection of itself either from actual or threatened sabotage or attempted violence of all kinds. In footnote 8 of the opinion it is pointed out that the State had full power to deal with internal civil disturbances. Thus registration statutes, quo warranto proceedings as to subversive corporations, the subversive instigation of riots and a host of other subjects directly affecting State security furnish grist for the State's legislative mill. Moreover, the right of the State to require the production of corporate papers of a State-chartered corporation in an inquiry to determine whether corporate activity is violative of State policy is, of course, not touched upon in Nelson and today stands unimpaired, either by the Smith Act or the Nelson opinion.

Appellant's other objections can be capsuled into the single question of whether New Hampshire, under the facts here, is precluded from compelling the production of the documents by the due process clause of the 14th amendment. Let us first clear away some of the underbrush necessarily surrounding the case because of its setting.

First, the academic and political freedoms discussed in *Sweezy* v. *New Hampshire*, *supra*, are not present here in the same degree, since World Fellowship is neither a university nor a political party. Next, since questions concerning the authority of the committee to act as it did are questions of State law, *Dreyer* v. *Illinois*, 187 U.S. 71, 84 (1902), we accept as controlling the New Hampshire Supreme Court's conclusion that "[t]he legislative history makes it clear beyond a reasonable doubt that it [the legislature] did and does desire an answer to these questions" (101 N.H., at 140, 136A, 2d, at 221–222). Finally, we assume, without deciding, that Uphaus had sufficient standing to assert any rights of the guests whose identity the committee seeks to determine. See *National Association for the Advancement of Colored People* v. *Alabama*, 357 U.S. 449 (1958). The interest of the guests at World Fellowship in their associational privacy having been asserted, we have for decision the Federal question of whether the public interests overbalance these conflicting private ones. Whether there was justification for the production order turns on

[1] "*Resolved by the senate and house of representatives in general court convened*, That the attorney general is hereby authorized and directed to make full and complete investigation with respect to violations of the subversive activities act of 1951 and to determine whether subversive persons as defined in said act are presently located within this State" (N.H. Laws, 1953, c. 307).

The investigation authorized by this resolution was continued by New Hampshire Laws, 1955, c. 197.

[2] 18 U.S.C., sec. 2385 (1956).

[3] N.H. Rev. Stat. Ann., 1955, c. 588, secs. 1–16.

[4] Note 2, supra.

the substantiality of New Hampshire's interests in obtaining the identity of the guests when weighed against the individual interests which the appellant asserts. *National Association for the Advancement of Colored People* v. *Alabama, supra.*

What was the interest of the State? The attorney general was commissioned [5] to determine if there were any subversive persons [6] within New Hampshire. The obvious starting point of such an inquiry was to learn what persons were within the State. It is therefore clear that the requests relate directly to the legislature's area of interest, i.e., the presence of subversives in the State, as announced in its resolution. Nor was the demand of the subpena burdensome; as to time, only a few months of each of the 2 years were involved; as to place, only the camp conducted by the corporation; nor as to the lists of names, which included about 300 each year.

Moreover, the attorney general had valid reason to believe that the speakers and guests at the World Fellowship might be subversive persons within the meaning of the New Hampshire act. The Supreme Court of New Hampshire found Uphaus' contrary position "unrelated to reality." Although the evidence as to the nexus between World Fellowship and subversive activities may not be conclusive, we believe it sufficiently relevant to support the attorney general's action. The New Hampshire definition of "subversive persons" was born of the legislative determination that the Communist movement posed a serious threat to the security of the State. The record reveals that appellant had participated in Communist front activities and that "[not] less than 19 speakers invited by Uphaus to talk at World Fellowship had either been members of the Communist Party or had connections or affiliations with it or with one or more of the organizations cited as subversive or Communist controlled in the U.S. Attorney General's list" (100 N.H., at 442, 130 A. 2d, at 283). While the Attorney General's list is designed for the limited purpose of determining fitness for Federal employment, *Wieman* v. *Updegraff*, 344 U.S. 183 (1952), and guilt by association remains a thoroughly discredited doctrine, it is with a legislative investigation—not a criminal prosecution—that we deal here. Certainly the investigatory power of the State need not be constricted until sufficient evidence of subversion is gathered to justify the institution of criminal proceedings.

The nexus between World Fellowship and subversive activities disclosed by the record furnished adequate justification for the investigation we here review. The attorney general sought to learn if subversive persons were in the State because of the legislative determination that such persons, statutorily defined with a view toward the Communist Party, posed a serious threat to the security of the State. The investigation was, therefore, undertaken in the interest of self-preservation, "the ultimate value of any society," *Dennis* v. *United States*, 341 U.S. 494, 509 (1951). This governmental interest outweighs individual rights in an associational privacy which, however real in other circumstances, cf. *National Association for the Advancement of Colored People* v. *Alabama*, supra, were here tenuous at best. The camp was operating as a public one, furnishing both board and lodging to persons applying therefor. As to them, New Hampshire law requires that World Fellowship, Inc., maintain a register, open to inspection of sheriffs and police officers.[7] It is contended that the list might be "circulated throughout the States and the attorneys general throughout the States have cross-indexed files, so that any guest whose name is mentioned in that kind of proceeding immediately becomes suspect, even in his own place of residence." Record, page 7. The record before us, however, only reveals a report to the Legislature of New Hampshire made by the attorney general in accordance with the requirements of the resolution. We recognize, of course, that compliance with the subpena will result in exposing the fact that the persons therein named were guests at World Fellowship. But so long as a committee must report to its legislative parent, exposure—in the sense of disclosure—is an inescapable incident of an investigation into the presence of subversive persons within a State. And the governmental interest in self-preservation is sufficiently compelling to subordinate the interest in associational privacy of persons who, at least to the extent of the guest registration statute, made public at the inception the association they now wish to keep private. In the light of such a record we conclude that the State's interest has not been "pressed, in this instance, to a point where it has come into fatal collision with the overriding" constitutionally protected rights of appellant and those he may represent. *Cantwell* v. *Connecticut*, 310 U.S. 296, 307 (1940).

We now reach the question of the validity of the sentence. The judgment of contempt orders the appellant confined until he produces the documents called for in the subpenas. He himself admitted to the court that although they were at hand, not only had he failed to bring them with him to court, but that, further, he had no intention of producing them. In view of appellant's unjustified refusal we think the order a proper one. As was said in *Green* v. *United States* (356 U.S. 165, 197 (1958)) (dissenting opinion):

"Before going any further, perhaps it should be emphasized that we are not at all concerned with the power of courts to impose conditional imprisonment for the purpose of compelling a person to obey a valid order. Such coercion, where the defendant carries the keys to freedom in his willingness to comply with the court's directive, is essentially a civil remedy designed for the benefit of other parties and has quite properly been exercised for centuries to secure compliance with judicial decrees."

We have concluded that the committee's demand for the documents was a legitimate one; it follows that the judgment of contempt for refusal to produce them is valid. We do not impugn appellant's good faith in the assertion of what he believed to be his rights. But three courts have disagreed with him in interpreting those rights. If appellant chooses to abide by the result of the adjudication and obey the order of the New Hampshire's courts, he need not face jail. If, however, he continues to disobey, we find on this record no constitutional objection to the exercise of the traditional remedy of contempt to secure compliance. Affirmed.

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[5] Note 1, supra.

[6] Sec. 1 of the Subversive Activities Act, N.H. Rev. Stat. Ann., 1955, ch. 588, secs. 1–16, defines "subversive person":

"'Subversive person' means any person who commits, attempts to commit, or aids in the commission, or advocates, abets, advises, or teaches, by any means any person to commit, attempt to commit, or aid in the commission of any act intended to overthrow, destroy, or alter, or to assist in the overthrow, destruction, or alteration of, the constitutional form of the Government of the United States, or of the State of New Hampshire, or any political subdivision of either of them, by force or violence; or who is a member of a subversive organization or a foreign subversive organization."

[7] Since 1927, there has been in effect the following statute in New Hampshire:

"All hotel keepers and all persons keeping public lodging houses, tourist camps, or cabins shall keep a book or card system and cause each guest to sign therein his own legal name or name by which he is commonly known. Said book or card system shall at all times be open to the inspection of the sheriff or his deputies and to any police officer." N.H. Rev. Stat. Ann., 1955, c. 353, sec. 3.

The attorney general represents that the public camp of World Fellowship, Inc., is clearly within the purview of this statute. Although the lists sought were more extensive than those required by the statute, it appears that most of the names were recorded pursuant to it.

Mr. BRIDGES. Mr. President, editorial comment on these decisions of June 3, 1959, have been rampant. One of particular interest to me was one appearing in the Washington Post on June 11, 1959. That editorial observes that the Uphaus decision "has the effect of clarifying and limiting the Court's previous opinion in the Nelson case." I should like to say at this time that I believe the efforts of the Court in attempting to clarify the Nelson decision are to be commended. Unfortunately, however, the Uphaus decision does not neutralize the Nelson case.

S. 294, which I introduced on January 14, 1959, will accomplish that end. It will restore to the respective States their right to preserve themselves without requiring further extended judicial discussions as to whether that right exists. It will allow the States to once again be an added deterrent in the never-ending struggle with subversion.

Various editorials have correctly stated that the Supreme Court is "sensitive to the need to rectify misunderstandings." The Court is to be commended for their efforts in the Uphaus decision by restoring some stability in a legal area grounded on quicksand.

Senatorial and public interest in the subject matter of these June 8, 1959, decisions is apparent from some of the Nation's metropolitan newspaper editorials. I have secured a cross section of those editorials which I believe will be of interest to my colleagues, and which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 11, 1959]

UNDERMINED CURB

Members of the House Republican policy committee who on Tuesday gave robot endorsement to the Smith bill to override the Supreme Court can scarcely have understood the meaning of what the Court did on Monday. The majority opinion in the Uphaus case has the effect of clarifying and limiting the Court's previous opinion in the Nelson case which is a focal point of the Smith bill.

Specifically, the Uphaus decision makes plain that the Supreme Court in the Nelson case did not deprive the States of the right to prosecute for sedition against the State; all it proscribed "was a race between Federal and State prosecutors to the courthouse door" to deal with "the same conduct." Thus the 1956 Court ruling that Pennsylvania could not prosecute Nelson for advocacy of overthrow of the United States by force and violence because a 1940 congressional act occupied this field did not mean that the State could not prosecute for other seditious activities. This clarification removes any excuse for the section of the Smith bill which would in effect set aside the Nelson decision by stating that Congress

could preempt State legislation only by explicitly expressing such intent.

By no means all of the mischief in the Smith bill is contained in this one area. By voiding the doctrine of congressional premption—retroactively—it would invite competitive State regulation in other areas such as labor disputes. It would open the door to endless litigation on matters already long decided, and it would strip the Supreme Court of much of the power to interpret the intent of Congress when that intent was not expressly stated.

Altogether the Smith bill is a vicious measure. Seemingly conceived as a frontal attack upon the Supreme Court for past civil liberties decisions, it was given respectability by the ill-concealed criticisms from the American Bar Association last winter. Not without reason has the Department of Justice opposed the Smith bill as the most hazardous legislation currently before Congress. Yet the bill passed the House by an overwhelming margin last year and only a single vote in the Senate prevented enactment. Fortunately, despite the pressure in the House, there is said to be less steam behind the bill in the Senate Judiciary Subcommittee this year.

If Members of the House will take the trouble to read Monday's Supreme Court decisions, particularly the Uphaus decision, we suspect that they too will come to doubt the wisdom of the Smith bill. What the affair really demonstrates is the danger of attempting to legislate in retaliation against particular Supreme Court decisions which some persons or groups may not approve. The Supreme Court seeks to maintain a balance, and is itself sensitive to the need to rectify misunderstandings. Its jurisdiction and powers can be tampered with only at great peril to the checks which it has historically provided in the tripartite American system of Government. This curb ought to be consigned to the gutter.

[From the New York Times, June 11, 1959]

OPINIONS, 1957 AND 1959

The contrast between two important contempt decisions this week in the Supreme Court and those decided 2 years ago is bound to leave the layman puzzled. The earlier opinions, upsetting convictions for contempt of the House Un-American Activities Committee and a New Hampshire investigating body, were filled with language about constitutional limitations on investigators' excesses. The five-man majority, Monday, upholding the right of the same investigators to compel testimony, spoke in equally broad terms about the vital legislative function of inquiry and the need to protect the Nation against communism.

The factual distinctions drawn by the present majority may help to explain the difference in results. In 1957 the precise holding was a procedural one—that there had been no fair warning of the point of the investigation. This time the Court found that the witnesses had well known why they were being questioned. Again, the Court emphasized that the focus of the inquiries this time was on communism, while in the earlier cases questions ranged into other associations.

The thrust, then, is that State and Federal legislatures must have broad power to investigate communism because it poses a threat of a special nature. A majority of the justices believes that, if inquiries into subversion are conducted with procedural fairness, the courts should not supervise their subject matter except perhaps in the most extreme cases; correction for other excesses will have to come through the political processes.

With all that we can agree. The record in the case of Lloyd Barenblatt does not disclose, we believe, the kind of unfairness justifying judicial intervention against Congress' necessary investigating power, whatever one thinks of the motivations of the House committee.

Supreme Court opinions have radiations beyond their narrow holdings. The Watkins case of 1957 was more than anything a symbol of resistance to excesses in investigations; it made clear that there were limits and that the Court was there to enforce them.

For this reason we regret some of Justice Harlan's broad language for the majority in the Barenblatt case. We agree with the professional critics who think the Chief Justice said too much in his opinion 2 years ago, but that does not justify overbroadness now. Justice Harlan's strong words supporting the investigative role in fighting communism may give encouragement to Red hunting of a kind undesirable as a policy if not barred as a matter of constitutional law. It must be said also that the New Hampshire inquiry considered in the second case yesterday comes alarmingly close to the kind of inquisition, devoid of legitimate purpose, that would justify a judicial veto.

Justice Harlan's opinion does contain some caveats. A congressional committee may not investigate matters exclusively the concern of the judiciary or the executive. Investigations, like other governmental actions, are subject to the limitations of the Bill of Rights, and the Court will continue to scrutinize them, balancing private right against public need. No appraisal of Monday's decisions should overlook the continued acceptance of this important, if limited, judicial responsibility.

[From the Chicago Daily Tribune, June 10, 1959]

FRESH WIND BLOWING IN SUPREME COURT

Lloyd Barenblatt, once an instructor at Vassar College and before that a student at the University of Michigan, refused, back in 1954, to answer some questions put to him by the House Committee on Un-American Activities. The questions were intended to show to what extent communism had penetrated the university.

Willard Uphaus, director of an organization known as World Fellowship, Inc., refused to tell the attorney general of New Hampshire who were the guests at a summer camp operated by the followship. The attorney general had been authorized by New Hampshire's Legislature to inquire into subversive activities in the State.

Both these men were tried and sentenced for contempt by the lower courts and now both of them have heard their sentences confirmed by 5 to 4 majorities of the U.S. Supreme Court.

For years to come the question whether these two decisions mark a sharp break in the Court's thinking will be argued. For our part we believe there has been a definite change in the wind. Formerly there was a majority for the advanced libertarianism of Black and Douglas. Now there is a narrow majority on the side of judicial restraint in conflicts involving the right of Congress and the State legislatures to investigate subversion.

Of President Eisenhower's appointees two are in the libertarian camp: Chief Justice Warren and Justice Brennan. The President's other appointees—Justices Harlan, Whittaker, and Stewart—together with Frankfurter and Clark constitute the new majority.

It is worth noting that neither Barenblatt nor Uphaus gave the fifth amendment as his justification for remaining silent. These decisions, therefore, will not serve as direct precedents for convicting any fifth amendment boys.

It is worth noting, also, that in Justice Black's dissent in the Barenblatt case he almost invited Congress to order an investigation of communism in the colleges. These are his words:

"If the issue were merely whether Congress intended to allow an investigation of * * * communism in education, it may well be that we could hold the data cited by the court sufficient to support a finding of intent."

We hope Congress does not accept this invitation because we think it has more important work to do and we do not believe that professors are necessarily or frequently traitors.

[From the Philadelphia Inquirer, June 10, 1959]

SUBVERSION AND CONFUSION

Despite previous controversial Supreme Court rulings on the subject, Congress and the State still retain broad powers to investigate suspected subversion.

This is the essence of two majority decisions handed down by the High Court on Monday and, if it appears confusing to the ordinary layman, he is not alone. Instead of staying moves already under way in Congress to clarify Federal laws concerning subversive activities, the latest development should further emphasize their desirability.

Decisions in the two key cases upheld the powers of Congress and the State legislatures by the slim margin of a 5 to 4 vote.

In the celebrated case of John T. Watkins, an organizer for the United Auto Workers, the Supreme Court had held that a congressional committee could not compel answers from a witness unless it made clear to him the subject of its inquiry and the pertinence of particular questions to that subject.

In the case of Steve Nelson, a Communist leader, the court had thrown out his conviction under Pennsylvania's Sedition Act.

To many, the Watkins ruling seemed a reasonable warning by the Court that congressional committees must treat witnesses fairly. Many others, however, including a large number in Congress, regarded the decision as a tight and perhaps strangling rein on congressional investigations.

The Nelson case had been widely interpreted as knocking out all State sedition laws, as superseded by Federal legislation. The idea of sedition directed against any sovereign State or any State government proceeding on its own to resist sedition has been ridiculed in some quarters.

It now appears that the intent of the Court majority on both questions has been misconstrued. In the Nelson case, Justice Tom Clark explains, all that the opinion proscribed was "a race between Federal and State prosecutors to the courthouse door."

In affirming this view, the Court has upheld convictions under New Hampshire's sedition law against Dr. Willard Uphaus, director of the New Hampshire World Federation Center. The conviction had stemmed from his refusal to provide the State attorney general with a membership list of the center.

The test of the Court position on congressional investigative power was provided by the case of Lloyd Barenblatt, a former instructor at Vassar College, who had been convicted of contempt for refusing to answer questions about Communist associations by a subcommittee of the House Un-American Activities Committee.

Barenblatt's conviction has now been upheld by the Court, which overthrew his contention that the congressional committee has no constitutional authority to make him talk about associations with any person or group, Communist or not. The majority opinion also rejected the teacher's plea that the committee entry into the field of education was unconstitutional. Congress is not "precluded from interrogating a witness merely because he is a teacher," it stated.

The dissenting Justices, however, termed the House committee's inquiry "exposure purely for the sake of exposure." Only one vote kept that declaration from becoming the majority opinion of the Supreme Court.

The decisions settle, for the two immediate cases at least, some big questions left unanswered by the Watkins and Nelson rulings. But there remains such a deep division in the Court and such a considerable element of conflict and confusion, that clarifying legislation by Congress is a pressing need.

[From the Wall Street Journal, June 10, 1959]

THE REAFFIRMED TRUTHS

The Supreme Court, in two 5 to 4 decisions, upheld the right of both Congress and the States to inquire into the Communist conspiracy. And in doing so, the Court also did some other things:

It made more apparent than ever the philosophical breach on the Nation's highest Bench.

It took the trouble to explain what it meant in two prior cases that touched on congressional questioning and State control of subversion that had been decided the other way.

It reaffirmed some basic truths that seemed clouded, in the minds of the public and of Congress, by some of its earlier decisions touching on communism.

And in doing all that, the Court gave its many defenders a chance to argue against its critics in Congress who would limit its jurisdiction.

In one decision, Justice Harlan held for the majority that a House Un-American Activities Subcommittee did not act improperly in asking a former Vassar College instructor questions about the Communist Party. In the text of the decision, Justice Harlan took care to point out that rule 2 years ago in the Watkins case—a decision that was widely regarded in Congress as unduly limiting its power to investigate—had no bearing in the case before it. In the other decision, Justice Clark wrote that the Nelson case, an earlier decision interpreted by some lawyers as knocking out State sedition laws, did not "strip the States of the right to protect themselves," and also had no bearing on the case before the Court.

The philosophical split becomes obvious when noses are counted on the two decisions; in both cases the same five judges upheld the investigatory powers of Congress and the States, and in both cases the same four judges—Chief Justice Warren and Justices Black, Brennan, and Douglas—held that the true purpose of both investigations was only, as Mr. Brennan put it, "exposure for exposure's sake." It is, we think, not unfair to conclude that the four dissenters were really saying that the Supreme Court was right the first time in the Nelson and Watkins cases and that the explanations of any difference were mere hairsplitting or worse. In any case, the four minority Judges made plain that they believe the investigations both in Congress and in New Hampshire were "to try witnesses and punish them because they are or have been Communists."

That, however, overlooks some of the basic truths that Justice Harlan reaffirmed in his majority opinion. Of right of Congress to investigate, he said, "The scope of the power of inquiry is as penetrating and far reaching as the potential power to enact and appropriate under the Constitution." Such power, he reminded his dissenting brothers on the Bench, must not be judged "on the basis of abstraction." Congress can investigate communism wherever it is thought to be. No man can claim freedom from interrogation merely because he is a teacher.

This sort of reasoning is, to be sure, somewhat different from some other decisions about communism. It may be that, as Mr. Dooley said long ago, the Supreme Court reads the election returns and critical voices have suggested a closer look at the rights of Congress and the States. It may be, as others have suggested, that these particular decisions prove that there has been no pattern at all in the High Court's thinking.

But whatever the reason, these truths needed reaffirmation by the Supreme Court, no less as a reminder to itself as to the country at large.

[From the Christian Science Monitor, June 10, 1959]

THE COURT AND CONTEMPT

It is easy to read overly broad meanings into Supreme Court decisions. Two just rendered may prove less substantial in their concessions to State and congressional authority than it first appears.

One looks like a retreat from the Nelson case where the Court held invalid a State law designed to protect the Federal Government from sedition. Now the Court says that decision did not affect efforts of States to protect themselves against sedition. Practical effects of this ruling may be limited. For sedition against States is not common.

In the other decision the Court appears to give back to Congress some of the powers it took away last year in the Watkins case. There, in another contempt case, it set up strong barriers against abuse of congressional investigative powers. In the present case it says a teacher was rightly held in contempt for refusing to answer questions put by a committee about his political beliefs.

Justice Harlan, in the majority opinion, reaffirms that there are constitutional limits on congressional investigations. He says the Court would be alert if an inquiry were attempted into the general freedom to teach and to learn. But he holds no individual rights were violated by the committee's questions.

Four justices strongly dissent. They declare this was in effect a legislative trial based on vague legal authority. Justice Brennan makes the further point that the record shows no purpose of the committee to frame legislation but merely exposure for the sake of exposure. This is the key question for public judgment.

In this newspaper's opinion too many congressional committees in recent years have strayed far from actual legislative functions. In addition to FBI activities, exposure—especially of the Communist conspiracy—may be desirable. But if exposure, not legislation, be the purpose, then a noncongressional, nonpartisan commission of distinguished citizens is the better instrument.

Justice Harlan says it is not the province of the Court to judge the wisdom or efficiency of congressional committees. But the public should certainly restrain the publicity-seeking personal-promotion misuse of inquiries. And it should ask the Court to hold the line against official oppression of individuals including those holding unpopular views.

Mr. BRIDGES. Mr. President, in addition to these editorials, I should like to make particular reference to an article by Arthur Krock appearing in the New York Times, as well as an editorial which appeared in the Manchester (N.H.) Union Leader, which I ask to have printed in the RECORD. Both of these commentaries are especially helpful in revealing the history and determining the present disposition of the Court in civil-rights cases. The Manchester Union Leader editorial, in addition to discussing the history of the Uphaus case, pays tribute to New Hampshire's Supreme Court and its distinguished attorney general. It reflects, I believe, the thinking of the vast majority of the people in New Hampshire who have long been aware of and vitally concerned with subversion and the undermining of our sovereign State. This is further typified in New Hampshire's motto, which is "Live free or die." We in New Hampshire are proud that it was our State which forced a showdown in this area, not only in the Uphaus case, but in its predecessor, the Sweezey case. New Hampshire has never had to take second place in the defense of its sovereignty and that of the Union. The action of the New Hampshire Supreme Court, as well as its learned attorney general, mirrors the continuing high tradition of our people.

In closing, Mr. President, I urge my colleagues, as I have in the past 3 years, to enact legislation which will once and for all neutralize the effect of the Nelson decision in its entirety. This undertaking should not be of a partisan nature. It is a common cause that once again will permit the respective States to work in partnership with the Federal Government for their mutual protection. It will show the world that Congress is united in the recognition of its responsibilities that subversion shall not go undetected in this great country.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Manchester (N.H.) Union Leader, June 11, 1959]

THE UPHAUS CASE

The charmed life of Dr. Willard Uphaus, well known to New Englanders as director of so-called World Fellowship, may be drawing to a close. The U.S. Supreme Court, in a departure from a rash of pro-Communist decisions, has ruled that its 1956 Smith Act decision in the Steve Nelson case does not bar prosecution under State sedition laws. Thus, Dr. Uphaus, of New Haven, Conn., whose work as director of the New Hampshire World Federation Center brought him to the attention of New Hampshire Attorney General Louis Wyman, finds himself near the end of his rope.

The case of Willard Uphaus is familiar to most local citizens. When Attorney General Wyman demanded a list of guests at the New Hampshire World Fellowship Center as part of his investigation of subversive activities in the Granite State, Uphaus flatly refused. He was ordered jailed until he complied, but was released under bond pending the outcome of his appeal.

As an outcome of the Supreme Court's decision in the case of Paul M. Sweezy, who also has refused to answer Wyman's questions, Uphaus asked the high tribunal to reverse his contempt conviction by New Hampshire courts. The Supreme Court on October 14, 1957, vacated the contempt judgment and ordered the New Hampshire Supreme Court to reconsider the Uphaus case in the light of the Sweezy decision, which held that the legislature had given Wyman too sweeping a mandate to investigate subversion. The New Hampshire Supreme Court, to its everlasting credit, again upheld the Uphaus conviction.

In Monday's decision, Justice Tom C. Clark, speaking for the majority, emphasized the point that "the nexus"—namely, the connection—between World Fellowship and the subversive activities disclosed by the record "furnished adequate justification for the investigation we here review." Uphaus is

now faced with the choice of complying with Attorney General Wyman's request for information, or, Clark said, "if he continues to disobey, we find on this record no constitutional objection to the exercise of the traditional remedy of contempt to secure compliance."

Those who have continued to defend Uphaus solely as an advocate of peace seem not to have read the record of Wyman's report to the New Hampshire General Court, which states that although Uphaus admitted affiliation with "four or five" Communist fronts, he is charged with affiliation with 23 organizations which have been cited or described by official Government agencies as Communist fronts or Communist infiltrated.

As we read the Supreme Court's decision in the Uphaus case, it once again puts New Hampshire and other States back in the business of investigating subversion against the State. That's an encouraging development indeed, and Attorney General Wyman is to be commended for the determination he has shown to see his investigation carried out to its conclusion.

[From the New York Times, June 11, 1959]

THE COURT TIGHTENS SOME LOOSE LANGUAGE

(By Arthur Krock)

WASHINGTON, June 10.—Deliberate restraints by the Supreme Court majority on the sweeping latitude of the texts of previous decisions written by its liberals were implicit in last Monday's decisions in the Barenblatt and Uphaus civil rights cases. These cases concerned the limitations imposed by the Constitution and Federal statutes on Congress and State legislatures engaged in tracking down Communist subversion. But since the Court divided, 5 to 4, in both instances, and also because the circumstances of these cases differed from the circumstances on which previous decisions in the same legal area were based, experience with the Court teaches that too much more should not be read into the shift.

The restraints are apparent, however, in a comparison of the texts of Monday's majority opinions with those in the Watkins and Nelson cases that were cited by the losing parties in Monday's decisions and by the four Justices who dissented. And this is of present importance to Congress and to State authorities inquiring into Communist subversion, to the large public interest and to the lower courts.

This comparison shows that—

1. In Watkins, on which the majority ruled that the House Un-American Activities Committee had abridged the constitutional rights of a witness, the Court concentrated on the abuses of congressional inquiry into communism, and subordinated the vital importance of this to the public welfare. In Barenblatt the Supreme Court majority concentrated instead on the vital importance of the inquiry as such.

2. In Nelson the majority ruled that Federal antisubversion statutes had totally preempted the field of sedition; that sedition is in no sense a local enforcement problem; and that a State statute is superseded regardless of whether it purports to supplement a Federal law. But despite these sweeping generalities the Court majority in Uphaus found that they did not preclude such local enforcement as a State legislative inquiry.

Most Members of Congress, some lower court judges and many lawyers had construed the Watkins ruling as placing an investigative hearing (congressional) on a par with a criminal trial, as dissenting Justice Clark had construed it. Therefore they expected that in Barenblatt a court majority of five, instead of the minority of four, again would rule that the House committee, seeking only exposure for exposure's sake, had infringed the Bill of Rights freedom of the witness when it charged him with contempt for refusing to answer questions concerning his participation in the Communist Party and Communist activites in educational circles.

But in Watkins the Court majority had been assembled on the finding that questions must be pertinent to the inquiry and that their pertinence must be made clear to the witness. This point was carefully mined out of Chief Justice Warren's broad assault on the character and methods of the House committee by Justice Frankfurter in his concurring opinion. Hence, since Barenblatt raised no issue of pertinence, the Court had merely to decide whether the questions the witness refused to answer were pertinent to an inquiry with a legitimate objective.

The four dissenters, as in Watkins where the witness raised the issue of pertinence, voted no. And they continued the assault on the motives and the procedural record of the House committee that they had made in the Watkins decision. But the significant difference was that the majority, instead of again concurring with this dicta, wrote in Barenblatt as broadly in support of the need of what the committee is doing as the Chief Justice had written to the opposite in Watkins.

In addition to the changes thus revealed, there is the interesting, though familiar, aspect of Supreme Court dissents later becoming majority opinions. Justice Reed's dissenting reasoning in Nelson on behalf of a minority of three is plainly reflected in the Uphaus ruling. And Justice Clark's dissent on Watkins—"if the object of a legislative inquiry is legitimate and the questions propounded are pertinent * * * it is not for the courts to interfere"—was the main point of the majority decision in Barenblatt.

STATUS OF RED CHINA IN THE OLYMPIC GAMES

Mr. BRIDGES. Mr. President, on June 11 I inserted in the CONGRESSIONAL RECORD a letter to the editor of the Manchester Union Leader relative to the status of Red China in the forthcoming Olympic games at Squaw Valley, Calif.

The May 28 decision of the International Olympic Committee, which is headed by its president, Mr. Avery Brundage, of the United States, is a deplorable attempt to recognize Red China as having an official political entity that is not recognized by the United Nations nor by the United States. An editorial appearing in the June 12, 1959, Manchester (N.H.) Union Leader properly characterizes the May 28 decision as creating an intolerable situation. I ask unanimous consent that this commentary on the action of the International Olympic Committee be printed in the body of the RECORD, and I commend its reading to the attention of my colleagues. I also present other newspaper comments on the same matter.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From the Manchester (N.H.) Union Leader, June 12, 1959]

BRUNDAGE MUST GO

If it has not already done so—and there seems to be some doubt that it has—the State Department should immediately request the resignation of Avery Brundage, American representative on the International Olympic Committee. Brundage has had the brazen effrontery to defend the International Olympic Committee's meddling in international politics, specifically, its ouster of Nationalist China in favor of the Communist Chinese.

Avery Brundage is free to hold whatever opinions he wishes concerning recognition of our enemies at the expense of our friends. That is his right—his subjective right. But, he does not have the right to represent the United States when he does so.

Thus, we are now faced with this alliance: Avery Brundage, backed by the International Olympic Committee, which says it will stand by him, and the Communist International Olympic Committee members—versus—the U.S. State Department, representing the American people and the U.S. Congress.

It is an intolerable situation that Brundage should be permitted to severely compromise this country's political position in regard to the recognition of the Peiping butchers.

[From the Washington Evening Star]

LEGION ATTACKS OLYMPICS CHIEF

The American Legion said today that Nationalist China must be readmitted to the International Olympic Committee.

National Commander Preston J. Moore issued a statement attacking the second rejection of Nationalist Chinese membership as another clear victory of the Communists of Russia and China.

He said if Nationalist China is not readmitted, Committee Chairman Avery Brundage should be expelled from the U.S. Olympic Association and a U.S. delegate appointed who can recognize the deadly tactics of the Reds.

[From the Washington Evening Star, June 15, 1959]

NEW OLYMPIC VICTORY FOR REDS—DECISION AGAINST LETTING FORMOSA USE NAME "CHINA" IN 1960 GAMES ATTACKED

(By Constantine Brown)

Those Americans who insist that the security of the free world would be best served by abandoning Chiang Kai-shek and recognizing Red China are becoming more aggressive than ever. They are openly calling for relations with the Peiping regime, criticizing trade restrictions and calling Chiang's free China corrupt, dictatorial, and alien to China.

The untimely death of John Foster Dulles, the imminent departure from the State Department of Walter S. Robertson, the absence from the Senate of William F. Knowland, and other Senators long stalwart in insisting that American support for freedom could not be compromised in Formosa—these and many other factors have encouraged the pro-Communist China lobby.

Recently even the International Olympic Committee has taken a whack at Chiang. Formosa's athletes can no longer participate in the Olympics as representatives of free China, because they do not truly represent China. At the same time, an invitation to participate in the games was extended to the Peiping Reds.

Ironically, as the Korean Ambassador to the United States, Dr. You Chan Yang, recently observed, the athletes from Communist China who will come to the Squaw Valley (Calif.) winter Olympics probably will be the same men who pulled the triggers on the Migs over Korea, who killed thousands of Koreans, Americans, and other UN soldiers in the aggression against the Republic of Korea.

Additionally, the International Olympic Committee has indicated a willingness to confer with representatives of Communist North Korea on participation by that Red puppet regime in the winter games.

If there is some slight justification for participation in the Olympics by Communist China, it is based on the fact that several

Western nations have extended diplomatic recognition to Peiping. But not a single free nation has recognized the North Korean regime. Only the Communist satellites, besides the Soviet Union and Red China, have admitted the existence of the Pyongyang gangster government.

The Olympic Committee insists that political considerations should have nothing to do with the international athletic competitions. But this cozy little theory is belied by the very nature of Communist participation in the past. Every single athlete from the Communist countries is carefully screened for his Communist loyalties before being permitted past the Iron Curtain.

On every occasion when Communist athletics have been entered in international games, it has been noted by all concerned that for every athlete in the Red delegation there seems to be three NKVD men. Even with the strictest surveillance, however, several athletes have been able to outwit their comrades and their guards and escape to the West.

It is idle to insist that the Olympics have no political implications. Nations participating are presumably members of civilized society, with decent standards and respect for international morality. Certainly the Communists have never measured up to any such standards; indeed, they sneer at them as bourgeois and publicly flout them.

The Communists are well aware of the great propaganda value of the Olympics. As such, the Kremlin and all its satellites employ the games as a political weapon, an easy and readymade avenue for penetration of the free world. Their athletes are in reality Communist agents, professionals in every sense. In this latter case, they do not even meet the requirements of the Olympics that participants be genuine amateurs, not professionals.

But unless there is a major change of heart in the committee, the pro-Communists will have their way. Thus the forces, growing ever stronger, that seek to crumble the free world's integrity by admitting Red China to the United Nations, by expanding trade with the Iron Curtain countries and by elevating Red political gangsterism to a position of respectability are again strengthened.

We can look for increasing efforts, in and out of government, to force abandonment of free China. Every sort of appeal will be made to logic, to reality, and to fear of war, to promote this crass betrayal of freedom in the Far East. Unless there is alertness, these men will eventually succeed, and the free world will be dealt another blow.

SIXTH ANNIVERSARY OF GERMAN UPRISINGS

Mr. SCOTT. Mr. President, June 17 is the sixth anniversary of the date when people in East Berlin and East Germany revolted against the tyranny of Communist rule.

This was one of the heroic acts of this decade. Unarmed people—fired by a love of freedom and galled by the oppression of communism—challenged Red tanks and machineguns.

There was seldom much doubt about who would be the winner of the pitched battle itself. When Soviet tanks restored control, the firing squads took over, and many brave Germans died.

But this uprising had far greater significance to the free world than the initial Communist victory. It gave the lie to Soviet claims of East Germany as the "workers' paradise." It displayed, for any who were in doubt, how Communists responded when the real people rise in the misnamed "people's states." And it added another page to the history of men and women who will fight, bleed and die for that intangible but cherished quality of freedom.

The uprising also gave added meaning to the position of West Berlin. This city has became an island of freedom deep within Communist territory. In the past 10 years West Berlin has been the port of entry for some 3 million men, women and children fleeing from East Germany. This exodus has made the Soviet Zone of Germany one of the few places on earth which, by its own admission, is showing a steadily declining population.

Just recently, Mr. President, the senior Senator from Pennsylvania [Mr. CLARK] and I discussed the German situation with Mr. Thomas Ross, whose family publishes the Morgenpost and the Berliner Zeitung in West Berlin. Mr. Ross was a guest on our joint television-radio show to be broadcast in Pennsylvania on Sunday.

Mr. Ross pointed out that the people of free Germany recognize that their hope of remaining free rests upon the United States primarily. He said that West Berlin, particularly, is encouraged by our Government's firmness at Geneva today in advocating the rights and interests of the 2¼ million people of West Berlin and in holding out the hope of eventual reunification of all Germany.

The heroic activities of the German people on June 17, 1953, played an important part in shaping the policies which the U.S. Government follows today. We know that most Germans on both sides of the Iron Curtain are determined eventually to have a government of their own choosing. Our Government is pledged to keep that determination alive.

Mr. KEATING. Mr. President, it was 6 years ago today that the citizens of East Berlin rose up in righteous anger against their Communist overlords. By courageous rioting against tremendous odds, the East Germans demonstrated their hatred of the Communists and their desire to be free.

Although those riots were savagely suppressed and reprisals were taken, the flame of freedom continues to burn bright on the Iron Curtain side of Berlin. The continuing opposition to the Russians of the people of East Berlin has been repeatedly illustrated by acts of sabotage and by wholesale defections to the West.

The determination of the Germans to be free should strengthen the hand of the free world as it wrestles with the thorny problem of Berlin. We must remain steadfast in our resolves that there shall be no sellout of Berlin and of Germany. We must continue to stand up to the Russians and to call their bluffs.

We must, in a word, continue to work and pray for the eventual fredom of all Berlin and all of Germany. In the meantime, we must remain strong and firm in our adherence to the principles enunciated by John Foster Dulles—that Berlin must remain free while we strive for eventual independence for Germany.

At its annual meeting in Chicago recently, the National Council of the Steuben Society of America adopted a resolution honoring the heroes of the June 17, 1953, uprising in East Berlin. It is appropriate that this organization, which has done so much to preserve the proud traditions of Germany, while working to combat communism and to strengthen America and American ideals, should pay this homage to the courageous men who stood up to Russian tyranny.

I hope all Americans, on this date of dual importance to lovers of freedom, will find in the example of the brave people of Hungary and Germany, renewed determination to keep America strong and free. I hope all of us will also rededicate ourselves to work for the day when both Hungary and all of Germany will once more take their places in the family of free nations.

CERTAIN RETIRED MILITARY OFFICERS EMPLOYED BY CORPORATIONS WITH DEFENSE CONTRACTS

Mr. DOUGLAS. Mr. President, I am making public herewith a list which I requested from the Defense Department, during the hearings on the Renegotiation Act, of the retired military officers of the rank of colonel or Navy captain or above who are now employed by the 100 corporations that hold 74 percent of all defense contracts.

The list has been submitted by the Defense Department. It is not a complete list, because of the shortness of time in which the Defense Department had to prepare it, but it is quite an interesting list.

The list shows that at present there are at least 721 retired officers employed by 88 of the 100 companies which had reported to the Defense Department. Among those companies which had either not reported or which were still gathering the information were General Motors, Pan American World Airways, Standard Oil Cos. of Indiana and California, and Motorola.

The 10 companies with the largest number of retired military personnel of the rank of colonel or equivalent on their payrolls employ a total of 372 former officers. These companies were:

Lockheed Aircraft	60
General Dynamics	54
Westinghouse Air Brake Co	42
Radio Corp. of America	39
General Electric	35
Westinghouse Electric	33

And I assume this is a sister company to Westinghouse Air Brake Co. To the degree that is correct, that would make a total of 75 in those 2 companies—

Boeing Aircraft	30
General Tire & Rubber Co	28
North American Aviation	27
International Telephone & Telegraph	24
Total	372

It should be noted that 7 aircraft companies employed a total of 177 former officers. These aircraft companies and the number of former officers they employ were, and this list includes some of

those which I have previously mentioned:

Lockheed Aircraft	60
Boeing Airplane Co	30
North American Aviation, Inc	27
Northrop Aircraft, Inc	16
Douglas Aircraft Co., Inc	15
The Martin Co	15
Bendix Aviation Corp	14
Total	177

Ninety-five percent of the number and 86 percent of the total dollar amounts of defense contracts are "negotiated" contracts, rather than contracts let by competitive bidding. The General Accounting Office had made numerous reports of major overcharges on Defense Department contracts involving some of the companies on the list.

In the hearings on the Renegotiation Act I read into the RECORD the reports on some 21 companies. I now would simply like to mention some companies which were reported by the General Accounting Office as having tried to overcharge the Government, which have retired officers on their payrolls:

The Philco Corp., of Philadelphia, which made a delayed refund to the Government of $1,400,000, with a $29,200 excessive cost to the Government, has 17 retired officers on its payroll.

Lockheed Aircraft Corp., Georgia division, which had, according to the Comptroller General, negotiated target prices which were $4,100,000 in excess of amounts that the contractors knew would be incurred, has 60 retired officers on its payroll.

Boeing Aircraft Co., of Seattle, Wash., with target costs for spare parts $5 million in excess, has 30 retired officers on its payroll.

The Rheem Manufacturing Co., a subcontractor for North American Aviation, Inc., had $178,000 excess costs; North American has 27 retired officers on its payroll.

The system of defense procurement has led to great abuse. In addition, when companies with defense contracts hire former officers of high rank to negotiate with their former fellow officers, some of whom they have promoted, the potential and actual abuses are magnified.

There is great danger of high officers leaving the armed services and going into the services of big contractors, thereafter dealing with their former comrades across the table. Under these circumstances and with such a high proportion of negotiated contracts there is a very real question as to the degree to which the public interest is furthered. I point out that these retired officers in many cases know the plans of the Defense Department and the general inside operations of the Defense Department, even when they do not actually negotiate the contracts.

Mr. President, I ask unanimous consent that the detailed list of the 721 officers listed by the 88 companies be printed in the RECORD at this point, and that a summary of the number of officers with each company also be printed at this point.

There being no objection, the list and summary were ordered to be printed in the RECORD, as follows:

RETIRED OFFICERS AT OR ABOVE THE RANK OF COLONEL, OR THE EQUIVALENT, WHO ARE OFFICIALS OR EMPLOYEES OF THE NAMED COMPANIES

Company and officer

1. American Bosch Arma Corp., 320 Fulton Avenue, Hempstead, N.Y.: None.

2. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y. (Affiliates: Western Electric Co.; Teletype Corp.): Capt. Forest M. Price.

3. Asiatic Petroleum Corp., 50 West 50th Street, New York, N.Y.: None.

4. Avco Corp., 750 Third Avenue, New York, N.Y.: Maj. Gen. Herbert M. Jones, U.S. Army; Lt. Gen. C. S. Irvine, U.S. Air Force; Brig. Gen. Monro MacCloskey, U.S. Air Force; Rear Adm. Edward L. Woodyard, U.S. Navy.

5. Bath Iron Works Corp.,[1] Bath, Maine: Adm. Robert Bostwick Carney, U.S. Navy; Col. Harry Beahan Carney, U.S. Air Force.

6. Beech Aircraft Corp., 9709 East Central Avenue, Wichita, Kans.

7. Bell Aircraft Corp.,[2] Post Office Box 1, Buffalo, N.Y. (Affiliates: Bell Helicopter Corp., Hydraulic Research & Manufacturing Co., Wheelabrator Corp.): Col. William I. LeVan, U.S. Army; Col. Stuart G. McLennan, U.S. Air Force.

8. Bendix Aviation Corp., Fisher Building, Detroit, Mich. (Affiliates: Bendix Westinghouse Automotive Air Brake Co., Sheffield Corp.): Col. A. L. Baylies, U.S. Army; Capt. U. S. Brady, Jr., U.S. Navy; Col. C. P. Burton, U.S. Army; Rear Adm. W. E. Cleaves, U.S. Navy; Capt. E. R. Dare, U.S. Navy; Col. W. J. Darmody, U.S. Army; Col. G. W. Dauncy, U.S. Army; Col. E. J. Dorsey, U.S. Marine Corps; Col. E. S. Matthews, U.S. Army; Col. G. A. Morgan, U.S. Army Reserve; Col. J. H. O'Malley, U.S. Army; Capt. G. H. Richards, U.S. Navy; Capt. C. H. Shildhauer, U.S. Naval Reserve; Col. F. R. Swoger, U.S. Army.

Company and officers

9. Bethlehem Steel Co. Inc., Bethlehem, Pa. (affiliate: Bethlehem Pacific Coast Steel Corp.): Rear Adm. H. L. Collins, U.S. Navy; Rear Adm. W. R. Dowd, U.S. Navy; Capt. G. W. Dick, U.S. Coast Guard; Rear Adm. R. B. Goldman, U.S. Navy; Rear Adm. W. T. Jones, U.S. Navy; Capt. A. L. Mare, U.S. Navy; Capt. H. C. Nichols, U.S. Naval Reserve; Capt. A. G. Schnable, U.S. Navy.

10. Blue Cross Association, 55 East 34th Street, New York, N.Y.: None.

11. Boeing Airplane Co., Seattle, Wash.: Col. Charles Armstrong, U.S. Army; Col. Leo W. Bagley, U.S. Army; Col. Robert V. Bowler, U.S. Army; Capt. Portus D. Boyce, U.S. Navy; Capt. John L. Brown, U.S. Navy; Col. George A. Corneal, U.S. Air Force; Brig Gen. Jack C. Crosthwaite, U.S. Air Force; Col. Ralph A. Dutton, U.S. Army; Col. Archie C. Edwards, U.S. Air Force; Col. Wendell C. Fields, U.S. Army; Rear Adm. Gerald Galpin, U.S. Navy; Capt. James A. Haley, U.S. Navy; Capt. Richard D. Harwood, U.S. Navy; Col. Theodore Hikel, U.S. Army; Col. Lauri S. Hillberg, U.S. Army; Col. Francis R. Hoehl, U.S. Air Force; Col. Arthur L. Logan, U.S. Air Force; Capt. Henry M. Marshall, U.S. Navy; Col. Ned. Joseph Martini, U.S. Air Force; Col. Paul B. Nelson, U.S. Army; Maj. Gen. Homer Oldfield, U.S. Army; Capt. James C. Partington, U.S. Coast Guard; Col. Orville Rehmann, U.S. Air Force; Capt. Herbert G. Sheplar, U.S. Navy; Col. William J. Simons, U.S. Air Force; Capt. Riley Site, Coast and Geodetic Survey; Col. Harry G. Spillinger, U.S. Army; Col. Fred L. Thorp, U.S. Army; Capt. Warren Vincent, U.S. Navy; Capt. Charles S. Weeks, U.S. Navy.

12. Brown-Raymond-Walsh,[3] 207 West 24th Street, New York, N.Y.: None (applies to the joint venture).[3]

13. California Institute of Technology, Pasadena, Calif.: None.

14. Cessna Aircraft Co., Wichita, Kans.: Capt. Richard J. Greene, U.S. Navy.

15. Chance Vought Aircraft, Inc., Dallas, Tex.: Rear Adm. A. H. Perry, U.S. Navy; Adm. H. B. Sallada, U.S. Navy; Vice Adm. H. Sanders, U.S. Navy; Capt. C. A. Briggs, U.S. Navy; Col. H. R. Jordan, U.S. Marine Corps; Col. E. F. Klinck, U.S. Army.

16. Chrysler Corp., 341 Massachusetts Avenue, Detroit, Mich.

17. Cities Service Co., 60 Wall Tower, New York, N.Y. (affiliates: Cities Service Petroleum, Inc., Cities Service Oil Co. (Del.), Arkansas Fuel Oil Corp.): Col. G. H. McCullagh, U.S. Army Reserve; Col. W. R. Boyd, III, U.S. Air Force Reserve; Rear Adm. James Ross, U.S. Naval Reserve; Col. Wilmer G. Wilson, U.S. Army Reserve.

18. Collins Radio, 855 35th Street NE., Cedar Rapids, Iowa.

19. Continental Motors Corp., 205 Market Street, Muskegon, Mich. (affiliates: Continental Aviation & Engineering Corp., Gray Marine Motor Co., Wisconsin Motor Corp.): Capt. C. C. Busenkell, U.S. Navy; Col. Harrison H. Hiberg, U.S. Army.

20. Continental Oil Co.,[4] Houston, Tex.: Col. E. R. Baker, U.S. Army; Col. R. W. Hird, U.S. Army.

21. Curtiss-Wright Corp.,[5] Wood-Ridge, N.J.: Capt. R. J. H. Conn, U.S. Navy; Capt. Robert F. Jones, U.S. Navy; Capt. A. R. Sanborn, U.S. Navy; Capt. H. M. Sartoris, U.S. Navy.

22. Defoe Shipbuilding Co., Bay City, Mich.: None.

23. Douglas Aircraft Co., Inc., Santa Monica, Calif.: Lt. Gen. Ira C. Baker, Rear Adm. E. H. Eckelmeyer, Brig. Gen. O. F. Carlson, Brig. Gen. S. L. McCroskey, Capt. Maurice Kauffman, Capt. J. R. Ruhsenberger, Capt. J. E. Baker, Capt. J. O. Bigelow, Col. J. L. Elwell, Col. A. C. Miller, Col. J. W. Leonhardt, Col. R. A. Gardner, Col. Jerdon Coleman, Col. S. H. Hankins, Col. M. B. Chatfield.

24. E. I. du Pont de Nemours & Co.[6] 1007 Market Street, Wilmington, Del. (affiliates: Remington Arms Co., Inc.): Col. Douglas G. Ludlam, U.S. Army.

25. Eastman Kodak Co., Rochester, N.Y.

26. Fairchild Engine & Airplane Corp., Hagerstown, Md. (affiliate: Jonco Aircraft Corp., Shawnee, Okla.): Adm. Robert D. Carney, U.S. Navy; Gen. Jacob L. Devers, U.S. Army; Brig. Gen. James F. Early, U.S. Air Force; Brig. Gen. William W. Welsh, U.S. Air Force; Capt. Grayson Merrill, U.S. Navy; Capt. Hamilton O. Hauck, U.S. Navy; Capt. Frank E. Escobar, U.S. Navy.

27. Fairbanks Whitney Corp. (formerly Penn-Texas Corp.), 745 Fifth Avenue, New York, N.Y. (affiliates: Pratt & Whitney Co., Inc., Chandler Evans Corp., Colts Patent Fire Arms Manufacturing Co., Inc., "Quick-Way" Truck Shovel Co., Fairbanks, Morse & Co.): Brig. Gen. G. H. Drewry, U.S. Army; Col. H.

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[1] Company personnel records do not list military rank attained.

[2] Lt. Gen. William E. Kepner, USAF, acts as consultant to Bell Aircraft. He is currently employed by Radiation, Inc., Orlando, Fla.

[3] Joint venture consists of Brown & Root, Inc., 4100 Clinton Drive, Houston, Tex.; Raymond International Inc., 140 Cedar Street, New York, N.Y.; Walsh Construction Co., 711 Third Avenue, New York, N.Y.

[4] This only includes employees within knowledge of correspondent and does not include a canvass of 9,000 employees.

[5] Time did not permit a review of personnel records.

[6] Mall Tool Co. is now a division of Remington.

Pierce, U.S. Army; Brig. Gen. A. M. Prentiss, U.S. Army; Rear Adm. Clarence Broussard, U.S. Navy.

28. Firestone Tire & Rubber Co., 1200 Firestone Parkway, Akron, Ohio: Col. T. M. Belshe, Col. R. R. Studler, Capt. William White.

29. Food Machinery and Chemical Corp., San Jose, Calif.: Brig. Gen. Clifford Sayre, U.S. Army; Col. J. E. Hamm, Jr., U.S. Army Reserve; Brig. Gen. Joseph A. Holly, U.S. Army; Rear Adm. Harold A. Carlisle, U.S. Navy; Col. Raymond R. Robins, U.S. Army; Col. Benjamin S. Mesick, U.S. Army.

30. Ford Motor Co.,[7] Dearborn, Mich. (Affiliate: Aeronutronic Systems, Inc.): Col. Irving A. Duffy, U.S. Army; Capt. Lewis K. Marshall, U.S. Naval Reserve; Col. Carolus A. Brown, U.S. Army; Col. William J. Given, U.S. Army; Col. Zachary Moores, U.S. Army.

31. The Garrett Corp., 9851 Sepulveda Boulevard, Los Angeles, Calif.: Vice Adm. Seldon B. Spangler, U.S. Navy; Lt. Gen. Kenneth B. Wolfe, U.S. Air Force.

32. General Dynamics Corp., 445 Park Avenue, New York, N.Y.: Col. W. T. Abbot, U.S. Air Force; Rear Adm. E. P. Abernathy, U.S. Navy; Rear Adm. S. H. Armbruster, U.S. Navy; Brig. Gen. M. W. Arnold, U.S. Air Force; Col. S. Baker, U.S. Air Force; Col. R. T. Bankard, U.S. Air Force; Capt. E. L. Barr, Jr., U.S. Navy; Gen. W. L. Bayer. U.S. Army; Capt. A. H. Bergeson, U.S. Navy; Capt. W. J. Bettens, U.S. Navy; Rear Adm. C. Briggs, U.S. Navy; Capt. A. L. Dunning, U.S. Navy; Capt. T. H. Dubois, U.S. Navy; Capt. R. E. Farnsworth, U.S. Navy; Brig. Gen. H. S. Fassett, U.S. Marine Corps; Capt. J. P. Fitzsimmons, U.S. Navy; Rear Adm. W. O. Floyd, U.S. Navy; Capt. B. F. Griffin, Jr., U.S. Navy; Rear Adm. R. Gross, U.S. Navy; Col. O. B. Hardy, U.S. Air Force; Capt. Wm. L. Hoffheins, U.S. Navy; Rear Adm. C. F. Horne, U.S. Navy; Col. N. H. Jungers, U.S. Marine Corps; Rear Adm. J. H. Kaufman, U.S. Navy; Rear Adm. T. B. Klakring, U.S. Navy; Capt. C. Van S. Know, U.S. Navy; Rear Adm. S. Leith, U.S. Navy; Rear Adm. W. A. Lent, U.S. Navy; Col. M. R. MacIntyre, U.S. Marine Corps; Rear Adm. A. I. McKee, U.S. Navy; Col. E. E. McKesson, U.S. Air Force; Gen. J. T. McNarney, U.S. Air Force; Col. J. P. Mial, U.S. Army; Col. J. A. Moore, U.S. Air Force; Capt. R. J. Moore, U.S. Navy; Maj. Gen. F. P. Mulcahy, U.S. Marine Corps; Capt. R. Noisat, U.S. Navy; Rear Adm. J. R. Pahl, U.S. Navy; Brig. Gen. E. P. Pennebacker, Jr., U.S. Marine Corps; Col. J. L. Perkins, U.S. Marine Corps; Brig. Gen. R. L. Peterson, U.S. Marine Corps; Brig. Gen. Wm. J. Piper, Jr., U.S. Marine Corps; Capt. J. R. Z. Reynolds, U.S. Navy; Rear Adm. L. B. Richardson, U.S. Navy; Col. S. R. Stewart, U.S. Air Force; Rear Adm. H. F. Stout, U.S. Navy; Rear Adm. D. J. Sullivan, U.S. Navy; Capt. H. M. Sumrall, U.S. Navy; Capt. I. D. Sykes, Jr., U.S. Navy; Rear Adm. W. V. R. Vieweg, U.S. Navy; Rear Adm. W. B. Whaley, U.S. Navy; Col. W. D. Wimer, U.S. Air Force; Capt. J. E. Wolowsky, U.S. Navy; Capt. H. Wood, Jr., U.S. Navy.

33. General Electric Co.,[8] 570 Lexington Avenue, New York, N.Y. (retired officers above the rank of colonel or equivalent): Adair, C.; Bennett, Ralph D.; Berkley, Joseph B.; Cooke, William R.; Coulter, Howard N.; Davidson, Charles B., Jr.,; Deyarmond, A. B.; Earl, Charles A.; Fechteler, Wm. M.; Fickel, A. A.; Fouch, George E.; Hansell, H. S.; Hanson, Murray; Harman, Leonard F.; Harris, John W.; Hoffman, Frank E.; Horton, Paul B.; Johnson, Douglass T.; Kinsella, W. T.; Matthews, R. L.; Messer, H. G.; Messick, Joseph; Montgomery, J. B.; Murray, C. B.; Paxson, H. O.; Roper, H. McK.; Root, Willard G.; Schmidt, Louis E., Jr.; Schanklin, Elliott W.; Simpson, Robert T.; Smith, Loyd C.; Sneeringer, E. A.; Thorpe, Harlan M.; Watson, Paul W.; Young, D. B.

34. General Motors, Detroit, Mich.

35. General Precision Equipment Corp., 92 Gold Street, New York, N.Y.

36. General Tire & Rubber Co., Akron, Ohio (affiliates: Aerojet-General Corp., the A. M. Byers Co.): Rear Adm. Calvin M. Bolster, U.S. Navy; Col. S. J. Zoller, U.S. Army; Col. Meryl Munoz, U.S. Army; Col. W. R. Stark, U.S. Air Force; Col. Howard Means, U.S. Air Force; Col. W. E. Benedict, U.S. Marine Corps; Col. Elmore Seed, U.S. Marine Corps; Col. R. D. McLeod, U.S. Army; Adm. Lowell T. Stone, U.S. Navy; Capt. Joseph McGoughrem, U.S. Navy; Gen. W. G. Wyman, U.S. Army; Brig. Gen. Harrison Shaler, U.S. Army; Brig. Gen. David Van Syckle, U.S. Army; Col. Alfred L. Price, U.S. Army; Col. F. M. Libershal, U.S. Army; Maj. Gen. A. W. Vanaman, U.S. Air Force; Col. Howard A. Moody, U.S. Air Force; Brig Gen. R. W. Hayward, U.S. Marine Corps; Col. Wm. Frash, U.S. Marine Corps; Comdre Archibald Hunter, U.S. Navy; Rear Adm. R. S. Hatcher, U.S. Navy; Rear Adm. J. C. Alderman, U.S. Navy; Rear Adm. L. C. Baldauf, U.S. Navy; Rear Adm. Robert K. Ashton, U.S. Navy; Capt. George E. King, U.S. Navy; Capt. W. L. Tann, U.S. Naval Reserve; Capt. W. G. Winslow, U.S. Naval Reserve; Brig Gen. F. F. Hayden, U.S. Army.

37. Gilfillan Bros., Inc., 1815 Venice Boulevard, Los Angeles, Calif.

38. The B. F. Goodrich Co.,[9] Akron, Ohio: Col. George H. Donnelly.

39. The Goodyear Tire & Rubber Co., Akron, Ohio (affiliates: Goodyear Aircraft Corp., Goodyear Engineering Corp., Kelly-Springfield Tire Co.): Col. Max Frederic Moyer, U.S. Air Force Reserve; Rear Adm. Karl L. Lange, U.S. Naval Reserve.

40. Greenland Contractors, 545 South Broad Street, Trenton, N.J.

41. Grumman Aircraft Engineering Corp., Bethpage, Long Island, N.Y.: Vice Adm. Joseph F. Bolger, U.S. Navy.

42. Hayes Aircraft Corp., Birmingham, Ala.: Brig. Gen. Walter W. Wise, U.S. Air Force; Col. C. R. Storrie, U.S. Air Force; Col. L. Cornell, U.S. Air Force.

43. Joshua Hendy Corp., 612 South Flower Street, Los Angeles, Calif.: None.

44. Hercules Powder Co., Inc., Wilmington, Del.: Col. Robert W. Meals, U.S. Army.

45. Hughes Aircraft Co., Culver City, Calif.: Brig. Gen. F. W. Coleman, U.S. Army; Rear Adm. N. F. Garton, U.S. Navy; Capt. G. M. Greene, U.S. Navy; Col. T. M. Hahn, U.S. Air Force; Brig. Gen. S. R. Mickelsen, U.S. Army; Rear Adm. M. A. Nation, U.S. Navy; Col. C. H. Welch, U.S. Air Force.

46. International Business Machines Corp., 59 Madison Avenue, New York, N.Y.

47. International Telephone & Telegraph Corp., 67 Broad Street, New York, N.Y. (affiliates: Federal Electric Corp., Industrial Products Division, International Standard Electric Corp., Intelex Systems, Inc., Kuthe Laboratories, Inc., Royal Electric Corp.): Maj. Gen. Edmond H. Leavey, U.S. Army; Adm. John E. Gingrich, U.S. Navy; Rear Adm. Frederick R. Furth, U.S. Navy; Col. O. W. Lunde, U.S. Air Force; Col. Houston V. Evans, U.S. Army; Maj. Gen. Francis H. Lanahan, U.S. Army; Maj. Gen. Raymond C. Maude, U.S. Army; Col. Alvin T. Bowers, U.S. Army; Rear Adm. George K. Fraser, U.S. Navy; Vice Adm. R. H. Cruzen, U.S. Navy; Col. Paul H. Maurer, U.S. Army; Col. P. O. Vaughn, U.S. Air Force; Col. Russel A. Baker, U.S. Army; Capt. R. F. Pryce, U.S. Navy; Brig. Gen. Paul M. Seleen, U.S. Army; Col. Frank G. Trew, U.S. Army; Rear Adm. William Organ, U.S. Navy; Rear Adm. Jess Sowell, U.S. Navy; Rear Adm. Robert E. Laub, U.S. Navy; Brig. Gen. Kenneth E. Fields, U.S. Army; Rear Adm. William L. Freseman, U.S. Navy; Maj. Gen. C. Rodney Smith, U.S. Army; Col. C. F. Fiore, U.S. Army; Capt. Roy Jackson, U.S. Navy.

48. The Johns Hopkins University, Baltimore, Md. (affiliates: Operations Research Office, Applied Physics Laboratory): Maj. Gen. James G. Christensen, U.S. Army; Capt. John O. Dorsett, U.S. Navy; Brig. Gen. Lester D. Flory, U.S. Army; Gen. Thomas T. Handy, U.S. Army; Maj. Gen. Gerald J. Higgins, U.S. Army; Brig. Gen. John G. Hill, U.S. Army; Rear Adm. Marion N. Little, U.S. Navy; Col. Edward M. Parker, U.S. Army; Col. Edward K. Purnell, U.S. Army; Col. Harry D. Sheets, Army of the United States; Col. W. P. Withers, U.S. Army; Brig. Gen. W. R. Currie, U.S. Army; Col. Paul Elias, U.S. Army; Col. D. H. Hale, U.S. Army; Rear Adm. M. R. Kelley, U.S. Navy; Brig. Gen. W. R. Wendt, U.S. Marine Corps.

49. The Kaman Aircraft Corp., Bloomfield, Conn.: Rear Adm. James A. Thomas, U.S. Navy.

50. Peter Kiewit Sons Co., Omaha, Nebr.: Col. Charles L. Bell.

51. Lear, Inc., 3171 South Bundy Drive, Santa Monica, Calif.: Lt. Gen. Barney M. Giles, U.S. Air Force; Col. Kenneth R. Rogers, U.S. Air Force.

52. Lockheed Aircraft Corp., Burbank, Calif. (affiliates: Lockheed Aircraft International; Lockheed Aircraft Service, New York, Inc.; Lockheed Aircraft Service, Inc.; Lockheed Air Terminal, Inc.): Col. H. J. Bangs, U.S. Army; Col. H. P. Becker, U.S. Marine Corps; Rear Adm. J. F. Beyerly, U.S. Navy; Brig. Gen. J. S. Blais, U.S. Marine Corps; Rear Adm. W. A. Bowers, U.S. Navy; Capt. A. E. Buckley, U.S. Navy; Capt. Wm. M. Cason, U.S. Naval Reserve; Col. E. J. Cotter, U.S. Army; Col. C. F. Damberg, U.S. Air Force; Col. H. O. Deakin, U.S. Marine Corps; Capt. L. E. Divoll, U.S. Navy; Col. J. R. Donovan, U.S. Army Reserve; Rear Adm. George B. Dowling, U.S. Navy; Col. Llewellyn G. Duggar, U.S. Air Force; Rear Adm. H. J. Dyson, U.S. Navy; Capt. J. B. Feder, U.S. Coast Guard; Col. R. L. Finkenstaedt, U.S. Marine Corps; Col. M. H. Floom, U.S. Marine Corps; Rear Adm. T. R. Frederick, U.S. Navy; Rear Adm. W. J. Giles, U.S. Navy; Col. B. E. Hall, U.S. Air Force; Capt. Charles C. Hoffman, U.S. Navy; Col. Harold A. Hughes, Army of United States; Col. R. D. King, U.S. Army; Capt. F. A. Kinzie, U.S. Navy; Rear Adm. W. M. Klie, U.S. Navy; Rear Adm. E. E. Lord, U.S. Navy; Rear Adm. H. B. Lyon, U.S. Navy; Capt. R. H. Maynard, U.S. Navy; Col. Robert K. McDonough, Army of United States; Col. R. C. McGlashan, U.S. Marine Corps; Rear Adm. R. M. Metcalf, U.S. Navy; Col. Andres Meulenberg, U.S. Air Force; Rear Adm. W. E. Moring, U.S. Navy; Capt. J. F. Mullen, Jr., U.S. Navy; Vice Adm. M. E. Murphy, U.S. Navy; Rear Adm. W. H. Newton, U.S. Navy; Col. C. W. O'Connor, U.S. Air Force; Capt. E. B. Patterson, U.S. Navy; Brig. Gen. Hoyt Prindle, U.S. Air Force; Capt. J. F. Quilter, U.S. Navy; Col. E. L. Robbins, U.S. Air Force; Capt. L. P. Scott, U.S. Navy; Col. N. J. Senn, U.S. Army; Col. Norman M. Shipley, Army of United States; Capt. J. L. Shoenhair, U.S. Navy; Adm. G. E. Short, U.S. Navy; Col. J. E. Shuck, U.S. Air Force; Vice Adm. C. C. Smith, U.S. Navy; Rear Adm. W. R. Smith III, U.S. Navy; Col. W. S. Stephenson, U.S. Army; Rear Adm. P. E. Summers, U.S. Navy; Rear Adm. W. R. Tagg, U.S. Navy; Capt. A. E. Teall, U.S. Navy; Col. N. M. Towner, U.S. Air Force; Adm. A. B. Vosseller, U.S. Navy; Col. Charles E. Ward, Army of United States; Rear Adm. W. J. Whipple, U.S. Navy; Col. Leroy H. Barnard, U.S. Air Force; Col. Delevan E. Wolters, U.S. Air Force.

53. Marine Transport Lines, Inc., 11 Broadway, New York, N.Y.: Vice Adm. William M. Callaghan, U.S. Navy.

[7] Personnel records do not necessarily include positive data to reflect this type of service.

[8] Reflects company records since 1945. In view of time limit there may be others not on list.

[9] Records of this type not maintained. The one name furnished was known to the correspondent.

54. Marquardt Aircraft Co., Van Nuys, Calif.: Col. H. M. McCoy, U.S. Air Force; Capt. A. G. Rejebian, U.S. Naval Reserve.

55. The Martin Co.,[10] Baltimore, Md.: C. B. Allen; S. S. Ballentine; A. J. Cooper, Jr.; L. D. Cooper; E. G. Daly; F. R. Dent, Jr.; R. J. Foley; V. Havard, Jr.; S. S. Miller; E. S. Piper; R. S. Purvis; M. C. Reeves; G. D. Stephens; K. E. Tibbetts; A. F. Weirich.

56. Massachusetts Institute of Technology, Cambridge, Mass.

57. Mathiasen's Tanker Industries, Inc., Philadelphia, Pa.: Capt. J. A. Sweeton, U.S. Navy.

58. McDonnell Aircraft Corp., St. Louis, Mo.: Read Adm. Sidney W. Souers, U.S. Naval Reserve; Rear Adm. Lloyd Harrison, U.S. Navy; Col. C. M. O'Donnell, U.S. Army; Col. R. S. McConnell, U.S. Army.

59. Minneapolis Honeywell Regulator Co.,[11] Minneapolis, Minn.: None.

60. Motorola, Inc., 4545 Augusta Boulevard, Chicago, Ill.

61. Newport News Shipbuilding & Dry Dock Co., Newport News, Va.: Rear Adm. N. L. Rawlings, U.S. Navy; Rear Adm. R. A. Larkin, U.S. Navy; Capt. D. J. Cracovaner, U.S. Marine Corps; Capt. H. J. Hiemenz, U.S. Navy; Capt. J. S. Bethea, U.S. Navy; Capt. L. G. Richards, U.S. Navy.

62. North American Aviation, Inc., Los Angeles, Calif.

63. Northrop Aircraft, Inc., 9756 Wilshire Boulevard, Beverly Hills, Calif.

64. Olin Mathieson Chemical Corp., 460 Park Avenue, New York, N.Y.: Col. James A. Bonnington, U.S. Army; Capt. N. H. Collisson, U.S. Naval Reserve; Col. Edwin B. Garrett, U.S. Air Force Reserve; Capt. Harry A. Sosnoski, U.S. Navy; Capt. Clarence E. Voegeli, U.S. Navy; Col. Richard W. Weaver, U.S. Army Reserve.

65. Oman-Farnsworth-Wright,[12] 625 Madison Avenue, New York, N.Y.: None.

66. Morrison-Knudsen Co. Inc., 319 Broadway, Boise, Idaho (affiliates: International Engineering Co.[13]; Morrison-Knudsen-Oman-Farnsworth-Wright-Kaiser; Alaskan Plumbing & Heating Co., Inc.): Col. E. G. Herb.

67. Pan American World Airways, Inc., 135 East 42d Street, New York, N.Y.: Penn-Texas Corp. (see Fairbanks Whitney).

68. Philco Corp., Philadelphia, Pa.: Col. Thomas C. Brubaker, U.S. Army; Gen. M. D. Burnside, U.S. Air Force; Col. Kenneth I. Davis, U.S. Army; Col. Ira P. Doctor, U.S. Army; Col. Loren E. Gaither, U.S. Army; Col. Francis E. Kidwell, U.S. Army; Col. Joseph W. Knighton, U.S. Marine Corps; Adm. James Leeper, U.S. Navy; Col. Milton M. Lewis, U.S. Army; Adm. Richard Mandelkorn, U.S. Navy; Col. James A. Mylod, U.S. Army; Col. Samuel Pierce, Jr., U.S. Army; Adm. Arthur Radford, U.S. Navy; Col. Julian E. Raymond, U.S. Army; Col. David Schlenker, U.S. Air Force; Col. Patrick A. Wakeman, U.S. Army; Col. Stuart M. Welsh, U.S. Army.

69. Radio Corp. of America, 30 Rockefeller Plaza, New York, N.Y. (affiliates: RCA Service Co.; National Broadcasting Co.; RCA Communications, Inc.; RCA Victor Distributing Corp.): Maj. Gen. F. L. Ankenbrandt, U.S. Air Force; Col. D. R. Corum, U.S. Army; Vice Adm. E. D. Foster, U.S. Navy; Col. A. C. Gay, U.S. Air Force; Col. C. W. Gordon, U.S. Air Force; Rear Adm. L. M. Grant, U.S. Navy; Maj. Gen. H. C. Ingles, U.S. Army; Col. C. J. King, Jr., U.S. Army; Col. E. Knickerbocker, U.S. Army; Capt. L. R. Lampman, U.S. Navy; Col. J. H. Madison, U.S. Army; Rear Adm. C. C. Mann, U.S. Navy; Maj. Gen. W. L. Richardson, U.S. Air Force; Capt. E. Roberts, U.S. Navy; Col. J. H. Rothrock, U.S. Air Force; Brig. Gen. D. Sarnoff, U.S. Army; Capt. A. E. Scholz, U.S. Navy; Gen. W. B. Smith, U.S. Army; Capt. J. R. Stewart, U.S. Navy; Col. J. V. Tower, U.S. Army; Rear Adm. R. R. Waller, U.S. Navy; Rear Adm. T. P. Wynkoop, U.S. Navy; Capt. J. H. Brockaway, U.S. Navy; Maj. Gen. S. P. Collins, U.S. Army; Col. A. L. Cox, U.S. Air Force; Capt. L.F. Dodson, U.S. Navy; Col. E. B. Ely, U.S. Army; Rear Adm. H. S. Harnly, U.S. Navy; Col. J. L. Langevin, U.S. Army; Col. K. F. March, U.S. Army; Col. A. Marcy, U.S. Army; Capt. K. M. McLaren, U.S. Navy; Col. M. Moody, U.S. Army; Rear Adm. J. M. Robinson, U.S. Navy; Col. H. Rund, U.S. Army; Maj. Gen. R. A. Schow, U.S. Army; Col. H. N. Sturdevent, U.S. Air Force; Maj. Gen. T. Tully, U.S. Army; Capt. L. Van Antwerp, U.S. Navy.

70. The Rand Corp.,[14] 1000 Connecticut Avenue, Washington, D.C.: Maj. Gen. F. L. Anderson, U.S. Air Force; Maj. Gen. H. G. Bunker, U.S. Air Force; Col. G. C. Reinhardt, U.S. Army; Capt. W. W. Cone, U.S. Navy; Col. J. P. Evans, U.S. Army; Capt. C. L. Freeman, U.S. Navy; Lt. Gen. G. F. Good, U.S. Marine Corps; Col. W. H. Hastings, U.S. Army; Brig. Gen. R. E. Koon, U.S. Air Force; Rear Adm. R. G. Lockhart, U.S. Navy; Brig. Gen. R. G. McKee, U.S. Army; Adm. S. S. Murray, U.S. Navy; Col. K. C. Strother, U.S. Army; Col. M. R. Williams, U.S. Air Force.

71. Raytheon Manufacturing Co., Waltham, Mass.

72. Republic Aviation Corp., Farmingdale, Long Island, N.Y.: Col. Hugh Helby Bowe, Jr., U.S. Air Force; Brig. Gen. Charles Pratt Brown, U.S. Air Force; Capt. Franklin Duerr Buckley, U.S. Navy; Col. Carver Thaxton Bussey, U.S. Air Force; Maj. Gen. Alden Rudyard Crawford, U.S. Air Force; Brig. Gen. Harley Sanford Jones, U.S. Air Force; Brig. Gen. John Mills Sterling, U.S. Air Force; Col. Jesse Fuller Thomas, U.S. Army; Col. Israel Brent Washburn, U.S. Army.

73. Richfield Oil Corp., Los Angeles, Calif.: Capt. Lester Martin, U.S. Navy; Col. T. C. Miller, U.S. Army; Col. H. W. Schmidt, U.S. Army; Capt. J. C. Woelfel, U.S. Navy.

74. Ryan Aeronautical Co., Lindbergh Field, San Diego, Calif.

75. Shell Oil Co., 50 West 50th Street, New York, N.Y.: None.

76. Sinclair Oil Corp.,[15] 600 Fifth Avenue, New York, N.Y. (affiliates: Sinclair Refining Co.; Sinclair BP Sales, Inc.): Capt. Carl G. Drescher, U.S. Navy.

77. Socony Mobil Oil Co., 150 East 42d Street, New York, N.Y. (affiliates: Basin Oil Co., General Petroleum Corp., Magnolia Petroleum Co., Mobil Overseas Oil Co., Standard-Vacuum Oil Co.): Rear Adm. Thomas J. Kelly, U.S. Navy.

78. Sperry Rand Corp.,[16] 30 Rockefeller Plaza, New York, N.Y. (affiliates: Sperry Gyroscope Co. division; Remington Rand division; Sperry Microwave Electronics Co., division; Vickers, Inc.; Wright Machinery Co. division): Brig. Gen. Joseph A. Bulger, U.S. Air Force; Col. James E. McGraw, U.S. Army; Col. T. L. Gaines, U.S. Army; Col. W. R. Gerhardt, U.S. Army; Lt. Gen. Leslie R. Groves, U.S. Army; Col. Ernest R. Miller, U.S. Air Force; Capt. Knight Pryor, U.S. Navy; Col. Paul Walker, U.S. Air Force; Maj. Gen. Courtney Whitney, U.S. Army; Col. E. C. Best, U.S. Marine Corps Reserve; Col. Ray Conners, U.S. Army; Capt. Gordon Campbell, U.S. Navy.

79. Standard Oil Co. of California,[17] San Francisco, Calif.

80. Standard Oil Co. of Indiana,[18] 910 South Michigan Avenue, Chicago, Ill.

81. Standard Oil of New Jersey,[19] 30 Rockefeller Plaza, New York, N.Y.: None. Affiliates: Gilbert & Barker Manufacturing Co., none; Esso Export Corp., none; Ethyl Corp., Maj. Gen. Stephen G. Henry, U.S. Army; Esso Research & Engineering Co., none; Humble Oil & Refining Co., Carter Oil Co., none.

82. States Marine Corp., 90 Broad Street, New York, N.Y.

83. Sundstrand Machine Tool Co., 2531 11th Street, Rockford, Ill.

84. Sunray Mid-Continent Oil Co.,[20] Tulsa, Okla. Affiliates: D-X Sunray Oil Co., Suntide Refining Co.): None.

85. Sylvania Electric Products Inc., 1740 Broadway, New York, N.Y.

86. Temco Aircraft Corp., Dallas, Tex.: Col. W. B. Freeman, U.S. Marine Corps; Brig. Gen. R. E. Galer, U.S. Marine Corps; Col. M. G. Haines, U.S. Marine Corps; Rear Adm. A. C. Olney, U.S. Navy; Brig. Gen. L. S. Smith, U.S. Air Force; Col. D. W. MacArdle, U.S. Army.

87. Texaco Inc., 135 East 42d Street, New York, N.Y. (Affiliates: Caltex Oil Products Co.; Texaco (Brazil) Inc.; Texas Co. (Caribbean) Ltd.; Texas Co. (Puerto Rico), Inc.; Texas Petroleum Co., the Texas Pipe Line Co.): None.

88. Thiokol Chemical Corp., Bristol, Pa.: Maj. Gen. David F. O'Neill, U.S. Marine Corps; Capt. J. W. Antonides, U.S. Navy; Capt. Albert Joseph Walden, U.S. Navy; Col. Fulten G. Thompson, U.S. Army; Col. Warren C. Rush, U.S. Army; Rear Adm. J. M. Gardiner, U.S. Navy; Adm. R. E. Davis, U.S. Navy; Col. Hubert duBois Lewis, U.S. Army.

89. Thompson Ramo Wooldridge Inc., 23555 Euclid Avenue, Cleveland, Ohio: Gen. B. W. Chidlaw, Brig. Gen. William M. Garland, Lt. Gen. H. L. George, Maj. Gen. G. P. Saville, Gen. James L. Doolittle, Col. H. K. Gilbert.

90. Tidewater Oil Co., 17 Battery Place, New York, N.Y.

91. Tishman (Paul) Co., Inc., 21 East 70th Street, New York, N.Y.: None.

92. Todd Shipyards Corp., 1 Broadway, New York, N.Y.: Col. Charles D. McColl, U.S. Army; Capt. John A. Hayes, Jr., U.S. Navy.

93. Union Carbide Corp., 30 East 42d Street, New York, N.Y.

94. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif.: None.

95. United States Lines Co., 1 Broadway, New York, N.Y.: None.

96. United Aircraft Corp., East Hartford, Conn. (affiliates: United Research Corp., United Aircraft Export Corp.): Brig. Gen. Turner A. Sims, Jr., U.S. Air Force; Capt. Albert R. Weldon, U.S. Navy; Capt. Wendell W. Suydam, U.S. Navy; Col. Edward J. Hale, U.S. Air Force; Brig. Gen. Edward C. Dyer, U.S. Marine Corps; Col. Harry W. Generous, U.S. Air Force; Rear Adm. J. P. W. Vest, U.S. Navy; Capt. Herbert S. Brown, U.S. Navy; Rear Adm. Marshall R. Greer, U.S. Navy; Capt. James F. Byrne, U.S. Navy; Capt. Frank Curtiss Lynch, Jr., U.S. Navy; Lt. Gen. Donald L. Putt, U.S. Air Force; Maj. Gen. Robert W. Douglas, Jr., U.S. Air Force; Maj. Gen. John M. Welkert, U.S. Air Force; Col. John B. Jacob, U.S. Marine Corps.

97. Westinghouse Air Brake Co., Pittsburgh, Pa., affiliates: Melpar, Inc., Le Tourneau-Westinghouse Co.); Anding, James G.; Beckley, Stuart; Beiderlinden, William A.;

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[10] Rank not indicated on list of officers submitted (colonels or above, or the equivalent).

[11] Record examination did not include Reserve officers serving on duty in World War II and who, presumably, may be retired.

[12] Joint venture.

[13] Not listed in attachment.

[14] System Development Corp. is not an affiliate and will reply direct.

[15] Report from survey of payroll applications. One name furnished is president of Sinclair PB Sales, Inc. It is not clear on report whether or not he is still active or retired from that office.

[16] Gen. Douglas McArthur not included.

[17] Information not presently available.

[18] Information not presently available.

[19] Effort made to obtain information through affiliates as indicated. Generally the information is not available from the parent company records of its own employees.

[20] Information not a regular part of company records.

Bell, Charlie H.; Bertsch, William H., Jr.; Bradley, William J.; Canan, Howard V.; Cowie, Franklin G.; Denson, Lee A.; Elliott, Richard E.; Gibbs, John S.; Hastings, Kester L.; Herring, Lee R.; Herron, Edwin W.; Holley, James; Irving, Frederick A.; Kastner, Alfred E.; Kurtz, Guy O.; Lane, Richard; Larew, Walter B.; Leggett, Aubrey B.; Lowe, Robert G.; Maher, Joseph B.; McAfee, Broadus; Menoher, William; Morrison, James A.; Newton, Wallis S.; Packer, Francis A.; Pence, William P.; Pierce, Edward H.; Ping, Robert A.; Rehm, George A.; Riley, Hugh W.; Rittgers, Forest S.; Stafford, Laurance F.; Samouce, James A.; Sergeant, Russel C.; Shaw, Lawrence E.; Sherman, Wilson R.; Stiegler, Oscar; Summerall, Charles P.; Wells, Lucien F.

98. Westinghouse Electric Corp., Pittsburgh, Pa.: Adm. Robert B. Carney, U.S. Navy; Adm. Leonard J. Dow, U.S. Navy; Maj. Gen. Albert Boyd, U.S. Air Force; Rear Adm. Wm. V. Deutermann, U.S. Navy; Rear Adm. Wm. L. Kabler, U.S. Navy; Rear Adm. E. S. Keats, U.S. Navy; Rear Adm. H. T. Walsh, U.S. Navy; Brig. Gen. R. B. Pape, U.S. Army; Brig. Gen. Vennard Wilson, U.S. Army; Capt. L. M. Cockaday, U.S. Navy; Capt. Neal Cole, U.S. Navy; Capt. Ottis Earle, U.S. Navy; Capt. W. S. Ellis, U.S. Navy; Capt. C. J. Heath, U.S. Navy; Capt. R. M. Huebl, U.S. Navy; Capt. H. B. Hutchison, U.S. Navy; Capt. H. J. Islev-Petersen, U.S. Navy; Capt. J. J. Moore, U.S. Navy; Capt. C. W. Truxall, U.S. Navy; Capt. Hugh Webster, U.S. Navy; Col. E. M. Buitrago, U.S. Army; Col. Angelo R. Del Campo, U.S. Army; Col. J. L. Dickey, U.S. Marine Corps; Col. O. F. Forman, U.S. Army; Col. J. A. Gerath, Jr., U.S. Marine Corps; Col. J. J. Godwin, U.S. Army; Col. C. D. Jeffcoat, U.S. Marine Corps; Col. F. B. Kane, U.S. Army; Col. George B. Mackey, U.S. Air Force; Col. P. M. Martin, U.S. Army; Col. Francis H. Monahan, U.S. Air Force; Col. George R. Oglesby, U.S. Army; Col. Fred Reiber, U.S. Army.

99. The White Motor Co., Cleveland, Ohio: None.

SUPPLEMENT NO. 1. COMPANIES REPORTING AFTER JUNE 12, 1959, ALPHABETICALLY ARRANGED WITH NUMBER CORRESPONDING TO POSITION ON MASTER TABULATION

Company and officers

6. Beech Aircraft Corp., Wichita, Kans.: Capt. James O. Taylor, U.S. Naval Reserve; Col. Cliff K. Titus, U.S. Army Reserve.

16. Chrysler Corp., Detroit, Mich.: Col. Gervais W. Trichel, U.S. Army; Col. William J. D'Espinosa, U.S. Army; Capt. William J. Hickey, U.S. Navy; Col. John L. Hornor, Jr., U.S. Army; Brig. Gen. Joseph W. Horridge, U.S. Army; Rear Adm. Duncan C. MacMillian, U.S. Navy; Col. Joseph A. McNerney, U.S. Army; Col. Samuel F. Silver, U.S. Army; Col. Horace F. Sykes, Jr., U.S. Army; Col. William M. Talbot, U.S. Air Force; Rear Adm. Rutledge B. Tompkins, U.S. Navy.

18. Collins Radio Co., Cedar Rapids, Iowa: A. S. Born, L. R. Heron, E. J. Beller, R. L. Fulcher, Charles Kissmer.

25. Eastman Kodak Co., Rochester, N.Y.: Maj. Gen. Edward P. Curtis, U.S. Army; Col. Arthur W. Fuchs, U.S. Army Reserve; Col. J. B. Langby, U.S. Army Reserve; Col. J. D. Peet, U.S. Army; Capt. J. D. Gallinger, U.S. Navy; Col. Rufus Wesson, U.S. Army Reserve; Col. Philip Foss, U.S. Army Reserve; Col. Frank N. Gunderson, U.S. Army Reserve; Col. B. M. Prince, U.S. Air Force; Col. J. J. Griffith, Jr., U.S. Air Force; Col. Werner Zugschwerdt, U.S. Army; Brig. Gen. Charles W. Shelburne, U.S. Marine Corps.

34. General Motors Corp., Detroit, Mich.:[21]

37. Gilfillan Bros., Inc., 1815 Venice Blvd., Los Angeles, Calif.: None.

[21] A survey is being instituted in more than 120 plants and other employing units throughout the United States. Frigidaire Sales Corp., a wholly owned General Motors subsidiary, will make a similar survey.

46. International Business Machine Corp., 590 Madison Avenue, New York, N.Y., affiliate the Service Bureau Corp.: Col. J. D. Lee, U.S. Air Force; Col. N. M. Martin, U.S. Army; Maj. Gen. T. C. Odom, U.S. Air Force.

62. North American Aviation, Inc., Los Angeles, Calif.: Capt. Markley C. Cameron, U.S. Navy; Rear Adm. Stephen W. Carpenter, U.S. Navy; Col. J. H. Carter, U.S. Army; Capt. T. J. Casey, U.S. Navy; Col. Paul A. Chandler, U.S. Marine Corps; Col. Richard W. Faubin, U. S. Air Force; Col. Wallace S. Ford, U.S. Air Force; Col. Robert F. Fulton, U.S. Air Force; Col. James H. Higgs, U.S. Air Force; Maj. Gen. John H. Hinds, U.S. Army; Col. John S. Holmberg, U.S. Marine Corps; Col. W. C. Hood, U.S. Army; Rear Adm. W. B. Jackson, U.S. Navy; Brig. Gen. Harold R. Lee, U.S. Marine Corps; Capt. William Loveland, U.S. Navy; Col. Lynn Mapes, U.S. Air Force; Capt. W. B. Mechling, U.S. Navy; Vice Adm. John L. Melgaard, U.S. Navy; Rear Adm. John B. Pearson, Jr., U.S. Navy; Capt. Fred D. Pfotenhauer, U.S. Navy; Capt. C. A. Printup, U.S. Navy; Col. Ben Z. Redfield, U.S. Marine Corps; Col. Maurice M. Stone, U.S. Air Force; Rear Adm. Frank Turner, U.S. Navy; Col. Ralph J. Watson, U.S. Air Force; Col. K. M. Welborn, U.S. Army; Rear Adm. George A. Whiteside, U.S. Navy.

63. Northrop Corp., Beverly Hills, Calif. (affiliate: Page Communication Engineers, Inc.): Lt. Gen. Roger M. Ramey, U.S. Air Force; Lt. Gen. Patrick W. Timberlake, U.S. Air Force; Col. Stewart W. Towle, Jr., U.S. Air Force; Lt. Gen. Ennis C. Whitehead, U.S. Air Force; Capt. Thomas F. Darden, U.S. Navy; Capt. Homer K. Davidson, U.S. Navy; Col. Paul C. Droz. U.S. Air Force; Col. Edmund R. Goss, U.S. Air Force; Col. Ralph G. Lockwood, U.S. Air Force; Col. Gaspare Frank Blunda, U.S. Air Force; Capt. Neil E. Kingsley, U.S. Navy; Rear Adm. Michael P. Bagdanovich, U.S. Navy; Capt. Robert Conaughty, U.S. Naval Reserve; Col. Kenneth W. Klise, U.S. Air Force Reserve; Col. Robert R. Mallory, U.S. Army Reserve; Lt. Gen. Joseph Smith, U.S. Air Force.

71. Raytheon Manufacturing Co., Waltham, Mass.: Brig. Gen. Francis A. Kreidel, U.S. Army; Col. Mark E. Smith, U.S. Army; Adm. Roy W. Graham, U.S. Navy; Capt. Francis J. Blasdel, U.S. Navy; Col. Maurice A. O'Connor, Jr., U.S. Air Force; Capt. Edward L. Robertson, U.S. Navy; Col. Donald J. Bailey, U.S. Army; Capt. John N. Boland, U.S. Navy; Capt. Marshall B. Gurney, U.S. Navy; Capt. David R. Hull, U.S. Navy; Rear Adm. Gill M. Richardson, U.S. Navy; Capt. Joseph K. Taussig, U.S. Navy; Capt. Mario G. Vangeli, U.S. Navy; Capt. Malcolm M. Cloukey, U.S. Navy; Capt. A. Peter Hilar, U.S. Navy; Col. Arthur (nmi) Kramer, U.S. Army; Col. Benjamin (nmi) Whitehouse, U.S. Army.

74. Ryan Aeronautical Co., Lindbergh Field, San Diego, Calif.: Rear Adm. K. J. Christoff, U.S. Navy; Col. P. H. Kemmer, U.S. Air Force; Rear Adm. Leslie H. Gehres, U.S. Navy; Vice Adm. C. F. Coe, U.S. Navy; Rear Adm. E. R. Sanders, U.S. Navy; Brig. Gen. R. L. Schiesswohl, U.S. Marine Corps; Col. Bethuel M. Kitchen, U.S. Army; Rear Adm. L. C. Chamberlin, U.S. Navy; Rear Adm. Harry A. Hummer, U.S. Navy.

82. States Marine Lines, 90 Broad St., New York, N.Y. (affiliates: States Marine Corp, of Delaware, Isthmian Lines, Inc.): None.

85. Sylvania Electric Products Inc., 1740 Broadway, New York N.Y.: Rear Adm. Frederick J. Bell, U.S. Navy; Brig. Gen. Wayne H. Adams, U.S. Marine Corps; Col. Phillip A. Gugliotta, U.S. Air Force; Col. Leslie E. Loken, U.S. Army; Capt. Edward G. Mason, U.S. Navy Reserve; Col. Leland Gilliatt, U.S. Air Force.

90. Tidewater Oil Co., 4201 Wilshire Boulevard, Los Angeles, Calif. (affiliate: Seaside Oil Co.): Capt. Creighton C. Carmine, U.S. Navy Reserve; Col. Daniel Eckerman, U.S. Army; Capt. George Wendelburg, U.S. Navy.

93. Union Carbide Corp., 30 East 42d St., New York. N.Y.: Rear Adm. George Madden, U.S. Navy; Capt. C. R. Watts, U.S. Navy; Col. G. B. Farris, U.S. Army; Rear Adm. W. V. Hamilton, U.S. Navy.

100. System Development Corp.,[22] 2500 Colorado Ave., Santa Monica, Calif.: Lt. Gen. Donald L. Putt, U.S. Air Force; Col. Thomas A. Holdiman, U.S. Air Force.

SUMMARY

Company and number of officers

1. American Bosch Arma Corp.: None.
2. American Telephone & Telegraph Co.: 1.
3. Asiatic Petroleum Corp.: None.
4. Avco Corp.: 4.
5. Bath Iron Works Corp.: 2.
6. Beech Aircraft: Not available.
7. Bell Aircraft Corp.: 3.
8. Bendix Aviation Corp.: 14.
9. Bethlehem Steel Co.: 8.
10. Blue Cross Association: None.
11. Boeing Airplane Co.: 30.
12. Brown-Raymond-Walsh: None.
13. California Institute of Technology: None.
14. Cessna Aircraft Co.: 1.
15. Chance Vought Aircraft Inc.: 6.
16. Chrysler Corp.: 11.
17. Cities Service Co.: 4.
18. Collins Radio Co.: 5.
19. Continental Motors Corp.: 2.
20. Continental Oil Co.: 2.
21. Curtiss-Wright Corp.: 4.
22. Defoe Shipbuilding Co.: None.
23. Douglas Aircraft Co. Inc.: 15.
24. E. I. du Pont de Nemours & Co.: 1.
25. Eastman Kodak Co.: 12.
26. Fairchild Engine & Airplane Corp.: 7.
27. Fairbanks Whitney Corp.: 4
28. Firestone Tire & Rubber Co.: 3.
29. Food Machinery & Chemical Corp.: 6
30. Ford Motor Co.: 5.
31. The Garrett Corp.: 2.
32. General Dynamics Corp.: 54.
33. General Electric Co.: 35.
34. General Motors: Survey being taken.
35. General Precision Equipment Corp.: Not available.
36. General Tire & Rubber Co.: 28.
37. Gilfillan Brothers Inc.: None.
38. B. F. Goodrich Co.: 1.
39. Goodyear Tire & Rubber Co.: 2.
40. Greenland Contractors: Not available.
41. Grumman Aircraft Engineering Corp.: 1.
42. Hayes Aircraft Corp.: 3.
43. Joshua Hendy Corp.: None.
44. Hercules Powder Co. Inc.: 1.
45. Hughes Aircraft Co.: 7.
46. International Business Machine Corp.: 3.
47. International Telephone & Telegraph Corp.: 24.
48. The Johns Hopkins University: 16.
49. The Kaman Aircraft Corp.: 1.
50. Peter Kiewit Sons Co.: 1.
51. Lear, Inc.: 2.
52. Lockheed Aircraft Corp.: 60.
53. Marine Transport Lines, Inc.: 1.
54. Marquardt Aircraft Co.: 2.
55. The Martin Co.: 15.
56. Massachusetts Institute of Technology: Not available.
57. Mathiasen's Tanker Industries, Inc.: 1.
58. McDonnell Aircraft Corp.: 4.
59. Minneapolis Honeywell Regulator Co.: None.
60. Motorola, Inc.: Not available.
61. Newport News Shipbuilding and Dry Dock Co.: 6.
62. North American Aviation, Inc.: 27.
63. Northrop Aircraft, Inc.: 16.
64. Olin Mathieson Chemical Corp.: 6
65. Oman-Farnsworth-Wright: None.
66. Morrison-Knudsen Co. Inc.: 1.

[22] Corporation had been included as an affiliate of Rand Corp. Letter of June 12, 1959, states that organization commenced operation December 1957 as an independent nonprofit corporation.

67. Pan American World Airways, Inc.: Not available.
68. Philco Corp.: 17.
69. Radio Corp. of America: 39.
70. The Rand Corp.: 14.
71. Raytheon Mfg. Co.: 17.
72. Republic Aviation Corp.: 9.
73. Richfield Oil Corp.: 4.
74. Ryan Aeronautical Co.: 9.
75. Shell Oil Corp.: None.
76. Sinclair Oil Corp.: 1.
77. Socony Mobil Oil Co.: 1.
78. Sperry Rand Corp.: 12 (Gen. Douglas MacArthur not included).
79. Standard Oil Company of California: Not available.
80. Standard Oil Company of Indiana: Not available.
81. Standard Oil of New Jersey: 1.
82. States Marine Corp.: None.
83. Sundstrand Machine Tool Co.: Not available.
84. Sunray Mid-Continent Oil Co.: None.
85. Sylvania Electric Products, Inc.: 6.
86. Temco Aircraft Corp.: 6.
87. Texaco, Inc.: None.
88. Thikol Chemical Corp.: 8.
89. Thompson Ramo Wooldridge, Inc.: 6.
90. Tidewater Oil Co.: 3.
91. Tishman (Paul) Company, Inc.: None.
92. Todd Shipyards Corp.: 2.
93. Union Carbide Corp.: 4.
94. Union Oil Company of California: None.
95. United States Lines Co.: None.
96. United Aircraft Corp.: 15.
97. Westinghouse Air Brake Co.: 42.
98. Westinghouse Electric Corp.: 33
99. The White Motor Co.: None.
100. System Development Corp.: 2.
Total: 721.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL FUNDS FOR DIRECT HOUSING LOANS TO VETERANS, LEGISLATIVE PROCEDURE

Mr. JOHNSON of Texas. Mr. President, I appeared this morning as a witness before the Committee on Foreign Relations. I have received a statement made by the junior Senator from Oklahoma [Mr. MONRONEY] with regard to the action taken yesterday in connection with the provision of additional funds for direct housing loans to veterans. I should like to have the RECORD show the facts, because the statement, as I read it, is inaccurate, and I think misleading.

First of all, I should like to have all Members of the Senate know that we never initiate any action in this body in connection with moving to proceed to the consideration of bills unless and until we have notified the minority leader. When it is possible we also notify the ranking minority member of the committee. We also notify the chairman of the committee, and any other members of the committee who have indicated that they desire to be present when such legislation is considered.

Some time ago, the Senate, by a yea-and-nay vote, agreed to an amendment which provided $150 million for direct loans to veterans. About the same time the House passed a bill which provided $300 million in direct loans to veterans. The question was whether we should accept the House figure, or allow our provision to remain in the Senate bill.

After discussing the question with the leadership in the House, with the chairman of the committee in the House, with the chairman of the committee in the Senate, and with the ranking majority member of that committee, I talked with the Senator from Alabama [Mr. SPARKMAN], who handles housing legislation, and asked him to be prepared to take from the table the House bill which had been passed, providing $300 million for this purpose, and to offer an amendment providing $100 million and send the bill to the House, so that the House could act upon it or send it to conference. That was done on Monday.

Prior to asking permission that the bill be taken from the table, I conferred with the minority leader. I called the ranking minority member of the committee, the Senator from Indiana [Mr. CAPEHART]. I conferred again with the staff members and with the chairman of the subcommittee [Mr. SPARKMAN], as well as with the former chairman of the full committee, who is also a member of the subcommittee [Mr. FULBRIGHT] and asked their pleasure in the matter.

I also conferred with the chairman of the Committee on Labor and Public Welfare [Mr. HILL].

After understanding that it was agreeable to all concerned, and after being informed that no Senator had raised any question about the bill at the desk, which had been there for several weeks, I suggested the absence of a quorum. I notified the attachés on each side of the aisle that we were about to consider the veterans housing bill. There was a quorum call, the call proceeding through the name of the Senator from Ohio [Mr. YOUNG]. I then asked unanimous consent to proceed to the consideration of that bill.

The Senator from Alabama [Mr. SPARKMAN] was in charge of the bill. He made a brief statement. I believe the minority leader perhaps raised some question, and the Senator from Indiana [Mr. CAPEHART] raised some question. The Senator from New York [Mr. JAVITS] entered the colloquy.

I know of no means available to the leadership to force Members to come to the Chamber. I know of no means available to me to require Senators to come to the Chamber and attend to public business. All I can do is to suggest the absence of a quorum and tell the attachés what is about to be taken up, clear it with the chairman of the committee, the chairman of the subcommittee, the minority leader, and the ranking minority member of the committee, and conduct the best poll I can.

There are days when certain Senators cannot be present, when quorum calls are made. There are days when certain Senators are out of the city. That frequently happens in the case of the Senator from Texas. He often misses rollcalls.

However, the Senate will continue to operate as an institution. If Members cannot be present, that is unfortunate. While we wish to adjust ourselves to their convenience as much as possible, it is very difficult for us to do more than we do with regard to giving them advance notice.

I wish every Member of the Senate to be on notice that, with respect to each and every bill which is reported by a standing committee and may be taken up on motion, if any Member of the Senate desires to be notified, if he will list his name with the clerk, the clerk will perform that function.

With respect to each appropriation bill, when the report and hearings are available, we shall attempt to ask unanimous consent for its immediate consideration. If objection is made, a motion will be made to take it up under the rule when 3 days shall have elapsed.

With respect to each conference report which comes to the Senate, so far as possible, it will be taken up with the knowledge of the minority leader, the chairman of the committee, and the ranking minority member. However, it is impossible for us to assume the responsibility of individually notifying 98 Senators and arranging a day convenient to each of them.

I have on my desk at present requests from certain Senators that there be no rollcalls on Thursday or Friday. I have requests from others that there be no rollcalls on Monday or Tuesday; also there are requests that, if possible, we avoid a meeting on Saturday. It is said that certain Senators will be absent from the city, and there are requests that there be no votes on Thursday or Friday.

I do not believe that any Senator should ask the Senate to come to a standstill because he cannot be present.

I have no knowledge as to when debate on the Strauss nomination will cease. Sometimes I have anticipated debate would cease very shortly, and it has continued for several days; and vice versa. On one occasion I went to the chairman of the committee and to the chairman of the subcommittee and asked whether there was any controversy with respect to a certain bill. They replied in the negative.

I then took occasion to go to Minnesota for a medical examination. I called on the telephone a couple of days later and asked what had happened. I was told that there had been 11 rollcalls. That shows that no one can fully anticipate what will happen in the Senate.

We are late in the session. The committees of the Senate still have a heavy load of work to do. I was due to appear at three committees this morning. I had to preside over one, and I had to testify at another one. I just missed the third one. We are going to have some of the major legislation of the session coming up during the months of June, July, and August, and whatever other months we may be here. We are going to try to stay here until we do our job, until we do the

job the people have selected us to come here to do. We are going to give as much notice as we can on every bit of legislation. However, on the housing bill, we had already acted once. We had passed a larger sum already. We had a quorum call, and we had notified all the attachés. We notified the members of the committee on both sides. We did not notify individual Members of the Senate because that is simply beyond the realm of possibility.

I was discussing when we could have certain votes as late as 8 o'clock last evening. I hope that each Senator will be unselfish about the matter and will understand the situation. We want to give fair and sympathetic consideration to his request, but it is very dangerous to schedule speaking dates from now until the end of this session, unless a Senator is prepared to miss rollcalls.

I am sure that we will have a quorum call before the final vote on the Strauss nomination, just as we had a quorum call before we took up the bill yesterday. But certain Senators think that there are certain magic powers that permit them to go away for 2 or 3 days and still allow them to return in time. If they leave the Senate and if they leave the city, they do so at great risk. I do not want to take any advantage on any measure. I know of no cause I support that I am not willing to have fully heard and every sentiment fully reflected by a yea and nay vote. I do not know what else I can do, except to go out personally and physically bring the Senators into the Chamber in a body.

The statement has been made that there was no quorum call. That is not true. The statement has been made that the cloakrooms did not know what we were voting on. That is not true. If any Senator had called, he would have been told. The majority leader took up the veterans' housing bill with the minority leader. The minority leader was notified. I called up the Senator from Indiana [Mr. CAPEHART] myself. I called up at least 10 Senators myself in connection with that bill. I called the Senator from Alabama, who happened to be in Chicago. I called him up long distance. I called up the Senator from Alabama [Mr. HILL], and got his clearance. I simply cannot reach every Senator except by having a quorum call. The issue had been voted on already, and the bill was at the desk, and every Senator had judicial notice for several weeks that at any moment it could be taken from the desk, as all matters at the desk now can be taken off it if the Senate should decide to do so. Proper notification was given. We had a proper quorum call. We saw to it that the attachés were properly notified, and any inquiring, interested person could have been told.

I understand that the action was by unanimous vote, both in the Senate and in the House.

I believe in issues. I believe we must get an expression of different viewpoints with regard to them, and that we must have strong convictions, and be true to them. But all Senators should understand that we have a procedure of clearing with the minority leader. All any minority Member, who does not want a bill brought up or wants to be present when it is brought up, need do is to notify the minority leader, and the minority will put the notice on the calendar. He will say, "It is OK," or "Please notify Senator SCHOEPPEL," or "Please notify Senator BRIDGES," or please notify some other Senator. We do that. On substantial legislation we try also to notify Senators by having quorum calls. The majority side has the same procedure. We have two attachés who do nothing but try to see that individual Senators who should be notified, are notified. Senators who desire to be notified communicate with the secretary to the majority and the staff of the Legislative Review Committee. The secretary to the majority, Mr. Baker, could have answered any inquiry which might have been made yesterday, if any inquiry had been made. We had a quorum call yesterday, and any inquiry could have been made, and it would have been answered.

The chairman of the committee was specifically asked to notify any members of the committee who were interested in the matter. The ranking minority member adjusted himself to suit the convenience of the Senate, although it was the first time his wife had been in the Capitol after an illness of some months. He was at lunch, but he agreed that the bill should be considered, and he came to the floor. We asked him to notify any Senator on his side who was interested.

So it is not correct to say that proper procedures were not followed. I believe they were followed. I think it is sufficient notification to any Member to announce in the case of bills on the calendar, bills at the desk and bills in conference that Senators should be on notice that they will be taken up. If we can have a quorum call, we will have it. If they are interested in being notified, we will notify them, but we cannot anticipate all the minds.

Mr. DIRKSEN. Mr. President, for information, I should like to ask the majority leader if he has a tentative time in mind for the possible consideration of the conference report on the wheat bill.

Mr. JOHNSON of Texas. That is one of the matters that troubles me somewhat. The conferees, I am informed, agreed yesterday. The conference report was signed this morning. I did not set the time of the conference. I had no control over it. I asked that the differences be adjusted. I am informed that all Democratic Senate members of the conference committee signed the conference report. I shall have a quorum call before we take it up. I should like to take it up this afternoon if it is agreeable to the chairman of the committee and the ranking minority member. If the Senator from Illinois will canvass the situation, I should like to take it up, and I should like to see if we cannot get a limitation of debate on its consideration. The chairman of the committee tells me that he does not expect he will need more than 5 minutes. I do not know how much time the minority Members will need, or how much time other Members will need. However, we will have a quorum call, and then we will ask that the report be taken up under a time limitation, so that we will not consume any more time than is absolutely necessary to consume on it.

I appreciate the Senator from New Hampshire [Mr. COTTON] indulging me. I recognize the fact that he has a speech to make.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. BRIDGES. Is it the understanding of the Senator from New Hampshire, from what the majority leader has said, that the so-called Strauss vote can now come at any time, at any moment, and that all Senators should be alerted to that end?

Mr. JOHNSON of Texas. I announced that on yesterday, and I announced it twice today, not by choice, but by necessity. We were unable to get a unanimous-consent agreement. If the Senator from New Hampshire [Mr. COTTON] should complete his speech and sit down, and someone should suggest the absence of a quorum, and after it had run through down to the Y's, and the Chair should say, "The question is, Will the Senate advise and consent to the nomination," and a Senator should ask for the yeas and nays, and if the yeas and nays were ordered, and the clerk called "Mr. AIKEN" and he answered "Yea," that would be it.

I am not prepared to stand here and state that we should wait until someone gets back to town. Senators will have to work out their own arrangements. We have had the nomination before us for more than a reasonable length of time. The President is entitled to have our decision in the matter. I do not want to cut any Senator off, but I also want Senators to be on notice that if they happen to be in nearby Virginia or Maryland, or even as far away as Texas, a vote could come at any time. I am not going to predict when it will come, because that is beyond me, too. I want to be sure of carrying out my obligation to all the membership of the Senate—and as majority leader I have an obligation to the minority as well as to the majority—in advising them that the vote could come at any time, and that I have no desire to take advantage of one side or the other. Senators will have to protect themselves.

Mr. BRIDGES. I should like to ask the majority leader whether that means he will not again attempt to work out a unanimous-consent agreement, or does he intend to follow that procedure?

Mr. JOHNSON of Texas. That does not mean that I will not attempt to work it out. As long as there is life, there is hope.

I asked the minority leader to give me his suggestions again. I frankly thought the suggestions he made yesterday were very bad. I told him so. I do not want to say, "I told you so," but we could have had a unanimous-consent agreement, in my humble judgment, to vote on Thursday. But it was necessary to canvass the situation.

I am aware of situations which exist, because Senators make the same re-

quests of me. A number of Senators had to go to the NATO meeting a few days ago. They asked if they could be protected on the vote on the Strauss nomination. I said no, they could not. I am not going to give any Senator that kind of assurance. I said it in connection with the debate on the labor bill. I said it to the displeasure of many delightful colleagues on my side of the aisle. I have said it concerning the Strauss nomination. I repeat it. Last week I had Thursday and Friday suggested. This week I had Tuesday suggested. Now Wednesday, Thursday, and Friday are suggested. Now I think perhaps we may reach a vote on Saturday.

The first thing this morning a Senator said to me, "Do not have a Saturday session."

So I have requests for all of these days. There are seven days in a week. There are 98 Senators. Each Senator has a plan for some day.

So I think the Democrats and the Republicans, the majority and the minority, must be placed on notice that we shall give priority to appropriation bills, conference reports, and the Strauss nomination. We shall come in early and sit late. We will try to discharge the public business, and we will try to do it good humoredly, good naturedly, and cooperatively.

I must say that the minority leader, even though he did not agree to my recommendations on the unanimous-consent agreement, is very cooperative; and when he suggests another possibility to me, I will give him my views. Then if he feels that he should submit his proposal, I will even yield my views, as I did yesterday. I will accept it and let the judgment of the Senate decide what shall be done.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. ALLOTT. When the Senator says that we will come in early and sit late, does he mean we will convene at 10 o'clock in the morning?

Mr. JOHNSON of Texas. I have no plan at this stage to have the Senate convene at 10 o'clock or 11 o'clock.

Mr. ALLOTT. I understood from what the Senator said yesterday that he was opposed to having the Senate convene at 10 o'clock on weekdays when committees were meeting.

Mr. JOHNSON of Texas. No; I was opposed to having the Senate meet at 10 o'clock on Wednesday. I said it would greatly inconvenience me because I was testifying as a witness before the Committee on Foreign Relations. I was presiding as chairman of a subcommittee at 10. There were many committee meetings which had been scheduled for today, and many witnesses had been notified to appear. I said it would inconvenience me to have the Senate meet at 10 o'clock on Wednesday, but that I would not object to it, and I did not; I would have been here at 10 o'clock this morning.

I think that if the discussion on the nomination continues, there may come a time, as I told the minority leader this morning, as a time came when the late Senator Taft was the majority leader, when we met in his office, when we decided that we ought to run late, late, and late, and we went around the clock.

Similarly, when former Senator Knowland was the majority leader, a time came after several weeks of debate on an authorization bill when we finally agreed that the time had come when it was necessary to sit around the clock.

I have not reached any such judgment in this matter, and I will not do so until I have consulted with the able minority leader and other Senators. But if it appears that we have reached a standstill, and Senators have thoughts which they want to express, but there is not adequate time for them to do so, it may be necessary to have the Senate session run into the cool of the evening.

Mr. ALLOTT. I do not mind that. I think perhaps it would be a good idea if this afternoon there were a few live quorum calls, so that all the Senators who, on yesterday afternoon, were insistent that they had to hear the debate and learn the facts about the case might be present in the Chamber to hear them.

Mr. JOHNSON of Texas. I appreciate the Senator's suggestion; I shall offer no objection to that. As a matter of fact, I try to protect every one of my colleagues as much as I can. I want them to have as few absences as they can. For that reason, I do not always insist on live quorums, although I have to be here. But I think there is some merit in the Senator's suggestion; and, so far as I am concerned, there will be some live quorum calls.

Also, so far as I am concerned, the minority leader will be fully consulted, as will be the Senator from New Mexico [Mr. ANDERSON] and other Senators on this side of the aisle.

I will propose other agreements to the Senate if it appears there is any possibility of working them out.

Mr. DIRKSEN. Mr. President, first, I am sensitive of the problem which the majority leader has and of his responsibility, because he is the leader of the majority; and the majority party is responsible for the legislative program. I keep that constantly in mind, and try to cooperate. He, likewise, recognizes that we have a problem, even as he does, insofar as it is possible to conform to the convenience of some Senators, and certainly that is not too much to ask. Commitments are made months in advance, often, and I like to see them honored. My greatest regret is that I do not get a chance to go home as often as I should like to. I do not believe I have been in my State twice since the 1st of January. But I am respectful of the chores that go with my task, and I stay here. But that does not prevent me from giving every consideration to Senators who do have commitments in their States, because we live in a very realistic atmosphere, and we know they have to get back home and pursue various things, including certain ambitions at times. The majority leader has been extremely cooperative in that respect.

Mr. JOHNSON of Texas. I thank the distinguished minority leader.

Mr. DIRKSEN. That is one of the reasons why I have rather insisted, from time to time, that if it is possible to avoid a Saturday session I always hope we can. I do not believe the Senate need apologize for doing so. I find I have to fill in Saturdays by sitting at a desk and catching up with a mountain of accumulated material.

Mr. JOHNSON of Texas. We do not have to apologize for something which does not happen. The Senate has had relatively few Saturday sessions and relatively few evening sessions.

I can remember in the 83d Congress, under the late Senater Taft, when the Senate sat around the clock in the month of February, when a big issue was being debated on the floor. I can remember early in the month of March, under the leadership of former Senator Knowland, having evening sessions. I have tried to learn something from those experiences. But the time has come when we should serve notice in the legislative branch—the Senate and House—that June and July are busy months if Congress is still in session.

Mr. DIRKSEN. I want the world and the country to know that one of those who has importuned the majority leader to avoid Saturday sessions whenever possible is the minority leader.

Mr. JOHNSON of Texas. And the minority leader has done so successfully.

Mr. DIRKSEN. In the best of grace, and without being offensive, I will continue to do so in the hope that I may occasionally succeed. But I think, first, of all, the membership of the Senate deserves that respite. It gives them a chance to catch up with chores of all kinds which accumulate in their offices. There is no way of doing that when there is a telephone jangling in one's ears all day, and we have to be on the floor attending a Saturday session.

So I salute the majority leader for the cooperative manner in which he has approached this matter. I hope he will not be offended if I continue to importune him to avoid having Saturday sessions.

Mr. JOHNSON of Texas. The Senator from Illinois is never offensive. I hope he recognizes the fact that it is not only the majority leader who has a responsibility. Every Senator who has taken the oath has a responsibility to take constructive action in the Chamber. Unless there is complete cooperation among us, there is not likely to be very much constructive legislation passed, because in a body which operates under our rules, a few Senators can do much to drag their feet and hold back measures. We know that we have much legislation yet to consider. I must frankly admit that I think we will have to hold some Saturday sessions. We will have no more than we have had in the past, but we will have them, and we will have to let time determine how early the Senate will convene on questions such as the Strauss nomination, but we will always try to be reasonable about it.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of executive business.

The motion was agreed to; and the Senate resumed the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. ENGLE, from the Committee on Interstate and Foreign Commerce:

John J. Allen, Jr., of California, to be Under Secretary of Commerce for Transportation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the amendment of the House to the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 2256) to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The Senate resumed the consideration of the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce.

Mr. COTTON. Mr. President, as one who has served in the Senate for some years, and who has followed its deliberations for many years, extending back to the days when I served as an attaché of the Senate, I recognize fully that the time has come in the debate on the confirmation of the nomination of Lewis L. Strauss when little which may be said in this Chamber can have much effect on the outcome of the vote.

However, as a member of the Committee on Interstate and Foreign Commerce who sat rather faithfully through the 16 days of hearings on the nomination, I believe there are certain observations which must be made; and I am not disposed to apologize for making them, particularly in view of the fact that they will be brief. In fact, Mr. President, if I am not interrogated at great length, they will be briefer than the colloquy, which has taken place in the last few minutes between the leaders of this body, as to how long the debate on the Strauss nomination will continue.

At the close of this debate, after the last brickbat and the last bouquet have been flung at their target, our votes will answer the question, "Will the Senate advise and consent to the nomination of Lewis L. Strauss to be Secretary of Commerce?"

What are the guidelines which ought to channel our reasoning in this controversy? What are the standards we ought to use in measuring this man against the office?

An effective, time-tested response to these questions is supplied by the record of the Senate's consideration of an earlier, equally controversial, nomination for Secretary of Commerce—that of Henry A. Wallace.

President Roosevelt's nomination of Wallace in 1945 was considered by the Senate Commerce Committee, which—by a vote of 14 to 5—refused to report it favorably, despite the fact that Wallace had previously served both as Secretary of Agriculture and as Vice President of the United States. Minority views from that committee—upon which, incidentally, appears the signature of the very able and distinguished chairman of the Committee on Interstate and Foreign Commerce [Mr. MAGNUSON] for whom all of us have such high respect and regard—urged the Senate to approve the nomination. Those minority views were filed by four members of the committee, including the present chairman of the Committee on Interstate and Foreign Commerce, the senior Senator from Washington [Mr. MAGNUSON]. Their arguments apparently persuaded the Senate, for Wallace's nomination was confirmed by a vote of 56 to 32.

Those 1945 minority views set forth, in the following words, the principle that the President ought to have very wide latitude in selecting members of his official family:

> Subject to such overriding considerations as personal honesty, the President must be given a free hand to choose his responsible Cabinet officers, in order that he may effectively carry out the mandate given to him by the people with respect to his publicly stated program.
>
> The tradition of 150 years does not sanction the rejection of a Cabinet appointment by the Senate except in the case of very compelling questions of the appointee's personal fitness. (Minority views, Ex. Rept. No. 1, 79th Cong., 1st sess.)

Mr. President, I well recall sitting on one of the divans in the rear of this Chamber many years ago, when I was an attaché of the Senate, and listening to the debate on the question of confirmation of the nomination of Mr. Warren, President Coolidge's nominee to be Attorney General. That debate was a very able one. I recall very well listening to a remarkable speech by one of the greatest lawyers ever to sit in the U.S. Senate—the late Senator Walsh, of Montana, who has worthy successors in the Senate today. Senator Walsh stood out because of his ability, his fairness, and his analytical mind. I recall that when he opposed confirmation of that nomination, he, too, distinctly stated that only in the case of extremely compelling reasons affecting the integrity of a nominee was the Senate justified, in his opinion, in rejecting the choice of a President for a member of his Cabinet to aid him in executing the duties of his high office. Senator Walsh, of Montana, did oppose confirmation, and did so upon grounds which I shall mention in a few moments—grounds in comparison with which any objection against the Strauss nomination which has been raised during all the days of our consideration are very trivial, indeed.

Since the dawn of the Republic, only 7 Cabinet nominations—out of about 450—have ever been rejected by the Senate; and all the rejections were the result of exceptional circumstances. Only one has been rejected in the last 90 years—President Coolidge's choice of Charles B. Warren as Attorney General in 1925.

The minority views on the Wallace nomination went on to list the reasons and to set up a standard or present a formula why a Senate might properly and justifiably refuse to confirm a Cabinet nominee. They were as follows:

> There are only two reasonable bases upon which the Senate could deny the President his choice of a Cabinet member. They could question the honesty and integrity of the President's nominee. Or they could question his competence to fill the post for which he was designated.

That was the standard which was set up in the minority views of the committee on that occasion.

But, Mr. President, I would not stand here and say that that test is necessarily sufficient. If we were driven to the position of being obliged to advocate confirmation of the nomination of Lewis L. Strauss simply on the basis of the recognized policy of giving a President of the United States the assistants he desires, except for lack of fitness in matters of integrity, we would not be in a very good position.

In the brief remarks I shall make in the Senate this afternoon, I am not going to stand only on that narrow ground, because during the 16 days of the hearings before the Committee on Interstate and Foreign Commerce, certain charges were made and certain matters were raised, and the Senate is entitled to know the facts, and to know their relevancy and their weight.

Two additional tests have often been invoked by the Senate, in considering executive nominations: patriotism and conflict of interest.

These traditional tests for judging a nominee can be boiled down to four blunt, direct questions:

First. Does the nominee have the competence to fill the post?

Second. Is he a patriotic and loyal American citizen?

Third. Is he free from any private interest which might prejudice the performance of his public duty?

Fourth. Is he a man of honesty and integrity?

Mr. President, I cannot conceive of any other element which need to be or ought to be considered; I cannot think of anything which has been left out of that formula, which—mark you this, Mr. President—is not of my devising or of the devising of any person today, but has gradually evolved from the contests of the past in relation to nominations to the President's Cabinet.

Of course, the Senate could turn its back on these standards. It could refuse to confirm the nomination of Lewis L. Strauss because of disagreement over decisions he has made in the past. It could deny him the office of Secretary of Commerce because he once was a Wall Street investment banker, or because of his political affiliation. The Senate, by a majority vote, could adopt such an attitude; the Senate could do so because of basic disagreement with the nominee's philosophy. But I, for one, do not believe the Senate will do so. The Senate could even refuse to confirm the nomination of Admiral Strauss, in the hope of harassing a President of the opposite political faith. But I am sure it will not do that. During the committee's considerations and during the debate which has occurred thus far in the Senate Chamber, enough fuel has already been fed to the flames of animosity; and I do not propose to add to those fires.

I believe that those who have spoken in opposition to the confirmation of the nomination of Mr. Strauss have spoken from the depths of sincerity; that in many cases their views are the result of real aggravation because of various factors. I have sufficient confidence in the integrity, not only of Mr. Strauss, but the integrity of the Senate of the United States, and every Member of it, to believe that when the chips are down the nomination of Mr. Strauss will not be rejected because of any of the more frivolous reasons I have suggested.

In what I am about to say, I want it distinctly understood I am speaking with that thought in mind, and that not once during the course of this controversy have I had reason to question the motives, the sincerity, or the patriotism of those who happen to disagree with the position I am taking.

Because of my firm belief that the Senate will follow a responsible, reasonable course at the conclusion of this debate, I think it is a valid use of my time and the Senate's to apply these key criteria to Admiral Strauss in the light of the evidence presented before our committee in its 16 days of hearings.

How does Admiral Strauss measure up against these traditional standards for Presidential nominees?

First. Competence. Is Admiral Strauss able to fill the job of Secretary of Commerce?

The answer to that question, I think I can say without fear of successful contradiction, is a clear and unchallenged "yes." Not one witness can I find, in a careful perusal of the testimony, who questioned his ability or competence. His long record stamps him as an imaginative executive of great capacity and energy, one who can fill the post with skill and credit to himself and the Nation. The minority views submitted to the Senate by the members of the Committee on Interstate and Foreign Commerce who oppose his confirmation very generously and very honestly go so far, at the outset of the report, as to emphasize his ability and his competence, and to pay tribute to his public service in the past. So the answer to the first of the four criteria is that he is competent.

Second. Is he a patriotic and loyal American? Here again there can be no doubts. Years of service in the U.S. Navy and in high positions of the Government attest fully to his loyalty and his devotion to the Nation. As a matter of fact, one of the charges leveled against Admiral Strauss during the hearings was that in his devotion to the Nation he was too security conscious. A witness charged that Admiral Strauss' dedication to the welfare, security, and defense of the Nation led him to oppose proposals that we negotiate with the Russians instead of proceeding with the H-bomb, and thus put our safety at the mercy of will-o-the-wisp promises by the Communists.

I refer to pages 365 and 366 of the hearings.

It is not a very reprehensible fault, in the light of what has transpired in the world in the past few years and in the light of what is taking place right now across the sea in Geneva, it is not a very reprehensible fault that can be leveled against a man to say that he was so imbued with devotion to the safety of his country and so fearful and suspicious of promises of its enemies that he stood sometimes almost all alone—not alone, but admittedly opposed by many of his colleagues—and fought to the bitter end against the proposal to share our secrets with the Communists countries, and for the drive to secure for our arsenal the hydrogen bomb, in case we needed it.

That fact alone, Mr. President, I assert, without fear of intelligent contradiction, entitles Lewis Strauss to the gratitude of this country, and to the very careful and earnest and painstaking and fair consideration of the Senate. So there is no question of his competence. There is no question of his loyalty.

Third. The third criterion is conflict of interest. Is Admiral Strauss free from any private interest or involvement which could affect his performance as Secretary of Commerce?

That is an exceedingly important question, and it was the question which led to the denial of the confirmation of Charles Warren to be Attorney General of the United States when he was nominated by Calvin Coolidge.

Mr. President, as a young man I listened to the debate in that case. I read it during the weeks that preceded this debate, and I reviewed it. I think that, had I been a Member of the Senate at that time, I would have voted against confirmation of the nomination of Mr. Warren, although I have no desire to blacken his character or question his sincerity in these later years.

But it will be remembered, Mr. President, that Charles Warren had been the defendant in an antitrust suit, charged with violation of the Sherman Act, in his services as lawyer to the sugar trust of this Nation. I do not say he intended to be unethical, but he had performed certain acts so that his administration of the great office of Attorney General might very well have affected his own personal pocketbook. That was the reason for his rejection.

Mr. President, there is not one scintilla or iota of evidence in the record of all the 16 days of hearings, in all the 1,100 pages of evidence, I submit, which even indicates that Lewis L. Strauss has any financial holdings or interest that could possibly mean that his administration of the great office of Secretary of Commerce could affect his pocketbook.

Admiral Strauss is free from any conflict of interest. He has supplied the committee with a summary of his financial assets and it dispels every doubt on this score. His capital consists primarily of bank deposits, U.S. Government bonds, State and municipal obligations, shares of the Polaroid Corp.—which he helped form—stock in a trust company and three banks in Virginia, a farm, and a herd of cattle. For the life of me, I cannot see how any or all of these could have even the most remote or far-fetched effect on his work as Secretary of Commerce.

His financial holdings clearly absolve Admiral Strauss from any suspicion of a conflict of interest, but the question is broader than that, and let us face it: Is he too closely identified with any interests which could present a conflict of interest?

The charge has been made that the nomination of Admiral Strauss presents a parallel case to that of Charles Warren, and that he "has been closely identified with the fiscal and complex corporate devices of modern big business to be trusted to administer the functions of the Department of Commerce in the public interest." I quote from the speech of a very distinguished Senator, the successor to Senator Walsh on this floor:

> He thus gives compelling evidence that he is a supporter and advocate of the monopolistic mergers which are now undermining free enterprise in the United States and forcing small business to pound on the door of the Treasury to obtain loans which are not available from private banks.

This accusation and what is referred to by the remarkable phrase of "compelling evidence" all relate to Admiral Strauss' participation in the so-called Dixon-Yates contract.

Whatever may be the merits of the long-standing controversy on the Dixon-Yates contract, there is not a single shred of evidence to indicate that Admiral Strauss had any financial interest, direct or indirect, in the contract or in any of those involved in it. It is a fact that Admiral Strauss has never been identified in any business association with Dixon or with Yates, or with their financial agents, or the First Boston Corp.

He did approve the negotiation of the contract and he did sign it as one of the five members of the Atomic Energy Commission, in the line of duty and after the President had directed the negotiation to be undertaken.

There is nothing in the Dixon-Yates contract, from beginning to end, which suggests Admiral Strauss is involved in a conflict of interest—and nothing which would have any effect upon the performance of his duties as Secretary of Commerce. The Department of Commerce does not regulate the electric power industry. It has no voice in the

administration of the antitrust laws. It does not control corporate mergers, or promote them.

Mr. President, hours and hours and hours were spent before the committee rehashing, reviewing, and retrying the merits of the Dixon-Yates contract and the facts and circumstances which surrounded it. There is no question that Lewis L. Strauss is a conservative. There is no question in my mind—and I will be perfectly frank about it—that Lewis Strauss could not be called a friend of public power. But the fact remains, as a member of and at the head of the Atomic Energy Commission, Lewis Strauss went about putting into execution a plan which would secure more power for use in the Tennessee Valley, which would free more power for use in the Tennessee Valley, without the Government building more powerplants, which was the policy of the administration, and which he was obviously carrying out. It is a far, far cry, Mr. President, from that to any question of financial interest. I believe the facts and the evidence conclusively demonstrate that Admiral Strauss is free from even the slightest suspicion of a conflict of interest.

So that satisfies, I submit, three of the four tests.

The fourth criterion customarily used in determining the fitness of a nominee is integrity and honesty, which is the most important of all. Here the charges and allegations against Admiral Strauss are more numerous and deserve most careful consideration. He is accused of telling unqualified falsehoods to the Senate Committee on Interstate and Foreign Commerce. He is accused of trying to deceive a committee of the Senate. He is charged with failure to keep the Joint Committee on Atomic Energy fully and currently informed. He is charged with withholding information from the Congress through unwarranted use of the doctrine of separation of powers and of the privilege of refusing to divulge conversations with the President and members of the President's immediate staff.

The committee record is filled with this kind of charge from witnesses who opposed the confirmation of Admiral Strauss, but it is also filled with detailed explanations of the circumstances and the facts which put the charges in a new and entirely different light.

Virtually all of the episodes which are supposed to show deceit and deception on the part of Admiral Strauss string together on the same themes and have the same cast of characters, either on the stage or in the wings.

If Admiral Strauss is as deceitful, deceptive and dishonest as his attackers make out, why has it not been discovered before now?

Mr. President, this is a man who has served in public and private capacities for many, many, many years. From 1926 until 1946 he served in the Naval Reserve, including active duty service from 1941 to 1946. He was promoted progressively through officer ranks to the grade of rear admiral, and not very many reserve officers reach that two-star rank. Each of these promotions required approval by a selection board and confirmation by the Senate.

He was nominated to the Atomic Energy Commission by President Truman in 1946, the nomination was confirmed by the Senate, and he was appointed. He was nominated again for membership on the AEC in 1948 by President Truman and the nomination was confirmed by the Senate. Again, in 1953, he was nominated to be a member of the AEC by President Eisenhower and the nomination was confirmed by the Senate.

He also served as secretary to Herbert Hoover from 1917 to 1919 and as a U.S. delegate at the Final Armistice Convention at the close of World War I.

This is a man who served—and served with distinction—in various civil and military capacities under President Wilson, Herbert Hoover, President Franklin Roosevelt, President Truman, and President Eisenhower. This service extends over more than 40 years.

But not until now—whoever may be those who like him or dislike him, not until now—at the close of 40 years of almost continuous public service, has he been charged with dealing in lies and in falsehoods. If this is the way he operates, why was it not discovered sooner? How could any man possibly have won and retained the confidence of the associates, at least of five Presidents of the United States of America and served in his positions of responsibility if he were not a man of integrity?

From 1953 through 1958 Admiral Strauss was the Chairman of the five-member group which directed the operations of the Atomic Energy Commission. During those 5 years, the AEC spent nearly $10 billion of the taxpayers' funds—$9.693 billion. It has some 6,000 employees of its own. It operates more than 20 major installations across the country. Its contractors, who man those installations, have more than 100,000 employees. It dispatched as many as a thousand letters a year to the Joint Committee on Atomic Energy in order to keep that group fully and currently informed as required by law. It is a big operation; one of the biggest in Government, one of the biggest in the Nation. I would say it is one of the biggest in the world.

In the face of an operation of this size it would be strange, indeed, if Admiral Strauss had not occasionally made mistakes. It would be strange, indeed, if he had not committed sins of omission, as well as sins of commission. It would be strange, indeed, if in the course of his long public career he had not said things which might well have been left unsaid, or antagonized persons when there was no need for doing so, or done some things he would have done differently a second time. But these, Mr. President, are not acts which should bar the confirmation of the nomination of a man to be Secretary of Commerce in the Cabinet of the President of the United States.

Mr. President, I am going to refer very briefly—and I regret that I have to do so—to Members of the Senate, for whom I have the very highest regard and complete respect.

We must face these issues squarely. We are not the aggressors in this case, and I do not wish to inject any element of bitterness into it. But bitter and powerful opposition has been advanced against the confirmation of this nomination. Admiral Strauss has been charged with grave offenses. It has been charged that he lacks integrity; and he has been treated with harsh epithets before a committee of the Senate, and before the country.

I should like to draw a little analogy. The distinguished Senator from Tennessee [Mr. KEFAUVER], in his testimony before our committee, charged that his committee could not even get a copy of the Dixon-Yates contract until it was published in the St. Louis newspapers in August 1955. I refer to page 173 of the hearings.

The record is clear that the Atomic Energy Commission had regularly sent copies to the Joint Committee on Atomic Energy during the various stages of negotiations, and that it made the text of the contract public when it was signed on November 11, 1954. That is brought out on page 315 of the hearings.

I want it clearly understood that I am not suggesting that my friend the distinguished Senator from Tennessee thought for a single moment that he was making a charge which was not true. He never would do that. His integrity is entirely unquestioned. But he was testifying about things which happened a long time ago; and, undoubtedly with the utmost sincerity, he suggested that Admiral Strauss had withheld the terms of the contract, so that it was impossible for members of his committee to get them.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. COTTON. I shall be glad to yield, both to my friend the Senator from New Mexico and my friend the Senator from Tennessee [Mr. KEFAUVER] in a moment, if they will allow me to complete my statement on this particular point.

On page 493 my friend the Senator from New Mexico [Mr. ANDERSON] commented on Senator KEFAUVER's testimony. This is what he said with respect to Senator KEFAUVER's testimony on the charge of withholding the contract:

> Yet I have copies with me, time-stamped from the Joint Committee on Atomic Energy, which show the receipt of copies in June. Now the answer is that the fixed position steadily taken by the former Chairman of the Commission was that the contract wasn't a contract until it was signed, and all that went before was just preliminary discussion. On that basis Senator KEFAUVER was wrong in talking about the delivery of the contract, because that final, signed document wasn't delivered.

I ask the Senate to mark these words. I am quoting from the distinguished Senator from New Mexico, speaking of the testimony of the distinguished Senator from Tennessee [Mr. KEFAUVER]. He said:

> But I do hope that when Senator KEFAUVER has to face the bar of questioning, that he won't be submitted to quite so much difficulty.

I wish to make perfectly clear the point I desire to make. It is indicated by the evidence that Senator KEFAUVER

made a slight mistake in fact, concerning the contract not being submitted to the Joint Committee on Atomic Energy.

It is equally clear—and I cannot refrain from mentioning this—that the Senator from New Mexico found it necessary to suggest that the statement of the Senator from Tennessee was not technically correct, and that there were explanations for his statement. He undertook to explain the statement made by the Senator from Tennessee.

It is equally clear, I submit, from page 315 of the RECORD that the fact is that draft after draft of the proposed contract was submitted to the committee, and that the final contract was submitted to the committee, and that the committee met. It had 30 days to object to it. It waived the 30 days, and acted upon the contract.

The point I am making is this: In this case the able Senator from Tennessee, in the course of evidence extending over may minute details, inadvertently made a statement which might lead the public to a wrong conclusion, an unjust conclusion. In this case, the distinguished Senator from New Mexico, says, very wisely and justly—and I agree with him—that the use of this language should not be held against Senator KEFAUVER. I would resent its use against him as indicating in any way that he willfully misrepresented anything. I would not for a single instant suggest that the Senator from Tennessee misrepresented a thing. I join the Senator from New Mexico in defending him.

The question I am asking is this: Why cannot the same consideration which honorable Senators give to each other in the matter of their memory of details, in the matter of their hasty testimony and the use of words, be extended to the Secretary of Commerce?

Is there a double standard on the question of honesty and integrity—one which we apply to our colleagues in the Senate and another which we apply to someone outside who is before us? If an honest mistake is made, or if words which are slightly incorrect and misleading are used, and they should not be used against a Senator—and I say they should not—then I say that it is a little farfetched, unfair, and exceedingly unjust to drag this man through 16 days of grueling hearings, and again and again throw in his face things that he said, and quotations from his letters, concerning events which occurred, not 1 year, 2 years, or 3 years ago, but 10 years ago. He should not be told, "You were wrong," and have those words used as a basis for attacking his honesty and integrity.

There is not a Member of the Senate on either side of the aisle for whom I would not be proud to vote to confirm his nomination as a member of the President's Cabinet.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. COTTON. I shall be glad to yield in a moment.

I wonder if there is any Member of the Senate, who has been a Member even for 3 or 4 or 5 months, who can rise in this body and say that he never signed a letter which was placed before him by an associate or assistant without being fully aware of its contents; who can stand here and say that in all the duties he performs as a Senator, with his extensive correspondence, his committee work, and his work on the floor of the Senate, as well as the service he must render to people who are constantly after him, he has never made a misstatement or an inaccurate statement, or that he has never said something he had to take back. If there is such a Senator, I take off my hat to him, because in him human nature has reached almost ultimate perfection.

I now yield, first to the Senator from New Mexico [Mr. ANDERSON] and later to the Senator from Tennessee [Mr. KEFAUVER].

Mr. ANDERSON. What the Senator from Tennessee said, as recorded on page 315, was:

> They were never able to get the contract until after it was printed in the St. Louis Post-Dispatch in August of 1955.

If the able Senator from Tennessee had omitted the words "in August of 1955," would the Senator from New Hampshire, having read the testimony, agree that that statement would be correct?

What happened was this: The St. Louis Post-Dispatch published it on October 31, 1954——

Mr. COTTON. Published what?

Mr. ANDERSON. The contract.

Mr. COTTON. The finished contract?

Mr. ANDERSON. With respect to the finished contract, the Chairman of the Commission announced that on the 10th of November he had ordered the parties to renegotiate the contract and report it on the 11th of November, a few hours afterward, because the question of conflict of interest had arisen. The Commission was afraid of it, and it wanted a brandnew contract negotiated in a few hours.

The new contract varied in only the slightest particulars from the contract agreed to earlier and published in the St. Louis Post-Dispatch, as an examination of it will show. The St. Louis Post-Dispatch published it on October 31, 1954.

Would the Senator agree that the committee headed by the Senator from North Dakota [Mr. LANGER], and also joined in by the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Tennessee [Mr. KEFAUVER], tried to get copies of the contract, and could not get them until after the contract was published in the St. Louis Post-Dispatch?

Mr. COTTON. The Senator from New Hampshire has not attempted to state what happened in regard to the submission of drafts of the contract or the final contract by Mr. Strauss or by the AEC to the committee then headed by the Senator from North Dakota [Mr. LANGER] and later headed by the able Senator from Tennessee [Mr. KEFAUVER]. What the Senator from New Hampshire has stated and alleged—and I claim it is completely borne out on page 315 of the record—is that, while I do not know what were the duties of Admiral Strauss with respect to sending copies of the contract or its drafts to a subcommittee of the Committee on the Judiciary, Mr. Strauss did owe a duty to send it to the very important committee which the Senator from New Mexico [Mr. ANDERSON] now heads, the Joint Committee on Atomic Energy. I assume that, once it was submitted to the Joint Committee on Atomic Energy, and once the contract was made public, it certainly became accessible to the Senator from Tennessee. The implication in the Senator's testimony was that it was kept secret. That was amply refuted. However, I am not accusing the Senator from Tennessee of telling an untruth.

Mr. ANDERSON. I wish to assure the Senator that it was not refuted. I appreciate the fine way in which the Senator from New Hampshire has started out and is proceeding. It was not refuted. The reason it was not refuted was that the committee headed by the able Senator from North Dakota did not get it. It is true that they sent some copies to the Joint Committee. They sent them in October. I have a copy of a proof of a contract with me, and it bears the date "October 1, 1954." However, the committee headed by the Senator from Tennessee [Mr. KEFAUVER], and previously headed by the Senator from North Dakota [Mr. LANGER]—and at that time it was headed by the Senator from North Dakota—did not get a copy of it. The Senator from North Dakota will so testify, I am sure, and the Senator from Tennessee will so testify. The only difficulty the Senator from Tennessee had—and I referred to it in my statement—was that he confused the time when the contract was finally canceled and the time when it was finally printed.

Mr. COTTON. That, I will say to my distinguished friend from New Mexico, is exactly the point. I am not arguing the merits or the demerits of submitting the contract, although I submit that page 315 of the testimony shows that it was published as soon as it was consummated. What I am saying is this: The Senator from Tennessee made a mistake. He made a mistake from his memory. The Senator from New Mexico says the Senator from Tennessee made a mistake. He says this is obviously a mistake. Well, Mr. Strauss made some mistakes during the 16 days of grilling. But when he made a mistake it was called a lie. It was charged against him. It was said he was dishonest. But when a Senator makes a mistake, it is simply a mistake. I do not think that is fair.

Mr. ANDERSON. I do not wish to argue that point. The one great point is that the contract was not available to the committee until after it was printed in the St. Louis Post-Dispatch. That is the essential charge. That is true.

Mr. COTTON. If there is no more serious charge than that Admiral Strauss kept this contract a secret, when it was actually published in the newspaper, then I am not going to go into convulsions about his fitness to be Secretary of Commerce. Obviously, if it was printed in the newspaper it was no secret. Possibly a sin was committed, a sin of failure. That is a sin, of course,

because members of a committee of the Senate are charged with important responsibilities, and are entitled to every help they can get.

Sometimes even the administration is guilty of this kind of sin. It once neglected to notify me about something. It notified a Democratic Senate about something that had happened in my State, without telling me about it. I did not like it. There is a little of that in this charge, too. [Laughter in the galleries.]

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senator will suspend. Visitors in the gallery are guests of the Senate. They will remain silent and will not indulge in any comment or in laughter.

Mr. ANDERSON. I want to say to the able Senator from New Hampshire that I did not like it either. It was a matter of a very important committee doing important committee work, and the Senator was certainly entitled to notification of the particular appointment to a committee dealing with textiles. I am glad that he is still smiling about it.

Mr. COTTON. The Senator from New Hampshire does not like it. He might remember it, but he will not use it as a basis for denying confirmation of the nomination of a person for appointment to a Cabinet position.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. KEFAUVER. The Senator has referred to me and to my testimony before the Committee on Interstate and Foreign Commerce about 2 weeks ago. A part of the testimony to which the Senator has referred appears at the end of my testimony, not in the prepared part, when the Senator from Texas [Mr. YARBOROUGH] asked me a question. He asked me whether I was able to get a copy of the contract.

Mr. COTTON. I believe it is at page 173 where the Senator will find that testimony.

Mr. KEFAUVER. Perhaps I should read the preceding statements, for connection:

The CHAIRMAN. All right, we will try and obtain the information as quickly as possible, suggested by the Senator from New Hampshire.

Senator KEFAUVER. You will find, and it might be of interest to the Senator from Texas—you might be interested to include this part, the Dixon-Yates contract was executed on November 11, 1954. The Joint Committee asked to try to get a copy of the contract on several occasions, as did the committee that had jurisdiction, the Antitrust and Monopoly Committee. We were never able to get the contract until after it was printed in the St. Louis Post-Dispatch in August of 1955.

Senator YARBOROUGH. Senator KEFAUVER, why weren't you able to get it?

Senator KEFAUVER. It was executed on November 11, 1954. There were some other negotiations about it. I want to be fair, but the contract, and you will find it in all these records, was withheld from both the Joint Committee and the Judiciary Committee until after it had been released and until after somehow the St. Louis Post-Dispatch had gotten it and it was published in their newspaper. Then somehow, we got somebody to bring a copy of the contract up.

I am very glad to admit any mistake I make. Perhaps I am a little bit different in that respect from Admiral Strauss. I did not hear him ever admit any mistake; he is always perfectly right. The first mistake is that the St. Louis Post-Dispatch did not publish the contract in August 1955. It was on October 31, 1954. The second point is that I knew when I testified before the Interstate and Foreign Commerce Committee that our Antitrust and Monopoly Subcommittee had never been able to get a copy of the contract.

The subcommittee, in 1954, had held extended hearings, with the Senator from North Dakota [Mr. LANGER] as chairman, and we tried time and time again to get a copy of the contract. We were unable to do so. I have the documentation here.

On October 6, the Senator from North Dakota [Mr. LANGER] asked questions as to whether the terms of the contract had been approved by the Atomic Energy Commission; what was the form of approval; and what not. Then we got a letter dated October, addressed to "Senator KEFAUVER," from Mr. Nichols, replying: "Senator LANGER objects to approval with secrecy."

Mr. COTTON. Will the Senator from Tennessee, in order that I may follow him clearly—and I want to follow him clearly—state whether he is talking about a copy sent to his committee or to the Atomic Energy Commission?

Mr. KEFAUVER. At this time I am talking about the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary.

Mr. COTTON. I am glad to have the Senator place in the RECORD all he chooses to offer on that point. But I have made no point that that committee received any drafts of this contract before it was signed—no point whatsoever.

Mr. KEFAUVER. I wanted to make clear that the part of my statement that the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary was denied any draft of the contract, was denied a copy of the contract, or was denied information about it, until after it had been published in the St. Louis Dispatch, is quite plain.

Mr. COTTON. The contract was made public the day it was signed, was it not?

Mr. KEFAUVER. It was made public on November 11, 1954.

Mr. COTTON. That was the day it was signed, was it not?

Mr. KEFAUVER. That was the day it was signed.

Mr. COTTON. So the Senator's subcommittee and all other citizens had knowledge of the contract just as soon as it was signed.

Mr. KEFAUVER. The public had knowledge of it at that time. Of course, we had knowledge of it a few days earlier, when we got a copy of the St. Louis Post-Dispatch. There were a few changes. But the point I make is that I was in error in saying that the Joint Committee had not had some drafts of the contract before it.

The Senator from North Dakota [Mr. LANGER] and I had asked the Senator from New Mexico [Mr. ANDERSON] if he would get us a copy of the contract.

Mr. COTTON. I dislike to interrupt the Senator from Tennessee——

Mr. KEFAUVER. Well——

Mr. COTTON. One minute. The Senator is speaking in my time.

Mr. KEFAUVER. Yes.

Mr. COTTON. The Senator from Tennessee is telling the Senate again about matters which appear in the record, and about which there is no controversy. What the Senator from Tennessee has said is exactly what I said, that in presenting those facts, he made a slight error.

Mr. KEFAUVER. Which I very readily admit.

Mr. COTTON. That is the only thing I said. I did not dispute anything else in the Senator's testimony. All I said was that the Senator from Tennessee made a slight error. Nevertheless, we think nothing of it. No one would dream—least of all would I dream—in the event some great Democratic President of the United States named the distinguished Senator from Tennessee to a high Cabinet post, of opposing him because he made an error in a date.

My point simply was that we have before us for consideration the nomination of a man who has been castigated before the Senate, before its committee, and before the country, day after day after day after day, for errors which are just as unimportant as the very slight error made by the distinguished Senator from Tennessee; and the Senator from Tennessee has nothing about which to defend himself, because the junior Senator from New Hampshire has not made the slightest charge against the Senator from Tennessee and does not contradict him at all.

Mr. KEFAUVER. I wanted to explain to the Senator from New Hampshire——

Mr. COTTON. I would rather have the Senator make his explanation in his own time.

Mr. KEFAUVER. I expect to speak fully on this subject later. I simply wanted to say that it is absolutely true that the Subcommittee on Antitrust and Monopoly could not get any draft of the contract or any information about the contract, even in executive session, until after the contract had been signed or until after it had been printed in the St. Louis Post-Dispatch.

Mr. COTTON. I can understand how it was most irritating to learn that the contract went first to the St. Louis Post-Dispatch before going to the Senator's committee. That would irritate one.

Mr. KEFAUVER. Both the Senator from North Dakota [Mr. LANGER] and I had asked the Senator from New Mexico [Mr. ANDERSON] to give us information about the contract. The Senator from New Mexico said he did not have the contract or could not get it.

Mr. COTTON. Who said that?

Mr. KEFAUVER. The Senator from New Mexico.

Mr. COTTON. The Senator from New Mexico said, at page 493, that he had in his hand some receipts of various drafts which had been forwarded to the committee. He said:

> Yet I have copies with me, time-stamped from the Joint Committee on Atomic Energy, which show the receipt of copies in June.

Those are the words of the Senator from New Mexico. That is what he said. I understand the answer was that he was not allowed to divulge the contents; they were classified "confidential." But he said, as appears on page 493, if I understand English correctly:

> Yet I have copies with me, time-stamped from the Joint Committee on Atomic Energy, which show the receipt of copies in June.

Mr. KEFAUVER. Anyway, I was about to explain to the Senator that the copies were sent, classed as "confidential," to the Joint Committee on Atomic Energy. I did not know that they were released until after November 11, 1954, until after the colloquy, which was not in the main part of my statement, and I examined the record.

I am very happy to admit my error, both as to the date and as to that matter. I do so, as the Senator from North Dakota said in his report—and I quote from his report made in the early part of 1955:

> This was consistent with the later refusal to respond to the request of this committee for a copy of the Dixon-Yates contract draft.

I think there is no disagreement about that. When I make some error in a date, I am very happy to admit my error and let it stand at that. I think anybody who makes an error ought to be glad to admit it. A part of the admiral's unfitness for the position to which he has been named is that he will never admit making a human error.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. SCOTT. The distinguished Senator from Tennessee has made a very good case for not confirming a nomination of the St. Louis Post-Dispatch to be Secretary of Commerce. [Laughter.]

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. ANDERSON. I regret to say that the language on page 493 of the hearings is subject to various interpretations. I have with me the documents I had with me then. They are time-stamped June 29, 1955. I was trying to show that we did not get the Mississippi Valley generating contract, credit agreement, and bond purchase agreement until June 29, 1955, a long time after the contract was signed. There is nothing about June 1954.

I realize that to any person who did not know what I was referring to, it would be difficult to understand what I was indicating.

I invite the attention of the Senator from New Hampshire to page 315, from which he has been quoting. The Secretary of Commerce said:

> Now Senator and gentlemen, the fact remains that the Atomic Energy Commission sent this contract in its successive drafts over the many weeks of its negotiation to the Joint Committee on Atomic Energy, the committee of first jurisdiction.
>
> I have copies and will offer for the record, the letters of transmittal.

I wonder if the Senator from New Hampshire can find some of the letters of transmittal.

Mr. COTTON. No, I do not have them.

Mr. ANDERSON. The Secretary said he would submit them for the record. There is only one in the report, and that is the one of October 4, which enclosed the draft at that time. All the various different drafts were not sent to the Joint Committee on Atomic Energy. The first draft or proof that we received was actually the sixth one drawn up, the previous five having been negotiated and changed without the Joint Committee having seen them. The statement by the Secretary——

Mr. COTTON. Just a moment. I do not want to get into an altercation with my dear friend on this particular front, because I have so much confidence in and respect for him. Perhaps several copies were sent. But the fact remains that no information could be obtained; and it has long been indicated that copies, at least, of drafts were sent to the Committee on Atomic Energy. The words of the Senator from New Mexico on page 493, if I understand plain English, indicate that he had stamped copies of drafts of the contract.

But my point is that I am not disputing the fact; I am simply saying that if there can be a question of interpretation, a question of memory on the part of the able Senator from New Mexico, whose ability and integrity have never been and never will be questioned—and the same statement applies to the able Senator from Tennessee—if there can be a question, as the Senator so well phrased it, why cannot this language of the Secretary be opened to more than one interpretation?

God help Lewis Strauss when he made a statement which was open to more than one interpretation. He was jumped on; abuse was heaped upon him; and it was suggested he was not a man of integrity, that he used weasel words, that he was a horrible individual. This man is not allowed to make a mistake; that is the only point I was making.

I agree with what the Senator from New Mexico has said; and I would be glad to go further into such matters, but I must conclude this speech.

Mr. ANDERSON. But my point is that I do not believe copies of the contract were sent to the Joint Committee when they were originally negotiated. They were sent long after the major points had been decided upon, despite the statement made by the Secretary of Commerce. If the Secretary of Commerce has today or had at any other time any letters of transmittal to the Joint Committee, showing that he had sent copies of the first five contract proofs, he would have put them in the record. He simply did not have them.

Mr. COTTON. What did the Senator mean when he said, "I have copies with me, time-stamped from the Joint Committee, which showed the receipt of copies in June."

Mr. ANDERSON. I have them in my hand; they are time-stamped June 29, 1955.

I am trying to show that the material on the bond credit arrangements and the bond purchase agreement did not reach the committee until months after the contract was signed. They might not have been available, of course. The first copy of a purported contract that I have any knowledge of ever seeing came in on August 18, 1954, just before adjournment of Congress. It was the sixth contract drawn up. The earlier five had not been furnished to us.

Mr. COTTON. But the Senator from New Mexico does not indicate that it was being withheld.

Mr. ANDERSON. I hope to demonstrate, in a short time, that it was. But that will be a matter of opinion.

Mr. DIRKSEN. Mr. President, will the Senator from New Hampshire yield to me?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair.) Does the Senator from New Hampshire yield to the Senator from Illinois?

Mr. COTTON. I yield.

Mr. DIRKSEN. Mr. President, it is rather common practice to quote from reports or to read from reports. The Senator from Tennessee has just referred to an interim report on power policy, in connection with the Dixon-Yates contract; it is an interim report of a subcommittee of the Committee on the Judiciary.

The Senator from Illinois was a member of the subcommittee. Former Senator Hendrickson, of New Jersey, was also a member of the subcommittee. There is no date on the report; but, as I recall, the subcommittee met 2 days before Christmas, and adopted that report. I had to send a telegram in which I stated I intended to file minority views, because I could not be there at that time. Stamped on every copy of the report which was issued will be found the following:

> Senator Robert C. Hendrickson, of New Jersey, now retired from the Senate, did not participate in this report. Senator EVERETT M. DIRKSEN, of Illinois, is preparing minority views.

But by that time the report had already been given to the press, and there was no point in preparing minority views after that. Yet I had gone through the report, and had begun to prepare minority views. But certainly there was no point or no force in ever making them available then. If I am wrong, I must submit to the superior knowledge of my distinguished friend and coworker on the committee, the Senator from Tennessee.

Mr. KEFAUVER. Well, Mr. President——

Mr. COTTON. Mr. President, I shall be glad to yield to the Senator from Tennessee, with the understanding that I do not lose the floor, and with the further understanding that his remarks will be fairly brief, because I wish to conclude my remarks and to let the next scheduled speaker proceed.

Mr. KEFAUVER. Yes.

Let me say that the handling of the report was not a matter over which I had any control or jurisdiction. At that time the committee was under the control of the Republicans, and the Senator from North Dakota [Mr. LANGER] was chairman of the committee. This is a report by the Senator from North Dakota [Mr. LANGER], who is a member of the party of the Senator from Illinois.

My recollection of the report is that it was published in January 1955. But if the Senator from Illinois is arguing or complaining about the amount of time allowed him to submit minority views, his complaint is not against me, but is against members of his own party.

Mr. DIRKSEN. Mr. President, I have no argument with the Senator from Tennessee; I make no complaint to him.

A quorum of three members was required to pass on the report; and one of the members present was a member of my own party. But a majority from the other side—and I do not quarrel about that—controlled.

But I do complain because of the fact that a report of this magnitude and importance was approved 2 days before Christmas, when Members were at home, and when there had not been any notice to me, and thus there was no opportunity to file minority views to rebut many of the assertions and allegations which are contained in the report.

Mr. KEFAUVER. Well, Mr. President——

Mr. COTTON. Mr. President, I thank the Senator from Illinois.

Let me say that I prefer not to yield further, because I have already taken more time than I intended and I do not want to unduly delay the Senate.

The comments made by the Senator from Illinois merely prove what I was suggesting—namely, that mistakes which are allowed to committees and to Members of the Senate apparently are not allowed to the man whose nomination as Secretary of Commerce is before us for confirmation. The recent colloquy which has been had in this very Chamber indicates that. Let the Senate judge whether such acts are so grave that they should bar confirmation of the nomination of Admiral Strauss to be Secretary of Commerce.

What Member of the Senate is willing to assert that he never signed a letter which contained an error or never made any mistake in the performance of his duties? Perhaps somewhere—and I wish to emphasize this point—back in the hinterlands of this country it would be possible to find a small businessman—and I emphasize that I am not speaking disparagingly about small businessmen, because they are the backbone of the Nation—but somewhere in the hinterlands it might be possible to find a coal dealer or someone who keeps a country store, and who has only one bookkeeper, and has a one-man business, and who, through the years, has been able to operate his business and discharge his responsibilities so meticulously that he could be dragged before a committee of the Senate, and could be kept there for 16 long days, and it would not be possible for the committee to find that he had ever made a mistake. But such a man, if one could be found, would be a small man; he would hardly be capable of performing the duties of Secretary of Commerce of the United States.

Mr. President, I respectfully suggest to you and to the other Members of the Senate that before we vote on this nomination, we should bear in mind how many of the 450 eminent men who, under both Democratic administrations and Republican administrations, have been nominated for Cabinet posts, and whose nominations have been confirmed by the Senate through the years—eminent men who have practiced various professions in civil life; men who have been bankers, men who have served in high governmental positions of responsibility. How many of them, if they had suddenly found themselves with all this opposition focused upon them, and if they had been dragged before a congressional committee, and if the committee had proceeded to place them under microscopic scrutiny for 16 long days of inquiry into everything that had occurred during their entire careers, would have emerged from the hearing without the discovery of some minor mistakes or minor contradictions? And how many of them would have come from such an investigation as well as Lewis Strauss has?

To be sure, there were other allegations. But I hasten on.

The evidence before our committee may show that Admiral Strauss has made mistakes, and that occasionally he has misspoken himself in public, and even before the Congress. But nothing in the record leads to the conclusion that he is dishonest or lacks integrity. Nothing in the record lends the slightest substance to the charge that he is deceitful and deliberately misleading.

"Veracity," Coleridge observed, "does not consist in the saying, but in the intention of communicating truth."

Winston Churchill has said:

> The only guide to a man is his conscience; the only shield to his memory is the rectitude and sincerity of his actions.

The shield of sincerity, unchallenged in our hearings, amply covers the omissions and mistakes which Admiral Strauss has made in public service extending over 40 years.

A host of other charges against Lewis Strauss fill page after page of the hearings. Let me mention some of them:

It was charged that he has alienated large numbers of scientists; that he "held up a shipment of isotopes for peaceful uses in Norway"; that he usurped authority; that he "has a Napoleonic complex"; that he took too much credit for some accomplishments of the AEC; and he is charged with being vindictive, by witnesses who seek vengeance for the AEC denial of security clearance to Dr. J. Robert Oppenheimer.

All of these charges have certain common traits:

First. They have no bearing on the fitness or the qualifications of the nominee to be Secretary of Commerce. They are simply irrelevant.

Second. They are generally unsupported by any evidence. Such evidence as was offered too often turned out to be hearsay, rumor, or gossip.

Third. They are completely rebutted by the facts.

Mr. President, I say to you that no man who is fit, and through the years has served in the positions in which Lewis Strauss has served, and has fearlessly struggled to protect his Nation from baring its breast undefended, if you please, and by being caught without the hydrogen bomb, at a time when it was in the possession of the Soviets—no man in such a position could have done that and not incurred ill will, because men do incur ill will.

The Senate can spend weeks, if it wishes, discussing and debating these charges, without moving 1 inch toward resolving the issue before us.

Many of the charges of this type arise, in my opinion, because Admiral Strauss is an energetic, strong-willed administrator. In that connection, I am reminded of the lines of the poet Charles MacKay:

> He who hath mingled in the fray
> Of duty that the brave endure,
> Must have made foes! If he has none,
> Small is the work that he has done.

Mr. President, the integrity and the honesty of Lewis Strauss still stand, after the most grueling examination and the closest, longest, and most meticulous scrutiny that I believe has ever been made before a Senate committee of a nominee for high office. What has been proved is that he had enemies.

I wish to mention one more subject before I close, and I hasten to conclude. In some of the discussions concerning what Admiral Strauss said about a certain matter, or on what date he wrote a particular letter, whether a message he sent to the Atomic Energy Commission got there at 5 minutes past 5 or 5 minutes of 6, we lose sight of the fact that for 4 full days before this controversy started, in calm and unimpassioned questions and answers before the Committee on Interstate and Foreign Commerce, led by its very able chairman, Lewis Strauss was examined respecting his qualifications to serve as Secretary of Commerce and his views about the discharge of the duties of that office. More than 4 full days of hearings were devoted to the duties of the Department of Commerce and to the Secretary's views on his responsibilities.

These hearings are enlightening, for they demonstrate the breadth of Admiral Strauss' understanding of the problems which the Commerce Department must deal with. The hearings ranged over the entire field, the Census Bureau, the Coast and Geodetic Survey, Weather Bureau, maritime matters, public roads, and the rest. Admiral Strauss responded, in my opinion, fully, freely, and informatively. He discussed with the committee many of his

ideas about the duties of the Department. His attitude and his answer lead me to feel that our committee and Admiral Strauss can and will work closely and cooperatively to promote the domestic and foreign commerce of the United States.

Secretary Strauss also showed his keen awareness of the challenge posed by the economic warfare policies of the Soviet Union.

The Russians have already given us warning of their intentions to wage a trade war against us, and they have demonstrated at least one of the techniques they plan to use: The Communists recently sold a supply of aluminum at prices well below the prevailing world level, with results which were both serious and far reaching. We can only assume that this Communist move was just an opening gambit. The Russian economic system permits it to operate with trade as it already does with aid—to use it purely for short-term political and psychological purposes. Russian communism means that Soviet goods do not have to be priced on the basis of cost. The masters of the Kremlin are at liberty to put goods and materials on the market at any price they choose, accepting the loss as merely the price of another skirmish in the cold war.

Members of our committee, led by the chairman, have been concerned about the development of this cutthroat warfare. The chairman has named special regional subcommittees to examine some of its aspects.

The U.S. Department of Commerce is in the frontlines of this struggle. In Admiral Strauss, the Nation has a Secretary of Commerce whose background, experience, and skill enables him to cope with these problems.

Secretary Strauss' appreciation of these problems is amply illustrated by his reply to one question asked during the hearings about his personal views on the general questions of trading with countries behind the Iron Curtain. This is his reply:

> I believe that if we could trade with the Russian people and sell them the things the Russian people want, not necessarily the things that the Government wishes to buy but the things that the Russian people want and need, that this might tend in the long run to increase the pressure from them on their Government for the domestic supply of such goods.
>
> It is the sort of trade that I think the President must have had in mind in his reply to Mr. Khrushchev when he said that peaceful trade with Russia was a desire on the part of the people of the United States.
>
> The sale to the Russians, on the other hand, of items which would find their way into their military effort and which would relieve the pressure on their manufacturing capacity of such goods I think is not in the public interest.
>
> This is an expression of my own view. I would not like to commit any other officials of the Government to it.

The Communists, with a government-controlled economy, are able to undersell us and to undercut our prices and strip us of our markets. That is one of the most crucial battles we shall have to face in the next few years. I submit to my colleagues, it would be a crime and a shame if, because of these rather petty objections, the Senate of the United States, which numbers in its membership patriotic and sincere men of both parties, should deprive the Nation and its President of the leadership of a great specialist on these matters in the weeks and months that are ahead.

Do my colleagues remember a certain soldier named George Patton? General Patton never read the book, "How To Win Friends and Influence People." He had a hot temper. Some very unhappy events occurred concerning him. But he was one of the greatest military leaders and fighters of all time. It is interesting to recall in the Senate this afternoon who had to make the decision as to whether or not he would call George Patton away from his leadership of troops and deprive us of his fighting qualities because of enemies he had made as a result of certain unfortunate traits of his personality. The supreme commander of Allied troops in Europe had to make that decision. His decision was the only proper decision he could make, that when we had a soldier with such superb qualities and fighting spirit as General Patton possessed, we could not afford to lose him. The general led our troops to victory in a dark hour.

Mr. President, the same man who, when he was supreme commander of Allied troops in Europe, made the decision as to George Patton, has now said to the Senate and to the country, as President of the United States, that when we are locked in a desperate struggle with Soviet Russia over trade and when we are fighting to retain our free economy, when perhaps in a few short years we shall know whether a free economy can win over a controlled economy, and when we may no longer know life in this country as we know it now, that he wants Lewis Strauss. He wants him not because of his negative qualities. He wants him because of his positive qualities, because he is a specialist, because of the years he has spent at home and abroad in this field, because of his vast knowledge of the intricacies of trade and commerce, because of his peculiar experience, because, whatever persons may say about him, he is an unfaltering and unflinching leader in preserving the interests of his country.

I fervently hope, and confidently believe, relying on the statesmanship and breadth of vision of my colleagues in the Senate, that when the vote is taken it will be for the safety, for the progress, for the defense, and for the security of this country, and that the Senate will not hesitate, because of minor matters, to deprive us of the services of this man.

I hope and I believe the Senate will confirm the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. COTTON. I yield to the Senator from Pennsylvania.

Mr. SCOTT. I wish to congratulate the distinguished and able Senator from New Hampshire for his forceful, able, and effective remarks. I agree with him. He has well stated the case for an honorable man, one who has complete integrity, against petty charges and against unfortunately based accusations which are trivial in nature.

As I said during the hearings, most of the explorations against Admiral Strauss were travels in the territory of trivia. The Senator and I are both very well aware of the fact that the minority views make seven charges, not a single one of which is sustained by the record of the hearings in this case, and all of which are based upon the most minute or unimportant variances in dates, minor misunderstandings, the failure of Admiral Strauss to truckle to men of power and influence in this Nation, his determination to stand up for what he believed in, his courage and patriotism.

I am glad there are so many Senators on both sides of the aisle who, by the views they have expressed so far, will, in my judgment and in my hope, by their votes demonstrate their confidence in this distinguished, able, and patriotic citizen.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. COTTON. I yield now to my distinguished senior colleague from New Hampshire.

Mr. BRIDGES. Mr. President, I merely desire to congratulate my very able colleague from New Hampshire for an outstanding address and a very effective defense of Lewis Strauss. I know his speech in the Senate has been made not only after long and careful study and thought, but after painstaking observations in the Committee on Interstate and Foreign Commerce, of which he is a member, which heard the evidence and listened to the testimony presented at the hearings. I think the Senator is to be commended for his delivery, for the substance of his speech, and for a very able defense of a great and patriotic American.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. COTTON. If the Senator will permit, I will yield first to the Senator from Wyoming [Mr. McGEE] who has been on his feet for some time. However, I wish to thank the senior Senator from New Hampshire for his kind expression.

Mr. McGEE. Mr. President, I join in the compliments to the Senator from New Hampshire on the substantive material he presented to us today. I do not believe any of the Senator's points or any of his case to be trivia. It is all exceedingly important. I think he did very well at the outset of his remarks to credit those of us who disagreed with him with having the sincerest of intentions and with the deepest of motives in trying to arrive at what we consider to be the truth in this case.

I think the Senator has rendered a service to this body in recognizing that there can be depth and honesty in the disagreement about this case. That is why I continue to deplore the allegations of trivia, nit-picking, and that sort of thing, which sometimes creep in on the floor debate, because this is a very deeply involved and highly controversial circumstance.

The Senator has also made a contribution in calling back to mind the parallel,

as he opened his remarks to the interesting case some years ago when the nomination of Mr. Henry Wallace was under consideration, when the same committee voted not to confirm the nomination of Mr. Wallace. In introducing that evidence, the Senator suggests the importance—even though the committee might vote against the man's nomination, or whichever way the committee voted—of bringing the matter to the floor of the Senate for a full debate, in order that the Senate may exercise its judgment.

I would suppose the Senator was likewise intimating that since the Senate itself reversed a committee decision before, it is at least conceivable and is in order that it might do so again, without impugning the good name of the President of the United States, or without impugning the motives of those who happen to vote the other way.

The Senator raised one question in particular which involves the Senator from Wyoming. He suggested—rightfully, in my opinion—that when a man has led a very busy and broad public life, such as Mr. Strauss has, and looks back through the years to examine correspondence, he might find his memory had lapsed in some instances, or in other instances could not find documents he desired. That it is all very understandable. I think we understand fully the burden which is placed on any man's memory in those circumstances.

The Senator from New Hampshire even suggested that someone who had been around Washington only 3 or 4 or 5 months might have to admit that there had been sent from his office letters which he had signed or which had been signed for him, the contents of which he could not remember. As a new Senator who has been in the Senate about 6 months, I would be the first to admit the wisdom of that observation.

What I object to, I will say to the Senator, is a little different. If I had been asked questions about letters I had signed, even though I had not read them, I would not try to evade what the letters said when I was confronted with them.

Senators have asked me why we have raised the question about the integrity of this man before the Congress of the United States. I would say to Senators, if I were confronted with a record which suggested that I had not kept a committee notified, I would have acted differently. In the case of the Attorney General's advice in the submarine instance involving the British, I would not have said "I don't remember." After consulting the files, as Mr. Strauss did overnight, he told us only a half truth, saying he was in Havana when the meeting was held, but failed to tell us, after consulting the files, that there had been a followup meeting a few days later at which he had been present. I would say that was a dereliction of his responsibility to tell the whole story.

When we asked Mr. Strauss about looking into the files for information about a witness, why did he not tell us the truth? Why did he not say, forthrightly, "Of course, I wondered what there was in regard to this man and why he was after me, and I called the AEC to see what information we could get," instead of volunteering, as he did, "I saw one page from American Men of Science that somebody handed to me," clearly implying that he would not think, himself, of instigating any inquiry into such an individual's background?

Then, after being confronted with the evidence of the telephone call to the AEC and having to face that unpleasant fact, getting into a quibble over what difference a date makes, all he had to say was the truth. Telling the truth to the committee would have enhanced Mr. Strauss' stature immeasurably.

Then, when he was confronted with a transcript of a hearing held on the House side of the Capitol, which record showed him to have said what he was accused of saying, in the duplicitous letter episode, about ordering the counsel for his Commission to prepare the letter, to tell our committee the record was wrong——

Mr. COTTON. I thank the Senator.

Mr. McGEE. Mr. President, I would have said, if I had been asked——

Mr. COTTON. Mr. President——

Mr. McGEE. As recently as 3 or 4 months ago, while I have been in the Senate——

Mr. COTTON. Mr. President——

Mr. McGEE. If I had been asked what I said 3 or 4 months ago, under the circumstances——

Mr. COTTON. Mr. President, a parliamentary inquiry. Whose time is being used?

The PRESIDING OFFICER. The Senator from New Hampshire has the floor. Does the Senator from New Hampshire yield further?

Mr. COTTON. I cannot yield further, because much as I value the opinions of my friend and highly appreciate them, I would prefer he not make an extended speech in my time. I want to relinquish the floor just as soon as possible, in order to give others who have been waiting their opportunity to be recognized.

Mr. President, I have the greatest of respect for the opinion of my friend, but the only things he has said so far in his colloquy with me with which I absolutely agree are the kind things he said about me. They are correct. [Laughter.]

The rest I absolutely deny.

I cannot yield further to the Senator at this time.

Mr. McGEE. I patiently waited until the end of the Senator's speech, to try to reply to one of the suggestions the Senator made to me.

Mr. COTTON. I appreciate the reply, but I want to yield the floor as soon as possible.

Mr. McGEE. The Senator certainly has that right, since he has the floor.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. COTTON. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I join with my colleagues in the Senate this afternoon in congratulating the junior Senator from New Hampshire, a member of the important Committee on Interstate and Foreign Commerce, for the speech he has made to the Senate in regard to the confirmation of the nomination.

I make this remark in full consciousness of the great honor of having served in this body a little over 10 years. I strongly feel that the speech of the Senator from New Hampshire this afternoon, in establishing some guidelines and establishing sober thinking in the minds of Senators when they consider important nominations, will do down in the history of the Senate as one of the prevailing discussions which will compel well-meaning, God-fearing, honest men to evaluate what are their duties and responsibilities. I think the Senator from New Hampshire has made a great contribution to the Senate and to those who will come after us. The Senator from New Hampshire has furnished an excellent guidepost for those of us who are considering the nomination before we finally cast our votes. I am grateful to the Senator.

Mr. COTTON. I am deeply grateful to the Senator from Kansas, who is my senior on the committee, for his most kind words.

Before I relinquish the floor, Mr. President, I promised I would yield to the distinguished Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I thank the distinguished Senator from New Hampshire.

Mr. President, before I discuss another matter, I wish to say, on the subject of the nomination, the colloquy has demonstrated very well exactly what we had to put up with at the hearing. The Senate will remember that a few moments ago I referred to some of the things which happened in the hearings as travels in the territory of trivia. I was amazed to find my quotation, which had no reference whatever to the statement of the distinguished Senator from New Hampshire, whose statement was soundly based and was in no way related to my remarks, put into an entirely new context. I was amazed to hear a question addressed to the distinguished Senator from New Hampshire to the effect that, "I do not wish to characterize the statement of the Senator from New Hampshire as trivia."

Mr. President, neither did I. All who heard me knew very well my remarks pertained to the hearing. It is exactly this kind of colloquy which we had to put up with throughout the hearings themselves. There were attempts to put words into the mouths of witnesses, and the pursuit—it had faint overtones, to me, of other less-pleasant days—and harassment of a witness in one case at least for half an hour, with a constant repetition of "Answer the question! Answer the question!"

I did not like the sound of what I heard then. I do not like it when I address a statement to the Senator from New Hampshire and anyone implies I made any reference to his statement as being anything in the nature of trivia. On the contrary, it was an extremely good statement, and very much to the point.

Mr. COTTON. Mr. President, I yield the floor.

Mr. KEFAUVER. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. KEFAUVER. Mr. President, I had promised to yield to the Senator from South Carolina [Mr. JOHNSTON]. He does not seem to be present. I yield to the Senator from Wyoming.

Mr. McGEE. Mr. President, I hesitate to raise the question I am about to suggest without consultation, but I think there is an elemental point involved which it has been very difficult to get across without charges of harassment.

In the committee hearings when we came to the question of the duplicitous letter on the House of Representatives side, I tried to press Mr. Strauss personally on his answer to the chairman of our committee that the record was wrong, and I was shouted down by three members of the committee, who charged harassment, and badgering of the witness. To me that was a very serious statement for the Secretary to make—that a public record was wrong. It meant either that someone had doctored or changed the record, which would be a serious offense, or that the reporter was incompetent.

So, being unsuccessful in an effort to have that point heard out in the committee session itself, about 2 weeks ago I brought it to the floor of the Senate, and, in the morning hour, tried to develop, within the 3-minute limitation, the single point I had raised. I ran over 3 minutes by 20 seconds and was rapped out of order by the Vice President of the United States, who was in the chair at the time.

I thought we could reach this question here today; but, curiously enough, my distinguished and able colleague from New Hampshire [Mr. COTTON], who did such an eloquent job this afternoon, tells me that I am out of order, that his time has run out.

He has no time to run out. We are not operating under a program of limited debate. We are discussing the Strauss nomination. We are trying to reach the truth. Every time the situation becomes embarrassing, we are shouted down or ruled out of order. That is the reason why I insist that we have an opportunity to answer the Senator from New Hampshire on this point. When he asks, "What is wrong about a man's memory failing?" I say, "Not a thing; but it is wrong when, after refreshing his memory, he continues to misrepresent the point to the committee."

I shall not take the time of the Senate to recount all the examples of this pattern of behavior. The record speaks for itself. But when we were told that the record was wrong, and we could say no more, we were confronted by a bold insinuation involving the direst of charges.

If any one of my boys had come home at night and given me a cock-and-bull story like that in answer to a straightforward question, he would have been charged with juvenile delinquency.

It seems to me that the real crime here is the abuse of words or abuse of communication. We are retreating into the bureaucracy behind the vestiges of wordings, in an attempt to escape responsibility. That is the reason why I say that every person in the galleries today is deeply concerned in the conduct of Lewis Strauss.

He is an impressive man in many ways, but he has his blind spots, which have given real concern to those of us who sat through the hearings with the able Senator from New Hampshire [Mr. COTTON] and the equally able Senator from Pennsylvania [Mr. SCOTT].

That is the reason why I had hoped that we could confine these exchanges to the issues. No one has called into question Admiral Strauss' patriotism. I was impressed by the eloquent peroration about the appointment of General Patton by President Eisenhower. I think Patton was a great general, and I think that was a great appointment. But we are not today considering the appointment of a general. The Office of Secretary of Commerce is a civilian office. It is the first office during Mr. Strauss' career in which the holder of the office is responsible to the people and to the Congress. In that respect we believe that the nominee has been derelict in his conduct. He has not been forthright with this body of Congress. He has been accused of duplicitous testimony before a committee of the other House. He has been charged with disregarding the advice of the Attorney General of the United States on constitutional questions. He even still questions an order of the President of the United States withdrawing the Dixon-Yates contract. He stands on it.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. McGEE. I say to this body that this nominee represents a pattern of conduct—not merely conduct revealed in the committee, but a pattern which has emerged repeatedly and steadily before other groups of the Congress. It is a pattern which should alarm every Senator. Unlike some of the opposition, I do not know how the vote will result. I only know that I am moved by clear public conscience to vote against the nomination, and let the chips fly where they may.

Mr. SCOTT. Mr. President, will the distinguished Senator yield before yielding the floor?

The PRESIDING OFFICER. The Chair reminds the Senator from Wyoming that he does not have the floor.

Mr. McGEE. I have the floor by the grace of the distinguished Senator from Tennessee.

Mr. SCOTT. Will the distinguished Senator from Tennessee yield to me?

Mr. KEFAUVER. For the purpose of asking a question of the Senator from Wyoming?

Mr. SCOTT. Yes.

Mr. KEFAUVER. I yield for that purpose.

Mr. SCOTT. I know that the distinguished Senator from Wyoming would not want to be inaccurate. If I misunderstood him I shall be very glad to be corrected. However, I am under the impression that one of the points he was making was that Mr. Strauss was alleged to have taken the responsibility for saying that certain testimony in a committee report in the other body was molded.

If that is the import of what the Senator from Wyoming is saying, I invite attention to the fact that there is in the record of this debate a letter to the chairman of the Committee on Interstate and Foreign Commerce from the ranking minority member of the House committee involved, which states categorically, on behalf of 15 members of that committee, that the testimony had been molded; that pertinent testimony had been omitted from the printed hearings; and that the fact is that the printed hearings did omit material testimony, and did include material which proves on its face what the 15 members of the other body charged, namely, that the printed hearings are not a factual account of the testimony.

I invite the attention of the Senator from Wyoming to the fact that Secretary Strauss said, "I did not make this statement. The statement was made by members of the committee in the other body, and I am referring to their statement."

Actually, is not that what happened?

Mr. McGEE. The Senator's question, then, is whether Mr. Strauss was referring to the minority committee report, that the report had been molded.

Mr. SCOTT. Whether he had made the charge.

Mr. McGEE. The Senator will find, by reading very carefully all the testimony, that Mr. Strauss tried to lead the committee off by waving the print, which we know was not the official document. That suggested there had been duplicitous evidence or correspondence—or described by some other harsh words which were used. But this was agreed upon as not being the official print. We turned to the official print, which was the report of the majority and the minority, which has no bearing on the question the distinguished Senator from Washington put to the witness.

Mr. SCOTT. But the Senator——

Mr. McGEE. Mr. President, this deviousness is what happened every time we tried to get to the core. That happened with Mr. Strauss in committee. Let me mention, Mr. President, the question which was put by Chairman MAGNUSON. The chairman said:

> I just want to ask one question—

And so forth. He quoted Chairman CANNON as making this statement:

> You say that you do not have the authority but the letter which you prepared and which you have stood by all this time——
>
> Mr. STRAUSS. You bet I stand by it. I would like to take full responsibility for having asked the general counsel of the Commission to prepare the letter.

That is in the public hearings. We are not talking about the report. We are not talking about the committee print. We are talking about the public hearings.

Then the chairman asked:

> Now, that doesn't jibe with——
>
> Secretary STRAUSS. Senator, I submit that this record is not an accurate record and the members of the committee—the 15 members of the committee—stated it had been molded.

If Senators will read the minority views of the 15 members, they will see that they never once questioned this statement. They questioned the preparation of the

majority report which is based on the hearings. Never was this statement by Mr. Strauss called into question.

When he was pressed the second time, he said that the record is wrong.

The chairman of the committee could not believe that. He repeated the question, and Mr. Strauss said again, "The record is wrong."

We have proof that the record is right. All Mr. Strauss had to say was, "Gentlemen, I made the statement some three years ago, and it is embarrassing to me today. I should never have made it." Or, "I did not explain it fully at the time. Here is my explanation." Instead of that, he said the record is wrong. It seems to me that that is unequivocal language. It was one of the rare times when we got that kind of language from him.

Mr. SCOTT. If the Senator will yield once more.

Mr. KEFAUVER. I yield.

Mr. SCOTT. The Senator from Wyoming has used the word "devious." He has not answered the question I addressed to him. Instead, he has made a rather lengthly statement. He has not answered my question whether Admiral Strauss was the one who said the testimony was molded, or whether it was said by members of another body. In view of the fact that the Senator from Wyoming has read a part of this testimony, I shall ask the Senator to indulge me. I should like to maintain my question by asking whether the Senator from Wyoming did not ask this question:

> Senator McGEE. You are suggesting either someone on the committee doctored the hearing reports, or the reporter did not report accurately; is that it?
>
> Secretary STRAUSS. Senator McGEE, I will not permit you to put words in my mouth—which you have been trying to do since the beginning of this hearing. I will simply read you again, repeat again, the statement of 15 of your congressional colleagues, and I will rest my case on that. They said material matters were omitted from the record, and the record had been molded. I will stick by that.

Does the Senator from Wyoming find any fault with that? Did Secretary Strauss say it or did he not?

Mr. McGEE. Indeed I do. I hope the Senator will forgive me. This is not designed to be humorous. I will say that he is setting up another strawman. The point is whether Strauss said the report of the record was wrong.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. McGEE. Mr. President, will the Senator from Tennessee yield so that the Senator from New Mexico may ask a question?

Mr. KEFAUVER. I ask unanimous consent that I may yield further to the Senator from Wyoming for that purpose, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, I call attention to page 978 of the hearings. The chairman of the Committee on Interstate and Foreign Commerce [Mr. MAGNUSON] called Mr. Strauss' attention to the fact that Mr. Strauss had said:

> You bet I stand by it. I would like to take full responsibility for having asked the General Counsel of the Commission to prepare the letter.

The Senator from Wyoming saw, as I did, Mr. Strauss pointing to the language where it says: "You bet I stand by it." He said, "This is not what I said."

The Senator from Wyoming is familiar with the fact that when Representative CANNON saw that, he was shocked. He sent for the official reporter who took the testimony originally. The reporter came to Washington and transcribed his notes again. They showed that this is precisely what Secretary Strauss had said. There was no implication of molding at all. The record shows that he said exactly what was reported. As the Senator from Wyoming has pointed out, he could have saved all the trouble by saying, "Yes, I said that, but I said it only to assume responsibility for it."

This was not addressed to Representative CANNON. It was addressed to me. I knew what was in that letter. I knew the evasion that was in it. We did not worry about it. We were fully familiar with it. But when Mr. CANNON asked about it, Mr. Strauss said that he would stand by it and he would take full responsibility for it.

When he was questioned about it before the Committee on Interstate and Foreign Commerce, he said, "I never said it," even though the notes of the official reporter showed that he had said it. Then the transcript was submitted to him for correction. He never corrected one line of it. The word "molded" refers to something entirely different. It has nothing whatever to do with this language. Nobody knows that better than Secretary Strauss.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. McGEE. It has to do with the statement by Mr. Strauss in the hearings, on page 318 of the hearings on the second supplemental appropriation bill of 1957, not with the majority report and not with the minority views; it has to do with the hearings at page 318. On that page we find that he was asked a question and he said, "You bet I stand by it. I would like to take full responsibility for having asked the General Counsel of the Commission to prepare the letter."

He himself had the opportunity, as the files of the AEC show, of changing the record and correcting any misstatement immediately after the day's hearing. It records no change at any place in his language. There is unequivocal language which is right to the point. He takes full responsibility. To try to get this onto the minority views, which were not addressed to this statement in the hearings, is merely setting up a straw man.

Mr. BUTLER. Mr. President, will the Senator yield? I will not take more than a minute.

Mr. KEFAUVER. I yield.

Mr. BUTLER. All I want to do is read into the RECORD the next question and answer on page 378. The chairman then said:

> Are you saying this record is not correct?
>
> Secretary STRAUSS. I say that I did not say what I am here (indicating) quoted as saying.
>
> The CHAIRMAN. The portion I read to you is not correct?
>
> Secretary STRAUSS. No, I don't deny that what you read is correct as printed, but not correct as attributed.

In other words, what the Secretary was saying was that he made the statement. He said he was out of the country when the letter was prepared. What he was saying, "If anything happened in my absence I will take the responsibility for it." That is the true meaning of the testimony.

Mr. McGEE. The record is clear. I thank the distinguished Senator from Maryland for contributing this clarification, which is the way it was originally stated.

Mr. Strauss stands on that statement. All he had to tell us was: "It is embarrassing, but I said that 3 years ago. I hope the committee will understand that times have changed;" or "I was rushed," or something else. That would have saved a great deal of misunderstanding. But this was only one of 5 or 7 or 8 or a dozen instances in which we had an experience similar to that of pulling teeth in trying to get a straightforward answer. That was the only reason for making the point. I thank the Senator from Tennessee for yielding, and yield back the remainder of my time.

Mr. KEFAUVER. Mr. President, I have agreed to yield to the Senator from South Carolina [Mr. JOHNSTON] without my losing the floor.

Mr. JOHNSTON of South Carolina. Mr. President, it has been many weeks since I announced that I was opposed to the nomination of Admiral Lewis Strauss to be Secretary of Commerce. At the time I announced my decision, I made it clear I was opposing Admiral Strauss on a matter of principle and that I would not be drawn into the smokescreens and propaganda emanating from all directions regarding this nomination.

My position is that Admiral Strauss' conduct in the Dixon-Yates power scandal and his adherence to the policy of secrecy in nondefense Government matters make him a menace to good government, and makes him unqualified for any Cabinet post, including the Secretary of Commerce.

The Dixon-Yates scandal is on a parallel with the infamous Teapot Dome scandal. On July 1, 1955, I said to the U.S. Senate that the only difference between the Teapot Dome scandal and the Dixon-Yates scandal was that the Teapot Dome scandal was a case of stealing as they went along; whereas the Dixon-Yates scandal was a case of premeditated, planned stealing for the future. The Dixon-Yates scandal, of which Admiral Lewis Strauss was a principal participant, has become one of the worst scandals in American Government history.

Even after the nauseating role of Adolphe H. Wenzell as a Bureau of the

Budget consultant had been brought out into the open; even after conflicts of interest involved were made known; and even after the congressional hearings had exposed the evils and crooked dealings in the Dixon-Yates scandal, Adm. Lewis Strauss made the profound statement, as Chairman of the Atomic Energy Commission, the contracting instrument of the Government, that he still believed the Dixon-Yates contract to be a good contract.

By that time everyone knew who Mr. Wenzell was and of his dealings between the Bureau of the Budget and the Atomic Energy Commission and Dixon-Yates. Admiral Strauss completely overlooked the role of this former First Boston Corp. vice president. Either Admiral Strauss was in on the shenanigans of Dixon-Yates as a voluntary participant, or he was acting in stupidity—and I have never heard of anyone accusing Admiral Strauss of being stupid.

A newspaper in my State the Charleston News & Courier, in an editoral entitled "The Vote on Strauss," published on June 15, 1959, said:

> If Lewis Strauss fails to win confirmation from the Senate as Secretary of Commerce, the failure will be a victory for Dr. J. Robert Oppenheimer, the atomic physicist whose friends and allies launched the hate campaign against Admiral Strauss.
>
> While Chairman of the Atomic Energy Commission, Admiral Strauss voted to deny Dr. Oppenheimer security clearance. The physicist long contributed to Communist causes and associated with known Communists and enemies of this country.

Here they bring in my colleague, the distinguished junior Senator from South Carolina—

> Senator STROM THURMOND has declared he will vote for confirmation of Admiral Strauss.
>
> Senator OLIN D. JOHNSTON has said he will vote against confirmation. We wonder whether Senator JOHNSTON has sufficiently pondered the significance of a vote against confirmation. We cannot believe South Carolinians would approve of a vote against a man who served honorably under three Presidents and whose crime is that he is an enemy of a regular contributor to the Communist Party.

Since the News and Courier has brought my name into the matter and has attempted to imply that my vote against Admiral Strauss has something to do with Dr. Oppenheimer's security clearance, or that it has something to do with the Communist issue, I feel I must take this editorial to task.

Throughout my opposition to Admiral Strauss, I have never mentioned Dr. Oppenheimer, and I only do so now because the News and Courier has brought the name into issue. Dr. Oppenheimer has nothing to do with my opposition to Admiral Strauss. Whether or not Dr. Oppenheimer opposes or supports any man for public office would not, in itself, be of sufficient bearing to determine my vote.

I remind the Senate and the News and Courier of the staff report of the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee printed in the 2d session of the 84th Congress, 1956, dealing with the "Power Policy Dixon-Yates Contract."

In this publication the entire history of Dixon-Yates is opened for the public record. It states clearly that Admiral Strauss of the Atomic Energy Commission, with Joseph Dodge, when he was Director of the Bureau of the Budget, conceived the Dixon-Yates contract.

Admiral Strauss testified before the subcommittee on December 5, 1955, but refused to disclose his conversations about the Dixon-Yates contract with the President or Sherman Adams, the assistant to the President.

In another special study quoted in the subcommittee's staff report, it was pointed out that Admiral Strauss departed from the practices of his predecessor, Gordon Dean, former Chairman of the Atomic Energy Commission, "because in his relations with the President he enjoyed a position which was different and in some respects larger than the chairmanship had been before." The report went on to say that Admiral Strauss wore two hats, one hat as Chairman of the Atomic Energy Commission, and another hat which gave him an ear of the President on all matters relating to atomic energy.

Personally, I think Admiral Strauss wears many hats, more than the two cited in this report; but no hat fits him better than admiral of the ill-fated vessel "Dixon-Yates contract," which Congress so rightfully sank several years ago.

To anyone in doubt as to Admiral Strauss' participation in the Dixon-Yates deals, I highly recommend this report for reading. In this report there are many examples of conflict of interest on the part of Admiral Strauss and interrelated companies to which he formerly was attached. In one sale of bonds to finance an operating company which was to supply the Atomic Energy Commission with power, the investment banking house of Kuhn, Loeb & Co., of which Admiral Strauss formerly had been a partner before joining the Government service, received a fee of $70,000 in 1953. This was the same year Admiral Strauss became President Eisenhower's special adviser on atomic energy and 6 months after he succeeded Gordon Dean as Chairman of the Atomic Energy Commission.

As to Admiral Strauss' arrogance, it can be recited here that he placed himself above the law when he said that in his Dixon-Yates dealings he refused to testify as to any conversations he had held at the White House and with Sherman Adams, or anyone else. Of course, we know what has happened to Sherman Adams since that time.

I could go on for hours citing the Senate Committee's staff report on the Dixon-Yates deal. However, I think I could best wrap it up by quoting from the conclusions of this report. I feel it highly important that the Senate be reminded of this information. So I now quote from the report:

> The Dixon-Yates contract provides a dramatic case study of the waste, disorder, and confusion which inevitably surround governmental action which is calculated to serve big business interests rather than the public generally. From its very inception, Dixon-Yates was destined to end in public disgrace and disrepute. Its purpose was unwholesome; the methods used devious, and in carrying out the scheme every concept of decent Government and fair and impartial administration of applicable law was ignored. Even a partial listing of the wreckage left strewn in the path of Dixon-Yates will demonstrate the damage that has been done.

From this report it is obvious that:

First. The independent character of the Atomic Energy Commission and the Tennessee Valley Authority was brought into serious question.

Second. Officials of the Department of Justice and the Securities and Exchange Commission were placed in the position of having been persuaded to take legal positions which ran counter to precedent of many years standing.

Third. The administration of law by Securities and Exchange Commission was brought into disrepute because of the Security and Exchange Commission's flagrant departures from accepted interpretations of the Public Utility Holding Company Act and its succumbing to pressures from higher authority emanating from the White House.

Fourth. The Atomic Energy Commission, of which Admiral Strauss was chairman, was forced to execute and sponsor a contract, the Dixon-Yates deal, which the Department of Justice asserted violated the Holding Company Act, the Atomic Energy Act, and the conflict of interest statutes.

The proponents of Admiral Strauss' nomination would have us confirm to the extremely important position of Secretary of Commerce the man who had as much to do with this illegal deal as any living person.

I do not believe the people of South Carolina would approve if I voted to confirm for a Cabinet post any man who participated in a scheme as crooked as the Dixon-Yates scandal was. Admiral Strauss was a key participant in that deal.

In reply to the News and Courier's inquiry: Yes, I have sufficiently pondered the significance of a vote against confirmation of the nomination of Admiral Strauss; but I do not believe the News and Courier sufficiently pondered the matter before writing its editorial.

I only hope the News and Courier will ponder the significance of a vote for confirmation of the nomination of Admiral Strauss with more earnestness and more study than it manifested when it "pooh-poohed" the Dixon-Yates scandal, back in 1955.

As a reminder, I should like to call to the attention of the Senate the fact that the News and Courier in 1955 said of the Dixon-Yates scandal: "We view with regret and alarm the prospect of defeat in this skirmish of a long conflict"—meaning that it was alarmed at the prospect that the crooked Dixon-Yates deal would be abandoned by the President.

That newspaper has always been opposed to public power; and that is why it took that position on the Dixon-Yates contract.

The News and Courier again, on February 4, 1955, in speaking of the Dixon-Yates scandal, declared:

> Actually, Dixon-Yates simply reaffirms a basic American principle—that free enterprise industry should be allowed to fill the productive needs of the Nation."

Mr. President, I do not believe any clear-thinking citizen could honestly believe that the Dixon-Yates scandal reaffirmed any basic American principle.

Admiral Strauss' participated in the Dixon-Yates deal and his arrogant attitude in not answering the questions in this respect at hearings are sufficient reasons for me to not support his nomination.

This editorial of the News and Courier implies that any Senator who opposes confirmation of the nomination of Admiral Strauss will be joining or grouping with communistic supporters of Dr. Oppenheimer and communistic opponents of Admiral Strauss. In my opinion, the News and Courier's dragging in of the Communist issue is the height of absurdity.

As I have pointed out before, whether or not Dr. Oppenheimer and his friends are for or against Admiral Strauss is of little significance. The real issue is whether or not Admiral Strauss is competent and capable of being Secretary of Commerce. I repeat that his role in the Dixon-Yates scandal makes him unfit for this office.

Throughout the hearings before the Senate committee on his nomination, Admiral Strauss displayed more arrogance than any other witness I have seen in Congress in many years, unless possibly some of the witnesses who have hidden behind the fifth amendment to shield their crooked dealings and communistic connections have been more arrogant.

Furthermore, in recent years there has been growing concern among the free press, the free radio, and the free television media over the alarming increase of secrecy in nondefense and nonsecurity Government matters. In this respect, Admiral Strauss has displayed himself as a proponent for secrecy in Government; and I fear that if he were to become head of the Commerce Department, we would see more secrecy and more arrogance in Government with respect to its dealings with the taxpayers of this country.

On this score, I need only refer to Admiral Strauss' refusal to discuss with the Congress his conversations with the now ill-reputed Sherman Adams concerning the Dixon-Yates contract.

We have far too many former admirals and generals running the show in Washington and elsewhere, and I believe the time has come for the Senate to exercise its constitutional prerogative to put a stop to questionable appointments to high public office.

It has been argued in some quarters that it is a President's prerogative to appoint whom he pleases to Cabinet posts and to judgeships, and so forth. I say it is a constitutional guarantee and the prerogative of the U.S. Senate and, further, the duty of the U.S. Senate to refuse confirmation of any nominee that it feels is unfit to hold office. If we get into the habit of never turning down any nominee simply because he has not been sent to jail, then we might as well wipe out the constitutional provision giving the Senate the prerogative to not confirm a nominee because of plain, ordinary unfitness. We have a say in that matter.

I have no personal grudge with Admiral Strauss. I just know he is not fit to be Secretary of Commerce. He went along with the boys when shady deals were afoot in Dixon-Yates. It was that, or else he displayed intolerable ignorance. We could not afford either of these qualities in a man running the Commerce Department.

It has been suggested that Admiral Strauss should be supported for Secretary of Commerce because he intervened in oil import threats to the coal industry. Likewise, it is suggested that he be supported because he may be able to influence the President to help the textile industry. The President has not done anything in that field in the past. He blocked everything which might have done some good.

In every section of the country propaganda has been heavily applied to promise what Admiral Strauss may be able to do for someone or some group if he is made Secretary of Commerce. But very little is being printed about what Admiral Strauss did in the Dixon-Yates scandal. The newspapers are not carrying that fact as plainly as they are carrying other news. There is no record of Admiral Strauss that speaks louder than his record in the Dixon-Yates scandal.

I hope that others in the Senate will not allow propaganda, pressure, and slanderous editorials such as the one I have cited from the News and Courier to change them from their position opposing the nomination of Admiral Strauss. I can assure Senators of one thing—they will not change me.

Mr. KEFAUVER. Mr. President, I wish to commend the distinguished Senator from South Carolina for his address and for his careful analysis of the Dixon-Yates deal and of the participation of Admiral Strauss in it. The Senator has made his analysis very clearly and forcefully.

Mr. President, I had agreed to yield to the Senator from Idaho for a brief statement.

SUMMARY OF MAJOR PROVISIONS OF LABOR-MANAGEMENT REFORM BILL

Mr. CHURCH. Mr. President, as in legislative session, I thank the Senator for his generosity.

The staff of the Senate Committee on Labor and Public Welfare has prepared a most helpful and concise summary of the major provisions of the Kennedy-Ervin labor-management reform bill, as passed by the Senate on April 25, 1959.

The Senate's endorsement of this bill by a vote of 90 to 1 was so overwhelming, and the need for reform legislation so urgent, that it is both timely and appropriate to spread upon the record this summary, which so clearly illustrates the scope and impact of the Senate bill. Accordingly, Mr. President, I ask unanimous consent that the committee staff summary be printed, in its outline form, at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BRIEF SUMMARY OF MAJOR PROVISIONS OF THE KENNEDY-ERVIN LABOR-MANAGEMENT REFORM BILL, AS PASSED BY THE SENATE, APRIL 25, 1959

RIGHTS OF MEMBERS OF LABOR ORGANIZATIONS

Title I of the bill guarantees certain fundamental rights of union members. Where there has been an infringement of a member's right he may bring a suit in a Federal court to obtain appropriate relief. Among the rights assured by title I are: (1) equal rights of all members to participate in vital union functions; (2) freedom to assemble with other union members and discuss any matters of mutual interest; (3) the right to vote on the question of dues or other assessments after adequate notice; (4) protection of the right to sue or petition any legislature for any reason provided that interested employers may not participate in such suits; (5) prohibits any unreasonable disciplinary action without a fair hearing; and (6) voids any provision of any union constitution which conflicts with the rights set forth in the title.

UNION-EMPLOYER REPORTING AND DISCLOSURE

The reporting provisions of the bill require comprehensive disclosure of internal operations of trade unions and certain employer transactions. Following are some of the requirements of the bill in this area:

(1) Requires full financial and administrative reports by all unions which reports must be made available to each member and are open to public inspection.

(2) Requires union officers to report conflict of interest transactions.

(3) Requires employers to report expenditures or arrangements with labor relations consultants to persuade employees concerning the exercise of their right to organize and bargain collectively.

(4) Grants the Secretary broad powers to investigate violations of the act and the right to obtain civil injunctions to compel full and accurate reports.

(5) Imposes criminal penalties for failure to file or false filing of reports; forbids loans by unions and employers.

(6) Makes embezzlement of union funds a Federal crime and permits member suits in Federal courts to recover embezzled funds. Preserves members' rights to sue under State law.

(7) Prohibits tender or receipt of bribes in labor-management relations.

TRUSTEESHIPS

The trusteeship provisions of S. 1555 are designed to specify minimum standards for the imposition of trusteeships, require semiannual reporting on all trusteeships and, through the instrument of the Secretary of Labor and the Federal courts, to lift trusteeships which have been improperly imposed. Among the major provisions in the bill governing trusteeships are the following:

(1) Mandatory semiannual report to Secretary on every trusteeship, reasons for its establishment, continuance and operation—such reports to be furnished to members of union concerned.

(2) Limits trusteeship to 12 months; forbids counting of votes of delegates of trustee bodies unless delegates elected by secret ballot; forbids transfer of funds from trusteed local union to international except normal dues and assessments.

(3) Provides machinery whereby union member can complain to Secretary of Labor concerning the impropriety of a trustee-

ship. After investigation Secretary may begin a court proceeding to break trusteeship.

(4) Preserves members' rights under State law unless Secretary has begun a proceeding pursuant to complaint.

(5) Requires bonding of all union officers and employees.

ELECTIONS AND DEMOCRATIC PROCESSES

This title provides standards for the conduct of all union elections, insures procedural safeguards and provides Federal court and administrative action to overturn improper elections. Its principal provisions are as follows:

(1) Secret ballot for all union officers or the convention delegates who select them.

(2) Written notice of all such elections to each member and real opportunity to nominate opposing candidates.

(3) Officers are required to be elected every 5 years by international unions and every 3 years by local unions.

(4) Forbids use of union or employer funds to support candidacy of any union officer.

(5) Every candidate must be allowed use of membership lists to distribute campaign literature.

(6) Guarantees fair election procedures including observers at polls and tellers at ballot count representing all candidates. In an election for international officers, votes of local unions are to be published separately.

(7) Prohibits persons convicted of serious crimes from serving as union officers.

(8) Criminal penalties for violation of union election safeguards.

(9) Appeal to Secretary by member charging impropriety in election procedure, with power to Secretary to institute court to set election aside and conduct a new election.

PICKETING

(1) Prohibits picketing for extortion or to secure employer payoffs subject to penalty of 20 years imprisonment or heavy fine.

(2) Prohibits picketing where another legitimate union has been recognized.

(3) Prohibits picketing where a union has lost an election.

(4) Applies mandatory injunction to such picketing.

SECONDARY BOYCOTTS

(1) Prohibits most abused form of boycott—the "hot cargo" clause in common carrier contracts.

(2) Voids existing "hot cargo" clauses.

STATE-FEDERAL JURISDICTION

(1) Preserves responsibilities of union officers and rights of members under State law.

(2) Authorizes State agencies to assume control over labor cases in which the NLRB does not assert jurisdiction and apply the Taft-Hartley Act, thus closing the "no-man's land" in labor-management relations.

TAFT-HARTLEY AMENDMENTS

(1) Building trades—permit prehire contracts, employer contributions to apprenticeship and certain other trust funds.

(2) Restores economic strikers right to vote in representation elections under procedures established by the NLRB.

(3) Clarifies that "service assistants" in communications industry are not supervisors within meaning of the act.

(4) Authorizes prehearing election with safeguards against "quickie" elections and insuring due process before the NLRB.

(5) Permits Presidential appointment of an acting General Counsel of the NLRB.

ADVISORY COMMITTEE

(1) Establishes an advisory committee to assist the Secretary in the administration of the act.

(2) Encourages voluntary establishment of ethical practices codes by unions and management to prevent abuses.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The Senate resumed the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Tennessee may yield to me without losing his right to the floor, so that I may suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. KEFAUVER. I yield to my colleague for that purpose.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, my task today is not a happy one. I am compelled to put aside my natural inclination to support the President of the United States in an executive nomination. My sincerity in saying this is evidenced by the fact that in the last 6½ years of this administration, of the many thousands of executive nominations which have come before this body, I have supported all but a very few, I believe three. I shall not identify the nominees in those cases, but I will say that history has borne out the stand which I took.

The second reason why this task is not a pleasant one is that I must base my opposition on the ground that Lewis L. Strauss has demonstrated he is a deceitful man.

I think I should make an effort to dispel the fog which surrounds this nomination.

The issue is not public power against private power; it is not Presidential prestige; it is not the patriotism of one man as compared to the patriotism of other men; nor is it, by the wildest stretch of the imagination, an issue of religion.

It has been suggested that the issue is one of public power against private power.

I always have been a steadfast advocate of public power. I believe fervently in the Tennessee Valley Authority. I know at firsthand what TVA has done for the people of an entire region. Its unique demonstration of resource and power development is one of the wonders of the world, and in the world's remotest reaches it stands as a symbol of American vision, ingenuity, enterprise, and humane idealism.

I have defended TVA against many attacks and will always continue to defend it when it is in jeopardy. One of these attacks on TVA, in which Lewis L. Strauss was the central figure, taught me much about the character of this man.

But TVA, alone, is not the issue, either. Many of my colleagues in the Senate who do not share my views on public power or TVA nevertheless are opposed here today to the nomination of Lewis L. Strauss for Secretary of Commerce.

It has been suggested that the issue here is one of Presidential prestige.

I say to my colleagues that the public interest takes precedence over Presidential prestige. So long as the President fullfills his obligation of nominating worthy individuals, and the Senate fulfills its duty of carefully scrutinizing these nominees, the public interest will be served. At home and abroad the prestige of the United States will be secure when each branch of our Government faithfully executes the responsibilities entrusted to it by the Constitution.

It has been suggested that the issue here is one brought on by the zealous patriotism of the nominee. Senators have disagreed with Mr. Strauss on a wide variety of questions bearing on matters of security, but I do not believe for a minute that any Senator, whether he opposes or supports the nomination of Mr. Strauss, questions the patriotism of another Senator.

Finally, it has been suggested that opposition to Mr. Strauss stems from religious prejudice. This is preposterous. The suggestion was advocated and hastily abandoned when those who advanced it had an opportunity to reflect.

Among those who oppose Mr. Strauss are Senators who have, with dedication, consistently fought the battle for tolerance and fair treatment of all their fellow men. Certainly I have always tried to do so.

Mr. President, these claims have been raised to divert attention. They are but a part of the smokescreen which has been generated to hide the true issue before us today.

What is this issue?

It is simply this: Lewis L. Strauss is unfit to hold the important post of Secretary of Commerce because he has consistently and cynically sought to deceive the American people.

Lewis L. Strauss has been a controversial figure for years. I shall not review his sharp differences with fellow members of the Atomic Energy Commission, or his disputes with the Joint Committee on Atomic Energy. His difficulty in getting along with people in Government is widely known.

Mr. President, I go now to the record to document the deceit that Lewis L. Strauss has practiced on the American people. The record upon which I shall stand was made in two series of hearing before committees of the U.S. Senate.

The most recent were the hearings on the Strauss nomination before the Interstate and Foreign Commerce Committee. The other hearings were those conducted on the Dixon-Yates power contract by the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee under the chairmanship of the Senator from North Dakota [Mr. LANGER] in 1954, and under the chairmanship of the late Senator Kilgore, of West Virginia, in 1955.

Seven of the Senators who voted against reporting favorably the nomination of Lewis L. Strauss joined in a remarkable statement. This statement, in the nature of its criticism of a Presidential nominee, is unprecedented in the history of our Nation.

Fault has been found with countless nominees in the past. What makes this report unique is that it cites not less than seven instances in which Lewis L. Strauss deliberately sought to deceive the committee in the course of the very hearings on his fitness to hold the post of Secretary of Commerce.

There are devastating findings in the report of the Senators. They speak bluntly of the use by Lewis L. Strauss of "half-facts, and misstatements which later seemed to us to become habitual."

They state bluntly that the committee "received a very distorted view in respect to his role in the development of a long-range detection system and the development of the H-bomb, particularly in light of subsequent testimony."

And that is not all. The Senators said further:

> Mr. Strauss continued this pattern the second day, making two material misstatements of fact with regard to a very important matter, namely, his rejection of an application for a license to export.

I now go to the report of the Senators to show seven specific examples which demonstrate that Lewis L. Strauss tried to deceive the American people. I emphasize to my colleagues that these seven twistings of truth took place at the hearings dealing with the fitness of Lewis L. Strauss to hold the Cabinet post of Secretary of Commerce:

First. He flatly misrepresented to the committee his responsibility for rejecting an application for a license to export steel pipe.

Second. He falsely denied making a certain statement before a subcommittee of the House Appropriations Committee.

Third. He distorted the nature of a charge brought against him by Senator ANDERSON concerning the export of isotopes.

Fourth. In dealing with charges that he had failed to keep the Joint Committee on Atomic Energy properly informed, Lewis L. Strauss sought to distort the record.

Fifth. Lewis L. Strauss denied knowledge of the conflict of interest situation in the Dixon-Yates contract and of attempts to hide it. I shall have much more to say about this later in the course of this address.

Sixth. He falsely sought to create the impression that he had no connection with ill-advised actions of the Atomic Energy Commission.

Seventh. He denied that he had ever sought material against a hostile witness, and was later confronted with an official letter showing that he had sought and received this material.

So that the record of this debate may show, for all the people of our Nation to see, this shocking history of deceit, I now read the seven specific findings of the Senators who opposed a favorable report on the confirmation of Lewis L. Strauss.

As to the steel pipe export license, the Senators said:

> (1) The nominee was guilty of an outright misrepresentation in regard to his recent rejection, as Secretary of Commerce, of an export license for the shipment of steel pipe. Mr. Strauss informed the committee that his action was taken with the "complete concurrence" of the Department of State—that "there was absolutely no difference between the State Department and Department of Commerce on this." In actual fact, State's position was completely opposed to that of Commerce—the State Department had objected in unequivocal terms to the denial of the license. Its objection was a matter of record and Mr. Strauss knew of it when he spoke. As the final authority for making a decision in this matter lay with the Secretary of Commerce, Mr. Strauss was perfectly within his legal right in overriding State's views. In this light, his outright misrepresentation of the position of another agency is all the more shocking. (See hearings, pp. 43–44 and p. 1067.)

As to the denial of the statement before the House committee, the Senators said, and I read from their report:

> (2) The nominee challenged the integrity of an official transcript of a hearing before a committee of the House, thus impugning the integrity of those responsible for this preparation. He charged that a reported statement by him before a subcommittee of the House Appropriations Committee in 1956, in which he had accepted full responsibility for having asked for the preparation of a highly embarrassing letter to the Joint Committee, had in fact never been made. Such an assertion, by itself, reflects a virtually contemptuous attitude toward congressional procedures. Whatever defense the nominee might have had for making this charge evaporated completely when a check of the hearing reporter's stenotype notes showed conclusively that the portion of the record in question had not been altered in any way whatsoever. (See hearings, pp. 978 and 981.)

As to the isotope charge, the Senators said, and I read from their report:

> (3) In his efforts to answer Senator ANDERSON's legal discussion on the export of isotopes, the nominee distorted the nature of the charge against him. Mr. Strauss, in illustrating that he was not obsessed but rather was reasonable on matters of secrecy, volunteered that he protested the 1949 export of a radioisotope to Norway on the grounds that it violated the Atomic Energy Act and that it was requested for jet engine research (hearings, pp. 47–48). Subsequently, Senator ANDERSON analyzed sections 5 and 10 of the act to show that those sections did not proscribe the export (hearings pp. 498–499). Mr. Strauss, in rebuttal, replied that he (Strauss) had relied not on section 5 but on section 10, thereby ignoring the full thrust of the earlier testimony while pretending to "answer" (hearings, pp. 610–612). Additionally, Senator ANDERSON testified that the request was for basic research rather than jet engine study (hearings, p. 502).

As to failure to inform the Joint Committee, the Senators said, and I read their report:

> (4) The nominee consistently offered only partial or oblique defenses in his effort to reply to Senator ANDERSON's charges of failure to keep the Joint Committee on Atomic Energy "fully and currently informed" of AEC's activities as required by law.
>
> As an example of this, the nominee completely ignored the Senator's assertion that Mr. Strauss had suppressed an important letter from the Attorney General concerning the legality of the 1956 amendments to the agreement for cooperation with England. Instead, he based his defense on the wisdom of the proposed amendments to the agreement and on his notification to the Joint Committee that negotiations had taken place. Even as to the latter, he sought to distort the record in order to establish that the Joint Committee had been informed in a timely manner. Actually, contrary to the mandate of the law and contrary to the advice of the Attorney General, the Joint Committee was not informed of these important negotiations until after the completed agreement had been submitted to the President for his signature (hearings, pp. 598–607, 687–695, 1024–1030).

As to the Dixon-Yates conflict of interest, the Senators said, and I read from their report:

> (5) The nominee claimed credit for unsupportable public benefits from a prospective transaction while disclaiming knowledge of or responsibility for underlying issues that question the validity of his plans. When the Dixon-Yates power contract became jeopardarized by the conflict of interest of a key participant, Mr. Strauss who was principal architect of the contract denied: (1) knowledge of Senator HILL's speech regarding the dual role of Adolphe Wenzell and thereby denied responsibility for proceeding on such a questionable plan (hearings, pp. 333–334); (2) knowledge of the false chronology on Dixon-Yates issued by the AEC on August 21, 1954 (hearings, p. 285) even though Mr. Strauss, as AEC Chairman, discussed with Mr. Hughes the contents of that record (hearings, p. 493); and (3) knowledge of the Government capacity of Wenzell even though Wenzell testified that he told Mr. Strauss that he represented the Bureau of the Budget (hearings, p. 319).

Let me point out here that prior to the hearings before the Commerce Committee, I made continued efforts to learn from the Department of Justice whether any investigation had been made into the circumstances surrounding the Dixon-Yates contract to determine whether there had been a violation of any Federal criminal statute. The replies given to me by the Department of Justice were surprisingly vague. I was told that no investigation was pending, and nothing was said as to whether an investigation had ever been made. I laid before the Commerce Committee the history of my efforts to obtain an answer on this matter from the Department of Justice. So far as I know, Justice has not investigated the matter to this day.

The further exposure, before the Interstate and Foreign Commerce Committee, of the evasion and deceit on the part of Lewis L. Strauss, strongly affirms the need for such an investigation by the Department of Justice.

Resuming now my presentation of the findings of the opposing Senators, let me call attention to the next item.

As to his connection with ill-advised actions of AEC, the Senators said, and I read from their report:

> (6) The nominee was prone to accept only official responsibility for ill-advised official actions by the Atomic Energy Commission while trying to create the impression that he in fact really had no connection with them.
>
> An example of this was his explanation of the circumstances surrounding the classification of an adverse safety report on the

Detroit reactor project made in June of 1956 by an Advisory Committee to the AEC. Mr. Strauss admitted that the report's classification, and its consequent suppression from the public, had been a "mistake"—a mistake which he now seeks to attribute to members of his staff. Yet a review of the record shows conclusively that he knew this report had been classified and in fact had vigorously defended its classification in correspondence with the Joint Committee. (See hearings, pp. 607 and Joint Committee on Atomic Energy print, "A Study of AEC Procedures and Organization in the Licensing of Reactor Facilities," April 1957, pp. 117–122.)

As to his seeking material about a hostile witness, the Senators said, and I read from their report:

(7) The nominee often resorted to unnecessary untruths in what appeared to be an attempt to put himself in the best possible light before the committee. He categorically denied, for example, that he had ever asked for any information on adverse witness, Dr. David Inglis, and sought to create the impression that the only data which he had received was furnished to him gratuitously by a member of his staff at the time Dr. Inglis testified. Yet, when the question of the nominee's attempts to gain possibly unfavorable security information on Dr. Inglis was put seriously in issue, he admitted that he had personally called the AEC prior to the Dr. Inglis appearance for background material. His exact words were, "I have never asked for anything on Mr. Inglis in my life" (hearings, p. 827). This statement was made May 11, 1959. On May 13, 1959 (hearings, p. 844), a letter was read into the hearings from the Atomic Energy Commission dated May 11, 1959, that flatly stated Mr. Strauss had inquired about Dr. Inglis about April 20, and had been given some information on April 21.

When questioned on this point, Mr. Strauss, after first saying, "I see absolutely no significance in whether the date was the 22d of April or May the 5th or what," finally stated, "I have nothing more to say, Mr. Chairman, on this point" (hearings, pp. 845–846).

What I have just reviewed for the Senate is enough, in my opinion, to completely disqualify Lewis L. Strauss for the post of Secretary of Commerce—or for any post in our Government where he would be able to continue his practice of deceiving the American people.

If there could be any doubt left in the minds of Senators, I call their attention now to further evidence of this man's practice of deceit. I refer to the record of the hearings before the Antitrust and Monopoly Subcommittee on the Dixon-Yates power contract.

As acting chairman of the group which conducted those hearings—the Senator from North Dakota [Mr. LANGER] was chairman during the first part of the hearings in 1954; I acted as chairman later, in 1955, by designation of Senator Kilgore—I experienced at firsthand the evasion and deceit of Lewis L. Strauss.

The findings of the Senators of the Interstate and Foreign Commerce Committee opposing confirmation now bring into cold, sharp focus these earlier instances of Mr. Strauss' deception of the American people.

Let us look back to November 6, 1954. Mr. Strauss is testifying before the Joint Committee on Atomic Energy in the waiver hearings on the Dixon-Yates contract.

I read one brief excerpt from the official record of these hearings, at page 249:

Representative HOLIFIELD. Do you know if Mr. Dodge was advised by a consultant who is now employed by any of the Dixon-Yates utility companies?

Mr. STRAUSS. I have no knowledge of any consultants that Mr. Dodge may have had, or whether he had any.

Mr. President, I ask that Senators observe those words carefully. I quote the words once more:

I have no knowledge of any consultants that Mr. Dodge may have had, or whether he had any.

From those words I now take Senators back to 1953, when the sordid Dixon-Yates conflict-of-interest story began.

It began in May 1953, when Adolphe H. Wenzell, an officer of the First Boston Corp., was employed by the Bureau of the Budget as a consultant—Antitrust Subcommittee hearings, page 205.

What did Mr. Wenzell do? I read the answer to my colleagues in the words of the Department of Justice. In its answer to the Dixon-Yates suit in the Court of Claims, the Department states—this is the present Department of Justice, and these are not my words, but the words of the Attorney General of the United States:

The alleged agreement is contrary to public policy, unlawful, and null and void by reason of the activities of one Adolphe H. Wenzell, a salaried vice president of First Boston Corp. of New York City, a financial institution specializing in the underwriting, sale, and marketing of corporate securities, including, particularly, those of public utilities. During periods in the years 1953 and 1954, Wenzell was employed by the Bureau of the Budget as a consultant with respect to problems concerning the furnishing, operation, and expansion of electric facilities in the area of the Tennessee Valley Authority (hereinafter referred to as the TVA) and concerning important aspects of the project involved in the alleged agreement. For a portion of said time, the Bureau of the Budget was, in collaboration with AEC, actively engaged in the consideration and development of the project subsequently embodied in the alleged agreement. During said period, Wenzell consulted with, advised, and represented the Government in certain important matters involved in the negotiations with respect to the alleged agreement and the project covered thereby, including the cost of the project and the costs involved in the sale by plaintiff of its securities to financial institutions in order to finance the project. During the same period Wenzell was, at all times, a salaried vice president of First Boston Corp., who consulted with, advised, and represented the First Boston Corp. with respect to its relation to said project, the alleged agreement, and its relations with plaintiff. During this period Wenzell further consulted with and advised plaintiff with respect to various matters relating to the project and the alleged agreement, which involved to a material extent the same matters concerning which he was employed to consult with, advise, and represent the Government, and, in fact, he assisted in negotiating and promoting the very project and alleged agreement between plaintiff and defendant which resulted in the employment by plaintiff—

The Mississippi Valley Generating Co.—

of First Boston Corp. on behalf of plaintiff and as plaintiff's agent to effect the sale to various banks and insurance companies of plaintiff's securities, in an aggregate principal amount between $99,815,000 and $120 million proposed to be issued by plaintiff to finance said project.

At the time plaintiff executed the alleged agreement, plaintiff had full knowledge of the duality of interest and relationships of Wenzell. The role played by Wenzell in consulting with, advising, and representing the Government, the First Boston Corp., and plaintiff with respect to the same project and the same alleged agreement, with contemplated benefits to the First Boston Corp., as well as to plaintiff, involved a conflict of interest so contrary to public policy as to render the alleged agreement null and void (staff report, Subcommittee on Antitrust and Monopoly Power Policy, Dixon-Yates contract, pp. 167–168).

Title 18 of the Criminal Code has provisions for aiders and abettors in conflict-of-interest matters. I was trying to determine whether the department had investigated whether the architect of this contract, Mr. Strauss, was an aider or abettor. But we were unable to get a report on whether the Department had made such an investigation.

Let me point out here that Lewis L. Strauss, in the process of deceiving the American people, failed to inform the President of the United States properly.

Senators have just heard the summary of Wenzell's activities made by the Department of Justice. Here is another summary. I quote the words of the President, spoken at a press conference on June 29, 1955:

Mr. Wenzell was never called in or asked a single thing about the Yates-Dixon contract. He was brought into—as a technical adviser in the very early days when none of us here knew about the bookkeeping methods of the TVA or anything else. He was brought in as a technical adviser and nothing else and before this contract was ever even proposed (antitrust hearings, p. 60).

On that same day, June 29, 1955, I wrote to the President and said:

It is clear, Mr. President, that even at this late date you have not been fully and accurately informed with respect to the serious matter which our committee is now inquiring into (antitrust hearings, p. 61).

This date, June 29, 1955, is significant.

Within 24 hours, the President directed that steps be taken to cancel the Dixon-Yates contract.

Consider this shocking spectacle:

High officials in the administration had been put on notice of the Wenzell conflict of interest more than a year before this press conference.

Many months before this press conference, top officials of the Atomic Energy Commission took part in striking Wenzell's name from the chronology ordered by the President and took part in concealing Wenzell's activities.

I remind Senators that Lewis L. Strauss was the prime promoter of the Dixon-Yates contract. His failure to properly advise the President of the conflict of interest was, at the very least, a most serious neglect of duty.

Mr. President, what does the record show of the first meeting between Lewis

L. Strauss and Wenzell? It shows that they met on January 18, 1954, at the Atomic Energy Commission. It shows that Wenzell testified under oath that he had been sent to see Lewis L. Strauss as a representative of the Bureau of the Budget—antitrust hearings, pages 292 and 300.

I quote from the record at page 292:

Senator KEFAUVER. Did you go into the Atomic Energy Commission representing the Bureau of the Budget or the First Boston Corp.?

Mr. WENZELL. At that time I considered my work entirely as a representative of the Bureau of the Budget.

Mr. KEEFFE. Did you tell Admiral Strauss you were a representative of the budget, a consultant of Mr. Hughes?

Mr. WENZELL. Yes, sir.

Senator KEFAUVER. Let's get that straight. I didn't understand the import of your question. You explained to Admiral Strauss that you were there as a consultant of the Bureau of the Budget?

Mr. WENZELL. The appointment having been made by the Bureau of the Budget; yes, sir.

Senator KEFAUVER. And you talked with him as a consultant?

Mr. WENZELL. I did; yes, sir.

And now I quote from page 300:

Senator KEFAUVER. Mr. Wenzell, you said a few minutes ago that Admiral Strauss knew who you were, knew that you were a consultant to the Bureau of the Budget. You were down there several times, subsequently; were you not?

Mr. WENZELL. Yes, sir.

Senator KEFAUVER. He certainly knew who you were, didn't he?

Mr. WENZELL. I told him so at the beginning.

Yet Lewis L. Strauss testified that he knew Wenzell only as a representative of the First Boston Corp.—antitrust hearings, page 1187:

I have no recollection of Mr. Wenzell's status that is in conflict with my then belief that he represented his firm, the First Boston Corp., advising all present at the conference on the availability and cost of financing.

Mr. President, that was a very remarkable situation. In 1953, Adolphe Wenzell had worked up, in secrecy, the Dixon-Yates plan. In April or May 1954, he finished his work. The record shows that the plan was put into operation by Admiral Strauss and by the heads of the Bureau of the Budget, Mr. Dodge and Mr. Hughes. Every high official in the Bureau of the Budget testified that he knew of Mr. Wenzell's work. As a matter of fact, his work was so important and was so iniquitous, that the Bureau of the Budget people were charged with secrecy regarding the presence of Mr. Wenzell there. All of the officials of the Atomic Energy Commission—except for what Mr. Strauss says of himself in the matter—knew that Mr. Wenzell was working with the Bureau of the Budget. At the Atomic Energy Commission, where Mr. Wenzell went on many occasions, General Nichols, the manager, and Mr. Cook, and Mr. Williams—all of the officials—knew that Mr. Wenzell was working with the Bureau of the Budget. It is inconceivable that the man who was putting into effect Mr. Wenzell's program, and who had met him, and when Mr. Wenzell was working with Mr. Strauss' staff, as well as with Mr. Strauss, would not know who Mr. Wenzell was. Any claim that Mr. Strauss did not then know who Mr. Wenzell was simply does not stand up. I do not think the American people will believe such a claim. Certainly I do not.

When was this question of conflict of interest first raised? It was raised 9 months before the contract was ever signed—as early as February 1954. I give the answer to this question from the hearings before the Antitrust Subcommittee.

Edgar Dixon, president of the Dixon-Yates combine, and his attorney, Daniel James, were concerned about a possible conflict of interest situation involving Wenzell, as early as mid-February 1954—antitrust hearings, pages 922 and 923.

I now quote Mr. James, at page 995 of the antitrust hearings, regarding a meeting in the winter or early spring of 1954 with Rowland Hughes, then Assistant Director of the Budget. Mr. James said:

It was a very complex situation, and it was extremely unwise, for that reason, to have Mr. Wenzell in the Bureau of the Budget if there was to be any consideration of his firm as financial agents for the dealings of the company with insurance companies or banks. I can recall very vividly telling him that I was not raising a legal issue, but I thought it was a policy question which deserved serious consideration.

At about that time, in February 1954, Mr. Wenzell himself became concerned about his dual role, and consulted Mr. Dean, of the law firm of Sullivan and Cromwell. So seriously did the law firm view his position that he was advised to terminate by letter, his services with the Bureau of the Budget, and the First Boston was advised to consider giving up any fee if it became financial agent for the Dixon-Yates combine—antitrust hearings, pages 146 and 147 and pages 572 and 573.

As a matter of fact, the First Boston Corp. actually adopted a resolution to that effect, at a meeting of its board of directors; but that fact was not conveyed to Mr. Dixon until many months afterward, because the First Boston Corp. still thought it might be able to obtain a fee.

Mr. President, I think I should also say that Mr. Wenzell was so concerned with the conflict of interest that he actually conferred with Mr. Dodge, of the Bureau of the Budget, about it.

Is it reasonable to believe that the Dixon-Yates people, who were in touch with Mr. Strauss, and that Mr. Hughes and Mr. Dodge, who also were in touch with Mr. Strauss, about the Dixon-Yates matter, would fail to tell him, or that he would fail to find out about this matter, which concerned all of them so greatly that the First Boston Corp. even agreed to give up its fees, because of this conflict of interest? I think not.

What happened next in connection with this conflict of interest involving Adolphe H. Wenzell?

A positive step to conceal it was taken in August of 1954—6 months after the Director of the Budget had been put on notice of its existence.

This is how the attempt at concealment developed.

At the President's press conference on August 17, 1954, questions were asked regarding the Dixon-Yates proposal. Subsequently, by direction of the President, a chronology of events having to do with the Dixon-Yates proposal was published on August 21 by the Bureau of the Budget and the Atomic Energy Commission. The names of Wenzell and Paul L. Miller, vice president and assistant vice president, respectively, of the First Boston Corp., were omitted from the listing of persons who had participated in the various meetings and negotiations concerning the Dixon-Yates proposal. There were no other omissions.

Here is how those omissions came about.

Richard W. Cook, Deputy General Manager of the AEC, prepared the chronology for AEC, making three or four drafts, all of which subsequently were destroyed—antitrust hearing, page 697.

Mr. Cook was aided by a draft prepared by his predecessor, Walter Williams. The original drafts of both Cook and Williams included the names of Miller and Wenzell in several places. At the suggestion of William F. McCandless, Bureau of the Budget staff member, Nichols agreed to drop the names from the chronology—antitrust, pages 710 and 711.

Now let me return again to the appearance of Lewis L. Strauss before the Joint Committee on Atomic Energy, on November 6, 1954.

Against this backdrop of evidence concerning the enormous importance of Adolphe H. Wenzell's dual role in the Dixon-Yates deal, Mr. Strauss' words on November 6 take on a staggering significance.

Mr. President, let me recall that Dixon and his lawyer had gone to the head of the Bureau of the Budget, and had expressed their fear that Wenzell's dual role would endanger the contract. We have seen that Sullivan and Cromwell, after learning of Wenzell's dual role, advised him to resign from the Government, and counseled the First Boston Corp. to consider not accepting a fee.

AMENDMENT OF FEDERAL AIRPORT ACT

As in legislative session,

Mr. JOHNSON of Texas. Mr. President, will the Senator from Tennessee yield to me for a unanimous-consent request that the Chair lay before the Senate the message announcing the action of the House on the amendment of the Senate to the amendment of the House to Senate bill 1. The House has agreed to the Senate amendment with an amendment. I make the request in order that the Senator from Oklahoma may move that the Senate concur in the House amendment to the Senate amendment to the House amendment, with the understanding that the Senator from Tennessee will resume the floor and lose none of his rights, and that the discussion not to exceed 6 to 8 minutes?

Mr. KEFAUVER. I yield for that purpose.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. I ask the Chair to lay before the Senate the message from the House.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House, which will be read by the clerk.

The legislative clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
June 17, 1959.

Resolved, That the House agree to the amendment of the Senate to the amendment of the House to the bill (S. 1) entitled "An Act to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such Act, and for other purposes", and concur therein with an amendment, as follows: In such Senate amendment strike out section 3 and insert in lieu thereof the following:

"SEC. 3. Section 13 of such Act (49 U.S.C., sec. 1112) is amended by inserting '(a)' after 'SEC. 13.' and by adding at the end thereof the following new subsection:

"'(b) With respect to amounts obligated after June 30, 1959, the following shall not be allowable project costs under this Act:

"'(1) the cost of acquisition or construction of that part of a project intended for use as a passenger automobile parking facility;

"'(2) the cost of construction of those parts of airport buildings intended for use as bars, cocktail lounges, night clubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms;

"'(3) the cost of construction of any part of an airport building intended to afford facilities for the housing of any activity of the United States (other than air traffic control activities, weather-reporting activities, and communications activities related to air traffic control) unless, in the opinion of the Administrator, it is in the best interest of the United States to provide such facilities;

"'(4) the cost of construction of those parts of airport buildings intended for any other use which, in the opinion of the Administrator, is not essential for the safety, convenience, or comfort of persons using airports for public aviation purposes'."

Mr. MONRONEY. Mr. President, I intend to move that the Senate concur in the House amendment to the amendment of the Senate to the House amendment to Senate bill 1. With slight language differences, it is almost identical to the anticocktail lounge provision which was contained in the Senate amendment yesterday.

I have copies of the House amendment at my desk. A careful examination of it shows that the House arrived at almost the identical place at which the anticocktail lounge amendment of the Senate arrived yesterday.

It seems to me we would be splitting hairs if we insisted on going to conference or further disagreeing. I think the bill, as amended by the House amendment, is in excellent shape, if we are going to have to take half a loaf, as I am sure it is evident that at this time, we must take half a loaf on Federal aid to airports. Otherwise, we would have to enact legislation before the termination of the present expiration date, which is June 30.

I deeply regret that a splendid amendment for interstate compacts, which was contained in the Senate bill, but not in the House bill, was not included in the agreement.

Mr. President, I shall yield to the Senator from New Hampshire [Mr. COTTON], who can explain what the Committee on Interstate and Foreign Commerce, under his strong urging, has done this morning in executive meeting.

Mr. COTTON. Mr. President, I thank the Senator. First, as representing the minority members of the Subcommittee on Air Transportation and the conference, I most heartily agree with the position of the distinguished Senator from Oklahoma regarding the House amendment. I think it undoubtedly carries through the Senator's own well-planned and well-phrased amendment with regard to terminal facilities and cocktail lounges.

On my own behalf, through his courtesy, I should like to say that the provision which was in the bill originally in the Senate, and which was accepted by the House in conference, as finally developed, bears on the matter of interstate compacts, and enables communities—one of which is my own—having airports on the border of a State to cooperate with towns and cities in adjoining States in having joint control of the airports. It is an extremely important provision.

Through the courtesy of the chairman and the other members of the Committee on Interstate and Foreign Commerce, such an amendment is now in the form of a bill, S. 2183, which, if the Senator will permit me to do so, and if it is permissible to suspend the rules for a moment, I should like to report for the committee at this time; then dismiss that matter, and have the Senate go on to further consideration of the House amendment.

Mr. MONRONEY. I think that would be within the bounds of parliamentary procedure.

Mr. COTTON. Mr. President, I ask unanimous consent to suspend consideration of the House amendment to the Senate amendment to Senate bill 1, for the purpose of enabling me to report a bill from the Committee on Interstate and Foreign Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably, with amendments, the bill (S. 2183) granting the consent of Congress to interstate compacts for the development or operation of airport facilities, and I submit a report—No. 401—thereon.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar.

The question is on the motion——

Mr. COTTON. Mr. President, has the bill been reported?

The PRESIDING OFFICER. It has.

Mr. DIRKSEN. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. DIRKSEN. When this matter was before the Senate the other day, I offered an amendment, which was roundly defeated at the time. While the language of the House amendment to the bill now before the Senate does not go as far as I had proposed, still it is restrictive and holds up the hand of the administrator of the Federal Aviation Agency, and gives him some statutory authority which he did not have before.

So I concur in the language which has been suggested by the House.

Mr. JOHNSON of Texas. Mr. President, I should like to ask the Senator from Oklahoma if the House amendment does not do what the Senator from Oklahoma intended to do and thought he was doing.

Mr. MONRONEY. It does exactly that. It improves the language as proposed by the Senate and makes a more liberal interpretation of subsection (4), which reads:

> The cost of construction of those parts of airport buildings intended for any other use which, in the opinion of the Administrator, is not essential for the safety, convenience, or comfort of persons using airports for public aviation purposes.

That is an addition to the language of the Senate relating to public safety, convenience, and comfort. That is the only significant change in the amendment which was attached to the language in the last minute.

Mr. President, I ask unanimous consent that the full text of the House amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

SEC. 3. Section 13 of such Act (49 U.S.C., sec. 1112) is amended by inserting "(a)" after "SEC. 13." and by adding at the end thereof the following new subsection:

"(b) With respect to amounts obligated after June 30, 1959, the following shall not be allowable project costs under this Act:

"(1) the cost of acquisition or construction of that part of a project intended for use as a passenger automobile parking facility;

"(2) the cost of construction of those parts of airport buildings intended for use as bars, cocktail lounges, night clubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms;

"(3) the cost of construction of any part of an airport building intended to afford facilities for the housing of any activity of the United States (other than air traffic control activities, weather-reporting activities, and communications activities related to air traffic control), unless, in the opinion of the Administrator, it is in the best interest of the United States to provide such facilities;

"(4) the cost of construction of those parts of airport buildings intended for any other use which, in the opinion of the Administrator, is not essential for the safety, convenience, or comfort of persons using airports for public aviation purposes."

Mr. MONRONEY. Mr. President, it is the only change made in the bill, and it is a change of language only.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the senior Senator from New York.

Mr. JAVITS. I was necessarily absent on Monday, when this matter was voted on, and did not have an opportunity to vote. I understand that at that time the distinguished Senator from Oklahoma informed the Senate that, though this was the only thing that could be done now, the subject should not be laid at rest, but that efforts to come abreast

with the airport needs of the country would be pursued by him to the end that the results will be more tailored to the needs of the country. Is that correct?

Mr. MONRONEY. We were faced with an emergency in that the Airport Act would expire on June 30. We were hopelessly deadlocked. We were having difficulty with the administration in arriving at satisfactory language in the bill. The bill will continue the activity at the same level of the past 4 years. The original bill was for a 4-year program. It was impossible to hope that the request for a full program for the whole 4 years would be granted. The administration was trying to do everything it could to have an inadequate program. Rather than have the program tied to an inadequate level for 4 years, we dropped the last 2 years and extended the program for 2 years only, hoping that, under the demonstrated facts, there would be an effort to have more adequate airports, and that there would be a change within the administration which would make it possible to propose, next year or the year after, a more adequate program.

Mr. JAVITS. I felt that the amount voted by the Senate, though I voted for it because it was the only thing left to do, took us out of line, and that we could have done better if we had voted for the amount suggested by the Senator from Kentucky [Mr. MORTON]. However, I wanted to be sure that this effort is merely an intermittent effort, and that an attempt will be made later to modernize the whole aid-to-airports program.

Mr. MONRONEY. We certainly do not expect this to be the end of our efforts.

Mr. JAVITS. I support this effort.

Mr. JOHNSON of Texas. May I ask what was the amount advocated by the Senator from Kentucky?

Mr. JAVITS. $250 million.

Mr. MONRONEY. Which was about half way.

Mr. JOHNSON of Texas. About $75 million a year?

Mr. MONRONEY. Yes.

Mr. JOHNSON of Texas. What does this language provide?

Mr. MONRONEY. $62 million a year for 2 years.

Mr. JAVITS. I think the Senator will also agree that modernization is essential. I hope attention will be given to that matter.

Mr. MONRONEY. We express the hope that we may obtain some of the things dropped out of the Senate bill. They were not obtainable at this time.

The PRESIDING OFFICER. The time has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator may have an additional 2 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. KEATING. As one who supported the Dirksen amendment, I feel the language now before the Senate is a very great improvement over the language of the bill which went from this body. While it is not the precise language of the amendment, the substance of it is the same. In view of the fact that the amounts involved are within the budgetary limits, I shall be happy to support the House amendment.

Mr. MONRONEY. Nearly as I can tell, the language is practically identical with the language I proposed in the anticocktail lounge provision. Perhaps the minority leader and others may prefer it. I am happy to accept it, because I do not think it will make any difference. I think the Senate could well support the action of the House, and send the bill to the White House with the hope that it will not be vetoed.

Mr. SALTONSTALL. Mr. President, before there is a vote on the motion with regard to the airport safety bill, I should like to record myself as being in favor of the amendment of the House and the bill as it is now written with respect to terminal facilities. I voted against the bill before because of the former provisions. Because I think the defects have been satisfactorily cured, I should like to be recorded in favor of the pending motion.

The PRESIDING OFFICER. The question is on agreeing to the motion that the Senate concur in the House amendment to the Senate amendment to the House amendment to S. 1.

The motion was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the House amendment was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1960

As in legislative session,

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 7349, making appropriations for the Department of Commerce and related agencies.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. JOHNSON of Texas. Mr. President, through the courtesy of the able senior Senator from Tennessee [Mr. KEFAUVER] I am able to bring this appropriation bill before the Senate. The very able Senator from Florida [Mr. HOLLAND] will discuss the bill as soon as the Senator from Tennessee has concluded his statement, which I understand will require only a short time.

While Members of the Senate are on the floor, I should like to announce that shortly after the morning hour tomorrow we expect to have a yea and nay vote on passage of this appropriation bill, and I ask for the yeas and nays, Mr. President, so that all Senators will be on notice.

The yeas and nays were ordered.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The Senate resumed the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. KEFAUVER. I ask my colleagues to keep in mind that Wenzell testified that he told Mr. Strauss of his position with the Bureau of the Budget. I ask them, too, to keep in mind that the draft chronologies of the AEC and Bureau of the Budget listed Wenzell's name as participating in conferences on the contract. Finally, we should keep in mind that with the knowledge of Kenneth D. Nichols, the General Manager of the Atomic Energy Commission, the name of Wenzell was stricken from the final chronology. And Mr. Williams, Mr. Cook, and all the others working on this contract testified that they knew of Wenzell's position with the Bureau of the Budget.

Mindful of all these facts, recall the words of Lewis L. Strauss when he was asked on November 6, 1954, if the Director of the Budget had any consultants in the Dixon-Yates matter.

I repeat the response of Lewis L. Strauss:

> I have no knowledge of any consultants that Mr. Dodge may have had, or whether he had any.

As he said these words, Kenneth D. Nichols sat silently at his side.

Mr. President, this chain of evidence shows beyond the shadow of a doubt that Lewis L. Strauss must have known of the Wenzell conflict of interest. It could not possibly have escaped him.

Let me describe one other circumstance which makes this clear. What I have described took place within the administration. Lewis L. Strauss must have known of the conflict of interest of Adolphe Wenzell.

On February 18, 1955, several months before the contract was finally canceled on the ground of conflict of interest, public notice was drawn to the conflict of interest of Adolphe Wenzell. The Senator from Alabama [Mr. HILL], in a major speech on this very floor, discussed the matter. His speech covers several pages of the CONGRESSIONAL RECORD. I have it in my hand. I remember the occasion vividly. Many Senators were present and joined in a colloquy with the Senator from Alabama, who spoke with much vigor in connection with the matter. The Senator from Alabama told of the dual responsibility and the conflict of interest of Wenzell, of the First Boston Corporation and the Bureau of the Budget.

Lewis L. Strauss, the prime mover of the Dixon-Yates contract, did nothing to cancel the contract. He did not even reprimand any of those who had worked with Wenzell.

The speech of the Senator from Alabama was carried in all the newspapers, including articles by the Associated Press and the United Press. There were two columns in the New York Times and extensive coverage in the Washington newspapers. Mr. Fields, the General Manager of the Atomic Energy Commission, said that in 56 places in the summary of the news of the day, placed on the desks of each member of the AEC Commission, the speech by the Senator from Alabama was discussed. I do not know where Mr. Strauss was, but I submit, Mr. President, that a chairman of a sensitive agency who tried to run the show, keeping in touch with all the details, had to know about the speech by the Senator from Alabama before that day was ended; yet he did nothing about it.

If we place this chain of facts alongside the "half-truths and misstatements" charged to Lewis L. Strauss by the Senators on the Interstate and Foreign Commerce Committee who oppose his confirmation, what do we get?

We get a clear picture of a man who has deceived the American people. I say that no other conclusion is possible. And I say, Mr. President, that the U.S. Senate, in the face of this overwhelming proof, cannot consent to his confirmation as Secretary of Commerce.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am very happy to yield to my distinguished colleague from Wyoming.

Mr. McGEE. Critical, it seems to me, in the Senator's very excellent discourse, is the statement the President of the United States made in his press conference August 17, 1954, when he told the press conference that he thought anybody interested could "get the complete record from the inception of the idea"—of the Dixon-Yates contract—"to this very minute," and he added, "It is all yours." What was the purpose of the President in making such a statement?

Mr. KEFAUVER. I am very glad the Senator has brought out this point. By August 1954 there had been many rumors with some intimations in the newspapers, that there was something wrong with the Dixon-Yates contract and that there was some fraud or some conflict of interest involved in it. The story was on everyone's lips. It was being talked about to a considerable extent.

The purpose of the President's statement at his press conference, and the purpose of his ordering the issuance of a chronology was, as he said, to bring out all the facts, so that the public could see all the documents, and know everything that had taken place, as well as knowing everyone who was connected with the transaction. The purpose was to show whether or not any skulduggery was involved, and whether any person was involved in a conflict of interest, or in any other wrongful activity.

Yet, the remarkable thing is that those in charge of the Bureau of the Budget and the Atomic Energy Commission removed the very thing which the President wanted to have brought out in the open. They omitted the skulduggery. They knew that skulduggery, wrong, and conflict of interest were present. Yet, instead of following the order of the President, in the preparation of the chronology those in charge of preparing the chronology omitted the names of those who had done the wrong, and all reference to them. If the Antimonopoly Subcommittee and the Joint Committee on Atomic Energy had not dug hard, against very many difficulties, the facts would never have been brought to the light of day.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. KEFAUVER. Gladly.

Mr. McGEE. I think it is well to point out, in addition to what the Senator has so excellently explained, that Admiral Strauss, the nominee, still equivocates on the question of the purpose of the President's statement. Even though there are those who will say, "This was 1954, and we are raking over old ashes." During our committee hearings this spring Mr. Strauss was asked about this same announcement by the President to the press. If Senators will refer to pages 339 and 340 of the hearings, they will follow a trail of complete equivocation as to what the President's request really meant, and still means, in hindsight, in the eyes of the man whose nomination is before us. It seems to me that this brings out the real question, that of his fitness and capability to be Secretary of Commerce.

Mr. KEFAUVER. I certainly agree. It would be humanly impossible for anyone who was Chairman of the Atomic Energy Commission not to know of the presence of the conflict of interest involving Adolphe Wenzell. In the first place, Wenzell's plan was being put into operation. Mr. Dodge and Mr. Strauss met frequently. Wenzell was there working with other officials. He testified under oath that he told Strauss who he was.

When we come to the chronology, does anyone suppose that some underling in the Atomic Energy Commission would remove the very thing the President was trying to get out in the open, namely, conflict of interest, without taking the subject up with the head of the Commission? I say that the evidence is overwhelming that he knew of this conflict, and did nothing about it. The evidence is overwhelming that, after the Senator from Alabama [Mr. HILL] made his speech, the nominee did nothing about it. Any reasonable man ought to be charged with the responsibility of voiding a contract which is tainted with fraud; and Admiral Strauss did nothing about it.

Mr. McGEE. Mr. President, will the Senator further yield?

Mr. KEFAUVER. I yield.

Mr. McGEE. Mr. Strauss said before our committee that he was somewhere in Nevada, in some small town, attending certain atomic tests, at the time the Senator from Alabama made his speech. Is this not a fair enough explanation?

Mr. KEFAUVER. It is not a fair explanation. The speech of the Senator from Alabama was a major speech, condemning the Atomic Energy Commission for having dealings with a person involved in a conflict of interest. If anyone thinks that, no matter where he might have been, he would not have received word about a charge of this kind on the floor of the Senate, I think he is mistaken. The speech was carried in all the newspapers, and in the dispatches of the wire associations. Certainly someone at the Atomic Energy Commission would have been in touch with Admiral Strauss. Many of those in the Atomic Energy Commission, including Mr. Nichols and Mr. Cook, knew about it. The papers were placed on Mr. Strauss' desk for him to see when he returned.

Mr. McGEE. I think we should focus on one central fact developed in the hearings just completed. I refer to the fact that Mr. Strauss has had an opportunity to look back over the record of the Dixon-Yates contract. He has had an opportunity to weigh his own thoughts on it. We find him still saying, 5 years later, first, that he still may have been willing to disregard the President's request to lay all the facts in the open, in order that the people might know them. He still equivocates on that position.

Second. He says that even if the Attorney General had ordered him to make available all that information, he would have been reluctant to do so, if, in his own mind, it was unconstitutional to have done so. In other words, he still sets himself up as superior to the highest legal officer in the President's Cabinet.

Third. In view of the fact that the contract was withdrawn, as invalid, in the testimony before our committee he still seeks to defend the contract as a good contract, although the President withdrew it and a suit has been filed in an attempt to recover damages under the contract.

This evidence incriminates the nominee, not 5 years ago, but today. The events of 5 years ago were incriminating; but he still repeats, reasserts, and restates his conviction that he was right, though he has since been proved to be wrong. That justifies the statement of the senior Senator from Tennessee that this man's nomination as Secretary of Commerce should not be confirmed.

I thank the Senator from Tennessee for his statement.

Mr. KEFAUVER. I thank the Senator from Wyoming. He points up the issue very clearly and vividly.

I think there is only one point to be added. Mr. Strauss still says that the contract was good. He says all these things, as the Senator has said, in the face of the fact that the Attorney General of the United States filed a written statement to the effect that the contract was contrary to public policy, illegal, null, and void, because it involved a conflict of interest. I have many objections to the contract, but I will say that Admiral Strauss' involvement in it makes it impossible for anyone who will fairly

study the record before the Antimonopoly Subcommittee to vote for the confirmation of the nomination.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1960

As in legislative session,

The Senate resumed the consideration of the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

Mr. HOLLAND. Mr. President, on behalf of the Committee on Appropriations I wish to discuss briefly the appropriation bill for the Department of Commerce and related agencies, House bill 7349.

First, for some general statistics on the bill, the amount of the bill as it passed the House was $675,297,300. The amount of increase by the Senate committee was $40,031,200. The amount of the bill as reported to the Senate was $715,328,500. The amount of the appropriations for 1959 was $712,866,538. The amount of the budget estimates for this year was $731,591,000.

To summarize, this means that the bill, as reported to the Senate and now before the Senate for consideration, would provide appropriations in excess of the appropriations for the current year, 1959, by $2,461,962. It is under the estimates for 1960 by $16,262,500.

Mr. President, I think it is only fair to the committee, to the Senate, and to the Congress as a whole to say that the bill as reported is really decidedly smaller than is indicated by the $16 million figure which I have given. That is so by reason of the fact that $34 million appropriated by the bill out of general revenues for two objectives which were to be covered out of the trust fund for Federal aid highways and the Interstate Highway System were not included in the budget estimate.

So that our appropriating the $34 million out of the general revenue fund, which was all we could do under the circumstances, would mean that our bill, though coming within $16,262,000 of the estimates for 1960, so far as the figures are concerned, is really $50,262,500 under the estimate.

Without laboring the question about the two objectives for forest highways and for public lands highways, which I have mentioned, in the total amount of $34 million, I wish to say that this is the history of those two items.

First, they are not included within the trust fund which was set up by Congress out of gasoline tax receipts and other highway user tax receipts. Second, the budget attempted to make them payable from that trust fund. The budget provided the same amount which the bill provides, $34 million, but that amount was not included in the budget totals as included in the budget which was submitted by the President; instead, it was recommended that that come out of the trust fund, for which there is no legal authorization.

The House committee followed the budget and attempted to make that $34 million payable out of the trust fund. But when the bill reached the House floor, a point of order was made, and those two items were eliminated entirely from the bill, and no appropriation was made by the House bill for forest highways and public lands highways.

When the bill came to the Senate committee, in view of the fact that these two objectives are provided for by law, we felt that these items should be cared for exactly as the committee cared for them last year, by an appropriation out of the general fund, which we did, in the amount of $30 million, the budget request for forest highways, and $4 million, the budget request for public lands highways.

I go into that explanation at this time simply to make it perfectly clear that, to the apparent improvement over the budget by the reduction of $16,262,500, there is an actual reduction, as compared with the budget amounts, of $50,262,500 by reason of our having dealt with these items in that way.

If Senators will turn to the report at pages 8 and 9 and 10, I shall try, briefly, to go through the items which the committee has changed from the House bill, and to answer any questions which any Senator may have concerning these items, or any other items in the bill.

I may say that the bill was unanimously reported by the subcommittee and unanimously reported by the Committee on Appropriations; and that, so far as I know, there is no difference or controversy within the committee as to any item contained in the bill.

First, there is the item of salaries and expenses under general administration of the Department of Commerce. Senators will note that the Senate committee raises the House amount by $260,000. That consists of two items; one, for $160,000, to restore to the Commerce Department 25 of the 51 positions cut out by House action, and which our committee felt should be reinstated in order to permit the Department to function normally. The remaining $100,000 was to permit the transportation study, which was recommended by the President, and which is now functioning. There has been recruited a number of distinguished educators and experts, to go into the questions which are troubling public transportation. Such costs were paid for in a small amount during this year out of the President's contingency fund.

The President requested this amount in the budget and the committee feels that the $100,000 provided should see that objective through; and we felt we should support that objective, which is very worth while. Since the item has now been submitted in the budget, no more funds can be used, under the law, out of the President's contingency fund to pay for this particular activity.

Mr. President, the next item is in the Bureau of the Census, where we recommend an additional $10,000 to start preliminary work on an air cargo statistics program, which is very much desired by those industries which are relying on aviation now very heavily for freight movements. We had those statistics through 1947. It was discontinued then. Now air cargo movements, both within our country and without, have assumed such great proportions as to make it desirable to set up that activity again.

Mr. President, the next item I note is with respect to the Coast and Geodetic Survey, in connection with which the committee would reinstate the $100,000 which was cut out of the bill by House action. That $100,000 covered two items: One, in the amount of $44,000, to allow the keeping in condition and maintenance of survey ships used by the Coast and Geodetic Survey; and the other, of $56,000, to allow the Coast and Geodetic Survey to perform the surveys of airport obstructions, which is so greatly desired by the Federal Aviation Agency in order to bring greater security in flying. We felt the objective is one that should be supported, and we reinstated that amount.

In the case of the Business and Defense Services Administration, it will be noted that there is a total addition to the House bill of $230,000. Thirty thousand dollars of that is for the specific purpose of setting up a field agency for the Department of Commerce in Alaska. In making Alaska a State, one of the things that I believe Congress had definitely in mind was that we were to accentuate the progress and prosperity and development of that great State.

I am pleased to observe that the senior Senator from Alaska [Mr. BARTLETT] now occupies the chair. I hope that he will not find himself out of accord with this item. It was the feeling of the committee that in accordance with the request made by the distinguished Senators from Alaska, they were entitled to have services of the Department of Commerce available to them closer than Seattle, which is the closest point now available. That $30,000 would set up that particular field office.

The other $200,000 which we added is to start a special textile study, requested by the Committee on Interstate and Foreign Commerce.

The chairman of that committee was a member of our subcommittee, and the chairman of the subcommittee of the Committee on Interstate and Foreign Commerce which made the recent study of this subject matter and recommended this action was the distinguished junior Senator from Rhode Island [Mr. PASTORE], who is in the Chamber. We were glad to include this item at the unanimous request of the Committee on Interstate and Foreign Commerce, specifically at the urgent request of the subcommittee so ably presided over by the Senator from Rhode Island.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HOLLAND. I gladly yield to the Senator from Rhode Island, if he wishes to supplement my statement.

Mr. PASTORE. First, I take the opportunity to thank the distinguished Senator from Florida for his splendid cooperation with respect to this item. This is for an interagency committee set up within the Department of Commerce at the direction of the President of the United States. We of the subcommittee like to feel that the Presidential directive was a result of the very exhaustive study made by a special subcommittee created

by a resolution adopted by the Senate to make a study of the problems of the textile industry. We feel that this is only a modest start.

Without this appropriation, the directive of the President would be a very impotent gesture. Unless the money were available to make the study which is necessary to bring about the results we seek, the hard work of months by the subcommittee and by the textile industry and labor would have gone for nothing.

Again, I thank the Senator from Florida for the excellent cooperation we were given. I was happy to note that the proposal was received with unanimous favor by the members of the subcommittee.

Mr. HOLLAND. I am certain the committee appreciates, as do I, the Senator's kind comments. This is an instance of the executive branch working with a legislative committee of the Senate, requiring only the support of Congress by appropriations to make effective a study which affects a very vital, depressed industry, an industry which is of great importance to our Nation. The committee unanimously backed the request, which was made so ably by the Senator from Rhode Island.

For the Bureau of Foreign Commerce, we suggest the addition of $710,000, which was eliminated by the House. It eliminated almost the heart of the program of that Bureau for services to American business in an effort to expand exports.

I think every Senator knows that the U.S. export trade is falling off. Certainly every businessman in the country knows it. This particular Bureau in the Department of Commerce is the agency which is best equipped to gather the statistics and supply the information which will enable the businessmen of the Nation to recapture some of the export trade which has been lost in recent months and years. So we included the entire amount requested by that agency, except $90,000 which they had asked for the expansion of tourism. While I come from a State which believes very greatly in the value of tourism, and we had on our subcommittee the distinguished Senator from California [Mr. KUCHEL], whom I notice in the Chamber, and who comes from a State which also believes strongly in the development of tourism, we felt the case was not proved in that particular field so well that we were justified to add that amount to the appropriation.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BARTLETT. I express my deep appreciation to the senior Senator from Florida and to the other members of the committee for adding to the bill the comparatively small sum to be used in the establishment of a field office of the Department of Commerce in Alaska. I trust the amount will be approved by the Senate and maintained in conference.

The sum, although small, will be most useful in making possible through the Commerce Department the collection and dissemination of essential data for business and industrial purposes. I think this will be most helpful in expanding the economy of the 49th State. Once more, I thank the distinguished Senator from Florida.

Mr. HOLLAND. On behalf of the full committee and, of course, myself, I appreciate the Senator's kind remarks. Certainly all Senators know that one of the objectives which we held foremost in the creation of statehood for Alaska was the hope for quicker development. We believe that will be more nearly assured by the establishment of a field office of the Department of Commerce in Alaska.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. KUCHEL. As one of the very new members of the Committee on Appropriations, I am most pleased and most proud to have served on the subcommittee of which the distinguished senior Senator from Florida is the chairman. It is difficult, sometimes, to be in attendance at subcommittee meetings of the Committee on Appropriations which are held simultaneously. But to the best extent of which I was capable, I took my seat on the minority side of the subcommittee which considered the difficult testimony involved in the pending bill. I profited by the leadership of the able Senator from Florida. I desired to have the RECORD demonstrate my feelings.

Mr. HOLLAND. I appreciate the kind remarks of the Senator from California. I want to expand on his statement by saying that, in my opinion, California and Florida have much in common. We are constantly pulling together. The Nation would be in a terrible fix if it had to be without California and Florida. I believe the Senator from California will agree with that statement.

Mr. KUCHEL. I am pleased to provide complete unanimity in the thought which my able friend from Florida has just expressed.

Mr. HOLLAND. I express appreciation for that kind comment. The lack of partisanship in the preparation of the bill is best displayed by the last few remarks which have been made.

Mr. President, under "Maritime activities," the Senate will note an addition of $2,500,000 for operating differential subsidies. The House struck out that amount from the request to meet the payments which undoubtedly will need to be made in fiscal 1960. I wish I could say that our furnishing of that amount, making a total of $130 million, would cover the whole charge, but it will not, because Congress cut $2,500,000—the same amount, from the recent supplemental bill.

So after we have reduced the amount $2,500,000, we still will be $2,500,000 out of balance for the next year's obligation, which means, I fear, that the agency will have to come back to us for a supplemental item a little later.

The next item is in connection with State marine schools—$110,000. Last year we passed a bill allowing the payment of up to $600 to the students at State marine schools, to allow them, by that payment every year, to be on more equal terms with the cadets at the Federal Maritime Academy. It seems a pity, by the cut which was made by the other body, to take away a part of that which we had just given by legislation passed a few months ago. So we felt that in order really to play fair with the cadets at the State marine schools, we should make available the amount which would enable the payment of the $600-a-year item, and that is what we have done.

The next item—and it is the largest of all to discuss, and perhaps the most complex—has to do with the Bureau of Public Roads. I am glad to see in the Chamber the distinguished senior Senator from Michigan [Mr. MCNAMARA], chairman of the Subcommittee on Public Works, which deals with the important Federal aid, Interstate Highway System, and with highway projects in general.

In that field, the bill as it came from the House, notwithstanding the fact that the evidence there had shown clearly that the roads fund was going to be out of balance, and there would be a deficit, although there was a difference as to how much the deficit would be, nevertheless appeared to appropriate the whole $2,840 million necessary to meet the heavy commitment or group of commitments in 1960.

Mr. President, inasmuch as we had the same kind of evidence before us, and inasmuch as the Public Works Committee and the Ways and Means Committee, both of which have on hand proposed legislation which seeks to meet this situation, have not yet completed their work, although they are doing all they can to bring it to a head, we felt that our bill should clearly call attention to the fact that the Congress has a duty above and beyond simply saying that the whole amount of the trust fund is going to be payable to meet these obligations. So we have made very clear, by rewording the bill—and, incidentally, we had the wording prepared by Mr. Simms, the Senate legislative counsel—that although we appropriate up to the $2,840 million, if it is available, we know there is going to be a deficit. We do not know how much the deficit will be. We do not know how the legislative committees and the Congress will plan to take care of the deficit, which now is of uncertain amount. We make it very clear that we are appropriating up to the last dime in that fund, if that much is required, in order to pay the $2,840 million.

Furthermore, we make clear that 100 percent of the commitments made in 1958 to the States must be paid, and the rest must be used, as far as it will go, in meeting the commitments made in 1959.

Mr. President, I know—and I am stating for the RECORD that I know it, because I do not want there to be any doubt about this situation—that unless the collections in the trust fund are far greater than what are now anticipated, or unless the failures to complete the work, particularly on the Interstate System, are much greater than are now anticipated, we shall have to raise some additional funds for this important objective before this fiscal year is over. I am calling attention to this situation

just as clearly as I can, and I believe our bill calls attention to it.

I may say that we were happy to have in attendance at our committee sessions when this matter was being considered, the distinguished chairman of the Committee on Public Works; and, as I understand, this procedure was unanimously agreed to as being not only the legal way to meet this problem, but also the proper way to do it.

So we call attention to the existence of the problem; and at this time we state, here on the floor, our knowledge of the problem and our willingness to help meet it in whatever way may be suggested by the legislative committees, and then acted upon affirmatively by the Congress.

If the Senator from Michigan [Mr. McNAMARA] wishes me to yield to him at this point, I shall be happy to do so.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The Senator from Michigan.

Mr. McNAMARA. Mr. President, I wish to thank the distinguished chairman of the subcommittee for the very fine job he has done in preparing the report on the bill, and in submitting the bill and the report to the Senate, and in explaining these matters to the Senate.

As he well knows, I am concerned with the Interstate Highway System. I appreciate his statement that there is every indication that there will be a shortage of funds in the years immediately ahead.

What bothers me, of course, is that commitments have been made to the States. They have prepared their overall programs, and in some cases they have borrowed funds; they have floated bond issues to raise their portions of the funds needed for the programs.

So at this point we have to settle, apparently, for recognition of the fact that these conditions exist; and we are more or less warning the Congress and the public at large that we recognize the existence of this situation. I assume that that implies a commitment by us that we will do something about it when the legislative groups finish their work.

Mr. HOLLAND. The Senator from Michigan is entirely correct. As he knows, I have been on both ends of this matter, once as Governor of my State, and now in serving on this particular committee of the Senate; and previously I served on the Public Works Committee, where I had the honor to fill the same position the Senator from Michigan now fills.

I think all of us understand what this problem is. If we knew exactly what amount would be required, it might even be reasonable to begin to make the appropriations now. But we do not know whether additional revenues will be obtained, and we do not know whether we shall receive a mandate to meet this need out of the general funds. We do not know whether there will be a delay or a lag in the completion of important links of the Interstate Highway System—which would mean that the amounts now expected to be payable next year would not actually be payable then. We do not know what collections will be made from the various sources which enter into the trust fund.

So it seemed to the committee members, without exception, that we must recognize in this way that the obligation is ahead of us, and that we shall proceed in good faith with the apportionments of 1958 and 1959, and that we must meet our obligation in this connection in 1960, and that we will do so. But we do not believe this to be the proper place to do that; and, in fact, we believe we would be helpless to do it at this time, in view of the legislative machinery now available to us and our present knowledge of what the situation will be.

Mr. McNAMARA. Mr. President, I thank the Senator from Florida for the statement he has made.

Let me point out that it is anticipated that at this session of Congress, after the Appropriations Committees have done their work, we shall come forward with some recommendations.

Let me ask the Senator from Florida whether any of the provisions included in this part of the bill constitute a new drain on the trust fund. He has spoken of the $2,840 million, although it is not a new or an additional drain. Then there is the $9 million. Is that not a repetition of what we had last year? Am I correct as to that?

Mr. HOLLAND. Yes; the Senator from Michigan is correct.

The item following the $9 million item is for the repair of bridges which have been washed away by floods, and the like.

Mr. McNAMARA. In other words, it really is a maintenance item, is it not?

Mr. HOLLAND. Yes.

Mr. McNAMARA. And it is the same as the similar one which was handled in the bill last year, is it not?

Mr. HOLLAND. That is correct.

Mr. McNAMARA. Therefore, am I correct in concluding that the bill as reported does not call for any new drains on the Interstate Highway Fund?

Mr. HOLLAND. That is correct. The only way new drains could be made on it would be by means of legislative measures reported by the Senator's committee and passed by the Congress or by means of legislative measures passed by the Congress over the disapproval of his committee.

Mr. McNAMARA. Yes.

Mr. HOLLAND. Because the legislation which established that trust fund came—as it should have—from his committee; and the Appropriations Committee, which has reported this appropriations bill, is without authority to change that trust fund in any way. The Appropriations Committee can simply make available the funds which accumulate in the fund from year to year, in order to carry out the objectives which we are directed to support by means of the legislation with which the Senator from Michigan is so familiar, and which he had a large part in bringing into being.

Mr. McNAMARA. I thank the Senator from Florida. The assurance that the Senator from New Mexico [Mr. CHAVEZ], the chairman of the Public Works Committee, sat in on the hearings on this fund is all the assurance I need.

Mr. HOLLAND. Not only that, but the hearing was also attended by the chairman of our full committee, the Senator from Arizona [Mr. HAYDEN], whose name appears in the Hayden-Cartwright Act, the basic act under which we are proceeding; and I do not think I am misstating the fact when I say that he came to exactly the same conclusion that the rest of us did.

Mr. HAYDEN. That is exactly correct.

Mr. HOLLAND. I thank my friend.

Again, I wish to pay tribute to the distinguished Senator from Arizona [Mr. HAYDEN]; and in that connection let me say that I believe the Interstate Highway System as a whole is due more to him than it is to any other person, either living or dead.

Mr. HAYDEN. Well, I had a little something to do with it.

Mr. HOLLAND. Certainly the Senator from Arizona should take great pleasure and pride in that accomplishment.

Mr. President, I have about concluded my remarks.

The next item I shall mention is one for the restoration of $1,500,000 for the Weather Bureau. We have been piling new duties on the Weather Bureau—and necessarily so. We have tried to give to the entire Atlantic seaboard and to the Gulf of Mexico the same measure of protection against hurricanes that my own good State has had for a long time. Although the hurricanes have missed Florida for the past several years, Florida long ago learned a great deal about protection from hurricanes, because there is a screen of islands offshore, in the direction from which the storms come; and those islands make ideal weather observation stations. Weather observations of that sort are also facilitated by the great concentration of shipping in that part of the South Atlantic. On the other hand, it is not nearly so easy to chart the path of the hurricanes when they strike farther up the coast, particularly in the area of New York and New England.

So we have given to the Weather Bureau in recent years a large amount of radar, new communications facilities and other new equipments, including a new computer which enables the Weather Bureau to issue its information more quickly. Now the Weather Bureau has to man all that equipment.

Of course, we knew perfectly well, when we provided the additional equipment, that that would be the case. Therefore, the $1,500,000 must be restored; and, in connection with restoring it, we also recognize the need to establish and maintain five weather reporting stations in connection with aviation. They are mentioned in the report. Two of them were provided for during the deliberations of the House Appropriations Committee, and three of them were provided for during the deliberations of the Senate Appropriations Committee.

I shall not go into them in detail unless I am requested to, but they have to do with making up a nearer complete coverage of the Nation, from the standpoint of weather reporting, which is of great importance to aviation.

It will be noted that in the case of the Coast and Geodetic Survey, and in matters having to do with aviation, which Coast and Geodetic Survey, and in matpreviously were matters determined by the subcommittee, but which are no longer determined by the subcommittee since the establishment of the Federal Aviation Agency last year, we have given aviation the benefit of the doubt in each case, because we think it is our duty to do so in order to get better security in the air for those who travel by plane.

There are two other items I should like to mention. One is for $500,000, which was added for the Small Business Administration. Three hundred thousand dollars of that amount is added to build up, to the point needed by small business, information to small businessmen who want to have a fairer share of the furnishing of supplies to our Defense Department. The effort which has been under way has proven very satisfactory and has given small business a much better break this last year than it had before. The committee put back in the bill the amount of $300,000.

I note my distinguished friend from Massachusetts is not present on the floor, but he was urgent and ardent in his appeal for the restoration of $200,000 to make possible quicker organization of small investment companies for small business. Since I am more practiced in agriculture, I will liken such units to the Farm Credit Administration. Those units afford to businessmen greater opportunity to help each other and for capital coming from groups of businessmen to other groups. It was the feeling of the Senator from Massachuetts, in which he was strongly supported by other members of the committee, that the $200,000 amount should be restored in the bill.

One hundred thousand dollars was added to the Tariff Commission appropriation, in the belief it will enable the Commission to supply more quickly data which is urgently needed; and more and more data will be needed in the future to cover the cases of peril-point hazards which are reached by more and more of our industries.

The information has been furnished by the Tariff Commission in the past, but its personnel, which has been steadily reduced through the years, needs to be greater in number if it is to live up to the challenge to supply that very badly needed information for peril-point cases, which information when furnished, means so much to industries which are hazarded more and more by imports.

Mr. President, I should have said the $100,000 was added by the House, and the committee approved the addition of it. That amount goes beyond the budget request for the Tariff Commission.

In closing, I should like to say the committee was, as it always has been, nonpolitical, cooperative, constructive, and businesslike. I believe that has been so to an even greater extent this year than it has been in the past.

I want to pay the highest compliment possible to my distinguished colleague, SMITH], who is the ranking minority member of the committee. Nobody ever worked with a Senator more cooperatively or more helpfully. She frequently even takes over the presiding task when I am called elsewhere. To indicate how nonpartisan the committee is, I think she feels just as safe when I am presiding as I do when she is presiding—and that is completely safe.

We try to handle the business of the committee in a completely nonpartisan and nonpolitical way. Certainly nobody could have done a better job than did my distinguished colleague from Maine, who embodies in her small person such good looks and gracious manners.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of Delaware. On page 6 of the bill there is an item of $130,250,000 for ship construction differential subsidies. I am wondering if the Senator could give us an explanation of what that item is for and a breakdown of it.

Mr. HOLLAND. The item to which the Senator has referred appears on page 6 of the report. Is that correct?

Mr. WILLIAMS of Delaware. Page 6 of the bill, line 14.

Mr. HOLLAND. I was looking at the report.

Mr. WILLIAMS of Delaware. It appears on page 9 of the report.

Mr. HOLLAND. What was the item that the Senator mentioned?

Mr. WILLIAMS of Delaware. The construction differential subsidies. I notice the Bureau of the Budget suggested $129 million, and that $1¼ million extra is provided in the bill. I was wondering what that was for.

Mr. HOLLAND. I am glad the Senator has called attention to that item. It was inserted by the House. There was no request made for its omission when we heard the requests for restoration. To the contrary, it was clear that it was an equitable item to be met sooner or later, and the great majority of the committee felt it should be met now.

The item covers plans and specifications for the building of two new superliners, construction of which was approved last year by the Congress, and which are to be built, as the Senator knows, by two of our great passenger lines.

The Maritime Board stated to the committee it had approved going ahead with the specifications, plans, and blueprints, and that the item would have to be paid, whether the ships were built or not, because the authorization of the construction had been specifically made.

As I say, the action by the House was not appealed. The only reason it was not put in the budget was that there was a fear a precedent would be established for the building of smaller freight ships which are being constructed under the ship replacement program.

We tried to make very clear in the report that we were setting no such precedent, but, to the contrary, had approved this item, first, because the vessels are so much larger than previous ones, second, because they had been specifically approved by the Maritime Board; and, third, since we expect the item would be in next year's budget, there would be a speeding up, by 6 months' time, to complete the plans.

From every point of view, it seemed the better course to recognize the action the House had already taken and retain the item in the bill to the extent of $1,250,000 over the budget request.

I intended to mention that item earlier in my statement. I do not know how I overlooked it.

Mr. WILLIAMS of Delaware. I appreciate the statement that the committee is not trying to establish a precedent, but one cannot escape the fact that it is doing so. I quote from page 4 of the report:

> The committee wishes to make it perfectly clear that this action is not intended to establish a precedent for making appropriations for ship construction costs incurred in advance of actual Federal Maritime Administration contracts.

Mr. HOLLAND. Read the rest of it. There is another long sentence following that sentence.

Mr. WILLIAMS of Delaware. That is correct, but the point, as I understand it, is that money is being appropriated for vessels for which contracts have not yet been awarded.

Mr. HOLLAND. The contract for construction has not been awarded, but orders were given in writing by the Board to the two lines to proceed. The next sentence which I think should be read, in conjunction with the sentence which the Senator has so kindly read, is as follows:

> Cognizance has been taken of the special circumstances involved in the instant case where special authorizing legislation had been enacted because of an apparent great need for these vessels. It is expected that in the course of the regular ship construction replacement program operators will not be able to claim reimbursement for ship design costs prior to appropriations being made available.

We thought that was as clear as we could state the matter. First, this case is different from the others, because the others are handled under general legislation. We ourselves directed the building of these ships. Second, the go-ahead was given by the Board, and the Board stated very freely it would have to pay, whether the ships were built or not, and further stated that the existence of these designs would speed the time at which the ships can be delivered, when the contract is let. This item has been placed in the budget for next year.

Mr. WILLIAMS of Delaware. Accepting all of that as true, and I am sure it is, why did not the Board go to the Bureau of the Budget and have the item included in the budget estimates?

Mr. HOLLAND. I am unable to say even whether the Board asked the Bureau of the Budget to include it. The budget estimates came down without that item in them. The discussion in the House committee was very long. The House committee took a great deal of testimony on the matter and came to the conclusion which, as I say, a majority of

our committee felt was a sound conclusion. This is an obligation we have. This is a major expenditure which is being made by these two lines. This represents a speeding up of delivery time because of the action. When the Board did not even appeal from the action of the House, it indicated to us the Board felt there was a real equity which ought to be recognized.

I may say, I do not think the Senate committee was unanimous on that point. I believe one of my most distinguished colleagues did not agree with the action, but I believe only one Member disagreed, as I remember the vote on that particular item.

Mr. WILLIAMS of Delaware. There may be more who disagree on the floor of the Senate, however.

Mr. HOLLAND. I did not hear the Senator's comment.

Mr. WILLIAMS of Delaware. There may be more in disagreement when we have a vote on the floor, however.

On page 7 of the Senate committee bill there is another item for operating differential subsidies about which I should like to ask a question. I notice there is an increase of $2½ million over and above the House provision. What obligations have been created since the time the House passed the bill?

Mr. HOLLAND. The obligations were created as long ago as 1954, 1956, or thereabouts, because the Board is away behind in meeting these obligations.

It is not only true that $2½ million was cut from the estimated amount to be paid in 1960, but we also cut $2½ million during the hearings on the supplemental bill when the supplemental budget request came to the Congress after the regular budget request had been made, so even when we restored the $2½ million the Board was put in the position of being behind $2½ million in the funds it thinks it will need. Heretofore, the Board has been very close to the facts on its estimates.

Mr. WILLIAMS of Delaware. How much was included in the appropriation bill for last year for this particular item? I do not refer to the supplemental bill but to the regular Commerce Department appropriation bill.

Mr. HOLLAND. There was $120 million in the regular appropriation bill last year.

Then Senator will find the appropriations for 1959 under "Maritime Activities" on page 9 of the committee report. There was $120 million in the regular bill, and $7½ million in the supplemental bill, making a total of $127.5 million. If the supplemental bill had been passed in the amount requested, the total would have been $130 million, exactly what is being requested this year.

Mr. WILLIAMS of Delaware. Is it the position of the Senator from Florida that the item cannot now be cut because it is a contractual obligation of the Government?

Mr. HOLLAND. That is correct, I will say to my distinguished friend. It is characteristic of the Senator that he should think of it just that simply. This is a question of how much we owe. When we were told by the agency which is carrying out the will of the Congress, as embraced in previous maritime legislation, that $130 million is going to be needed to meet the requests on the paymaster next year, the committee felt we should pay it.

We had the experience last year of being ask for $130 million and of providing $127.5 million, which left the agency $2.5 million short, and the agency is not going to be able to pay, all through the remaining days of this fiscal year, its obligations.

This agency has been remarkably close in its estimates. The reason the estimates are so close is that the Federal Maritime Board is so far behind in the auditing and the paying of these amounts that, of course, the estimate is based on much more definite information than would otherwise be the case.

Mr. WILLIAMS of Delaware. Then, it is the Senator's position that if the Senate wished to reduce the amount it should have taken such action last year when the appropriation bill was before the Senate, and when the authorization for the expenditure in this fiscal year was being provided? Is that correct?

Mr. HOLLAND. No. It is the opinion of the Senator from Florida that if we want to reduce the cost of this operation, we should do it by legislation. After all, this is nothing but an administrative agency carrying out a program passed by the Congress, in pursuance of our policy of trying to build an adequate merchant marine to protect the Nation against any danger which may confront us.

After all, with the higher cost of manpower in this country, there is every temptation for our people to transfer their ships to other flags and to invest their money in other countries, so far as this business is concerned.

I think the Senator from Delaware, every other Senator, and every other Member of Congress, knows that one thing which gives us a feeling of security against anything which may endanger us is the existence of an adequate merchant marine to service our forces wherever they may be, and to meet our wants wherever they may exist.

Mr. WILLIAMS of Delaware. I will say to the Senator from Florida that we are all in agreement that we need an American merchant marine under the American flag, but I go back to my original question. If the operating-differential subsidies are to be cut, they are supposed to be cut at the time we act on the appropriation bill and at the time we give the Federal Maritime Board the authority to make the contracts. I ask again if that is not correct?

Mr. HOLLAND. I am not sure I understand the Senator's question exactly. Perhaps we are trying to say the same thing in different words.

What I say is that if we want to reduce this payment we should cut off the authority of the Federal Maritime Board by legislation so providing, since the authority covers the making of contracts under which our obligations fall due, as they are falling due every month, and as the $130 million will fall due in 1960.

Mr. WILLIAMS of Delaware. I think we are reaching an agreement or an understanding. It seems to me that rather than providing in a legislative bill the authority for the Federal Maritime Board to make these contracts we should provide the authority in an appropriation bill. I invite the attention of the Senator to page 7 of the bill reported by the committee. In this bill it is proposed to authorize the Federal Maritime Board to obligate the Government to pay operating-differential subsidies on more than 2,600 voyages. The House bill provided 2,000 voyages.

Mr. HOLLAND. Two thousand and forty voyages.

Mr. WILLIAMS of Delaware. This authority has been increased nearly 600 voyages. This is the contractual authority upon which the obligations will be created, which obligations we will to pay from next year's appropriations or within the next 2 years; is that correct?

Mr. HOLLAND. No; the Senator is not correct.

Mr. WILLIAMS of Delaware. When will we pay for them?

Mr. HOLLAND. The provision in the appropriation bill is only a limitation. The authority to make these awards on voyages comes under the general legislation. The House bill provides a limitation of 2,040 voyages, but the House bill does another thing, which I invite to the attention of the distinguished Senator. With the knowledge that 2,011 voyages were already assigned, and that by authorizing 2,040 only 29 more would be available, the House went on to direct the Federal Maritime Board to apply 150 of the new allocations to new shipping and 75—making a total of 225 in all—to voyages into and out of the Great Lakes, necessitated, of course, by the opening of the St. Lawrence Seaway.

The committee has tried realistically to face the fact that our shipping is growing, and that a large part of the shipping is deprived of the subsidies which others find necessary to continue to exist. Operators deprived of subsidies have asked to be given the same treatment. They are equally entitled to such treatment. It was the feeling of the committee that we should leave the Board with the authority it was given by the legislative act, merely adding to the limitation enough to enable it to deal honestly with the applications now pending before it, with respect to many of which hearings have been completed. The Board has told us that it was ready to allocate a larger number of voyages before this fiscal year comes to an end.

I know how completely honorable my friend from Delaware is about the matter of meeting contractual obligations. I say that if we want to restrict this activity and cut down the merchant marine effort, the way to do it is by legislation. All we can do in this bill is to apply a limitation, beyond which the Board cannot go.

Mr. WILLIAMS of Delaware. The Senator from Florida is not trying to say that changing the figure in line 18 from 2,040 to 2,600 will not cost more money in next year's appropriation bill, is he?

Mr. HOLLAND. It might seem so. In view of the long delays in demands for repayment, I think the increased amount

of money arising from this cause would begin to appear 2 or 3 years from now.

Mr. WILLIAMS of Delaware. The point I am making is that this provision would, in effect, increase appropriations in future years. Today we are paying $130 million, because we authorized a ceiling high enough to allow the Board to contract for the $130 million. I appreciate what the Senator from Florida is saying, but I cannot agree with him that this provision does not change the obligation for expenditures by the Government in the next year's bill.

I come back to my original question. Assuming for the moment that this provision does not change the Government's obligation then let us strike it out.

Mr. HOLLAND. If the Senator wishes to restrict the Board below the 2,600 figure, an amendment to do so would be the appropriate way to accomplish that purpose.

These limitations have not been in the act until the last 4 or 5 years, because the general authority was given, and still exists. What we tried to do was to step up the operation, more or less, from year to year.

The present act, for 1959, contains a limitation of 2,225, but the Board has not completed allocations of all those voyages. It expects to do so between now and the end of this fiscal year, or within the next 2 weeks.

To establish a limitation of 2,040 for next year when the Board tells us that, pursuant to our directions of a year ago, which fixed a limit of 2,225, it is moving toward that figure, and expects to attain it by the end of this fiscal year, frankly, did not seem to the committee to be the way to support that administrative body or to stand by the maritime industry, which has been trying to comply with the law.

Mr. WILLIAMS of Delaware. If I correctly understand, in order to assist the Board in reaching its objective of 2,225 it is proposed to allow it 2,600.

Mr. HOLLAND. If the Senator wishes me to be a little more candid than perhaps I should be in debate, we have found, in the discussion of this particular item from year to year in conference, that there must be some yielding on both sides before we ever reach a figure. We are trying to be realistic to the degree that we wish to be able to live up to the commitments in sight of the Board, commitments made by the Board in carrying out its duties, which we imposed upon it by legislation—not by appropriation bills—while at the same time dealing fairly with four or five shippers who have invested many millions of dollars of their own money, and who, up to this time, have not come for a subsidy. Now, however, they find it impossible to compete under existing conditions without obtaining the same benefit which most of the American lines have already received.

Mr. WILLIAMS of Delaware. I appreciate the need for an American merchant marine, and I am just as much interested in it as is the Senator from Florida—and I know that he has a great interest in the subject. However, we cannot escape the fact that many of the companies which are today asking for subsidies could have been in that category years ago, but they wanted to remain outside at that time because the rates on the outside were many times higher. Then there was a shortage of shipping space. As I have shown in the RECORD many times, the U.S. Government was paying some of the same companies which are now asking for subsidies, two or three times the normal shipping rates to get goods transported during the Korean war period.

Mr. HOLLAND. The Senator does not wish to penalize the shipper who desires to stay away from subsidies as long as possible, does he?

Mr. WILLIAMS of Delaware. No; but I do not have too much patience with a company which will stay out when we are threatened with war and shipping rates are two or three times the normal rates; but now, when there is a surplus of shipping space it wants a subsidy.

Remember that some of these ships were bought for a very low price. For instance, some of the subsidy is for shipping on the Great Lakes. I have an interest in shipping on the Great Lakes, but I am not unmindful of the fact that with respect to some of the ships on the Great Lakes Congress authorized the sale of ships, which had cost approximately $7 million each, for as low as $102,000. They had scarcely been used. Some came from the Bethlehem yards in Baltimore, at an average cost of $7 million, and those ships were sold to the shipping companies for as little as $102,000. Now they want a subsidy to operate them.

I am a great believer in the American free enterprise system, but if we are practically to give these ships to the operators and pay them a profit, they might as well be operated by the U.S. Government.

The companies might as well recognize that situation. I am somewhat concerned about going far beyond what the Budget Bureau has ever suggested by raising the contractual authority next year to 2,600 when the figure of 2,225 has never been reached heretofore.

I do not question the fact that applications can be obtained. If we tell the members of any group that all they have to do is to file an application and get free money from the Treasury applications will be filed. We can get rid of the money, but our Government is short of money. This item should by no means be expanded in any such manner.

I wonder if the Senator from Florida would accept an amendment to restore the House figure?

Mr. HOLLAND. If the Senator means to accept an amendment to go back to 2,040, I certainly would not, because I think we could not fulfill our obligations to all our ship operators who are entitled to the relief they have asked for over the past 3 or 4 years. We have been holding hearings during that time.

I have said frankly to the Senator that I think the final figure reached will be somewhere between 2,040 and 2,600. I expect to be on the conference committee. My objective will be to try to make the figure sufficient to take care of the legitimate commitments of the Congress and of the Nation, as administered by the Board.

The Senator from Delaware was incorrect in one of his assumptions. The figure of 2,600 was the number requested by the Maritime Board. They very frankly stated that to us when we took testimony.

Mr. WILLIAMS of Delaware. I do not question that. But there is no contractual obligation on the part of the Congress to give them 2,600. We can reduce the number to 2,000, or 1,000, or make it 3,000. We do not owe anyone anything in connection with that particular item. No contracts have been made. If any have been made they have been made illegally. There is no authority to make contracts except as we grant it. We are dealing with the authority to make contracts for operational differential subsidies for 1960.

I am not speaking of the $130 million to pay for past contracts. I thought that figure should have been cut back at the time it was established, but we failed to reduce it. That effort having failed and contracts having been entered into, we have no alternative other than to pay for them. But we have an alternative in this instance of changing next year's contracts. We can stick by the House figure, raise it, or lower it. However we may act with respect to that figure, the Maritime Board will assign contracts next year accordingly. We have every right to establish a ceiling.

Mr. HOLLAND. Let me tell the Senator again that the limitation placed in the bill last year, and now in the law, is not 2,040, but 2,225.

Mr. WILLIAMS of Delaware. I know that.

Mr. HOLLAND. The Board, in carrying out that direction, is doing its level best to give to the ship operators, who have long needed it and who have been applying for it during the past 2 or 3 years, the action to which they are entitled under general law. To put in the final bill the 2,040 limitation, which might be exceeded before the fiscal year comes to an end, and to likewise leave in the bill the provision for 150 voyages and the 75 voyages for companies operating into or out of the Great Lakes, commits the Board to an impossible and ridiculous situation. I do not want to put Congress in a position of giving ridiculous directions to an administrative arm of the Government, the Federal Maritime Board. I do not believe that the Senator from Delaware desires to do so either.

Mr. WILLIAMS of Delaware. I certainly do not want to see Congress get into a situation more ridiculous than some of those that have happened since the Senator from Florida and I have been Members of the Senate. However, I do not know of anything more ridiculous that we can do than to provide for a Federal expenditure when we know that the money is not available for the expenditure. We do not have enough even to pay for what is budgeted.

I repeat that we have every right to offer an amendment to reduce the figure.

The House did an excellent job on that item. Certainly I would not go along with any higher figure than we authorized last year. Operating differential subsidies are already costing the taxpayers too much money.

Let us not overlook the fact that what we would be doing would be to guarantee the shipping companies a margin of profit. We talk about the expenditures which are made to American farmers. I have been critical of the cost of the farm program. However, we do not guarantee even the farmer a margin of profit. Yet under this bill we would be guaranteeing a margin of profit to the shipping companies over and above all expenses, including salaries and everything else.

We have gone far afield. What we would be doing would be raising an umbrella and telling all those who have been making more money on the outside, "Now that shipping tonnage is a little scarce, come in under the Government umbrella, and we will guarantee you a margin of profit." It is about time that we asked ourselves: "Where are we going to get the money?" Is anyone suggesting a tax raise, or will we just increase further the national debt?

I shall insist on a vote to cut back that figure to a very minimum of 2,225. I believe it ought to be cut back even farther. This will save at least $15 million in next year's expenditures.

Mr. HOLLAND. Of course, the Senator may propose his amendment, and we shall then be governed by the finding of the Senate. I wish to recite, however, and I hope it will have some meaning for the Senator, that it is my feeling—and I will be one of the conferees, and the able and distinguished chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN] will also be a conferee, and other Senators—and a similar feeling was expressed in committee meetings, I believe, by all Senators who will be the conferees on the part of the Senate, that what we wanted was some leeway to find a figure between 2,040, which is hopelessly unrealistic, and 2,600, which will allow for the expansion already planned by the Board, and planned legally under our existing directions, and planned for in order to give equal treatment to American citizens who have not had it up to now. I should like to read for the RECORD, to show how ridiculous it is, the provision in the House bill:

Provided, That no contracts shall be executed during the current fiscal year by the Federal Maritime Board which will obligate the Government to pay operating-differential subsidy on more than two thousand and forty voyages in any one calendar year, including voyages covered by contracts in effect at the beginning of the current fiscal year—

I interject to say that there are 2,011 of those—

of which one hundred fifty shall be for companies which have not held contracts prior to July 1, 1959, and seventy-five shall be for companies operating into or out of the Great Lakes.

What we would direct them to do would be to throw overboard a number of these voyages, which they could not do legally if they wanted to, because they would be answerable in the court of public opinion and to any judicial court that would have jurisdiction, because these voyages are permitted by law, and the Board is directed to make available, by some magic, out of 29 new voyages, 150 for companies which have not held contracts prior to July 1, 1959, and 75 shall be for companies operating into or out of the Great Lakes.

If the Senate wants to be on record as subscribing to legislation which reads as that reads, it has a complete right to do so, but I do not believe it should. Certainly the Committee on Appropriations, when it had a chance to look at this thing on its face, felt it would be unwise and improper to give legislative approval in such form. Hence our amendment. I hope the Senator from Delaware will leave it to the conferees to reduce the figure somewhat below 2,600 and somewhat above 2,040, which will take care of the actual problem which we find confronting us. If he does not, of course, he may offer his amendment.

Mr. WILLIAMS of Delaware. I appreciate the fact that the Senator from Florida and his committee put the figure of 2,600 in the bill in order to be able to do a little bargaining. However, I must respectfully suggest that this is the time to begin bargaining. I shall certainly push for a maximum of 2,225. I would really like to lower that figure. I believe we have gone too far afield on many of these subsidies. I believe they are too high in many segments of industry. Both the Senator and I have voted to roll back subsidies on agriculture, which is only one small segment of our industry which has subsidies. We cannot expect farmers to let Congress roll back their subsidies and at the same time increase subsidies for the shipping companies and for the various other segments of industry.

We must not overlook the fact that we would be guaranteeing the full cost of the shipping company's operations plus a normal percentage of profit. In that profit would be included salaries, and in addition they get special privileges under the tax laws not accorded to the average American citizen. We have gone too far afield in subsidies to the American merchant marine. I have as much pride in it as has anyone else. I am not unmindful of the fact that some of these ships costing $6 or $7 million were sold for $102,000 for use on the Great Lakes. Now we would guarantee the shipping companies using them a margin of profit for operating them, not on the $102,000 cost, but on the valuation of the ship, which is of course much higher.

I cannot conceive of Congress, in the face of this year's deficit and in the face of the almost impossible task of balancing the budget, increasing the subsidies for this industry.

There is every reason to roll the subsidies back even further. We understand that there is not too much demand for shipping in international commerce, and since there is not the demand why should we increase the subsidies at this time?

The only answer is that as the demand for shipping space is diminished, the companies which are unable to operate at a large profit outside of the subsidies are now told that we will guarantee them a margin of profit. Tomorrow, if we get into another emergency where shipping space is scarce and rates go higher they will be scrambling out and do what they did before—charging us three or four times the established rates and making enormous profits. I have nothing against the profit system. I believe in it. However, with the profit system goes responsibility. If they are going to make all that money at certain periods of time, they can expect to take some losses, too. They cannot come to the Government every time there is a storm approaching and ask it to bail them out by putting up the taxpayers' money to carry them over until they can make more money. I know of no other industry which is accorded this privilege. I simply do not understand the Committee on Appropriations wanting to go far beyond where we have ever gone before and to appropriate 15 percent over and above what was appropriated last year. I think the time has come to call a halt.

I recognize the position in which the Senator from Florida finds himself. But I want to offer an amendment to this item. I understand that the leadership does not want to have any votes taken tonight, so I suggest that we pick up this item tomorrow and see if we cannot reach some understanding.

Mr. HOLLAND. That will be agreeable to me if it will be to the leadership.

Mr. President, if this is the only item which the Senator from Delaware has in mind, I ask unanimous consent that the committee amendments be agreed to en bloc, except as to the ship voyage limitation amendment, and that the bill, as thus amended, be considered, for the purpose of further amendment, as original text; provided, that any point of order against any amendment shall not be deemed to have been waived by agreement to this request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 5, after the word "Commerce", to strike out "$2,500,000" and insert "$2,760,000."

On page 2, line 21, after the word "amended", to strike out "$8,673,500" and insert "$8,683,500."

On page 4, at the beginning of line 13, to strike out "$14,000,000" and insert "$14,100,000."

On page 4, line 23, after the word "Administration", to strike out "$6,000,000" and insert "$6,230,000, of which $200,000 is available only for statistical and economical research and other expenses necessary in carrying out the recommendations with respect to textiles and related products contained in the recommendations of Report Numbered 42 dated February 4, 1959, of the Committee on Interstate and Foreign Commerce as made pursuant to S. Res. 287 (Eighty-fifth Congress)."

On page 5, line 10, after the word "reports", to strike out "$2,400,000" and insert "$3,110,000."

On page 7, line 13, after the word "Commission", to strike out "$127,500,000" and insert "$130,000,000."

On page 8, at the beginning of line 5, to strike out "$13,958,800" and insert "$14,070,000."

On page 8, line 8, after the word "Administrator", to insert "and not to exceed $2,500 for representation allowances,", and in line 9, after the amendment just above stated, to strike out "$7,658,800" and insert "$7,770,000."

On page 9, line 6, after "(72 Stat. 622-624)", to strike out "$1,000,000" and insert "$1,110,000", and in line 9, after the word "and", to strike out "$850,000" and insert "$960,000."

On page 12, line 12, after the word "expended", to strike out "not more than"; in line 13, after the figures "$2,840,000,000", to strike out "to be" and insert "or so much thereof as may be available in and", and in line 16, after the figures "$2,295,500,000", to insert "(or so much thereof as may be available in and derived from the "Highway trust fund")."

At the top of page 13, to insert:

"FOREST HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION)

"For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 204, pursuant to contract authorization granted by title 23, United States Code, section 203, to remain available until expended, $30,000,000, which sum is composed of $26,250,000, the remainder of the amount authorized to be appropriated for the fiscal year 1959, and $3,750,000, a part of the amount authorized to be appropriated for the fiscal year 1960: *Provided further*, That this appropriation shall be available for the rental, purchase, construction, or alterations of buildings and sites necessary for the storage and repair of equipment and supplies used for road construction and maintenance but the total cost of any such item under this authorization shall not exceed $15,000."

On page 13, after line 17, to insert:

"PUBLIC LANDS HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION)

"For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 209, pursuant to the contract authorization granted by title 23, United States Code, section 203, to remain available until expended, $4,000,000, which sum is composed of $1,000,000, the balance of the amount authorized to be appropriated for the fiscal year 1959, and $3,000,000, the amount authorized for the fiscal year 1960."

On page 15, line 25, after the word "law", to strike out "$47,355,000" and insert "$48,855,000, of which $2,476,000 shall be available only for hurricane research costs."

On page 18, line 3, after "$18,900,000", to insert a colon and "*Provided*, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $18,900,000."

On page 18, line 17, after the word "expended", to insert a colon and "*Provided*, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $3,035,700: *Provided further*, That not to exceed $225,000 of either limitation on annual accrued expenditures herein made for the Canal Zone Government may be transferred to the other such limitation of the Canal Zone Government, but no limitation shall be increased or decreased by more than $225,000 as a result of such transfers."

On page 20, line 5, after the word "exceeding", to strike out "$15,000" and insert "$30,000."

On page 21, line 5, after the word "exceed", to strike out "$1,000" and insert "$2,000."

On page 21, line 17, after the word "vehicles", to strike out "$4,690,000" and insert "$5,190,000", and in line 19, after the word "exceed", to strike out "$13,900,000" and insert "$15,611,000."

Mr. MANSFIELD. Mr. President, I suggest that the distinguished Senator from Maine, the ranking minority member of the subcommittee, now have an opportunity to make her statement. After she has done so, I shall ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of the legislative appropriation bill.

Mr. HOLLAND. I have been waiting to hear the remarks of the distinguished ranking minority member of the subcommittee.

Mrs. SMITH. Mr. President, I appreciate the reference of my distinguished colleague, the senior Senator from Delaware, to the appropriation for $1,250,000 for design of the two superliners included in this bill.

While this item was authorized by the Federal Maritime Board, it was not included in the budget, and there was not an appeal by the Department of Commerce to the Senate to include the amount.

Because of this I voted against the $1,250,000, and as the distinguished chairman of the subcommittee has stated, there was only one vote in committee against this item, and that vote was that of the senior Senator from Maine.

Mr. President, although there are money items in this bill considerably larger in dollar amounts, there are several to which, despite their relatively small costs, considerable importance is attached. The programs involved are concerned with problems which in my judgment require consideration and attention.

OFFICE OF AREA DEVELOPMENT

The House bill provides $300,000 for the Office of Area Development and reference to the inclusion of this amount is found in the House report under the heading of Business and Defense Services Administration. While not specifically referred to in the Senate committee report, I wish to point out that in the committee action, the funds for this important activity are provided in the same amount as in the House bill. The relatively small amount provides substantial returns in this program for consultant assistance to communities with basic problems of persistent unemployment.

STATE MARINE PROGRAM

Pursuant to legislation enacted last year—Public Law 85-672—there is included in the bill the amount of $1 million for the State Marine Academies—Massachusetts, New York, California, and Maine. The committee report recommends an addition of $110,000 to the bill to restore the amount of the budget request of $960,000 to provide the full amount of the school and cadet grants in accordance with the substantive legislation.

Unless the full amount is provided, less than the full number of cadets receive the allowance, or a reduced allowance is to be given to each cadet. The amount as recommended by the committee will provide funds in accordance with the provisions of the authorizing legislation.

SMALL BUSINESS ADMINISTRATION

Within the amount recommended by the committee for the administrative expenses of the Small Business Administration, which is an increase of $500,000 over the House bill, and yet under the budget estimates, provision has been made for an additional amount—$300,000—for strengthening the procurement and technical assistance program. This additional effort in this area should be of great benefit to small business firms in enabling them to engage in better participation in military procurement; to get opportunities to acquire Government surplus materials; obtain benefits of research and development programs; to secure subcontracting opportunities; and have the benefit of similar specialized services of value to the small business firm.

I want at this time to commend my distinguished colleague, the able chairman of the subcommittee, for his usual thorough and efficient handling of this appropriation for the Department of Commerce.

I also take this opportunity to thank my distinguished chairman, the senior Senator from Florida [Mr. HOLLAND] for his generous words with reference to the senior Senator from Maine on her work on this bill.

I wish to pay special tribute to the members of the committee staff, Mr. William J. Kennedy and Mr. John M. Witeck, without whose tireless and excellent assistance the committee could never have accomplished its work. I also give special credit to Mr. Cecil C. McDaniel, of the committee staff, whose work on the preparation of the printed records so greatly expedited the action of the subcommittee and the committee. We started late on this bill, and it was only because of the constant work of these staff members that we were able to make up for lost time and be able to report the bill as soon as we have.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1960

Mr. HAYDEN. Mr. President, I ask unanimous consent that the pending bill, H.R. 7349, making appropriations for the Department of Commerce and Related Agencies for the fiscal year ending June 30, 1960, and for other purposes, be temporarily laid aside, and that the Senate proceed to the consideration of H.R. 7453, making appropriations for the legislative branch for the fiscal year ending June 30, 1960.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7453) making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the bill (H.R. 7453) making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other puropses, which had been reported from the Committee on Appropriations with amendments.

On page 2, line 1, to insert the heading "Senate".

On page 2, after line 1, to insert the heading "Salaries of Senators, Mileage of the President of the Senate and of Senators, Expense Allowance of the Majority and Minority Leaders of the Senate, and Salary and Expense Allowance of the Vice President".

On page 2, after line 6, to insert:

Compensation of Senators

For compensation of Senators, $2,425,255.

On page 2, after line 8, to insert:

Mileage of President of the Senate and of Senators

For mileage of the President of the Senate and of Senators, $58,370.

On page 2, after line 12, to insert:

Expense allowance of majority and minority leaders

For expense allowance of the majority leader and the minority leader of the Senate, $2,000 each; in all, $4,000.

On page 2, after line 16, to insert:

Compensation of the Vice President of the United States

For the compensation of the Vice President of the United States, $37,695.

At the top of page 3, to insert:

Expense allowance of the Vice President

For expense allowance of the Vice President, $10,000.

On page 3, after line 2, to insert:

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions as authorized, which shall be paid from this appropriation without regard to the below limitations, as follows:

On page 3, after line 8, to insert:

Office of the Vice President

For clerical assistance to the Vice President, at rates of compensation to be fixed by him in basic multiples of $5 per month, $112,140.

On page 3, after line 12, to insert:

Chaplain

Chaplain of the Senate, $5,500.

On page 3, after line 14, to insert:

Office of the Secretary

For Office of the Secretary, $639,140: *Provided,* That effective July 1, 1959, two additional messengers may be employed at not to exceed $2,040 basic per annum each.

On page 3, after line 18, to insert:

Committee employees

For professional and clerical assistance to standing committees, and the Select Committee on Small Business, $2,372,960.

At the top of page 4, to insert:

Conference committees

For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $44,020.

On page 4, after line 4, to insert:

For clerical assistance to the Conference of the Minority, at rates of compensation to be fixed by the chairman of said committee, $44,020.

On page 4, after line 7, to insert:

Administrative and clerical assistants to Senators

For administrative and clerical assistants and messenger service for Senators, $11,052,450.

On page 4, after line 10, to insert:

Office of Sergeant at Arms and Doorkeeper

For office of Sergeant at Arms and Doorkeeper, $2,304,995: *Provided,* That effective July 1, 1959, three additional laborers at $1,740 basic per annum each, two additional inserting machine operators at $1,980 basic per annum each, and two additional offset press operators at $2,700 basic per annum each may be employed; and the basic per annum compensation and titles of the following positions shall be: administrative officer, $4,140 in lieu of $3,780; automatic typing technician at $3,480 in lieu of foreman, repairmen at $2,820; four offset press operators at $2,700 each in lieu of two offset press operators at $2,580 each and two offset press operators at $2,160 each; repairman $3,120, repairman $2,880, and two repairmen at $2,640 in lieu of two repairmen at $2,520 each, file clerk at $1,980, and warehouseman at $1,800.

On page 5, after line 3, to insert:

Offices of the secretaries for the majority and the minority

For the offices of the secretary for the majority and the secretary for the minority, $112,185: *Provided,* That effective July 1, 1959, the basic per annum compensation of the assistant secretary for the majority and the assistant secretary for the minority may be fixed by the respective secretaries at not to exceed $7,560 each.

On page 5, after line 11, to insert:

Offices of the majority and the minority whips

For two clerical assistants, one for the majority whip and one for the minority whip, at not to exceed $5,580 basic per annum each, $22,050.

On page 5, after line 15, to insert:

Office of the Legislative Counsel of the Senate

For salaries and expenses of the Office of the Legislative Counsel of the Senate, $206,125.

On page 5, after line 18, to insert:

CONTINGENT EXPENSES OF THE SENATE

Legislative reorganization

For salaries and expenses, legislative reorganization, $117,150.

At the top of page 6, to insert:

Senate Policy Committees

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $123,830 for each such committee; in all, $247,660.

On page 6, after line 4, to insert:

Joint Economic Committee

For salaries and expenses of the Joint Economic Committee, $156,950.

On page 6, after line 7, to insert:

Joint Committee on Atomic Energy

For salaries and expenses of the Joint Committee on Atomic Energy, $250,145.

On page 6, after line 10, to insert:

Joint Committee on Printing

For salaries and expenses of the Joint Committee on Printing, $104,715; for expenses of compiling, preparing, and indexing the Congressional Directory, $1,600; in all, $106,315.

On page 6, after line 15, to insert:

Committee on Rules and Administration

For reimbursement to General Services Administration for space furnished the United States Senate, $10,000.

On page 6, after line 18, to insert:

Vice President's automobile

For the purchase, exchange, driving, maintenance, and operation of an automobile for the Vice President, $8,160.

On Page 6, after line 21, to insert:

Automobile for the President pro tempore

For purchase, exchange, driving, maintenance, and operation of an automobile for the President pro tempore of the Senate, $7,660.

At the top of page 7, to insert:

Automobiles for majority and minority leaders

For purchase, exchange, driving, maintenance, and operation of two automobiles, one for the majority leader of the Senate, and one for the minority leader of the Senate, $15,320.

On page 7, after line 5, to insert:

Reporting Senate proceedings

For reporting the debates and proceedings of the Senate, payable in equal monthly installments, $209,195.

On page 7, after line 8, to insert:

Furniture

For services and materials in cleaning and repairing furniture, and for the purchase of furniture, $31,190: *Provided,* That the furniture purchased is not available from other agencies of the Government.

On page 7, after line 13, to insert:

Inquiries and investigations

For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, including $380,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, $3,550,000.

On page 7, after line 20, to insert:

Folding documents

For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $1.77 per hour per person, $31,900.

At the top of page 8, to insert:

Senate restaurants

For repairs, improvements, equipment and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Buildings, including personal and other services, to be expended under the supervision of the Committee on Rules and Administration, United States Senate, $85,000.

On page 8, after line 6, to insert:

Mail transportation

For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $16,560.

On page 8, after line 10, to insert:

Miscellaneous items

For miscellaneous items, exclusive of labor, $1,856,210.

On page 8, after line 12, to insert:

Postage stamps

For Offices of the Secretaries of the Majority and Minority, $140; for airmail and

special-delivery stamps for Office of the Secretary, $160; Office of the Sergeant at Arms, $125; and for Senators and the President of the Senate, as authorized by law, $45,450; in all, $45,875.

On page 8, after line 18, to insert:

Stationery (revolving fund)

For stationery for Senators and the President of the Senate, $181,800; and for stationery for committees and officers of the Senate, $13,200; in all, $195,000, to remain available until expended.

On page 8, after line 23, to insert:

Communications

For an amount for communications which may be expended interchangeably for payment, in accordance with such limitations and restrictions as may be prescribed by the Committee on Rules and Administration, of charges on official telegrams and long-distance telephone calls made by or on behalf of Senators or the President of the Senate, such telephone calls to be in addition to those authorized by the provisions of the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U.S.C. 46c, 46d, 46e), as amended, and the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U.S.C. 46d–1), $15,150.

On page 9, after line 9, to insert:

Administrative provisions

Effective July 1, 1959, the table contained in section 4(f) of the Federal Employees' Salary Increase Act of 1955 (Public Law 94, Eighty-fourth Congress, approved June 28, 1955) is amended by striking out the last line therein and inserting in lieu thereof the following:

"13,000,000 but less than 15,000,000_ 28,740
15,000,000 but less than 17,000,000_ 31,740
17,000,000 or more_____ 34,740"

On page 9, after line 15, to insert:

The third paragraph under the heading "Administrative Provisions" in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1959 (2 U.S.C. 43b), is amended by striking out "from Washington, District of Columbia, to their resident cities in their home States, and return, for not to exceed two such round trips" and inserting in lieu thereof the following: "between Washington, District of Columbia, and any point in their home States, for not to exceed two round trips".

On page 19, after line 10, to insert:

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $24,795, to be disbursed by the Secretary of the Senate.

On page 21, after line 10, to strike out:

Hereafter, the Architect of the Capitol is authorized, without regard to the Classification Act of 1949, as amended, to fix the compensation of three positions under the appropriation "Salaries, Office of the Architect of the Capitol", of one position under the appropriation "Capitol Buildings", and of one position under the appropriation "House Office Buildings" at a basic rate of $8,000 per annum each: *Provided*, That this provision shall not be applicable to the positions of Architect, Assistant Architect, or Second Assistant Architect of the Capitol.

And, in lieu thereof, to insert:

Hereafter, the Architect of the Capitol is authorized, without regard to the Classification Act of 1949, as amended, to fix the compensation of one position under the appropriation "Senate Office Buildings", at a basic rate of $7,020 per annum.

On page 23, after line 9, to insert:

Subway transportation, Capitol and Senate Office Buildings

For maintenance, repairs, and rebuilding of the subway transportation system connecting the Senate Office Buildings with the Capitol, including personal and other services, $6,000.

On page 23, after line 15, to insert:

Senate Office Buildings

For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel and for personal and other services; including eight female attendants in charge of ladies retiring rooms at $1,800 each, for the care and operation of the Senate Office Buildings; uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); to be expended under the control and supervision of the Architect of the Capitol; in all, $1,819,700.

On page 24, after line 3, to insert:

Extension of additional Senate Office Building site

For an additional amount to enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to carry out the provisions of Public Law 85–591, Eighty-fifth Congress, relating to the acquisition of property in square 725 in the District of Columbia, including necessary incidental expenses, $200,000, to remain available until expended.

On page 24, after line 11, to insert:

Remodeling, Senate Office Building

Notwithstanding the provisions of the proviso contained under this heading in the Supplemental Appropriation Act, 1958 (71 Stat. 439), not to exceed $100,000 of the funds therein appropriated may be expended for the performance of work on a contract basis.

On page 25, line 2, to strike out "$1,400,000" and insert "$1,451,300".

On page 27, line 24, to strike out "$7,150,000" and insert "$7,159,890".

Mr. MANSFIELD. Mr. President, in view of the fact that the Senate now has under consideration another appropriation bill, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I ask unanimous consent that the committee amendments to the legislative appropriation bill be agreed to en bloc, and that the bill as thus amended be regarded for the purpose of amendment as original text; provided, that no point of order shall be considered to have been waived by reason of the agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the committee amendments are agreed to en bloc.

Mr. STENNIS. Mr. President, the legislative appropriation bill, H.R. 7453, as reported to the Senate contains appropriations in the amount of $128,797,380. A breakdown of the total is as follows:

1. Senate	$26,406,345
2. House	42,398,065
3. Joint items, such as Capitol police, education of pages, etc	2,929,430
4. Architect of Capitol	27,412,900
5. Botanic Garden	327,500
6. Library of Congress	14,302,790
7. Government Printing Office	15,020,350
Total	128,797,380

With reference to the Senate, the committee approved two additional messengers, in lieu of three requested, for the office of the Secretary. One is for the stationery room, and the other for the use of the Secretary's office and the printing clerk.

For the service department under the Sergeant at Arms—and most of these additions were necessitated by the spreading out of the service and the places in which the work is done and by the additional Senate Office Building—the committee approved three additional laborers, in lieu of six requested. Also approved were two additional offset press operators, as requested, and two inserting machine operators, in lieu of four requested. I made a personal inspection of the service department. There has been a tremendous increase in the amount of work in this division, and I am satisfied that these additional employees are required if the work requested by the Senators is to be expeditiously handled.

Mr. President, let me state that I was greatly impressed with the work, and the attitude toward his work, of Mr. Chambers, the head of the service department. Few Senators have a chance to come in direct contact with him and, therefore, have only a small chance to appreciate fully the tremendous amount of energy and drive he has and his utmost willingness day and night to take care of almost any demand—and the demands on his service department are enormous—which might arise. He is about as enthusiastic about doing those things and about seeing that all of them are done as anyone I have ever seen.

The committee also approved salary increases for 10 employees in the service department. Six of the increases are for automatic typing technicians and repairmen, and four are for offset press operators. They are employees of the service department which I have just mentioned, that is presided over by Mr. Chambers.

The committee approved a salary increase for one employee in the recording studio and for two employees in the office of the Official Reporters. These increases were relatively minor, and they were well justified.

The law was changed with respect to the assistant secretary for the majority and the assistant secretary for the minority, to allow for an increase for these Senate employees.

The committee also approved one new employee more than the number

provided for in the House version of the bill, for the Library of Congress, and has recommended that the salary of the Superintendent of the Senate Office Buildings be increased. That modest increase—in the amount of $1,000—was brought about due to the stepped-up and extended operations due to the operation of the two buildings.

The additional professional employee of the Library of Congress is to serve in charge of the Near East and Islamic Law Library. This was approved by the Librarian of Congress.

Under existing law regarding basic amounts available for administrative and clerical assistants to Senators, there is a succession of eight steps which determine the basic amounts. The smallest step includes States having a population of less than 3 million; the next step consists of States having a population between 3 and 4 million; and the last step is an unlimited class above 13 million. The committee has recommended a change in this law, to establish a step for States with a population of 13 million, but less than 15 million; a class for States with a population of 15 million, but less than 17 million; and a step for States with a population of 17 million and above.

The committee has recommended an additional appropriation of $200,000 for the site for the additional Senate Office Building. The Architect of the Capitol was authorized, under the provisions of Public Law 85-591, approved August 5, 1958, to acquire properties in the east half of square 725, located directly east of the New Senate Office Building. An appropriation of $625,000 was provided for this purpose; but, based on appraisal reports, the acquisition of these properties is now estimated at $825,000. The properties in question are now under condemnation proceedings instituted by the Department of Justice.

Mr. President, I notice that an erroneous report was issued, to the effect that this was an additional cost for the new Senate Office Building. That is an error. This is an appropriation to buy the adjoining properties on the east side of square 725, less certain small exceptions. The purpose of purchasing the property is as follows: The property will be needed; and the property values will rise, as improvements are made. So the purpose—which already is reflected in the authorization bill—is to purchase the property now, as an insurance against future developments there.

I looked somewhat into this matter. It is very clear to me that more and more space will be needed in order to carry out the functions of the Government on Capitol Hill; and there is only one Capitol Hill, unless we move the Capitol someplace else. Personally, I think we should acquire more of this land now, before it rises in value.

The Supplemental Appropriations Act of 1958 provided funds for remodeling the Senate Office Building. The funds at that time were restricted, so that the work could be performed only by the force of the Architect of the Capitol. This restriction has hampered certain remodeling work; and, accordingly, the committee has inserted in the bill language authorizing the use of $100,000 of the balance of approximately $200,000 for work to be performed on a contract basis. This is fully explained in the committee report, which also explains the other changes which have been recommended by the committee.

Mr. President, at this time I shall be glad to answer any questions which any Senators may have with respect to the bill.

Mr. MANSFIELD. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I am glad to yield.

Mr. MANSFIELD. Mr. President, on the question of final passage of the bill, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Mississippi yield to me?

Mr. STENNIS. I am glad to yield.

Mr. WILLIAMS of Delaware. On page 15 of the report, I notice that the committee has recommended an appropriation of $2,500,000 for expansion of the Capitol Power Plant, instead of the budget estimate of $3,250,000. I am very much in agreement with the projected saving. But will it be a saving? Has the plant been abandoned? Or just what does that item represent?

Mr. STENNIS. There has not been any abandonment of the plant. But the progress has not been as rapid as was anticipated. That reduction was made by the House of Representatives; and the Senate committee agreed to it.

Mr. WILLIAMS of Delaware. I thank the Senator from Mississippi.

I should like to ask another question.

Mr. STENNIS. I am glad to yield.

Mr. WILLIAMS of Delaware. I notice, on page 14, that savings are projected in connection with the penalty mail costs. Will they be real savings; or will additional appropriations be required later on?

Let me say that I hope it represents a real savings.

Mr. STENNIS. The House committee recommended that reduction, and was of the opinion that it could be stood all right. But the House committee said the matter should be studied further.

Mr. WILLIAMS of Delaware. I think the committee was correct in making the cut and we should make a determined effort to live within this amount.

Mr. STENNIS. I thank the Senator from Delaware very much.

Mr. ELLENDER. Mr. President, will the Senator from Mississippi yield to me?

Mr. STENNIS. I am glad to yield.

Mr. ELLENDER. I wish to state that I had made a brief tabulation as to the number of additional employees and the additional costs to operate the New Senate Office Building, in contrast to the cost of operating the old one—that is to say, before the new building was erected. This résumé shows that in the fiscal year 1960, the cost of operation—in other words, for all the employees and all the expenses, as I understand, for both buildings—will be $1,819,700, in contrast to $1,265,600 during the fiscal year 1957, for the old building. The number of employees for both the old and the new buildings has increased from 218 to 361.

Mr. President, I ask unanimous consent that a tabulation be placed in the RECORD at this point in my remarks.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Senate Office Buildings

Buildings	Fiscal year 1957		Fiscal year 1958		Fiscal year 1959		Fiscal year 1960	
Old Senate Office Bldg.	Appropriation	[1] $1,265,600	Appropriation	$1,102,800	Appropriation	[3] $1,264,000	Appropriation	$1,202,765
	Employees	218	Employees	219	Employees	219	Employees	219
New Senate Office Bldg.	None		Appropriation	[2] $217,600	Appropriation	$558,300	Appropriation	$616,935
			Employees	142	Employees	142	Employees	142
Total	Appropriation	$1,265,600	Appropriation	$1,320,400	Appropriation	$1,822,300	Appropriation	$1,819,700
	Employees	218	Employees	361	Employees	361	Employees	361

[1] Includes $220,000 for replacement of lighting fixtures.
[2] Appropriated on a part-year basis.
[3] Includes $137,000 for rebuilding air-conditioning units in 1st St. wing.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that we have the third reading of the Commerce appropriation bill, with the distinct understanding that the Williams of Delaware amendment will be in order notwithstanding the third reading, and that 20 minutes be allotted to a side, to be controlled by the proponent of the amendment, the Senator from Delaware, and the opponent, the Senator from Florida; and that following a vote on the

Williams amendment, the Senate proceed to vote on final passage.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. WILLIAMS of Delaware. I would be willing to agree to 20 minutes to a side on an amendment and I think there may be two amendments. I would rather leave blank the number of amendments. I assure the Senator there will be no amendment offered——

Mr. JOHNSON of Texas. I will modify my request to include two amendments by the Senator from Delaware.

Mr. WILLIAMS of Delaware. Let us not leave that limitation in the request. Let us make it 20 minutes to a side on any amendment. I assure the Senator I do not make that suggestion with any thought of delay, but overnight one can change an amendment or decide to offer a different amendment.

Mr. JOHNSON of Texas. I am willing to make the request one Williams amendment, or two or three, but I am trying to get the Senate to act upon the nomination of the Secretary of Commerce. I am trying to get something done. I appeal to my friend. I am willing to be reasonable. If the Senator thinks there may be two amendments or three amendments, I am willing to modify my request to include that number. I checked with the minority leader. He assured me we could proceed to the consideration of the bill this evening. I am perfectly willing to agree that amendments to this provision of the bill may be offered after the third reading, whether it be 1 amendment, or 2 or 3 amendments; but I need to tell 97 men and 1 most gracious and intelligent lady, who is always so attentive to her duties, that we are likely to have yea and nay votes.

If the Senator will permit me, I will give him as much leeway as he wishes to ask for, but I do not want some Senator who does not know what has been done today to raise an objection. I have cleared the matter with the minority leader. I have cleared it with Senators on this side of the aisle. We have the wheat bill to take up. I am doing my best to get the program settled before June 30th, because I want to save the taxpayers the expense of having someone go forth on a special train. I do not see the distinguished chairman of the Republican National Committee present. He has not been here a great deal since he was appointed to that position. He talks about putting a man on a train as we might talk of putting somebody in a cage and sending him forth. I want to save the taxpayers that expense. The only way I know how to save it is to act upon these measures when we are ready to act upon them. I was ready to work on the State and Justice appropriation bill tomorrow, but after hearings had been scheduled for 4 days, I was called, and was told, "No, we cannot do that. Somebody is out of town. You will have to do it next Monday."

I am anxious to get a unanimous-consent agreement to vote on the Strauss nomination, but I am told a Senator has to be in Salt Lake City. I am told another Senator has to be in Denver. I am told the distinguished Vice President may not be here at an appropriate moment, perhaps to cast the deciding vote. So the majority is to be blamed for not having a vote on the nomination of this man. The Senator from Texas is ready and eager to vote.

Mr. WILLIAMS of Delaware. So is the Senator from Delaware. Let us vote right now.

Mr. JOHNSON of Texas. No. I would not be keeping faith with the minority leader. I am going to propose a unanimous-consent agreement and suggest the absence of a quorum, unless I can come to terms with my delightful friend. I know him well enough to be aware that he knows I am ready to accommodate myself to his views. I hope the Senator from Delaware will want to offer only one amendment but if it is two, I will include that number in my request. If it is going to be three, I will include that number. But I hope the Senator will not prolong the matter indefinitely, because we know appropriation bills must go to conference and must be decided in conference and conference reports must come back to the Senate.

I am sure some unknowing person will rise on June 30 and say, "Now, let me tell you, we had so many appropriation bills passed by the 30th of June last year." They will not go back to the 83d Congress, but they will point to what the last Congress did. I do not want people to become critical or disrespectful of the Senate.

I desire to give the Senator from Delaware all the time he needs. If he wants the agreement to include the offering of one amendment, two amendments, or three amendments, I am willing to agree to such an arrangement. I thought I had an agreement with him for 20 minutes to a side, provided, if he needed extra time, we would supply him with it.

Mr. President, I modify my request as follows, that we will have the third reading of the bill this evening, but that the Senator from Delaware may offer any amendment notwithstanding the third reading, with the understanding that there will be 20 minutes to the side of an amendment, the time to be controlled, respectively, by the Senator from Delaware and the Senator from Florida.

Mr. WILLIAMS of Delaware. Mr. President, if the Senator will yield, far be it from me ever to make a suggestion to the distinguished majority leader——

Mr. JOHNSON of Texas. The Senator should not say "far be it from me." The Senator from Delaware makes them frequently, and they are frequently good ones.

Mr. WILLIAMS of Delaware. I do not think there can be a third reading of the bill so long as any amendments are pending.

Mr. JOHNSON of Texas. I anticipated the Senator. I asked the Parliamentarian if that could happen. He said yes, and that the Senator from Illinois [Mr. DIRKSEN] informed him that we could bring up the bill and could have it read the third time. But the Senator from Illinois was mistaken. He had not cleared the matter completely with all Members on his side. Therefore, if a request is made for unanimous consent to have the third reading, with the exception of providing that the Williams amendment can be offered, that can be done. That is what I am asking——

Mr. WILLIAMS of Delaware. Just for the sake of information, I make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS of Delaware. Are amendments in order after a bill has been read the third time when we do not know what the amendments are going to be?

Mr. JOHNSON of Texas. I hope the Senator will take me at my word; but let us have the Chair answer the question.

The PRESIDING OFFICER. The Senate may suspend any of its rules by unanimous consent unless the rule otherwise provides.

Mr. JOHNSON of Texas. I thank the Chair for confirming what I previously stated.

Mr. WILLIAMS of Delaware. I did not question what the Senator from Texas had said, but I wanted to get it in the RECORD. It has never been used before.

Mr. JOHNSON of Texas. It is in the RECORD. The Senator from Texas stated it.

Mr. President, I ask unanimous consent that we have the third reading of the Commerce Department appropriation bill, in accordance with the understanding I had with the leadership, with the distinct understanding that any amendment offered by the Senator from Delaware will be in order, and that there be allowed not to exceed 20 minutes to a side, to be controlled, respectively, by the Senator from Florida and the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object, let me say that I want to cooperate with the majority leader; he has a program to put through. As I previously told the Senator, I am perfectly willing to agree to a unanimous-consent request to limit debate on any amendments which may be offered to the bill, 20 minutes to a side. That is very reasonable. I am willing to vote tonight or tomorrow as you wish. I know we do not have enough Senators present.

Mr. JOHNSON of Texas. No.

Mr. WILLIAMS of Delaware. So we will vote tomorrow.

Mr. JOHNSON of Texas. Yes.

Mr. WILLIAMS of Delaware. I invite the attention of the majority leader to the fact that we are dealing with a bill involving in excess of $700 million.

Mr. JOHNSON of Texas. I am aware of that fact. I made a request to comply with the desires of the Senator as to any amendment the Senator might want to present.

Mr. WILLIAMS of Delaware. If the Senator will yield, we are dealing with a bill which involves more than $700 million. The bill and report were not available until this morning, although I

did have a copy of the committee print last night.

Mr. JOHNSON of Texas. I am aware of that.

Mr. WILLIAMS of Delaware. As I told the Senator, I was willing to take an advance copy home last night. I was willing to do that, but I do think that adequate time should be allowed for any amendment.

Mr. JOHNSON of Texas. Yes.

Mr. WILLIAMS of Delaware. It is the Senator's suggestion that consideration of the bill go over until tomorrow. There are other Members of the Senate who may have amendments to offer. I think in the interest of good, orderly procedure that the very least we can do with respect to any amendment which may be offered is to provide a limitation of 20 minutes to a side. I am willing to agree to that. I may have one amendment or two amendments. I am hoping that by tomorrow the Senator from Florida will see the light and accept my amendments in which there will be no controversy.

Mr. JOHNSON of Texas. I am hoping that arrangements can be made, because I become very discouraged when I attempt to expedite business and find myself unable to get the Senator from Florida and the Senator from Delaware together.

Mr. WILLIAMS of Delaware. The Senator will have us together if he will put the unanimous-consent request to limit debate to 20 minutes on any amendment which may be offered.

Mr. JOHNSON of Texas. The Senator well knows——

Mr. WILLIAMS of Delaware. And 20 minutes on the bill, for each side.

Mr. JOHNSON of Texas. The Senator well knows I am at his mercy. The Senator well understands I must be his captive. The Senator realizes when one must have unanimous consent it does not mean the consent of 97 Senators but it means the consent of 98 Senators. But I hope the country understands that I am attempting to expedite action on proposed legislation before this body.

Although there is no Member of the Senate who has been seen or heard from or dreamed of who has any amendment to offer to the bill, other than the Senator from Delaware—and Senators have been given adequate notice; the day before yesterday, yesterday, and today—we will still protect every Senator who may be available. We intended to vote on the bill tonight, but one Member of the Senate called up one of the pages and told him he would be out of town today. I think he is making a speech on a "Won't Do" Congress, but he asked me please not to have any votes while he is gone. That is one of the reasons why we cannot vote on any of these measures tonight.

So far as the Senator from Texas is concerned, he is willing to modify his unanimous-consent request, because he has no other alternative. That is, he would modify it so as to provide that there be a third reading of the bill, with the understanding that any amendment which may be offered will be in order, and that there be not to exceed 20 minutes to a side on each amendment, the time to be controlled by the proponent of the amendment and the chairman of the committee.

Mr. KEATING. Mr. President, reserving the right to object——

Mr. JOHNSON of Texas. I yield to the Senator.

Mr. KEATING. The distinguished majority leader has referred to a unanimous-consent request with reference to the nomination which he proposed to put before the Senate. May I ask the Senator whether he intends to ask for consideration of that request tonight?

Mr. JOHNSON of Texas. Yes.

Mr. KEATING. Following action on this unanimous-consent request?

Mr. JOHNSON of Texas. Yes. I propose to suggest the absence of a quorum, and I then propose to make a unanimous-consent request which was suggested to me earlier today by the minority leader. If that is objected to, I expect to pursue another suggestion which has been made by other Members of the Senate.

If I can, I should like to assure any Members of the Senate who desire to be away on Thursday, Friday, and Saturday—so far as I know, I will say, they are not members of my own party—that we shall have a definite agreement as to when to vote, so no one will be taken advantage of.

Mr. KEATING. The majority leader has fully answered my question. If the majority leader will yield further, I should like to ask him whether the unanimous-consent request which he proposes to suggest is the one advanced today by the minority leader for the purpose of expediting the action of the Senate. In the absence of the minority leader, I thought that question should be asked of the distinguished majority leader.

Mr. JOHNSON of Texas. I am sorry; I did not completely hear the Senator's remarks.

Mr. KEATING. I asked the distinguished majority leader whether the unanimous-consent request which he proposes to suggest is the one propounded by the minority leader, who is at the moment absent from the Chamber.

Mr. JOHNSON of Texas. That is correct.

Mr. KEATING. Mr. President, I withdraw my reservation.

Mr. JOHNSON of Texas. I never take advantage of the leadership, and I never do anything without its knowledge. This was suggested to me earlier in the afternoon. I have attempted to work it out. I hope it may be worked out. If the minority leader is not present and someone in authority, acting for him, does not want me to put the request, I will wait until tomorrow.

Mr. KEATING. I am sure there was no idea of that kind, but, from the remarks made by the majority leader, I thought the impression might have gone out that the unanimous-consent request was something he alone was trying to put over.

Mr. JOHNSON of Texas. No; I am not trying to put over anything.

Mr. KEATING. I thought it should be brought out that this was the proposal of the minority leader.

Mr. JOHNSON of Texas. I am not trying to put over anything. The minority leader sent me a suggestion. I have it in my hand. It would provide that on Thursday, after the conclusion of routine morning business, the Senate should proceed to consideration of the nomination; that the Senator from Kansas [Mr. SCHOEPPEL] and the Senator from Washington [Mr. MAGNUSON] would control the time; and that a vote on advising and consenting to the nomination would occur on Monday.

I am going to suggest that to the Senate. I told the Senator I did not think the Senate would agree to it.

I think the Senate will agree to vote tomorrow. I think we can get an agreement to vote tomorrow. I may be mistaken. I frequently am. However, I am going to submit the suggestion made to me by the minority leader, and I am perfectly willing to yield to his judgment, as I did yesterday. If his judgment is not the correct judgment, then I will submit an alternative, and the alternative will be that we vote late tomorrow or early Friday.

I think we can get that kind of an agreement, at least so far as our side is concerned. I may be disappointed.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HOLLAND. Reserving the right to object—and I shall not object, either to this request or to the other suggestion—I should like to know, simply, what is the majority leader's program as to the hour of convening tomorrow?

Mr. JOHNSON of Texas. 12 o'clock.

Mr. HOLLAND. 12 o'clock. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, if the Senator will go along with me, there is no use in having the third reading of the bill. Any Senator can block a third reading. I express my deep regret that I asked the Senate to stay in session at this time, but I thought I had assurances the bill had been cleared.

I should like to protect the Senator from Delaware. Every Senator has had notice and has had adequate notice—the day before yesterday, yesterday, and today. The reports were at the desk. I asked the Senator from Florida to get at least a half dozen or more copies so that they would be available.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. If the Senator will protect himself, and let us protect other Senators, we can get an agreement.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I do not want to engage in banter back and forth. I am at the mercy of the Senator.

Mr. WILLIAMS of Delaware. The Senator can get an agreement. He could have had an agreement a half hour ago. I think it is very fair to have an agreement of 20 minutes to a side on any amendment, and after the amendments are considered to have the third reading of the bill. If the Senator wants to allow 20 minutes to each side of the passage of the bill that would be all right.

Mr. JOHNSON of Texas. We can have the limitation of time on the amendments. Third reading means the bill is nearly ready for a vote.

Mr. WILLIAMS of Delaware. I assure the Senator that we can have such an agreement.

Mr. JOHNSON of Texas. Will the Senator refuse to consent to an agreement under which he could offer any amendments he wants to offer, up to 2 or 3 amendments, allowing 20 minutes to each side, and then that the bill may have the third reading; or does the Senator insist on each Member having that right?

Mr. WILLIAMS of Delaware. I think we all need that right.

Mr. JOHNSON of Texas. Would the Senator object?

Mr. WILLIAMS of Delaware. Yes, I would.

Mr. JOHNSON of Texas. Then, Mr. President, I withdraw my request, and I point out for the RECORD that in a body which is divided and in which there is unlimited debate—which I advocate—one must be conscious of and understanding of the demands of the minority. While I should like to sew up the Commerce Department appropriation bill tonight and have it ready for a yea-and-nay vote tomorrow, I am prohibited from doing so because of the request of the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Therefore, I withdraw my request, because it is useless to apply it to every amendment. We can come in tomorrow and take such time as is necessary to take action on the bill. I hope it will not be too long. I urge the Senator from Florida to attempt to make peace with the Senator from Delaware.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HOLLAND. The Senator from Florida is in a very peaceful mood, and is always anxious to make peace with the Senator from Delaware.

Mr. JOHNSON of Texas. I understand.

Mr. HOLLAND. I should like to ask if there will be an absence of morning hour business, so that we will know voting or preparation for voting will start at 12 o'clock tomorrow?

Mr. JOHNSON of Texas. Consideration would come after the conclusion of the morning hour. That is when we would normally consider the bill.

Mr. WILLAMS of Delaware. Mr. President——

Mr. JOHNSON of Texas. We would have the usual morning business. I would say ordinarily the bill would be considered at 12:30 or 1 o'clock.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield, and I withdraw my request.

Mr. WILLIAMS of Delaware. If the Senator from Texas does not want a unanimous-consent agreement, it makes no difference to me.

Mr. JOHNSON of Texas. I want a unanimous-consent agreement, but I do not want one that is impotent and useless, and serves no purpose.

The minority leader assured me that it was satisfactory to him to take up the Commerce Department appropriation bill and proceed to the third reading. I find that is not the case; and I am willing to accommodate myself to the Senator from Delaware, and make it possible for him to offer one, two, three, or four amendments. However, if any other Senator is to be permitted to offer amendments without limit, there is no point in having the third reading of the bill. So I want the responsibility for the delay to rest where it belongs. I am doing my best to expedite action on public business, and to pass the appropriation bills, and pass other measures which the President wants considered. I should like to obtain an agreement with respect to the pending nomination of Admiral Strauss to be Secretary of Commerce.

But I cannot control individual Senators. If a Senator feels that he is not satisfied with the right to offer one, two, or three amendments, and he wants every other Senator to have that right tomorrow, that is his privilege and right, under the rules. If he feels that way, he ought to demand his rights as a Senator.

I have no personal objection. I simply wish to do my duty as I see it.

Mr. WILLIAMS of Delaware. Mr. President, has the Senator concluded?

Mr. JOHNSON of Texas. Yes. Does the Senator from Delaware wish to have me yield to him?

Mr. WILLIAMS of Delaware. I should like to have the floor in my own right.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Who has the floor?

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. WILLIAMS of Delaware. I should like to have the floor for only a few minutes.

Mr. JOHNSON of Texas. Does the Senator not desire to have me yield to him? Would he feel any better if I yielded to him? I am glad to yield to the Senator.

Mr. WILLIAMS of Delaware. No. If I may be recognized, I should like to have the floor in my own right.

Mr. JOHNSON of Texas. The Senator has that right.

I may say that we have a conference report ready for action, in connection with a bill which we would like to send to the President.

Mr. President, I yield the floor in order that the Senator from Delaware may speak. Then I shall try to bring up the conference report.

Mr. WILLIAMS of Delaware. Mr. President, I wish to clear up a possible misunderstanding on the part of the majority leader. The Commerce Department appropriation bill was cleared with the minority leader, and it was satisfactory to have the bill brought up and carried to a vote tonight. It still is. The minority leader called my office in order to ascertain whether I was ready to consider the bill. I said I was. I obtained a copy of the report last night from the committee.

I am ready to vote now. It is the majority leader who does not wish to vote tonight. He says he wishes to complete consideration of the bill tonight, but the terms under which he wishes to complete consideration and passage of the bill is that we accept a $715 million bill, every item of which is sacred. We can vote on the amendment now. We have debated the amendment, and we are ready to vote. It is at the suggestion of the majority leader that action on the bill is postponed until tomorrow.

Mr. President, I ask unanimous consent that after the morning hour tomorrow——

Mr. JOHNSON of Texas. If the Senator will be fair, it is not the suggestion merely of the majority leader. It is the request of both Senators. I do not want the Senator to try to be political about this question. Both Senators have asked for a yea-and-nay vote on final passage.

Mr. WILLIAMS of Delaware. That is correct.

Mr. JOHNSON of Texas. I should like to have the country know, and I should like to have the Senate know, that one of the ardent advocates of expediting the business of the Senate left in the middle of the afternoon, and he left word with one of the pages that he did not desire any yea-and-nay votes. I understood that statement to relate to passage of the appropriation bills. So far as the Senator from Texas is concerned, he is prepared to vote, and is eager to vote on the amendments. If the Senator from Delaware does not desire a yea-and-nay vote, the Senate can vote tonight. If the Senator desires to address himself to the amount of the bill, I shall try to see that he is granted the privilege of the yeas and nays on his amendment. I understood my friend from Illinois [Mr. DIRKSEN] to say that it would be agreeable to him to have the third reading of the bill tonight, and vote tomorrow on final passage, and that that would please the Senator from Delaware.

Mr. WILLIAMS of Delaware. It does now if the Senator from Florida will accept my amendments. We can vote anytime you wish.

Mr. JOHNSON of Texas. I cannot ask him to submit at the point of a gun; but if there is merit in the amendments, and the Senator from Florida feels that there is, I know he will act accordingly.

Mr. HOLLAND. Mr. President, the Senator from Florida is not the only Senator interested in this question. The Senator from Florida is 1 member of a subcommittee of 15, and 1 member of a full committee of 27 members, who have passed unanimously on this question. He is certainly not going to submit to the dictation of the Senator from Delaware. He has already stated to the Senator from Delaware, when a great many more Senators were present than are now present, that it was agreeable to the Senator from Florida to have the vote on the Senator's amendment go over until tomorrow.

The Senator from Texas has been trying assiduously to make sure that the Senate will get somewhere tomorrow and vote upon the Senator's amendment; or, if the Senator from Delaware has other amendments to propose, consideration of amendments might be limited to the amendments of the Senator from Delaware. No interest has been shown by any other Senator in any other amendments.

I stated to the majority leader—and I believe also to the minority leader—that I knew of no controversy in connection with the bill. The bill was reported by unanimous action. When a committee the size of the Committee on Appropriations, 27 in number, acts unanimously, it is pretty certain that no very great controversy is involved.

I have already said that I am agreeable to having the vote on the Senator's amendment go over until tomorrow, to precede the vote on the bill. I say this in perfect good humor. Frankly, I see no point in holding up consideration of the bill in order that any number of amendments may be offered by other Senators, who have shown no interest whatever in the matter, and have not asked that any amendments be considered. I do not believe that such a course would be carrying out the purpose of the leaders on both sides, which was to have a third reading of the bill tonight.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. JOHNSON of Texas. I thank the Senator.

Let me say for the RECORD, in the presence of all Senators who are in the Chamber, that the pound of flesh which is exacted is not in keeping with the spirit of the agreement which I had with the minority leader.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that, after the morning hour tomorrow, in the further consideration of the Commerce Department appropriation bill, debate on any amendment be limited to 20 minutes to a side, the time to be controlled by the Senator from Florida and the author of any such amendment, and that following that, after the third reading, debate on the bill itself be limited to 20 minutes.

Mr. JOHNSON of Texas. Mr. President, I object.

Mr. WILLIAMS of Delaware. I thought we might as well get the situation straight. If the Senator wishes to vote tonight, I am willing. I am as eager to get home as is any other Senator, but I believe that as Members of the Senate we have to remember that we are considering a $715 million bill, and that an effort is being made to ram it through the Senate with 1 day's consideration. It has not even been printed 24 hours.

Mr. JOHNSON of Texas. Mr. President, that is not a correct statement.

Mr. President, I ask unanimous consent that the Senator from Delaware be allowed 20 minutes on any other amendment he wishes to conjure up.

The Senator makes an inaccurate statement when he says that an effort is being made to ram the bill through. The Senator from Texas had an honorable agreement with the minority leader to proceed to the third reading of the bill; but the trouble is that the Senator from Delaware was not a party to the agreement, I assume, or it never would have been brought before this body.

Time and time again I have brought up various proposals, and I have found the Senator from Delaware ready to pounce upon them. I have tried to make it clear to the minority leader that, if possible, I desired to bring the pending measure to the third reading. I am trying to expedite the business of the Senate. If I cannot speak for the Senator from Delaware, I am sorry.

Mr. WILLIAMS of Delaware. I tried to cooperate with the Senator from Texas. I said that I would agree to a limitation of 20 minutes on any amendments, but I insist upon my right to offer amendments.

Mr. JOHNSON of Texas. I am willing to agree to a limitation of 20 minutes on any amendment the Senator from Delaware may wish to offer; but when he proposes that any other Senator may offer amendments, when there is no evidence that any other Senator is interested, and when the minority leader assured me that it would be satisfactory to him to proceed to a third reading of the bill this evening——

Mr. WILLIAMS of Delaware. One or two amendments would be offered tomorrow. I am not going to agree to limit debate on a $715 million bill and be blocked tomorrow from offering in good conscience any further amendments.

Since when is it considered sacrilegious even to suggest amending an appropriation bill.

Mr. JOHNSON of Texas. Would the Senator be willing to do this——

Mr. WILLIAMS of Delaware. Just a moment.

Mr. JOHNSON of Texas. I ask the Senator from Delaware——

Mr. WILLIAMS of Delaware. I have the floor. I will yield in a moment. I ask the Senator from Texas to be patient.

If he wants to finish the bill tonight, very well. I recognize the reason behind this rush. I have opposed this subsidy proposal in the years gone by. I believe these subsidies should be cut back. The bill proposes to expand them. I respect the position of every member of the committee, but I feel that the subsidy should be cut back, and I have a right to so express myself. I said I could do it in 20 minutes. Since the Senator from Texas feels that that is unreasonable——

Mr. JOHNSON of Texas. What is unreasonable?

Mr. WILLIAMS of Delaware. The 20-minute limitation on any amendment that any Senator wishes to offer. Since he feels it is unreasonable, I will not suggest the unanimous-consent agreement again. I doubt if the Senator from Texas will get one on this bill now. We would get along much better if we operated without driving.

Mr. JOHNSON of Texas. I ask unanimous consent that we may have the third reading of the bill, and that the Senator from Delaware and any other Member of the Senate who may desire to do so may offer amendments not exceeding 5 amendments—I assume that would anticipate anyone, and Members can be on notice there would be approximately 5 hours of debate if every Senator exercised his right—in other words, that we have third reading, and that not to exceed 20 minutes be allowed on any amendment not to exceed 5 amendments.

Mr. WILLIAMS of Delaware. Reserving the right to object, I understand the Senator from Texas is objecting to my unanimous-consent agreement. I suggest the absence of a quorum.

Mr. JOHNSON of Texas. Will the Senator withhold his suggestion temporarily? Does the Senator have objection to my request?

Mr. WILLIAMS of Delaware. I withhold my suggestion of the absence of a quorum momentarily.

Mr. JOHNSON of Texas. Does the Senator have objection to my request?

Mr. WILLIAMS of Delaware. Did the Senator wish to withdraw his request?

Mr. JOHNSON of Texas. Does the Senator have any objection to my request?

Mr. WILLIAMS of Delaware. Mr. President, I have suggested the absence of a quorum.

Mr. JOHNSON of Texas. The Senator does not care to express himself?

The PRESIDING OFFICER (Mr. HART in the chair). The absence of a quorum has been suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Bartlett	Humphrey	Prouty
Byrd, W. Va.	Jackson	Randolph
Dirksen	Johnson, Tex.	Schoeppel
Ellender	Jordan	Smith
Goldwater	Keating	Thurmond
Hart	Kuchel	Williams, Del.
Hayden	Mansfield	Young, Ohio
Holland	Morse	

The PRESIDING OFFICER (Mr. BARTLETT in the chair). A quorum is not present.

Mr. JOHNSON of Texas. Mr. President, I move that the Sergeant at Arms be directed to notify the absent Senators their attendance is desired in order that public business may be transacted.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas. [Putting the question.] The motion is agreed to, and the Sergeant at Arms will carry out the order of the Senate.

After a little delay, Mr. ANDERSON, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHURCH, Mr. CLARK, Mr. CURTIS, Mr. DODD, Mr. DOUGLAS, Mr. ENGLE, Mr. GORE, Mr. GRUENING, Mr. HARTKE, Mr. HENNINGS, Mr. HRUSKA, Mr. JAVITS, Mr. KENNEDY, Mr. MAGNUSON, Mr. MCGEE, Mr. MCNAMARA, Mr. MUNDT, Mr. MUSKIE, Mr. NEUBERGER, Mr. PASTORE, Mr. ROBERTSON, Mr. SYMINGTON, Mr. TALMADGE, and Mr. WILLIAMS of New Jersey entered the Chamber and answered to their names.

Subsequently the following Senators appeared in their seats: Mr. AIKEN, Mr. ALLOTT, Mr. BRIDGES, Mr. BUSH, Mr. CANNON, Mr. CAPEHART, Mr. COTTON, Mr.

DWORSHAK, Mr. EASTLAND, Mr. ERVIN, Mr. JOHNSTON of South Carolina, Mr. KERR, Mr. LAUSCHE, Mr. MCCARTHY, Mr. SALTONSTALL, Mr. SCOTT, Mr. STENNIS, and Mr. YARBOROUGH.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). A quorum is present.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senator from Rhode Island [Mr. GREEN], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Florida [Mr. SMATHERS], and the Senator from Minnesota [Mr. MCCARTHY] are absent on official business.

Mr. KUCHEL. I announce that the Senators from Maryland [Mr. BEALL and Mr. BUTLER] the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from North Dakota [Mr. LANGER] and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The Senator from Iowa [Mr. MARTIN] is absent because of illness.

I further announce that the Senator from Utah [Mr. BENNETT] and the Senator from Kansas [Mr. CARLSON] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

Mr. JOHNSON of Texas. I should like to have the attention of all Members of the Senate. I do not care to speak at any length, but I should like to inform the Senate that earlier in the day, in accordance with the customary practices which exist in the Senate, I had an agreement with the minority leader that since, so far as we knew, there were no controversial items in these two appropriation bills, since they must go to conference, since we have a wheat conference report pending, and since there has been some propaganda which has gone out that this may or may not be a "do nothing" Congress, we would attempt to transact business this evening to the extent of proceeding to a third reading on these two appropriation bills, to which no objection had been made by the 27 members of the committee, and the wheat conference report.

Many Members late in the evening went to their dinner with that understanding. Through no fault of the leadership, we have been confronted with the problem of having some amendments offered. We attempted to have an agreement on a limitation of time on the amendments that we knew about. We could not get it without getting a limitation on time on all amendments that might be offered tomorrow.

Therefore, after conferring with the author of the proposed amendments, who indicated that he would be willing to have a vote tonight, the absence of a quorum was suggested, and a quorum has now been obtained.

I am proud of the fact that of the 50 Members of the Senate present, 36 are from the majority, and are here ready, willing and eager to transact business. I deeply regret that the minority Members did not respond in kind. I do not want to make this a partisan matter. I believe that all Members of the Senate want to transact public business, but the fact is that there are 36 Democrats and 14 Republicans who answered to the quorum call.

I was informed that for some time the Republican Senators had not even been notified.

I do not want to be arbitrary. I had a gentlemen's agreement with the minority leader. I do want to vote. I do not believe we have reached the time when Senators can be intimidated or when we must legislate with a pistol at our temple. I have self-respect, as do other Senators. I should like to proceed and have the majority opinion of the Senate expressed on these appropriation bills, so that they may be sent to conference—today is June 17—and at the proper time have them go to the White House.

If the Senate is willing, I should like to have all Senators remain here, because we will have a yea-and-nay vote. I am willing to give the author of the amendment a yea-and-nay vote. If his amendment has not already been offered, if he will offer it now I will ask for the yeas and nays, and I will ask Senators to remain here as long as the Senator from Delaware may wish to discuss his amendment. Then, at the proper time, we can vote.

I attempted to work out a compromise. I asked the Senator from Florida, who is the diligent and able chairman of the subcommittee, to see what could be done.

He was unaware that there was any controversy in the matter. But after he conferred with some of the members of his subcommittee, he said they felt it would be unwise to compromise the matter; therefore, I think the judgment of the Senate will be required.

I should like all Senators to be on notice that if they leave, we may have another quorum call. We may have another yea-and-nay vote. We are reaching the stage in the session, I think, when we may have to work longer hours in order to even get to a vote on the nomination which is now pending. We may have to keep a quorum of the Senate available at almost any hour. I do not think this is a very good precedent to set, because if it was difficult to get more than 14 Republican Senators tonight, it may be difficult to get more than that many to confirm the nomination of Mr. Strauss to be Secretary of Commerce.

I do want a vote. I want Senators to express themselves. I am willing to stay here as long as it is necessary to do so in order to do that.

I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I most respectfully suggest to the Senator from Texas that I did not ask him to yield.

Mr. JOHNSON of Texas. I thought the Senator asked me to yield.

Mr. WILLIAMS of Delaware. I appreciate the Senator's willingness to yield, but I did not ask.

Mr. DIRKSEN. I asked the Senator from Texas to yield.

Substantially, I think the majority leader has stated the case, except for one thing. We cannot determine from week to week how many home folk will come here and invite Senators to dinner. A group from South Dakota was having a dinner in Washington tonight, and invited the distinguished Senators from South Dakota to be present.

The Trucking Association is having a dinner tonight, and some Senators were invited to be present. I have no control over such affairs. I am delighted, always, to have as many Senators as possible show up; but whether their attendance is in extra ratio to that of the whole Senate membership as decided by party, I cannot say. I hope the majority leader will not leave that reflection stand.

Certainly we have made a diligent endeavor to secure the attendance of Senators. One by one they have come into the Chamber; others will be coming in a little later, I understand. We have made an earnest endeavor to see to it that Senators are on hand.

It is not easy to respond when Senators come to me early in the day and ask, "Are there going to be any yea-and-nay votes tonight?" When I say, "I do not think so," they leave to attend the dinners.

In the utmost of good faith, I assure the majority leader that, so far as I knew, there was no controversy about the Department of Commerce appropriation bill. I had no notion that any amendment would be offered. I was perfectly agreeable to assuring him that we could carry him up to the third reading, so that the door would be closed to any amendments, and there could be a yea-and-nay vote on the bill tomorrow.

As a matter of fact, I think I ought to say—and I say it in all honesty, without any reflection on any Senator—that there was a member of the majority party—I shall not name him, because I do not want to reflect on any Senator—who, before he left, said there should be no yea-and-nay vote on an appropriation bill tonight.

Mr. JOHNSON of Texas. I had no such information.

Mr. DIRKSEN. I had that information.

Mr. JOHNSON of Texas. I think the Senator is in error. I think he is speaking about the vote on the passage of the bill.

Mr. DIRKSEN. That is correct.

Mr. JOHNSON of Texas. We did not anticipate having that vote tonight, because I had reason to rely on the Senator's assurance that he could speak with knowledge about Senators on his side of the aisle. I understood that there was no controversy about the bill, that we could bring it up to the third reading. I was assured that, so far as he knew, that

could be done. I think the Senator, himself, knew that the procedure would be developed in that way.

Mr. DIRKSEN. That is correct. I had no notion that an amendment would be offered, but I do know that one Senator on the majority side of the aisle said he wanted the yea-and-nay vote to go over. I could not anticipate that amendments would be offered, but I tried to be entirely fair about the matter.

If we have a hassle at the moment, I do not think it is quite of our contriving, because I have no way of knowing what is in the minds of all Senators on this side of the aisle.

Mr. JOHNSON of Texas. I do not question the good faith of the minority leader; I never have; I never expect to.

Mr. CASE of South Dakota. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. CASE of South Dakota. Notwithstanding the fact that there is a so-called South Dakota dinner uptown, I should like to have the RECORD show that both Senators from South Dakota are on the floor of the Senate.

Mr. JOHNSON of Texas. I observe that they are, and I regret the necessity of having to ask them to come to the Senate at this late hour. If the agreement had been carried out, and if the arrangements which had been made had been carried out, it would not have been necessary for the Senators to return.

I was willing to agree that the Williams amendment be taken up tomorrow and be voted on then. But I am willing to stay here tonight and vote whenever it is the judgment of the Senator from Delaware that the Senate should express itself.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. GORE. It is not often that I suggest that any action of mine might set a trend, but I was one of those who was at the dinner of the Trucking Association. Just as I had had placed before me a delicious steak and had taken one bite, word came to me that the Senator from Delaware [Mr. WILLIAMS] had made the point of no quorum, and I was asked if I would rush to the Senate floor. I did. As the Senator from Texas has said, that was horrible. I went to the restaurant and ordered another steak. When the check came, I signed it "JOHN WILLIAMS, Esq." I was liberal with the tip. [Laughter.]

Mr. JOHNSON of Texas. I hope all Senators will remain here until we can hear the merits of the amendment discussed and can obtain as many votes as may be possible, if any, this evening.

Mr. DIRKSEN. I can only add to the comment by the Senator from Tennessee that the minority leader has not had even one bite of supper.

Mr. JOHNSON of Texas. Neither has the majority leader.

Mr. DIRKSEN. Neither has the minority leader.

Mr. GORE. I suggest they charge their suppers to JOHN. [Laughter.]

Mr. DIRKSEN. We have tried to be fair in the matter. From here on out, I do not think I shall have anything more to say.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DIRKSEN. If the Senator plans to speak with respect to a succulent steak from a good Angus steer on his farm, I yield.

Mr. KERR. I should like to ask the distinguished minority leader, on the basis of his statement, if it is not a foregone conclusion that the Senator from Delaware, in keeping Senators from dinner, has been equally successful as to both the majority leader and the minority leader, and to that degree his efforts are bipartisan.

Mr. DIRKSEN. I think that is so.

The Senator from Delaware could invoke the 3-day rule on any appropriation bill.

Mr. JOHNSON of Texas. That is true.

Mr. DIRKSEN. He told me that if he had the opportunity overnight to examine the report on any appropriation bill, he would be willing to waive the rule, and that he has done. So I think he has acted in fairness and has acted very circumspectly.

Mr. JOHNSON of Texas. I do not question the fairness of any Senator in the matter. I think we are operating under the rights of every Senator. I hope the amendment will be discussed on its merits and in its entirety and at such length as the Senator from Delaware may desire to discuss it. Then I hope we may reach a vote on the amendment.

In the meantime, I should like to submit a unanimous-consent request in connection with the Strauss nomination. I invite the attention of the distiguished minority leader to what I am about to say, because he submitted this request to me earlier in the day. I think every Senator has been given adequate notice that we are about to transact business, although I do not know whether we are about to enter into this proposed unanimous-consent agreement.

The PRESIDING OFFICER. Does the Senator from Texas withdraw the unanimous-consent agreement he proposed prior to the quorum call?

Mr. JOHNSON of Texas. I do.

PROPOSED UNANIMOUS-CONSENT AGREEMENT ON STRAUSS NOMINATION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that on Thursday, June 18, 1959, after the conclusion of the routine morning business, the Senate proceed to the consideration of executive business; that further debate on the question of advising and consenting to the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce, be limited to 10 hours, to be divided equally between the proponents and the opponents, and to be controlled, respectively, by the ranking Republican member of the Committee on Interstate and Foreign Commerce, the Senator from Kansas [Mr. SCHOEPPEL], and by the chairman of that committee, the Senator from Washington [Mr. MAGNUSON]; provided, that the vote on the question of advising and consenting to the nomination come on Monday, June 22, 1959, immediately after the disposition of any motion, including a motion to recommit, on which the time shall be 1 hour, to be equally divided and controlled, respectively, by the mover of such motion and by the majority leader or, if the majority leader is in favor of the motion, by the minority leader, which motion shall be submitted immediately following the conclusion of the routine morning business on that day; otherwise, if no motion to recommit is made, then on that day, immediately after the conclusion of the routine morning business, that the Senate shall proceed to vote on the question of advising and consenting to the nomination.

Mr. President, that means that the majority leader is suggesting that the Senate enter into a unanimous-consent agreement to vote on Monday, June 22, 1959, immediately after the disposition of any motion to recommit, on the question of advising and consenting to the nomination of Mr. Strauss.

I informed the minority leader that I thought we could obtain a vote earlier; that I attempted to do so yesterday; but that, having failed, I would present this request to the Senate.

I do so, and I ask for the judgment of the Senate.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Is there objection to the proposed unanimous-consent agreement?

Mr. ANDERSON. Mr. President, let me ask what happened to the proposal that the Senate start to vote this week and dispose of the nomination this week?

So far as I am concerned, I raise no objection to the request which has been made by the majority leader. It would allow 10 hours for further debate—which I think is more than will be needed from now on.

But why not commence the session on Thursday, at 10 a.m., and have the vote taken Friday afternoon?

I do not care when the vote is taken. But if that is the decision, why not do it in that way?

The able majority leader previously made some such proposal—as appears on page 10901 of the RECORD.

I do not know why we have to wait until Monday to take the vote, and then perhaps have another week of debate.

I am perfectly willing to agree to what the majority leader now requests; but why not wind up this issue this week?

If the majority leader will amend his proposal for unanimous consent, so as to provide that the vote be taken tomorrow or the next day, I certainly will not object.

Mr. JOHNSON of Texas. Mr. President, the majority leader is ready to vote on Thursday or on Friday or on Saturday or on Monday. In fact, Mr. President, I would amend my request, so as to provide for the taking of the vote on Friday, if that is agreeable to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I can assure the Senate that I have not been noted for political guile. We tried to estimate the situation on the basis of our knowledge that certain Members will

be out of town to make speeches. A distinguished Member on the other side will be out of town on Saturday, to make what I believe will be a major speech. Members on this side are out of town.

I have always had some allergy to Saturday sessions, because of the accumulation during the week of office work which I am unable to attend to until Saturday comes.

Therefore, I had thought that if the debate could be concluded this week, then on Monday, after disposition of a motion to recommit—if such a motion were made—the Senate could proceed to vote on the nomination.

The situation is just that simple; and on that basis I have suggested to the majority leader that the request he has made ought to be presented.

Mr. JOHNSON of Texas. Mr. President, let me ask whether I correctly understand from the Senator from New Mexico [Mr. ANDERSON] that he is prepared to enter into an agreement to have the vote on the Strauss nomination taken after there have been 8 hours of additional debate and not to exceed 1 hour of debate on a motion to recommit, if one is made, following the conclusion of the routine morning business on Thursday.

Mr. ANDERSON. I speak only for myself; but I certainly am ready to, and I think that other Senators on this side of the aisle are.

Mr. JOHNSON of Texas. Then, Mr. President, I propose to the Senate that, following the conclusion of the routine morning business on tomorrow, Thursday, there be not to exceed 8 hours of general debate, to be equally divided, and controlled, respectively, by the ranking minority member of the committee [Mr. SCHOEPPEL] and the chairman of the committee [Mr. MAGNUSON]; that there be not to exceed 1 hour of debate on any motions, except on a motion to lay on the table, to be divided equally, and to be controlled, respectively, by the mover of the motion and the majority leader; and that at the conclusion of the expiration of all time thus allowed for general debate and debate on all motions the Senate proceed to vote on the question of advising and consenting to the nomination of Lewis L. Strauss, of New York, to be Secretary of Commerce.

Mr. GOLDWATER. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. GOLDWATER. In addition to the unanimous-consent agreement the Senator from Texas has requested, will he include a provision that the session on tomorrow begin at 10 a.m.

Mr. JOHNSON of Texas. No; I would not wish to do that.

Mr. GOLDWATER. I thought the Senator from Texas wanted to expedite the business of the Senate.

Mr. JOHNSON of Texas. I do, and I have been attempting to do so. But I do not want to close down all the other business of the Senate tomorrow; and we think we could obtain an agreement to have the Senate vote on the nomination on Friday, at a reasonable hour.

Just now, following the suggestion of the Senator from New Mexico [Mr. ANDERSON], I have proposed that the time for remaining debate on the nomination be limited to 8 hours, instead of 10. Thus, 2 hours would be saved—in other words, as much time as would be saved by having the session commence at 10 a.m. instead of at noon. So no time would really be gained by following the suggestion of the Senator from Arizona.

I am desirous of expediting the business of the Senate, and I have so indicated several times, and only a minute ago I proposed that the time previously proposed be reduced by 2 hours.

Mr. ANDERSON. Mr. President, the majority leader has suggested that there might be 2 hours of debate on a motion to lay on the table. Would he agree that the 2 hours be available for debate either on a motion to lay on the table or on a motion to recommit?

Mr. JOHNSON of Texas. My proposal was that 1 hour be available for debate on any motion, including a motion to recommit, except for a motion to lay on the table. Under the rule, a motion to lay on the table is not debatable.

Mr. ANDERSON. I am sorry; I misunderstood.

Mr. JOHNSON of Texas. I thought we could obtain an agreement to have the vote taken by the middle of the afternoon or the end of the afternoon on Friday, at the latest. I do not know how many motions might be made.

Mr. ALLOTT. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from Colorado.

Mr. ALLOTT. Mr. President, if this be the situation, I will object.

Mr. JOHNSON of Texas. Does the Senator from Colorado object to both of the proposed agreements?

Mr. ALLOTT. Both—no, not to the first one, but to the second one.

Mr. JOHNSON of Texas. The Senator from Colorado does not object to the proposed agreement to have the vote taken next Monday?

Mr. ALLOTT. That is correct.

Mr. JOHNSON of Texas. However, the Senator from New Mexico [Mr. ANDERSON] has objected to the proposed agreement to have the Senate vote on the nomination on Monday.

Mr. DIRKSEN. Mr. President, I shall not detain the Senate.

I thought we evidenced our good faith and our good will on yesterday, even though there was some belief that the unanimous-consent agreement which was proposed then was so couched that it would invite objection. Yet we were willing to agree that the session begin at 10 o'clock in the morning, today, and that the vote be taken at 10 o'clock tonight, in the interest of expedition of the action of the Senate on the nomination.

Frankly, I have nothing more to say about it.

Mr. JOHNSON of Texas. Then, Mr. President, let us vote on the amendment of the Senator from Delaware to the Commerce Department appropriation bill. Is his amendment pending?

Mr. MUNDT. Mr. President, I understand that a proposed unanimous-consent agreement is pending.

Mr. JOHNSON of Texas. Objection was made.

Mr. ANDERSON. Mr. President, I said I would object to the proposal that the Senate agree to vote on the nomination on Monday.

Mr. CASE of South Dakota. Mr. President, I should like to be recognized; I wish to address an inquiry to the distinguished majority leader. I wonder if there would be agreement to a proposal that the time for the vote on the nomination be set for, let us say, 10 o'clock tomorrow night.

Mr JOHNSON of Texas. I do not think the membership on either side of the aisle—although I cannot speak for them—would feel that it would be desirable to agree to vote at a time certain. I think they would feel that there should be an opportunity to submit motions—which Senators normally have a right to offer; even though the time available to each side may be limited.

Mr. CASE of South Dakota. I thought that was the understanding.

Mr. JOHNSON of Texas. No; on yesterday, against my better judgment, we proposed that further debate on the nomination, including debate on all motions in connection with the nomination, be cut off at 10 o'clock. I did not think that proposal would be agreed to, although I thought we could obtain consent to have the Senate vote on the nomination on Thursday evening. But, for some reasons, Members apparently do not want the vote taken on Thursday or on Friday or on Saturday. Under the circumstances, the only thing I could do was to make the other proposal; and, if that was not agreeable, then to have the Senate remain in session until a rather late hour tomorrow and Friday and Saturday, if we can by that time reach a vote on the nomination; and that is what the leadership hopes to do.

Mr. President, I call for a vote.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER (Mr. BARRETT in the chair). The bill is open to amendment.

Mr. WILLIAMS of Delaware. Mr. President, on behalf of the Senator from Illinois [Mr. DOUGLAS] and myself, I submit the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 7, in line 18, it is proposed to strike out "two thousand six hundred" and to insert in lieu thereof "two thousand two hundred and twenty-five".

Mr. WILLIAMS of Delaware. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I regret any inconvenience to which any of the Members of the Senate may have been put as a result of being called back tonight. In particular, I wish to say to my good friend, the Senator from Tennessee [Mr. GORE], that I am delighted to have the honor and the opportunity of subsidizing his dinner tonight, and I note that he was liberal with the tip. Is it not remarkable how free we can be with other people's money? I suggest that in return he vote with me to eliminate about a $15 million unnecessary subsidy and save the American taxpayers some money for a change.

It is true, Mr. President, that I had told both the majority leader and the minority leader that I was willing to have the bill considered, debated, and voted on this afternoon, But in giving consent to have the bill taken up for consideration, by no stretch of the imagination did the majority leader have the right to conclude that I agreed to give up all rights as a Member of the Senate to submit any amendments to the bill or that the Senate was obligated to take the bill as it then stood, without having any Senator offer an amendment even to reduce the amount of any appropriation in the bill. Why have a Senate if we have no right to question an expenditure?

If there was a misunderstanding in that connection, I apologize for it. I only say it will not happen again. The next time I shall hesitate to give consent, and since there is a 3-day requirement perhaps the Senate will have to operate under the regular rules.

It is always the right of Senators to offer amendments to cut down or to increase amounts in an appropriation bill, even after we give consent that the bill be considered.

In this particular instance, I have, on several occasions when the Commerce appropriation bill has been before the Senate, the Senator from Illinois and I have discussed the question of enlarging subsidies for the American merchant marine. There are many of us, on both sides of the aisle, who think it has gone too far. At the same time I recognize that there are Members on both sides of the aisle who are in favor of the proposal. I respect their opinion. This amendment proposes to restrict the contractual authority of the Maritime Board to commit the U.S. Government to pay larger amounts of subsidies next year than are being paid this year.

Our amendment will bring this proposal down nearer to the budget recommendations.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. GOLDWATER. Will the Senator tell us which bill we are working on?

Mr. WILLIAMS of Delaware. On the Commerce Department appropriation bill.

Mr. GOLDWATER. The junior Senator from Arizona has not seen a copy of the bill. Are copies available?

Mr. WILLIAMS of Delaware. They are available only since noon today. This is an example of the Texas steamroller under which we are operating. The bill was only reported yesterday. It was not available to the Senate until about 11 o'clock today, although I did get a copy of the committee print last night. Unless a Member asked for a copy of the committee print the bill was not available to him.

It is a $715 million bill. An effort is being made to ram this bill through the Senate without an opportunity for Members to even examine the bill. I say we have the right to examine it. We not only have the right, but we have the responsibility to do so. I think it is time we call the attention of the people to these appropriation bills.

I know the Senator from Illinois will join me in saying he certainly had every intention of offering an amendment and would have perhaps offered this same amendment, or maybe one which went further.

Mr. GOLDWATER. Mr. President, will the Senator yield further?

Mr. WILLIAMS of Delaware. Yes.

Mr. GOLDWATER. Are copies of the bill and the report available to Senators? I do not have any on my desk. I do not know what the Senator is talking about.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. JOHNSON of Texas. There are copies of the bill available, and there were yesterday, and there are copies of the report available. I want to emphasize that the majority leadership has a right to follow the agreements made with the minority leadership. I realize the minority leader does not speak for all the Members on his side of the aisle, nor does the majority leader speak for all the Members on his side of the aisle; but this bill would not be before the Senate, and there would be no attempt to pass this program, had I anticipated the obstruction. The minority leader assured me, as late as 5 o'clock, that we could proceed to the third reading of the bill; that there was no controversy about the bill. The distinguished chairman of the subcommittee gave me the same assurance.

I have no desire to proceed any faster than the minority leadership is willing that we proceed. If the Senator from Illinois [Mr. DIRKSEN] had told me this was going to happen, and that Members of the Senate would be required to be present in the Chamber at 9:15 p.m., I would never have asked that the Senate proceed to the consideration of the bill. I understood he had an agreement with the Senator that we could proceed with the bill. I did not know the Senator from Delaware was going to offer an amendment, but when I learned that, I agreed that he be permitted to propose any amendment he wanted to——

Mr. WILLIAMS of Delaware. Mr. President, is the majority leader asking a question? I insist on the regular order.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. WILLIAMS of Delaware. I will yield, but I will most respectfully ask the majority leader to follow the procedures of the Senate and ask me to yield. I will yield to him at any time he requests me to.

Mr. JOHNSON of Texas. Will the Senator yield?

Mr. WILLIAMS of Delaware. I will yield to the Senator in just a moment. I want to emphasize that there is no misunderstanding between the majority leader and the minority leader. It was all right to have the bill considered tonight. But, by no line of reasoning, in agreeing to bring the bill up did I preclude myself from offering an amendment. I venture to say that the Senator from Illinois feels the same way about it. There may be other Members who want to offer amendments.

This is not the first time I have discussed this subject of subsidies, nor is it the first time I have opposed them. I discussed it last year. This year it is proposed to enlarge the subsidy by 12 percent over what was allowed last year. I think the matter should be discussed. I am very much in earnest about this amendment.

Mr. DOUGLAS and Mr. MAGNUSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield, and if so, to whom?

Mr. WILLIAMS of Delaware. The Senator from Illinois was on his feet first, and I yield to him.

Mr. DOUGLAS. First, let me say I did not realize that the Commerce appropriation bill would be brought up tonight. I thought the legislative appropriation bill was to be brought up. As the Senator from Delaware has said, he and I have said both the ship operating and ship construction subsidies are excessive. I had planned to offer an amendment to them. I do not think the Senator from Delaware should be blamed because, once the bill is up for consideration, he follows his conscience. I do not always agree with the Senator from Delaware. I disagree with him on many occasions. But I will say he is a man who has the public interest at heart, and he follows his conscience in money matters. I do not think he should be downgraded here on the floor of the Senate because he is doing what he thinks is right.

Mr. MAGNUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield for a question?

Mr. WILLIAMS of Delaware. I will yield in a moment. The proposal is before the Senate, and the only time the operational subsidies can be changed is now.

Mr. MAGNUSON. Mr. President, will the Senator yield to me?

Mr. WILLIAMS of Delaware. In a moment I will yield. We have plenty of time. We are not in a hurry.

These operational subsidies come before Congress each year. This year they call for an expenditure of $135 million. Those asking for the subsidies come before Congress each year and make the request on the basis that the Maritime Board has been authorized to sign contracts and they have become contractual obligations of the Government. The only way we can cut the amounts back is

to offer amendments to put limitations on the contracts which can be made. I think we have a right to offer such amendments. I know the Senator from Washington may have different views. I respect his views.

I yield to the Senator from Washington at this time.

Mr. MAGNUSON. I merely wanted to suggest I am not in disagreement with the Senator from Illinois regarding the sincerity of the Senator from Delaware on this particular matter. I do not know of any Member of the Senate who is. But we have had this matter before the Senate on many, many occasions, and never has the Senator from Delaware come before the committee to discuss the question. It seems as though he always waits until the bill comes to the floor, and then talks about this matter. There are two sides to the question, I understand that, but I do not know why the Senator from Delaware or the Senator from Illinois never ask to appear before the committee. We hold hearings for weeks on this item. Nobody is more diligent in respect to it than is the Senator from Florida. The Senators always wait until the last minute, until the committee unanimously approves the bill, and after it has worked hard on this question, and has listened to witnesses. Yet the two Senators never appear before the committee.

Mr. WILLIAMS of Delaware. I appreciate the Senator from Washington's bringing up that matter, because it brings to my mind——

Mr. MAGNUSON. We have to——

Mr. WILLIAMS of Delaware. Mr. President, I have the floor. I will yield in a moment. I thank him for reminding me that I have another bill before the Senator's committee on which hearings have been held, dealing with a similar subject. I appeared before the committee and was promised action. I am glad he mentioned it. The bill to which I refer is the one that would place a prohibition on any Government official's taking a free or a subsidized ride on subsidized American ships.

Mr. MAGNUSON. I am referring to the Appropriations Committee.

Mr. WILLIAMS of Delaware. I am referring to the committee of which the Senator is chairman. I appreciate his bringing the question up, because we have a situation where public officials, Members of Congress, and members of the executive branch are riding at subsidized rates furnished by the American merchant marine, the same group which is being subsidized under the bill which the Senate is being asked to vote on tonight.

It is very appropriate to think of both of these questions at this time.

These Members of Congress tonight will be voting for increased subsidies over and above what Congress previously provided.

Mr. MAGNUSON. Will the Senator name those Members of Congress?

Mr. WILLIAMS of Delaware. Just a moment.

Mr. MAGNUSON. Will the Senator name them? I think it is unfair unless the Senator names them.

Mr. WILLIAMS of Delaware. Yes. Mr. President, the Senator has this list in his committee or should have and I think it is appropriate to place them in the RECORD. I renew the request that we ask the Department to submit the information, and that he should place it in the RECORD as the chairman of the committee.

We cannot escape the fact that this is an operation being subsidized by the taxpayers. This is not a subsidy operating in the manner we subsidize the farm operations. This is a subsidy for a segment of American industry which is guaranteed against any loss. Not only is the industry guaranteed against loss, but it is guaranteed a margin of profit.

I think we are going far afield when we subsidize the American merchant marine to that extent. Certainly, some of us who feel that way about the matter—as the Senator from Illinois and I have felt on many occasions—have the right to ask the Senate to stop this expansion and enlargement.

In the particular bill we have before us, the House restricted the provision to 2,040 voyages upon which the Federal Maritime Board can contract. The Senate committee increased the number to 2,600 voyages.

My amendment would merely provide for reducing the figure to 2,225 voyages, which was the figure for last year. I think even that is far beyond what the taxpayers should pay for.

Let us not forget that this is not the only subsidy we are granting to the American merchant marine. We are subsidizing ships on the Great Lakes as well as in ocean travel. I remember that only a few years ago, over my objection, we sold six of the C–4's, the best freighters we had at that time—new freighters which had scarcely been used—to the Great Lakes companies. Some were built at the Bethlehem Steel yards, at a cost of about $7½ million apiece. We sold those ships to the steamship lines for $102,000. Now we are going to subsidize their operations to a greater extent than ever before. When we have a deficit of from $10 billion to $12 billion it is time to call a halt.

I believe in an American merchant marine as much as anybody else does, and I believe in keeping it under the American flag, but I also believe that this industry has some responsibility to operate for itself. I do not think it should expect the American taxpayer continually to keep enlarging the subsidies.

We are told that the bill provides $130 million to pay for the contracts which have already been made on the operating differential subsidies. Last year the cost was $127½ million. Two years ago it was only $35 million although the amount was enlarged with a supplemental appropriation bill later. It was $124 million in 1956.

The trend is ever forward. If we increase the 2,600 voyages by 10 or 15 percent it will mean a cost of $10 million or $15 million more added to the cost when we have to pay the bill the next year and the year thereafter. Then we will be told that we have no alternative except to pay the bill.

The only way we can restrict this operation is to cut down the contracting authority of the Federal Maritime Board. That is what we are trying to do under this amendment. We are not trying to renege on any contracts. I voted against many of the subsidies a year or two ago. We were overruled at that time, and I am perfectly willing to appropriate the money to pay the contractual obligations of the United States when those obligations can be established as justified.

Certainly we can stop making these contract, especially when we consider that we face a $10 billion or $12 billion deficit. I doubt if there is a Member of the Senate present who thinks we will have a balanced budget next year. No one is that optimistic.

I think in the interest of the American taxpayers—not in the interest of the Senator from Illinois or of the Senator from Delaware—we should take this action. Whether we win or lose is immaterial for our own sake, but we are fighting from the standpoint of the American taxpayers, and it is a question of whether we are going to continue to enlarge the subsidy program for an industry which, in the opinion of many of us, has already been subsidized far beyond what it should have been.

Mr. CURTIS, Mr. HOLLAND, and Mr. SALTONSTALL addressed the Chair.

Mr. WILLIAMS of Delaware. I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, as I understand the Senator's amendment, it would reduce the number of voyages authorized.

Mr. WILLIAMS of Delaware. That is correct. It would reduce the number of voyages upon which the Federal Maritime Board can make contracts.

Mr. CURTIS. How much of a savings would be brought about should the Senator's amendment be agreed to?

Mr. WILLIAMS of Delaware. We authorized last year 2,225 voyages, and I understand that most of the voyages were contracted for. We are being asked to provide $130 million to pay for those voyages. On that assumption, if we increased the number to 2,600, we would be increasing it by about 10 percent or so——

Mr. MAGNUSON. How can the Senator say a thing like that?

Mr. CURTIS. What is that?

Mr. WILLIAMS of Delaware. I should estimate that it would be from $10 million to $15 million. That is a rough estimate. We do not know whether all of these voyages will be contracted for. The argument was made a while ago that if we authorize the voyages the Federal Maritime Board will not contract for them. If that is true, then let us strike out the provision.

Mr. CURTIS. In other words, if we authorize the voyages we give consent to spend that much money, so far as the Congress is concerned?

Mr. WILLIAMS of Delaware. The Senator is correct. If we want to cut this program back, the place to cut it back is in the authority to make the contracts. Once we make these contracts and the ships make the voyages, whether I vote for it or not, it is a contractual obligation. I think we can cut the authority

back before the contracts are made, and in the interest of economy I think we should do so.

Mr. HOLLAND and Mr. SALTONSTALL addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. HOLLAND. Mr. President, I regret that so many Senators have been called back to the Senate this evening. I want to say I had no anticipation that this would occur. I doubt if the Senator from Delaware had any such anticipation. I am sure neither of the leaders did.

The bill seemed to be pretty acceptable, until the time we were ready to have the third reading of the bill, when the amendment was offered, by the Senator from Delaware, as he had the right to do.

Mr. President, I want briefly to make very clear just what is involved in this matter. This is not a hearing on an amendment to a legislative bill. If the legislative program designed to make the United States secure by having a strong maritime force available is not the correct program, the place to consider the matter is in the legislative committee. We should bring that matter before the Senate in an appropriate manner.

The question before us is twofold. First, should we make an allowance to pay contracts already made, which are obligations of the United States? Second, should we uphold the administrative agency which is simply carrying out the directions given it in the legislation which has been passed by the Congress?

Mr. President, the provisions which are at issue can be found on page 7 of the bill. I ask Senators to please follow this discussion, because I think it can be made quite clear very quickly.

The amounts involved can be found on lines 9 to 14 under the section "Operating-Differential Subsidies," but they are not involved in this amendment. The thing which is involved in the amendment starts with the proviso:

Provided, That no contracts shall be executed during the current fiscal year by the Federal Maritime Board which will obligate the Government to pay operating-differential subsidy on more than two thousand and forty voyages—

This is the way the House bill read:

in any one calendar year, including voyages covered by contracts in effect at the beginning of the current fiscal year, or which one hundred and fifty shall be for companies which have not held contracts prior to July 1, 1959, and seventy-five shall be for companies operating into or out of the Great Lakes.

Mr. President, the 1959 appropriation provided a limitation of 2,225 voyages. The Federal Maritime Board has been proceeding with hearings, some of which were initiated as long as 3 or more years ago, in an effort to establish the right of the merchant marine organizations, which have long been in business, to come under this program. Some of the best businesses in the United States are already under the program. Some have withheld any attempt to come under the program until the recent 3-year period, during which hearings have been held.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HOLLAND. Please allow me to conclude my statement, and then I shall gladly yield.

The committee went into this subject in great detail. The Board advised the committee that, following the hearings which have now been concluded—some of which were pending for 3 years—within the fiscal year ending in a few days, awards of a great many more approved voyages will be made to companies which have not had any approved voyages, and are just as much entitled to come under the protection of this law, and to make their contribution to the maritime strength of the Nation, as are the ones which are already under it.

Instead of putting in this measure the figure 2,225, toward which the Maritime Board was working, and which would be completely used up in the additional voyages now ready to be awarded, the other body, in passing this measure said, in effect, "Let us cut back the figure to 2,040. There are already 2,011 awarded, leaving 29 more. Let us order them to spread the 29 out so as to have 150 of them available for companies which have not held contracts prior to July 1, 1959, and require 75 of them to be made available for companies operating into and out of the Great Lakes."

I hope no Senators will ask me to read sense into that provision, because, from the very nature of it, it is impossible of fulfillment.

The limitation of 2,040 placed in the House bill really allows only 29 additional unallotted voyages, and yet the bill continues with the statement that there shall be 225 additional voyages allowed to firms which did not have any participation in the program up to July 1, 1959.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HOLLAND. It goes without saying that that situation is ridiculous.

I shall be glad to yield to my friend as soon as I complete this very brief statement.

We had before us representatives of the Board. We had before us representatives of many of the shipbuilding companies, including some already covered by subsidy, and some others—four in all, as I recall—which had never been on the subsidy list, but had been trying assiduously to get on for the past 3 years, because they found the competitive situation impossible. Some of them have hundreds of millions of dollars of their own money invested, and they are just as much entitled to fair treatment under the law as are the ones who are now under the program.

With all the evidence before us, we found that there was no certainty as to how many voyages would be needed to make the program fairly applicable to all who were entitled to participate in it.

Those who knew most about the program suggested that we follow the recommendation of the Board and put in a figure of 2,600, with the full knowledge that the bill will go to conference. Then we can obtain from the Board a clear picture of how many will be needed. Certainly the number of 2,225 is inadequate, because there are already enough applications in process to bring the number beyond that figure. The problem is as simple as that.

In order to have a little leeway in conference in reaching the final figure to be placed in the conference bill, the committee suggested the inclusion of the figure 2,600, as suggested by the Board.

One minute more, and I shall be through with this particular matter, except to yield for questions.

It is impossible to leave the bill in its present form. To do so would hold up to ridicule every Senator who might vote for such a bill, because it is not susceptible of any reasonable interpretation.

My distinguished friend, the Senator from Delaware [Mr. WILLIAMS] had prepared an amendment to cut the number back to 2,040. He must have realized that that would not be possible with the other provisions in the bill, and with the undoubted need for allocation of the other voyages, not only to ships which sail the seven seas—150 were allocated by the House for that purpose—but also a special number of 75 to ships going in and out of the Great Lakes through the new waterway which has just been opened. The subcommittee of 15 members, having heard all the evidence, thought that that was the fair thing to do, and we unanimously agreed. The full committee of 27 members having heard the arguments, and having seen the printed record, reached the same conclusion. The information we have is that 2,600 should be or will be the final number, but we all know that with the final issue before the conference, it is our duty to work for the extension of the program to those who are entitled to it, and who have shown their entitlement to it in the hearings, many of which have been completed.

If there is any such thing as fair play, it is required that this program be followed. The Senator from Florida is not here to defend our program of building maritime strength. Congress has enacted that program; and it is our duty to supply the money to meet current obligations, and to supply the money to allow the administrative agency to carry out the law which we enacted. That is what we are trying to do.

I yield first to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I should like to make a brief statement, and then ask a question.

The purpose of the law is to permit the United States to have a merchant marine which can compete with lower wages and lower costs of foreign countries. The law has been in effect for some time. I agree with the Senator from Delaware that it is a subsidized business.

The need for the 2,600 voyages is based upon the following considerations: The Department asked for 2,600 voyages. The Budget Bureau cut the number down to 2,040 voyages. Then the House

inserted a provision to the effect that, of the number of voyages, 150 should go to new operators, and 75 on the Great Lakes. That made it impossible to remain within the limit of 2,040, for the simple reason that at the present time 2,011 voyages are operating, and 35 on the Great Lakes. If we leave the figure at 2,040, there will be only 29 additional routes available.

At the present time there are 15 privately owned U.S.-flag companies under contract to operate 313 ships under subsidy agreements, on the 36 designated essential foreign trade routes. If we accept the figure of 2,040 in the House version, and leave in the provision for new operators, there will be no room to allow present companies, now operating 313 ships, to expand and carry any of our foreign commerce.

We placed in the bill the figure of 2,600, which is what the Department requested. We placed in the bill the figure of $130 million, which was the budget estimate. We allowed, in that $130 million estimate, $2,500,000 for bills which we already owe, but we left out $2,500,000 for bills which can be paid at a later date.

But if we place in the bill the figure called for by the amendment of the Senator from Delaware, namely, 2,225, we can do so only if we strike out the provision which the House inserted, providing for 150 new routes for new operators, and 75 on the Great Lakes. If we were to strike out that provision, the amendment of the Senator from Delaware would be all right. But we left that provision in because of the St. Lawrence Waterway, and the opportunity to start new routes on the Great Lakes, and to allow new operators, and, at the same time, not handicap old operators who had been operating the 313 ships.

That is my observation. Now I wish to ask the Senator from Florida a question.

Is it not true that if we are to make this law operative and maintain a merchant marine in these troublous times, we must allow a fair number of new routes for old operators; we must make allowance for new operators; and we must make the St. Lawrence Seaway workable? Is that not the purpose and background with which we voted for 2,600 voyages?

Mr. HOLLAND. The Senator is correct. There is no fair way to deal with this problem except to allow some room for operators who come into and out of the Great Lakes. That is why we developed the new waterway. There is no fair way to deal with this problem except to allow the new operators, who have not been in the program before, to participate in the program, which they have a perfect right to do; and we must allow some room to the old operators for growth.

The operator which has the largest number of ships of any American flag line is one which has not been under the subsidy, and one which has had its application pending for some 3 years, and is on the point of coming under the subsidy for a certain number of voyages.

There is one more statement I should make. It has been suggested to me by my distinguished friend from Virginia—and I want all Senators to know it—that the bill is under the budget estimates and this item is that under the budget estimate.

I conclude on this point. We want to have leeway to make the final figure a realistic one, we want a figure in the bill which will enable us to do the proper thing in conference. We do not think we are safe in attempting that without having in the bill at least the number requested and testified to before us by the Board.

Mr. SALTONSTALL. Mr. President, will the Senator yield once more?

Mr. HOLLAND. I yield further.

Mr. SALTONSTALL. If we are going to retain the provision which the House adopted, and which was not in the budget recommendation or in the message of the President, for 150 voyages for new operators and 75 on the Great Lakes, we must have that amount. If we want to strike out the amendment, then it would be fair all around, but fewer new operators will have a chance to get new routes on the Great Lakes.

Mr. HOLLAND. That is correct, but I do not favor striking out that admission of the fact that we have the need in order to do the decent thing and to have the voyages for the shipping that we want to go through the seaway, in the building of which we participated with our good neighbor to the north, so that there may be maritime traffic of consequence reaching into the Great Lakes.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MAGNUSON. Mr. President, what I want to suggest to the Senate is that there has been spread a great deal of misinformation about this matter. These voyages limit themselves. An operator must qualify. He must go through lengthy hearings.

Mr. HOLLAND. And show need for the voyage.

Mr. MAGNUSON. Yes, and the national interest must be taken into consideration. As a matter of fact, I believe the Board has been very stingy about voyages. Our merchant marine has been going down quite a bit. There seems to be the impression abroad that there is some kind of bonanza involved here. As a matter of fact, some of the largest steamship operators flying the American flag do not want to get under the subsidy.

When operators get under the differential subsidy, they assume some obligations. They have to make a certain number of voyages. They must carry certain cargo. They must make a contract with the Government, under section 22, for lower rates. Many of the operators would rather operate alone. This is the only way we can keep our merchant marine alive.

Mr. HOLLAND. They must agree to the replacement of obsolescent ships, too.

Mr. MAGNUSON. Yes. For years the two largest steamship operators have not asked to go under the subsidy, because they would rather be free to take the cargoes they wish to take. As a result, they have not asked to go under the subsidy. As I say, they would rather be free to take the cargoes they wish to take and to sail the voyages they wish to sail, and do all the things they can do in free trading on the high seas.

The Senator from Delaware says we would be granting 2,600 voyages. Last year the Board did not grant that number. In committee we wanted flexibility. These voyages are not granted unless they are in the national interest and unless it can be shown to the Maritime Board that they are in the national interest. Perhaps it is being said that the Maritime Board is doing something wrong. In that case, if we do not like it, we should amend the Merchant Marine Act of 1936, because under the act the companies are allowed to apply.

This is merely legislation on an appropriation bill. That is all it amounts to so far as the limitation is concerned. The Board is not going to grant 2,600 voyages; but we must have that leeway, because we do not know how many operators are going to be in the Great Lakes. I can tell Senators how many there are there now. About 10 percent of them fly the American flag. I will tell Senators another thing about the American merchant marine. We are down now to where we are hauling only 15 percent of our exports and imports. The question is whether we are going to have a merchant marine, and we are either going to live up to the law or we will not. I know what will happen if we do not have a merchant marine. The Senator from Florida and the Senator from Massachusetts and I sat today listening in committee to testimony on the defense appropriation bill, in which there is an item of $140 million for one aircraft carrier. That would take care of the merchant marine for a whole year. If it is not worth more to the defense of the country in time of need, I will eat the aircraft carrier.

There is another thing that those who would like to save money at the expense of the merchant marine forget. If the rules are not fair, let us change the law. Let us not snipe at it. In World War II we spent $23 billion to build up the merchant marine which we let die between World War I and World War II. The American flag today is moving off the seas faster than Senators think. That is the problem here, but it should not be here at all.

Those who say we should not subsidize the American merchant marine, should come before the committee and ask to amend the law. We cannot fight a war, and we cannot run the country economically unless we have a merchant marine, and an adequate one, in time of war and in time of peace. Some of the economizers go over the same story that we went over when we built the

superliners. Of course, we had to subsidize them. They could not compete with the Italians and Germans and Japanese. Some of the money we have been sending to those countries there, has been building their ships. We do not have enough passenger ships to attempt to haul any troops if something happens. In World War II, we paid England $192 million for rent of the two Queens. That was rent to transport troops abroad to fight a common war.

That is what this amounts to. If we are going to economize, let us go to the defense budget and cut out a couple of cruisers.

The Senator from Delaware says, "Why, this will cost $12 million." It might not cost $1 million, unless the companies qualify, and unless it is in the national interest. The Board has been very slow in acting. It is high time that we put these things straight. We are always picking out some of the small items and letting the big things go by.

The merchant marine is the fourth arm of defense of this country. Anyone can ask any military man, from the Secretary of Defense on down about that. Do we want to limit the Maritime Board? If so, let us amend the law. The Board is a pretty tough organization from which to get voyages. If we want to spend hundreds of millions of dollars to develop the St. Lawrence Seaway and then say that the American flag shall not fly there because American ships cannot compete with foreign ships unless some of American companies apply for the operational subsidy, all right, let us do that. But I never thought that that was the intention or the policy of Congress or that it was in the best interests of the United States in time of war or peace.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HOLLAND. I thank warmly the distinguished Senator from Washington for his very real contribution to this debate. In closing, simply to supplement what he said, I call to the attention of the Senate the fact that the total cost per year for all our maritime activities is $275,608,800, under the House version of the bill; and under the Senate version it is $278,330,000, as compared with the more than $40 billion which we are putting into more direct defense. Everyone knows that the merchant marine is necessary for defense and for the feeding of friendly populations, and of our own population, and for the supplying of numerous businesses with necessary raw materials.

I am happy to yield to the Senator from Indiana.

Mr. CAPEHART. I congratulate the able Senator from Florida and the able Senator from Washington. I agree with them 100 percent. I think they have made an important contribution to the discussion of this subject tonight. I hope the Senate will support them 100 percent.

I come from Indiana, where there is no merchant marine except that which is on the Great Lakes. But I think I understand the problem. I congratulate the Senators on the statements which they have made.

Mr. HOLLAND. I thank the Senator from Indiana.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of Delaware. I want to clear up one point. I think there is a misunderstanding. If I understood the Senator from Florida correctly, he indicated that the figure 2,600 is the recommendation of the Maritime Commission. That is correct, as I understand it.

Mr. HOLLAND. The Senator is right about that—2,600.

Mr. WILLIAMS of Delaware. As I understand it, the Bureau of the Budget recommended only 2,040 voyages, which is the number provided in the House bill. The amendment which the Senator from Illinois [Mr. DOUGLAS] and I have cosponsored, provides 2,225, which is, in reality, about the same as is provided for in last year's appropriation. That went pretty far, but we are being liberal.

On the other hand, if the amendment is not accepted, it means we will be authorizing the largest subsidy for the American merchant marine that has ever been authorized in the history of Congress.

Mr. HOLLAND. The Senator from Delaware, of course, thinks he is correct. But he is not correct, because the limitations on this item have not been in the bills until recent years. The only limit, for many years, was the number of approvals which could be made to bring ships under this program.

Mr. WILLIAMS of Delaware. Never has the figure been so large as the figure in this bill. Never.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. I call the attention of the Senator from Delaware and the Senator from Florida to the fact that this is not the largest appropriation. In 1956 the amount of the appropriation was $140 million. Estimates for other years were as high as $145 million.

Does not the Senator from Florida agree with me that when the Bureau of the Budget took the figure 2,040 instead of 2,600, it did not have in mind the 150 new routes, and that the new operators are on the Great Lakes? That is what made the figure 2,040 impossible.

Mr. HOLLAND. I thank the Senator from Massachusetts. The figure of 2,600 is the figure recommended and requested by the Maritime Board in its original showing to the Bureau of the Budget. When we had the representatives of the Maritime Board before us, we asked them how they could make these figures jibe—2,040 plus 225 additional voyages, besides others not pinpointed.

They said, "We cannot do it. We will have to explain what we asked for. We asked for 2,600. We pinpointed amounts for both of these particular objectives."

When I said to the Senator that this was the amount recommended and requested by the Maritime Board, I meant just that. The Senator will find it in the record of the hearings held by our committee, and I must say that the committee was rather thorough in its hearings.

Mr. WILLIAMS of Delaware. That is correct; the Maritime Board did recommend 2,600, but the Bureau of the Budget recommended 2,040. The figures which the Senator from Massachusetts quoted from the appropriation bill are not even the figures affected by the amendment. We are dealing with the figures with respect to the cost in years to come. The figure to which the Senator from Massachusetts has referred is not at all affected by this amendment.

Mr. DOUGLAS. Mr. President, like most Members of the Senate, I must admit that I was somewhat annoyed when, upon reaching home, I received a message that I was immediately to return to the Senate, and that the very able Senator from Delaware [Mr. WILLIAMS] had proposed an amendment. I thought it was an amendment to the legislative appropriation bill. I must confess that I have a real affection for the Senator from Delaware, but I felt annoyed at him. I felt annoyed all the way down to the Capitol. But when I got to the floor of the Senate, I found that we were dealing with the Department of Commerce appropriation bill and that the Senator from Delaware had proposed his amendment to save all the way from $15 million to perhaps $35 million on the operating subsidies.

I blundered into the fight; and, as frequently happens in war, the guns often begin to go off when one is undressed or has not finished a meal. One cannot always choose the time or place. But when the firing starts, the only thing one can do is to pick up his rifle and take part on the side to which he is loyal.

So I am very glad to enlist in the army—I hope it is an army; at least, it is a platoon—under the leadership of the Senator from Delaware.

I think a few figures are important. In the minutes that the debate has been in progress, I have been going through the hearings. Most of the salient facts are given on page 510 of the hearings.

As of the first of this year, 1,965 voyages had been authorized. The figure 2,040 was reached by adding to this amount 75 voyages on the Great Lakes. So the allowance of 75 on the Great Lakes was included in the 2,040.

As the Senator from Delaware has said, he is not proposing to cut back the total number of authorized voyages to 2,040; he is proposing to fix the number at 2,225, which, if my arithmetic is correct, is 260 more voyages than last year, and 185 more than 2,040.

So if an additional 150 voyages are to be authorized, this number is well taken care of in the amendment of the Senator from Delaware.

But what the Senator from Delaware is doing is to try to reduce the ceiling from 2,600 to 2,225. Various arguments have been advanced against this proposal. One is that the Maritime Commission has decided that it wants 2,600

voyages, even though the Bureau of the Budget turned down that request, and that it is the obligation of Congress to appropriate for them. This is a very dangerous doctrine, and I believe it is fundamentally unsound.

More and more we are becoming hand tied in this Congress and are being told that there is nothing we can do when appropriation bills come before us; that the commitments have already been made by the administrative agencies; and that if we try to cut the amounts to be spent, this is a violation of some kind of agreement, and therefore we cannot act.

I had always thought that the appropriating power of Congress was final and determinative. Again and again we have seen these tactics used in the case of foreign aid. Again and again, authorizations have been made in the field of foreign aid. Bills come to the floor of the Senate, and the amounts are cut on the floor.

So I think the amendment which is now before the Senate is in no sense a violation; quite the contrary, it is an attempt by Congress to assert its constitutional power to appropriate or to refuse to appropriate.

The complaint has been made that we should have appeared before the subcommittee of the Committee on Appropriations which handled this bill. The Senator from Delaware and the Senator from Illinois lead a somewhat busy life. We are members of two rather important committees. We serve on other bodies. The Senator from Delaware represents a somewhat small State. Illinois, however, is a very large State, having a population of more than 9 million. Both of us handle a tremendous volume of routine work.

A wide range of subcommittees of the Committee on Appropriations are frequently meeting. It is very hard to keep track of each subcommittee and to know precisely what is coming before it.

The instant it is held that no protests can be made on the floor which have not been made in the subcommittee, we deliver ourselves, soul and body, into the hands of the Committee on Appropriations.

We are already pretty much in its hands now, because its members always stick together; and the chairman of all the other committees—the union of chairmen, so to speak—pitch in and help them. So on any move to amend, they nearly always have 21 votes plus 16 votes with which to beat any such amendment; and that nucleus is almost impossible to beat.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. DOUGLAS. I am glad to yield—not for a speech, but for a question. [Laughter.]

Mr. SALTONSTALL. I should like to ask the Senator from Illinois a question—with the following very brief observation. [Laughter.]

Mr. DOUGLAS. Well, Mr. President, I yield for a question.

Mr. SALTONSTALL. Very well. My question is this: The Senator from Illinois comes from the great State of Illinois, which is a very fine State. In the committee there was specific discussion in regard to this great, new waterway which has been opened; and it was stated that we wanted to try to get American bottoms on that waterway just as quickly as possible. We discussed that question.

If we are going to allow 75 new routes on the Great Lakes and 150 elsewhere, then the present operating companies, the responsible companies which are going to operate to new ports in the new nations, and which are opening up new trade all the time, should be allowed to operate in the places where there is good opportunity for American bottoms. That was the reason behind this.

Mr. DOUGLAS. Mr. President, what was the question of the Senator from Massachusetts? [Laughter.]

Mr. SALTONSTALL. My question is that the Senator from Illinois is very desirous of having the St. Lawrence Seaway operated satisfactorily and of having the ships which traverse that seaway reach Chicago. If he wants that, does he not want to include in the bill provision for the 75 routes which will go into the Great Lakes?

Mr. DOUGLAS. Let me say it is very touching to find my friend, the Senator from Massachusetts, exhibiting such solicitude for the St. Lawrence Seaway, because I remember the days when the St. Lawrence Seaway proposal was before us, and when I was in favor of it, but when the Senator from Massachusetts was opposed to it.

Mr. SALTONSTALL. That is right.

Mr. DOUGLAS. So I think I can claim that I have been a friend of the St. Lawrence Seaway.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I do not yield now.

I would say to my good friend, the Senator from Massachusetts—I think he is my good friend—that 75 new voyages were authorized the first of this year, and the number was increased from 1,965 to 2,040, to allow for the trips on the Great Lakes.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. Not until I finish my statement.

Mr. HOLLAND. But I wish to ask a question in regard to this very point.

Mr. DOUGLAS. Or, I should say, I decline to yield until I finish this paragraph, if you please. [Laughter.]

The Senator from Delaware [Mr. WILLIAMS] and I are proposing that 2,225 trips or voyages be allowed, which will be 185 more than are now provided for in the House bill. That number will amply provide for opportunities for the Great Lakes; but the amendment will limit the number of feet that can get into the public trough and feed there; and there are all kinds of four-footed animals that are trying to get into this trough.

SEVERAL SENATORS. Vote! Vote!

Mr. DOUGLAS. Mr. President, may I say respectfully that I am not going to be shouted down.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield for a question.

Mr. HOLLAND. If the Senator from Illinois will examine page 521 of the hearings, he will find that he was mistaken in the number he stated.

Mr. DOUGLAS. I have read from page 510.

Mr. HOLLAND. The Senator has given the figures for the situation at the end of the fiscal year.

The correct figure was 2,011, allocated to voyages; and that figure appeared many times in the course of the hearing.

I am simply trying to inform the Senator from Illinois the correct number, the actual fact.

Mr. DOUGLAS. I appreciate the kindness of the Senator from Florida.

Mr. HOLLAND. Second, I should like to remind the Senator from Illinois that when he was fighting so hard for authorization for the St. Lawrence Seaway, he had the assistance of the Senator from Florida.

Mr. DOUGLAS. I was merely confining my remarks to the Senator from Massachusetts.

Mr. President, I do not think there is any obligation for any Member of Congress to vote to give a blank check to the Maritime Commission—in short, to vote to authorize as many voyages as it may wish—and then for Congress to be compelled to pay the bill. I think we have a right to determine how much money will be paid and how many voyages will be authorized. I think that is the issue.

I began to read the CONGRESSIONAL RECORD approximately 50 years ago. As far back as that time there was a fight on the ship subsidy. This has been an historic fight in the United States.

Very frankly, the ship subsidy movement has been one of the very evil influences in this country. It has been feeding out of the public trough for some years. I must say that I get a little bit fed up when business interests denounce Federal subsidies for education, Federal subsidies for health, Federal aid by way of loans to help distressed areas, Federal aid for urban renewal, and Federal aid for housing the poor—when all those are denounced—but when subsidies to business are demanded in ever-increasing amounts. I get fed up with that; and I must say that I get impatient not only with the business interests that demand those, but also with Members of this body who vote against every welfare appropriation—I wish to except the Senator from Washington from this statement—but vote for every subsidy for big business which does not need them.

I think the Senator from Delaware [Mr. WILLIAMS] has performed a public service; and I am very glad very humbly to join him.

SEVERAL SENATORS. Vote! Vote!

Mr. KEATING. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. I yield for a question.

Mr. KEATING. I wish to ask the distinguished Senator from Illinois and the distinguished Senator from Delaware whether I am correct in assuming the following figures—namely, that the Bureau of the Budget recommended $130 million and recommended 2,040 voyages. As I figure out the matter, the 2,600 which the committee has approved would be a 27 percent increase.

Mr. DOUGLAS. Yes; that is right.

Mr. KEATING. If all the voyages were approved, the result would be to increase the $130 million appropriation for next year by 27 percent, or, roughly, by $33 million.

Mr. DOUGLAS. Yes; I think that is correct.

Mr. KEATING. I recognize that perhaps not all of those voyages would be authorized. But if they were authorized, would not what I have stated just now be the result of the bill as it now stands, without the adoption of the pending amendment?

Mr. DOUGLAS. The Senator from New York is correct.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield for a question.

Mr. WILLIAMS of Delaware. Is it not true that even with the adoption of this amendment, as the Senator has pointed out, there will still be authorization for approximately 185 voyages more than the Bureau of the Budget recommends and enough to take care of the Great Lakes situation, as provided in the House version of the bill?

Mr. DOUGLAS. The Great Lakes needs would probably be provided for with 2,040; but in order to play safe, the extra 185 have been thrown in. Certainly I yield to no one in my desire to help the Great Lakes shipping.

But, as I have said, this bill is being used as a front to justify another whole series of subsidies which are not so good.

SEVERAL SENATORS. Vote! Vote!

Mr. LAUSCHE. Mr. President, I wish to commend the Senator from Delaware [Mr. WILLIAMS] and the Senator from Illinois [Mr. DOUGLAS] for the opposition they have interposed to this provision of the appropriation bill.

For slightly more than 2 years, I have been a member of the Committee on Interstate and Foreign Commerce. I do not mind informing the Senate that it is frightening and discouraging to see the repetition with which the merchant marine is coming before that committee and asking for expanded subsidies in the operation of their businesses and in the building of ships.

A moment ago, mention was made of two passenger ships, which were authorized a year ago. They will cost approximately $225 million. Following the approval of the construction of those two ships—for which the Government practically provided all the cost, and the ships were practically given to the operating companies—there appeared in the Washington newspapers editorials describing the "giveaway" and the "steal" which were perpetrated upon the American taxpayers.

Now there are pending before the Committee on Interstate and Foreign Commerce bills which contemplate further demands upon the taxpayers, to subsidize the merchant marine.

I extend special credit to the Senator from Illinois for calling to the attention of the American people the fact that there are some interests in our country that are opposed to subsidies on the basis of benevolences provided for the general public, but when subsidies are proposed for huge enterprises, they support them.

May I ask the Senator from Delaware a question? The figure of 2,040 trips is designated in the House bill. Seventy-five trips are suggested for the Great Lakes. One hundred and fifty more have been suggested as an expansion of the program. Would the Senator modify this amendment so as to authorize 2,265 voyages? That would include 2,040, plus 75 for the Great Lakes, plus 150 as a sort of leeway for the Maritime Board to act upon. That proposal meets the objection raised by the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SALTONSTALL. What the Senator has proposed would take care of the 150 and the 75, but allow no expansion on the part of old companies, companies which are now operating. The great difficulty with this sort of program is that when new operators enter the business, there is eliminated any opportunity for change by the old operators. If the Senator's amendment were adopted, probably the only thing we could do would be to reduce the number of new operators to 100 and the Great Lakes operators to 50 or 75.

Mr. LAUSCHE. May I ask the Senator from Delaware if he is willing to modify his amendment to the extent I have suggested?

Mr. WILLIAMS of Delaware. If it were necessary and the Senator from Illinois felt likewise, I would have no objection to such a modification, although I think there is adequate provision to take care of that situation. Lest there be a misunderstanding about it, I would be willing to modify the amendment.

Mr. DOUGLAS. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. WILLIAMS of Delaware. Mr. President, the yeas and nays have been ordered, and it would take unanimous consent to permit me to modify my amendment. I ask unanimous consent that I may modify my amendment by striking out the words "two thousand two hundred and twenty-five" and inserting "two thousand two hundred and sixty-five."

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. SALTONSTALL. Mr. President, I must regretfully object.

The PRESIDING OFFICER. Objection is heard.

Mr. WILLIAMS of Delaware. Then the Senate will vote on the proposal of 2,225.

I will say to the Senator from Ohio when the House, in its wisdom—and I think very properly—authorized 2,040 voyages, it included a provision to the effect that 150 shall be for companies which have not held contracts prior to July 1, 1959, and 75 shall be for companies operating in or out of the Great Lakes. Therefore, the House, in its wisdom felt it had taken care of the 2,040 voyages. We provide for 2,225. There were 29 which were not previously contracted for, which would more than offset the 25 which it has been suggested be added.

I think we can safely say there would be no question. It would be mandatory, because we are not changing language and there is a provision in the bill whereby the Great Lakes and the other voyages have been taken care of.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LAUSCHE. Can the Senator from Ohio offer an amendment to the pending amendment so the Senator from Ohio's amendment will incorporate the suggestion which I just made to the Senator from Delaware?

The PRESIDING OFFICER. The amendment of the Senator from Delaware is open to amendment.

Mr. LAUSCHE. I move, then, that the amendment——

The PRESIDING OFFICER. If the Senator will suspend, will the Senator from Delaware yield for that purpose?

Mr. WILLIAMS of Delaware. Yes.

Mr. LAUSCHE. The Senator from Ohio has the floor. Before I proceed with offering this amendment, may I ask the Senator from Delaware what the subsidies were to the American merchant marine, as he previously described, 2 years ago or 1 year ago, and what they will be?

Mr. WILLIAMS of Delaware. For this fiscal year, 1960, the bill provides $130 million.

In 1958 it was $127,500,000.

In 1957, it was $35 million, but also $65 million was transferred from the liquidation fund of the War Shipping Administration, which would make the amount $100 million.

In 1956 it was $124 million.

In 1955 it was $140 million.

In 1954 it was $115 million.

In 1953 it was $84,500,000.

In other words, in the past 7 years we have subsidized the operations of the American merchant marine to the extent of around $800 million.

Even if the amendment as presently offered by the Senator from Illinois and myself were adopted, it would still authorize the largest subsidy that the American merchant marine has ever had in any year in its history. If the amend-

ment is defeated and the committee amendment prevails providing for the 2,600 voyages, there will be an increase of 15 percent over any that has ever been authorized in the history of the U.S. Senate. It would result in an increase in next year's appropriation from $150 million to $160 million.

I will accept the amendment of the Senator from Ohio to make sure we provide for an adequate American merchant marine. Even if the amendment is rejected, however, we will still, under the amendment of the Senator from Illinois and myself, have authorized about 11 percent more than the Budget Bureau recommends. We would have authorized 11 percent above the budget figure, and we would still be providing the highest authorization in the history of the U.S. Senate.

Mr. LAUSCHE. Mr. President, I move to amend the amendment of the Senator from Delaware so that there shall be substituted the words "two thousand two hundred and sixty-five" for the words "two thousand and forty."

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Delaware?

Mr. LAUSCHE. Yes.

Mr. WILLIAMS of Delaware. I believe we can obtain unanimous consent to modify my amendment, if the Senator will yield. I would suggest that he propose the unanimous consent agreement again. Probably I will have to do it.

Mr. President, I ask unanimous consent to modify my amendment so as to include the figure "two thousand two hundred and sixty-five."

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is modified accordingly.

The question is on agreeing to the amendment, as modified, offered by the Senator from Delaware [Mr. WILLIAMS] for himself and the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. There has been a good deal of confusion on the floor. Will the Chair state the question?

The PRESIDING OFFICER. The question is on the amendment to strike out the words "two thousand six hundred" and substitute the words "two thousand two hundred and sixty-five."

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN], are absent because of official business.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN], would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Wisconsin [Mr. PROXMIRE] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from Alaska would vote "nay."

Mr. KUCHEL. I announce that the Senators from Maryland [Mr. BEALL and Mr. BUTLER], the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from North Dakota [Mr. LANGER], the Senator from Wisconsin [Mr. WILEY], and the Senator from Kansas [Mr. SCHOEPPEL] are necessarily absent.

I also announce that the Senator from Iowa [Mr. MARTIN] is absent because of illness.

I further announce that the Senator from Utah [Mr. BENNETT] and the Senator from Kansas [Mr. CARLSON] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Minnesota would vote "nay."

The result was announced—yeas, 23; nays, 42, as follows:

YEAS—23

Aiken	Curtis	Lausche
Allott	Dirksen	Mundt
Bush	Douglas	Prouty
Case, N.J.	Dworshak	Scott
Case, S. Dak.	Goldwater	Thurmond
Church	Hruska	Williams, Del.
Clark	Javits	Young, Ohio
Cotton	Keating	

NAYS—42

Anderson	Hayden	McNamara
Bartlett	Hennings	Morse
Bridges	Holland	Muskie
Byrd, W. Va.	Jackson	Neuberger
Cannon	Johnson, Tex.	Pastore
Capehart	Johnston, S.C.	Randolph
Dodd	Jordan	Robertson
Eastland	Kennedy	Saltonstall
Ellender	Kerr	Smith
Engle	Kuchel	Stennis
Ervin	Magnuson	Symington
Gore	Mansfield	Talmadge
Hart	McCarthy	Williams, N.J.
Hartke	McGee	Yarborough

NOT VOTING—33

Beall	Green	Morton
Bennett	Gruening	Moss
Bible	Hickenlooper	Murray
Butler	Hill	O'Mahoney
Byrd, Va.	Humphrey	Proxmire
Carlson	Kefauver	Russell
Carroll	Langer	Schoeppel
Chavez	Long	Smathers
Cooper	Martin	Sparkman
Frear	McClellan	Wiley
Fulbright	Monroney	Young, N. Dak.

So the amendment, as modified, offered by Mr. WILLIAMS (for himself and Mr. DOUGLAS) was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. HOLLAND. Mr. President, I move to lay on the table the motion of the Senator from Texas.

The motion to reconsider was laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 7, line 18.

Mr. WILLIAMS of Delaware. Mr. President, did I correctly understand the Chair to put the question on agreeing to the committee amendment?

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. There is so much confusion in the Chamber and the motions which have been made have been so inaudible that virtually no Senator knows what the question now before the Senate is. Will the Chair please inform us what is the question before the Senate, and what business has been transacted?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 7, line 18, which will be stated.

The LEGISLATIVE CLERK. On page 7, line 18, it is proposed to strike out "2,040" and insert "2,600."

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on the committee amendment.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I shall not delay the Senate.

This amendment has been fully debated; but I point out that as we vote on this question we are voting on whether or not to authorize an increase in the operational subsidies of the merchant marine by more than 17 percent in excess of anything that has ever been authorized in the history of the Congress. If we approve this committee amendment we shall be increasing the budget figure by about 27 percent. This year it is costing $130 million to pay the budget figure, but if we vote the full 2,600 voyages, there will be an increase of about $35 million in this bill over and above the budget figure.

Mr. HOLLAND. Mr. President, the Senator from Delaware does not mean what he says. There will be no money increase in this bill. I am sure I know what the Senator means. If the 2,600 figure were to remain—and it will not remain, because in conference we must come to an adjustment—and all the voyages were assigned, 3 or 4 years from now the figure might be as much as the Senator from Delaware has indicated.

Mr. WILLIAMS of Delaware. Mr. President, I meant exactly what I said. The history of the Maritime Commission has been that it has never turned back any appreciable amount of contract authority which has been given it. It has used it all.

It is true that this provision does not increase the money in this year's bill; but when we vote for next year's bill we shall have to pay for it, and we shall not be able to change the figure next year. This is our last opportunity. Next year there will be a contractual obligation of the U.S. Government, and we shall have to pay it just as we must pay the $130 million this year.

So I say again that involved in this vote is an added $30 million or $35 million above what the budget recommends.

In this vote there is also involved a proposal to increase the subsidies of the merchant marine by about $15 million or $18 million more than has ever been approved in the history of the Congress.

As I have previously pointed out, we have given the merchant marine more than $800 million in subsidies for operating ships during the past 7 years, and we have given it approximately another $1 billion in construction subsidies. How far are we going down the road toward guaranteeing subsidies? We are not merely subsidizing a company. We are guaranteeing not only the cost of the ships, but all the salaries of the shipping companies, plus a liberal margin of profit. When the roll is called, we shall find out who means what he says when it comes to saving a little money.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments on page 7, line 13 and line 18. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Utah [Mr. MOSS] are absent on official business.

I also announce that the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alaska [Mr. GRUENING], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from Oklahoma would vote "yea."

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Delaware would vote "nay" and the Senator from Florida would vote "yea."

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Kansas would vote "nay" and the Senator from Minnesota would vote "yea."

On this vote, the Senator from Wisconsin [Mr. PROXMIRE] is paired with the the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Wisconsin would vote "nay" and the Senator from Colorado would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER], the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from North Dakota [Mr. LANGER], the Senator from Wisconsin [Mr. WILEY], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

I also anounce that the Senator from Iowa [Mr. MARTIN] is absent because of illness.

I further announce that the Senator from Utah [Mr. BENNETT] and the Senator from Kansas [Mr. CARLSON] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Kansas would vote "nay" and the Senator from Minnesota would vote "yea."

The result was announced—yeas 43, nays 22, as follows:

YEAS—43

Anderson	Hennings	Muskie
Bartlett	Holland	Neuberger
Beall	Jackson	Pastore
Byrd, W. Va.	Johnson, Tex.	Randolph
Cannon	Johnston, S.C.	Robertson
Capehart	Jordan	Saltonstall
Dodd	Kennedy	Smith
Eastland	Kerr	Stennis
Ellender	Kuchel	Symington
Engle	Magnuson	Talmadge
Ervin	Mansfield	Williams, N.J.
Gore	McCarthy	Yarborough
Hart	McGee	Young, Ohio
Hartke	McNamara	
Hayden	Morse	

NAYS—22

Aiken	Curtis	Lausche
Allott	Dirksen	Mundt
Bush	Douglas	Prouty
Case, N.J.	Dworshak	Scott
Case, S. Dak.	Goldwater	Thurmond
Church	Hruska	Williams, Del.
Clark	Javits	
Cotton	Keating	

NOT VOTING—33

Bennett	Green	Morton
Bible	Gruening	Moss
Bridges	Hickenlooper	Murray
Butler	Hill	O'Mahoney
Byrd, Va.	Humphrey	Proxmire
Carlson	Kefauver	Russell
Carroll	Langer	Schoeppel
Chavez	Long	Smathers
Cooper	Martin	Sparkman
Frear	McClellan	Wiley
Fulbright	Monroney	Young, N. Dak.

So the committee amendments on page 7, line 13 and line 18, were agreed to.

Mr. DOUGLAS. It is now a quarter to 11 at night. I wonder whether the majority leader would not be willing to have this body adjourn until 12 o'clock tomorrow. I believe there are very grave questions about the appropriation of $1,250,000 for design for the big superliners, when no contract for the superliners has yet been let. If the session is to continue, I shall make a motion to strike out the $1,250,000. But I hope the majority leader will let the matter go over until tomorrow. I understand that no unanimous consent request has been obtained so far as the confirmation of the nomination of Mr. Strauss is concerned. It is now quite late in the evening. I do not want to keep the Senate up any later, but I must argue this matter at some length.

Mr. JOHNSON of Texas. I hope that we will be able to send the appropriation bill to conference. I think we should be able to get a unanimous consent agreement to a limitation of 20 minutes on each side on amendments. We do not plan to have a yea and nay vote on the passage of the bill. I should like to have the bill go to its third reading, if possible. We had plans to consider a conference report which is highly privileged. As the Senator knows, we are in the middle of June, and there are very few appro-

priation bills which have gone to the White House. I would like to get this bill to conference.

Mr. DOUGLAS. I am prepared to stay here all night if necessary. I hope it will not be necessary.

Mr. JOHNSON of Texas. I hope not.

Mr. DOUGLAS. If the session is to go over until tomorrow, I do not believe it will take the Senator from Delaware and the Senator from Illinois more than 40 minutes to conclude their arguments. We can agree to a unanimous consent request, so far as I am concerned, that not more than an hour of debate shall take place on the amendment. It is the only amendment I contemplate offering.

Mr. JOHNSON of Texas. Does the Senator from Delaware have any more amendments he would like to offer?

Mr. WILLIAMS of Delaware. Not that I know of.

Mr. JOHNSON of Texas. I ask unanimous consent that the bill proceed to its third reading, and that the amendment of the Senator from Illinois and the Senator from Delaware be in order, and that the time limitation on it not exceed 1 hour, to be equally divided.

Mr. CASE of South Dakota. Mr. President, reserving the right to object, I should like to inquire whether the committee amendment on page 12, dealing with the Federal aid highway trust fund has been agreed to?

The PRESIDING OFFICER. Yes; that has been agreed to.

Mr. CASE of South Dakota. I should like to be recognized before the Senate adjourns. If I may have the attention of the majority leader, I should like 3 or 4 minutes to discuss the highway trust fund before the Senate adjourns.

Mr. JOHNSON of Texas. The Senator will be recognized. I will see to it that the Senate will stay in session until the Senator can make his statement, if we can get action on my request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. WILLIAMS of Delaware. What is the request?

Mr. JOHNSON of Texas. The request is this: I ask unanimous consent that the bill proceed to its third reading, and that the amendment of the Senator from Illinois and the Senator from Delaware be in order, notwithstanding the third reading, and that there be an hour's limitation on debate, to be equally divided between the proponents and the opponents.

Mr. WILLIAMS of Delaware. Mr. President, I have no objection to a limitation of debate on amendments. I offered earlier to have a limitation even of 20 minutes to a side on any amendments which may be offered. I doubt that I shall offer any other amendments. However, I have been here for 13 years, and I have yet to see when we have had a third reading of a bill with an understanding that amendments can be offered thereafter. We should follow the orderly processes. Let us get a limitation on the amendments, and then limit debate on the bill after a third reading. I would have no objection to such a unanimous-consent agreement. I would not want to start to rewrite the rules of the Senate to accommodate any special situation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. WILLIAMS of Delaware. Yes; I object.

Mr. JOHNSON of Texas. Mr. President, I think it ill behooves one who has just concluded the statement he has made to talk about the rules of the Senate. He might read rule XIX and be more careful of the language he employs.

In one day I am charged with steamrollering; the next day I am charged with doing nothing. I am trying to get the Senate to perform its function. A majority of Senators are here. A majority of Senators are prepared to vote. I am confronted with what I think is a reasonable request on the part of the Senator from Illinois that we have an hour's debate on his amendment. But I assume that if he is to talk tonight, he will take all night. That is the way I interpreted his statement. I have no desire to ask Senators to stay all night.

It is past the middle of June. We still have many appropriation bills to consider. I do not want to have the Senate or the country feel that I am responsible for any delays. I regret very much that this situation has developed this evening. I think it could have been avoided. I think we could have had a unanimous consent agreement. The Senator from Delaware was willing to enter into such an agreement on his own amendment, but not on the amendments of other Senators.

Mr. President, has the Douglas amendment been offered?

Mr. DOUGLAS. Mr. President, to accelerate matters, I move to strike out, beginning on line 21, page 6, the following proviso:

Provided further, That of the amount herein appropriated not to exceed $1,250,000 shall be used for the payment of costs already incurred in the design of the superliner passenger vessels authorized by Public Law 85–521.

It may be that there should be a further technical amendment reducing the total by $1,250,000, although I am not quite certain on that point. But I should reduce the total. Then I move that the figure "$130,250,000," on line 14, be stricken, and "$129,000,000" be substituted in lieu thereof.

Mr. HOLLAND. Mr. President, has unanimous consent been granted?

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Florida.

Mr. HOLLAND. I was asking for the floor in order to move that the Senate reconsider the vote by which the committee amendment was agreed to, and I so move.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, do any other Senators know of any other amendments which they contemplate offering to the bill?

Mr. WILLIAMS of Delaware. Mr. President, I have tried to cooperate with the majority leader with respect to appropriation bills. Earlier this week, in response to a conversation with the Senator from Texas and the Senator from Illinois, when I understood that the Committee on Appropriations expected to report four or five appropriation bills this week, I stated that under the rules of the Senate, by a single objection, the bills would have to lie over for 72 hours. However, I told both Senators that in order to cooperate, if an appropriation bill were available the night before so that I could obtain a copy of it and the report I would agree that it could be taken up the following day. To that extent I was willing to go along with them. With that understanding a gentlemen's agreement was entered into to bring this bill up at an earlier date.

However, I still reserve the right to question any item in any bill.

These two bills were only reported yesterday. I did get copies of them last night, about 5 o'clock, and so I had sufficient time to study them.

The Senator from Illinois called me earlier today and said the majority leader wished to have them considered today. I said it was perfectly agreeable to me to have them taken up. They were brought up. One of them has reached the stage of the third reading preparatory to a vote on the passage of the bill. The vote on its passage has been delayed until tomorrow at the suggestion, and very properly so, of the majority leader.

But in making my agreement by no stretch of the imagination did I preclude myself from the right to offer amendments to the bill. I am not trying to delay the Senate unnecessarily. I have offered similar amendments, as has the Senator from Illinois, many times on this same subject. I think we are spending too much money in this field. Do not forget that the bill provides for the expenditure of $715 million. This appropriation bill was not printed until between 11 and 12 o'clock today. The leadership is trying to pass it tonight.

When the Senator from Texas sought permission to limit debate, I was even willing to agree to limit debate on any amendment I offered to 20 minutes to a side. We could vote tonight or carry it over until tomorrow.

Mr. JOHNSON of Texas. Mr. President, I should like to have the attention of the Senator from Illinois. I ask unanimous consent that on the Douglas amendment there be a limitation of debate not to exceed 20 minutes to a side.

Mr. DOUGLAS. I am perfectly willing to agree to that. I am willing to proceed to debate the amendment now. When the Senator from Illinois said he was quite willing to debate it all night, he meant that as an indication that he was in good physical health and was quite ready to enter into combat. But it is not my intention to interfere with

more important business on the morrow. So I shall be very glad to stay and offer the amendment now.

Mr. WILLIAMS of Delaware. Mr. President, may we have the proposed unanimous-consent agreement stated?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there be a time limitation on the Douglas amendment—or the Douglas-Williams of Delaware amendment, if that is the name of it—of not to exceed 20 minutes for the proponents and not to exceed 20 minutes for the opponents, the time of the opponents to be controlled by the Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CASE of South Dakota. Mr. President, the junior Senator from South Dakota would like to call the attention——

Mr. JOHNSON of Texas. Mr. President, I yield the Senator from South Dakota 3 minutes.

Mr. CASE of South Dakota. I call the attention of the Senate to the committee amendment on page 12, dealing with the Federal aid highway trust fund. The bill as reported by the Senate Committee on Appropriations places this limitation upon the funds for the Federal aid highways "or so much thereof as may be available in and derived from the highway trust fund." The report of the committee points out that there have been varying estimates as to the balance which will be in the highway trust fund at the end of different fiscal years, and states that the President's budget message indicated that there would be a deficit of $241 million at the end of fiscal 1960. Then, the report says:

> It develops now that the deficit at the end of fiscal year 1960 will be in excess of $500 million unless additional receipts are forthcoming over and above what is currently estimated to be the receipt figure.

That, notwithstanding the fact that the committee has included this limitation.

I am sympathetic to the idea that the highway trust fund should be financed by highway users. But I call attention to the fact that the apportionments to the States for fiscal 1960 have already been made, and that there is a contract with the State governments, so to speak, to make certain apportionments. That contract cannot be fulfilled within fiscal 1960 under the language which the Senate is approving. If the estimate of a $500 million deficit is correct, there will be a lag of at least $500 million worth of maturing contracts to the States at the end of fiscal 1960.

The President of the United States has called attention to this situation in his recommendation that the Federal gasoline tax be increased by 1½ cents a gallon in order to increase the receipts of the highway trust fund.

Thus far that proposal has not received any preponderance of congressional support.

The other day I introduced a bill to permit the highway trust fund authorities to issue a limited amount of interim revenue bonds which would make it possible for the highway trust fund not only to be rehabilitated with respect to the fiscal year 1960, but also for 1961 and 1962, and keep the highway trust fund dependent upon highway user taxes.

I trust that Members of the Senate who are concerned with the orderly continuance of the highway program will study this problem and will give some consideration to the proposals which have been made, because the problem must be faced before the Secretary of Commerce or the Administrator of Public Roads can make apportionments for Federal aid highways for the fiscal years 1961 and 1962.

Mr. DOUGLAS. Mr. President, the amendment I am submitting in my own behalf and on behalf of the Senator from Delaware [Mr. WILLIAMS] is to strike out the added appropriation item of $1,250,000 to pay for the designing of the two superliners, although no contract for their construction has been signed. Evidently, the committee felt a little guilty on this point, because in its report, at the bottom of page 3 and at the top of page 4, it stated the following:

> In recommending the allowance of the $1,250,000 over the budget estimate, for payment of design expenses on two superliners, authorized last session in Public Law 85-521, the committee wishes to make it perfectly clear that this action is not intended to establish a precedent for making appropriations for ship construction costs incurred in advance of actual Federal Maritime Administration contracts. Cognizance has been taken of the special circumstances involved in the instant case where special authorizing legislation had been enacted because of an apparent great need for these vessels. It is expected that in the course of the regular ship construction replacement program operators will not be able to claim reimbursement for ship design costs prior to appropriations being made available.

Mr. President, that is about the same as the excuse which Rip Van Winkle made every time he "went on the bottle" and began to drink heavily. As he would take up the bottle, he would always say, "We won't count this time." So the committee, which is in for an hilarious time of appropriations, says, "We won't count this time." Mr. President, although I am not an expert on this subject, I suggest that the time to stop drinking is when one is tempted to lift the bottle. Instead, put it down.

Mr. President, let me discuss the substance of these measures. It is true that last year Congress authorized the construction of these two superliners. I think that was done over the objection of the Senator from Delaware [Mr. WILLIAMS], the Senator from Ohio, and myself. Frankly, I think it was a great mistake to authorize their construction, and I think it would be a great mistake to construct them. It is true that they might have some use in wartime. But, Mr. President, as one has cruised the seas a little, I would say that the world is oversupplied with luxury steamships.

As the Senator from Delaware has said, the construction of theses two ships will ultimateley cost the taxpayers $250 million. Once we take this first "drink," once we make this initial appropriation of $1,250,000, we are gone; we cannot "swear off," and say we will stop it. No, Mr. President, once this first step is taken, one appropriation will follow another, and ultimately a quarter of a billion dollars will go down the drain.

Personally, I believe that $250 million could be spent for better purposes, in other directions. The present superliners are not really obsolete. I believe it would be much better to spend that money for human welfare. As I said in connection with the discussion of the ship-operation subsidies, it is extraordinary that those who do not favor providing a dollar to help the sick, the poor, the starving, the uneducated, the poorly housed—those who will vote down any appropriation for such purposes—will, nevertheless, vote for these huge subsidies for business. I wish to make clear that I do not include in my statement the Senator from Washington, because he has not followed that policy.

The business interests of the country, which demand a balanced budget, and are opposed to help for those in need, are themselves receiving in many cases more subsidies than almost any other group, by means of the various types of subsidies which are poured out; and in that connection let me refer to the subsidy for the second-class mail, the subsidy for the third-class mail, the subsidy for ship construction and operation, the airline subsidies, the whole gamut of subsidies, which, in total amount, involve a tremendous sum of money. In fact, I once figured the total as more than a billion dollars a year.

Personally, I believe in helping the hungry, the sick, the poor, those who are badly housed, those who are undereducated. I think such aid is productive in terms of really being of help to human beings.

But I do object most distinctly and definitely to pouring $250 million into the construction of two superliners and helping those who do not need such aid.

All of us have crossed the Atlantic in such superliners. We know how luxurious their construction is—the luxurious cabins, dining rooms, lounges—the whole accoutrements; and nation competes with nation in seeing how lavish such ships can be.

Mr. President, those two ships would not primarily be troopships. No troops ever crossed first class on the *Queen Mary*.

So, Mr. President, I submit that, just as it would have been a good policy for Rip Van Winkle not to have taken that first drink, so it will be an extremely good policy for the United States not to take the "first drink"—which in this case would amount to an expenditure of $1,250,000 but which ultimately will cost us $250 million.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. DOUGLAS. Mr. President, I yield 5 minutes to my friend, the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I wish to speak briefly in support of the amendment.

Not only is the amendment approved by the Bureau of the Budget; but in addition, if we do appropriate the $1,250,000, we shall have appropriated that much money to pay on a contract which has not yet been signed. As I understand, there is no precedent for such procedure; and I think it would be a very dangerous precedent to establish.

A year ago, Congress authorized the construction of the two ships at a cost of approximately $200 million. Congress provided that after the Maritime Commission decided to build the ships it would request of the Congress an appropriation before the contract was signed.

The contract has not been signed; yet here we are asked to appropriate a downpayment.

Certainly Congress should not appropriate $1,250,000 to make a downpayment on a contract which has not been signed. If that is done, Congress will be indirectly committing itself to pay for construction of the two ships, which will cost anywhere from $100 million to $200 million, and will be making a payment on them although Congress does not have any idea what they will cost. Certainly that would be an absurd way to handle the public business. Certainly it would be ridiculous to make a payment on two ships before the contracts for their construction were worked out and before their cost was known.

If the Maritime Commission later requests an appropriation for the construction of the two ships and if Congress decided to have them built that would be different.

But certainly we should not depart from the orderly method of handling appropriations.

Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. HOLLAND. Mr. President, I dislike to use any time at all at this point; but I desire to tell the Senate what has happened.

In the first place, the Senate authorized these two expensive vessels, one for the Pacific and one for the Atlantic, as replacements for present vessels.

In the second place, when Congress did that, it knew that we had paid $192 million for the use of the two *Queens* as troop transports during World War II, because we did not then have any large vessels of our own.

Third, it was clearly understood that when these two vessels were designed, many national-defense features would be incorporated in their designs.

The witnesses stated, furthermore, that the designs of these two ships had been authorized in writing, and that regardless of whether the ships were built, the Government was obligated to pay for their designs; and the purpose of doing that was to save 6 months in the construction of the vessels—to speed up their construction to that extent—once their construction was actually contracted for. The amount was much larger than that involved in the cost of small vessels, and they did not want to set a precedent. After the House had acted, representatives of the Board came before the committee and told us they were instructed not to object to the item, but to let it remain. It was stated there was a moral and legal obligation to have it remain.

The question is whether there will be appreciated the fact that there was a 6-month speeding up of the plans. I do not think there is any question about that, and I think we should stand by the House action in adopting this item.

Mr. President, I yield back the remainder of my time.

Mr. DOUGLAS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] for himself and the Senator from Delaware [Mr. WILLIAMS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Lousiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. NEUBERGER], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I further announce that, if present and voting the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Oregon [Mr. NEUBERGER], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Nevada [Mr. BIBLE]. If present and voting, the Senator from Virginia would vote "yea" and the Senator from Nevada would vote "nay."

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Delaware would vote "yea" and the Senator from Wyoming would vote "nay."

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Wisconsin [Mr. PROXMIRE] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Wisconsin would vote "yea" and the Senator from Montana would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER], the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from North Dakota [Mr. LANGER], the Senator from Wisconsin [Mr. WILEY], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

I also announce that the Senator from Iowa [Mr. MARTIN] is absent because of illness.

I further announce that the Senator from Kansas [Mr. CARLSON] and the Senator from Utah [Mr. BENNETT] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Minnesota would vote "nay."

The result was announced—yeas 20, nays 42, as follows:

YEAS—20

Aiken	Douglas	Mundt
Allott	Dworshak	Prouty
Bush	Goldwater	Randolph
Case, S. Dak.	Gruening	Smith
Cotton	Hruska	Thurmond
Curtis	Keating	Williams, Del.
Dirksen	Lausche	

NAYS—42

Anderson	Hart	Mansfield
Bartlett	Hartke	McCarthy
Beall	Hayden	McGee
Byrd, W. Va.	Hennings	McNamara
Cannon	Holland	Morse
Capehart	Jackson	Muskie
Case, N.J.	Javits	Pastore
Church	Johnson, Tex.	Saltonstall
Clark	Johnston, S.C.	Scott
Dodd	Jordan	Stennis
Eastland	Kennedy	Talmadge
Ellender	Kerr	Williams, N.J.
Engle	Kuchel	Yarborough
Ervin	Magnuson	Young, Ohio

NOT VOTING—36

Bennett	Butler	Carroll
Bible	Byrd, Va.	Chavez
Bridges	Carlson	Cooper

Frear	Long	Proxmire
Fulbright	Martin	Robertson
Gore	McClellan	Russell
Green	Monroney	Schoeppel
Hickenlooper	Morton	Smathers
Hill	Moss	Sparkman
Humphrey	Murray	Symington
Kefauver	Neuberger	Wiley
Langer	O'Mahoney	Young, N. Dak.

So the amendment offered by Mr. DOUGLAS (for himself and Mr. WILLIAMS) was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. If there is no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read the third time.

The bill was read the third time.

STRENGTHENING OF WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) to strengthen the wheat marketing quota and price support program. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of June 18, 1959.)

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. ELLENDER. Mr. President, the conferees worked on this report for 2 successive days, and finally came to agreement.

It will be recalled that under the Senate version of the bill those farmers who desired to plant their full farm acreage allotments would receive price support at 65 percent of parity; those farmers who desired to cut the acreage planted 10 percent below their allotments would receive 75 percent of parity; and those farmers who desired 80 percent of parity——

Mr. BYRD of West Virginia. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Louisiana may proceed.

Mr. ELLENDER. Those farmers who desired 80 percent of parity would agree to cut their acreage 20 percent below their acreage allotments.

The House bill provided for price supports at 90 percent of parity and a 25 percent cut in each farm acreage allotment.

The conferees compromised their differences by providing for price support of 80 percent of parity with a 20 percent cut in farm acreage allotments.

The conferees also agreed that in order to prevent the diversion of such 20-percent cut in acreage to the production of other crops, the farmer would get wheat price support only if he did not plant the acreage representing the 20-percent cut to other price-supported crops. Further if he did not plant those acres to any crops whatever for harvest and did not graze them, he would receive in kind one-third of the average annual wheat yield for the number of acres representing the 20-percent cut.

The rest of the bill is almost identical to that which the Senate voted upon last week.

Mr. BYRD of West Virginia. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD of West Virginia. I cannot hear what the Senator from Louisiana is saying. I should like to know what the Senator is talking about.

The PRESIDING OFFICER. The Senator from Louisiana may proceed.

Mr. ELLENDER. We tightened up the marketing penalty by raising the rate of penalty to 65 percent of parity instead of 45 percent, as now provided in the law.

The 15-acre exemption was reduced to 12 acres and was otherwise restricted as provided in the bill passed by the Senate.

Repeal of the 30-acre limitation on the feed wheat exemption was also agreed to. If the conference report is agreed to, that provision will become the law.

All of the provisions I have just discussed are limited to the 1960 and 1961 crops, as they were in the Senate bill.

The limitation on the amount of price support for wheat provided by the conference substitute is $35,000 per producer per year.

Mr. President, I believe that covers what the conferees did. I ask unanimous consent to have printed in the RECORD at this point a full explanation of the conference substitute and comparison of the provisions.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION OF CONFERENCE SUBSTITUTE

The conference substitute, with respect to the 1960 and 1961 wheat crops, would—

1. Provide price support at 80 percent of parity;

2. Reduce each farm acreage allotment by 20 percent;

3. Prevent the diversion of such 20 percent to other price supported crops (by conditioning wheat price support on reducing the acreage of price supported crops below the 1957–58 average by an acreage equal to such 20 percent);

4. Provide a payment in kind (one-third of the average annual yield) on acreage equal to such 20 percent, if such acreage is not harvested or grazed;

5. Impose penalties on the actual yield of the excess acres (or double the normal yield if the actual yield is not shown);

6. Increase the marketing penalty to 65 percent of parity (from 45 percent);

7. Reduce the 15-acre exemption to 12, and restrict it to farms which planted wheat in 1957, 1958, or 1959 and to producers who produce wheat on only one farm;

8. Remove the 30-acre limitation on the feed wheat exemption; and

9. Restrict to farms complying with their allotments the right to withdraw wheat stored from a previous crop to avoid penalty.

The substitute would, permanently—

(A) Limit wheat price support to $35,000 per producer per year;

(B) Repeal the 200-bushel exemption;

(C) Prevent an acreage history penalty where, by reason of production failure, the producer has no marketing excess which he can store to avoid such a penalty;

(D) Repeal authority for price support for noncooperators for any basic agricultural commodity; and

(E) Repeal a provision requiring the county agent or the local committee chairman to keep an additional copy of the acreage allotment list for each commodity.

COMPARISON OF CONFERENCE SUBSTITUTE WITH SENATE BILL AND HOUSE AMENDMENT

The conference substitute provides for 1960 and 1961 wheat price support at 80 percent of parity with a 20-percent reduction in acreage allotments. These provisions are in lieu of the Senate provisions for support at 65 percent with no cut, 75 percent with a voluntary 70-percent cut, and 80 percent with a 20-percent cut, and in lieu of the House provision for 90-percent support with a 25-percent cut. Like the House amendment, the substitute provides for diversion from all price supported crops of the acreage representing the 20-percent cut, provides for a payment in kind equal to one-third of the average annual yield of the diverted acres, if they are diverted from all annual crops and grazing in addition to being diverted from price supported crops, and prevents the diverted acreage from being put in the conservation reserve. The House provision providing price support for noncooperators if marketing quotas should be disapproved is not contained in the substitute. If marketing quotas should be disapproved, price support at 50 percent of parity would be made available only to cooperators, as provided by existing law. No change was made in the existing provision of law which fixes the minimum Commodity Credit Corporation resale price for wheat at 105 percent of the current support price, plus carrying charges.

In order to qualify for the payment in kind provided for by the House provision contained in the conference substitute, the producer is required, in accordance with regulations prescribed by the Secretary, to designate an acreage on the farm equal to the 20-percent reduction in the farm acreage allotment. A great deal of authority has been left in this matter to the discretion of the Secretary. The intention of the conferees, of course, is that an acreage of cropland approximately equal in productive capacity to the producer's wheat acreage shall be designated, but experience under the Soil Bank Act has shown that it is difficult to spell out this intention within the rigid framework of law.

The conference therefore leaves it to regulation, which may be adapted to new cases or problems as they arise. The Secretary is expected to issue such regulations as may be necessary to effect the reduction in production contemplated by this provision.

The House provision for a $35,000 limitation on wheat price support was adopted in lieu of the Senate limitation on price support for all commodities.

Under the conference substitute the marketing excess, where actual production is shown, would be the actual production of the excess acres, whatever it might be. This conforms to the Senate bill and differs from the House amendment in that the House amendment reduced the marketing excess to zero whenever the total production on the allotted and excess acres did not exceed the normal production of the allotted acres.

The marketing penalty would be increased to 65 percent of parity, from 45 percent, that being the effect of both the Senate bill and the House amendment.

The Senate provisions reducing and restricting the 15-acre exemption are contained in the substitute. These provisions do not affect the provision in both the Senate and House bills and the conference substitute permitting a producer to produce as much wheat as he wants if he uses it all on the farm where produced.

The Senate provision restricting to farms complying with their allotments the right to withdraw penalty wheat from storage was adopted.

The Senate provision repealing authority for price support for noncooperators in the case of any basic agricultural commodity is contained in the substitute.

The substance of the House provision providing that a producer shall not suffer an acreage history penalty where, because of underproduction, he has no marketing excess to store in order to avoid the penalty is contained in the substitute.

The substitute would repeal the 200 bushel exemption permanently, as provided by the House, rather than for only 2 years as provided by the Senate.

No change would be made in the existing law prescribing eligibility for voting in the quota referendum.

House provisions repealing obsolete provisions and repealing a duplicate recordkeeping requirement are also contained in the substitute.

Both the Senate bill and the House amendment restrict wheat price supports in 1960 and 1961 to producers in the commercial wheat producing area. The Senate bill contained a very clear specific provision on this point. The House amendment provided that price support would be available only if "the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment." Farms do not have wheat acreage allotments in the noncommercial area and therefore farms in such area cannot qualify for price support under the bill. This provision of the House amendment was contained in the first section of the House amendment. The first section of the conference substitute follows the first section of the House amendment and therefore adopts the language of the House amendment on this point. I have described this situation to make it clear that the conference substitute provides wheat price support for 1960 and 1961 only in the commercial area.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. LAUSCHE. Will the Senator from Louisiana state what was the difference between the Senate bill and the House bill in dealing with the use which might be made of the acreage which was taken out of production, in order to obtain increased compensation?

Mr. ELLENDER. The House provided that if nothing at all were planted on that acreage, the producer would be paid in kind, out of the Commodity Credit Corporation stocks, one-third of the average annual yield for the farm multiplied by the number of acres represented by the reduction.

Mr. LAUSCHE. Was that provision in the original House bill?

Mr. ELLENDER. Yes. We accepted the House provision.

Mr. LAUSCHE. The Senate bill contemplated giving to the farmer the right to plant the acreage taken out of production. That is correct, is it not?

Mr. ELLENDER. There was no such payment-in-kind provision in the Senate bill; the Senator is correct.

Mr. LAUSCHE. There was no restriction against the use of the acreage taken out of production?

Mr. ELLENDER. The Senator is correct. The Senate bill contained no such restriction.

Mr. LAUSCHE. So the conferees agreed to accept the House version?

Mr. ELLENDER. The Senator is correct.

Mr. President, if the conference report is agreed to, the end result will be a reduction in acreage of about 11 million acres. If we take into consideration the conservation reserve acres amounting to 2½ million, which will not be planted to wheat, it will mean a total reduction in the wheat planting this year of 13½ million acres. With the reduction in the 15-acre exemption provision, and other tightening of the law, I estimate that the total reduction in the production of wheat will amount to about 250 million to 300 million bushels. As a result the cost of the program will be reduced by about $150 million to $200 million each year.

Mr. President, I hope the conference report will be agreed to.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. Is it not correct to say that the prospective reduction of production of wheat to be achieved in this way will be far greater than that to be achieved by way of the soil bank, and that it will be achieved at much less expense?

Mr. ELLENDER. There can be no question about that, I will say to my good friend from South Dakota.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. I should like to invite the attention of the Senate to the fact that, in regard to the 15-acre exemption being reduced to 12 acres, no new farmers can take advantage of that.

Mr. ELLENDER. That was a provision in the Senate bill.

Mr. AIKEN. Mr. President, I had hoped very much that we might enact legislation which would alleviate the wheat situation and reduce our surpluses somewhat.

Mr. ALLOTT. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Vermont may proceed.

Mr. AIKEN. Mr. President, I had hoped that could be done without seriously affecting farm income. For that reason, I voted for the bill which was before the Senate a couple of weeks ago, in the hope that when the bill reached the House it would be modified sufficiently so as to overcome my objections. However, that has not been done, and I should like to say why I was unable to sign the conference report on the bill.

The bill provides for price supports at 80 percent of parity, which means raising the support price on wheat about 11.9 cents a bushel above what it would otherwise be at the 75 percent of parity level, at a time when other countries are increasing their production and the price trend all over the world is downward. It does not appear to me that this is the time to undertake to raise prices or to increase support prices.

The conference bill would require each farmer to reduce his wheat acreage allotment by 20 percent. It will mean less money, less gross income, for the wheat farmer if he has to reduce his acreage allotment by 20 percent and receive 80 percent of parity price support, compared to what he would receive under the law as it is now, or even compared to what he would receive if he were authorized to plant 100 percent of his allotment and were paid 65 percent of parity.

So I could not approve the conference report, because it would have the effect of reducing farm income. As we reduce production and the number of allotted acres on a farm and with the highly mechanized production of today and the high overhead costs, we increase the costs of producing each bushel, so the farmers' net income would also be further reduced.

The bill provides that if the farmer decides to leave unplanted the 20 percent which he is required to take off his wheat allotment, and plants nothing at all on it, he may be paid in wheat, to the extent of one-third of the amount which he has been raising on such land over the last 3-year period. This would not necessarily reduce production, because he would not be obliged to do that. He could simply plant his 80 percent of a normal allotment of wheat, and plant the rest of the farm in sorghum, corn, oats, soybeans, or whatever he wished. He would be penalized only to the extent that he could not get price supports on that part of his wheat allotment which he is permitted to plant legally. So I doubt if the final result would be much of an overall reduction in the production of all grains, including wheat and feed grains, because most farmers, when they can do so, prefer to plant a crop of sorghum, at 50 bushels to the acre, or corn, at 100 bushels to the acre, rather than to

take pay for wheat at 8 bushels to the acre for not raising anything at all.

There are many features in the bill which are good and desirable. I would like to have them enacted by themselves, because I see no reason why they should not be adopted. However, they are tied in with other provisions to which I cannot agree.

There is one provision which limits price support for wheat to $35,000 a year for a single producer. I think it is unfair to single out wheat for such a limitation. We are letting peanuts, cotton, tobacco, corn, tung oil, and naval stores, some of which run into tremendous figures, go scot free, so far as a limitation is concerned; but we place a $35,000 limitation on the wheat farmer.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS of Delaware. I wish to commend the Senator from Vermont for what he has just said in connection with the $35,000 limitation. I was the author of the amendment which reduced the limitation to $35,000. Certainly, in all fairness to the wheat farmer and all other farmers, it should be applicable to all farmers on the basis of equality.

As I pointed out in the debate at the time the bill was passed, there was one cotton operation in the South which was drawing more than $1¼ million in support loans, and it was not even owned by American citizens. Under this proposal, we shall continue to pay $1 million to $1.5 million in supports to non-American citizens who are producing cotton at the same time we are restricting the American citizen who is producing wheat. I do not believe that such discrimination can be justified by any line of reasoning. I am in favor of the amendment, but it should have been made applicable to all commodities.

Mr. AIKEN. The Senator is correct. There is no reason in the world why the wheat farmer should be singled out for this particular type of penalty.

I expect that the conference report will be approved by the Senate. I believe that a majority of Senators present will favor it. The bill will probably be sent to the White House.

It is with something of a sense of futility that I see this action taken, although I cannot say with certainty what the result would be if no legislation were passed at this time. We would continue for another year under the present law. It might be that we would accumulate another 200 million bushels of surplus wheat during the next year under the present law. It is possible that we might not. We have had many good years in succession, which have resulted in our accumulating a very large supply of wheat—not only reserves, but surplus as well.

However, some good comes from that. I believe that America's surplus stores of wheat have done more than anything else to stabilize the political and economic situation around the world. I know that the supply of wheat which we have had, and which we have turned over to other countries as the need has indicated, has prevented inflation, hoarding, poverty, and possibly famine in some countries. There are worse things than having surpluses. There are worse things than having enough to eat and wear and a little more.

So, rather than support a measure which I feel would not improve the situation, and would discriminate against the wheatgrower, and possibly get us into more trouble than we are in now, I would much rather continue for another year under the present law. There are hazards involved in that course, but there are hazards involved in connection with this bill, as well.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield for a question.

Mr. CURTIS. What would the support price be if this legislation were not enacted?

Mr. AIKEN. It would be 75 percent of parity. I think that is about $1.78 a bushel. If this bill should become law, the support price of wheat would be about $1.90, or 11.9 cents a bushel more than it would be if no new legislation were enacted at this time.

Mr. CURTIS. Would the support price go below 75 percent of parity if no new legislation were enacted?

Mr. AIKEN. No; it would not.

Mr. CURTIS. Let me ask one further question. Who makes the election as to whether or not to reduce by 20 percent? Is it the individual farmer, or is there to be a referendum?

Mr. AIKEN. Each wheatgrower will be required to reduce his acreage allotment by 20 percent. If he plants nothing on such diverted land, he may be paid in kind at the rate of one-third of the amount of wheat which he would probably raise on that land. If he desires to plant it to corn, sorghum, or some other crop, then he will not receive support on that part of his normal allotment which he is permitted to plant, namely, 80 percent.

However, there are some parts of the country where, notwithstanding the surplus, the price in the general market has not gone below the support level for some years. I refer to the area in western Kansas and Nebraska, and parts of the Dakotas and Montana, where the price has held up very well. In those areas there would be a tendency to plant all the acreage allowed for wheat, forego the supports, and plant the diverted acreage to some other crop, depending upon the open market for wheat.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HRUSKA. In the areas to which the Senator has just referred, there would be a tendency to produce as much as possible, which would militate against the overall reduction in production.

Mr. AIKEN. I think there would be as much wheat as the farmers were permitted to produce, and also as much sorghum, corn, oats, barley, or soybeans as could be produced on the other land.

Mr. HRUSKA. To the extent that happened, the objective of the bill, to reduce production of wheat, would be defeated.

Mr. AIKEN. Yes. That is why I am not approving the conference report. I believe the Senator from Nebraska is entirely correct.

Mr. GOLDWATER. Mr. President, will the Senator from Vermont yield to me in order that I may request the yeas and nays on the conference report?

Mr. AIKEN. I yield.

Mr. MANSFIELD. Mr. President, will the Senator yield at that point?

Mr. AIKEN. I yield.

Mr. MANSFIELD. It was hoped that we could dispose of the conference report without a yea-and-nay vote, and certain Senators were given that assurance.

Mr. GOLDWATER. Also, we were given the assurance that there would be no votes tonight.

Mr. MANSFIELD. That is correct.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays on the conference report.

The yeas and nays were not ordered.

Mr. HOLLAND. Mr. President, I do not believe that any member of the conference committee, either from the Senate or from the House, believes that the bill as it comes from the conference is a perfect solution to the wheat problem. I certainly did not think so, and I did not hear any such expression from any other member. However, it seems to me that if we are to face the facts of life in connection with wheat, we must realize that what we are doing now is comparing what we may do under the program in the conference report with what has happened and would continue to happen under existing law.

The Senator from Florida reluctantly approves any increase in the support price, but he thinks that the 80 percent, which is an increase from 75 percent, is more than offset by the reduction by 20 percent in the allotted acreage and the reduction in production thereby brought about; also by the reduction of the small exempt farms from 15 to 12 acres, and also by the reduction that comes from the much heavier penalties on overplanting. I wish Senators to believe me that overplanting has been a very serious addition to our problem.

Under the proposed legislation there is no doubt that we will accomplish two things which we are not accomplishing under the present law. One of those two things is that we will materially reduce the production of wheat in the first year the act will apply, thereby start to cut down the surpluses.

The second thing is that we will materially reduce the cost to the Government of carrying this program.

Both of those things the Senator from Florida believes are values to be sought.

Without pretending that this legislation is perfect or that it offers a full solution to the problem, let me say it will make the first successful attack toward reduction of the surpluses and the first successful attack toward the reduction of the cost to the Government of this program.

Because we exhausted every possibility, the Senator from Florida approved of this report, and has no apologies to make for so doing. He will vote for it because he believes it gets us somewhere on the trail that we must travel in order ultimately to get rid of the overwhelming surpluses and get rid of the overwhelming expense to the Government.

Mr. MUNDT. Mr. President, as one of the conferees, I should like to tell the Senate that I voted for the conference report with considerable reluctance. I voted for it only because it seemed to me that it was better than the alternatives which confront the country and the wheatgrowers at this time, in view of the generally confused attitude on the part of the various farm organizations interested in the program and the Members of both the Senate and the House.

I would have preferred to have the price support level set higher than 80 percent. At one time it looked in the conference as though we might be able to prevail with a 20-percent reduction of acreage at a price support of perhaps 82½ percent. However, that amendment was voted down. There were other members of the conference who felt that 75 percent was as high as we should set the price support. So finally, as a compromise—as all conferences work out to be compromises—the price support of 80 percent, with a crop reduction of 20 percent, was agreed to.

I believe that the majority of the conferees from the start began their deliberations with the concept in mind that it is imperative that we begin reducing the tremendous wheat surplus, because to fail to do so might jeopardize the entire farm program, not only for the wheat producers, but also for other farmers and other products as well.

Having accepted that concept, we were equally determined that it was manifestly unfair to say to the wheat farmer that, because it is in the public interest and policy that we reduce the surpluses, the wheat producer, the farmer, must pay the costs of that reduction.

We were not interested, in the conference, in trying to reduce farm income. We were not interested in reducing the price the farmer receives for his wheat. That is not the proper way to bring about a reduction in production. We were interested in reducing production. We recognized, in fairness, that if we pull the production down, obviously we must push the price support up, or we do irreparable damage to the farmer.

I have watched with some interest tonight the Senate twice manifest itself by overwhelming yea-and-nay votes in conformity with the concept that certain interests in this country are entitled to a subsidy, or a floor, or a fixed price.

As the yea-and-nay votes on this issue will disclose in the CONGRESSIONAL RECORD, when we talk about subsidizing ships and subsidizing salaries and subsidizing wages, no one seems to have any particular qualms about it when speaking for the majority of the Senate. However, when it comes to something so basic as agriculture, we always find persons who are glad to jump up and worry about the fact that a proposal may involve some kind of subsidy.

Because the parity figure fluctuates a good deal, and because the parity formula is so complicated that no Member of the Senate can work it out for himself, we have some deviations as to what this bill is going to do to the price of wheat.

We all believe it will bring about a price of wheat of around $1.90. I believe that it is going to be about 8 or 9 cents a bushel more than would be received at 75 percent of parity. The distinguished Senator from Vermont [Mr. AIKEN] believes that it will be 11 or 12 cents. But whatever it is, for this little additional income per bushel of wheat the farmer receives, America gets some pretty big dividends from the standpoint of moving in the direction of reducing the tremendous surpluses of wheat. Inadvertently the distinguished chairman of the committee said that it would reduce the surpluses by about 250,000 or 300,000 bushels. I know he meant millions of bushels, and I know the RECORD will be corrected in conformity.

The program not only takes the 20 percent out of production in the Wheat Belt, but it does something that has been badly needed to be done for some time. It starts to bring the wheat production back to the wheat country. It starts to reduce the size of the 15-acre exempt farms. It cuts them also by 20 percent, and reduces them to 12 acres.

It provides, in addition, for a very sharp tightening up against overplanting. I do not believe that what my friend from Omaha envisions can happen, because there is going to be no opportunity or incentive for a farmer to rush in madly and overproduce wheat. The penalties are too severe. He will suffer a loss in historic acreage and a sharp loss in income.

If the farmers approve the legislation in a referendum, as I suspect they will, we will not have to worry about overplanting, as has happened in the past.

Furthermore, Mr. President, on the credit side of this legislation is the fact that it brings into operation a concept which a great many persons, including a great many Members of Congress, favor—and my colleague from South Dakota at one time offered an amendment in committee in that connection—namely, to start using the surplus grain to pay the rent required by the farmer to provide him with the income he lost because of a curtailment in his production. We provide these payments—and in my State they will average about $10 an acre—from the surpluses which have already been accumulated. Consequently, some of the surpluses will be put to work to rent the land which has remained idle, and thus help us solve this difficult situation.

So, Mr. President, while I regret deeply that the price supports are only 80 percent—and I wish they could have been 82½ percent or 85 percent—it seems to me that within the spectrum of the alternatives confronting us the conference committee did the only thing it could do by bringing back the kind of legislation which will for the first time in many years move the country in the direction of reducing the wheat surpluses and begin to provide something in the nature of an approach to the solution of the farm problem.

In conclusion, I pay my respects to the distinguished Senator from Florida [Mr. HOLLAND] who, as all Senators know, has been a consistent supporter of the 75 percent concept, and who backed away a considerable figure from his consistent position, in the interest of harmony, in the interest of compromise, in the interest of a successful conference, and joined us in providing, at least, for an 80 percent price support, which does recognize the basic theory that when farmers are compelled to plant less soil and raise less grain, we then owe them the obligation to increase the price of the product which they raise.

If we are to have any consistency at all in a Congress, which votes overwhelmingly to subsidize the building of ships, which votes overwhelmingly to subsidize the sailing of ships, and which legislates so that it is necessary to subsidize, underwrite, stabilize, and standardize a great many of the costs which the farmer has to pay in his farming operation, we must, in turn, legislate to protect and promote the farmers' income.

Mr. ALLOTT. Mr. President, I regret very much that this very important matter comes on for debate at such a late hour and with such comparatively little opportunity to examine it and what its effects are. Still, with the indulgence of the Senate, I should like to make a few remarks on it.

I do not question what the Committee on Agriculture and Forestry has done. This is not an easy problem to solve. Anyone who has wrestled with it knows that there is no easy answer and that there is no easy way out. So whatever I may say, I do not say in derogation of any member of the Committee on Agriculture and Forestry.

The Senator from South Dakota [Mr. MUNDT] has pointed out one thing, and I should like to point out another: While the conference bill reduces a farmer's acreage by 20 percent, it does not increase his price by 20 percent. That is something which I think all of us must consider. Having lived in a great wheat-producing section all my adult life, I feel I know a little bit about how that operates and how it affects the farmers. In the short time while I was listening to the distinguished Senator from Louisiana [Mr. ELLENDER] and particularly the distinguished Senator from South Dakota [Mr. MUNDT] I tried to figure out and balance in my own mind the things which are going to affect the farmers of my part of the country, and also balance them against the national good, as I see it. In the short time I have had to consider them, I must say that I will support the conference committee.

At the same time, I cannot sit here in the absence of a yea and nay vote and act without some misgivings, because the people of my part of the country, the people of eastern Colorado and western Colorado, who farm wheat, and who have only 2 choices of crops, wheat and small grains, will be adversely affected by this measure. This is the first public notice of things I have tried to tell them many times, namely, that this whole wheat matter will break up unless Congress acts upon it immediately.

There is one factor which is bothering me very much, but which no one has mentioned. The same question applies to the so-called domestic parity plan or two-price plan, or whatever one may want to call it. It has been called many things. That is, that in paying back to the farmers one-third of the normal yield of the past 3 years, I do not know what the farmer will do with it. Perhaps this is done in the concept of the traditional midwest part or the eastern part of the Nation. But in the great open spaces of the west—of South Dakota, North Dakota, Wyoming, Montana, Colorado, Oklahoma, western Kansas, and all the rest of the Great Plains area—most of the wheat farms are not farms which are engaged in widespread farming operations. They are engaged in raising wheat.

Or, on the other side, they are engaged in the raising of small grains.

The only thing I can see—and I say this particularly to the Senator from South Dakota—that they can do is to lay this by and use it for planting, if the occasion arises, because they do not have feeding operations or other operations to utilize this plan.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ALLOTT. I am glad to yield.

Mr. MUNDT. They can do anything they want with it except put it back into loan. In some areas, they will be able to sell it a comparatively short haulage distance. In some areas, where there is no specialized wheat production, they will lay it by for sale. In some areas, they will lay it by for seed purposes.

In all instances, this will be their wheat; and knowing the ingenuity of the American farmer, as both the Senator from Colorado and I do, I am sure we can envision the fact that by one device or another, he will make the wheat a cash asset for himself.

Mr. ALLOTT. I hope he will. I intend to support the conference report, but I think this plan will pose a serious problem. I think we should put the wheat farmers on notice that when this particular measure becomes law, it will make it very tough on them, because in these days, when it is necessary to expend more and more money on tractors and other expensive equipment, the farmers are not in a position to afford a cutback in acreage with the price increase which is contained in the bill.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. MUNDT. I have just consulted with the staff representative who is on the floor. The picture, from the standpoint of the wheat producer, is a little bit better than I had portrayed it, because he will receive negotiable certificates for the wheat and can sell them wherever and to whomever he likes without the necessity of his ever taking possession of the wheat itself.

Mr. ALLOTT. I thank the Senator from South Dakota for his help. I simply wanted to point out this particular fact, because it will be something which every wheat farmer in the Great Plains area of the United States will have to face. This is no final answer to the wheat problem we have in this country. I hope the measure will help. For that reason, I shall support the conference report.

Mr. LAUSCHE. Mr. President, I do not contemplate voting for the conference report. I will not do so because there has not been indicated with adequate clarity that the overall result will be a reduction of the surplus. I noted that the Senator from Vermont [Mr. AIKEN] said the probability is that the overall result will be equal to, if not worse, than what the situation is now.

May I ask the Senator from Vermont what his statement was as to what the overall result would be?

Mr. AIKEN. If large numbers of wheat growers took payment in kind for not planting land diverted from wheat production and received their 8 bushels of wheat per acre for such land, then there could be some reduction.

However, if instead of taking 8 bushels of wheat, they decided to forgo the supports on all the wheat they planted, and planted the diverted acres to sorghum or corn, there could be an actual increase in the overall supply of all grains.

Mr. LAUSCHE. Moreover, from a representative agency of the farmers, in Ohio, I received word that their analysis of the overall result is that there will be no benefits for the general citizen in the program.

Mr. AIKEN. I think there would be some increase in the price of wheat to the general public, and a reduction in gross income to the wheat farmer.

Mr. KEATING. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. KEATING. As I figure this out, in the light of what the distinguished Senator from Vermont has said, those who consume grain are likely, by the bill, to have their prices raised.

In my State—as, I am sure, in the State of Ohio—there are large numbers of poultry growers, stock raisers, and others who would be adversely affected by this proposed legislation.

Mr. LAUSCHE. Yes.

Mr. JAVITS. Mr. President, will the Senator from Ohio yield to me?

Mr. LAUSCHE. I yield.

Mr. JAVITS. As the other Senator from the State of New York, let me join in the statement that our State does have this problem.

But what appeals to me is that the difficulty with this measure is that it does not provide a solution. Certainly it is high time for us to call a turnaround.

I do not object to spending the money; I think it should be spent to help the farmers. But to spend it to get into this kind of frustrating situation again, I cannot see.

So I oppose the conference report.

Mr. CAPEHART. Mr. President, I am fearful that this proposed legislation may result in lowering the price of wheat, lowering the income of the farmers, increasing the cost to the taxpayers, and further increasing the surplus.

Therefore, Mr. President, I cannot support the conference report.

Mr. DIRKSEN. Mr. President, rather than detain the Senate, I ask unanimous consent to have printed at this point in the RECORD a statement in regard to this conference report, and also an estimate of cost of this program, as distinguished from the cost of the program under existing law.

There being no objection, the statement and the estimate were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN ON CONFERENCE REPORT ON SENATE BILL 1968

This bill has one fundamental weakness. It attempts to go in two directions at the same time. On the one hand it tells farmers that they must reduce their acreage of wheat by 20 percent. On the other hand it tells farmers to step up their yields per acre because the Federal Government will support the price at a higher rate per bushel.

Those who have not examined the historical facts very carefully would believe those who claim that a 20-percent reduction in acreage would reduce production by approximately 20 percent. However, all history and all statistical data point in the opposite direction. In the 5-year period, 1949–53, the harvested acreage averaged 67.7 million acres, with an average yield during that period of 16.5 bushels per acre. Under acreage controls in the 1954–58 period acreage was reduced by over 25 percent but yield per acre jumped to 21.4 bushels per acre, about 30 percent. We would expect that the same situation would happen in 1960 and 1961 as has happened in the past. Cut the acreage and yields jump. This may be expected since the poorest acres come out and all the technology is poured on the remainder.

This bill will cost more than the already excessively expensive program we have for wheat. Let us examine the cost aspect of this legislation in detail:

1. Export subsidy would go up by $63 million.

2. The cost of the payment-in-kind program would be about $115 million.

3. The cost of supported crops produced on the acres taken out of wheat production on the former 15-acre farms would increase by at least $25 million.

4. The cost of supporting the additional crops that would not take the payment-in-kind would go up by $50 million. This total increase would be $253 million. Offsetting this would be the reduced production of approximately 120 million bushels times $2 per bushel or $240 million. Thus this program would cost an additional $13 million, above the already tremendously costly and market destroying program.

There are some other factors which should be considered by this body and especially by those Congressmen who represent areas where many of these non-price-supported crops are grown.

1. The acreage taken out of wheat will inevitably be the poorest acres on the farm.

2. It is probable that the acreage devoted to such important nonsupported crops as po-

tatoes and sweet potatoes, other vegetables including canning crops, broom corn, pop corn, and dry peas, will be increased. This will force prices down for these crops and will hurt the traditional producers of these crops.

The bill does nothing to give small family-size farms a voice in the wheat marketing quota referendum. This disenfranchisement of small farmers from a vote on a program that has a bearing on their economic situation is unjust as provided under the current law and would be perpetuated by this bill.

The bill also goes a long way in imposing additional restrictions on farm operations. The 20-percent reduction of wheat acreage would require additional visits and checkups on farms and farming operations. An even closer look would have to be taken if a farmer applied for payments in kind, since eligibility for such payments is contingent upon withholding the acreage involved from all crop production and from grazing. Aside from the additional restrictions on farmers, all these visits, and resulting extra record keeping, cost money; administrative expenses of the program are likely to be much higher.

Those who represent cotton and rice areas should ask themselves why this special treatment for wheat. Under similar surplus conditions the legislation passed in 1958 provided for reduced price supports and in the case of cotton lower acreage. Here we are raising the price support for wheat and paying a bonus on top of that in wheat. We are making the most expensive program we have, even more expensive.

This program goes directly contrary to the recommendations of the President. In his message on agriculture on January 29, the President said:

"I recommend that prices for those commodities subject to mandatory supports be related to a percentage of the average market price during the immediately preceding years. The appropriate percentage of the average market price should be discretionary with the Secretary of Agriculture at a level not less than 75 and not more than 90 percent of such average in accordance with the general guidelines set forth in the law. * * *

"If, despite the onrush of science in agriculture, resulting in dramatic increases in yields per acre, the Congress still prefers to relate price supports to existing standards, the Secretaray should be given discretion to establish the level in accordance with the guidelines now fixed by law for all commodities except those for which supports presently are mandatory.

"Either of these changes would be constructive. The effect of either would be to reconcile the farm program with the facts of modern agriculture, to reduce the incentive for unrealistic production, to move in the direction of easing production controls, to permit the growth of commercial markets and to cut the cost of Federal programs."

This proposed program, contrary to the recommendations of the President, is driving us to programs which would involve us in even greater trouble than the present one. Let us not prescribe for a sick patient another dose of what caused the illness in the first place.

Estimated cost under S. 1968

Present program, production——bushels	1,200,000,000
Estimated production under S. 1968——bushels	1,080,000,000
Reduced production under S. 1968——bushels	120,000,000
Saving from reduced production (120 million bushels times $2 per bushel)	$240,000,000

INCREASED ITEMS UNDER S. 1968

Export subsidy increase (450 million bushels times 14 cents per bushel)	$63,000,000
Payment-in-kind program	113,000,000
Additional crops planted on acreage taken out of small wheat farms currently under 15-acre provision	25,000,000
Additional crops grown by those who do not take payment in kind	50,000,000
Total	251,000,000
Net increase in costs	11,000,000

In addition to the above there will be an undetermined amount of additional price support due to the shift toward the use of the best acres on the farm for price supported crops other than wheat.

The PRESIDING OFFICER. The question is on agreeing to the conference report. [Putting the question.]

The "ayes" appear to have it; and the "ayes" have it, and the report is agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the report was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

RESOLUTION OF MASSACHUSETTS HOUSE OF REPRESENTATIVES

Mr. SALTONSTALL. Mr. President, on behalf of myself, and my colleague, the junior Senator from Massachusetts [Mr. KENNEDY] I present, for appropriate reference, a resolution of the House of Representatives of the State of Massachusetts. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on the Judiciary, and, under the rule, ordered to be printed in the RECORD, as follows:

RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION RELATIVE TO THE FOURTH PREFERENCE QUOTA

Whereas there is a backlog of petitions for admission to the United States filed by persons whose cases fall within the fourth preference quota and the entry of such persons into this country has been seriously delayed: Therefore be it

Resolved, That the House of Representatives of Massachusetts respectfully urges the Congress of the United States to amend Public Law 85-316 so as to include cases falling within the fourth preference quota thereby providing for the admission of the many thousands whose petitions have piled up in a backlog in prior years; and be it further

Resolved, That in order not to create a problem of separated families the said house of representatives respectfully urges said Congress to enact legislation permitting those petitioners who are married and have families to bring them into the country; and be it further

Resolved, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the presiding officer of each branch of Congress and to the Members thereof from this commonwealth.

House of representatives, adopted, June 2, 1959.

LAWRENCE R. GROVE,
Clerk.

A true copy.
Attest:

JOSEPH D. WARD,
Secretary of the Commonwealth.

ADDITIONAL BILL INTRODUCED

Mr. O'MAHONEY (for himself and Mr. MCGEE) introduced a bill (S. 2205) to amend section 103 of title 23, United States Code, which was read twice by its title and referred to the Committee on Public Works.

RECOGNITION OF JURISDICTION OF INTERNATIONAL COURT OF JUSTICE IN CERTAIN LEGAL DISPUTES—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. KEFAUVER. Mr. President, on March 24, 1959, the senior Senator from Minnesota submitted Senate Resolution 94, the effect of which would be the repeal of the so-called Connally reservation on U.S. acceptance of compulsory jurisdiction of the International Court of Justice. I was in the process of preparing a similar resolution. However, I would much prefer to be a cosponsor of the resolution of the Senator from Minnesota, than to submit a separate resolution of my own. Therefore, I ask unanimous consent that I be permitted to join as a cosponsor of Senate Resoluton 94.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a brief memorandum outlining the reasons for withdrawing the phrase "As determined by the United States of America" from the U.S. declaration recognizing the compulsory jurisdiction of the International Court of Justice.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

REASONS FOR WITHDRAWING THE PHRASE "AS DETERMINED BY THE UNITED STATES OF AMERICA" FROM THE U.S. DECLARATION RECOGNIZING THE COMPULSORY JURISDICTION OF THE INTERNATIONAL COURT OF JUSTICE

The U.S. declaration recognizing the compulsory jurisdiction of the International Court of Justice, as deposited with the Secretary General of the United Nations in August 1946, was made in accordance with the resolution of the Senate adopted on August 2, 1946. The declaration contains three reservations describing types of disputes to which the declaration shall not apply. The second of these reservations relates to "disputes with regard to matters which are essentially within the domestic jurisdiction of the United States of America as determined by the United States of America."

The phrase "as determined by the United States of America" was added by the Senate during consideration on the floor of the Senate resolution advising and consenting to the deposit of the declaration by the President. This type of provision has been described as an "automatic" reservation.

This automatic reservation should be withdrawn from the U.S. declaration for the following reasons:

1. Under the automatic proviso the United States reserves to itself a unilateral right of decision in determining the applicability of the declaration to certain types of disputes. Such a reservation can be regarded as rendering the U.S. declaration illusory and as evidencing a distrust of the Court, which under its statute is given the function of deciding questions concerning its jurisdiction under relevant declarations. It is inconsistent with our support for the development of the rule of law in the world, upon which a just and lasting peace must rest.

2. To encourage the development of the rule of law in the world, the United States supports the referral to the International Court of Justice of international legal disputes which cannot be settled otherwise. With an automatic proviso in our own declaration the United States is hindered in urging upon all the states of the world the judicial settlement of international legal disputes and greater use of the World Court. We seem to be advocating for others what we refuse to accept for ourselves.

3. Declarations are made on the basis of reciprocity. With an automatic proviso in our own declaration, the United States could not hale before the Court any unwilling defendant state even though it had accepted the Court's compulsory jurisdiction. Such a state might not hesitate to invoke improperly the U.S. reservation in its own defense, on a basis of reciprocal rights. The Court might not examine the propriety of a government's reliance upon such a reservation. For example, in the Norwegian Loans case, Norway, the defendant in the case, invoked the automatic reservation contained in the declaration of France, the applicant state. In its decision declaring a lack of jurisdiction, the Court gave effect to the Norwegian plea based upon the automatic reservation without looking behind the plea to examine whether there was a proper basis for applying the automatic reservation to the facts of the case.

4. If the automatic proviso were withdrawn from the U.S. declaration, there would still remain the domestic jurisdiction reservation in the declaration which could be relied upon by the United States in any appropriate case. Pursuant to article 36, paragraph 6 of the Court's statute, the Court would settle any dispute as to whether it had jurisdiction in a particular case.

5. An automatic proviso is, for the United States, unnecessary. It was the understanding of the Senate when the automatic proviso was adopted that this reservation would never be improperly invoked and that the United States would be bound in good faith to accept the Court's jurisdiction in every case involving matters not essentially within the domestic jurisdiction of the United States. Thus, the United States would be expected to invoke the reservation only in those cases in which the Court itself would probably uphold a plea of domestic jurisdiction if interposed by the United States on the basis of the domestic jurisdiction reservation without the automatic proviso.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 17, 1959, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 2094. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; and

S.J. Res. 59. Requesting the President to issue a proclamation designating 1959 for the observation of the 350th anniversary of the historic voyages of Hudson and Champlain.

ADJOURNMENT TO 11 A.M.

Mr. JOHNSON of Texas. Mr. President, after a conference with the minority leader, I ask unanimous consent that the Senate convene at 11 a.m. today. There will be the morning hour and there will be quorum calls, but we will have no votes completed before noon.

The PRESIDING OFFICER. Without objection——

Mr. DWORSHAK. Mr. President, reserving the right to object, let me say that some committee sessions are scheduled for this morning; and I do not think the session of the Senate should interfere with them.

If the Senate session could not begin before noon on yesterday, certainly the session today cannot begin before noon.

Mr. JOHNSON of Texas. Mr. President, all the committees can meet until noon.

Mr. DWORSHAK. But committee meetings are scheduled for this morning; and the session in this Chamber cannot very well be held while committee meetings are in progress.

Mr. JOHNSON of Texas. Oh, yes.

Mr. DWORSHAK. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in adjournment until 11 a.m. today, as in legislative session.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and (at 12 o'clock and 3 minutes a.m. on Thursday June 18, 1959) the Senate adjourned until 11 a.m. on the same day.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 17, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Romans 15: 33: *Now the God of peace be with you all.*

God of all grace, we are earnestly beseeching Thee to bless our President, our Speaker, and the Members of this legislative body as they daily seek to administer wisely the political and civic affairs of our beloved country.

Wilt Thou control and take charge of our plans and purposes, bringing them into harmony and homage to Thy holy will.

Grant that we may be men and women of integrity and fidelity, counting it our supreme joy to merit Thy favor and to render a service that will redound to the welfare of our Republic, and all mankind.

May the hardships and adversities, which we encounter, never lead us to doubt and despair but discipline us to lay hold of our tasks with perseverance and a more wholehearted devotion.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

INVESTIGATION OF THE EPISODE OVER THE SEA OF JAPAN

Mr. GARY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, I hope there will be a very thorough and sweeping investigation by the Congress of the episode which occurred over the Sea of Japan on yesterday. We should not permit our righteous indignation over the contemptible attack on our plane to completely overshadow our apparent inability to meet the attack. According to a radio report emanating from Tokyo this morning, the communications system on our plane broke down so that the tail gunner did not receive orders to fire. This may have been because of the enemy attack. It was stated, however, that the foreguns did not fire because certain vital parts were missing and a Navy spokesman said the parts were hard to get.

If, after all the money we have appropriated for the defense of our country, the Navy is sending up planes manned with guns which cannot be fired because of missing parts, then we should begin firing in the Navy.

I hereby urge an immediate investigation by the proper congressional committees.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INVESTIGATION OF THE EPISODE OVER THE SEA OF JAPAN

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, the attack upon an American plane in the Japanese Sea is a shocking and inexcusable situation for which there should be vigorous inquiry and probable court-martial.

There is absolutely no justification for allowing American planes to patrol in danger areas unless their personnel are fully capable of defending themselves against attack.

Our planes in those areas should be armed with the most modern weapons and those weapons should be fully functional at all times.

The American people are tired of ineffectual protests through diplomatic channels. Our crews should be instructed to make their own protests, whenever there is provocation, with weapons whose language the attackers understand.

ADDITIONAL FUNDS FOR DIRECT LOANS AND RATE OF INTEREST ON GUARANTEED LOANS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2256) to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That section 1802(d) of title 38, United States Code, is amended by (1) striking the word 'or' before '(2)' in the first sentence thereof, and (2) inserting before the period at the end of such sentence a comma and the following: 'or (3) by any Federal Housing Administration approved mortgagee designated by the Federal Housing Commissioner as a certified agent and which is acceptable to the Administrator'.

"SEC. 2. Paragraph (1) of section 1803(c) of title 38, United States Code, is amended (1) by striking out ', but the rate of interest so prescribed by the Administrator shall not exceed at any time the rate of interest (exclusive of premium charges for insurance, and service charges if any), established by the Federal Housing Commissioner under section 203(b)(5) of the National Housing Act, less one-half of 1 per centum per annum'; and (2) by striking out '4¾ per centum per annum' and inserting in lieu thereof '5¼ per centum per annum'.

"SEC. 3. (a) Section 1804(b) of title 38, United States Code, is amended by adding at the end thereof a new sentence as follows: 'The Administration may also refuse to appraise any dwelling or housing project owned, sponsored, or to be constructed by any person refused the benefits of participation under the National Housing Act pursuant to a determination of the Federal Housing Commissioner under section 512 of that Act.'

"(b) Section 1804(d) of title 38, United States Code, is amended by adding at the end thereof a new sentence as follows: 'The Administrator may also refuse either temporarily or permanently to guarantee or insure any loans made by a lender or holder refused the benefits of participation under the National Housing Act pursuant to a determination of the Federal Housing Commissioner under section 512 of that Act.'

"SEC. 4. Section 1823(a) of title 38, United States Code, is amended by inserting immediately after the second sentence the following new sentence: 'In addition to the sums authorized in this subsection the Secretary of the Treasury shall also advance to the Administrator such additional sums, not in excess of $100,000,000, as the Administrator may request, and the sum so advanced shall be made available without regard to any limitation contained in this subsection with respect to the amount which may be advanced in any one quarter annual period.'"

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. EDMONDSON. Mr. Speaker, reserving the right to object, I want to ask the chairman how severely cut was the direct loan fund under the Senate amendment.

Mr. TEAGUE of Texas. Mr. Speaker, the House passed a bill in which there was $300 million for direct loans. The other body passed a bill in which there was $150 million. In this amendment there is $100 million for direct loans.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I deeply regret the severe cut in the veterans direct loan program that is brought to the House in this proposal.

As the chairman of the House Committee on Veterans' Affairs has pointed out, more than 40,000 American veterans are today on waiting lists for direct loans, in areas where no other home financing is available.

Unless we provide adequate direct loan fund money, the GI bill's provisions for veterans housing are meaningless for hundreds of thousands of our veterans. The House had voted the addition of $300 million to this fund, and we are now asked to accept $100 million.

This is a most drastic and unjustified cut, in view of the long veterans' waiting list for these loans.

Only because Chairman TEAGUE advises that it is our only chance for any addition to the fund this year, can today's House action be justified.

Mr. HALLECK. Mr. Speaker, reserving the right to object—and I am not going to object—the gentleman has already said that the amount has been reduced from $300 million to $100 million.

Mr. TEAGUE of Texas. Correct.

Mr. HALLECK. Do I understand correctly that that is within the discretion of the Administrator?

Mr. TEAGUE of Texas. That is within the discretion of the Administrator, as was pointed out when the bill originally passed the House.

Mr. HALLECK. One other question, Mr. Speaker. The interest rate under the Government-insured loans has been increased to 5¼ percent?

Mr. TEAGUE of Texas. This bill would increase it from 4¾ to 5¼ percent.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a table.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, the Senate amendments change H.R. 2256, as passed by the House, as follows:

First. Section 1 of H.R. 2256, as passed by the House, provided for $300 million additional funds for the Veterans' Administration direct loan program to be used in reducing the waiting list. The Senate amendment reduces this sum to $100 million.

Second. Section 2 of the bill, as passed by the House, which was an amendment offered on the floor, provided that the Administrator of Veterans' Affairs may declare any area eligible for direct loans regardless of the size of the area. The Senate amendment eliminates this section.

Third. Section 3 of the bill, as passed by the House, increased the interest rate ceiling from 4¾ percent to 5¼ percent, and eliminated the present tie between the Veterans' Administration and Federal Housing Administration interest rates. The Senate amendment is identical to this provision. Section 3 of the bill, as passed by the House, provided that any certified agent of a governmental agency can make a Veterans' Administration automatic loan. The Senate amendment limits the certified agents to those approved by the Federal Housing Administration.

Fourth. Section 4 of the bill, as passed by the House, requires the seller of a home to deposit the downpayment of a veteran in a special trust fund or escrow account. The Senate amendment eliminates this section.

Fifth. Section 5 of the bill, as passed by the House, authorized the Administrator of Veterans' Affairs to refuse to appraise a house for a builder or lender who has been suspended by FHA. The Senate amendment contains this same provision.

Sixth. Section 6 of the bill, as passed by the House, was an amendment to the bill offered on the floor of the House and provided that repayments made on direct loans should remain in the Veterans' Administration regional office area where the loan was made to be reused for new loans. The Senate amendment eliminates this section.

During committee hearings held on H.R. 2256, serious consideration was given to the amount of funds needed for the Veterans' Administration direct loan program. It was felt that $300 million was needed at that time in order to reduce the waiting list. There were some 40,000 veterans on the waiting list at that time and today there are over 50,000 veterans on the waiting list for direct loans.

I realize that the $100 million will not be sufficient but "one-half a loaf is better than none." Therefore, I respectfully urge adoption of the Senate amendments to the bill H.R. 2256 so that

it can be sent to the White House where I hope it will be signed without delay.

The Veterans' Administration guaranteed home loan program was designed to assist veterans in the purchase of homes or the purchase of farms with farm homes, throughout the country. The program to date has failed to afford equitable opportunity for the veterans living in rural areas, small cities, and towns. The reason the program has not operated in these areas is due to the fact that the lenders of our country have failed or refused to make mortgage financing available in these locations. To correct this condition Congress authorized the Veterans' Administration direct loan program by Public Law 875, 81st Congress, which was approved April 20, 1950.

HISTORY OF THE DIRECT LOAN PROGRAM LEGISLATION

The direct loan program as authorized by the Servicemen's Readjustment Act, as amended, has been extended from year to year for financial assistance to those veterans living in rural areas, or in small cities and towns not near large metropolitan areas, where other types of financing are not available. The direct loan program, as originally authorized, was to extend from July 19, 1950, to June 30, 1951, and empowered the Administrator to make direct loans up to $150 million—Public Law 475, 81st Congress, approved April 20, 1950. After expiring, on June 30, 1951, the program was renewed on September 1, 1951, on a revolving-fund basis, limited to $150 million outstanding at any one time and extended the program to June 30, 1953—Public Law 139, 82d Congress. The revolving fund included the unreserved portion of the original $150 million fund allocation, plus the increment from loan repayments, and the proceeds of sales of direct loans to private investors. The revolving fund was augmented in April 1952 by an additional allocation of up to $125 million, to be made available by the Secretary of the Treasury in quarterly installments of $25 million, less the proceeds of direct-loan sales in the preceding quarter—Public Law 325, 82d Congress. Under provisions of Public Law 101, 83d Congress, approved July 1, 1953, the program was continued for 1 year, to June 30, 1954, with up to $100 million added to the revolving fund, to be made available in quarterly installments, and the maximum interest rate on direct loans was raised to conform to the rate on guaranteed loans. The program was again continued for 1 year, ending June 30, 1955, by Public Law 438, 83d Congress, approved June 29, 1954. Public Law 88, 84th Congress, approved June 21, 1955, revised the program and extended the program for 2 years, expiring June 30, 1957. Public Law 1020, 84th Congress—Housing Act of 1956—approved August 7, 1956, extended the program for 1 year from July 1, 1957, to June 30, 1958, but failed to appropriate funds for the extended period.

VETERANS UNABLE TO OBTAIN LOANS

The committee made a survey throughout the country of the inequity of opportunity and found that of 3,234,438 veterans living in 1,635 rural counties, less than 10 percent had obtained a loan to purchase a home. This compares with 2,857,307 veterans residing in 126 metropolitan counties where over 40 percent have obtained a guaranteed loan.

The committee found that the administration of the direct loan program was such that it was almost impossible for a veteran to build a new home in a direct loan area. Approximately 80 percent of the direct loans were for the purchase of old and existing homes. The committee further found that veterans were unable to buy a farm and farm home with the aid of a VA direct loan because the Veterans' Administration required the veteran to obtain at least 60 percent of his income from farming operations. This was not the intent of Congress.

To correct this situation and clearly establish the intent of the committee and Congress, the committee reported H.R. 4602, which was approved by the Congress.

H.R. 4602 VETOED

H.R. 4602, approved by Congress, established the intent of Congress on direct loans, extended the program to July 25, 1958, provided $150 million for the year's extension, and increased the maximum amount of a direct loan from $10,000 to $13,500. However, the President vetoed the bill on September 2, 1957.

PUBLIC LAW 85-364

Public Law 85-364, approved April 1, 1958, contained all the provisions of H.R. 4602, extended the program 2 years, from June 30, 1958, to July 25, 1960, and provided $150 million for each year of the 2-year extension. Public Law 85-364 also increased the maximum interest rate the Administrator of Veterans' Affairs could set on guaranteed and direct loans. The maximum is set at 4¾ percent, but is also tied to the interest rate set for loans under section 203(b)(5) of the National Housing Act, in that the rate cannot be higher than 4¾ percent, or one-half of 1 percent below the rate on type 203(b)(5) loans, whichever is the lower.

NEW DIRECT LOAN PROGRAM

It was the intent of the committee and Congress that new rules and regulations be established by the Veterans' Administration for the direct loan program which would enable builders to participate in the program in rural areas, small cities, and towns. The new program would also assist veterans to purchase a farm with a farm home, to purchase a farm and build a home on the farm, to build a home on a farm already owned, or to repair and remodel a home or farm home.

The intent was carried out, in detail, through the new rules and regulations issued by the Veterans' Administration on April 16, 1958.

PRESENT-DAY WAITING LIST

On April 1, 1958, the day the present law was signed by the President, there were 13,084 veterans on the waiting lists of the Veterans' Administration regional offices for a direct loan. The Veterans' Administration received the first funds under Public Law 85-364 on April 4, 1958. This $50 million was allocated to the regional offices with instructions to try to take care of the veterans who were on the waiting list as of April 1, 1958. Veterans who had applied after that date were to be placed on a new waiting list which could not be taken care of until the next allotment was received.

Veterans' Administration records indicate that 50 percent of the veterans who make application for a direct loan do not want one by the time their name reaches the top of the waiting list and funds are available to them. In many cases the veteran no longer desires the direct loan because he has obtained a loan elsewhere or there has been a change in his plans. In too many cases, however, the house he wanted has already been sold. The average amount of a direct loan is $9,044. If only 50 percent of the 13,084 veterans on the waiting list as of April 1, 1958, actually wanted a loan, it would have taken $65.42 million to make loans to the 6,542 veterans. However, only $50 million was available. Using the 50-percent figure, this would mean that 1,542 veterans had to remain on the waiting list until the next funds were received.

Veterans' Administration records indicate that on December 1, 1958, there were 41,025 veterans on the direct loan waiting list. The $50 million quarterly allotment will, if the average amount of a loan is $9,044, provide loans for only 5,000 veterans.

It is evident that additional funds must be made available if direct loans are to be provided the veterans who desire and are entitled to them.

If only 50 percent of the veterans on the waiting list still desire home loans by the time theirs is reached, it will take $216 million to eliminate the waiting list of 41,025 veterans.

Under the present law, the Veterans' Administration drew $50 million in January 1959, which will be the only funds for direct loans until July 1, 1959. This amount will make only 5,000 loans. The $50 million will be allocated to the VA regional offices and earmarked for the veterans on top of the list. This will leave over 36,000 veterans on the waiting list, who will have to wait until July 1, 1959, for a home loan—if the home they want is still available—and then only the top 5,000 veterans on the waiting list will be able to obtain a loan.

NEW HOMES

The new direct loan program has provided new homes for veterans in rural areas, small cities, and towns. Direct loans for old and existing homes have been reduced from 80 to 55 percent and loans for new homes have increased from 20 to 45 percent of the direct loans made. Also, farms with a farm home have been purchased with a direct loan as well as new homes have been built on farms already owned by veterans.

The following chart shows the waiting list of both veterans and builders by Veterans' Administration regional offices. This chart also shows that if all the veterans on the waiting list could receive loans and all the builders on the list could receive commitments, it would take $550,411,912 to make the list current. I am informed by the Veterans' Administration that there are over 1,000 vet-

erans per month being added to the waiting list.

H.R. 2256, as amended by the Senate, provides for $100 million to be used immediately. This amount will provide approximately 10,000 loans. It will be noted that with this relief there will still be 42,777 veterans on the waiting list. Under existing law the Veterans' Administration will receive $150 million during fiscal year 1960, which will provide 15,000 loans. This figure, together with the approximate 10,000 loans provided in H.R. 2256, will make direct loans available for only 25,000 veterans. At the close of the program there would still be this same number—25,000—of veterans wanting a direct loan.

Selected direct loan data as of May 31, 1959

Regional office	Builder requests and commitments						Individual veteran waiting list	
	Request received		Commitments made		Differences		Number	Estimated amount needed at $10,000 per loan
	Number	Amount	Number	Amount	Number	Amount		
Total	5,767	$70,366,585	4,087	$49,724,673	1,680	$20,641,912	52,777	$529,770,000
Alabama: Montgomery	325	3,806,385	209	2,504,975	116	1,301,410	2,272	22,720,000
Alaska: Juneau	0		0				242	2,420,000
Arizona: Phoenix	48	615,118	48	615,118			0	
Arkansas: Little Rock	151	1,734,042	150	1,720,542	1	13,500	1,442	14,420,000
California:								
Los Angeles	130	1,592,550	25	309,400	105	1,283,150	50	500,000
San Francisco	28	353,650	18	218,650	10	135,000	187	1,870,000
Colorado: Denver	49	545,075	29	320,825	20	224,250	548	5,480,000
Delaware: Wilmington	0						110	1,100,000
Florida: Pass-A-Grille	374	4,254,300	374	4,254,300			1,932	19,320,000
Georgia: Atlanta	804	9,482,106	304	3,493,253	500	5,988,853	3,115	31,150,000
Idaho: Boise	324	4,164,850	137	1,784,295	187	2,380,555	1,577	15,770,000
Illinois: Chicago	44	570,450	39	502,950	5	67,500	1,430	14,300,000
Indiana: Indianapolis	46	562,150	42	542,150	4	20,000	744	7,440,000
Iowa: Des Moines	21	265,000	11	135,000	10	130,000	366	3,660,000
Kansas: Wichita	0						346	3,460,000
Kentucky: Louisville	189	2,327,915	148	1,827,415	41	500,500	3,515	35,150,000
Louisiana:								
New Orleans	125	1,613,110	104	1,358,610	21	254,500	919	9,190,000
Shreveport	106	1,318,450	96	1,191,450	10	127,000	185	1,850,000
Maine: Togus	0						254	2,540,000
Maryland: Baltimore	0						16	160,000
Michigan: Detroit	139	1,729,515	129	1,594,515	10	135,000	850	8,500,000
Minnesota: St. Paul	119	1,526,320	100	1,269,820	19	256,500	1,837	18,370,000
Mississippi: Jackson	150	1,726,470	133	1,510,670	17	215,800	1,337	13,370,000
Missouri:								
Kansas City	9	109,250	9	109,250			2,070	20,700,000
St. Louis	0						746	7,460,000
Montana: Fort Harrison	107	1,414,900	103	1,360,900	4	54,000	1,406	14,060,000
Nebraska: Lincoln	43	559,426	43	559,426	0		817	8,170,000
Nevada: Reno	75	1,011,135	45	606,135	30	405,000	342	3,420,000
New Mexico: Albuquerque	189	2,330,350	107	1,278,900	82	1,051,450	551	5,510,000
New York:								
Albany	0						56	560,000
Buffalo	0						24	240,000
Syracuse	0						2	20,000
North Carolina: Winston-Salem	389	4,591,004	287	3,448,964	93	1,142,130	3,063	30,630,000
North Dakota: Fargo	83	1,114,400	74	992,900	9	121,500	992	9,920,000
Ohio:								
Cincinnati	129	1,605,850	117	1,457,350	12	148,500	2,696	26,960,000
Cleveland	38	498,960	22	282,960	16	216,000	1,674	16,740,000
Oklahoma: Muskogee	175	2,075,832	165	1,958,325	10	117,507	1,239	12,390,000
Oregon: Portland	15	176,950	14	163,450	1	13,500	288	2,880,000
Pennsylvania:								
Pittsburgh	0						408	4,080,000
Wilkes-Barre	0						0	
Puerto Rico: San Juan	24	269,698	24	269,698			1,379	13,790,000
South Carolina: Columbia	192	2,344,574	127	1,485,014	65	859,560	1,249	12,490,000
South Dakota: Sioux Falls	77	956,000	57	686,000	20	270,000	809	8,090,000
Tennessee: Nashville	103	1,227,630	77	938,130	26	289,500	836	8,360,000
Texas:								
Dallas	0		0		0		241	2,410,000
Houston	7	94,500	7	94,500	0		86	860,000
Lubbock	80	942,050	62	734,900	18	207,150	600	6,000,000
San Antonio	0						0	
Waco	13	148,600	13	148,600			163	1,630,000
Utah: Salt Lake City	170	2,257,200	96	1,258,200	74	999,000	1,471	14,710,000
Vermont: White River Junction	0		0		0		0	
Virginia: Roanoke	531	6,408,430	421	5,130,533	110	1,277,897	3,471	34,710,000
Washington: Seattle	26	340,100	21	280,300	5	59,800	696	6,960,000
West Virginia: Huntington	57	741,400	47	622,000	10	119,400	1,221	12,210,000
Wisconsin: Milwaukee	2	27,000	2	27,000	0		549	5,490,000
Wyoming: Cheyenne	70	933,800	51	677,300	19	256,500	358	3,580,000

Mr. ULLMAN. Mr. Speaker, I ask uanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ULLMAN. Mr. Speaker, I am told that the veterans' direct loan program legislation now before the House is acceptable to the administration. It is not difficult to ascertain the reasons prompting this support. The emasculated proposal before us manages to provide only a token increase in the funds authorized for the program while at the same time it increases interest rates on all GI home loans. Thus, the cherished administration policy of constantly climbing interest rates is furthered—this time at the expense of the veteran home buyer.

Mr. Speaker, need I remind the Democratic Party that the mandate received in last year's election was not based on support of the banker-dominated policies of the present administration? Overwhelming victory throughout the Nation was not achieved so that Democrats could sanction these ill-advised policies. Republicans could do that just as well—and were doing just that until their defeat last November. Mr. Speaker, Democrats were elected to Congress so that they could give the Nation the bold leadership and imaginative thinking required by an expanding economy. I submit that the legislation now before the House is hardly indicative of such leadership and thinking.

Last February I voted for the direct loan program approved by the House Veterans' Affairs Committee. I did so even though I opposed the increased interest rates on direct loans. I pointed out that when we translated this extra one-half per cent into the additional money it would cost the average veteran, we soon found that a substantial burden was added to home ownership. For example, if we assume a 30-year loan, we find that a veteran who buys a $10,000 home will have to pay an extra $1,110 because of this one-half percent increase. In the case of a $12,000 loan, this added payment jumps to $1,350.

However, I was so keenly aware of the pressing need for the additional $300 million authorized by the committee-approved legislation that I felt it was necessary to accept this good feature even though accompanied by a harmful increase in interest rates. The floor discussion preceding adoption of the committee bill indicates that my position was shared by many of my colleagues.

There can be little doubt that we still badly need an authorization of at least an additional $300 million for this program. Last November 43,187 were on the direct loan waiting list. As of June 1, 1959, a total of 52,777 veterans were on the direct loan waiting list. When we recall that many other interested veterans have not even bothered to apply because of the frustratingly long waiting list, we get some idea of the need for an expansion of the present program.

Despite this need, we are asked to support legislation which cuts the $300 million authorization by two-thirds but which still leaves intact the new 5¼ percent interest rate. What good inhered in the original legislation has largely disappeared but all of the bad remains unscathed.

Mr. Speaker, I was not elected to Congress to rubber stamp administration requests for ever-increasing interest rates. I view with great concern the increased interest rate incorporated in this legislation just as I view with alarm the administration's determination to remove all limitations on rates paid on Government debentures. We are already well into an interest rate spiral and I, for one, am not going to idly stand aside, sanctioning the administration's continued efforts to promote banker prosperity at the expense of the American taxpayer.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDMENTS TO FEDERAL AIRPORT ACT

Mr. HARRIS. Mr. Speaker, I call up the conference report on the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 538)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, having met, after full and free conference, have been unable to agree.

OREN HARRIS,
JOHN BELL WILLIAMS,
PETER F. MACK, JR.,
KENNETH A. ROBERTS,
WILLIAM L. SPRINGER,
ALVIN R. BUSH,
Managers on the Part of the House.

WARREN G. MAGNUSON,
MIKE MONRONEY,
GEORGE SMATHERS,
ANDREW F. SCHOEPPEL,
NORRIS COTTON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such Act, and for other purposes, report that the conferees have been unable to agree.

OREN HARRIS,
JOHN BELL WILLIAMS,
PETER F. MACK, JR.,
KENNETH A. ROBERTS,
WILLIAM L. SPRINGER,
ALVIN R. BUSH,
Managers on the Part of the House.

CALL OF THE HOUSE

Mr. BENTLEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 89]

Barden	Goodell	Siler
Belcher	Gray	Smith, Va.
Boggs	Hoffman, Mich.	Spence
Canfield	Holland	Thomson, Wyo.
Celler	Macdonald	Westland
Cohelan	Rabaut	Willis
Davis, Tenn.	Rogers, Mass.	Wilson
Flynn	Rostenkowski	Withrow

The SPEAKER. On this rollcall 402 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDMENTS TO FEDERAL AIRPORT ACT

The SPEAKER. The Clerk will report the Senate amendment to the House amendment to S. 1.

The Clerk read as follows:

Resolved, That the Senate recede from its disagreement to the amendment of the House of Representatives to the above-entitled bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the House insert the following:

"That section 5 of the Federal Airport Act, as amended (49 U.S.C., sec. 1104), is amended as follows:

"(1) In subsection (a), strike out 'and June 30, 1959' and insert in lieu thereof 'June 30, 1959, June 30, 1960, and June 30, 1961'.

"(2) In subsection (b), strike out 'and June 30, 1959' and insert in lieu thereof 'June 30, 1959, June 30, 1960, and June 30, 1961'.

"SEC. 2. (a) Section 2 of such Act (49 U.S.C., sec. 1101) is amended as follows:

"(1) In paragraph (7), strike out 'the Territory of' wherever appearing therein.

"(2) In paragraph (12), after 'United States' insert 'on May 13, 1946,'.

"(b) Section 3 (a) of such Act (49 U.S.C., sec. 1102 (a)) is amended by striking out 'the Territory of' wherever appearing therein; and by striking out 'the Territories, and' and inserting in lieu thereof 'Alaska, Hawaii,'.

"(c) Section 5 (b) of such Act (49 U.S.C., sec. 1104 (b)) is further amended as follows:

"(1) In the first sentence, strike out 'the Territories of'.

"(2) In the third sentence, strike out 'the Territory of' wherever appearing therein.

"(d) Section 7 of such Act (49 U.S.C., sec. 1106) is amended by striking out 'the Territory of' wherever appearing therein.

"(e) Section 9(c) of such Act (49 U.S.C., sec. 1108 (c)) is amended by striking out the phrase 'the Territory of' wherever appearing therein.

"(f) Section 10(c) of such Act (49 U.S.C., sec. 1109 (c)) is amended by striking out 'the Territory of'.

"SEC. 3. Section 13 of the Federal Airport Act (49 U.S.C. 1112), is amended by inserting '(a)' after 'SEC. 13.' and by adding a subsection to read as follows:

"'COSTS NOT ALLOWED

"'(b) With respect to amounts obligated after June 30, 1959, the cost of acquisition or construction of that part of a project intended for use as a passenger automobile parking facility, and the cost of construction of those parts of passenger or freight terminal buildings and other airport administrative buildings intended for use as bars, cocktail lounges, nightclubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms or such other use which, in the opinion of the Administrator, is not essential to the welfare and safety of those persons using airports for public aviation purposes, shall not be an allowable project cost under this Act.'"

Mr. HARRIS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. HARRIS moves to concur in the Senate amendment with an amendment as follows: In such Senate amendment strike out section 3 and insert in lieu thereof the following:

"SEC. 3. Section 13 of such Act (49 U.S.C., sec. 1112) is amended by inserting '(a)' after 'SEC. 13.' and by adding at the end thereof the following new subsection:

"'(b) With respect to amounts obligated after June 30, 1959, the following shall not be allowable project costs under this Act:

"'(1) the cost of acquisition or construction of that part of a project intended for use as a passenger automobile parking facility;

"'(2) the cost of construction of those parts of airport buildings intended for use as bars, cocktail lounges, night clubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms;

"'(3) the cost of construction of any part of an airport building intended to afford facilities for the housing of any activity of the United States (other than air traffic control activities, weather-reporting activities, and communications activities related to air traffic control) unless, in the opinion of the Administrator, it is in the best interest of the United States to provide such facilities;

"'(4) the cost of construction of those parts of airport buildings intended for any other use which, in the opinion of the Administrator, is not essential for the safety, convenience, or comfort of persons using airports for public aviation purposes'."

Mr. HARRIS. Mr. Speaker, as I understand it, I am recognized for 1 hour or such part thereof as I may use?

The SPEAKER. The gentleman is correct.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Arkansas yield for a parliamentary inquiry?

Mr. HARRIS. Mr. Speaker, I yield for that purpose.

Mr. HALLECK. Mr. Speaker, I have an amendment in the nature of a substitute which I should like to offer at this time. My question is, Is such an amendment in order as a substitute to the amendment offered by the gentleman from Arkansas [Mr. HARRIS]?

The SPEAKER. It would be an amendment in the third degree and therefore not in order.

Mr. HALLECK. Mr. Speaker, one further question, if I may. Could this amendment which I seek to offer be made in order if the previous question is voted down?

The SPEAKER. The only way the gentleman could offer his motion would be to vote down the pending motion, the motion of the gentleman from Arkansas [Mr. HARRIS].

Mr. HALLECK. Mr. Speaker, a further parliamentary inquiry. I do not want to belabor the point, but when the gentleman concludes the statement he intends to make on his motion, would not the previous question then be in order, and at that point, if the previous question were voted down, would it not be possible to offer an amendment?

The SPEAKER. The Chair thought he answered that a moment ago. The amendment then would still be in the third degree, if the previous question were voted down.

The Chair recognizes the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Speaker, this is the airport construction bill about which there has been so much discussion and so much publicity for the past 5 months. In order that we may understand the parliamentary situation that we have here today, it is, as has been indicated by the questions of the gentleman from Indiana [Mr. HALLECK] and the responses by the Speaker, that the conferees on the airport construction bill could not agree. We reported it back to our respective Houses in complete disagreement.

Under the rules I have just called up the conference report which was read, and in view of the disagreement of the

conferees, the Senate bill which was amended by that body and sent over here yesterday, was laid before the House, called up and read. And, therefore, I offered a motion to concur in the Senate amendment with an amendment.

Under the rules, as the Speaker advised a moment ago, I have 1 hour within which to discuss this matter, at which time it will be my intention to move the previous question. Under the rules, if the motion which I made is adopted, then it becomes a part of the Senate-passed amended bill. Then it would go back to that body and if they concur in the amendment offered here to their amendment, the bill would be completed and it would be transmitted to the President for his consideration.

Mr. Speaker, this matter has been one of grave concern by a lot of people and a lot of Members of the House. The airport construction bill was introduced in both Houses at the outset of this session.

The bill, S. 1, was passed by the other body early in the session. It provided for $465 million in Federal aid funds distributed over a period of 4 years. The House committee amended the Senate version of the bill, after rather lengthy hearings, and after many days of executive sessions and reported the bill carrying a total sum of $297 million to be distributed over a period of 4 years. You will recall the debate we had on the floor of the House and the various amendments. There were three problems before the House for consideration.

First. The amounts involved in a 4-year extension of the program.

Second. The question of terminal facilities, that is, airport building construction.

Third. Whether or not contract authorization would be continued.

Both the other body and the House resolved the one question with reference to the authorization problem, but the other two problems are still before this Congress and in controversy between the House and the other body. That is as to the amount of money to be approved for the extension of this program and whether or not the Congress will continue as a matter of policy to make available funds to be utilized in the construction of airport terminal facilities.

The conferees met on these two questions on several occasions. We spent the entire afternoon, I think, on four occasions—at least on several occasions—trying to resolve these differences. We actually have come to the point where we could not agree. Now, in order to be perfectly frank and so that you may know the result of it, we started out with the other body, of course, insisting on the $465 million over a 4-year period of time, and insisting too on their provision with reference to the terminal facilities. The House conferees insisted on the $297 million over a 4-year period of time and on the House version of the policy with reference to the application of the funds to any part of the airport terminal facilities.

As time went on and discussions were had, the conferees of the other body agreed to reduce the amount to $365 million. We felt that was the amount our committee started out with in executive session, in an effort to work out a bill, and that the conferees on the part of the House could not agree to it because it would be contrary to the action of the committee and contrary to the action of the House itself. So, we insisted on a reduced amount. After discussion occurred, at that point the conferees of the other body agreed to reduce the total amount over a 4-year period to $341 million. Well, we thought we were getting somewhere in the realm of agreement and that we could then resolve our differences at least to some extent within that area. But, in trying to do so, we ran right into the problem of what would be done about terminal facilities. Actually, as I construe the intention of the spokesman of the conferees of the other body, they virtually wanted to go back to the old policy under present law that the funds could be applied almost to any part of the terminal facilities that the Administrator would approve.

Then there were some other issues involved such as rentals—rentals of that part of the buildings utilized by the Federal Government. There was even contention that we should go back to 1945. During all those years after the terminal facilities had been provided, where agreements had been worked out between the sponsors of the airports and those who maintain it and the Government, a suggestion was made that rentals be paid on construction completed way back to that time although the program has been working satisfactorily between the Government and the local people during all of those years.

It was about that point we reached an impasse and we decided that we simply could not agree. The conferees agreed that we must disagree and finally report back to our respective Houses accordingly. In doing that we discussed informally the probability or the advisability of stop-gap legislation; in other words, we discussed informally the proposition of extending the act as present law for the period of 2 years. That would mean $60 million a year to be distributed to the States under the same formula, 75 percent for allocation to the States and 25 percent to the discretionary fund, and $3 million a year to the Territories and special areas.

In discussing that among ourselves it was generally agreed that we would undertake this approach, and so we come reporting that we could not agree with the understanding that we would approach it in this manner, and that is what we have before us today.

Under the rules, the matter first came before the Senate. The procedure was for the Senate then to call up the bill as we had amended it and sent it over there, to strike out all after the enacting clause and insert the new language of the bill that would extend the present law precisely as it is here for a period of 2 years. There had to be some modification in view of the fact that Alaska is now a State and Hawaii is going to become a State; so the other body provided then, under the amendment, that these two entities of Government would receive precisely the amount of allocation of the total that they have been receiving or were authorized to receive for the last 4 years.

The Senate felt it was necessary in extending the act for a period of 2 years to insert therein the language that they had originally passed with reference to terminal facilities. That would be that certain construction costs in connection with terminal buildings would not be permitted as allowable project costs. That would be such things as parking lots, cocktail lounges, bars, commercial offices, and things of that nature that would not and cannot be approved under the program as a part of the allowable cost to be approved by the Administrator.

We felt that the House had acted on the subject and had its own version of what should be allowed. One is that in the interest of safety it is as necessary to have the control towers, communication facilities, the Weather Bureau facilities, and so on, as it is to have the runway itself. So we made provision in our bill in which the House provided for the Federal Government to pay for space for these activities up to 100 percent. The Administrator did not have to approve 100 percent; he could approve 25 percent, or any amount of the total cost. That is the way the program operates today. In my own State, in Little Rock, just recently a program for terminal facilities was agreed to, and the local sponsor, the city of Little Rock, assumed the greater part of the cost of that building. It was found that there were some $30,000 to $40,000 necessary to include these vital facilities. The Little Rock commission did not have sufficient funds to take care of the total cost. The Administrator agreed then and approved some $15,000 or $16,000 to be matched with what the Little Rock commission had for these special and particular facilities that are under the program today. That is what we mean by the earlier statement herein that the sponsors and the Administrator of the Federal Agency have the right and the authority to come to an agreement by negotiation for such necessary facilities.

So this amendment that we have today amends the Senate language regarding terminal construction to include that portion of the House amendment which we feel is necessary. If we do not have it, here is what we run into:

We run into the problem that we have been discussing here in this Congress for some time of the Federal Government having to pay excessive rent for office space it utilizes in connection with necessary programs. We know today that if the Federal Government has to assume rental payments under contract it is going to cost many times what it would to put funds into the construction of that particular part of the terminal facilities. It seems to us that that is simply a just and reasonable provision. That is what we have done by amending the Senate provision and offering this to you.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Indiana.

Mr. HALLECK. I have some questions I would like to ask, but I would prefer to be given some time, if the gentleman will give it to me, to explain my position and the position of some of us in respect to this proposal now before us.

Mr. HARRIS. Certainly, I will be glad to yield some time to the gentleman as soon as I conclude an explanation of the amendments that we have provided here. I assume it is unnecessary for me to discuss any further what this program would do with reference to extension of the program. It is simply stop-gap legislation or a 2-year extension of the present Airport Construction Act which has been under way for a period of 4 years. It would mean that for 2 more years there would be $60 million a year, 75 percent of which would be allocated to the States and 25 percent to the discretionary fund, with $3 million additional for the Territories and special areas.

It would also mean this is within the request of the President for the next fiscal year by $2 million. Who can quarrel about that? It would also mean that the airport construction program would not die automatically, which I am constrained to believe is what some people want and that to me would be a tragedy in the development of this great national industry, in the interest of the American people and our future security.

Mr. BENNETT of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. Mr. Speaker, first I would like to say that I favor the 2-year extension that has been agreed to by the conferees; however, I prefer the House version of the other controversial issue, the provision by which the House excluded terminal facilities. I would like to ask the gentleman from Arkansas some questions in respect to how he construes the Senate version of the terminal facility program.

Mr. HARRIS. I may say to the gentleman from Michigan that we have modified the Senate version. What we are discussing now is what we have offered here. The House has it under consideration now.

Mr. BENNETT of Michigan. I am referring to the gentleman's amendment which would modify the terminal facility program.

Mr. HARRIS. The gentleman is referring to section 3 of the Senate-amended bill, or is he referring to the amendment which I have offered?

Mr. BENNETT of Michigan. I am referring to the amendment that the gentleman offered.

Mr. HARRIS. Very well.

Mr. BENNETT of Michigan. As I construe that amendment, it would still permit Federal assistance for terminals?

Mr. HARRIS. To a limited degree.

Mr. BENNETT of Michigan. Except for automobile parking facilities, for bars, theaters, nightclubs, and so forth, which are in section 2.

Mr. HARRIS. Commercial offices included.

Mr. BENNETT of Michigan. And gamerooms. But anything else in respect to terminal facilities is eligible if it is for the safety, convenience, or comfort of the public which uses the airport, is that true?

Mr. HARRIS. In the first place, that part of an airport building intended to afford facilities for the housing of any activity of the U.S. Government, in addition to space necessary for air traffic control activities, the weather reporting activities, and communication activities relating thereto, would be eligible if, in the opinion of the Administrator, it is in the best interests of the United States to provide such space.

In other words, in some cases there might be the necessity of providing for customs offices; it might be necessary to have immigration offices. Now, it is up to the Administrator, in his discretion, to determine whether or not he will allow funds to be used for that program. The other part which the gentleman referred to is that the Administrator has within his discretion the right to determine essentials to the program, as to the safety, convenience, and comfort of persons using the airports for public aviation purposes. Now, the Administrator would then have the discretion to determine to what extent seating provisions, that is, lounges, waiting rooms, or whatever you might call them, for the general public, should be included in the program. The Administrator would have the authority in his discretion to determine whether or not a restaurant is necessary to the operation of that facility. He would have within his discretion the right to determine whether other conveniences that are necessary to such buildings should be included.

Mr. BENNETT of Michigan. If an application was made by a locality which provided for a restaurant, as you say, is it the intent of your amendment that in such a case the Administrator could arbitrarily deny funds for that purpose?

Mr. HARRIS. Well, I would not assume that the Administrator would take any arbitrary action. I would not want him to do that, and I do not think it is so intended.

Mr. BENNETT of Michigan. What is his authority?

Mr. HARRIS. Let me finish. When this language is taken into consideration with the language of the rest of the act, giving the Administrator authority to act in such matters, he has wide discretion as to whether or not he would approve any particular program.

Mr. BENNETT of Michigan. Well, he could, under your amendment, if he wanted to, arbitrarily exclude a restaurant, let us say.

Mr. HARRIS. I think, as a matter of fact, under this bill and the amendment and the original act, he has the authority, in negotiating with any sponsor, to finally come to a determination as to anything that might or might not go into a building except things that we have specifically excluded.

Mr. BENNETT of Michigan. And he would not have to justify or give reasons for that exclusion?

Mr. HARRIS. He would have to determine whether it was essential.

Mr. BENNETT of Michigan. But if he determined that in his opinion it was not essential, then what?

Mr. HARRIS. Then he would have the authority under his wide discretion of requiring the applicant to comply with the other provisions of the act.

Mr. BENNETT of Michigan. And he has authority to deny Federal funds for that purpose?

Mr. HARRIS. I think the gentleman is right about that.

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Alabama.

Mr. ROBERTS. Mr. Speaker, I would say, first of all, that I would like to pay tribute to the distinguished gentleman from Arkansas [Mr. HARRIS], chairman of the conference, who made every effort to reconcile all diverse viewpoints on both sides. This program is certainly not what I want, and I do not think it is what the chairman wants.

Mr. HARRIS. If the gentleman will permit me, in response to what the gentleman from Michigan has said, I would rather have the House bill. It would give the municipalities an opportunity to plan their programs accordingly.

Mr. ROBERTS. I would like to ask the chairman one question. Under the Senate bill and under the amendment offered by the chairman, would the cities which have already worked out programs and have received tentative allocations be protected under this program and can they go ahead with their construction?

Following is the list of airports and amounts covered by this legislation as supplied by FAA:

Federal-aid airport program—outstanding tentative allocations for terminal buildings as of June 9, 1959

STATE AND FEDERAL FUNDS	
Alabama:	
Birmingham	$700,000
Muscle Shoals	71,000
Arizona: Phoenix	346,350
Arkansas:	
Fort Smith	173,000
Hot Springs	[1] 41,000
Stuttgart	11,000
Texarkana	69,000
California:	
Fresno (Air Terminal)	662,900
LaVerne (Pomona)	42,746
Oakland	[1] 1,555,284
Stockton	[1] 271,612
Colorado:	
Akron	[1] 7,992
	42,624
Denver (Jefferson County)	12,231
Connecticut: Bridgeport	[1] 325,000
Florida: Tallahassee	[1] 267,500
Georgia: Americus	2,500
Illinois:	
Chicago (Meigs Field)	95,700
West Chicago	182,500
Iowa:	
Cedar Rapids	19,000
Sioux City	10,000
Kansas:	
Coffeyville	7,000
El Dorado	2,750
Garden City	48,610
Kentucky: Louisville	450,000

[1] Also includes control towers or Government space.

Federal-aid airport program—outstanding tentative allocations for terminal buildings as of June 9, 1959—Continued

STATE AND FEDERAL FUNDS—Continued

Louisiana:	
Baton Rouge	$5,000
Lake Charles	175,000
Michigan:	
Ironwood	25,000
Jackson	[1] 75,000
Kalamazoo	[1] 100,000
Pontiac	[1] 100,000
Montana: Livingston	[1] 21,308
New York:	
Albany	500,000
Syracuse	650,000
North Carolina:	
Asheville	262,500
Winston-Salem	116,778
Ohio:	
Akron (Canton)	900,000
Mansfield	52,800
Oklahoma: Tulsa (Municipal No. 1)	1,048,942
Oregon: Klamath Falls	50,000
Pennsylvania:	
Martinsburg (Altoona)	119,510
Reading	275,000
Rhode Island: Providence	125,000
South Carolina:	
Columbia	265,000
Greenville	10,000
South Dakota:	
Pierre	11,946
Rapid City	7,018
Texas:	
Brownwood	14,000
Lubbock	70,000
San Antonio	300,000
Utah: Logan	17,810
Virginia: Charlottesville	75,000
Wisconsin: Eau Claire	[1] 50,000
Wyoming:	
Cheyenne	214,387
Cody	22,876
Puerto Rico: San Juan	271,250
Grand total	11,348,424

[1] Also includes control towers or Government space.

Mr. HARRIS. The present 4-year program, which expires June 30 of this year, would not be affected at all.

Mr. ROBERTS. I thank the gentleman.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Illinois.

Mr. ARENDS. As to the total funds appropriated, on a percentage basis how much can, under the discretion of the Administrator, be allotted to these so-called airport facilities? I am talking about the terminal buildings.

Mr. HARRIS. The total?

Mr. ARENDS. What percentage can be used under the discretion of the Administrator to build airports?

Mr. HARRIS. Seventy-five percent of the total must be allocated to the States, and 25 percent of the total goes into the discretionary fund to be utilized in the discretion of the Administrator.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Minnesota.

Mr. JUDD. Suppose we have an airport that is in the process of being constructed, and it is almost completed except a couple of fingers reaching out where the planes park. And some of the funds to take care of the terminal fingers had to be spent at the direction of the Federal Administrator to improve certain safety devices.

So we are left without funds to complete the terminal. Under the language of this amendment the Administrator would have authority to allocate money out of his discretionary fund to continue construction of a project that is already perhaps 50 percent constructed, would he not?

Mr. HARRIS. Not if the gentleman is talking about the fiscal years 1960 and 1961—he would not. He would have to limit any approval that he gave to the limitations of this amendment.

Mr. JUDD. Yes, but in the normal course of events would it not be expected that the Administrator help finish projects that were worked out and agreed to under the previous arrangement rather than allocate funds to new projects?

Mr. HARRIS. If there are moneys obligated in the present program, the present 4-year program which expires this year, he may utilize them to that extent. But the money that would be available for the next 2 years, that he could not utilize. He would have to utilize it under the restrictions of this amendment.

Mr. Speaker, I should like to make this statement while I am thinking of it, because I think everybody should be put on notice. I want to make this statement for the record. This is stopgap legislation. I think we and the country should be put on notice right now that it is stopgap legislation. It is only a 2-year program. Sponsors cannot during this time formulate any plans beyond the 2 years, and they might just as well make up their minds to forego any further planning, not only for the extension of airport construction, but so far as terminal facilities are concerned in the next 2 years, until Congress definitely decides this policy. Every municipality in the country should understand that.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Under the term "commercial offices," which is a restriction, would that include offices for airlines where they handle their tickets, and so forth, and would it include restaurants in the terminal building?

Mr. HARRIS. That would be in the discretion of the Administrator, to determine whether those things are essential. That is the purpose of the language provided here.

Mr. Speaker, we have done the best we could to work out a program that we thought would continue this very needed and necessary program; not that it is going to do the job, but it continues the present program.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. As a member of the gentleman's committee which considered this legislation initially, and also as a member of the conference committee which, as the gentleman has already stated, more or less agreed to disagree—we found ourselves in disagreement—I want to join my colleague from Alabama [Mr. ROBERTS] in congratulating the gentleman on working out what we feel is perhaps the only reasonable solution to the problem which was facing us in this respect.

I am certain that none of us is completely satisfied with the product that has come from that committee. I was one of those who, like the gentleman from Michigan [Mr. BENNETT], felt that Federal participation in terminal construction was not a Federal responsibility, but rather one which should be assumed by the local political subdivisions and the States. However, as the gentleman knows, the Senate went overboard in the other direction, and we found it necessary to yield to some degree in our position. I think the amendment which is offered by the gentleman from Arkansas is the closest that we are ever going to be able to get to a meeting of the minds between the House and the Senate.

I hope the gentleman's motion is sustained.

Mr. HARRIS. Mr. Speaker, I thank the gentleman for this statement, and I want to say to this House that I have never observed more devoted conferees trying to represent the viewpoint of this House. Members on both sides, on the Democratic side and on the Republican side, were trying sincerely and honestly to come to some resolution of this problem, recognizing its importance. I want publicly to express my thanks and gratitude to each and every one of them.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Minnesota.

Mr. JUDD. Just for a further clarification of the point I raised a moment ago; the gentleman will agree, will he not, that the fingers where planes park, where passengers check in and out, where they wait for the arrival of their plane, are an essential part of the terminal, a good deal more so than some other things that are excluded by name?

Mr. HARRIS. Yes; I would agree with the gentleman, and that is the reason I am proposing this language to give discretion to the Administrator to determine whether those things are essential.

Mr. JUDD. I thank the gentleman.

Mr. HARRIS. Mr. Speaker, this, as I say, is a continuation of the airport program.

The language in the amendment I offer to provide space for necessary Federal activities is essentially the language in the House bill. It would take care of a situation such as the one at Los Angeles, called to the attention of the committee during the hearings, in which the sponsor will be unable to provide essential space for the Government without Federal aid.

With this amendment, the Administrator will have complete discretion over the use of Federal funds to aid in the construction of airport buildings.

I am not going to ask this House to go on record as opposed to the use of any Federal funds for the construction of airport buildings because I do not believe that is the sentiment here. Even the administration would not go that far.

I think an airport terminal building is an integral part of the airport. Without adequate terminal buildings it would be almost impossible to operate an airport. The Federal Government, in its efforts to promote adequate transportation facilities in the public interest has some responsibilities in this area. Historically, the Federal Government has met its responsibilities in this area, thus providing the transportation needed to develop this great Nation of ours. If a community can provide the necessary airport building facilities without Federal aid, then I say let the community assume that burden, for Federal funds are urgently needed to aid in the construction of projects of vital importance to the safety and convenience of the traveling public which cannot be provided without Federal aid.

We are told that a number of large airports are making money and do not need Federal aid in the construction of buildings. Some of those cited denied before the committee that this is the case if debt retirement and other costs are taken into consideration. There is no need for the committee or the Congress to settle that dispute here. Under this legislation we are giving the Administrator ample discretion. If he determines that a sponsor can finance necessary building construction, he can tell them so and that will be the end of it. He can use the money on more essential projects.

On the other hand, in case building construction is absolutely necessary to meet the needs of interstate or foreign commerce and the local community can convince the Administrator that they cannot finance such construction, then we should not say to the Administrator that he cannot use any Federal aid funds to assist in this emergency. There is no doubt that certain communities, due to their location, become transfer points for interstate traffic. Are we to burden the local taxpayers with the whole cost of maintaining facilities to handle such traffic?

The Federal Government has another stake in this—to provide airport facilities needed for the national defense, including the facilities needed to handle defense transportation needs as well as to take care of landing needs of military aircraft. I will not go into that now. This was discussed in detail in debate when the original legislation was considered earlier this session.

If the Administrator, exercising his discretion, finds that not $1 of Federal funds made available by Congress is needed to provide essential airport building space, I for one would not have any quarrel with him.

He might not like that. He might prefer to have his hands tied by Congress to avoid the unpleasant task of making a decision but, on a subject as broad and complex as that of providing an adequate national airport system, someone must be given a lot of discretion. We cannot give the Administrator a detailed blueprint. That is the reason that Congress, in passing the original Airport Act, directed the Administrator to prepare a national airport plan and bring it up to date annually.

A look at the legislative history of the Federal Airport Act and its amendments will show that the Administrator has ample discretion to handle this situation. Congress did not, of course, give him a blank check. He was not handed a sum of money and told to go out and spend it, but he was given wide latitude. He does not have to approve a project just because that project meets the eligibility requirements of the law and the Administrator's own regulations. So far as I know, the Administrator has never had funds to match all eligible projects. The purpose of the Federal Airport Act is not to put a certain amount of money in circulation each year. It is to provide the Nation with an adequate airport system. Congress in 1945 did not know what projects were needed to provide an adequate airport system. Congress told the Administrator to prepare a blueprint for such a system. Congress provided that before Federal aid could be provided, the Administrator had to give his approval to the project.

In presenting the legislation to the House on October 16, 1945, the Honorable Clarence F. Lea, then chairman of the Committee on Interstate and Foreign Commerce, said:

> Every project must be approved by the Administrator before any money can be spent by the Federal Government.

Later, the following colloquy took place between Mr. Lea and the late Honorable Daniel Reed of New York:

> Mr. REED of New York. Suppose we have a situation such as exists in the case of some of the airports in my State, where they have runways already erected and in operation, as well as certain other improvements, can the Federal Government step in and say, "You will have to build these approaches as we suggest before you get any more money," or are they going to get any more money under this bill?
>
> Mr. LEA. If they will comply with the Federal requirements, they can qualify for funds. The theory of Federal aid here, as in case of public roads, is that the standards of construction must conform to Government specifications, or matching funds are not provided.
>
> Mr. REED of New York. They must comply with the Federal requirements to get any further benefits?
>
> Mr. LEA. Yes.
>
> Mr. REED of New York. Those are conditions precedent?
>
> Mr. LEA. And they must have the approval of the Administrator for the money that is spent.

Now, that is not taken out of context. That is the entire colloquy.

In presenting the original airport legislation, the committee made it clear that funds were to be available for "the construction, alteration, and repair of airport administration buildings"—House Report No. 844, 79th Congress.

In 1953, the Secretary of Commerce decided not to request additional appropriations for the Federal airport program pending a study of the need for continuing the program. Late in 1953, the study group appointed recommended continuation of the Federal-aid program—Senate Document No. 95, 83d Congress, 2d session. On the basis of that recommendation, the Department submitted a request for $20 million to continue the program but adopted a policy of not providing Federal aid for airport terminal buildings, except to house necessary Civil Aeronautics Administration facilities.

This policy decision met with widespread disapproval. Congress was asked to provide a definite, long-range program for Federal aid and to make clear that it was not the intent of Congress to make airport terminal building construction ineligible for Federal aid. In the committee report—House Report No. 1190, 84th Congress, 1st session—which established the contract authority program, it was stated:

> One of the secondary purposes of S. 1855 is to make it clear that the Department of Commerce is not to consider ineligible for Federal aid the development of any class of public airport, the construction, alteration, or repair of airport terminal buildings, or the accomplishment of any other type of airport development legally eligible under the Federal Airport Act.

But the committee did not say that the Department was to approve all airport building projects, or that any definite share of the Federal aid money should go to such projects. On the other hand, the committee report made it very clear that the intent of the committee was to give the Secretary of Commerce wide discretion in handling the program. The report states:

> This committee fully realizes that in the past few years the amount of funds available for the Federal-aid airport program has not been sufficient to enable the Department to participate in all of the projects needed to carry out the purposes of the act. Furthermore, the committee is of the opinion that under the act the Secretary of Commerce clearly has discretion and, in fact, has a duty to so allocate the funds available as to accomplish those projects which are of the greatest importance and urgency from the national standpoint. To the members of the committee it seems obvious that a public airport, particularly one which is certificated for scheduled air-carrier operations, cannot possibly meet the needs of civil aeronautics unless it has an adequate terminal building. Moreover, it is also obvious to this committee that many of the smaller communities in this Nation which clearly should have adequate public-airport facilities if interstate air commerce and national defense are to be served, are financially unable to construct adequate airport terminal buildings without Federal assistance.

The legislation we have here today is not a budget busting proposition. It is within the budget. It is within the budget by $2 million. It should be supported by all Members of the House.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore (Mr. MILLS). The gentleman from Arkansas has consumed 35 minutes.

Mr. HARRIS. Mr. Speaker, I yield to the gentleman from Indiana 10 minutes so that he may make a statement.

Mr. HALLECK. Mr. Speaker, first of all I think I should like to say it was my

great pleasure to serve on the Committee on Interstate and Foreign Commerce with the gentleman from Arkansas. I think he and I had something to do with writing this original act. It is a great committee. In order that the position of some of us may be understood, I have asked for this time to make a brief statement.

First of all, if there are some here or anywhere else who want this whole airport safety program to stop, I am not one of them.

To go back, to relate some of the history of this, let me recall that the Administrator of the Federal Aviation Agency came to the Congress with a program which the gentleman from Arkansas has in considerable measure explained. It was a 4-year program designed to get us out of the terminal building business. It was designed to phase out the program and to deal instead with the safety of the passenger from the time he gets on an airplane until he gets off. That was conceived to be the essential thing we were undertaking to do. The House committee brought to the floor and we adopted substantially that program except that it involved over the 4-year period the expenditure of $97 million more than had been recommended. But, the prohibition against using the money for the building of terminal facilities was contained in the bill. Likewise, the bill provided for the phasing out of the program. The gentleman from Arkansas says this is stop-gap legislation and I agree with him in that regard. It is not the sort of legislation that was recommended. It is not the sort of legislation I think we ought to have. It is true that budgetwise for the first year, it will probably be under the budget; and as projected in the next year, even a few million dollars over what probably, as I say, was projected. But, essentially, may I say, it is a distinct improvement over the tremendously expensive bill which came from the other body. So to those of you who have stood up and been counted to bring this down in respect to the spending of money, I say congratulations and thanks.

The one thing I regret is that because of the procedure under which we are presently operating, we have no opportunity to go back to the position that the House took with respect to the building of terminal facilities.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. HARRIS. The gentleman has been a very able and distinguished Member of this body for a long time. He has assumed a very responsible and leading role as one of the leaders in this body, particularly of his own party. Has it not been the experience of the gentleman as long as he has been a Member of this body and even throughout the history of the Congress that when these matters are in controversy, they are resolved by giving and taking by both sides and thus reaching finally an ultimate compromise? And is that not what we are trying to do here?

Mr. HALLECK. I would say to the gentleman, of course, that I know very well that we do not always have our own way. I have been on the committee when I did not have my own way and while I have been chosen to be the leader on the Republican side, I do not always have my own way here. I have been to conferences, and I know there that you cannot have your own way. So for that I commend the gentleman from Arkansas, but all I am saying is that I would have liked to have had the opportunity to present here for another vote this question of whether or not we are going to stop pouring money into terminal facilities and instead put our money into the matter of the safety of air travel. That is the only issue I would say that is of real importance which is presently before us. The gentleman from Arkansas has spoken at some length and with some degree of definiteness, about a measure of discretion that might be vested in the Administrator under some of the language proposed by the gentleman. I trust and hope there is that measure of discretion because if it does exist, then it can be used and might well be used to achieve the purposes that I have been talking about. But whether that is there or not, I would much have preferred to have spelled it out, if that was the way it was to be, to have spelled it out in definite language so that there could be no question about it.

Of course, ahead of discretion which really makes this thing very difficult to administer, it will be difficult of administration as this language is presently written. As I say, I would prefer that we have the language that would have prevented in the future the application and allocation of these moneys to terminal facilities.

Mr. BENNETT of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BENNETT of Michigan. On the question of administrative problems that will arise if the amendment of the gentleman from Arkansas is adopted, I would like to call the gentleman's attention to the fact that this is a new arrangement completely. We would completely exclude certain types of areas within a given building such as bars, cocktail lounges, and so on; we are taking them out.

What does that mean? It means the Administrator will be confronted with a problem which in many cases will be administratively impossible, of allocating the cost of the other areas within the facility that are eligible, in relation to the areas which are prohibited; in other words, if a city airport is going to have a bar or cocktail lounge no Federal funds can go to that specific area. If you have an areaway, for instance, leading to a bar and also leading to a waiting room, how is the Administrator going to determine what portion of the areaway is attributable to the bar and these other facilities and what is attributable as necessary for the passengers to get to the ticket office or some other part of the airport directly connected with the operation of the airline? I mean it is administratively completely unfeasible and impracticable, and the Administrator so stated before our committee on several occasions.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Arkansas.

Mr. HARRIS. The fallacy of the gentleman's argument, I may say, was explained by me a moment ago in the example I gave of Little Rock where precisely the same question arose and where it was worked out very satisfactorily. I was giving the gentleman a concrete example of just how it would be worked out.

Mr. BENNETT of Michigan. That may be feasible where there are only a few rooms involved.

Mr. HARRIS. But the gentleman knows Little Rock is much larger than that.

Mr. BENNETT of Michigan. The Administrator himself says this language would create complex and insoluble administrative problems.

Mr. HALLECK. I think the gentleman from Michigan has put his finger on one administrative difficulty that will in all probability arise. Of course, it is quite obvious from the insertion of the language by the other body that even some people over there who apparently want to spend all sorts of money for terminal facilities were getting a little jumpy about the Government putting money into the building of cocktail lounges, into the building of bars, into the building of commercial offices, gamerooms, or what have you.

The fact is, in my opinion, that most of these large terminals in America find such operations and concessions very profitable. Many of them are regular shopping centers. They are all over the country.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. DINGELL. I want to express my appreciation and regard for the distinguished minority leader.

I also would like to advise the distinguished gentleman that under existing law the Administrator is supposed to have and has pronounced as his administrative policy that there will be no use of these Federal grant aid funds for construction of bars, cocktail lounges, and so forth. But I would also like to cite to the gentleman a letter which I recently received and which I will put into the RECORD here for the benefit of the gentleman, stating that the Federal Aviation Agency, previously the CAA, has been making substantial grants under the present administration which is crying so much about this thing, has been making substantial grants to airports around the country for the construction of bars, cocktail lounges and so forth.

I am sorry the gentleman was so poorly advised before he took the well of the House to talk about this thing. The fact is that the Federal Aviation Agency and the CAA before it have been spending money for this purpose at the same time that the people in the administration were complaining about a bill that Congress would pass which

would authorize the use of these funds for th's thing.

I want to express my regret that the gentleman was so shabbily treated by his own administration.

Mr. HARRIS. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HALLECK. Mr. Speaker, may I say to my very good friend from Michigan that no one has put me on a spot here. I have had experts try that.

The fact is that before 1955 a previous Administrator undertook administratively to shut off the funds that were to be allocated to the construction of terminal facilities. The law was specifically amended in 1955 to class them as eligible for allocation. So it has been held that there is no discretion except to allocate after the funds have been assigned to the State if a request were made for the starting of a program.

Let me conclude by saying again, I am sorry we do not have an opportunity here under the procedure to have a separate vote on the matter of the way in which these funds are to be expended. My view is if we had that opportunity the House of Representatives would vote as it voted before and as was determined before to shut off the business of building terminal facilities. That would not include projects already under way. The gentleman from Minnesota inquired about that. It would not include those to which funds have been allocated, which would be continued. It would only be as to the future operation and expenditure of funds.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

Mr. SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, the talk of expensive cocktail lounges built with Federal grants for airport construction and improvement is only a smokescreen.

There is blame aplenty here, but it must be on the present administration, which has been administering the airport program for these many years. I have a letter from the Federal Aviation Agency, which I shall insert into the RECORD, listing the cocktail lounge space built with Federal aid, and the amount of Federal funds allocated to each project. One of these grants was made as recently as March 11, 1959, by the brand new Federal Aviation Agency, during the administration of Mr. Quesada, who is supposed to oppose Federal funds for construction of bars, cocktail lounges, and other similar facilities.

In the hearings of the proposed legislation to extend the Federal aid program, we were told that FAA policies provide the following:

> Federal aid airport program funds may be used to develop adequate airport buildings to the extent necessary to satisfy the functional requirements of civil aviation. Facilities associated with the airport terminal buildings will be eligible for Federal funds only to the extent that such facilities are required for the safety and reasonable comfort and convenience of passengers and users of the airport.

If the administration had lived up to that pious declaration of policy, there would be no reason for the hue and cry about the use of Federal funds to provide space for cocktail lounges.

What appears to have happened here is that despite its protestations against an apparently grave defect in the bill, the administration has had full administrative authority to prevent use of Federal grants-in-aid for such purposes. Moreover, the administration has even failed to carry out its own expressed views and policy on grants for such use.

For the information of the House, I submit herewith the letter and statement from the FAA on grants by the Federal Government for construction of bars and cocktail lounges at airports:

FEDERAL AVIATION AGENCY,
Washington D.C., May 21, 1959.

DEAR MR. DINGELL: This is in reply to your request of April 17, 1959, for additional information with respect to funds expended under the Federal Airport Act for construction of space for use as bars and cocktail lounges in airport terminal buildings.

Attached is a list which is identical to the one forwarded to you in my letter dated April 9, 1959, except that it includes the dates on which the grant agreements were executed.

It is hoped that this information will prove helpful. If the Federal Aviation Agency can be of further assistance, please do not hesitate to call upon us.

Sincerely yours,

JAMES T. PYLE,
Deputy
(For E. R. Quesada, Administrator).

List of new and improved airport terminal buildings in the fiscal years 1955–59, Federal aid airport program, in which space was constructed for a bar or cocktail lounge, the amount of Federal funds in such space, and the dates on which the grant agreements were executed

Location	Amount of Federal aid for cocktail lounge space [1]	Date of grant agreement
REGION 1		
Binghamton, N.Y.	$585	Jan. 14, 1958
Elmira, N.Y.	3,960	Sept 25, 1958
Utica, N.Y.	4,895	Mar. 26, 1958
Cincinnati, Ohio	4,735	Feb. 6, 1958
Columbus, Ohio	14,575	Feb. 26, 1957
Dayton, Ohio	10,675	June 25, 1958
Erie, Pa.	3,012	Sept. 6, 1956
Wilkes-Barre, Pa.	9,320	July 12, 1957
Providence, R.I.	7,610	Jan. 28, 1958
REGION 2		
Daytona Beach, Fla.	4,940	Dec. 16, 1957
Fort Lauderdale, Fla.	2,440	June 30, 1958
Key West, Fla.	2,450	Aug. 21, 1956
St. Petersburg, Fla.	3,450	July 17, 1956
Sarasota-Bradenton, Fla.	4,490	June 30, 1958
St. Croix, V.I.	7,170	Mar. 11, 1959
REGION 3		
Peoria, Ill.	4,000	June 21, 1957
REGION 4		
Santa Fe, N. Mex.	3,200	Jan. 9, 1957

[1] As pointed out to you in the Federal Aviation Agency letter of Apr. 9, 1959, all of these expenditures were made for space for a restaurant which only incidentally included cocktail and bar space.

Mr. HARRIS. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Speaker, I think it is unfortunate that we find ourselves in the position where the House cannot vote to sustain or uphold its previous position in respect to terminal facilities. We dealt with this subject for many weeks in our committee, and most of the testimony was to the effect that terminal facilities for the most part are profitmaking enterprises. Federal funds which are donated under the present program for that purpose are never repaid regardless of the amount of profit earned by the particular terminal.

One large city terminal has returned a net income of $5 million a year to the local owners in the operation of these facilities. In my own State of Michigan more than 50 percent of all of the Federal funds under this and preceding programs have been spent on one large airport in the city of Detroit. A large percentage of these funds have been used for terminal facilities at that airport which will no doubt return a handsome profit to its owners. I am not aware of any other Federal grant program where the Federal Government contributes to profitmaking enterprise. If the sponsors were required to repay the Government out of profits earned or permit the Government to share in such profits in proportion to its investment, there might be some justification for the program. Unfortunately, that has not been the case and will not be the case under the pending proposal.

No other form of transportation is so heavily subsidized by the Government as are the airlines and none, except airlines, have ever had their terminal facilities constructed at Government expense. Even the bus lines which use federally subsidized highways receive no Federal grants for the construction of terminal facilities. The railroads receive none. Docks and warehouse facilities are not provided for water shipping interests. Even under the Federal river and harbor construction program local communities are required to build docks and wharves at their own expense.

It is time that the airlines assumed the burden of providing their own terminal facilities. This and other subsidies they receive has placed them in a very favored competitive position over the railroads and other forms of transportation. Actually this is one of the reasons the railroads have practically been forced out of passenger business with the result that hundreds of thousands of railroad workers have lost their jobs.

We should also remember that 25 percent of all Federal spending under the airport program during the past 4 years has been for terminals. In round figures this has been approximately $65 million. A lot of airstrip extensions and other safety features could and should have been purchased with that money. The Government does have a vital interest in public safety in air transportation but its obligation to subsidize air transportation should go no further than that. The bill which the House passed very wisely brought to an end the terminal contruction program. As I said earlier it is unfortunate that the parliamentary situation will not permit a vote on that issue at this time. The make-

shift proposal presented by our distinguished chairman deals halfheartedly and ineffectively with the issue and creates additional complex and difficult administrative problems. He has stated that his proposal would give the Administrator discretionary power to end Federal aid to terminals but he has refused to provide simple and direct language which would unequivocally spell out that authority.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Michigan.

Mr. CEDERBERG. May I say it is regrettable that we are faced with this situation. I will give you the example of a local area that has built its own terminals. It serves my district and an adjoining district, the metropolitan area of Saginaw, Bay City, and Midland, Mich. They built their own terminal with their own money.

We are faced with this situation. An air crash on Easter Sunday a year ago took the lives of 44 persons on a flight coming into this airport. We cannot get a tower for the airport, we cannot get some of the safety facilities, although 44 lost their lives. There is not a dime of Federal money in that terminal. I think it is a crime that we put Federal money in terminals when these things have taken place and this airport cannot get a tower or other safety facilities that are needed. Let us put safety first.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. HARRIS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the gentleman from Michigan has mentioned his particular case; obviously he has not listened to the debate and has not observed the explanation of what we are trying to do. Precisely, as I have explained, this is to take care of such incidents as the gentleman from Michigan has brought up. We give authority, in the discretion of the Administrator, for him to provide such facilities as the gentleman has complained of, and he should support this amendment.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I would just like to say that every dime that goes into facilities for terminals is money that could go into safety devices. Ours is an example.

Mr. HARRIS. That is what the gentleman does not understand and cannot get through his head. Towers are part of the airport facility, and usually they are on top of the terminal building, as the gentleman will observe as he passes by. And, if the gentleman wants these improvements, he ought to support this amendment.

Mr. Speaker, I move the previous question.

I ask unanimous consent that all Members who desire to do so may have permission to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I am disappointed, and I know many other Members are likewise concerned, that the conference report on this measure does not limit the use of funds for airports to extension and improvement of runways, towers and devices for safety of passengers. I think it is wrong that taxpayers' money should be expended for cocktail lounges, restaurants, and other facilities that ought to be paid for by those who use airplane terminals.

The funds in this bill ought to be used for extension of runways, safety devices, and other equipment to protect passengers from injury and make their travel safer. Taxpayers' money ought not be used to support moneymaking concerns.

I realize that under the present legislative situation, we are unable to delete such authority from this bill. I hope that those in charge of administering this legislation will see to it that none of the funds expended under this bill shall be used for any purpose except as is required for the improvement and extension of runways, for towers, and other equipment for the safety and security of passengers.

Our airlines render the best of service, but they ought not to ask taxpayers to support facilities that are used for profit. The airlines themselves should absorb such costs.

The authority to which I call attention was not included in the House version of this legislation. It was included in the bill by the other body.

Mr. MACK of Illinois. Mr. Speaker, throughout the years the Civil Aeronautics Administration has been relatively free of political influence and has exercised its independent judgment in the development of civil aviation. To me it is regrettable that now when we have set up a new independent agency to keep pace with this vast expanding industry that its decision should be influenced by political considerations. Apparently, the administration has now made the issue of terminal buildings a party matter and has exerted political influence to eliminate terminal facilities from this bill to extend the Federal Airport Act. As a commercial aviator and as one who has had many hundreds of hours of instrument flying throughout the world, I don't believe that we can afford to play politics with aviation safety.

Mr. Speaker, several people have alluded to the development of cocktail bars, gamerooms, and parking lots which are not included in the amendment to extend this act. In this I certainly share their views, but this is not the problem confronting us. The problem is that the administration desires to exclude terminal buildings from the Federal Airport Act. In my humble opinion, the terminal building is as integral a part of an airport as are runways, taxiways, and apron constructions. To construct an airport without coordinating the development of all these items would not serve the best interest of the municipality or the Federal Government and would be detrimental to aviation safety.

Mr. Speaker, a statement has been made that a commercial airliner recently crashed because proper control tower facilities were not available at one of our airports. In this instance the terminal building was built with private funds without Federal assistance or coordination. This statement strikes at the very crux of this problem. If terminal facilities are excluded, it will be impossible for the Federal Government to require control tower construction with coordinated air traffic control units to provide the proper safety standards in aviation commerce. Mr. Speaker, I hope the Members who are about to vote on this amendment have had an opportunity to see the control tower and terminal building at Idlewild Airport in New York City. The construction tower here is located on top of a five- or six-story terminal building. It would be nothing short of ridiculous for this Congress to enact legislation which would exclude terminal building construction from the Federal Airport Act and thereby make it impossible to locate control towers and air traffic control centers in these buildings where they can best promote maximum safety in air commerce.

The SPEAKER. Without objection, the previous question is ordered.

Mr. HALLECK. Mr. Speaker, on that I demand a division.

The question was taken; and on a division (demanded by Mr. HALLECK) there were—ayes 120, noes 70.

So the previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Arkansas [Mr. HARRIS].

The question was taken; and on a division (demanded by Mr. HARRIS) there were—ayes 164, noes 37.

Mr. WILLIAMS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The motion was agreed to.

A motion to reconsider was laid on the table.

AMENDING MUTUAL SECURITY ACT OF 1954

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7500) with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through section 1, ending on line 4, page 1 of the bill. If there are no amendments to this section, the Clerk will read.

Mr. LAIRD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed out of order.

Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LAIRD. Mr. Chairman, the Soviet newspaper Pravda has attacked the action of the U.S. Congress in adopting the amendment which I proposed to the Defense Appropriations Act for 1960. The so-called Laird amendment provides that no funds shall be available if participation in the winter Olympic games is denied any of the free countries of the world. This measure is now before the U.S. Senate. It is most important that this amendment not be deleted by the Senate. The defense appropriations bill contained an item of $400,000 to defray the cost of military support to the winter Olympic games to be held in Squaw Valley. Without military support, the winter Olympic games cannot be held in Squaw Valley in 1960.

United Press International yesterday carried the following story reporting Soviet newspaper Pravda's attack on the action of Congress in adopting this amendment:

Moscow.—A Soviet newspaper accused the United States today of having made a political issue of sports by criticizing the recent expulsion of Nationalist China from the International Olympic Committee. Komsomol Pravda said proposals by U.S. Congressmen to uphold a $400,000 appropriation for the 1960 Winter Olympics in Squaw Valley, Calif., would "undermine the prestige of American sport and show the world the true value of their hospitality."

The newspaper said: "The expulsion of the Chiang Kai-shek group from the Olympics aroused the unconcealed irritation and indignation of some American political leaders * * *. The fuss around the expulsion testified once more to the fact that Washington is trying to subordinate sports to politics."

Pursuing their selfish aims, the people in Washington wish to create a so-called situation of two Chinas.

Mr. Chairman, it was the International Olympic Committee which entered the field of politics through its expulsion of the Republic of China from participation in future Olympic games. The action of this committee was brought about by extreme pressure from the Soviet Union.

Red China refused to participate in the last Olympic games because the Republic of China and its legally constituted Government on Formosa accepted an invitation to participate. The nonparticipation of Red China in the Olympic games was by choice and not through action of the International Olympic Committee. The Committee by voting to exclude the Republic of China is clearly injecting itself into international politics.

The Soviet Union came to the International Olympic Committee and demanded that the Republic of China be denied the opportunity to participate in future Olympic games. The action of the International Olympic Committee in appointing itself the final judge of governmental nomenclature was purely political. Mr. Avery Brundage of Chicago, the U.S. member on the Committee, must certainly realize that his Committee can remain superior to international politics only if it stays aloof from squabbles which do not concern it.

It is my sincere hope that the Senate will concur in the amendment to the defense appropriations bill which was passed by the House of Representatives.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I am happy to yield to the gentleman from California.

Mr. JACKSON. Mr. Chairman, I concur wholeheartedly in what the gentleman has had to say with respect to the International Olympic Committee and its actions in this instance. However, I should like to point out that the responsible governing agency for the Winter Olympics has made its position quite clear.

Mr. LAIRD. The Organizing Committee.

Mr. JACKSON. The Organizing Committee has completely divorced itself from the action of the International Olympic Committee in this respect.

Mr. LAIRD. That is correct.

Mr. JACKSON. I thank the gentleman.

Mr. LAIRD. Mr. Chairman, I would like to insert in the RECORD at this point a news release issued by the Organizing Committee of the VIII Olympic Winter Games:

The International Olympic Committee is an independent, self-perpetuating organization composed of some of the world's most prominent private citizens coming from some 90 nations. It has no governmental status or function, but concerns itself solely with the conduct of the Olympic games and its own membership. Mr. Avery Brundage, of the United States, is the president of the International Olympic Committee.

The International Olympic Committee, in their meeting in Munich, Germany, on May 28, 1959, voted to withdraw recognition of the Nationalist Chinese Olympic Committee as currently represented by delegates from Formosa (Taiwan) on the grounds that this group did not control sports on the China mainland.

This, in effect, opened the door for Red China to reapply for International Olympic Committee membership on the basis that the Communist government does control sports on the great land mass of China proper. It is important to note that Red China is not now a member of the International Olympic Committee. Red China was a member, but resigned when the International Olympic Committee refused to give them jurisdiction over sports on Formosa and continued to recognize Nationalist China.

This action on May 28 by the International Olympic Committee, however, resulted in the impression being created in the United States that Nationalist China was being expelled and that Red China was made a member.

Insofar as the coming VIII Olympic Winter Games during February 1960 in Squaw Valley are concerned, the impression was created that Nationalist China could not compete and that Red China could and would. Such is not the case.

Mr. Brundage himself said that it was not correct to say that the Chinese National Olympic Committee, with headquarters in Taipei, was ousted or expelled since this organization has been a member in good standing for many years, and there was no reason for withdrawing recognition, except for its name.

Prior to the meeting in Munich, the Organizing Committee, VIII Olympic Winter Games, in conformity with the International Olympic Committee's own rules of procedure, had issued formal invitations to all member nations, including Nationalist China, to attend the Squaw Valley games. Also prior to the Munich International Olympic Committee meeting, the Organizing Committee for Squaw Valley received an acceptance from the Nationalist Chinese Olympic Committee, with headquarters in Taipei.

It so happened that the Munich International Olympic Committee meeting came at a time when the Congress was considering the defense appropriation bill for the fiscal year beginning July 1, next. The bill contained an item of $400,000 to defray the cost of military support to the Squaw Valley Games, previously authorized by the Congress. Due to the aforementioned confusion (that Red China was in—Nationalist China out), some Members of Congress quite understandably raised strenuous objections to this supposed action of the International Olympic Committee, and as a consequence of their displeasure, threatened to deny these badly needed funds to the organizers of the Squaw Valley games.

In an effort to clarify the situation, therefore, the Organizing Committee felt it necessary to present the committee's position, as stated in the following telegram which was dispatched to several Members of Congress, including the entire California delegation:

"Recent action of International Olympic Committee does not make Red China member of that body. They cannot and will not participate in VIII Olympic Winter Games. The Organizing Committee invited Nationalist China and they accepted prior to International Olympic Committee action. The Organizing Committee will stand behind this invitation and accept entries of Nationalist China competitors at Squaw Valley. Therefore this International Olympic Committee action has no actual effect whatsoever on our conduct of the Squaw Valley Games.

"ROBERT L. KING,

"Executive Director, Organizing Committee, VIII Olympic Winter Games."

The House of Representatives did pass the requested appropriation with an amendment proposed by Mr. LAIRD of Wisconsin providing that the funds shall not be available if participation in the games is denied "any of the free countries of the world." This measure is now pending in the U.S. Senate, and passage is predicted.

The Organizing Committee is appointed by the U.S. Olympic Committee and operates under the guidance of the International Olympic Committee. It is composed of some of the country's most outstanding and dedicated business and civic leaders, and they have given unstintingly of their time and effort to insure that the VIII Olympic Winter Games will be staged in a manner to reflect credit upon the United States as it plays the role of host to this outstanding and significant world event. To this end the military support already authorized by the Congress is a prime necessity.

Obviously the Organizing Committee can take part in the controversy which has developed only to the extent in which it concerns Squaw Valley. Here the committee strongly feels its position as outlined in the above quoted wire is correct and it sees no conflict with the International Olympic Committee ruling. The latter came after the invitation to Nationalist China was extended and accepted, and cannot be effective ex post facto. As far as the Organizing Committee is concerned, Nationalist China has been invited, has accepted, and will participate in the Squaw Valley games.

Mr. BURLESON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know the chairman of my committee would have been glad to have yielded me time yesterday in general debate, but I felt since there was a

shorter time than has usually been allotted to the discussion of this measure I would wait until this opportunity.

Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MASON. Mr. Chairman, I will have to object.

Mr. BURLESON. Mr. Chairman, during the past several years, and particularly during the consideration of mutual security legislation, I have wondered from whence came its support. Finally, I have concluded it comes from numerous sources and for numerous reasons.

First. It is seemingly supported by the biggest businesses of our Nation. Since it is said that three out of every four dollars spent on foreign aid is returned to the economy in this country, I would assume it is good for big business.

Second. Support comes from the large labor groups, and for much the same reason as that of big business.

Third. Several of the big farm organizations have consistently supported foreign aid.

Then comes the national and international religious organizations who lend their support on humanitarian grounds.

Next come the intellects whom we usually find in the forefront. Many of these are also dedicated to humanitarian motives, but many also seem to wish to remake the rest of the world in our own image. Some seemingly want to remake and mold the rest of the world in the image of their own philosophies, which they have been unable to promote to the fullest extent in this country.

I suppose that leaves those of us in the minority on this question in the position of not having a view broad enough; in a position of not being sympathetic to the plight of other people around the world less fortunate than ourselves; in a position of not realizing the economic and military threat of the Soviet Union. Categorically, I deny that such is the case on the part of myself and many others I know who would like to support and vote for a modest and sensible effort to keep and hold our place in the sun and to assist other free nations to do the same. Unfortunately, those who advocate bigger and bigger programs of foreign aid will not allow us to do so.

As important as is the cost of this program, even that may be a secondary consideration. The prime consideration is the fact that many features in the bill before us today are based on philosophies which have thus far been rejected in this country. The economics cannot be divorced from the philosophy, and the Development Loan Fund is perhaps the best example. In the limited time I have, I shall use this provision to illustrate.

The administration recommended a 1-year authorization of $700 million for the Development Loan Fund. I offered an amendment in the committee to reduce this sum to $500 million and a provision to tighten the administration of the loan program. The committee rejected my amendment and then added $100 million to the President's request, making authorization in this bill for the fiscal year of $800 million.

What is the Development Loan Fund? It has been discussed from year to year, and the very first explanation given of it stressed the fact that from the psychological standpoint, it would give foreign nations a more dignified status to borrow our money than to have it given to them by outright grants. This, I doubt, and further doubt that very many people in very many of the underdeveloped nations ever know where the money actually comes from, whereas if it was given to them, administered by responsible officials of both our Government and the recipient nation, more efficiency would be obtained and more people would know where the assistance came from.

Under the present so-called Development Loan Fund, it is a government-to-government proposition. Someone will remind me that it provides for borrowing from the Fund by private enterprise, which in turn develops projects in foreign nations. Can anyone point to any such arrangement thus far True, I understand there are some applications, but what it will amount to is this Government making exceedingly soft loans to foreign nations, which will enrich some government officials, but in many instances will never reach the people themselves.

Furthermore, the repayment of these "soft loans" is purely theory. The loosest possible provisions are made in the bill for the repayment in the local currency of the borrowing country. Now, the local currency of Laos, Iran or one of the new nations in mid-Africa deposited in the Treasury here in Washington, it is not going to retire the huge national debt of this Government. Neither will it pay interest on the bonds which the administration is now asking the Congress to increase. It can only be spent in the country of its origin, and for just what, no one is sure. It can, however, be canceled or returned to the Government as a gift, and that is the end of it. We call it a loan. The real psychology treatment by calling it a loan is on the American taxpayer. In my honest opinion, it is a subterfuge.

If $800 million in this bill is not enough, you may have opportunity to consider a billion dollars each year for 5 years, which the Senate of the United States may send over to us. Better that we should say now that we are not going to perpetrate a subterfuge costing $800 million on the U.S. taxpayer.

Even greater than the economic aspects, if anything more is needed, is the encouragement of purely socialistic practices in other nations, which are not accepted by our own. We do not yet have socialized medicine, socialized schools, socialized and nationalized industries, but by this action we impose it on others. At the same time, we preach the free private enterprise philosophy.

There are many other features of this particular provision which should be more fully discussed, but time does not permit.

Turning now to another comparatively small program, but one which should not be approved by this Congress if it only cost 40 cents, much less $40 million.

It is money to be granted the United Nations for the United Nations Expanded Program of Technical Assistance. What does this mean? Well, it is supposed to mean that it replaces the old SUNFED organization of the United Nations. This was the Special United Nations Fund for Economic Development. The U.S. Representatives in the United Nations opposed this proposal, recognizing it as an attempt to bring the vast sums of economic assistance provided by the United States under the influence of Soviet Russia and subjecting it to the political intrigues of this international political body.

Incidentally, let me call your attention to the fact that as long as Senator Tom Connally, of Texas, was chairman of the Foreign Relations Committee of the U.S. Senate, he prevented approval of a number of these offshoots of the United Nations, which are now pulling it down to disrepute. The Security Council is and has been the cornerstone for peace in the world, but it is being overgrown and smothered by these creeping socialistic programs.

Now this new program called the United Nations Special Fund is under section 203(b)(1). This "Special Fund" is headed by Mr. Paul Hoffman. Mr. Hoffman recently made a speech in which he advocated a $3 billion expenditure which would be recommended through research under the program. The resolution of the United Nations adopting this Special Fund, says in part "Provides systematic and sustained assistance in the fields essential to the integrated technical economic and social development of the less developed countries." In a more recent speech in Detroit, Mr. Hoffman advocated a $30 billion expenditure for projects recommended by this program over a period of 10 years.

In other words, this Special Fund, as I understand it, is to support a group who will investigate "economic and social development of the less developed countries" to find projects for which could be spent $30 billion in 10 years.

Let us see who actually administers this program, the total of which calls for $100 million, of which we contribute 40 percent, or $40 million. Mr. Hoffman's title is Managing Director, Special Fund. I doubt he would have very much to do with its actual administration. The Deputy Director is a British West Indian Socialist. The Executive Chairman is also a British Socialist, assisted by a naturalized British radical Socialist born in Germany. The Director of the Technical Assistance Administration is a Canadian Socialist, and he is assisted by a French radical. Should anyone desire the name and background of these individuals, I shall be glad to furnish it to them.

These are the people who will spend $40 million of U.S. taxpayers money. Do you want to support a measure like this? I offered an amendment in the committee to delete this provision, but was outvoted.

This is what I mean when I say that regardless of the cost, there are some things in this program which simply do not sound American. I would not vote for them at any cost.

Mr. Chairman, I say again it is with regret that obviously there is no opportunity to support and vote for a modest, sensible bill to meet the competition and threat of Soviet military and economic expansion around the world. I do not believe that any amount of money alone will gain the goals and objectives for which we should be striving. We are actually imposing economic burdens upon many peoples of the world by reason of our lavishness. I believe my colleague on the committee, the gentleman from Georgia [Mr. PILCHER] pointed out in his speech of yesterday that the Comptroller General testified before our committee that in his opinion more failures in the foreign aid program have occurred because of too much money rather than not enough. This program could continue at about its present volume for the next 2 years if no more money was authorized. There is no question but that money available from past appropriations would be stretched over a much longer period and would probably accomplish as much or more than adding these new billions in this bill.

It is not enough to simply blame the bureaucrats. We have ourselves to blame by appropriating these huge sums of money, for which they must find places and purposes to spend it. What could we expect except waste extravagance and many failures.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

STATEMENT OF POLICY

SEC. 2. (a) Section 2 of the Mutual Security Act of 1954, as amended, containing a statement of policy, is amended by inserting the following sentence immediately before the first sentence of subsection (a) thereof: "It is the sense of Congress that peace in the world increasingly depends on wider recognition, both in principle and practice, of the dignity and interdependence of man; and that the survival of free institutions in the United States can best be assured in a worldwide atmosphere of expanded freedom."

(b) Such section 2 is further amended by adding at the end thereof the following:

"(d) It is the sense of the Congress, recognizing the interdependence of the freedom and progress of liberty-loving people everywhere, that the United States within the limits of its other obligations has an abiding interest in assisting the efforts of the people of the world to realize their aspirations for improved living standards, for education, for governments of their own choosing, and for dignity and respect as individual human beings."

Mr. BENTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 2, line 9, strike out "abiding."

Mr. BENTLEY. Mr. Chairman, this amendment is probably the simplest one of all those that will be offered during the consideration of this bill. As the Clerk has just read, the Committee on Foreign Affairs added a new paragraph to the statement of policy of the mutual security legislation which reads as follows:

(d) It is the sense of the Congress, recognizing the interdependence of the freedom and progress of liberty-loving people everywhere, that the United States within the limits of its other obligations has an abiding interest in assisting the efforts of the people of the world to realize their aspirations for improved living standards, for education, for governments of their own choosing, and for dignity and respect as individual human beings.

Mr. Chairman, those are very noble, eloquent, and splendid words to include in our statement of policy. My exception to it and the purpose of my amendment is the word "abiding" on line 9 of this page. The definition in Webster's International Dictionary of the word "abiding" means either "lasting" or "continuous." Now, it may be all very well to have in our minds the fact that we will have a lasting and continuous interest in assisting the people of the world in these various programs. But I tell you, Mr. Chairman and members of the Committee, that with the word "abiding" remaining in the statement of policy, it will be a clear signal to all recipients of our foreign aid program throughout the world that this program has now been placed on a lasting and continuous and permanent basis. If the members of the Committee desire to so indicate this statement of policy to the peoples of the world, that the program is now, indeed, a permanent one, that, of course, is the prerogative of the Committee and the House to do so. But I think the attention of the Members should be called to what effect the inclusion of this word will have, that it will be a clear signal on the part of the House that this program is now a permanent one and it will be so construed and so interpreted, I say, by peoples everywhere throughout the world that the program is not any longer temporary, but it is at last permanent. I think the Members should be offered an opportunity on this first amendment that we have to the bill, H.R. 7500, to decide for themselves whether it is to be considered as permanent or as a temporary program.

Mr. Chairman, I yield back the remainder of my time.

Mr. BOWLES. Mr. Chairman. I rise in opposition to the amendment.

Mr. Chairman, I think the honorable gentleman from Michigan has drawn some very far-reaching conclusions from some very simple language. I believe America definitely does have an abiding interest in the welfare of the people of this world and an abiding interest in their growth and dignity under freedom. I think that if the Congress of the United States were deliberately to take the position that we do not have an abiding interest in these things, it would only serve to make us appear ridiculous before the world.

The amendment carefully states that the interest that we take in these matters is clearly within limits. Specifically the amendment states that this abiding interest of our Government is "within the limits of its other obligations," this would seem to be an ample safeguard against the implications the gentleman suggests.

I believe that our dedication as a people to the principles laid down in this amendment are clear. The people of America do have an abiding interest in those principles. It is deeply in the American tradition for us to have an abiding interest in assisting people of the world to realize their highest democratic aspirations and I think we should say so.

Mr. BENTLEY. The language of the bill reads "has an abiding interest in assisting the efforts of the people of the world to realize their aspirations"——

Mr. BOWLES. It clearly specifies that this responsibility is within the limits of our other obligations.

It seems to me the language is clear and that it should be maintained in this bill.

Mrs. CHURCH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise for the purpose of pointing out that while the purpose of this new paragraph containing "abiding" is admirable, the expression of the purpose is very far reaching. For instance, if the word "abiding" is left in this paragraph, we are expressing "abiding" interest actually in assisting the people of the world to realize their aspirations for governments of their own choosing. That would seem to involve a dangerous latitude. Certainly this country, I hope, has no intention of pledging, without appropriate reference and Executive decision when each situation may arise, military assistance to the people of the world in establishing governments of their own choosing, however much we believe in the right of peoples to have such self-government. Wishing that people may have governments of their own choosing is very different from saying that we will assist them militarily to attain that objective, which I think this paragraph could be interpreted as meaning. At least, the word "abiding" should be eliminated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 64, noes 54.

So the amendment was agreed to.

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: On page 2, line 11, after the word "for" before the word "improved" insert the words "justice and."

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MORGAN. Mr. Chairman, after consultation with the minority side, the committee has no objection to this amendment

Mr. CHIPERFIELD. Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOWDY: On page 2, after line 13, add the following:

"(c) Such section 2 is further amended by adding at the end thereof the following:

"'(e) It is the sense of the Congress that inasmuch as—

"'(1) the freedom and progress of liberty-loving people everywhere depend upon a fiscally solvent United States;

"'(2) the U.S. Government has undertaken many responsibilities to its own citizens;

"'(3) the public debt of the United States already vastly exceeds the combined debts of all the other nations on earth; and

"'(4) the United States owes some consideration to its own citizen-taxpayers,

no appropriations shall be made under this act which would have the effect, directly, or indirectly, of increasing the public debt of the United States.'"

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes in support of his amendment.

Mr. DOWDY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. MASON. Mr. Chairman, although I am in full accord with the gentleman, I have to object.

The CHAIRMAN. Objection is heard.

The gentleman is recognized for 5 minutes.

Mr. DOWDY. Mr. Chairman, I feel the purpose of this amendment is pretty clear. In shorter words, it merely says it is the sense of Congress that a little sense should be put in this foreign aid program.

In the administration's request for this additional extension of foreign aid, no consideration is shown for the taxpayers.

The first section of this bill, which I seek to amend, does not indicate any consideration for them. It is devoted to beat bromides and pious platitudes our great duty to foreign governments, to the neglect of, and downright disr ard of the interests and welfare of our own people.

I did not come to Congress to represent fair-weather foreign "friends," Communist-sympathizing, pro-Communist, and Communist governments. They will have to find their advocates somewhere else. I am here to represent Americans.

My proposed amendment takes into consideration the fiscal condition of our government, its responsibilities to American citizens, and concern for the taxpayer. The amendment would prevent the borrowing of money to be given away. The administration said it was presenting a balanced budget to the Congress for fiscal 1960. If that be true, the adoption of the amendment would not affect foreign aid gifts in fiscal 1960.

If the assertion was false, then the amount of expenditures under this authorization would be reduced, in whole or in part, according to the money available.

My amendment will be opposed by all the free-spenders, and will likely also be opposed by some on both sides of the aisle who in other respects have made it a practice to publicly insist upon fiscal responsibility on the part of Members of Congress. If my amendment is adopted, it will force fiscal responsibility, at least insofar as this program is concerned. What could be more responsible than to demand that if Congress and the Administration is going to expend money in this fashion, that the money be raised to cover it, rather than by increasing the national debt, It is my understanding that tomorrow, this House will be asked to vote to increase the debt limit to $295 billion.

I do not feel that this amount of expenditure for foreign aid is justified, but if the majority disagrees with me, and is determined to give this money away, why does the Congress not have the courage to raise it by taxation, rather than borrowing it, and burdening our children and grandchildren with debts we have incurred.

My amendment ought to be supported by every Member of this House who has any sense of financial responsibility. It ought to be supported by every Member who has introduced or supported the sense of Congress resolutions that the debt ought to be reduced, either by 1 percent a year, or by any other amount. I would expect every Member who participated in the discussion about debt reduction on this floor last February 25, to vote for my amendment.

If none of that expected support disappoints me, this amendment will make a respectable showing. I expect to ask for a vote by division, in order that the people who have to pay will know how much support there is for responsibility in this program. I wish it were possible to have a record vote, as sound government demands that we pay our way. My amendment would insure that we pay our way in fiscal 1960; otherwise, it looks to me that there will be a budget deficit of several billion dollars, on top of the $13 billion deficit this year.

I do not expect the amendment to be adopted; the Houses of Congress will take the easy way, and let future generations worry about footing the bill. To face up to meeting the payments now would require a courage that is not present.

But just remember this—one of two things are coming soon—it will be either payday, or repudiation.

There have been statements, I believe, from administration sources that this program is to be continued for 30, 40, or 50 years. But another verse should be added which is "unless this Government and its taxpayers are not earlier bankrupted."

Our generation and the following must put America first over the arrogant ambitions of tyrants and those who insult us at the time they demand our money. The United States has gone deeply in debt to spend and is still spending billions on foreign nations that have no gratitude for American generosity; nor have any practical advantages come to the United States from its policy of paying foreign friends. As Members of Congress, are foreign nations our sole and only responsibility? As Representatives of our constituents, do we not owe our own people some consideration?

I trust this amendment will be adopted.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas.

Mr. Chairman, this would nullify the whole foreign aid program, we would have to terminate it altogether. What other alternative does the gentleman from Texas offer to us when we are facing this great international threat from communism?

We are here today sponsoring continuance of the program which has the wholehearted support of the President, the Secretary of Defense, the Secretary of State, and the Chairman of the Joint Chiefs of Staff, all of whom recommend and urge this amount for the security of the Nation. As I stated in my former remarks, I realize that $3,600 million is a lot of money for this foreign aid program, but we are fighting a cold war.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Minnesota.

Mr. JUDD. Did the gentleman, so far as we know, offer this amendment when we were discussing the appropriation bill for the Department of Defense in the amount of $39 billion? I will say that if the gentleman had offered it to that bill and it had been adopted, then I would vote for it as an amendment to this bill as part of our total defense. But not to offer this to the bill providing $39 billion for our defense, and then to accept it on this bill which every military leader says is part and parcel of our national defense, would be to endanger and cripple the purpose of the $39 billion which we have already voted for the other parts of our total defense.

Mr. MORGAN. Now, the foreign aid bill this year is only 4.5 percent of the Federal budget. The agricultural appropriation is 7 percent of the Federal budget. The Veterans' Administration is 6.6 percent of the Federal budget.

Mr. Chairman, I say this amendment would terminate this bill. If the Members want to shut off debate and terminate the bill, then let us support the amendment offered by the gentleman from Texas.

Mr. GROSS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the annual multibillion dollar giveaway carnival is with us again.

The medicine men, as represented by Eric Johnston, Paul Hoffman, and William Draper, Jr., among others, have done their work well in setting the stage for the various sideshows that provide the hoopla to entice the cash customers to the main tent.

No expense has been spared to make this one of the most glittering attractions ever to come down the pike.

Even though Americans are staggering under a Federal debt of more than $286 billion, and the debt managers at the U.S. Treasury are floundering and grasping at straws to keep from drowning in the riptide of a $13 billion deficit and refinancing of billions of the huge debt

already outstanding, the show must go on.

It is not clear at the moment where Eric Johnston, the $150,000 a year lobbyist for the movie industry, which has a rich stake in film exports, is getting the money to promote his part of this year's show. Last spring he had the blessing of the White House in staging his Washington extravaganza in behalf of the foreign giveaway. It is reported there may be some Rockefeller or Ford Foundation money in at least one of his latest promotional ventures.

Paul Hoffman, although an unsuccessful auto manufacturer, is richly experienced in dishing out the taxpayers dollars for he was an administrator of the foreign handout program prior to 1950. Hoffman now draws down a nice, tax exempt salary as the high factotum of the United Nations Special Fund and in this position contributes his share to the propaganda campaign.

Incidentally, Hoffman, the genius at spending other people's money, is now clamoring for some $70 billion to be spent on his glorious SUNFED operation during the next 10 years.

William Draper, Jr., operator of a power company in Mexico, answered the clarion call of the White House to peddle more foreign aid to our long-suffering taxpayers and the Draper Committee was born. Aided and abetted by Under Secretary of State C. Douglas Dillon, a former international banker, and endowed with $400,000 from the President's so-called emergency fund, Draper and his blue ribbon committee took a quick swing around the world and came back to report that there was nothing wrong with the foreign aid program that an additional $400 million would not cure.

And, believe it or not, Draper advocated the obligational or back door approach to the Treasury, if necessary, to get the money. Read his testimony before the Foreign Affairs Committee.

Why, if this program has produced results, is it necessary to hire and pay with public funds a bunch of hucksters to sell it to Congress and the American people? The answer is that the program is not working.

Deputy Under Secretary of State Loy W. Henderson makes this unqualified statement: "I do not think that our position in the world is getting any better."

Yes, through the years and the fiction of foreign aid, millions and billions of our dollars have been used for every conceivable purpose—from retiring the internal debts of foreign governments to the building of a bunch of outhouses on the fringe of the jungles near Manila. No foreign problem has been too large and none too small that it could not be resolved by the simple expedient of kicking open the door to the U.S. Treasury.

It has been interesting to hear some of the statements in attempts to rationalize this multi-million-dollar spending with President Eisenhower's professed demands for a balanced budget and a sound dollar. Or was that just a gentle economy breeze that has been wafted along Pennsylvania Avenue?

It has been stated repeatedly that unless this program is continued the world will fall to Communist aggression. The real deterrent to Communist aggression has been and is today the ability of U.S. military forces to destroy, if necessary, the nerve centers of communism.

To say that had this country not expended $80 billion on foreign aid the Communists would have taken over is a rank assumption, completely unsupported by any facts.

To say that we have strong and reliable allies as a result of our vast spending and dissipation of the resources of our people is ludicrous. Take this example. We have poured billions of dollars into France, the key to the landmass of Western Europe, yet today the French Government refuses to place its naval forces in the NATO pool; its effective land forces are in North Africa, and that Government refuses to permit U.S. planes to use bases we have constructed in that country if those planes are armed with the weapons we must use in the event of Communist aggression.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

Mr. GROSS. Mr. Chairman, let us continue assistance to Nationalist China, South Korea, Greece, and Turkey, nations which need help and which have given ample evidence that they can be expected to stand against the Communist conspiracy. Assistance to these nations can be provided at a fraction of the present cost.

The distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK] in his remarks on Monday, said that when he meets a group of youngsters touring the Capitol he is always concerned with what the future holds for them. I share that concern, and I am especially concerned by the terrible yoke of mortgage, in the form of Federal debt alone, that the Congresses of the United States have clamped around the necks of the youngsters of this country.

The time is here, now, to put our house in order. This bill ought to be returned to the Foreign Affairs Committee with instructions that drastic reductions be made and notice served that the U.S. Treasury is not a bottomless pit; that it is not within the capacity of American taxpayers to carry the burdens of all the world.

Mr. COFFIN. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, when one faces an amendment such as this, it poses a problem. The sponsor of the original amendment admitted that he did not expect this to pass, and I think we could do without any further debate on it. And yet there is a danger that in your very sincere desire to improve the lot of your constituents and to make a gesture toward economy, you would vote for this. It would be a great tragedy if this amendment carried. It would be a most serious kind of attack on our security.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman.

Mr. DOWDY. I assure the gentleman that my amendment was offered in perfectly good faith and that I believe it should be adopted.

Mr. COFFIN. The gentleman's good faith cannot be questioned, but I merely said that he said that he did not expect that this would be passed; and God willing it will not be passed. One reason is this. The gentleman from Iowa [Mr. GROSS] just made one of his typically incisive speeches, but have you ever thought what would happen to the gentleman from Iowa [Mr. GROSS] if this amendment carried and we abolished the foreign aid program? The gentleman would be one of the most unhappy Members in the House.

Mr. GROSS. Mr. Chairman, if the gentleman will yield, that is what the gentleman from Maine thinks.

Mr. MASON. That is a supposition.

Mr. GROSS. Like some of the assumptions we have had in respect to the bill.

Mr. COFFIN. This is serious. The public debt of this country is high. It is higher than that of these other countries. We are aware of the statistics. But it is not as high, proportionately to our national income and our gross national product, as it has been in the past when we did not hear this argument. It is lower by 20 or 30 percent of the gross national product. Our standard of living is around $2,000 per person, and even in Western Europe the standard is not much over $1,000. And in the underdeveloped countries it is about $150 a year.

Do you know what you would save if you knocked out the foreign aid program? You would save sixty-five one-hundredths of 1 percent of the interest on the national debt. We pay more for cigarettes than we do for this foreign aid program. We pay more for postage stamps. This is only one-tenth of our installment buying. This is two-fifths of the amount that we spend on liquor. What would happen if we saved sixty-five one-hundredths of 1 percent of the interest on our national debt? We will add untold billions to our defense appropriation. We will cut off all possibility of increasing trade with a free world that is at peace and on the ascendancy.

I do not think any Member of this House, if he thought that his vote was going to be the deciding vote on this amendment, and that there would be no recourse to any other body or a Presidential veto, would cast his vote for this amendment.

Mr. Chairman, I was never more serious than when I said that this amendment should not be adopted.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa [Mr. GROSS].

The motion was rejected.

Mr. MASON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I do this in order to correct the mathematics that we have been listening to; $70 billion of our present national debt of $285 billion is due to our foreign aid program. That means about one-fourth the interest we are paying on our national debt today is due to our foreign aid programs. That is considerably more than the amount of interest due to foreign aid you have listened to or as to the national debt and the interest that we are paying on it.

Mr. ALGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to commend the gentleman for his balanced budget amendment and join with him in his effort. I find it hard to believe, as some have said, that an amendment to force spending within a balanced budget will be so unpopular that no one will vote for it. That is not what I have been hearing around here this year. I am appalled by the fact that the Congress is permitted by the American people to go along unrestrained, without a constitutional limitation on the Federal power to tax, spend, and borrow—which is an amendment that I have been for since I have been here. But specifically as to this foreign aid bill, I will tell you what this amendment would do in a hurry in this Congress. We all know that some of this foreign aid is necessary. This amendment would force us all to take a look at foreign aid in relationship to all Federal spending. Before we left this Congress, we would appropriate whatever money was necessary for foreign aid, made possible by subtracting from some of the large welfare programs that we all know we are afraid of politically. We could save enough money to put into foreign aid, if we but wanted to do so. We could indeed, if we wanted, provide foreign aid funds within a balanced budget. There should be no opposition to an amendment that demands a balanced budget.

Mr. Chairman, the gentleman from Texas had some other remarks to make and I will be glad to yield to him, if he would like to give us some more information on the amendment that he has offered.

Mr. DOWDY. I want to thank the gentleman for yielding me a few minutes more time.

Mr. Chairman, I qualified my statement that I did not expect my amendment to carry by saying that the courage to vote it up was not present here. It should be adopted, and that qualification to my statement that it would not be carried was if the courage is not here. Have we in the Congress failed to learn the great lessons of history? No nation was ever saved by bribery or mercenaries. Has a generation of "spendniks" come to power in America? Has this generation of ours failed to learn what happens to people who are irresponsible with money? Congress has got to quit trying to avoid facing up to financial fundamentals and so has the administration. If this program is so all fired good and Congress wants to put it over, the money can be raised by increasing taxes and by cutting down on some of the other expenditures. I just do not think it is that good.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I am glad to yield to the gentleman.

Mr. HAYS. I just wonder if the gentleman, either one of the gentlemen, would admit that one way of increasing our tax receipts would be to do away with the 27½ percent oil depletion allowance?

Mr. ALGER. The answer is that we cut down on some of the Federal Government's welfare programs and wasteful spending that we are now engaged in, cut out duplication of Government agencies which every man and woman present in this Chamber understands is certainly true.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield.

Mr. DOWDY. Mr. Chairman, I can conclude my remarks pretty quickly, but first in reply to the gentleman from Ohio I want to say that I am unwilling to take money away from any group of Americans to give away to foreign governments.

A few days ago in requesting a greater national debt and advocating increasing the interest that is paid on the national debt, the President said this:

> The achievement of a fiscal position that allows our revenues to cover our expenditures as well as to produce some surplus for debt retirement will improve substantially the environment in which debt management operates.

This Congress can assure that ideal fiscal situation and position here in this country by adopting my amendment.

I thank the gentleman from Texas for yielding to me.

Mr. ALGER. I join with the gentleman from Texas and commend him on the statement that he has made.

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to try to answer the statement which was just made to the effect that the mutual security program has increased the national debt by $70 billion, that being approximately the amount that has been spent on the program. I also seek to answer the other statement that every dollar in this bill will be borrowed money.

I can illustrate my point, Mr. Chairman, by telling you a little homely story about a family that had an income of about $6,000 a year. When the end of the year came, they found that they had spent $6,600, and they had to go out and borrow $600. They felt rather badly about it. The husband said to the wife, "Those hats and dresses you bought are what has caused us to go into debt—$600 in debt just because of your foolish extravagances."

To which the wife replied: "Not at all. Look at the money you spent on that fishing tackle and that fishing trip you took. That was all spent out of borrowed money and has thrown us into debt."

Mr. Chairman, that is the type of arguments that are being made to this Congress. They should not be made before this body of intelligent men. Let us be fair and get down to facts.

If we have a $77 billion budget, and we overspend by $1 billion, then one-seventy seventh of every expenditure during that year must be charged as having been made out of borrowed money. So let us kill for all time, if we can, that type of argument.

In closing, I want to answer the gentleman from Iowa who vigorously opposed the mutual security program by quoting what the President of the United States had to say in a press conference on February 10 about the mutual security bill. He said this:

> If there is any item that I know of that is calculated to give to each of us as a citizen of America the greatest possible return it will be that mutual security appropriation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DOWDY].

The question was taken; and on a division (demanded by Mr. MASON) there were—ayes 56, noes, 94.

So the amendment was rejected.

Mr. FLYNT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> On page 2, immediately below line 13, insert the following:
>
> "LIMITATION ON APPROPRIATIONS
>
> "SEC. 3. The Mutual Security Act of 1954, as amended, is amended by inserting immediately after section 2 thereof the following:
>
> "SEC. 3. LIMITATION ON APPROPRIATIONS.—Notwithstanding any other provision of this Act, no authorization for appropriations for any fiscal year contained in this Act shall take effect until the Congress adopts a concurrent resolution (1) which states in substance that the Congress finds that the aggregate of the estimated net budget receipts of the Government of the United States for the fiscal year concerned will exceed the aggregate of the estimated expenditures which will be made by the Government of the United States for purposes other than those contained in this Act, and (2) which specifies the amount of such excess. After the adoption of such a concurrent resolution for any fiscal year, the total of appropriations which may be made for carrying out this Act for that fiscal year may not exceed the amount specified in such concurrent resolution as the amount by which the estimated receipts of the Government will exceed the aggregate of the estimated expenditures for purposes other than those contained in this Act."

Mr. MORGAN. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. FLYNT. Mr. Chairman, this amendment is offered to write into the Mutual Security Act the expressed intention of Congress to provide fiscal responsibility in connection with this program. It is not only an amendment to the pending bill but adds a new section to follow section 2 of the Mutual Security Act of 1954.

The adoption of this amendment would go one step further. It would

provide a substantial measure of financial responsibility in the operation of every phase of the expenditures of our Government. It would require a balanced budget before the provisions of the pending legislation could become effective. In the preparation of this amendment a few days ago, I read very carefully the statement of policy contained in the original act and that section of the pending bill which amends that statement of policy. At this point I would like to refer specifically to lines 1 and 2 on page 2 and to that portion which reads "and that the survival of free institutions in the United States can best be assured in a worldwide atmosphere of expanded freedom."

It is well for us to manifest our interest in other nations and in other peoples throughout the world, but it is far more important that we as the representatives of the people of the United States give some soul-searching thought to the survival of free institutions in the United States. I do not believe that we can survive as a free nation composed of free people or that we can preserve our free institutions unless we begin to apply the brakes to deficit spending year in and year out. Unless we do give some modicum of thought and consideration to fiscal responsibility and attempt to operate our Government within a balanced budget, and if possible make some payment on the principal of our national debt, we will surely destroy ourselves by complete devaluation of the dollar and repudiation of our national debt.

It is not my purpose in offering this amendment to in any way hinder, jeopardize, or wreck this program. On the contrary I feel that it would really have the effect of strengthening the entire program of mutual security.

We are told from time to time that the mutual security program is a necessary part of the security of the United States and that without it, our defense establishment would be inadequate. We are further told that without the mutual security program the foreign policy of our Government as administered by the President and the Department of State would collapse because the advocates and proponents of this legislation state to us that the foreign policy of our Government is built around the mutual security program.

If these statements are true and if this program is needed that badly, then those who advocate it and sponsor it should be willing to eliminate certain other governmental functions which cost approximately the same amount as does the mutual security program or, in the alternative, propose additional taxes to support it.

The language of this amendment is perfectly clear and does not require any explanation of its intent. It has been carefully worded and appears to be technically correct. If adopted it would not in any way interfere with the operation of the mutual security program—provided the Treasury of the United States can afford it. The best information available to us indicates that the amount of the national debt of the United States exceeds the combined national debts of every other nation in the world, including Soviet Russia and 18 Soviet satellites. This statement was, I believe, made by a member of the Committee on Foreign Affairs during general debate on yesterday and from the information available to me it is a correct statement.

Still another member of the Committee on Foreign Affairs, during the debate on this bill under the 5-minute rule, sought to defend the staggering size of the current U.S. national debt by saying that it is proportionately smaller in comparison with U.S. gross national product than in previous periods in our history.

The statement concerning the relative size of our current debt figure compared to our gross national product may or may not be correct but there can be no contradiction to the fact that compared to other nations of the world, we are placing ourselves in a relatively precarious position by further increasing the present $288 billon debt which confronts us. In comparing the size of our own national debt with that of other nations it is interesting to note that included in this very legislation which I seek to amend are allocations for at least six countries whose own currency has risen during the past 12 months in terms of U.S. dollars.

The mutual security program has been described by many persons, including advocates, including opponents, and including persons who may be indifferent to it, as a desirable thing but nevertheless a very expensive luxury. If it is a luxury, then it is surely an item of Federal expenditure which should be paid only out of surplus funds and under no circumstances should by direction or indirection have the effect of increasing the national debt of the United States.

If the mutual security program is needed as badly as we are led to believe, then those who advocate it the strongest should be willing to make certain that while providing both military and economic assistance to 71 foreign nations that we should in that same legislation incorporate an amendment such as this which will prevent further deterioration of the economic position of the United States compared to the economic position of other nations of the world.

It is well to be of assistance to other nations and to other peoples if we can render that assistance without materially jeopardizing the future of our own Nation and our own people. If we can provide the advantages claimed for the Mutual Security Program by those who sponsor it without creating a further debt obligation on our Government, it might be deserving of unqualified support. However, if the United States can provide the assistance called for in H.R. 7500, expressed in terms of U.S. dollars as $3.9 billion, the U.S. Congress which authorizes this assistance should be willing to provide the necessary revenues with which to do it.

Since the first session of the 86th Congress convened on January 7, 1959, there have been many bills introduced to require either a balanced budget, a mandatory reduction of the public debt, or both. There have been many speeches made by Members of this body supporting a balanced budget. This amendment narrows this issue and presents what I believe to be the first opportunity in the 86th Congress to vote for or against a balanced budget. I sincerely hope and trust that all Members who have made budget balancing speeches will support this amendment when it is voted upon.

Let me again emphasize that this amendment is not intended to wreck this program or to wreck the bill presently before the Committee. Its sole purpose is to provide a limitation on appropriations which may be made pursuant to the mutual security authorization. I ask that the amendment be adopted.

Mr. MORGAN. Mr. Chairman, I withdraw my point of order.

Mr. Chairman, I rise in opposition to the pending amendment. It is similar to an amendment that was just voted down. That amendment says you cannot authorize an appropriation for military assistance until Congress adopts a resolution saying that the Federal budget will be balanced. This amendment would certainly put us in the position of increasing our national debt. Our defense expenditures would be greatly increased if we cut out the military assistance program. The chances are our boys would be taken into the service. It states that as long as we have a deficit there will be no foreign aid program. We just voted on an amendment offered by the gentleman from Texas which involved the same principle.

Again, I say if you want to terminate this foreign aid program, adopt an amendment similar to the amendment just offered by the gentleman from Georgia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. FLYNT].

The question was taken; and on a division (demanded by Mr. FLYNT) there were—ayes 56, noes 94.

Mr. FLYNT. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 2, strike out all of lines 6 through 13 and insert the following: "It is the sense of the Congress of the United States that the great rule of conduct for us, in regard to foreign nations, is in extending our commercial relations to have with them as little political connection as possible. So far as we have already formed engagements let them be fulfilled with perfect good faith. Here let us stop."

Mr. GROSS. Mr. Chairman, I will not take any part of the 5 minutes. At least, a number of Members of the House recognize this language. It is a verbatim quote of one paragraph of Washington's Farewell Address.

Mr. Chairman, I ask for the adoption of my amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Minnesota.

Mr. JUDD. Of course, under the language of that address, the gentleman would have to be for things like the investment-guarantee program, against which he was inveighing yesterday.

Mr. GROSS. Merely to carry out what has already been started and stop.

Mr. JUDD. Read the first part of it.

Mr. GROSS. I have enough confidence in what I have been able to read about George Washington to believe that he would have had less than nothing to do with this foreign handout and entanglement program.

Mr. JUDD. Well, certain parts of it designed to open up the streams of trade are in line with his final advice and counsel.

Mr. GROSS. No; I do not believe that at all. I do not think the gentleman does, either.

Mr. JUDD. I do think that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 33, noes 84.

So the amendment was rejected.

The Clerk read as follows:

CHAPTER I—MILITARY ASSISTANCE

Military assistance

SEC. 101. Section 103(a) of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended by striking out "1959" and "$1,605,000,000" and substituting "1960" and "$1,440,000,000", respectively.

Mr. BENTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 2, line 19, strike out "$1,440,000,000" and insert in lieu thereof "$1,300,000,000."

Mr. BENTLEY. Mr. Chairman, this is the first amendment to reduce the overall authorization by any specific amount. The administration request for direct military assistance in section 101 of the bill was for $1.6 billion; that is, direct grant military assistance. The committee, in its wisdom, reduced that figure by $160 million to the figure $1.44 billion, which is the figure in the bill now before you. My amendment would seek to reduce it by an additional $140 million, and I might add, parenthetically, this is a lesser cut than the amount which the committee reduced it, to a new figure of $1.3 billion, which would be approximately $300 million in direct grant military assistance below the budget request.

Now, if the Members of the Committee are interested in knowing what countries receive direct grant military assistance, there is a very handy little map on page 9 of the committee print which shows all of the countries listed for direct grant military assistance, including, the Members will note, practically all of the countries of Western Europe.

Now, for further convenience, I would like to suggest that the members might be interested in reviewing in yesterday's CONGRESSIONAL RECORD certain remarks I made and certain tables I included on page 10957, which show the percentage of total national income spent on defense by many of these Western European countries as compared with the percentage of total national income which these countries spent on so-called welfare expenditures.

These tables and the accompanying article were taken from the most recent issue of the U.S. News & World Report. We find some very interesting things. We find that Britain, for example, which has been receiving direct grant military assistance spends 7½ percent of her national income on defense and 10 percent on welfare. We find that France spends 6.8 percent on defense and 15 percent on so-called welfare programs.

The tables are there for Members to examine if they see fit. But what does it mean? It means that we are still continuing a program of grant military assistance to countries which, as was brought out in the debate yesterday, have greatly increased their gold and dollar reserves and are well able to purchase military assistance should they require it. It means that we are continuing to give military assistance to countries whose burden of defense is much less than our own, whose taxpayers' burden is much less than that of our taxpayers. But at the same time we are directly helping subsidize their own welfare programs for the benefit of their own people, on which welfare programs they spend a much larger percentage of their national income than does this country which only spends 5 percent on its welfare programs.

It further means, Mr. Chairman, that by continuing to assist these countries in their military programs we are thereby also assisting them to devote a larger part of their industrial potential to build up industries which, as we all have good reason to know, have been and still remain very strongly and fiercely competitive with us in the world markets, not only in the export field but even here at home.

I am not against these countries competing with us. I am not against the building up of their gold and dollar reserves. I am saying this, that these countries of Western Europe in particular are well able and should be required to purchase much more of the military hardware which we are now giving them and which I hope, if my amendment prevails, they would have to purchase if they wish to assume the levels of defense that we and they deem appropriate for the defense of Western Europe.

Mr. Chairman, this is not a radical cut. It is a cut less than that which the committee made. It brings the figure down to $1.3 billion. If anyone wants to examine the minority report and reflect upon the tremendous amount of unspent and even unobligated funds that remain in the pipeline in this program, it would be helpful. I suggest the program could well absorb the cut and that we should pass this amendment.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman.

Mr. DORN of New York. Can the gentleman explain why we are giving military assistance to Cuba as illustrated by that diagram the gentleman referred to on page 9?

Mr. BENTLEY. No; I cannot explain why we are giving military assistance to Cuba. Perhaps a member of the majority may be happy to answer that particular question, but I remind the gentleman that, according to the map, Cuba is included along with a great many other countries.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New York.

Mr. DORN of New York. Will the gentleman please answer the question I asked?

Mr. MORGAN. This map was prepared long before the Batista Government was removed from power. There is no military assistance program for Cuba now and none is at present contemplated.

Mr. DORN of New York. Then this map is inaccurate?

Mr. MORGAN. That is correct.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Michigan [Mr. BENTLEY]. And, by the way, I want to take a moment to thank the gentleman for the nice compliments he paid me yesterday and to say that one of the hardest working members of the Committee on Foreign Affairs is the gentleman from Michigan.

I rise in opposition to this amendment because the committee has already made a substantial and fully adequate military assistance cut. We have cut this to a bare minimum. The Executive asked for $1.6 billion. The committee, after careful consideration, cut it to $1,440 million, a reduction of $160 million. This is $75 million below the money appropriated for this purpose last year.

Let me say again that this is $75 million below the figure adopted last year for military assistance in the mutual security program. That figure was $1,515 million.

The committee cut was designed to meet two situations. First, in some of the less developed countries there has been evidence of military equipment that has been provided at a rate faster than it could be effectively used. The people in some of these countries were not trained in stockpiling, storekeeping, repair and maintenance, and also lacked the basic education to acquire advanced skills rapidly. The Foreign Affairs Subcommittee for review of the mutual security programs, reviewed and looked into the situation in many of these countries. The cuts are based on actual studies made by that subcommittee, and further developed by the full committee. Second, in some of the less developed countries, the scale of this military assistance is, in effect, the strength of their economy. We have examined this program from top to bottom and we believe the cut is all that the military can stand at this time, if we are going to have an adequate defense in our mutual security partnership.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. WIER. Is it not true in connection with this military allocation of funds that just within the last 18 months we have had three nations, that I have in mind at the moment, make use of these military contributions to upset the government that we felt was a friend? As an example, I point my finger at Iraq, Burma, and Pakistan where the military generals when they got their hands on this military aid, immediately proceeded to make possible a revolution to overthrow the government that we were trying to defend; is that not true?

Mr. MORGAN. I think the situation in Pakistan has improved as far as the free world is concerned. That military coup in Pakistan improved the situation as far as the free world is concerned.

Mr. WIER. But whose money was used in Pakistan; was it not ours?

Mr. MORGAN. I am talking about this military foreign aid being used effectively. As far as the free world is concerned, the situation in Pakistan is an improvement.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. FLYNT. Did I understand the gentleman to say he thought that because the situation was an improvement, it was money well spent; and does the gentleman go further, to say he thinks this money ought to be used to create revolutions and overthrow governments if such revolutions produce a more stable government?

Mr. MORGAN. No; I do not say that.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Indiana.

Mr. ADAIR. Does the chairman feel that we have actual need for military purposes of $1,440 million which is the amount contained in this bill?

Mr. MORGAN. I think we actually need it. The Secretary of Defense issued a letter to that effect yesterday that we need every dime of it.

Mr. ADAIR. If the committee retains that figure, then would the gentleman feel that that amount of money ought to be held exclusively for military purposes and not made subject to use for economic purposes?

Mr. MORGAN. I think it should be held specifically for military purposes.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. JOHANSEN. Am I right in my understanding that the situation in Iraq certainly is not an improvement as the result of the revolution; is that correct?

Mr. MORGAN. That is correct.

Mr. JOHANSEN. Can the gentleman say, without stating any figures, whether there was military assistance given to Iraq?

Mr. MORGAN. Yes, military assistance was given to Iraq.

Mr. JOHANSEN. I wonder if there is to be any in this program?

Mr. MORGAN. No military assistance is given to Iraq under this program.

Mr. JOHANSEN. I wonder if the gentleman is aware that either today or tomorrow is the deadline for the removal of the Seventh-day Adventist Hospital in Baghdad under orders of the regime that has now taken over over there, which may be some indication of the attitude toward nongovernmental aid.

Mr. MORGAN. No; the gentleman is not aware of that.

Mr. JOHANSEN. Well, it is a matter of public record and was reported in the press. On the 18th, the Seventh-day Adventist Hospital must be closed because it has been nationalized by the government and all the missionaries connected with it are being expelled.

Mrs. KELLY. Mr. Chairman, I move to strike out the last requisite number of words.

Mr. Chairman, I take this time to question if the chairman of the committee will not agree in my statement. I feel that $1,400 million is necessary for military purposes. However, if it is found that these countries cannot absorb this military materiel and if it is found necessary for the President to transfer any of this materiel: Does the chairman not think the President would have the right to make such a transfer under the transferability clause?

Mr. MORGAN. I feel that we have the assurance of the executive branch of the Government that every dime of this is going to be needed for the military assistance program. Of course, if conditions should change suddenly we might be able to revise the program. I think the authorization for transfer from military to economic assistance would be useful if we should be confronted by an unforeseeable improvement in the military situation. But I believe that under present conditions we are going to need every dime of military assistance authorized in this bill.

Mr. GARY. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from Virginia.

Mr. GARY. Is it not true that under the present law the administration has the authority to transfer 10 percent of any fund to any other fund provided it does not exceed 20 percent of the fund to which it is transferred? That is now the present law.

In addition to that this bill would add a 30-percent transfer clause. With reference to the chairman's statement a few moments ago, that he thought the military assistance funds should be used for military purposes only, this bill would permit the use of 30 percent of those funds for other than military purposes. In fact, the intent of the Congress as to expenditures for other purposes could be absolutely thwarted by this 30-percent transfer provision.

Mrs. KELLY. I would like to address myself to that point. It is true that in the present law 10 percent can be transferred from any fund to another with a 20-percent limitation. It is also true that this minimum percentage is increased in the present bill to 30 percent. But I would like to bring out the fact that in the past year a relatively small amount was transferred under the 10 percent clause—about $29 million. While I did not approve of the 30 percent flexibility increase, I support the committee in its action.

Mr. ADAIR. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield.

Mr. ADAIR. Does the gentlewoman not feel that if the Congress is to retain reasonable supervision and control of these funds, that if we want funds spent for military purposes we should authorize and appropriate for that purpose; that if we want funds spent for economic purposes we should authorize and appropriate with that in mind? Is it not basically bad legislation if we authorize for military and then use it for unrelated economic purposes?

Mrs. KELLY. Basically I agree with my colleague from Indiana. As I said before, I wanted to keep the amount of transferability at 10 percent. However, I do feel that if the President of the United States decides, as he has stated, that there is greater need in the economic field than in the military field, then under the transferability clause he could transfer that portion of the funds. If there is success at a summit meeting, then transfer of these funds might be more beneficial transferred to economic assistance. I am hoping and praying that will be the case.

Mr. JUDD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, there are two points here that ought to be discussed: One is the general widespread belief that if we were to cut out military assistance or cut it down drastically, we could thereby save money for the American taxpayer and could apply it to a reduction of the national debt.

We all get letters every week or so asking: "Why do you not reduce or cut out this foreign spending? Then we could reduce that big national debt, reduce the budget, or reduce taxes, or have more money for schools, or highways, or hospitals, or for old age security," and so on.

Of course the fact is that if we were to cut out this program we would not be able to reduce our national budget. We would promptly have to increase our national budget. We would have to spend more for defense, not less. You can make an unanswerable showing that we have saved the taxpayers money by this program through the years in comparison with what we would have had to spend for the additional American forces which we would have to build up and equip—not to mention the additional tens of thousands of American boys sent all over the world.

Look what we get for the $39 billion which we passed a few days ago with only three votes against it: We get 13 or 14 land divisions, and we get 125 air squadrons, or, in terms of planes, about 42,000 planes. Of course, they are not all modern; and we get 1,700 naval vessels,

but only 800 of them are in active service. That is what we get for $39 billion.

But with this $2 billion-plus military assistance which the administration asked for, what do we get? We increase our land force five times; we almost double our Air Force; and we get 2,500 additional naval vessels, almost double our own naval vessels. Show me where we can get any comparable defense strength for the same amount of money.

Someone said earlier that we owe it to our children to do something for them. Indeed we do. We owe it to them to give them maximum security at minimum cost. This is the way to do it. That is why I am for the full amount in the bill. It is because I want economy, not because I do not want economy, that I urge that the pending amendment be defeated.

As to the actual amount, I will say frankly that I voted against the cut of $160 million that the committee adopted, and I gave my reasons in the minority views on that subject in the report.

The Draper Committee, made up of a very distinguished group of outstanding citizens who are familiar with this field—none of them is in active service today, they are mostly civilians—says that military assistance ought to be increased within the next year by $400 million; and that, if you cut it this year, next year we will have to increase greatly the program or else have to make even greater expenditures for our own Defense Department and start drafting more boys too.

May I read a memorandum submitted to the President day before yesterday by Neil McElroy, Secretary of Defense, in which he said:

> I have noted the action of the House Committee on Foreign Affairs in reducing the authorization for military assistance for fiscal year 1960 from $1.6 billion requested by the President to $1.44 billion. It appears there may be further efforts in the Congress to reduce the amounts appropriated for the military assistance program below even this authorization.

That is what the gentleman's amendment does.

Continuing, the Secretary of Defense said:

> The funds requested for fiscal year 1960 were below those the Joint Chiefs of Staff recommended as essential to carry out the indispensable military assistance programs required for our worldwide security arrangements. To support this program at a level less than that recommended in the 1960 budget can only be viewed as a real threat to our security.
>
> Thus, if reductions are made during the course of the action in the Congress, it would appear that the militarily justifiable requirements for fiscal year 1961 would need to be substantially in excess of $2.5 billion if we are to maintain this vital portion of our total defense effort.
>
> I have personally discussed the military assistance program today with the individual members of the Joint Chiefs of Staff and they have reaffirmed their view that the amounts recommended in the fiscal 1960 budget are the minimum required.

Mr. Chairman, does it make sense to follow the advice of the Joint Chiefs of Staff on $39 billion, and reject it on $3.6 billion?

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment to the pending amendment.

The Clerk read as follows:

> Amendment offered by Mr. BASS of Tennessee to the amendment offered by Mr. BENTLEY: Insert *"Provided*, That no part of these funds may be obligated until the balance unexpended for this purpose is less than $500,000,000."

Mr. BASS of Tennessee. Mr. Chairman, during the short but pleasant time I have been in the House, I have never voted for the mutual security program. This does not indicate, however, that I am basically opposed to the philosophy of mutual security. I realize that we certainly must have a certain amount of mutual security, including military and economic assistance, throughout the world. However, I have been continuously apprehensive about the fact that the program has carried a tremendous amount of money in the pipeline and in carryovers on every occasion.

During my first session of Congress I think that was something more than $8 billion. It has been decreased appreciably, I will admit, as indicated in this report; however, I have been informed by members of the committee that the military assistance funds provided in this bill are adequate at the present time to provide 2 years of military assistance under the present program.

I am firmly convinced that the adoption of my amendment would not necessarily hamper the effect of military assistance. I am also convinced it would do one thing: I feel quite sure it would make the funds more desirable by the people of the countries who are receiving it; in other words, they would covet the assistance we are giving these countries if they felt that no other funds would be available to them until these funds were properly expended that are in the pipeline.

I hope to be able to offer the same amendment to the economic assistance part of the program. The two main criticisms I have heard of the mutual security program is the carryover money in the pipeline, and the concern that is expressed about the administration of the program.

I personally assure you that if I could be sure these funds were necessary and the carryover was decreased to the point I have recommended, I would vote for the program. This is not an amendment to try to destroy the program. It is a sincere attempt to bring the program in line with my philosophy of a good program and what it can do if properly administered.

I hope that those who are interested in the program and interested in American money being used to its utmost good throughout the world will support my amendment.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from Michigan.

Mr. BENTLEY. I want to call the gentleman's attention, in the event he has not seen it, to the table on page 60 of the committee print, in which it is stated:

> The unexpended funds of military assistance under mutual security program for fiscal 1959 are estimated to be $2,600,000,000.

Mr. BASS of Tennessee. That is what I called to the Committee's attention.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from Minnesota.

Mr. JUDD. I hope the gentleman does not contend that those funds are available to be spent for any other purposes than the ones for which they are already obligated.

Mr. BASS of Tennessee. The gentleman has no contention whatever other than the fact, as I have said, that the fund is now large enough to carry out the program for almost 2 years.

Mr. JUDD. I wonder where the gentleman was when the $39 billion defense bill was up, when the total unexpended balance in that program was $32 billion.

Mr. BASS of Tennessee. I was on the floor and voted for the bill, and the reason I did is because I have a greater faith that the political philosophy of this country will be stable as it is, for the next 2 years, than in some of the other countries.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. I am wondering, if the military department has that much carryover, why our own planes are being shot down without guns and ammunition. I hate to see Mr. McElroy and others favoring all this foreign aid when they cannot even find ways and means to arm our own people who are flying the planes.

Mr. BASS of Tennessee. I appreciate the gentleman's contribution. And I want to end up saying this, that this amendment is a sincere attempt to bring the program in line where I personally can support it wholeheartedly and vote for its passage.

Mr. MORGAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the adoption of this amendment will destroy the program. This is money in the pipeline. This is not money lying around. This $2.6 billion is not lying in any safety deposit box. It is money that is committed. And, if you adopt the amendment, you are going to destroy the pipeline and you are going to destroy the military effectiveness of the bill. We have an unexpended balance in the Department of Agriculture which amounts to $2.3 billion. I believe the total unexpended balance in our defense budget is $32.2 billion.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Minnesota.

Mr. JUDD. I wish to refer the Members to page 60 of the report, where we quote from the report of the subcommittee on appropriations that deals with the Department of Defense budget. They are speaking of the unexpended balances and the carryover in the Department of Defense, and they say:

The committee believes that the unobligated and unexpended balances of the Department of Defense are now at about the lowest practical level consistent with a defense program of the current size.

And, how large is that carryover? $32 billion. Our own committee that knows most about Department of Defense needs says that is the lowest it can safely be. And, the unexpended balances, already obligated, in this military assistance program amount to $2.6 billion, and that, too, is as low as we can safely go unless we want to stall and stop the program.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Virginia.

Mr. GARY. Is it not true that this unexpended balance that we are talking about is nothing in the world but the pipeline which is constantly feeding this program, and if you break that pipeline at any time, your program ceases?

Mr. MORGAN. Why certainly.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr MORGAN. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. Of course, these arguments are getting off the Mutual Security Act and are being directed to our own Defense Department and the Agriculture Department. But, it is just plain derailing. This pipeline is what we want to reduce. You know and I know that there is enough in the program right now, enough appropriated, unexpended, to last for 2 years.

Mr. MORGAN. You can no more get rid of the pipeline for military assistance without endangering our security than you could safely eliminate the pipeline for our own Armed Forces.

Mr. CARNAHAN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Missouri.

Mr. CARNAHAN. The unobligated money that is available at the present time to use in further extending the military program is only $46 million. This is the amount of carryover in the military assistance program. These other so-called carryovers are already spent; they are already allotted for definite commitments. So, if we are going to stop here, we will stop the program for a year or until further appropriations are made. We now have $46 million that is available to be used, and not in excess of $4 billion as is being stated.

Mr. McGOVERN. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The Clerk read as follows:

Amendment offered by Mr. McGOVERN as a substitute for the amendment offered by Mr. BENTLEY: On page 2, line 19, strike the figure "$1,440,000,000" and substitute "$1,240,000,000."

Mr. McGOVERN. Mr. Chairman, I want to say, first of all, that my amendment is not intended to imply any criticism of the amendment offered by the gentleman from Michigan [Mr. BENTLEY]; and if my substitute should be voted down, I will support the amendment offered by the gentleman from Michigan. Nor is my amendment intended to imply any criticism of the work done by the Committee on Foreign Affairs. I think that the bill before us is the best one that the committee has reported in recent years, and I intend to support it whether my amendment, or the amendment offered by the gentleman from Michigan, is defeated or accepted.

The difference between the amendment which I have offered and the one offered by the gentleman from Michigan [Mr. BENTLEY] is that my amendment would call for an additional $60 million cut beyond the proposal offered by the gentleman from Michigan. I am suggesting a reduction of some $200 million in the $1.4 billion that has been recommended by the committee for military assistance. I do this not simply to reduce the overall cost of the mutual security program. I do not believe it is possible, certainly it is not proper for me, to place a price tag of any kind on the overall cost of this essential part of our peace program. I think that the American mutual security program along with the United Nations constitutes the chief cornerstone of world peace. But the committee itself has recommended to a limited extent the necessity of reducing our emphasis on military hardware in this foreign assistance program and giving greater attention to economic and technical assistance. The amendment which I have offered is intended to do that very thing.

I am convinced that for a number of years we have overemphasized, at least in the underdeveloped areas of the world, in the Middle East, in southeast Asia, and in Latin America, the military aspects of the aid program. I had the opportunity a little over 2 years ago to visit some five countries in the Middle East, and during the time I was there just about everyone I talked to told me that the bright spot in our military aid program in that part of the world was Iraq; that there I would have the opportunity to observe the American military assistance program operating in its most effective form. And yet everyone here knows what has happened in the case of Iraq, a country suffering from misery and poverty and instability, a country suffering from lack of health facilities, lack of educational facilities, lack of food. In spite of these urgent human needs our aid was largely in the form of military hardware which was used to destroy a government we thought was safe and secure and one that we could count on to help us turn back communism in that part of the world.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I want to assure the gentleman that the committee is just as concerned as he is about military assistance that has been misused. I know the gentleman is a student of legislation and that he does not introduce this amendment lightly. Because we have had so many weeks of testimony from very responsible people from the executive departments and agencies and we have taken their advice and their figures—and I repeat that the gentleman is a student and that he would not introduce this amendment lightly—can he tell the Committee where he would suggest a cut in the military assistance program, where would he allocate the cuts, among those countries that are now scheduled to receive our military assistance?

Mr. McGOVERN. It is not possible under the parliamentary situation to offer an amendment to cut back funds for any one particular country. But I would like to suggest generally that the reduction I am proposing be made in Latin America, in southeast Asia and in the Middle East. It seems to me that in those areas the chief problems are human misery and disease and that we ought to be giving a little less attention to building up military machines and more attention to the human problems.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield further?

Mr. McGOVERN. I yield.

Mr. ZABLOCKI. I am sure the gentleman is fully aware that the bulk of this military assistance goes to five allies who are on the border of the Sino-Soviet bloc. We have Greece and Turkey in the Middle East, and then we have Vietnam, Taiwan and Korea. Certainly the gentleman would not advocate that we cut back military assistance to those countries. And that is where we have the bulk of the military defense assistance.

Mr. McGOVERN. Let me say to the gentleman that Iraq was also one of the countries that was supposed to contain Soviet expansion.

Mr. ZABLOCKI. The gentleman has not answered my question. Does he advocate that we administer cuts to our programs in those five areas?

Mr. McGOVERN. I am not suggesting cuts to any specific country. But I would like to call attention to one other example that has been mentioned very prominently here by one of the most distinguished members of the committee, the gentleman from Connecticut [Mr. BOWLES], for whom we all have such a high regard. He reported that some 2 years ago military aid was sent to Pakistan that actually prompted the Indian Government to take $100 million out of her second 5-year plan and put it into military orders with the British and the French. It is that kind of thing that I am opposing.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment, and since I have taken so much of the gentleman's time I shall be glad to yield to

the gentleman. Mr. Chairman, I just cannot understand why we take the advice of our military Chiefs of Staff as to the amounts necessary for the security of our country and our national defense, and unwilling to take the advice and the figures presented by our military Chiefs of Staff as the absolute minimum necessary for the mutual security and defense of the world. I do not believe anybody would contend that we can stand alone against the Communist menace with no friends or allies. How can we expect our friends and allies to meet this Communist menace if we weaken them militarily? I am just as anxious as the gentleman to see the emphasis changed somewhat toward a more forceful economic program. However, in my opinion it is necessary to put first things first. It is vital that our allies be militarily strong. It would be of no avail if we built up the economies of our allies and fatten up these countries for Communist Russia to walk in and take them over. I think it is much better to help them and strengthen them militarily so that they can defend themselves and help to contribute to the free world's effort to maintain peace.

Mr. McGOVERN. I hope the gentleman is not implying that I am against the entire military aid program.

Mr. ZABLOCKI. I am sure the gentleman is not against the entire military program; nevertheless your amendment will weaken the program to the extent that it will fail as a result of its weakness.

Mr. McGOVERN. The same argument might have been applied by the administration against the cuts that were recommended by the committee. The committee has already taken a considerable step in the direction of doing the very thing that the gentleman is arguing against and that I am trying to do here.

Mr. ZABLOCKI. The committee studied the administration request and gave it very careful scrutiny. I want to assure the gentleman we felt that the committee cut was as deep as it could possibly be. A deeper cut will be at the expense of our security. I do not stand alone on that statement. Every responsible individual from the Chiefs of Staff down testified and agree that further cuts are dangerous.

Mr. McGOVERN. I would like to again stress the fact that I am not going to oppose the committee bill even if my amendment is defeated, but I certainly want to make it clear to the gentleman I am as interested as he is in turning back communism wherever it threatens us. The point I am trying to make is that in countries where there is poverty, disease, and illiteracy, you cannot build a very effective bulwark against communism by trying to superimpose a military monument on a shaky foundation like that. We have great reserves and surpluses of food in this country. We have technical and medical knowledge.

Mr. ZABLOCKI. I yield to the gentleman for a question but he is making a rather lengthy statement.

Mr. McGOVERN. I have no further question to ask of the gentleman other than to assure him that I am as interested as he is in stopping communism. I just think we can do better in some of these areas that are ridden with poverty and disease by another approach.

Mr. ZABLOCKI. I am in agreement with the gentleman on that regard. I would like to point out that cutting out dollars means that programs for specific countries must be curtailed or eliminated and that weapons, electronic equipment, and airplanes would have to be cut out of the program.

Military assistance is programed for 37 countries in fiscal 1960. Most of the money, however, goes to a much smaller number of countries, each one of which has a strategic role in the defense against Soviet aggression, which is readily apparent.

Fourteen countries were originally programed by the Executive to receive $1,300 million. These countries are Denmark, France, Italy, Norway, Spain, Greece, Iran, Pakistan, Turkey, the Republic of China, Japan, Korea, the Philippines, and Vietnam. When the strategic importance of any one of these countries is examined in detail, it is clear that it would be dangerous to our own security to eliminate it from the military assistance program. Norway has an important location to provide warning of attack and to render an interception service. Iran, Pakistan, Turkey, the Republic of China, Japan, Korea, and Vietnam all are directly confronted by hostile Communist forces. The loss or neutralization of any one of them would create a gap in our defenses.

For each of these countries a program has been prepared which enumerates the weapons, tanks, airplanes, and missiles which are scheduled. A further cut by the House in the military assistance program would require the elimination of weapons and equipment, which would leave the defense posture of these countries less than that judged by our military leaders to be necessary.

Since so much of the money goes to a limited number of countries with important military functions to perform, there is no way that a further cut can be absorbed by "eliminating the fat" or tightening the administration.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield.

Mr. JUDD. Is it not true that there are also Americans who believe it would be better for our own security and well-being if we were to spend more of our money for various domestic programs and less for our Armed Forces? Yet, the Congress with only three dissenting votes followed the recommendations of our top military leaders, men who are our best specialists in this field, that $39 billion is necessary for our own Department of Defense. These same specialists advise that $3.6 billion is necessary for this program. They are both parts of the same total defense program. Either is inadequate without the other.

Mr. ZABLOCKI. Both are just as important in order to secure our national security and the peace of the free world. I think it is just as dangerous to cut foreign military assistance as it would be to cut in the military defense budget.

Mr. JUDD. The gentleman will recall the testimony of General Gruenther when he was before us. He is not now in the military service and has no ax to grind. He is now head of the American Red Cross. I asked him this question:

> If we were to cut this program further, where would you advise that we cut it, in our own Department of Defense or in mutual security?

He replied:

> That is like asking me whether I want to have my left hand or my right hand amputated. I do not want either of my hands amputated. I need both hands.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I suspect that nobody in the Congress has been more critical of the administration of this program than I am. But I would like to put in perspective the three amendments which are pending at the present time. The gentleman from Michigan made his argument that we should not give any military assistance to Western Europe.

The gentleman from Tennessee in his amendment wants to destroy the pipeline which is the lead time that is required to build the jet planes and the other very technical items that we supply.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HAYS. Not now. I will when I have finished if I have any time left.

Mr. BASS of Tennessee. The gentleman surely wants to be fair.

Mr. HAYS. I am not going to yield. The gentleman spoke at length and frequently on the tobacco bill and the wheat bill. He is an expert on agriculture and he consumed his time there. I suggest that the gentleman get some time in his own right, but I will be glad to yield when I have finished.

Mr. BASS of Tennessee. I thank the gentleman, and I would like to state that he is beyond question an authority on foreign affairs.

Mr. HAYS. The gentleman from South Dakota bases his argument against aid to the underdog countries and I am in sympathy with the gentleman. But let me point out to you that so far as NATO is concerned that is one thing that the Communists hate more than anything else in this world. That is one thing that the Communists fear more than anything else in this world. They have been trying to get NATO destroyed because they are afraid of it, because they know it has stopped their plan for taking over Western Europe in its tracks. I am not willing to cut any money away from NATO. It has worked. There has not been the domination of one single country in Europe by the Communists since NATO became a reality.

As far as the pipeline is concerned, if you cut that down by half a billion dollars you do not have enough lead time to build the items by the time they will be needed and you destroy the flexibility of the program, and put yourself in the position of giving comfort to the Communists.

As to the argument of the gentleman from South Dakota, let me point out to you that the committee has made a step in this direction. We have cut below what some considered desirable.

We have ordered the military to discontinue putting anything in the pipeline to Latin America; we have ordered that part of the map on page 9 of the report wiped off. We have suggested and indeed written into the bill language that you do not give any undeveloped country more military aid than it can logically use.

We have written in this prohibition—and we have plenty of lawyers on the committee and plenty of outsiders came into the committee and offered amendments. But I will tell you frankly that I find myself in the position where we are going to have to leave something to the administrators of this program to decide. You are either going to have to place some confidence in the Secretary of Defense and the Joint Chiefs of Staff or else we ought not to have any military program at all. It is just as simple as that.

I do not know whether we can safely cut below the amount we have cut or not. I do not even know for sure that we can go that far, but I do know that when the committee adopted the amendment to cut this amount to $1,440 million or $160 million below the administration requests, that we picked out and suggested certain areas very carefully in which we thought the cuts could be made; and as a matter of fact, I will confess to you that I had an amendment for $200 million and after we got through going over it I retreated because I felt that the only thing we could justify was the amount we had cut out.

The administration says this is a rockbottom amount, this bill is a rockbottom amount, and if you believe in mutual security, if you believe that NATO has been a success—and the proof of it is that the Communists consider it worse than poison, you will not suffer any amendment to cut NATO because it has worked, and this money is a very small amount compared to the money that the nations in NATO are putting in of their own accord, perhaps NATO is not everything we would like it to be, but remember NATO is the thing that kept the Russians from treating other countries as they did Czechoslovakia and marching right into Europe.

Mr. MEADER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have supported this program since I came to Congress in 1950, but I have consistently supported efforts to make intelligent reductions in the size of the program. I have done so because I believe a smaller amount of money more efficiently and ably administered actually will go further toward the accomplishment of the objectives of the program.

Ever since the program has been before us I have heard the argument that we cannot cut a penny out of the budget request or the committee's recommendations without endangering the security of the United States. Yet we have cut the program again and again and the ICA still comes in with unexpended balances, and the program has not been harmed by reductions we have made in the amount the President requests.

This year, the Hardy subcommittee of the Government Operations Committee, of which I am a member, made a study of the foreign aid program in the small country of Laos. This study puts an entirely different light on overspending. In the case of Laos overspending was not simply a matter of waste. It actually harmed our objectives in Laos.

I read to you the first conclusion unanimously adopted by our subcommittee and unanimously approved by the full Committee on Government Operations:

> Giving Laos more foreign aid than its economy could absorb, hindered rather than helped the accomplishment of the objectives of the mutual security program.

Mr. Chairman, that is not just what we Congressmen said. We had something on which to base that conclusion.

The General Accounting Office made a very thorough and careful study of our expenditures in Laos, and I want to read from their prepared statement to our subcommittee:

> The ICA program, averaging around $45 million a year during the period 1955–57, was disproportionate in size to the normal volume of economic activity in Laos.

Then the GAO report goes on to say what disastrous effects flowed from forcing on Laos more money than its economy could absorb, and it makes this significant statement:

> ICA administrators in the field have pointed to the possible adverse impact of the U.S. program on the economy of Laos and the general population. While serving the principal objective of preserving national independence of the state of Laos, the program was found less suited to promote other important U.S. objectives, such as to foster a stable and effective government with wide popular support and oriented toward democratic concepts, and to promote confidence in, and respect and friendship for, the United States.

Later on the GAO report concluded that the adverse publicity attending this overspending, which made wealthy a few Lao and led to diversion of our aid money into various kinds of nefarious activities, was actually used by the Communists in the political campaign against the government we were attempting to support.

Now I say to you when it is demonstrated that excessive spending is not only wasteful but actually harms a program, when these proposals are made to reduce the amounts in this program, we should no longer be impressed by the bugaboo constantly being brought up that if we reduce the amount of the President's request, we are taking a chance with the security of the world.

It has not proved so in the past, yet these statements have been made repeatedly. In Laos we have an example where overspending actually harmed our objectives.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the pending amendments.

Mr. Chairman, if we were to wait for proof as to how far we could reduce the amount that we ask here today, the proof could very well mean catastrophe.

I would like to point out that the amount in this bill for the military assistance pipeline has been reduced 11 percent from last year, 22 percent from 2 years ago, 25 percent from 3 years ago, 40 percent from 4 years ago, and 50 percent from 5 years ago.

We have cut here the original request. This cut was based on hearings which lasted 11 weeks. We heard some 90 witnesses and took 2,000 pages of testimony. The cuts were made in those cases where we found that the less developed countries could not effectively handle some of the assistance that had been given to them.

Secondly, in some of the less developed countries the military effort, we saw, was exceeding their economic resources. That was the sole basis for these cuts.

The military assistance program included some 37 countries in 1960. Most of the money goes to a smaller number of countries, as my colleague pointed out. But most of this money goes to countries that are directly being confronted with hostile communism today—Iran, Pakistan, Turkey, the Republic of China, Japan, and Vietnam. These countries have not always been in the cold war. There have been times when the war has been hot in these areas.

We feel we must accept the recommendations of our military leaders if we are to accept them on military appropriations. They have clearly pointed out here that to reduce the amount of this program would lead us to horrible results. If we are to not accept their testimony as to how far we can cut the program, we could very easily pick out a figure from the air. The figure that we have used today is based on sound and conclusive evidence presented before our committee. Furthermore, the cuts that we did make bring us in line with what the Draper committee advocated. We feel that we can maintain the pipeline at the level that the Draper committee has advocated, but not 1 cent less.

Now, it may be that we could abandon this program, but first it is necessary for us to find a substitute program, and any substitute program could very well take from 2 to 3 years in order to make it an effective program. However, no substitute program has ever been suggested by the opponents of this bill.

Mr. Chairman, I am therefore rising in opposition to all of these amendments and urge that we enact the bill that the committee has presented here today, and the House should hesitate to override the judgment of our best, our most qualified leaders in this area.

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in opposition to the amendment.

I should like to quote testimony heard by your committee which indicates that a cut here is just as serious for the defense posture of the United States as would be a cut in our own defense expenditures.

The testimony was given by a man well qualified to speak on that subject, Hon. Neil McElroy, Secretary of Defense, as appears on page 70 of the hearing record. He said:

When General Twining was asked by a Member of the Congress last spring whether he would recommend restoring all the dollars that had been cut from the mutual security program before consideration of any possible increase in the regular defense budget, he replied forcefully that he thought these dollars could better be spent in the defense of this Nation by putting them into mutual security. The individual chiefs of the military services later authorized the chairman to say that they unequivocally agreed with him.

Mr. Chairman, do we want to gamble with the defense posture of our country in these days when our representatives are meeting in Geneva on difficult negotiations? Do we want to advertise to the world that the great House of Representatives in the Congress of the United States will not back up its committee which has already cut these funds carefully and thoughtfully, and is prepared to make further slashes in the military part of this bill?

Now, Mr. Chairman, I know that it is much more appealng to appropriate money to feed people, to house people, to clothe people than to vote money to give them military protection. And so we find that many people of good will believe that this program should be emphasized on the economic side and deemphasized on the military side. Your committee has already been responsive to that feeling. It has cut from the military program and has added to the economic program. But, I urge that this point of view can be overdone, and that when we face the realities that exist in the world today, it behooves us not to gamble with the safety of our country. I repeat again, that under the testimony of the Chairman of the Joint Chiefs of Staff, under the testimony of the Secretary of Defense, a cut in these funds here is just as serious to the military posture of our country as would be a cut in the defense appropriation bill.

Are you gentlemen prepared to gamble with the safety of your country?

Mr. PILCHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want the House to be misled by these crocodile tears that this little $200 million cut would ruin this entire program, when the Comptroller General of the United States said that the real trouble with the entire program is just too much money.

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment to the substitute amendment.

CV——702

The Clerk read as follows:

Amendment offered by Mr. BASS of Tennessee to the substitute amendment offered by Mr. MCGOVERN: After the sum, insert "*Provided*, That no part of these funds may be obligated until the balance unexpended for these purposes is less than $500 million."

Mr. BASS of Tennessee. Mr. Chairman, this is the same amendment offered before to the other amendment, and I will not argue the point except to say I would like to correct a statement made by the gentleman from Ohio. It is not my desire to destroy the pipeline but only to reduce the carryover in the program.

I would like to say this, also. I am complimented that on two or three occasions during this debate this afternoon I have been referred to as a friend of agriculture, with an interest in agriculture, and even an expert on agriculture. I am happy that I have built that type of reputation in the House, because that has been my desire.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BASS] to the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Tennessee to the substitute amendment offered by the gentleman from South Dakota [Mr. MCGOVERN].

The question was taken; and on a division (demanded by Mr. BASS of Tennessee) there were—ayes 36, noes 109.

So the amendment to the substitute was rejected.

The CHAIRMAN. The question now is on the substitute offered by the gentleman from South Dakota to the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The question was taken; and on a division (demanded by Mr. MCGOVERN) there were—ayes 87, noes 107.

So the substitute amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 83, noes 97.

Mr. BENTLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MORGAN and Mr. BENTLEY.

The committee again divided, and the tellers reported that there were—ayes 101, noes 103.

So the amendment was rejected.

The Clerk read as follows:

LIMITATIONS ON FURNISHING OF MILITARY ASSISTANCE

SEC. 102. Section 105 of the Mutual Security Act of 1954, as amended, which relates to conditions applicable to military assistance, is amended by redesignating subsection (b) as subsection (c), and by inserting immediately after subsection (a) the following:

"(b) Subject to fulfilling commitments in existence on June 30, 1959, no arms or weapons may be furnished to any nation under this chapter on a grant basis, except where the President determines that the national interest requires otherwise and so reports to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, unless—

"(1) the arms or weapons requested by and furnished to the recipient nation are needed to meet the danger of direct Communist armed aggression or infiltration, or Communist subversion from within, or to perform agreed missions within collective defense arrangements under treaties entered into with the United States;

"(2) the arms or weapons furnished the recipient nation are limited to those of a type and in amounts appropriate to these needs; and

"(3) the defense expenditures of the recipient nation, taking into account assistance from other sources, do not overburden the economy of such nation in such a way as to create internal instability, nor strain its relations with its non-Communist neighboring nations in such a way as to create regional instability, which may overbalance the benefits of the protection provided against the external danger."

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to strike from, add to, and revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, a couple of days ago two-thirds of us, in fact, all but 35 of those who voted, voted for a pension bill. My vote, as no doubt that of others, was cast on the understanding that that bill not only would help the widows and orphans of veterans but that it would save money over a long period of time, something like $12 billion. But the vote had hardly been announced when I was advised by apparently equally reliable authority that by the year 2000 it would cost something like an additional $20 billion more than if we had left the law as it was. It is impossible for the average Member to know the exact result of his action, and if those in charge of legislation do not accurately inform us disaster will follow.

My point is this: Apparently the individual Member is just unable to find out accurately what any piece of legislation will cost. I recall very distinctly when this program of foreign aid began we were told it was only going to run for a short time, that it would not cost very much, that it would end war, make peace permanent. Yet here we are, still fearful, still spending by the billion; and what has been accomplished? Those who advocated it, especially my dear friend from Minnesota [Mr. JUDD], and his friends who still insist upon further burdening the taxpayer, ask: "What would have happened if we had not done it?" And they answer: "We would probably have been destroyed; we would have been in war all the time; this is a lot cheaper than carrying on a war," and they make a lot of this matter of buying friendship. Attempts

to buy friendship is nonsense and we all know it. Just a few days ago—and I have not checked the RECORD—the minority leader stood in the well of this House where I am standing now and said that one purpose of this legislation was to purchase aid to protect ourselves. What a long way we have traveled from that place known as Bunker Hill, on today, the 184th anniversary of that day when Americans fought instead of paid to avoid trouble? Well, if Britain, the greatest and most powerful nation in the world, had to go out and hire mercenaries, as King George did when he wanted to whip the colonists, we have gone pretty far in our effort to follow his policy if we have to buy peace. Something must be wrong with our policy, with our planning. Are we independent? Or do we exist as a Nation because we can hire and pay allies?

Personally, I do not believe anyone can buy friendship; and in my judgment—it perhaps is no good—I doubt if there is a single nation that we have aided that would come to our assistance if it did not think that course was for its own welfare, not ours.

I hear it so much, I heard it again today that we must protect the people of the free world if we are to continue to exist as a free Nation.

We must protect the individual in other parts of the world who is free, if we are to remain free, we are told.

But are we free? We are not.

What about the people in America? Let us get back now once more to my favorite topic.

What about the American who wants to work free from domination by some union boss? What about him? Is there anyone on the Republican side who is in favor of foreign aid who has opened his mouth to protect the American family whose head wants to go to work to earn money to buy food, clothing, or an education; or the American businessman whose business has been injured, many times destroyed, utterly without cause, completely in violation of the provisions of the Constitution or of common law and of decency and moral right? Who has risen to say a word or vote a dollar to protect the Americans?

All you need to do is to read the record of the McClellan committee, read the newspapers back over the last few months, read the record of the testimony given before the labor committees of the House. Two businessmen were called in, and one woman, and testified they were denied the right to carry on an ordinary, decent, respectable business in an Illinois town. They were denied that right, but no voice was raised in their behalf. No national legislation to protect them was proposed. Billions to bring freedom, food, education, implements of war to the red, yellow, black, and white peoples of every part of the world, but no protection from the goons, the extortionists who prey upon the white people of the United States of America. We, the honest, law abiding of America are the only ones for whom the one-worlders shed no tears.

We can sit here as long as we wish and we can deceive ourselves if we will, but the fact remains that here in America men and women who are citizens, born here, raised here, guilty of absolutely no offense, have not had a word said in their behalf while this bill has been under discussion.

Cry for the underprivileged throughout the world but encourage the bully, the crook, the goon to oppress and rob the honest, hard-working, the thrifty, law-abiding Christian American.

Mr. JACKSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACKSON: On pages 2 and 3, line 20, strike out section 102 commencing on line 26, and on page 3 strike out all language to and including line 25.

Mr. JACKSON. Mr. Chairman, in addressing the House on yesterday I expressed certain reservations with respect to H.R. 7500. The situation, as I pointed out at that time, was the new and what I consider dangerous course which the legislation has taken in transferring primary emphasis in this program from the military to the economic. Most of the criticisms which have been directed at the program have been directed at operations in the economic sphere.

Why, in the first instance, did this Congress institute the Mutual Security Act? Why in the 80th Congress was a program developed and what was the nature of the threat that brought it into being?

The nature of the threat at that time was, of course, a military threat posed by the intransigence of the Soviet Union in refusing to reduce its armed forces after World War II, during the period when we reduced our fleet of the sea, and air, and we immobilized our ground forces.

Recognition of that threat led in 1951 to the formation of NATO, and in subsequent years to the formation of other regional groups designed to resist aggression that might be forced upon us. The nature of the threat as it existed shortly after the conclusion of World War II has in no manner changed. The threat is essentially and basically a military threat directed at the subjugation of every free nation presently outside the orbit of the Soviet Union.

The Soviet Empire has been founded upon force, and it is maintained today upon the strength of Soviet and satellite arms. Let us make no mistake about that single fact which has been abundantly and adequately demonstrated in Hungary, in Poznan, and more recently in Tibet. The Red armies stand behind the Soviet plan for conquest and are ready for use at any time. Any step taken by the Congress which lessens the posture of strength which we have taken before the world does a disservice to the cause of human freedom.

I have no quarrel with those who say we should combine with our military operations a well-balanced economic program. It is my contention we have had such a program in the past without sacrificing in any great degree the military implications of our operations.

I fear very much that section 102 will be widely interpreted throughout the world as a retreat from a position of strength and an advance to a position of timidity and retreat.

I hope that the Members of the Committee will read very carefully what here is proposed to be done. There will be amendments following mine which will tend further to deemphasize the military, to further reduce the posture of strength and to further emphasize the economic program. It is my sincere hope, and this hope has been expressed by many witnesses who have appeared before various committees of the House, including the House Committee on Foreign Affairs and the House Committee on Armed Services, that nothing be done which will tend to indicate to those with whom we are allied around the world in regional military alliance that we are in any manner retreating from the position we have taken, that position of strength, which has characterized this program since it was instituted in 1948.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Indiana.

Mr. ADAIR. Would the gentleman then say to the Committee that if we unduly weakened our military position, any economic effort that we want to make would thereafter be jeopardized?

Mr. JACKSON. I will say to the gentleman that unless our military posture is strong enough to convince would-be aggressors that they had better not transgress against the West, anything we do in the economic field will eventually be lost entirely.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I first say that the language which the gentleman seeks to strike out was submitted to the executive branch and they had no objection to it.

Now, what does this language seek to do? It seeks to tell the world that the United States is not giving military aid to any nation for the purpose of shoring up a dictatorship or oppressing the people. There is no possible way under the sun that this could restrict the President from doing anything that he, in his wisdom, thought would be necessary to combat the Communist threat. As a matter of fact, if you read the language, it says that the President shall determine that these weapons are needed to meet the direct danger of Communist armed aggression or infiltration or Communist subversion from within.

Now, if that does not cover the waterfront, I do not know what does. What are we trying to do? We are trying to write a little direction into this bill which will prevent an incident that I want to tell you about. It would not necessarily prevent it if the President determined to go ahead, but at least we are trying to warn against such things. I was talking only the other day to the president of one of the great Midwest universities—not my own but

one of the great Midwest universities—and he said that he was in Latin America on a mission, I believe for the President, and he found that in one country of Latin America a squadron of jet planes which our military assistance group had almost blackjacked that nation into taking was costing that little nation more to keep in the air, to keep repaired, and to keep men trained to fly them than the entire educational budget of that country.

Now, that is the kind of thing we seek to prevent. That is the kind of thing I think the Congress wants to prevent. That is the kind of thing I submit to you that caused the Vice President of the United States to be spat upon and stoned when he was in Latin America, because certainly there has been a lot of waste and a lot of unnecessary military assistance in some of these nations.

The subcommittee of our committee under the direction of the distinguished gentleman from Alabama [Mr. SELDEN] has recommended that military assistance in most of Latin America be terminated in an orderly fashion. This says to the world we will give military assistance to fight communism any place, any time that it is necessary and the President decides it is necessary, but we are not going to overload a lot of small nations that will not, in the event of a Communist attack on the United States, be able to contribute one thing to our defense. Now, I think that is what a lot of you were voting for when you walked through on these last two amendments. I think that is basically what you were trying to get.

As I said before, this committee has striven to the best of its ability to write language into this bill to give some direction to do the thing that Congress wants done and to meet some of the things that concern and rightly concern the Members of Congress.

I implore you to leave this amendment in. It makes sense. It is good for the bill. It is good for the country. It is good for the world.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. JACKSON].

The amendment was rejected.

Mr. PORTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PORTER: On page 2, line 21, insert "(a)" immediately after "Sec. 102."; and on page 3, immediately below line 25, insert the following:

"(b) Paragraph (4) of the subsection herein redesignated as section (c) is amended to read as follows:

"'(4) No military assistance, except assistance in the training of military personnel, shall be furnished under this Act to any American republic after the date of enactment of the Mutual Security Act of 1959 subject to fulfillment of commitments in existence on June 30, 1959.'"

Mr. PORTER. Mr. Chairman, this amendment offers the House an opportunity to save about $50 million and at the same time greatly improve our relationships with the people of Latin America. We can fight communism, help Latin Americans, and save money by adopting this amendment.

Now, what does it do? It eliminates military assistance to Latin American nations except with respect to the training of military personnel and except as commitments exist on June 30, 1959.

Now, what about these commitments? The main one existing at this time is, in my opinion, a scandal and a shame. A nation I cannot name publicly is shaking down Uncle Sam for many millions of dollars for facilities in that country, facilities which should have been offered as that nation's contributions to our common defense against the Soviet threat. Go look at the secret book on the committee tables and on the other. It has a brown leather cover. You can find out the name of this country and the exact amount in millions of dollars that we are having to pay this year because this deal was made.

If we cut out military assistance to Latin American nations this cannot happen again. Of course, if an agreement is necessary for missile tracking or antisubmarine facilities we can make treaties. But the Congress should not be committed beforehand to large sums of money for concessions which should be contributed for mutual security which is truly mutual.

This amendment is supported both by the bill itself and in the main by the Selden report issued May 12, 1959, with the unanimous approval of the House Subcommittee on Inter-American Affairs.

Turn to page 3 of the bill and look at what the President has to consider before he gives arms or weapons away on a grant basis. They have to be needed. This was just explained so well by the gentleman from Ohio. I think these provisions are good, but I think that if they were strictly interpreted these provisions would cut off all aid to Latin American nations. However, we have every reason to believe that no such interpretation would be made. Hence the pending amendment.

Why are not the recommendations of the widely praised Selden report carried out at least to some substantial extent, in the bill before us? The Selden report recommended an orderly, gradual reduction of military armaments grants with the ultimate goal of termination of the program.

What does the bill do for even an orderly and gradual reduction? It recommends $96 million for military assistance, 57 percent of all the money for Latin America, compared to $67 last year, which was only 52 percent—5 percent less than this year—of the total for Latin America. True, the committee cut $160 million from the whole military assistance figure and in its report directed attention to Latin America for reductions.

But why not cut it all out? These arms do not help the free world fight communism. Often they identify the United States with forces and regimes that are as anti-democratic as the Soviet Union. Their upkeep is a burden on those nations that need every penny they can find for economic development.

For example, $39 million of the $96 million is to finance credit sales of military equipment to Latin American countries. Are these items that they should go into debt for? Of course not. They do not need these jets, tanks, and other items, and they cannot afford them on credit or as gifts.

Latin America needs and deserves our help in its social and economic revolution. That is the best way to fight communism in Latin America. If we have special military needs in Latin America with respect to missile tracking and antisubmarine facilities, appropriate agreements can be made. But let us remove the blank check authority here and scrap completely and immediately an ill-conceived program before it does us more harm in an area where we need and want friends.

Latin America cannot use these arms against the Soviet Union. Latin America does not need them. Latin America cannot afford them.

A vote for this amendment is a vote to save at least $50 million in this year and far more in years to come and at the same time endear ourselves to the long suffering but fast awakening people of Latin America.

Mr. SELDEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Oregon [Mr. PORTER] has introduced an amendment which, in effect, would abolish military assistance to Latin American nations immediately, except for the training of military personnel, and subject to the fulfillment of commitments in existence on June 30 of this year.

The gentleman from Oregon and I are substantially in accord insofar as we agree that our military assistance program in Latin America has had some harmful side effects.

In the study which resulted in the report to which the gentleman from Oregon referred, the Subcommittee on Inter-American Affairs of the Foreign Affairs Committee gave careful consideration to the effects of our current military assistance program in the Latin American nations. In our report, which was issued on May 11, we point out that the program at times has had some damaging consequences.

For instance, the use by the Batista government of some U.S. equipment during the Cuban revolution has created deep resentment against the United States among some Latin Americans. I should emphasize at this point that both the mutual security legislation and all 12 bilateral treaties with Latin American recipients of military aid stipulate that the equipment so provided shall be used only for hemisphere defense purposes. But these provisions have not always prevented the use of U.S. equipment in civil strife or the tendency in Latin America to equate our armaments with the regime using them.

While recognizing the weaknesses which have developed in our military asistance program in Latin America, the subcommittee did not feel the United States should pull out of that program abruptly. The United States has made commitments in Latin America. The Latin American nations have adjusted their own requirements in the light of those commitments. We felt that the only just and responsible way to withdraw from the program is by serving notice of intent and allowing a suitable time for the friendly nations involved to make internal adjustments. Accordingly, the subcommittee recommended, and I quote from the report:

> We * * * feel that the longrun interests of the United States and Latin America will be better served by an orderly and gradual reduction of military armaments grants with the ultimate goal of termination of the program, and the subcommittee so recommends.

In my opinion, Mr. Chairman, the amendment before us establishes too precipitate a termination of military assistance. More flexibility is required by and, I think, should be given the executive branch of our Government to deal with this matter. Time must be allowed for a serious exploration with the other American Republics of alternatives to bilateral military assistance. In the interim, it is conceivable that some further U.S. assistance beyond present commitments may be necessary.

The Subcommittee on Inter-American Affairs, after thorough study and careful deliberation, determined that we should proceed with moderation and caution and that an orderly and gradual reduction of military armaments grants to Latin America with the ultimate goal of termination of the program was the best possible approach to a difficult problem.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. SELDEN. I yield to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. In other words, what the committee has done is to put in the report the recommendation of the gentleman's subcommittee for an orderly procedure; and if this amendment which the gentleman is speaking against were adopted, it would not only terminate it, but it would handcuff our Government in the event any future emergency might arise in Latin America; is that not true?

Mr. SELDEN. That is entirely correct. Mr. Chairman, while I sympathize with the intent of the amendment offered by the gentleman from Oregon, I am convinced it is too inflexible and should not be adopted at this time.

Mr. JACKSON. Mr. Chairman, I move to strike out the last word, and rise in opposition to the amendment offered by the gentleman from Oregon.

Mr. Chairman, I concur completely with the statement made by the gentleman from Alabama, the chairman of the subcommittee which recently published a report on this very subject and the subcommittee of which I am ranking minority Member. The subcommittee has gone into the question of armaments in the Latin American area; their effect upon the military; the political and economic phases of life in the hemisphere, and has reached the conclusion and has reported it, that gradually and in an orderly manner this program should be terminated. But immediate termination of the program, I think, would be catastrophic. It is true that arms have been used for purposes which were not intended by this Government, and we hope steps will be taken to insure against such use in the future. However, we operate the program in Latin America not that the arms may be used by one country against the other, but so that countries which have a capability to do so may make a contribution to the collective security of the Western Hemisphere. This is the only purpose for which arms are furnished. In pursuit of that program, which is considered multilaterally in the Inter-American Defense Board sitting here in Washington, we have expended a very small percentage of the funds we have made available for military hardware throughout the world. As has been pointed out, the total sum for this year is in the magnitude of some $96 million for all of Latin America. I think it should be pointed out in all justice that $25 million are for financing of the sale of equipment on 3-year deferred payment terms which funds are to be repaid to the United States with interest.

Mr. PORTER. Mr. Chairman, will the gentleman yield for a question?

Mr. JACKSON. I yield.

Mr. PORTER. The gentleman said that termination, as I have recommended, would be catastrophic. Could the gentleman enlarge on the nature of the catastrophe that would happen?

Mr. JACKSON. Yes; I think the greatest catastrophe that would be immediately apparent would be a general consensus in Latin America that we had ceased to have any interest in the collective security of the Western Hemisphere. This would be a terrible thing to happen. We have by dint of close collaboration managed to create a considerable interest in many of the countries in the defense of the hemisphere. For those who say there is no military contribution to be made by the Latin Republics, I can only say this: Our military and naval people, our own people, have said that in the field of antisubmarine warfare for instance they have a considerable capability in defense of the hemisphere. If it is not done by the countries concerned it will require U.S. naval vessels, which may not be in great supply in case of hostilities, to do that job.

In this connection, a sum, the total of which I cannot give, will provide antisubmarine warfare planes for a number of these countries for operation in the collective security program.

Mr. PORTER. My amendment does say that any existing commitment as of June 30 would be honored. We would not be breaking any commitment at all; any commitment we have as of that date would be honored.

Mr. JACKSON. I understand the gentleman's amendment, but suppose something wholly unexpected happened on July 1?

Mr. PORTER. We would make a treaty with them then.

Mr. JACKSON. I think we would be better off to go ahead with the well-considered plans of the Department of Defense and phase out this program as appears practical, meanwhile carrying out the program as recommended by our committee.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. FULTON. Actually the effect of the gentleman's amendment would be the weakening of our antisubmarine warfare plans.

Mr. JACKSON. The gentleman is correct.

Mr. FULTON. That would be the effect of the amendment; it would deny this help to our allies in South America.

Mr. JACKSON. The gentleman says we should continue training. Training with what? Unless you furnish something with which to train troops, there is not much sense in trying to train them.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. FASCELL. As a matter of fact, the amendment is really unnecessary, because the full committee has already adopted a $160 million cut in military assistance, and in the committee report the Latin American area is the only area specifically dealt with. Is not that true?

Mr. JACKSON. I believe that is the case.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. PORTER].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 1, noes 105.

So the amendment was rejected.

Mr. PORTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. PORTER: On page 3, immediately below line 25, insert the following:
>
> "LIMITATION ON ASSISTANCE TO REPUBLIC OF CHINA
>
> "SEC. 103. Chapter 1 of the Mutual Security Act of 1954, as amended, which relates to military assistance, is further amended by adding at the end thereof the following new section:
>
> " 'SEC. 108. LIMITATION ON ASSISTANCE TO REPUBLIC OF CHINA.—No assistance may be furnished to the Republic of China after the date of enactment of the Mutual Security Act of 1959 for any period during which the armed forces of the Republic of China number more than 200,000.' "

Mr. PORTER. Mr. Chairman, one nice thing about being at the bottom is that the only direction you can go is up.

Mr. Chairman, if this amendment becomes law Chiang would have to reduce his armed forces from their present

600,000 to 200,000 or less if he wanted any help under this act.

The saving to the taxpayer would be more than $150 million this year and vastly more in years to come. On page 17 of the report the figure for military assistance to the Far East is $567 million. About 40 percent or $227 million is expected to go to Chiang. A two-thirds reduction as proposed in the amendment amounts to more than $150 million.

Will this saving mean hamstringing the defense of Formosa? The gentleman from Ohio [Mr. HAYS] said yesterday it would. I respect and appreciate the forthrightness, sincerity and ability of this high ranking member of the Foreign Affairs Committee, but this time I cannot agree with him.

Yesterday off North Korea two "mystery Migs" attacked an American patrol plane over international waters, seriously wounding a crewman. This was the 33d such incident since 1950. The point is that our Navy and our Air Force, with all the risks, large and small, are in this area protecting our interests and keeping our commitments.

Taiwan, or Formosa, is 100 miles from the Chinese mainland. Before the Red Chinese or the Russians, or both, can engage Chiang's army, they will first have to reckon with our Navy, our Air Forces, and whatever other considerable forces we can bring to bear against them.

The gentleman from Ohio is not a general, nor am I, but we can recognize that we are committed to defend Formosa, that Formosa is 100 miles across the water from the mainland, that Formosa is an island of less than 14,000 square miles—half the size of West Virginia—and that Chiang and the late Secretary of State both formally announced last October that Chiang no longer planned an attempt to return to the mainland by force.

Assistant Secretary of State Walter Robertson said in the hearings—page 1140—on this bill that every indication was that Chiang would not use force to return to the mainland. This means his army is now purely defensive, useful to repel possible commando raids of paratroop landings and to keep internal order. Several of our generals have said off the record that 200,000 would be ample, which seems pretty plain when you consider that the 7th Fleet and U.S. Air Force components are in front of them. I know of no testimony in the hearings supporting 600,000 men.

Our able colleague and member of the Foreign Affairs Committee, the gentleman from Connecticut [Mr. BOWLES] expressed his hope in the hearings—page 114—that we would adjust our budget to what was required for the total defense of the island. That is the purpose of this amendment.

What about holding these forces as a reserve for possible use in Korea or in southeastern Asia? The answer is that we have no such agreement in effect or, so far as I can find out, contemplated. The 400,000 would be of little help in a major war and of doubtful value in a delicate limited war. Our $150 million can be better spent.

Of course, I should expect that we would help in the readjustment of the demobilized soldiers, and that this would cost us money. Far better that they should become productive citizens than remain expensive unnecessary soldiers.

Formosa is our responsibility. Our Armed Forces can and will protect it. Chiang's forces are now admittedly only defensive and as such have a limited role in the island's defenses, so limited that 200,000 men are more than ample for their mission.

In short, why spend $150 million for soldiers that are not needed for the defense of Formosa?

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to my friend from Wisconsin.

Mr. ZABLOCKI. I want to ask the gentleman if I heard him correctly when he said that some of our generals had advised him that all the manpower necessary to defend Formosa was 200,000?

Mr. PORTER. I have been told by a reliable source that there are generals who will say that off the record, and I say you do not need to be a general, just look at the facts.

Mr. ZABLOCKI. Would the gentleman name his reliable source? The source of information quoted by the committee is identified as responsible military leaders including the military Chief of Staff.

Mr. PORTER. There is not a general who testified in your record in favor of 600,000 men for Chiang.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Oregon [Mr. PORTER].

I should like to point out to the gentleman from Oregon that our own military strength, and the military defensive power of the free world which is supported with our assistance, are continually under review.

To arbitrarily suggest a two-thirds cut in the armed forces of our ally, the Republic of China, is not only presumptuous but also completely contrary to our mutual security policy.

This proposal not only suggests the weakening of the strength of one of our allies, but—what is even more important—it proposes to weaken the collective military strength of the free world in an area which is extremely critical and immediately exposed to Communist aggression. Surely the gentleman knows the military force on Formosa. The armed forces of the Republic of China are to meet the Communist threat in that area. Through this amendment, the distinguished gentleman from Oregon—although unintentionally—would hand the Communists, on a platter, a more significant victory than any Communist agents could hope to accomplish through years of effort.

In effect, the amendment proposed by the gentleman from Oregon is an open invitation to the Communists on China mainland to take over not only Quemoy, Matsu, the Pescadores, and Formosa, but also to extend their dominion over the entire Far East.

To my mind, a more fruitful proposal on behalf of the Communist cause could not have been made even by Mao Tse-Tung with some prompting from Khrushchev.

This proposal seems to fall in line with the pattern of the master drive going on this very day in some quarters to recognize Red China by subterfuge, to secure her admission to the United Nations, and to abandon our friends in the Far East.

By adopting this amendment we would destroy the morale of America's allies, particularly in the Far East and the uncommitted nations of the world would stampede to the Soviet camp.

By adopting the amendment offered by the gentleman from Oregon we would be, in effect, extending our hand to clasp the murderous, bloody hand of the Communist butchers who have not—to this very moment—accounted for the 450 American soldiers who were taken as prisoners of war during the Korean conflict.

I recall vividly the eloquent words, and the intense efforts which the distinguished gentleman from Oregon [Mr. PORTER] expended on behalf of one American, considered by some as a soldier of fortune, who disappeared south of our borders.

I would like to invite him to join me, and to contribute his talents and energies, to the task of obtaining an accounting for those 450 American soldiers who have fallen into the hands of the Communist butchers.

Surely, we should give no thought to the recognition of Red China, or any dealings with them, until every one of those 450 American boys is fully accounted for. That is the least that we owe to those heroic men. I cannot see how—with their tragic plight in mind—we can even think of playing right into the hands of the Communists by cutting down the free world's defenses in the Far East.

As every member of this committee will recall, this august body has unanimously enacted and approved resolutions and petitions against recognition of Red China, and against Red China's admission to the United Nations.

I shall ask for a division vote on this amendment, so that this body in its wisdom can once again clearly and unmistakably express its considered will and determination.

Mr. FULTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will not take the 5 minutes, but I want to point out that this amendment would be the greatest destruction of the morale of the people of Formosa of any blow that could hit them. That is the first point.

Second, it would mean that we in the United States would be turning our backs on the Republic of China and forcing those free people to reduce their forces by two-thirds, against their will.

Third, it would mean that we in the United States of America had elected a course of dollar diplomacy in this instance that would have us in this Congress set the size of the armed forces of another country through the use of leverage of dollar aid. I am sure I oppose it and I hope everybody in this Congress does.

We Americans remember the fine victory of Formosa and its air force last year, when 31 Red Chinese planes were knocked down to only one loss for the Formosan air service, even though that has occurred, we in America would be saying to these people if we do not oppose this amendment, that you will only have enough for your ground forces from here on, and we are cutting out your Formosa air force with all its necessary ground support personnel and facilities.

We know that in the use of the U.S. Sidewinder missiles by the Formosa air force against a target plane there was a 100 percent hit within the effective range of the missile. The Red Chinese air force has now retired to regroup and retrain following this loss. We would by this amendment be saying to the world that we favored decimating the forces of Chiang Kai-shek and the good Formosan air force that have performed gallantly and have won this tremendous and historic victory.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I will be glad to yield to the gentleman from California.

Mr. JACKSON. It has been reported that the troops on Taiwan, their very presence, are faced by the largest ground forces in the world in the form of an unknown number of Chinese divisions tied up on the China coast. I am sure that this is a fact, and I think that it would be a devastating thing to all of our allies in the Far East if this Nation took the position that this amendment suggests.

Mr. FULTON. I want to compliment the gentleman from California on his statement, because some of us in the Pacific in World War II, know how strong a defense we have when we have an unbroken island chain in the west Pacific and how weak it would be if we gave one of those bases up.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Oregon.

Mr. PORTER. I just want to make this point, which apparently I have not been able to get over to some Members of the House, and that is, what we are talking about is the defense of Formosa. And Formosa is going to be defended by our Air Force, by our Navy, primarily. Now, the ground components are those of Chiang Kai-shek, and we voted for those ground components, and we ought to be able to say, now that he is no longer going to the mainland, that they ought to be reduced and save the American taxpayers some tax dollars.

Mr. FULTON. I still strongly disagree with the amendment and ask that it be defeated.

Mr. MEYER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I know that no words of reason, no facts that I would present, no statement that I would make on this floor today would have any chance of prevailing or making any impression in the emotional climate which exists. But I say to you that the Achilles heel of America lies in Formosa. The time will come when we will regret our actions there. The time may come when this country will face a terrible war because of our actions in Formosa, and I say that there is practically no justification for continuing the present position there.

Six-hundred thousand troops—what good are the troops on Quemoy and Matsu in a military sense? Psychologically, yes. But in the final analysis, the people in this House and the people in America will realize that the amendment proposed today was a sound one. It was a move in the right direction. Sooner or later America will take this step anyhow, and the sooner we get over the idea we should not take it, the sooner we give it serious consideration and decide that we are wrong here, that we are going to change our position, the better off we will be.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from Massachusetts.

Mr. CURTIS of Massachusetts. I would like to call the gentleman's attention to the opinion concerning the value of these troops in Taiwan given to our committee by the Assistant Secretary of State for the Far East, Hon. Walter S. Robertson, on that subject. I quote from a speech in which he said:

> The Chinese military forces on Taiwan of some 600,000 are an important factor in the military balance of power in the Pacific, and a continuing deterrent to the renewal of Communist aggression in Korea or elsewhere in Asia. If Taiwan should be given over to the Communists, Japan, the Philippines, and all of southeast Asia would be seriously threatened.

Mr. MEYER. Mr. Chairman, I will answer the gentleman from Massachusetts. If the distinguished Assistant Secretary of State is so well informed, why, when I asked him if he knew anything about the Taiwanese Government in exile in Japan, did he say "No"? And, if he knows that much about the Far East, then he does not know very much.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The question comes up: When you make it a general proposition that we in the United States should not take this military posture in the Far East, does the same reasoning apply for Europe? Does the gentleman mean that we should not have the present NATO setup in cooperation with the European nations?

Mr. MEYER. The situation is entirely different. I would not extend my reasoning in the same way.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from Oregon.

Mr. PORTER. I still have not had any of the opponents to my amendment tell me how else Formosa can be attacked, looking at it without consideration of the moral side at all—how they can be attacked except in such a way that our Navy and our Air Force who are there will fight; we are committed. They will be the first line of attack—how these 600,000 troops, by Chiang's own statement and by the late Secretary Dulles' own statement—how they will be involved in the defense of Korea, because of the front line of our troops, is very hard to see.

Mr. MEYER. I would say to the gentleman from Oregon, I would like to repeat, that when emotion prevails the use of facts or figures or reason means very little.

Mr. FULTON. Mr. Chairman, will the gentleman yield further?

Mr. MEYER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The question comes up in the Far East, if our U.S. military posture is wrong, with economic aid to help these friendly countries support their economies, what, then, should be the policy? Would the gentleman from Vermont and the gentleman from Oregon favor the recognition of Communist China? And, taking the converse of the question, should the United States affirmatively take the step and agree and say to Red China, "We welcome you now," and should Red China then join the United Nations and become a member of the Security Council? The gentleman must answer those questions. If he does not, he is just being negative.

Mr. MEYER. I will very gladly answer them if I have time. I would say to the gentleman from Pennsylvania this. I would suggest that the troops be withdrawn from Quemoy and Matsu, that Quemoy and Matsu be permitted to go under the Red Chinese Government, if necessary, and that under the United Nations we guarantee the integrity of Formosa for the time being.

The CHAIRMAN. The time of the gentleman from Vermont [Mr. MEYER] has expired.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time, not to try to influence any votes against this amendment; I am sure that will not be necessary. But some of the things that have been said here, unless corrected, might injure the United States in the minds of our own people and of other peoples who might read them in the RECORD and not understand all the circumstances of this debate.

The suggestion has been given that the 600,000 first class troops that have been built up on Taiwan with our aid were established at that size by Chiang Kai-shek for his alleged purpose of invading the mainland. But in fact, that is the level of forces that our military officials determined it was most advantageous for the free Chinese to have on Taiwan. They

were not for the invasion of the mainland. They are for the defense of the island chain and other positions in the Pacific which are essential for the security of the United States.

Now I am not an admiral or a general, as the gentleman from Oregon says he is not, but we have had plenty of testimony from men who are admirals and who are generals—among the best the United States has. I should like to read a few excerpts from some of this testimony because it ought to be in the RECORD here. This is the testimony before our committee of the commander in chief of all our forces in that part of the world, Admiral Felt. He said:

My greatest strength is the capacity to wage war contained in the divisions, fleets, and air wings of the U.S. Armed Forces which are assigned to my operational command. * * * They are responsive to the many situations which arise and which can be visualized in the vast area served by the Pacific and Indian Oceans.

They are mobile, as they must be, to cover and support U.S. interests in that part of the world. This strength—great as it is and characterized by the striking power of carrier task forces, amphibious assaults, and tactical air bombers—is not enough. We must be able to project our power forward and maintain a significant part of it in the western Pacific rather than accepting a concept of close-in "home defense."

This we have been able to do because we have become allied with other free peoples and because they are geographically situated contiguous to or just offshore of the Communist bloc. * * *

The free Asians want us there alongside them. They understand thoroughly the significance of our Air Force units stationed along the chain. They appreciate the war deterrent argument represented by U.S. marines in Okinawa and U.S. Army divisions in Korea. They know that 7th Fleet ships paying calls at their ports are reassurances of U.S. friendly power.

Our forces deployed to the western Pacific can satisfy only in part, however, the security requirements of these countries. In other words, realization of a forward strategy for employment of U.S. forces is still not enough. Since surely it is to our interest that our Pacific allies not be destroyed by the Communists, they must have strength of their own to survive. I am convinced that the fundamental need is for them to have an appropriate amount and kind of military strength.

* * * * *

Another point is made by the Taiwan experience of last year. Here was another testing ground to see if U.S. preoccupation with Europe and the Middle East would reveal an unwillingness or inability to react to aggression in another part of the world.

The response of the United States and the failure of the Communist armed people is recorded in history.

I wonder, however, if people read it carefully enough to realize that it was direct action by the Republic of China which actually contained aggression in the Strait area. Armed Forces of the United States were able and ready if the Communists forced an issue of principle. But it was unnecessary. The Republic of China found ways to defend their offshore islands with their own soldiers sailors, and airmen. And why? Because America has provided the right kind of material aid and a superior brand of training aid to the Chinese Nationalist armed forces.

* * * * *

This has been a mutual affair. Strong mobile U.S. forces have been at the vital points of decision when they were needed. Equally important is the fact that indigenous armed forces have fought their battles successfully. These latter forces could not have fought successfully, or in some cases even have existed, without our military assistance programs. Survival of millions of people—the denial of tremendous economic assets to the Communists—retention of social, cultural, and religious ways of life held dear by our Asian friends—these are the dividends paid back on our military assistance and defense support investments.

Well, that is the history of a successful venture. What about the future?

* * * * *

The prospect for the future is one of danger and threat to our existence. It is one which calls for firmness and progress.

The threat of Communist arms and invasion from outside is constant. Hungary is vivid in the minds of free Asians. So is Kinmen (Quemoy). The difference between Hungary and Kinmen is that we can reach our friends in the western Pacific quite readily and have proved that we will come to the assistance of a friend in trouble. All we ask in return is that they provide means to assure their own internal security, to deter overt armed aggression, and to retard it if it occurs, until the support of the United States and the free world can be brought to bear. Some of the means can be and are provided by these nations for themselves, manpower being the outstanding example and perhaps the most precious military asset. Material things which they do not have, we supply. We train their manpower in the use of the things we provide * * *.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. GEORGE P. MILLER. It was my privilege to visit the Far East last year being then a member of the Committee on Armed Services. I want to say to you, and not emotionally, may I say to my friend from Vermont because I try to weigh these things as calmly and as coolly as the gentleman does, but I want to say to you if this amendment is adopted, you are striking at the vitals of Korea and Vietnam and the Philippines and at the great effort that has been put forth in Thailand to kick out the Communists. We will lose face, and that means so much to the Oriental, if this amendment prevails. I think the gentleman from Minnesota [Mr. JUDD] knows that better than anyone else, and I am sure he can explain it much better than I can.

Mr. JUDD. The gentleman is so right. Nothing could do more to discredit us, demoralize our allies—not just Taiwan but the others too—and weaken our defenses. But I am just quoting from Admiral Felt's testimony, the man who is responsible for the defense of the United States in the Pacific basin.

He said:

During recent months, I have reexamined our programs to make sure they are consonant with my strategic plans. Some of them are being reshaped to fit the facts of future life as I see it and have tried to describe for you. * * * In some cases, I can see long-range opportunity to reduce the size of military establishments, provided we have the understanding, foresight and perseverance to qualitatively improve the forces involved.

I have had many talks during these recent months with the civil and military leaders in all of these countries and have kept in constant touch with developments through our Ambassadors and the military advisory groups. My outstanding impression is the faith our Pacific allies have in the United States. They knew we were strong. They found out last fall that we hold dear our principles and are willing to fight for them. They are proud of their own growing strength to resist communism. And they have faith that we will not let down on our support of them and sacrifice their freedom. I believe, ladies and gentlemen, that their faith is worth preserving. If our forward strategy fails—if the offshore island link is broken—if the resistance of freemen in southeast Asia to communism is breached—if, in other words, we jeopardize the security of our friends by withholding the means for its maintenance and improvement—the position of the United States will indeed be very insecure.

The gentleman's amendment would do exactly what the Admiral warns against—and make our position very insecure.

It is clear that our military leaders will move to reduce our support and the size of Chinese and other forces as soon as the threat which Taiwan and other parts of the island chain face, will permit.

Taiwan is the place being watched by friend and foe alike as the test of American policy, American steadfastness, American dependability as an ally. It has a battle-tested force which makes up one third of the free world military forces in the Far East, including our own. These Chinese forces "not only man the defense of the vitally strategic island of Taiwan" to quote a memorandum to the Committee from the Department of Defense, "They are an important deterrent force inhibiting the Chinese Communists from resorting to military adventures in Korea and elsewhere in Asia."

No wonder the Communists work tirelessly to weaken such a force. But why should Americans be trying to do it?

Mr. Chairman, I want to point out that a free and strong Chinese Government and military force on Taiwan are important in another sense. It is a rallying point for the 12 million Chinese living in the free countries of Southeast Asia—more Chinese than there are on Taiwan. If Taiwan is weakened and their faith in America shaken, they will inevitably turn more and more to Red China with grave danger to Southeast Asia. Taiwan has become a show place in the Far East. They have carried out genuine land reforms, with increased agricultural and industrial production, education and health, improving the lot of the people better than in any of the other countries in the Far East, except Japan. Taiwan is also a beacon of hope for the Chinese enslaved on the mainland. Our best hope of ultimately getting a livable settlement in that part of the world lies in the will and determination of those 600 million Chinese on the mainland to resist from within until Communist power is weakened or Communist policies forced to change. Let us do nothing to weaken the hopes of those 600 million Chinese, their confidence, their morale, their will to resist.

I wish I had time to read the testimony of Secretary Dulles on this point, the last time he appeared before our committee.

Mr. Chairman, the 600,000 Chinese forces on Taiwan are faced, yes, in actual combat every few days, with the largest Communist land forces anywhere in the world. Surely to order an immediate two-thirds reduction of the troops in the front line would be a strange way to strengthen our position and deter our enemy. Of course, we will not do anything so foolish and shortsighted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. PORTER].

The question was taken; and on a division (demanded by Mr. ZABLOCKI and Mr. FULTON) there were—ayes 6, noes 143.

So the amendment was rejected.

Mr. FEIGHAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FEIGHAN: On page 3, immediately below line 25, add a new section 103 as follows:

"SEC. 103. Section 143 of the Mutual Security Act of 1954, as amended, which relates to assistance to Yugoslavia is revised to read as follows:

" 'SEC. 143. Assistance to Yugoslavia.—No assistance shall be furnished under this Act to Yugoslavia after the date of enactment of the Mutual Security Act of 1959.' "

Mr. FEIGHAN. Mr. Chairman, the Department of State recommends $12.3 million in economic aid to the Communist dictator Tito. This may seem like a small amount when compared with the total appropriation recommended for the foreign aid program. However, it is a very significant amount in relation to the total that Communist Dictator Tito has pilfered from the pockets of the American taxpayers during past years. It is unbelievable that up to date one of the key leaders of the international Communist conspiracy has extracted from the coffers of the United States a total of $424 million in economic aid alone. I repeat—the total sum of hard-earned taxpayers' dollars handed over to the Communist movement through Tito for economic purposes alone is $424 million. Tito proclaims he is an avowed Communist. Monday I placed in the CONGRESSIONAL RECORD, beginning page 10855, a summary of recent events which set forth exactly what the policy of Tito is. Briefly, it is to bring about the complete domination of the world by the Communist conspiracy.

The Department of State recommends that we aid and abet the Communist leader Tito in his efforts to raid the Public Treasury of the United States by handing over to him an additional $12.3 million for economic assistance.

Mr. Chairman, in order that the public may have some idea of the extent to which they have been forced to contribute to the spread of communism through Tito, I will include in my remarks the breakdown of the total amounts of economic assistance to Yugoslavia.

Over and above all this the Communist leader Tito has pilfered the Public Treasury of the United States through every device which Congress has developed to aid free and independent nations threatened by the scourge of communism. In so-called military aid alone, our taxpayers were bilked for hundreds and hundreds of millions of dollars, you can look at the exact figures on the desk, during which time Tito forbade us to know how this military assistance was being used, or how it would be used in the event of a free world conflict with Communist Russia.

In addition to this, Tito has been able to extract approximately $105 million more through special assistance under Public Law 480, and the Development Loan Fund.

The only argument advanced for giving any type of aid to Yugoslavia is the same argument that was used to cause Congress to make the first appropriation for assistance to Yugoslavia. That argument was that Tito had broken with the Kremlin and that he represented a new phenomenon called national communism which could be used to break up the power bloc of the Russian Communist empire. Now let me quote for you what Tito himself says in refutation of this specious argument about national communism. I quote:

I must say that there is no national communism. Yugoslav Communists are also internationalists. * * * The whole thing is that various countries which are building socialism have different conditions under which the new system is being built. That does not mean that the systems are different, but only that there are differences in the roads which lead to the same Socialist systems. As far as our international obligations as Communists are concerned, I must say the Communists of Yugoslavia have never failed to fulfill them.

Thus, Tito boasts of the fulfillment of his obligations to the international Communist conspiracy.

On another occasion Tito said:

I wish, comrades, that Poland and Yugoslavia—which are much criticized for practicing some national communism, which I consider nonsense—ought to show that they have no use for any national communism.

Some naive people believe that Tito is neutral. Tito in his own words refuted this idea.

In June 1956, Tito visited Stalingrad as a guest of the Russian leaders and here is what he said in a public address made in response to the welcoming statement:

Yugoslavia, in time of war, as in time of peace, marches shoulder to shoulder with the Soviet people toward the same goal—the goal of the victory of socialism.

The hearings have not disclosed an answer to or explanation of the fact that Tito, by his statements, proclaims that he is part and parcel of the international Communist conspiracy. Unfortunately any discussion of this crucial issue is always off the record. Therefore the hearings offer no guidance to Members of Congress.

It is time that Congress act in the interest of the American taxpayer and stop this pilfering of the Public Treasury by the Communist leader Tito. I direct attention to the thievery of the Communist dictator Tito in order to develop public support for the worthwhile provisions of this bill. I have voted for the foreign aid bill because of the help it accords to free and friendly nations and despite the fact that it has carried provisions extending some forms of assistance, either military or economic, to the Tito regime in Yugoslavia. In the interest of putting our foreign aid program on a sound basis and thus gaining the support of the American taxpayer for the program, I urge the adoption of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. FEIGHAN].

The question was taken; and on a division (demanded by Mr. FEIGHAN), there were—ayes 47, noes 61.

So the amendment was rejected.

The Clerk read as follows:

CHAPTER II—ECONOMIC ASSISTANCE

Defense support

SEC. 201. Section 131(b) of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended by striking out "1959" and "$810,000,000" and substituting "1960" and "$750,000,000", respectively.

Mr. BENTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 4, line 6, strike out $750,000,000" and insert in lieu thereof "$635,000,000."

Mr. BENTLEY. Mr. Chairman, I can explain the purpose of my amendment very briefly. This refers to defense support for which the administration requested $835 million and which the committee in its wisdom reduced by the sum of $85 million to a total of $750 million.

My amendment would seek to reduce this amount by an additional $115 million, approximately $200 million below the administration request.

For the benefit of those Members who still may not know what defense support is, I will read from the committee print:

Defense support is economic assistance restricted to certain nations which receive U.S. military aid in support of significant forces. Only the following 12 nations are currently scheduled to receive defense support in fiscal 1960.

Defense support is provided to these countries, each of which is poor and is maintaining a military effort considerably in excess of the economic capacity, so that they may continue to maintain armed forces at the levels which are believed to be necessary to provide the minimum defense required to deter and defend against Soviet aggression.

Mr. Chairman, defense support is scheduled to be received by 12 countries in fiscal 1960. They are Korea, the Republic of China, Vietnam, the Philippines, Laos, Cambodia, Thailand, Pakistan, Iran, Turkey, Greece and Spain.

I will admit, Mr. Chairman, in many of those countries I think it is very important that we maintain adequate defense forces. I submit in several of those countries I believe that we are

asking them to maintain defense forces not only in excess of their economic capacity but in excess of military requirements. I believe the program can absorb this reduction in economic assistance. I maintain again it is economic and not military assistance.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The committee has already cut the defense support to a bare minimum. The Executive requested $835 million. The committee cut this $85 million to $750 million.

These 12 countries that the gentleman mentioned, Korea, the Republic of China, Vietnam, the Philippines, Laos, Cambodia, Thailand, Pakistan, Iran, Turkey, Greece, and Spain maintain over 3 million troops.

This is defense support. This is economic aid which is absolutely essential to the military effort. Most of these countries strained their budgets to support these great armies. Turkey and Korea used 30 percent of their national budgets to support their military defenses. This assistance is absolutely necessary.

The committee has made a rock-bottom cut. This is defense support for countries that are right up against the Soviet border.

Mr. Chairman, I ask that the amendment be defeated.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. HAYS. The gentleman probably should point out that the great proportion of this goes to Greece and Turkey.

Mr. MORGAN. Yes.

Mr. HAYS. And Korea. I especially want to make a point of Greece and Turkey, which could not possibly maintain these forces if they did not have this money.

Mr. MORGAN. That is right.

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. GALLAGHER. Mr. Chairman, the committee has already cut defense support to the bare minimum. The Executive requested $835 million; the committee cut this by $85 million to $750 million. The committee took this action primarily because its studies of economic assistance programs in the less developed countries indicated that there had been some overfinancing of such programs in the past, that is, more money had been provided than the countries were able to absorb. The reduction by the committee is adequate to correct this situation and the ICA has changed administrative control procedures so as to prevent some of the shortcomings which were noted in the past.

The House should not focus on a lump-sum figure in dollars and on an abstract concept of economic aid, but on the specific countries which would be affected if a further cut in defense support is made. Only 12 countries are scheduled to receive defense support. They are as follows: Korea, Republic of China, Vietnam, Philippines, Laos, Cambodia, Thailand, Pakistan, Iran, Turkey, Greece, and Spain.

These 12 countries maintain forces of over 3 million men. Each of them has a strategic role of major importance to perform. We give them economic assistance in order that we may have from each the military program necessary to carry out our overall defense strategy.

There is no chance that Korea could support itself and maintain its present level of military forces. Unless we want to throw away the results of our defense of South Korea in which so many American lives were lost, we have to continue to provide economic support.

It is of major importance that Laos be kept free from Communist domination. Granting the past shortcomings in the administration of the program there, the answer is not to cut off or drastically reduce defense support to that country. Unless we are willing and able to underwrite the economy of Laos, Laos cannot survive as a member of the free world.

Six of these countries—Spain, Greece, Turkey, the Republic of China, the Philippines, and Korea—are sites of major U.S. military installations which have an important role in U.S. defense strategy.

The consequence of a further cut in defense support to these 12 countries would not be primarily that foreigners would have to tighten their belts and live more austere lives, but rather that the military effort of these countries would be diminished.

Defense support involves economic expenditures. It provides gasoline for civilian transportation, textiles for clothes, machinery for highway construction, and local currency to meet military budgets. If economic assistance of this material is not available, the countries will have to divert their manpower, money, and other resources from their military effort to civilian purposes in order to keep the country going without disrupting the political and economic structure.

Our present defense strategy and organization is based on the availability of U.S. military installations overseas and of the forces of other nations stationed in various parts of the world. It may be theoretically possible to develop another and equally effective defense strategy and organization, but even if this should prove to be true, it would take 2 or 3 years for us to reorganize and reequip our forces to conform to such a new strategic plan. If military aid is cut off or drastically reduced in the meantime, we would find ourselves, temporarily at least, in a weakened and vulnerable position.

All of our military leaders who have both the responsibility for our defense and access to all available information as to our own capabilities and those of our enemies, agree that the military assistance program as now planned and organized is vital to our defense. They do not believe that there is any effective alternative. The House should hesitate to override the judgment of our best qualified military leaders in this matter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 29, noes 78.

So the amendment was rejected.

The Clerk read as follows:

UTILIZATION OF COUNTERPART FUNDS

SEC. 202. Clause (iii) of section 142(b) of the Mutual Security Act of 1954, as amended, which relates to utilization of funds in Special Accounts, is amended (1) by inserting immediately before the colon preceding the first proviso the following: "or for the advancement of education, including the establishment, expansion, or operation of schools, colleges, or universities for the promotion of vocational, professional, scientific, technological, or general education", and (2) by inserting immediately before the period at the end thereof the following: ": *Provided further*, That whenever funds from such Special Account are used by a country to make loans, all funds received in repayment of such loans prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the Government of the United States".

Mr. BENTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 4, line 10, strike out "(1)" and all that follows down through "(2)" in line 15, on page 4.

Mr. BENTLEY. Again, Mr. Chairman, this amendment can be explained very briefly, I think. I takes out that portion of the section which would authorize the use of counterpart funds for the advancement of education, including the establishment, expansion, or operation of schools, colleges, or universities for the promotion of vocational, professional, scientific, technological, or general education.

Mr. Chairman, we have not had the school aid bill, the Federal aid to education bill, before us this year, but I maintain that the Members of the House are scarcely in a position, regardless of how they intend to vote on the question of Federal aid for American schools and American teachers, to start voting the authorization of counterpart funds contained in this bill for school aid abroad, for the building of schools and the payment of teachers' salaries abroad, regardless of any connection on the part of these foreign schools, whether American or not. I maintain that this is a good amendment to adopt, because, as I say, regardless of how we are going to vote on the question of Federal aid to education, if you are going to be for it, you certainly are not going to be voting for foreign aid to education before you are going to vote for American aid to education. And, if you are not going to vote for school aid at home, you certainly are not going to vote for school aid abroad.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from West Virginia.

Mr. BAILEY. Will the gentleman accept an amendment to his amendment that would strike the remainder of the section down to and including line 22? I can see no reason for that remaining there.

Mr. BENTLEY. I would be glad to accept the gentleman's amendment.

Mr. BAILEY. If you do, I will accept your amendment.

Mr. BENTLEY. I will be glad to accept the amendment of my friend.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BAILEY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BAILEY to the amendment offered by Mr. BENTLEY: On page 4, line 8, strike out all of section 202 down to and including line 22.

Mr. BAILEY. Mr. Chairman, as chairman of the Subcommittee on General Education and in view of the experience I have had over the past several years in trying to get some legislation favorable to the boys and girls of America—and I recall for 10 years back including fights over school construction and what have you—I would be remiss in my duty to the loyal boys and girls of this country and to the many loyal friends in this Congress who have battled alongside of me for years in an effort to improve the situation affecting our educational system in this country if I allowed a piece of legislation of this type to be approved, such as contained in section 202, without protest.

What do you propose to do—do the very things that I reminded you 2 years ago when I was on the floor trying to put through a school construction bill? I brought in copies of 184 contracts entered into between the United States and universities and colleges and groups in this country carrying on educational programs abroad. And, here we do not even have the money to build needed classrooms in this country.

Now, do not pay any attention to the gentleman from West Virginia, but in Heaven's name do not insult the intelligence of the Members of this Congress and the intelligence of the American people by trying to put over something like this, giving the President a blank check to spend money to build universities and colleges and what have you abroad, when we cannot build them here at home. I am going to be disappointed in you if you let that go through.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. DENT. If I am right, you are now voting to strike out the entire section 202 down to line 22?

Mr. BAILEY. That is right.

Mr. DENT. Which carries this proviso which I hope somebody can explain to me; that not alone are we utilizing this money, as the gentleman from West Virginia has said, but after the need has passed in the country we are giving it to, they can, in turn, loan it to some other country for whatever purpose they see fit. If that is true, how can it be done?

Mr. BAILEY. At least it never gets back into the Treasury of the United States.

Mr. ZABLOCKI. Mr. Chairman, the purpose of that proviso is that the United States have a continuing supervision over the reloaning of funds that are being paid by the recipient country. If we do not have that language we lose supervision. Is that what the gentleman wants?

Mr. BAILEY. Mr. Chairman, I have not yielded to the gentleman. I saw the gentleman turn down some new Members of the House just in the last half hour, would not yield to them, so I am not yielding to him at this time.

Mr. DENT. Mr. Chairman, will the gentleman yield to me?

Mr. BAILEY. I yield to the gentleman from Pennsylvania.

Mr. DENT. In answer, the gentleman, I think, has put his finger on the situation that I was trying to bring out. Whose funds are these? What do you mean, we are going to have the right to participate with a country to which we give the money in determining where they spend our money?

Mr. COFFIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I take it that the amendment we are now discussing is the result of the copulation of the Bentley amendment and the Bailey amendment. The amendment proposed by the gentleman from Michigan would strike out the language providing for use of funds in the special account under section 142 for education. What are these funds? These funds are the proceeds of programs under defense support. They have accumulated up to this time. They are in local currencies. They are not in dollars. Under the law they are subject to the joint control—90 percent of this money; this is the 90 percent we are talking about—the joint control of the United States and the other country for purposes of the act. Actually, this is a clarifying amendment because education is part of the purposes of our act under technical cooperation. This provision of the bill makes it perfectly clear that local currencies can be used in foreign countries for education.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from Virginia.

Mr. GARY. Is it not true that these funds do not belong to the United States, but belong to the foreign country; but the foreign country has agreed that they will only expend those local currencies with the approval of the United States?

Mr. COFFIN. The gentleman is absolutely correct. What would you rather do? Let them pile up and constitute an inflationary threat? Would you let them rot? Or would you use it in a purpose which can do us great good in helping build up the educational systems of these other countries?

The amendment of the gentleman from West Virginia would make it impossible for us to assume joint control over funds as they are paid back, these 90-percent funds that the gentleman from Virginia [Mr. GARY], was just inquiring about. At the present time the two countries have to agree when these moneys are loaned out, when the funds come back. Unless this amendment is defeated then we shall have nothing to say about the further use of the moneys. In other words, this is a step toward protection of the 90 percent funds in the special account which are subject to the joint control of the United States and the other foreign country.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. JUDD. This language gives the United States a veto over the unilateral use of these funds by the other country and without this language we do not have such a veto; is that not correct?

Mr. COFFIN. The gentleman is absolutely correct. This amendment would free these funds of any control.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. BAILEY. Can the gentleman give me any reasons then why it is necessary to put this section in the bill, if it only deals with a small part of the funds? I am told it involves $1,700 million of surplus or counterpart money for somebody to use to carry on educational programs abroad.

Mr. COFFIN. The gentleman is referring to a very much larger accumulation of local currencies generated under Public Law 480. A year ago or 2 years ago, we passed an amendment in this Chamber that would allow Public Law 480 money to be used overseas for American sponsored schools. This is not that kind of money. This is a very small amount of money which enables our Government to participate with other governments in very fruitful undertakings that are among the most important kind of work that we can do.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. FULTON. May I cite Public Law 480. That is section 1040 to which the gentleman referred. It says:

For providing assistance, in such amounts as may be specified from time to time in appropriation acts, by grant or otherwise, in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such education institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting workshops in American studies or American educational techniques, and supporting chairs in American studies.

So we already have a program under Public Law 480. This just applies to a small amount under the counterpart funds.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the gentleman from Maine a question. I am confused about these funds. It is being said now that these funds do not belong to the United States, but that they belong to these other countries. How are these funds originally generated?

Mr. COFFIN. These funds are generated under our defense support program when we send commodities into a country and sell the commodities and make the proceeds in local currency available to the local government.

Mr. BOW. In other words, the hardware we send to the foreign country is purchased with American dollars; is that correct?

Mr. COFFIN. The hardware or the agricultural commodities.

Mr. BOW. Yes, or the agricultural commodities. And those American dollars to purchase these items go to foreign countries and then these items go to foreign countries and are sold and that is how these currencies are generated; is that correct?

Mr. COFFIN. That is correct.

Mr. BOW. So actually they are American dollars. Is it by some agreement that we have entered into that we lose these American dollars? Will the gentleman explain that?

Mr. COFFIN. On page 72 of the committee report, we detail the agreements which we make with foreign countries, and this has been in the law for some years. This is nothing new this year. It says:

(b) In cases where any commodity is to be furnished on a grant basis under this title under arrangements which will result in the accrual of proceeds to the recipient nation from the import or sale thereof, such assistance shall not be furnished unless the recipient nation shall have agreed to establish a special account.

And then it goes on and details what that special account can be used for. The part I am talking about, this educational amendment, has to do with the remainder of the special account, or 90 percent, after we allow 10 percent for public uses. The other 90 percent is subject to joint control.

Mr. BOW. Now the thing that disturbs me is, if this is true, these funds do not belong to us but belong to the foreign country. Then how is it that we, by this legislation, attempt to say how these funds are going to be used if they are not ours? Then why is this provision in the bill as to how the funds are to be used?

Mr. COFFIN. We cannot force them to be used for this because we have a veto power and the other country has a veto power. So we are merely saying that if education is a project proposed by the other country, we are not barred from going along with that particular project.

Mr. BOW. I yield to the gentleman from New York [Mr. TABER].

Mr. TABER. The fact of the matter is that if we pass this, the thing is thrown wide open and we lose that control over it that the agreements with these countries have provided. Therefore, this is a very good thing to throw out of the bill.

Mr. BOW. In other words, what we are doing by this is amending our part of the agreement and it should not be done by legislation.

Mr. TABER. We are cutting loose our control.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. BAILEY. I would like to call your attention to the report of the committee. This is on page 12, subsection (c). Let me read it to you:

(c) Notwithstanding any other provision of law, foreign currencies available to the United States for utilization under this or any other act may be utilized by the President.

Mr. BOW. That is correct.

Mr. BAILEY. If the gentleman will yield, you will find the same provision in 505.

Mr. COFFIN. I assure the gentleman from West Virginia we will take care of it.

Mr. BAILEY. It is a studied effort.

Mr. COFFIN. We are not giving up control; we still have our veto power.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from New York.

Mr. TABER. Section 203, page 4, says just the opposite.

Mr. COFFIN. We are not at 203.

Mr. TABER. We are losing control over it.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to know whose money is being given away under this provision. I have not been able to find out, and I listened attentively.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. JUDD. Perhaps I can make some contribution to this. The counterpart provision was suggested, as I recall, by former President Herbert Hoover, in 1948.

Mr. GROSS. I do not care about who suggested it; answer the question, if you will please: Whose money is this that we are talking about here?

Mr. JUDD. The proposal was to have all these funds——

Mr. GROSS. No, just tell me whose money it is you are playing with here.

Mr. JUDD. This money under the law belongs to the foreign countries. Instead of giving them goods outright——

Mr. GROSS. Then I would like to ask what this provision is in the bill for if it is their money?

Mr. JUDD. The original law provided that when we furnish them aid in the form of commodities, they sell them and deposit the proceeds in their currency in a special account.

Mr. GROSS. I do not care about that. What do you have this provision in this bill for if it is their money to dispose of as they see fit?

Mr. JUDD. It is not their money to dispose of as they see fit, that is the point. It can be used only for purposes to which both they and we agree.

The essence of this provision in the bill begins on line 19:

All funds received in payment of such loans—

That is, loans of counterpart funds—

prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the Government of the United States.

Mr. GROSS. What right have we to provide in this bill about the reuse of funds or anything else that belongs to these countries?

Mr. JUDD. That is in the agreement between ourselves and the other country. The funds are placed in a special account and can be used only with our consent. We have a veto on the use of the funds.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. TABER. It throws the thing wide open.

Mr. GROSS. Sure it does.

Mr. JUDD. It merely extends to the funds from loans that are repaid, the same general control as we had over the original funds which were loaned.

Mr. GROSS. Is this one of the cute little provisions of this bill that necessitated going to the Rules Committee to obtain a waiver of points of order?

Mr. JUDD. No; this is not. The language from line 17 on is not subject to a point of order.

Mr. GROSS. I am not talking about line 17 or line 23.

Mr. JUDD. I understood that the gentleman is talking about the amendment by the gentleman from West Virginia to the amendment offered by the gentleman from Michigan, and so am I.

Mr. GROSS. I want to know if this is one of the provisions that required the committee to go to the Rules Committee to obtain waivers of points of order. Let me ask this question:

If you are going to turn over those counterpart funds to foreign countries, money that was originally dug out of the pockets of American taxpayers; if you are going to build schools and colleges in foreign countries, what are you going to do about Members of Congress who will be taking off in droves on junkets late this summer and fall? Will there be any counterpart funds left for them?

Mr. JUDD. If the gentleman will examine the law, he will notice there is a provision that when goods furnished by us on a grant basis to a foreign country are sold by it in the first instance, 5 percent of the proceeds in some cases, and 10 percent in others, is reserved to the United States for its use in those countries for the purchase or upkeep of Embassies, employment of local help, and even entertainment of visiting Congressmen and other American officials.

Mr. GROSS. The gentleman knows that 5 percent or even 10 percent will not be enough to take care of the Members of Congress who will be going all over the world late this summer and fall.

Mr. JUDD. So far in most countries, it has successfully taken care of the local expenditures and also demands made upon it for the living expenses of Congressmen while in that country.

Mr. GROSS. I strongly support the amendment and trust it will be adopted.

Mr. FARBSTEIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the normal course of events counterpart funds would be considered a grant. In other words, there are countries to which we give military aid and because they are unable to maintain themselves we give them what is called defense support. We assist them in order that they may be able to utilize the military hardware that we give them. We help them build roads, we help build bases and things of that kind by money grants. That is called defense support. In the normal course of events that would be a money grant that we would give them. However, instead of giving them the money that is used to build bases, roads, buying uniforms, and things of that kind, for the members of their armed forces, we permit them to pay for these items in their own currency. But we want them to pay for these items. However, as I said before we want them to pay for it in their own currency.

This is called counterpart money or soft money. We cannot use that money. We allow them to retain it but we say, "We want joint control with you as to the manner in which that money is to be spent."

Mr. Chairman, that is the way counterpart funds are generated and that is the purpose of the provision in the bill. We want to retain our control with those countries of the money that has been generated as a result of sales or as a result of giving them these defense support items. Passage of the amendment will deprive us of any control whatsoever of the disposition of these moneys.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. BAILEY] to the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The question was taken; and on a division (demanded by Mr. BAILEY), there were—ayes 41, noes 81.

Mr. BAILEY. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 61, noes 80.

Mr. BENTLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MORGAN and Mr. BENTLEY.

The Committee again divided and the tellers reported that there were—ayes 77, noes 99.

So the amendment was rejected.

The Clerk read as follows:

DEVELOPMENT LOAN FUND

SEC. 203. Title II of chapter II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is amended as follows:

(a) Amend section 202(b), which relates to general authority, as follows:

(1) In clause (4) of the first sentence, strike out the comma following the words "labor surplus" and insert in lieu thereof the following: "and to the net position of the United States in its balance of trade with the rest of the world,".

(2) Insert the following sentence immediately after the second sentence: "The Fund in its operations shall recognize that development loan assistance will be most effective in those countries which show a responsiveness to the vital long-term economic, political, and social concerns of their people, demonstrate a clear willingness to take effective self-help measures, and effectively demonstrate that such assistance is consistent with, and makes a contribution to, workable long-term economic development objectives."

(3) In the next to last sentence, immediately before the period at the end thereof, insert the following: "nor shall the fractional reserve maintained by the Development Loan Fund for any guaranty made pursuant to this section be less in any case than 50 percent of the face amount of such guaranty".

(b) Amend section 203, which relates to capitalization, to read as follows:

"SEC. 203. CAPITALIZATION.—There is hereby authorized to be appropriated to the President without fiscal year limitation, for advances to the Fund after June 30, 1959, not to exceed $800,000,000."

(c) In section 204(b), which relates to fiscal provisions, strike out "(a)" in the second sentence.

Mr. SELDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SELDEN: On page 6, line 2, strike out "$800,000,000" and insert in lieu thereof "$700,000,000".

Mr. SELDEN. Mr. Chairman, this amendment is very simple. It reduces the recommendations contained in the bill now under consideration for the Development Loan Fund from $800 million to $700 million. This is the sum requested by the executive branch. It is the amount that has been justified as sufficient to carry forward the operations of the Fund during the next fiscal year. To exceed it would, in my judgment, force upon the administrators of the Fund an amount that they themselves believe to be excessive.

The Fund has already received $850 million in appropriations. This has been voted in three separate slices—$300 million in 1957, $400 million in 1958, and a supplemental amount of $150 million only a few weeks ago. If the full amount contained in this authorization were appropriated, the Fund would then have a capitalization of $1,650 million.

The basic issue is whether such an amount represents an excessive capitalization to enable the administrators to carry forward necessary projects in the less developed countries.

Of the current availability of $850 million, the Development Loan Fund has made commitments of $765,500,000. Thus the present capital of the Fund that may still be used for new loans is $84,500,000. At the end of May of this year loan applications outstanding amounted to $1,402 million, and rejections had amounted to $889,500,000. If the present availability of $84,500,000 is added to the $800 million requested by the committee it means that the Fund will have $884,500,000 to finance about $1,400 million in proposals. This represents a capitalization equal to about 60 percent of all pending applications. In my judgment, this poses a danger of over-capitalization.

Two years ago when the Fund was established, I was supported by a number of my committee colleagues in urging a go-slow policy in getting the Fund under way. Thus far I have no reason to regret that note of caution. I have no evidence to indicate that the Fund is poorly or inefficiently administered. But because I do not want any such evidence to appear, I am urging the committee today to keep the capitalization within the bounds of good judgment.

Mr. ADAIR. Mr. Chairman, I rise in support of the gentleman's amendment.

I urge the committee to adopt the amendment which is offered by the gentleman from Alabama [Mr. SELDEN]. I had prepared a similar amendment. If adopted, this would mean a reduction of $100 million which can be made without impairing in any way the program or the Development Loan Fund. Some have the opinion that this increase in the Development Loan Fund was made necessary to demonstrate a change in emphasis in the program resulting from the same thinking this year that economic aid should be stressed more than military aid. If we wish to indicate that change in emphasis it has been done by certain wording in the report. I think that is completely adequate when taken together with a great many statements to the same effect which have been made on this floor. Therefore I repeat we can reduce the Fund by $100 million, without in any manner impairing the program.

As has been said, the administration did not ask for this amount of money. The request was for $700 million only. Certainly if we give them all that they requested that ought to be adequate. Then again, if you have in mind the brief legislative history of this Development Loan Fund you will be aware that in the years that it has been in existence we have overauthorized. In the years 1957 and 1958 we authorized a total of $1,125 million for the Development Loan Fund. Appropriations against that $1,125 million authorization amounted only to $700 million up to this year. The Congress this year increased it by another $150 million to make a total appropriation up to now of $850 million. I say that on the experience of this rather brief period of time, since we have in the past author-

ized more than was appropriated and more than was found necessary for the program, it is reasonable to assume that we do not need this excess authorization at this time. Therefore, Mr. Chairman, I feel that the amendment offered by the gentleman from Alabama is good and should be adopted.

Mr. McDOWELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is the first opportunity for many of the Members of this body to demonstrate in their opinion and in their judgment that they believe as they have been voting this afternoon, that they are not too much in favor of the military aid aspects of this legislation. This is also an opportunity to demonstrate their support of the considered opinion and judgment of the committee that in this way, by putting greater emphasis on the capitalization of the Development Loan Fund, they are not in favor of grants.

For those who have and will characterize this program as a giveaway program it is again an opportunity to say, we favor the sound principle of a loan program. I submit to you the judgment of Secretary Dillon himself, and I shall read his testimony before the committee from page 1653 of the committee hearings.

> I testified before regarding that, but I would just like to reinforce what I said at that time, and point out the fact that we feel that this $700 million is an absolute minimum.
>
> The Development Loan Fund, after dwindling out loans that have either been found unacceptable or found of interest to other leading agencies, still has on hand approximately $1.5 billion worth of requests from 44 different countries. There is every reason to believe that we will continue to receive new requests during the coming year in substantial amounts.
>
> We are convinced that this $700 million that we have requested is of absolute minimum as it will only allow the rate of activity to continue at the same rate which we have done during the past year which has been, we feel, a minimum and one which we can clearly have go ahead.

He also refers in his testimony to the fact that next year the executive department will request $1.5 billion on longer term authorization.

I also want to point out that on the total amount already appropriated with the supplemental appropriation amounting to $850 million that the committee has been told by June 30, 1959, all of the $850 million will have been committed on loans.

I also want to point out in the total request of the President for capitalization of this fund, that with the supplemental appropriation and funds previously appropriated and with the amount the committee has requested of $800 million in the bill, we are only exceeding the President's total request by $25 million.

Mr. Chairman, again I want to state the fact that if the Members of the House believe in a sound principle of lending money to these underdeveloped countries so that they may help themselves and boost their economy so that we may in the future be able to trade with them and so that we may be able to export our manufactured products to those countries as they build up their economy on a more substantial basis and get on their feet and are able to purchase from us, if you believe in the sound banking principles that this country and all of the commercial nations of the world are based upon, then I think you must support the committee's recommendation.

Mr. BROCK. Mr. Chairman, the business of foreign aid has cost the American taxpayer and depleted the Federal Treasury to the extent of over $74 billion since 1946, of which some $59 billion were distributed as outright gifts. Despite all these billions being poured into foreign countries all over the world, we still have the foreign aid problem with us today. The administration has just asked the Congress to appropriate slightly under $4 billion more to carry the mutual security program for another year.

In the beginning, this money was given, or a minor portion lent under certain conditions, for the purpose of feeding the hungry, housing the unsheltered, restoring the credit and the economy of war-torn nations who participated in, or were the weak victims of invasion and aggression during and after World War II. Homes and industry had to be restored, agriculture and industry and every other segment of the economy had to be geared back into operation. In addition, millions of displaced persons had to be returned to their former homes or relocated in an area which permitted them to start rethreading their lives on the spool of time. No decent or patriotic American citizen begrudged the heavy financial drain for such humane purposes. It was given freely and with good heart. We here did not suffer the ravages of the terrible war, and the one that followed in Korea, but we did suffer the loss of loved ones who would never return, along with some inconveniences by rationing food and luxuries.

The complex of the picture has now changed from those early days following World War II. Since 1950, some $20 billion have been spent for aid labeled as "economic," but which had a military complexion. It included money spent to bolster the economies of countries to which we are granting the bulk of our military aid. This was in addition to the money appropriated and used for outright military aid purposes. Few, if any real Americans, opposed the funds earmarked for European recovery. The European democracies were prostrate before militant, marching communism. The war was won, but the fruits of victory had not been made secure.

This country is, or was, considered the citadel of true democracy and grateful citizens registered their consent to the enormous peacetime assistance that was so needed to secure the liberty and freedom bought and paid for by wanton destruction of lives and maiming of many who returned. It was not intended to be a permanent giveaway of the financial resources of its citizens nor was it intended to build a military bastion in every country of the world who professed friendship for us. That is where the division of thought is taking place in present-day consideration of more foreign aid. If our money is to be spent for military might to be located in these friendly nations, then let us, in all good grace, call it military aid, and not use a coverup or dodge by calling the requested appropriations economic aid. Let the military aid to these so-called friendly nations be labeled as military aid, and nothing else. That should at least give us the opportunity of evaluating our position on just what additional economic aid is vital and necessary to carry out what we assume to be our obligations.

Many recognized economists, some of them right in our own Government employ, have stated that economic recovery was achieved in Europe during the period 1951–52. This is 1959 and we are still pouring so-called economic aid into some of the European countries. It seems that we have had a span of years to evaluate our position in that direction; however, there is no better time to do it than now. Factual statistics of our governmental agencies will prove that some of these countries in Europe, and others in Asia, principally Japan, have recovered to the extent that they are competing with us in the foreign export markets. In addition, we take a realistic view of the import increase of their products to this country and the impact on our domestic economy. A concrete example of this is reflected in the importing of small foreign automobiles. We gave them the money to rebuild their industries and add new ones. Now they are increasing their car imports to the United States and pricing our own automobile manufacturers out of the market, which can only lead to future unemployment for the American skilled craftsmen and laborers in the automotive industry. This pattern is further reflected in the textile industry and other segments of our economy.

In the early years of the foreign-aid programs much of the moneys appropriated was spent to purchase and ship surplus agriculture and other processed foods and fibers to these needy nations. In later years, this pattern changed over to shipment of the tools of industry, heavy machinery and production assemblies, machine tools, and the latest in agricultural equipment. Now, the products from these are returning home to us. In addition to the production articles, we are now importing agricultural products, beef, and pork products in processed containers, all to compete with the American manufacturer, his employees who work for a high standard wage, and the already hard-hit American farmer. If these countries have recovered to the extent that they are in such favorable export position, how in the name of common sense do they need economic aid from us?

We admit the extravagance of our foreign aid programs, and we may just as well admit some of the mismanagement. Much of the money appropriated was

wasted and literally went down the drainpipe, but some good was accomplished. Had it not been for our assistance, practically all of Europe would now be under the heel of communism. That much we have to be thankful for at the present time. The mutual aid programs have made us some sincere friends, also some enemies who felt that we did not do enough. It is a matter of conjecture whether some of those we assisted will stick with us in the event of a real showdown with the Soviets and their satellites. Some of them are already wavering before the Foreign Ministers' conferences are concluded.

Today the United States is bearing almost the entire burden of the defense of the free world. Our allies and mutual pact friends whom we asisted in regaining their economy and industrial strength are notable for their achievement in evading their fair share of this burden. This total defense burden is draining our economy and building up our national debt. This lack of cooperation in assuming the burden of mutual defense could well explain why so much of our so-called economic foreign aid finds its way into the channels of military aid. The deficit on the part of our shrinking allies and mutual pact partners must be made up to complete a military committed program. There is no question that a mutual security program is a powerful deterrent to Soviet aggression, but let us spell it out in its proper perspective. Let us send the weapons where they are most needed, but let us get away from the guise of misleading the American people that money is appropriated for economic aid, for feeding the hungry, and then using the greater portion of it for military aid. People in needy countries need food, not guns. First restore their economy and then hand them the weapons needed to defend themselves against aggression.

We have tremendous agricultural surpluses in this country and they are still mounting. If we are to continue economic aid in principle, then let us start to do something on a long-range plan to feed the hungry in needy countries and, at the same time, start to reduce our agricultural surpluses. Foods and fibers will make us many more friends than we seem to have made with the programs to date. The problem as I see it is not whether to continue the mutual security program, but how best to face up to it realistically. Let us put the food where it is most needed and put the weapons where they will do the most good. But, above all, let us keep the respective programs separate and apart.

It is the responsibility of the Congress to carefully scrutinize every detail in the mutual security bill and separate economic aid from military aid. Now is the time to reappraise the entire program and divorce from it those aspects which cannot be realistically treated as economic aid. For our own economic welfare, we cannot continue in the same fashion year after year. There is no better time to start than the present.

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, had come to no resolution thereon.

WHEAT MARKETING QUOTAS AND PRICE SUPPORT PROGRAM

Mr. ALBERT (at the request of Mr. COOLEY) submitted a conference report and statement on the bill (S. 1968) to strengthen the wheat marketing quota and price support program and for other purposes.

COMMEMORATING EXECUTION OF PRIME MINISTER IMRE NAGY AND MINISTER OF DEFENSE MAJ. GEN. PÁL MALÉTER

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS. Mr. Speaker, a year ago the Moscow radio announced the execution of Imre Nagy and General Maléter of the Hungarian revolution. These executions were carried out in spite of strong assurances from the Soviet that Mr. Nagy would not be executed and assurance that General Maléter, who was arrested by the Soviets while he was negotiating with the Soviet general in Hungary, would be given a fair trial. I think it is really an obligation upon us to take note of this serious violation of their words, which is traditional with the Russians, at a time when we are trying to negotiate with them.

Mr. Speaker, I am including in the extension of my remarks a short biography of General Maléter and former Prime Minister Nagy of Hungary.

On June 17, 1958, Moscow Radio officially announced the execution of Prime Minister Imre Nagy, Minister of Defense Maj. Gen. Pál Maléter, and two other leaders of the 1956 Hungarian revolution. The fact that it was Moscow which broadcast the first news of the executions stirred a strong protest all over the world. The United Nations Special Committee on the Problem of Hungary issued a statement and report and the United Nations' General Assembly expressed its strong condemnation of this action. The executions took place despite many official and solemn assurances that Premier Nagy would not be prosecuted. As to General Maléter, he was arrested by Soviet security forces under General Serov's command while continuing negotiations with the Soviet Army representatives for the withdrawal of Soviet armed forces from Hungary in accordance with the October 30, 1956, Moscow declaration and the November 2, 1956, official Soviet Government communication.

As one who visited the Hungarian border in late November 1956 I am proud to join in commemorating the first anniversary of their execution and in paying tribute to these Hungarian patriots.

IMRE NAGY

Imre Nagy was born in 1896, in Kaposvár. His parents were Hungarian peasants. Before World War I, he worked in a steel mill. During the First World War he served on the Russian front and was taken prisoner by the Tzarist Russian Army. In 1917 he participated in the revolution and returned to Hungary as a Communist in the twenties. All through his political career his attention was focused on agricultural problems and the peasantry. He led the illegal Communist Party's activities in the Hungarian countryside and worked later, from 1930 on, in the International Agricultural Institute in Moscow. He returned to Hungary in 1945, became Minister of Agriculture in the first postwar Hungarian provisional government. In this capacity he organized the land reform which gave land to the landless peasants. Due to the stepped up collectivization campaign of the Communist Party, in 1948, which followed the strict Soviet instructions, the differences between Imre Nagy and his fellow members in the Politburo started.

After Stalin's death and the collapse of the Rákoski industrial policy Imre Nagy became Prime Minister on June 3, 1953, and introduced the popular reforms aimed at the abolition of the police terror and the easing of the burdens of the peasantry. The important political measures introduced by him in 1953 and 1954 brought him into conflict with the orthodox or Stalijnist Communists. He was relieved of his post and, after a series of reprisals, excluded from the party membership. He was readmitted to the party on October 4, 1956, as a result of the pressure of the people on the regime demanding the liberalization of party control and the reaffirmation of Hungarian independence. Imre Nagy was constitutionally (according to the constitution promulgated by the Communist Party itself) elected Prime Minister during the night of October 23–24, 1956. As the head of the revolutionary government, Imre Nagy declared Hungary's neutrality and called upon the great powers and the United Nations to guarantee this neutrality. The Soviet Union, in her negotiations with Imre Nagy, recognized him as the constitutional head of the Hungarian Government and started discussions for the withdrawal of Soviet troops from Hungary. Breaching, however, the many solemn promises and guarantees the Soviet Government gave to Imre Nagy and to the United Nations, the Soviet Union launched a second attack against Hungary on November 4, 1956. Imre Nagy was forced to take refuge in the Yugoslav Embassy in Budapest. After the Soviet imposed Hungarian Government headed by János Kádár gave assurances to the Yugoslav Government of his safe conduct, he left the Embassy on November 22, 1956, and was taken by Soviet forces to Rumania. Despite many assurances to the opposite, he was brought to trial in February 1958 and after many months of secret proceedings, executed on June 17, 1958.

MAJ. GEN. PÁL MALÉTER

Born in 1917, Pál Maléter graduated from the Hungarian Military Academy and served on the Soviet front in 1942. He was taken prisoner by the Red army and attended politi-

cal lectures and indoctrination courses. He was parachuted in 1944 behind the German lines as a captain of a partisan unit. Pál Maléter was heavily decorated for bravery and became a member of the Communist Party in postwar Hungary. Pál Maléter rose gradually to the rank of colonel in the Hungarian Army and served, from 1949 on, in the Ministry of National Defense.

After the outbreak of the October 23, 1956, revolution, Pál Maléter was ordered to lead a Hungarian army armored unit to the scene of the fighting and to liquidate the revolutionaries entrenched in the Killian Barracks. In going to the scene of the fighting he contacted the revolutionaries and became convinced of their just cause that they were fighting for the freedom of the people and for the independence of the country. He informed his superior of his decision to join the revolutionaries and took command of the Killian Barracks. During the ensuing days the Killian Barracks became the center of resistance and a famous stronghold of the revolutionaries and a primary target of incessant Soviet attacks. Soon the streets around the barracks were obstructed by burnt-out Soviet tanks destroyed by gasoline bottles and hand grenades. For his bravery he became a revered popular hero of the Hungarian revolutionary youth.

After the cease-fire and the victory of the revolution, the Soviet Red army units withdrew from Budapest and Prime Minister Imre Nagy called upon Pál Maléter to join his government as Minister of National Defense. After being promoted to major general, he headed the Hungarian Government's delegation which negotiated the withdrawal of Soviet troops from Hungary with the Soviet Army Command in accordance with the Soviet Government's wishes. An agreement was reached on the major issues and during the evening of November 3, 1956, General Maléter went to the Soviet Army Headquarters in Tökol, a large village south of Budapest, at the invitation of the Red army's commander to clear the technical details of the withdrawal. A few hours later, in the early hours of November 4, 1956, he was taken prisoner by the head of the Soviet Secret Police, General Serov, and the second Soviet attack was launched against Hungary.

GERMAN UNITY DAY, JUNE 17, 1959

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, just 6 years ago today, June 17, 1953, the people of East Berlin and of East Germany were swarming the streets in revolt against their Communist government. For weeks before tension had been mounting and dissatisfaction boiling to the surface. Finally, one June 16 the building workers of East Berlin climbed down from their scaffolds and marched through the streets shouting their demands. The climax came the next day when the whole populace turned out to shout its resentment and to protest its subjection to the imposed Ulbricht-Grotewohl regime.

We know that the East German protest failed to unseat the Pankov government. Soviet tanks in the Potsdamer Platz and the People's Police permitted a certain amount of East German steam to escape but then clamped down hard on the lid. Today, Mr. Speaker, the East Berliners and the East Germans are still in search of that freedom for which they clamored 6 years ago.

But the uprising of the East Germans was not in vain. For 6 years their bravery in the streets has stood as a burning symbol, inspiring the hopes of all the German people for the unification in freedom of this country. It has stood as an expression of German determinattion to overcome the division forced upon their homeland by the rulers of the Soviet Union.

Today we Americans sympathize deeply with the German people and their heartfelt desire to end the partition of their country. The restoration of German unity is one of the chief aims of our foreign policy—an aim that must be realized before genuine peace and justice can be restored to the troubled European Continent.

However, the reunification of Germany is a very stubborn political problem. Linked to its solution is the military security of a major area of the free world as well as difficult territorial questions. German unity will not be restored unless the political facts of life are faced with the utmost honesty and unless our diplomacy is rooted solidly in realism. Mere proclamation of lofty purpose regarding German reunification is not enough. We must be prepared to take those practical measures that are actually necessary to achieve it. This is the thought that should animate all our negotiations with the Soviet Union for solving the unification question.

The June 17 demonstrators of 6 years ago occupy a warm spot in the hearts of the German people. Although in the interim many circumstances have changed, and new policy concepts have emerged, our one unswerving goal remains the withdrawal of Russian occupation troops without which the reunion in freedom of the divided German Nation is impossible. We must continue to support this aim with perseverance, with courage, with wisdom, and with insight into the political realities. On this sixth anniversary of the East German uprisings, therefore, let us renew our resolve to strive toward the goal of reunification in freedom as the proper right of the entire German people.

RESOLUTION OF STEUBEN SOCIETY OF AMERICA

Mr. BOSCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks, and to include a resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOSCH. Mr. Speaker, it is opportune that we today reflect on the events of 6 years ago, to wit, June 17, 1953. It was on this day that the peoples of East Berlin and East Germany made their now historic effort to break the shackles of Communist rule. It has often been said that we win the wars but lose the peace—could this be because we underestimate the diplomatic and political dealings of the Russians? We are now in the midst of what is referred to in many sources as inconclusive and dying conferences between the Big Four on the issue of the Berlin crisis. We must be reminded on every occasion of our experiences of the past in our dealings with the Kremlin regime. We cannot and should not budge an inch in our determination to avoid any compromise which will deprive these people of the opportunity of free and open elections so that they may decide their own fate. No summit conference is worth compromising principles and justice—the people behind the Iron Curtain look to us to lead the fight for their liberation and right to self-determination.

The Steuben Society of America, a national organization which I had the honor and privilege to serve as national chairman prior to my election to Congress, at its recent national council meeting in Chicago, Ill., adopted the following resolution which I respectfully commend to my colleagues:

Whereas on June 17, 1953, 6 years ago today, the people of East Berlin and of East Germany rose against their Communist tyrants; and

Whereas that historic date will be recorded in history as the first milestone on the long and tortuous road toward personal and political freedom for all subjugated nations and peoples behind the Iron Curtain; and

Whereas the same indomitable spirit continues to live in the hearts and in the minds of the people of East Berlin and of East Germany, notwithstanding all the instruments of brute force brought into action against them, then and now; and

Whereas the people of East Berlin long for reunification with their brothers in West Berlin and in all of West Germany, just as all the enslaved people of East Germany want to be reunited with the free people of West Germany; and

Whereas the puppet regime in Pankow, in its subservience to Moscow, does not rightfully represent nor rightfully speak for the people of East Germany, thereby laying the sacred duty unto the peoples of the free world to give expression to the true and uncensored feelings of the East Berliners and all the people of East Germany: Therefore be it

Resolved, That the national council of the Steuben Society of America, a nationwide organization of American citizens of Germanic origin, assembled in the city of Chicago for its annual meeting, hereby and herewith send brotherly greetings to the courageous people of East Berlin and of East Germany on this, the sixth anniversary of their first great battle for freedom, with the solemn pledge that the entire American people, through their duly constituted Government, will continue the noble fight to right the wrongs of repression and slavery and thereby bring freedom to all peoples and peace to the entire world; and be it also

Resolved, That the Steuben Society of America hereby and herewith do memorialize the Congress of the United States to give expression to the will of the American people on this, the sixth anniversary of the heroic uprising of the people of East Berlin and of East Germany.

PROVIDE FUNDS TO KEEP THE NATIONAL INTERSTATE AND DEFENSE HIGHWAY PROGRAM ON SCHEDULE BY ISSUING HIGHWAY REVENUE BONDS

Mr. OSTERTAG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, I have introduced today a bill to permit the issuance of highway revenue bonds to provide for the funds needed to keep the National Interstate and Defense Highway program on schedule. These bonds would be issued by the Federal-Aid Highway Corporation which is created by this legislation.

We are all familiar with the fact that the Highway Trust Fund is nearly depleted and will not have enough funds to meet the schedule of apportionments to the States for the fiscal year 1961. The Highway Trust Fund was created to provide for the financing of the 41,000-mile Interstate Highway System, and certain highway user taxes were earmarked for the fund. Unless additional funds are obtained, the Interstate Highway program will not proceed as scheduled.

It is highly important that the construction of the Interstate Highway System continue uninterrupted to meet the growing needs of our Nation. Our population is rapidly moving toward 200 million and traffic is increasing at an even faster rate. In addition, highway departments which were organized to proceed with this multi-billion-dollar program as scheduled could no longer be maintained if this schedule is now sharply reduced. This would be a serious loss.

A number of methods have been proposed for providing the additional revenues needed to keep the highway program on schedule. One proposal would increase the gasoline tax by 1½ cents per gallon to raise additional revenues. This proposal has found little support because another tax increase would place an onerous burden on motorists and highway users.

Another plan provides that the needed additional revenue be taken from the General Treasury of the United States.

Mr. Speaker, this would be one more burden of deficit financing for the General Treasury to bear. At a time when it is essential to have a balanced budget and to check the rising national debt, another raid on the General Treasury must be avoided.

The creation of a Federal Highway Aid Corporation to issue highway revenue bonds would make the necessary funds available without placing a heavier burden on either the Federal budget, existing revenues or the Treasury. The bonds would be secured against the guaranteed revenue of the Highway Trust Fund. The special levies which would go into the trust fund are now scheduled to end in 1972. My bill, Mr. Speaker, would merely extend the existing special highway taxes long enough to retire the revenue bonds which are issued to keep the construction program on schedule as planned.

With this proposal, the users of our highways would continue to bear the cost for the construction of this interstate system. That was the original intent of Congress in authorizing this program. This bill also makes possible the adoption of a sound method by which to finance any reimbursement plan for States which built part of the interstate system before Federal funds were appropriated.

The Federal Highway Aid Corporation will be headed by a board of directors composed of the Secretary of Commerce, the Secretary of the Treasury and a person designated by the Secretary of the Treasury. The corporation will be subject to all the provisions of the Government Corporation Control Act.

Mr. Speaker, I believe this plan to be the best solution to the problem that has developed in connection with this National Interstate and Defense Highway program, and I hope that it will receive careful and sober consideration.

BURNING AND DISPOSING OF THE FLAG

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, ordinarily I would not do this, but this is something that is hard to believe. I have been advised by a supreme court justice of the State of Pennsylvania that the Department of Defense has directed that in public squares or at public ceremonies in the cities and towns of this Nation proper ceremonies be held at which there will be displayed, and the public will be advised, as to how to burn and dispose of the flag of the United States of America.

I do not want to give you the impression that I am making any flag-waving speech, but this is the most fantastic, the most ridiculous and the most unbelievable statement that I have heard here in 15 years, and I have heard many.

I am bringing this to the attention of the House and of the Department of Defense and asking for an explanation. It is in the nature of an outrage of some kind.

Mr. Speaker, I should like to address the House for a few minutes on a subject which is fresh in our minds, the celebration of Flag Day. Last Friday there occurred in Pittsburgh some Flag Day exercises at which arrangements had been made to publicly burn an American flag. It was to be done by a unit of the U.S. Marine Corps as an object lesson on how to dispose of a 48-star flag in anticipation of the advent of the 49-star flag.

The mere thought of burning our national emblem in a public ceremony is absolutely shocking to me, as I am sure it is to you, Mr. Speaker. I have received a letter from Justice Michael A. Musmanno, of the Pennsylvania Supreme Court, who resides in Pittsburgh. He has related to me how disturbed he was when he learned on the morning of the exercises that the flag was to be burned at noon. He relates how newspaper photographers, television crews, and motion picture cameramen began to gather to record the demonstration which was to take place in front of one of the largest government buildings in Pittsburgh, the City-County Building, which houses the officers of the mayor and the city administration, as well as the courtrooms of Allegheny County and that of the Supreme Court of Pennsylvania. Justice Musmanno said that he saw at once the horrible uses to which the pictures of the flag burning could be put. He said he visualized pictures of the flag burning appearing in newspapers in all the Soviet-dominated countries carrying captions such as the following: "American Flag Burned by Rioters in Front of Government Building While U.S. Soldiers Look on Helplessly."

Of course, this would not represent the truth, but who would ever commend the Soviet press for its unfailing fidelity to truth? The point is that the facilities would be given to Communists to easily distort the truth, with pictorial confirmation.

And then, also, Justice Musmanno realized the effect such pictures would have on the people here. Many would regard the demonstration, and most properly so, as a desecration of the flag; others would be horrified to see an American flag being burned in what might seem to be a gala and festive spectacle; still others would simply be puzzled and apprehensive, not knowing what to think.

What would be the thoughts of passersby who, not knowing the purpose of the ceremony, would simply be horror-stricken to see the American flag being hauled down, as if in surrender, and then being committed to flames. What would be the expression on the faces of the people who would watch the flag being reduced to ashes. What would be written on the faces of the mayor, the judges, and the other dignitaries who were to be present? Would their demeanor reflect gratification, satisfaction, anxiety, foreboding? What would the marines be thinking as they watched the flag, for which they had fought through hell to save, now being mutilated and destroyed before their very eyes? The ceremony was to include the playing of "Taps." Was this to bespeak the passing of something dear to us? Were the people to see, in the annihilation of the flag, the annihilation of something that we would never see again?

Justice Musmanno called the mayor and the judges to acquaint them with

the sinister aspects of the ill-advised and ill-omened demonstration, which certainly had not been made clear to them, and then, after some inquiries, the justice ascertained that the person who was to supervise the flag-burning demonstration was Maj. C. C. Ksycewski, of the Marine Corps. The justice called him and requested him not to proceed with the demonstration. He informed him that officers of the National Society of the Sons of the American Revolution had also lodged a protest. The major said that he had to proceed with the demonstration because he had orders to that effect from the Department of Defense.

Justice Musmanno then read to him from Public Law 829, 77th Congress, as amended December 22, 1942, which prohibits the destruction of the American flag in an undignified way. He pointed out to the major that making a celebration of the burning of the flag on a day dedicated to commemorating the birth of the flag and extolling its glorious and grand history would certainly be violative of the spirit and intendment of the congressional act on the subject. He also informed him that section 16 of the Flag Code, as compiled, published, and distributed by the American Legion throughout the United States specifically declares that when necessity requires that an American flag be disposed of, it is to be "destroyed as a whole, privately." The justice emphasized to the major the word "privately."

The major then said that in view of what Justice Musmanno had said, he would not conduct the demonstration. And he kept his word. However, the major, according to a statement in the Pittsburgh Press, made the statement that flag-burning demonstrations had been conducted "all over the country." We can presume from this statement that there will be other public flag burnings, and I want to register my protest against such desecration of the American flag. I agree with A. G. Trimble, treasurer general of the National Society of the Sons of the American Revolution, who said that such flag burnings constitute "a tragedy and a disgrace."

Demonstrations of this kind can only result in lowering respect and reverence for the emblem of our country; they can only result in cheapening the symbol of our liberties; they can only result in producing the idea that the flag is merely a rag, which can be treated like any other rag.

And then, Mr. Speaker, imagine what an impetus this will give to Communists and other subversives in the United States who, of course, have but one purpose in life and that is to overthrow the Government of our country and establish a Soviet form of dictatorship. If the representatives of the U.S. Government may burn the flag in public, why may they not do so? What a field day they are being invited to. Under the guise of making room for a 49-star flag, they will gleefully and tauntingly put to the torch what they regard as "the flag of capitalistic oppression." They will do this in public squares and public parks and on public streets.

I do not need to add that all the lessons which our youth have received in the public school and in the American home on the respect which they should show at all times to the flag can disappear after witnessing one or two of these flag-desecrating performances.

Who is behind this movement to burn our flags? Does it matter how many stars shine in the blue field of our national emblem so long as it speaks for our Nation? Whether the flag carries 13, 24, 48, or 49 stars, it still symbolizes the greatness of this Republic, the land of liberty with its unparalleled opportunity for those who are honest and stouthearted, daring, and happy to carry the burdens as well as the joys and glories of American citizenship.

If one's private flag is worn and frayed and he feels, because of its condition, that it no longer is a fitting emblem for display, there is a private way, as the American Legion instructs, of disposing of it, but there is no requirement by law or otherwise that it must be done away with merely because it is old. The American flag is never antiquated.

Even when one buys a 49-star flag, there is no reason why he has to get rid of the 48-star flag. A flag is not so large and cumbersome an object that room cannot be found for it in one's home. Moreover, what more inspirational souvenir could we desire than the flag which has covered the span of the most important years of our lives?

The 48-star flag, in addition, is the history of our country for the last 47 years, perhaps the most momentous half century that the American people have lived since 1776. That flag carried us through two World Wars triumphantly, it stopped the Soviet threat for world domination through Korea, it has seen the greatest strides in science since the invention of the steam engine, it watched a great people go down into the valley of depression but later climb the heights of prosperity and well-being to achieve the most humane and most progressively social program in the history of all peoples of the whole world. I see no reason to relegate the 48-star flag into obscurity and certainly none for its destruction.

I am sure, Mr. Speaker, that you would not want to see destroyed the 48-star flag which has flown over the Capitol during the 46 years in which you have represented so ably and patriotically not only the welfare of the great State of Texas, but the best interests of all the 48 States and our territorial possessions.

I am sure that no Member of Congress will want to see consigned to ashes the flag which has been his inspiration throughout all the countless days and the weary nights that he has toiled in behalf of the American people.

I trust that the planned burning which almost became reality in Pittsburgh will never see fulfillment anywhere in this great land of ours, now smiling in peace under the protection of that very flag which we salute in our hearts every day, with never-ceasing devotion and ever-increasing love.

SUPREME COURT OF PENNSYLVANIA,
Pittsburgh, Pa., June 16, 1959.

Hon. DANIEL J. FLOOD,
House of Representatives Office Building, Washington, D.C.

MY DEAR CONGRESSMAN FLOOD: The laudable and much merited reputation which is yours in upholding and defending the glorious traditions of the American flag everywhere and at all times prompts me to write this letter to you, hoping that you will call the attention of the Nation, by a speech in the House of Representatives, to the distressing notion gaining additional currency every day that, with the advent of the 49-star flag, there will be something un-American about displaying a 48-star flag.

In this respect, I refer you to an episode which occurred in our city of Pittsburgh last Friday, June 12. The enclosed newspaper clippings will give you an authoritative account of what occurred, but let me relate briefly what led up to my intervention in the matter.

On the morning of June 12, A. G. Trimble, treasurer general, and A. A. Izenour, State registrar of the National Society of the Sons of the American Revolution, communicated with me and asked that I do something to halt a flag-burning ceremony which was scheduled to take place that day at noon in front of our city-county building. Mr. Trimble properly said that such a demonstration would be "a tragedy and a disgrace to our fair city of Pittsburgh—one of the most historical spots in the United States."

I then learned that the mayor of Pittsburgh and two of our local judges were to speak at the Flag Day celebration, and that a detachment of the Marine Corps was to publicly burn an American flag in order to show how the present flag should be destroyed when it is to be supplanted by the 49-star flag. Newspaper photographers, television crews, and motion picture cameramen were in readiness to record the demonstration. This was all to take place in front of one of the largest government buildings in Pittsburgh. It houses the offices of the mayor and many administrative departments, and the courtrooms of most of our Allegheny County courts, as well as that of the Supreme Court of Pennsylvania. I saw at once the fearful uses to which pictures of the flag destruction could be put.

Immediately I visualized pictures of the flag burning appearing in newspapers in all the Soviet-dominated countries carrying captions such as the following:

"American flag burned by rioters in front of Government building while U.S. soldiers look on helplessly."

Of course, this would not represent the truth, but who would ever commend the Soviet press for its unfailing fidelity to truth? The point is that the facilities would be given to Communists to easily distort the truth, with pictorial confirmation.

And then, also, I realized the effect such pictures would have on our people. Many would regard the demonstration, and most properly so, as a desecration of the flag; others would be horrified to see an American flag being burned in what might seem to be a gala and festive spectacle; still others would simply be puzzled and apprehensive, not knowing what to think.

I thought of passersby who, not knowing the purpose of the ceremony, would simply be horror stricken to see the American flag being hauled down, as if in surrender, and then being committed to flames. I thought of the expression on the faces of the people who would watch the flag being reduced to

ashes. What would be written on the faces of the mayor, the judges, and the other dignitaries representing our Government? Would their demeanor reflect gratification, satisfaction, anxiety, foreboding? What would the Marines be thinking as they watched the flag, for which they had fought through hell to save, now being mutilated and destroyed before their very eyes? The ceremony was to include the playing of "Taps." Was this to bespeak the passing of something dear to us? Were the people to see, in the annihilation of the flag, the annihilation of something that we would never see again?

I am certain, Congressman FLOOD, that you would experience the same emotions which assailed me that Friday morning as I contemplated the possible sequels to this ill-advised and ill-omened demonstration. I called the mayor and judges to acquaint them with the sinister potentialities of the ceremony which certainly had not been made clear to them, and then, after some inquiry I ascertained that the person who was to supervise the flag-destroying demonstration was Maj. C. C. Ksycewski, of the Marine Corps. I called him and requested him not to proceed with the demonstration. He said that he had orders on the subject from the Department of Defense. I then read to him from Public Law 829, 77th Congress, as amended December 22, 1942, which prohibits the destruction of the American flag in an undignified way. I pointed out that making a celebration of the burning of the flag on a day dedicated to commemorating the birth of the flag and extolling its glorious and grand history would certainly be violative of the spirit and intendment of a congressional act on the subject. I also pointed out to him that section 16 of the Flag Code, as compiled, published, and distributed by the American Legion in every city, town, and hamlet in the Nation specifically declares that when necessity requires an American flag be disposed of, it is to be "destroyed as a whole, privately." I emphasized the word privately.

The major then said that in view of what I had told him, he would not conduct the demonstration. And he kept his word. However, Congressman FLOOD, you will note from the Pittsburgh press clipping that Major Ksycewski said similar public demonstrations had been conducted all over the country. From this we can presume that other military units will be conducting flag-burning demonstrations. I believe that the people should be made aware of this program, if there is such a program, so that it will be stopped at once. I feel confident that a speech by you on the floor of the House of Representatives will put a stop to public flag burnings and restore to the flag, no matter how many stars it may have, the respect and the reverence which is its due everywhere and all the time.

Respectfully and sincerely,

MICHAEL A. MUSMANNO.

[From the Pittsburgh Sun-Telegraph, June 12, 1959]

DON'T BURN THAT FLAG—MUSMANNO

The public flag-burning ceremony at City hall today was canceled on protest of Supreme Court Justice Michael A. Musmanno.

The jurist threatened use of "King's Bench" powers under old English law to stop it.

City and county officials, with faces as red as the red in Old Glory, backed down and went through all the scheduled noon ceremonies except touching a torch to a 48-star flag.

Justice Musmanno first telephoned a heated protest to Judge John J. Brosky who presided at the ceremonies.

Justice Musmanno said he cited an amended law of the 77th Congress which prohibits the burning of a U.S. flag except in private.

Also protesting the public burning was Attorney John W. Cost, chairman of the Bicentennial Flag Day program and a member and officer of the Sons of the American Revolution.

Justice Musmanno also phoned his protest to Marine Maj. Casimer Ksycewski, commandant of the Marines in Pittsburgh. A detail of Marines was to participate in the flag burning.

Justice Musmanno said he was told the Marines were acting under orders of the Defense Department in Washington, but the jurist said:

"The act of Congress takes precedence over the Defense Department."

The law which Justice Musmanno cited declares that when a "flag is no longer a fit emblem for display, it shall not be cast aside with disrespect, but destroyed as a whole, privately, preferably by burning or some other means in harmony with the reverence and respect due Old Glory."

During the ceremony at the City-County Building rotunda, the flag was displayed but not touched. Major Ksycewski spoke briefly about the private burning of the flag. Justice Musmanno also spoke.

At the last minute a part of Mayor Gallagher's speech referring to a public demonstration of the flag burning was deleted.

[From the Pittsburgh Post-Gazette, June 13, 1959]

MUSMANNO HALTS FLAG-BURNING RITES—JUSTICE WARNS MARINES CONGRESS ACT OVERRULES ORDER OF PENTAGON BRASS

State Supreme Court Justice Michael A. Musmanno yesterday invoked an act of Congres to halt a public flag-burning ceremony that Marines were prepared to stage on the steps of the City-County Building.

Justice Musmanno declared that the 1942 Congressional Flag Code requires destruction of a discarded or wornout flag privately.

Participants in the scheduled program—from which the flag burning was deleted as a result of Justice Musmanno's protest—included Judge John J. Brosky, Judge J. Frank McKenna, and Mayor Thomas J. Gallagher.

GETS SCORCHING REPLY

Maj. C. C. Ksycewski, in charge of the Marine recruiting station here, told Justice Musmanno he was to burn the flag in a manner prescribed by a directive of the U.S. Defense Department.

"An act of Congress overrides a Defense Department directive," Justice Musmanno retorted.

Justice Musmanno said he advised participants in the program that the flag burning would be illegal, but did not tell what action could result.

RESULT OF COMPLAINTS

Justice Musmanno invoked the act after receiving complaints from Ansley A. Izenhour, an officer of the Sons of the American Revolution, and Attorney John W. Cost, chairman of the Bicentennial Flag Day, that the burning should not be made public.

Judge Brosky said that Marines throughout the Nation are staging flag-burning demonstrations to educate the public not to desecrate old flags when the new flag with 49 stars is used July 4.

Justice Musmanno declared:

"It is a mistaken notion that, because the flag will have 49 stars on July 4, all 48-star flags will be illegal or antiquated. The American flag, with 13 stars, 48 stars, or 49 stars, is always the symbol of the United States and no one need to feel embarrassed to display the flag he has when he does it with reverence."

When the flag burning was called off, Major Ksycewski orally described the proper method to destroy old flags.

"A good idea is to fold and burn the flag in a charcoal broiler in your back yard or home, or, if this is not possible, by any way that would not cast disrespect on the flag," the major said.

[From the Pittsburgh Press, June 12, 1959]

MUSMANNO HALTS FLAG-BURNING CLASS—JUSTICE SAYS LAW CALLS FOR PRIVACY; MARINES, MAYOR, JUDGES FEEL IRE

(By Sherley Uhl)

State Supreme Court Justice Michael A. Musmanno quickly spiked plans to hold a public flag-burning demonstration today by threatening to cite all participants for contempt of court.

These participants included Mayor Thomas J. Gallagher, Judges John J. Brosky and J. Frank McKenna, officials of veterans' groups, and the U.S. Marine Corps.

The demonstration was scheduled at noon in the rotunda of the City-County Building, but Justice Musmanno's ire squelched the fire.

The State supreme court jurist swung into action after receiving a complaint from Ansley A. Izenhour, an officer of the Sons of the American Revolution.

Justice Musmanno picked up his telephone and informed program leaders that an act of Congress states that American flags must be destroyed in strict privacy.

The program had been innocently arranged as an advance Flag Day event. The holiday falls on Sunday this year.

Marine Maj. C. C. Ksycewski was to have demonstrated the proper method of putting the torch to a discarded flag—as an educational feature.

He told Justice Musmanno he was acting under a directive of the U.S. Defense Department.

The justice advised him that no Defense Department directive could override an act of Congress.

So after a series of telephone conferences, the sponsors agreed to dispense with the demonstration. Instead, Major Ksycewski orally explained the burning process.

The last-minute change in the script stunned those already assembled—including a Marine Corps Color Guard and Firing Squad.

Justice Musmanno said he had prepared a court order and was ready to invoke contempt charges if the demonstration had been held.

He said he based his action on two premises:

First, the display would have violated a Federal statute.

Secondly, he feared photographs and news accounts of the ceremony might have been widely misinterpreted.

In his mind's eye, he said, he saw pictures of Old Glory in flames against a background indicating "there was something gala about it all, some espirited jollification."

This is exactly contrary to the atmosphere that should prevail when the flag is destroyed, he said.

"It is done privately, just as one keeps his griefs to himself and doesn't parade them on Grant Street."

The justice cited the following section in the Flag Code:

"When the flag is in such condition that it is no longer a fitting emblem for display, it should not be cast aside or used in any way that might be viewed as disrespectful to the national colors, but should be destroyed as a whole privately, preferably by burning or by some other method in harmony

with the reverence and respect we owe the emblem representing our country."

However, Major Ksycewski said similar public demonstrations had been conducted all over the country without protest.

Other chagrined members of the program committee included William Unger, president of the Allegheny County Federation of War Veteran Societies; William Tepsio, past State commander of the Veterans of Foreign Wars (VFW); John P. Redick, commander of the VFW county council; Curtis Haube, national service officer, Disabled American Veterans; Frank Murray, commander, county council, AMVETS; Hugh DePaul, past president of the Federation of War Veterans Societies; the Reverend A. J. Muszynski, and Fred Wertenbach, who recited the Pledge of Allegiance.

Judge Brosky of common pleas court presided at the ceremony and Judge McKenna gave a memorial speech.

Also objecting to the flag-burning feature was Lt. Col. John W. Cost, president of the Pittsburgh Chapter, SAR. Mr. Izenhour, who forwarded the society's complaint to Justice Musmanno, is registrar of the Pennsylvania SAR and a past president of the Pittsburgh chapter.

PROGRAM FOR BALANCE OF WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to ask the majority leader if he can tell us what the program will be for the rest of the week.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCORMACK. Following the disposition of the pending bill the next order of business will be the bill increasing the national debt ceiling, and thereafter as programed, the bill relating to the Federal Reserve banks.

I might say also that H.R. 3 is off the program for this week and it is understood that it will come up on Monday next.

Mr. ARENDS. Does the gentleman expect we will meet at 11 o'clock tomorrow?

Mr. McCORMACK. I am going to submit such a consent request.

I might also announce that if the Senate concurs in the adoption of the conference report on the wheat bill and it is messaged over here tomorrow, that will be brought up.

Mr. HALLECK. That would come ahead of further consideration of the pending measure?

Mr. McCORMACK. If the Senate acts tonight and it is over here; yes.

Mr. HALLECK. That would be the first order of business tomorrow?

Mr. McCORMACK. If the Senate acts today.

Mr. HALLECK. I thank the gentleman.

HOUR OF MEETING JUNE 18

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill under consideration today may have permission to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

WHEN IS AN ICE-FREE RUSSIAN SUBMARINE BASE ICE FREE? LET THE HOUSE DECIDE

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 20 minutes.

Mr. STRATTON. Mr. Speaker, last week I brought to the attention of Members of the House a challenge thrown down by the gentleman from Missouri [Mr. CURTIS] in which he offered a case of whisky to any naval personnel "who could sight a single ice-free open-sea base the Soviets possess from which to operate their submarines." The gentleman's rather sweeping offer was intended to support the gentleman's contention that the Soviet submarine threat is not real but merely a matter of propaganda because, in the gentleman's opinion, the Soviet Union is without any ice-free open-sea bases from which to operate their submarines. Implied in the gentleman's challenge is a contention that the Soviet submarine fleet cannot be operated adequately in time of emergency, either because ice would prevent its operation from open sea bases during parts of the year, or else that all Soviet bases which are not subject to restriction on account of ice are located on inland waters or inland seas and would, therefore, be subject to ready interdiction by our own forces.

As Members of the House will recall, I responded to the gentleman's challenge with the help of a world chart and pointed out to the gentleman that, contrary to his impression, the Russians do possess at least two ice-free bases entirely on the open sea from which they not only could operate their submarines but from which I felt sure they are already operating submarines. One of these was Murmansk on the north, the other was Petropavlovsk on the Pacific.

Since the gentleman from Missouri was unavoidably detained in committee at the time I made my remarks, although I had advised him in advance that I intended to respond to his challenge, he did not indicate to the Members of the House at the time whether he acknowledged the fact that his wager had been lost. Since then, Mr. Speaker, a number of Members of the House have approached me to find out whether the gentleman acknowledged that he had lost his wager and to find out whether he had in fact already delivered to me the case of whisky which he had offered in return for this piece of naval intelligence. Of course, Mr. Speaker, as I had indicated to the House at the time, I am not personally interested in receiving this case of whisky, but have suggested that the gentleman from Missouri donate it instead to the American Red Cross for medicinal purposes. In view of the interest which some Members of the House have expressed with regard to the disposition of this case of whisky, I can only assume that these Members regard themselves as on unusually friendly terms with the American Red Cross or else as representatives from potential disaster areas where medicinal spirits might in time to come be utilized.

In any case, I was amazed to discover when I picked up this morning the CONGRESSIONAL RECORD for Tuesday, June 16, that the gentleman from Missouri had included in the RECORD a statement announcing that the information which I conveyed to him and to the Members of the House last week about Murmansk and Petropavlovsk had indeed, in his judgment, fallen short of the gentleman's requirement. The gentleman from Missouri states in the RECORD that because both of these ports "require ice breakers to cope with the ice" he does not regard them as "ice free." Of course, Mr. Speaker, the gentleman is quibbling, and that certainly is his privilege if he desires to do so. After all, he made a fairly substantial wager, apparently without any full investigation of the facts, and I can appreciate his hesitation about paying off. He advised me, for example, after I had made my own comments last week that he had never even heard of Petropavlovsk, and he maintained stoutly that on the basis of his own experience in World War II he knew for a fact that Murmansk was blocked by ice for several months during the winter.

Mr. Speaker, the Navy Department's Sailing Directions, H.O. 137A, first edition, 1953, report the following information with regard to Murmansk:

> The ice does not generally interfere with oceangoing vessels, but when it does icebreakers are employed.

May I also say for the information of Members of the House that a very good friend of mine, a high-ranking naval officer, had the privilege of spending the winters of 1941, 1942, 1943, and 1944 during World War II at Murmansk. He has advised me that throughout this period the harbor at Murmansk was never frozen over. The Gulf Stream flows near Murmansk. He advised me further that upon occasion there was some skim ice near the shore, but that the ice which formed presented no obstacle whatever to shipping, not even to small boats. For the more than 200 ships which used the port during these winter months, my naval friend reports that no icebreaker was required to bring these ships along dockside in a single one of these cases. And he further reports that not even this thin skim ice formed in the specific area where the submarine base at Murmansk is actually located.

These are the facts, Mr. Speaker, and I submit that even if an icebreaker were required to keep the base open, the base is still an ice-free base in any reasonable

and fair use of the term by the gentleman from Missouri, because the operation of submarines into the open sea continues without hindrance throughout the year without reference to ice.

Now, if the gentleman from Missouri intends to take the position, which he appears to be taking, that one or two ice cubes floating in water off a Russian submarine base somehow vitiate the threat which these submarines present to the United States during long periods of the winter months, then the gentleman is living in a strange fairyland which is indeed far removed from the realities of modern warfare either at sea, on the land, or in the air.

The same situation applies to the major Soviet naval base of Petropavlovsk, which the gentleman from Missouri admitted he had never even heard of until the time that I brought it to his attention. The Navy Department's Sailing Districts, H.O. 122A, second edition, 1951, corrected to April 16, 1958, includes the following information:

> The harbor is reported to be easy to keep open; icebreakers work in the severe months.

Mr. Speaker, in one case we have clear-cut naval authority that ice does not generally interfere with oceangoing vessels. In the other case we have equally clear-cut information that a harbor is easy to keep open. In both cases, I submit, Mr. Speaker, these ports are therefore free of ice as a menace to navigation, whether of submarines or any other naval vessel under any reasonable use of the English language. I do not think that the gentleman from Missouri would want to try to avoid the clear consequences of his original action simply by trying to hide behind the fact that some ice may be found in some of the waters of these harbors during some periods of the winter. The fact is that ice in these ports does not interfere with the operation of the Soviet submarine fleet and therefore these submarines, which the gentleman seems to wish to minimize, continue to constitute a very serious threat to our national security which must be countered by the action of our Navy and by the support which this body and the other body give to the Navy's antisubmarine budget.

Mr. Speaker, it seems to be clear unfortunately on the basis of the statement made yesterday in the RECORD by the gentleman from Missouri, that he does not intend, even on the basis of the information I have presented to the House, as well as other information available to him which demonstrates that his view of the Soviet naval situation is at variance with the full facts, to deliver either to me or to the American Red Cross the case of whisky which he offered so lightly a couple of weeks ago. Now because of the intense interest which other Members of the House have exhibited in this matter, no doubt because of the medicinal uses which I have suggested this beverage should be put to, I believe that all Members of the House ought to have an opportunity to decide, on the basis of the evidence presented to them from both sides, whether the gentleman from Missouri has indeed lost his wager or whether he has not. I recommend, therefore, Mr. Speaker, that at the appropriate time and under the appropriate procedures the House proceed, by a rollcall vote, to determine whether the Member from New York has in fact won the right to have a case of whisky delivered by the gentleman from Missouri [Mr. CURTIS] to the American Red Cross. I believe, Mr. Speaker, that with the House acting in this capacity, as a kind of court of last resort as it is sometimes authorized by the Constitution to act, our decision will be of great interest to all the American people.

THREE HUNDREDTH ANNIVERSARY OF THE FIRST SETTLEMENT OF NANTUCKET ISLAND, MASS.

Mr. McCORMACK. Mr. Speaker, I offer a House resolution (H. Res. 304) on behalf of myself, the gentleman from Massachusetts [Mr. MARTIN], the gentleman from Massachusetts [Mr. KEITH], and the gentleman from Massachusetts [Mr. BURKE], and ask unanimous consent for its present consideration.

The Clerk read the resolution, as follows:

> Whereas the year 1959 marks the three hundredth anniversary of the first settlement of Nantucket Island, Massachusetts; and
>
> Whereas from the time of its first settlement the people of Nantucket Island have figured conspicuously in the founding and growth of this Nation through the feats of her sons who set forth from Nantucket in sailing ships on voyages of exploration, to give battle in the Revolutionary War and the War of 1812, on voyages of trade and commerce, and in search of whales making Nantucket a center of the whale oil industry; and
>
> Whereas Nantucket Island is today not only one of the leading vacation resorts in the United States, but is also one of the most unique and historic places in the United States because of the preservation on Nantucket Island of buildings and homes many of which are over two hundred years old; and
>
> Whereas the observance of the three hundredth anniversary of the settlement of Nantucket Island will be climaxed by a celebration there on July 2, 1959, to which all persons are invited: Now, therefore, be it
>
> *Resolved*, That the House of Representatives extends its greetings and felicitations to the people of Nantucket Island, Massachusetts, on the occasion of the three hundredth anniversary of the first settlement of Nantucket Island.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

NANTUCKET'S TERCENTENARY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. KEITH] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KEITH. Mr. Speaker, today it is my privilege—in concert with Congressmen McCORMACK, MARTIN, and BURKE—to file a resolution commemorating the 300th anniversary of Nantucket Island, which I have the honor to represent in Congress.

In recognition of this achievement—300 years of contribution to the development and betterment of the Colonies, the Nation, and the world—I stated to my colleagues in Congress, as recorded in the CONGRESSIONAL RECORD on April 16 of this tercentenary year:

> This country needs, as surely as it does the physical might that research and technology continuously furnish us, the moral and spiritual revitalizing that great events in history provide.
>
> The chronicle of Nantucket's past is a series of such events.

Mr. Speaker, I am grateful to Mr. McCORMACK, the floor leader of your party, and to Mr. MARTIN and Mr. BURKE for their interest in Nantucket and its observance of its 300th anniversary. All of us are acquainted with the vital part Nantucket has played in our Nation's history. We, the sponsors of this resolution, invite all of our colleagues in Congress to join us in this birthday celebration on July the 2d.

WASTE AND CARELESSNESS IN GOVERNMENT AGENCIES

Mr. BOWLES. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ZELENKO] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. ZELENKO. Mr. Speaker, the New York World-Telegram and the Scripps Howard newspapers are at present engaged in a most meritorious campaign urging citizens to communicate with their Representatives and Senators to alert them against wasteful appropriations and the elimination of all waste in Government. This is a most commendable effort in the public interest. It is typical of the continuing public service of these newspapers. However, I suggest that they implement their project by urging our citizens to communicate also with the President, for it is only with the cooperation of all departments of Government that needless waste, dissipation of our natural resources and that inflation can be controlled.

No matter how careful and diligently we in the Congress act to preserve the economic well-being of our citizens by scrutinizing all budgetary requests from the administration, and no matter how scrupulously we legislate in this direction, nevertheless, it is the burden of the President and the executive department to use the funds properly. The press reports daily of examples of waste and carelessness in the several agencies

and departments of Government. We in the Congress can only rectify this after it is called to our attention and often it is too late.

For myself, I shall continue to vote for whatever appropriations I believe are necessary and against those that tend to deviate from the field of necessity.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HAGEN (at the request of Mr. ALBERT), for an indefinite period, on account of death of his mother.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. STRATTON, for 20 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BARR in two instances.

Mr. LATTA.

Mr. DINGELL, to revise and extend the remarks he made in the Committee of the Whole today and include tables and extraneous matter.

Mr. KOWALSKI.

The following Members (at the request of Mr. BOWLES) and to include extraneous matter:

Mr. FLYNN.

Mr. ROGERS of Colorado.

Mr. HÉBERT in two instances.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 5915. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 2094 An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; and

S.J. Res. 59. Joint resolution requesting the President to issue a proclamation designating 1959 for the observance of the 350th anniversary of the historic voyages of Hudson and Champlain.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 318. An act to authorize a revision of the boundaries of the Edison Laboratory National Monument, N.J., and for other purposes;

H.R. 1306. An act to provide for the sale of Columbia Basin project lands to the State of Washington, and for other purposes;

H.R. 1471. An act for the relief of James B. Hill.

H.R. 1711. An act for the relief of the Galveston, Houston & Henderson Railroad Co.;

H.R. 1758. An act for the relief of Gerald M. Cooley;

H.R. 2011. An act for the relief of Leonora Holmes Mola;

H.R. 2044. An act for the relief of the estate of Richard Anthony Nunes, Jr.;

H.R. 2100. An act for the relief of John F. Carmody;

H.R. 2154. An act to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park;

H.R. 2286. An act for the relief of Joseph E. Gallant;

H.R. 2289. An act for the relief of Mrs. Gertrude E. Shetler;

H.R. 2586. An act for the relief of Miss Mame E. Howell;

H.R. 3292. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to furnish supplies and services to foreign vessels and aircraft, and for other purposes;

H.R. 3366. An act to authorize the extension of loans of naval vessels to the Governments of Italy, Turkey, and the Republic of China;

H.R. 3454. An act to disclaim any interest on the part of the United States in certain lands in the State of Colorado, and for other purposes;

H.R. 3495. An act to direct the Secretary of the Interior to administer certain acquired lands as revested Oregon and California railroad grant lands;

H.R. 3496. An act to revise the boundaries of the Kings Mountain National Military Park, South Carolina, and to authorize the procurement and exchange of lands, and for other purposes;

H.R. 3522. An act for the relief of Aaron Green, Jr.;

H.R. 3825. An act for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell;

H.R. 3960. An act for the relief of Patrick W. Gowan, David Dooling, Harlie L. Mize, James H. Blaes, and William L. Perkins;

H.R. 4245. An act relating to the taxation of the income of life insurance companies;

H.R. 4345. An act to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C. 67a(9)), respecting the transmission of papers by the referee to the clerk of the court;

H.R. 4692. An act to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, 1031) to provide for automatic adjudication and reference in certain cases;

H.R. 4748. An act to extend the leasing provisions of the Act of June 14, 1926, as amended by the Act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869—869-3), to certain lands in Oregon, and for other purposes;

H.R. 5212. An act to revise the minimum charge on pieces of mail of odd sizes and shapes;

H.R. 5262. An act to revise the boundaries of the Montezuma Castle National Monument, Ariz., and for other purposes;

H.R. 5488. An act to revise the boundaries of Wright Brothers National Memorial, N.C., and for other purposes;

H.R. 5728. An act to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor;

H.R. 5915. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes;

H.R. 6914. An act to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land;

H.R. 7120. An act to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes;

H.R. 7290. An act to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; and

H.J. Res. 324. Resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens.

ADJOURNMENT

Mr. BOWLES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 59 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, June 18, 1959, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

1104. Under clause 2 of rule XXIV, a letter from the Acting Secretary of the Treasury, transmitting a copy of a report of the Bureau of the Mint covering restoration of balances withdrawn from appropriation and fund accounts under the control of the Treasury Department, pursuant to the act of July 25, 1956 (70 Stat. 648), referred to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of Alabama: Committee on Public Works. H.R. 7645. A bill to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; with amendment (Rept. No. 557). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 299. Resolution for consideration of H.R. 4049, a bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons; without amendments (Rept. No. 558). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 300. Resolution for consideration of H.R. 7749, a bill to increase the amount of obligations, issued under the Second Liberty Bond Act, which may be outstanding at any one time; without amendment (Rept. No. 558). Referred to the House Calendar.

Mr. COOLEY: Committee of conference. S. 1968. A bill to strengthen the wheat marketing quota and price support program (Rept. No. 560). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H.R. 7771. A bill to provide for the issuance of a special postage stamp in honor of the memory of Jefferson Davis; to the Committee on Post Office and Civil Service.

By Mr. BONNER:

H.R. 7772. A bill to amend title XI of the Merchant Marine Act, 1936, as amended, to provide for the deposit of funds in escrow with the Secretary of Commerce, to provide for the payment of insurance, in part, on the basis of such deposits, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. COLLIER:

H.R. 7773. A bill to implement the Constitution by amending title 4 of the United States Code; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 7774. A bill to transfer the administration of the school lunch program, the school milk program, and the direct commodity distribution program under which agricultural food products are made available to the needy in charitable institutions and family units from the Department of Agriculture to the Department of Health, Education, and Welfare, and to establish a food stamp plan, and for other purposes; to the Committee on Agriculture.

By Mr. FOLEY:

H.R. 7775. A bill to amend the act of October 24, 1951, to provide that the police for the National Zoological Park shall receive salaries at the same rates as officers and members of the Metropolitan Police force of the District of Columbia; to the Committee on House Administration.

By Mr. JARMAN:

H.R. 7776. A bill to amend the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

By Mrs. KEE:

H.R. 7777. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas; to the Committee on Education and Labor.

By Mr. KOWALSKI:

H.R. 7778. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service to persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. MULTER:

H.R. 7779. A bill to amend chapter 67 of title 10, United States Code, to provide retired pay for reservists who have 10 or more years of satisfactory Federal service and who performed active duty for 5 or more years during World War II; to the Committee on Armed Services.

By Mr. OSTERTAG:

H.R. 7780. A bill to provide for the issuance of highway revenue bonds to provide funds for the highway trust fund, to provide for the retirement of such bonds from the tax receipts of such fund, and for other purposes; to the Committee on Ways and Means.

By Mrs. ST. GEORGE:

H.R. 7781. A bill to provide for stabilizing the broiler and egg industry by instituting a program for marketing regulations; to the Committee on Agriculture.

By Mr. SAUND:

H.R. 7782. A bill to amend the Agricultural Act of 1949 with respect to the support price for honey; to the Committee on Agriculture.

By Mr. JONES of Alabama:

H.R. 7783. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to the preservation of acreage history and the reallocation of unused cotton acreage allotments; to the Committee on Agriculture.

By Mr. MACDONALD:

H.R. 7784. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. MORRIS of New Mexico:

H.R. 7785. A bill to authorize the granting of mineral rights to certain homestead patentees who were wrongfully deprived of such rights; to the Committee on Interior and Insular Affairs.

By Mr. THOMSON of Wyoming:

H.R. 7786. A bill to authorize the Administrator of General Services to convey certain lands in the State of Wyoming to the city of Cheyenne, Wyo.; to the Committee on Government Operations.

H.R. 7787. A bill to amend the Mineral Leasing Act of February 25, 1920; to the Committee on Interior and Insular Affairs.

By Mr. LAIRD:

H.R. 7788. A bill to amend the act providing aid for the States in wildlife restoration projects with respect to the apportionment of such aid; to the Committee on Merchant Marine and Fisheries.

By Mr. RUTHERFORD:

H.R. 7789. A bill to amend paragraph (b) of section 401 of the National Housing Act, as amended; to the Committee on Banking and Currency.

By Mr. TOLLEFSON:

H.R. 7790. A bill to amend title XI of the Merchant Marine Act, 1936, as amended, to provide for the deposit of funds in escrow with the Secretary of Commerce, to provide for the payment of insurance, in part, on the basis of such deposits, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FLYNN:

H.R. 7791. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FASCELL:

H.J. Res. 433. Joint resolution providing for the erection of a memorial tablet at Garden Key, Fla., in honor of Dr. Samuel Alexander Mudd; to the Committee on Interior and Insular Affairs.

By Mr. DAVIS of Georgia:

H. Con. Res. 204. Concurrent resolution expressing the sense of the Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts:

H. Res. 301. Resolution to express the greetings and felicitations of the House of Representatives on the occasion of the 300th anniversary of the first settlement of Nantucket Island, Mass.; to the Committee on the Judiciary.

By Mr. KEITH:

H. Res. 302. Resolution to express the greetings and felicitations of the House of Representatives on the occasion of the 300th anniversary of the first settlement of Nantucket Island, Mass.; to the Committee on the Judiciary.

By Mr. MARTIN:

H. Res. 303. Resolution to express the greetings and felicitations of the House of Representatives on the occasion of the 300th anniversary of the first settlement of Nantucket Island, Mass.; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FLYNN: Joint resolution of the Wisconsin State Legislature memorializing the Congress of the United States to enact legislation which will insure the free movement of milk of high sanitary quality in interstate commerce; to the Committee on Interstate and Foreign Commerce.

Also, joint resolution of the Wisconsin State Legislature endorsing the issuance of a series of commemorative stamps on the theme of traffic safety; to the Committee on Post Office and Civil Service.

By Mr. MORRIS of Oklahoma: Resolution requesting the Congress of the United States to enact legislation increasing retirement benefits to certain retired members of the Armed Forces; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of Massachusetts:

H.R. 7792. A bill for the relief of Martin A. Mastandrea; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 7793. A bill for the relief of Bay Kow Jung; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 7794. A bill for the relief of David Topol; to the Committee on the Judiciary.

H.R. 7795. A bill for the relief of Aurora Dorado; to the Committee on the Judiciary.

By Mr. LANKFORD (by request):

H.R. 7796. A bill for the relief of James D. Long; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H.R. 7797. A bill for the relief of Tak Shan Fong; to the Committee on the Judiciary.

By Mr. MORRIS of New Mexico:

H.R. 7798. A bill to provide for the conveyance of certain mineral rights to Elmer M. Gandy, of Lubbock, Tex.; to the Committee on Interior and Insulair Affairs.

H.R. 7799. A bill to provide for the conveyance of certain mineral rights to Richard L. Robinson, of Jal, N. Mex.; to the Committee on Interior and Insular Affairs.

H.R. 7800. A bill to provide for the conveyance of certain mineral rights to Mrs. Daisy C. Bedwell, of Yucaipa, Calif.; to the Committee on Interior and Insular Affairs.

H.R. 7801. A bill to provide for the conveyance of certain mineral rights to Joseph E. Shipp, of Snyder, Tex.; to the Committee on Interior and Insular Affairs.

H.R. 7802. A bill to provide for the conveyance of certain mineral rights to Myrtle Golden, of Milnesand, N. Mex.; to the Committee on Interior and Insular Affairs.

H.R. 7803. A bill to provide for the conveyance of certain mineral rights to Walter T. Linam, of Hobbs, N. Mex.; to the Committee on Interior and Insular Affairs.

By Mr. RODINO:

H.R. 7804. A bill for the relief of Zofia Kejdau; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H.R. 7805. A bill for the relief of Mrs. Gong Lin Chee; to the Committee on the Judiciary.

By Mr. VANIK:

H.R. 7806. A bill for the relief of Branko and Katica Namesnik; to the Committee on the Judiciary.

By Mr. WOLF:

H.R. 7807. A bill for the relief of Raymond W. Quillin; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

223. By Mr. FLYNN: Resolution of the Lithuanian Americans of Racine, Wis., memorializing the 19th anniversary of the forcible occupation of the Baltic States, Estonia, Latvia, and Lithuania, by Soviet Russia, and protesting a summit meeting which, under present circumstances, will only strengthen the cause of international communism, and expressing heartfelt thanks for the many efforts being made by the President, the Senate, and the House of Representatives of the United States on behalf of those still behind the curtain of iron and who still dream of the freedom which must surely and certainly come to them if such efforts will be continued; to the Committee on Foreign Affairs.

224. By the SPEAKER: Petition of George Harclaon, Seattle, Wash., relative to demanding an investigation by the rackets committee into the affairs and activities of the commission for the Seattle World's Fair and the proposed Seattle Civic Center; to the Committee on Rules.

EXTENSIONS OF REMARKS

Results of a Poll: Fifth Congressional District of Ohio

EXTENSION OF REMARKS
OF
HON. DELBERT L. LATTA
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 17, 1959

Mr. LATTA. Mr. Speaker, recently I conducted a survey of my district on several issues before the Nation. In order to apprise the House of the thinking of the people of the Fifth Congressional District of Ohio on these important matters, I am inserting the results of this poll in the RECORD.

The questions and the percentage of "Yes" and "No" answers to each question given by the people of the district in the questionnaires are set forth below:

1. Should we maintain the best possible defense regardless of its impact on the budget? Yes, 80.5 percent; no, 19.5 percent.

2. (a) Should our mutual security-foreign aid program be limited to military assistance? Yes, 74.8 percent; no, 25.2 percent.

(b) Should we also continue our economic assistance in the hope that these countries will remain allied with the non-Communist nations? Yes, 47 percent; no, 53 percent.

3. Do you favor President Eisenhower's position on Berlin? Yes, 91 percent; no, 9 percent.

4. Do you favor the proposed 1½-cent increase in the gasoline tax to maintain our Federal interstate highway construction program on a pay-as-you-go basis? Yes, 54.6 percent; no, 45.4 percent.

5. Do you favor the proposal to expand the social security program to include the payment of surgical and hospital bills if it means an increase in your social security tax? Yes, 30.1 percent; no, 69.9 percent.

6. Do you favor legislation to effectively curb the irregularities revealed by the McClellan committee in some of the labor unions? Yes, 95.2 percent; no, 4.8 percent.

7. Do you favor an expansion of the Federal Trade Commission's investigation of the price differential betweeen what a farmer receives for his product and what the consumer pays for it? Yes, 76.1 percent; no, 23.9 percent.

8. Do you favor Federal aid for schoolbuildings if it means any Federal control? Yes, 24.8 percent; no, 75.2 percent.

9. (a) If you are engaged in farming do you believe that Public Law 480 which provides that the Government may sell farm surpluses abroad for foreign currency should be expanded? Yes, 80.6 percent; no, 19.4 percent.

(b) Since the Soft Red Winter Wheat grown in Ohio is in demand and is not contributing to the what surplus, do you believe that a Government control-price support program is helpful to you? Yes, 11 percent; no, 89 percent.

(c) Do you agree that the farmer generally wants fewer controls and more freedom from Government interference even though it may mean a temporary period of price adjustment? Yes, 90.4 percent; no, 9.6 percent.

(d) Has the soil bank program been helpful to you? Yes, 10.7 percent; no, 89.3 percent.

Proposed Commission on Metropolitan Problems

EXTENSION OF REMARKS
OF
HON. JOSEPH S. CLARK
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Wednesday, June 17, 1959

Mr. CLARK. Mr. President, one of the best statements in support of a bill to create a Federal Commission on Metropolitan Problems—S.1431—which I introduced earlier this year, has been made by the able and experienced junior Senator from New Jersey [Mr. WILLIAMS], in a recent speech before the New York chapter of the American Society for Public Administration.

I think it is particularly significant that the Senator gives his endorsement to this measure, because he comes from one of the most urban States in the Union and has been struggling with metropolitan problems both as an alert, aggressive Representative and as a Senator. I ask unanimous consent that that portion of the speech pertaining to this bill be printed in the RECORD.

I also ask unanimous consent that following the speech of the Senator from New Jersey, a copy of an editorial from the Bergen Evening Record, published at Hackensack, N.J., commenting on his remarks, be printed. The editorial is entitled "Things To Come as We Shape Them."

There being no objection, the speech and editorial were ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR WILLIAMS OF NEW JERSEY

You have given me an important topic here tonight.

S. 1431—which would establish a Federal Commission on Metropolitan Problems—is one of the most significant bills introduced this year, and I appreciate this opportunity to speak to a group which has such a keen interest in it.

DESCRIPTION OF S. 1431

Mr. Harvey was clear in his instructions. I am to discuss the bill introduced March 16, by Senator JOSEPH CLARK, the distinguished Democrat of Pennsylvania. My first chore was to describe the provisions, and so here they are.

The Commission on Metropolitan Problems would have 18 members.

The President of the Senate would appoint six Members, and the Speaker of the House would appoint six Representatives. The President of the United States would choose another six. These six appointees would include the heads of two Federal departments and two Governors from States having major urbanization problems (I hereby put in a nomination for New Jersey), and two mayors, and I leave that nomination up to my New York City friends in the audience.

The Commission would make a complete and full investigation into the Federal policies and programs affecting the Nation's metropolitan areas.

In the words of the bill, the Commission would try to determine—

"(1) the present and prospective needs of the Nation's metropolitan areas for public services, including but not limited to planning, highways, mass transit facilities, water resources, elimination of air and water pollution, health and welfare services, schools, recreation facilities, urban renewal and housing, ports, airports, and prevention of crime and delinquency;

"(2) capabalities of different levels of government to meet such needs;

"(3) the extent to which the Federal Government is assisting metropolitan areas in meeting such needs;

"(4) means for improved coordination of Federal, State, and local policies and programs that affect metropolitan areas;

"(5) such other matters as may be of assistance in solving the various problems of, and promoting the social and economic well-being of, the Nation's metropolitan areas."

The Commission would submit its report to the President and the Congress before February 1, 1961.

I've been told by the Senate Committee on Government Operations that they hope to be ready within the next month or so to start hearings on Senator CLARK'S bill. The committee is awaiting reports from heads of Federal administrative agencies before starting the hearings.

THE WALKING TOUR

Like many other legislators, I very much hope that the bill will be passed, and passed as soon as possible.

I think it will make possible what I would like to call a walking tour approach to our metropolitan problems.

Let me explain what I mean by a "walking tour."

A planner recently said that statistics don't help us at all when we try to understand urban blight. He suggested instead that citizens take a walk through the slums, through the so-called gray zones, through the new sections of cities which are already showing signs of decay. He was talking only about slums, but I think we need the same kind of approach when we talk about metropolitan problems.

The proposed Federal Commission would give the entire Nation the kind of tour I have in mind.

The Commission, and the experts it could hire, would have hearings in the key urban areas throughout the Nation. These hearings would focus attention on problems well understood by planners and political leaders, but understood only vaguely by the general public.

In other words, this Commission would help us take inventory.

For the first time, we would know, on a national basis, what our needs really are.

For the first time, we would know how Federal programs really are affecting our urban areas.

For the first time, we would know whether we're running neck and neck with the threat to the future of our cities or if we're far behind.

On all sides we receive new evidence daily of the need for a true understanding of what is happening in our metropolitan areas.

In our home communities, we complain about our tax bills, but we also say that we are not receiving the services we want.

We hear proposals for new giant agencies to govern areas which cross municipal, county, and State lines.

And above all, we hear the cry for more Federal aid, for our schools, for our airports, for our railroads, for our water supply, for almost every need which arises when millions of people move from established cities to new suburbs.

Now, I happen to believe that Federal aid can be a creative and well directed force in the life of our Nation.

But I also say this:

We must know more about how our Federal aid is being spent. All of you have heard stories about one Federal agency's duplicating the work of another—or undoing the work of another.

All here have heard reports that 13 million unsafe or unsanitary dwelling units are occupied by American families, and that most of these units are in metropolitan areas.

I think most persons in this room have wondered what will happen to our cities unless we can make our great new highways part of a city instead of a corridor through it.

When we turn to any major problem of our small towns and the cities they surround, we find that we have not yet taken an inventory of all our problems. We don't know the total extent of the job which faces us.

American cities don't need a dole. They need a positive statement of urban program policy from Federal administrators. The proposed Commission, by unearthing and dramatizing the facts, will help us get the answers and political support we have needed for so long and have not had.

POPULATION BOOMS

Population experts are also giving us a dismaying peek into their crystal ball.

A United Nations study said the world population may more than double by the year 2000.

One professor tells us that population jumps by about 4½ million persons a year. More than 50 percent of this increase is expected to take place in metropolitan areas, by the way.

One of President Eisenhower's advisers (Dr. Raymond J. Saulnier, Chairman of the President's Council of Economic Advisers) played a few variations on this Malthusian theme at the action conference in Newark on May 4.

He quoted Census Bureau estimates to show that the population increase within the next 17 years will be between 40 and 68 million persons, and that about 4 million people will reach 18 years of age in 1975 alone. This would be nearly twice as many as reached their 18th birthday in 1958. And so it would seem that our metropolitan areas are going to be quite lively places in 1975—with demands for more schools, more homes, and more services for each of those homes.

I quote all this to emphasize the fact that we can't sit back and hope the metropolitan problem will go away if we ignore it. It will become very much worse unless we take action as fast as possible, and it is my deep conviction that one of the best courses of initial action is to pass S. 1431.

STEVENSON QUOTE

We will have to do much more, of course, to save our cities and the suburbs which are now almost a working part of those cities.

I think that Adlai Stevenson—at that same action conference in Newark—described the task ahead in admirable and inspiring terms.

His concluding statements shall be mine:

"There are people in the world today who say that tough public problems are best solved behind closed doors, by dictators or central committees. But in our land we dare not even reach for a goal of human improvement in disregard of human needs, human values, human judgments. The central tenet of statesmanship in a democracy is that unless the people understand it and participate in it, no long-term program can endure.

"So, as we put ourselves to the rebuilding of our cities, to the problems of their growth, we will look for leadership, a high quality of skill, in the managing of this task. But we will not buy the shibboleth that autocratic action is essential to achieve the desired result. We will not leave the subject to an anointed few.

"The municipality of tomorrow must be renewed in the image of people's hopes and ambitions for a better life. The values to be re-created must have a sound political and economic pedestal, but they must flow from human needs.

"Thus will we build and rebuild our cities, and in so doing, renew and rekindle our faith in ourselves and in the limitless creativeness of freemen."

[From the Bergen Evening Record, June 3, 1959]

THINGS TO COME AS WE SHAPE THEM

What the Regional Plan Association is trying to tell us in the north Jersey suburbs in another of its provocative reports can be compressed into two words:

"Get ready."

The association's $600,000 3-year study on population trends in the 22-county metropolitan area forecasts that within 15 years the population will increase 25 percent and that much of it will have to be absorbed by the older, handier, more heavily settled suburban areas. That, of course, means communities like Hackensack, Englewood, Garfield, Cliffside Park, Rutherford—in fact, any community having available what the Regional Plan Association accurately calls hand-me-down housing.

The trend is out of New York City. New York City will remain, the study said, the area's center of finance, commerce, and culture. But manufacturing and business are likely to move away from the city, and it will bring with it wherever it goes not only the structures of manufacturing and business but the people who work in them. Those people will seek homes near where they work. And as the younger native people move away from the crowded communities existing housing will be taken over by the new people from the city.

So what can we do about it?

Actually a great deal can be done. We have before us the Regional Plan Association projection. That's a help, because it tells us what to expect. Having digested it as dispassionately as possible, it might not be a bad idea to follow the suggestion of Senator WILLIAMS (Democrat, of New Jersey), who proposed a walking tour of any urban area under discussion for redevelopment. Find out what you have before you try to discuss what's to be done with it, Senator WILLIAMS urged the New York chapter of the American Society for Public Administration. It is surprising and a little dismaying to discover how really little we know about the communities in which we live. That's the first step: get the facts. See them. Weigh them. Get the feel of them.

After that comes the time for some reappraisal and then a plan for the future, a plan based on realities and implemented by sensible and practical zoning. Not one of the older communities is able at this precise moment to undertake an expensive job of urban renewal. Not all of them need it. But the day will come when they will, and this is the time to plan for it. Perhaps another examination should be made of the proposed Federal Commission on Metropolitan Problems which Senator WILLIAMS mentioned. It could undertake an authoritative marshaling of fact.

The development portrayed by the Regional Plan Association will take place over a period of 15 years. As urban planning is reckoned, 15 years is little more than overnight. But there is yet time if we put it to good use. What the Regional Plan Association forecasts is not inexorable. It is not the voice of doom. It is the challenge of tomorrow.

The A. C. Gilbert Co. Marks 50th Anniversary

EXTENSION OF REMARKS

OF

HON. FRANK KOWALSKI

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1959

Mr. KOWALSKI. Mr. Speaker, tomorrow the city of New Haven, Conn., will observe A. C. Gilbert Day, honoring the 50th anniversary of the founding of the A. C. Gilbert Co., a firm which has contributed greatly to our country in times of peace and war.

It was on June 18, 1909, that A. C. Gilbert, a graduate of the Yale University School of Medicine and the holder of the Olympic pole-vaulting championship, opened the doors of a small manufacturing plant.

In the years since then, this business has developed into one of the largest toy manufacturing firms in the world. The names of such Gilbert products as Erector sets and American Flyer trains have become household words. Mr. Gilbert believed that every child was a potential builder, inventor, engineer, or scientist. Their natural curiosity to learn the answers to how and why phenomena occur could be channeled into the useful, dedicated occupations of adults, provided that in the process a child derived hours of fun.

That his reasoning was and still is correct is indicated by the thousands of

youngsters who have been directed to vocations as engineers, chemists, laboratory workers, and technicians, and other professions, by radio kits, chemistry sets, microscopes, atomic-energy sets, and other educational playtools which found their way into the toy industry.

All this has paid off for America. Scientific toys have helped win a war; have held a part in the fight for the development of new techniques in medicine; in the development of industrial products and in the promotion of business ventures, all because some boy, now a scientist, businessman, or engineer, remembered his boyhood playtools and went back to them for aid in perfecting prototypes for such things as the Bailey bridge of World War II fame, heart-lung machines, machines for making artificial heart parts, the Gantry crane, the pigeonhole garage, to name a few.

It is a pleasure to salute this great Connecticut firm on its 50th anniversary and to pay tribute to it for its pioneer work in interesting young people in working and achieving for themselves.

Next Steps Toward Health

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Wednesday, June 17, 1959

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the text of an address which I delivered at the ninth annual Group Health Institute luncheon in New York City on May 26, 1959 be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NEXT STEPS TOWARD HEALTH

(Remarks of Senator HUBERT H. HUMPHREY at the ninth annual Group Health Institute luncheon, New York City, May 26, 1959)

I never cease to wonder at the range of Mrs. Roosevelt's capacity for doing good. You know her wonderful work for the United Nations, for human rights, and for peace. Within the last few weeks she has been in Washington helping to improve the conditions of migrant workers, helping to get the minimum wage raised, helping in the campaign for better housing. Today she is here giving of her time and her immense influence in the cause of health. Wherever there is good to be done, we can be grateful that she is on hand to do it.

And I want to pay tribute also to that patron saint of medical care—Mary Lasker. Without her crusading interest and support and her wonderful work we would not be nearly so far along toward the goal of good health and good medical care for everybody in this country.

That is our goal. I am pleased and honored that you have invited me here to take counsel with you on some of the next steps we must take. I am particularly flattered to be here because in this room are some of the best brains and bravest spirits in the business. The solutions to these problems, when they come, will come from people like you.

In a few days we will mark the 25th anniversary of Franklin Roosevelt's message to Congress laying down the guidelines for what has since become the social security system of the United States.

"Among our objectives," he said in that message, "I place the security of the men, women and children of the Nation first."

In that sentence F.D.R. summarized one of the great revolutions in American political thinking—one which grew out of the great depression. In that sentence he put the final seal of rejection on the degrading, poor law philosophy which had dominated American public attitudes toward dependency and the problems of dependency.

Of course, there were diehard dissenters. My good friend, Arthur Schlesinger, Jr., in his great book on "The Age of Roosevelt" records that a distinguished Republican, now ranking minority member of the House Appropriations Committee, greeted the social security system with these words: "Never in the history of the world has any measure been brought in here so insidiously designed as to prevent business recovery, to enslave workers, and to prevent any possibility of the employers providing work for the people."

The spokesman for the Illinois Manufacturers' Association said that social security would undermine our national life "by destroying initiative, discouraging thrift, and stifling individual responsibility."

The spokesman for the American Bar Association labeled it the beginning of a pattern which "sooner or later will bring about the inevitable abandonment of private capitalism."

Yes, my friends, as we try to move on to round out the coverage and the protections of our social security system we can expect the same opposition, the same gloomy alarm, that has greeted every reform and every great forward step in our history.

But the fact remains that we must get on with this unfinished business.

The question is not whether we are going to finish it, because we will. The question is how and when.

We need to modernize our unemployment compensation laws. I have sponsored legislation to accomplish this. It is a cause for great disappointment that this has recently been rejected by the House Ways and Means Committee. But we will try again—and soon.

We need to increase the amount of old-age benefits, which in many cases are disgracefully low. I have been among the sponsors of legislation to do this, and I regret very much that the increases enacted last year were so meager. Within the next decade our social security benefit standard should be increased not by 10 percent, but by 50 percent or more.

When we enacted the social security system, we embarked on a program which would provide not only the material basis for subsistence to those who could not be self-supporting. We embarked on a program which would also preserve their self-respect. Even so long as there is poverty in the United States, let there never be paupers.

In no aspect of welfare is this more true than in health. Our system of economic security should enable people to buy the necessaries of food, housing, and clothing. It should enable them to obtain the necessaries of health. Food, clothing, shelter—to these basic needs I add health, the right of every American to adequate health services, regardless of his income.

We have made enormous strides forward in the science of health, both in the prevention and the treatment of illness.

We have made considerable progress in the financing of health services through voluntary health and hospital insurance, and particularly through the union health plans and prepaid group health organizations. Those in this room have been among the leaders in these promising developments.

And yet we cannot honestly say we have in sight a comprehensive solution for the gigantic task of bringing good medical care within the reach of every American.

Those who can afford to buy it individually can get it.

Those who are fortunate enough to belong to unions which have won comprehensive health plans through collective bargaining can get it.

Those who have had the foresight to organize and join prepaid group health associations can get it. But for large segments of our population, medical care is limited to emergencies, and even when the medical emergency is surmounted, it leaves a financial emergency in its wake.

I am not an expert in medical care. It is my job to worry about the practical problems of legislation.

I do not profess to know how we will solve all the difficult and complex problems of bringing good medical care within the reach and within the means of all our people. But we who struggle with legislative practicalities must look to people like you for the design of health programs of general legislative application. We must look to you to experiment with new forms of the organization and administration and financing of medical care. We must look to you to experiment in the reorganization of medical practice to provide total medical care.

Our objective should be to do this as far as possible through voluntary means, by doctors and patients acting freely together. In this, developments like group practice, group health associations and HIP are important milestones. Legislation should encourage such voluntary action.

In the meantime, however, there are things we can do, things we can and must do quickly.

We must move on to overcome the shortage of health personnel—doctors, nurses, therapists, medical social workers. The shortage of these is becoming acute and will become worse as our population increases. We need to expand our medical schools and other training facilities.

We need to expand our hospital facilities. Recent amendments to the Hill-Burton program have made possible the expansion of facilities for long-term medical care and for rehabilitation and outpatient services.

We need to encourage the establishment of group practice facilities for voluntary nonprofit, prepaid, health service associations. Since the 81st Congress, I have introduced community health facilities bills to provide long-term, low-interest loans for such facilities. I have reintroduced that bill within the last week. It is essential that we encourage and help these voluntary associations to bring health services to American people just as the principles of cooperative voluntary association brought electricity to rural America. And like the REA cooperatives, these facilities are particularly important in bringing medical services to rural communities.

We need to step up the pace of medical research. We should thank Senator HILL and Congressman FOGARTY for taking the lead in providing for expanded appropriations for the National Institutes of Health.

We need to encourage research not only in the diagnosis and treatment of illness, but also in the social and economic aspects of health and medical care.

And we must be sure that we train competent research personnel.

I wish that I could make the case for medical research as eloquently as Mrs. Lasker did a few nights ago in her interview with Ed Murrow on TV.

Politically we are in the stage where we need to experiment with programs for meeting the needs of special groups within our population. We must try to legislate wisely, but this does not mean that we should procrastinate. As the AFL–CIO said not long ago, paraphrasing the old legal maxim, "Health delayed is health denied."

There are two groups in our population for whom it is possible and necessary in the near future to develop special health programs.

One of these groups consists of those employed by the Federal Government. The 2½ million Federal employees have been denied the benefits of health plans under collective bargaining, but the Federal Government, their employer, has the same responsibility as private employers for the health of employees. Legislation is now pending before Congress to provide health insurance for these 2½ million employees and their families. Under the leadership of Senator NEUBERGER a bill is now taking shape in the Senate. I intend to support it. I hope it will permit employees to choose from among various types of plans, including group practice plans.

The other group whose health needs require and permit special attention are our older citizens. They deserve special attention for a number of reasons. The reasons boil down to this: Older people have low incomes, small liquid assets, and heavy medical needs. This alone would demand of us that we take special and tender cognizance of them.

I believe we should consider the health needs of our older citizens in the context not only of the Nation's health needs and resources, but in the context of the total needs of our older citizens and our resources for meeting them. These basic needs include income adequate to their needs, employment opportunities and suitable housing, as well as health.

Forgive me if I cite briefly some facts which are part of your every day's work but which I think must be in the forefront of our thinking here.

In these days of medical miracles and longer life, a man who reaches the age of 65 has a life expectancy to 79 years; a woman, a life expectancy to 81 years. There are now more than 15 million people in these age groups and their number is increasing by about 1 million every 3 years.

The aim of any program for our older citizens must be to keep them functioning happily and usefully in the community. What we need is a many-sided program which insures their productiveness, independence and self-reliance and which prevents physical and moral decay.

The No. 1 objective of a sound program is the maintenance of incomes. Three-fifths of all people 65 and over have money incomes from all sources of less than $1,000 and only one-fifth have more than $2,000. Only recently, for the first time, the number of people receiving social security benefits exceeded the number of older people receiving public assistance. It is here that we have made the greatest progress through the social security system, and it is here that the direction of future progress is clearest. The case for rapid increase in old-age benefits is imperative.

But there is no magic in the age 65 which makes it good public policy to force people to leave employment while they are still healthy and productive. Full employment means jobs for all who are able and willing to work. Older workers are among the chief beneficiaries of a full employment program, just because they are especially vulnerable to unemployment in times of job scarcity.

Certainly we must do everything possible to prevent discrimination against older workers in the labor market.

We must provide suitable housing for older people. We must make it possible for them to live out their years fruitfully in a community rather than in an institutional environment. One of the most promising developments in this direction is the provision recently written into the Housing Act of 1959 by the House Banking and Currency Committee, under the leadership of Congressman RAINS, to make available direct low interest Federal loans to non-profit corporations for housing for elderly people. The House of Representatives should be congratulated for refusing to delete this provision of the bill and I hope fervently that the Senate will accept it and that the President will forbear to veto it.

We must provide medical and hospital care for our older people.

We must see that it is furnished to them in a way which will preserve their independence and their self-respect and their peace of mind. These have been also, of course, the objectives of the old age and survivors insurance program. Consequently, it was logical and practicable to turn to the framework and machinery of social security as a means of providing the necessary health care efficiently, economically, universally, and democratically.

I do not think we can ever overstate our debt to Congressman FORAND for the courage and foresight of his efforts to bring this sound and workable idea to reality.

I realize that this is a much disputed subject and I wish to make my position perfectly clear.

I am in favor of providing hospital and nursing home care as part of the social security system immediately.

It will meet a pressing and urgent need. Costs associated with hospital and nursing home care account for a very large part of the total expenses of medical care for older people. By insuring these costs we lift a heavy burden of expense and of fear.

In my own State of Minnesota, the largest expense in the entire welfare program is for hospital care for the aged. Many of these people are victims of diseases which keep them in hospitals for months. Hospital and nursing home benefits under social security would help not only the beneficiaries, but would relieve local and State governments of these very heavy burdens, thereby releasing public funds for a positive health program.

There is no question that a problem exists. The rising costs of medical care and hospital care, coupled with the greater medical needs and lower incomes of older people, have created the problem. But there are some who argue that it is not a problem which calls for action by the Federal Government.

The fact is that no satisfactory voluntary hospital plan has yet been brought forward which will give to people over 65 protection they need at costs they can afford to pay. Period. This is why I have advocated and will continue to advocate hospital insurance for social security beneficiaries as an integral part of our social security system.

I wish to make it plain that when we have reached this objective—which we will, and soon, I hope—we will not be finished, by any means. Important as hospital insurance is, there will still be the need for a total health program for older people. The primary emphasis should be on the prevention of illness and the maintenance of health. The first objective of a health program for older people should be to keep them out of the hospital and functioning in their homes and in the community.

The medical profession and those associated with it have a special obligation and a unique opportunity to develop programs and personnel to meet this total need.

Financing is not the only problem. Equally important is raising the quality of medical care and making it universally available. If social security financing is required to make health services of high quality available to social security beneficiaries, I will be the first to support it.

I am perfectly aware that even a bill for hospital and nursing home insurance will provoke outcries of "socialism," "socialized medicine," and such. This does not worry me. As I said before, this has been the cry that has greeted every significant advance of this country. I do not believe that this is the view even of the doctors of this country, though it is the cry of some who claim to speak for them. No one knows better than the doctors the devastating effects of expensive hospital and medical care on older people of limited means. I cannot believe that the doctors, who have done so much for medical welfare, wish to pauperize these most economically defenseless of their patients.

No one can forget that our doctors and hospitals have given of their services and facilities to people who could not afford to pay. For a long time this was the only way for poor people to get medical care at all. But by now we have progressed beyond the free ward concept of medical care.

Now medical care and hospital care for those on public assistance is a challenge to provide high quality, sensitive, individualized service equivalent to that we give to more fortunate patients.

These public assistance patients, young and old, are a first order of business in the search for comprehensive health services. Here, also, is a challenge to the medical profession to cooperate with Government in working out programs to meet the need.

The search for solutions to our medical needs must go on—on all fronts. Young and old, in high, middle, or low income, Americans are entitled to the best medical care that science can invent and our economy can provide, without sacrifice of professional freedom or individual dignity.

The search must go on, in private medicine, in group practice, in voluntary insurance, in labor health programs, and in Government. It must go on in the medical school, in the laboratory, in the hospital, and in the clinic. It must go on with open eyes and open minds. Let us not get bogged down in dogmas or in vested interests of the past.

I promise you this: As fast as you who are in the business of health come up with solutions that are workable and equitable, we who are in the business of Government will do our best to take the legislative and administrative action needed to make them work. Together we will get it done.

Mrs. Booth Tarkington

EXTENSION OF REMARKS

OF

HON. JOSEPH W. BARR

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1959

Mr. BARR. Mr. Speaker, it is only fitting and proper that on behalf of Marion County, Ind., and the Congress of the United States, I say "Happy birthday" to a great Hoosier lady, Mrs. Booth Tarkington. Mrs. Tarkington is the widow of our beloved Indiana author, the late Booth Tarkington.

In Indiana we cherish our authors and our poets. We have a genial preoccupation with politics and politicians, but long after the Governors and Senators have departed the scene and are forgotten, we still read and reread the wonderful prose of Booth Tarkington. As children most of us loved "Seventeen," and "Penrod." When we grew up, we read and appreciated the Pulitzer prize winners, "The Magnificent Ambersons" and "Alice Adams."

Booth Tarkington's genius and work were supported by the wonderful lady that I am honoring today. All of us owe her a profound thank you as well as a hearty happy birthday.

Father's Day—Wembley Ties

EXTENSION OF REMARKS
OF
HON. F. EDWARD HÉBERT
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 17, 1959

Mr. HÉBERT. Mr. Speaker for the fifth consecutive year a Wembley tie was delivered today to the office of each Member of the Congress, House and Senate, with the compliments of my friends and constituents, Samuel and Emanuel Pulitzer, as a gift for Father's Day which is Sunday.

In addition to the Members of the Congress there were a goodly number distributed on a selected basis among the press, radio, and television correspondents. For obvious reasons this distribution had to be on a limited basis and confined to those with whom I come in contact for the better part of the session. I only wish it could be a hundred percent distribution but it simply could not be.

In addition Wembley ties were distributed to the many offices and staffs attached to the Congress such as the Clerk of the House, the Doorkeeper, including all the pages and doorkeepers, reporters, document room, folding room, and so forth.

In all, there were 1,500 ties distributed with the compliments of the Pulitzer brothers. Their generosity and thoughtfulness is indeed to be appreciated and I have already thanked them in the name of the recipients. The origination of the idea of distributing these Wembley ties on Father's Day was received with such acclaim when first started that the Pulitzers decided to make it an annual affair. Old Members have become accustomed to the practice and I hope the new Members will like it.

The Wembley plant in New Orleans is the world's largest manufacturer of neckties.

I hope each individual who received one will like it.

I assure everybody that they are privileged to swap about if they do not like the one which they received. The ties were distributed on a "blind" basis and I hope the "draw" matched more personalities and eyes than missed them.

And just to keep the record straight I am here reproducing a copy of the letter which was sent with each tie:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR FRIEND: Sunday is Father's Day—as if you didn't already know it.

And here again is your Father's Day tie with the compliments of my two dear friends, Sam and Manny Pulitzer, owners of Wembley, the world's largest manufacturers of neckwear.

Since last Father's Day we have run the gamut from vicuna to nepotism, and now we are in the throes of finding out whether or not retired military officers ever die or just fade away on the payroll of some defense contractor. Washington wouldn't be Washington without such goings on and Capitol Hill wouldn't be Capitol Hill if the Members of Congress, and those who help them make the news, wouldn't be remembered on Father's Day by the Pulitzer brothers with a Wembley tie. This gesture is the only competition death and taxes have for sureness.

Take my word for it that acceptance of this Father's Day tie is not intended to influence you one damned bit, and there are no mental reservations in this statement. Wembley is not a defense plant, nor a public works project. The Pulitzer brothers are not farmers. The plant is not located in a distressed area. As a matter of fact, New Orleans is one of the most progressive areas in the Nation—"The city care forgot and industry remembered." There is no taxpayer's money involved except when the thinking taxpayer buys a Wembley tie.

So, with a clear conscience, in the name of the Pulitzers, I again wish you a happy Father's Day with a Wembley tie.

Sincerely,

F. EDWARD HÉBERT.

Transportation-Tax Repeal

EXTENSION OF REMARKS
OF
HON. BYRON G. ROGERS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 17, 1959

Mr. ROGERS of Colorado. Mr. Speaker, for many years I have felt the 10-percent wartime travel tax on passengers should be repealed. Along with many other Members of this body, I have this year introduced a bill, H.R. 6874, to achieve this end. No one I know of defends this tax on its merits. Everyone seems agreed it should go. I, for one, think it should go this year.

The reasons why the tax should be repealed are pretty well summed up in a recent letter I have received from the president of the Denver Chamber of Commerce, which I insert in the RECORD at this point:

The Denver Chamber of Commerce respectfully asks your support of legislation to repeal the 10-percent tax on passenger travel. We detail some of the reasons that we feel this tax should be repealed.

At the time of enactment, this tax was not intended to be a revenue-raising measure, but was imposed for the purpose of discouraging passenger travel during World War II. The public accepted the tax as a deterrent to private travel in order to free transportation facilities for service in relation to the war needs of the country. The need for discouraging private travel has long since passed, but the tax which was imposed to discourage such travel still remains in force. It still operates effectively to discourage travel and has the effect of weakening the financial structure of our public carriers who have proved themselves vital to our national defense.

We understand this tax adds $2 million per year to the transportation costs of the Nation. It is our opinion that the repeal of the tax would stimulate passenger travel to the extent that the increase in passenger revenue would result in profitable operation for carriers. Increased profits in turn would result in additional income taxes, substantially offsetting the loss of Government revenue which would result from repeal of the tax.

You are well aware of the importance of the tourist business in the United States. The 10-percent transportation tax encourages the tourist to go to a foreign country in preference to the United States, since the tax is not applicable to foreign carriers. Canada was very quick to realize this and other detrimental aspects of this type of tax, and they repealed a tax similar to ours only 3½ years after the war, in March 1949.

I am sure many other Members have received similar letters or resolutions, not only from chambers of commerce but from a large number of individual travelers, who, after all, are the ones who pay this tax. It is truly a penalty on the passenger.

I have further noted that both regulatory agencies established by the Congress to regulate the transportation industry, and assure the Nation of a sound transportation system so essential to its commerce, defense, and general economy, have recommended repeal of this tax.

Recently, in a decision of May 18, 1959, relating to the railroad passenger train deficit situation, the ICC made as its first recommendation the repeal of the 10 percent Federal excise tax on the passenger fares. In its decision the Commission said:

Without repeating all of the reasons advanced for the repeal of the transportation tax, we wish to emphasize that it is having a serious effect upon the passenger-train service of the railroads. Since the tax on passenger travel tends to discourage the public from using common carriers, it thereby aggravates the ever-mounting passenger deficit. While we recognize that the repeal would not provide a cure-all for the passenger deficit problem, such action would remove a serious deterrent to a greater use by the traveling public. In strongly urging that the Congress take action to repeal the tax outright, we are not unaware of the efforts which various Members of the Congress have made and are presently making in this regard. We are also not unmindful of the revenue needs of the Government. We are, however, convinced that any possible loss of revenue would be more than offset by the public interest in strengthening and preserving a transportation system capable of meeting adequately the country's need for service both in peacetime and during emergencies in conformity with the national transportation policy as declared by the Congress.

I understand the Civil Aeronautics Board has similarly said that repeal of this tax would have a beneficial effect on the air transport industry. The chairman of the CAB in recent testimony before the Senate Appropriations Committee indicated repeal would "produce a substantial increase in traffic" and, to some degree, "reduce subsidies to local service carriers."

Certainly, the millions of passengers who travel by common carrier buses between the 40,000 communities that industry serves are entitled to this relief. Many of them have no alternative but to travel by bus, or by private vehicle. Driving customers away from the buses, or any other common carriers, as this tax most surely does, can only result in those transportation companies facing serious economic problems—and, by no means unimportant, in their paying a lesser amount of corporate income taxes and other taxes than otherwise would be the case.

I am satisfied that the net loss in revenue to the Federal Treasury would not be great and would moreover be offset in large measure by additional revenue from other taxes.

I fully appreciate the heavy burden carried by the Ways and Means Committee of the House, and particularly by its distinguished chairman, WILBUR MILLS. They have done a splendid job of exercising fiscal responsibility, holding the line on tax reductions while Government expenditures remain, of necessity, at a high level. I am further gratified to note that the chairman of that committee plans to undertake a broad study of the Federal tax structure later this year. I am sure it will result in removing many present inequities, closing loopholes, and otherwise bringing the tax structure into a better balance.

Mutual Security: An Outdated Program

EXTENSION OF REMARKS
OF
HON. JOSEPH W. BARR
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 17, 1959

Mr. BARR. Mr. Speaker, the voters of Marion County, Ind., did not send me to Congress with instructions to ignore the financial responsibility of the United States to the rest of the world. In that part of Indiana we have an acute awareness of international problems. We should have—we make about 10 percent of our money from world trade. But, on the other hand, my voters certainly did not send me to Washington to squander their tax dollars on a program that is outdated—that no longer is designed to meet world problems.

After World War II the United States launched the Marshall plan and then started our mutual security program. These proved enormously successful, and today we can look with considerable pride at West Germany, Great Britain, France, Italy, Holland, Belgium, and Japan. These nations with our help have staged an astounding recovery and today are probably stronger than at any other time in their histories. In fact they are so financially strong that it is high time that they start sharing part of the crushing load that the U.S. taxpayer has borne for many years. To date the United States has invested about $82 billion in the Marshall plan and our mutual security programs. I believe that this enormous sum has been a good investment, but now it is time to call in our partners in the free world to say, "How about a hand?"

In 1946 the Congress wisely established through the Bretton Woods Agreement the International Monetary Fund and the World Bank. The Monetary Fund is designed to help nations through short-term financial difficulties. The World Bank is designed to help free nations develop their resources through long-term loans. In these institutions the United States has joined with 67 other free nations in a great international pool of cash and know-how. These institutions have been operating now for 13 years with an outstanding record of success in helping the free nations of the world get on with their economic problems of development, trade, and growth.

My first legislative job in this Congress was to defend on the floor of this House the legislation designed to increase the capitalization of the Monetary Fund from $9 billion to $14 billion and to increase the capitalization of the World Bank from $10 billion to $20 billion. Our share of this increase amounted to $4,700 million. In the next few weeks I hope to support in this Congress the creation of an Inter-American Bank in which we will have an investment of another $400 million. So in this session of Congress I will have actively supported $5 billion in funds designed to meet our financial responsibility to the world.

This is where I stop. I will vote to pick up our share of the chips in any joint movement with the rest of the free world. I will not vote to saddle this Nation with a perpetual obligation to develop and to protect the world singlehandedly.

Report of Board of Visitors to U.S. Military Academy

EXTENSION OF REMARKS
OF
HON. RICHARD B. RUSSELL
OF GEORGIA
IN THE SENATE OF THE UNITED STATES
Wednesday, June 17, 1959

Mr. RUSSELL. Mr. President, yesterday I placed in the CONGRESSIONAL RECORD the report of the Board of Visitors of the Naval Academy for 1959. I have also received the annual report of the Board of Visitors for the Military Academy at West Point.

I believe these reports are of interest to Members of Congress and to the country generally. I therefore ask unanimous consent that the report of the Board of Visitors to the Military Academy may be printed in the CONGRESSIONAL RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. MILITARY ACADEMY,
West Point, N.Y., April 11, 1959.

Subject: Report of Board of Visitors to the U.S. Military Academy, 1959.
To: The President of the United States.

1. APPOINTMENT OF THE BOARD

The Board of Visitors to the U.S. Military Academy was appointed in accordance with the provisions of section 4355 of title 10, United States Code. Pertinent extracts from the code are appended to this report and are marked "Exhibit A."

2. PERSONNEL OF THE BOARD

The membership of the Board as constituted for the year 1959 was as follows:

Senators: PRESCOTT BUSH, Connecticut, representing RICHARD B. RUSSELL, Georgia, chairman of the Committee on Armed Services; STYLES BRIDGES, New Hampshire; KENNETH W. KEATING, New York; GALE W. McGEE, Wyoming.

Representatives: SAMUEL S. STRATTON, New York, representing CARL VINSON, Georgia, chairman of the Committee on Armed Services; LOUIS C. RABAUT, Michigan; OLIN E. TEAGUE, Texas; STUYVESANT WAINWRIGHT, New York; MELVIN R. LAIRD, Wisconsin.

Presidential appointees: Dr. William V. Houston, president, the Rice Institute, Houston, Tex.; Gen. Anthony C. McAuliffe, American Cyanamid Co., New York, N.Y.; Dr. Frank H. Bowles, College Entrance Examination Board, New York, N.Y.; Dr. Ivan C. Crawford, consulting engineer, Boulder, Colo.; Dr. Harlan Hatcher, president, University of Michigan, Ann Arbor, Mich.; Dr. Clark Kerr, president, University of California, Berkeley, Calif.

Col. Charles J. Barrett, professor of foreign languages, U.S. Military Academy, was appointed Executive Secretary for the Board by the Superintendent, U.S. Military Academy.

3. PRELIMINARY DATA

After considering the wishes of the members of the Board of Visitors for 1958 and the 1959 academic calendar of the Military Academy, the Superintendent notified all members whose terms extended into 1959 that April 9–12 had been selected as the dates of the visit. Announcement of those dates was transmitted to all new members as notification of their appointment was received.

The Superintendent likewise caused to be distributed to all members of the Board certain reports and informational material, and a suggested program for the visit. A list of the data furnished is appended and marked "Exhibit B."

4. CONVENING OF THE BOARD

The members of the Board assembled during the afternoon and evening of April 9, 1959, but undertook no formal action until 8:30 a.m. on April 10. Present at that time were Mr. Stratton, Mr. Rabaut, Mr. Teague, Mr. Wainwright, Mr. Laird, Dr. Houston, General McAuliffe, Dr. Bowles, and Dr. Crawford.

The Board elected General McAuliffe as chairman for the 1959 annual visit.

Senators BRIDGES and KEATING were detained in Washington by pressure of congressional business until the morning of April 11, when they joined the other members at West Point.

It is regretted that the appointment of Dr. Hatcher and Dr. Kerr to the Board was so late as to make it impossible for them to participate in the visit.

Congressional business caused the departure of Mr. TEAGUE at 9 p.m. on April 10, and a prior engagement required Dr. Houston to depart at 7 a.m. on April 11. The remainder of the Board departed following the final meeting of the Board, which ended at 1:45 p.m. on April 11.

5. PROCEDURE

The detailed program followed by the Board in its visit is appended and marked "Exhibit C." The mornings of April 10 and 11 and the afternoon of April 10 were devoted to inspections, observation, and conferences. On the evening of arrival the Board viewed a film made of the summer activities of the Third Class, U.S. Corps of Cadets, at Camp Buckner, a type of training which the Board has not heretofore seen because of the time of year at which that training is conducted. In several instances on April 10 and 11 the Board was divided into groups so that simultaneous observation in different fields was possible. Special conferences and interviews were arranged for members of the Board who wished information on matters not covered by the program of the Board as a whole.

6. COMMENTS

(a) *Morale*

Formulation of a definitive judgment in this matter during the brief stay of the Board at West Point is obviously impossible, but in the cadets, officers, and enlisted men with whom the members came into contact there was no indication of lack of morale.

(b) *Discipline*

The Board saw no evidence of lack of discipline and believes that a satisfactory standard is being maintained. It would like, however, to inform itself better concerning the disciplinary procedures incident to the training of new cadets during the summer months, and indicated its desire to see at firsthand the conduct of that training.

(c) *Curriculum*

Under the direction of the Superintendent a lengthy and detailed study of the curriculum is being made, and is now approaching its final stages. Four members of this Board have been closely associated with the study since December 1958. Changes in the curriculum are doubtless imminent and the Board believes that the critical evaluation made by the Military Academy itself will result in a curriculum appropriate to the future needs of the graduates and of the military service.

It appears that elective courses may replace parts of the now fully prescribed curriculum. Because the teaching of the pure and applied sciences at the Military Academy is a responsibility divided among so many departments, it is hoped that those departments will work together in the formulation of a program which will be planned as a sequence in terms of breadth and depth of coverage, and will be supported by suitable electives. The Board notes that nearby universities, research institutes, and scientific schools form one of the world's greatest reservoirs of scientific talent, both for specialized instruction and for advice on program planning.

(d) *Instruction*

(1) Academic: The Board in small groups or as individuals visited classes in session to observe instruction. The participation of the cadets themselves in the conference type of classroom session must be heartwarming to an instructor, but it is recognized too that at least a part of that participation is sparked by the instructor's own interest, enthusiasm, and preparation. The quality and training of the instructors compare favorably with those of the instructors in our good civilian colleges. The fourth class may be said to have an advantage over freshman classes in many colleges because all of the former's instructors have been trained and prepared for the assignment, whereas the graduate assistants to be found in many schools are nonexistent at West Point.

(2) Military: No actual tactical instruction was observed. The Commandant of Cadets outlined the military training program to the Board. To judge from the film on summer training activities, the means for military instruction are on hand. No deficiencies were observed or reported.

(e) *Physical equipment*

(1) Cadet barracks: The Board visited a former academic building which is now being converted into cadet barracks. Problems in adapting fenestration of former classrooms to the smaller rooms occupied by cadets as living quarters are being satisfactorily overcome. The interior, as converted, will present in its generally horizontal plan an appearance quite different from the vertical development of the divisions of other cadet barracks. No significant problems of administration should, however, result from this difference. The barracks should be ready for occupancy prior to organization of the Corps of Cadets for the academic year 1959–60.

But even with this conversion, several hundred cadets will continue to live three in a room designed for two. A plan drawn for the erection of an additional barracks on a site between existing barracks and the hospital was presented by the Superintendent, who considers the need for additional space most pressing. The new construction appears feasible and would permit the Corps of Cadets as presently constituted to be housed two to a room, the optimum condition for community living, for study, and for the maintenance of the numerous articles of cadet uniform.

(2) Housing for Officers and Enlisted Men: A housing shortage exists in the area surrounding West Point, which makes it extremely difficult to find a place to live for the overflow of officers and enlisted men at West Point. At the present time approximately 100 officers and more than 250 enlisted men entitled to quarters must seek homes in surrounding communities. The quality of housing available is low and much of it is at such distance from West Point as to place undue hardship on those whose duties at West Point begin at 7:30 or even earlier in the morning. An additional factor is the nearness of Stewart Air Force Base, whose officers and men are faced with the same problem and whose area of search for housing overlaps that of West Point personnel.

The Military Academy has prepared plans for the construction of additional housing at West Point. Members of the Board viewed potential construction areas and were impressed with the engineering obstacles to be found everywhere. Since level terrain is scarce and is required generally for training purposes, places which are suitable for housing construction are limited. Because utilities must be extended to any new area, and because the underlying rock formation makes site clearing and all construction especially expensive, costs cannot be held within the limitations set for Capehart housing, without reducing to a ridiculous figure the size of the houses provided. The Board concludes that direct appropriations for housing at West Point will be required to provide minimal accommodations, and that the human needs of the officers and enlisted men concerned make the provision of additional housing essential.

(3) Library: Next in order of the superintendent's priority for West Point is improved and expanded library space. The present building was constructed primarily as an observatory. On two occasions since it became a library it has received additional space, once by expansion into one of the academic buildings and later by construction of a new wing. Whereas a rule of thumb for college libraries would provide seats for one-quarter of the student body, the seating capacity at West Point will accommodate less than one-tenth. Many books of general interest are necessarily kept in reference rooms of departments of instruction, available but not readily accessible, and sometimes inaccessible during library hours.

Growing emphasis is being placed at West Point on the use of multiple texts, especially in the humanities. Individual research, a balancing of opinion, the drawing of individual conclusions—such are some of the requirements of modern education, and they cannot be accomplished without the use of a library.

The anticipated introduction of elective courses will again expand the use of the library. Some of the electives under consideration will be of the seminar type for which no one textbook or group of textbooks will be sufficient. And the very fact that a cadet is studying a subject of his own choosing will doubtless lead to more background reading by the student. It is not impossible that the lack of adequate library facilities could jeopardize the academic standing of the U.S. Military Academy.

The superintendent has considered the solicitation of contributions from individuals or foundations for the construction of a new library at West Point. While such persons or foundations could rightfully be proud of their part in the intellectual development of the cadet, it seems highly undesirable to leave room for questioning the Government's concern for an important aspect of education. The Board believes that prompt action should be taken to provide an adequate, modern library for West Point, a suitable companion-piece for the remainder of the academic plant.

(4) Recreational facilities: The Board notes with approval the continuing concern of the Military Academy for the provision of suitable recreational facilities for cadets during their off-duty hours. Individual members have noted the increase in such facilities at West Point in the past year or the past 2 years. All hope for continued fruitful effort in this field.

A plan for a cadet activities building was presented to the Board. The proposed building would support all the activities of the cadets and its construction is very desirable, but the estimated cost is so great as to indicate considerable delay in obtaining the necessary funds. The Board hopes that ways may be found to proceed with such a building.

(f) *Fiscal affairs*

No serious deficiencies were reported to the Board, and no major problems of operation are known to exist.

(g) *Religious activities*

The Board visited the cadet chapel and the Catholic chapel, and it was also informed of the provision of services for cadets of the Jewish faith. The Catholic chapel is currently being almost doubled in size, by the use of private funds. All

cadets are given opportunity to attend religious services during the week, in addition to the compulsory attendance on Sunday. Cadet participation in the choirs, in Sunday school teaching, and in religious discussion groups, indicates that there is a healthy spirit of service and of interest among them.

Catholic and Jewish chaplains are provided by the agencies of those two faiths. The cadet chaplain is selected from the Protestant faith and is appointed by the President. He is assisted by another chaplain paid from private funds. But the statutory limitation on the pay of the cadet chaplain makes it ever more difficult to obtain the services of a clergyman with the qualities so necessary to inspire and guide moral and spiritual development among the cadets. Several ministers approached have indicated their willingness to accept some reduction in income in order to undertake this important task, but not a reduction to the $5,600 per annum now paid to the cadet chaplain.

The Board believes that few things are more important than a lively and strong faith, and that a few thousand dollars per year should not be permitted to stand in the way of procuring vigorous and able leadership in this field for the cadets. It is reported that proposals to increase the pay of the cadet chaplain and to provide him with an assistant chaplain are being submitted to Congress. It is hoped that they will meet with favorable action by the Government.

(h) Strength of corps of cadets

The Army expects to receive approximately 1,200 new officers each year and would like to have about half of them come from the service academies. To date it has not been possible, except in isolated years, to attain the figure 600 from the academies. Part of the problem here lies in the fact that the authorized strength of the corps of cadets is set for the date of admission of a new class. Because attrition immediately sets in, and because admission occurs only once a year, the corps of cadets is below authorized strength for almost the whole of every year.

The Board of Visitors was informed that proposals are to be made to Congress by the Department of Defense to overcome the effects of this understrength period.

It would appear that all requirements for housing, etc., should be based only on the authorized strength of the corps of cadets. But the facilities for feeding the cadets and the hospital to support them are already available. Personnel requirements for instructors need not change unless there is a great change in the size of the corps. Thus, with the acceptance during the first few months of each academic year of some additional crowding in barracks, with which all recent classes of cadets are familiar, a larger number of cadets could be trained at no additional expense to the Government other than the pay and subsistence of the additional cadets.

The Board of Visitors is sure that these factors will be weighed when the anticipated proposals are offered.

(i) Designation of additional alternates

Under present conditions a Member of Congress may find that, through no fault of his own, cadets appointed by him have become concentrated in certain classes. If two or more are members of the same class, no appointment can be made in at least one year out of four. Yet good prospects present themselves every year and, forced by lack of vacancies to enroll in other colleges, are frequently lost to the military service for which they had once had a strong preference.

The Board feels that Members of Congress who have no vacancy to fill in a given year should still have the opportunity to nominate alternates who would thus be able to compete on the national level for one of the additional appointments now authorized by law. This procedure would lend support to the Superintendent's search for quality in the entering class of cadets by broadening the base from which to select those who are to receive the additional appointments to be made.

(j) Internal procedures of Board of Visitors

The Board takes this means to suggest to subsequent Boards of Visitors certain items of procedure that seem desirable. They are placed herein because they will thus be recorded in a form which will come to the attention of Boards appointed in the future.

(1) For a majority of the Board an annual visit in April seems to be best. Recent experimentation with changing dates for the visit has not accomplished the desired effect.

(2) More contact between the Board of Visitors and the United States Military Academy in the period between annual visits is desirable.

(3) Assignment of special spheres of interest to groups of Board members for study during the annual visit should permit greater depth and breadth of coverage of the activities of the Military Academy. A program for the whole Board as a group is deficient in this respect.

In extension of the suggestions in subparagraph 6b and in subparagraph 6j(2) above, the present Board is considering a visit by part of the group to West Point during the summer, to observe the summer training of cadets at West Point and to engage in free and extended discussion with cadets to ascertain their feelings with respect to the Military Academy, its aims, and its accomplishments.

7. RECOMMENDATIONS

(a) Curriculum

That the heads of departments which instruct in pure and applied sciences at the United States Military Academy consult with qualified scientists in the formulation of an integrated science program at West Point and in the establishment of suitable elective courses for its support.

(b) Cadet barracks

That construction of an additional barracks on a site adjoining the present cadet housing area be undertaken, so that each cadet may have a suitable amount of space for normal living.

(c) Housing for officers and enlisted men

That the 156 sets of family housing for which preliminary plans have been drawn be constructed and that funds therefor be sought as a direct appropriation rather than under the Capehart plan, because the limitations under that plan are too low for this high-cost area.

(d) Library

That steps be taken at once to construct a new library, with suitable provision of space therein for increased use of the library. Greater facilities are necessary for a modern, expanding curriculum.

(e) Chaplain, U.S. Military Academy

That the chaplain be provided with an assistant chaplain to minister to the U.S. Corps of Cadets, and that the pay and allowances of both be set at figures which will make it possible to secure vigorous and understanding young leaders for both important posts.

(f) Nomination of alternates when no vacancy exists

That the Department of the Army investigate the possibility of changing present admission procedures to permit Members of Congress to nominate alternates in a year when no vacancy in the Congressional district (state in case of a Senator) is available.

8. CONCLUSION

It is our belief that the Military Academy, under the leadership of its Superintendent, Lieutenant General Davidson, is progressing in tune with the times and the expanding needs of its graduates. The staff and faculty appear to be dedicated to the important task in which they are participating. The cadets take pride in themselves; they give every evidence of loyalty, of enthusiasm, of devotion to high standards of honor and duty. The mission of the Military Academy has been entrusted to capable and willing hands and is being faithfully accomplished.

Anthony C. McAuliffe, General, U.S. Army, retired, American Cyanamid Co.; Samuel S. Stratton, U.S. House of Representatives; Louis C. Rabaut, U.S. House of Representatives; Olin E. Teague, U.S. House of Representatives; Stuyvesant Wainwright, U.S. House of Representatives; Melvin R. Laird, U.S. House of Representatives; Styles Bridges, U.S. Senate; Kenneth B. Keating, U.S. Senate; William V. Houston, President, the Rice Institute; Frank H. Bowles, President, College Entrance Examination Board; Ivan C. Crawford, Consulting Engineer.

Higher Postal Rates

EXTENSION OF REMARKS

OF

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1959

Mr. HÉBERT. Mr. Speaker, sometime ago I had some remarks to make about the proposed raise in postal rates.

My remarks drew a letter from the assistant postmaster general which, in turn, caused me to reply to him.

I think the exchange of correspondence speaks for itself:

POST OFFICE DEPARTMENT,
BUREAU OF FINANCE,
Washington, D.C., June 1, 1959.

Hon. F. EDWARD HÉBERT,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HÉBERT: Your statement on postal rates and public service costs, reported in the CONGRESSIONAL RECORD of May 14, 1959, has been called to my attention.

You expressed in your statement the view that the postal rate adjustments recently proposed by the Postmaster General are in conflict with the public service reimbursement provisions of Public Law 85-426. I am taking the liberty of calling to your attention that this part of your statement is apparently based upon a misconception which I am sure you would wish to have invited to your attention.

The rate proposals of the Postmaster General will produce additional revenues in the amount of about $350 million. This compares with a minimum anticipated deficit of more than $522 million in fiscal 1960. Thus it is apparent that even if the maximum amount of public service reimbursement estimated in the President's budget—

$172 million—is made in the appropriations act now under consideration there still will be sufficient loss to warrant the rate increases proposed by the Postmaster General.

The Senate Committee on Appropriations, in its recent report on the Post Office Department's appropriation bill for fiscal 1960, estimated the total public service costs at $37.4 million. Should this view be endorsed by both Houses, the need for postal rate increases over and above the amount of reimbursement for public service costs would be even greater.

For many years prior to World War II first-class revenues were maintained at an average annual level of 40 percent above allocated costs. At present such mail is only 12 percent above cost. The proposed rate adjustments submitted by the Postmaster General would raise the cost coverage of first-class mail, the Department's prime service, to the level previously maintained by the Congress.

I trust the information provided above will place this problem in better perspective and eliminate any possible misunderstanding which may have arisen in regard to the need for postal rate increases apart from the question of reimbursement for public service costs.

Sincerely yours,

HYDE GILLETTE,
Assistant Postmaster General.

JUNE 11, 1959.

Hon. HYDE GILLETTE,
Assistant Postmaster General,
Post Office Department,
Bureau of Finance, Washington, D.C.

DEAR MR. GILLETTE: This will acknowledge receipt of your letter of June 1, in reply to my recent statement (CONGRESSIONAL RECORD, May 14, 1959, p. 8224), respecting the request of the Postmaster General that the House consider a bill to increase postal rates on first-class mail.

The proposed bill has not been introduced in the House, but has been introduced in the Senate as S. 1923.

Your letter confirms my understanding, that the bill to increase first-class postal rates is designed to tax one class of mail-users, to "produce additional revenues in the amount of about $350 million," in order to reduce "a minimum anticipated deficit of more than $522 million in fiscal 1960."

You further state that the "proposed rate adjustments submitted by the Postmaster General (now incorporated in S. 1923) would raise the cost coverage of first-class mail, the Department's prime service" to "40 percent above allocated costs."

As I understand your letter, it is the position of the Post Office Department that the revenues obtained from first-class mail, in excess of the cost of handling that class, should be applied to the cost of handling other classes of mail at reduced rates, and to offset losses incurred in performing "public service."

In other words, the users of first-class mail would be required to help pay for the cost of handling other classes of mail, which are presently being handled at a loss, despite the fact that it is the declared policy of the Congress that each nonprivileged class should pay its own way.

You maintain that the anticipated deficit of the Department, which the users of first-class mail are bing called on to underwrite, is far in excess of the cost of financing the Department's "public services," estimated by the Senate Committee on Appropriations in its recent report on H.R. 5805, at $37.4 million.

H.R. 5805, a bill to appropriate almost $4 billion for Post Office Department operations in the fiscal year beginning July 1, 1959, did not, originally, provide for the financing of the cost of the Department's "public services" out of the general fund of the Treasury, because, according to the House Appropriations Committee, "the concept of payment for public services under the Postal Policy Act of 1958 is a device which invites flagrant abuse in the form of hidden subsidies."

Although the Senate Appropriations Committee gave some effect to the Postal Policy Act, by amending the House version to appropriate funds to finance the subsidized services of the Department, I am impelled to point out that the Senate approved its Appropriations Committee's estimate of the total cost of the Department's public services, over the strong protest of its Post Office Committee.

Senator JOHNSTON of South Carolina, the chairman of the Post Office Committee, favors a further study of the cost of the public services to give a realistic appraisal of such costs.

He has pointed out that a base congressional action on such an unrealistically small public service cost figure as $37.4 million, would nullify the Postal Policy Act of 1958, which calls for all mail users to pay the cost of service they receive, after public service costs of the Department have been itemized and removed from postal costs for rate-making purposes.

Senator CARLSON, of Kansas, ranking minority member of the Senate Post Office Committee, agrees that "the $37.4 million figure is but a fraction of the cost of public service performed by the postal establishment."

It is quite obvious that some definitive, sound method for computing the cost of the Department's "public services," as well as the realistic cost of handling the various nonprivileged classes of mail, must be adopted, if we are to give full effect to the Postal Policy Act of 1958.

The present method of taxing one class of mail users, without relation to the cost of services rendered—of which the proposed bill to increase first-class mail rates, and the present tax on the advertising content of second-class publications are two prime examples—clearly conflicts with the Postal Policy Act of 1958.

The introduction of S. 1923 to increase first-class postal rates, couples with the unrealistic appraisal of the cost of public services performed by the Post Office Department, in the bill to appropriate funds for postal operations, will have no less effect than to scuttle the Postal Policy Act of 1958, despite the fact that this statute has not been repudiated expressly.

Sincerely yours,

F. EDWARD HÉBERT.

Administration Hands Banks 15 Billion "Free" Dollars—S. 1120, Vault Cash Bill

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EXTENSION OF REMARKS
OF

HON. GERALD T. FLYNN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1959

Mr. FLYNN. Mr. Speaker, last week I joined the ever-growing number of Congressmen who are expressing their deep concern about, and strong opposition to, bill S. 1120, commonly known as the vault cash bill. In my talk of June 5, I set out a chart showing how the banks of America, who sell Government bonds, last year and this year, and probably for some time to come, are completely avoiding the payment of income taxes to the Federal Government—and are not only avoiding the taxes, but are making a tidy profit in addition thereto, over and above profits made by those banks which pay their taxes and hold the 2½-percent bonds. I pointed out that the interest rate increase of about 2 percent on the national debt came about because the Federal Reserve System and the Federal Reserve bank went on strike against the United States and refused to support the bond market of the country. This forced the U.S. Treasury to increase the interest rate on bonds in order to secure buyers. The high interest rate increase on current bonds brought down the value of bonds so that Government bonds with 10 years before maturity are worth only $82 on the hundred. This affects widows, orphans, trust funds, and institutions who invested their money in Government securities so that they would have a stable investment which could be cashed in at full value in time of need.

I further pointed out that the increased interest on the public debt because of this 2-percent increase in interest is close to $6 billion a year, and these are inflationary dollars, because the public gets nothing more for them than they received previously. It also increases the taxes that the citizens of this country must pay.

I rise now, Mr. Speaker, to point out that the $6 billion which the holders of the bonds receive, in additional interest from the public Treasury will be further increased if this Congress adopts the President's proposal of removing the interest limit. For each one point of interest that the Treasury adds to its bonds, the people of the Nation will be forced to pay out annually during the life of those bonds 3 billion inflationary dollars, in addition to those already being paid. I point out, Mr. Speaker, that this is but a small part of the huge increase which the banks within the fold of the Federal Reserve System gained from their strike against the people of America. The increase in interest on the public debt forced up the interest rate on all private, business and municipal debts of this Nation by a corresponding 2 percent. This means that the banks are extracting from our citizens individually, from the municipalities for bond issues which are paid by the individual citizens in the form of taxes—and from business institutions—an additional interest that probably runs ten times what the increase in interest on the national debt runs. This increased interest at even 4¼ percent is a fantastic instrument in the revenue it produces for the banking fraternity and also the fact that it completely releases banks, through the devices above mentioned, from paying any Federal income taxes to the Government for a several-year period.

I want to point out, Mr. Speaker, that the banks last year secured from this Congress $10½ billion and were permitted and did, for the most part,

under Federal Reserve Bank rules issue approximately 7 dollars for each dollar received. These were inflationary dollars. They were printing press dollars backed by the credit of the United States. This year, under the vault cash bill, with the Federal Reserve Bank having only about $25 billion of U.S. bonds and other securities, the member banks are asking that the Congress make it possible for the Federal Reserve Bank to give the member banks without consideration and free of tax, either income or gift tax, $15 billion worth of these securities. This, they are asking, from a Government that is more deeply in debt than at any time in history—from a Government which is unable to balance its budget and from a Government which is currently being asked to increase its debt limit by $12 billion.

Mr. Speaker, the two-time honored methods of controlling inflation are either by the Federal Reserve bank increasing the interest rate or by increasing the reserve of member banks. The Federal Reserve bank recently increased the interest rate and now proposes instead of increasing the required reserves of the banks to give the banks 15 billion inflationary dollars. These will feed inflation.

Let me call your attention to what will happen. Each bank will have the right to issue $700 for each $100 it receives and in total, will thus issue $105 billion worth of new money. This will be in addition to the new money issued last year. This will be $105 billion worth of inflation. So that instead of the Federal Reserve Bank controlling inflation it will be feeding inflation to a greater extent than ever before in the history of this country. This country will not be through with the giveaway to the banks even after the Federal Reserve System pays out this $15 billion, for the possibility exists, which may well become a fact, that this country will be forced to continue for the next 25 years to pay these same banks the added sum of $5 billion per year.

Here is the way it will work. This Government will refinance about half of its public debt by 1962. The Treasury and the President are asking for the interest ceiling to be removed so that debt can be refinanced on a long-term basis. There is no interest ceiling on short-term financing which includes Government obligations maturing within 5 years. The Treasury Department must, therefore, plan on engaging in long-term financing over about 25 years which will place the interest burden on our children as well as ourselves. The banks, upon receiving the $15 billion, will print $7 for every $1 received and will end up with $105 billion. They can use the money to buy $105 billion worth of the new long-term bonds that the Treasury will issue in refinancing the public debt on a long-term basis. If we remove the interest ceiling, these will undoubtedly be 5 percent bonds and the interest on them will exceed $5 billion per year until maturity which will probably be 25 years. This means, Mr. Speaker, that we start out by giving the banks $15 billion without consideration or even any tax. The banks use this money, plus the credit of the United States to print paper money bearing the seal and name of the United States, to the extent of $105 billion. This money issued on the credit of the United States is then turned back to the U.S. Treasury in return for 25-year 5-percent Treasury bonds—bonds, Mr. Speaker, which require the people of America to pay annually to the banks as interest thereon a sum in excess of $5 billion. This means that over a 25-year period, which will be the life of the bonds, this country will have paid to the banking fraternity of this Nation the total sum of $140 billion. All of this money will have been paid to the banks without the banks having invested 1 cent of their own money. All of the money involved will be money that was originally owned by the United States—money which was given to the banks and on which they collected interest.

Mr. Speaker, if the Federal Reserve Bank canceled this $15 billion in bonds at the present time and if the Congress would pass a bill which I introduced in the House requiring the Government to retire the public debt at the rate of 2 percent a year, which at 2 percent a year would be approximately the same amount per year that this Government will pay in interest on the money above mentioned—in 25 years, the Government will have reduced its debt to approximately one-half of what it is today.

Mr. Speaker, I point out that the member banks of the Federal Reserve System who have failed to support the bond market of the United States are in no way entitled to a $15 billion giveaway from the U.S. Treasury, and that to give the banks this money will be a crime against every citizen, every business institution and every municipality paying taxes to the U.S. Government.